THE YOUTH TRAVEL ACCOMMODATION INDUSTRY SURVEY

EXECUTIVE SUMMARY

BY GREG RICHARDS

STAYWYSE
ASSOCIATION OF YOUTH TRAVEL ACCOMMODATION
STAY WYSE IS A SECTOR ASSOCIATION OF WYSE TRAVEL CONFEDERATION

RESEARCH PROGRAMME

WYSE Travel Confederation and STAY WYSE Association are committed to understanding the ever changing characteristics, motivations, and needs of young travellers.

The Confederation and STAY WYSE gather, analyse and share important research data and market intelligence with their members, academics, corporate and government decision-makers, and the general travelling public.

Our investment in research and market intelligence informs the policies, services and products which make international travel and educational experiences exciting, safe, accessible and affordable for young people.

Please visit www.wysetc.org for more information about WYSE Travel Confederation's research programme.

For more information about STAY WYSE, please visit www.staywyse.org.

Author
Greg Richards (Tourism Research and Marketing)

Survey manager
Laura Daly (STAY WYSE Association Manager)

Title
The Youth Travel Accommodation Industry Survey

Publisher
WYSE Travel Confederation

Front cover
Image: Hikers in Luxembourg supplied by Hostelling International

Printing
Drukkerij Tesink, Zutphen, The Netherlands

SPONSORS

STAY WYSE would like to thank the following sponsors

Introduction

ABOUT STAY WYSE

STAY (Safe Travel Accommodation for Youth) WYSE Association is the global forum and trade association for organisations involved in youth travel accommodation. The Association was formed in 2006 by the world's leading youth travel accommodation providers to represent the entire global Youth Travel Accommodation (YTA) sector. STAY WYSE is the only not-for-profit industry association bringing together the diverse segments of this significant multi-billion dollar industry. The association works to provide much needed support and representation for one of the youth travel industry's fastest growing niche markets.

The Association's mission is to provide safe, affordable and clean accommodation within a communal atmosphere that encourages youth mobility and cultural understanding.

STAY WYSE was officially approved as a sector association of the World Youth Student & Educational (WYSE) Travel Confederation in October 2007 at the World Youth Student Conference (WYSTC) in Istanbul, Turkey. This is the fourth survey of the global Youth Travel Accommodation market produced by STAY WYSE, and the third survey which has included key benchmarks for the industry.

YOUTH TRAVEL ACCOMMODATION INDUSTRY: MARKET DYNAMICS

Thanks to young people travelling more frequently, more widely and more independently, the global youth tourism market continues to expand. In 2009 there was an estimated worldwide market of around 176 million international youth tourism trips a year, compared with about 160 million in 2005. This market growth has created a growing demand for youth accommodation, and stimulated the development of new forms of accommodation. Professionalisation and commercialisation of the sector continue to drive a convergence between youth travel accommodation (YTA) providers and other sectors of the accommodation market, particularly budget hotels.

Even though the YTA industry is growing in size and importance, information on the business operations of hostel-style accommodation is scarce, certainly in comparison to the frequent and detailed analyses of the hotel sector.

Information on how the YTA sector operates is useful in allowing operators to benchmark their business and assess their own performance relative to industry standards.

This study was commissioned by the STAY WYSE Association in order to continue a review of the business operations of the Youth Travel Accommodation sector, to establish crucial business metrics and identify trends in this dynamic sector. The information generated by this research also supports the mission of STAY WYSE to provide a voice and identity for the youth travel accommodation industry.

The aims of the study are:
- To collect data for the purpose of identifying trends and making relative comparisons.
- Provide guidance to youth travel accommodation providers in assessing their business performance, cost effectiveness, revenues and expenses relative to the industry standard.
- To enable youth travel accommodation operators to benchmark their business characteristics in order to develop strategic concepts and optimise business outcomes.

The survey of 2009 provides more detailed information than previous reports, including new questions on social networking and environmental issues. The quality of the financial data has also been improved compared with previous years, and for the first time we have a sufficiently large sample to provide some analysis at country level as well as region level. The STAY WYSE survey is the only consistent source of information on the global YTA industry.

