

# Generation Z: What Do They Want from their Hotel Stay Experience?

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*"The children now love luxury. They have bad manners, contempt for authority, they show disrespect to their elders. They no longer rise when elders enter the room. They contradict their parents, chatter before company, gobble up dainties at the table, cross their legs, and are tyrants over their teachers."* Attributed to Socrates in 470 BC, this popular quote sums up how humanity has felt about its younger generation since the beginning of time.

Generation Z is no exception. Born between 1995 and 2010, these digital natives have become an important influence on people of all ages and incomes, according to a **McKinsey report**.

In particular, they are changing the way we consume and relate to brands. This has far-reaching consequences for hospitality, making it essential for hotels to take notice of what Gen Z wants from a hotel stay experience—and to ensure they provide it.

## Understanding Gen Z

While the majority of Gen Zers are still under the age of 20, this demographic already makes up 25.9% of the U.S. population and is responsible for contributing \$44 billion to the economy. They may not be booking hotel stays just yet, but Sparks and Honey's **Generation Z 2025: The Final Generation** shows 65% of parents consider their teens' opinions when they buy family vacations. What that opinion is includes the following:

## Tech, Tech and More Tech

It goes almost without saying that innovative technology is a must for any brand aiming to serve Gen Z in the future. What many don't appreciate fully, however, is the degree to which this group is continuously connected. It's no longer enough to have free internet in your properties. Offerings now need to extend to seamless Wifi for multiple devices, hiccup-free video streaming, and Internet functionality that integrates with hotel systems such as mobile check-in and room access, bill payment, and even ordering capabilities.

## Social Media Integration

With Gen Z being always online and completely comfortable with social media, it's vital for hotel brands to have strong, active presences on social media that guests can connect with at any time. That means up-to-date profiles, frequent postings, interactive communication on multiple channels, and a solid social marketing strategy. Research shows this group typically **logs up to 10 hours a day of screen time**, with many experts arguing that it's not an addiction but an extension of themselves.

## A Community Experience

The days of "I want to be alone" are long gone, and Gen Zers are noticeably focused on aligning with a community culture. They value experiences over material possessions, and the ability to meet and mingle with others is an important part of travel. Hotels that offer communal seating, social hubs, dining and common areas for guests wanting to interact with others deliver the atmosphere they're looking for.

### Summary

Generation Z currently comprises more than a quarter of the U.S. population and delivers a hefty contribution to the economy. They may not be booking hotel rooms yet, but they already have a significant impact on their parents' choices of accommodation.

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## Enterprising Dining

Food-related activities are a huge part of the Gen Z experience, with food media driving expectations in a big way. A 2018 study by Y-Pulse called “**Understanding Tomorrow’s Tastemakers Today**” showed 56% of respondents watched Food Network shows and food videos on Facebook and Instagram. As a result, while Gen Zers still want to experience the fun aspects of ordering from the kids’ menu, they prefer to choose their own food from the adult menu. They want sharable food with photo-worthy presentation, made from plant-based, ethically-sourced, and locally-available ingredients.

## Value for Money

Gen Z is keenly aware of economic insecurity, having grown up partly during the Great Recession. This makes them responsible about spending and determined to get value for money, while not skimping on the basics. Their youth and relatively good health enable them to take advantage of lower costs for alternative accommodation with less emphasis on luxury and comforts, a factor that has contributed significantly to the rise of services like Airbnb and ride-sharing apps like Uber. A recent study from UNiDAYS and Ad Age found Gen Z students actually prefer staying at hotels than booking Airbnbs, which is a reverse trend that’s good news for hotel chains across the world.

## A Local Lens

With their focus on experiences rather than possessions, they want **authentic local experiences rather than traditional**, guided touring. It’s important for hotel brands to offer opportunities for guests to enjoy local food and entertainment as part of a cultural immersion in the community.

## Opportunities for Engagement

The rise of user-generated content over the last decade has made Gen Zers very comfortable with crowdsourcing information about future purchases. They base their decisions to buy on reviews by strangers, friends, and influencers and believe they have a duty to contribute to the conversation. Engagement is the name of the game and **Gen Zers aren’t afraid to engage**—as long as it’s seamless, error-free and worth their while.



