

UNIVERSITY OF LJUBLJANA
SCHOOL OF ECONOMICS AND BUSINESS

MASTER'S THESIS

NINA LEŠČANEC

EUROPEAN MASTER IN TOURISM MANAGEMENT

FACULTY OF HUMANITIES, UNIVERSITY OF SOUTHERN DENMARK
SCHOOL OF ECONOMICS AND BUSINESS, UNIVERSITY OF LJUBLJANA
FACULTY OF TOURISM, UNIVERSITY OF GIRONA

MASTER'S THESIS

**ADJUSTING HOTEL MARKETING COMMUNICATION TO
MILLENNIALS**

Ljubljana, August 30th 2019

NINA LEŠČANEC

AUTHORSHIP STATEMENT

The undersigned Nina Leščanec, a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title Adjusting hotel marketing communication to Millennials, prepared under supervision of Ljubica Knežević Cvelbar, PhD.

DECLARE

1. this written final work of studies to be based on the results of my own research;
2. the printed form of this written final work of studies to be identical to its electronic form;
3. the text of this written final work of studies to be language-edited and technically in adherence with the SEB LU's Technical Guidelines for Written Works, which means that I cited and / or quoted works and opinions of other authors in this written final work of studies in accordance with the SEB LU's Technical Guidelines for Written Works;
4. to be aware of the fact that plagiarism (in written or graphical form) is a criminal offence and can be prosecuted in accordance with the Criminal Code of the Republic of Slovenia;
5. to be aware of the consequences a proven plagiarism charge based on the this written final work could have for my status at the SEB LU in accordance with the relevant SEB LU Rules;
6. to have obtained all the necessary permits to use the data and works of other authors which are (in written or graphical form) referred to in this written final work of studies and to have clearly marked them;
7. to have acted in accordance with ethical principles during the preparation of this written final work of studies and to have, where necessary, obtained permission of the Ethics Committee;
8. my consent to use the electronic form of this written final work of studies for the detection of content similarity with other written works, using similarity detection software that is connected with the SEB LU Study Information System;
9. to transfer to the University of Ljubljana free of charge, non-exclusively, geographically and time-wise unlimited the right of saving this written final work of studies in the electronic form, the right of its reproduction, as well as the right of making this written final work of studies available to the public on the World Wide Web via the Repository of the University of Ljubljana;
10. my consent to publication of my personal data that are included in this written final work of studies and in this declaration, when this written final work of studies is published.

Ljubljana, August 30th 2019

Author's signature: _____



Table of content

1	INTRODUCTION.....	1
2	LITERATURE REVIEW.....	3
2.1	The Millennials and their characteristics	3
2.2	The Millennial traveller	4
2.3	The shift from a traditional hotel to a Millennial hotel.....	9
2.4	Marketing to Millennial travellers	13
2.4.1	The evolution of marketing in the travel industry	14
2.4.2	Recent travel trends in marketing to Millennials.....	14
2.4.3	The power of Branding.....	15
2.4.4	The Internet.....	16
2.4.5	Social Media.....	17
2.4.6	Online reviews	18
2.4.7	Storyliving	19
2.4.8	Video	19
2.4.9	E-mail	20
3	METHODOLOGY	21
4	FINDINGS	24
4.1	General overview	25
4.1.1	Vacation as the main reason to Millennials for booking a hotel	25
4.1.2	Online Travel Agents and personal computers as preferred methods of booking	27
4.1.3	Price as the most decisive factor when booking a hotel	30
4.1.4	Wi-Fi as the most important hotel feature	31
4.2	Importance of the communication channels for the Millennials when booking a hotel	33
4.2.1	Paid advertising on the television versus paid advertising on the internet (e.g., Google Adds, etc.).....	36
4.2.2	Social media	36
4.2.3	Traditional communication channels: billboards, radio and print publication	41
4.2.4	Video	42
4.2.5	Blogs.....	43

4.2.6	E-mail	46
4.2.7	Web-generated content (e.g., TripAdvisor, Expedia, etc.)	46
4.2.8	Hotels' commercial website	47
4.2.9	Word-of-mouth (including eword-of-mouth)	49
4.3	Loyalty programmes	52
5	CONCLUSIONS	56
6	LIMITATIONS AND AREAS OF FURTHER RESEARCH	59
7	LITERATURE LIST	60
APPENDIXES		1
	Appendix A: Think about your personal use of technology. Which of these do you use every day?	2
	Appendix B: Millennials and loyalty management by mobile device	3
	Appendix C: Millennials' use of mobile technology for hotel services	4
	Appendix D: Millennials' use of mobile technology in a hotel setting	5
	Appendix E: Millennials want to access their own media in hotels, but they're also willing to pay for it	6
	Appendix F: Frequent responses	7

Table of Tables

Table 1: Gender	24
Table 2: Employment status	25
Table 3: Country of residence	25
Table 4: Age	25
Table 5: Have you booked a hotel in the last year?.....	26
Table 6: What was the reason for booking a hotel in the last year?	27
Table 7: What are the most common methods you use when you are booking a hotel?.....	28
Table 8: Binominal Test	29
Table 9: What is your preferred way of booking a hotel?	30
Table 10: On the scale from 1 to 5 please mark how much you agree with the following statements.	31
Table 11: The following hotel features are considered as Millennial-friendly.	32
Table 12: On the scale from 1 to 5, please mark how important are in your opinion the following communication channels when booking a hotel.	34
Table 13: The Kolmogorov-Smirnov and Shapiro-Wilk Test.....	35
Table 14: Kruskal Wallis Test	35
Table 15: Test statistic	36
Table 16: On the scale from 1 to 5, please mark how important are in your opinion the following social media platforms when booking a hotel.....	37
Table 17: One-way t-test	38
Table 18: On the scale from 1 to 5, please mark how often you use social media.....	39
Table 19: Do you follow any social media platforms from hotels?	39
Table 20: On which social media platforms do you follow them?.....	40
Table 21: On the scale from 1 to 5, please mark how much you agree with the following statements in hotels' social media.	41

Table 22: On the scale from 1 to 5, please mark how important it is in your opinion for a hotel to post videos on their commercial website and/or other social media platforms (e.g., Facebook, Instagram, etc.).....	42
Table 23: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to video.	43
Table 24: On the scale from 1 to 5, please mark how important are to you the social media influencers and/or bloggers when booking a hotel.	44
Table 25: Do you follow any travel social media influencers and/or bloggers at the moment?	44
Table 26: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to social media influencers and/or bloggers when booking a hotel.	45
Table 27: Do you check the hotels’ commercial (official) website before booking a hotel?	47
Table 28: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to hotels’ commercial websites.	48
Table 29: On the scale from 1 to 5, please mark how important are in your opinion the reviews when you are booking a hotel.	49
Table 30: Which are the most common online platforms you use when reading reviews about a hotel?.....	50
Table 31: Which are the most common online platforms you use when writing reviews about a hotel?.....	50
Table 32: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to online reviews.	51
Table 33: Are you currently enrolled in any hotel loyalty programs?.....	52
Table 34: On the scale from 1 to 5 please mark how important are in your opinion the following benefits of loyalty programs when booking a hotel.	53
Table 35: Would you consider becoming a part of a hotel loyalty program if you received the following benefits?	54

1 INTRODUCTION

The importance of tourism and travelling has consistently been increasing in the last few decades. Especially in the last few years, tourism has been experiencing remarkable growth, which made tourism one of the fastest-growing economic sectors in the world and a key driver for socio-economic progress (UNWTO, n.d.). With advanced technology, the introduction of low-cost carriers and increased, unlimited access to online information travelling has shifted from luxury to almost a necessity. While tourism products used to be advertised through traditional marketing channels, such as television, radio, magazines, brochures, pamphlets and other, nowadays most marketing communication channels focus on selling through social media, online travel agencies and mobile apps. People don't feel the need to book a trip through traditional travel agencies any more. Nowadays, they can do it more or less from just about anywhere in the world: from home, coffee place or even while walking to work.

The reason behind this switch from traditional to more modern means of communication in marketing is a relatively recent shift that has surfaced. Hotels were focusing their marketing strategies mainly on individuals from Generation X and Baby Boomers. Today it is all about the Millennials. Millennials have become the largest generation as they counted for approximately 1.7 billion in the year 2016. They are entering their peak years as we speak. Millennials are different from previous generations in many aspects. They are the most educated generation until now. They love to travel and are willing to spend more money on travelling and experiences than on material things. This information opens a great opportunity for all hotels in the world. With the proper evaluation of the Millennial market, in-depth research of their preferences and likes, hotels can develop a proper marketing communication strategy that will appeal to modern Millennial travellers. It is of key importance for hotels to identify which communication tools will most likely persuade Millennials to book a night with them as competition is growing day by day. Only when the hotels will have a clear perception of what are Millennials looking in hotels when travelling, they will gain a strong competitive advantage and differentiate themselves from other hotels in the competition set.

The purpose of this thesis is to identify what are the most important marketing communication channels that influence the Millennial perception the most when booking a hotel. An important research question that arises during the conduction of this master's thesis is *"How are the Millennials modifying the main digital marketing communication channels in the hotel industry?"* More modern means of technology have already been implemented in almost all marketing aspects of tourism companies. The more in-depth focus of the thesis is to identify what is the impact and the importance of the digital and technological advanced marketing channels on marketing to Millennials in the hotel industry.

Following the introduction is a literature review of the existing information on the topic of marketing to Millennials. As there is little literature that focuses solely on marketing to Millennials in the hotel industry, the literature review also covers more general documentation on Millennial marketing. Furthermore, based on the existing literature review on marketing to Millennials, the following topic-related hypotheses have arisen that will in continuation be tested depending on their statistical significance:

H_{0A}: Less than fifty per cent (n = 50%) of Millennials use Online Travel Agencies for booking a hotel.

H_{1A}: More than fifty per cent (n = 50%) of Millennials use Online Travel Agencies for booking a hotel.

H_{0B}: Different marketing communication channels are all equally important to Millennials when booking a hotel.

H_{1B}: Different marketing communication channels are differently important to Millennials when booking a hotel.

H_{0C}: Instagram is not the most important social media platform to Millennials when booking a hotel.

H_{1C}: Instagram is the most important social media platform to Millennials when booking a hotel.

Following the literature review, a short description of the methodology explains how was the information for this thesis conducted, analysed and later used in an in-depth explanation of the findings. The findings reveal and describe the main points of interest that were identified through the analysis of the gathered data and explain how are different types of marketing communication channels perceived from the Millennial point of view. Findings provide a thorough overview of the answers gathered from the Millennial survey that could benefit hotels in terms of creating a more attractive and effective marketing communication strategy plan that would appeal to Millennial travellers. Finally, in conclusion chapter is a general overview of the researched topic by emphasising the most important findings from the survey. In addition, the chapter on limitations and further research emphasises what were the fundamental obstacles of this research as well as what areas of research were not covered in the master's thesis that still need to be further researched in the future.

Overall, the objective of the thesis is to cover the existing literature on Millennial marketing communication channels and explore new trends in the selected topic. The aim is to provide hotels with a more in-depth understanding of the Millennial mind and their travel habits and preferences that will enable them to develop an effective marketing strategy communication plan that will capture the Millennial travellers.

2 LITERATURE REVIEW

In the recent few years, a lot of attention has been brought to Millennials or also known as the Gen Y. The reason for this is because the Millennials are becoming the largest generation in the world's workforce surpassing the Generation X and the most important market segment not only in the tourism industry but also in other economic sectors. The Millennials were growing up surrounded by constantly developing technology, a variety of technological devices like smartphones and tablets, and an excessive amount of information available on the internet. Traditional communication channels, such as television, radio, publications, and billboards, which were used by the hotels in the past to communicate with Generation X and Baby Boomers, are no longer of key importance. Hotels are starting to acknowledge the change in values of the new upcoming travel generations. If they wish to stay competitive to other tourism accommodation providers and allure the Millennials to stay within their facilities while travelling, either for leisure or business purposes, they need to identify and modify their current marketing communication strategies that will aid them in achieving this objective.

To understand how hotels should communicate with the Millennials and through which marketing channels this communication will be most effective, one must first understand what a generation is, how the generations are divided, who are the Millennials, what are their main characteristics, and what differentiates them from other generations.

2.1 The Millennials and their characteristics

According to The Center for Generational Kinetics (2016), generation is defined as "*people born around the same time and raised around the same place. People in this "birth cohort" exhibit similar characteristics, preferences, and values over their lifetimes.*" Therefore, a generation comprises of individuals belonging to a specific age category with similar features. These features come from experiencing similar trends at approximately the same life stage and through similar channels. It is important to memorise that each individual has its own personality and differs from other individuals. However, looking at a bigger picture through a broader lens, one can recognise a larger population with similar values, beliefs and expectations (The Center for Generational Kinetics, 2016).

Till now, we distinguish between five different generations of our society, that is between Traditionalists, Baby Boomers, Generation X, Millennials and iGen (The Center for Generational Kinetics, 2016). The Center for Generational Kinetics, a leader in generational research and solutions, defines birth years of Millennials (also known as the Generation Y or the Net Generation) between 1977 and 1995. According to Oracle Hospitality (2016), Millennials were born between 1981 and the late 1990s. Ovsenik and Kozjek (2015) claim that Millennials were born between 1981 and 1990. Kultalahti and Viitala (2014) believe that they were born between 1978 and 2000. Stokes, director of global economic attitudes at

Pew Research Center (2015), indicates that European Millennials were born somewhere between 1982 and 1997. Howe and Strauss (2000) define Millennials as individuals born between 1982 and 2004. These differences in birth years indicate that there is no unified consent in what are the exact birth years defining each generation and that the precise delineation varies. Birth years across the globe are differentiating, mostly because of geography. Larger events that have a significant impact on society may happen in different parts of the world and also at different times. Therefore, the impacts these events have on society are different in one part of the globe than on the other. Overall, the earliest proposed birth year for Millennials is 1976 by the New York Times articles and the latest 2004 (Rouse & Haughn, n.d.).

When using the term “*Millennials*” it is usually applied to individuals who reached adulthood around the turn of the 21st century (Rouse & Haughn, n.d.), that is they became politically, economically and socially of age by the beginning of the years 2000 (Stokes, 2015). According to Eurostat database, the Millennials represented twenty-four per cent (n = 24%) of the adult population in the twenty-eight (n = 28) member countries of European Union in 2013 and approximately twenty-seven (n = 27%) of the adult population in the United States in 2014 (Stokes, 2015). By the year 2019, the Millennials have counted for eighty-three (n = 83) million of the United States’ population (Oracle, 2016). They have become the largest and fastest-growing generation entering the worlds’ workforce, currently numbering approximately one point seven (n = 1.7) billion people worldwide (Tal, 2016).

2.2 The Millennial traveller

The main changes that majorly influenced the life of Millennials are the advancements in modern technology (DeChane, 2014). The world is becoming more and more saturated with all kinds of information, and the majority of this information is available to almost anyone on the world-wide-web. Older generations such as Traditionalists, Baby Boomers and Generation X were able to follow the news through newspapers and radios, later on even through television channels. The Millennial generation is not only exposed to all these different types of media channels but can follow the current events through live footage broadcasted through television, internet or social media. Inventions and innovations in modern technologies were a major turning point for the Millennials. According to Darrin J. DeChane (2014), these advancements in technologies stimulated three features amongst the Millennials: 1) the rise of groups of friends, 2) globalisation on a personal level and 3) online politics. The Millennial generation is a rather large population of people, and they are entering their prime travelling years as we speak (Chesnut, 2015). Topdeck Travel (n.d.), a company providing travel experiences for larger groups ageing between eighteen (n = 18) and thirty (n = 30) years, conducted a survey in which approximately thirty-one thousand (n = 31,000) individuals from one hundred and thirty-four (N = 134) different countries participated, in order to recognize current travel habits of their target market. According to their research, approximately eighty-eight per cent (n = 88%) of interviewees travelled

overseas between one and three times a year, thirty per cent (n = 30%) travelled solo and their most popular destinations were Europe (thirty-three per cent (n = 33%)), North America (thirteen per cent (n = 13%)) and Australia/New Zealand (thirteen per cent (n = 13%)) (Lane, 2016). According to Oracle Hospitality (2016), each Millennial traveller was projected to spend an average of three thousand and nine hundred dollars (n = \$3,900) on travel in the year 2016. Travelling used to be considered a luxury and only a limited number of people were able to afford a plane ticket and travel to a different part of the world (Clark, 2017). This trend has shifted significantly with the rise of low-cost carriers such as Ryanair, EasyJet, Vueling, Southwest Airlines and many more. Nowadays you can buy a plane ticket from Ljubljana, Slovenia to London, the United Kingdom for less than thirty Euros round trip (Wizzair, 2017). Since travelling has become almost a necessity for a Millennial traveller and travel is high on their priority list, they are willing to spend more money on trips than their older counterparts. Travel has become part of their identity, and they find travelling more important than escaping from a student loan, improving relationships with family and friends or even start a family of their own (Barkley Inc. & FutureCast Llc., 2016). By 2020 Millennials are expected to spend annually approximately one point four (n = \$1.4) trillion dollars on travel (Clark, 2017). In other words, half of the money spent on travel will come from the pockets of Millennial travellers (Daylighted, 2015).

The launch of Airbnb and Couchsurfing also marked tourism trends in the area of hospitality. Airbnb and Couchsurfing offer tourists cheaper accommodation in a destination and interaction with the locals at the same time. All these changes in the tourism sector that appeared in recent years significantly shaped the behaviour of current Millennial travellers. Several studies and discussions have been conducted in order to recognise these differences in Millennial travel trends. For hotel brands to increase their occupancy rates and encourage higher demand in the market, they must first understand what motivates this powerful group of travellers (Barkley Inc. & FutureCast Llc., 2016).