Methodology

Leading Youth Travel Accommodation (YTA) operators around the world were asked to participate in a detailed survey, which was open for the period June to August 2010. Respondents were asked about their business during calendar year 2009. Data was collected from 321 YTA operators from 73 countries, operating a total of 563 accommodation establishments with a total of almost 70,000 bedspaces. This is a significant increase on the response to the 2009 survey, when a total of 216 accommodation establishments from 42 countries were covered. This reflects the ability of STAY WYSE to reach operators across the YTA as a whole, as well as the effort made to increase response rates in the survey of 2009.

The responses were analysed anonymously, and only general figures for regions, countries or types of operation are reported here for reasons of confidentiality.

Executive Summary

This study is the fourth global review of business operations in the YTA sector by STAY WYSE, and the 2009 report covers 563 accommodation units in 73 countries. Data on activities for the period January to December 2009 was collected through an online survey held in June to August 2010.

YOUTH TRAVEL ACCOMMODATION ESTABLISHMENTS

- Europe continued to have the greatest concentration of youth travel accommodation supply with 50% of total reported bed spaces in 2009.
- YTA establishments located in city centres accounted for over half of the establishments reporting in this study.
- 80% of reporting YTA establishments operated on a for-profit basis. Only 3% were state owned.
- The average total number of available beds was 88 per establishment, a similar level to the 2008 survey figure. Although over half of YTA operations have less than 50 beds, larger establishments with 200 or more beds accounted for around 60% of total bed sales in 2009.
- The highest bed capacities tend to be found in Western Europe and Oceania, Eastern Europe and South America having the smallest average bed capacities.
- Over half the YTA establishments have between 6 and 20 rooms. The average number of beds per room was just over 4 in 2009.
- En-suite facilities were provided in 70% of YTA establishments. The proportion of rooms with en-suite facilities was around 40% in 2009.
- The average number of bath and/or toilet facilities per room was highest in Asia and lowest in Oceania and Africa. In Asia the ratio was close to one per room, reflecting the large proportion of private rooms in this region.

YOUTH TRAVEL ACCOMMODATION GUESTS

- Individual travellers comprised around three quarters of the total YTA market in terms of bed nights, with groups of 10 persons or more accounting for around 17%.

- The YTA industry remained firmly orientated towards the 25 to 34 age group in 2009.

- The smallest and largest YTA operations tend to have the largest proportion of individual travellers in private rooms, whereas groups are more prevalent in the largest establishments.

- Africa and Asia have the highest proportion of individual guests in private rooms and the Americas and Oceania have the highest proportion of dorm guests.

- The most frequent length of stay in 2009 was 2 to 3 days (70% of respondents).

BOOKING SOURCES

- Bookings made directly through websites accounted for 45% of business in 2009, a very slight increase on the survey for 2008. However, there has been a shift towards third party websites (26% of bookings) compared with the YTA provider's own website (19%).

- The majority of bookings are made within three weeks of arrival.

YOUTH TRAVEL ACCOMMODATION OCCUPANCY RATES

- The average occupancy rate reported by youth travel accommodation providers was around 56%. However, there were a wide range of variations by region, location and business size and type.

- In general, reported occupancy levels were highest in Oceania and Asia.

- In terms of size, establishments with between 100 and 500 beds report the highest occupancy levels.

YOUTH TRAVEL ACCOMMODATION REVENUES

- The sale of beds accounted for 70% of reported revenue. Food and beverage sales (including alcohol) accounted for 14% of total revenue. There were some signs that other sources of revenue, although still relatively small, have increased during 2009.

- Bed revenues tend to be highest as a proportion of total income for establishments in North America, Oceania and Eastern Europe. In general, for-profit and city centre YTA providers generate higher proportions of their revenues from bed sales than not-for-profit and rural YTA providers.

- The average reported bed rate for single rooms was €34 in high season and €29 in low season. Double room charges ranged from €42 in the peak season to €36 in low season. Dorm beds varied between €21 in the high season and €15 in the low season.

- The overall average bed rate for 2009 was around €24.82, a rise of more than 3% compared with the €24.00 average rate in 2008.

- The highest bed rates were found in Western Europe and North America.

YOUTH TRAVEL ACCOMMODATION COSTS

- The main cost items for YTA establishments are staff and premises, which together account for 45% of total expenses.

- Marketing costs account for almost 10% of the total budget.

SELLING POINTS FOR YTA

- The main selling points for YTA in 2009 were location and customer service, both ranked as number one by more than 20% of respondents in 2009.

