



MASTER THESIS

The Potential of Luxury Small Group Travel in Wine Tourism for Millennials and Gen Z

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ABSTRACT AND KEYWORDS

This study explores the motivations, travel preferences, and decision-making factors influencing Millennials' and Gen Z's travel behavior in the context of luxury and wine travel with the purpose to analyze the potential success of applying the Small Luxury Group model as a strategy to increase the interest in wine tourism within this demographic. Through a multiple-choice questionnaire administered to 50 US citizens from these generations, we identified a clear trend towards experiential and people-centric travel with gastronomy and gourmet experiences as a constant interest across all age groups. Furthermore, the study highlighted the growing appeal of small luxury group travel, with frequent travelers expressing a preference for shared excursions and recognizing multiple benefits, including cost efficiency and enhanced social interactions. The findings suggest that a small luxury group with the focus in wine travel holds great potential for these demographics, provided that concerns about service quality and personalization are adequately addressed. This research was made with the support of the U.S. based Luxury Travel Agency Brickell Travel Management during the completion of a 5 month internship for the WINTOUR master program, a program affiliated to ERASMUS.

LIST OF ABBREVIATIONS

BTM - Brickell Travel Management

UNWTO - United Nations World Travel Organization

IC - Independent Contractor

ICs - Independent Contractors

FIT - Flexible Independent Traveler

WINTOUR - Wine Tourism Innovation Master Program

ERASMUS - European Community Action Scheme for the Mobility of University Students

SWOT Analysis - (strengths, weaknesses, opportunities, and threats) analysis

1. INTRODUCTION

1.1 Company Overview

Brickell Travel Management is a leading travel agency based in Miami, Florida and established in 1991. The agency has grown to become a prominent player in the travel industry catering to both corporate and leisure travelers. Their partnerships with the leading American based airlines give them the advantage over competitors in the corporate sector and their already 3 year long affiliation to Virtuoso (by invitation only luxury travel consortia) makes the company stand out in the luxury travel segment. Their commitment to excellence is reflected in its personalized service, cutting-edge technology and a team full of highly skilled travel professionals.

Brickell Travel offers a comprehensive range of travel services, including corporate travel management, luxury leisure travel, group travel, and meetings and events planning.

In terms of luxury travel, the business model is built by a web of Independent Contractors, independent travel agents that sell through BTM but under their own single brand, marketing and client base. Benefiting from a commission split contract that allows them to make use of BTM's large number of contracts, affiliations and finance support (commission tracking, merchant payments, etc.) that only very large amounts of sales can get.

1.2 Activities During The Internship

- Role and Responsibilities

During my internship at Brickell Travel Management, I held the role of a Wine Travel Niche Developer. My primary responsibility was to collaborate closely with the Luxury Travel Business Development Department, a key segment of the agency tasked with educating, promoting and developing tools for Independent Contractors (ICs) to enhance their market presence and sales within the Luxury sector.

- Focus on Wine Tourism:

I was specifically assigned to increase awareness of this growing sector, this involved a multi-faceted approach to ensure that the travel agents were not only aware of the trends but also educated and well-equipped to meet the demands of the clients interested in wine tourism.

- Developing Educational Tools:

One of my significant contributions was developing comprehensive educational tools and study materials in highly demanded wine tourism regions (such as Tuscany, Rioja, Douro Valley, Napa Valley, Bordeaux, Champagne and Mendoza Valley). These resources were designed to help travel agents gain a deep understanding of the wine tourism niche. I

created detailed guides covering various wine regions, the unique experiences that each region offers, and the types of luxury services available building a 'wine travel directory' with the contacts and details of different vendors and built strong relationships with many of them during the process.

- Training and Workshops:

In addition to creating educational materials, I organized and conducted training sessions and workshops, these were made to increase the knowledge and skills of travel agents in selling wine tourism products. I provided insights into customer preferences, the latest trends in wine tourism, as well as a few tasting and wine appreciating workshops for many travel agents who never experienced a proper wine education before.

- Marketing and Sales Support:

I also assisted fellow travel agents with their marketing and sales efforts by helping them design marketing campaigns, develop promotional materials, I helped agents create personalized itineraries for clients incorporating wine tourism items using my first hand experiences in the regions and wineries. My role also included analyzing market trends and client feedback to continually refine our offerings and marketing strategies.

- Impact and Outcomes:

Throughout my internship, I was able to significantly contribute to the agency's luxury travel portfolio by integrating wine tourism as a prominent offering. The tools and materials I developed not only increased awareness but also empowered travel agents to confidently sell high-end wine tourism experiences.

1.3 Master Thesis Introduction and Background

According to the International Organization of Vine and Wine, global consumption dropped by 2.6% in 2023 compared to the numbers in 2022, this shows that in today's world, wine consumption is on the decline, however, the combination of wine consumption with leisure activities has a huge potential of making new generations more interested in wine and more likely to enjoy it, therefore, wine tourism today is more appealing than ever.

For Millennials (individuals born between 1981 and 1996) and Gen Z (individuals born between 1997 and 2012), it's not just about what's in the glass but the story behind it, the experiences they have, and all the connections they make while drinking and learning about it, these generations are moving away from just drinking wine to engaging with it mindfully. They're interested in wine education and purposeful travel experiences, this shift offers a unique chance for the wine tourism industry to adapt and capture the attention of this market.

