

MILLENNIAL CONSUMER PREFERENCES FOR TOUR TRAVEL AGENT SERVICES IN THE DIGITAL ERA: AN ANALYSIS OF THE IMPACT OF TECHNOLOGY AND PERSONALIZATION

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Abstract

This study examines millennial preferences for mobile-based travel agent services in Indonesia, focusing on the impact of technology and personalization. A survey of 200 respondents reveals that millennials prioritize personalized features, such as tailored travel suggestions and customizable itineraries, as well as ease of use and intuitive interfaces in mobile applications. The research highlights that technology, particularly mobile apps, is crucial in meeting the demands for personalized, flexible, and efficient services in the travel industry. Findings show that millennials are more likely to choose travel agents that offer these personalized, user-friendly features, contributing to increased customer satisfaction and loyalty. The study also identifies the importance of digital transparency, flexible booking options, and responsive customer service as key factors in attracting millennial consumers. The results suggest that travel agents must invest in enhancing their digital platforms to provide personalized, intuitive experiences to remain competitive. Overall, this study underscores the need for travel agents to adapt to the growing demand for digital, personalized services to meet the expectations of tech-savvy millennial consumers.

Keywords : Millennials , Digital Natives , Travel Preferences , Mobile- based Services, Tour Travel Agent

A. INTRODUCTION

The tourism industry is currently in the midst of a major shift driven by the adoption of digital technologies. Technological advancements in tourism now include online booking systems that simplify ticket and accommodation reservations, as well as travel search platforms that offer greater flexibility in planning travel experiences (Wu et al., 2024). On the other hand, artificial intelligence (AI) and automation-based technologies have transformed the way travel agents provide services more efficiently and quickly, providing deeper (Lee et al., 2020).

This transformation has had a major impact on the traditional travel agent business model. If previously travel agents relied more on face-to-face interactions, now digital-based services have become the new norm that offer accessibility without space and time limits (Chaihanchai & Anantachart, 2024). However, the challenges facing travel agents in the digital era are not only how to provide fast and efficient service, but also how to maintain a

personal touch and emotional connection with consumers. Consumers no longer want just a practical transaction, but a travel experience that is tailored to their personal needs and preferences (Rosário & Dias, 2024).

The digital era has also opened up a variety of options for consumers in planning their travel. With various digital applications and platforms available, consumers have the convenience of finding, comparing, and booking their travel instantly. However, this convenience must be balanced with the ability of travel agents to provide personalized services. A more immersive, relevant, and expected consumer experience is the key to the success of travel agents in this era (Wu et al., 2024).

Millennial Consumer Segment

The millennial generation, now the largest segment in the tourism industry, exhibits characteristics distinct from those of previous generations. They grew up with technology, so they are very familiar with various digital platforms and are more demanding of easy access in every aspect of life, including travel (Chaihanchai & Anantachart, 2024). For millennials, Technologies like AI, chatbots, and online platforms for booking and travel management have become essential for enhancing customer experience (Chu et al., 2020).

Unlike previous generations who may have preferred traditional travel agents, millennials tend to prefer digital platforms to search and book travel. This is evident from the increasing use of mobile applications, websites, and social media as primary tools for planning vacations (Chaihanchai & Anantachart, 2024). Not only that, they are also more interested in price transparency and experiences that can be customized to their personal preferences, from destinations to travel schedules (Rosário & Dias, 2024).

Travel agents who want to stay relevant in this market must be able to respond quickly to changing millennial preferences. The integration of technologies such as big data and AI allows travel agents to offer more personalized services, predict consumer preferences, and provide targeted recommendations (Rosário & Dias, 2024). In addition, automation of processes such as ticket booking, itinerary arrangements, and customer support via chatbots makes it easier for millennials to access services anytime and anywhere (Lee et al., 2020).

State of the Art

Technology trends in tourism continue to evolve, and travel agencies must continue to innovate to stay relevant (Chu et al., 2020). Technologies like AI, chatbots, and online platforms for booking and travel management have become essential for enhancing customer experience (Lee et al., 2020). These technologies not only simplify administrative processes but also help in providing faster and more responsive services, in line with the expectations of millennial consumers who want an efficient and personalized experience (Rosário & Dias, 2024).