SOCIAL NETWORKING ACTIVITY

- About two thirds of YTA operators use social networking sites to market themselves and to keep in touch with their customers.

- Facebook is the most widely used social networking site.

- On average, the content of social networking sites is updated 15 times a month, although the majority of establishments only update 5 times a month.

ENVIRONMENTAL AND SUSTAINABLE INITIATIVES

- The most commonly used environmental measures were recycling facilities and the use of energy efficient lighting.

- Only 8% of YTA operators currently participate in green certification schemes.

Conclusions

The STAY WYSE survey of YTA business in 2009 continues to point to a relatively healthy industry, in spite of the effects of the economic downturn. YTA operators remain optimistic about their business prospects in 2010, following a year in which business contracted, but to a lesser extent than in other sectors of the global tourism industry.

The fact that occupancy levels were strong in many areas allowed YTA operators to raise their bed rates by over 3% in 2009. Although bed revenues are still by far the most important source of income, there were also signs of an increase in other revenue areas during the year.

One of the reasons for a relatively strong performance is the tendency for YTA operators to innovate and adapt their products to suit market conditions. In particular, it seems that YTA operators are making good use of new marketing opportunities, such as social networking sites, to reach new client groups and market their products more effectively. The fact that YTA operators could generally sustain business levels through the downturn was probably one of the major reasons why overall average bed rates for 2009 rose by more than 3% compared with 2008. With average reported bed occupancy rates also being higher than in previous editions of the STAY WYSE Survey, this indicates that the YTA industry has managed to negotiate the economic downturn relatively effectively.

Other data from the survey does indicate, however, that YTA establishments will have to remain flexible and creative in order to maximise the opportunities that arise in the marketplace. For example, the growth of third party websites as a source of bookings indicates a potential source of pressure on achieved revenues that may grow in the future. There are also indications that difficult economic conditions may be taking attention away from some important issues which not only affect YTA establishments, but also their customers. The relatively low penetration of environmental and sustainability initiatives, for example, shows that some YTA operators may not be on the same wavelength as their customers, in view of the fact that WYSE Travel Confederation research has consistently shown a high level of concern for such issues among young independent travellers.

Bibliography

- Australian Bureau of Statistics (2010) Tourist Accommodation, Australia, March 2009.

- Richards, G. (2007) New Horizons II – The Young Independent Traveller 2007. Amsterdam: WYSE Travel Confederation.

- Richards, G. and Welk, P. (2009) Youth Travel Accommodation Industry: A Benchmark Study. Amsterdam: STAY WYSE.

- Statistics New Zealand (2010) Accommodation Survey 2009.

- United Nations World Tourism Organisation (2010) International Travel Statistics. Madrid: WTO.

- WYSE Travel Confederation (2009, 2010) Youth Travel Monitor. WYSE Travel Confederation: Amsterdam.

Acknowledgements

STAY WYSE Association would like to thank the following individuals and organisations for their valuable contributions to this report:

- **The Members of STAY WYSE**

- **STAY WYSE Board**
  Mr. Ulises Ortega, Mundo Joven (Chair)
  Mr. David Chapman, International Students House
  Mr. John Dickson, Hostelling International
  Ms. Carmel Dunne, Hostelworld
  Mr. Mikael Hansson, Hostelling International
  Mr. Steve Lowy, UmiHotels
  Mr. Murray Roberts, St. Christopher's Inn

- **WYSE Travel Confederation**
  Mr. David Jones
  Ms. Wendy Morrill
  Mr. Robin Wicks

- **Scribble design (www.scribbledesign.nl)**

STAY WYSE would also like to thank all of the Youth Travel Accommodation providers who kindly participated in this study.