Wine tourism does not only provide the opportunity of tasting wines, it also offers the customer the chance to be exposed to the history, traditions, people and the terroir of wine-producing regions (Hall et al., 2003; Getz, 2000; Bruwer & Alant, 2009). As the Millennials and Gen Z generations grow up, their travel preferences evolve, these younger generations are more interested in experiential travel, the type of experiences that provide authenticity, immersion, and connection with the local culture and the communities (Resonance Consultancy, 2021; McKinsey & Company, 2019). According to recent studies, the Millennials and Gen Z are willing to invest more in high-quality experiences, especially in the luxury travel market, where personalized services, hand-picked accommodations and exclusive access to cultural attractions are the central focus (Resonance Consultancy, 2021; McKinsey & Company, 2019). Additionally, these markets have a higher awareness and commitment to sustainable practices and philosophies that prioritize sustainability, responsible tourism activities and experiences that highlight the support for local communities (Booking.com, 2020; Deloitte, 2021).

Luxury wine tourism perfectly blends all these preferences, offering experiences that mix the cultural immersion, historical insights, and human connections (Deloitte, 2021) along with its alignment with travel trends such as the growing demand for experiential and sustainable travel (Skift, 2021), therefore, the potential importance of targeting Millennials and Gen Z as a growing market for this type of tourism.

Adapting the small group travel business model to luxury wine tourism offers a big scope of opportunities by meeting the evolving preferences and expectations of the Millennial and Gen Z travelers who seek authentic, experiential, and socially engaging experiences in a sustainable context.

1.4 Research Questions

- What are the specific luxury aspects of travel that Millennials and Gen Z value in wine tourism?
- How do human connection and community influence the travel decisions of Millennials and Gen Z?
- What are the benefits and challenges of implementing small group travel in luxury wine tourism?

This thesis seeks to explore the potential of the luxury small group travel business model in the context of wine tourism, to analyze its benefits and challenges with the aim of potentially using it to attract Millennials and Gen Z to increase their participation in wine tourism and therefore, wine consumption. It will be key to identify the specific aspects of luxury travel that these demographics value and look for, and it is also important to understand their travel preferences and expectations and to investigate the influence of human connection and community on their travel related decisions to justify the relevance of the luxury group travel model as a potential innovative product in wine tourism.

2. LITERATURE REVIEW

2.1 Millennial and Gen Z Generations

The Millennial generation, also known as Generation Y, includes individuals born between 1981 and 1996 and are characterized by their familiarity with digital technology, having grown up during the rise of the internet, social media and the mobile communications, in general, Millennials value experiences over material possessions, desire work-life balance, and emphasize social and environmental responsibility (Dimock, 2019).

The Generation Z, also known as Gen Z or iGen, refers to individuals born between 1997 and 2012, they have a native use of digital technology, having grown up with smartphones, social media, and constant internet connectivity, they value diversity, social justice, and authenticity, and are known for their pragmatic and financially cautious approach to life (Dimock, 2019).

2.2 Small Group Travel Business Model

2.2.1 Definition

Small group travel, is referred to by Pearce and Schänzel (2011) as the form of tourism in which a limited number of individuals, normally ranging between 6 - 20 participants, travel together as a group guided by a professional tour leader or guide. According to Chen and Chen (2017) the small group size allows for personalized attention, intimate experiences, and flexibility in itinerary planning, facilitating deeper cultural immersion and more meaningful interactions with local communities and the group itself.

2.2.2 Relevance in the Industry

Successful examples of this model can be found across various tourism sectors, showing the versatility and adaptability of this approach. In the adventure tourism industry, companies like Intrepid Travel and G Adventures have built thriving businesses around small group adventure tours, offering immersive experiences in remote and off-the-beaten-path destinations. In the luxury market, Abercrombie & Kent, award winner and leader in the luxury travel industry, has proven this business model successful with their multiple sold out Luxury Small Groups that visit multiple destinations around the world. Similarly, in the cultural tourism sector, organizations such as Context Travel and Walks of Italy specialize in small group cultural tours, providing in-depth explorations of historical sites, museums, and neighborhoods. These companies tailor their tours to small group sizes to ensure personalized attention, expert guidance from knowledgeable guides and insider access to exclusive attractions. By focusing on quality over quantity, they create enriching and memorable experiences for travelers seeking authentic cultural immersion.

2.2.3 Benefits

Small group travel has emerged as a popular alternative to traditional mass tourism, offering unique benefits and enhanced experiences for travelers. Chen and Chen (2017) conducted a study to understand the impacts of this model on the tourists' behavior and satisfaction rates and identified several characteristics and benefits including enhanced personalization, greater cultural immersion, and increased social interaction among participants and a positive influence on the overall satisfaction of the tourists, in a smaller group, the guides and service providers can offer a more attentive and personalized service per person, which contributes to a more satisfying and memorable experience.

Pearce and Schänzel (2011) highlight the importance of the intimacy, flexibility, and the shared experiences showcasing the ability to cater to diverse traveler preferences and interests in one shared experience. Additionally, they mention how small groups are more flexible and easier to manage, allowing spontaneous changes to the itinerary based on the group interests increasing the flexibility of the schedule and the experience itself.

Traveling in a small group offers opportunities that are not available to larger groups, for example, these can include tailored private tours, special tastings, and unique accommodations, which are highly valued in the luxury travel market (Resonance Consultancy, 2021).

This model can also offer significant monetary benefits for both ends, the travelers and the tour operators. For travelers, the cost per person is often lower in a small group due to shared expenses for transportation, guides, and certain activities, making luxury travel more accessible, and for tour operators, small group travel can lead to higher profit margins as they have the ability to charge premium prices for personalized and exclusive experiences while maintaining lower operational costs through economies of scale (Pearce & Schänzel, 2011).

2.2.4 Challenges

The small group travel model presents many benefits, but as every model it has its challenges too. This model typically has less bargaining power when negotiating contracts with suppliers like hotels, transportation companies and tour operators, as a result, they face higher prices and fewer concessions compared to larger groups which can more easily secure bulk discounts and additional perks (Buhalis & Laws, 2001) the suppliers are often less flexible with contracts with smaller groups including stricter cancellation policies, higher non-refundable deposits and limited options for rescheduling or modifying bookings, things that are more easily conceded to larger groups due to the amount of revenue they produce and guarantee for such companies. (Holloway & Humphreys, 2012).

