

## EXPLORATION OF TRAVEL BUSINESS PRODUCT INNOVATIONS IN RESPONSE TO THE TREND OF SOLO TRAVELERS, GENERATION Z

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### ABSTRACT

This research aims to explore the product innovations of Tourism Travel Business (UPW) in responding to the trend of Generation Z solo travelers. A qualitative approach was used with a multi-informant case study method in several UPWs in Yogyakarta. Data is collected through in-depth interviews and documentation, and then a SWOT analysis.

The results of the study show that UPW's product innovation is manifested in three main dimensions, namely service personalization, itinerary flexibility, and security guarantee. Personalization is done through individual preference-based plans, interactive digital communications, and add-on options. Flexibility is realized through modular itineraries, open schedules, and optional activities. Meanwhile, security guarantees are implemented through transparent information, optional mentoring, and adaptive safety protocols. The SWOT analysis shows strengths in authentic local experiences and opportunities from solo travel trends and digitalization, with weaknesses in the rigidity of conventional packages and the threat of Online Travel Agent (OTA) dominance. These findings confirm that the success of innovation is determined by the integration of experiential value, co-creation, and service flexibility in increasing the competitiveness and sustainability of tourism products.

Keywords: product innovation, travel business, solo traveler, Generation Z, tourism

### INTRODUCTION

Tourism is a travel activity carried out by individuals or groups to a destination for a temporary period of time with the purpose of recreation, entertainment, and fulfilling psychological needs (Su et al., 2025). On the other hand, tourism is an activity of traveling from one place to another that is temporary and does not aim to work, but to gain personal experience and satisfaction (Rifka Alkhilyatul Ma'rifat, I Made Suraharta, 2025).

However, along with the development of digital technology and global demographic dynamics, the tourism sector has undergone a significant transformation. Technological advances have changed the

behavior of tourists who increasingly rely on digital platforms in finding information, planning trips, and sharing travel experiences. This condition makes digital transformation one of the main factors in increasing the competitiveness of the tourism industry (Kusuma, 2025).

In Indonesia, the development of the tourism sector is supported by government policies through Law Number 18 of 2025 concerning Tourism, which emphasizes the importance of sustainable tourism management, improving service quality, and strengthening innovation in the development of tourist destinations and products. This policy direction is the basis for various industry players to adapt to changes in increasingly dynamic market needs.

These changes are also marked by the increasing role of Generation Z as a potential tourism market segment. This generation is known as digital natives who actively utilize technology in the entire travel process, from searching for information to sharing experiences through social media (Popşa, 2024). This characteristic drives the emergence of the solo traveler trend, which is individual travel that emphasizes freedom, flexibility, and a more personalized experience (Yang, 2021).

The development of these trends presents challenges for Travel and Tourism Business (UPW) in designing products and services that suit market needs. The conventional tour package model that is oriented towards group travel is considered less able to accommodate the preferences of Generation Z, who prioritize flexibility and personalization of the experience. Therefore, product innovations are needed that are able to answer the needs of tourists in a more adaptive and relevant way.

Based on these conditions, this study aims to explore UPW's product innovations in responding to the trend of Generation Z solo travelers, especially in terms of service personalization, itinerary flexibility, and security guarantees.

### **Travel Agency**

The Travel and Tourism Business (UPW) shows its adaptability in facing changes through business diversification, service quality improvement, and the use of digital media as a marketing channel (Joy et al., 2020). In addition, the development of tourism products emphasizes the importance of understanding consumer needs and the application of *New Service Development (NSD)* in creating competitive products (Viva Wisata Indonesia, 2024). However, the product development carried out is still dominated by conventional tour packages that are oriented towards group travel, so they do not fully accommodate the needs of individual tourists.

### **Solo Traveler & Gen Z**

On the other hand, research on tourist behavior shows a significant change in preferences, especially in Generation Z. Travelers in this segment trend to prioritize personalized, flexible, and integrated experiences with digital technology (Dolot, 2018; Popşa, 2024). In addition, the trend of solo travelers in Generation Z is influenced by the need for freedom, self-development, and full control over travel (Street, 2018). Factors of safety, trust, and risk perception are also important aspects in influencing individual travel decisions (Riana Handayani Silalahi, 2025). While personalization is proven to increase traveler satisfaction through experiences that suit individual preferences (Robinson & Schänzel, 2019)

However, most of the research still focuses on aspects of tourist behavior or product development in general, so it has not been in-depth to examine how UPW develops product innovations that specifically respond to the needs of Generation Z solo travelers, which include personalization of services, itinerary flexibility, and security guarantees.

