

**Future-proofing  
the UK staycation market**



Four key insights for  
marketing to millennials

**thissaway**



## **Future-proofing the UK staycation market**

Four key insights for marketing to millennials

## Introduction

# There's little doubt the UK is an incredible staycation destination.

Here at Thissaway, we've worked with enough national hotel groups, short break specialists, destinations and locations to appreciate the fantastic range of things to do, and stunning places to stay, that make holidaying on these shores such a great option.

Whether that's on a romantic rural retreat, a group getaway with friends or a planned family holiday, the choice on offer from our coastlines, countryside and vibrant towns and cities means there really is something for everyone when it comes to taking a well-earned break.

That's why when research from VisitEngland found the number of millennials booking staycations had dropped by 1.4 million over the last decade, we knew we had to explore the reasons behind this, conducting new research and combining the results with our own experience to uncover how UK travel brands could reverse the decline.

The VisitEngland figures will be concerning for UK travel brands, especially given that millennials

already comprise 35% of the UK workforce and will represent 50% of the global workforce by 2020, according to KPMG figures published last year.

Failing to inspire such a significant and growing proportion of the earning population would be hugely detrimental to the long-term prospects of the UK travel and leisure industry, so the onus has to be on winning them over. That's why a smart, insight-backed approach to marketing is required to encourage millennials to take more staycations.

But who are millennials, and what do they want from a holiday anyway? We do know they aren't a homogenous group, whose attitudes towards staycationing can be reliably predicted simply by the year they were born. That's why we spoke to a diverse group of 1,000 young men and women, aged 18 to 35, from all over the UK, including those who'd previously been on a staycation and those who hadn't, uncovering everything from how they research and book to what they spend and why they come back for more.

In some respects attitudes towards the benefits and drawbacks of taking a holiday in the UK were as diverse as millennials themselves, while among others there was almost total agreement.

Overall, we uncovered four key insights, including the fact that just about everyone recognised there are benefits to holidaying at home. But while the vast majority of millennials seem open to the possibility of going on a staycation, the big take-out for UK travel and leisure businesses has to be that more than half of those we quizzed don't believe the UK is marketed to them effectively as a holiday destination. We also found that digital channels dominate at all stages of the customer journey, and that value for money is key to encouraging repeat visits among millennials.

Taken together, our findings not only strengthen our belief that the UK is a first-rate destination for younger holidaymakers, they also underline the importance of digital marketing for companies looking to reach them, capitalise on their custom, and ultimately safeguard the future of the UK staycation sector.





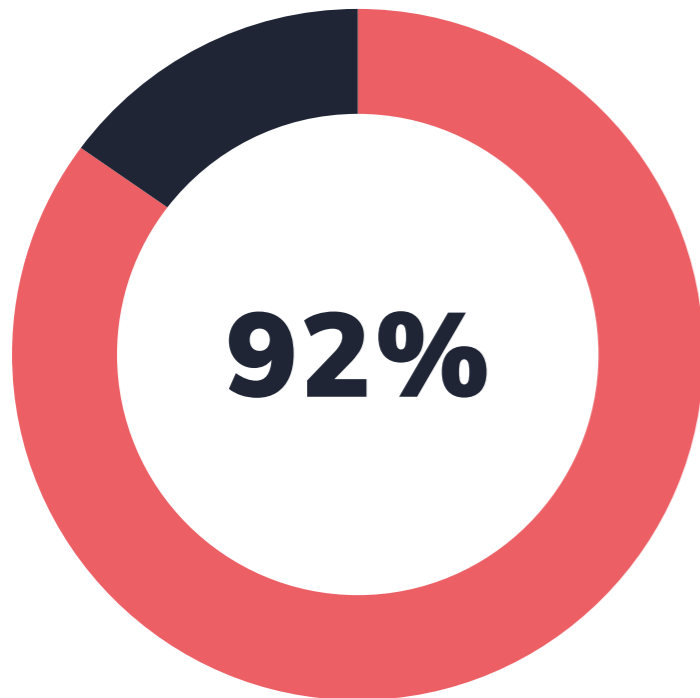
# Insight one

### Insight One

Should I stay or should I go?

# Nearly all millennials see the benefits of taking a staycation

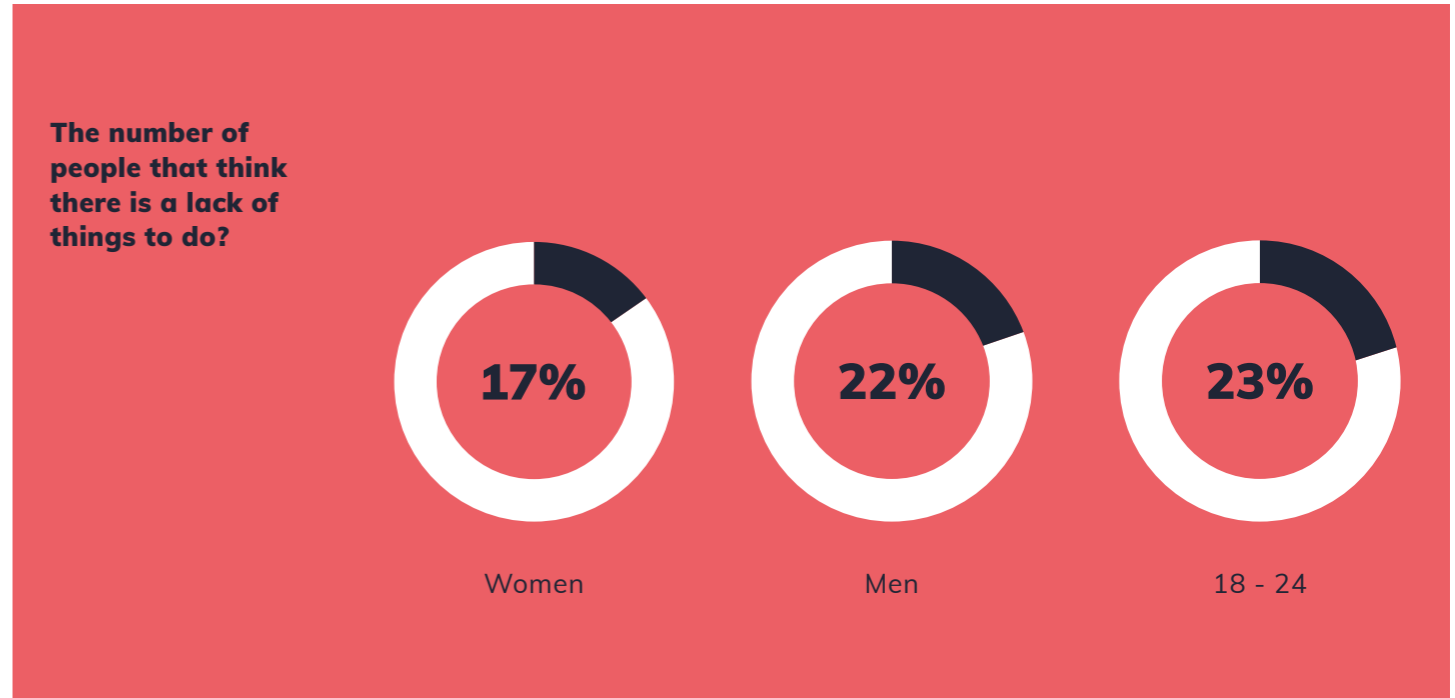
**UK-based staycations appeal to 92% of the millennials we spoke to.**



The idea of a UK-based staycation appeals to almost all millennials. Some 92% of those we spoke to identified at least one aspect of a staycation they believed offered an advantage to going on holiday abroad.

