

OCTOBER 2016

THE MILLENNIAL BRIEF ON
**TRAVEL &
LODGING**



 TRENDS REPORT

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About FutureCast®

FutureCast® is a marketing consultancy that specializes in millennial trends and modern consumer behavior. We actually wrote the books on it. *Marketing to Millennials* and *Millennials with Kids* are top selling marketing books that have renovated businesses all over the world. We utilize our deep understanding of the Millennial Mindset® audience and a proprietary typing tool to help brands identify their unmet consumer needs across generations fueled by millennial cultural trends to unlock their greatest opportunities for activation.



About Barkley

At Barkley, we take pride in future-proofing business models and modernizing iconic brands. However, we are more than an ad agency. We are integrated business partners who are analytic and innovative at the core, using data to drive marketing conversation and strategies. This culture of innovation allows us to partner with our clients to create the solutions of the future. Our emerging technology innovation practice has built and deployed new technologies that create more engagement with the savviest generation of consumers we've ever seen.



TRAVEL FOR A NEW GENERATION

Travel doesn't just stand for getting from one destination to another for millennials. Traveling is a **part of their identity** — a vital experience that helps them understand, grow and continuously reinvent their sense of self.

In fact, it is so important to this generation that it ranks higher than escaping from their student loans, buying a “big ticket” item, improving relationships with family and friends or even starting a family of their own.¹

When we put this into consideration, it comes as no surprise that millennials are more likely than any other generation to take vacations. They also travel more for both leisure and business compared to generation X and baby boomers.² Additionally, millennial attitudes toward travel and travel-related spending are the most favorable among all generations and they have the highest average spend per trip at \$879.³ In total, millennials are spending an average of \$200 billion on travel each year, and this amount is only set to grow as the number of travelers among this generation increases and reaches their most lucrative spending years.⁴

Millennials' vested desire to explore coupled with their willingness to spend on experiences that allow them to do so is good news for the overall hospitality industry, which includes food and beverage, recreation, lodging and travel and tourism, as it is leading to significant advancement in the space.

HOWEVER, WHEN IT COMES TO THE LODGING SECTOR SPECIFICALLY, THE GROWTH HASN'T BEEN SHARED EVENLY. LODGING IS FACING GREATER HARDSHIPS COMPARED TO OTHER HOSPITALITY SECTORS DUE TO EMERGING TECHNOLOGY AND THE VAST AMOUNT OF DISRUPTOR BRANDS CROPPING UP.

These disruptor lodging brands are so far resonating highly with all travelers, as Airbnb alone has seen revenue and bookings double from 2014 to 2015⁵ and an increase of value to \$25.5 billion as of June 2016.⁶



● **BUT DON'T WORRY JUST YET
— THERE IS STILL A PLACE FOR
TRADITIONAL LODGING.**

While millennials are the travelers driving prosperity for disruptor brands, their behavior indicates they still have a loyalty to traditional lodging brands. Last year 86 percent of hotels were able to raise their room rates and another 80 percent saw an increase in revenue per room available (RevPar), according to research conducted by the CBRE group. This allowed many U.S. hotels to reach the top of the business cycle last year. However, the challenge is that the demand has reached a peak for many businesses in the space.

“This [increase in occupancy] is an indicator that hotels are approaching the top of the cycle when occupancy is at near capacity levels and in certain markets the negative consequences of new supply growth are being felt,” said Mark Woodworth, Senior Managing Director of CBRE Hotels’ Americas Research in an interview for Hospitality Online.⁷

Fortunately, there is an opportunity to connect with a new generation of travelers. Millennials make up 70 percent of all hotel guests,⁸ and those between the ages of 25 and 34 with a yearly income of \$75,000 and higher are staying at traditional hotels more often than they are embracing the sharing economy.⁹

However, lodging brands will need to step up their efforts in order to see growth in market penetration and rank higher in the consideration set of these millennial travelers. It starts with getting inside the mind of this consumer group and exploring the unique approaches used by brands on the forefront of this category evolution.