“Digital native” is a common term that arises when describing the Millennial traveller. According to Lexico, digital native is described as: *“A person born or brought up during the age of digital technology and is familiar with computers and the Internet from an early age”* (Lexico, n.d.). Cambridge English Dictionary (n.d.) similarly describes digital natives as individuals who are familiar with modern technology as they have grown up with it. Main findings show that Millennial travellers have grown up with technology, and they expect to *“be connected”* at all times. When travelling to a destination, they expect to have Wi-Fi on their every step (Chesnut, 2015). Oracle Hospitality (2016) has identified that eighty-seven per cent (n = 87%) of Millennials use a Smartphone on a daily basis, computers seventy-two per cent (n = 72%) and iPads and tablets surprisingly only thirty-seven per cent (n = 37%). They have also discovered that wearable technology is on the rise as already ten per cent (n = 10%) of the participants use Smartwatch (Appendix A). Approximately seventy-one per cent (n = 71%) of Millennials expect to have Wi-Fi available at their choice of accommodation. Availability of Wi-Fi presents one of the key factors when choosing a hotel (Daylighted, 2015). Pictures of destinations are taking over social media and a majority of

Millennial travellers want to share their travel experiences either via Facebook (ninety-four per cent (n = 94%)), Instagram (seventy-one per cent (n = 71%)), Twitter (fourteen per cent (n = 14%)), Snapchat and/or other (Lang, 2016). Posting on social media became much easier with the evolution of Smartphones, compact digital cameras and tablets that take pictures in high resolution. Because of these technological advancements, and also the introduction of selfie-sticks, ninety-eight per cent (n = 98%) of travellers take pictures on their journey (Lang, 2016). Furthermore, Millennial travellers are more likely to choose their next destination based on posts from their peers on social media than being persuaded by travel ads (Wong, 2016). According to Topdeck Travels' study, approximately seventy-six per cent (n = 76%) of interviewees claimed that friends' recommendations were the main factor when deciding on their new travel destination (Lane, 2016). A large majority of Millennial travellers will share their photos and videos on social media when travelling and hence, share their personal experience with their online followers. In addition, Kyle Wong (2016), founder and CEO of Pixlee, software for authentic marketing, claims that approximately eighty-four per cent (n = 84%) of Facebook users decide on where to travel next based on online posts from their Facebook friends. However, Millennials are not inspired to travel to a destination based only on their friends' posts, but they also look up to social media influencers (Wong, 2016). For this reason, travel companies are connecting with them in order to share their unique stories with a broad number of followers.

Another reason why Millennial travellers wish to be connected at all times is that they are doing most of their research online. Since finding information about travelling online is nowadays less limited than it was in the past, Millennials are quite experienced in conducting their own travel research (Wong, 2016). Online websites such as Expedia, Kayak, Trivago and others enable the Millennial travellers to find the best deals on flights and hotels and also allows them to make a booking even from their couch at home. According to Eventbrite, ninety per cent (n = 90%) of Millennials do their travel research on a laptop and/or desktop computers and seventy-four per cent (n = 74%) use their Smartphones/tablets for the same purpose. Furthermore, fifty per cent (n = 50%) of Millennials believe they know all the best sites and methods to research best travel deals and refer to themselves as "*travel hackers*" (Barkley Inc. & FutureCast Llc., 2016). Travel hacking, which in simple words translates to searching for cheaper deals for the luxuries of travel, has become the new travel mindset of Millennials (Fromm, n.d.). Findings from Topdeck Travels' survey show that almost seventy-five per cent (n = 75%) of interviewees plan their travel by themselves and approximately half of them prefer to travel independently instead of through an agency. In addition, fifty per cent (n = 50%) book their trip six (n = 6) to twelve (n = 12) months in advance (Lang, 2016).

Interestingly enough, Millennials aren't turning only to technology and mobile devices to find a solution for travelling, but they are still in search of personal service. Hence, companies should pair technology and personal touch to capture the loyalty of Millennial travellers (Oracle, 2016). Service is of most importance to the Millennial traveller. While the design of the hotel may allure the guests in, delivering proper, outstanding service and

unique offerings are the factors that will keep the Millennial travellers coming back or spread the positive word to their friends, or post it on their social media accounts (Birkner, 2016).

According to Anuška Ceršek Beltram and Marjan Beltram, who sixteen (n = 16) years ago founded STA potovanja, a travel agency located in Ljubljana, not only has the nature of their customers radically changed, but also their travel habits. Tourists are more and more seeking adventures while they travel and trying to experience the local way of life in their destination. They would describe their customers as young adventurers searching for unique and authentic experiences. The reflection of this world trend is also sharing economy. Airbnb, Uber and BlaBlaCar are perfect examples of this phenomenon, where tourists can share an apartment or a car with locals, either because of saving money, interacting with locals or environmental awareness (Bandur, 2016). The Millennials are no longer seeking destinations where they can only party, but they would like to experience new cultures and their local food. A unique experience is at the top of a Millennial travellers' list. Seventy-two per cent (n = 72%) of Millennials would prefer spending their money on experiences rather than material things (Clark, 2017). A similar result was reported by Harris Poll where seventy-eight per cent (n = 78%) of Millennials claimed they would prefer spending more money on experiences rather than tangible things. It might be because of the Great Recession in 2008, that Millennials have accepted the fact that the world is uncertain and have turned away their focus from gathering wealth to enjoying life to the fullest (Herstand, 2014). According to FutureCast, a marketing consultancy that specialises in Millennial trends and modern consumer behaviour, one out of four Millennials would rather spend money on an experience than buy a product or a service. In other words, collecting memories and desired experiences holds a much larger value for them than buying a commodity product (Barkley Inc. & FutureCast Llc., 2016). "*Experience economy*" is a new term that has arisen in order to describe this recent phenomenon of providing memorable and everlasting experiences to travellers (Clark, 2017). The individuals who participated in Topdeck Travels' survey confirmed this statement as only forty-four per cent (n = 44%) travel to a destination to party and twenty-eight per cent (n = 28%) for shopping. In addition, eighty-six per cent (n = 86%) of them consider experiencing a new culture as a determining factor for travel motivation, as well as trying the local cuisine (ninety-six per cent (n = 69%)). While baby boomers preferred dining in crowded and touristy restaurants, trying local food tends to be one of the main factors for Millennial travellers as thirty-seven per cent (n = 37%) of them avoid junk food when travelling (Lang, 2016).

A very interesting trend, which recently arose, is also the combination of business and leisure travel, also known as "*bleisure*". The Millennials are currently filling (significant) job positions, and while they travel to a destination for business purposes, they also want to experience a destination on their own free time (Bandur, 2016). According to Topdeck Travels' survey on Millennial travel trends, sixty-two per cent (n = 62%) of Millennial travellers are more likely to extend their business trip. Some Millennials are even basing their career decisions in order to be able to travel more. Findings on Expedia show that employees above thirty (n = 30) years old tend to travel approximately three points six (n =

3.6) times per year, while those under thirty (n = 30) are travelling four point seven (n = 4.7) times per year (Clark, 2017). These numbers are further related to the fact that Millennials under thirty (n = 30) years have fewer responsibilities at home, which gives them more freedom to travel. Millennial business travellers make more business trips per year (as well as leisure trips) than Baby Boomers and Generation X. Additionally, they claim to work fewer hours while on business travel than their older counterparts. Moreover, Millennial business travellers are more likely to spend company's money on high-end meals (forty-two per cent (n = 42%)) and room service (thirty-seven per cent (n = 37%)) comparing to business travellers aged between forty-six (n = 46) to sixty-five (n = 65) years (twenty-six per cent (n = 26%) and twenty-one per cent (n = 21%) respectively). The most important features for Millennial business travellers are the location (fifty-three per cent (n = 53%)) and the price of the hotel room (forty-four per cent (n = 44%)) (Expedia, 2013).

The shifts have occurred even when it comes to travel planning. While previous generations traditionally booked a trip through travel agencies, Millennials perceive each part of travel planning as a separate entity. Instead of booking a plane ticket together with a hotel and breakfast included in a package or an all-inclusive package, they prefer booking each entity separately without the assistance of any intermediaries, such as travel agencies. They show less interest in package travel and prefer relying on themselves and online reviews when it comes to booking a trip (Barkley Inc. & FutureCast Llc., 2016).

Another interesting national study was conducted in October 2015 by Choice Hotels and The Center for Generational Kinetics. The participants in the study were adults ageing between eighteen (n = 18) and over who have stayed in a hotel in the past twelve (n = 12) months, and the study revealed a few surprising travel habits of Millennial generation. In summary, according to the study, the image is of most importance to Millennial traveller, and twenty-seven per cent (n = 27%) of Millennials have stayed in a hotel in order to impress someone. Thirty-three per cent (n = 33%) of Millennials would put off buying a home to take a dream vacation. Seventy-nine per cent (n = 79%) of Millennials are more likely to try different food and drinks while travelling than at home. Fifty-nine per cent (n = 59%) of Millennial travellers say that they base their hotel selection on online ratings and reviews. However, thirty-five per cent (n = 35%) of them would still prefer using old school travel methods and book a hotel through the use of travel agents. Forty-three per cent (n = 43%) of Millennials want to receive benefits from rewards programs as soon as they sign up. Twelve per cent (n = 12%) quit their job in order to go on vacation or a concert. Millennial travellers also enjoy free goods. Sixty-nine per cent (n = 69%) of them believe receiving free goods is more important than opportunities for increased loyalty or reward points. Not only do Millennials enjoy complimentary goods but they also appreciate VIP experiences and exclusivity (Price, 2016). Millennials are looking for loyalty programs that are free, the benefits from the program come fast and signing up is easy (Fromm & Garton, 2013). Forty-one per cent (n = 41%) of Millennials have joined a loyalty program because it is easy to use, seventy-five per cent (n = 75%) of Millennials tend to stay loyal to a hotel brand, and approximately sixty-eight per cent (n = 68%) of them are loyal to the hotel brand which offers the most

rewards and benefits (Price, 2016). According to The U.S. Millennial Loyalty Survey, Millennials are more likely to take part in loyalty programs when a reward or giveaway is offered than other generations. They consider rewards as the highest motivational factors when it comes to exchanging their personal information with marketers. Furthermore, Millennials are fifty per cent (n = 50%) more likely to use social media to promote the loyalty program they participate in and share with their social media peers as opposed to other generations (Fromm & Garton, 2013). According to Future of Travel Study conducted by Egencia in 2013, fifty-one per cent (n = 51%) of Millennials find loyalty programs more important when booking a hotel apart from their older counterparts aged from forty-six (n = 46) to sixty-five (n = 65) (thirty-one per cent (n = 31%)) (Expedia, 2013). On the other hand, some researches argue that the Millennials are less loyal to hotels with loyalty programs as they place more value to overall experience than collecting loyalty points and freebies (Walsh, 2014). Even though the Millennials try to look for best deals online when travelling, they don't mind spending money on luxury services in hotels. Thirty-two per cent (n = 32%) of Millennials are using dry cleaning while staying in a hotel, thirty per cent (n = 30%) are booking massages and/or other spa services, and twenty-three per cent (n = 23%) of Millennials prefer pet-friendly hotels. Baby Boomers spend on luxury hotel services approximately fifty per cent (n = 50%) less respectively than Millennials (Strutner, 2014). Important information concerning the hotels is also that eighteen per cent (n = 18%) of Millennials would recommend a hotel to a friend based on the comfort of a bed (The Center for Generational Kinetics, 2016).

It is of most importance to gain the attention and loyalty of Millennials by understanding their characteristics, not only due to their size but also because of their impact on other previous and post generations. According to FutureCast (2016), approximately fifty per cent (n = 50%) of the brand's performance is influenced by Millennial characteristics. Hence, this trend is forcing the hospitality market to consistently evolve and maintain agile throughout the process of development. Constant anticipation of the unexpected behaviour of Millennials and versatility are essential for lodging brands to keep up to date and retain their position in the market (Barkley Inc. & FutureCast Llc., 2016).

In conclusion, Peter Jordan, Senior Tourism Analyst at Toposophy, has categorized and summarized five (n = 5) defining characteristics of Millennial travellers on the 10th UNWTO-PATA Forum on Tourism Trends and Outlook as the following: 1) connectivity, 2) Interaction, 3) Sharing, 4) Authenticity and 5) Selective Spending (Jordan, 2016).

2.3 The shift from a traditional hotel to a Millennial hotel

In order to capture the Millennial market, one must first understand what the Millennial travel market is looking in a next-generation hotel. Airbnb, initially launched in the year of 2008, was a big hit amongst the young travellers. In only short five (n = 5) years Airbnb growth rate has increased from forty-seven thousand (n = 47.000) in 2010 to seventeen (n =

17) million in 2015 (Birkner, 2016). It was believed this new travel accommodation trend would have a major negative influence on hotel revenues and growth rates. However, according to Douglas Quinby, VP of research at Phocuswright, a travel research firm, this was not the case on account of several issues and incidents of Airbnb usage. Nevertheless, Airbnb shook the marketing mindset of the hotels and encouraged them to go into deep research on how to allure the Millennial traveller (Birkner, 2016). Hotels have transformed into entirely new products combined of technological advancements, lesser personal contact and communal style (Chipkin, n.d.). David Black, Managing Director of JLL's Hotel Project and Development Services, stated that the recent activities in the market should be recognised as opportunities to develop and implement necessary improvements, which will capture the Millennial market and drive growth rates of hotels (Burgess, 2015).

Larger hotel chains have relied on their standardised service incorporated in all of their hotels around the globe. According to Wolfgang Lindbauer, chief discipline leader, global operations at Marriott International, Baby Boomers were looking for familiarity, safety and comfort. This might have met the needs of previous generations; however, the same expected experience does not go along with the novelty-seeking Millennials (Hospitalitynet, 2015). Some of the hotel chains created an entirely new hotel brand in their portfolio, which would address and appeal the Millennial travellers specifically. These so-called "*poshtels*" are modern luxury hotels that represent a mixture of style, comfort and affordable rates that capture the preferences of Millennials (Starcevic & Konjikusic, 2018). According to Kelsey Burgess (2015), contributor and writer for Real Views, a news site from JLL, there has been a twenty-five per cent ($n = 25\%$) increase in the overall number of brands since the year of 2009. Marriott has projected that by the year 2020 fifty per cent ($n = 50\%$) of their total guests will be comprised of Millennials. For this reason, they are currently in the process of transforming their traditional hotels into hip and more attractive to allure younger travellers (Hospitalitynet, 2015). Moxy Hotels, which belong to the Marriott hotel chain, were launched in 2015. Apart from other hotels, Moxy hotels do not have a traditional reception desk but enable their guests to do their check-in right at the bar. The Moxy brand aims to combine the social interaction you usually encounter in hostels and the best functional aspects of a traditional hotel in order to deliver their guests a unique and memorable experience (Barkley Inc. & FutureCast Llc., 2016). Millennial travellers tend to spend less time in their room as they did in the past. When staying either in a hotel, hostel, apartment, or other, they tend to leave their room and prefer to spend their time in a lobby area, where they can socialise with other people or rather focus on their work (Chesnut, 2015). Vicki Poulos, global brand director of Moxy Hotels, stated for an Adweek article the following: "*We did tons of research to find out what Millennials wanted, and the ideas of authenticity and communal spaces were very important. The idea is to create a living room where you can hang out with people and also always be plugged in. It's like a boutique hotel that has the social heart of a hostel. That's why people stay at an Airbnb, so we built a brand that had that same communal spirit.*" However, developing an entirely new hotel brand can be viewed as risky

even for a large Millennial market due to high start-up costs, high market saturation and uncertainty (Burgess, 2015).

Radisson Red hotels, which were also designed in a way the Millennials could relate to them, allow their guests to do online check-in and order food and beverages or room cleaning straight from their online application (Birkner, 2016). The options of mobile check-in and keyless room entries are examples of services that allure the Millennial traveller (Burgess, 2015). According to Oracle Hospitality (2016), one-fifth of their Millennial study population have already used their Smartphones to check-in to a hotel. Furthermore, they have discovered that Millennials wish to use their Smartphones and tablets more frequently for services in hotels, especially with the loyalty programs. Approximately fifty per cent (n = 50%) of participants stated that they wish to use their mobile devices to capitalise on loyalty programs and share their personal data in return of personalisation and acknowledgement (Appendix B). Aloft hotels, one of recently developed Starwood hotels brands, have introduced numerous digital technological advancements that would please the Millennials travellers and their preferences. Aloft hotels offer wireless connection throughout the entire hotel, which enables their guests to do a check-in, check-out and even unlock the doors of their rooms with the use of Smartphones or Apple watch (Barkley Inc. & FutureCast Llc., 2016). Brian McGuinness, global brand leader of Aloft hotels once stated: *“Today’s traveller wants a level of personalisation unlike ever before, and that means being able to control their hotel experience with the sound of their voice.”* This was after Aloft has initiated a project called Jetson which till this date enables guests at two Aloft properties in Boston and Santa Clara to stay in voice-activated rooms where they can control the room temperature, lighting and even music preference with the sound of their voice (Bhattacharai, 2016). Furthermore, Aloft has also developed a Botler system (robotic butler), which instantly connects the guests with a wide variety of services provided by the Aloft hotels (Barkley Inc. & FutureCast Llc., 2016). Hilton introduced a similar robot called Ava, powered by iRobot, which greets guests at Hilton Tyson Corner, serves as a translator and also helps guests remotely sign into meetings (Bhattacharai, 2016). Aloft TiGi (Text it. Get It.) is an emoji room service menu, which allows guests in Aloft Manhattan Downtown-Financial District to order room service by texting a string of emojis with last name and room number (Barkley Inc. & FutureCast Llc., 2016). Marriott International launched a *“VRoom Service”* in fall 2015, where guests can explore destinations from around the world with the help of virtual reality. Michael Dail, vice president of global marketing at Marriott, considered Millennials as content creators and decided to add a storytelling element to their marketing strategy in order to meet the next generation of travellers. Virtual reality was also adopted by several other hotel companies such as Holiday Inn Express, Hilton and Best Western (Bhattacharai, 2016).

Oracle Hospitality has conducted a survey about technology usage and the interaction between technology and hotels and food and beverage companies in early 2016. They have surveyed nine thousand seven hundred and ninety-nine (n = 9799) Millennials in eight (n = 8) different countries: the United States, the United Kingdom, France, Germany, Australia,

Japan, Brazil and Mexico. They have identified that twenty per cent (n = 20%) of participants have already used their mobile devices in order to check-in to a hotel, forty-six per cent (n = 46%) of participants have booked a hotel using a mobile device, fifty-six per cent (n = 56%) of participants have browsed the hotel website through their mobile device, and eighty-two per cent (n = 82%) of participants connected to the hotel Wi-Fi (Appendix C). A lower percentage of participants have used their mobile device for other services offered in hotels such as ordering room service (twelve per cent (n = 12%)), booking spa treatments (six per cent (n = 6%)) and using hotels' mobile app (thirteen per cent (n = 13%)). According to Oracle Hospitality (2016), hotels invest resources into technological advancements; however, they fail to market them to their customers (Appendix D). Millennials also want to have the option of enjoying their own music and other types of entertainment in their rooms. However, thirty-six per cent (n = 36%) of participants have pointed out that not only they wish to have an option of their own entertainment but also the option of buying hotels' selection of movies, music and similar (Appendix E). This provides hotel managers and head of departments an opportunity to increase sales revenue. Participants who have worked in hospitality have mentioned that most hospitality companies lack improvements in technology advancements and still use out-dated technological solutions. When participants were asked the question "*In what other ways would you like to use technology in the future?*" numerous answers were gathered. The most common ones included ordering room service, using a mobile device to access the room, checking-in/checking-out, booking external activities, accessing hotel promotions, accessing loyalty programs, and many more (Appendix F). In conclusion, Oracle Hospitality Survey has identified four critical trends in redefinition of service in hospitality: 1) Millennials want personalization, recognition and receive rewards for their continuous loyalty, 2) hospitality companies should implement solutions for enabling guests to complete key transactions with the use of their smartphones, 3) Millennials still value personal service and wish to have it combined with the technological advancements, and 4) hospitality companies need to accept global variances and adapt to cultural differences (Oracle, 2016).

