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YOUNG PEOPLE AS A CUSTOMER  
SEGMENT FOR TRAVEL AGENCY  
SERVICES

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## TIIVISTELMÄ

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Tämän opinnäytetyön tavoitteena on selvittää, ja saada parempi käsitys siitä, mitkä tekijät pääasiassa vaikuttavat matkan suunnitteluun nuorten keskuudessa. Opinnäytetyön tarkoitus on houkutella kyseistä segmenttiä käyttämään matkatoimistoja, ja parantaa toimistojen palveluja tätä asiakasryhmää kohtaan. Tutkimuksen päätavoitteena on selvittää kaikki kyseisen asiakasryhmän toiveet ja tarpeet, ja ymmärtää internet-sukupolven matkasuunnittelutottumuksia, jotta pystyttäisiin tuottamaan oikea tuote oikealle asiakkaalle.

Tutkimuksen teoreettinen viitekehys koostuu matkailun, matkailijan, matkatoimiston, matkanjärjestäjän, pakettimatkan, online-varauksen ja matkailumotivaatioiden keskeisistä määritelmistä. Teoria koostuu pääasiassa Y-sukupolven määrittelystä, sen ominaisuuksista ja tavallisimmista matkailutottumuksista. Nämä tiedot ovat peräisin alan kirjallisuudesta ja WYSE:n aikaisemmista tutkimuksista.

Tutkimusmenetelmänä käytettiin sähköistä kyselylomaketta, joka sisälsi henkilökohtaisia kysymyksiä matkailutottumuksista, varausmenetelmistä sekä matkan suunnitteluprosessista. Lomake jaettiin vastaajille sosiaalisessa mediassa. Lomakkeen kysymykset perustuivat teorian pohjalta tehtyihin johtopäätöksiin, ja tavoitteena oli selvittää tärkeimpiä tekijöitä, jotka vaikuttavat tälle segmentille suunniteltavaan tuotteeseen.

Lopulliset tutkimustulokset olivat odotetunlaisia. Useimmat teorian pohjalta tehdyt päätelmät osoittautuivat oikeiksi tulosten tarkastelemisen jälkeen. Lisäksi uuden matkailutuotteen kehittämiseen tarvittavat keskeiset elementit tälle asiakasryhmälle saatiin kerättyä.

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## ABSTRACT

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The aim of this thesis was to find out, and gain a better understanding of the main factors affecting the travel planning process of young people. The thesis was conducted in order to attract the segment to use of travel agencies and improve the travel company's services for this specific group of customers. After the final research, the main goal was to find out all the wants and needs, and to understand the travel planning habits of the internet generation to be able to produce the right product for the right customer.

The theoretical framework consists of basic definitions of tourism, tourist, travel agency, travel agent, tour operator, package holiday, online booking, and travel motivation. The main part of the theory consists of a defining of the Y generation, their characteristics and the basic travel habits collected from related literature and previous researches of WYSE Confederation.

The research method used in this study is an e-survey, which included personal information, travel habits, booking method, and questions concerning the travel planning process of the respondents. The questionnaire was distributed through social networks. The questions on the survey were based on some of the findings based on the theory, and the goal was to find out the most important elements which would help to manage the future product for the chosen segment.

The results of the research showed the expected findings. Most of the theory based conclusions were confirmed after analysing the survey. Furthermore, the essential elements for creating a new product for the chosen segment were collected.

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**APPENDIX 1** Questionnaire



## 1 INTRODUCTION

Today, people are becoming more and more dependent on the Internet and utilize it in their everyday lives for many purposes. Travel agencies consider the internet as a problem because for the last passed years they have kept on loosing many of their customers who prefer the internet online booking services instead of the services provided by the travel agents. The travel agencies view the internet as a threat to their business and trying to find the way to attract the internet generation to use of their services.

The aim of this thesis is to find out and gain a better understanding of the main factors affecting the travel planning of the young people. The thesis is written in order to attract the segment to use of the travel agencies and improve the offered services for a specific group of customers. After the final research the main expectation is to understand the travel planning and to find out all the basic needs and wants of the internet generation to produce the right product for the right customer.

The young people are defined as Y generation, who was largely touched by the internet and whose age is mostly suitable for the study. The theoretical study of the thesis is based on the literature, articles, existing researches and as well as my own thoughts. The theoretical study of the thesis concentrates on analysing the segment and their behaviour towards the travel planning in order to understand what the right product is and how to attract the segment.

Quantitative research is used to make the questionnaire which is going to be sent to the young people who are mostly students and whose age suits to the Y generation. The survey will be made based on the theoretical study in order to prove or disprove the main findings.

## **2 RESEARCH PROBLEM AND MAIN CONCEPTS**

This starting theoretical section of the thesis is a brief introduction to the general topic of the thesis. The goal is to describe and be able to understand the research problem and define the main concepts which are contained in the study.

### **2.1 Research problem**

Today, traditional travel agencies prevail in smaller numbers than before and the reason is that they are being substituted by online travel agencies. As a result, common travel agencies are competing with online travel agencies and airlines that created their own websites where they sell directly to customers and control the prices and seat availability to their own advantage. Many airlines get an immense benefit by using internet access because they do not require to pay the commission fee to a travel agency for the tickets which have been sold.

In our century the internet is being the most powerful tool used for everyday purposes all over the world and the business owners should consider that while they make a business. First of all, the travel agency businesses need to take into consideration that customers expect to find you and deal with you through the internet. But, even that is not enough because the competition is harder than never before and if companies desire to remain in the market and benefit from the contenders, they need to understand their customer needs and wants and make the right product for the right customer.

At the present time, the internet is an effective distribution channel which is used by millions of people. The internet makes it possible to purchase products and services directly from the supplier to the consumer. The existing studies indicate that tourism related products and services are being the most required and fastest-growing sector among all e-commerce. It is also known that tourists use the internet in order to plan and book holidays, and number of these tourists is growing very fast each year. The research which was done by Burst Media shows that the internet is the most popular tool used for travel planning. Moreover, the internet is the number one place for information search and purchasing a holiday

online. In the research conducted in 2007 by Forrester found that more than 30% of all booked trips were booked online, and 40% of European travellers search for trips online who booked the holiday through the internet and 27% purchased the trip from offline points of sale. (Charles R. Goelner, J R. Brent Ritchie, 2011, p. 159–160)

There are different factors affecting the choice made by those people who still prefer using a traditional travel agency services. During the thesis writing, many existing studies and research results were used, and it is known that price is the most important element while planning a trip for any of age group of consumers. But, it is not always about money and prices can differ from one travel agency to another, even if it is the same holiday package because one tour operator negotiates more beneficial competitive rates with the principles than another. As an example, if one specific travel agency brings more clients to the hotel destination than another, then the cheaper prices would be tendered to the travel agency. The factors affecting the choice made by travel agency consumers on which company to choose could be reputation, previous experience, airline, aircraft type, flight times, airport of departure, etc. In this situation, the business has to offer many different possibilities in order to satisfy customer demands. For example, for families with young children it is usually very important to find the convenient times for flights because they do not wish to arrive to the hotel late at night or do not have a room available at the departure day because of the late flight. (Gwenda Syrratt, 2003, p. 5)

There are many factors affecting choices made by potential consumers of travel agencies which we are going to study. For that purpose, in order to design the perfect product for a desirable segment, the main habits and specific needs such as the usual duration of the trip, money spent on vacation, travel companions will be examined in this study.

## **2.2 Definitions of tourism and tourist**

Travel agencies are an integral part of the tourism industry and before going into the travel agency business more deeply, it is significant to understand what

tourism actually is. There are thousands of definitions for tourism and many alternatives are proposed. The Oxford Dictionary (2000) defines tourism as *'organization and operation of (especially foreign) holidays...as a commercial enterprise'* when the tourist is defined as *'a person making a visit or tour as a holiday; a traveller, especially abroad'*. First of all, when thinking about tourism, we think of people traveling to different destinations for particular reasons which could be, for example, visiting friends or relatives, business purposes, vacation, festivals, etc. When we think of defining the tourist, we think of the person who seeks different kinds of experiences when the destination and activities during the stay are chosen based on traveller's own needs and wants. (C.R. Goeldner, J.R.B. Ritchie, 2011, p. 3–4)

### **2.3 Definitions of travel agent and travel agency**

Travel agents are business people who see the whole tourism industry as a chance to make business and, of course, money. Travel agents make a profit by selling the services to its customers. *'Travel agency is a middleman – a business or person selling the travel industry's individual parts or combination of the parts to the consumer'*. When thinking about a travel agent, we think of an educated person with a great knowledge who is an expert in the field of travel, the one who is capable at managing the whole package holiday for any individual with other possible arrangements such as transportation, accommodation, car rental, and so on. The professional travel agent is an expert who saves the client time and money at the same time. (C. R. Goeldner, J R. Brent Ritchie, 2002, p. 179–180)

### **2.4 Definitions of package holiday and online booking**

*'Package holidays are those which include transport, accommodation, ground arrangements and the services of a tour operator's representative for an all-in-price. Package holidays may be sold by the tour operator directly to the public or more often they sell through a travel agent who is paid commission for the sale'*. (Pauline Horner, 1996, p. 174)

*'Components of a holiday package:*

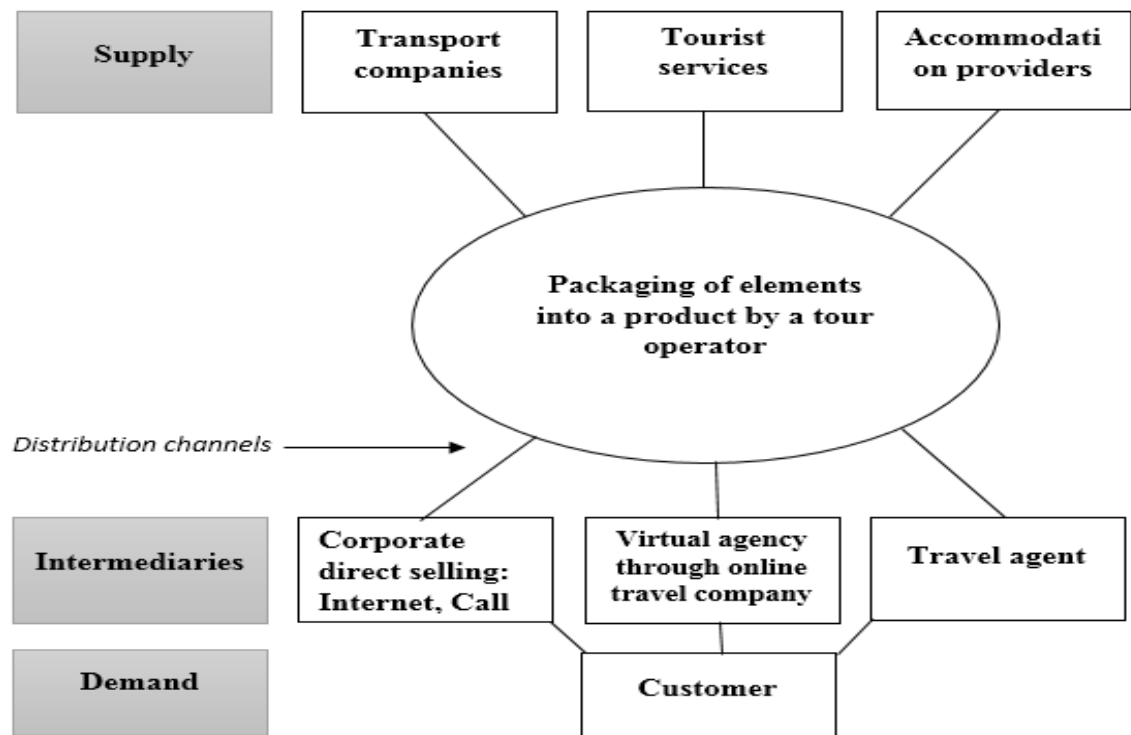
- *Transportation – air, sea, road, rail, etc. to/from destination*
- *Accommodation including hotels, guest houses, lodges, etc.*
- *Transfers including sea/air between ports and hotel and vice versa at destination*
- *Sightseeing tours including events, trade fairs, etc.*
- *Insurance or other ancillary services*
- *Car rental – for leisure or business purposes'.*

(Gwenda Syratt, 2003, p. 6)

Booking online is a personal tool a person can use free of charge for the same purpose people use the travel agency services, but the difference is that the trip is organised and scheduled by the traveller. Booking a trip online is a reservation made for a flight ticket, room in the hotel, catering, and any other extra service a tourist wishes to get during the holiday stay.