This report is filled with the most valuable information found from our own proprietary FutureCast/Barkley research and that of credible third party firms to highlight what we believe to be the most important characteristics of millennials in this space, best-in-class examples of lodging brand strategy and what millennial influence means for the future of the lodging industry.



WHO ARE MILLENNIAL TRAVELERS?

When exploring the world of millennial travelers, especially as it relates to the lodging category, it is important that we consider the various tensions that exist in the space (chart at right).

These tensions come to life when we explore the characteristics that define millennial travelers today. They also serve as a foundation for better understanding their motivations and consumer journeys. Brands cannot expect to see their occupancy rates increase or generate higher demand in the market without first understanding the motivations of this powerful group of travelers and potential lodging guests.

TENSIONS

COMFORTABLE VS. EXPERIENTIAL	What am I expected to do?	How can I explore outside of my comfort zone?
DIGITAL VS. IRL (IN REAL LIFE)	Is this an experience I want to share with my social networks?	How can I live in the moment and not be distracted by daily technologies?
REALISTIC VS. ASPIRATIONAL	What can I afford?	What do I want?
PLANNED VS. SPONTANEOUS	Can I fit everything I want to do in my itinerary?	How do I take advantage of in-the-moment opportunities?
INFORMED VS. INSPIRED	What brands can I rely on for accuracy and transparency?	What brands can I rely on to inspire my next adventure?





MILLENNIAL TRAVELERS ARE...

PART 1 EXPERIENCE PIONEERS

We know that millennials are highly experiential consumers, placing a higher value on experiences than products. In fact, one out of four millennials would rather spend money on a desirable experience or event instead of buying a product or service, according to Eventbrite. These experiences range in magnitude and price but all have one thing in common: the experience Millennials are looking for is not a commodity product. It is not something that can be packaged and sold on a store shelf or purchased in an online checkout cart. We've found that millennials over index when it comes to a desire for acquiring experiential capital and collecting memories worth sharing with their networks.

When it comes to travel planning, this group is largely motivated by the collective experiential value of the trip. However, they see decisions related to destinations, accommodations and excursions as individual pieces to a much larger puzzle.



Millennials are less interested in packaged travel reminiscent of yesteryear's family vacation to the beach and instead desire to engage in immersive, interactive and hands-on opportunities. After all, millennials view traveling as vital to the development of their personal narrative and identity, so it makes sense that they want more out of a trip than a great tan. They are also reintroducing the trend of food tourism by planning trips with local cultural cuisine in mind. Nearly three-fourths of millennials seek unique restaurants and dining experiences when deciding where to travel.¹⁰



As a result, when millennial travelers hit the road, they don't see themselves as tourists — they are experience pioneers.

Millennial travelers aspire to expand their horizons, explore uncharted territory, discover new things and advance their personal identity through experiential adventures. This might explain why millennials disproportionately favor the sharing economy over mainstream hotels, suggesting that they value an authentic lodging experience over a manufactured tourist experience. Knowing this, lodging brands must recognize that millennials are highly influenced by brands that are able to help them create a unique and meaningful experience outside of the four walls of their lodging accommodation.

QUICK FACTS

- **55%** of millennials agree that travel is all about discovery and adventure.*
- **70%** of millennials want to explore and learn from the communities they visit.
- **45%** of millennials agree that traveling is about getting connected to other cultures.*
- **90%** of millennials like to experience new things while on vacation.¹¹

Strategy – Diverse Experiences

Moxy Hotels by Marriott

“It's no place like home.”

That's the mantra of Marriott's Moxy brand, which aims to adjoin the social heart of a hostel with the best functional pieces of a traditional hotel to give guests an experience unlike any before it. The hostel heart is scattered throughout every aspect of the hotel's service offerings: a 24-7 “living room” space and a full service bar are two major highlights. The speedy Wi-Fi, top-of-the-line mattresses and 42-inch flat screen televisions exhibit the best of traditional. The brand also emphasizes local culture through its location-specific interior design and beverage and food selections. While guests of the brand might be exposed to a particular lifestyle and culture in one city, they will have an entirely new experience (without losing out on the amenities they love) in another.