Hotels do not need to be necessarily new in order to capture all features the Millennials are attentive to. Residence Inn, a forty-year-old hotel chain, has recently implemented some new changes, such as scheduling regular food truck stops, implementing reward program mobile technology and promoting Millennial themed happy hours (Burgess, 2015).

Boutique hotels have become more desired by the Millennial generation as they offer a far more personal and unique experience. In 2014, the revenue has increased by eight point eight per cent (n = 8.8%) for boutique hotels in comparison to other traditional hotels, which have shown lower revenue increase. For this reason, some larger hotel brands (e.g., InterContinental Hotel Groups) have merged with smaller boutique hotels (e.g., Kimpton & Indigo) that enable Millennials to truly experience the lifestyle of a certain destination (Daylighted, 2015).

What differentiates the Millennial-targeted hotel brands from traditional ones is also the design of the hotel itself, such as colour schemes, layout, branding and feel of local taste. Millennial travellers enjoy spending their nights in places that are valued-brands, as well as fun, hip and new (Birkner, 2016). The main findings suggest that the millennial generation travels in order to experience a destination, culture and different cuisine. According to findings at the Digital Travel and Tourism Masterclass in Singapore, Millennials are seeking for a way to connect with a certain brand or a company that builds an emotional bond with them. Engagement and emotions are the key factors in marketing products to Millennials, especially in tourism (Bouchacourt, 2016). Many hotels chains, such as Marriot, Radisson, Hyatt Hotels and Hilton Worldwide, are embracing the idea of developing new types of hotels that give their guests a “*live like a local*” feel. Radisson Red hotels are encouraging the local artwork and display local art in each of their hotels. Themes of the Marriot’s Renaissance hotels match the themes of their surrounding local neighbourhoods in each location. Boutique hotels are especially popular amongst the current travellers since they tend to be smaller and offer local flavour (Birkner, 2016). Becoming a part of the experience for the Millennial traveller is important, and hotels are embracing the idea of localisation into their business process. Hotels’ interior design, artwork, amenities, and services are more frequently reflecting on the culture and locations where it operates (Daylighted, 2015). One of the Marriott hotels in Phoenix, Arizona, has opened a cheese-and-charcuterie restaurant which serves food, beer and wine provided by their own local producers and helps to support the local community. Such creative concepts appeal the Millennial travellers as they have the opportunity to have a unique experience at a destination and enjoy the taste of the local culture (Hospitalitynet, 2015).

2.4 Marketing to Millennial travellers

Millennial travellers are the most valued market segment for the hotel industry since they are the ones who nowadays wish to travel as much as possible and are willing to spend more money on travel and gathering experiences than any other generation before. However, there is little literature which focuses solely on marketing strategies to Millennials in the hotel industry.

Because of all recent developments, technologic advancements, shifts in travellers’ values, etc., it has become clear that travel and tourism companies need to change their ways of alluring current Millennial travellers. Since Airbnb, Couchsurfing and other cheaper accommodation arrangements, such as hostels, are taking over in hospitality sector, hotels need to be especially alert and up to date in order to know how to do proper marketing to Millennials and hence, deliver them what they want.

2.4.1 The evolution of marketing in the travel industry

Traditional ways of marketing, in general, had a somewhat linear approach. Firstly, the product was created. Later on, it was introduced to the market, where the traditional marketing strategies were encouraging the final customers to finally purchase the product (Barreda, Bilgihan, Nusair & Okumus, 2016). In the past traditional marketing, distribution and customer services in tourism have mostly depended on intermediaries such as tour operators and travel agencies, destination marketing organisations (DMOs) as well as media channels, which had limited reach to its target market before the start of the internet era. The traditional approach does not appeal to a modern Millennial. In the early 1990s, the internet has completely transformed the means of marketing, and it was quickly adopted as a new distribution channel and a marketing medium. The so-called “*newborn*” travel agencies emerged (e.g., Expedia, PreviewTravel, TripAdvisor, etc.) which have offered consumers direct access to the travel market. The benefits of online travel agencies were shown in reduced transaction costs, increased volume discounts for consumers, eliminated coordination from other sales department, and most importantly, instant and wide adoption from consumers all over the world. By the year 2000, nearly every tourism company has developed its commercial website and evolved from a simple design to a highly interactive online system. In most cases, it had become their main (if not even the only) source of contact with the potential visitor. The last few years have been marked by the rise of new social systems (e.g., fare aggregators), consumer review sites (e.g. TripAdvisor) and mobile computing systems. All of these novelties have empowered consumers to oversee their travel experiences in any time or place (Xiang, Magnini & Fesenmaier, 2015).

2.4.2 Recent travel trends in marketing to Millennials

A six-year longitudinal American Travel Survey conducted by the National Laboratory for Tourism and eCommerce at Temple University has recognised four travel trends which have emerged in the last years. First, the internet has become the primary source of information in travel planning in the last two decades. Second, there are visible similarities as well as contrasts in the use of the internet among generations. Even though the internet is being actively used amongst all generations, Gen Y (the Millennial generation) shows the most engagement in travel planning online. The Millennials extract information on various sources (e.g., TV, documentaries, and social media); use online travel agencies and make online bookings more often than other generations; they review more potential destinations; explore wide range of tourist activities (e.g., sights, restaurants, festivals, shopping, etc.); and listen to bloggers and travel influencers. Millennials are more digitally savvy as well as more involved in travel planning than any other generation to this date. Taking all of this into consideration, it is important for all tourism companies (hotels including) to recognise the right communication channels to capture Millennial travellers. Third, social media nowadays have a great impact on travel planning for Millennials. Pictures, videos, blogs,

tweets and reviews posted by other travellers have become a crucial part of travel planning behaviour. The so-called “*eWOM*” (electronic word of mouth) has a far greater influence on people’s perceptions, intentions and decision making than any other means of travel and tourism marketing (Fesenmaier and Xiang, 2014). Furthermore, Smartphones have become a vital part of tourist experiences, not only because Millennials want to be connected at all times and share their moments on the internet, but also because the use of smartphones increases the flexibility of tourists during trips (Wang, Xiang & Fesenmaier 2014). Internet access through mobile devices enabled travellers to postpone their travel decisions and plan them directly at the destination as opposed to making most of pre-planning before travelling to a destination. Finally, the American Travel Survey has discovered that nowadays most travellers buy not only primary travel products mostly online (e.g., airline tickets and accommodation) but also secondary products, such as museum tickets, concert tickets, exhibitions, etc. This presents to marketers and managers a great opportunity to add value to their business models by including and combining different revenue sources (Fesenmaier and Xiang, 2014).

2.4.3 The power of Branding

There have already been some predictions in the past regarding the increase of internet use for hotel bookings in the future. With each year, online hotel sales are increasing progressively as opposed to traditional ways of booking a hotel. Hotels are focusing not only on implementing modern technologies but also on recognising travellers’ preferences and perception of online hotel brands. Millennial generation takes its time before making a booking online. They search the internet, read reviews on several social platforms, read evaluations from travel bloggers, and similar, before making a final decision about purchasing. When deciding between two or more hotel options, the hotel brand is often a crucial decision-making factor (Barreda, Bilgihan, Nusair & Okumus, 2016). People relate to brands as they see them as trustworthy, consistent and reliable. According to Flanagin, Metzger, Pure, Markov & Hartsell (2014) consumers prefer online hotel brands with a positive brand image to other hotel alternatives as they present trustworthiness, consistency of service and excellence in establishing and maintaining relationships.

Three marketing terms arise when discussing brands: brand awareness, brand image, and brand value; all equally important in terms of marketing (Barreda, Bilgihan, Nusair & Okumus, 2016). According to Business Dictionary (n.d.), brand awareness is described as: “*Extent to which a brand is recognised by potential customers, and is correctly associated with a particular product. Expressed usually as a percentage of the target market, brand awareness is the primary goal of advertising in the early months or years of a product's introduction.*” On the other hand, brand image is described as a set of beliefs and associations about a certain brand which is embedded in consumers’ mind (Management Study Guide, n.d.). Finally, the brand value indicates that consumers prefer relating to strong brands’ products and services, which enhances the probability of building a long-lasting

marketing strategy, which is especially vital in lodging industry as it can create countless advantages for consumers and hotel companies (Barreda, Bilgihan, Nusair & Okumus, 2016). Hotel brand value can be defined as: *“the value that consumers and hotel property owners associate with a hotel brand, and the impact of these associations on their behaviour and the subsequent financial performance of the brand,”* (Bailey & Ball, 2006). The main obstacle for companies that sell services (e.g., hotels) is to transform the non-physical characteristic of the product into tangible. For this reason, internet and website interaction are of most importance as it provides an opportunity for the hotels to create strong brand value in the eyes of the consumers (Barreda, Bilgihan, Nusair & Okumus, 2016).

Barreda, Bilgihan, Nusair & Okumus have published a research study about the development of hotel branding through interactivity theory in 2016. An online survey was filled out in the United States of America by four hundred forty-two (n = 442) participants (four hundred twenty-two (n = 422) were evaluated as valid) who have booked a hotel room through a hotel website in the last year. Three hundred and thirty-five (n = 335) out of all participants fell into Millennial generation. The findings of the survey show that interactive commercial websites contribute to building stronger brand awareness and brand image in an online context and differentiate those lodging companies that possess a strong website interaction from the ones that do not. Social media (e.g., Facebook, Twitter, Instagram, etc.), forums and news articles enable consumers to *“share”*, *“like”* and add comments, whereas hotel websites have steadier and more limited options for interactions. The research has confirmed the hypothesis that creating a commercial website that enables interactivity not only aids to build a stronger brand but also positively influences brand-value perceptions. Nevertheless, the research proposes more thorough research amongst Millennial generation as it has not been done so far (Barreda, Bilgihan, Nusair & Okumus, 2016).

2.4.4 The Internet

Internet is the most powerful marketing and branding tool of the 21st century, especially when it comes to companies (e.g., hotels) that are selling services and not tangible products. Many hotels have shifted their branding strategies and operations and migrated them online, as the internet has become an influential medium that has changed the way hotel brands conduct business and the way Millennial travellers and hotel brands interact (Barreda, Bilgihan, Nusair & Okumus, 2016). In hospitality, most companies are selling services and not products. Hence, it is that much more important to establish a strong connection with the consumers through online channels, which is still a popular topic of research amongst marketing experts (Moss, Wulf & Mullen, 2013). The benefit of online marketing, as opposed to conventional marketing, is the interaction with the consumer, which allows hotels and other hospitality facilities to adjust their service that they are selling to specific travellers' needs and preferences; hence, build a more long-term relationship with the consumer (Barreda, Bilgihan, Nusair & Okumus, 2016). Furthermore, the ability of interaction through hotels' websites and other online marketing channels has been identified

as a crucial element in building a strong hotel brand. Many companies are investing substantial amounts of money into internet-based, and online technologies not only to establish personal interaction with consumers but also to increase financial performance, productivity and provide innovative product improvement processes (Coyle & Thorson, 2001; Voorveld, Van Noort & Duijn, 2013). For example, an interactive website composed of many different micro-sites with content specified to particular demographic groups is more tailored to address customers' needs as opposed to "*one-size-fits-all*" website (Scott, 2012). According to Peter Jordan (n.d.), Toposophys' Senior Tourism Analyst, a commercial website should shift from traditional holiday brochure to a so-called "*destination concierge*". Nearly all hotels and other accommodation facilities nowadays enable their customers to make a booking through a commercial website or a third party website such as Booking.com, Expedia, etc. As potential guests, we are able to see hotels' room inventory as well as the services provided by the hotel online. Hence, commercial websites that are interactive and more consumer-oriented are more likely to attract new customers, whereas low-interactive websites occur less secure and discourage customers from making a booking. As the internet has evolved, it has become more complex for hotels to manage their room inventory online, optimise profits, establish strong relationships and at the same time stay competitive on a fast-growing and changing market. With this in mind, consumers have gained a great advantage of being exposed to extensive online information and have more decision and selection power than ever before (Barreda, Bilgihan, Nusair & Okumus, 2016). As the internet has become the key element for success in marketing, it is necessary for companies not only to be present online but also to develop a well-planned and detailed strategy for online marketing (Buhalis & Neuhofer, 2012).

2.4.5 Social Media

Social media have become one of the largest influencing marketing tools in the travel industry. Not only that, social media has a broad reach but is also considered as a less expensive and simpler new way of marketing (Scott, 2012). According to Brandon Billings (2019), Vice President of Social Media & Content Strategy, it is crucial for hotels to understand their target audience and develop social programs that are tailored to their markets' preferences. First and foremost, it is important to take time and carefully study at what time of the day, month or year the Millennials are most engaged with social media of a company. Timing is everything. Posting a catchy feed at the right time will result in better positioning with these travellers (Jordan, n.d.).

Moreover, the Millennials are attracted by the authentic and personal approach in marketing. Hence, they are following brands that deliver genuine and highly-engaging content. After all, user-generated content is perceived as a trusted resource and encourages people to buy, subscribe, apply, and donate (Scott, 2012). In his article, Brandon Billings (2019) provides several marketing suggestions for hotels to capture the Millennial travellers with the aid of free and paid tools. First, hotels should learn from their competitors and adapt their best

practices on social media (e.g., by looking at other hotels' social media posts, likes and comments). This is convenient, inexpensive and easily accessible through open profiles on social media. Second, it is important for hotels to publish content that consumers would want to engage with and where social media (most importantly Instagram and Facebook) should be acting as key drivers of inspiration for potential travellers. To increase consumer engagement, hotels should consider creating social-only videos which should not only be personalised but also activate user-generated content. Third, Instagram is an important decision-maker when it comes to Millennials picking their next travel destination. Hence, hotels should encourage their guests to share their hotel moments with others via Instagram and create the so-called "*Instagrammable*" moments. Fourth, partnering up with a traveller influencer or hotel blogger expands the reach and eases the way to create valuable content. Finally, it is important for hotels to be encouraged to try new experiences across social media and measure their impact on the Millennial market (Billings, 2019).

2.4.6 Online reviews

Online reviews from websites such as Trip Advisor play a major role for Millennials when deciding on their next travel destination. Approximately ninety-two per cent (n = 92%) of travellers tend to trust online reviews and research more than travel agencies. This has affected marketing strategies significantly, especially in the hospitality industry. According to Federico Lalatta, EVP of Global Strategy at IHG Hotels, there was a thirty-three per cent (n = 33%) increase in online reviews shared by IHG hotels' guests (Wong, 2016). A positive review on such websites can either attract a person to stay in the hotel or not, but a negative review will most likely cause the reader to choose a different hotel (Wong, 2016). In spring of 2011, a major university in the United States has questioned two hundred and twenty-seven (n = 227) Millennials about their relation to online reviews and purchase decision-making. Findings showed that the Millennials are actively involved in writing reviews as well as reading them. Approximately fifty-six per cent (n = 56%) of Millennials are most likely to use social media to read reviews as opposed to other generations, where only thirty-five per cent (n = 35%) of them use social media for reading reviews. Traditionally, word-of-mouth had and still has a great impact on purchasing behaviour as consumers can relate to the personal reflections of other consumers. Online reviews have shifted the traditional word-of-mouth to an online platform which is nowadays acceptable to a much broader population. Social media websites (e.g., Facebook, Twitter, YouTube, etc.) are popular assembly points for peoples' personal recommendations and have become the most popular viral word-of-mouth phenomena on the internet. Facebook and company websites are the most used online platforms for reading and writing reviews. Furthermore, Millennials are more likely to write positive reviews than negative ones (Mangold & Smith, 2012). It is interesting how much Millennials trust and value online reviews. However, two out of three Millennials have never posted a negative review and avoid writing negative feedback online (Brady, 2017). Gender-wise, male participants more frequently write reviews as well as read

them than female participants. Considering all these findings, online reviews present a strong marketing tool and should not be neglected by marketing managers. The study recommends hiring a marketing specialist who would monitor and analyse online reviews in order to recognise customers' preferences, needs and wants. Recognition of customers' experiences is, therefore, crucial (Mangold & Smith, 2012).

2.4.7 Storyliving

Traditionally, hotel brands were mainly focusing on creating the perfect message, which they, later on, pushed out to their market target through a variety of different channels. Nowadays, consumers don't pay as much attention to these types of messages as they did in the past. A new approach needs to be adopted for the hotels in order to address the Millennial market segment. According to FutureCast (2014), message content, which will, later on, reach the target audience, need to be unique, sharable and produced by the people who are selling and using the product. Hotels need to embrace the idea of "*storyliving*", which means they should present to consumers through their brand personality what do they stand for and what is in their core essence. The Millennials desire to participate and share with the rest of the world. Hence, it should be included in hotel's marketing strategy that the Millennials should be encouraged to participate in creating a brand that will be share-worthy (FutureCast, 2014).

2.4.8 Video

Digital Travel and Tourism Masterclasses are frequently held in Singapore, where numerous marketers such as IBM Marketing Cloud, Outbrain, Sojern, Andara and Brightcove gather in order to discuss latest marketing trends in the travel industry. In June 2016 one particular topic stood out: "*How can travel and tourism companies engage with travellers earlier on in their buying cycle and maintain contact continuously thereafter?*" According to their findings, video is the most powerful marketing tool that addresses this issue. When people go to a destination, they consider travelling a personal experience with a lot of emotions involved along the way. Video is an effective way to send a statement to tourists and establish an emotional bond with them at the same time. Good examples are video campaigns from several airline companies, such as Virgin America's safety video campaign, which received numerous positive feedbacks (Bouchacourt, 2016). Moreover, humour is considered as an effective quality in videos when trying to reach consumers, even when selling business-to-business (Scott, 2012). A research conducted by Tussyadiah and Fesenmaier (2009) has also confirmed that online travel videos can considerably affect touristic experiences. In addition, videos can be used as powerful tools to attract potential travellers as they generate positive mental pleasures through imagination in two ways: 1) by

bringing to life people's dreams and fantasies of visiting a destination or 2) by aiding people to re-live their past experience to a destination.

