New Horizons IV

PREVIEW

A global study of the youth and student traveller

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New Horizons IV: A global study of the youth and student traveller

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Foreword

David Chapman
Director General
WYSE Travel Confederation

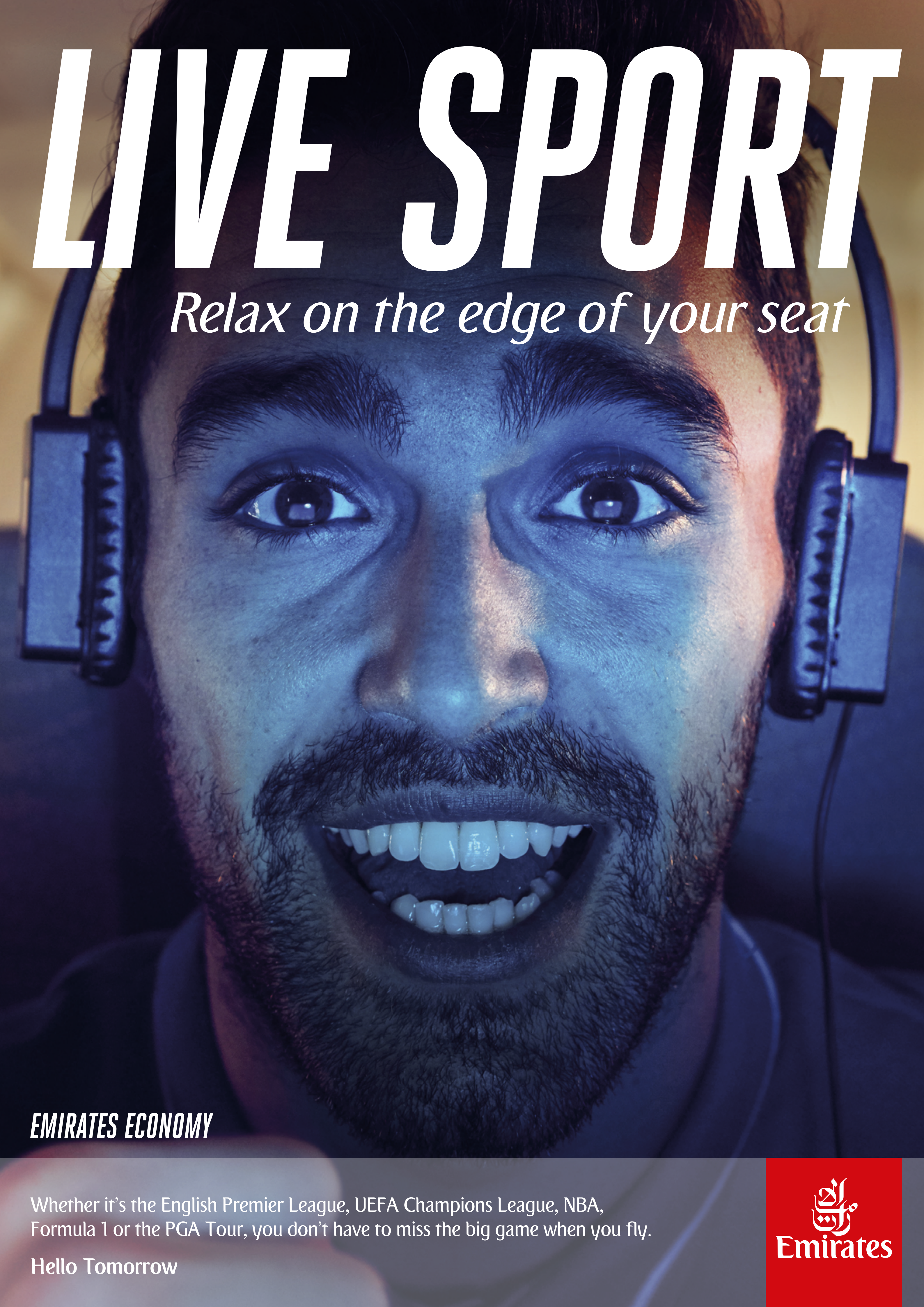
It is with great pleasure that I invite you to read New Horizons IV, the latest iteration of the only recurring global survey of the youth travel market.