That's not to say younger holidaymakers choose one over the other. People don't tend to consider themselves foreign flyers or staycationers, rigidly sticking to just the one type of holiday. Instead, they take several trips a year, typically alternating between trips abroad and closer to home.

When it comes to interpreting this result, the key takeaway should be that the vast majority of millennials are positively predisposed to going on a staycation and that there are plenty of reasons why UK breaks are likely to make up some of the trips young adults take over the course of a year.



The main reasons millennials take staycations are that they are cost-effective, require less preparation i.e. no need for visas, jobs, etc – and that they offer an opportunity to explore the UK's culture and heritage.

Others believe UK breaks are more environmentally-friendly than long-haul trips and that, as a result, staycations are more sustainable for those looking to make ethical choices about the places they visit.

This is consistent with recent research from Visit England which revealed that nearly 40% of millennials have considered volunteering on a short break or holiday in the UK.

The main drawbacks of a staycation include the weather – selected by 48% of respondents – and the view that trips are less exciting or exotic.

Among men and younger millennials (those aged 18 to 24), there's also a greater perception that there's a 'lack of things to do' on staycations. Some 22% of men say this is the main drawback of a staycation, compared with 17% of women, while 23% of those aged 18 to 24 agree, compared with 16% of those aged 25 to 34.

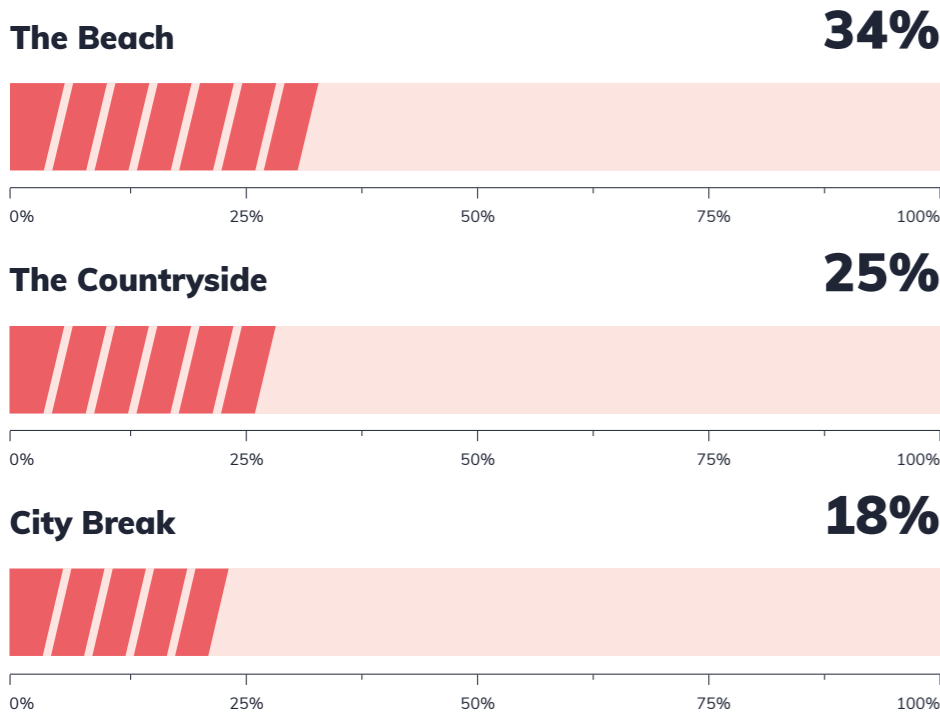


**So, while staycations potentially appeal to nearly all millennials, shifting negative perceptions clearly has a big part to play in future-proofing the industry – something that could be addressed by investing in marketing that inspires, excites, convinces and changes minds.**

### Insight One

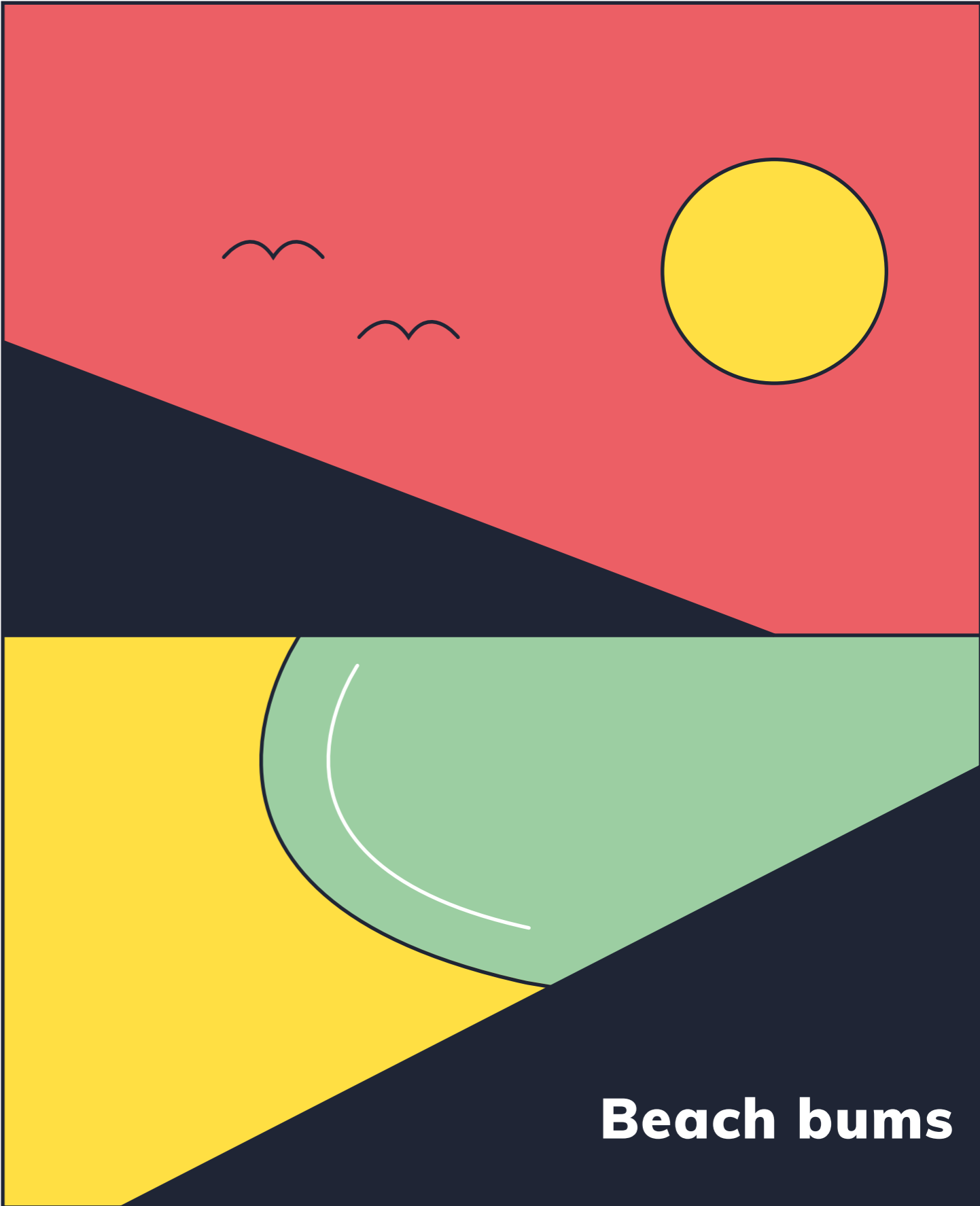
Should I stay or should I go?