As the flexibility offered is lower and the cost of services higher, the small group model is often limited at the time of providing fully customized services (Sheldon & Mak, 1987) which adds an additional pressure to the already challenging task to cater a varied array of preferences and interests of the individuals in the group. This can be highly challenging as the impact of a single dissatisfied participant can be more significant in a smaller group (Hudson & Thal, 2013) than in a bigger one.

2.3 Luxury Wine Tourism

2.3.1 Wine Tourism

Wine Tourism, often referred to as enotourism, is the type of tourism where travelers visit wine producing regions to experience and learn about the wine making process, taste wines, purchase wines, visit wineries, participate in festivals and immerse in the culture and heritage of the area. The UNWTO refers to it as a sub-type of gastronomy tourism whose purpose is visiting vineyards, wineries, tastings, consuming and/or purchasing wine, often at or near the source.

According to Hall et al. (2000) wine tourism can be defined as “visitation to vineyards, wineries, wine festivals and wine shows, for which grape wine tasting and/or experiencing the attributes of a grape wine region are the prime motivating factors for visits”.

For Bruwer and Alant (2009) wine tourism not only provides the opportunity to taste wine but also offers insights into the history, traditions and the terroir of wine producing regions by including experiences with educational aspects as well as more leisure oriented ones such as gourmet food and wine pairings or landscape admiration activities.

Wine tourism has a high impact on the economy of local communities, Getz (2000) highlights its contribution to the local economy by generating income through direct spending on wine purchases, accommodations, dining and other tourism related services in addition, wine tourism also promotes rural development by attracting tourists to remote areas that might otherwise be overlooked.

2.3.2 Luxury Tourism

Luxury tourism refers to high-end travel experiences and services that offer exceptional levels of comfort, quality and personalization, characterized by its exclusivity and uniqueness, it focuses on delivering extraordinary experiences that go beyond the standard offering, designed to provide maximum satisfaction and indulgence.

According to Page (2019) luxury tourism is defined by its emphasis on exclusivity, personalization and high quality amenities, including stays in five-star hotels, dining at Michelin starred restaurants, private tours and access to unique and often tailor made

experiences. The objective of this type of tourism is a seamless, stress-free travel experience where all details are meticulously planned and executed.

Hudson and Thal (2013) describe luxury tourism as a sector driven by the demand for authentic and more immersive experiences, this modern approach presents luxury travelers as people seeking meaningful connections with the destinations they visit, including interactions with local cultures and participating in sustainable practices, this reflects the trend within the industry of shifting towards experiential luxury over material extravagance, falling into the inconspicuous luxury referring to a subtle form of luxury that values intrinsic satisfaction over public recognition (Eckhardt, Belk & Wilson, 2015). In addition, Yeoman (2011) puts emphasis on the idea that luxury in travel is not just about physical opulence but about the intangible aspects of it such as the time, space and privacy. This aspect of luxury highlights the importance of providing personalized, private and flexible options for luxury travel customers.

The impact of luxury tourism in the economy of a place is undeniable, it attracts high spending travelers who substantially contribute to the local businesses.

2.3.3 Luxury Wine Tourism Definition

Luxury wine tourism is a form of travel that combines the elements of wine tourism and luxury tourism to offer high end and immersive experiences centered around wine and viticulture. As previously discussed wine tourism involves travel to wine producing regions in order to experience vineyard tours, tastings, the region's culture and the winemaking processes (Hall et al. 2003; Getz 2000; Bruwer & Alant, 2009) and luxury tourism focuses on providing exceptional high quality, exclusivity, personalized services and unique accommodations to cater affluent travelers seeking unique and memorable experiences (Miller & Mair, 2015 & Hennessey et al., 2010)

Luxury wine tourism integrates these two concepts by offering travelers not only the opportunity to taste wines and immerse themselves in the viticulture of a region but also to engage in bespoke experiences, tailored to their individual taste. These experiences are designed to be both educational and indulgent, appealing to travelers who value authenticity, cultural immersion and high quality services (Alonso et al., 2015). Luxury wine tourism incorporates the principles of the inconspicuous luxury, where the focus is on the subtlety and quality of the experiences rather than ostentatious displays of wealth, this emphasizes the intrinsic satisfaction like the appreciation of wines in an intimate atmosphere and behind the scenes access to winemakers over public recognition and external validation (Eckhardt, Belk & Wilson, 2015).

2.4 Millennials and Gen Z Travel Preferences

2.4.1 General Travel Preferences

Both generations represent a significant portion of the current travel market, they have specific travel preferences that are dictated by their values and lifestyles, these generations prioritize experiences over material possessions and seek travel opportunities that offer enrichment, adventure and personal growth (Skift, 2019). Additionally, and unlike previous generations, Millennials and Gen Z travelers are more interested in destinations that are off the beaten path, they value authenticity and cultural immersion.

These generations use and rely on technology and social media, this is a distinctive characteristic of the demographic, platforms like Instagram, TikTok and YouTube influence their travel choices as they look for the destinations that are visually appealing and “instagrammable” (Expedia Group, 2020) many of these travelers rely on the internet, online travel agencies and social media for information and tend to be more independent at the time of booking.

Other crucial interests for these demographics are the sustainable and ethical experiences, they are increasingly aware of the environment and the social impact of their travel decisions and tend to favor eco-friendly accommodations, sustainable tourism practices and destinations that support local communities (Booking.com, 2020) according to a report by Deloitte (2021) over 60% of the Millennials and Gen Z are willing to pay more for sustainable travel options including accommodations, transportation and experiences.