New Horizons is the most comprehensive global perspective available on the youth and student travel market. Who travelled where, why, and for how long? How did young travellers plan and book their trips? How much was spent during these trips and on what? These are some of the key questions answered by New Horizons. Not only will you see the most recent results of the 2017 survey, but trends in youth and student travel since 2002.

Covering a record number of responses from all corners of the world, the fourth report in the New Horizons series reflects not only the growing number of young travellers traversing the globe, but the youth travel industry's incredible ability to adapt to the evolving demands of youth. Your professional commitment to making travel experiences accessible to young people always impresses me.

One of us alone could not have collected the more than 57,000 responses from 188 countries and territories that are represented in this report. Members of the WYSE Travel Confederation community did this together. Thank you for coming together for this important project. I hope you enjoy the report.

WYSE TRAVEL CONFEDERATION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Introduction

New Horizons is the biggest specialist travel survey worldwide, and the largest ever study of youth travel. The study is also unique because it has been running consistently since 2002, with four successive waves of data collection providing a comprehensive picture of a rapidly-growing and dynamic travel sector. New Horizons provides the only consistent review of trends in youth travel globally.

Over the years, New Horizons has tracked the evolution of youth travel, from a reliance on specialist travel agency offices to the growth of online travel, mobile internet, Online Travel Agents and the explosion of dedicated youth travel accommodation. The youth travellers themselves have also changed, with the traditional picture of the backpacker on a shoestring budget being augmented with the upmarket flashpacker and the globetrotting digital nomad.

How to use this report
As in previous reports, we provide a market overview, indicating how young people are motivated to travel, the ways in which they gather information, how they buy travel services, what they do in the destination, how much they spend, how they fund their travel, and what they get out of it.

In contrast to previous editions of the report, New Horizons IV is organised by thematic chapters; Digital nomads, generation Z, OTAs, experiences, living like a local, festivals, and global mobility are some of the themes you will read more about in the full report. At the end of each chapter you will find key points on the theme and suggestions related to our findings.

Also included are profiles of four global youth travel destinations: Australia, Canada, the United Kingdom, and Thailand. These profiles highlight some of the unique characteristics of youth travellers to these destinations and some of the best practices that have earned these countries good reputations as youth travel destinations.

Changes to New Horizons IV
The youth travel market is constantly changing and so has the New Horizons survey with each edition. Questions related to the changing nature of youth travel and emerging products and innovations are added to each iteration of the survey, and each edition of the report proposes new ideas about this fascinating population of travellers.

In this edition of New Horizons, a number of new topics are reviewed, including what makes youth happy when they travel and in which places they are happiest. Given the rise of the flashpacker and the drive to consume experiences and share these via social media, New Horizons IV also asked travellers what experiences they were most likely to splurge on and what their opinions were of various global cities they visited. With debates about borders springing up in various parts of the world, questions on visas were included. Digital nomads and their travel behaviour were also examined. New information on travel companions was captured to shed light on this social dimension of travel for young people. Online Travel Agents and the sharing economy were also examined in more detail than in the past, given their growing importance in the youth travel market.

In spite of all these changes, however, the basics of youth travel remain: young people travel to broaden their horizons, to experience things, to learn, and to meet new people. Travel is a form of personal and professional development for young people – a means to build the CV, learn new languages, gain new social contacts or build new work skills. Much of youth travel is therefore 'purposeful travel' and not (just) a holiday.


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Methodology

The data for the New Horizons IV survey of 2017 were collected online via 198 links to the survey. These links were distributed by a global network of stakeholders of the youth, student and educational travel industry. The stakeholders shared links to the survey via their email distribution lists, social media, and other digital channels such as newsletters, blogs, and websites. An incentive of a draw for a variety of travel-related prizes was used to attract responses.

The survey was made available in English, German and Spanish between 30 May 2017 and 10 November 2017 and generated a total of 57,324 responses. This is a significant increase on the 34,000 responses collected in 2012 for New Horizons III, which in turn, was a substantial increase compared to previous New Horizons surveys conducted in 2007 and 2002.