# A typical millennial staycation



The beach is the most popular millennial staycation destination, selected by 34% of those surveyed as their preferred trip, followed by the countryside (25%) and trips touring multiple cities (18%)

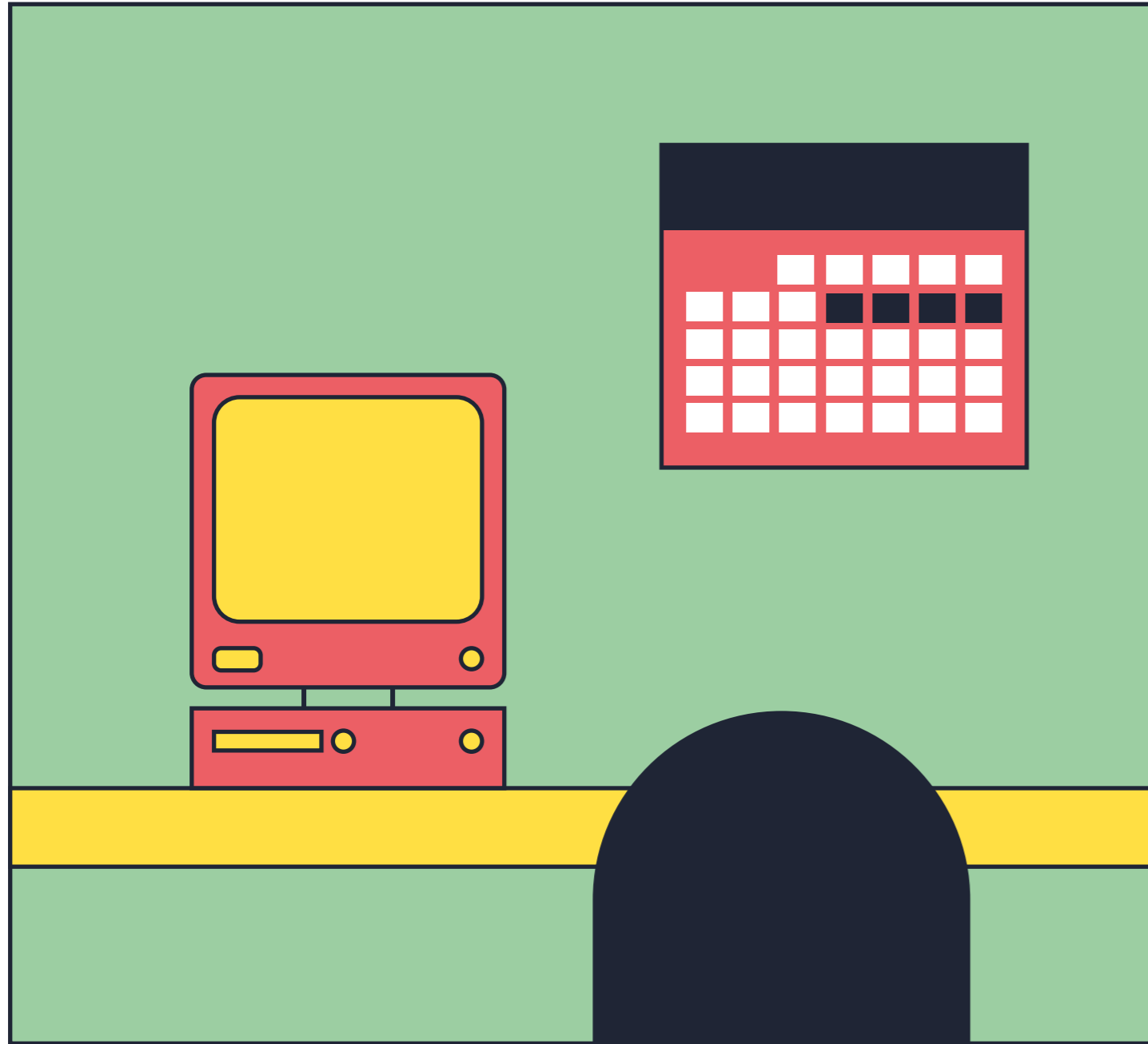
A family break is the most popular choice of staycation, (22%) followed by relaxation/retreat trips (21%) and romantic stays (16%)



