

StudentUniverse + Skift Present: The State of Student Travel

special
report

Student travelers represent a key demographic for travel-brand growth, but only if brands commit to understanding the evolving wants and needs of this primarily youth-driven segment. In this report, we define the student traveler, frame their in-destination desires, and break out key changes already happening industry-wide to address the revenue that travel verticals stand to mine within the student-travel space.



WWW.SKIFT.COM



WWW.STUDENTUNIVERSE.COM

If you have any questions about the report, please contact trends@skift.com.

Save on student and youth flights

Negotiated discounts with over 70 airlines globally

Professional account management with 24/7 support

Individual and Group bookings

No discount cards to purchase

14 years experience with millions serviced



What do you get with StudentUniverse?

Fast, personal service with 24/7/365 support

Direct phone number and e-mail of a dedicated Travel Services specialist

Group payment tools - students can pay directly

No hidden ticketing fees



How can my business benefit?

Discounted airfare adds to your bottom line or increases savings for participants

We take care of all your participants' travel questions, concerns and emergencies

Your staff no longer needs to be stuck on the phone negotiating with the airlines all day



Contact us today for a free, no-obligation quote.

+1 (855) 742-0293
www.studentuniverse.com
travelservices@studentuniverse.com

About us

StudentUniverse is a tech company that empowers students and youth to travel. We deliver exclusive deals and experiences through our website and mobile apps to the fastest growing segment in travel. We offer discounted rates on flights, hotels, tours and more to students and youth. StudentUniverse is on a mission to make global experiences possible. We believe that travel is essential to a modern education and that students return enlightened and inspired.



Executive summary

The student traveler represents fully one-fifth of all international arrivals in the travel industry, today. They command a market value of some \$320 billion and they are willing to spend to create experiences that go far beyond the backpack-and-party crowd that some would assert to have once characterized educational journeys abroad.

The student traveler is setting trends, prompting progressive airfare packages, fresh insights into how alternative accommodations can be designed and made to function, and they are seeking innovation on the part of the verticals that await them in-destination. The student traveler wants to visit their target locations differently from older tourists – and they want to volunteer in-destination, and they want to work there, too. Furthermore, when they return home, they expect – and are reaping – tangible personal and professional benefits from their time abroad.

Increasingly global, and deeply rooted in the Millennial generation, the student traveler has been recently bolstered by a significant new wave of Chinese youth joining their ranks – and China is proactively promoting itself as a destination for student travelers as well.

Student travelers represent not only an opportunity to capture valuable revenue in the present, they are also the future business travelers of tomorrow – and as such they stand to grow into travel budgets many times greater still. Furthermore, the student traveler, as a demographic, has proven highly effective at discovering, and making newly attractive to others, numerous destinations that different tourists might otherwise overlook.

This Skift report considers all of these factors, and more, and it includes key insights from StudentUniverse, a leader in the student-travel space.

Table of contents

Executive Summary 4

Introduction 6

Framing (and re-framing) student travel 8

Beyond backpacks and parties

Study abroad: expanding spend, expanding demographics

Globalization and the international student traveler

The role of mobile in student travel

Student travel: industry perspectives 13

Airfares apart: student rates

Student-travel accommodations

In-destination: engaging the student traveler

The student traveler comes back: personal and professional benefits 19

Insights and Strategies 20

Lessons from the Edge: The Future of Student Travel 21

About Skift 24

Endnotes and Further Reading 25

About Skift

Skift is the largest industry intelligence and marketing platform in travel, providing news, information, data and services to all sectors of the world's largest industry.

Based in New York City, Skift has deep experience in identifying and synthesizing existing and emerging trends, in its daily coverage of the global travel industry, through its Skift Trends Reports and its data insight from SkiftIQ competitive intelligence service. Skift is the business of travel.

Visit skift.com for more.

Introduction



Prague, CZ
Source:
StudentUniverse

Student travelers are driving a market rife with returns for travel-industry verticals, but the rewards are within reach only if brands commit to the opportunities the student traveler represents as he or she undertakes their journey. It is a journey that can include not only tourism, but study, work, and volunteer efforts.

Statistics help to illustrate the potential of the student traveler.

For one, the demographic accounts for more than 20% of all international arrivals.¹ At one-fifth the total travel volume in a given year, there is, in the student traveler, significant business to be courted and captured – and revenue to be won.

Still, the student traveler is at times misunderstood as a kind of backpack-and-party crowd. But that's an old cliché and experts – as well as students – say that it is increasingly being replaced by modern and better understandings of the intersection of educational travel and tourism.

The college-based traveler is, in fact, a savvy and goal-oriented consumer. Their average length of stay in a given destination is on the increase, and what they spend, in-destination, is also on the rise. Furthermore, the demographics of what we understand to be the student traveler are changing. Once primarily considered to be the post-high school and college-undergraduate age group – an

18–24-year-old bracket – the concept of the student traveler is no longer limited by that parameter. Both younger and older individuals make up the range.

STUDENT TRAVELERS:
MARKET AND DEMOGRAPHICS

Age group	15-30+
Anticipated arrivals (2020)	300m
Anticipated market value (2020)	\$320b
Percentage of student travel funded by family	36%

SOURCE: StudentUniverse: Proprietary Report: 'Next: Worldwide leader in youth/student travel'

STUDENT TRAVELERS:
COLLEGE MARKET SNAPSHOT (USA)

Percentage of college students (male)	40%
Percentage of college students (female)	60%
Number of public and private colleges	4,100+
Number of college students	21m+
Estimated discretionary spend (college students)	\$120b+

SOURCE: StudentUniverse: Proprietary Report: 'Next: Worldwide leader in youth/student travel'

Key to reaching the student-travel consumer is a deeper look at who they are, where they are going, and what they do in-destination. Also important is a lens onto the ways travel brands are evolving to meet the student tourist's wants and needs. As such, the spotlight of this report is on the student traveler. This is their story, and these are the opportunities they are creating, industry-wide.

Framing and (re-framing) student travel



◀ Machu Picchu, Peru
Source:
StudentUniverse

Student travelers, circa 2014, are in-destination for classroom experiences; they are crossing borders for language immersion; they are taking jobs and internships while abroad.