### 3 TOUR OPERATOR

Tour operator – is ‘a person or an organization combining several elements of travel arrangements and offering them as a product for sale at a single price’. Package holidays or inclusive tours are arranged by tour operators which can be sold directly to the customer or through travel agents. (Allan Beaver, 2005, p. 308)



**Figure 1.** Organizing a holiday package and distributing it to the customer (Adapted from J.P. Stephen, 2003)

In simple words, as described in a figure, tour operators organize and link all the elements together to set up and sell the ready package to the client.

*‘Elements of an inclusive tour (a package):*

*Basic elements:*

- *Aircraft seat*
- *Accommodation at destination*

- *Return transfer from airport to accommodation*
- *Services of a tour operator representative*
- *Insurance*

*Optional add-ins:*

- *Car hire*
- *Excursions*

*Alternative forms:*

- *Multi-destination packages that visit more than one destination/country*
- *Optional extensions to the package to expand the itinerary*

*Linear tours by coach operators’.*

(J.P. Stephen, 2003, p. 186–187)

### **3.1 Difference between tour operator and travel agency**

There is a need to understand the difference between a tour operator and travel agency because from the customer point of view, these two different kinds of companies do the same tasks. That is not true because these two businesses do a very different jobs and they are totally different service providers. The primary difference between tour operator and travel agency is the way the companies earn the income and their responsibilities.

The role of a tour operator is to create a whole holiday package including all the basic tour elements such as flights, hotel, transportation, meals, and guides. The tour operator is also in charge of controlling and supplying your holiday through the contracting.

For gaining a profit, tour operators usually negotiate net rates with suppliers and put on the company’s own margins into the product on a percentage or per customer basis.

Travel agency is a private retailer company selling the ready-made packages to the clients on behalf of suppliers (tour operator). There is one advertised price for the client and discounted price given to the travel agent and the difference between these two prices is known as commission fee – the profit of the travel agency. (Teen Tours, 2011; Protected Travel Services, 2012; Stephen C. Barth, 2012, p. 366)



## **4 TRAVEL AGENCY**

The following chapter is presented in order to give a better understanding of work of travel agencies.

### **4.1 Characteristics and work of a travel agency**

As it was discussed before, travel agencies sell the ready-made holiday packages which can differ depending on a customer own wishes. Most of travel agencies work based on commission fee arrangements which means that the company receives some part of the product cost. Charges can be made for such services as customer service, visa/passport arrangements, etc.

The role of a travel agency is to distribute a holiday package to the client which includes interaction with a customer. Travel agent needs to suggest an option, description, and confirm the travel arrangements to the customer.

There are two kinds of travel agencies: independent and multiple agencies that work for tour operators or other tourism companies. Those, who work as retailers have little financial risk and that is the reason they do not buy products themselves. Travel agency gets a commission fee for each sale it has made and they are not a part of the contract which is applied between the customer and the tour operator. (J.P. Stephen, 2003, p. 210–211)

Work in a traditional travel agency is to trade a product originally provided by a tour operator. They can be generalist agencies who sell products with many potential options or specialist agencies who sell certain sort of product. Travel agencies try to get as many options as possible for clients, but usually they cannot manage that because as existing research shows that too many products cause financial lost to a company. On the other hand, limited amount of products gives an opportunity to the company to expand product knowledge, adapt their products to markets, identify their own limitations and become professional specialists in own field. (Stephen J.P., 2003, p. 211)

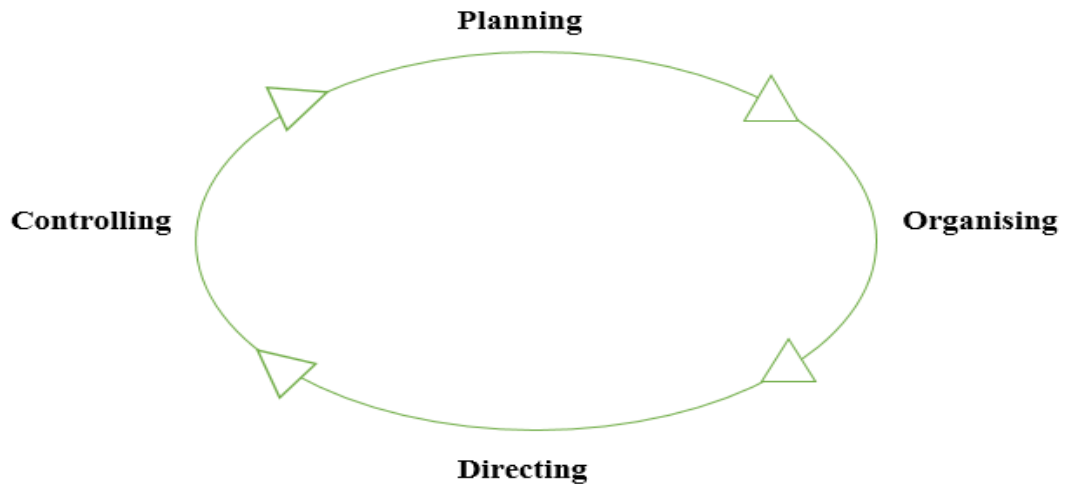
*Travel agents have many responsibilities and deal with many different tasks, including:*

- *Making reservations*
- *Planning the route*
- *Calculating all the fares and charges*
- *Producing tickets*
- *Giving advices to clients. For example, choosing the destination, airline*
- *Communicating with clients verbally and in writing*
- *Maintaining accurate records on reservations*
- *Ensuring racks are well stocked, or supplies are kept in-house*
- *Acting as intermediaries when customer complains occur*

*Provide a high level of customer service’.*

(Stephen J.P., 2003, p. 212)

Travel agency offers convenient point of sale where people can easily purchase a desirable holiday package. It is an information point where people can obtain all information needed to plan a holiday. Travel agents collect all desired information and distinguish all the possible needs and wants of a customer and create a holiday package of all possible elements. The time is a very important issue for a travel agent and skills should follow the cycle shown in the figure below.



**Figure 2.** Working process of travel agent (Adapted from Gwenda Syratt, 2003)

*'List of the responsibilities:*

- *“Planning – what needs to be done, tasks and preliminary time schedule for them*
- *Organizing – realizing the tasks and follow the deadlines*
- *Directing – getting help if there is a need for that*
- *Controlling – controlling the day’s work by adjusting if there is a need for that’.*

(Gwenda Syratt, 2003, p. 191)

#### **4.2 Benefits of using travel agency services**

Even though travel agencies suffer a lot from the internet which causes a trouble with achieving customers, there are still millions of people who travel by help of travel agents. In most of the cases customers are satisfied after returning from holidays because they have got plenty of benefits using travel agency services. First of all, a good travel agency with professional travel agents offers an excellent product or service which covers all the needs, wants and individual requirements of clients.

Travel agencies get a big advantage of bulk buying and this reduction goes to a customer so that client can save some money by choosing to travel on a package holiday. (Gwenda Syratt, 2003, p. 5)

The second advantage is time saving because everything is projected by a travel agent: flight reservations, transfers to/from a hotel, hotel reservation, and many other services you would wish to get during your vocation. (Gwenda Syratt, 2003, p. 5)

Another benefit is that agencies always have many options available for customers. Customers can choose from many countries when an agency provides a big selection for flight services, days of operation, different timing for flights of an arrival and departure, accommodation types, excursions, car rental and many other possible services. (Gwenda Syratt, 2003, p. 5–6)

## 5 TRAVEL MOTIVATION

This chapter will present a better comprehension on what motivates people to travel today and find out basic motives why people travel. This topic is important to study because there are different causes for a need to travel, what motivates one person to go on holiday may not motivate another. In order to find out why people travel and what the reasons are for taking a holiday can discover a motivation theory. What affects the holiday decision-making process? It is an extensive range of human needs and wants in a study of motivation and there are many issues that affect this process. The topic is essential for tourism companies and there is a need to understand your consumers, divide them into segments and find out the differences and similarities. For example, age, sex, income, destination, length of a holiday, etc.

### 5.1 Consumer motivation to travel and their motives

Different motivations are divided into categories. *'For example, positive motivations (the need to seek for positive situations) and negative motivations (the need to escape from occurred negative situations); internal motivations (the drive from within) and external motivations (the drive from external stimuli such as promotional marketing); cognitive motivations (linked to the need for meaning) and affective motivations (linked to the satisfaction of feelings and the achievement of emotional goals)'*. (David Bowen & Jackie Clarke, 2009, p. 89)

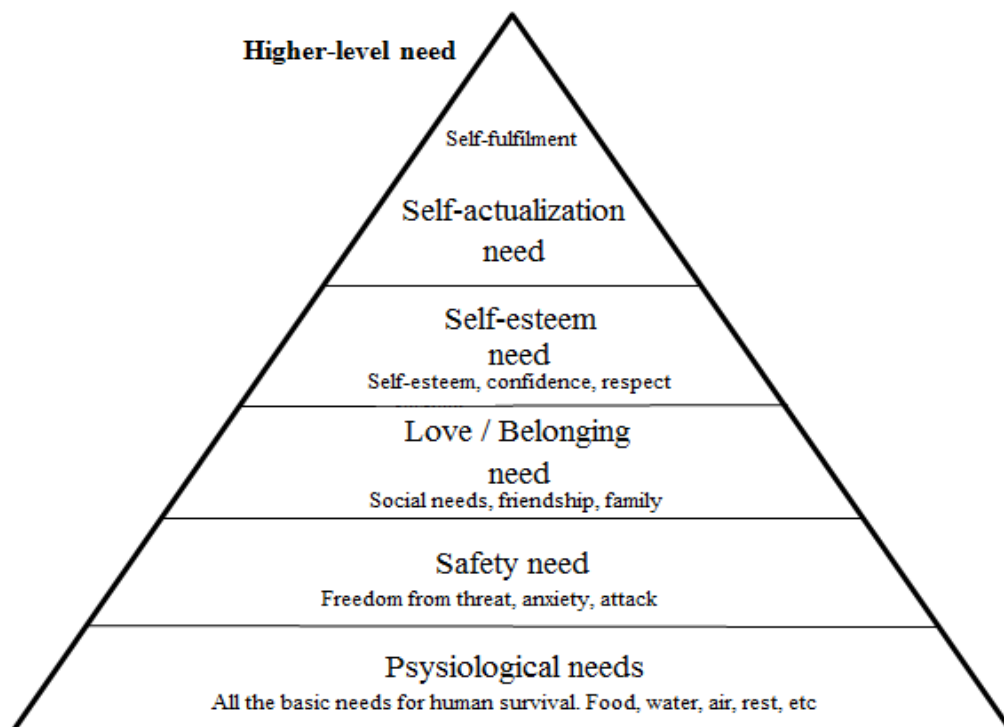
There are many studies and theories about tourist motivations, but none of them can give complete understanding. According to Freud, motivation of a tourist is affected by his/her own mind. Ryan (1991) divided tourist motivations into escape, relaxation, play, social interaction, strengthening family bones, prestige, sexual opportunity, educational opportunity, self-fulfilment, wish or dream fulfilment and shopping motivation. Bansal and Eiselt (2004) has used theories of other authors to create a new tourist motivation of five classes such as climate, relaxation, adventure, personal and educational. Brown (1998) claimed that tourism is the most convenient and reachable escape from ordinary life because of the new technologies. She has used the work of other authors and outlined ten

main reasons of why people go on holiday: spend time with family or friends, communicate with others and enjoy the time, need of vacation, discover new places and cultures, nature, education, enjoy warm weather, try new food, adventure and entertainment, see famous places and attractions. All these things are done in order to break the routine and that is the most important reason why people travel. To understand your consumers more carefully, there is a need to divide them into more precise categories. For instance, the need to travel for young people is different than for elder people, or couples with children or without will also possess different demands. (David Bowen & Jackie Clarke, 2009, p. 90–91)

## **5.2 Maslow's hierarchy of needs**

As it was observed earlier, there are many motivation theories, but none of them will give the full understanding of the subject. Wright (2006) stated that motivation is a long process of customer behaviour which starts with a need followed by action to satisfy the need and in the end of the process comes fulfilment of the need. (David Bowen & Jackie Clarke, 2009, p.88)

Maslow's hierarchy of needs is the theory of human motivation designed by Abraham Maslow in 1943. The theory is the most discussed theory of motivation which is founded on the author's own observations and describes the stages of people's growth. The author of the theory divided the human needs into five parts: physiological, safety, love/belonging, self-esteem, and self-actualization.