The 2010 STAY WYSE Members

Organisation	Country	Website
PAX Hostel	Argentina	www.paxhostel.com
Backpacking Hostel Australia P/L	Australia	www.bohemiaresort.com.au
Wake Up!	Australia	www.wakeup.com.au
YHA Australia	Australia	www.yha.com
Toerisme Vlaanderen	Belgium	www.visitflanders.be
Global Village Backpackers Inc	Canada	www.globalbackpackers.com
Le Jazz St-Denis	Canada	www.jazzhostels.com
Travel CUTS	Canada	www.travelcuts.com
Finntourist/Koulumatkailutotoimisto Oy	Finland	www.finntourist.fi
Hip Hop Hostels	France	www.hiphophostels.com
A & O Hotels and Hostels Holding AG	Germany	www.aohostels.com
SANDEMANs New Europe GmbH	Germany	www.sandemans-new.com
Celtic Budget Accommodation Centres	Ireland	www.celtic-accommodation.ie
Hostelworld.com	Ireland	www.hostelworld.com
CTS Associazione	Italy	www.cts.it
Elite Vacanze Srl	Italy	www.plusvillages.com
Farah Hotel	Jordan	www.farahhotel.com.jo
Bakhytty Hostel Kazakhstan	Kazakhstan (Rep. of)	
National Student Travel Foundation	Malta	www.nsts.org
Amigo Hostel Group	Mexico	www.ciarogroup.com
Hostelling International Mexico	Mexico	www.hostellingmexico.com
Mundo Joven Travel Shop	Mexico	www.mundojoven.com
Woonstichting De Key	Netherlands	www.dekey.nl
Zavod Souhostel	Slovenia	www.sou-lj.si
Coffee Shack Backpackers Lodge	South Africa	www.coffeechack.co.za
SaltyCrax Adventures	South Africa	www.saltycrax.com
Agora BCN	Spain	www.agorabcn.com
Equity Point Youth Hostels	Spain	www.equity-point.com
Feet Up Hostels	Spain	www.feetuphostels.com
MelonDistrict	Spain	www.melondistrict.com
All Out Africa/Lidwala Backpacker Lodge	Swaziland	www.alloutafrica.com
Backpackers Villa Sonnenhof	Switzerland	www.villa.ch
Hostelling International Marketing GmbH	Switzerland	
Britannia Student Services Ltd	United Kingdom	www.britanniatravel.com
Clink261	United Kingdom	www.ashleehouse.co.uk
Generator Hostels Ltd	United Kingdom	www.generatorhostels.com
Hatters Hostel Ltd	United Kingdom	www.hattersgroup.com
HostelBookers	United Kingdom	www.hostelbookers.com
Hostelling International	United Kingdom	www.hihostels.com
International Students House	United Kingdom	www.ish.org.uk

Organisation	Country	Website
Smart City Hostels Edinburgh	United Kingdom	www.smartcityhostels.com
St Christophers Inns	United Kingdom	www.st-christophers.co.uk
STA Travel Group	United Kingdom	www.statravelgroup.com
umi Hotels	United Kingdom	www.umihotels.co.uk
University of Bath	United Kingdom	www.bath.ac.uk/hospitality
Hostelrescard.com Inc	USA	www.hostelrescard.com
NYCHostels.com	USA	www.nychostels.com
YMCA of Greater New York	USA	www.internationalymca.org

The following Hostelling International Member Associations are non-voting members of STAY WYSE

Organisation	Country	Website
Fédération Algérienne de Auberges	Algeria	www.faaj.org
Hostelling International Argentina	Argentina	www.hihostels.com/argentina
Österreichischer Jugendherbergsverband Hauptverband	Austria	www.oeijhv.or.at
Bahrain Youth Hostels Society	Bahrain	www.byhs.org.bh
Les Auberges de Jeunesse	Belgium	www.laj.be
Fundacion Hostelling International Bolivia	Bolivia	www.hostellingbolivia.org
Federaçao Brasileira dos Albergues	Brazil	www.hostel.org.br
Hostelling International-Canada	Canada	www.hihostels.ca
Asociación Chilena de Albergues Turisticos	Chile	www.hostelling.cl
YHA China	China	www.yhachina.com
Chinese Taipei Youth Hostel Association	Chinese Taipei	www.yh.org.tw
Hrvatski Ferijalni i Hostelski Savez (Croatian YHA)	Croatia	www.hfhs.hr
Czech Youth Hostel Association	Czech Republic	www.czechhostels.com
DANHOSTEL	Denmark	www.danhostel.dk
Fundación Hostelling del Ecuador	Ecuador	www.hihostels.com.ec
Egyptian Youth Hostels Association	Egypt	www.egyptyha.com
YHA England & Wales	England & Wales	www.yha.org.uk
Suomen Retkeilymajajärjestö-SRM	Finland	www.hostellit.fi
Fédération Unie des Auberges de Jeunesse	France	www.fuaj.org
DJH Hauptverband	Germany	www.jugendherberge.de
Hong Kong Youth Hostels Association	Hong Kong	www.yha.org.hk
Magyarországi Ifjúsági Szállások Szövetsége (Hungarian YHA)	Hungary	www.miszsz.hu
Bandalag Islenskra Farfugla (HI Iceland)	Iceland	www.hostel.is
Youth Hostels Association of India	India	www.yhaindia.org
An Óige, Irish Youth Hostel Association	Ireland	www.irelandyha.org
Israel Youth Hostels Association	Israel	www.iyha.org.il
Associazione Italiana Alberghi per la Gioventù	Italy	www.aighostels.com
Japan Youth Hostels Inc	Japan	www.jyh.or.jp
Jordan Youth Hostels Commission	Jordan	www.jyhc.jo