The student traveler hails from all over the world — and is increasingly coming to the market from Asia. He or she is also prominently represented by the rise of the Millennial demographic.

And the student traveler is increasingly possessed of definite ideas about what they want from their trip experiences.

Beyond backpacks and parties

“I wanted something real, something authentic,” wrote Julika Sarah, a German art historian and medievalist who blogged about her experiences as a student traveler in Portugal, in 2013.² “I wanted to get to know the locals and improve my Portuguese. This was most likely not going to happen at some all-you-can-drink-event.”

While having a good time with peers isn’t absent from student travel, industry leaders

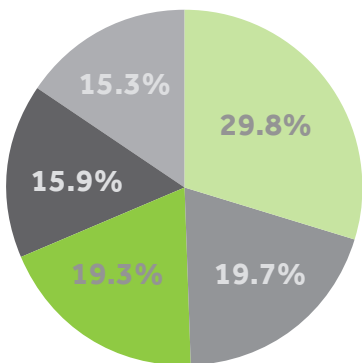
would do well to pay attention to the opportunities illuminated by statements such as Sarah’s.

“I really loved having a daily routine,” she continued. “That moment when I started recognizing the people at my subway stop, or when the waiters of the pastelaria next to my university started to ask me ‘um sumo laranja natural como sempre, menina?’ when I came in, because they knew I loved their fresh-pressed orange juice — those were the times I started realizing that Lisbon was my home. And that was the most beautiful feeling of all.”

In scenarios much like this one, the student traveler is looking for a specific kind of immersion — one that is about making a kind of (temporary) home within the culture they’ve chosen to experience.

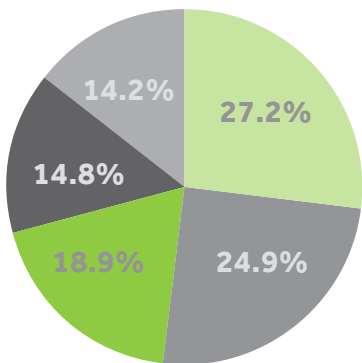
At the start of September, 2014, Skift partnered with StudentUniverse to ask educational travelers what they sought, regarding destination environments and their ideal kinds of trips. The following charts show what the respondents had to say.

STUDENT TRAVEL: PRIMARY ACTIVITIES



Chief goals during student travel (females 18–24):

- Historical/Cultural Site Visits: 29.8%
- Make Local Friends: 19.7%
- Explore Local Cuisine: 19.3%
- Parties/Nightlife: 15.9%
- Language Learning: 15.3%



Chief goals during student travel (males 18–24):

- Historical/Cultural Site Visits: 27.2%
- Parties/Nightlife: 24.9%
- Make Local Friends: 18.9%
- Explore Local Cuisine: 14.8%
- Language Learning: 14.2%

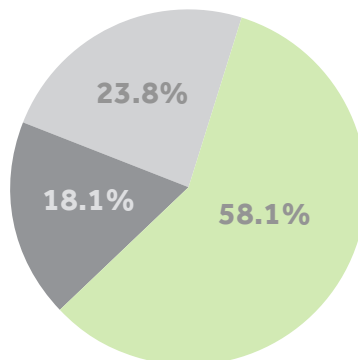
SOURCE: Skift/StudentUniverse Survey (2014)

In a significant way, by this measure, history is on the minds of student travelers.

And, as Sarah’s words perhaps predicted, the female segment of the demographic is prioritizing one-to-one interactions in a way that isn’t tied to the bar or club (at least, as often as it is for some of their male counterparts). Interestingly, however, when asked about parties and nightlife, the same student travelers further framed their journeys as learning-prioritized events.

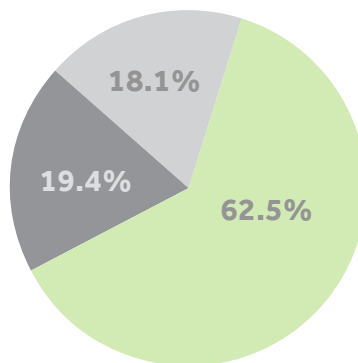
STUDENT TRAVEL AND NIGHTLIFE

Student travelers were asked if they would still travel if parties/nightlife were limited or absent from the experience.



Males:

- Would Still Travel : 58.1%
- Would Not Travel: 18.1%
- Not Sure: 23.8%



Females:

- Would Still Travel : 62.5%
- Would Not Travel: 19.4%
- Not Sure: 18.1%

SOURCE: Skift/StudentUniverse Survey (2014)

When framing the student traveler as an experience-conscious consumer, it is time to re-frame their inclinations. The student traveler wants a well-rounded set of options while in-destination. This is not surprising when one considers — as we will in the next section — more about the characteristics that the student traveler’s most commonly encountered demographic tends to include.



◀ Miyajima, Japan
Source:
StudentUniverse

Study abroad: expanding spend, expanding demographics

With 300 million student-travel related arrivals expected by 2020, and those arrivals accounting for an estimated \$320 billion dollars in revenue, the student traveler is oncoming, on the grow, and spending to make certain they get what they want.³

Part of the travel industry's prize, when it comes to curating and cultivating relevant experiences for student travelers, is that of their life-long travel budgets. That is, capturing a portion of it — it can range from \$40,000–\$120,000 per individual — relies in large part upon the notion that future travel choices emerge in significant ways from experiences and patterns that occur during a consumer's younger years.⁴

Meanwhile, the student traveler's budget runs from \$1,000–\$6,000 on a typical trip.⁵

To target the kind of experiences that attract students with these resources, it is important to recognize the significance of the Millennial generation, 18–24 years old. Relevant points surrounding their in-destination behaviors include the following.⁶

- Millennial travelers are keen to find themselves in relatively remote destinations.
- Millennials are more inclined to stay in hostels than in traditional hotels.
- Millennials remain in-journey longer, typically spending more than two months on a trip.

But the student traveler is not only a Millennial. As we'll explore next, they're increasingly international, increasingly global, and bringing with them the details of their own cultural demographics.