The response to New Horizons IV was the biggest to any youth travel survey to date, and covers 188 countries and territories, up from 137 in 2012 for New Horizons III.

The data analysis was undertaken in SPSS. Unless otherwise stated, all the relationships described in this report are statistically significant at the 95% confidence level.

The categorisation of world regions and countries in this report is based on that used by the UN World Tourism Organization (UNWTO).

In order to ensure that a representative picture of global youth tourism was obtained, where global data are analysed, the data have been weighted by visitor origin to reflect the distribution of global outbound tourism according to UNWTO data. Weightings were also applied to the New Horizons data collected in previous years in order to compare survey waves.

Figure 1

Map of UNWTO world regions

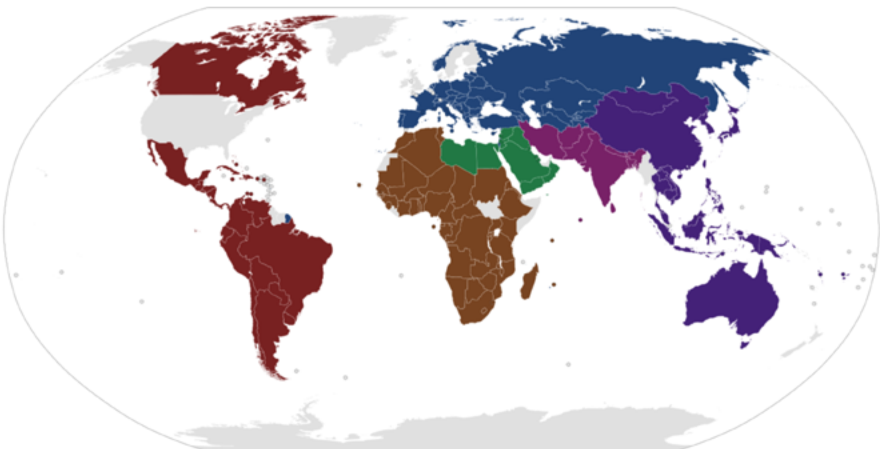
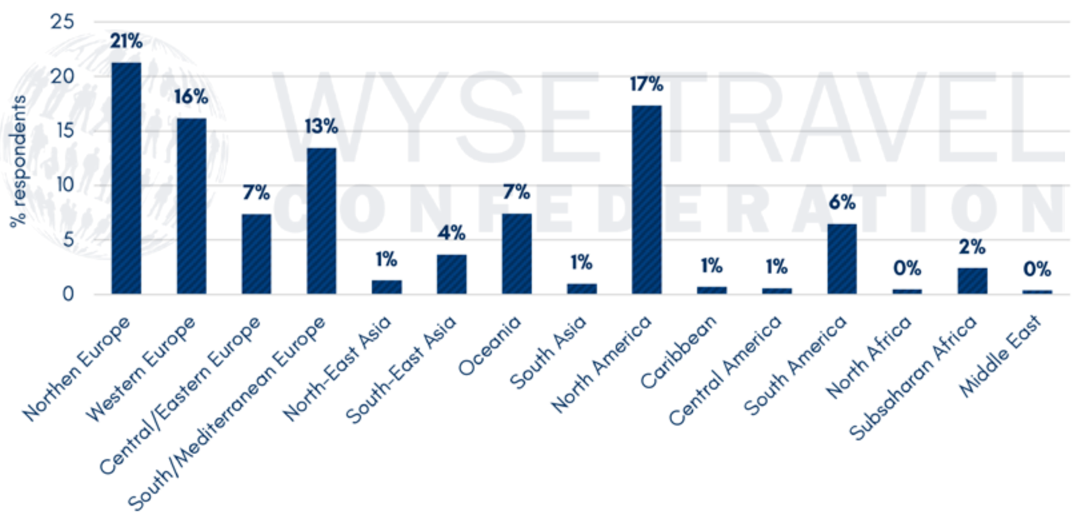


Figure 2

Main responding world regions



Definitions

We have provided a key to the important terms used in the report and some of the buzzwords you may come across when reading about youth travel.