Key question: How can your brand bring culturally rich and diversified experiences to its repertoire in order to engage with millennial travelers?





MILLENNIAL TRAVELERS ARE...

PART 2

DIGITAL FUNCTIONALISTS

Millennials are digitally native consumers who have been raised on Wi-Fi and have grown up with a smartphone in their pockets. For these consumers, digital connectivity is often considered as vital as any other basic human need, such as food or shelter.

Millennials have always had the luxury of accessing the infinitely informative digital universe to support their travel customer journey when it comes to travel planning, whereas older generations remember the times of calling hotels to make reservations or working with a travel agent face-to-face for planning excursions. As a result, millennials are not merely embracing digital tools and resources, they've come to expect brands to leverage technology that removes friction, adds efficiency and simplicity and enhances their overall planning experience.

This greater access to higher efficiency through digital technology has led to a generation of travelers who are dependent on their digital devices when planning a trip. According to the Bank of America's Trends in Consumer Mobility Report, 39 percent of American millennials feel anxious when they don't have immediate access to their smartphone.¹² This leads us to believe that the utilization of technology to streamline the trip planning process is not just a passing thought but rather imperative for brands to leverage.

For lodging brands, there has never been a better time to create a truly connected relationship with these guests, as millennials want the integration of digital devices and technology during their stay and view it as highly important to their overall satisfaction level. The brands that are effectively able to do this will obtain an entirely new level of recognition.

QUICK FACTS

- **75%** of millennials have travel apps on their phones.*
- **90%** of millennials have researched travel on a laptop/desktop computer, **74%** have used their smartphone/tablet and **62%** have used only a smartphone.*
- **One-half** of millennials say they're "travel hackers," meaning they know all of the best sites and methods to get the best travel deals.¹³
- **50%** of millennials want integration of tech throughout hotels.¹⁴



Strategy – Frictionless Connectivity

Aloft by Starwood Hotels

The Aloft brand, introduced by Starwood Hotels (recently bought out by Marriott), was developed on the basis of attracting millennials. It does so in many ways but perhaps most distinguishably through its digital technology innovation efforts. Aloft locations offer free Wi-Fi throughout their locations and have developed technology that allows guests to check in/out of their rooms and unlock their room door using a smartphone or Apple Watch. The brand has also developed a system called Botler, the new robotic butler that immediately connects guests with an array of service offerings from the concierge desk to room service. Guests of the Aloft Manhattan Downtown-Financial District also have the option to use Aloft TiGi (Text It. Get It.), which is an emoji room service menu that is used by texting a string of emojis with a last name and room number.

Key question: How can your brand leverage digital innovation to provide a frictionless consumer journey for millennial travelers?



MILLENNIAL TRAVELERS ARE...

PART 3

TRAVEL DAY TRADERS

We can no longer consider this generation of consumers to be young, impulsive buyers. Instead, we should view the millennial traveler as one of the savviest group of travel planners we've seen.

For example, a millennial traveler may forgo the five-star hotel and instead opt for the cheaper two-star in order to budget for a cooking class

and culinary immersion with local tastemakers. We refer to millennials who do this as Day Traders™. They don't choose brands solely on recognition (a guiding principle for previous generations), but instead research thoroughly and compromise based on the brands/products/services/experiences in question to get the most out of the overall experience and their discretionary budgets.

Research overwhelmingly suggests that millennials are savvy buyers across all categories. This is especially true for the lodging industry — millennials do not over-index for spend on hotel and accommodations in comparison to experiential travel activities.¹⁵ This proves that while lodging is critically important when planning a trip, millennials are willing to trade down in the space to afford the opportunity to trade up in others.





This kind of confidence and willingness to research and weigh options has been the driving force behind the “travel hacking” trend. Travel-hacking millennials are making use of travel apps and online travel agents more than any other generation and they utilize the sharing economy to bypass the typically expensive taxis, restaurants, tours and lodging for more accessible, but still legitimate, alternatives.

