



Millennial Generation Outbound Travel Market, the Case of Oporto

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ABSTRACT

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In Europe, short city breaks are popular. Tourism is characterized by shorter and more frequent trips, spaced throughout the year, lower spending per tourist and making use of low cost airlines. We witnessed a democratization of the use of air transport, traveling who cannot afford this activity in the past and increasing travel the frequency of those who have travelled. This change in travel habits affect the travel industry and hospitality. Oporto is currently one of Europe's tourist destinations with the highest growth, which is due mainly to increased demand from tourists for city breaks. Recognition is generally as shown in the Lonely Planet magazine that indicated Oporto as the fourth best European destination in 2012. The city of Oporto was considered the best European destination of 2017 by the site "European Best Destinations". Oporto Airport is located only 11 km from the city center. It is the second airport in the country in passenger traffic, only surpassed by Lisbon. Low-cost airlines reduce the annual seasonality of tourist demand in the region. More tourists directly and indirectly stimulate activity, particularly by generating spillovers and other positive externalities. The internet has exploded with a plethora of online sites that directly sell travel and tourism services and products to consumers. 'Millennials' are a large market segment who apparently have special characteristics such as the desire for authentic cultural experiences and who use technology intensively. The objective of this work is to answer a set of questions related with young people of the Oporto region in their travels. Do they travel more often? How do they behave as tourists? Do they take advantage of a low cost carriers hub? Do they also travel in off-peak periods? The data collection method for the study was the questionnaire inquiry. The inquiry contained 22 questions, the majority of them of multiple choice. 140 valid surveys were randomly collected. The presence of a low cost carrier hub has as a consequence that young people from Oporto are traveling and using the plane. The Internet is the favourite method for organizing the trip. The type of tourism preferred are sun and sea and cultural tourism. Increased seasonality in people traveling with friends than in the case of family travel. Positive correlations for airplane and heritage. Positive correlation for airplane and travel in the winter.

1. Introduction

At present tourism is characterized by shorter and more frequent trips, spaced throughout the year (Ferrer-Rosell et al., 2014), lower spending per tourist and making use of low cost airlines (Castillo-Manzano et al., 2011). Low cost airlines are in the present increasing their quality perceived by passengers (Kim and Lee, 2011). We witnessed a democratization of the use of air transport (Lohmann e Duval, 2011), traveling who cannot afford this activity in the past and increasing travel the frequency of those who have travelled. This change in travel habits affect the travel industry and hospitality (Fleischer et al., 2011). In Europe, short city breaks are popular (Dune et al, 2010). Porto was considered the best European tourist destination in 2014 and 2012. It featured significant growth and diversification in the number of visitors,

new routes and passenger record at the airport Francisco Sá Carneiro. Porto is currently one of Europe's tourist destinations with the highest growth, which is due mainly to increased demand from tourists for city breaks (Costa, 2014). Recognition is generally as shown in the Lonely Planet magazine that indicated Oporto as the fourth best European destination in 2012 (Lonely Planet, 2012). The increase of tourism offer in Porto has been rampant and the quantity and quality of the hotel offer accompanies this dynamism. According to PwC, the city of Porto had the highest growth of Revenue per Available Room in 2017 and 2018. It should be noted that Porto was considered European Best Destination in 2014 and 2017, ahead of Paris, Rome or Milan.

Porto is served by Francisco Sá Carneiro airport (FSCA), endowed with the latest generation infrastructure and good growth capacity. It is one of the most award-winning airports in Europe in the last decade, having received distinctions from the Airport Service Quality Awards in 9 of the last 10 years. It stood out as the 3rd best airport in the world in the segment of 2 to 5 million passenger in 2006, the best airport in Europe in 2007 and the best airport in Europe in 2016 for infrastructures of 5-15-million passenger category. Between the awards dates –with the exception of 2012 –it ranked as one of the best three airports in Europe.

The increase in the number of air routes to Porto -sustained by an unprecedented growth as a tourism destination -has been very expressive. The location of the Ryanair hub at the FSCA has been a driver in this process.

Porto Airport is located only 11 km from the city center. It is the second airport in the country in passenger traffic, only surpassed by Lisbon (6,050,094 vs. 15,301,176) (ANA, 2013). In the last 20 years has quadrupled the number of passengers, from 1.6M to over 6M in 2012, especially due to city breaks (Carballo-Cruz, 2014).

Low-cost travellers have also been a great boon to short-term vacations (2 or 3 days) by promoting a huge variety of destinations a few hours away at reduced prices throughout the year, making them very affordable (UNWTO, Williams and Baláz, 2009).

We know that low-cost airlines reduce the annual seasonality of tourist demand in the region by spreading tourist arrivals throughout the year by directing them to off-peak times through reduced prices for periods not the high season (ELFAA, 2004). For example Ryanair flies to 11 countries from Porto.

