

Analysing the use of Technology by the Millennial Tourist to India

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Abstract

This paper evaluates the use of technology by millennials for travel purposes in India. Millennials are persons in the age group 15 – 34 years. It is this group that is projected to form the majority of tourists to India in the years to come. Therefore, it is crucial to understand their travel behaviour with respect to the use of technology. A qualitative approach was adopted using both primary and secondary data. An analysis of the secondary data indicated that the use of technology influenced tourist behaviour, operations, information searchers, peer pressure and connectivity. Primary data was collected using an online questionnaire, from 30 managers of budget and lower – end hotels in India as it is this hotel format that is mostly used by millennial visitors. It was found that millennials visit India not just for its history and culture but mostly because they find more fulfilment. This is because of the unique spiritual heritage of India and the numerous opportunities whereby visitors can contribute to the betterment of underprivileged communities in the country. Millennials want seamless connectivity to the internet primarily because of their need to host pictures on social media and to engage in online conversations about their travel to friends and family back home. They want to be able to curate personalized travel experiences by leveraging several different stakeholders that may be available in the regions they are travelling to. Millennials want to boast about their travel back home and to be able to use technology to make bookings, search for information, post reviews and pictures, and even to find their way. They view technology as a key means to reducing reliance on third-party middlemen in India whom they regard as being untrustworthy and unscrupulous. Technology is an enabler of many other aspects of their travel such as arranging for transport, for shared accommodation and also for living out the local lifestyles and customs of the areas they visit. As against these requirements, various challenges were identified for the Indian tourism sector. These have been discussed in this paper along with recommendations on how the Indian tourism sector must use technology to attract more numbers of millennials to the country.

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I. Introduction

The hospitality sector plays a key role in the Indian economy. In 2018, the tourism sector generated revenues of upto \$250 billion (Rs. 17 trillion) which represented 9.2% of the GDP of the country (FICCI, 2019). The travel and tourism sector is growing at a rate of 7% per annum and estimates indicate that by 2029, revenues generated will be upto Rs. 35 trillion which will

represent 9.6% of the annual GDP of the country at that time (FICCI, 2019). Furthermore, the tourism sector generated 27 million jobs in 2018 and is projected to provide employment to 53 million people by 2029 which is 10% of the country's workforce (IBEF, 2019). Most of the growth in the Indian tourism sector is driven by increasing numbers of foreign tourist arrivals (FTAs) of whom 10 million visited the country in

2017 (CARE, 2018). One of the trends in FTA's in India is the increase in number of millennials (IOL, 2019). Millennials (also called Generation Y) refer to those persons born between 1980 and 1999 and of age 15 – 34 years. According to NITB (2019), it is the preferences and habits of the millennials that will be the key drivers of demand in the tourism sector over the next decade. One of the key features of millennial travellers across the world is their use of technology in various forms for making bookings, searching for and sharing information (NITB, 2019). The purpose of this paper, therefore, is to understand how millennials that visit India use technology for travelling and the implications of this travel behaviour for the travel and tourism sector in the country. This research is important because it is the millennials that are predicted to become the largest group of travellers to India in the future and it is necessary to understand their use of technology for travel purposes.

Research Question : How do millennials use technology for their travel in India?

II. Literature Review

According to Circella and Mokhtarian (2017), millennial travellers have different travel behaviours than previous generations. For example, they prefer taking more overnight leisure trips and spend more as compared to fewer trips being made by their older counterparts. One of the defining characteristics of millennial travel behaviour is their use of technologies such as computers, the internet and smartphones for planning, actual travel and post-travel phases of their journeys (McDonald, 2015). Millennial travellers use technology for various travel related operations. These include making bookings for their transportation, hotel stay, restaurants and even for check – in purposes.

Various technologies such as social media are widely use by millennials to search for information that guides their purchase decisions. According to Molin et al., (2016), millennials

typically check as many as ten online sources before making a booking and rely less on traditional advertising campaigns. Millennials expect seamless connectivity at all stages during their travel. Wang (2018) observes that this is so because they are used to having instant access to online networks back home and constant connectivity is therefore of great importance to them. Millennials are heavily influenced by peer groups including family, friends and associates (LaChapelle and Jean-Germain, 2019). Much of their travel related purchase decisions are made based on recommendations made by their peers.

Based on this review of literature, the theoretical model in figure 1 was developed.