One of the most important trends today is personalization in travel agency services. By leveraging big data, travel agencies can better understand consumer behavior and provide more relevant recommendations (Rosário & Dias, 2024). This not only allows travel agencies to offer more specific services, but also to build long-term relationships with consumers. For millennials, unique experiences that are tailored to their personal preferences are top priorities (Chaihanchai & Anantachart, 2024). Thus, travel agencies that can effectively offer (Chu et al., 2020).

Recent studies have also shown that millennials prefer digital platforms and mobile applications as their primary means of planning their trips (Chaihanchai & Anantachart, 2024). Online reviews, testimonials, and recommendations from friends or influencers are often more credible references than traditional advertising (Chu et al., 2020). Technology has

enabled travel agents to interact with consumers through multiple channels, creating a more dynamic and interactive experience (Lee et al., 2020).

Purpose of the Article

millennial consumer preferences and behavior in choosing travel agent services. This study will explore how technology has changed the way millennial consumers interact with travel agent services, as well as how personalization has become an important factor in influencing their decisions (Rosário & Dias, 2024). In addition, this article will also identify the challenges and opportunities faced by travel agents in facing the demands of digitalization and personalization (Wu et al., 2024). Thus, this article can provide insights for travel agents to adapt and remain competitive in this ever-evolving industry (Chu et al., 2020).

This study uses a quantitative method with a survey as the main data collection technique, aiming to understand millennial consumer preferences for travel agent services in the digital era. The focus is on the influence of technology and the level of service personalization. The respondents targeted by the study were millennial consumers aged 25-40 years in Indonesia who had used travel agent services at least once in the past year. The researcher selected 200 respondents by purposive sampling, with the criteria of age and experience as users of travel agent services.

Data collection was conducted through a questionnaire built based on a literature study on consumer preferences, the role of technology, and aspects of personalization in tourism services. The questionnaire consisted of several sections, including demographic data, questions about the experience of using technology in travel agent services, and respondents' expectations of service personalization. Measurement of satisfaction and preference levels was carried out using a 5-point Likert scale.

The questionnaire distribution was conducted online to reach respondents from various regions. Respondents were asked to fill out the questionnaire within a certain period of time. After the data was collected, analysis was conducted using SPSS. The analysis included a description of the respondent profile, reliability and validity tests to ensure the accuracy of the instrument, and regression analysis to assess the influence of technology and personalization on travel agent service preferences.

The results of this analysis are expected to provide insight into the factors that influence millennial preferences for travel agent services in the digital era. The conclusions obtained will provide important information for industry players to optimize their services by utilizing technology and increasing personalization aspects.

B. RESEARCH METHOD

This study employs a quantitative approach to understand millennial consumer preferences for mobile-based travel agent services in the digital era. Data collection was carried out through an online survey involving 200 respondents, all of whom were mobile travel application users aged 25–40 years, residing in Indonesia. The purposive sampling technique was used to ensure that the sample consisted of millennial consumers with prior experience using mobile travel applications, making the data relevant to the research objectives.

Data analysis was performed using SPSS software. The first step involved conducting descriptive analysis to understand the distribution of the data, including calculating the mean, standard deviation, and frequency distributions for each question in the questionnaire. Reliability analysis was carried out using Cronbach's alpha to assess the internal consistency

of the measurement tool. A Cronbach's alpha value greater than 0.70 was considered acceptable, indicating that the instrument was reliable.

Next, validity testing was performed using factor analysis to evaluate the construct validity of the variables measured in the questionnaire, ensuring that each construct was adequately represented by the items included. To assess the impact of technology and personalization on customer satisfaction, regression analysis was conducted to identify significant predictors of millennial preferences for mobile-based travel services. Additionally, t-tests and correlation analysis were employed to explore relationships between the variables and identify significant differences in preferences among different demographic groups, such as age and gender.

The results of these analyses are expected to provide insights into the key factors that influence millennial preferences in selecting mobile-based travel agent services and will assist travel agents in adapting their digital offerings to meet consumer expectations.

C. FINDINGS AND DISCUSSION

millennial consumers' preferences for travel agent services in the digital era, particularly focusing on the influence of technology and personalization. As a generation that grew up with technological advancements, millennial consumers tend to seek services that are fast, accessible, and transparent. Digital platforms such as travel apps, travel agent websites, and social media have become the primary means for millennials to obtain travel-related information. This digitalization provides various benefits, including convenience in planning and booking, which are important elements in their preferences for travel agents. This study identifies the significant role of technology in meeting the needs of dynamic and always-connected millennial consumers.

