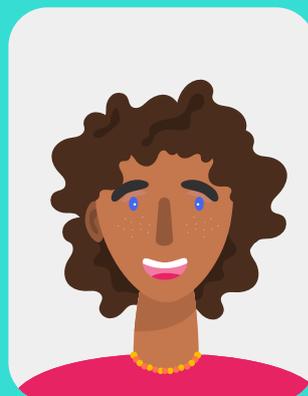
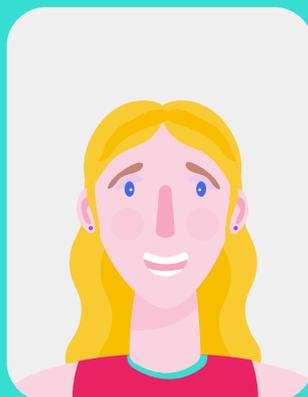
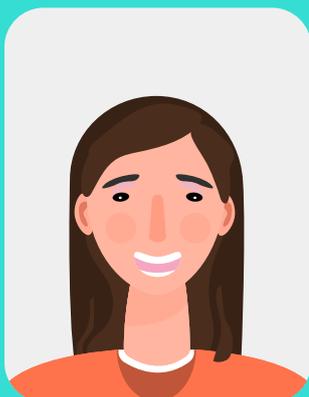


THE EVOLUTION OF THE HOSTEL TRAVELLER



HOSTELWORLD
MEET THE WORLD

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FOREWORD

"With technology connecting our world like never before, it may feel like there are no mysteries out there to discover. But the truth is, it's actually the exact opposite. The opportunity to explore our planet has never been greater, or easier.

Since its inception, backpacking has always been seen as a rite of passage in many countries, and rightly so. Although today's youth can virtually explore the world with headsets, uncovering what makes each place and its people unique is something they'll only be able to ever truly understand when they live it, in reality.

When we travel, we need to ensure we're not just seeing these cultures from the outside, but from within their communities. This is how we can get a true appreciation for how different societies live, their value systems and how they differ to our own. At the end of the day, these are the journeys that will help shape who we become.

Our report looks at how hostelling has changed over three generations, why it's evolving and what this means for the travel and hostel industry. We commissioned this study not only to gain a better understanding of hostel travellers, but to continuously ensure that we're helping them to create enduring memories and experiences that will last a lifetime.

Hostelworld has been a leader in the hostel travel industry since its inception in 1999, and we know that our growth has only happened through adapting to the changing demands of backpackers, and the related needs of our hostel partners. For the future success of the sector, we need to continue to recognise and adapt to the trends that define each generation's behaviour.

Over the last 20 years, we're proud to have played our part in expanding travel options for people across the globe as we've made it easier to connect travellers with the locations, hostels and experiences that they've dreamt of. We look forward to the next 20 years of helping tomorrow's explorers embark on their own adventures to meet the world and come back with extraordinary stories to tell."

Gary Morrison | CEO



4

KEY STATS

from the report

33%

Intrepid explorers are back: 33% decrease in tomorrow's travellers taking the tried and tested routes compared to past generations

25%

South America is a rising destination: Growing in popularity by 25% (from 16% of present travellers visiting to 20% for future explorers), and by a third (33%) from past to current travellers

75%

The future is female: 75% of young women (16-23 years old) have gone backpacking or plan to go, compared to only 67% of young men

1-2

Slow Travel is a thing: Backpackers are choosing to explore fewer countries in a single trip to get more out of each destination. Down from an average of 3-4 in the past to just 1-2 countries per trip in the future

44%

Décor domination: The importance of a hostel's décor has risen by 44% for today's travellers when choosing where to book

28%

Trust in the review: online reviews and recommendations carry more weight than ever before, with a 28% increase in reliance on reviews for today's travellers vs past generations

19%

Free hostel experiences: almost one in five (19%) backpackers say they're attracted to hostels offering free activities, over those that don't

Top things driving booking choice:

38%

Incredible scenery drives

27%

Reservations over activities

26%

Value for money

6

MEET
our travellers

WHO we surveyed?

Past (Gen X or Baby Boomers)

- Aged over 35
- Who went backpacking* by the age of 25



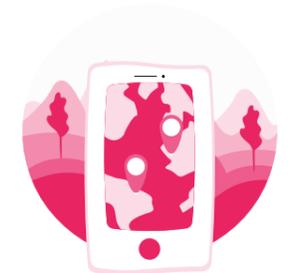
Present (Millennials)

- Aged between 22-34
- Who went backpacking* in the last five years



Future (Gen Z)

- Aged between 16-21
- Who plan to go backpacking* and stay in hostels in the next three years



We've gone from...

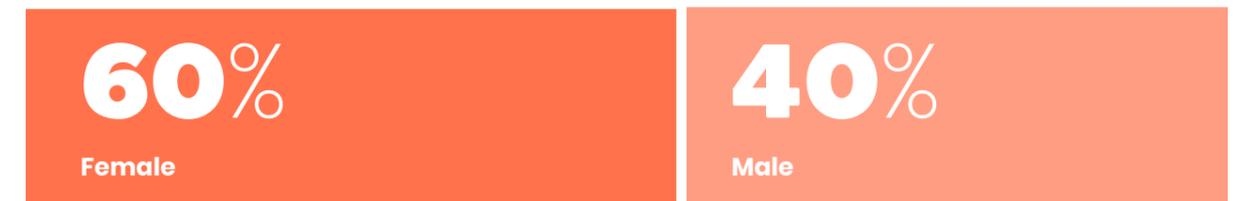
To...

Off track, true explorers

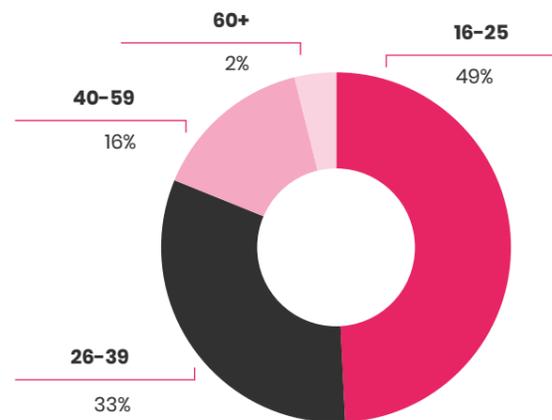
Tech savvy, always connected

*a multi-destination trip for three weeks or more and stayed in hostels/backpackers (shared room accommodation)

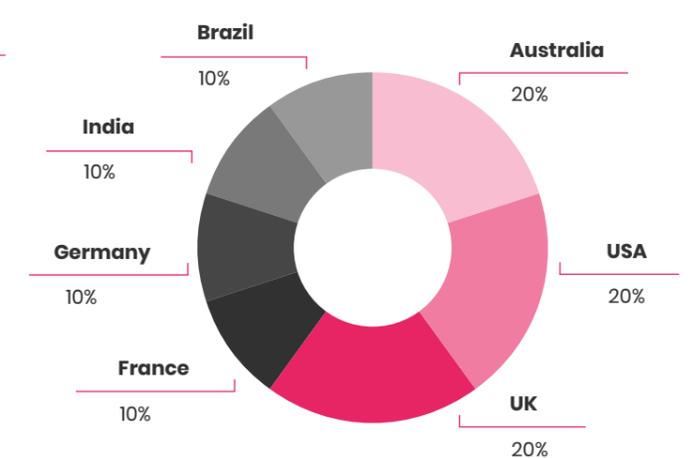
Gender split:



Ages surveyed:



Where are they from?



Survey commissioned by Hostelworld in January 2019, by Censuswide with over 5,000 respondents

8

RETURN of the Intrepid Explorer

TO boldly go...

For the Gen X or Baby Boomer backpackers, it was all about venturing to undiscovered territories. They were forging new paths for future voyagers by visiting mysterious places, and came back with unbelievable tales to share. Recommendations were passed along by word- of- mouth as the online travel community was only just developing. They were Intrepid Explorers.

However, with the rise in popularity of online reviews and digital destination guides, present travellers are spoiled for choice with much more information at their fingertips to plan their next adventure. With other travellers' ratings of hostels so easily available online nowadays, future guests are able to get a realistic idea of the atmosphere and condition of the places they're staying in before they set off. Proactively seeking to go beyond what they find online, future Gen Z travellers are now looking to get back to the roots of intrepid backpacking in order to set the pace for something new.

33%

Nearly a third (**33%**) of future explorers plan to avoid taking the tried and tested routes compared to Millennial travellers.

FORGING new paths

Rather than taking the path well-travelled, Gen Z explorers are looking to make their mark by venturing further into the unknown. For those planning trips in the next three years, taking the 'tried and tested routes' has declined by a third (**33%**) over previous generations making it as outdated as the Harlem Shake.