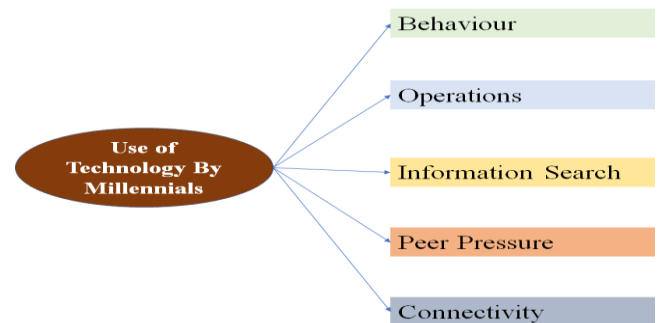


Figure 1. Theoretical Model

From figure 1 it is observed that technology influences the travel behaviour of the millennial. It is used for operations and information searches. Millennials are subject to peer pressure through technology and expect seamless connectivity at all times. The implications of these characteristics for the Indian tourism sector are discussed in the following sections.

III. Methodology

A qualitative method was adopted in this paper using secondary and primary data. The secondary data was used to construct the theoretical model given in figure 1. The primary data was collected through an online questionnaire administered to 30 managers of different budget, 2 star and 3 star hotels in India. These hotels were chosen as it is these formats, rather than the luxury hotels, that are preferred stay destinations for millennials. The

questionnaire collected information on how millennials to India are using technology for various aspects of their travel.

IV. Analysis & Discussion

The respondents were queried on key millennial tourist expectations from their travel to India. Figure 1 indicates their responses.

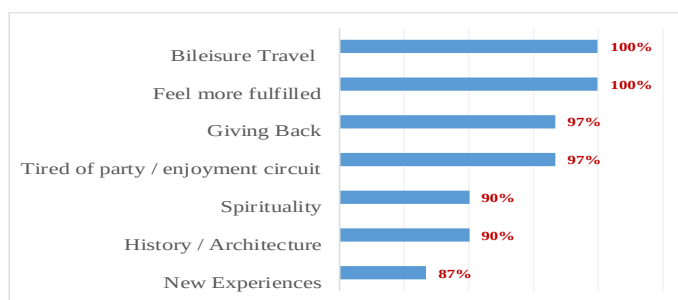


Figure 2. Key Tourist Expectations from their India Travel

From figure 2 it is observed millennials visiting India come for 'Bleisure' trips. That is, they come for business trips but stay for a few more days for leisure and sightseeing purposes. These visits are very short, typically lasting for 4 days or less. Hence, the tourists use technology to optimize their visit to the country. This includes making bleisure – themed travel searches and the use of mobile applications for weather, banking, ground transport booking, destination guide and language translation purposes. Millennials find more personal fulfilment coming to India than other places. Respondent 3 stated that 'tourists are abandoning pleasure circuits like the casinos of Macau or visits to Bangkok for places like India in search of spiritual fulfilment'. The quest for spirituality among millennials was mentioned by other respondents as well. Millennials come to India for new experiences.

All the respondents indicated that these experiences are related to culinary journeys, adventure, festivals, shopping, wildlife and culture. Most millennials want to give back. For example, respondents 6 and 10 indicated that millennial tourists are more willing to purchase an artefact or handicraft if in doing so, they are told,

that the craftsmen are going to be benefited. They are more likely to make donations for charitable causes than their older counterparts. Respondent 28 indicated that this forms part of their unique India experience which cannot be duplicated in any other country. However, all the respondents agreed that despite these reasons for visiting India, most travel and tourism websites, online media and other marketing collateral focus mostly on monuments and history. There is very little online information on how and in what forms tourists can contribute, deepen their spiritual awareness or on the various forms of adventure, flora and fauna related attractions that await them in India.

One of the key travel related operations undertaken by millennials to India is making hotel bookings. Figure 3 indicates the role of technology for this operation.