These generations also show a strong preference for flexible and personalized services and experiences, preferring tailored options that can be customized to their interests and schedules and often opting for bespoke travel offers (Airbnb, 2019). These generations have high expectations on the level of personalization and customization for the travel experiences they purchase, they value services that can be tailored to their specific needs and preferences, a report by McKinsey & Company (2019) highlights how the 78% of Millennial travelers are more likely to choose a travel provider that offers personalized service over generic offers, this demand for customization extends to different aspects of the travel experience, not only accommodations and activities but also to the flexibility and responsiveness for the service providers.

2.4.2 Specific interests in wine tourism

Millennial and Gen Z travelers, in the context of wine tourism, seek more than just wine tastings, they look for comprehensive and immersive experiences that allow them more engagement and connection with the local culture, history and the production of the wine.

One of their prominent interests in the educational experience, they are keen on learning about the winemaking process, the wineries' philosophies and the sources of the product (soil, cultivation), these interests are driven by their inclination towards mindfulness and

informed consumption (Pomarici, 2016). The wine tours that offer an educational component such as hands-on workshops, sommelier led tastings, vineyard or cellar walks with the winemakers, etc. are particularly appealing to this demographic (Thach & Olsen, 2006).

Sustainability is of big interest for Millennials and Gen Z when looking for wine tourism experiences, they prefer wineries that practice sustainable viticulture, organic farming and environmentally friendly production methods, this preference aligns with their higher awareness and commitment to environmental responsibility and sustainable living lifestyles, as per a research done by Forbes (2019) a substantial number of Millennials are willing to pay a premium price for sustainable products, including wine.

These generations highly appreciate the social and communal aspects of wine tourism, they are more attracted to experiences that facilitate connections with others, the social nature of wine tourism events like festivals and harvest celebrations fulfill their desire for meaningful connections and shared experiences (Bruwer & Rueger-Muck, 2019)

Technology is a big part of the life of Millennials and Gen Z, they use digital platforms and social media to discover wineries, read reviews, book tours and share their experiences, they value wineries that offer tech-savvy features like virtual tours, interactive apps and have a strong social media presence (Thach, 2019), all this enhance their overall experience and gives them more opportunity for genuine engagement with the wine tourism experience before, during and after their visit.

2.4.3 Value of Human Connection and Community in Travel Experiences.

For both Millennials and Gen Z the human connection and finding a sense of community in their life and during their travels is of high importance, these generations are not just looking for destinations but for meaningful interactions and relationships that can enrich their travel experiences.

The human connection is a core element of travel for this demographic, unlike traditional tourists who may prefer isolated or purely recreational activities, these travelers look for opportunities to meet and interact with local and or other fellow travelers, they value the authentic interactions that provide a better understanding of the culture and lifestyle of the places they visit and according to a study made de by Airbnb (2016) 74% of Millennials prefer to spend money on experiences rather than material goods.

The community building factor is another critical aspect of what the Millennials and Gen Z look for during their travels, they often seek out environments and experiences that create a sense of belonging, we see this in the popularity of communal accommodations like hostels and shared living spaces where travelers can meet and bond with others, a report by Hostelworld (2019) found that 81% of Gen Z travelers believe that meeting new people is a vital part of their travel experience, this emphasizes the group travel experiences where the collective memories and interactions become as important as the destination itself.

We cannot overlook the importance of social media for this demographic, they use social media platforms to document and share their travel experiences but also to connect with like-minded individuals and communities, a study by Hudson and Thal (2013) shows how social media impacts significantly the travel behavior, the travelers use this platforms to get inspired, find recommendations, share experiences and stay connected with the people they meet during their travels, this digital connectivity creates a sense of community and allows the travelers to maintain relationships long after their trips is over.

Because of all these factors, we can understand how the desire for human connection and community highly influences the travel decisions of Millennials and Gen Z. They are more likely to choose destinations, travel providers, experiences and services that offer opportunities for social interactions.

3. METHODOLOGY

3.1 Research Design and Approach

For this study, the quantitative method was applied aiming to gain insights into the motivations, travel preferences and the perceived benefits and challenges of group travel within the Millennials' and Gen Z's demographic. These two groups were chosen due to the nature of the study and the research was conducted specifically with U.S. citizens to align with the market focus of the company where the internship was completed, Brickell Travel Management.

The questionnaire was designed to align with the research objectives, aiming to discover the meanings of luxury and wine travel for the specific demographics, as well as the importance of community-building and the perceived benefits of the small group travel model in their travel decisions.

The questionnaire was sent among the Brickell Travel Management's customers who had already taken part of a wine travel experience within the last 12 months (February 2023 and onwards), they were kept in anonymity and all participants were part of the target demographics. In total, 50 subjects responded to the questionnaire, both female and male from Millennial and Gen Z generations.

3.2 Data Analysis Plan

The quantitative questionnaire was administered using Google Forms, a widely used online survey platform, and the data was analyzed utilizing Microsoft Excel, where statistical computations and visual representations were generated to depict the findings

comprehensively. The statistics and comparisons presented in the results were made manually by studying and analyzing the results on the document.

3.3 Limitations

While this research offers valuable insights into the motivations and preferences of Millennials and Gen Z regarding luxury and wine travel and the potential benefit of the use of the small group travel method to attract this demographic, it is important to acknowledge the limitations of the study.

This research was confined to a specific demographic within the United States, potentially limiting the generalizability of the findings to other populations or geographic regions. In addition, the reliance on self-reported data through a questionnaire coming from a travel agency that the subjects already work with may introduce biases or inaccuracies as participants may provide socially desirable responses or misinterpret questions. Lastly, the sample size, although sufficient for the analysis, may not fully capture the diversity of perspectives within the target demographic.