Where are we likely to see these new modern-day explorers? Whilst Europe captured the hearts of past jetsetters, Central America has created a newfound appetite for adventure, with a 61% increase in travellers heading there today.

Looking ahead, South America is the biggest emerging backpacker route for future travellers, with a quarter (**25%**) more planning to explore the continent compared to recent backpackers, and **67%** more than those travelling just a few decades ago. This means one in five (**20%**) 16-21 year olds surveyed intend to visit South America in the next three years. According to Hostelworld's customer data, almost a third of all bookings to South America are for stays in Colombia, followed closely by Peru and Argentina.

Latin America may be the go-to region for our future backpackers yet to leave the nest, but if we break it down by countries that today's travellers are already flocking to, the biggest growth comes from Eastern Asian countries.

Asia still tops the list for Millennial travellers

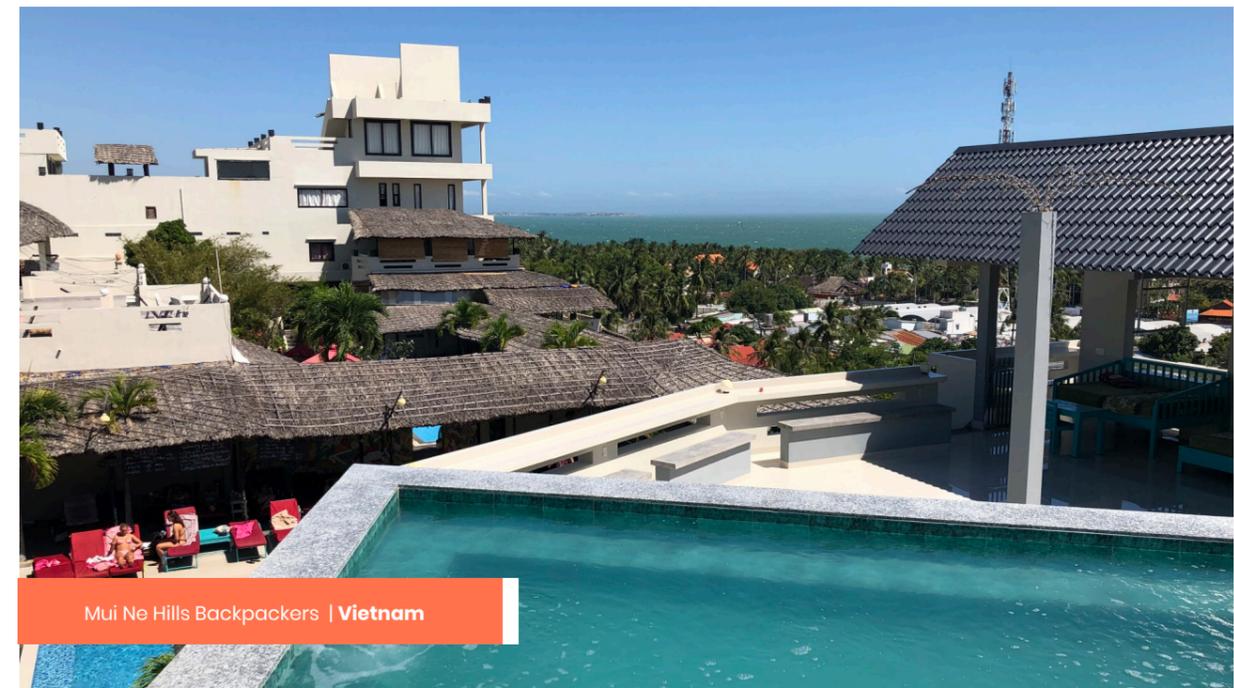
1. South Korea **+276%**
2. Japan **+151%**
3. Cuba **+135%**

Asia has always been a favourite for backpackers, mainly driven by the affordability of the region, with beds in the range of €3-4 per night* for hostels with a rating above eight out of 10, it's easy to see why. Over two-fifths (**42%**) of today's backpackers say they've visited Asia, and **37%** of tomorrow's travellers plan on heading there in the next five years. According to Hostelworld's own customer data, Thailand and Vietnam are also the countries with the most hostel properties operating to date, closely followed by Colombia, providing hostel guests with a wide variety of options from ultra-budget to true luxury.

Top cheapest hostels based on average bed price



Kiki's Housel | Vietnam



Mui Ne Hills Backpackers | Vietnam



High Tide Kampot | Cambodia

* Hostelworld analysed the average cost between April 2018 to March 2019

SO, WHERE HAS THE most visitors?

In terms of volume, Europe still seems to reign supreme with all the generational groups. Half of both past and present travellers place it on their 'been there, done that' list. And whilst South America might have grown the most in interest for future travellers, Europe still topped their go-to list. Women are particularly drawn to Europe, as **61%** of future female travellers say they plan to visit, compared to only **44%** of future men.

*List based on destinations with the biggest growth in desire to travel from present to future group.

Destinations with highest growth in desire to visit: ●

Present vs Future Travellers:

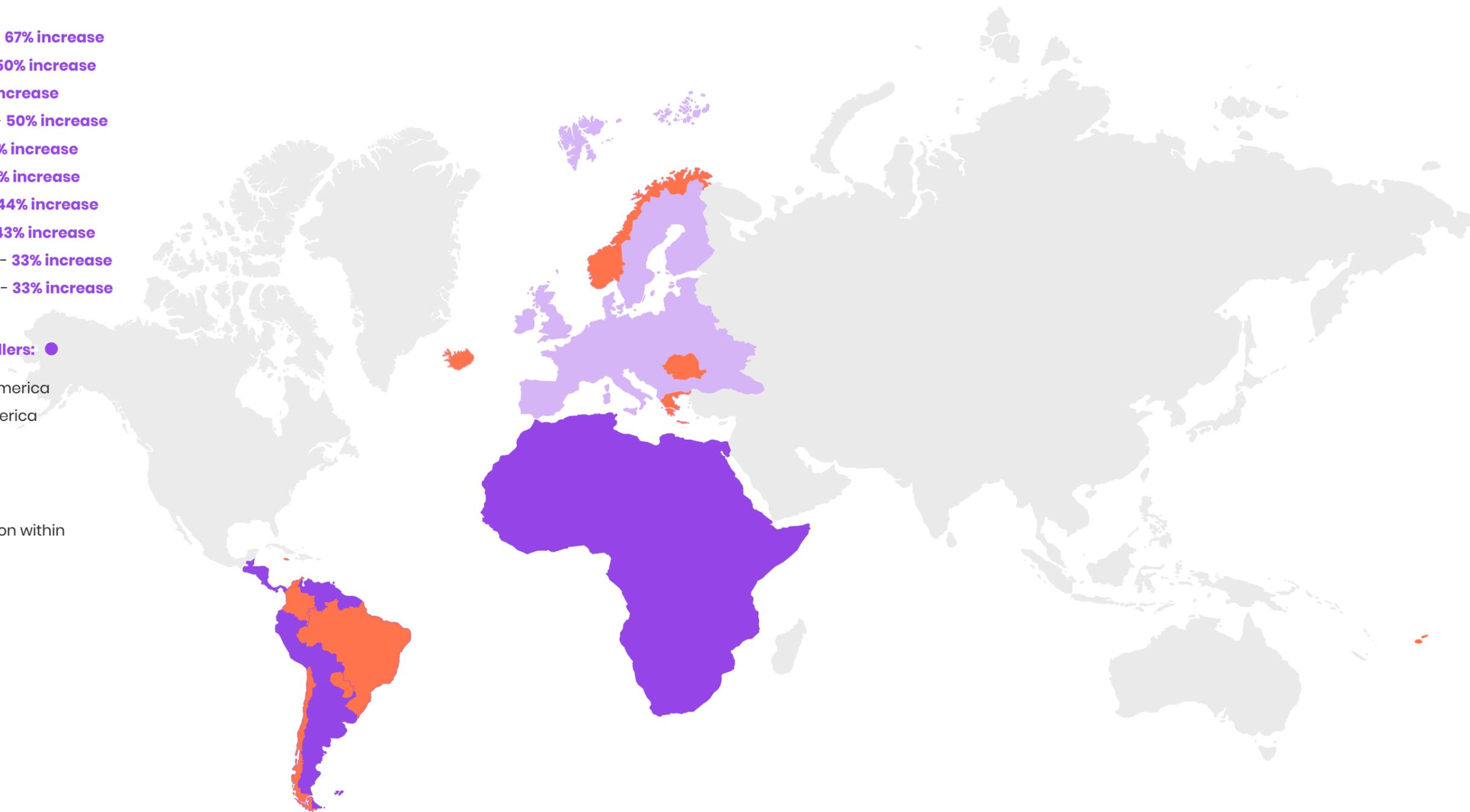
- 1. Jamaica - **67% increase**
- 2. Iceland - **50% increase**
- 3. Fiji - **50% increase**
- 4. Romania - **50% increase**
- 5. Chile - **50% increase**
- 6. Brazil - **44% increase**
- 7. Norway - **44% increase**
- 8. Greece - **43% increase**
- 9. Paraguay - **33% increase**
- 10. Colombia - **33% increase**

Increase in hostel travellers: ●

- 1. Central America
- 2. South America
- 3. Africa

Europe: ●

Still the most visited region within all groups.