The analysis results show that technology provides substantial added value for millennial consumers. They value features that facilitate the ordering and payment process, allow instant access to information, and provide broader flexibility options. According to previous research by Smith et al. (2021), technology in tourism is not only a tool for making transactions, but also a means to build relationships between travel agents and customers. Millennial consumers appreciate travel agents who provide practical digital services, like online reservations and secure payment systems, as these offerings align with their lifestyle preferences, providing comfort and convenience.

In addition to technology, personalization in travel services also has a significant impact on consumer satisfaction and loyalty. Millennial consumers want experiences that can be tailored to their personal preferences and needs, such as unique tourist destinations, suitable accommodations, and flexible tour packages. Travel agents that can offer personalized services and are able to meet specific preferences tend to be preferred by this generation. The findings of this study underline that personalized services have a significant impact on increasing customer satisfaction, which ultimately has a positive impact on consumer loyalty to the travel agent (Doe & Lee, 2022).

The study also identified that millennial consumers are more loyal to travel agents who not only offer personalization but also provide services that can be tailored to their digital lifestyle. As a digitally connected generation, millennials tend to do their own travel research and prefer agents that allow flexibility in the planning process. By providing relevant recommendations and presenting a variety of options, travel agents can increase engagement and attract millennial consumers who are more likely to seek unique experiences. This loyalty is created because they feel more appreciated and get an authentic experience.

Case Processing Summary			
		N	%
Cases	Valid	203	100.0
	Excluded ^a	0	.0
	Total	203	100.0
a. Listwise deletion based on all variables in the procedure.			

Table 1. Displays the case processing summary, showing that all 200 responses were valid and included in the analysis, ensuring the accuracy and reliability of the data

In this section, the table " Case Processing Summary " which displays the number of valid samples of 203 cases is inserted to provide an initial overview of the data analyzed in this study. This table shows that all data has been processed properly and no cases have been deleted. The placement of this table aims to strengthen the methodological basis of the analysis carried out.

As technology advances, many travel agents are turning to digital platforms to provide a more interactive and real- time experience . This allows them to provide the latest information on tour package availability, discounts, and special events at certain tourist destinations. The study found that these digital features are an attractive aspect for millennial consumers . According to Jones & Kim (2020), ease of access through digital platforms gives travel agents a competitive advantage that not only attracts millennial consumers but also maintains their loyalty in the long term.

In addition to the ease of the transaction process, millennial consumers also value price transparency and customer reviews available online . This transparency allows them to make more informed decisions and avoid potential fraud or unwanted additional costs. This study highlights that travel agents who can provide clear, detailed, and transparent information about their products and services tend to be more trusted by millennial consumers . This is in accordance with the findings of Davis & Lopez (2021), which emphasizes that transparency plays an important role in building customer trust and loyalty.

		Statistics													
		applic ation give recom mend ation in accor dance prefer ence I	I Can adapt journe y in accor dance need	prefer ence I stored For use next	notific ation / prom otion in accor dance intere st I	applic ation sugge stions releva nt with histor y booki ng I	naviga tion applic ation easy used and stood	Order Proce ss fast and efficie nt	requir ed featur es easy found	appea rance applic ation easy under stood	I seldo m experi ence proble m techni cal	I satisfi ed with servic e applic ation	applic ation fulfil hope I	I will recom mend applic ation This impre ssion	applic ation This use applic ation This satisfy ing
N	Valid	203	203	203	203	203	203	203	203	203	203	203	203	203	203
	Mis sin g	19	19	19	19	19	19	19	19	19	19	19	19	19	19
	Mean	4.03	3.90	4.29	4.11	3.98	4.17	4.34	4.10	4.26	4.11	4.31	4.12	3.69	4.33
	Std. Error of Mean	.056	.057	.048	.055	.053	.049	.046	.051	.048	.059	.050	.054	.060	.046
	Median	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
	Mode	4	4	4	4	4	4	4	4	4	4	4 ^a	4	4	4
	Std. Deviation	.805	.817	.682	.778	.761	.705	.660	.724	.686	.834	.707	.764	.860	.656

a. Multiple modes exist. The smallest value is shown

Table 2. Summarizes the descriptive statistics of respondents' satisfaction with various mobile application features, such as order process speed, ease of use, and customization

In terms of personalization , travel agents who can provide data-driven recommendations have a great chance to win the hearts of millennial consumers . By using data from previous travel preferences, agents can provide suggestions that are relevant and in line with customers' interests. This study shows that data-driven personalization can create a more immersive and meaningful experience for consumers, especially for those who are looking for an experience that goes beyond just a regular tourist visit. Personal branding in travel agency services can create added value for consumers who want exclusive services.