Millennial travel hacking is made easier by the current democratization of travel, which is making it more inviting and accessible to the majority of travelers. According to Reuters, oil is at its lowest price since early 2009 causing both gasoline and diesel prices to fall sharply. As a result, the average fourth quarter 2015 U.S. domestic airfare dropped 8.3 percent year over year, its lowest level since 2010 when adjusted for inflation.¹⁶

Lodging brands must strive to be the catalyst that amplifies the rest of the travel experience to avoid being on the losing end of the day trading principle.

QUICK FACTS

- Millennials **check an average of 10 sources** before making travel purchases to make sure they pay as little as possible.¹⁷
- **77%** of millennials participate in rewards programs with discounts and deals, and 78 percent are more likely to purchase from brands with these reward programs.¹⁸
- **62%** of millennials extended their business trips into personal vacations to squeeze in more value.¹⁹
- A great experience is **3X more popular** than getting a bargain price.*

Strategy – Value Amplification

Freehand Hotels

Freehand is a hotel that bills itself as a hostel by offering cheaper accommodations with a twist. Locations offer a mix of private and shared rooms with décor based on the culture of the city. Freehand Chicago, for example, has 80 shared quad rooms, each with four cushy bunk beds and privacy curtains, 135 private rooms with king or queen beds and two penthouses with a living area and two bedrooms each. Those who want the traditional hostel experience — including the traditional price — can stay in the shared quad rooms for as little as \$35 per night with secure locker spaces and one bathroom to share as part of the deal. But no matter the room of choice, all travelers get access to the lavish shared spaces (including a bar and kitchen that features an award-winning food and beverage program) so they can enjoy a community atmosphere and build connections.

Key question: How can your brand be the investment that millennials will trade up for in order to enhance their total travel experience?

Freehand





MILLENNIAL TRAVELERS ARE...

PART 4 SPONTANEOUS PLANNERS

While the idea of spontaneity might seem to conflict with planning a trip, consider the notion that millennials, more so than older generations, are constantly battling the duality of the desire to control circumstances while allowing room for impromptu decisions.

The traditional weeklong, planned-out-to-the-very-last-detail trip in the summer months or at the major holidays is no longer the top vacation for millennial travelers. They are reinvigorating interest in weekend trips, such as stay-cations, single night celebrations, friend getaways and “treat yourself” rewards.

Although shorter than the traditional vacation, these travel occurrences don't lack significance or investment. They are simply easier for the lifestyle of today's working millennial who faces excessive pressure in the workplace as a result of the modern employee mindset shift from work/life balance to work/life integration.

According to the 2016 Alamo Family Vacation Survey, 56 percent of adults receive paid vacation days, but 41 percent of those respondents leave days on the table. And a shocking 40 percent have more than five days left over.



Younger workers are the most likely to suffer in this regard, as they have less established boundaries between work and life. Project Time Off, a national movement aiming to shift workplace vacation culture, developed the term “work martyr” to describe such workers.

Work martyrs, of whom 43 percent are millennial, believe that it is difficult to take vacation for four major reasons:

- 1. No one else at the company can do their work while they are away**
- 2. They want to show complete dedication to their company and job**
- 3. They don't want to be seen as replaceable**
- 4. They feel guilty for using time off**

The unfortunate reality is that millennials struggle with taking extended time away from the office. As a result, millennials are more spontaneous in when and how they plan their trips. We've seen that millennials have embraced a philosophy of “planned spontaneity” where they're balancing the routine of workplace expectations while still allowing themselves to take advantage of travel opportunities as they arise at a moment's notice.

Lodging brands need to understand this and leverage off-season offerings and deals to catch the attention of millennials seeking opportunities that are fully inclusive but can be booked quickly, easily and spontaneously.