DEPARTURES differ across nations

Whilst looking at the overall trend is useful, there are some very clear differences between travellers of other nationalities when it comes to where they globe-trot.

Recent DEPARTURES

Nationality	Destination	% growth from past to present
American	Ireland	38%
Indian	France	92%
British	Thailand	11%
French	Thailand	64%
Australian	Thailand	54%
Brazilian	Mexico	67%
German	United States	40%

*Present travellers who went to these countries in the last 5 years

Future DEPARTURES

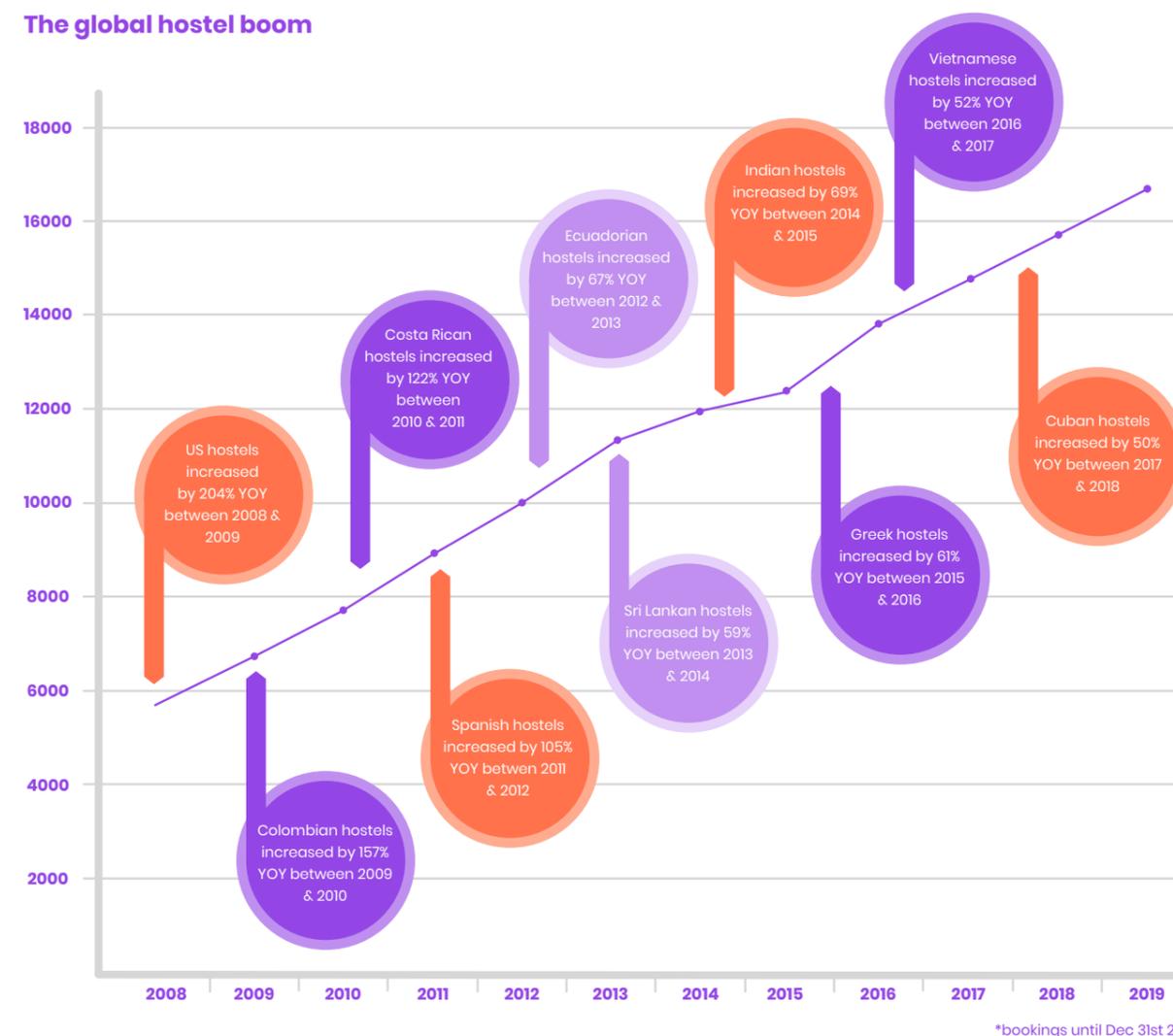
Nationality	Destination	% growth from past to present
American	Portugal	38%
Indian	Australia	25%
Brazilian	Australia	64%
German	Australia	56%
British	Greece	125%
French	Greece	100%
Australian	Greece	41%

*Future travellers who will go travelling in 3+ years

HOSTELS ARE ALSO heading off the beaten paths

It's becoming easier for backpackers to explore remote corners of the earth as hostels follow in their footsteps. Over the past 20 years, Hostelworld has seen a significant growth in the number of new hostels expanding beyond typical backpacker destinations. With investment following increased demand for the undiscovered, accessibility to remote places has transformed traditional backpacking itineraries. In the last 10 years alone, for example, we've seen a **173%** growth in the number of hostel properties that were listed and which received bookings on the Hostelworld platform. Over the past decade, we've seen significant year on year growth in the number of new hostel properties made available to our customers. We've highlight 10 key destinations where this trend can be observed below. Cuba is quickly becoming a booming destination for travellers, so it's no surprise to see the hostel market in Cuba grew by **50%** between 2017 and 2018.

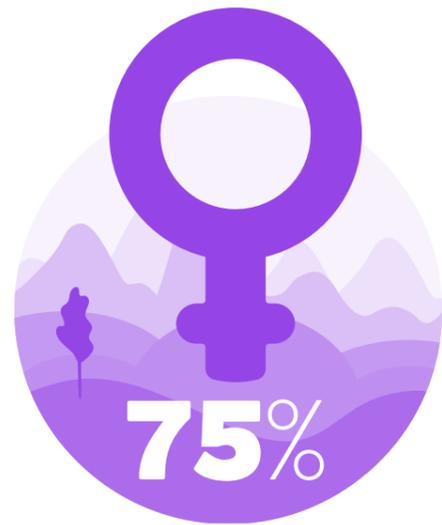
The global hostel boom



*bookings until Dec 31st 2018

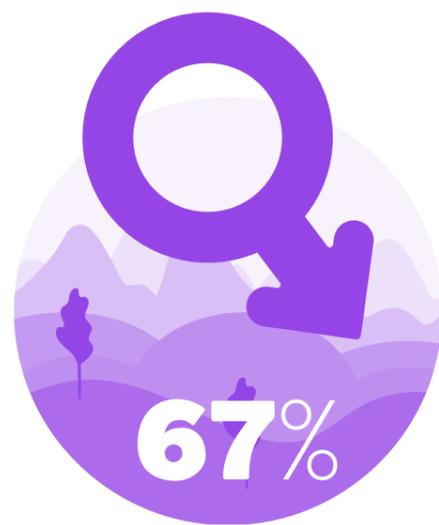
*Chart shows the number of hostel listings on the Hostelworld platform. Growth figures calculated year on year for significant increases across destinations, for hostels with at least one booking in that given year.

THE FUTURE of travel is female



Female

Three-quarters (**75%**) of young women surveyed have gone or plan to go backpacking.



Male

Compared to only two-thirds (**67%**) of young men.

The secret is out... female wanderlusters are seeing and experiencing more of the world than ever before. More and more women are packing their running shoes and setting off to explore the globe - as the study reveals three-quarters (**75%**) of women have gone or plan to go backpacking, compared to only two-thirds (**67%**) of men.

Where solo travel was once seen as brave and risky for female travellers, a shift in attitude has meant that it is now an adventurous, exciting experience that allows them to feel free, and empower other women to do the same. A trend that can be seen through Hostelworld's own booking data shows that bookings made by solo female travellers have increased by a whopping 88% over the past four years.

In the United States, the disparity between women and men is the most apparent. In fact, **45%** more women are going on extended backpacking trips than men today (**53%** of women have recently travelled, compared to just **37%** of men). In contrast, in Germany the split is much more balanced (**72%** of women have recently travelled, compared to **68%** of men).

Women aren't just travelling more than men, they're also driving increased demand across the world. The growth figures for the destinations women plan on travelling to are much higher than men's.