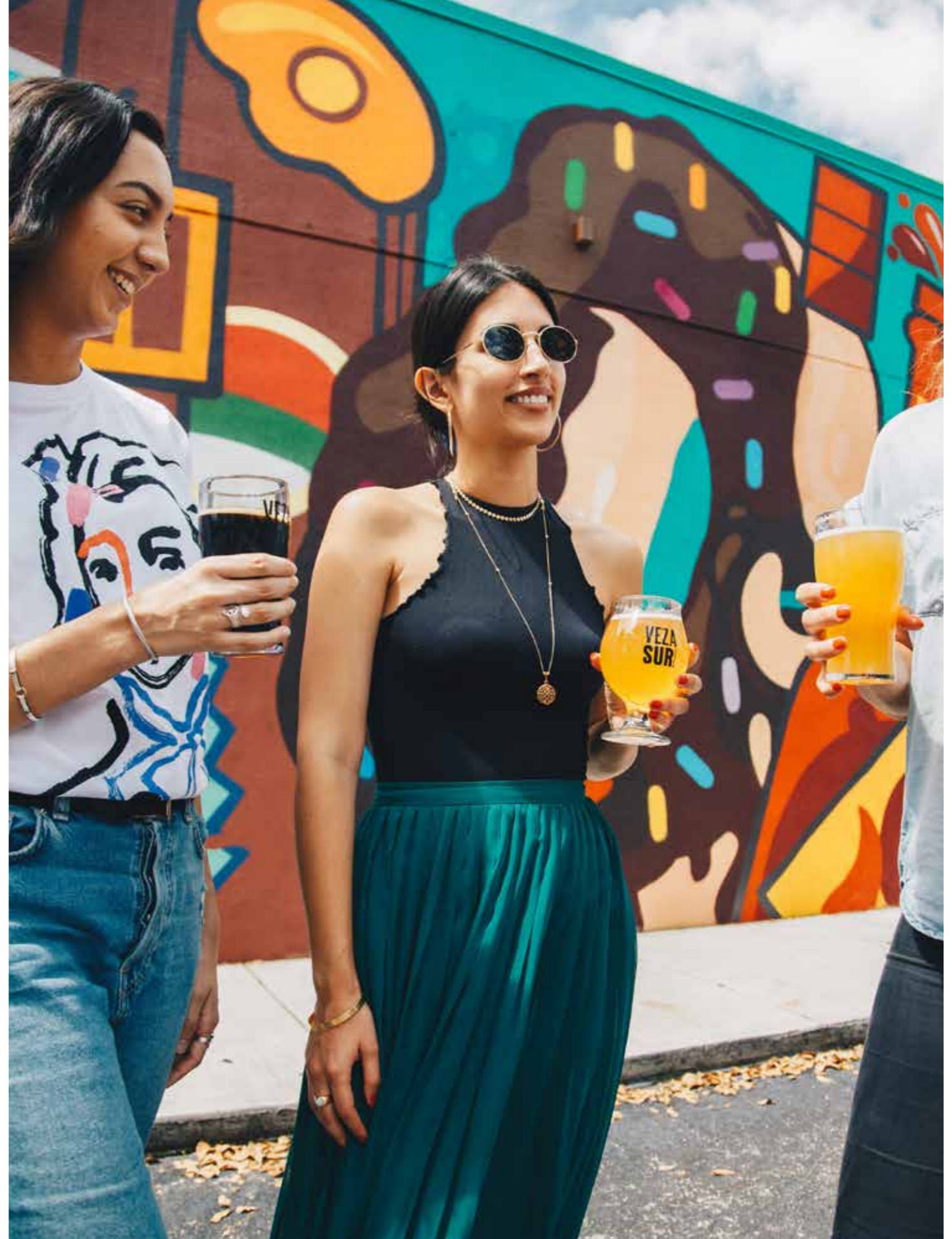


### Insight One

Should I stay or should I go?



The most popular length of staycation is three to four nights, selected by 39% of respondents.



I've gotta get a message to you

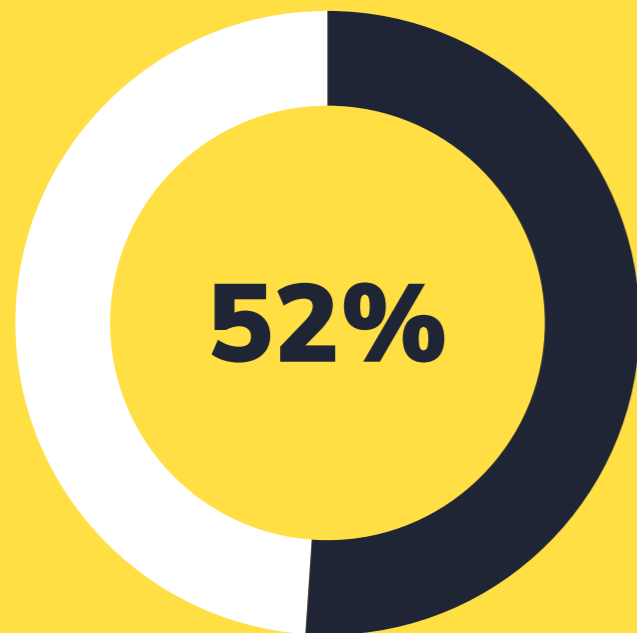
# Insight two

## Insight Two

I've gotta get a message to you

# More than half of millennials think the UK could be more effectively marketed to them

Just over half of respondents to our survey feel the UK isn't marketed to them effectively as a holiday destination.



Our research shows that travel brands could and should be doing more to market staycations to millennials.

Just over half (52%) of respondents to our survey feel that the UK isn't marketed to them effectively as a holiday destination.

This figure climbs significantly when looking just at the responses of people who have never been on a staycation – with more than two thirds (68%) saying they are not effectively targeted. That's not wholly surprising – they've never been motivated to take a staycation after all – but it does suggest that more effective marketing could be key when looking to encourage those who've never been on a staycation to try one - particularly when 92% of millennials can see the benefits of doing so.



## But what does 'more effective marketing' mean?

Channel choice is key, especially for businesses still investing heavily in print and TV advertising over digital.

Deloitte has claimed that millennial TV viewing will fall by 10% to 15% every year until 2020, while around only a fifth currently read newspapers.

So, where are they getting their information from? And, more importantly...

**Where are  
they getting  
their inspiration  
from when it  
comes to travel  
and leisure?**



## Insight Two

I've gotta get a message to you

81% of female millennials say social media is the most effective way for brands to reach them, according to a study by Bustle Digital Group, while 68% of millennials surveyed by Fluentco research last year said emails impacted their purchasing decisions.

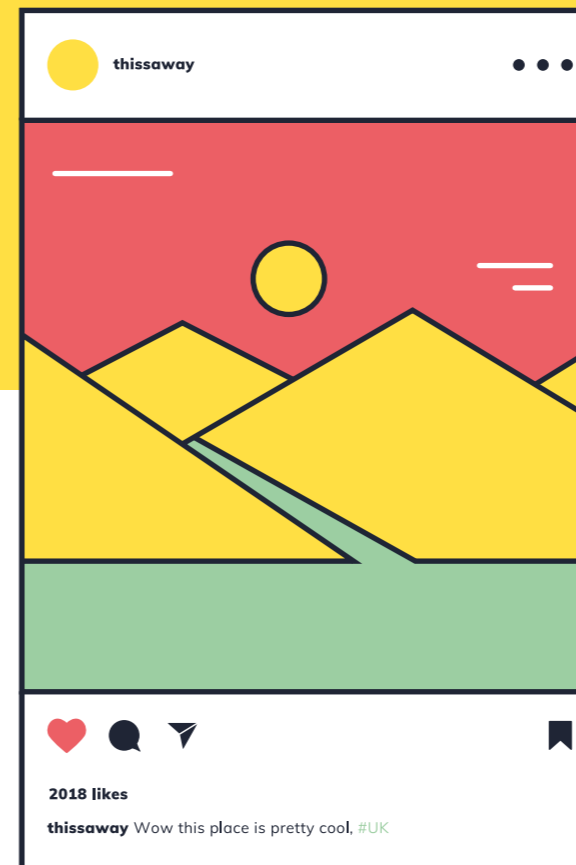
Peer-to-peer content though is by far the biggest influence on millennial decision-making when it comes to travel.

Entrepreneur.com blog '5 ways social media has transformed tourism marketing' claims a whopping 97% of millennials share photos and videos of their travels online – something it says “builds an influential web of peer-to-peer content that serves to inspire potential guests”.

The potency of this content and the importance of these 'shares' is further highlighted by a raft of compelling statistics – including one from the same blog which says 89% of millennials plan their travel activities based on digital content posted by their peers.



**That's why forward-thinking travel companies have set about creating innovative digital activations to engage younger audiences more effectively.**



It's also not a coincidence that many of the world's most successful travel brands are the most digitally innovative, whether that's Booking.com launching travel guide videos on YouTube, or Lonely Planet creating bespoke Pinterest boards targeting audiences according to interest.

For UK staycation businesses, it's important that the move to a truly digital-first strategy isn't viewed as a brave step, but a common-sense necessity vital to engaging current and future audiences.