### **RESEARCH METHOD**

This study uses a qualitative approach with an exploratory design to analyze the product innovation of the Tourism Travel Business (UPW) in responding to the trend of Generation Z solo travelers in Yogyakarta. This approach was chosen to understand the phenomenon contextually through the interpretation of digital data. The data source is in the form of secondary data from social media such as Instagram, TikTok, and YouTube, which includes promotional content, traveler testimonials, travel videos, and user interactions (likes, comments, and shares).

Data collection was carried out through non-participatory observation using the Netnography method, which is a systematic observation of online content. The sample was selected purposively with the following criteria: relevant to solo travelers in Yogyakarta, published in the 2023–2025 period, and having a high level of interaction. Data analysis uses *content analysis* to identify innovation themes, such as service personalization, itinerary flexibility, and security assurance. The findings were then mapped using SWOT analysis to examine internal (strengths and weaknesses) and external (opportunities and threats) factors. Data validity is maintained through source triangulation between platforms and repeated analysis to ensure consistency of interpretation.

Theoretically, the use of Netnography confirms its effectiveness in examining the behavior of digital travelers (Tavakoli & Mura, 2018; Tavakoli & Wijesinghe, 2019). Other studies also show that social media is the main source of understanding travelers' experiences and preferences in the digital tourism era (Roziqin et al., 2023; WU & LIU, 2024). Thus, Netnography not only serves as a data collection technique but also as an analytical approach to understand the dynamics of UPW product innovation based on digital traveler behavior.

## RESULTS AND DISCUSSION

The findings of this study show that the innovation of tourism business (UPW) products in Yogyakarta in responding to the trend of solo travelers Generation Z is identified in three main dimensions, namely service personalization, *itinerary* flexibility, and security guarantee. These findings are based on the results of field data analysis that show a consistent pattern among UPWs in tailoring services to the needs of the segment. These three dimensions are developing through *the New Service Development* (NSD) process, which is driven by the demographic shift of Generation Z and the increasing trend of independent travel, thus giving rise to needs that have not been previously met in the conventional UPW business model.

### 1. Service Personalization as the Main Innovation Dimension

UPW (Travel and Tourism Business), which successfully caters to the Gen Z solo traveler segment, has shifted from a standardized group package to an individual preference-based service, including pre-trip consultations via digital platforms, real-time *itinerary* customization, and *flexible add-on* options. These findings strengthen Grönroos' (2007) argument that service innovation occurs in the interaction process, not just in the product. In Levitt's (1960) perspective, personalization is the main mechanism for translating *latent needs* into concrete service features because Gen Z solo travelers do not just buy tour packages but rather buy experiences that reflect their personal identity and autonomy. This capacity is a competitive advantage that cannot be algorithmically replicated by OTAs (Quintana et al., 2016).

### 2. Itinerary Flexibility and Modular Product Design

Research data shows that the rigidity of conventional tour packages is the main obstacle for Generation Z solo travelers in using UPW (Travel and Tourism Business) services. To address

this challenge, UPW designed a product with a modular structure that allows travelers to adjust, replace, or remove travel components according to personal preferences and rhythms. This approach emphasizes that innovation does not necessarily mean creating new services but can be realized through the recombination of existing elements to make them more adaptive. In addition, the removal of the *single supplement* policy strengthens the appeal of the product while confirming that price flexibility has an equally important role as itinerary flexibility in increasing market acceptance.

### 3. Security Assurance Mechanisms and Adaptive Protocols

The findings of the study also confirm that safety aspects are the main consideration in independent travel decision-making, especially for solo female travelers. Generation Z of Travel and Tourism Business (UPW) responded through three main approaches, namely, the provision of transparent security information through digital channels, optional assistance services, and the implementation of adaptive safety protocols based on destination characteristics. This approach shows that innovations in the security aspect are not only protective but also play a role in increasing the trust and comfort of tourists. In addition, Law Number 18 of 2025 concerning Tourism emphasizes that the security aspect is part of the service standards that must be met by industry players.