MEN ARE FROM MARS, women are from venus

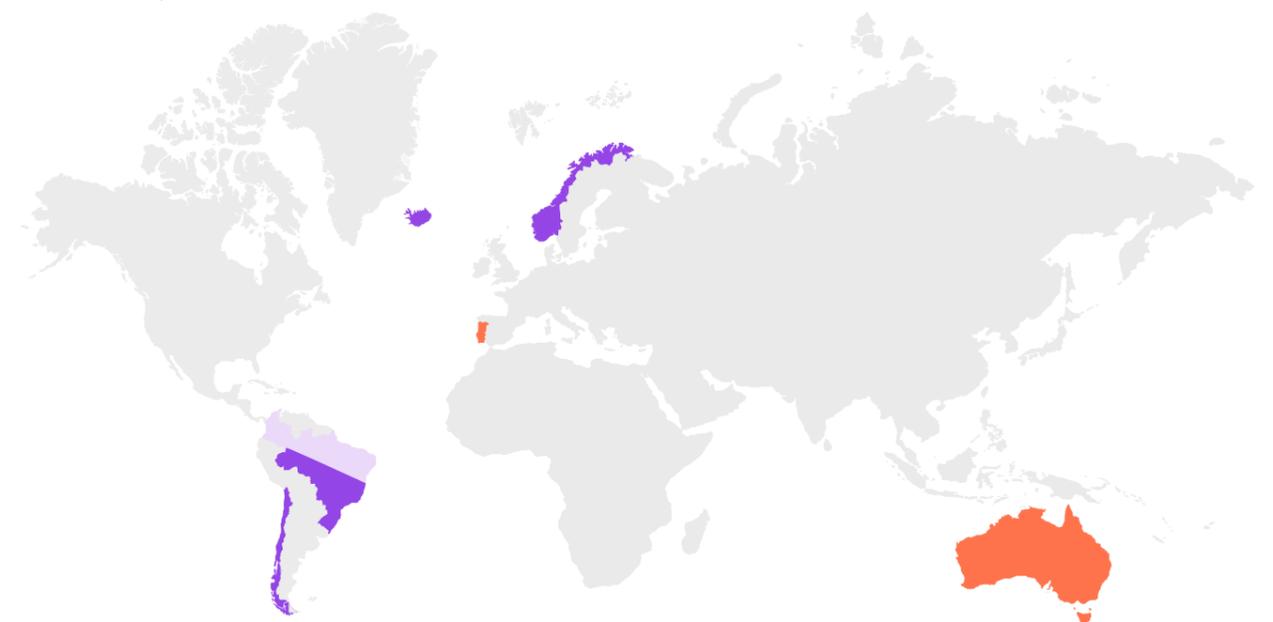
Future male travellers' top 5 destinations (by % growth)

1. Cuba - **25% increase**
2. Colombia - **20% increase**
3. Australia - **17% increase**
4. Portugal - **10% increase**
5. Brazil - **10% increase**

Future female travellers' top 5 destinations (by % growth)

1. Brazil - **75% increase**
2. Iceland - **67% increase**
3. Chile - **67% increase**
4. Fiji - **67% increase**
5. Norway - **67% increase**

- Future male top destinations
- Future womens top destinations



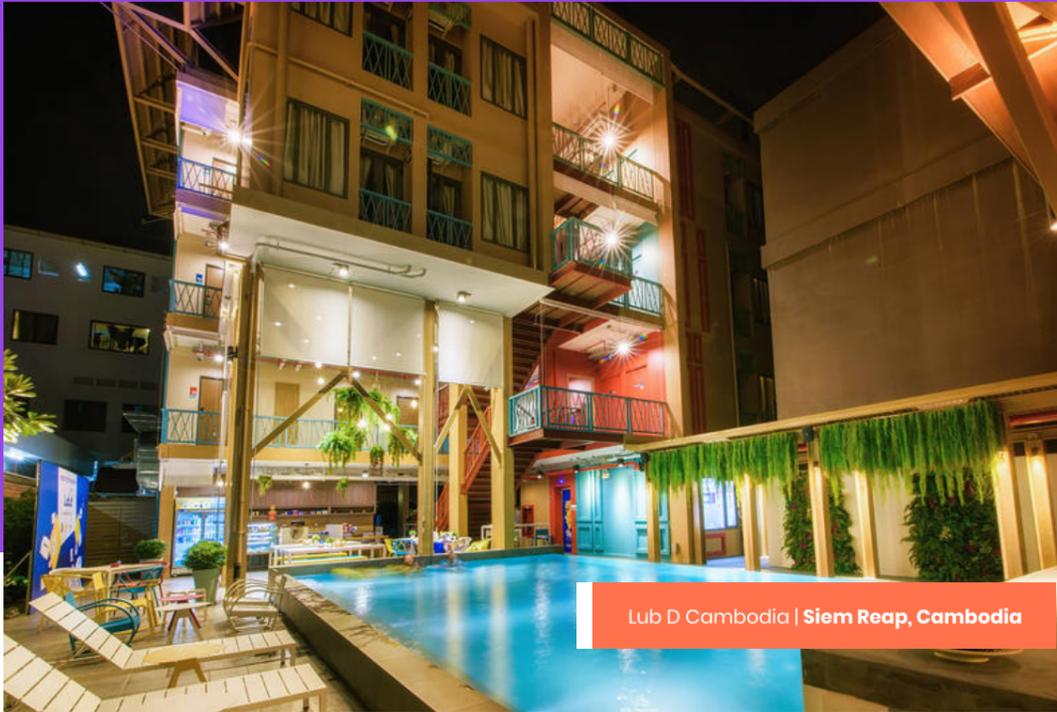
This growth in desire for adventure-prone destinations is being driven by French women for Iceland (**271%**), British women for Chile (**332%**) and Aussie women from Brazil (**179%**).

When it comes to where they're choosing to stay, more women (**83%**) are opting for hostels compared to men (**78%**). So what are they looking for in a hostel? A whopping **42%** say cleanliness is what attracts them, compared to just 34% of men. Overall, atmosphere (**37%**), and level of security (**33%**) are also much more important to women than men, who rate these as **34%** and **26%** respectively.

Top hostels picked by solo female travellers



We Love F. Tourists | Lisbon, Portugal



Lub D Cambodia | Siem Reap, Cambodia



Flow Hostel | Budapest, Hungary



The Romehello hostel | Rome, Italy

IN A nutshell...

01

The Intrepid
Explorer is
Back

Tomorrow's backpackers don't want to visit somewhere everyone else has been. They're all about stepping outside their comfort zones and seeking fresh adventures. To cater to this upcoming generation, hostels can highlight why they're different, and take advantage of the fact the next generation are seeking something that's going to push boundaries. This is the chance to branch out and try something new.

02

The Future is
Female

Future hostel travellers are increasingly women and hostels need to consider how to cater to their needs to better position themselves. Security, cleanliness and atmosphere are set to be the biggest booking influencing factors for the foreseeable future, so investing in these areas is key.

03

Explorers
Want
Experiences

As tomorrow's travellers increasingly look for destinations outside of the tried and tested, a vast range of cities are entering the 'wish list'. Being off the beaten track is now a bonus, not a hindrance. Hostels in up-and-coming areas can market this as a badge of status, whilst properties in traditionally popular spots can distinguish themselves through providing offbeat experiences.

21

JUST take it slow

Slow Travel doesn't mean taking the longest and slowest way to get to your destination. Instead, it's a new mindset for the modern-day traveller. Rather than trying to squeeze in as many sights and experiences as possible by ticking off multiple cities in days, Slow Travel is about taking the time to unearth each destination properly and immersing yourself in the local culture. It's about coming back with memories, not memory cards.

Whilst Slow Travel isn't necessarily a new topic, it's clear from our research that travellers are embracing this trend as more and more of today's (**62%** increase from the past) hostel travellers are inspired by giving back to the world, rather than being hedonistic and having a wild time, which has actually decreased by **13%** from the past to the present.

Where backpacking was once about ticking off as many cities as possible, the next generation has decided to flip this on its head. In order to make sure they're taking the time to immerse themselves within the local culture, future hostellers are actually reducing the number of countries they're visiting during a single trip.

Baby Boomers and Gen X:
3-4 countries



Millennials: 5-6 countries



Gen Z: 1-2 countries



It's not just countries that travellers are slowing down for. Interestingly, tomorrow's backpackers also plan to visit fewer cities in a single trip with over one in eight (**14%**) planning on just visiting 1-2 cities, **133%** more than the **6%** of present backpackers who are only visiting 1-2 cities.

NEXT GEN BACKPACKERS prioritising experiences over parties

Whilst nightlife is still an important part of the backpacking experience, it's dropping down the priority list for future travellers. According to the global study, future travellers expect once-in-a-lifetime experiences (34%) and the culture (49%) to be more memorable than the nightlife (17%).