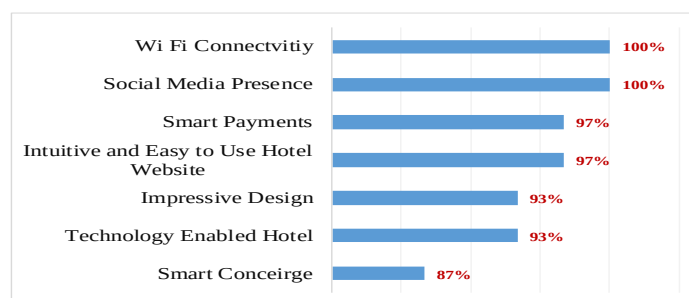


Figure 3. Technology for Hotel Bookings

Respondents indicated that most budget hotels in India do not have websites. Those that do have websites that are outdated or difficult to use. Whereas, most millennials prefer making online bookings through websites that are easy to navigate and use. If they cannot make an instant booking online, they will not consider the hotel for their stay. Respondents 18, 23 and 29 highlighted the need for strong social media presence for hotels that seek to attract millennial traveller. This is because millennials regularly use social media platforms like Facebook to search for hotels. They do not rely on what traditional offline collateral have to say about preferred hotels nor do they prefer paid or sponsored online content related to a hotel. Millennials do not prefer cash payments. Even credit card enabled payments are

giving way to other technology enabled methods such as mobile-wallets and google-pay. Hotels must be able to accommodate these payment formats. Most respondents indicate that millennials want to boast about their holidays to their friends. They take selfies or photos of themselves in bars, pools, restaurants and bedrooms which are then hosted on social media like Facebook, Instagram and Watsapp. This highlights the importance of interior design even for lower priced hotels and of key furniture pieces and attractive fittings all of which look impressive in an Instagram photo. Millennials look for such facilities as keyless entry modes, smart TV's with Netflix facility and mobile charging points. Respondents indicated that millennials require the hotel to have powerful Wi-Fi connectivity always. Rather than speak to an actual concierge, most millennials prefer tweeting questions and queries to a smart-concierge that can provide online assistance to them. Figure 4 indicates why seamless connectivity is of such importance to millennials.

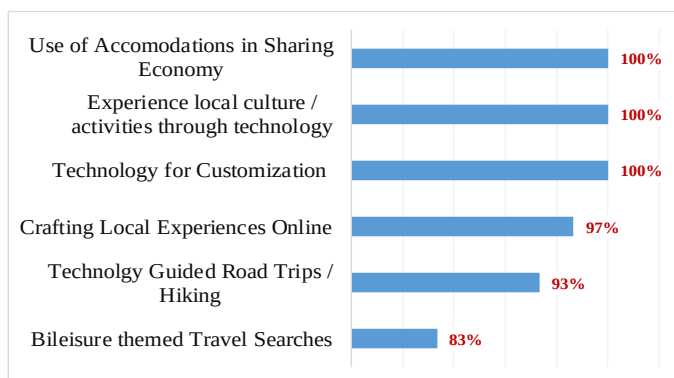


Figure 4. Drivers of Seamless Connectivity

Most respondents indicated that millennials prefer to stay in accommodations that operate in the sharing economy such as Airbnb. But the search for this type of accommodation presupposes seamless connectivity between smartphones, service providers and the accommodation owners. A key requirement among millennials is to craft their own travel and stay experiences. For this they interact with the internet to find details about a locations key sights, attractions, places to eat /

shop, night-life, how to get around etc to put together their own itineraries. However, respondents pointed out that millennial tourists find it difficult to craft personalized experiences in India because most local attractions are not featured online. There is little effort made in the online ecosystem in India to reassure tourists and embolden them to travel by themselves. There are is no understanding of how augmented or virtual reality technologies can be leveraged by the Indian tourism sector to craft personalized experiences for millennials.

Another important requirement among millennials is to be able to experience local culture, customs, lifestyles, eat traditional food and participate in local festivals. Here again, respondents stated that there are few online guides or local spots featured online that can provide such customised experiences to tourists. Millennials want to be able to use technology like Google Maps to plan their own hiking experiences or road trips. But the connectivity is so poor in rural areas that they find it almost impossible to do this. There are no bleisure packages in India that tourists can access to find out about how they can combine their business trips with sight-seeing opportunities, local events and activities that can encourage them to extend their stay in the country.

Figure 5 indicates how millennials use technology to access information related to their travel. Respondents said that millennials want to be able to access information anytime, anywhere. They expect this information to be updated and accurate. This is driven by their fast-paced lifestyles, their tendency to make decisions quickly and the shorter time-cycles that they use to plan their travel. They also use smartphones and tablets which provides them with access to a large amount of information with just a tap of their fingers.