2.4.9 E-mail

Nearly all travel and tourism companies use email as one of their main marketing tools. It is fast and efficient as you can reach a broad number of people in a short time period. However, sometimes emails may seem aggressive and intrusive to recipients, and hence easily dissuade them. In order to avoid this issue, companies need to switch from their normally aggressive content, focusing mainly on selling the products, to a more friendly and engaging content. In addition, adding a video in emails has proven to increase click-through rates by fifty-five per cent (n = 55%) (Bouchacourt, 2016).

3 METHODOLOGY

The fundamental purpose of this master thesis is to answer the research question “*How are the Millennials modifying the main digital marketing communication channels in the hotel industry?*” In the past, hotels were mainly focusing their marketing communication strategy on Traditionalists, Generation X and later on, Baby Boomers. The emphasis was on traditional means of marketing communication channels. However, the trends have shifted in recent years as a new generation took over older generations. Nowadays, Millennials are the largest generation in the world which has travelling deeply embedded in their identity. Hotels cannot use the same old traditional marketing communication channels as they did in the past. Traditional marketing communication channels are outdated and do not have the same impact on viewers as they used to. It is of most importance that the hotels investigate what Millennials look in hotels when travelling before booking them, what do the Millennials find appealing and adapt to the preferences of this powerful generation. Hence, the purpose of this thesis is to identify how important are the Millennial travellers to hotels, what communication channels need to be adopted in order to appeal to this generation and how have these communication channels modified in recent years.

The following thesis outlines that marketing communication channels have changed and evolved over the last few years. The objective is to identify to what extent have these channels evolved in the hotel industry and how are the new and modern marketing communication channels affecting the Millennials. In addition, the research tackles the most common traditional and modern marketing communication channels and outlines their general effect on Millennial attitude towards booking a hotel.

In order to have a complete overview of this research topic, the quantitative approach has been adopted. This approach was selected as the purpose of the research is to measure a social travelling trend where Millennials and their preferences are the main areas of observation.

The emphasis was on the quantitative approach as an in-depth understanding of Millennial preferences is needed for the purpose of this thesis. An online survey which was comprised of one hundred and eight ($n = 108$) questions was sent to random individuals born in the years between 1980 and 2000. The average age of the respondents was twenty-six ($n = 26$). The respondents were at the time of the survey residing in six different countries: Slovenia, Italy, Serbia, Netherlands, Spain and Montenegro. However, the substantial majority of the respondents were Slovenian. The survey was somewhat equally responded by female and male respondents. The data was gathered in an approximately two week period from the end of July 2019 till the beginning of August 2019. The nature of the questions was close-ended, and it encouraged participants to share their opinions by stating how important are different communication strategies to them or how strongly they agree with the provided statements about marketing communication channels. As it is not possible to question all living Millennials in the world, the sample for the purpose of this research accounted for one

hundred (n = 100) Millennial participants. The survey was conducted through an online survey program called Typeform. The total number of survey visits was one hundred and fifty (n = 150), whereas one hundred (n = 100) responses were collected. The average time to complete the survey was twenty-one minutes and fifteen seconds. Twenty-five (n = 25) participants completed the survey by using a computer and seventy-five (n = 75) completed the survey through their Smartphones.

All information gathered through the research process and used for the purpose of the master's thesis is primary. The questions for the online survey were formed based on the findings from the literature review. All of the respondents complied with the Millennial birth year criteria. Hence, all received answers were used and analysed for the research. However, the study sample counted for one hundred (n = 100) Millennial individuals, which is also one of the weaknesses of this research study. As there are more than one point seven (n = 1.7) billion Millennials worldwide, this study sample cannot be generalised to the entire population. Nevertheless, it would be impossible to question all living Millennials, which indicates that studies on this particular topic need to be conducted in numerous smaller samples. The majority of the respondents were Slovenian. Therefore, the results could potentially be used and applied to Millennials residing in Slovenia.

Once the survey was concluded and all the answers from one hundred (n = 100) Millennial participants were gathered, the online survey program Typeform generated a full report of all collected data. After gathering all the data and generating an excel report, the results were closely examined and analysed. In order to have a clearer understanding of the thesis and the main findings, all answers from the questionnaire were formed in tables. The tables include the frequency of the different answers, valid per cent as well as minimum, maximum, mean and standard deviation where applicable. All the tables are presented in the findings part of the thesis to provide a greater understanding of the results.

As the findings of the thesis are based on a quantitative approach, several hypotheses were introduced in the introduction section in relation to the main research question. The hypotheses were tested and depending on the statistical significance of the results they were either rejected or confirmed. The statistical tests used for the purpose of hypotheses testing were binominal test, one-tailed t-test and chi-square. Binominal test was used in order to identify whether the observed test results differ from the anticipated ones. T-test was used to determine if there is a significant difference between the means of two or more groups, which may be related in certain features. Furthermore, t-test was used as a hypothesis testing tool in order to test whether an assumption is applicable to an entire population. The chi-square test was used to test the relationship between two or more categorical variables.

In conclusion, quantitative method of collecting data has identified a few critical findings in relation to how Millennials are modifying marketing communication channels. The answers gathered from the Millennial participants in the online survey have highlighted which marketing communication channels have the most impact on their decision-making process when they are booking a hotel and how do they perceive other relevant communication

channels. The results can be used by hotels as they provide useful guidelines on how to communicate with potential Millennials guests and persuade them to book their hotel when travelling to their destination.

4 FINDINGS

The Millennial generation is keen on travelling and will continue to travel more and more in the future. As the costs of travelling are lowering and the Millennial generation has become very neat in travel hacking, it only seems that this trend will continue to increase further in the future. Travelling has become a vital part of the Millennial identity and experiencing new countries and new cultures is deeply imprinted in their mind. As they are currently the worlds' largest living generation, even hotels need to find a way to adapt to this powerful generation in order to keep competitive in a highly saturated and fast-changing market. It is crucial for hotels to recognise what are the current and future travel preferences of Millennials, what mechanisms do they use when they are booking a hotel, which communication channels appeal to them the most and furthermore, what communication channels encourage them to book a hotel. In today's fast-changing market saturated with well-established world-renowned hotel chains, new uprising modern hotels and other forms of accommodation providers, hotels need to be up to date and prepared to adapt in order to stay competitive.

In order to identify the ways the Millennials are modifying communication channels in the hotel industry, an online survey was conducted where one hundred (n = 100) Millennials answered one hundred and eight questions (n = 108) regarding their hotel communication and booking preferences. As there is no exact definition of the Millennial birth years in the up-to-date literature, for the purpose of this master thesis research, the participants of the survey were born between the years of 1980 and 2000. Hence, the age range of the survey participants was between thirty-nine (n = 39) and nineteen (19), where a majority of the survey participants were of age twenty-six (n = 26). Ninety per cent (n = 90%) of the participants were residing in Slovenia at the time of the survey, whereas the other ten per cent (n = 10%) of the participants were residing in Italy, Serbia, Netherlands, Spain and Montenegro. Sixty-seven per cent (n = 67%) of the respondents were at the time of the survey full-time employed, thirty-one per cent (n = 31%) of the respondents were working as students and only two per cent (n = 2%) of the participants were not employed at the time of the survey. The survey was filled quite equally between both genders as fifty-eight per cent (n = 58%) of the survey participants were female and forty-two per cent (n = 42%) of the survey participants were male. Demographics of survey respondents are clearly demonstrated in Table 1, Table 2, Table 3 and Table 4.

Table 1: Gender

	Frequency	Valid Per Cent
Female	58	58,0%
Male	42	42,0%
Total	100	100,0%

Source: own source (2019)

Table 2: Employment status

	Frequency	Valid Per Cent
Student	31	31,0%
Full-time employed	67	67,0%
Not employed at the moment	2	2,0%
Total	100	100,0%

Source: own source (2019)

Table 3: Country of residence

	Frequency	Valid Per Cent
Slovenia	90	90,0%
Italy	1	1,0%
Serbia	5	5,0%
Netherlands	2	2,0%
Spain	1	1,0%
Montenegro	1	1,0%
Total	100	100,0%

Source: own source (2019)

Table 4: Age

	N	Minimum	Maximum	Mean	Std. Deviation
Age	100	19	39	26,48	4,535

Source: own source (2019)

In the following, the main findings of the survey are identified and explained based on the answers of the participants. The results and findings have been divided into several chapters: 1.1) General overview, 1.2) Importance of the communication channels for the Millennials when booking a hotel, and 1.3) Loyalty programmes.

4.1 General overview

4.1.1 Vacation as the main reason to Millennials for booking a hotel

It comes as no surprise that eighty-nine per cent ($n = 89\%$) of all survey participants have booked a hotel at least once in the last year. Even though travelling has become much cheaper and easier as other accommodation providers such as hostels, Airbnb and Couchsurfing allow Millennials to enjoy the privilege of travelling at an affordable price, the survey showed that the Millennials still favour hotels when travelling and they have not eliminated them out of the travelling equation. Only eleven per cent ($n = 11\%$) of all respondents have not booked a hotel in the last year, as shown in Table 5.

Table 5: Have you booked a hotel in the last year?

	Frequency	Valid Per Cent
No	11	11,0%
Yes	89	89,0%
Total	100	100,0%

Source: own source (2019)

Majority of Millennials have now already entered their thirties and value comfort and safety when travelling. There have been plenty of cases when Airbnb resulted in a scam and several unfortunate travellers came to a destination only to find out that their Airbnb host was a fraud and they ended up with no overnight accommodation. Furthermore, in hostels, room sharing is a great way for Millennials to meet other travellers. However, in order to share a room, one needs to be comfortable with other unknown guests in the room as well as trusting to leave your personal belongings with them. In that sense, hotels are much safer and comfortable apart from hostels and Airbnbs. As stated in the literature review, Millennials prefer spending time in common areas, such as the lobby, not in their hotel rooms. However, when they use the bathroom or go to sleep, they still value privacy and are willing to pay more money to enjoy a quiet night. Although booking hostels and Airbnbs is still quite common amongst Millennials, one can only presume that as they get older, they will be more inclined towards booking hotels in the future. Airbnbs and Couchsurfing will be more desired by younger travellers, such as individuals from Generation Z.

As the findings show, seventy-seven per cent ($n = 77\%$) of the survey participants booked a hotel in the last year for vacation purposes. Hence, vacation is indicated as the main reason for Millennials to book a hotel. This confirms the presumption that Millennials focus their travelling on experiencing new cultures and destinations. On the second place are visiting friends and/or relatives (nineteen per cent ($n = 19\%$)) and going to an event (eighteen percent ($n = 18\%$)). Business travelling and attending conferences are less common between the Millennial travellers, as only twelve per cent ($n = 12\%$) of the participants have booked a hotel in the last year for business purposes and four per cent ($n = 4\%$) for attending a conference. Only one respondent has booked a hotel in the last year for a different reason. The findings are presented in Table 6.

Table 6: What was the reason for booking a hotel in the last year?

	Responses		Per Cent of Cases
	N	Per Cent	
Vacation	77	55,4%	77,0%
Business	12	8,6%	12,0%
Conference	4	2,9%	4,0%
Visiting friends and/or relatives	19	13,7%	19,0%
Going to an event	17	12,2%	17,0%
I did not book a hotel in the last year	10	7,2%	10,0%
Total	139	100,0%	135,0%

Other	Frequency	Valid Per Cent
No response	99	99,0%
Sleepover	1	1,0%
Total	100	100,0%

Note: Survey participants could choose more than one answer to answer the question.

Source: own source (2019)

According to these findings, Millennials still consider a hotel a place where they can rest and enjoy either on a short or a longer vacation. The average age of the survey respondents was twenty-six ($n = 26$). As the majority of the participants of the survey have just reached their peak years and recently entered the workforce, or are still at the stage of finishing their studies, the business travel is not as common as it is with the older generations such as Traditionalists and Baby Boomers. Nevertheless, this trend might shift in the following years when the Millennials will reach their prime working years.

4.1.2 Online Travel Agents and personal computers as preferred methods of booking

As shown in Table 7, when booking a hotel sixty-five per cent ($n = 65\%$) of the Millennials still rely on Online Travel Agencies such as Booking.com, Expedia, etc. Online Travel Agencies enable Millennials to compare different hotels in a certain destination based on their location, price and hotel features by simply adding different types of filters in the search engine. The option of comparison makes it easier for a Millennial traveller to decide between different hotels and easily book the preferred hotel, either based on availability, location, price, hotel features, etc. In addition, Booking.com has recently added a new feature called “Genius”. This feature gives users of Booking.com that frequently make bookings through their website a certain discount on future bookings, an option of complimentary breakfast or a complimentary upgrade. With this in mind, sometimes booking a hotel through an Online Travel Agency results in more benefits for Millennials travellers than booking a hotel directly through the hotels’ commercial website. As the literature review stated, Millennials

like to receive complimentary benefits and freebies. Hence, they will book a hotel through the website that will present the best value for price ratio. Nevertheless, thirty per cent (n = 30%) of the Millennials prefer to make a booking of the hotel on their commercial website whereas only eighteen per cent (n = 18%) of the participants use hotels' mobile application to book a hotel. Normally, only international hotel chains offer to book a hotel through their own mobile application. As booking through Smartphones is the second most common way of booking, hotels might consider developing their hotel mobile application that would ease their customers when making a booking directly through them. Some hotels, such as Hotel Arts in Barcelona, Spain, enable guests the option of quick check-in through their mobile application. Guests that use this mobile feature know exactly at what time their room is ready to check-in and stop by the reception only to collect their keys. Quick check-in is a feature that might appeal especially to business travellers that spend a lot of time travelling or people that are less fond of interacting with personal at the reception.

Traditional travel agencies are somewhat less popular with the Millennial generation as they were with the older generations. Only nine per cent (n = 9%) of all participants have a preferred method of booking a hotel through a travel agency. With all hotel information available online, price comparison and websites offering discounted prices for hotels (e.g., Trivago and Agoda), Millennials prefer to search for accommodation by themselves rather than to rely on a travel agency. In addition, booking a hotel through a traditional travel agency normally results in paying additional commission to the agency and/or the travel agent. Three per cent (n = 3%) suggested they have never booked a hotel before.

Table 7: What are the most common methods you use when you are booking a hotel?

	Responses		Per Cent of Cases
	N	Per Cent	
Travel Agency	9	7,2%	9,0%
Hotels' Commercial Website	30	24,0%	30,0%
Online Travel Agency (e.g., Booking.com, Expedia, etc.)	65	52,0%	65,0%
Hotels' Mobile Application	18	14,4%	18,0%
I have never booked a hotel before	3	2,4%	3,0%
Total	125	100,0%	125,0%

Note: Survey participants could choose more than one answer to answer the question.

Source: own source (2019)

As shown in Table 7, Online Travel Agencies are still the most preferred method of booking a hotel for the Millennial travellers. In order to test whether these results are statistically significant, the following hypothesis was tested:

H_{0A} : Less than fifty per cent (n = 50%) of Millennials use Online Travel Agencies for booking a hotel.

H_{1A} : More than fifty per cent ($n = 50\%$) of Millennials use Online Travel Agencies for booking a hotel.

Binominal test was conducted in order to test the hypothesis. Binominal test is normally used when the hypothesis has only two possible outcomes and when one wishes to identify whether the results of the test differ from the expected one. Binominal test in this case tests whether more than fifty per cent ($n = 50\%$) of Millennials use Online Travel Agencies or not. P-value stands for the level of marginal significance that represents the probability of the occurrence of a given event. In other words, when P-value is lower than 0,05, one can claim that there is five per cent ($n = 5\%$) or less probability that the difference in our results occurred because of a coincidence. The results of the binominal test that are presented in Table 8 below show that the P-value ($P = 0,035$) is below 0,05. Hence, one can reject the null hypothesis and conclude that more than fifty per cent ($n = 50\%$) of Millennials use Online Travel Agencies when booking a hotel.

Table 8: Binominal Test

		Category	N	Observed Prop.	Test Prop.	Exact Sig. (2-tailed)
Online Travel Agency (e.g., Booking.com, Expedia, etc.)	Group 1	Yes	65	.65	.50	.035
	Group 2	No	25	.25		
	Total		100	1.00		

Source: Own source (2019)

With the advancements of technology in the last two decades, the Millennials have the option of booking their hotel from the comfort of their home or at any other place at any time. Even though Smartphones have become smaller versions of fully functional computers, computers continue to remain the most used way of booking a hotel. According to the survey, sixty-eight per cent ($n = 68\%$) of participants still prefer booking a hotel by using a computer instead of using a Smartphone. Twenty-three per cent ($n = 23\%$) of participants use their Smartphones when booking a hotel, and only four per cent ($n = 4\%$) prefer to book a hotel in person, either through a travel agent or directly at the hotel. These findings show that Millennials do not need advice or information from a professional travel agent, a hotel receptionist or a reservation agent to book a hotel. Millennials are fully capable of making their own decisions and collect all the necessary data they need when it comes to booking a hotel. It comes as a surprise that only one per cent ($n = 1\%$) of participants often uses their tablet when booking a hotel. As much as the tablet used to be a very popular means of being connected at all times, the findings presented in Table 9 show that Millennials are most affectionate towards using a computer when booking a hotel above all else. Nevertheless, using a mobile app and a Smartphone for booking is the second most common means of booking a hotel. Hence, the hotels should develop their own mobile apps or consider

redesigning their commercial websites in a way that it will become Smartphone user-friendly and encourage potential guests to make book directly through their application.

Table 9: What is your preferred way of booking a hotel?

	Frequency	Valid Per Cent
Using a computer	68	68,0%
Using a Smartphone	23	23,0%
In person	4	4,0%
Using a tablet	1	1,0%
Other	4	4,0%
Total	100	100,0%

Source: own source (2019)

4.1.3 Price as the most decisive factor when booking a hotel

Table 10 presents what role do uniqueness, price, personal service and international hotel chains play when Millennials are booking hotels. As stated in the literature review, Millennials value unique and authentic experiences. The survey confirmed this presumption as ninety-eight per cent (n = 98%) of all respondent agreed with this statement. In addition, majority of Millennials are more likely to book a hotel they consider unique and authentic, whereas only seventeen per cent (n = 17%) do not pay special attention to authenticity and hotel uniqueness. As an example, InterContinental Ljubljana, Slovenia displays many different local details such as local art in the rooms, a skyline decoration of the city of Ljubljana behind the reception desk, animal bee as the “B” in the name of their B Restaurant, etc. All of these small details and many more contribute to a local feel when guests visit InterContinental Ljubljana. Furthermore, the Millennials do not place great weight on international hotel chains. Even though they consider international hotel chains more reliable and they value the standardised service offered in the international hotel chains, they are neutral to the origin of the hotel and do not book a hotel based on the brand. In the end, it is all about personal service and special touches. Seventy-five per cent (n = 79%) of all Millennial respondents argued that personal service is of great importance to them. Nevertheless, considering all the mentioned factors, Millennials will not choose a hotel based on the hotel chain or personal service. Surprisingly, the survey showed that sixty-one per cent (n = 61%) of Millennials consider hotel price as the most decisive factors when booking a hotel above all others. Thirty-one per cent (n = 31%) are neutral to the price range of the hotel and only eight per cent (n = 8%) of all respondents do not consider price important when booking a hotel. Even though some Millennials have already reached their peak years and have steady jobs with a secure income, the Millennial generation is still relatively a generation of young individuals. Some Millennials are still working as students or are unemployed at the moment. Hence, price is an important factor for them when booking

a hotel. This trend may, however, change in the upcoming years and the Millennials values may shift as they reach adulthood and earn an optimal income.