#### Lower-level need

**Figure 3.** Maslow's hierarchy of needs (Adapted from J.P. Stephen, 2003)

The general thought is that human motivation is based on their needs and completed level of the needs opens up another that gives you an opportunity to reach the highest level of self-actualization in the end. In order to gain the highest level an individual needs an inspiration and once the lower levels are fulfilled, the individual will be motivated by the need of the next level. In case if none of levels are fulfilled, this would dominate human behaviour.

This theory explains very well the development of needs and inspiration towards personal growth, which can be applied to tourism and leisure. It can be simply understood in a tourism context as factors that encourage tourist to travel for specific reasons. The theory explains the need for travel based on a consumer desires and that is why many tourism companies use it for planning tourism activities. For instance, some people may decide to go on a holiday in order to make new friends or spend time with a family. Another example, are people who choose their holiday destination based on their safety needs. For some individuals it is important to feel safe during a holiday and some people seek for adventures

and they may prefer to visit dangerous places with political disorders or possible earthquakes.



## **6 Y GENERATION**

Understanding Y generation is a very important area of the thesis because this age group is the main focus of the research. In order to proceed with the future research there is a need to find out the main characteristics, values, needs and travelling habits of the generation.

### **6.1 Who is Y Generation?**

The word Y generation, originally comes from the United States of America and it is the largest age group consisting of more than 70 million people only in the USA and that is a good reason to concentrate your business on current segment. Y generation is also known as echo boomers because most of them were raised by generation of baby boomers. The generation is also known as Millennials and internet generation. Determining the age of this generation varies from different information sources, but usually it starts with people born after 1980's to around 2000's. The Oxford dictionary defines the term as *'the generation born in the 1980s and 1990s, comprising primarily the children of baby boomers and typically perceived as increasingly familiar with digital and electronic technology'*. The following Z generation is born after 1995 – 1999s that differs depending on one information source to another and this is where Y generations ends. (The Oxford Dictionary; William J. Schroer, p. 3)

### **6.2 Characteristics**

Y generation are people who are in their 20s entering the workforce and they are concerned as new customers in tourism business. They are in a phase of young adulthood concentrating a lot on friendship, family, digital culture, enjoying life and having fun. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p. 5)

The generation is characterized as the most educated, smart and well-informed and that is mostly because they were born in the Information Age. These days it is very easy to get the information you need and especially for the members of Y generation. They are concerned as the most tech savvy group who grew up with a

technology and was capable to observe its development and it might be the reason for being identically flexible, varying in its fashion and not so brand loyal. They are familiar with all new technology such as laptops, cell phones and other gadgets, and know the right way of how to use it and where to find it. (Sally Kane, 2014, p. 1)

In marketing terms, the most efficient tool for this generation is word of mouth because the opinions of a family and other members of the internet generation are very important. It is essential for companies to be found on the internet; otherwise there is no chance Millennials will know that your company even exists. In order to get successful in the market, companies have to use latest technologies to promote their products or services. Young people like social media, e-commerce, and mobile advertising. The research conducted in America by Reynol and Mastradicasa (2007) which involved more than 7000 people of echo boomers showed that 97% own a computer and 94% own a mobile phone. This generation is connected to use of technology, they use laptops at home and take phones when they leave and companies need to take an advantage and create effective advertising that can be posted as an example on the company's Facebook wall or alert sent to the customer's e-mail. This generation is also being very precise in terms of purchasing decisions because they care more about saving, meaning and not about the labels. They spend money very carefully because many of them are still dependent on families and most of them have a low or average income. Freedom, fun and resting is important for these people and that is why they spend most of the finances on travelling and entertainment. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p.5-7; Alyse Lorber, 2013)

The generation is characterized as optimistic, smart, ambitious, confident, creative and achievement-oriented. They are fast movers that have high expectations for a future and not being afraid of challenges for gaining personal growth and meaningful future work. The members of a generation are very inconstant; they rapidly change jobs in order to build up a future career and simply do what they like. They are ready to work as hard as other generations and the only difference is that they know own value and they know that they can find a better alternative.

If you work with these people, you must consider that they value flexibility, stability and team-oriented environment. (Lynda Gratton, 2013; Sally Kane, 2014, p. 2)

Echo boomers usually are in a tight relationship with families and prioritize family over friends and work. They are protected by families and live with parents longer than previous generations due to financial issues. They are considered as very special for their parents because usually they are raised in families with fewer numbers of children. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p.7–10)

Friendship is very important for the generation and opinions of friends are highly valued. The meaning of a friendship differs from other generations because they communicate mostly through the internet and sometimes a friend can be unknown person. That is the reason people say that the world is just a playground for the members of this complicated generation. On the other side of the coin, they appreciate and like spending free time with friends, they are team-oriented and opened to people, and it is easy for them to make new friends. As they were children, they used to attend different sports that were played in a team, competitions, many other activities and that is the reason they are committed and want to be involved. During a free time they like to do various sports and for example, play football with friends instead of playing computer games at home. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p. 10; Sally Kane, 2014, p. 2)

They are being one of the most racially and ethnically diverse than any other generation. It is important for them to get respect and to be understood by other people while they are being the same way to others. (William J. Schroer, p. 3)

Y generation is a green generation. The results of the research that was conducted by Y generation specialist Joeri Van den Bergh (2012) showed that generation is concerned and worried about the world's problems. The first four issues they are worried the most are economic crisis, air pollution, water pollution and global

warming. The global warming is not considered as a very big problem by Americans in comparison with other 16 countries that took part in the research.

### **6.3 Travel habits of Y generation**

It is a very complicated subject to study and that is why this chapter will be concentrated more on the previous researches made by the World Youth Student and Educational (WYSETC) Travel Confederation. WYSE is the biggest organisation studying and analysing youth and students traveling habits worldwide that was formed in 2006. The main goal is to understand characteristics, motivations, needs and wants of young travellers market based on researches that include young respondents from all over the world. (WYSE Travel Confederation)

The key finding of WYSE confederation is that a younger generation travels more frequently, at the same time spending more money on international travel than others. The amount of trips that members of Y generation take has increased during the last years and the global amount of travellers estimates 196 million arrivals (2011). The usual amount of money they spend on travelling is 109€ billion every year (Richards, 2007). Most of these people have low or average income, but they are still willing to stay on a holiday longer time and spend most of their finances on traveling. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p. 11; WYSE Travel Confederation, 2011)

Youngsters are willing to explore new destinations; they rather travel to a new place than repeating the trip they have experienced before. 26% of respondents to the survey claimed to be repeated customers who choose to return to the place they have visited before. In comparison with other generations, echo boomers prefer international travel. 70% of 16–29 years old respondents to the survey claimed that they like better mixing holidays with such meaningful things as learning new cultures or languages, studying, volunteering, working, gaining work experience or doing a practical training. For instance, a beach and sea are not enough for these people, they wish to experience the local culture and get to know the local people. Social motivators were found in a way that youngsters feel

comfortable interacting with other people and many of them choose such an accommodation as hostels or couch surfing. These accommodation types have two strong advantages that Y generation values the most: affordable prices and an opportunity to meet new people. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p. 11; WYSE Travel Confederation, 2011, 2013)

This generation is staying loyal towards internet to use it as method for booking a following trip. The internet is the major information source for a holiday planning, but families and friends that work as word of mouth still remain as the most important. internet sources help them to evaluate and find a better price, as well as a description of a destination and its attractions. The number of internet sources that youngsters use has increased from four (2007) to more than nine (2012–2013). It is known from results of the research that the reason for taking a trip for almost half of respondents was suddenly occurred free time or special offer. This shows that members of Y generation are more flexible than others and they can be influenced by marketing. The internet also helps youngsters to communicate with family and friends during holidays. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p.11; David Bowen & Jackie Clarke, 2009, p. 37–38; WYSE Travel Confederation, 2013)

Young travellers are described as brave because they are ready for everything to gain the new experience and knowledge. They prepare for holidays beforehand because they want to make it special. Richards (2007) stated that travel is the way of living for these people and usually they are ready to take risks that can be reduced by good planning. This generation is not being afraid of taking risks and assumed reason is being raised in an atmosphere of global financial crisis, terrorism and the Information age in general, so they were able to observe all the world's problems and difficulties since their childhood. (Pierre Benckendorff, Gianna Moscardo, Donna Pendergast, 2010, p.11; WYSE Travel Confederation, 2013)

Youth thinks of themselves as backpackers and travel motivation changes a lot as soon as they get older. A traveller who is under the age of 20 is motivated more

by relaxation and entertainment, and those who are 26–30 years concentrate more on discovering new things. (David Bowen & Jackie Clarke, 2009, p. 37–38)

More than 80% of young travellers think that traveling has changed their way of thinking and lifestyle. The research found out that "once young people start traveling, they find it difficult to stop" (WYSE). (David Bowen & Jackie Clarke, 2009, p. 37–38)

The WYSE Travel Confederation found out that New York and London are the most visited cities by the younger generation. Most of the time they prefer not to travel alone and 39% of repliers stated that they usually travel with schoolmates, family members or friends. (WYSE Travel Confederation, 2011)

## **7 SUMMARY AND STRUCTURE OF THE RESEARCH**

Throughout the theoretical section of the thesis several topics have been used in order to give the reader the knowledge on how travel agencies and tour operators work, defining online booking and holiday package, describing tourist motivation and their motives to travel. The main goal of the theory was to introduce the Y generation, present main characteristics and travel habits of a younger generation.

The following research is based on the main findings of the dominant theoretical study in order to prove or disprove the gained results of the theory. First of all, the most important element of the survey is to divide properly the age of the respondents in order to involve the internet generation only as the respondents to the questionnaire. The age of young people is divided into two groups in order to compare results of younger and elder people in Y generation, if that will be necessary.

An essential component of the survey is to determine how people book holidays and reasons for choosing internet booking or travel agency services. The questionnaire will be consisted of the most essential elements that are important for managing a holiday package. The main goal is to find out the travel habits, preferences, needs and wants in order to help traditional travel agencies to attract youngsters to use travel agency services. As noted earlier, the aim of the research is to assist travel agents to produce a product that will interest the target group.

## 8 RESEARCH

There are many definitions for the term research and for instance Sekaran (1992) defines research as '*systematic and organized effort to investigate a specific problem that needs a solution*'. (Finn, Elliot-White, Walton, 2000, p. 2–3)

The researcher must be objective in discovering new facts that will help him/her to deal with a research and try to find out solutions to resolve the main problem. (Finn, Elliot-White, Walton, 2000, p. 2–3)

This chapter is introduced to the reader in order to explain the variety of the research methods and present the most suitable method that is chosen for the current study.

### 8.1 Research methods

Research can be divided into two groups of research methods: quantitative and qualitative. It is very important to choose the right research method for a study based on the type of a research problem.