## Preparing for a Gen Z Future

All this makes it stunningly clear that Gen Z is already impacting the hospitality industry and will continue to do so for at least the next decade. Hotel brands should start implementing measures *right now* if they want to be ahead of the pack. Many are, with big brands like Marriott, Hilton and even Generator adapting their philosophies rapidly to include:

- **Reviewing marketing methods:** Reaching this demographic is going to require high levels of personalization. As a result of the constant bombardment of information, Gen Zers have developed sophisticated methods of filtering out irrelevant information. As selective media consumers, they have both

the knowledge and the awareness to rule out any attempt at interruption marketing, so getting their attention is going to require fine-tuning. To reach them meaningfully, you'll need to **meet them where they hang out** (hint: it's online), focus on direct, individualized messaging that emphasizes benefits for them, leverage reviews and engagement, deploy superior technical designs, and highlight your company's values. You'll also need to make the switch from text-heavy marketing to a more visual, video-based approach, because, **according to the Pew Research Institute**, 85% of Gen Zers use YouTube and 32% say they use it more than any other social media site. Earn instant respect by proving to your Gen Z guests that you understand social media, by making it part of their journey from arrival to departure.

- **Implementing high-touch tech options:** Several hotel brands are doing this; Hilton's new *Signia* line; one of the newest on the market is starting out with three locations in **Florida, Atlanta and Indiana**. This new brand makes use of natural light and smart technology that offers guests over 100 workouts in their rooms and the gym, wireless charging stations, digital whiteboards, an app that controls check-ins, in-room lighting, temperature, and access to the user's own Netflix account.
- **Assessing destination appeal:** With the Gen Z focus on the experience, destinations that are "ho-hum" are not going to cut it. Destinations that aren't exciting and inspirational in and of themselves need to connect with tour operators who offer unique, local adventures, not cookie-cutter versions. In a paradoxical shift, those authentic, local activities also need to be available via online booking options, without the guest having to spend 30 minutes on hold by phone.
- **Getting app-enabled:** "There's an app for that" might be tongue-in-cheek for Boomers and Millennials, but for Gen Zers it's a foregone conclusion. Brands that don't have apps for booking, ordering, and their loyalty programs are likely to be considered outdated by this audience. And since many teens can already write mobile apps of their own in an hour or two, they simply won't take seriously any major brand that can't wrap its proverbial head around the idea.
- **Revisiting the dining experience:** Gen Z is causing the restaurant industry to review the dining experience offered for guests, and hotel brands need to do the same. *Technomic's 2018 College and University Consumer Trend Report* shows 42% of respondents want street foods on the menu, 23% prefer to "build" a meal of appetizers or snack goods, 46% choose chicken ahead of any other protein, and hamburgers and pizza remain reliable favorites. To capture the imagination of this market, hotel brands need to factor these requirements into their dining offerings alongside the use of organic, sustainable and locally-sourced ingredients.
- **Evaluating the facilities:** The days of huge, ornate and intimidating lobby areas are gone, and hotels need to rethink their layouts. Focus on comfortable, communal and connected public spaces, where guests can relax for indefinite periods of time watching video on their devices, chatting online and even running their businesses by mobile. When it comes to accommodations, they don't need the predictability of having the exact same furnishings in Bermuda as Baltimore. They want **the local colors and flavors of the destination**, updated with a high-tech spin.
- **Connecting with celebrity ambassadors:** When **Kylie Jenner posted she no longer opens Snapchat** in Feb 2018, the company's shares sank by 7.2% and lost \$1.3 billion in market value within a day as a result. While chances are good Jenner had no idea what the fallout of her tweet would be, it just shows how much weight the opinion of an influencer carries. Hotel brands that have the budget would do well to court a particular celebrity and get them onside, rather than waiting for competitors to do it first. Brands that don't have the funds for a Jenner can team up with micro-influencers who can act as ambassadors for your destination.
- **Consulting with Gen Z demographic:** The sure-fire way to take account of a target audience's requirements in your planning is to ask them what those requirements are. Hotels can do this in several ways. First, there are multiple studies available that provide information. Second, the audience itself is so tech-enabled it's an easy step to set up research online, on social media and by email to ask them for their opinions. And third, a **2018 study by American Hotel & Lodging Educational Foundation** shows 51% of Gen Zers express interest in working in hospitality. What better way to ensure you're catering correctly to a market segment than to employ members of the target audience yourself?

Generation Z is on its way, and hotel brands wanting to remain relevant and competitive in the future have limited time available in which to prepare for this audience. At the very least, hotel executives should be reviewing the points listed here to determine whether they are on track for this new market segment.

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