Table 10: On the scale from 1 to 5 please mark how much you agree with the following statements.

	N	Minimum	Maximum	Mean	Std. Deviation
I value authentic and unique experiences.	100	3	5	4,57	,661
I am more likely to book a hotel that I consider as authentic and unique.	100	1	5	4,24	,926
I am more likely to book a hotel that is a part of an international hotel chain.	100	1	5	3,42	1,063
I consider hotels that are part of an international hotel chain more reliable.	100	1	5	3,55	1,141
I value standardised service offered in an international hotel chain.	100	1	5	3,65	,951
I would join a loyalty program if I received benefits.	100	1	5	4,03	,852
Hotel loyalty programs are not important to me.	100	1	5	2,91	,907
Personal service in the hotel is very important to me.	100	1	5	4,09	,907
Price of the hotel is the most decisive factor above all others.	100	1	5	3,83	1,053

Note: 1 – strongly disagree, 2 - disagree, 3 – neutral, 4 – agree, 5 – strongly agree

Source: own source (2019)

4.1.4 Wi-Fi as the most important hotel feature

When Millennials travel, they wish to be connected at all times. Eighty-nine per cent (n = 89%) marked Wi-Fi as the most important hotel feature when booking a hotel. As stated in the literature review, Millennials are a generation that wishes to be online and share their experiences all the time and everywhere. Even though many mobile operators now offer unlimited use of mobile data even in other countries apart from home country, failing to provide a fast Wi-Fi connection in a hotel may result in a lower number of bookings. Also, paying an additional price for the Wi-Fi connection is out of the question for the Millennials. In the past, when the internet was not as accessible as it is today and the Wi-Fi was a luxurious hotel feature, it was only reasonable that hotels charged extra to the guests for the use of Wi-Fi. Nowadays, the Wi-Fi connection needs to be available in all hotels, it needs to be fast and it needs to be secure.

Closely on the second place is the notion of ecological and environment-friendliness and awareness, as shown in Table 11. Slovenia is a green country that proudly emphasises the importance of green, active and healthy lifestyle. The main capital of Slovenia, Ljubljana, was marked as the European Green Capital in the year 2016. Younger generations in

Slovenia were born and raised with a sense for environmental care. Recycling, reusing and reducing are the three Rs that younger kids and teenagers are taught when they are growing up. Hence, sixty-one per cent (n = 61%) of the Millennials which participated in the survey, the majority residing in Slovenia at the time of the survey, stated that eco and environment-friendly is the second most important feature that would appeal to them when booking a hotel. This trend might not be the same in other countries and continents as not all Millennials grew up with the same mentality. Nevertheless, knowing this, hotels which incorporate environmentally friendly practices, and more importantly, communicate these practices to the Millennials, may increase hotel bookings and at the same time have a less negative impact on the environment.

As the literature review stated, sometimes the hotels have all of the features that Millennials desire when booking a hotel. However, they lack the ability to market these features to their target audience. Hence, it is not only important to implement hotel features that guests want, but also to learn how to properly market them. If the Millennials do not know what the hotel offers, they will not book it.

Table 11: The following hotel features are considered as Millennial-friendly.

	Responses		Per Cent of Cases
	N	Per Cent	
Mobile check-in	46	10,3%	47,9%
Mobile check-out	40	9,0%	41,7%
Entering the room with a mobile application	28	6,3%	29,2%
Booking accommodation through hotels' mobile/online application	54	12,1%	56,3%
Ordering room service through a mobile application	43	9,6%	44,8%
Using hotel laundry services through a mobile application	14	3,1%	14,6%
Paying the final invoice with a mobile application	35	7,8%	36,5%
Other	31	7,0%	32,3%
Wi-Fi	85	19,1%	88,5%
Being checked-in by a robot	3	,7%	3,1%
Virtual Reality room	9	2,0%	9,4%
Eco and environment friendly	57	12,8%	59,4%
None of the above	1	,2%	1,0%
			464,6%

Note: Survey participants could choose more than one answer to answer the question.

Source: own source (2019)

Some other hotel features that appeal to Millennial travellers are also booking accommodation through hotels' mobile/online application, mobile check-in and check-out

and ordering room service through a mobile application. The least desired hotel features are the use of hotel laundry services through a mobile application, virtual reality rooms and being check-in by a robot where only four per cent ($n = 4\%$) of all respondents found this latest feature appealing. Although, being check-in by a robot may seem interesting and intriguing at first, but as the survey showed, Millennials appreciate the personal service and the feel of being recognised and valued. Hence, the option being check-in by a robot will not appeal to the Millennial when deciding to book a hotel.

4.2 Importance of the communication channels for the Millennials when booking a hotel

When surveying the Millennials about how important are different communication channels to them when deciding to book a hotel, they needed to mark importance on twelve different types of communication channels: 1) paid advertising on the television, 2) social media, 3) billboards, 4) video, 5) blogs, 6) e-mail, 7) web-generated content 8) hotels' commercial website, 9) print publication, 10) radio, 11) paid advertising on the internet (e.g., Google ads, etc.), and 12) word-of-mouth (including e-word-of-mouth). The results of the survey are presented in Table 12 below. The latest, word-of-mouth, was chosen as the most important communication channel to the Millennial generation when booking a hotel. Closely on the second place was web-generated content such as TripAdvisor, etc. On the other hand, as one might have presumed, radio, as well as other traditional means of communication such as billboards print publication, paid advertising on the internet and on television turned out to be the least important communication channels when booking a hotel. Email, video, hotels' commercial websites have medium importance to Millennial travellers when booking of the hotel. It might come as a surprise that Millennials are also somewhat indifferent towards social media in terms of marketing communication channels in the hotel industry. The presumption was that the Millennials are affectionate towards social media as they use them on a daily basis. Hence, one might predict that social media is one of the strongest marketing communication channels in comparison to others. However, the results identified that Millennials do not favour social media communication channels as much as anticipated. In the following is a detailed description of survey results on the evaluation of each communication channel individually.

Table 12: On the scale from 1 to 5, please mark how important are in your opinion the following communication channels when booking a hotel.

	N	Minimum	Maximum	Mean	Std. Deviation
Paid advertising on the television	100	1	5	2,50	1,346
Social Media	100	1	5	3,65	1,076
Billboards	100	1	5	2,45	1,289
Video	100	1	5	3,47	1,142
Blogs	100	1	5	3,04	1,337
Email	100	1	5	3,05	1,364
Web-generated content	100	1	5	4,06	,912
Hotels' commercial website	100	1	5	3,79	1,169
Print publication	100	1	5	2,57	1,238
Radio	100	1	5	1,94	1,195
Paid advertising on the internet	100	1	5	2,58	1,149
Word-of-mouth	100	1	5	4,10	1,122

Note: 1 – not important, 2 - less important, 3 – neutral, 4 – important, 5 – very important

Source: own source (2019)

The following hypothesis was tested in order to recognize whether different communication channels have different importance to Millennials in relation to booking a hotel:

H_{0B} : Different marketing communication channels are all equally important to Millennials when booking a hotel.

H_{1B} : Different marketing communication channels are differently important to Millennials when booking a hotel.

The hypothesis was initially tested with the use Kolmogorov-Smirnov test for normality in order to see whether the data is distributed normally or not. In general, Kolmogorov-Smirnov test is used for testing when one wishes to see if a certain variable is following a given distribution in a population. Furthermore, once the Kolmogorov-Smirnov test was conducted it defined which statistical test will be used for further evaluation of the data. As shown in Table 13, all P-values are below 0,05. Hence, the data is not normally distributed and additional non-parametric tests (Kruskal-Wallis test) were conducted in order to test the hypothesis.

Table 13: The Kolmogorov-Smirnov and Shapiro-Wilk Test

Group		Kolmogorov–Smirnov test ^a			Shapiro-Wilk test		
		Statistic	df	P-value	Statistic	df	P-value
Different communication channels when booking a hotel	Television	,211	96	,000	,861	96	,000
	Social Media	,202	96	,000	,879	96	,000
	Billboards	,188	96	,000	,874	96	,000
	Video	,252	96	,000	,878	96	,000
	Blogs	,190	96	,000	,884	96	,000
	Email	,151	96	,000	,896	96	,000
	Reviews	,233	96	,000	,824	96	,000
	Commercial website	,217	96	,000	,855	96	,000
	Print publication	,157	96	,000	,895	96	,000
	Radio	,315	96	,000	,764	96	,000
	Paid advertising	,204	96	,000	,889	96	,000
	Word-of-mouth	,277	96	,000	,790	96	,000

Note: ^a - Lilliefors Significance Correction

Source: own source (2019)

The following Kruskal-Wallis test presented in table 14 and 15 shows whether the difference between communication channels when booking a hotel is statistically significant or not. Kruskal-Wallis test, also known as the “one-way ANOVA on ranks”, is a non-parametric alternative to the one-way ANOVA determining if there are statistically significant differences between two or more groups of an independent variable on an ordinal variable.

Table 14: Kruskal Wallis Test

Group	N	Rank average	
Communication channels when booking a hotel	Television	100	435,41
	Social Media	100	702,73
	Billboards	100	422,99
	Video	100	662,83
	Blogs	100	563,43
	Email	100	562,13
	Reviews	100	816,93
	Commercial website	100	740,90
	Print publication	100	447,92
	Radio	100	309,08
	Paid advertising	100	446,29
	Word-of-mouth	100	807,38
Total	1200		

Source: own source (2019)

Table 15: Test statistic

	Different communication channels when booking a hotel
Chi-squared test	281,796
df	11
P-value	,000

Source: own source (2019)

With the Chi-squared test calculation, the null hypothesis has been rejected. As the results in Table 15 show, the P-value is lower than 0,05. Hence, one can conclude that the importance between different communication channels is statistically significant to Millennials when booking a hotel. In other words, the null hypothesis is rejected and it is confirmed that different communication channels are differently important to Millennials when booking a hotel.

4.2.1 Paid advertising on the television versus paid advertising on the internet (e.g., Google Adds, etc.)

Paid advertising on the television is considered as a traditional communication channel when marketing to the target audience. According to the survey, thirty-three per cent (n = 33%) of the Millennials considers paid advertising on the television not important, or they tend to be neutral to this type of communication (thirty-one per cent (n = 31%)). Similar results arise in relation to paid advertisements on the internet. Forty-one per cent (n = 41%) of all the respondents are neutral to this type of communication. The internet is already besieged with paid advertisements either on Google, YouTube, blogs, etc. The surplus of the paid advertising on the internet is sometimes considered as irritating as the pop-up ads are popping out constantly. Hence, instead of having a positive impact on the internet users and persuading them to click on the advertisement, the viewers close adds before even seeing or reading them. Paid advertising on television has a similar effect. Commercials on the internet are common and not many people are particularly fond of them. A lot of people change channels when the commercials are playing; therefore, paid advertising on the TV is often ignored or overlooked. Hence, investing money and resources in such advertisement and communication will most likely not allure a Millennial traveller to a hotel and have a low influence on their hotel decision-making.

4.2.2 Social media

Even though the Millennials were introduced to social media at a young age and tend to use it on a daily basis, interestingly, the survey shows that social media does not represent the most important communication channel when booking a hotel. Only twenty-five per cent (n

= 25%) of all respondents chose this type of communication channel as very important when booking a hotel, whereas the majority of the survey participants consider it important (n = 34%) or they are entirely neutral to it (thirty-three per cent (n = 30%)). Nevertheless, this type of communication channel should not go neglected as only less than ten per cent (n = 10%) consider social media as not important when booking a hotel. As shown in Table 16, Instagram is the most important social media for Millennial travellers when booking a hotel. On the other hand, Snapchat, Twitter and LinkedIn are considered as least important social media platforms when booking a hotel. Millennials are neutral towards Facebook and YouTube when deciding to book a hotel. With this in mind, hotels should establish their social media platform and develop a strategic social media plan that will recognise all trends that appeal to the Millennial travellers and project these trends in their social media posts. As Instagram is the most important social media to Millennial travellers, all hotels should create an Instagram profile to reach this important travel generation and publish content that will increase their booking rate.

Table 16: On the scale from 1 to 5, please mark how important are in your opinion the following social media platforms when booking a hotel.

	N	Minimum	Maximum	Mean	Std. Deviation
Facebook	100	1	5	3,19	1,173
Instagram	100	1	5	3,68	1,174
Twitter	100	1	5	1,96	1,256
Snapchat	100	1	5	1,69	1,089
YouTube	100	1	5	3,06	1,312
LinkedIn	100	1	5	2,08	1,374

Note: 1 – not important, 2 - less important, 3 – neutral, 4 – important, 5 – very important

Source: own source (2019)

Table 16 already identified that Instagram is the most important social media platform for Millennials when booking a hotel. However, in order to confirm whether these results are statistically significant, the following hypothesis was tested and interpreted:

H_{0C} : Instagram is not the most important social media platform to Millennials when booking a hotel.

H_{1C} : Instagram is the most important social media platform to Millennials when booking a hotel.

The hypothesis was tested with the use of t-test in order to recognize whether the hypothetical average is different from the average of other variables.

Instagram mean 3,68 was used as a test statistic mean in the t-test order to calculate whether the means of other variables are statistically different than the test statistic mean. Should the

test statistic mean of Instagram be significantly higher than the means of other social media platforms, the null hypothesis will be rejected. The results of the t-test are presented in table 17.

Table 17: One-way t-test

	Test statistic = 3,68					
	t	df	P-value	Mean difference	95% Confidence interval	
					Low	High
Facebook	-4,115	95	,000	-,493	-,73	-,25
Instagram	-,024	95	,981	-,003	-,24	,24
Twitter	-13,432	95	,000	-1,722	-1,98	-1,47
Snapchat	-17,930	95	,000	-1,993	-2,21	-1,77
YouTube	-4,610	95	,000	-,618	-,88	-,35
LinkedIn	-11,386	95	,000	-1,597	-1,88	-1,32

Source: own source (2019)

Table 17 shows which variables have p-value lower than 0,05. Hence, the actual mean of different variables is statistically different that the test statistic mean. With the exemption of one mean (Instagram), all means are higher that the test statistic mean. As the average means of social media platforms apart from Instagram are significantly lower that the Instagram mean, we can reject the null hypothesis and conclude that Instagram is in fact the most important social media platform to Millennials when booking a hotel.

In terms of which social media is the most popular and most frequently used, Table 18 shows that Instagram is the number one social media platform as seventy-six per cent (n = 76%) of Millennials claimed they use it very often and only six per cent (n = 6%) have never used it before. YouTube is the second most commonly used social media as fifty-three per cent (n = 53%) use it very often and thirty-three per cent (n = 33%) use it frequently. The third most commonly used social media is Facebook. The importance of Facebook has severely decreased in the last few years as fewer people continue to use Facebook ever since Instagram became the most popular social media platform. Nonetheless, sixty-two per cent (n = 62%) of Millennials still use Facebook frequently or very often and twenty-seven per cent (n = 27%) claim to use it occasionally. It comes as a surprise that forty-six per cent (n = 46%) of survey participants never use Snapchat or use it only occasionally. Snapchat was a world trend when it was introduced to the public in 2012. However, this trend had shifted focus to Instagram when they copied some of the Snapchat features such as posting short video posts visible for twenty-four (n = 24) hours. The two least popular social media platforms are LinkedIn and Twitter where forty-seven per cent (n = 47%) of Millennials claim they never use LinkedIn and seventy-two per cent (n = 72%) claim they have never used Twitter. In addition, Twitter is a social media which is more frequently used in the United States, whereas in Europe, it has low usability in comparison to other continents.

Table 18: On the scale from 1 to 5, please mark how often you use social media.

	N	Minimum	Maximum	Mean	Std. Deviation
How often do you use Facebook?	100	1	5	3,79	1,123
How often do you use Instagram?	100	1	5	4,47	1,105
How often do you use Twitter?	100	1	5	1,59	1,129
How often do you use Snapchat?	100	1	5	2,26	1,445
How often do you use YouTube?	100	1	5	4,31	,874
How often do you use LinkedIn?	100	1	5	2,27	1,418

Note: 1 – never, 2 – rarely, 3 – sometimes, 4 – often, 5 – very often

Source: own source (2019)

According to the survey, fifty-three per cent (n = 53%) of Millennials claim they follow hotel social media platforms (Table 19 and Table 20), which is a considerable high share. This presents a good incentive for hotels to take advantage of this trend and focus their social marketing strategy on publishing user-oriented content, which will attract potential Millennial guests. Millennials are driven by beautiful pictures and video footage. With a substantial amount of filters that can be applied to pictures and videos, almost anyone can publish a breath-taking picture on social media. Simple capture of a breakfast in a hotel restaurant next to the beach or a picturesque sunset from the hotel rooftop falling behind the skyline of the city are images that Millennials enjoy watching on their social media feed. For example, many guests of InterContinental Ljubljana book the hotel specifically because of the Spa Wellness Center that is located on the 18th floor of the hotel and the rooftop restaurant which is located on the 20th floor of the hotel. Pictures published on social media have attracted many young travellers who wanted to experience the same beautiful views in person as they have witnessed on social media of InterContinental Ljubljana. In addition, the survey also revealed that forty-nine per cent (n = 49%) of the Millennials follow hotels' social media on Instagram whereas Twitter and Snapchat have the least hotels' social media followers (four per cent (n = 4%)).

Table 19: Do you follow any social media platforms from hotels?

	Frequency	Valid Per Cent
No	47	47,0%
Yes	53	53,0%
Total	96	100,0%

Source: own source (2019)

Table 20: On which social media platforms do you follow them?