Millennials: future business

Millennials might not be the core customers of airline, hotel, and other travel verticals, yet. But they are likely to spend a good deal of money in that market in the near future. This is expected to be the case especially in the business-travel segment of the market, as Millennials grow into it: they are expected to account for some 54% of the segment by 2025.

[SOURCE: [Boston Consulting Group Report \(2013\)](#)]

Globalization and the international student traveler

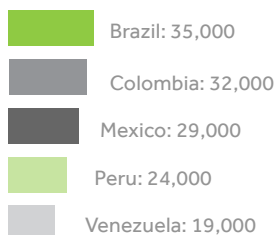
The student traveler is approaching what they do in-destination with immersion and local contact as a goal, and they are a wide-ranging globalized market segment — representing a pan-continental, pan-cultural spectrum. The following chart shows a selection of countries of origin, when it comes to student travelers. Note that Asia is addressed in a separate chart, as that region is addressed in some detail, later in this section.

COUNTRIES OF STUDENT-TRAVEL ORIGIN (SELECTED REGIONS, BY NUMBER OF STUDENTS ABROAD)

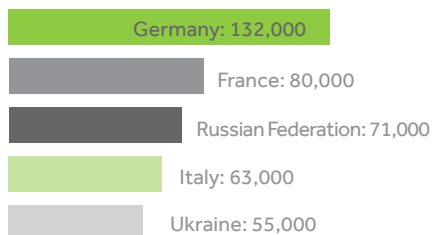
NORTH AMERICA



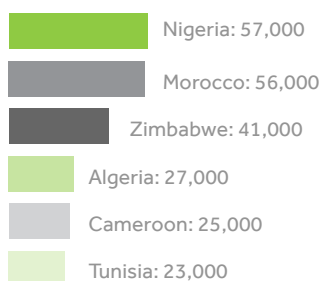
LATIN AMERICA AND THE CARIBBEAN



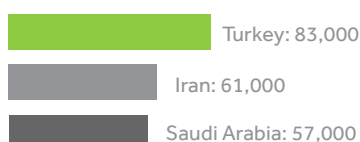
EUROPE



AFRICA



ADDITIONAL MARKETS



SOURCE: ICEF Monitor (2014)

While the U.S. continues to reign supreme among students in terms of study and preferred destinations,⁷ China is not only growing in status as a student-travel target, it's also expected to reach number one on the list for arrivals by 2015.

TOP STUDY DESTINATIONS (BY TOTAL INTERNATIONAL STUDENT TRAVELERS)

	2011	2012
United States	764,495	819,644
United Kingdom	480,755	488,380
China	292,611	328,330
France	284,945	289,274
Germany	252,032	265,292
Australia	242,351	245,531
Canada	193,647	214,955
Japan	138,075	137,756

SOURCE: ICEF Monitor (2014)

China's global share "barely registered", in 2001, according to ICEF Monitor, but by 2012 its international enrollment measured at some 8% of the market, worldwide.⁸ Furthermore, within the context of China's National Plan for Medium and Long-term Education Reform and Development, the country has set a goal of attracting 500,000 foreign students by 2020.⁹

ASIA AND THE STUDENT TRAVELER

Percentage of All Students Studying Outside Home Countries Represented by Asia	53%+
Percentage of All Students Studying Outside Home Countries Represented by China, India, and South Korea	25%+
Ratio of Students Studying Abroad Hailing from China	1:6

SOURCE: ICEF Monitor (2014)

Flashpackers

A slightly older segment of the student-travel market has given rise, in recent years, to the flash-packer. This traveler's typical characteristics include the following.

- Flashpackers are primarily composed of in-destination travelers who then elect to flashpack.
- Flashpackers are, in the main, over the age of 30.
- The flashpacker travels light, and on a budget of at least \$1,000 per week.
- He or she is likely to be in transit with a laptop (75% of the time) and/or likely to have video capability.
- The flashpacker is inclined to use social media frequently.
- This subset favors accommodations — particularly hostels — that offer free Wi-Fi.
- For the most part (62%), flashpackers are male.

[SOURCE: WYSE Travel Confederation: "New Horizons III: A global study of the youth and student traveller" (2013)]

Foreign students and the U.S.

Number of Foreign Students on F-1 Visas in U.S. Colleges (2001): **110,000**

Number of Foreign Students on F-1 Visas in U.S. Colleges (2012): **524,000**

Tuition Paid, Foreign Students (2008–2012): **~\$21.8B**

Other Spend, Foreign Students (2008–2012): **~\$12.8B**

[SOURCE: Brookings (2014)]

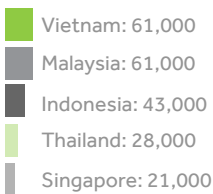
“China wants to be seen as a major player internationally in terms of education,” Anthony Welch, a professor of international education at the University of Sydney, told ICEF.¹⁰

COUNTRIES OF STUDENT-TRAVEL ORIGIN, ASIA (SELECTED REGIONS, BY NUMBER OF STUDENTS ABROAD)

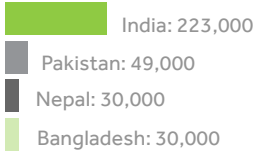
EASTERN ASIA



SOUTH-EAST ASIA



SOUTH ASIA



SOURCE: ICEF Monitor (2014)

The role of mobile in student travel

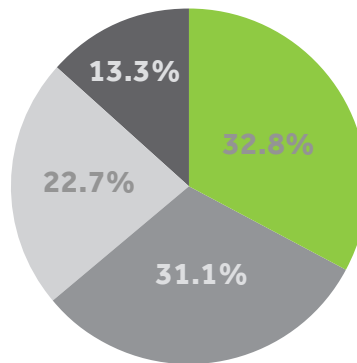
The student traveler is, in the way of many travel consumers circa 2014, accustomed to mobile connectivity as a constant in their lives.

That being said, their relationship with the tablet and the smartphone does not mean that travel verticals should automatically default to a strategy of mobile-only outreach. Mobile and desktop bookings are generally on the rise within the travel industry, but the status of the mobile device in the context of student travel is in flux, according to recent reports.