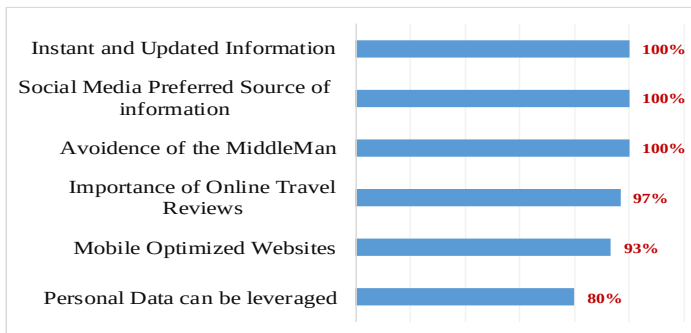


Figure 5. Access to Travel Information using Technology

Respondents pointed out that millennial visitors to India want stakeholders in the travel sector – hotels, restaurants, local attractions, transport providers etc – to have online information that is upto date and relevant. They seek information not just about the destination but also about different deals built into packages, tour operators available at a destination and local activities in the region being visited. However, providing this information instantly is still a challenge for most service providers. This also means that competing entities that are able to provide this information will be able to attract millennials visiting the country. Since millennials consume data on their smartphones, they expect service providers to have mobile optimized versions of their websites that can provide information in a smooth, simple and hassle-free manner.

Millennial visitors to India see online information and technology as an enabler of their travel and as an important means to avoid middlemen. According to respondent 19, the need to avoid middlemen in India is a key requirement among millennials as they are associated with third – party fraud and unauthorized agents. Respondents also indicated that modern technology provides service providers in the tourist sector with the means to capture much information about their millennial customers which can be used to create personalized experiences for them and to also personalize their marketing communications. However, the use of this technology is still in a

nascent stage among lower-end and budget hotels in the country.

Figure 6 shows the influence of technology enabled peer pressure on millennials visiting India. Most millennials disregard sponsored marketing collateral when making decisions about their travel. They are more influenced by the opinion of their friends and other acquaintance who post their opinions about a travel destination on social media.

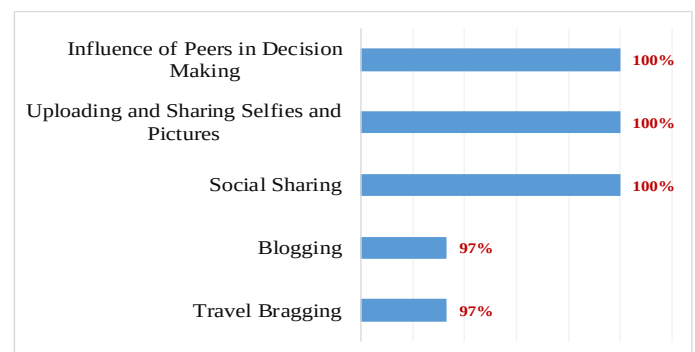


Figure 6. Peer Pressure

Most often these are persons that have already visited India and are familiar with the country. Respondents also indicated that millennials regularly engage in blogging or social sharing on online travel sites and social media to find out information even from strangers about India. It is very important for millennials to be able to share information with their friends and acquaintance instantaneously using their smartphones and social-media. This is because of the phenomenon of social bragging where millennials want to be able to show off about their holidays to their friends. They regularly check their social media pages to track the amount of interaction on their posts. Respondents indicated that this social sharing has a ripple effect as other friends and acquaintance of the millennial visitors will also want to visit the country on seeing the pictures and reviews.

Based on the findings from the questionnaire, the conceptual model in figure 7 was developed.