## Insight two

I've gotta get a message to you

# Marketing to interest

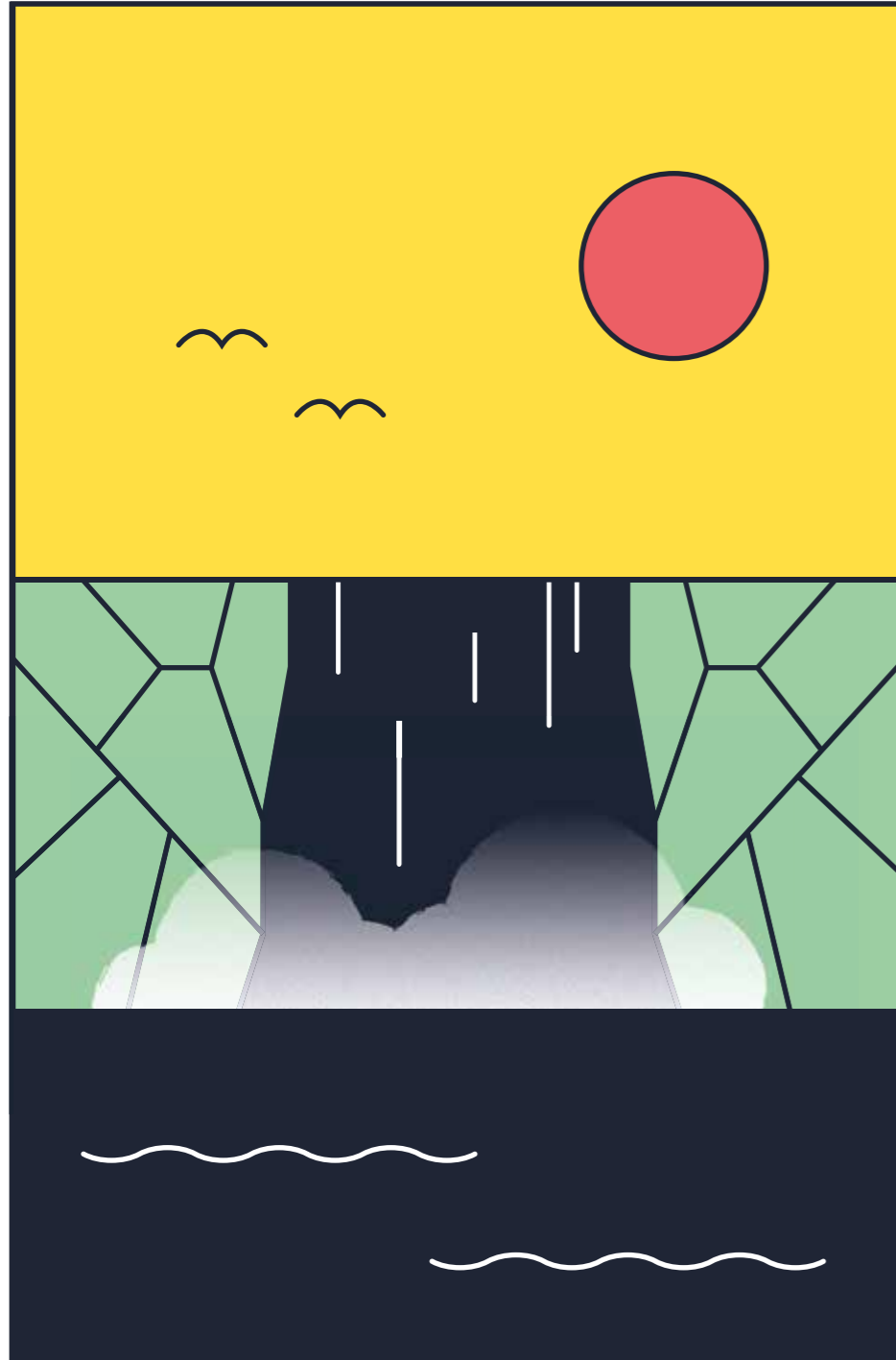
Part of the shift to digital involves marketing based on interest rather than age. For instance, marketing that promotes opportunities to drive off-road, go rafting across rapids, or attend music, food or literary festivals in the UK, could help to shift perceptions of a lack of things to do among young millennials and men.

Such an approach requires smart work on the part of the brand or business, with personalised data-driven messaging to ensure the right content reaches the right potential customer at the right time in the customer journey.

The use of user-generated content should also be given serious consideration, when it comes to convincing lookalike audiences, with a study from Bazaarvoice finding that 84% of millennials believe user-generated content on company websites has some influence on their buying decisions.

## Insight Two

I've gotta get a message to you



Gone are the days when generic 'catch all' travel marketing will convince young adults to part with their hard-earned cash – why would an 18-year-old single mum from Cornwall respond to the same messages as a 35-year-old father of three working in central London?

Best Western is taking this so seriously that it has used geotargeting to serve more relevant special offers, while international airline KLM has created an interactive edition of its brand magazine that asks readers to select their favourite global destination for a chance to win a trip there. This means a more personal, engaging, interactive experience for the customer, as well as a chance for the brand to follow up with more targeted messaging.

**Why would an 18-year-old single mum from Cornwall respond to the same messages as a 35-year-old father of three working in central London?**