QUICK FACTS

- Weekend trips make up **almost half** of all millennial vacations.²⁰
- **35%** of millennials plan on taking a weekend trip this year, compared to only 23 percent of baby boomers.²¹
- Millennial travelers took **at least one last-minute vacation** in 2015.²²
- Millennials cited taking last-minute trips for “**desire,**” “**flash deals**” and because it’s their “**typical plan.**”²³

Strategy - Impulsively Planned Getaways

Experiences by Marriott Packages



Marriott International introduced its Experiences by Marriott Packages to target travelers specifically looking for weekend getaways. No matter a traveler’s particular interest, Marriott is likely to have a package available designed for a particular theme. Packages include: culinary getaways, getaways for parents, attractions and adventures, couples only, family fun, ultimate golf, retail therapy and spa getaways. In addition, Marriott’s website houses a last-minute accommodation deal and updates page corresponding to the packages for those typical last-minute trip planners.

Key question: How can your brand provide millennials with a reason to indulge their spontaneity and get away?



MILLENNIAL TRAVELERS ARE...

PART 5

SOCIAL VALIDATORS

Millennial culture has become largely influenced and informed by social media. As the most prevalent generation using social platforms such

as Facebook, Instagram and Snapchat, social sharing has become a mainstay in every aspect of their lives.

From what they had for lunch to the group fitness class they attended (#fitspo), millennials are documenting, sharing and amplifying these moments. Consider the notion that anything worth doing is therefore worth sharing. And if it wasn’t shared, did it ever really happen?

Travel experiences are arguably some of the most inherently share-worthy moments for millennials, so it comes as no surprise that millennials are the most active travelers online



with 97 percent of millennials using social media while traveling²⁴ and 75 percent posting to social networks at least once per day.

While FOMO (fear of missing out) has been a trend in mainstream media for some time, FOLO (fear of living offline) is a new evolution that even further exemplifies the millennial generation's dependency on peer affirmation and validation. More than not being involved in an event is the fear of not even knowing the event occurred. Most millennials claim to have a worse time in any given situation when they don't have the capability to connect with their social networks — even when on a vacation that might otherwise offer them a reprieve from everyday stressors.

Why?

Peer recognition and validation are the leading forces behind this infatuation with constantly creating unique and meaningful social currency to build up their digital identity. Millennials want their activities and experiences to be validated on social platforms through a mixture of likes, shares and comments.

Lodging brands must consider the shareability of the guest experience and look for opportunities to provide millennials with unique, share-worthy moments that they can amplify to acquire additional social currency.

QUICK FACTS

- **86%** of millennial travelers were inspired to book a trip based on content they viewed online.*
- **87%** of millennials use Facebook for travel inspiration; more than 50 percent use Twitter or Pinterest.²⁵
- User-generated content has proven to extend a user's time on a site up to **nearly seven minutes** for major travel brands.*
- **43%** of millennials said that the comments and “likes” they receive from social media are as important or more important than a trip itself, according to Iconoculture.

Strategy – Curated Inspiration

#InaHyattWorld – Hyatt Hotel Corporation



In an effort to inspire potential travelers, Hyatt has introduced its own social media content hub at www.social.hyatt.com. This content hub is completely driven by user-generated content from those staying at one of Hyatt's 575 hotels around the world and features more than 89,000 Instagram images to date. This content can be either directly uploaded to the site or sent in by using the brand's hashtag #InaHyattWorld. Experiential content filters let visitors to the hub use specific terms such as “golf,” “spa” or “food and drinks” to narrow down the images to exactly the experience they are hoping to plan. If they need more specifics, they can overlay the location and brand filters to narrow down to one city or one property that features their selected experience.

Key question: How can your brand enable millennial travelers to effectively validate their travel experiences?



EXPERT OPINION:

Q&A WITH VICKI POULOS, GLOBAL BRAND DIRECTOR – MOXY HOTELS

In order to further understand how these characteristics exemplify the millennial traveler, we interviewed industry expert Vicki Poulos, Global Brand Director of Moxy Hotels. In her experience, the millennial behaviors we've identified are changing the global lodging market substantially.