However, it's not that tomorrow's backpackers don't want to enjoy themselves. Almost a fifth (19%) rank social space or the common area hostels offer to connect with others as the most important consideration when choosing where to stay - but they're finding this enjoyment from many different types of social experiences and not just from a party atmosphere.

Top five bragging right features for future travellers



When it comes to what they want to boast about, compared to previous generations, today's travellers would rather talk about the unique cultural experiences (38% increase) and volunteering (27% increase) that they did, rather than the parties they 'turnt up' at (only 21% increase).

WHAT DO CURRENT and future travellers want?

FEEL good

With a 27% increase compared to past generations, people who've recently travelled find themselves regaling others back home with their volunteering experiences. For those planning to travel in the future, a similar amount (27%) of them would boast about their volunteering activity.

LOOK good

Along with activities, tomorrow's travellers are focussed on capturing priceless moments. For future backpackers, two-fifths (40%) rank getting to see the prettiest landscapes as the most memorable and positive travelling experience.

EAT good

Over a quarter (28%) of backpackers rate trying local food as one of the most memorable experiences of their trip. Today's female travellers are serious foodies, with a 10% increase in the importance of liking the local cuisine, from past female travellers.

MAKING memories

When it comes to selecting a country that has all of these factors, the United States currently tops the list for present (5%) and future (6%) travellers, voted the highest for offering the most memorable and positive experience overall. For the past generation, Australia was top of the list (6%). In second place for tomorrow's travellers is Italy (5%) - apt given it was the birthplace for the Slow Food movement which led to this growing demand for Slow Travel.

IN A nutshell...

01

More is Less

Travellers want more from each city by spending longer in fewer places. This represents a real opportunity for cities and hostels to highlight the depth of experiences available locally, which will attract customers that invest more (time and ultimately money) locally.

02

Nightlife No
Longer the
Focus

The stereotype of young backpackers travelling just to party is long gone. They want more and don't need to party to 'meet the world'. Instead they want to make the most out of their time and experiences in each destination they visit. And while that includes nightlife and meeting others, it doesn't just have to be over drinks but with shared experiences, too.

03

Attract With
More

It's clear that there's many things that tomorrow's travellers will consider before making a decision about where to go. Highlighting not just the facilities within hostels, but also the epic things around a hostel, from photo opps to wow-factor food, is key to attracting these customers.

26

THE FOMO
generation

DON'T RISK IT

book it

Backpackers are investing much more time in researching where to go. And this planning extends beyond just deciding which locations to visit, but where to stay too. With the internet providing info overload and Instaspam left, right and centre, choosing the perfect place is no easy feat, and this makes the travelling youth prep their itineraries much longer in advance.

Move over YOLO, FOMO is taking your place! The days of just showing up and hoping for the best are being left in the dust. In a bid to get a bed in the hostel they want, Millennial and Gen Z backpackers are far less likely to book 'on the day' or turn up and pick any hostel that looks good, as our report shows a **53%** decline in day-of reservations for future hostel guests. Only **13%** of future backpackers plan to walk-in to a hostel without a reservation on the day, compared to **24%** of recent travellers and **44%** of those who backpacked over 10 years ago. Hostelworld's own booking data supports this, showing that customers are booking European trips 24 days in advance on average and 11 days in advance for the Latin America region.

Those wanderlusts planning a trip in the next three years rate their preferred options as reserving a hostel bed via a computer (**47%**), smartphone (**32%**) or mobile app (**23%**).

ONLY
13%

of future
backpackers
plan to walk-in

THEY
prefer

to book via:



PC
47%



Smartphone
32%



Mobile app
23%

Where past backpackers were twice as likely to book on the day of their arrival (**21%** versus **9%** of future), the most popular option for next gen backpackers (at **21%**) is to book a week in advance, so they don't risk missing out on the best places to stay.

Even a week can be too short notice for tomorrow's travellers. Future backpackers are also over twice as likely (**12%**) to book between 3-6 months in advance than present and past backpackers (just **5%**). And the future group are **66%** more likely to book 6-12 months before they set off on a trip. Clearly, this group of planners refuse to miss out on the coolest hostels.

MOBILE SAVES the day

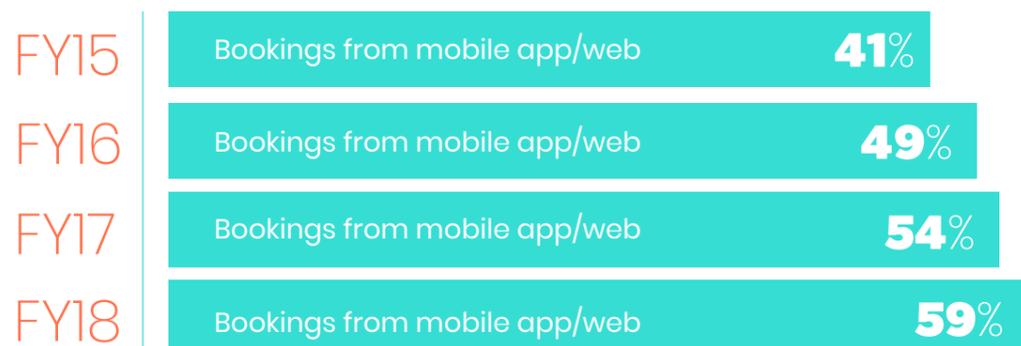
The times of booking on desktop computers will soon be prehistoric. Mobile devices with easy to navigate apps have completely transformed the way people book and experience hostels.

The next generation of travellers are the most tech-savvy and are looking to research and reserve their beds on the go. They are also the most forward thinking with **52%** more likely to have booked everything in advance than before. Hostelworld itself has seen this play out through

its own bookings, with mobile app bookings up by **54%** over just two years. According to the latest figures, in 2018, **40%** of Hostelworld's customers booked via the mobile app, compared to just **26%** in 2016.

The app isn't just designed to make on-the-go bookings easier, Hostelworld's in-app features encourage backpackers to get social and easily connect with each other. The most recent update saw Hostel Chat added to its functions, designed to allow travellers to easily speak to other guests. This complements the other in-app features Hostel Noticeboard and Hostel Speak, both designed to further bring together travellers who are staying in the same hostel.

Mobile is growing for Hostelworld



TRUST IN the masses

Today's backpackers are increasingly relying on reviews and recommendations from websites they trust when it comes to researching their accommodation. They show a **28%** increase in their use of reviews to help them decide where to book compared to past backpackers. Similarly, their reliance on direct recommendations from family and friends has decreased by **27%** vs other generations.

1 in 4 25% of yesterday's backpackers used these reviews to book their bed. | **1 in 3** Compared to 32% of present hostel guests.

Future female travellers take most notice of online reviews from other guests to choose their hostel, as this ranks among their biggest attraction to book by nearly a third (**30%**), compared to just **22%** of future male travellers.

IS THIS THE END of the gap year?

The idea of taking a traditional Gap Year, an important rite of passage for Boomers, Gen X, and Millennial travellers, is of far less interest to future Gen Z travellers.

Okay, so it isn't that tomorrow's traveller doesn't want to travel... but instead of taking the full year off, Gen Z'ers are planning on fitting in their travel around shorter school and university study breaks. Of the 16-25 year olds surveyed, only one in eight (**12%**) said they would travel during a gap year, as over a third (**35%**) are now choosing to travel during their university holiday.

This is a big shift from the present generation. According to the study, there's a **57%** increase in future travellers planning shorter trips during their university breaks, rather than taking a full year off. This is a trend that's showing a particularly strong growth for Indian (**208% increase**), French (**70% increase**) and Australian students (**35% increase**).

Employment status whilst travelling has evolved



Employment status	Past	Present	Future
Student during uni holidays	26%	23%	36%
Employed	22%	32%	20%
Graduate	16%	11%	14%
Student whilst doing online course	2%	1%	5%

The biggest change we've seen is that travelling is no longer a rite of passage before joining the "real" work world. Many of today's backpackers took their trips as part of a career break or extended holiday while they were still employed which was much less popular for those travelling in the past - **42%** increase in people travelling while employed from past backpackers to present backpackers, compared to when they're a student (**23%**) or during a gap year (**7%**).

IN A nutshell...

01

Advanced
Planners

Some of today and tomorrow's travellers are planning their trips much further in advance. Often with shorter windows for travel – as they move away from travelling in Gap Years – people are making more definite plans to achieve their travel goals, rather than leaving it to chance (and risking FOMO!)