More tourists directly and indirectly stimulate activity, creating a virtuous wave that reaches the entire economy, particularly by generating spillovers and other positive externalities (Andraz et al., 2015). Families have more money available and this enables more activities, such as traveling.

In the last decade the internet has exploded with a plethora of online sites that directly sell travel and tourism services and products to consumers. (Salazar et al., 2016). As the exponential growth of online travel retail has been occurring, the natural aging of the Baby Boomer, Generation X, and Millennial affects the travel and tourism market and its online market channel strategies.

Researchers have recently been focusing on these generational differences especially since the Millennials' annual spending is expected to be over USD 2.45 trillion. By 2018, millennial income is estimated to be USD 3.39 trillion annually, which will surpass that of the Baby Boomers (Oracle, 2010). 'Millennials' are a large market segment who apparently have special characteristics such as the desire for authentic cultural experiences and who use technology intensively. (ITB, 2017).

2. Methods & Materials

The objective of this work is to answer a set of questions related with young people of the Oporto region in their travels. Especially abroad. Can they take advantage of the low cost carriers Hub? Does it affect the seasonality of the destination?

The critical dimensions are: travel habits; type of journey; travel motivations and destinations for travel. The data collection method for

the study was the questionnaire inquiry. We asked the participants about the dimensions found in the literature. The respondents were invited to participate voluntarily in writing and by e-mail. The inquiry contained 22 questions, the majority of them of multiple choice.

140 valid surveys were randomly collected in subjects of Portugal, grouped by District. The questionnaires were applied on paper, but especially on digital platforms, which forces them to formalize issues in a smaller number and require the average response to be concentrated in half a dozen minutes. The digital questionnaires put a range of additional potentialities that we can synthesize into three expressions: "minimized total costs", "broad reach of the respondent universe" and "abbreviated response time" (Nulty, 2008). The subsequent treatment is made easier, since most of the existing platforms (Reja et al, 2003) allow the collection of the responses given by the respondents in files that can be easily processed by analysis in Excel or SPSS. This study utilized a two-stage statistical analysis: descriptive, inferential.

Table 1: Sample characteristics

| Variables | Levels | % |
|----------------------|-------------------------------|------|
| Gender | Female | 67.5 |
| | Male | 32.5 |
| Age | - 20 | 17.9 |
| | 20-24 | 75 |
| | 25+ | 7.1 |
| Education (studying) | Degree | 74.3 |
| | Master | 33.6 |
| | Higher | 2.1 |
| School | Public | 68.6 |
| | Private | 31.4 |
| Area of study | Engineering | 19.3 |
| | Economics and Social Sciences | 63.6 |
| | Health Sciences | 17.1 |
| Study and work | Yes | 23.6 |
| | No | 76.4 |

N=140

Respondents are aged between 18 and 49 years. It should be also noted that 74% are currently studying at a university level. 68.6% in a public school. Most study economics and social sciences. Only a few work and study simultaneously. 95% belong to the Millennial generation.

3. Research and Results

The type of tourism preferred are sun and sea and cultural tourism. They not visited many countries yet. Probably because they just started traveling recently. The majority of respondents have visited 2 countries. (24,3% answers); Secondly visited one country 15,7%; 13,6% visited 3 countries. 12,1% visited more than five countries.

Most of the students mentioned as motivation of their last trip the Sun and Sea Tourism; The most wanted services during the trips are lodging, accommodation. The Hotel is the most requested type of accommodation (31,4%). 27.9% stayed with relatives and friends.

The Internet is the favourite method for organizing the trip. Car and airplane are the preferred means of transport to the destination of the trip; Car and airplane lead, with 77% combined. Then Bus (12,7%), train (7,8%) or boat (1,8%).

Most travel in the summer, with spring and winter having about 16% of the references each. About 50% of respondents usually travel with their family.

Table 2: Other results are shown in the table below

| Variables | Levels | % |
|---------------------------|-----------------------------|------|
| Number of trips | 1 | 50 |
| | 2 | 29.3 |
| | 3 | 9.3 |
| | 4+ | 11.4 |
| Type of Tourism | Sun and Sea | 31.4 |
| | Cultural tourism | 26.4 |
| | Nature Tourism | 7.1 |
| | Visiting relatives | 18.6 |
| | Other | 16.5 |
| Foreign Countries Visited | -2 | 42.1 |
| | 3-5 | 35.7 |
| | 6+ | 17.9 |
| Trip duration | 3- | 24.3 |
| | 4-6 | 27.9 |
| Type of accommodation | Camping | 11.4 |
| | House of family and friends | 27.9 |
| | Hostel | 12.2 |
| | Hotel | 31.4 |
| | Others | 17.1 |
| How organized the trip | Travel agency | 16.5 |
| | Internet | 45.7 |
| | Others | 37.8 |
| Means of transport | Airplane | 36.4 |
| | Car | 41.2 |
| | Train | 7.8 |
| | Bus | 12.7 |
| | Others | 1.8 |
| Season of the year | Spring | 16.2 |
| | Summer | 58.1 |
| | Autumn | 9.0 |
| Who travels | Winter | 16.7 |
| | Friends | 40.0 |
| | Family | 47.1 |
| | Alone | 5.0 |
| | Others | 7.86 |