	<b><u>Quantitative</u></b>	<b><u>Qualitative</u></b>
<b>Design characteristics</b>	Pre-ordinate design	Emergent design
<b>Data</b>	Measurement using numbers	Meaning using words
<b>Setting</b>	Impersonal, controlled, manipulative	Natural, interactive, personal
<b>Relationship with theory</b>	Confirming theory	Developing theory
<b>Process and procedure</b>	Rational	Intuitive

**Figure 4.** Characteristics of quantitative and qualitative methods (Adapted from Finn, Elliot-White, Walton, 2000)

The best way to understand differences between these two methods is to view the presented characteristics in a figure above.



The main difference is that the data from the quantitative research is presented in the form of numbers and it measures opinions among the group of people that participated in a research. The most typical alternative for managing quantitative research is a survey because it is the most convenient option to manage. The sample of the respondents is bigger than the sample for a qualitative research, which is usually small. Quantitative research can be combined or followed with qualitative research. (Finn, Elliot-White, Walton, 2000, p. 8–9)

The data gained from the qualitative research is not presented in the form of numbers because it is usually used when the researcher needs to get more detailed information about the topic. For example, qualitative research is used when the researcher wants to understand human behaviour and the reasons for such behaviour. The most used methods for obtaining the information are interviews, researcher's own observations, analysing visual material or texts. Qualitative research can be combined or followed by quantitative research. (Finn, Elliot-White, Walton, 2000, p. 8–9)

## **8.2 Chosen method**

Quantitative research was chosen for this thesis and the study was conducted as a questionnaire which is the most convenient method for the ongoing study. The chosen method is theory based so that reliability of the outcomes is valued by a higher number of respondents.

The goal of the survey was to reach international respondents by electronic survey that was sent to people as a link through the most popular social networking services as Facebook and VK.

## **8.3 Questionnaire design**

The questionnaire was designed as *elomake* (<https://e-lomake.puv.fi>) and it was called '*Travel planning habits of the young people*'. In the beginning, the survey had a brief introduction explaining the aim of the research and contact information of the researcher in case people had any problems with filling in the survey or if they had any questions to ask.

The questionnaire consisted of 24 questions that were divided into four sections: personal information, travel habits, booking method, and travel planning. Even though the survey had many questions, it was easy and fast to take part in. All of questions had multiple choice answers and some of questions had 'Other' option in case there was no right option to choose.

The target group of the survey was Y generation as the people mostly affected by the use of the internet and the age of respondents who took part in the analysis was from 18 to 33.

The survey was in public use for one week's time and totally 207 replies were collected. However, 200 responses were included in the analysis because seven of respondents were not considered as belonging to the internet generation.

The final results were analysed using SPSS (Statistical Package for the Social Sciences) software, which is used for statistical analysis.

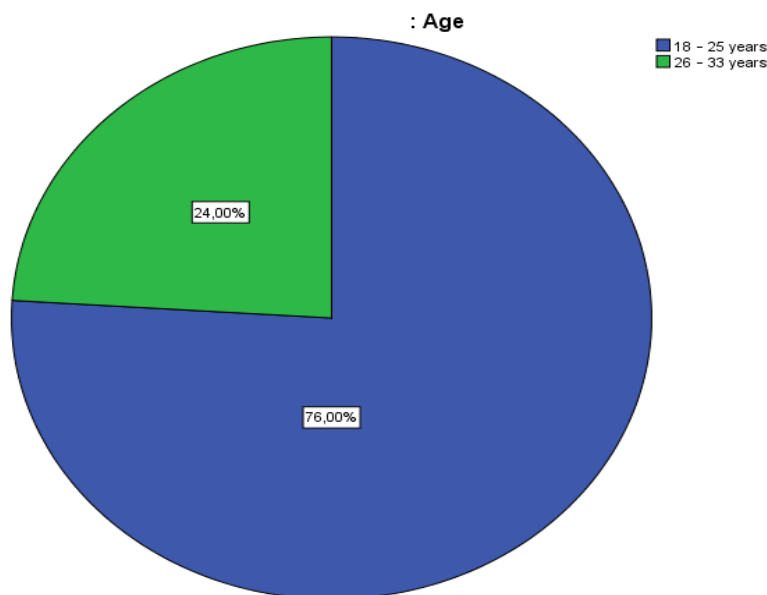
## 9 ANALYSING THE RESULTS

The following chapter represents the analysis of final results obtained from 200 of responses to the questionnaire.

The analysis is divided into four sections in the same way as the original survey was divided. Below there are four parts of the final analysis: *personal information, travel habits, booking method, and travel planning*.

### 9.1 Personal information

The first section of the questionnaire included five questions and personal information of the respondents was gained in order to assemble the profile of the Y generation.



**Figure 5.** The age distribution among respondents

The question about the age was divided into four groups: < 17, 18–25, 26–33, 34>, in order to include only the Y generation in the analysis. The majority of the respondents as shown in figure above: 76% (152) were aged from 18 to 25 and 24% (48) were in the age group from 26 to 33. Seven of respondents were not included in further analysis because the age of those people was not considered as

the age suitable for Y generation group. The age of the Y generation was divided into two groups in order to compare two different groups in further analysis if needed.

**Sex:**

	Frequency	Percent
Male	68	34,0
Valid Female	132	66,0
Total	200	100,0

**Figure 6.** Sex distribution among respondents

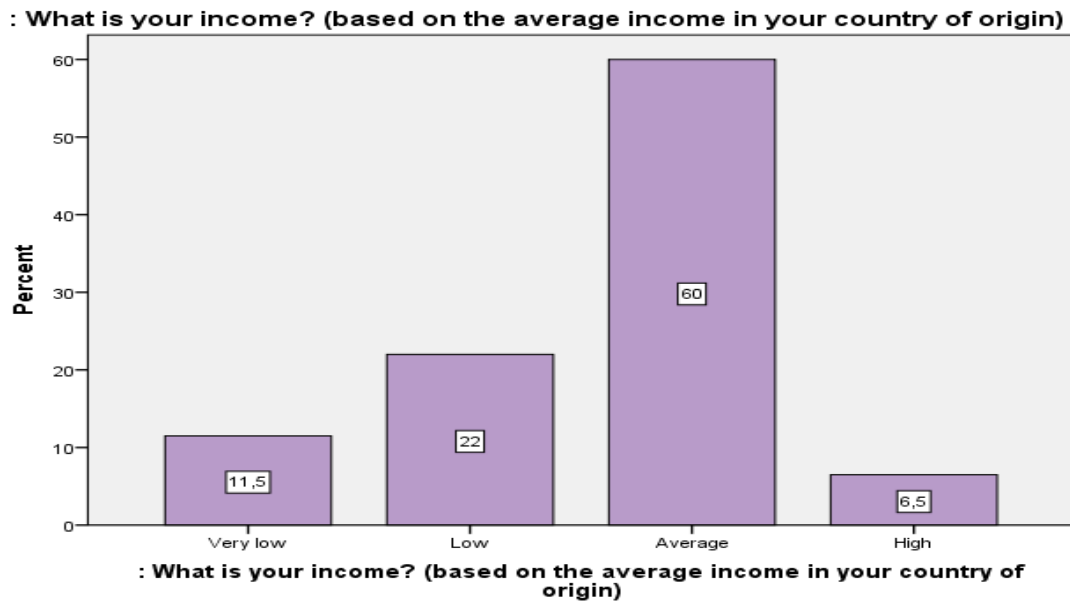
As seen from Figure 6, out of 200 respondents, the dominant gender of the respondents was female, which formed 66% (132), and 34% (68) were male.

**Marital status:**

	Frequency	Percent
Single	90	45,0
Valid In a relationship	110	55,0
Total	200	100,0

**Figure 7.** Marital status distribution among respondents

The results of marital status among the respondents showed that 55% (110) are in a relationship and 45% (55) are single. In the final results it can be assumed that more than half of the respondents can be influenced by a partner when it comes the holiday decision making process. For example, the time to go on a holiday, the destination choice, etc. Furthermore, it can be assumed that the remaining 45% of the respondents are free in making decisions about an upcoming holiday on their own.



**Figure 8.** Income distribution among respondents

Figure 8 shows that most of the respondents have average income based on the average income in the country of origin. 60% of respondents have an average income and 22% have a low income. Moreover, 11,5% of the respondents consider their income as very low and 6,5% consider it as high. The results prove the theory of the thesis because the members of Y generation were defined as people who usually have low or average income.

#### **Do you have children?**

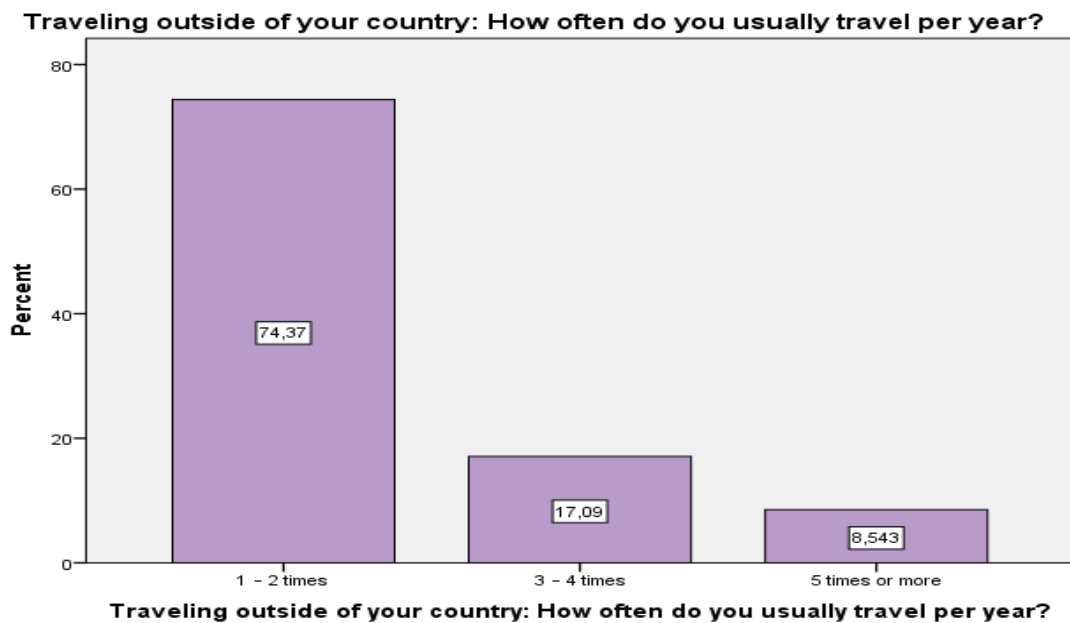
	Frequency	Percent
No	188	94,0
Valid Yes	10	5,0
Total	198	99,0
Missing System	2	1,0
Total	200	100,0

**Figure 9.** The number of respondents who have children

As a figure shows, out of 200 of respondents to the survey only 5% have children and all of these ten people have only one child. Based on the results, it can be assumed that most people at this age have time and freedom to travel. Moreover, two respondents skipped the question.

