

Millennials make an about-turn on accommodation preferences

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Self-indulged, technology-crazed and keen on authentic sharing accommodation options. That's how the hospitality industry in South Africa has come to know and love the Millennial generation.



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However, significant changes are brewing in this market, based on new research. Although technology and Wi-Fi will always be a necessity for Gen Y, these travellers realise that Artificial Intelligence alone can't deliver true hospitality. Artificial Intelligence has no Emotional Intelligence, and standardised text messages are unlikely to evoke an emotional reaction from clients.

Tremendous opportunities exist for hospitality that use "high-tech" for "high-touch" but it would be dangerous to assume that Millennials don't want to talk to a living person. Inherently social creatures, analysts maintain Millennials actually thrive on human interaction and hold kindness and authenticity up as core values.

This brings us to the "threat" of the sharing economy in the hospitality sector. Often seen as more authentic than traditional accommodation, the latest research shows that Millennials are, in fact, falling out of love with the likes of Airbnb amid a shift in travel preferences.

Survey results from Allianz Global Assistance and MMGY Global in August showed there is a waning interest among travellers for Airbnb and other sharing economy services, even among Millennials.

Offering authentic, local experiences

The Allianz study noted that 53% of respondents were "unlikely" to use Airbnb or its rivals when booking travel this year; 33% of adults were interested in using a home-sharing service, down from 41% in 2017 and 37% in 2016, the study found.

So why the change in attitude? Some say it's the consequence of a maturing demographic whose life circumstances are dictating new priorities. As many in the demographic become parents, the traditional services and amenities that a hotel provides have undeniable benefits.

MMGY's report also found the most common reasons for the decline in interest for Airbnb or services such as HomeAway directly favours hotels. The top reasons travellers said they disliked home sharing included not wanting to share accommodations with strangers and believing hotels had superior locations and room products.

These changing attitudes of the Millennial generation signal a massive opportunity for hotels to focus more on offering authentic and local experiences in a setting that travellers have identified as being of 'higher quality'.

Make your offering more relevant and personalised by making travellers feel like a local and by suggesting relevant local experiences. But most of all, let's always continue doing what we, as South Africa's hospitality sector, do best: offering an authentic and quality accommodation experience. It is what any generation values most.

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