Digital Natives and the future of travel: How will the new generation travel tomorrow?

EXECUTIVE SUMMARY

Introduction
With the emergence of Web 2.0, digital natives have become extremely influential customers for the tourism and travel industry. Trend forecasting agency PeclersParis analysed for Amadeus the impact of the arrival of this new generation of consumers and future opportunities for travel professionals.

The objective of this prospective survey is to analyse the major attitudinal, social, political, economic, cultural and technological trends that will drive change in consumer attitudes and behaviour regarding the travel industry in the next 10 to 15 years – trends that will guide the development of new services and solutions for Amadeus. These same trends will have a strong impact on the tourism and travel industry and influence the sector’s future development strategies.

Context
Younger generations of consumers around the world are exposed to ever-expanding choices in lifestyle, media and entertainment, services and brands. This cultural medley, or “mixed modernity”, is engendering new consumer needs and attitudes. Every habit is growing with the expansion of digital technology and the rise of hyper-connectivity. Moreover, we are seeing the emergence of a lifestyle in which professional and leisure travel are blurred, with a growing number of migrations. Individualism is coupled with a need to re-humanize consumption, and people are showing a desire for more fulfilling and personalized experiences.

Who are Digital Natives?
“Digital Natives” – also known as “Millenials” or “Naturals” – are the generation born in the digital era of computers, Internet, video games, mobile phones and MP3 players. These manifold technological changes and the resulting habits are at the root of new trends and attitudes set to have an increasingly important affect on the way we consume.
“Digital Natives” use these new technologies on a daily and quasi-natural basis. They have a very wide range of options for staying in contact that are instant, easy to use and do not actually require being physically present.

Moreover, their lifestyle and their ideology also diverge from conventional standards. Most of them have had a mobile phone since they were 13 or 14 and they all know how to use social media, such as Facebook, MySpace and forums. They are also used to a hectic pace of life and are proficient at multitasking. Young people today start working later but at the same time are increasingly autonomous regarding leisure and hobbies, mainly because the new media have brought them greater access to culture.

Digital Natives were born in the globalised world and know how to decrypt the rules of marketing, advertising and brands. Furthermore, their attention is immediately drawn to images or videos when they seek information and they explore its content afterward; they prefer to have random access to hyperlinked information. Digital Natives also prefer the consensus generated by their network of friends and family to the supposed reliability of the traditional media. This is why they represent a real challenge for marketing teams, who base their strategies on the requests of “Digital Immigrants” that are generally at odds with this approach.

**Digital Natives: 7 key trends for the future of travel**

**• Trend 1: Managing identities**

Individualistic yet also community-minded, Digital Natives seek both distinction and personalisation, which they find in online communities through the use of pseudonyms and avatars. Different sites meet these needs, such as www.16apps.com or www.LikeCube.com, which enable users to personalise services in accordance with their Internet usage.

**=> Focus on travel agencies and travel service providers:** Market positioning as unique “travel partners” fully able to filter content and generate personalised offers.

**• Trend 2: Making life easier**

Digital Natives consider the use of the digitally-enabled virtual world to be a real tool for accessing and sharing information. They want constant access to the web and 24/7 assistance. In addition, the ability to access and save information is becoming an essential condition for services, given that communication exchanges are growing exponentially.
Focus on travel agencies and travel service providers: Offer online advisors available around the clock and a personal space for customers so that they can save all the information relating to their trip.

- Trend 3: Finding the best price

When looking for sales, top tips and promotions, Digital Natives turn to the Internet and, in particular, comparison sites to find the best offers and the lowest prices (e.g. www.yapta.com, www.mobissimo.com). Other equally popular practices for finding value-for-money services include booking well in advance or at the last minute, travelling out of season, and buying low cost tickets.

Focus on travel agencies and travel service providers: Offer competitive deals in real time, which the customer can easily compare.