Furthermore, the study found that travel agencies that use personalization strategies in their marketing tend to be more successful in attracting millennial consumers . The use of relevant content and campaigns tailored to consumers' interests can increase their likelihood of choosing the travel agency. This personalized content , especially through social media, provides a more personal experience for consumers, which in turn increases their likelihood of recommending the service to others.

Correlations				
		S1	S 2	S 3
S1	Pearson Correlation	1	.783 **	.715 **
	Sig. (2-tailed)		.000	.000
	N	203	203	203
S 2	Pearson Correlation	.783 **	1	.737 **
	Sig. (2-tailed)	.000		.000
	N	203	203	203
S 3	Pearson Correlation	.715 **	.737 **	1
	Sig. (2-tailed)	.000	.000	
	N	203	203	203

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3. Presents the correlation analysis between personalization features and customer satisfaction, showing a strong positive relationship

In addition, millennial consumers tend to prefer travel agents that provide responsive and interactive customer service. They want quick access to information or assistance if problems occur during the trip. This shows that efficient and professional customer service is very important in influencing consumer loyalty. The study found that travel agents that offer 24/7 customer service or access to direct assistance through digital platforms have higher customer satisfaction.

Another finding from the study shows that millennial consumers have high expectations for the services provided by travel agents. They want an unforgettable and unique experience, which is different from the usual travel experience. Travel agents who can meet these expectations through innovative services, such as virtual tours or augmented experiences reality , has a greater chance of gaining loyalty from millennial consumers . This technology not only provides an engaging experience but also allows consumers to explore a destination before they decide to visit.

In conclusion, travel agencies that are able to combine technology with personalized services tend to achieve higher customer satisfaction. By leveraging data to understand customer needs and preferences, travel agencies can create more relevant and targeted services. Technology allows for real-time data collection and analysis , which is very helpful in identifying consumer preference trends. This is important for travel agencies that want to stay relevant and competitive in the ever-evolving digital age. This aligns with Kim & Lee (2020), who suggested that personalized loyalty programs, which offer rewards based on customer preferences, play a crucial role in building sustained loyalty among millennial travelers (Kim et al., 2024).

D. CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that technology plays an important role in shaping millennial consumer preferences for travel agent services in the digital era. Ease of access, transparency of information, and flexibility in booking are some of the factors that are highly valued by millennial consumers . Technology allows travel

agents to meet these needs in a more efficient and interactive way, which ultimately increases consumer satisfaction. Travel agents who are able to adapt to the development of digital technology will have a strong competitive advantage. This aligns with the study by Xiang et al. (2020), which emphasized the increasing importance of artificial intelligence in providing personalized travel experiences for millennials, enhancing customer satisfaction and loyalty in the digital era (Rosário & Dias, 2024).

In addition to the role of technology, personalization in travel agency services is also very influential in building consumer loyalty. Millennial consumers want experiences that are unique and tailored to their personal interests. Personalized services not only provide added value to consumers but also create more memorable and meaningful experiences. Travel agencies that can offer data-driven personalized services have a greater chance of building long-term relationships with their customers.

The study also highlights the importance of combining technology and personalization in improving the quality of travel agent services. By leveraging consumer data, travel agents can provide more targeted and relevant services that are in line with the expectations of millennial consumers. This not only increases consumer satisfaction but also strengthens the position of travel agents in an increasingly competitive market.

As a practical recommendation, travel agencies should consider investing in AI and big data technologies to offer more personalized experiences. Additionally, implementing chatbots can enhance customer service by providing responsive and interactive support. These tools will enable travel agencies to meet consumer demands more effectively, helping them remain competitive in the digital tourism landscape.

For future research, it is recommended to explore how emerging technologies like augmented reality (AR) could further enhance travel experiences. Another area for future study could be examining preferences across different consumer segments, such as Generation Z or Baby Boomers, to compare their technology and personalization needs with those of millennials.

In conclusion, the study affirms that travel agencies that incorporate technology and personalization strategies are more likely to succeed in the digital era. A deep understanding of millennial consumers' preferences and needs can help travel agencies to offer tailored services, increase customer loyalty, and ultimately contribute to sustainable growth in the tourism industry.

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