Within the student-travel demographic, many first turn to a laptop browser for information about future destinations — about as often as they turn to mobile web. And person-to-person contact is still a desirable avenue for travel-related queries. A recent Skift/StudentUniverse survey further illustrates student-traveler preferences.

STUDENT TRAVELERS ON TRAVEL-INFO SEARCHES

Student travelers were asked what resources they turn to first for information when in-destination.



- Internet on Laptop: 32.8%
- Internet on Smartphone/Smartphone App: 31.1%
- Local Host: 22.7%
- Internet on Tablet/Tablet App: 13.3%

SOURCE: Skift/StudentUniverse Survey (2014)

Mobile travel audience by age

- 18–24: 5%
- 25–34: 35%
- 35–44: 19%
- 45–54: 5%
- 55–64: 12%
- 65+: 10%

[SOURCE: Millennial Media/comScore Report: 2014]

U.S. mobile and desktop travel bookings (2011–15)

- Desktop 2011: \$114B
- Mobile 2011: \$2B
- Desktop 2012: \$126B
- Mobile 2012: \$7B
- Desktop 2013: \$135B
- Mobile 2013: \$13B
- Desktop 2014: \$145B
- Mobile 2014: \$23B
- Desktop 2015: \$158B
- Mobile 2015: \$40B

[SOURCE: Business Intelligence/WYSE Travel Confederation: 2014]

Student travel: industry perspectives



Paris, France
Source:
StudentUniverse

The growth of the student-traveler demographic is ongoing. It represented 15% of global tourism in the 1990s, 20% in the 2000s, and it is expected to grow to some 25% of total tourism in the coming years.¹¹

The market value of those travelers manifests in several different ways for different student-facing brands across industry sectors. A selection of examples can be seen in the following chart.

STUDENT-TRAVEL MARKET VALUE
(SELECTED SECTORS)



Student travelers can significantly support established destinations as they spend, show resiliency to shifting global circumstances, and offer repeat business (one study found a return rate of 54%).¹² Additionally, the student traveler poses the potential to penetrate, develop, and make permanent new destinations.¹³

- Young travelers often spend more than other tourists.
- The demographic is likely to return and give more value to the destination over their lifetime.
- Student and youth travelers are a growth market, globally, while the spending power of older generations in Western economies stands to decline over the long term.
- Younger individuals are less likely to be deterred from traveling by terrorism, political and civil unrest, disease, and/or natural disasters.
- Young travelers are often the pioneers who discover new destinations.

Evidence of the student traveler's influence on the market can be found in the expansion of brands, as driven by the demographic. Some 31% of student-travel related brands have opened a new home office since 2011, and 17% have opened an office abroad.¹⁴

These segments of the travel space that have emerged to focus on the marketing and sale of student trips and experiences include STA Travel, its core products including airfare, in-destination packages, global cell phones, and discount cards.

Also working within the student-travel sphere is StudentCity — which represents something different than agencies considered in this report, so far. Describing itself as “providing the ultimate Spring Break experience for more than 20 years,” the company also offers student-targeted excursions on luxury yachts in locations such as the British Virgin Islands.¹⁵ While it’s still reaching out to college-age travelers, StudentCity’s products are not necessarily the same kind that, say, Julika Sarah blogged about in an earlier section. The point is, student-travel agencies are enacting more than one approach to the demographic, in this case with a measure of success.

StudentUniverse’s approach, since going online in 2000, is visually similar to an online travel agency. Its site leads with an OTA-familiar call to action: visitors enter travel dates and destinations to get a menu of booking options. Users can additionally set their search to a flexible mode, in which the three dates preceding and following an entered timeframe are also evaluated. If there is a cheaper price within the expanded parameters, those are given to the student traveler as well. StudentUniverse even allows the student traveler to directly compare the prices it generates to results available at OTAs such as Priceline, Expedia, and others.¹⁶

It is worth noting that in many ways “traditional” OTAs have yet to become synonymous with student-discount fares. To some extent, this is likely connected to student-travel agencies protecting their products from becoming commonly available at other outlets (more on this in the next section), but it is also almost certainly related to the booking preferences that student travelers have expressed.

For example, “for most of the students, online travel agency (OTA) sales in their native countries represent a much smaller

percentage of total sales than they do in the U.S.,” wrote Arnie Weissman, in *Travel Weekly*.¹⁷ “A student from Brazil said that trust, or rather lack of trust in the online shopping experience, is hindering the growth of Internet commerce there. But beyond that, he felt it was difficult for the OTAs to break in because travel agents are, for now, woven into the culture.”

A student from Singapore told Weissman that OTAs did not allow him to shop as specifically as he could with an agent — particularly when it came to desiring one particular flight or needing granular details about luggage and other policies.

A takeaway, then, is that many student travelers want travel companies to supply adviser-level expertise as part of the purchasing experience, especially since this is likely the first time these students are traveling independently apart from their family. If OTAs and other entities can get that kind of specificity and depth of detail into a technology-based platform, then students in sectors where online sales have room to grow might well represent an untapped resource.

Startups are, of course, hungry to get into the game as well. And they’re often creating products that represent detail and depth in one slice or another of the overall student-travel milieu.

Consider, for example, WeHostels — which StudentUniverse acquired in 2013 (as of that year, the company had grown some 65% to keep up with its student-consumer demand).¹⁸ The app-focused tool allows users to book budget accommodations and also find in-destination concerts and festivals on a global scale. Its usefulness in a student-travel context is clear: hostel-type stays and youth-friendly entertainment choices aim to appeal to the demographic.