02

Online reviews
over kerb
appeal

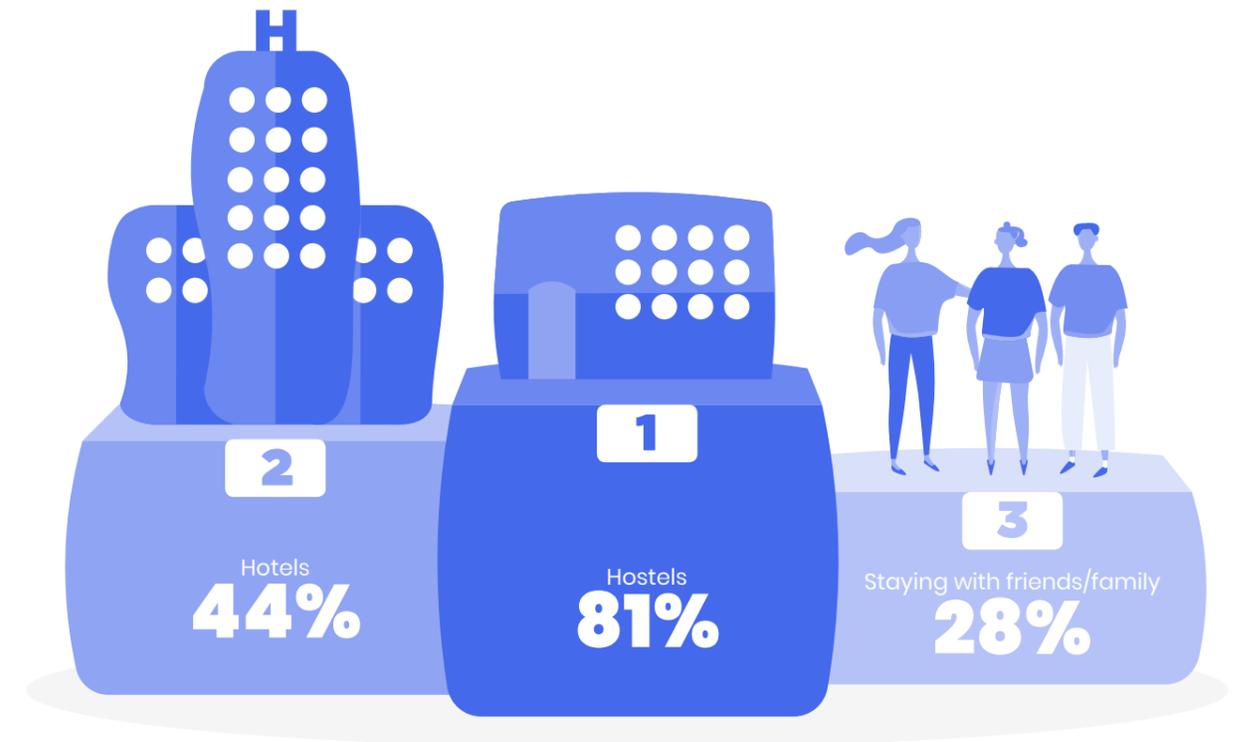
Travellers are shopping around for the hippest places to stay before they even jet off for their destination. For hostels, online appeal and positive reviews are now more important than ever; kerb appeal is now much less of a thing.

31

IT'S NOT
just about price

FORGET about the price tag

Of recent travellers who went on extended trips of three weeks or more, visiting multiple destinations, over four in five (**81%**) chose to stay in hostels.



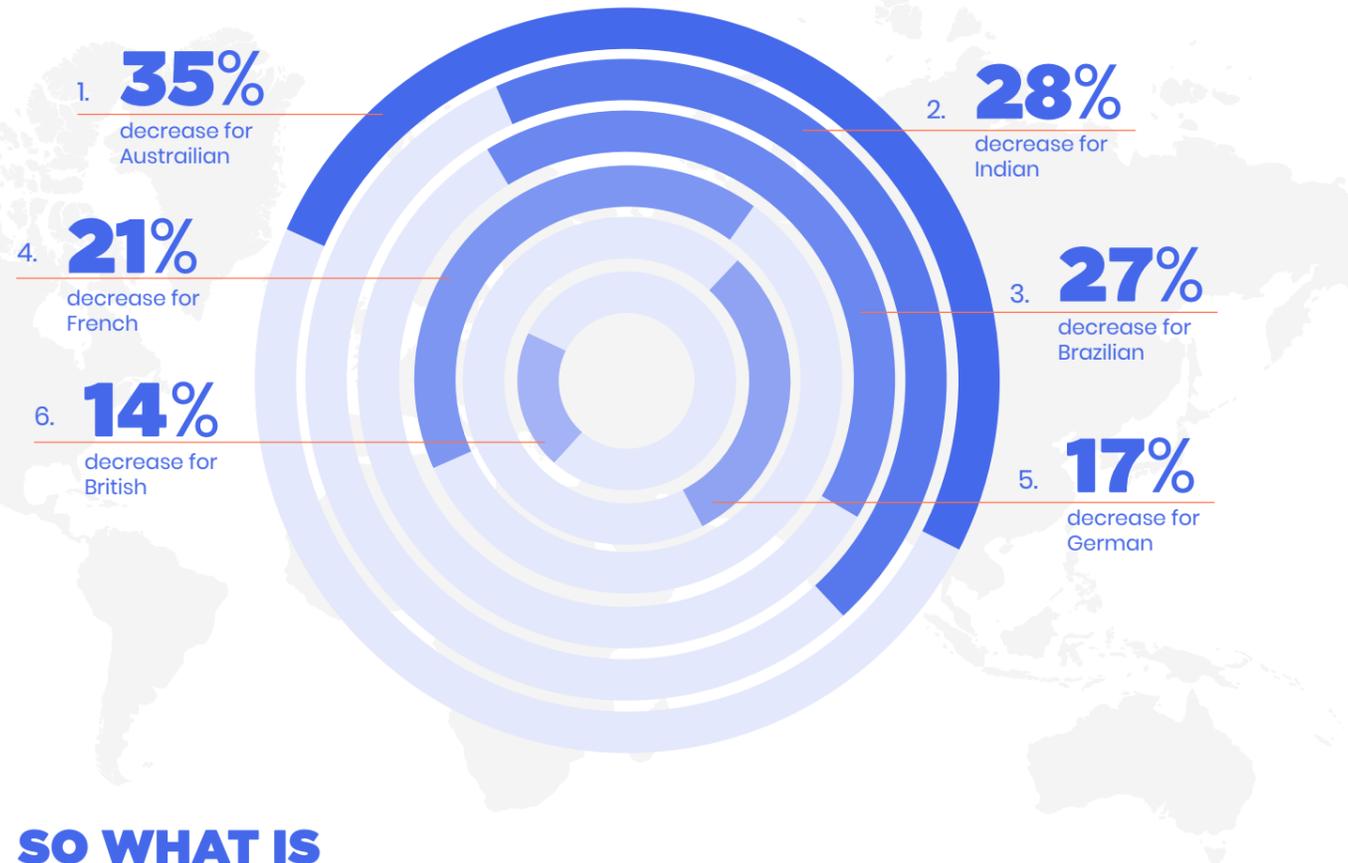
In the past, hostels held the reputation of being an easy and cheap solution for those travelling on a tight budget. However, a lot has changed since then. Modern-day travellers (**23%**) are less influenced by getting a good deal on flights or accommodation, and much more inclined to pick somewhere with local activities (**27%**).

Whilst price still remains a key deciding factor for hostel travellers, it's clear that current and future backpackers are increasingly less money conscious than the previous generations. While half (**49%**) of future backpackers do reference price as what will attract them to stay, it has decreased in importance by **14%** for current backpackers vs past backpackers. In particular, British, American and Australian future travellers all cited that price was much less important to them than their counterparts before them, with significant falls in importance among these groups (**24%, 18% and 21% respectively**).

WHAT about location?

Across all nationalities, the need to stay in a centrally located hostel near transport and key sights has seen a **13%** reduction in importance from yesterday's (**38%**) to today's (**33%**) travellers, and a further reduction of **15%** for future hostel guests (**28%**). All travellers seem to see this as much less important than in previous years:

Importance of centrally located hostels (from past to future travellers):



SO WHAT IS driving demand?