- Trend 4: Widening networks

Digital Natives are very attached to their community and want to share with others, while at the same time learning about and discovering issues that interest them. Social media sites offer exactly this opportunity and they have a very powerful influence. They are fundamentally altering the media, service, communication and advertising arena.

Focus on travel agencies and travel service providers: Create links with social networks and enable Internet users to create content on agencies’ sites in order to prolong the online experience.

- Trend 5: Communicating in real time

Still not referenced by Google, this covers all the means of communication of the “instant messaging” or “forum” type via which millions of conversations and digital information transfers are carried out (e.g., Flickr for photos, Facebook for friends, LinkedIn for professional networks, etc.).

Focus on travel agencies and travel service providers: Communicate in real time on all information relating to customers’ trips in order to keep them up to date.

- Trend 6: Finding your way around, anytime and anywhere

Bar codes and tags enable people to obtain information in real time on a given product or service, no matter where or when. Now, thanks to GeoBrowsing, users have access to a whole range of location data: information on the population, going out, restaurants, even the location of the other people on their network…
Focus on travel agencies and travel service providers: Create partnerships to offer tagged routes and allow travellers to access information that could add to the enjoyment of their holiday.

- Trend 7: Augmented reality

The principle of augmented reality is present in a number of Smartphone applications (iPhone, Blackberry, Android). Augmented reality enriches visitors’ experiences by offering content associated with what they are currently looking at. For example, users of certain applications are able to superimpose real images and generate “captions” on the viewfinder (showing restaurants, street names, underground lines, etc.).

Focus on travel agencies and travel service providers: Develop as many tools as possible that can be downloaded on Smartphones, allowing users to get more information and to continually adapt trips in accordance with their preferences.

The main developments

- The importance of multi-channel strategies

The use of mobile technologies and the Internet is a key trend. Digital Natives want to be able to reserve, change and check information at any time on the Internet or via their mobile phones. This strategy must generate synergies between the different distribution networks in order to produce greater advantages for consumers. Each distribution channel has its own specific characteristics, so the variety of services on offer can only be improved. In addition, agencies must no longer appear to be a travel service provider but instead a real “travel partner and adviser”, simplifying access to travel options and being able to provide the information sought by the traveller at any time.

- Personalised services or the importance of niche marketing

Digital Natives want à la carte service. They require niche offers that, most importantly, they can personalise. This is possible via the development of intuitive search tools (searching in accordance with tastes or styles of travel rather than by destination) which allow greater participation of first-time travellers in the buying process. Travel agencies are then able to give full play to their advisory role to provide guidance to the traveller. Agencies must also introduce new travel offers focused on event-driven or personal themes. It is therefore important to be able to ‘unpackage’ offers so as to make each trip unique.
In terms of services, the Internet and mobile applications offer new possibilities for personalisation, in particular via the creation of a personalised space for customers, enabling them to retrieve information and to be presented with made-to-measure offers.

This new paradigm is an opportunity for brands to maintain closer relationships with customers and make new contacts. Physical sales outlets sustain the human side of the relationship while mobile applications strengthen the range of services that can be offered to customers.

- **Gathering and sharing information and the use of social networks**

Digital Natives are, paradoxically, both individualists and community-minded. They are looking for information, more knowledge and more transparency, while placing a growing importance on their communities, enabling them to explore and discuss subjects of interest. They like to receive recommendations from people who share these same interests. This sharing continues during and after the trip, as they post content on community sites.

It is therefore important to be involved in “online community management”, in other words to be present on these networks and to strike up conversations with Digital Natives in a transparent manner. The challenge is to have the right tools for validating, organising and updating the information provided by the community members in order to be able to offer services and products that are pertinent and reliable.

Lastly, the content offered to Internet users must be adapted, by prioritising videos, interactive tools, areas where users can state their opinion, etc.

- **More responsible tourism**

Digital Natives set great store by tourism that respects the environment and local populations, whence the necessity of creating new labels that satisfy the new generation’s requirements on transparency. Developing partnerships with local producers meets these new needs for authenticity.