Student-travel accommodations: a snapshot

Bed Occupancy:
2010: **57%**
2011: **59%**
2013: **59%**

Largest Age Group: **25–34**

Most Frequent Length of Stay: **2–3 nights**

Average Bed Rates (peak):
single room: **\$51.79**
dorm bed: **\$31.07**

Revenue per Available Bed: **~\$30.43**

[SOURCE: [WYSE Youth Travel Accommodation Survey \(2014\)](#)]

The screenshot shows the StudentUniverse Flights interface. At the top, there are navigation tabs for Flights, Hotels, Tours, Activities, Rail, Travel Guides, Group Travel, and FarePlay. The main search results are for 'New York, NY to Copenhagen, Denmark' on 'Fri, Jan 16 - Sat, May 16, 1 traveler'. A table shows flight options with prices: Non Stop (\$740), 1+ Stops (\$632, \$632, \$642, \$673, \$695, \$749). The selected flight is a round-trip on United Airlines for \$632, with flight details: EWR 8:10PM Fri to CPH 1:50PM Sat (1 stop), and CPH 12:20PM Sat to EWR 7:47PM Sat (1 stop). The page also includes a 'Fare Alerts' section and a 'Customize Search' section.

Source: StudentUniverse

Peer-to-peer fundraising is also circulating within the student-travel startup space. Project Travel allows students to pitch a concept or actionable goal abroad — one that can be tied to an organization's or school's travel program.¹⁹ Users then pledge to the projects they think ought to be financed. Gap-year travel is a startup focus, too, with First Abroad, Gapyear, and Realgap seeking to curate program choices for college students (and even college drop-outs).²⁰

As the industry seeks to make new inroads into how students buy and engage with travel opportunities, so student travelers are also prompting changes to how verticals provide services. In the following sections, we look further into how travel is reacting to the demographic's market influence.

Airfares apart: student rates

The airline tickets that student travelers access are in some ways a protected commodity within the student-travel space. That is, they represent a significant advantage to the demographic in question, but they are also — understandably — the kind of price point that the industry seeks to limit in terms of the general traveling populace.

"There are only a few players in the industry, worldwide, who have access to net rates

on airfare specially discounted for college students and youth," said Paul Jacobs, vice president of marketing at StudentUniverse. "We have a student fare that is cheaper than the market price about 60% of the time. Discounts are 10%–15%, on average, but can be as high as 45%–55%, in some cases."

EXAMPLE OF STUDENT-TRAVELER FLIGHT DISCOUNTS

Trip: NYC-LON
Date: 1/5/2015
One-way fare: \$332 on StudentUniverse on Virgin Atlantic
Comparison Price: Expedia — \$492 on Icelandair
Comparison Price: Priceline — \$500 on Icelandair

Trip: NYC-CPH
Dates: 1/16/2015–5/16/2015
Round-trip fare: \$632 on United
Comparison Price: Expedia — \$739 on Scandinavian
Comparison Price: Priceline — \$739 on Scandinavian

Trip: NYC-LON
Date: 9/17/2014
One-way fare: \$606 on Air Canada
Comparison Price: Expedia — \$743 on Singapore
Comparison Price: Priceline — \$743 on Singapore

SOURCE: StudentUniverse

"We negotiate these fares directly with about 70 major airlines," Jacobs said, and applicants to those tickets have to prove their student status. "Users need to pass through our verification process in order to verify that they qualify to buy student/youth fares. Most of these fares can be purchased by any college

Student travel and the share economy

As brands consider student travelers' choices in-destination, they would do well to consider behaviors based on the demographic's Millennial-heavy makeup. Of the generations participating in the burgeoning share economy, Millennials are statistically the most active.

Generation Z (<20):
Global Avg.: 7%

Millennials (21–34):
Global Avg.: 35%

Generation X (35–49):
Global Avg.: 17%

Baby Boomer (50–64):
Global Avg.: 7%

Mature (65+):
Global Avg.: 1%

— Percentages represent individuals who said they are likely to participate in a sharing community.

[SOURCE: Skift: 2014]

student, or anyone who is between 16 and 25 years old. Students and youth can search and book any of these fares directly on our website or app.”

And, he noted, there are other options for the student-travel consumer: “We do also sell published airfare rates, so not every price listed on our site is a special rate.”

The volume of student travel also pushes discounts into a specialized place when it comes to group airfare.

“When you have a group of 30, 50, or 300, for example, all flying together, it’s tough to book them online,” Jacobs said. “Typically, you work with an agent that negotiates with airlines to get a group rate. They will typically call a few airlines and get competitive quotes ... It’s also about getting everyone on the same flight, reserving seats before you know all the names and making sure everyone pays the same price.”

Student-travel accommodations

Hostels, couch-surfing, and other types of non-hotel, peer-to-peer rentals have responded to the demands of student travelers by making themselves increasingly easy to access as well as leaning into the kind details that can be attractive to the younger traveler’s mindset.

“They need to have the cultural experience, and the sense of being a global citizen, also” said Aaron Chaffee, vice president of hostel development at Hostelling International USA. “That’s what they see in the hostel experience, and in couch-surfing ... and in AirBnB, but usually only if you’re sharing a room ... it’s that cultural exchange and they’re trying to pick the accommodations where that works.”

PERCENTAGE OF FACILITIES THAT DEVELOPED NEW AMENITIES (SELECTED TYPES, 2011–13)

Mobile applications	28%
Energy-efficient lighting	70%
Recycling	66%

SOURCE: WYSE Youth Travel Accommodation Survey (2014)

Recent research considering numerous types of non-hotel accommodations, those geared toward the student traveler, also supports the assertion that the student traveler tends to want particular amenities — from booking online and via mobile devices to a greater social-media presence on the part of their chosen outlets. Social-media use is especially present in student accommodation and hostels, which are organizations that also frequently engage with consumers socially online, particularly in North America.²¹

Student travelers are also seeking an environmentally and aesthetically agreeable sense of design. At newly developed properties in the United States, Chaffee said Hostelling International is incorporating physical and programming details keyed to the student experience.

- Stays include on- and off-site activities and programming intended to increase guest-to-guest and guest-to-community interactions.
- New locker spaces now include a dedicated space for mobile devices and access to electrical outlets while closed and locked.
- More electrical outlets for recharging mobile devices are provided, bedside, and individual bed lights are increasingly the norm.
- Web infrastructure upgrades to provide adequate on-site Internet capacity for online guests.
- Facility design incorporates thoughtful and modern lines that dovetail with Millennials’ expectations of aesthetics that are sharable via social media.