Au pair

Domestic assistant from a foreign country working for, and living as part of, a host family.

Backpacking

A low-cost, independent style of international travel, usually involving a multiple destination journey with a flexible itinerary.

Bleisure / Bizcation

The blurring of business and leisure products, services and experiences.

Booking medium

The channel through which a consumer makes a travel reservation or purchase, whether a remote connection such as a computer linked to broadband Internet or a personal visit to a travel agency.

Booking intermediary

The organisation taking the reservation or purchase from a consumer, such as an Online Travel Agent or travel supplier (airline, hotel, etc.).

Digital nomad

Travellers who use digital technologies to work and/or support a location-independent lifestyle.

Flashpacker (also Poshpacker)

The flashpacker travels in a flexible, low-cost style like a backpacker, but is willing to spend more on travel comforts or conveniences. The poshpacker is similar to the flashpacker, but may be more concerned with the design, status, or uniqueness of travel products.

FOMO

Fear of missing out – travel stimulated by a fear that you will miss out on special or unique experiences if you do not go. FOMO is particularly linked to the posting of experiences on social media.

Gap year

A 'break year' spent travelling, typically between the completion of secondary education and the beginning of tertiary education.

Generations X, Y and Z

Successive generations linked to particular types of lifestyles, attitudes and behaviour. Generation X includes people born between 1966 to 1976, generation Y between 1977 to 1994 and generation Z between 1995 to 2012.

Glamping

Outdoor camping with a level of amenities and comforts (such as beds, electricity, and access to indoor plumbing) not usually associated with traditional campsites.

Language travel

Youth and student travel with the purpose of learning a language abroad.

Long duration trip

In this report, a long duration trip is defined as a trip of more than 7 days.

Millennials

A term referring to those coming of age around the millennium, usually synonymous with generation Y.

Off the grid / Digital detox

Many people feel harried as a result of constant connectivity and the blurring of work and leisure, so time spent 'off the grid' or without an Internet connection can be a way to relax and undergo a 'digital detox'.

Online Travel Agents (OTAs)

An Online Travel Agent (OTA) is a travel website that specialises in the sale of travel products to consumers.

Purposeful travel

Non-holiday travel with a specific purpose or to follow a programme.

Sharing economy (or Collaborative economy)

Systems that coordinate the acquisition and distribution of travel resources for a fee or other compensation. This includes monetary systems such as Airbnb, Uber and BlaBlaCar as well as non-commercial exchange networks such as Couchsurfing.

Short duration trip

In this report, a short duration trip is defined as a trip of 7 days or less.

Student travel

Youth travel undertaken by young people in full-time education (not necessarily for the purposes of study – see study abroad).

Study abroad

An educational programme in which students attend courses in another country for which they receive academic credit.

Sustainable tourism (also Responsible tourism)

The use of sustainable travel initiatives, or 'initiatives, products or services designed to take full account of their current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities' (following the UNWTO definition of sustainable tourism).

Volunteer travel

Youth travel with voluntary work (unpaid work), in most cases provided by a non-profit organisation. The term 'voluntourism' is also sometimes used.

Work experience / Work abroad

Travel with the intention to work and experience the culture and life of the host destination. It is usually a paid experience (unlike volunteering). This sector includes, but is not limited to, Work and Travel programmes, Work Experience Abroad, Work & Study, Working Holiday programmes, Internships, Au Pair, Teaching Abroad, Camp Counsellors, etc.

Youth Travel Accommodation (YTA)

Specialist providers of accommodation for youth travellers, such as youth hostels and student residences. Hostels provide budget-oriented, sociable accommodation where guests can rent a bed, usually a bunk bed, in a dormitory and share a bathroom, lounge and sometimes a kitchen.

Youth travel

International independent travel for periods of less than one year by people aged 15 to 29 motivated, in part or in full, by a desire to experience other cultures (including cultural exchange visits), build life experience and/or benefit from formal and informal learning opportunities outside one's usual environment.[1]

[1] WYSE Travel Confederation (2008) Youth Travel Matters –Understanding the Global Phenomenon of Youth Travel.