N=140

Table 3: Results related to stay away

| Variables | Levels | % |
|--|-------------------|------|
| Types of service sought on the last trip | Restaurants | 18.1 |
| | Accommodation | 24.2 |
| | Night life | 16.0 |
| | Heritage | 23.8 |
| | Tourist Animation | 11.0 |
| | Others | 6.7 |
| Types of transport used at | Public transport | 23.3 |

| Destination | Car on foot | 34.9 |
|----------------|-------------|------|
| | Others | 36.7 |
| Amount Expense | | 5.1 |
| | - 199 | 50.7 |
| | 200 - 499 | 25.7 |
| | 500 - 999 | 14.3 |
| | 1000+ | 9.3 |

N=140

On the destination they travel most on feet, but also by car or public transports. During the stay, most students claim to walk. In general, travel expenses are below 200€; 70% of respondents are planning a trip this year.

We performed an exploratory analysis of the data, followed by an inferential analysis in which we compared counts and proportions, with the aid of the Chi-Square Test, to verify whether two or more independent populations (or groups) differ in relation to a given characteristic (Maroco, 2010). A type I error probability (α) of 0.05 was considered in all the inferential analyses. We analysed the seasonality. They travel mainly in summer season, but also at other times of the year.

Table 4: Chi-Square Test

| | | X2 | P | Status |
|--------------------------|---|--------|-------|------------|
| Usually with who travels | At what point (s) of the year frequently travel | 51.786 | 0.043 | Associated |
| | Trip duration | 85.877 | 0.029 | Associated |

N=140

There is no independence between these two variables, that is, between the time of year in which they travel and usually with whom they travel ($X^2(36) = 51,786$; $p = 0,043$; $N = 140$). From the data analysis we verify increased seasonality in people traveling with friends than in the case of family travel.

As for the duration of the trip, most respondents spend 5 or 7 days on their journey. Mode for people who travel with friends is 5 days. Mode for people who travel with family is 7 days. We find also no independence between these two variables, ($X^2(63) = 85,877$; $p = 0,029$; $N = 140$).

Table 5: There are also differences in the transport used during the journey

| | | X2 | P | Status |
|---------------|----------------------------|-------|-------|------------|
| Trip duration | Type (s) of transport used | 372.4 | 0.001 | Associated |

N=140

There is no independence between these two variables. Mode for airplane is 4 days. Which relates to shorter visits. Families seem to prefer Sea and Sun, and visiting relatives, while Friends prefer more cultural destinations.

Table 6: How travel again associated

| | | X2 | P | Status |
|-----------------|--------------------------|--------|-------|------------|
| Type of tourism | Usually with who travels | 47.907 | 0.020 | Associated |

N=140

There is no independence between these two variables, ($X^2(30) = 47,907$; $p=0,020$; $N=140$). Table below shows that will to travel again is associated with the way the journey was organized and if respondents got any type of monthly payment.

Table 7: Planning a travel – receive pocket Money / How organized the last travel

| | | X2 | P | Status |
|-------------------|-------------------------------|--------|-------|------------|
| Planning a travel | Receive pocket money | 4.452 | 0.035 | Associated |
| | How organized the last travel | 11.573 | 0.021 | Associated |

N=140

Table 8: Correlations

| | | Travel in the winter | Airplane | Heritage | Age |
|-------------------------|---|----------------------|----------|----------|--------|
| Nr of countries visited | r | .247** | .324** | | .281** |
| | p | .003 | .000 | | .001 |
| Travel in the Winter | r | | .167* | | |
| | p | | .049 | | |
| Airplane | r | | | .239** | |
| | p | | | .004 | |

4. Discussion

During this study, it was possible to explore the tourist habits of Portuguese university students. With further inquiries we will be able to understand the evolution of the results presented here. We verified the association of variables. With more data we can study the correlations and even use factor analysis, Porto and North of Portugal is growing as a destination, the number of low-cost travel and passengers at the Sá Carneiro Airport is increasing. Porto's youngsters travel more and to sundry destinies. The presence of a low cost carrier hub has as a consequence that Porto students travel more often and throughout the year.

For further studies we should consider travellers segmentation, for example: backpackers, leisure travellers, student travellers, and work travellers. And Motivations, using The push and pull motivations model of Crompton who identifies 5 types: "Sense of romance", "experience once in a lifetime"; "Being at home, away from home"; "Feeling of comfort"; "Do something you really like" (Pesonen et al., 2011). We will extent this survey in order to cover this items.

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