Recognizing these limitations provides valuable context for interpreting the findings and highlights the need for further research in this area.

4. RESULTS AND DISCUSSION

4.1 Overview

The results expressed in this section are aimed to explore the motivations, travel preferences and decision-making factors influencing Millennials' and Gen Z's travel behavior in the context of luxury and wine travel in order to justify the potential of the small group travel model to increase the participation of this demographic in wine tourism. 50 subjects, US citizens from these generations were questioned in a 14 questions, multiple choice questionnaire.

4.2 Demographics and Travel Profile of the Participants

For the age group of 18-24 years old, taking part of the younger portion of the Gen Z generation, there were a total of 4 participants, all female. Among them, 2 traveled internationally for leisure at least once a year, 1 traveled twice a year, and 1 traveled three times a year on average. This group prefers eco/sustainable travel, with gastronomy ranking in third place as preferred travel type, and their travel styles were predominantly intermediate (a mix of alternative accommodations and luxury services), with none opting for luxury travel as their main travel style.

In the 25-30 years old age group representing the older portion of Gen Zs and some of the younger Millennials, there were 14 participants, almost equally divided but mostly female. Seven of them traveled for leisure to international destinations at least once, five traveled

twice, and two traveled three times per year. Their preferences in travel leaned towards sightseeing, with gastronomy in third place and relaxation/beach in second place. The travel style in this group was predominantly intermediate, with 14% choosing luxury travel.

The 31-36 years old age group included 20 participants who represented the younger portion of the Millennial demographic, with an equal gender split (50% female and 50% male). Eight participants took part in international leisure trips at least once a year, six twice a year, four three times a year, and two experienced it more than four times a year. This group preferred travel involving relaxation/beach, with gastronomy in third place and sightseeing in second place. Their travel styles were predominantly intermediate, with 25% opting for luxury travel.

Finally, for those aged 37-42 years old, who take part of the older portion of the Millennial generations, there were 12 participants. Six travel on average at least once a year to an international destination for leisure travel, three travel twice a year for the same reason, and three experience leisure international travel on average three times per year. They preferred cultural/historical travel, with gastronomy in third place and sightseeing in second place as their preferred travel type. The travel styles in this group were predominantly intermediate, with almost 42% opting for a luxury travel style.

With these results, we can clearly see a correlation between the age and the travel style, as reflected on Figure 1, we see how older travelers tend to identify more with the luxury travel style. This might be a pure reflection of a higher income often related to a more developed professional career, further travel experience or simply different taste. Further research should be done on this subject to identify the reason with certainty.

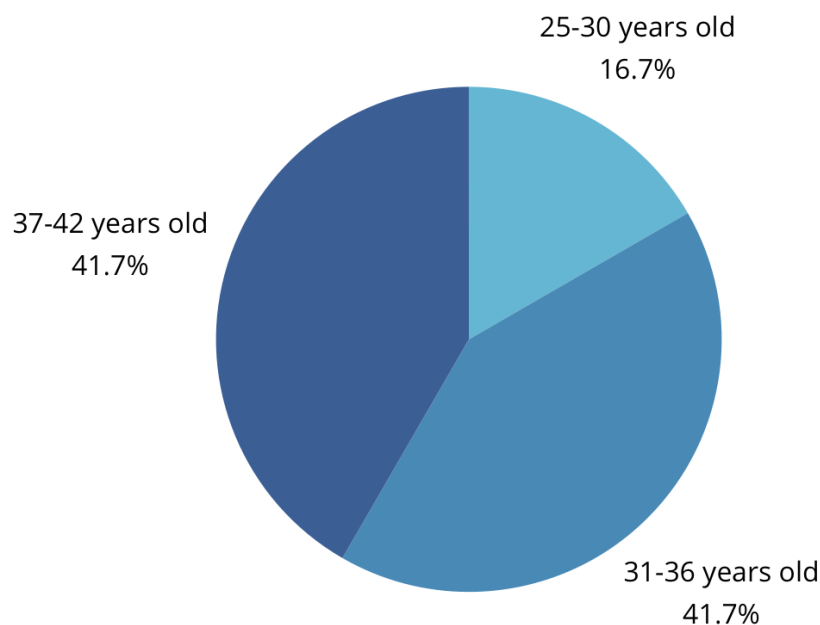


Figure 1. Luxury Travel Preference per age groups

Additionally, with the results above we see how gastronomy is a big part of the travelers preferences in the 4 age groups studied, even though the preferred type of travel varied between the groups, the Gastronomy travel was a constant third place across all of them.

4.3 Luxury and Wine Travel Interests

The participants were questioned about their travel style, considering that all of them had worked with a travel agent specializing in personalized and curated vacations at least once, it's no surprise that only three participants classified their style as "budget travel."

However, what was surprising was the fact that the majority did not choose "Luxury Travel" as their main travel style, instead, they preferred an "Intermediate style," which combines both Luxury (high-end, personalized services) and "boutique style" (more authentic, alternative accommodations with personalized, experience-centered services), as we can see in Figure 2. This shows us 2 things, how luxury travel is still very sought after but not only in its exclusive, flashy and traditional form but more on its authentic, relaxed, experiential focused and approachable form.