Organisation	Country	Website
Kenya Youth Hostels Association	Kenya	www.yhak.org
Kuwait Youth Hostel Committee	Kuwait	
Lebanese Youth Hostels Federation	Lebanon	
Libyan Youth Hostel Association	Libya	
Lithuanian Youth Hostels Association	Lithuania	www.lha.lt
Centrale des Auberges de Jeunesse Luxembourgeoises	Luxembourg	www.youthhostels.lu
Macedonian Youth Hostel Association	Macedonia	www.macedonian-yha.org
Malaysian Youth Hostels Association	Malaysia	www.myha.org.my
NSTS Hostelling International	Malta	www.nsts.org
Fédération Royale Marocaine des Auberges de Jeunes	Morocco	www.frmaj.org.ma
Stayokay	Netherlands	www.stayokay.com
YHA New Zealand	New Zealand	www.yah.co.nz
Hostelling International-Northern Ireland	Northern Ireland	www.hini.org.uk
Norske Vandrerhjem - HI Norway	Norway	www.vandrerhjem.no
Pakistan Youth Hostels Association	Pakistan	www.pakistanyouthhostel.com
Administradora Peruana de Albergues	Peru	www.hostellingperu.com.pe
Youth and Student Hostel Foundation of the Philippines	Philippines	
Polish Youth Hostel Association	Poland	www.ptsm.org.pl
MOVIJOVEM	Portugal	www.pousadasjuventude.pt
Qatar Youth Hostels Association	Qatar	www.qyha.com
Asociatia Youth Hostel Romania	Romania	www.hihostels-romania.ro
Youth Hostels Association of Russia	Russia	www.russia-hostelling.ru
Saudi Arabian Youth Hostels Association	Saudi Arabia	www.sayha.org
Scottish Youth Hostels Association	Scotland	www.syha.org.uk
Youth Hostels Association of Serbia	Serbia	www.hostels.org.yu
Hostelling International Singapore	Singapore	www.hisingapore.org
PZS - Hostelling International Slovenia	Slovenia	www.youth-hostel.si
Hostelling International Korea	South Korea	www.kyha.or.kr
Red Española de Albergues Juveniles	Spain	www.reaj.com
Sudanese Youth Hostels Association	Sudan	www.sudaneseyha.net
Svenska Turistföreningen	Sweden	www.stfturist.se
Schweizer Jugendherbergen	Switzerland	www.youthhostel.ch
Thai Youth Hostels Association	Thailand	www.hithailand.com
Association Tunisienne des Auberges de Tourisme de Jeune	Tunisia	www.atatj.planet.tn
United Arab Emirates Youth Hostel Association	United Arab Emirates	www.uaeyha.com
Asociación de Alberguistas del Uruguay	Uruguay	www.hosteluruguay.org
Hostelling International USA	USA	www.hiusa.org
Vietnam Hostelling International	Vietnam	www.vietnamhitravel.com

SPONSORS

STAY WYSE would like to thank the following sponsors

www.hihostels.com

www.hostelworld.com

www.ish.org.uk

www.hiphophostels.com

www.mundojoven.com

www.generatorhostels.com

www.statravel.com

www.umihotels.co.uk

WORLD YOUTH STUDENT & EDUCATIONAL TRAVEL
WYSE CONFEDERATION

STAY WYSE IS A SECTOR ASSOCIATION OF WYSE TRAVEL CONFEDERATION

STAY WYSE
Keizersgracht 174-176
1016 DW Amsterdam
The Netherlands

Tel. +31 (0)20 421 2800
Fax +31 (0)20 421 2810
mailbox@staywyse.org

WWW.STAYWYSE.ORG