“This group wants an Instagram experience,” Chaffee said. “There are a lot of great things going on in Millennials’ heads — how they think about things and their impact on society — but they also want those ‘bragging rights’. They want that prompt to put that picture on Instagram as part of their experience. And you get that with some good design.”

Gateway hostel cities (U.S.)

Key cities growing the market for student travelers, according to Hostelling International USA include:

- Miami Beach
- New York City
- Boston
- Los Angeles
- San Francisco
- Chicago
- Washington, D.C.
- New Orleans

[SOURCE: Hostelling International USA, interview with Aaron Chaffee, vice president of hostel development]



Source:
macabrephotographer /
photo on Flickr

In-destination: engaging the student traveler

If “bragging rights” are part of the design landscape for organizations such as HIUSA, they are also a consideration when it comes to what tour companies and other in-destination services offer. In much the same way that hostels are geared toward a somewhat different mindset from the traveler who might seek a luxury hotel, the student-travel tour itinerary is also a different animal from the typical consumer-travel agenda.

Tour operators and sending agencies command enough volume that they should enjoy a substantial study-set for getting student packages to align with the demographic. Some 80% of student-travel bookings happen through such companies, of which there are more than 26,000 in operation.²²

There are however, challenges, according to StudentMarketing research, in that brands within the sector can be “small, making for a fragmented landscape where it is a challenge to find right partners in source market, on the one hand, and offering great opportunity for large brands and investors on the other hand.”²³ Large or small, the brands that reach the student traveler are likely to benefit from providing them with extraordinary location-based experiences — ones that skew away from the major hubs to which tour packages might otherwise anchor.

“Package tours with busy schedules in multiple destinations are being replaced by multi-directional developments such as in-depth and theme tours,” according to Jen Thraenhart, managing director of Dragon Trail.²⁴

In Thraenhart’s look at Chinese tourists, in particular, the tour-group model remains a time-saving and complication-avoiding option, but “tourists are increasingly pursuing personalized tour experiences, shifting away from the traditional concept of a tour group.”

Another key to understanding the student traveler from an industry perspective is to note that many of them are in-destination with the intention of working and/or volunteering. This can occur in tandem with, but also apart from, academic endeavors.

“To put it bluntly, students should travel abroad to volunteer or work in a foreign country and culture rather than to study,” wrote Daniel Delaney, a Brown University student, in a recent edition of the school’s Daily Herald.²⁶ “Volunteering and working can help with language skills and cultural knowledge. They can aid poor communities and bring a measure of cultural diffusion and international cooperation to many parts of the world.”

The reconceptualizing of students working and volunteering abroad is a phenomenon that is not only extending the concept of

A look at student discounts

An early example of the student-discount ecosystem can be found in 1949, when the International Student Travel Confederation emerged as a non-profit organization seeking to promote international contact and understanding among young people in the aftermath of World War II.²⁵ Part of its development was the introduction of the International Student Identity Card.

Initially, and for some time, the ISIC primarily allowed student travelers to tap into cheap airfares. Later, they provided access to public transportation in-destination and discounts on museums, shopping, and entertainment. Many of these features are more recently moving to online platforms, providing discounts without the earlier requirement of obtaining a card.

student travel — gap-year trips, for example, and volunteerism-specific packages — but parents are willing to pay to have their children experience employment abroad. In the U.S. and the UK alone, families have set the acceptable price at roughly \$9,000 per pupil.²⁷

Preferred programs in this sector tend to be humanitarian in nature, or they fall otherwise within the category of community-development. And the student traveler is part of a burgeoning “voluntourism” sector — some 1.6 million tourists generating \$2 billion in revenue annually.²⁸

One example is Haley Nordeen, an international-relations major at American University, who traveled to Antigua, Guatemala during her summer between semesters. She

helped build a library at an orphanage and she tutored while there as well. “I’ve met a lot of international-relations majors here,” she told NPR, in July 2014. “It seems like a trend.”²⁹

Separate from volunteers, students who work while in destination make up the most common type of student traveler to North American destinations and they tend to land roughly the same age group as the voluntourist — in this case, they are most often 20–22 years old.³⁰

Going back to Delaney’s observations, the student traveler is after something substantial when it comes to their time abroad. In many ways, as we’ll examine in the next section, student travel is about more than what they get in-destination. It’s about what these young travelers are able to bring back.

Volunteer tourists

The key age group for voluntourists is within the demographic of the student traveler. Further details of the voluntourist include:

- The voluntourist is most often 20–25 years old.
- Most volunteering travelers are women.
- An increasing number of voluntourists are high-school students who are traveling to volunteer.

[SOURCE: NPR (July 31, 2014)]

The student traveler comes back: personal and professional benefits



Source:
StudentUniverse

What's clear when students talk about the end results of their educational travel experiences is that going abroad — whether to study, volunteer, work, or simply immerse oneself in a different culture — brings about changes that can be quantified. A recent StudentUniverse survey breaks out some of the benefits that student travelers have identified, following their trips.

THE STUDENT TRAVELER AND EMPLOYMENT

Percentage of student travelers who put student travel on their resume	94%
Percentage of student travelers who said student travel improved their resume	83%
Percentage of student travelers who said student travel was an interview talking point	85%
Percentage of student travelers who said their trip helped them get a job	88%

SOURCE: [StudentUniverse Survey \(2013\)](#)

Beyond employment impacts, however, students also responded along lines of personal growth and development.

THE STUDENT-TRAVELER EFFECT

Percentage of student travelers who said student travel affected career path	75%
Percentage of student travelers who said their trip improved self-confidence	97%
Percentage of student travelers who said student travel provided insights to personal strengths/weaknesses	99%

SOURCE: [StudentUniverse Survey \(2013\)](#)

As a dynamic and evolving segment of the travel industry, the student traveler might well be one of the more complex markets for industry brands to reach. But with them comes a kind of energy and engagement that travel and tourism cannot ignore. Brands that plug into the conduit that student travelers represent stand to not only boost revenue, but also to help define — and redefine — their identities within the tourism space.

Student travelers, as the details explored in this report suggest, turn out to be not only a demographic set to drive business for the most effective at marketing and industry leadership, but they are one that sets trends and that forges new, forward-leaning directions for travel as a whole.