	Responses		Per Cent of Cases
	N	Per Cent	
Facebook	35	23,2%	35,0%
Instagram	47	31,1%	47,0%
Twitter	4	2,6%	4,0%
Snapchat	4	2,6%	4,0%
YouTube	11	7,3%	11,0%
LinkedIn	11	7,3%	11,0%
I do not follow any of the hotels' social media platforms	39	25,8%	39,0%
Total	151	100,0%	151,0%

Note: Survey participants could choose more than one answer to answer the question.

Source: own source (2019)

Nevertheless, as shown in table 21, Millennials do not have unique consent on the importance of social media platforms when booking a hotel. Even though approximately half of the respondents follow hotels' social media platforms, majority of Millennials are neutral to social media posts when booking a hotel and overlook the fact if the hotel possesses social media platforms or not. Forty-eight per cent ($n = 48\%$) of Millennials would still consider booking a hotel even if it does not have social media platforms. The Millennials are neutral to the importance of consistency of hotels' social media posts as well as the frequency of their posts. As oppose to findings in the literature review, only a few Millennials tend to share their travel experiences with their followers online. According to the survey, only twenty-eight per cent ($n = 28\%$) of Millennials are likely to share their travel experience in a hotel with their social media followers, a surprisingly much lower percentage than expected. On the other hand, sixty-eight per cent ($n = 68\%$) of respondents declare that they are more likely to book a hotel that was formerly visited by one of their colleagues and posted about it on their social media. Hence, hotels need to find ways that will encourage their guests to post on their social media as it will have a positive impact on their hotel bookings. Although Millennials do not consider hotels' social media as very important, they still believe that social media have a positive impact on the hotels' brand image. For example, when Slovenia was celebrating official bee day on the 20th of May, InterContinental Ljubljana, Slovenia encouraged their guests to locate bee stickers in the hotel, take pictures and share these pictures with their social media followers. As a reward, they received complimentary beverage in the rooftop bar of the InterContinental Ljubljana. The initiative received positive feedback from the guests as they were excited to participate in the initiative, they have learned a lot about the Slovenian bee culture as well as received a free drink. In addition, the initiative was beneficial not only for the guests but also for the hotels' exposure and publicity.

Table 21: On the scale from 1 to 5, please mark how much you agree with the following statements in hotels' social media.

	N	Minimum	Maximum	Mean	Std. Deviation
Social media play a great role when I am booking a hotel.	100	1	5	3,57	1,093
I find hotels' social media platforms trust-worthy.	100	1	5	3,34	,971
I tend to check the social media of the hotel before booking it.	100	1	5	3,42	1,228
I am more likely to book a hotel which was formerly visited by one of my colleagues and has posted about it on their social media.	100	1	5	3,86	,947
Consistency of the hotels' social media is very important to me.	100	1	5	3,25	1,124
I am likely to share my travel experience in a hotel with my social media followers.	100	1	5	3,46	1,321
In my opinion, hotels' social media platforms have a positive impact on the hotels' brand image.	100	1	5	4,05	,966
Timing of the hotels' social media post is very important to me.	100	1	5	2,82	1,214
If a hotel posts a feed on social media that I like, I am likely to share it with my followers on my social media.	100	1	5	2,73	1,334
If the hotel does not have social media platforms, I am not likely to book that hotel.	100	1	5	2,58	1,139

Note: 1 – strongly disagree, 2 - disagree, 3 – neutral, 4 – agree, 5 – strongly agree

Source: own source (2019)

4.2.3 Traditional communication channels: billboards, radio and print publication

It comes as no surprise that Millennials do not consider traditional communication channels, such as billboards, radio and print publication, as a vital part of decision making when booking a hotel. Even though a very low percentage of all respondents still consider this type of communication very important, the majority claims it has no effect on them when booking a hotel. According to the survey results, radio is the least important communication channel with fifty-one per cent (n = 51%) of all respondents claiming that it is not important to them when booking a hotel. Fewer people listen to their radios, for example, in the car, as they can easily connect with their Smartphone to the car media system and play their own music of choice. Shifting from traditional to modern communication channels is a must when marketing to Millennials, especially in the hospitality industry where you are selling services and not tangible products. Hotels should consider choosing moving billboards over static

ones and use them to play their videos and commercials. Videos catch more attention than a simple static picture; hence, it will have a greater impact on the audience. A good example of a billboard communication is from LifeClass Hotels and Resorts, which is located on a major crossroad in Ljubljana, Slovenia close to the main bus and train station. Not only does the billboard have a strategic position, where thousands of people cross it on a daily basis, but it also plays a commercial video of a hotel in Portorož, making it more appealing to a viewer.

4.2.4 Video

Besides word-of-mouth and web-generated content, video is also considered as one of the more important marketing communication channels to Millennials when they are booking a hotel. Forty-one per cent (n = 41%) of all respondents consider video as an important communication channel. However, only seventeen per cent (n = 17%) consider it very important. Twenty-three per cent (n = 23%) of the respondents are neutral to video marketing, whereas nineteen per cent (n = 19%) claim video communication is less or not important. Table 22 shows how important is the video content to Millennial travellers when deciding to book a hotel.

Table 22: On the scale from 1 to 5, please mark how important it is in your opinion for a hotel to post videos on their commercial website and/or other social media platforms (e.g., Facebook, Instagram, etc.).

	N	Minimum	Maximum	Mean	Std. Deviation
On the scale from 1 to 5, please mark how important it is in your opinion for a hotel to post videos on their commercial website and/or other social media platforms (e.g., Facebook, Instagram, etc.)	100	1	5	3,24	1,063

Note: 1 – not important, 2 - less important, 3 – neutral, 4 – important, 5 – very important

Source: own source (2019)

Nevertheless, the findings in Table 23 show the importance of video content and its impact on Millennial travellers. Nearly half of all Millennial respondents agree that videos can have a strong emotional effect, whereas only fifteen per cent (n = 15%) claim that the video does not cause an emotional reaction. More than half of Millennials enjoy watching promotional videos and believe that hotels should have a promotional video on their commercial websites. However, this feature is not a decisive factor for Millennial travellers. Thirty-five per cent (n = 35%) of survey participants answered that they may or may not book a hotel if it has a promotional video. Even though that the absence of a hotel promotional video does not appear as a “deal-breaker” to the Millennials when booking a hotel, the majority agrees

on the fact that promotional videos have a positive impact on the hotels' brand image. Although the survey did not confirm whether the presence of a video on a hotels' commercial website will increase hotel booking rate, the video should be included in hotels' marketing communication strategy. As hotels are selling services and not tangible products, it is that more important that they create quality video content that will show the viewers why is the hotel worth booking.

Table 23: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to video.

	N	Minimum	Maximum	Mean	Std. Deviation
Video can create a strong emotional connection with me.	100	1	5	3,61	1,146
All hotels should have a promotional video on their commercial website.	100	1	5	3,88	1,088
I am more likely to book a hotel if the hotel has a promotional video.	100	1	5	3,28	1,203
Having a promotional video of a hotel has a positive impact on the hotel's image.	100	1	5	4,02	,917

Note: 1 – strongly disagree, 2 - disagree, 3 – neutral, 4 – agree, 5 – strongly agree

Source: own source (2019)

4.2.5 Blogs

Writing blogs and being social media influencer has also become a way of life for some individuals. Many Millennials choose this profession because of their passion for travelling, experiencing new cultures and sharing travel insights with their social media followers. In addition, it became the source of their revenue. However, the impact of social media influencers and/or bloggers on Millennial travellers is not as significant as the literature review states. According to the literature review, one might presume that social media influencers and/or bloggers have a far greater influence on Millennials. However, the reality is quite different than anticipated. Survey shows that social media influencers and/or bloggers do not tend to catch the attention of the Millennials. It comes as a surprise that only four per cent (n = 4%) of respondents argue that social media influencers and/or bloggers are very important to them when booking a hotel. The majority doesn't find social media influencers and/or bloggers important (n = 34%) or are neutral to their communication to the public (Table 24).

Table 24: On the scale from 1 to 5, please mark how important are to you the social media influencers and/or bloggers when booking a hotel.

	N	Minimum	Maximum	Mean	Std. Deviation
On the scale from 1 to 5, please mark how important are to you the social media influencers and/or bloggers when booking a hotel.	100	1	5	2,39	1,217

Note: 1 – not important, 2 - less important, 3 – neutral, 4 – important, 5 – very important

Source: own source (2019)

At the time of the survey, a little less than fifty per cent (n = 50%) of Millennials claimed they follow social media influencers and/or bloggers on social media as shown in Table 25. According to Millennials, they do not believe that social media influencers and/or bloggers play a great role when they are booking a hotel as the majority of respondents do not find social media influencers and/or bloggers trust-worthy. Furthermore, thirty-seven per cent (n = 37%) of Millennials believe that social media influencers and/or bloggers do not show the real picture of the hotel. There is also no consent between Millennials whether the social media influencers and/or bloggers reveal important information about a hotel as well as the majority of Millennials seem to be neutral to the effect of social media influencers and/or bloggers to the hotels' brand image. In addition, forty-five per cent (n = 45%) of respondents argue they don't check social media influencers and/or bloggers before booking a hotel. Travelling and writing as a social media influencer and/or blogger comes with several benefits, whereas one of them is that the hotel provides special care for these type of guests. They have a special treatment where everyone is taking extra care of them in order for them to write and post positive blogs that will, later on, reach their wide range of followers. Hence, such communication to the Millennials might seem as false and untrue. If a social media influencer and/or blogger has not visited a hotel in the past, this will not discourage Millennials for booking that hotel. Thirty-nine per cent (n = 39%) of Millennials claim that a hotel that was formerly visited by one of the social media influencers and/or bloggers does not present a great advantage over other hotels and does not necessarily mean they would prefer booking that specific hotel. The results are explained in more detail in Table 26.

Table 25: Do you follow any travel social media influencers and/or bloggers at the moment?

	Frequency	Valid Per Cent
No	54	54,0%
Yes	46	46,0%
Total	100	100,0%

Source: own source (2019)

Table 26: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to social media influencers and/or bloggers when booking a hotel.

	N	Minimum	Maximum	Mean	Std. Deviation
Social media influencers and/or bloggers play a great role when I am booking a hotel.	100	1	5	2,40	1,174
I find hotels' social media influencers and/or bloggers trust-worthy.	100	1	5	2,70	1,180
I tend to check social media influencers and/or bloggers of the hotel before booking it.	100	1	5	2,13	1,250
I am more likely to book a hotel which was formerly visited by one of social media influencers and/or bloggers and has posted about it on their social media and/or blogs.	100	1	5	2,36	1,339
In my opinion, hosting social media influencers and/or bloggers have a positive impact on the hotels' brand image.	100	1	5	2,99	1,373
All hotels should encourage social media influencers and/or bloggers to post about their hotel.	100	1	5	2,86	1,358
If the hotel has not hosted a social media influencer and/or blogger in the past, I am not likely to book that hotel.	100	1	5	1,76	1,044
Social media influencers and/or bloggers reveal important information about a hotel.	100	1	5	2,77	1,277
Social media influencers/and or bloggers always show the real picture of a hotel.	100	1	5	2,21	1,205

Note: 1 – strongly disagree, 2 - disagree, 3 – neutral, 4 – agree, 5 – strongly agree

Source: own source (2019)

Considering all the findings of the survey, it appears that social media influencers and/or bloggers do not count as an important communication channel to Millennials when booking a hotel. As Millennials do not find social media influencers and/or bloggers trust-worthy and honest, they do not tend to affect their decision making. Millennials value authenticity, honesty and uniqueness, which social media influencers and/or bloggers sometimes lack. Hence, hosting a social influencer and/or blogger should not be on the priority list of hotels' strategic marketing communication plan. This does not mean that Millennials are averse to social media influencers and/or bloggers. It only shows that their communication power towards Millennial generation is small-scale. Should the hotels consider hosting social media influencers in the future for marketing purposes, the selection process is of key importance. The social media influencer and/or blogger should be aligned with the value standards of the

hotel in order to capture the hotels' target market. For example, hosting a young traveller that writes a blog about backpacking in a high-end hotel will have low marketing efficiency as the target audience for a high-end hotel are not backpackers, but tourists who appreciate luxury and upscale service.

4.2.6 E-mail

When asking the Millennials about email as a communication channel, similar results occur as for bloggers and/or social media influencers. There is no distinct answer that prevailed over others. As results revealed in Table 12, twenty-eight per cent (n = 28%) claimed they are neutral towards e-mail as a communication channel. Twenty-one per cent (n = 21%) find hotels' communication through email very important. However, nearly the same percentage (n = 20%) find e-mails less important when booking a hotel. In addition, sixteen per cent (n = 16%) of participants claimed that e-mail is not important to them at all and fifteen per cent (n = 15%) claimed they find them somewhat important. These results show that hotels should reconsider their e-mail marketing communication plan and send out content that will appeal to Millennial travellers. As the literature clearly stated, adding video content to the email might receive more positive feedback from the Millennials. In addition, a majority of the companies are trying to increase their customer database by collecting data and e-mails from their customers and later on send promotional e-mails to them. The Millennials consider receiving additional promotional e-mails from hotels as another way of spamming their e-mail. For this reason, it is even more important for hotels to create e-mail content that will add value to the Millennials travellers instead of persuading them to delete them right away.

4.2.7 Web-generated content (e.g., TripAdvisor, Expedia, etc.)

As already revealed in Table 12, web-generated content comes as the second most important hotel marketing communication channel after word-of-mouth. The Millennials consider TripAdvisor, Expedia and other online related sites as trust-worthy as a majority of the content created on these websites was published directly from other guests and customers. Forty per cent (n = 40%) of the Millennial travellers consider web-generated content as highly important and thirty-eight per cent (n = 38%) consider it as important. Only seventeen per cent (n = 17%) are neutral to web-generated content and only five per cent (n = 5%) in the total claim that web-generated content is less or not important to them when booking a hotel. Even though selling products through TripAdvisor, Expedia and similar websites result in lower revenue for the hotel as the hotels need to pay a certain commission to these websites, it is very important for hotels to include such websites into their marketing communication portfolio. All guests who make a booking through these websites and have a profile are entitled to write a review about a hotel or a service they have booked. These reviews, positive or negative, are later on published on their website and are available for all

people with access to the internet to see, not only the ones who have TripAdvisor and Expedia profile. Hence, the Millennials value this type of content as it was generated directly by the users and they consider them more trust-worthy than the content published by the hotel. The hotel marketing department should establish a trusted web-generated profile that will reach as many potential guests as possible. Furthermore, sixty-eight per cent (n = 68%) of survey participants argued their preferred method of booking a hotel for Millennials is through Online Travel Agencies such as Booking.com, Expedia, TripAdvisor, etc. For this reason, it is even more important for hotels to sell their services on third party websites as they are more likely to be located by online-browsing Millennial travellers.

4.2.8 Hotels' commercial website

Even though the majority of Millennials prefer booking a hotel through Online Travel Agencies such as Booking.com, hotels' commercial websites are the second preferred way of booking a hotel. In addition, the Millennials find hotels' commercial websites an important means of communication. According to the survey, sixty-five per cent (n = 65%) of all participants consider hotels' commercial website as a somewhat important or very important communication channel when booking a hotel. Twenty-one per cent (n = 21%) are neutral when booking a hotel and fourteen per cent (n = 14%) do not consider hotels' commercial website as an important factor when deciding to book a hotel.

More than three-quarters of all survey participating Millennials claim they visit hotels' commercial website before booking it. As shown in Table 27, only sixteen per cent (n = 16%) of Millennials do not have the habit of visiting hotels' commercial website, which is a positive sign for all hotels. Hence, the importance of a well-designed official hotels' commercial website is that much greater. Hotels' commercial website should be designed in such a way that it will motivate Millennials to make the booking directly through the official website instead of through online travel agents. In result, it will also lower hotel costs as less commission will go to Online Travel Agencies and the entire profit will belong to the hotel.

Table 27: Do you check the hotels' commercial (official) website before booking a hotel?

	Frequency	Valid Per Cent
No	16	16,0%
Yes	84	84,0%
Total	100	100,0%

Source: own source (2019)

Majority of Millennials prefer hotel websites that are clear (fifty-seven per cent (n = 57%)), easy to use (seventy-one per cent (n = 71%)) and offer quick booking of a room (sixty-eight per cent (n = 68%)) as shown in Table 28. Hence, the design of the hotels' website should

be up-to-date, appealing and clear in terms of delivering information to the viewer. Instead of accumulating all of the information on the front page, it would be recommended to divide the website into several segments, where the visitors have the option of viewing the information they are interested in. Even though the majority of the survey participants argued their main choice of booking a hotel is through a computer, the importance of booking a hotel through a Smartphone should not be neglected. If the hotel does not possess its own application, the commercial website needs to be adjusted in a way that it will be user-friendly to mobile users.

Table 28: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to hotels' commercial websites.

	N	Minimum	Maximum	Mean	Std. Deviation
I prefer hotel websites that are clear.	100	2	5	4,45	,724
I prefer hotel websites that are easy to use.	100	3	5	4,64	,618
I prefer a hotel website where booking a room is fast.	100	2	5	4,55	,724
If a hotel doesn't have a commercial website, I would not consider booking it.	100	1	5	3,25	1,214
I prefer booking a hotel that has an interactive website.	100	2	5	3,85	,858
I prefer booking a hotel directly through their commercial website.	100	1	5	3,35	,961
I consider hotels that have commercial websites trust-worthy.	100	1	5	3,95	,887

Note: 1- strongly disagree, 2 – disagree, 3 – neutral, 4 – agree, 5 – strongly agree

Source: own source (2019)

Interaction is another feature that the Millennials value when booking a website, although it is not high on their rank of hotel website features. Sixty-five per cent (n = 65%) of Millennials prefer booking a hotel that has an interactive website. Offering immediate assistance to website visitors can result in a higher booking rate as the information is available instantly. Furthermore, as mentioned before, dividing the website into segments will help Millennials to quickly find the important and relevant information they seek.

The existence of a hotels' commercial website is not a decisive factor for Millennials when booking a hotel. Although forty-one per cent (n =41%) of Millennials claim they would not consider booking a certain hotel if it does not possess a commercial website, thirty-two per cent (n = 32%) of respondents are neutral to hotels' commercial websites, or they would still

consider booking the hotel even if it does not have a commercial website (twenty-seven per cent (n = 27%)). Furthermore, fifty-one per cent (n = 51%) of Millennials are neutral in terms of preference for booking a hotel directly through a hotels' commercial website or a different platform.