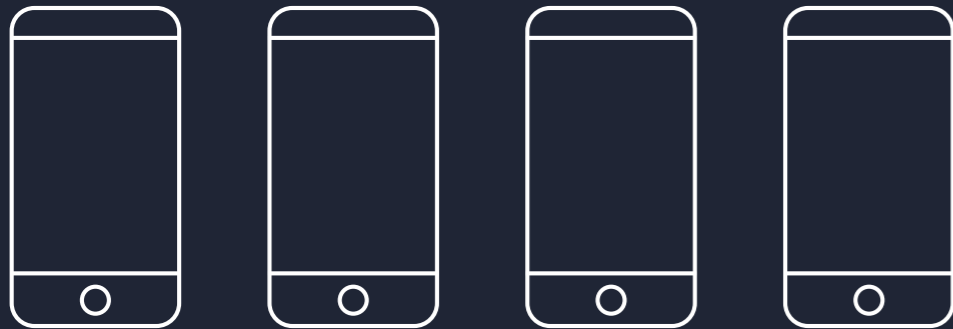
# Insight three



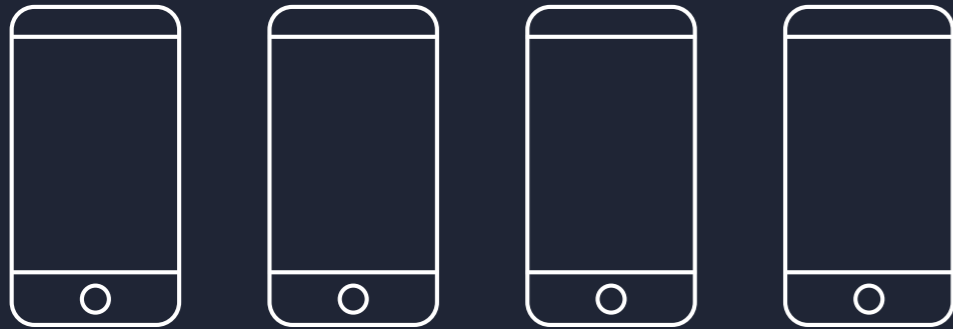
## Insight three

Let's get digital

# Digital dominates at all stages of the customer journey



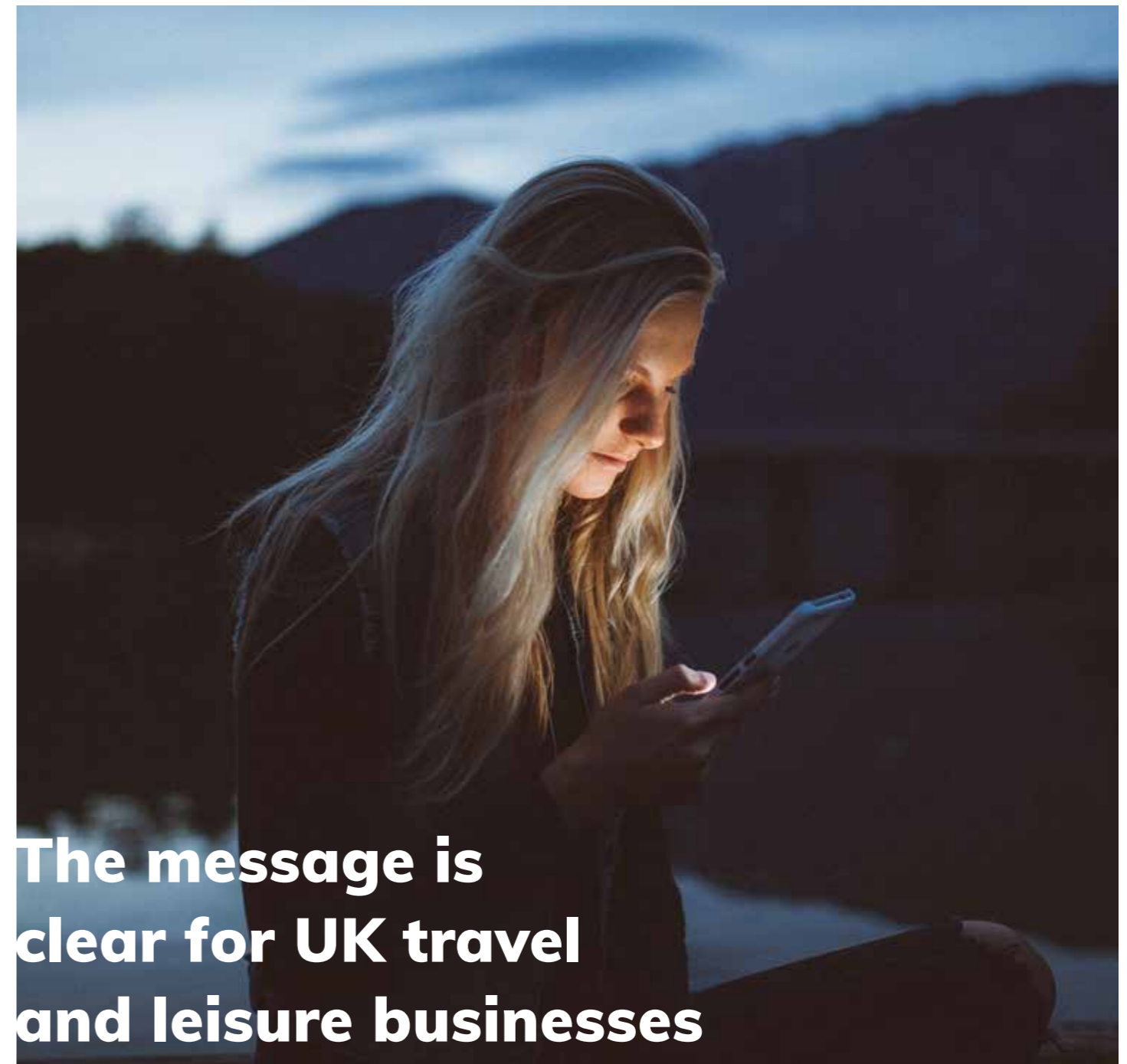
Digital has revolutionised the way holidaymakers decide where to spend their time and money, with the average traveller now browsing an average of 38 websites before making a purchase, according to traveller attribution research from Expedia Group.



Increased access means increased choice, and according to travel booking trends data from Google, that means people are less inclined to put up with a sub-standard digital experience when it comes to researching or booking a break – particularly on mobile, where it says 88% of travellers would simply switch to another site or app if the one they are using doesn't satisfy their needs.



According to ABTA's Holiday Habits Report 2017, 83% of people now book their holidays online, with an average 20% of those bookings coming via mobile. That figure rises to 37% among 18 to 24 year olds (nearly double the 19% who were doing so in 2016) and 35% among older millennials aged between 25 and 34.



**The message is clear for UK travel and leisure businesses hoping to attract millennials...**

...give them an engaging, easy-to-use digital experience at all stages of the customer journey and make sure you are fully mobile-optimised.

## Insight three

Let's get digital

# Our research underlines the dominance of digital channels for millennials when it comes to researching and booking staycations.

We've already pointed out the importance of user-generated content to reassure millennials that the holiday you sell is the right one for them, but feedback from peers is also vitally important.

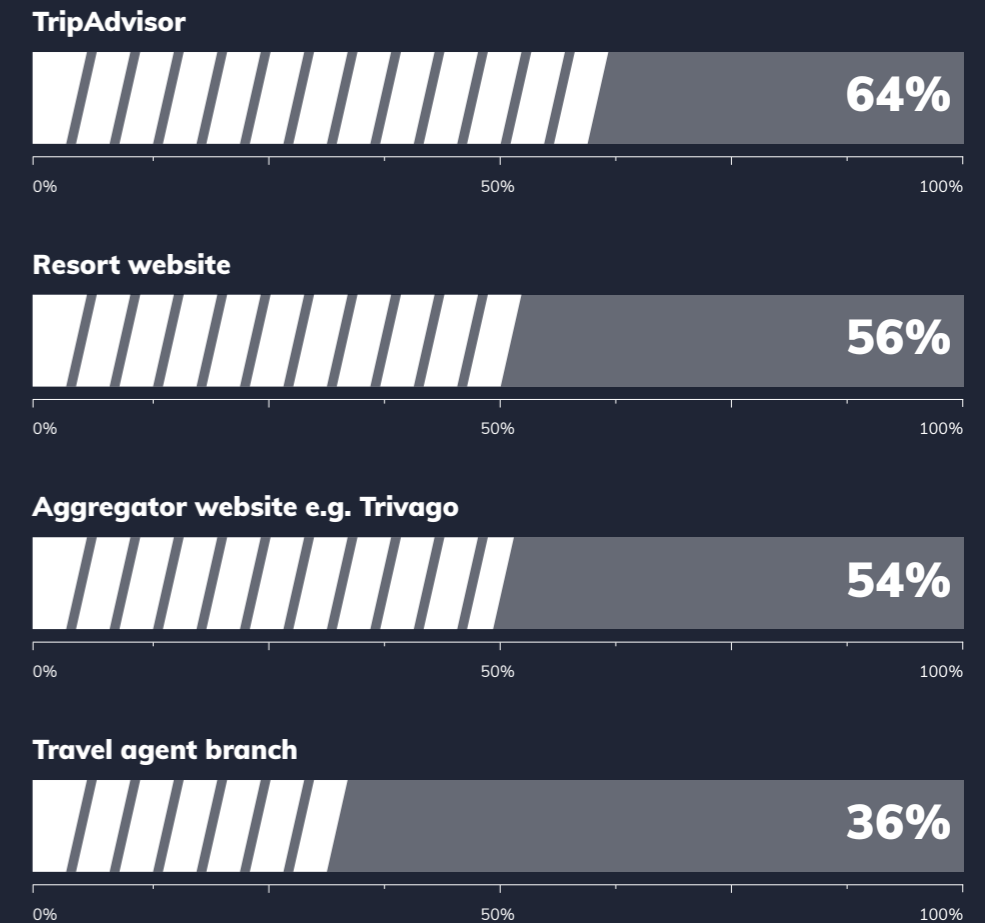
That's why user-generated review sites like TripAdvisor were found in our study to be the most popular way for millennials to research staycations, with 64% referring to them when thinking about taking a UK break.