## 9.2 Travel habits

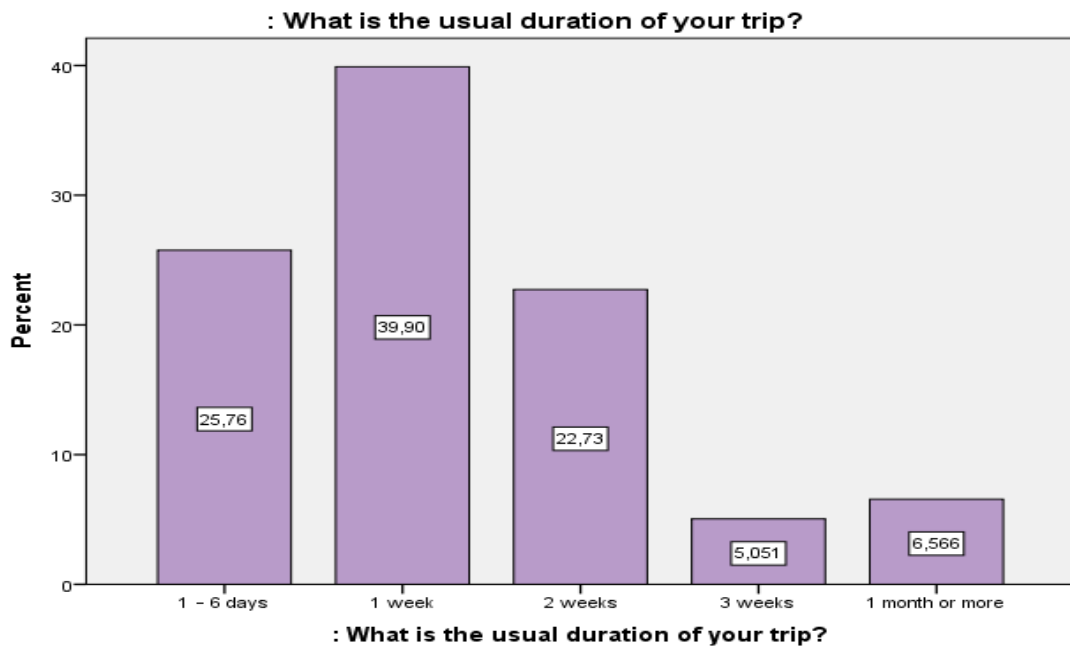
The second section of the survey contained four questions that were asked in order to find out the basic travel habits of the young generation.



**Figure 10.** Frequency of traveling abroad

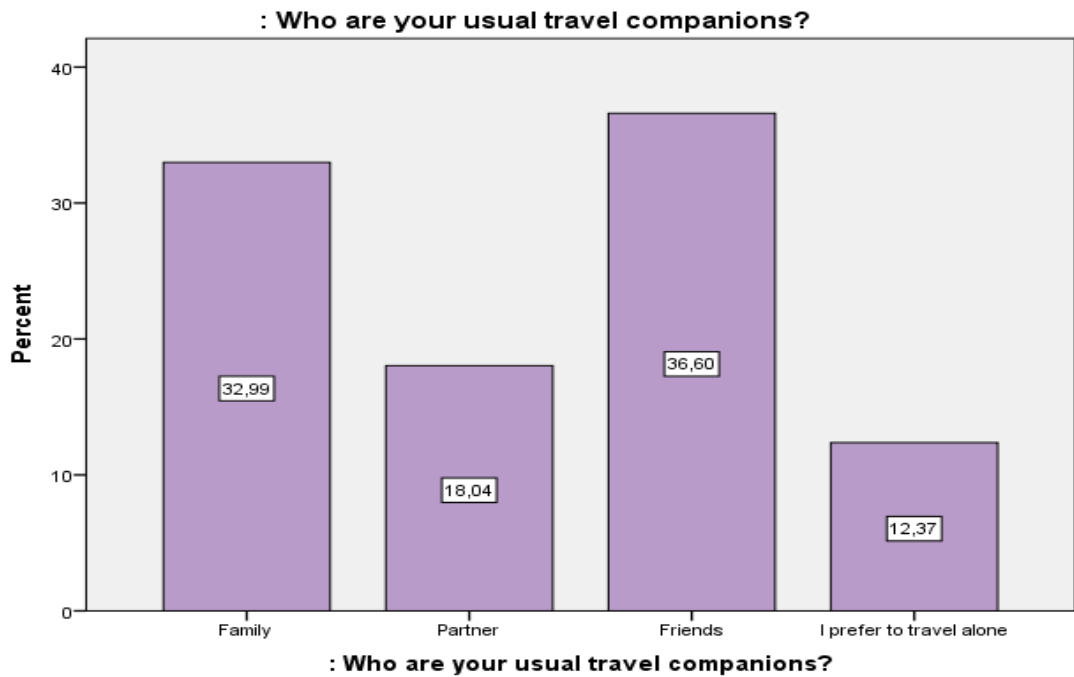
According to Figure 10, the results show that nearly 74% (148) of the youngsters usually take a trip abroad from one to two times per year. The remaining 17% (34) travel abroad from three to four times and around 9% (17) go to travel internationally five times or more. Most of the respondents were students and that is the reason to assume that traveling from one to two times per year usually takes part during the winter and summer holidays when students have time for a longer vacation. The results can prove the findings of the theory that stated that youngsters travel more than other generations and prefer traveling abroad only

during their free time since most of students travel abroad during their free time from school. Additionally, the question was not answered by only one respondent.



**Figure 11.** Usual duration of the trip among the respondents

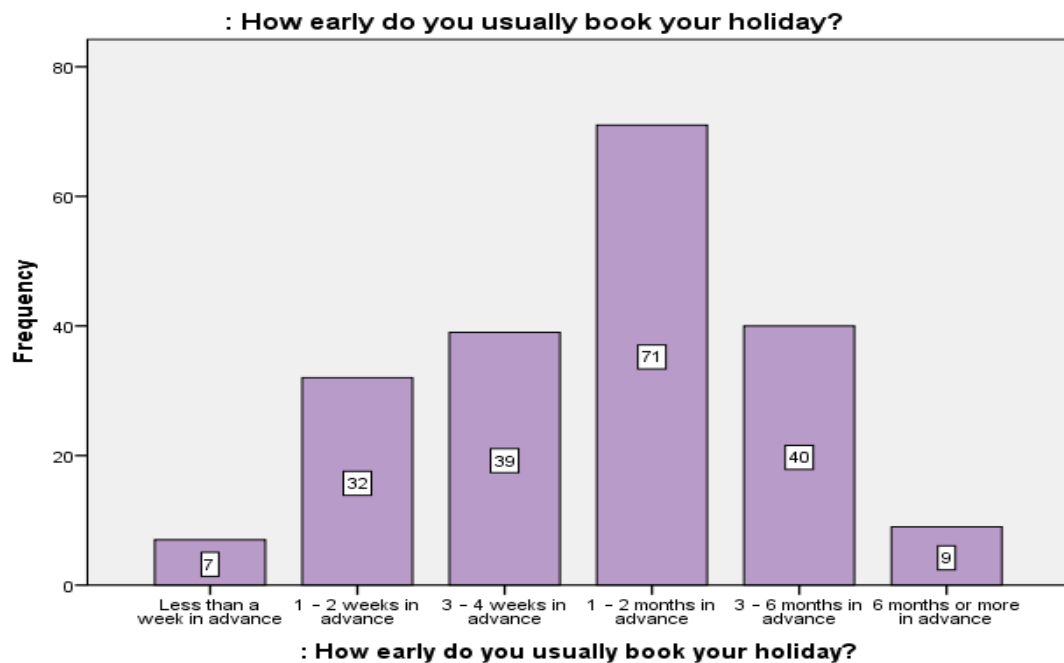
The aim of the next question was to determine the usual duration of the trip of members of Y generation, which is an important element for creating the new product for the chosen segment. As Figure 11 shows the most usual duration of a trip is one week for 40% (79) of the respondents. However, nearly 26% (51) of the youngsters usually prefer a holiday which lasts from one to six days and around 23% (45) prefer a two-week holiday. Furthermore, there are people who usually prefer three weeks and one month or even a longer vacation, but these two groups contain a smaller number of people. These two groups contained responses of 12% (23) and it can be assumed that longer lasting holidays are not so preferable for the younger generation. Unfortunately, there are no reasons given for such choices but according to the previous results that can be viewed in Figures 8 and 10, it can be possible that younger people prefer the shorter type of vacation because they wish to travel more often and save money for the next trip. Also, the question was skipped by two respondents.



**Figure 12.** Determining travel companions among respondents

Another travel habit of the Y generation was to determine their travel partner. As shown in Figure 12, most of respondents prefer to travel with friends and family members. The dominant two options of travel companions composed around 70% (149) of the total number of respondents who took part in the survey. Additionally, nearly 12% rather chose to travel alone and 18% voted for traveling with a partner, but there are no more specific findings on who they really mean by a family. For instance, family can mean one's own family or parents. And, 3% of respondents skipped the question. The finding concerning the usual travel companion can support the theoretical findings because previous results of the research conducted by WYSE confederation introduced quite the same results.



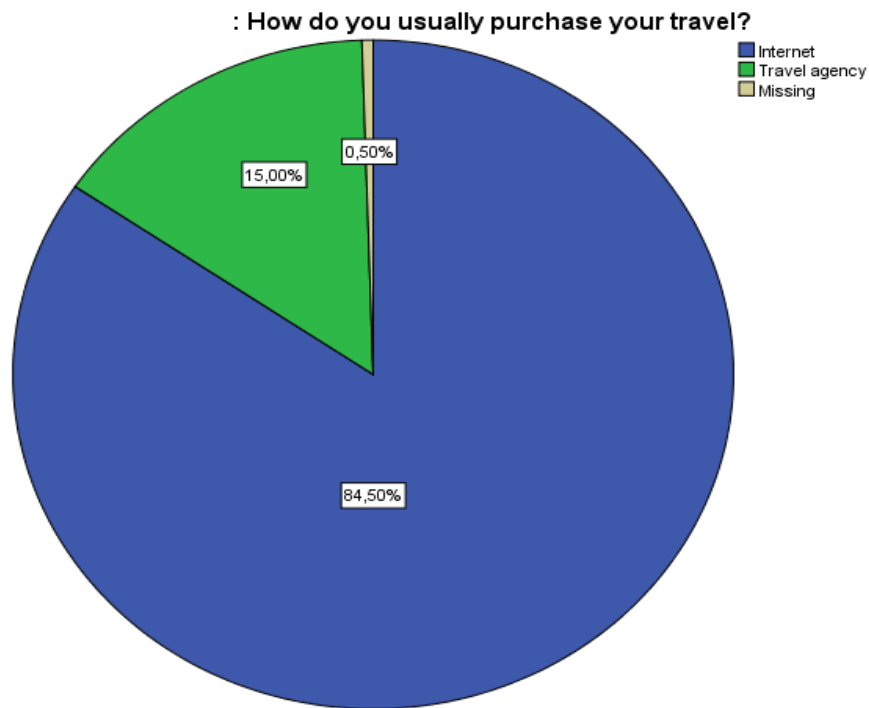


**Figure 13.** How much time in advance youngsters book their holidays

Another essential element of travel habits is the time when youth usually books the holiday. As Figure 13 shows, most of Y generation members book holidays from one to two months in advance, and 71 individuals chose this alternative. Two options were chosen by nearly the same number of respondents, which are 39 and 40 people, and the options are: 3–4 weeks, and 3–6 months in advance. Only seven of respondents prefer to book trips less than a week in advance, and just nine people take the booking of a trip very seriously, which usually takes six months or more. Two of respondents decided to leave the question without an answer. The theoretical findings claimed that younger people start preparing for holidays quite early and they take preparations very seriously. But, the final results show that many individuals book holidays quite late and the theoretical findings might be explained so that the younger generation starts preparing for holidays earlier and leaves the actual booking for a time when the plan is ready. Preparations can mean destination, accommodation, transportation, excursions, etc.

### 9.3 Booking method

This section of the survey contained five questions. The questions were asked in order to find out how the Y generation books holidays and to find out the main reasons for such a choice.



**Figure 14.** Booking method for purchasing a trip

As was mentioned earlier in the theory, the Y generation is one of the most tech savvy groups and it uses the internet for many purposes, as well as a booking method for the next trip. According to the results shown in Figure 14, the echo boomers are loyal to the internet in order to use it for holiday planning process and the actual purchase of a trip. Out of 199 responses to the question, nearly 85% (169) of the respondents prefer booking a trip through internet sources and only 15% (30) choose traditional travel agency services for buying ready-made holiday packages. The results confirm the findings of the theory part, but theoretical study had no actual answers to these decisions and that is why the following questions were asked.