4.2.9 Word-of-mouth (including eword-of-mouth)

Word-of-mouth was and still is the most important way of communicating to the Millennials travellers. Forty-seven per cent (n = 47%) find word-of-mouth very important when booking a hotel and twenty-five per cent (n = 25%) find it somewhat important. Surprisingly, nineteen per cent (n = 19%) of participants answered that they are neutral to word-of-mouth when booking a hotel and nine per cent (n = 9%) do not consider word-of-mouth as important. Nevertheless, this type of communication has had a large impact on customer buying power in the past and its power has only increased over the years. For the Millennial traveller word-of-mouth presents and honest opinion from previous guests that have stayed at a certain hotel property and outlines the true image of a hotel.

Word-of-mouth does not necessarily come from friends, relatives or acquaintances. For the purpose of this survey, eword-of-mouth was also included as a type of word-of-mouth communication. Eword-of-mouth is also considered as online reviews that customers write on hotels' commercial websites, Online Travel Agencies' websites and similar. When writing reviews online, this information becomes accessible to all internet users. Hence, the internet is highly saturated with information and reviews from millions of travellers. To a Millennial traveller, this presents easy access to all necessary information about a certain hotel. As stated in Table 29, eighty-two per cent (n = 82%) of Millennial travellers find online reviews as very important or important when booking a hotel whereas fourteen per cent (n = 14%) are neutral to online reviews and only four per cent (n = 4%) claim that online reviews are not important to them. Hence, online reviews play a great role to Millennial travellers when they are deciding to book a hotel.

Table 29: On the scale from 1 to 5, please mark how important are in your opinion the reviews when you are booking a hotel.

	N	Minimum	Maximum	Mean	Std. Deviation
On the scale from 1 to 5, please mark how important are in your opinion the reviews when you are booking a hotel.	100	1	5	4,29	,994

Note: 1 – not important, 2 - less important, 3 – neutral, 4 – important, 5 – very important

Source: own source (2019)

Table 30 and Table 31 reveal that the two most popular online websites for writing and reading reviews are Booking.com and TripAdvisor. Hotels' commercial website and Expedia have significantly less Millennial readers. Only four per cent (n = 4%) of all respondents claimed they do not read online reviews and eighteen per cent (n = 18%) are not inclined to writing a review about their stay at a hotel.

Table 30: Which are the most common online platforms you use when reading reviews about a hotel?

	Responses		Per Cent of Cases
	N	Per Cent	
TripAdvisor	66	36,9%	68,8%
Expedia	13	7,3%	13,5%
Booking.com	77	43,0%	80,2%
Hotels' Commercial Website	19	10,6%	19,8%
I don't read hotel reviews	4	2,2%	4,2%
Total	179	100,0%	186,5%

Note: Survey participants could choose more than one answer to answer the question.
Source: own source (2019)

Table 31: Which are the most common online platforms you use when writing reviews about a hotel?

	Responses		Per Cent of Cases
	N	Per Cent	
TripAdvisor	41	28,5%	43,2%
Expedia	8	5,6%	8,4%
Booking.com	59	41,0%	62,1%
Hotels' Commercial Website	19	13,2%	20,0%
I don't write hotel reviews	17	11,8%	17,9%
Total	144	100,0%	151,6%

Note: Survey participants could choose more than one answer to answer the question.
Source: (own source, 2019)

Majority of participants agreed that online reviews are trustworthy and that they show the real picture of the hotel (Table 32). More than half of the Millennials responded that they tend to check and read online reviews about a certain hotel before booking it. Should the hotel lack online reviews, Millennials are less likely to book that hotel. It is important to Millennials that hotels encourage their guests to write online reviews and share their experiences with the public. Not only do online reviews encourage potential guests to book that hotel, but they also have a positive impact on the hotels' brand image. However, if a hotel is to receive a negative review, Millennials are less likely to book that hotel.

Table 32: On the scale from 1 to 5, please mark how much you agree with the following statements in relation to online reviews.

	N	Minimum	Maximum	Mean	Std. Deviation
Online reviews play a great role when I am booking a hotel.	100	3	5	4,35	,767
I find hotels' online reviews trust-worthy.	100	1	5	3,94	,892
I tend to check online reviews of the hotel before booking it.	100	3	5	4,43	,722
In my opinion, online reviews have a positive impact on the hotels' brand image.	100	1	5	4,01	,864
All hotels should encourage guests to write reviews about their hotel.	100	1	5	4,32	,852
If the hotel has no online reviews, I am not likely to book that hotel.	100	1	5	3,56	1,131
Online reviews reveal all the important information about a hotel.	100	1	5	3,77	1,081
Online reviews always show the real picture of a hotel.	100	1	5	3,56	1,168
I tend to write an online review after staying in a hotel.	100	1	5	3,39	1,234
I am comfortable with writing a positive online review after staying in a hotel.	100	1	5	4,00	1,046
I am comfortable with writing a negative online review after staying in a hotel.	100	1	5	3,49	1,170
If a hotel has a negative online review, I am less likely to book it.	100	1	5	3,75	1,124

Note: 1 – strongly disagree, 2 - disagree, 3 – neutral, 4 – agree, 5 – strongly agree

Source: own source (2019)

Even though Millennials read online reviews and book a hotel based on these reviews, the survey revealed that they are less affectionate towards writing them. Only half of the Millennial respondents are confident about writing a review about their stay at a hotel whereas thirty per cent (n = 30%) state that they may or may not write a review. Twenty per cent (n = 20%) of Millennials are not inclined to write a review about their stay. According to the survey, the Millennials are more comfortable with writing a positive review after staying in a hotel than writing a negative one. As it turns out, seventy-five per cent (n = 75%) of all respondents strongly agree about writing a positive review. On the other hand, the difference between writing a positive or a negative review is not too significant as fifty-four per cent (n = 54%) of respondents are inclined to writing a negative review as well.

Word-of-mouth is a powerful marketing communication channel that will either convince the Millennials to book a hotel or it will discourage them. Feedback from friends, relatives and acquaintances, either positive or negative, can strongly alter Millennials' perception of a hotel and their desire to book it. In addition, online reviews are available to everyone that

has access to the internet. The surplus of information can show a clear and true picture of a hotel. It is necessary for hotels to have or adopt a strong guest relations team that is trained to respond to all guests' comments and feedbacks in person as well as online. When responding to guests' feedback, the guest feedback should be addressed individually and make them feel like their feedback is valuable to the hotel and their future performance. Hence, if Millennials are treated uniquely as valued individuals, that will create a positive hotel brand image and spread positive word-of-mouth. Although negative reviews can create remarkable damage to the hotels' brand image, it can still be salvaged with the appropriate in-time response and reaction. Dissatisfied guests want to be heard and understood. If the hotel responds in a way that the guest feels appreciated, it will aid their hotel brand image not only in the eyes of the guest but also in the perception of any further potential guests. For example, Arts Hotel in Barcelona, one of many luxurious world-wide Ritz-Carlton Hotels, considers negative guest reactions and feedback as "*opportunities*" that enable their employees to solve guests' dissatisfaction and turn it into a positive experience. All negative feedback and comments are opportunities to improve, grow and recover. With this in mind, word-of-mouth, positive and negative, can have a positive impact on Millennial decision-making if actions and responses are addressed correctly.

4.3 Loyalty programmes

Majority of the hotels have the objective of not only having guests at their property but also to establish long-lasting relationships with these guests that will encourage them to return to their hotel numerous times in the future. For these reasons, several hotels have established loyalty programmes in order to recognise guests' preferences, integrate these preferences into their hotel operations and share them with their valued guests. A few examples of loyalty programmes are IHG loyalty programme, InterContinental Hotels and Resorts Ambassador loyalty programme, Marriot loyalty programme, Kempinski Discovery loyalty programme, etc. As stated in the literature, Millennials like the feel of luxury and to share these luxurious moments when travelling with their friends on social media. Furthermore, they enjoy receiving complementary benefits, such as complimentary upgrades and freebies. Hence, majority of the loyalty programmes work on the same principle: the more one books with the same hotel or hotel brand, the more benefits one receives when travelling.

According to the survey, forty per cent (n = 40%) of participants claimed they were enrolled in at least one hotel loyalty programme at the time of the survey (Table 33).

Table 33: Are you currently enrolled in any hotel loyalty programs?

	Frequency	Valid Per Cent
No	60	60,0%
Yes	40	40,0%
Total	100	100,0%

Source: own source (2019)

Approximately half of the survey respondents consider complimentary upgrades, free submission to the programme, freebies (e.g., free drinks, etc.), receiving points for stay, complimentary nights, complimentary early check-ins and late check-outs as well as receiving special discounted price for members of the loyalty programmes as (very) important when they are booking a hotel. The most important features for Millennials are complimentary nights, early check-ins and late check-outs. On average, twenty-seven per cent (n = 27%) are neutral to loyalty programme offerings. Furthermore, between seventy-one per cent (n = 71%) and eighty-nine per cent (n = 89%) of all respondents would register for hotel loyalty programme if they would received any of the following loyalty programme features: complimentary upgrade (eighty-two per cent (n = 82%)), free submission to loyalty programme (eighty-eight per cent (n = 88%)), freebies (seventy-one per cent (n = 71%)), receiving points for stay (seventy-one per cent (n = 71%)), complimentary night (eighty-nine per cent (n = 89%)), complimentary late check-out (eighty per cent (n = 80%)), complimentary early check-in (seventy-seven per cent (n = 77%)) and/or special discounted rate for members of the loyalty programme (eighty-seven per cent (n = 87%)). The results of Millennial affection towards Loyalty programme is presented in Table 34 and Table 35.

Table 34: On the scale from 1 to 5 please mark how important are in your opinion the following benefits of loyalty programs when booking a hotel.

	N	Minimum	Maximum	Mean	Std. Deviation
Complimentary upgrade	100	1	5	3,79	1,095
Free submission to the program	100	1	5	3,74	1,098
Freebies (e.g., free drinks, etc.)	100	1	5	3,86	1,042
Receiving points for stay	100	1	5	3,63	1,136
Complimentary night	100	1	5	4,08	,991
Complimentary late check-out	100	1	5	4,04	1,004
Complimentary early check-in	100	1	5	4,00	1,036
Receiving a special discounted rate for members of the loyalty program	100	1	5	4,03	1,000

Note: 1 – not important, 2 - less important, 3 – neutral, 4 – important, 5 – very important
Source: own source (2019)

Table 35: Would you consider becoming a part of a hotel loyalty program if you received the following benefits?

		Frequency	Valid Per Cent
Complimentary upgrade	No	16	16,0%
	Yes	84	84,0%
Free submission to the program	No	14	14,0%
	Yes	86	86,0%
Freebies (e.g., free drinks, etc.)	No	28	28,0%
	Yes	72	72,0%
Receiving points for the stay	No	30	30,0%
	Yes	70	70,0%
Complimentary night	No	13	13,0%
	Yes	87	87,0%
Complimentary late check-out	No	21	21,0%
	Yes	79	79,0%
Complimentary early check-in	No	25	25,0%
	Yes	75	75,0%
Receiving a special discounted rate for members of the Loyalty programme	No	13	13,0%
	Yes	87	87,0%

Source: own source (2019)

With loyalty programmes, hotels can collect preferences of the guests and apply these preferences to the guests' future stays. Millennials value personal service tailored to their specific needs. Seventy-five per cent (n = 75%) of survey respondents argued the high importance of personal service in a hotel. If the Millennials feel appreciated and recognised in a hotel, it is more likely they will return to that specific hotel or hotel brand in the future and spend more money there. Through loyalty programme, it is easy to collect guest data and guest contact information which can be later on used as a communication tool to inform loyalty members of potential offers, seasonal discounts, etc. IHG Hotels and Resorts encourages their loyalty members to use the IHG Hotels and Resort application directly through their Smartphones, where they can easily book future stays in IHG hotels, manage their existing bookings, have access to promotional offers and discounts, etc. On IHG profile, members can easily update their special preferences and likes when staying in a hotel. Recognising these preferences by the hotel will most likely result in high guest satisfaction and potential for a guest to return to the hotel. The more the guests stay in IHG properties, the more benefits they are entitled to, which is what Millennials are looking for in their hotel stays.

Although the findings show that not many Millennials book hotels for business purposes, loyalty programmes are definitely appealing to these types of Millennial travellers. Business travellers spend plenty of time away from home. Therefore, it is of most importance to them to feel comfortable in hotels that they stay in. By booking hotels through hotel loyalty

programmes they are entitled to special care which enables these business travellers a feel of a home when staying in a hotel.

5 CONCLUSIONS

Ever since the Millennials have emerged the market, many changes have been introduced in the tourism industry. It comes and no surprise that the communication channels in the hospitality industry have evolved in recent years, shifting from traditional means of communication to the more modern ones. Millennials are at the moment the largest generation in the world that has already surpassed in numbers older generations such as Traditionalist, Baby boomers and Generation X. Not only are the Millennials a very well educated generation, but they have also grown up surrounded by several technological advancements. The development of high-speed internet, Wi-Fi, the introduction of social media and many more, have been key factors that changed the means of modern marketing in the hotel industry. Millennials are exposed to a surplus of information available on the internet. In addition, social media such as Instagram and Facebook have become popular platforms where Millennials share their travel experiences with friends and other followers. Booking a hotel has never been as simple and fast as it is nowadays. With the introduction of low-cost carriers, Online Travel Agencies, loyalty programmes, cheaper means of accommodation such as Airbnb and Couchsurfing, travelling has shifted from a luxurious good to a necessity. Millennials have become professionals in travel hacking and searching for affordable hotels. Hence, the hotels need to research and adapt to this influential generation in order to stay competitive in a highly saturated and fast-changing market.

Travelling is not only embedded in the identity of the Millennials but experiencing new cultures and destinations is also a vital part of their life. Millennials like to travel and book a hotel at least once a year. The main reason for travelling remains going on vacation. Booking a hotel has shifted from visiting traditional travel agencies to booking through Online Travel Agencies. Millennials prefer booking hotels personally through Booking.com, Expedia and other Online Travel Agencies as it gives them the option of comparison of hotel features and price. There is less need for traditional travel agents. Millennials are well educated and fully capable of finding their own means of accommodation. Therefore, they enjoy booking hotels by themselves by using a personal computer or a Smartphone.

Traditional communication channels such as radio, billboards and print publications are not effective anymore when it comes to marketing to Millennial travellers. Instead of using traditional communication channels, hotels need to focus more on implementing modern and innovative ways of communication such as social media. Social media are an important communication channel to Millennials when they are deciding to book a hotel, especially Instagram. Numerous Millennials are already following hotels' Instagram profiles. Even though the survey has identified that the impact of social media when booking a hotel is not as significant as one might predict, the hotels still need to have a well established social media marketing communication plan, where they carefully consider what content is posted, where is it posted and when is it posted. It is recommended not only that hotels share pictures on their social media but also video content. Video content from the hotels which are posted either on social media or hotels' commercial website tends to have a positive impact on hotel

booking as they create a personal connection with the viewers. Using social media on a daily basis is Millennials' daily routine. If a hotel has a well-established social media marketing communication strategy, it will not go unnoticed with the Millennial travellers. Furthermore, not only do Millennials follow social media, but they are also inclined to sharing their travelling experiences with their online followers. Hence, strategic hotel social media marketing communication plan can result in a broad reach and a higher booking rate.

On the other hand, even though the literature review identified social media influencers and/or bloggers as a strong type of communication channel, the survey seemed to reject this belief. Millennials are not inclined to social media influencers and/or bloggers and are rather neutral to their posts and blogs. An insignificant amount of Millennials tend to check social media influencers and/or bloggers before booking a hotel. As social media influencers and/or bloggers receive special treatment, the majority of Millennials consider social media influencers and/or bloggers as less trust-worthy and unreliable. This does not mean that social influencers and/or bloggers do not have any reach or impact on their viewers. Some social media influencers and /or bloggers have thousands or millions of followers. Hotels just need to carefully choose which social media influencers and/or bloggers they will host that will represent their hotel to the viewers in accordance with the hotel values and standards.

Amongst all communication channels, word-of-mouth was and still is the most important one even to the Millennial generation. Eword-of-mouth is also considered as word-of-mouth. Sharing personal experience with a friend, family member or a colleague will have the most effect on Millennial traveller. Millennials consider word-of-mouth as genuine as the general impression about a hotel comes from the guest itself. Word-of-mouth cannot be influenced by the hotel. Hence, Millennials find it trustworthy and reliable. When staying in a hotel, guests tend to share their experience with others either in person or online. Word-of-mouth can be either positive or negative. What is important is that hotels encourage their guests to share their experiences, preferably positive ones. Even if a guest experience is negative, hotels still have the opportunity to rectify the situation and turn it into a positive one if proper measures are taken. Nevertheless, word-of-mouth is a strong communication channel and can drastically influence the perception of a hotel in the mind of Millennials. With the wide-access to the internet and overflow of online reviews, Millennials can easily create a picture of a hotel in their mind before booking it. Positive word-of-mouth will allure Millennial travellers, whereas negative reviews will most likely discourage them in a short amount of time. As long as the hotel properly addresses guest feedbacks via personal touch, this will give them a strong competitive advantage before other hotels.

In conclusion, the Millennials have modified the communication channels in the hotel industry. It is of most importance for the hotels to acknowledge these changes and adapt to them in order to stay competitive in the highly saturated market. However, establishing a healthy balance between traditional and modern communication channels is of key importance. Even though Millennials are currently the largest generation worldwide, it

would be entirely irresponsible to discriminate other generations such as Traditionalist, Baby Boomers, Generation X and now Generation Z. These generations also present an important market segment in the hotels' target audience. Hence, each hotel needs to individually identify their target guests, their preferences and communicate their marketing strategy through well-balanced traditional and modern communication channels.

6 LIMITATIONS AND AREAS OF FURTHER RESEARCH

This master thesis is based on a survey of one hundred (n =100) Millennials, which is hardly a representative of the entire Millennial population. As the majority of the respondents were residing in Slovenia at the time of the survey, this master thesis is roughly representing the hotel booking perception of Millennial travellers from Slovenia. In-depth further research in this field would be required in the future. Findings may significantly differ in other countries, or more importantly, in other continents. Millennials in the Americas might have a different perspective on this topic from the Millennials in Europe or the Millennials in Asia. These cross-continental differences in Millennial perceptions could have a great impact on current hotel marketing if they were further researched.

In addition, for the purpose of this thesis data was gathered through an online survey. As the Millennials answered the survey by choosing one of the provided answers, the results were very limited. Therefore, a focus group could be a more effective way of collecting data, as the discussion between the participants would provide not only the answers to the questions but a more in-depth understanding of the reason behind the chosen answers.

This research paper focuses solely on the demand side, the Millennials. However, it would be interesting to explore what results would arise if the research sample came from the supply side. Interviewing marketing experts and specialists in the hotel industry may provide a different point of view and a more in-depth understanding of the researched topic. Comparing findings collected from both the supply and the demand side could outline what areas are common to both parties and where do the findings differ.