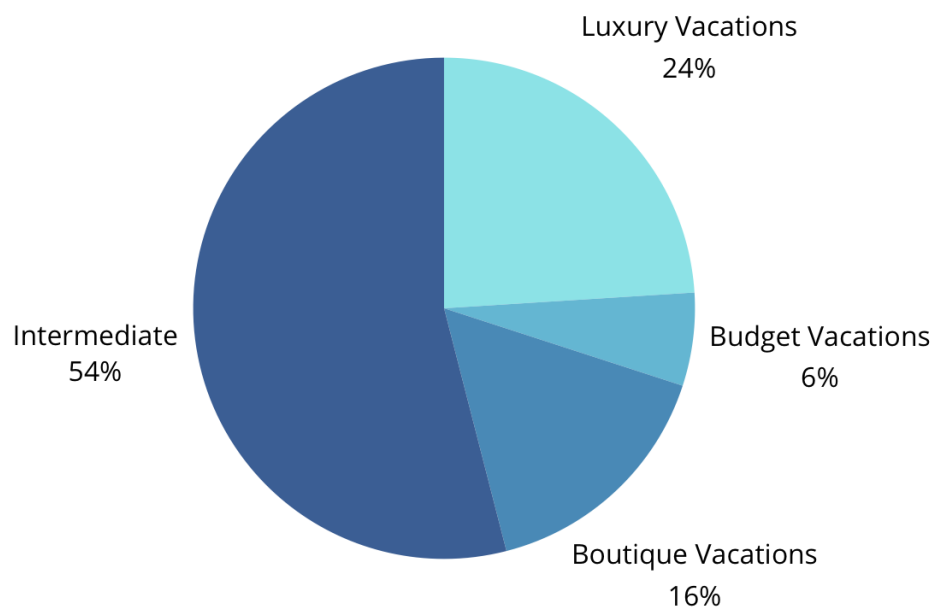


Figure 2. Travel Style

From the total of 50 participants, 82% considered personalized services as the most important aspect of luxury travel, 62% identified high-quality accommodations as a significant component and 54% valued gourmet dining options as part of the luxury travel

experience from 6 different options also including privacy and seclusion, SPAs and wellness services and exclusive access to experiences. These preferences highlight a substantial market potential for gastronomy related activities, such as wine tourism related ones, among travelers seeking high-end travel.

In terms of wine travel specifically, a significant majority of 80% of the total participants expressed some level of interest in wine tourism, with 58% being very interested, 14% moderately interested, and 8% extremely interested. This interest was consistent across all four age groups and showed no noticeable distinction between genders.

The top three most attractive and sought-after activities across all age groups in terms of wine tourism were wine tastings, vineyard tours, and wine and food pairings, and specifically in the 31-36 age group, the option of meeting the winemaker was as popular as wine and food pairings, indicating a potential higher interest in the wine production process among this demographic.

4.4 Small Group Travel Perception

A notable 34% of the participants reported never having experienced a group travel experience, with the majority of this group being in the 31-36 age range, on the contrary, the majority (66%) of participants have indeed participated in a group travel experience in one way or another, 20% of these participated only in shared activities, such as traveling individually or independently but joining day tours or half-day tours on a shared basis and the other 44% had taken part in multi-day, organized group travel (small or large group, there was no distinction)

All participants who had experienced multi-day group travel valued cost efficiency as a benefit of small luxury group travel, 80% saw enhanced social interactions also as a key benefit, and 70% recognized personalized services as an advantage. Furthermore, from this group 60% considered cost to be the main factor in their destination or experience selection.

Of those who experienced shared travel only as a day tour or half-day excursion, 95.5% agreed that cost efficiency is one of the main benefits of group travel, however, only 36% believed personalized services are a benefit, which may reflect the fact that day tours or half-day excursions provide less opportunity to experience personalization and are more generic than multi-day small group travel experiences can be. Despite this, the majority (60%) chose enhanced social interaction as a benefit.

Among those who have not participated in small group travel, only 33% considered personalized experiences a benefit of this model of travel, however, 50% believed it enhances social interactions, and 80% agreed that cost efficiency is a benefit.

As per the results above and reflected on the Figure 3 we can clearly see how the 3 groups (participants who have experiences group travel; participants who have partially experienced it, only as a day tour as part of a FIT itinerary; and the participants who have never experiences group travel in any of its forms) agree on the main 3 benefits of group travel, including cost efficiency, Enhanced social interactions and Personalized services.

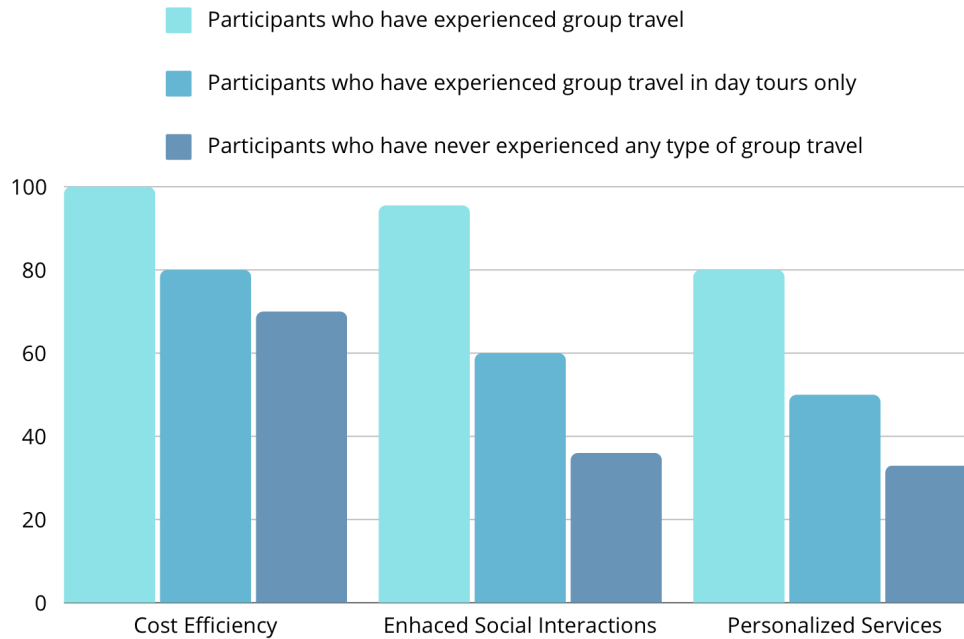


Figure 3. Benefits valued by different types of travel groups.