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Executive summary

Estimates by WYSE Travel Confederation and the UN World Tourism Organization (UNWTO) indicate that youth travel accounted for 23% of all international arrivals in 2017, or 304 million trips. The total value of this market is estimated to be in excess of €250 billion ($280 billion).

The average main trip taken by a youth traveller in 2017 was 52 days, slightly shorter than in 2012. Average trip expenditure was €2,867 in 2017. When exchange rate fluctuations are taken into account, this represents an increase of 18% compared with 2012.[2]

The average age of New Horizons IV survey respondents was 24, and the largest single age group was 20 to 22, which accounted for 33% of all respondents.

Youth travellers are generally well educated, with half holding a bachelor's degree and 13% having a postgraduate degree. Students account for just over 60% of all youth travellers. A large proportion of travellers work full-time (28%) or part-time (26%), and work is often combined with study.

The main purpose of travel reported by the respondents of the survey was holiday (38% rating it extremely important). The most important forms of purposeful travel were language learning (23%), study (14%) and work experience (13%). The travel styles that young people identified with most readily in 2017 were Traveller (48%), Tourist (26%) and Backpacker (13%).

Millennials still represent the key youth travel generation, accounting for over 80% of survey respondents. Millennials use travel to gather experiences, extend their education and build their CVs. They seek out experiences, particularly related to food and drink and festivals. New opportunities are now emerging for the youth travel industry with new millennial markets in the Muslim world and China.

The rise of the digital nomad is beginning to be felt in destinations where more co-working spaces are springing up and high-speed wifi connections are being offered. Even though digital nomads are still not numerically important (we estimate around 1.8 million globally on the basis of our survey), they have an influence on other young travellers through their blogging, travel advice and apparently desirable lifestyle.

Young travellers see experiences as more important to collect than stuff. The number and range of activities undertaken in the destination continues to grow, with a 26% jump in activity levels in 2017. Even though the most frequent activities, such as sitting in cafes or shopping, tend to be passive, there was also a strong growth in walking and hiking in 2017, while language learning also surged (+50%).

One experience young travellers are seeking more and more is 'living like a local.' Over half the respondents said they had spent time living like a local while travelling in 2017, compared with less than 28% in 2012. These temporary locals were more likely to be staying with host families, friends and relatives or using sharing economy accommodation. They want to interact with local people and experience everyday life in the destination and are often working and earning money during their stay.

Youth travellers are becoming significant factors in the development of places, often pioneering new destinations, forms of accommodation and experiences. Backpackers have long been responsible for the growth of traveller enclaves, but they are now being joined by digital nomads and flashpackers, who help support a wider range of facilities. Many of the original youth travel enclaves have now become major mainstream tourism destinations in their own right. The growing popularity of festival travel is also significant for many emerging destinations, such as the Exit Festival in Serbia or the Forecastle Festival in Louisville.

The growth of budget travel options, supported by low cost carriers, the global expansion of hostels and rise of sharing schemes like BlaBlaCar, is feeding the travel

[2] €3,440

hunger of young people. Air travel overtook bus travel in 2017, and budget airfare is increasingly likely to be combined with sharing economy type accommodation by frequent youth travellers. By saving money on travel and accommodation young people have more cash available for experiences in the destination.

Travel bookings are increasingly being made online and via mobile internet. This has supported a surge in bookings through Online Travel Agents (OTAs), which accounted for almost 40% of air travel bookings and 47% of youth travel accommodation bookings in 2017. The main OTAs used for air travel were Expedia, STA Travel, Skyscanner and StudentUniverse. In the accommodation sector, Booking.com had the largest share of reservations, ahead of hostel specialist Hostelworld.

The growth of youth travel has been an important indicator of increased global mobility for people in the developed world. Many are now travelling for extended periods of time to work or study, or even becoming 'location-independent' digital nomads. Many of those on extended trips face challenges getting a visa, which can significantly add to the total travel cost. Almost a quarter of our survey respondents said that they were living abroad, underlining the significance of the 'expat' travel market. Expats take 25% more short trips and 30% more long trips than the average youth traveller.