### 4. Strategic Implications

Based on the three dimensions of innovation identified, this study then maps the strategic implications for UPW's competitive position through SWOT analysis. The results of the analysis show that UPW's main strength lies in its ability to deliver authentic travel experiences through personalized individual preferences, modular design flexibility that allows for travel customization, and a layered security system that increases the trust of travelers, especially solo female travelers. On the other hand, the weaknesses are still visible in price rigidity, the limitations of digital marketing strategies, and the innovation culture that tends to be reactive. External opportunities open up through the rapid growth of Generation Z's solo travel market, regulatory support that affirms security standards, and potential collaborations with influencers and content creators. The biggest threat comes from the dominance of OTAs with advanced algorithms, as well as the tendency of Gen Z travelers to organize trips independently. Overall, this analysis confirms that UPW's sustainability depends on the ability to integrate experience value, co-creation, and service flexibility, so UPW's role shifts from being just a logistics provider to designing a meaningful, safe, and relevant travel experience in the digital age.

**Table 1.2 Findings of UPW Product Innovation in Responding to Generation Z Solo Travelers**

Methodological Stages	Approaches	Focus of Analysis	Output	Results

Data Collection	Netnography	Observation of the digital behavior of tourists (especially solo travelers of Generation Z) through social media (Instagram, TikTok, YouTube)	Empirical data in the form of visual content, captions, hashtags, comments, and user interaction	Generate contextual and naturalistic data based on digital reality without researcher intervention
Data Processing	Content Analysis	Identify patterns, themes, and trends of tourism product innovations displayed by UPW	Thematic categories such as destination preferences, travel styles, service needs, and forms of product innovation	Simplify complex data into a systematic and structured pattern
Strategic Analysis	SWOT Analysis	Mapping of internal (Strengths, Weaknesses) and external factors (Opportunities, Threats) based on digital findings	SWOT matrix that describes UPW's strategic position in responding to solo traveler trends	Converting empirical findings into actionable strategic recommendations

**Table 1.1 Discussion of SWOT Analysis of UPW Product Innovation in Responding to Solo Travelers Generation Z**

SWOT Aspects	Analysis Results
Strengths	The results show that UPW's main strength lies in its service personalization capabilities, itinerary flexibility, and security guarantees. Personalization allows for customization of services based on individual preferences. Flexibility through modular design increases product satisfaction and differentiation. Security guarantees increase tourist confidence.
Weaknesses	Innovation faces internal limitations such as the need for competent human resources and operational complexity. Flexibility makes it difficult to standardize services and reliance on the quality of human interaction has the potential to lead to inconsistencies.

Opportunities	The opportunity comes from the increasing trend of Generation Z solo travelers, the development of digital technology, and regulations that emphasize the security aspect. The shift towards experience-based tourism opens up room for differentiation.
Threats	Threats include competition with OTAs, rapid changes in Gen Z preferences, destination security risks, and potential reputational damage from negative reviews.

## CONCLUSION

This study concludes that the success of the Tourism Travel Business (UPW) in attracting the Generation Z solo traveler market is determined by three main aspects, namely service personalization, itinerary flexibility, and security guarantees. The personalization of the service plays a role in enhancing the emotional attachment of travelers through adjustments to individual preferences, while the flexibility of the itinerary provides space for travelers to determine the trip as needed. Security is an important factor in building trust, especially for tourists who travel independently.

The results of the SWOT analysis show that UPW's strength lies in local knowledge and personalization capabilities, with weaknesses in digital marketing and pricing flexibility. Opportunities open up through the growth of the Generation Z market, while threats arise from the dominance of *Online Travel Agent* (OTA) platforms and the increasing independence of tourists.

The implications of this study emphasize the importance of transforming UPW into an adaptive *experience designer* through strengthening digital marketing and strategic collaboration. Further research is suggested to examine the use of technology, such as Artificial Intelligence, in supporting more personalized, flexible, and secure service.

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