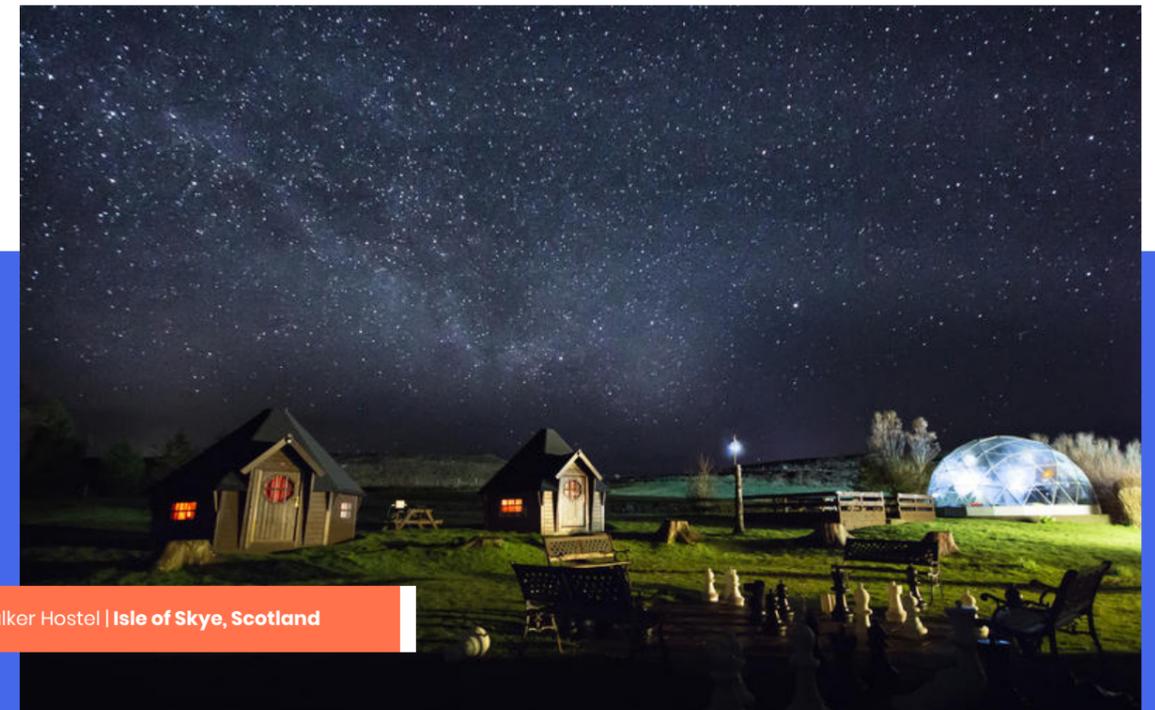
It's all about the look! Where past backpackers were simply happy with a clean bed to sleep in, it seems tomorrow's travellers are much more discerning about staying in stylish hostels, with a **44%** increase in importance of décor when making a choice on booking. Less than one in ten (**9%**) of past travellers rated décor highly compared to **13%** of recent travellers and **15%** of the next gen of backpackers.

Perhaps down to the HGTV effect, Americans are the most décor discerning now, with a **157%** increase being given to the importance of décor by future travellers versus those who have travelled in the past. But they aren't the only ones who have decided that décor is important; Travellers from France (**118%**), UK (**92%**), Australia (**104%**) and Brazil (**33%**) also show huge increases in importance of décor. They're loving everything from donkeys in the bathroom to décor reminiscent of the First World War. In fact, it was the quirky décor of ClinkNOORD hostel, complete with original laboratory features, that took home the coveted HOSCAR (AKA, Hostelworld's review based awards for best global hostels) win for 'Most Popular Hostel' in 2019.

Quirkest hostel décor



ClinkNOORD | Amsterdam, Netherlands

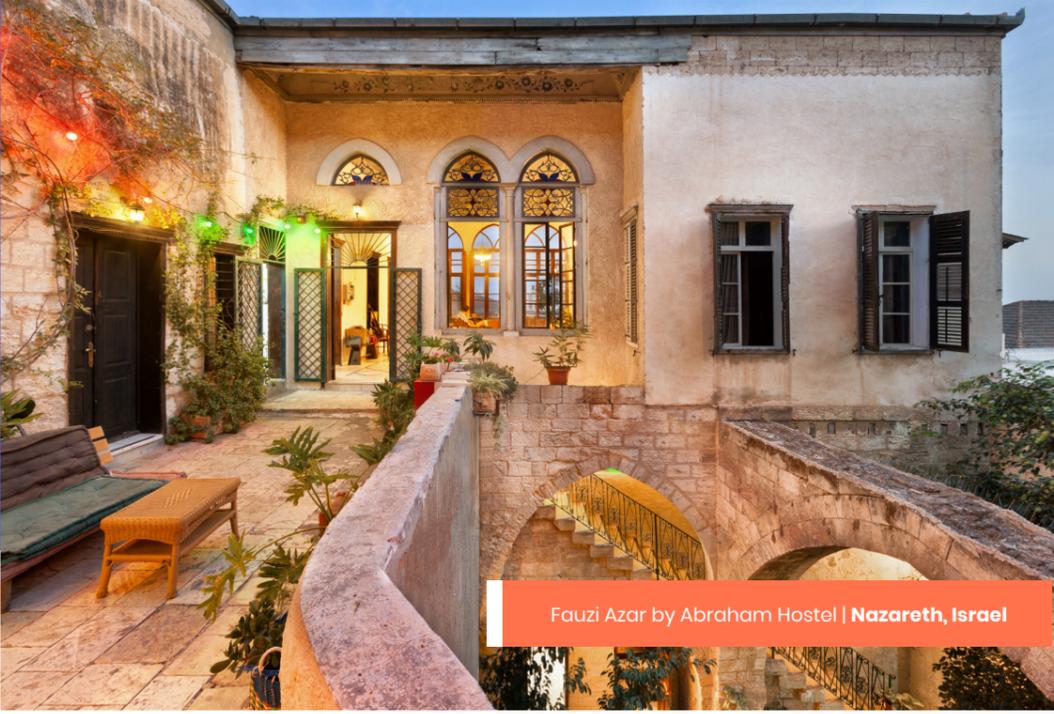


Skyewalker Hostel | Isle of Skye, Scotland



@filipshobot

Jumbo Stay STF/IYHF | Stockholm, Sweden



Fauzi Azar by Abraham Hostel | Nazareth, Israel



Railway Square YHA | Sydney, Australia



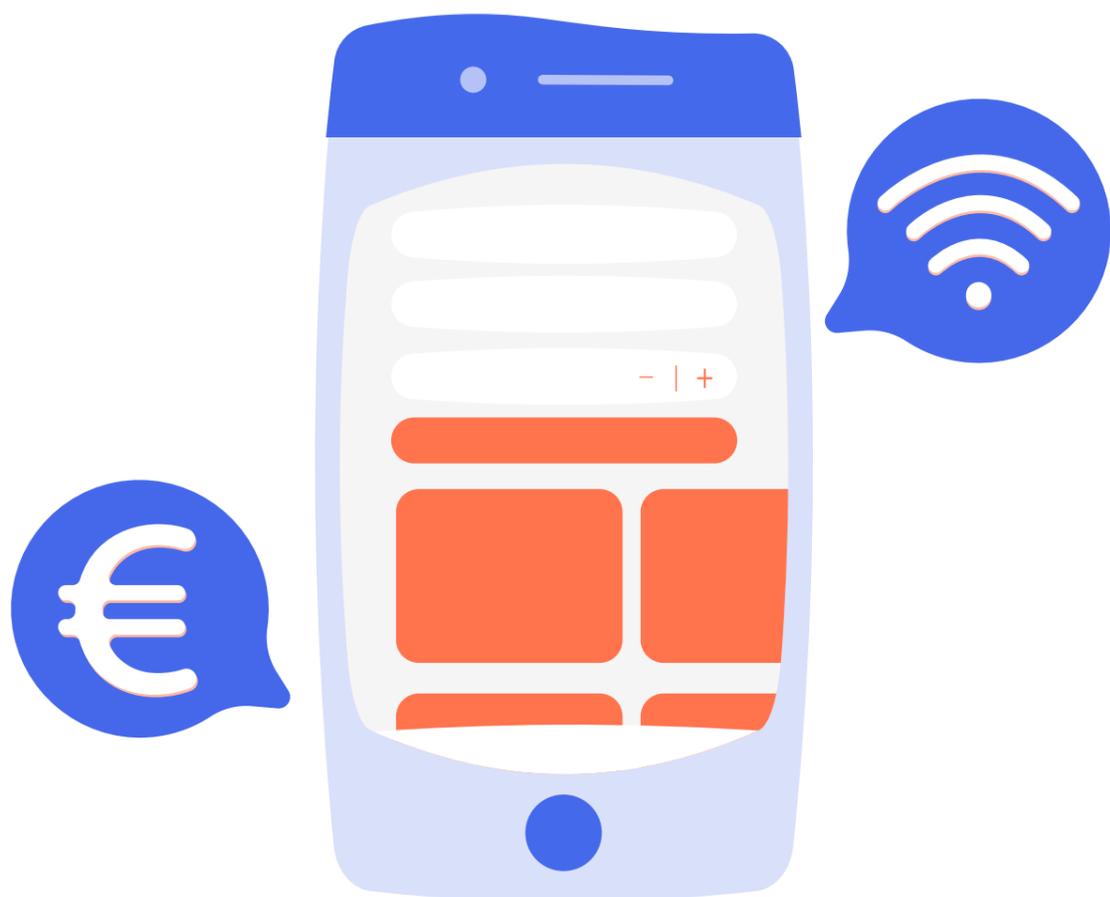
Caveland | Santorini, Greece

Along with décor, on-site co-working facilities have also seen a rise in importance for wanderers. Over one in ten (**11%**) of modern travellers now see this as an important consideration when making a booking, compared to just **7%** of those who travelled previously, an increase of **57%**. Australians in particular are the most keen on hostels providing co-working spaces with a **136%** increase in importance from past to future Aussie travellers.