Youth travel has been boosted by millennials spending their parents' money. This helps many youth travellers to amass a considerable travel budget, even when their own earning capacity may be limited. Only 15% of respondents said that their trip was fully funded from their own earnings. In addition to asking their parents, many young travellers also rely on savings or money earned while travelling.

The growing youth travel market is also seeing increased blurring of travel products, with combined hostel/hotels or mixed modes of travel becoming more common. Youth travellers are also gathering their information from a wider range of information sources and devices, with the number of different sources growing by 18% between 2012 and 2017.

Different information sources are also key for the next generation of youth travellers, generation Z. These digital natives have grown up with smartphones and wifi, and bookings by this group via mobile internet grew significantly in 2017. Although they are tech-orientated, generation Z is also even more social than the millennial generation, and they are particularly likely to want to integrate with the local community when travelling.

Conclusions

The global youth travel market continues to grow and become more important for destinations worldwide. Destinations and travel suppliers must understand the changing needs and desires of young people to learn through travel experiences.

Some of the key changes since the New Horizons III survey in 2012 are:

Increased information intensity. A wider range and greater number of information sources and booking channels and devices are used by youth travellers.

Increased mobility. Young people undertake more long-haul trips and are more likely to be living for a prolonged period outside their home region. Mobility is facilitated by greater ease of earning money (or working remotely) while travelling. This travel lifestyle makes young people happy and therefore likely to repeat the experience.

The search for experiences is more important and young travellers are packing more into each trip. Experiences are what young travellers are most likely to splurge money on rather than traditional travel upgrades.

The most popular experiences are related to 'living like a local'. Although living like a local has long been part of the youth travel style, this is being met by an increasing number of providers.

Increased participation in the sharing economy, including accommodation and car/ride sharing. The growth of the sharing economy is clear with over 20% of youth travellers having used Airbnb or similar. There is a strong link between 'living like a local' and sharing economy accommodation in the youth travel market.

Events are increasingly important for destinations to attract young visitors and spur local development. Almost 19% of youth travellers visited a music festival in 2017, and 26% visited a food festival. Festival visitors spent significantly more on average than other youth travellers.

Given the trends noted in New Horizons IV, we anticipate some changes in youth travel in the near future:

Digital nomads will become an important segment of youth travellers as location-independent work and related travel increase. Demand for co-working space, flexible accommodation and other travel provisions for proto-locals will grow.

Experiences will continue to take a prominent role in travel products. This means new opportunities for packaging, content development and co-creation with consumers. The youngest travellers, are already more activity focussed than their older counterparts.

The use of social media for information and booking will grow. New channels will emerge as Facebook is replaced or supplemented by new platforms favoured by generation Z.

Purposeful travel will become more important as destinations recognise its value and importance to youth travellers (and their parents).

Debates around mobility and visas will continue so long as xenophobic attitudes exist. It will be important for destination marketers to make the case for easy, effective, and affordable visa systems, if not visa-free travel, in order to support purposeful youth travel.

Questions around sustainability and the impact that travellers have on the places and people they visit will most certainly continue to be asked and debated. Youth travel is an opportunity to influence positive change in sustainable travel behaviours.

World regions

The categorisation of world regions and countries in this report is based on that used by the United Nations World Tourism Organization (UNWTO).

EUROPE

Northern Europe
Denmark
Finland
Iceland
Ireland
Norway
Sweden
UK

Western Europe
Austria
Belgium
France
Germany
Liechtenstein
Luxembourg
Monaco
Netherlands
Switzerland

Central and Eastern Europe
Armenia
Belarus
Bulgaria
Czech Republic
Estonia
Georgia
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Tajikistan
Ukraine
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Hong Kong (China)
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Macao (China)
Mongolia
Taiwan (pr. of China)

South-East Asia
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Vietnam

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Guam
Kiribati
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Montserrat
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Saint Lucia
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Trinidad & Tobago
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