Prominently, we see how the group who has already experienced wine travel sees higher value on all three, while the participants who have never experienced group travel see lesser value on this type of travel in regards to social interactions and personalized services. The group who has “partially” experienced group travel shows more perceived value on those last 2 benefits but not as much as the first group.

The above can be a reflection of why the participants choose a particular travel style, for example, those participants identifying their travel style as luxury travel, only 3 out of 12 have participated in shared travel experiences as day tours or half-day tours, but the remaining 9 luxury travelers have never participated in a shared travel experience.

Interestingly from those 9, 2 expressed high interest in joining a wine tour in a small luxury group context, they both highlighted enhanced social interactions and better access to exclusive locations as benefits of this travel model which can be defined as one of their motivations to join such groups.

4.5 Potential Interest in Wine Tourism Experiences in a Small Luxury Group

When asked how appealing the idea of a Wine tour in a Small Luxury Group sounded to them, 48% of the total participants answered Very Appealing and 4% voted for Extremely appealing. From these 2 groups, 46% have experienced shared excursions before (single day, full or half-day shared excursions), 27% have experiences organized, multi-day group travel and the other 27% have never participated on a shared travel experience before.

The remaining 48% when asked the same questions responded Moderately appealing (48%), slightly appealing (21%) or not appealing (33%). The participants expressing any of these 3 last opinions were asked a follow up question, to understand why they chose those answers, the findings were very helpful understanding the concerns and objections of participating on this type of travel and give the insights on how can these be addressed to potentially become a positive option for this group in the future.

From the 11 participants voting Moderately appealing, 5 fear not getting along with fellow travelers in the group, 2 prefer to have their own space and travel with their own group or companion, 2 think there won't be enough personalisation/flexibility in the itinerary, 1 don't think the services will be good enough, and 1 is just not interested in wine travel.

From the 5 participants voting Slightly appealing, 2 fear not getting along with fellow travelers, 1 prefer to travel with their own group/companion, 1 thinks the services wouldn't be good enough and 1 feels there won't be enough flexibility on the itinerary.

From the 8 participants voting Not appealing, 5 of them think the services wouldn't be good enough and 3 think there won't be enough personalisation or flexibility on the itinerary.

From the results above we see a common worry regarding the fear of not matching with fellow travelers, which implies a big concern as most of these responders also believe the human connection is a very important factor during their travels. The other 2 most common concerns were about the quality of the services provided and the amount of flexibility that could be given on a pre-organized group trip which can also be understood as a preconceived perception of the concept of group travel, as the total of these responders have never participated in such experiences before.

5. CONCLUSIONS

Following the study, a clear trend emerges among the two studied generations, Millennials and Gen Z, indicating a preference for experiential and people-centric travel experiences. We can also note a high interest in luxury travel among Millennials and Gen Z, the strong opinions expressed in the questionnaire regarding the value of luxury services within the tourism industry was clear evidence of this, and more noticeable a shift in these travel preferences as individuals mature, with older age groups showing a higher affinity for luxury experiences. The significance of gastronomy and gourmet aspects in travel cannot be understated either for these demographics as the questionnaire results reveal that these elements have substantial importance on all age groups studied.

Another significant discovery from our study is the prevalence of frequent travelers who are embracing shared experiences, particularly through shared full or half-day excursions as part of an FIT trip, which can be translated to a seek for cost efficiency as it is the most common benefit found of shared travel experiences on the questionnaire responses, additionally, despite being given the option to select between 0-5 benefits of the small luxury group

model, none of the participants chose to leave the question blank, instead, they all acknowledged at least two benefits such as the mentioned cost efficiency and more personalized services compared to larger group travel. This highlights the widespread appeal and perceived value of small luxury group travel among the respondents, suggesting a growing inclination towards curated travel experiences within a small group in the luxury context.

Given the significance of gastronomic and gourmet experiences and the strong interest in wine travel activities and luxury tourism-associated services and experiences, it's evident that luxury wine travel holds considerable appeal for Millennials and Gen Z. With their emphasis on experiential travel and appreciation for high-quality offerings, these generations are a clear market for wine tourism and luxury wine tourism, considering luxury in its inconspicuous definition.

Finally, as the principal goal of this study, the potential of utilizing small luxury groups in wine tourism directed towards Millennials and Gen Z can be supported by the significant interest observed among frequent travelers within these age groups as the results of this study indicates a clear interest for this type of travel experience among these demographics. We can argue that most participants expressing reservations about the model are primarily those who have never experienced similar experiences and may be overly influenced by feedback and perceptions from larger group travel model, these travelers appear more concerned about the potential quality of relationships with fellow group mates, which can be a great challenge that could be minimized by a good marketing effort attracting like-minded individuals to participate in the group, however, it is a risk that do not have a clear solution other than a good training in group management for the tour guides.

Additionally, the quality of services and the level of personalization were repeated concerns within the studied group, aspects that, with the right amount of attention and planning, can be effectively addressed in a small luxury group setting. These concerns, however, cannot be overlooked and are crucial to address on the marketing efforts and itinerary design to effectively achieve the desired sales and results.

Following the study a SWOT analysis was performed to show the potential benefits and challenges of the Luxury Small Group Travel Model in Wine Tourism for the Gen Z and Millennial demographics, which can be found on Figure 4.

In conclusion, the Small Luxury Group model arises as a potential tool for wine tourism to increase popularity within the studied demographics, however, to guarantee success it's essential to target the right audience, which, based on this study, can be found within both the Millennial and Gen Z generations with travelers exhibiting a travel style that blends luxury with boutique or alternative experiences, driven by their friends and families and social media recommendations, and placing greater emphasis on the value of the experience, a decent amount of personalization, as well as the cost efficiency of the experience.