Insights and strategies

- **Young travelers are influencers and trend-setters.** Young people play an important role as influencers. Their choices and preferences can prompt others to use certain products or brands. Likewise, their presence can attract new visitors to otherwise less-noticed destinations. For example, it was estimated that each young visitor taking a course in higher education, in Australia, was visited by an average of 1.3 people during their stay.³¹ The results of that traffic? An additional AU\$1.2 billion annually for the country's economy.
- **While they are trend setters, young travelers are suspicious of trendy brands.** "Many companies put too much effort into picking up trends rather than creating arenas for young people to express themselves," said Jens Thraenhardt, managing director at Dragon Trail.³² "Never underestimate the subtle nuances in people's desire to be different."
- **Travel brands: young consumers want straightforward experiences.** "They want either material gain – some free products, a good discount or perhaps a winnable competition – or they want to be entertained," wrote Luke Mitchell, in *The Guardian*.³³ In one tale from a Youth Marketing Strategy conference, Mitchell reported on how Lonely Planet, a publisher with a student-traveler readership, came to experience just this kind of cut-to-the-chase phenomenon. "Months after sharing content and encouraging discussion, a Facebook user piped up and asked why they didn't announce they had a new book for sale," Mitchell wrote. And therein lies the lesson.
- **Don't dismiss the collateral spend.** The student traveler also pays for all the items that go along with them during travel and in-destination. That includes luggage, toiletries, clothing, laptops, tablets, and smartphones. Brands would do well to create strategies that either capitalize on these expenditures or that align themselves with the brands that provide such goods. Co-marketing opportunities are yet another vista for travel brands that can think outside the box.

Lessons From The Edge: The Future of Student Travel



At StudentUniverse we have focused on student and youth travel for more than a decade. This college educated, tech-savvy segment represents one of the fastest growing markets of the travel industry. It is a resilient consumer group that spends more time together than most other social or professional groups, with meaningful buying power. It is big too: Generation Y is now estimated to be the largest consumer group in U.S. history.

Student travel plays a central role in the worldwide travel economy. Study abroad programs fuel global connections, local economies and create a globalized workforce. Students often stay longer than the average tourist and are more likely to return in the future. With the age range for youth and student travel changing from its historical 18-25 to 16-30, the market is getting an increasing amount of attention.

The youth and student travel industry matters. It is not a just a set of specialized travel providers catering to small pockets of early-stage consumers. It is a \$200B+ annual feeder team that supplies the big leagues with next-gen business and leisure travelers. The future of the travel ecosystem is built on the education of our youth. All of us will benefit from fueling the global interest and empowering more people to travel.

So what have we learned after more than a decade catering to student/youth travelers and what are some of the key trends as we look to the future?

1. **Digital will be it.** All of it. Students are already tech-dependent and early adopters. We have seen this in their adoption of mobile commerce and the sharing economy. Millennials will continue to lead the travel market away from offline and traditional sales channels, setting trends for other segments and shaping corporate project plans. Current offline experiences like specialty travel stores, in-market activities, dining and accommodations will also be ruled by digital experiences.

2. **Young people age too.** We are already seeing growing investments from key players in the market. Emerging airlines, destinations and hotel chains challenged with an aging customer-base, like nations dealing with aging populations, are investing heavily in millennials—the future business and family travelers.
3. **Travel patterns and destinations will change.** A decade ago most North American spring break bookings were to a handful of domestic and international destinations. Now students travel to all corners of the world. The future of student travel is truly global and travel patterns will resemble what has already become the norm in more liberal and isolated markets such as Australia and Scandinavia. What's considered adventurous today will soon be common. BRIC will no longer need an acronym. North America and Europe will be challenged by Asia as the premier education travel destinations. The Middle East will move from an emerging hub to the world's most common connection point.
4. **Experiences will be more important than landmarks.** Students will travel for authentic and unique experiences that can help them accelerate personally and professionally. In a globalized economy employers will want to see global immersion. Over the past decade volunteer, adventure and educational travel has grown exponentially—this is a trend that will only accelerate.
5. **Young populations will come online.** Many nations, such as Japan, are challenged with aging populations. Other nations, like Vietnam and Thailand, have massive groups of young people - and they are about to come online like never before. Online, as in skipping their desktops and going straight to their smartphones and online as in traveling the world. Low cost carriers, deregulation, growing middle classes and a digital revolution will make what seemed only a dream possible: To travel the world.
6. **Big brands will die because of young brats.** Although that may seem like a bit of a tabloid statement, it's not. This is nothing new, many brands have failed to keep up with consumer demands as generations shifted. It's a cycle of life really - only this time it's fueled by technology and an increasingly impatient, yet well-educated audience. Users want seamless tech services and they are only loyal to something worth being loyal to. They are tech dependent and they'll expect their favorite services to work

everywhere. They will want a global experience. *Why can't I use Uber in your city? Why does it cost so much to use my phone abroad? A plane without wifi? Why does a hotel room cost more than an apartment? Why don't you have a student discount? Apple has one. Where can I study abroad, mom?*

7. **Student debt has more than quadrupled.** Needless to say, salaries have not. As the total cost of college continues to increase debt will follow. According to several consumer expenditure studies, student loan payments are now greater than many other spending categories, such as entertainment and apparel. College, when financed correctly, is certainly a phenomenal investment in future earnings. That said, too many students will graduate with a level of debt that will impact their discretionary spending patterns and therefore the travel industry. Such debt levels will also continue to impact parents.



Atle Skalleberg
Chief Executive Officer, Student Universe

About Skift

Skift is the largest industry intelligence and marketing platform in travel, providing news, information, data and services to all sectors of the world's largest industry.

Based in New York City, Skift has deep experience in identifying and synthesizing existing and emerging trends, in its daily coverage of the global travel industry, through its Skift Trends Reports and its data insight from SkiftIQ competitive intelligence service. Skift is the business of travel.

Visit skift.com for more.

Like what you see?