Downward facing dog on the beach anyone? Another strong appeal factor that's seen a steady increase throughout the generations is the free activities hostels offer their guests. From free beach yoga to local cooking classes, the importance of free social experiences in hostels has increased by **19%** for today's backpackers, as almost one in five (**19%**) say they're attracted to hostels offering these, over those that don't. And this trend remains strong among our future travellers, too.

CASH MACHINE days are over

Looking ahead, it's clear that it's not just mobile bookings that are going to continue to rise but also the expectations that all payments can be made via mobile. A study from Merchant Machine, a credit card comparison website, showed that across the world, people are increasingly getting used to mobile payments. Already nearly half of Chinese people, a quarter of Brits and a fifth of Aussies have mobile wallets. This trend is leading to a **22%** reduction in desire for future travellers to pay for their accommodation via credit card, with only **40%** interested in doing so compared to **51%** of today's backpackers. And perhaps unsurprisingly, the desire to pay with cold hard cash is fast decreasing with the data showing an **11%** reduction from present to future backpackers. **70%** of past travellers opted for cash, compared to only **57%** of those planning trips soon.



IN A nutshell...

01

Design & quality is now a must

Hostels should continue offering quality design, décor and service elements to attract tomorrow's backpackers. Quality accommodation is definitely increasing in importance among tomorrow's travellers. Particularly – and perhaps surprisingly – among young men, with a 28% increase in importance of the quality of the hostel from past travellers to future travellers.

02

Getting around has never been easier

The rise of ride-sharing apps and other inexpensive transport options for hostel travellers has made being located right in the centre of everything less critical for hostel operators.

03

It's all Mobile

Hostels can look to expand their payment options to keep up with future backpackers who increasingly don't want to use credit cards or cash anymore.

39

KEY TAKEAWAYS & predictions

WHAT WE'VE learned in this report

When looking at the different generations of hostel travellers, it's clear that there have been some significant changes in how, where and when people are choosing to travel. But what hasn't changed is the attitude – taking these trips is still considered on of the most incredible experiences of a lifetime by all generations.

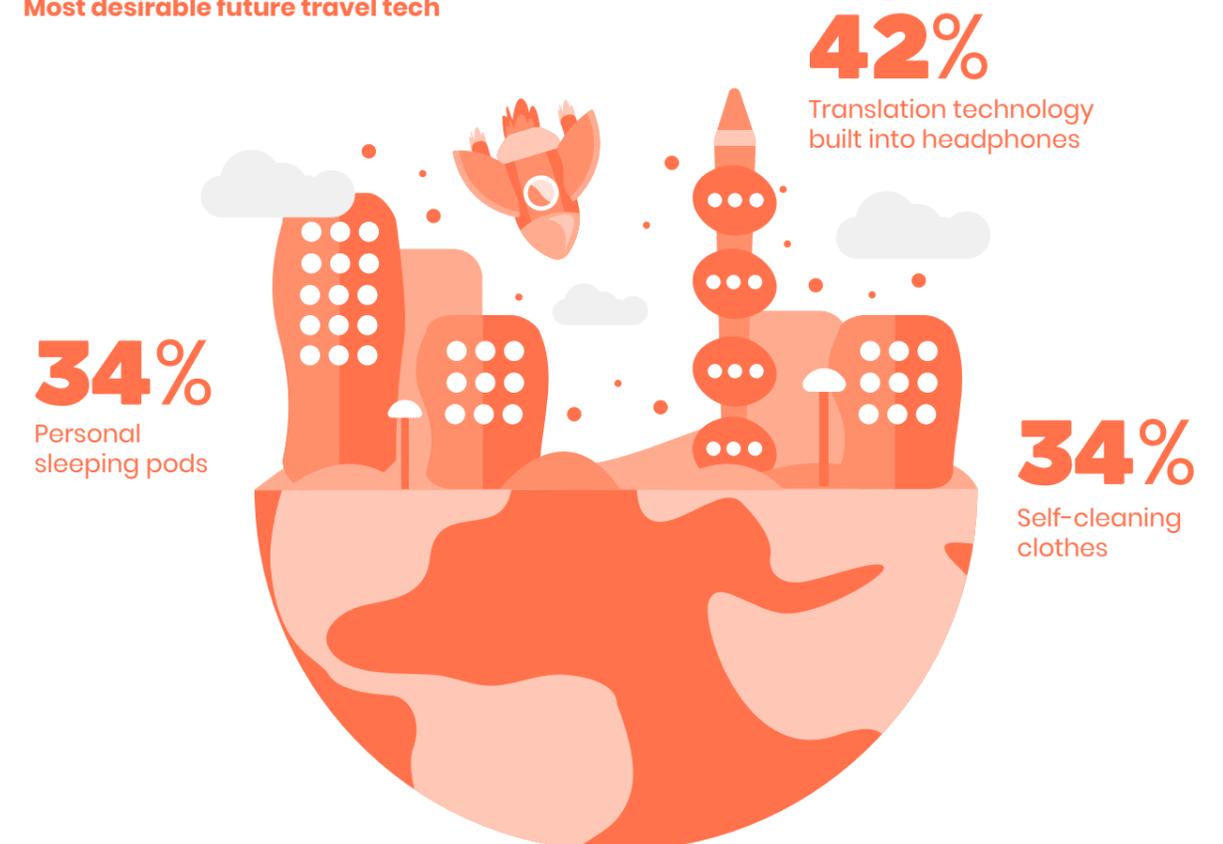
We know that hostel demand is higher than ever, as hostels continue to offer their guests the unique opportunities and experiences they're craving. Especially as Millennial and Gen Z backpackers are now searching for more adventurous destinations and fresh challenges.

Unsurprisingly, the hostel industry has been hugely changed by the rise in mobile and the desire to be connected, everywhere. But what might come as a surprise to some is how it has risen to the challenge and openly embraced new technology. We're entering a new era of travelling in the digital age, and with huge investment being made in hostels globally, there is no chance of the hostelling industry being left behind.

WHAT DOES THE future of travel hold?

Although a future of flying cars and moon bases is still a bit far fetched, that hasn't stopped travellers wanting to reach for the stars, as **12%** of those surveyed think space travel would improve their travel experience. The downside of course being the current seven-figure price tag. Maybe one day we'll launch the first 'space hostel', but for now, hostel travellers had some other ideas of innovative tech that they said could improve the way they'll travel in the future.

Most desirable future travel tech



It may come as no surprise that the ones who desired translation tech most are Millennials and Gen Z'ers (16-25), with over two-fifths (43%) putting it top of their list. Baby Boomers (60+) were less impressed, with just over a quarter (27%) picking it. For them, the invention they'd like to see most is self-cleaning clothes (34%).

Everyone knows that you get the best sleep in your own bed, but imagine if you had personalised sleeping pods in every hostel you stayed at. Older Millennials and Gen X'ers (26 - 39 year olds) definitely took the biggest liking to this idea (36%), compared to younger (33%) and older travellers (19%).

“

Our Evolution of the Hostel Traveller report shows how much hostelling has changed in the 20 years that we've been operating as the world's leading hostel-focused online booking platform. This is only the beginning of what's to come. Today we're seeing a booming hostel industry, as global demand to explore the world and connect with new cultures continues to rise. As travellers evolve, so do the hostels where they stay, which is why I am excited to see what the next 20 years will bring.

”

Gary Morrison | CEO, Hostelworld

ABOUT US

Hostelworld Group is the leading hostel-focused online booking platform, sparking social experiences for young and independent travellers.

Our customers are not your average tourists; they want to see the world, make new connections and crave the adrenaline of new adventures. They seek unique experiences that we facilitate with the best choice of hostels around the world offered in 19 languages across the website and 13 languages on our app of our core brand Hostelworld.

We have 20 years' experience as the hostel Online Travel Agent ("OTA") experts, and today we work with over 16,500 hostel properties globally, in addition to 20,000 other forms of budget accommodation.

Our customers have access to an extensive database of more than 11.5 million customer reviews which allows them to choose the hostel that's right for them.

Since 1999 we've partnered with hostels worldwide, enabling them to manage and distribute their inventory to our highly engaged and valuable global customer base.

Hostelworld Group is headquartered in Dublin and has offices around the world in London, Shanghai, Sydney and Porto.

MEET THE WORLD