### If you chose travel agency, why?

		Frequency	Percent
Valid	Special offers	46	23,0
	More secure	25	12,5
	Time-saving	25	12,5
	Less expensive	13	6,5
	Ready-made package	23	11,5
	Total	132	66,0
Missing	System	68	34,0
Total		200	100,0

**Figure 15.** Reasons for using travel agency services as a booking method.

The question was asked in order to find out the main reasons for using travel agency services. Even though the question was expected to be answered only by those who chose a travel agency as the booking method (30), 132 individuals answered to the question. The main reason for choosing a travel agency is '*special offers*', which got 46 votes of respondents. The next two reasons that got the equal number of 50 votes all together: '*more secure and time-saving*'. The next reason, which got 23 votes, is a '*ready-made package*'. The last option, which got the least number of responses, is a '*less expensive*' and it can be evaluated in a way that people consider travel agencies as services that have higher prices than the options they can find on the internet.

**If you chose internet, why?**

		Frequency	Percent
Valid	Special offers	28	14,0
	Less expensive	66	33,0
	Independent travel	62	31,0
	More destination points	18	9,0
	Total	174	87,0
Missing	System	26	13,0
Total		200	100,0

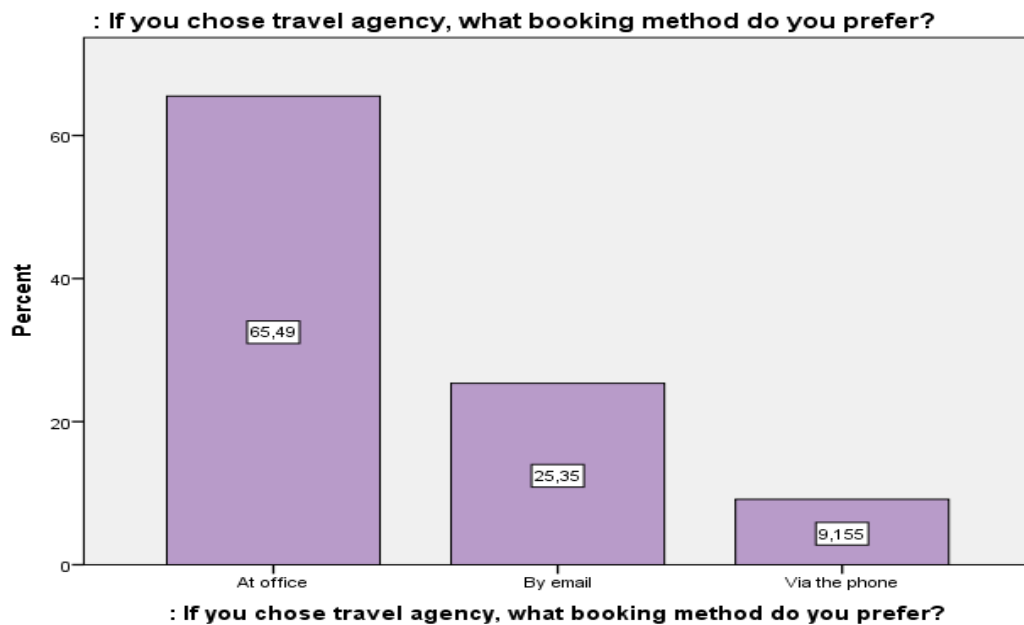
**Figure 16.** Reasons for using the internet as a booking method

The question about why people choose internet as a booking method was asked because there is a need to explain preferences of the younger generation when they choose internet sources for booking their next trip. 174 individuals answered to the question and as it is seen from the Figure 16, the main reason is that booking through the internet is *'less expensive'*, which got 62 votes of the respondents. The next reason is *'independent travel'*, which was chosen as the main reason by 62 people. The last two reasons, which got 46 votes all together were *'special offers and more destination points'*. From the findings, it can be presumed that youngsters are being more precise in spending their finances and wish to feel more independent while traveling.

If the respondents to the survey had no right option to choose, the *'Other'* option was suggested in order to add more suitable reasons and the following statements were written down:

- I would like to choose each option
- More convenient
- Easy
- Can do it from home
- Fast
- Less expensive, not obligated or rushed to choose something, lots to choose from and many offers
- More accessible than travel agencies. I can just get on my pc and there is everything I need, I don't have to walk or drive anywhere.
- Time-saving

**Figure 17.** Other reasons for using the internet as a booking method



**Figure 18.** Booking method by a travel agency

Another important element in the work of travel agencies is to know the preferable booking method of the younger generation. Even though the Y generation is one of the most tech savvy and web-oriented groups, they still prefer customer service when booking through an agency. Around 65% (93) of the respondents chose booking at the office and having face-to-face interaction with a travel agent. The findings of theory stated that youngsters rather choose e-mail communication than personal interaction with others. The results of the survey

can disprove findings and indicate that younger people value the good service and even though they are very connected to the use of the internet, they still value a face-to-face communication. It can be presumed that most of youth prefers communication through the internet with other members of the Y generation, but face-to-face interaction is still essential for these people, especially with service providers. On the other hand, there were still respondents who chose other methods, such as booking by email (nearly 15%) and booking by phone (nearly 9%). However, these two groups consisted of a smaller number of respondents.

#### **9.4 Travel Planning**

This was the last section of the survey, which contained ten questions. The questions were asked in order to find out the preferences of the Y generation that affect the holiday decision making process.

**How much money are you ready to spend on your holiday purchase? (Per person) The amount does not include the money you spend during your vacation.**

	Frequency	Percent
Valid		
From 100€ to 200€	26	13,0
From 201€ to 400€	67	33,5
From 401€ to 600€	61	30,5
From 601€ to 800€	28	14,0
From 801€ or more	17	8,5
Total	199	99,5
Missing System	1	,5
Total	200	100,0

**Figure 19.** The amount of money ready to spend on holiday purchase

Figure 19 shows the amount of money echo boomers are ready to spend on a holiday purchase, excluding money they spend during the vacation. This element is very important for travel agencies because the price can be one of the most attractive features that can push a customer to use company services. Moreover, as discussed in the theory, youngsters are mostly affected by prices because of the low or average income and they are defined as a very accurate generation in terms of purchasing decisions. As theory states that youngsters care more about saving and the meaning of a purchase, 67 of respondents to the questionnaire are ready to spend from 201 to 400 euros on a holiday purchase. The next leading group of respondents that consisted of 61 respondents are ready to pay not more than 600 euros on buying a holiday trip. Moreover, 28 respondents chose an option of 600–800 euros and only 17 individuals are ready to spend more than 800 euros on one trip. Furthermore, 26 of the respondents prefer cheaper trips that would cost them not more than 200 euros.

**What do you consider the most before you travel? Estimate the importance of the elements and choose from the following options:**

**1 – The least considered; 2 – Not so considered; 3 – Average; 4 – Considered; 5 – The most considered**

**Statistics**

		Needed documents for travel (Visa, Green Card, Invitation, etc.)	Vaccinations	Money exchange	Planning the schedule for your holiday	Checking the information about your destination and attractions	Other
N	Valid	197	196	193	193	192	73
	Missing	3	4	7	7	8	127
	Mean	3,944162437	2,892857143	3,233160622	3,554404145	3,921875000	2,958904110

**Figure 20.** The importance of the preparations before going on holiday

As the theory showed before, the Y generation starts preparation for a holiday well in advance and it is estimated as a very important process before going on a holiday. It was mentioned that youngsters are ready to take risks that can be reduced by good planning before the actual traveling process starts. Figure 20 estimates the importance of preparations before going on a holiday and one of the most important elements are the needed documents for travel. The previous findings showed that up to 75% of the respondents plan their vacations less than two months in advance and nearly 36% of them start planning vacations from one week to one month in advance. Based on these results, youngsters have less time for preparations and that can be the reason to prioritise it as the most important consideration. Furthermore, the second most important factor to consider before traveling is checking the information about destinations and attractions. Taking into consideration the fact that Y generation prefers internet booking instead of using travel agency services, there is a need to search for attractions and places to visit beforehand and check availability and price lists. Planning the schedule for a holiday is on the third place of preferences. The following choice of respondents is money exchange and the reason for such a choice can be low or average income



of younger people considering the risk of expensive rates for money exchange at the holiday destination.

If the respondents to the survey had no right option to choose, the '*Other*' option was suggested in order to add more suitable considerations and the following comments were given:

- Attractions at the destination
- Booking accommodation beforehand
- Weather/Climate
- Time of the year (off/high season)
- Natural disasters
- Political disorders/Crimes
- Social activities
- Culture/Food
- Clothing/Clothes to pack
- Dangerous insects
- Travel costs
- Learning cultural habits and basic phrases of local language
- Transportation
- Sightseeing
- Emergency phone numbers
- Waiting time between two transfer flights
- Special events
- Trying to get all the information I need about the country I am going to travel

**Figure 21.** Other important preparations

**What season of the year do you usually choose for going on holiday?**

	Frequency	Percent
Valid Summer	138	69,0
Autumn	22	11,0
Valid Winter	20	10,0
Spring	16	8,0
Total	196	98,0
Missing System	4	2,0
Total	200	100,0

**Figure 22.** Season of the year for going on holiday

Generally, summer is the most common season of the year for going on a holiday and especially for younger people because school/university holidays give more spare time for traveling. Based on results of the survey, 138 out of 196 respondents had chosen the summer season as a usual time of the year for going on a holiday. Autumn (22) and winter (20) are the following choices made by the respondents, which got almost an equal number of votes. Spring is the least preferable season of the year for traveling. There are no reasons for such a choice, but an assumable motive can be the tight schedule at the end of the study year and the fact that all studies of the school year have to be completed.

**What transportation do you usually prefer to use when you go to travel?**

	Frequency	Percent
Airplane	141	70,5
Train	11	5,5
Ferry/Cruise ship	9	4,5
Bus	10	5,0
Car	23	11,5
Total	194	97,0
Missing System	6	3,0
Total	200	100,0

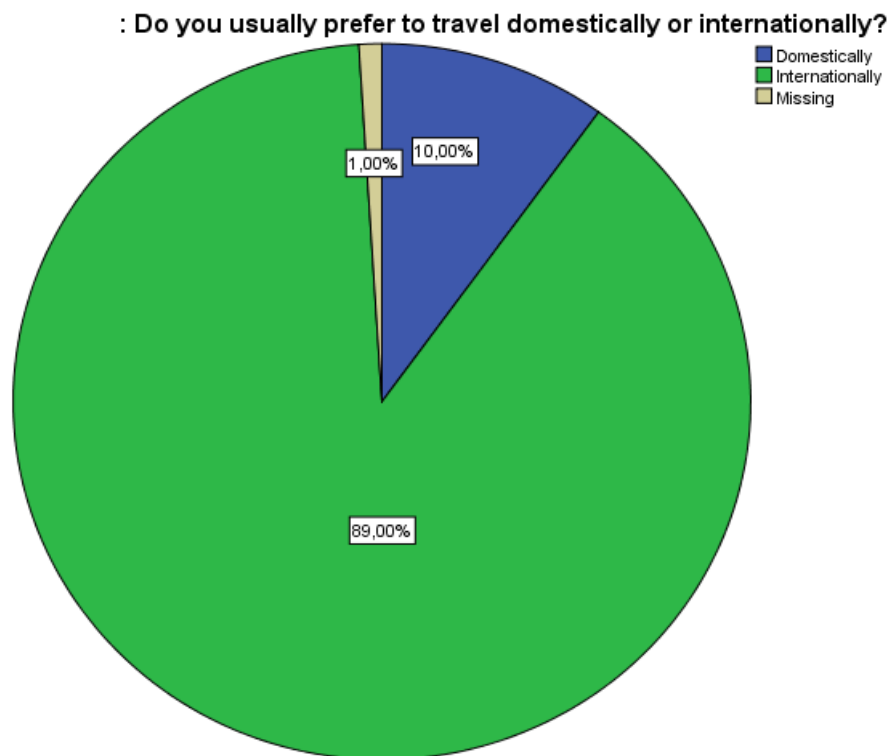
**Figure 23.** Transportation choice

Figure 23 represents the transportation types mostly used by the respondents for going on a holiday and the most popular one is the airplane. As Figure 11 shows the most common duration of a trip, which was one week and the following choice was from one to six days. Based on these findings, it can be presumed that youngsters prefer shorter holidays and that is the reason for using the fastest possible transportation. If the usual duration of a holiday is relatively short, youngsters avoid spending too much time on reaching the final destination. The next transportation type, mostly used by youngsters is a car, which got 23 votes of respondents. The possible reason can be traveling to European countries, which is more convenient because countries are relatively small and located next to one other. According to the results of the survey, youngsters usually travel with friends and families, and it can be a good way to travel by a car together in a good company. The train, bus and the ferry/cruise ship are not so preferable for the younger generation, which were chosen by almost the same number of respondents. Six respondents preferred not to answer the question.

