

Changing Trends of Hospitality Industry: Emergence of Millennials and Gen Z as Future Customers

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Abstract: *The hospitality industry is facing major changes in today's world. We can observe these changes in using advanced technology, going green, and following sustainable practices. The hospitality industry is witnessing these changes and needs to accept and change as the changes arise in the industry. One of the changes is forecasting the needs of the New Generation Travellers. The future is Gen Z and Millennials. The hospitality industry should be aware of the requirements of the New Generation so that they can efficiently handle as guests of the hotel. The purpose of this article is to find out the trends and needs pertaining to the Millennials and Gen Z as they cover the major portion of the hotel industry as future customers.*

Keywords: Gen Z, Millennials, Sustainability, Advanced Technology, Hospitality Industry.

I. INTRODUCTION

In the last few decades, the hotel industry has focused on the Baby Boomers and their requirements. Baby Boomers are often shortened to Boomers. The people born from 1946 to 1964. The need and requirement of this generation was different and the hospitality industry has accepted this change and followed the various ways to occupy them and make them satisfied by providing these services. But lately, the Hospitality industry has become the major market for Millennials and Gen Z. The future belongs to them and they are completely aware of their own needs and requirements. The research has published about them that they prefer things much more basic and without any complications. They are driven by technology. Understanding this change the hotels have started providing customized service. The hotels have also changed their marketing strategy from a traditional targeted customer to millennials and Gen Z. (Atul Ramgade, 2021)

Gen Z are defined as those born after 1996 and they belong to around 32% Global population. The survey was conducted by Deloitte in 2021 about the Views of youth (Millennials and Gen Z) about sustainability, change in work procedure, using advanced technology, inequality, and racism. The survey found that the millennials would like to be flexible and they are tech savvy and accept change quickly. (Deloitte, 2021). India has the largest youth population. As per the report published by the National Statistical Office, Ministry of Statistics and Program Implementation, Govt. of India on June 2022. Youth in India is Defined as years 15 to 29. India's population will increase by 1.3 Billion and will become the second most populous country in the world and an average age of 29 years it also has one of the youngest populations. (India (Pari), 2022). Millennials can be defined as people who were young adolescents in the year 2000 and Gen Z are the ones who are born in or after 2000

Characteristics of Millennials and Gen Z:

They are flexible. As they have grown up in the technological world, they can function in both the real and virtual world. They can switch easily between these two perspectives. For example: they are active on social media, use different mobile devices, comment on reality, are environment friendly, and want to follow sustainable practices.

They are multitaskers.

They want to achieve a spectacular professional career immediately.

Two more features are mobility and knowledge of foreign language.

They are considered better paid so they are independent and make decisions on their own.

Despite their young age they are professionally active. (Dolot, 2018)

The hospitality industry understands the above characteristics and makes changes in the services and facilities. As per the survey of Noesis (Hotel advisory firm) published in Travel World.com from the Economic Times staycation will be the recurring trend in the coming world, because it offers convenience, less planning, specific activity experience, and lesser risk of cancellation. NOESIS also discussed how the "Work from Home" concept has become "Work from Anywhere" thus raising the concept of "Workcation". The millennials and Gen Z share the workspace so they are more flexible, and creative, and have a sense of community. Based on the report, between the period of 2022 to 2032. The travel and Tourism industry will contribute to the world's economy by 71% in the Asia Pacific Region. The current Gen Z guests ask for highly personalized service. (ET Travel World, 2022)

Research Methodology: To study the impact of millennials and Gen Z on the Hospitality industry we have referred to secondary data with various research journal articles, reports, periodicals, and videos.

Objective of the study: 1. To study how millennials and Gen Z are influencing the hospitality Industry. 2. To study how the Hospitality industry is fulfilling the needs of Millennials and Gen Z

II. REVIEW OF LITERATURE

Gen Z strongly believes in diversity and has buying power. They are well-versed in social media and technology. (Daniel Berman, 2022). Millennials will have a bucket list ready for traveling and Gen Z is more focused on the experience over the destination. As a guest Gen Z loves to travel. The intentions behind traveling may according to the individual, the demographic as a whole is passionate about travel. They tend to document their entire experience, mainly on Instagram, TikTok, Snapchat, and YouTube, staying true to their "influencer" title. (KI, 2022). The pandemic created work from home atmosphere and for millennials and Gen Z, there was an opportunity to travel extensively, taking advantage of flexible remote working. This is what changed the processes in the Hospitality industry and it had to tap the emerging demand of the Millennials and Gen Z. (ETHospitalityWorld, 2022). Gen Z and Millennials want to have a more personalized and individualized experience, stylish yet affordable, technologically advanced but having a human touch. This is a challenge for the hospitality industry. Product design and product adaptation has to be handled strategically. (Sima, 2016).

III. FINDINGS AND CONCLUSION

The findings of the article are that there is a significant change in the services and facilities that are provided by the hospitality industry. The Gen Z and Millennials are the driving force to bring the change. As per the characteristics of the Gen Z and Millennials, hospitality is gaining change.

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