Q: Marriott has long been a well-known and successful traditional lodging brand. What inspired your decision to shake things up and update or develop properties (like Moxy) based on millennial inspiration?

A: Generations X and Y are expected to account for 90 percent of the working-age population within a decade; the upcoming generation is gradually transforming leisure, work and communities as a whole. Millennials are the largest generation in the U.S., representing one-third of the total U.S. population, according to The White House's Council of Economic Advisers.

The economy segment remains a sizable portion of the hospitality sector in the U.S., and we felt there was an opportunity to play in a completely new space and launch a new, disruptive hotel experience that caters to the next generation of travelers. It is not just about offering a value proposition, it is also about responding to the changing needs of the customer and offering a tech-savvy, high energy, fun, yet dynamic, hotel experience. We feel that Moxy Hotels will fill that demand in the market. We are focused on the millennial-minded consumer with an emphasis on style, attitude and design at an affordable price point. During our Moxy U.S. target customer research, we received 98 percent positive feedback to the brand concept statement.

Q: What millennial insights were the primary focuses? How did you decide on a model with the “social heart of a hostel”?

A: The next generation of travelers craves affordable adventure filled with personality. Style and technology are incredibly important to them, and so is affordability. Social media drives today's consumer behavior, and technology has impacted how millennials work and travel. Every aspect of Moxy has been thoughtfully researched and crafted to deliver on the changing lifestyles and expectations of this target traveler. Inclusive and young at heart, Moxy is a fresh and innovative brand combining stylish design and approachable service at an affordable price point. Moxy aims to surprise business and leisure travelers with a thoughtful, spirited and fun guest experience. The Next Generation traveler spends more time in public spaces both to work and play. So, Moxy's living rooms become the center of activity in each of the brand's hotels around the globe, giving guests fun ways to work and play hard in such a communal environment.



Q: In comprising these updates, what thought did you give to the models of share economy brands such as Airbnb?

A: In contrast to Airbnb, a Moxy Hotel experience is very much **unlike** home. It is unpredictable, communal and on the fringes of your comfort zone — not in it. Moxy Hotels deliver a free spirited experience that guests would never encounter at home, proving to fun-hunters that Moxy is definitely no place like home.

Q: What is the greatest achievement you've seen for the brand following? What offerings have proven most successful with millennial travelers?

A: Moxy has been designed to give Millennials everything they want and nothing that they don't. The Moxy brand is designing our spaces to focus on communal environments with a DIY approach. For example, check-in is at the bar (where guests are greeted with a complimentary cocktail). The public space in the Moxy lobbies are broken up by zones from very active at the bar to more calm in the library area. This gives travelers a choice for work or play. The hotels are equipped with furiously fast and free Wi-Fi with abundant plugins to recharge no matter where you are — the hotel, the bedroom, the living room, etc. We are proud to be the first Marriott brand to feature keyless entry across our entire portfolio. Keyless entry is available on smart phones for all of our Marriott Rewards members. Next Generation



travelers are moving away from traditional cable/satellite TV and choosing to stream media from the internet, and we offer internet TV with partners like Netflix, YouTube, Hulu and Pandora. Additionally, our Moxy guests can stream content directly from their mobile, tablet or notebook to watch their personal content on their bedroom's big screen TV, an extension of their tech-enabled lifestyles.

To appeal to today's contemporary traveler, Moxy launched its original YouTube series in November 2015, called "DO NOT DISTURB," hosted by comedian Taryn Southern. The eight-episode series is produced in collaboration with Marriott's Content Studio. Set up as a slumber party, "DO NOT DISTURB" takes place in a mock-up of a Moxy guestroom where Taryn interviews and gossips with celebs about their careers, travel habits and quirky experiences on the road. The series was viewed more than 44,000 times, and Moxy Hotels gained more than 500 new YouTube subscribers. Furthermore, influencer promotion drove considerable social media buzz that resulted in four times more engagement during the two-month campaign than in the previous 10 months combined. The show's sophomore season will take place in the new Moxy New Orleans Hotel and forthcoming Moxy Berlin.