If the respondents to the survey had no right option to choose, the 'Other' option was suggested in order to add more suitable answer to the question and the following statements were given:

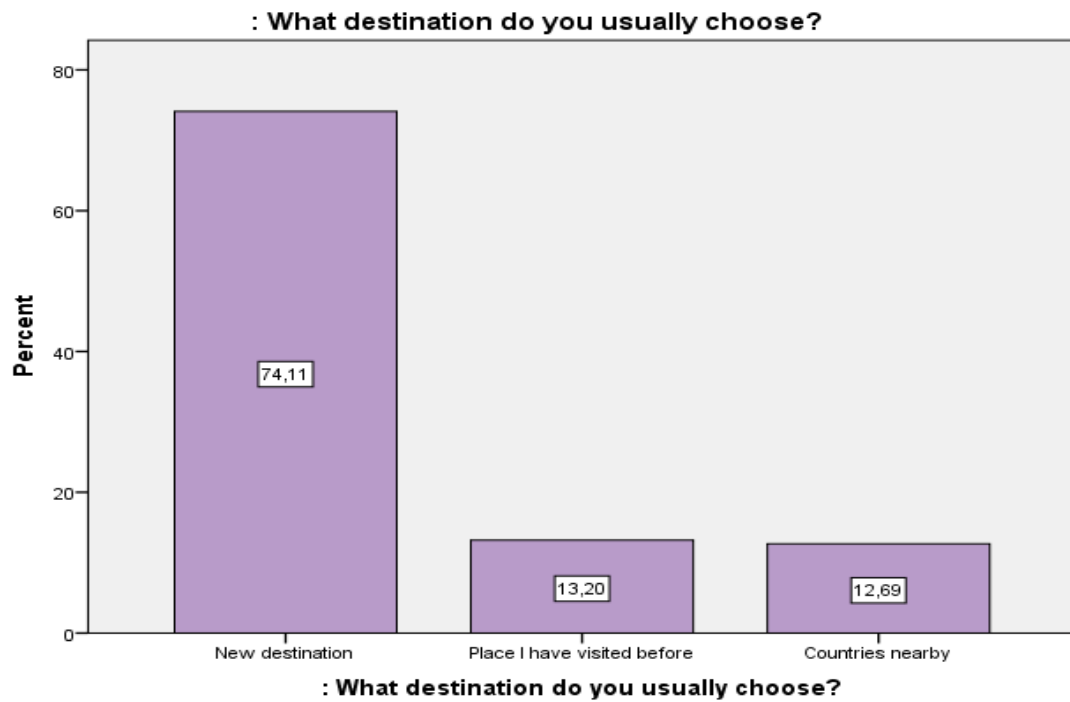
- Depends on the destination
- I prefer combining different kinds of transportation

**Figure 24.** Other transportation types



**Figure 25.** Domestic and international travel

As shown on Figure 25, 89% of the respondents to the survey like better traveling abroad and only 10% prefer traveling inside of a country. The results prove the theory finding, which stated that Y generation prefers international travel more than any other generation. Furthermore, two of the respondents did not answer to the question.



**Figure 26.** Destination choice

Figure 26 shows that nearly 74% of all the respondents chose the new destination for going on the next holiday. As was discussed in the theory, echo boomers desire to travel as much as possible and wish to get different experiences by choosing different destination points. Most of youngsters are not repeat travellers and they rather choose long distance trips than going to the place they have visited before or instead of traveling to countries nearby. According to the results, it can be assumed that youngsters wish to experience different cultures which are not familiar to them. Furthermore, three of respondents did not answer to the question.

**What accommodation type do you usually choose for your holiday stay?**

	Frequency	Percent
Valid Hotel	120	60,0
Hostel	41	20,5
Motel	4	2,0
Bed & Breakfast	12	6,0
Couch surfing	6	3,0
Camping	6	3,0
Total	189	94,5
Missing System	11	5,5
Total	200	100,0

**Figure 27.** Accommodation choice

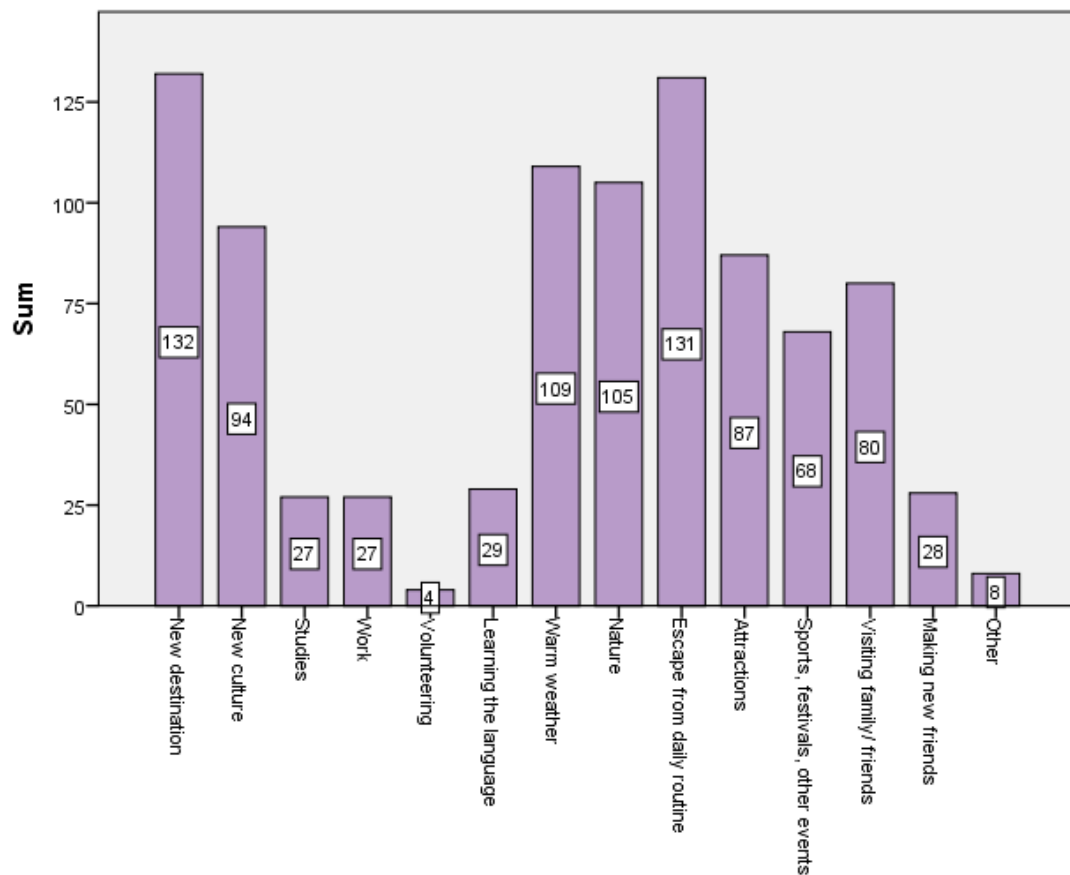
The results on the preferred accommodation type turned out to be surprisingly unexpected. The theory claimed that youngsters usually prefer such an accommodation as hostels and couch surfing, but as Figure 27 shows, 120 of the respondents prefer to stay in hotels. The reasons for such theory findings were affordable prices and the possibility to meet new people, but based on the results, the leading accommodation type is a hotel. Hotels are usually more accessible to tourists and it can be assumed that youngsters search for the best hotel deals on the internet and book the room before going on a holiday. On the second place of preference is a hostel, 41 respondents to the survey still choose it for a holiday stay. Bed & Breakfast services are used only by 12 of the respondents to the survey and it can be presumed that it is used mostly by those who usually travel by a car. Couch surfing, camping and motels are the least preferable accommodation choices among respondents.

If the respondents to the survey had no right option to choose, the ‘*Other*’ option was suggested in order to add more suitable answer to the question and the following statements were written down:

- All of them
- Any, if it is a good price and location
- My relatives/ family/ friends
- Renting a flat
- My second home

**Figure 28.** Other accommodation types

**What is your usual reason for going on a holiday?**



**Figure 29.** Motives for going on a holiday

This question was asked in order to explain the basic motives for going on a holiday. As seen from Figure 29, leading motives are desires to experience the new destination and escape from daily routine. The results prove the same fact which was discussed before, youngsters are hungry for new experiences and they like changes. The following leading reasons for taking a holiday are: warm weather (109), nature (105), new culture (94) and attractions (87). The next two reasons are visiting family and friends (80) and attending to a different kind of events such as sports or festivals (68). These results can prove theory findings in a way that members of the Y generation wish to experience new destinations by mixing entertainment and pleasure with such meaningful things as exploring a culture and nature of a destination. The following four reasons got nearly the same number of responses, which are learning the language (29), making new friends (28), studies and work (27). The lowest number of responses got the reason for volunteering abroad, which got only four votes of respondents' choice in the survey.

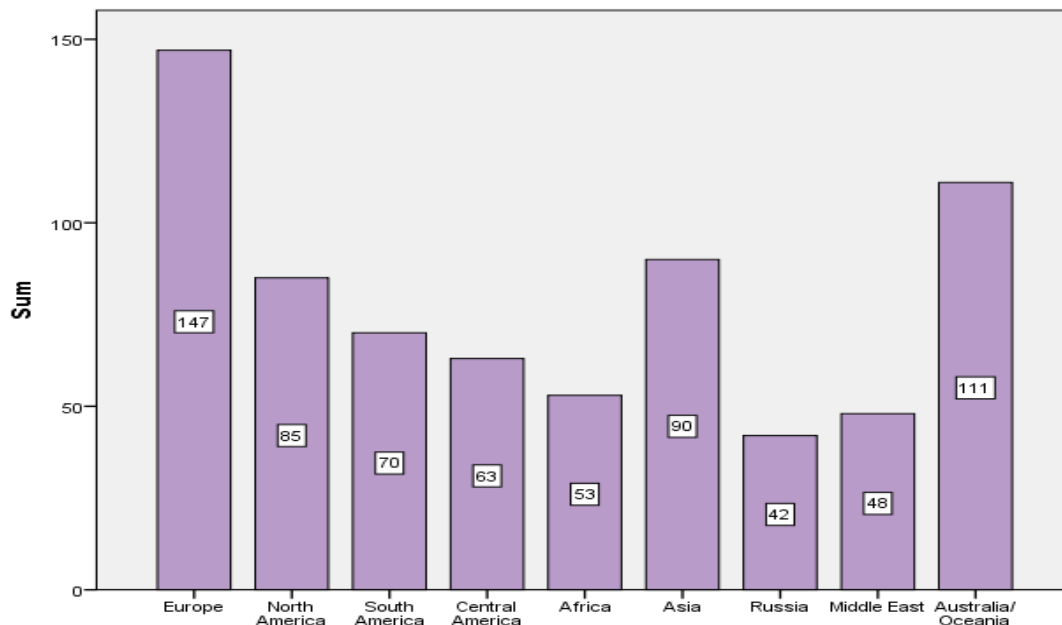
If respondents to the survey had no right option to choose, the '*Other*' option was suggested in order to add more suitable motives and the following statements were given:

- Special occasions. For example, weddings
- Taking part in the dancing competitions
- Food
- Spa- centers
- Nightlife/ Partying