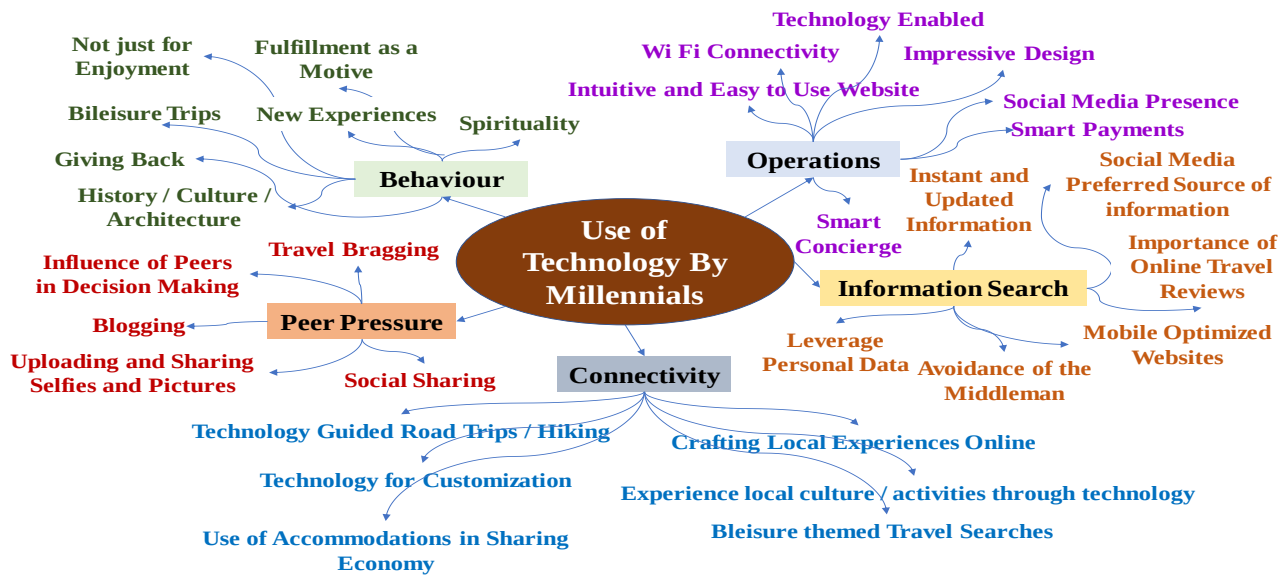


Figure 7. Conceptual Model

Figure 7 contains the key elements of the theoretical model in figure 1 related to the use of technology by millennials across the world. However, it extends these elements in the Indian context to show how technology is being used by millennials that visit the country.

V. Conclusion & Recommendations

From the findings in chapter 4, it can be concluded that millennials visiting India use technology for a variety of travel related purposes. This mimics their behaviour in other parts of the world as well. Technology becomes part of the overall travel experience. The implication is that service providers in India must be able to scale up and provide their millennial with technology enabled and enhanced experiences. In order to do this, the following recommendations are made:

Contrary to popular belief, this paper indicates the key reasons why millennials visit India. The implication here is that marketing collateral that showcase the country abroad, must highlight the unique experiences available only in India. These include the country's rich heritage, its possibilities for adventure, its rich flora and fauna which are not restricted to just tigers and elephants. Most importantly, marketing campaigns must focus on spiritual experiences and how young people

coming to the country can make a tangible difference to the communities they visit. This information must be made available on tourism websites, social media, mobile applications etc all of which are used by millennials for their travel purposes.

The hotels and other stakeholders in the travel sector including the transportation sector, restaurants, handicraft emporia etc must transition many of their operations to the online and technology enabled environment. This primarily means seamless connectivity with the internet and internet enabled technologies. This will require greater co-ordination between the stakeholders and the providers of internet and internet enabled technologies to improve the strength and bandwidth of wireless communication networks throughout the country. For tourist destinations, existing networks must be enhanced considerably.

Hotels must be technology enabled as much as possible. These requirements include smart operations and powerful Wi-Fi connectivity. This is a must, given the importance of the wi-fi in ensuring that millennials are able to connect with their friends and relatives, in enabling sharing of information instantaneously.

Even the budget and lower-end hotels in India must invest in having attractive interiors, furniture and fittings. Such investments will yield higher returns in the long-term as they get showcased by millennials through selfies that are then hosted on social media.

The travel sector must hire online influencers that are able to interact with millennials through online blogs and on social media platforms like Facebook to provide information in real-time and create a compelling visit proposition for first time millennials. Hotels and other service providers must establish online connect with millennials that have already visited the country and incentivize them to become powerful advocates of the country on social media.

There must be concerted efforts by all key stakeholders in the travel sector to host information in the online space that is updated, accurate and immediately available. As far as possible, attractive imagery must be used to complement the text. The web-pages must feature links that direct the visitors to associated services. Furthermore, service providers must be visible in the most popularly used social media formats for travel purposes including Facebook, Instagram, and Whatsapp.

Transitioning as many service providers and entities associated with travel and tourism to the online ecosystem is critical if millennials are to be able to curate their own travel experiences. This means investing in a website, having social media presence, online marketing collateral and developing the ability to immediately respond to online queries. This will ensure that these service providers get noticed by millennial tourists wishing to craft individualized travel experiences when visiting the country.

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