Furthermore, Generation Z is the latest introduced generation and they will surpass the Millennials not far in the future. This generation might become even more demanding than Millennials. Hence, researching the preferences of Generation Z and projecting how the marketing will modify in the future is highly recommended. The world is changing quicker than it did in the past. It is only logical to presume the changes in the future will be even faster and the hotels will need to stay up-to-date to stay competitive.

7 LITERATURE LIST

1. Bandur, S. (2016, January 29). *Generacija y združuje posel z užitkom*. Retrieved January 13, 2017, from <http://www.delo.si/prosti-cas/potovanja/generacija-y-zdruzuje-posel-z-uzitkom.html>
2. Bailey, R., & Ball, S. (2006). An exploration of the meanings of hotel brand equity. *The Service Industries Journal*, 26 (1), 15-38
3. Barreda, A. A., Bilgihan, A., Nusair, K., & Okumus, F. (2016). Online branding: Development of hotel branding through interactivity theory. *Tourism Management*, 57, 180-192.
4. Bhattarai, A. (2016, August 31). *5 ways the hotel of the future is already here*. Retrieved January 17, 2017, from https://www.washingtonpost.com/news/business/wp/2016/08/31/5-ways-the-hotel-of-the-future-is-already-here/?utm_term=.180fb9cfff3
5. Billings, B. (2019, February 03). *Connecting With a Younger Traveler Across Social Media*. Retrieved July 1, 2019, from https://www.hotelexecutive.com/feature_focus/5978/connecting-with-a-younger-traveler-across-social-media
6. Birkner, C. (2016, July 4). *How Hotels Are Luring Millennials in the Era of Airbnb*. Retrieved January 17, 2017, from <http://www.adweek.com/news/advertising-branding/how-hotels-are-luring-millennials-era-airbnb-172136>
7. Bouchacourt, A. (2016, June 26). *Marketing Insights in Travel and Tourism: Video, Email, and the Millennial Market*. Retrieved January 09, 2017, from <https://www.brightcove.com/en/blog/2016/06/marketing-insights-travel-and-tourism-video-email-and-millennial-market>
8. Brady, P. (2017, December 07). *What Millennials Can Teach Us About Travel*. Retrieved July 8, 2019, from https://www.huffpost.com/entry/what-millennials-can-teac_b_4151176
9. Buhalis, D., & Neuhofer, B. (2012). Everything you need to know about internet marketing. *Annals of Tourism Research*, 39(2), 1266-1268. doi:10.1016/j.annals.2012.01.015

10. Burgess, K. (2016, April 27). *What Millennials want: The next generation of hotels*. Retrieved January 17, 2017, from <http://www.jllrealviews.com/industries/what-millennials-want-the-next-generation-of-hotels/>
11. Business Dictionary (n.d.). *What is brand awareness? Definition and meaning*. Retrieved June 15, 2019, from <http://www.businessdictionary.com/definition/brand-awareness.html>
12. Cambridge English Dictionary. (n.d.). *DIGITAL NATIVE: Meaning in the Cambridge English Dictionary*. Retrieved July 8, 2019, from <https://dictionary.cambridge.org/dictionary/english/digital-native>
13. Center for Generational Kinetics: Millennials Gen Z Research. (n.d.). Retrieved January 13, 2017, from <http://genhq.com/>
14. Chesnut, M. (2014, November 4). *Who Are Millennial Travelers and What Do They Want?* Retrieved January 13, 2017, from http://www.huffingtonpost.com/mark-chesnut/who-are-millennial-travel_b_6093490.html
15. Chipkin, H. (n.d.). *What Do Millennials Want From Hotels?* Retrieved June 31, 2019, from <https://www.magzter.com/article/Business/Business-Traveler/What-Do-Millennials-Want-From-Hotels>
16. Clark, S. (2016, June 17). *4 Ways Millennials Are Changing The Face Of Travel*. Retrieved January 13, 2017, from http://www.huffingtonpost.com/sarah-clark/4-ways-millennials-are-ch_b_10503146.html
17. Coyle, J.R., & Thorson, E. (2001). The effects of progressive levels of interactivity and vividness in web marketing sites. *Journal of Advertising*, 30(3), 65-77.
18. Daylighted. (2015, May). *Millennials in the hospitality industry: How hotels need to adapt*. Retrieved February 07, 2017, from <https://www.daylighted.com/blog/millennials-in-the-hospitality-industry-how-hotels-need-to-adapt/>
19. Definition of digital native in English. (n.d.). Retrieved January 10, 2017, from https://en.oxforddictionaries.com/definition/digital_native
20. Expedia. (2016, February 13). *Future of travel report: Expedia*. Retrieved July 8, 2019, from <https://viewfinder.expedia.com/future-of-travel-report/?AID=10829941&PID=8248019&SID=38395X1559466X759b949ed7c446fefa25f508b2c55ec0&URL=http://viewfinder.expedia.com/features/future-of-travel->

[report&affcid=network.cj.8248019.10829941.38395X1559466X759b949ed7c446fefa25f508b2c55ec0&cjevent=d95c0099a56211e9837901190a180513](https://www.researchgate.net/publication/271111111/report&affcid=network.cj.8248019.10829941.38395X1559466X759b949ed7c446fefa25f508b2c55ec0&cjevent=d95c0099a56211e9837901190a180513)

21. Fesenmaier, D. R., Xiang, Z. (2014). Tourism marketing from 1990 to 2010: two Decades and a New Paradigm. *The Routledge Handbook of Tourism Marketing*, 549-560
22. Flanagan, A. J., Metzger, M. J., Pure, R., Markov, A., & Hartsell, E. (2014). Mitigating risk in eCommerce transactions: Perceptions of information credibility and the role of user-generated ratings in product quality and purchase intention. *Electronic Commerce Research*, 14(1), 1-23
23. Fromm, J., & Garton, C. (2013). *Marketing to Millennials: Reach the largest and most influential generation of consumers ever*. New York: AMACOM.
24. Fromm, J. (n.d.). *What You Need to Know About Millennial Travelers*. Retrieved July 1, 2019, from <http://www.millennialmarketing.com/2016/05/what-you-need-to-know-about-millennial-travelers/>
25. FutureCast Llc., & Barkley Inc. (2016, October). *The Millennial Brief on Travel & Lodging* (Rep.). Retrieved July 20, 2017, from FutureCast website: http://www.millennialmarketing.com/wp-content/uploads/2016/10/FutureCast_Millennial-Brief-on-Travel-and-Lodging-.pdf
26. Herstand, A. (2014, September 19). *78% Of Millennials Would Rather Spend Money On Experiences Than Things*. Retrieved January 10, 2017, from <http://www.digitalmusicnews.com/2014/09/18/millennials-would-rather-spend-money-on-experiences-than-things/>
27. Howe, N., & Strauss, W. A. (2000). *Millennials rising: the next great generation*. New York: Vintage Books.
28. Hospitalitynet.org (2015, September 10). *Millennials Want the Unique Instead of the Usual from Travel Brands*. Retrieved January 17, 2017, from <http://www.hospitalitynet.org/news/4071708.html>
29. Infographic (n.d.). *Uncovering the Millennial Traveller Mindset*. Retrieved January 13, 2017, from <http://genhq.wpengine.com/uncovering-the-millennial-traveler-mindset-infographic/>
30. Jordan, P. (2016). *How are the Millennials Influencing Marketing and Product Development in Tourism?* Toposophy (Rep). 10th UNWTO-PATA Forum on Tourism Trends and Outlook

31. Jordan, P. (n.d.). *Putting your place on the Millennial map (and staying there)* Toposophy (Rep.). Athens, Greece.
32. Kultalahti and Viitala, 2014. Sufficient challenges and a weekend ahead – generation Y describing motivation at work. *Journal of Organizational Change Management*, 27 (4) (2014), pp. 569–582 <http://dx.doi.org/10.1108/JOCM-05-2014-0101>
33. Lane, L. (2016, January 15). *Are Millennial Travel Trends Shifting in 2016?* Retrieved January 13, 2017, from <http://www.forbes.com/sites/lealane/2016/01/15/are-millennial-travel-trends-shifting-in-2016-youll-be-surprised/#bbb9bd95c98c>
34. Mangold, W. G., & Smith, K. T. (2012). Selling to Millennials with online reviews. *Business Horizons*, 55(2), 141-153. doi:10.1016/j.bushor.2011.11.001
35. MSG Management Study Guide. (n.d.). Retrieved June 15, 2019, from <https://www.managementstudyguide.com/brand-image.htm>
36. Moss, G.A., Wulf, C., & Mullen, H. (2013). Internet marketing to 50+ generations in the UK and France. *Journal of International Consumer Marketing*, 25(1), 45-58.
37. Oracle. (2016). *Millennials and Hospitality: The Redefinition of Service* (Rep.)
38. Ovsenik, R., & Kozjek, D. (2015). Vrednote generacij. *Revija za univerzalno odličnost*, 4, 17-32
39. , W. (2017, April 5). Millennial Travel Trends: A Look at the Largest Generations' Habits. Retrieved January 10, 2017, from <http://www.internetmarketinginc.com/blog/millennial-travel-trends/>
40. Rouse, M., & Haughn, M. (n.d.). What is Millennials (Millennial generation)? - Definition from WhatIs.com. Retrieved January 13, 2017, from <http://whatis.techtarget.com/definition/millennials-millennial-generation>
41. Scott, D. M. (2012). *The new rules of marketing and PR: how to use social media, online video, mobile applications, blogs, news releases, and viral marketing to reach buyers directly*. Hoboken: John Wiley & Sons.
42. Stokes, B. (2015, February 09). Who are Europe's Millennials? Retrieved January 22, 2017, from <http://www.pewresearch.org/fact-tank/2015/02/09/who-are-europes-millennials/>

43. Starcevic, S., Konjikusic, S. (2018). *Why Millennials as Digital Travelers Transformed Marketing Strategy in Tourism Industry*.
44. Strutner, S. (2017, December 07). Proof That Millennials Are Travel Snobs. Retrieved July 9, 2019, from https://www.huffpost.com/entry/millennial-travel_n_5492127
45. Tal, D. (2016, May 16). *How Millennials will change the world: Future of Human Population P2*. Retrieved January 10, 2017, from <http://www.quantumrun.com/prediction/how-millennials-will-change-world-future-human-population-p2>
46. Topdeck. (n.d.). *The Topdeck Story So Far...* Retrieved July 9, 2017, from <https://www.topdeck.travel/about-topdeck/who-we-are>
47. Tussyadiah, I. P., & Fesenmaier, D. R. (2009). Mediating Tourist Experiences. *Annals of Tourism Research*, 36(1), 24-40. doi:10.1016/j.annals.2008.10.001
48. Voorveld, H. A., Van Noort, G., & Duijn, M. (2013). Building brands with interactivity: The role of prior brand usage in the relation between perceived website interactivity and brand responses. *Journal of Brand Management*, 20 (7), 608-622.
49. Walsh, E. (2014, March 10). *Looking Ahead: Millennial Travel Trends – Part 1*. Retrieved July 8, 2019, from <https://turnerpr.com/spin-kitchen/millennial-travel-trends-part-1>
50. Wang, D., Xiang, Z., & Fesenmaier, D. R. (2014). Adapting to the mobile world: A model of smartphone use. *Annals of Tourism Research*, 48, 11-26. doi:10.1016/j.annals.2014.04.008
51. Wong, K. (2016, December 13). *How Millennials And Gen Z Transformed Tourism Marketing Through Sharing*. Retrieved January 12, 2017, from <http://www.forbes.com/sites/kylewong/2016/12/13/how-millennials-and-gen-z-transformed-tourism-marketing-through-sharing/#424dd3036ca7>
52. World Tourism Organization UNWTO. (n.d.). Retrieved June 13, 2017, from <http://www2.unwto.org/content/why-tourism>
53. Xiang, Z., Magnini, V. P., & Fesenmaier, D. R. (2015). Information technology and consumer behaviour in travel and tourism: Insights from travel planning using the internet. *Journal of Retailing and Consumer Services*, 22, 244-249.

APPENDIXES

Appendix A: Think about your personal use of technology. Which of these do you use every day?

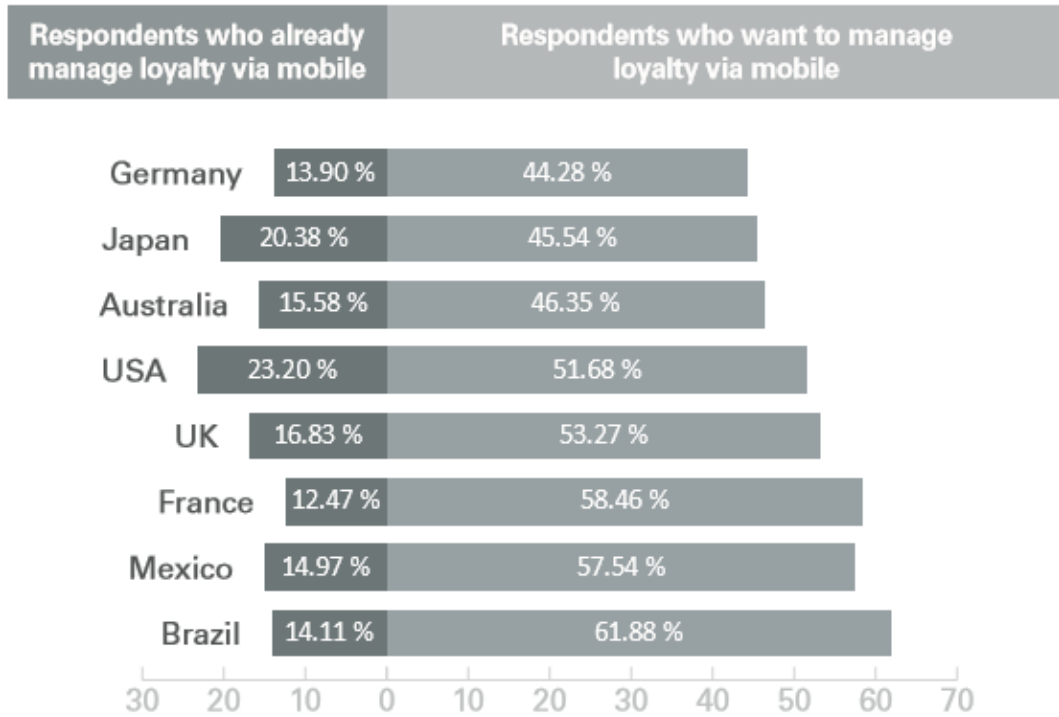
Image 1: Think about your personal use of technology. Which of these do you use every day?



Source: Oracle. (2016). *Millennials and Hospitality: The Redefinition of Service (Rep.)*

Appendix B: Millennials and loyalty management by mobile device

Image 2: Millennials and loyalty management by mobile device.

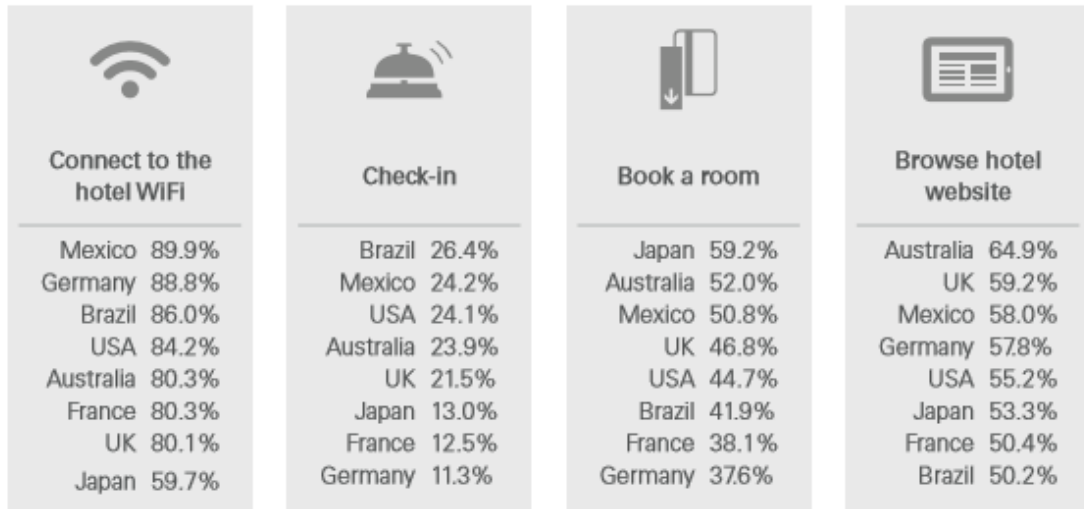


52% of millennials want to manage loyalty on their mobile devices

Source: Oracle. (2016). *Millennials and Hospitality: The Redefinition of Service (Rep.)*

Appendix C: Millennials' use of mobile technology for hotel services

Image 3: Millennials' use of mobile technology for hotel services.



20% of millennials that had used their mobile device in a hotel had used it to check in

Source: Oracle. (2016). *Millennials and Hospitality: The Redefinition of Service (Rep.)*

Appendix D: Millennials' use of mobile technology in a hotel setting

Image 4: Millennials' use of mobile technology in a hotel setting.



In what other ways would you like to use technology in hotels in the future?

1. Room service
2. Wifi improvement
3. Watch TV/movies from hotel
4. Connect device to TV/speakers
5. Check in/check out
6. Order food and drink
7. Book external facilities and activities
8. Control entertainment
9. Access the room
10. Book internal facilities and activities

All responses can be found towards the back of this report.

Source: Oracle. (2016). Millennials and Hospitality: The Redefinition of Service (Rep.)

Appendix E: Millennials want to access their own media in hotels, but they're also willing to pay for it

Image 5: Millennials want to access their own media in hotels, but they're also willing to pay for it.



36% of millennials want option of paid or own media

Source: Oracle. (2016). *Millennials and Hospitality: The Redefinition of Service (Rep.)*

Appendix F: Frequent responses

Image 6: Frequent responses

Question 2: In what other ways would you like to use technology in hotels in the future?

Topic

Order room service
Wifi improvement (availability, speed and cost)
Watch TV/movies supplied by hotel
Connect personal device to TV/speakers
Check in/check out
Order food and drink
Access external activities information
Use device to access the room
Control all entertainment facilities
Reserve hotel room
Control temperature of hotel room
Access internal facilities and activities information
Book facilities and internal activities
Control lighting in room
Control/listen to music in room
Payment technology
Communicate with staff through technology
Access general information about the hotel

Source: Oracle. (2016). *Millennials and Hospitality: The Redefinition of Service (Rep.)*