**Figure 30.** Other motives for going on a holiday



### Where would you like to travel from the list of the following destinations?



**Figure 31.** Choice of a destination

The following results are essential information to gain for travel agencies in order to operate successfully and know the main destination preferences of the target group. The results that can be seen in Figure 31, which shows that the most desirable destination for youngsters are European countries, which got 147 from the respondents. Most of the respondents were from European countries and they are the easiest destination points to choose for a holiday. For European citizens it is easy to access these countries, the airline tickets are cheaper and it is possible to use other type of transportation, and there is no need for a visa or any other documentation papers. The next most desirable destination is Australia/Oceania, which got 111 votes from the respondents and Asia, which was chosen by 90 people. The results show that youngsters also prefer long distance trips and wish to visit more exotic countries. The following destination choices are North America, (85), South America (70) and Central America (63). The least preferable destinations are:

- Africa (53)
- Middle East (48)

- Russia (42)

**What affects your travel planning process? Estimate the importance of the elements and choose from the following options:**

**1 – The least important; 2 – Not so important; 3 – Average; 4 – Important; 5 – The most important**

<b>Statistics</b>			
	<b>N</b>		<b>Mean</b>
	<b>Valid</b>	<b>Missing</b>	
<b>Quality of a holiday</b>	197	3	4,096446700508
<b>Choosing the destination</b>	195	5	4,051282051282
<b>Price of the holiday</b>	197	3	4,045685279188
<b>Flight/ Transportation costs</b>	196	4	4,025510204082
<b>Safety of the destination</b>	196	4	3,867346938776
<b>Location of the accommodation</b>	194	6	3,664948453608
<b>Cost of living</b>	196	4	3,617346938776
<b>Attractions</b>	196	4	3,566326530612
<b>Cultural or historical heritage</b>	195	5	3,29743589744
<b>Other</b>	29	171	2,793103448276
<b>Night life</b>	197	3	2,680203045685
<b>Duration of the flight</b>	196	4	2,678571428571

**Figure 32.** The importance of elements affecting the travel planning process

Figure 32 estimates the importance of elements that affect the travel planning process of the respondents to the survey. The table represents the importance of the respondents' choices, which starts with the highest value and ends with the lowest.

The quality of a holiday is estimated as the most essential element in holiday planning, which means that youngsters want to make the holidays special. The following two options show once again that the younger generation is affected by the price of a holiday. Echo boomers are ready to spend a reasonable amount of money on a holiday, which will make a vacation special. The respondents are also concerned about the safety of a destination, which shows that they want to reduce any possible risks that could happen during a holiday. The location of the accommodation is also quite important for the youth and living expenses in a country they are going to travel to. The attractions of a destination remain quite important, as well as cultural and historical heritage. Even though the theory claimed that youngsters are motivated a lot by a night life, attractions and entertainment, the results show that it remains important but not as much as other different factors. As previous results showed the most preferable type of transportation is a plane, youngsters are not very dependent on the duration of the flight.

If the respondents to the survey had no right option to choose, the '*Other*' option was suggested in order to add more suitable factors and the following statements were written down:

- Local food
- The opinions of people I am going to travel

**Figure 33.** Other elements affecting the travel planning process

## **10 SUMMARY OF THE RESULTS**

After analysing the collected data of the survey, this chapter is presented in order to summarise the principal findings.

### **10.1 Profile of Y generation traveller**

As was noted before, the age of the Y generation was subdivided into two groups: 18–25, and 26–33. This was done in order to compare the results of two age groups of the generation, but the sum of groups was not equal and furthermore, it did not seem to have any influence on further research.

Questions such as '*Marital status*', '*Do you have children?*', and '*What is your income?*' were asked in order to build up the profile of the youngish traveller. From primary findings it is assumed that younger people have more freedom in terms of making the traveling decisions because most of people in this age do not have families or children. However, 55% of the respondents to the survey are in a relationship, which implies that they can be influenced by a partner. The results to the question about the income proved the theoretical findings, which claimed that most of people in this age group usually have average or low income.

### **10.2 Main findings**

As it was expected, most of respondents use the internet as a booking method, which comprised of 85% of the respondents. The primary causes for such a choice is seeing this method as less expensive and the value of an independent travel.

The aim was to gather the data of the Y generation tourists' behaviour and understand the segment. The research was based on main theory findings and the important element was to compile the essential information for the work of travel agencies that can help to create an attractive product for a complicated group of consumers.

Based on the analysis of results, youngsters usually prefer to travel internationally from one to two times per year. The usual duration of a trip is one week for the

most of the respondents, but it can be a few days less or more. Another finding proved the theory and it is the fact that typical travel companions of this generation are friends and families. The youngsters usually book holidays quite late, which is usually from one to two months in advance, and based on final results it can take one/two months less or more than that. Theory stated that youngsters start preparing for holidays early, but it might be explained as surfing the internet for the best accommodation and flight deals, and leaving the actual booking until the program is ready.

The average amount of money the generation is ready to spend on a holiday is 201–400 and 401–600 euros. Furthermore, the summer is the most common season for going on a holiday. Most of the respondents were students and that can be the reason why this is the most convenient time for this group to travel overseas. Most of respondents chose airplane as a transportation type for going on a vacation, but the duration of the flight is not regarded as very significant. The theoretical study of the thesis suggested that youngsters prefer international travel and they rather pick out a new destination than go to a place they have visited before. The theory was disproved based on determinations of the accommodation choice, which demonstrated that most of respondents usually choose hotels for a holiday stay.

The most common motives for most of the respondents are visiting a new destination, escape from the daily routine, warm weather, nature, new culture, attractions, visiting family or friends, sports, festivals, or other events. The results can prove the theory findings in a way that youngsters want to experience new destinations and mix entertainment and pleasure with such meaningful things as exploring new cultures and nature. The most preferable destination to visit in the future was Europe, and the following were Australia/ Oceania, and Asia.

One question was asked in order to find out the components that affect the travel planning process of the respondents. According to the results, the quality of a holiday is the most important element for younger people, as well as the price. The members of Y generation are ready to spend a reasonable amount of money on a holiday which will make a vacation special.

## **11 CONCLUSIONS**

The idea of the thesis has materialised and the aim of the final research is accomplished. The goal of the thesis was to understand young people as a customer segment and find out the main factors affecting the travel planning process. It is essential for travel agencies to study the chosen segment in order to produce the product that could fulfil the needs and wants of potential customers that a company wishes to attract to use its services.

The aim of the theoretical section of current thesis was to study the Y generation and design a survey based on the findings. This was the most complicated part of the theory, to collect the information about the Y generation, such as characteristics and traveling habits. Another complicated part of the thesis was to design the questionnaire in a way to include the main parts of theoretical findings and ask the right questions in order to collect the data that would help to manage the new product for the selected segment.

The research part of the thesis advanced as expected and desired number of 200 respondents to the survey was gathered. The profile of the Y generation traveler was built based on the personal information of the respondents, as well as the essential elements were gathered for creating the new product. Most of the theory findings were proven after the analysis of the final results, and only the statement regarding the accommodation type usually used by youngsters was disproved. The data regarding the most essential components for managing the new product for helping travel agencies was collected. After the long and difficult process, this thesis can be used by travel agencies as a guide in creating a new product for such a complicated segment as the Y generation.

After analysing the initial thesis results, a suggestion for further research occurred. It would be useful to conduct personal interviews. Personal face-to-face interviews would give a great opportunity to gather more detailed information about the youth segment, find out their travel habits and factors affecting the travel planning process. Further research would bring more reliability to the current study and it would be beneficial to know the opinions of members of Y

generation on how to make services of travel agencies more attractive for the current segment.

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## APPENDIX 1. Questionnaire

Research on travel planning habits of the young people

I am a student of Vaasa University of Applied Sciences and I am doing the research for my final thesis. The topic of my thesis is ‘Young people as a customer segment for travel agency services’.

The main expectation of the final research is to understand the travel planning and to find out all the basic needs and wants of the internet generation to be able to produce the right product for the right customer.

Please, fill in the questionnaire which will take just a few minutes of your time!

If you have any problem with filling in the survey, do not hesitate to contact me!

Email: e1000698@edu.vamk.fi

Jelizaveta Kozlova

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### Personal information

Sex	<input type="radio"/> Male	<input type="radio"/> Female			
Age	<input type="radio"/> ... < 17 years	<input type="radio"/> 18 - 25 years	<input type="radio"/> 26 - 33 years	<input type="radio"/> 34 > ... years	
Marital status	<input type="radio"/> Single	<input type="radio"/> In a relationship			
What is your income? (based on the average income in your country of origin)	<input type="radio"/> Very low	<input type="radio"/> Low	<input type="radio"/> Average	<input type="radio"/> High	<input type="radio"/> Very high
Do you have children?	<input type="radio"/> No	<input type="radio"/> Yes	How many? <input type="text"/>		

## Travel habits

Traveling outside of your country

How often do you usually travel per year?  1 - 2 times  3 - 4 times  5 times or more

What is the usual duration of your trip?  1 - 6 days  1 week  2 weeks  3 weeks  1 month or more

Who are your usual travel companions?  Family  Partner  Friends  I prefer to travel alone

How early do you usually book your holiday?  Less than a week in advance  
 1 - 2 weeks in advance  
 3 - 4 weeks in advance  
 1 - 2 months in advance  
 3 - 6 months in advance  
 6 months or more in advance

## Booking method

How do you usually purchase your travel?  Internet  Travel agency

If you chose travel agency, why?  Special offers  More secure  Time-saving  Less expensive  Ready-made package  Other

If you chose Internet, why?  Special offers  Less expensive  Independent travel  More destination points  Other

If you chose travel agency, what booking method do you prefer?  At office  By email  Via the phone

Have you ever used the travel agency services for purchasing your travel?  Yes  No

## Travel planning

How much money are you ready to spend on your holiday purchase? The amount does not include the money you spend during your vacation. (Per person)

- From 100€ to 200€  
 From 201€ to 400€  
 From 401€ to 600€  
 From 601€ to 800€  
 From 801€ or more

What do you consider the most before your travel? Estimate the importance of the elements and choose from the following options:

	1 - least considerable	2 - not so considerable	3 - average	4 - considerable	5 - the most considerable
Needed documents for travel (Visa, Green Card, Invitation, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vaccinations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Money exchange	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Planning the schedule for your holiday	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Checking the information about your destination and attractions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you chose other, what is it?

	Summer	Autumn	Winter	Spring
What season of the year do you usually choose for going on holiday?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Airplane	Train	Ferry/ Cruise ship	Bus	Car	Other
What transportation do you usually prefer to use when you go to travel?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

	Domestically	Internationally
Do you usually prefer to travel domestically or internationally?	<input type="radio"/>	<input type="radio"/>

	New destination	Place I have visited before	Countries nearby
What destination do you usually choose?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Hotel	Hostel	Motel	Bed & Breakfast	Couch surfing	Camping	Other
What accommodation type do you usually choose for your holiday stay?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="text"/>

What is your usual reason for going on a holiday? Choose 1 option or more

- New destination
- New culture
- Studies
- Work
- Volunteering
- Learning the language
- Warm weather
- Nature
- Escape from daily routine
- Attractions
- Sports, festivals, other events
- Visiting family/ friends
- Making new friends
- Other

If you chose other, what is it?

Where would you like to travel from the list of the following destinations? Choose 1 option or more

- Europe
- North America
- South America
- Central America
- Africa
- Asia
- Russia
- Middle East
- Australia/ Oceania

What affects your travel planning process? Estimate the importance of the elements and choose from the following options:

	1 - least important	2 - not so important	3 - average	4 - important	5 - the most important
Choosing the destination	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cultural or historical heritage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Night life	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attractions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cost of living	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Flight/ Transportation costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price of the holiday	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of the holiday	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Location of the accommodation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Duration of the flight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Safety of the destination	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

If you chose other, what is it?

## Proceed

Save

Thank you very much for participation and your time!!

Järjestelmänä Edux E-tomake 3.1, [www.e-tomake.fi](http://www.e-tomake.fi)