Skift's new content studio SkiftX helps brands such as Amadeus, American Express, Egencia, Hilton, Peak Adventure Travel and others create thought leadership in the global travel industry, through trends reports, research, branded content, social media audits and other content marketing initiatives, and helps distribute through its industry marketing platform.

Contact us for more details:

Rafat Ali,
Founder & CEO, Skift
ra@skift.com
212-564-5830

Endnotes and further reading

1. "Market Overview and Trends," StudentUniverse.com: Youth Travel. Retrieved at <http://www.student-market.com/youth-travel>
2. Sarah, Julika. "Studying Abroad in Europe — Myths and Realities." Sateless Suitcase (January 25, 2013). Retrieved at <http://www.sateless-suitcase.com/2013/01/studying-abroad-in-europe-myths-and-reality/>
3. "Student Market Map," StudentUniverse (July 2013). Proprietary report.
4. "Market Overview and Trends," StudentUniverse.com: Youth Travel. Retrieved at <http://www.student-market.com/youth-travel>
5. "Student Market Map," StudentUniverse (July 2013). Proprietary report.
6. Machado, Amanda. "Millennials want to see the world — and they know they can afford it," Quartz (July 1, 2014). Retrieved at <http://qz.com/228310/millennials-want-to-see-the-world-and-know-they-can-afford-it/>
7. "Student Market Map," StudentUniverse (July 2013). Proprietary report.
8. "China now the world's third most-popular study destination," ICEF Monitor (June 11, 2014). Retrieved at <http://monitor.icef.com/2014/06/china-now-the-worlds-third-most-popular-study-destination/>
9. "China's progress towards its ambitious target to attract 500,000 students by 2020," ICEF Monitor (August 24, 2012). Retrieved at <http://monitor.icef.com/2012/08/chinas-progress-towards-its-ambitious-target-to-attract-500000-foreign-students-by-2020/>
10. Ibid.
11. "Market Overview and Trends," Student Marketing (2014). Retrieved at <http://www.student-market.com/youth-travel>
12. "AM Reports, Volume 2: The power of youth travel," UNWTO/WYSE Travel Confederation (2014). Retrieved at <http://www2.unwto.org/publication/am-reports-volume-2-power-youth-travel>
13. "Youth and Student Travel: Industry Review No. 4; Marketing," WYSE Travel Confederation/StudentMarketing (2014). Retrieved at <http://www.wysetc.org/2014/03/26/new-wyse-travel-confederation-research-launched-youth-and-student-travel-market-industry-review-4-marketing/>
14. Ibid.
15. "SC Elite," StudentCity (2014). Retrieved at <http://www.studentcity.com/trips-and-destinations/sc-elite>
16. "StudentUniverse: Flights," StudentUniverse (2014). Retrieved at <http://www.studentuniverse.com/>
17. Weissman, Arnie. "Globalization and the image of retailers," Travel Weekly (March 17, 2014). Retrieved at <http://www.travelweekly.com/Arnie-Weissmann/Globalization-and-the-image-of-retailers/>
18. Wood, Samantha. "StudentUniverse Makes It Even Easier for College Students to Travel with Acquisition of WeHostels," BostInno (November 18, 2013). Retrieved at <http://bostinno.streetwise.co/2013/11/18/boston-startups-studentuniverse-acquires-travel-startup-wehostels/>
19. Shankman, Samantha. "5 Travel Startups for Airport Pickups, Student Travel and Home Rentals," Skift (September 23, 2013). Retrieved at <http://skift.com/2013/09/23/5-new-travel-startups-for-airport-pickups-student-travel-home-rentals/#1>
20. Castellanos, Sara. "Gap-year travel startup First Abroad offers cheap programs 'too good to be true'," Boston Business Journal (June 9, 2014). Retrieved at <http://www.bizjournals.com/boston/blog/startups/2014/06/gap-year-travel-startup-first-abroad-offers-cheap.html?page=all>
21. "The Youth Travel Accommodation Industry Survey," WYSE Travel Confederation (2014). Retrieved at <http://www.wysetc.org/research/publications/youth-travel-accommodation/>
22. "Market Overview and Trends," StudentMarketing (2014). Retrieved at <http://www.student-market.com/youth-travel>
23. Ibid.
24. "AM Reports, Volume 2: The power of youth travel," UNWTO/WYSE Travel Confederation (2014). Retrieved at <http://www2.unwto.org/publication/am-reports-volume-2-power-youth-travel>
25. "History of the ISIC," International Student Identity Card United States (2014). Retrieved at <http://www.myisic.com/About/History.html>
26. Delaney, Daniel. "Delaney '15: Don't study abroad, volunteer or work abroad," The Brown Daily Herald (April 17, 2014). Retrieved at <http://www.browndailyherald.com/2014/04/17/dont-study-abroad-volunteer-work-abroad/>
27. "AM Reports, Volume 2: The power of youth travel," UNWTO/WYSE Travel Confederation (2014). Retrieved at <http://www2.unwto.org/publication/am-reports-volume-2-power-youth-travel>
28. Kahn, Carrie. "As 'Voluntourism' Explodes In Popularity, Who's It Helping Most?," NPR (July 31, 2014). Retrieved at <http://www.npr.org/blogs/goatsandsoda/2014/07/31/336600290/as-volunteerism-explodes-in-popularity-whos-it-helping-most>
29. Ibid.
30. "New Horizons," WYSE Travel Confederation (2013). Retrieved at <http://www.wysetc.org/research/publications/new-horizons/>
31. Saez-Gil, Diego. "10 Things You Might Not Know About the Youth Travel Market," StudentUniverse Blog (February 18, 2014). Retrieved at <http://www.studentuniverse.com/blog/2014/02/youth-travel-market/>
32. "AM Reports, Volume 2: The power of youth travel," UNWTO/WYSE Travel Confederation (2014). Retrieved at <http://www2.unwto.org/publication/am-reports-volume-2-power-youth-travel>
33. Mitchell, Luke. "The future of marketing according to youth: what 16-24s want from brands," The Guardian (October 25, 2012). Retrieved at <http://www.theguardian.com/media-network/media-network-blog/2012/oct/25/future-marketing-youth>