Getting these reviews in front of customers at key points of the customer journey may seem like a challenge, but one solution for innovative brands and businesses

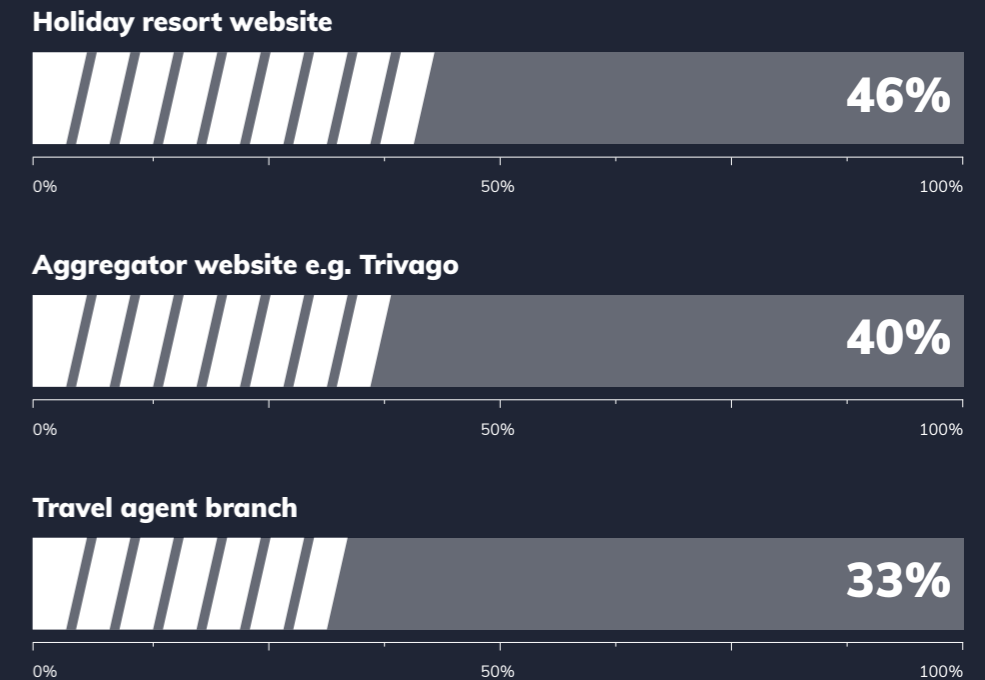
could be to embed them on their own sites, reassuring customers at the point of consideration and potentially shortening the customer journey from inspiration through to booking.

A good example of this comes from our client Hoseasons, which, as part of its digital transformation programme, has built a review function into its website, allowing guests and prospective customers to leave and view 100% honest feedback, building trust and driving bookings by replicating the environment in which most millennials choose to research staycations.

Most popular ways for millennials to research a staycation



Most popular ways for millennials to book a staycation



### Insight three

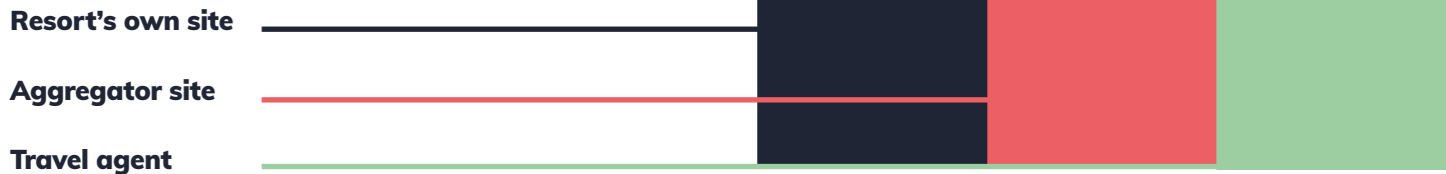
Let's get digital

# Where are the majority of millennials booking their staycations?

The case for incorporating reviews into holiday resort sites looks even stronger when you consider these are still where the majority of millennials book their staycations.

Our survey found close to half (46%) book direct via a resort's own site, compared to 40% through aggregator websites and 33% through a travel agent branch.

Where possible, customers should be encouraged to provide digital reviews as well as view them, whether that's on TripAdvisor, via social or on another review platform.



Primarily the activation will be digital, but there's no reason why the drivers shouldn't be offline too. We've worked with leading national hotel chains, including Hotel du Vin and Malmaison, to design physical in-room cards that direct guests online. These feature QR codes that conveniently direct guests to the relevant TripAdvisor page with a quick scan of their phone.

This push to encourage customers to provide digital reviews and to make them more visible may be a modern trend, but it also means good old-fashioned customer service is more important than ever at all stages of the customer experience.

This requires genuine intent backed up by investment to make sure the experience customers are reviewing is as good as it can possibly be.

That might mean best-in-class staff training across all touchpoints: from front of house, the bar and the restaurant, to the team dealing with queries or complaints, both online and offline. It might mean paying attention to what seem like small details – the way people are greeted, the way concerns are heard and addressed, and the speed at which queries are answered.

It might also cost money - but it's no coincidence that the best reviews - i.e. the ones that influence other potential customers - will be reserved for brands and businesses who do their best to look after people across all relevant channels at all stages of the customer journey.

## Insight three

Let's get digital

# Social at all stages of the customer journey



The fact that millennials are more likely to research and book staycations online rather than in travel agent branches isn't entirely unexpected.

Neither is the fact that Facebook tops the charts for those who can remember where they last saw an ad for a UK break ahead of TV.

But while social media largely remains a tool to inspire at the start of the customer journey and to share feedback at the end, millennials also seem increasingly open to using it to book staycations too.

Despite there being no current feature for directly booking a staycation through Facebook, 11% of millennials quizzed as part of our survey said they would be keen to book through the platform if it were possible.

Across a range of sectors, forward-thinking brands are using new technologies to cater to these changing habits, from Booking.com using Facebook Messenger bots to guide people through the booking process, to Domino's bots taking pizza orders through a pre-programmed app.