Q: What do you think are the most essential characteristics of the brand moving forward to sustain its success? What further changes do you anticipate in regard to culture/innovation for the lodging category as a whole?

A: Next Generation travelers, whom prize nonconformity, open-mindedness and originality above all, are expected to account for more than 60 percent of Marriott International's business within the next four years. We believe that the economy sector has a very bright future but will need to continue to evolve and adapt to meet the demands of these travelers. The company's commitment to creativity, innovation and technology allows us to anticipate the precise needs of its guests of all ages, as well as to stay relevant and connect with them directly.

The trusted Marriott brand, global sales force, award-winning Marriott Rewards program and Marriott.com e-commerce site enables the brand to showcase the power of Marriott International's lifestyle portfolio, to give confidence to customers' purchasing decisions and drive growth and distribution for Moxy Hotels.

Q: Without giving away your secret sauce, do you have any suggestions for other brands looking to update their models based on millennial influence?

A: Gone are the days when travelers were looking for a consistency as a mechanism for global quality assurance. Millennials are less interested in a cookie cutter experience and in fact want to discover something new and take in the city, the food and the local scene, whether or not he or she is there for a day or a week. Increasingly, we see the blurring of lines between work and play; technology has made us connected 24/7. Today's traveler is looking for a hotel with an environment that allows them to have an experience on their terms.



THE FUTURE OF TRADITIONAL LODGING

By understanding the characteristics of the millennial traveler, you can then determine how to gain their attention and loyalty. This is vital not only due to their sheer size and interest in the space, but also because of their impact on other generations of travelers.

Millennials are, without question, influencing consumers up and down the generational line. Consider this: a 53-year-old woman may not be a millennial as defined by her age, but she is just as excited to order room service by emojis as her 23-year-old daughter. Quantifying this influence is no easy feat. However, we have identified that nearly 50 percent of a brand's performance is influenced by millennial characteristics, subsequently forcing the market to evolve, specifically in the lodging category.

TO ADVANCE IN THE FACE OF THIS EVOLUTION, LODGING BRANDS MUST MAINTAIN AGILITY IN A CONSTANTLY EVOLVING MARKET.

Consistent and often unpredictable change is commonplace for those in the hospitality industry. This will continue as millennials utilize travel in new and innovative ways as a form of self-expression and a method to exhibit their diversity.

Because millennials place a high emphasis on being unique and distinct, their ideas, beliefs, behaviors and attitudes evolve time and time again. What they want today may be different tomorrow, and what they want tomorrow will definitely be different from what they want a decade from now.

Lodging brands will need to be prepared for this habitual adaptation by implementing a mindset of constant anticipation, one that expects the unexpected. This mindset should place heavy emphasis on listening to consumers, being immersed in culture and staying abreast of the competition — direct AND indirect. Championing agility throughout will be key to managing this endeavor and will allow brands to be both versatile and visionary.

As a result, brands will be best positioned in the market and best prepared for what may come.



NOW IT'S YOUR TURN

Millennials are not driven by the same travel needs as previous generations. They want to gain experience, go on adventures and learn while traveling. They are extremely savvy with their budgets and planning so they don't have to lose out on those experiences, and coupled with oft-intense pressure in the workplace, their vacations vary from the traditional. A weekend trip 50 miles from home might prove best for their lifestyle rather than a 10-day soirée abroad.

Whatever their destination of choice, they'll remain connected to the people and brands that prove to be most useful and influential in their efforts to obtain a frictionless customer experience.

As a result, traditional lodging is sure to change. What found brands in this space success in the past will not always work in the new modern consumer market. Smart brands in the industry have realized this and are adapting accordingly.

**NOW IS THE TIME FOR YOUR BRAND
TO EVALUATE AND DETERMINE HOW
TO BETTER ENGAGE A NEW GENERATION
OF TRAVELERS.**



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