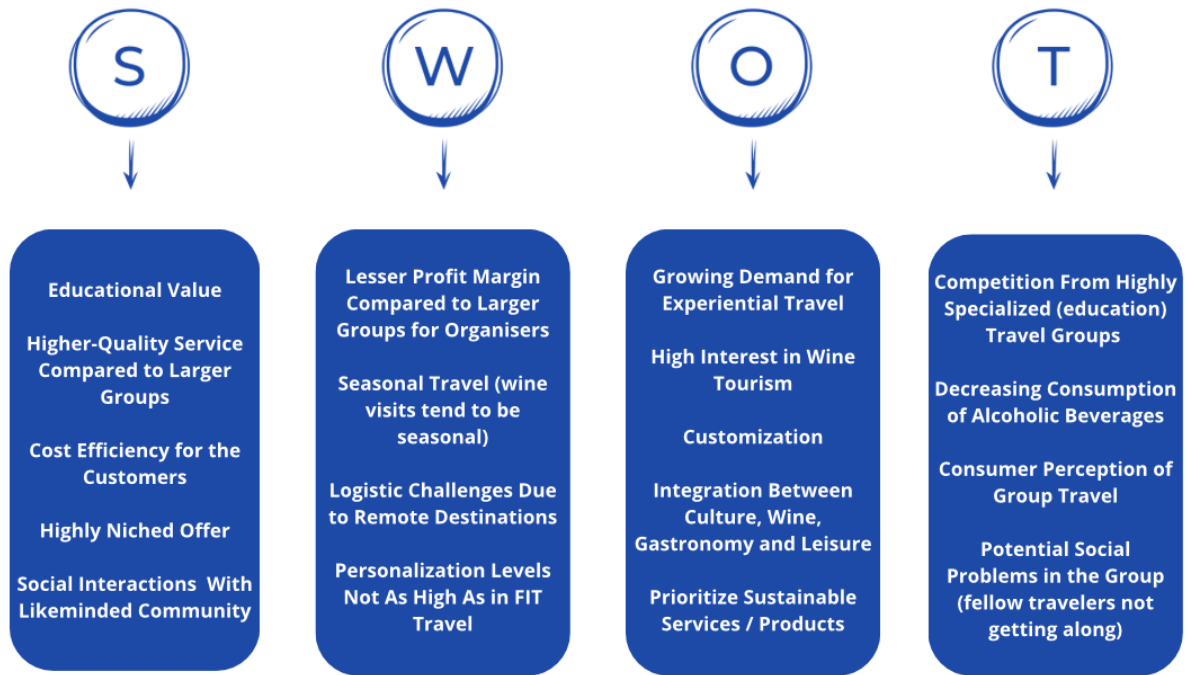


Figure 4. SWOT Analysis of the Luxury Small Group Model in Wine Tourism for Gen Z and Millennials

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7. ANNEXES

Annex 1: Questionnaire

Questionnaire: Travel Preferences and Motivations

Thank you for participating in this survey. Your responses will help us understand the travel preferences and motivations of Millennials and Gen Z in the context of luxury and wine travel. The survey will take approximately 5-10 minutes to complete. Your responses are anonymous and will be used for research purposes only.

1. What is your age?

- 18-24
- 25-30
- 31-36
- 37-42

2. What is your gender?

- Male
- Female

3. How often did you travel internationally for leisure in the last 12 months?

- at least 1 time per year
- 2 times per year
- 3 times per year
- More than 4 times per year

4. What type of travel do you prefer? (Select all that apply)

- Sightseeing
- Cultural/Historical Travel
- Relaxation/Beach Vacations
- Gastronomy Travel
- Eco/Sustainable Travel

5. What better describes your travel style?

- Luxury vacations (luxury hotels, private and customized experiences)
- Budget vacations (promotion oriented, price dependent)

- Boutique vacations (independent hotels or alternative accommodations)
- Intermediate (a mix of the above)

6. When considering a luxury travel experience, which aspects are most important to you?
(Select up to 3)

- High-quality accommodations
- Personalized services
- Exclusive access to experiences
- Gourmet dining options
- Wellness and spa services
- Privacy and seclusion

7. How interested are you in wine travel experiences?

- Not interested
- Slightly interested
- Moderately interested
- Very interested
- Extremely interested

8. Which wine travel activities appeal to you the most while traveling? (Select all that apply)

- Vineyard tours
- Wine tastings
- Wine and food pairings
- Meeting winemakers
- Wine education workshops
- Wine festivals

9. Have you ever participated in a small group travel experience?

- Yes
- No
- Only as a shared excursion (Full or Half-Day Excursion/Tour)

10. What benefits do you see in **luxury small** group travel? (Select all that apply)

- Personalized experiences
- Enhanced social interactions
- Better access to exclusive locations
- Higher quality service
- Cost efficiency

11. What factor most influences your decision of traveling to a certain destination or taking part of a travel experience?

- Cost
- Social media pictures, videos of the place
- Recommendations from friends/family
- Online reviews
- Availability of services, infrastructure

12. How important is it for you to connect with people during your travels?

- Not important
- Slightly important
- Moderately important
- Very important
- Extremely important

13. How appealing does a multi day Wine Tour in a Luxury Small Group context sound to you?

- Not appealing
- Slightly appealing
- Moderately appealing
- Very appealing
- Extremely appealing

14. Why? *(only to guests who answered Not appealing, slightly or moderately appealing)*

- Not enough flexibility or personalization on the itinerary
- I don't think the services would be good enough
- I like to have my own space, with my own group/companion
- I might not get along with the other participants
- I'm not interested in wine travel

Thank you for completing this survey!