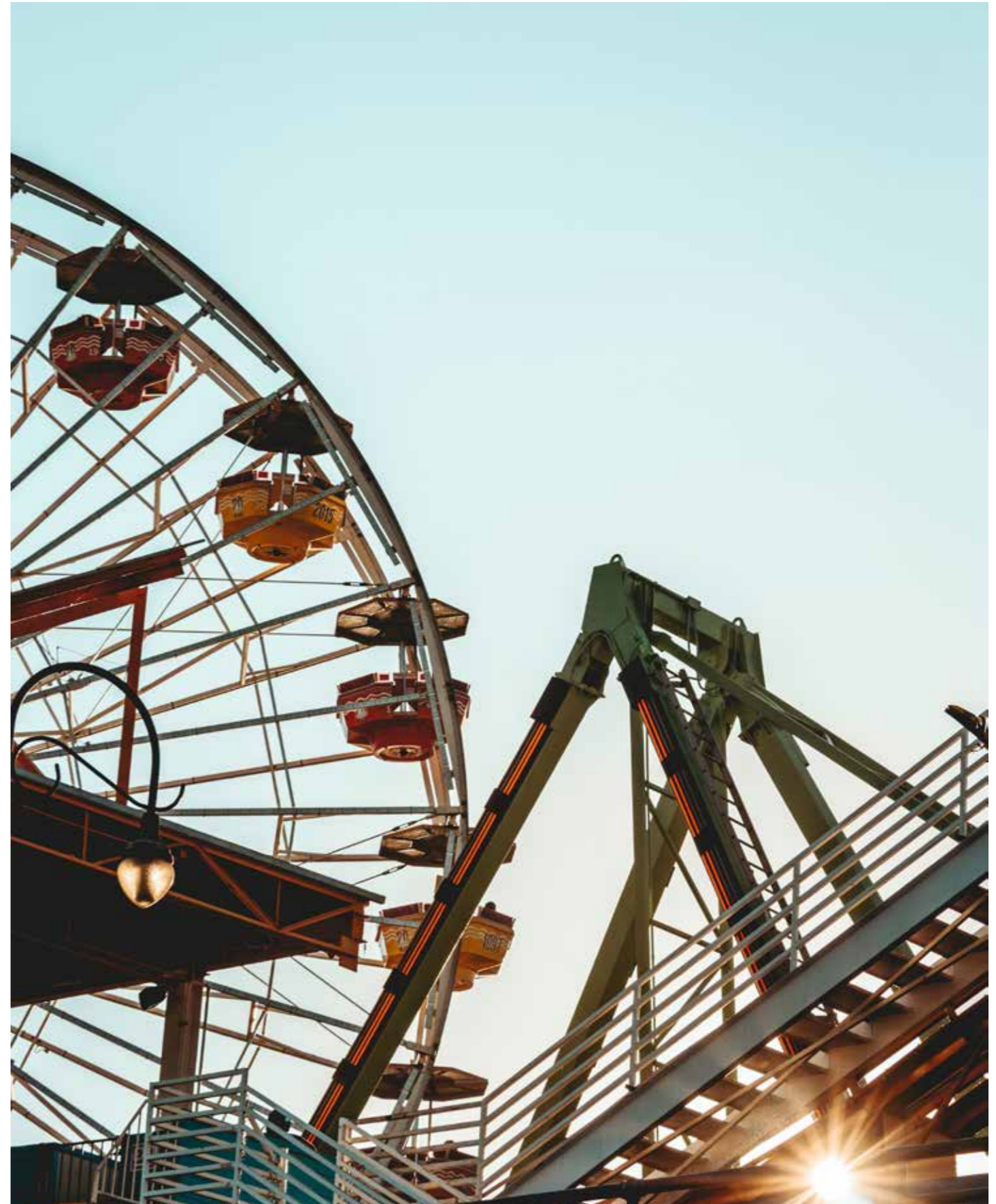
### Insight three

Let's get digital

# Innovation isn't just driven by brands but also by developments on platforms.

Instagram has introduced a click-to-shop tool that runs in Instagram Stories, allowing consumers to make purchases via the platform. This provides travel brands with a huge opportunity to make paying for a staycation more convenient, and to convert customers at the exact point that they are most visually inspired to book.

We are not saying that booking staycations through social media will become commonplace anytime soon, but who thought we'd be booking breaks away on our mobile phones this time ten years ago?



# Insight four

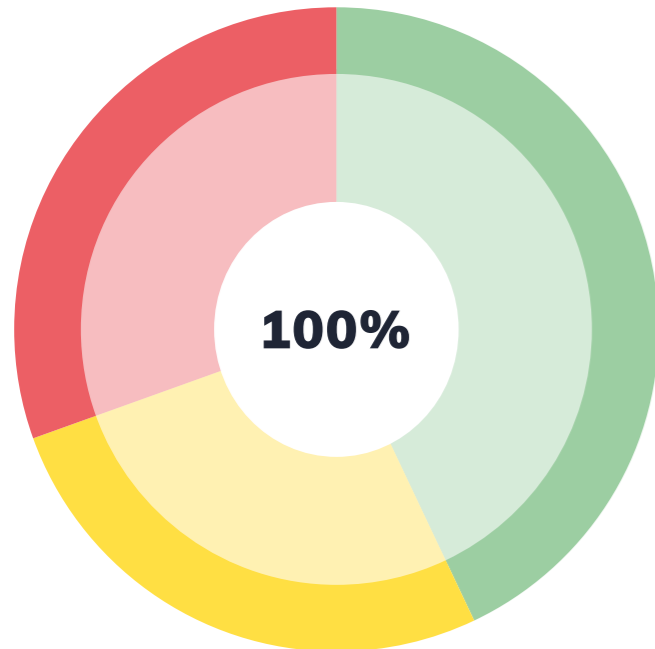
### Insight four

Baby come back

# Value for money is key to encouraging repeat visits among millennials

#### What's the most important factor in prompting return visits on staycations?

Value for money	<b>41%</b>
Experience of location	<b>31%</b>
Quality of accommodation	<b>28%</b>



Once millennials have been inspired to consider and then book a UK break, the next challenge is to keep them coming back for more. Our data shows that by far the leading factor in prompting someone to book a return visit is a sense that it was value for money.

Some 41% said overall value for money was the most important factor, followed by experience of location (31%) and quality of the accommodation (28%).

We've already underlined the importance of providing 'best in class' levels of service to customers when it comes to encouraging positive reviews. Understanding what makes them tick can also help heighten this sense of value for money.

Accor Hotels has already considered how to do this, piloting a scheme in which staff would review guests' public social media pages and offer them personalised dining and sporting experiences based on their findings.

There's clearly a fine line to tread between informative and intrusive when it comes to tailored, targeted offers, but those who are able to offer immediate benefits will always be well placed to win repeat business.

Kempinski Discovery hotels offers members of its loyalty scheme 'local experiences' including cultural outings, along with discounted stays and 'third night free' vouchers – all of which trump traditional point-based schemes involving too much outlay before any real saving is achieved.

Offering a 'refer a friend' scheme in which both parties get money off their next booking, may also play well with a generation that loves to share and like anything that looks like value for money.





## Conclusion

A roadmap for success

The UK staycation industry should be thriving, attracting more interest than ever from millennials. While VisitEngland's research suggests that's not the case, our data shows it's possible to appeal to this audience and future-proof the UK staycation market.

Great customer service and exceptional value for money will always be important – the essential proposition of a brand, destination, location or resort must always be up to scratch – but there's also a need for UK travel brands to recognise that times have changed.

Millennials are by definition the original digital-first generation, but they will not be the last – that's why digital has to be at the heart of any strategy aimed at inspiring current and future audiences to consider, book and recommend taking a UK break, and why savvy travel and leisure brands are doing all they can to digitise their offer and future-proof the staycation market for many years to come.

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# Conclusion



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