

Designing Gen Z-Centric Sustainable Tourism Strategies in Southeastern Mindanao Region of the Philippines using Conjoint Analysis

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ABSTRACT

This study explores the sustainable tourism preferences of Generation Z in Southeastern Mindanao, Philippines, through conjoint analysis. Based on a survey of 365 Gen Z respondents, the research identifies key factors influencing travel decisions, including sustainability, cost, group size, and trip duration. The results show that sustainable experiences (29.7%) and affordability (29%) are the most important factors in decision-making, with a marked preference for small group travel (28%). The ideal tourism combination includes eco-exploration, budget-friendly pricing, weekend getaways, and small groups (2-5 people). These findings provide valuable insights for tourism stakeholders to design offerings that align with Gen Z's demand for eco-conscious, affordable, and socially interactive travel, supporting sustainable tourism and economic growth in emerging destinations.

INTRODUCTION

Tourism, one of the world's most dynamic sectors, has traditionally been a significant driver of economic growth, providing employment and fostering cultural exchanges. However, the unsustainable practices associated with conventional tourism, such as environmental degradation, over-tourism, and cultural erosion, have spurred increasing calls for more responsible travel practices (UNWTO, 2018). In response, sustainable tourism has emerged as a critical solution, emphasizing the balance between economic development, environmental protection, and cultural preservation (Bramwell & Lane, 1993). Within this context, Southeastern Mindanao, with its diverse ecosystems and rich cultural heritage, has become a focal point for tourism development in the Philippines, offering opportunities for eco-tourism and sustainable practices (Department of Tourism, 2021).

Despite the growing interest in sustainable tourism, a significant research gap remains regarding the specific preferences of Generation Z (Gen Z) travelers individuals born between 1997 and 2012 – in regional contexts like Southeastern Mindanao. Gen Z, the first generation to grow up in a fully digitalized world, possesses unique characteristics that differentiate them from previous consumer groups. They are not only tech-savvy but are also socially conscious and environmentally aware, making sustainability a core value in their travel choices (Francis & Hoefel, 2018; Cavagnaro et al., 2018). However, existing research on Gen Z's tourism preferences has largely focused on global or urban contexts, with limited exploration of their behavior in emerging tourism destinations like Southeastern Mindanao. This gap in the literature creates an urgent need for more region-specific insights to better understand how this generation engages with sustainable tourism, especially in lesser-explored destinations.

The significance of this study lies in its potential to fill this research gap by offering a detailed exploration of Gen Z's travel preferences in Southeastern Mindanao, an area known for its rich biodiversity and cultural diversity. As the tourism industry increasingly looks to cater to Gen Z – a demographic poised to become the primary consumer group in the coming years – understanding their unique values, preferences, and decision-making processes is crucial for developing tourism strategies that align with their expectations. By focusing on sustainable tourism, this research provides valuable insights into the types of experiences Gen Z seeks, their willingness to pay for sustainability, and the key factors influencing their travel decisions. These findings are essential for tourism stakeholders in Southeastern Mindanao, who can use them to craft targeted, responsible tourism strategies that promote ethical practices while enhancing the region's environmental and economic sustainability.

Ultimately, this study aims to make a significant contribution to the growing body of knowledge on sustainable tourism by offering a model that can guide both theory and practice in the context of Gen Z. By addressing this research gap, the study seeks to empower policymakers, tourism operators, and other stakeholders with actionable insights to develop sustainable tourism experiences that resonate with this generation's values. The importance of this research is underscored by the need for tailored, innovative strategies that

support sustainable tourism development in Southeastern Mindanao and beyond, ensuring that the region's natural and cultural resources are preserved for future generations.

IMPLEMENTATION AND METHODS

Research Design

This study adopts a quantitative research design, utilizing conjoint analysis to explore the preferences and decision-making processes of Generation Z regarding sustainable tourism in Southeastern Mindanao. Conjoint analysis was chosen due to its ability to simulate real-world decision-making by presenting participants with hypothetical tourism options that vary based on multiple attributes. The technique allows for the identification of the most significant attributes and the trade-offs participants are willing to make when selecting sustainable tourism experiences (Louviere et al., 2000). The PAPRIKA (Potentially All Pairwise Rankings of All Possible Alternatives) method, a specific form of conjoint analysis, was applied using the 1000minds software. This technique enables participants to rank various combinations of tourism attributes and assess the importance of each attribute in their decision-making process (Hansen & Ombler, 2009).

Study Area and Population

The study was conducted from April 24 to May 10, 2024 in Southeastern Mindanao, a region renowned for its rich biodiversity and cultural heritage. The region, encompassing provinces such as Davao de Oro, Davao del Norte, Davao del Sur, Davao Occidental, Davao Oriental, and Davao City, attracts a growing number of eco-tourists due to its scenic landscapes and cultural diversity (SunStar Davao, 2022). The study targeted Generation Z individuals aged 18-27 years, a group that represents a significant portion of the region's population and has a strong affinity for sustainable tourism practices (Francis & Hoefel, 2018). A total of 365 valid responses were collected from Gen Z residents of Southeastern Mindanao, ensuring a representative sample of the target demographic. Respondents were asked to rank various tourism options based on four key attributes: sustainability awareness, price, length of stay, and group size. These attributes were selected based on a review of existing literature and expert opinions on factors influencing sustainable tourism preferences (Guerra & Gonçalves, 2021; Eusebio et al., 2018).

Data Analysis

The data were analyzed using conjoint analysis through the 1000minds software, which facilitated the identification of the relative importance of each attribute and the trade-offs respondents were willing to make. The results were then used to generate a set of preferred tourism combinations for Gen Z, providing valuable insights into the attributes that most influence their decision-making. This approach aligns with the study's goal of understanding the specific preferences of Gen Z in the context of sustainable tourism in Southeastern Mindanao.

Conceptual Framework

This study uses Conjoint Analysis to understand Generation Z's preferences for sustainable tourism. As shown in Figure 1, conjoint analysis presents participants with different combinations of tourism attributes, such as sustainability, price, and group size, allowing us to identify the relative importance of each factor in their decision-making process. This approach provides valuable insights into how Gen Z balances these attributes, helping to design tourism strategies that align with their preferences.

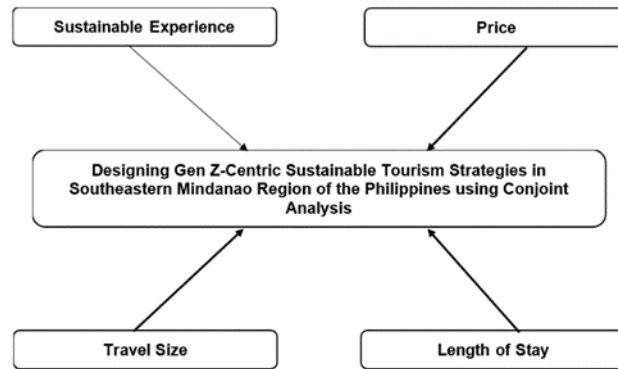


Figure 1. Conceptual Framework Showing the Attributes of the Study

RESULTS AND DISCUSSION

This study investigates the preferences and decision-making processes of Generation Z regarding sustainable tourism experiences in Southeastern Mindanao. Using conjoint analysis, the research evaluates the relative importance of several key attributes – type of sustainable experience, cost, length of stay, and group size – in shaping the tourism decisions of this generation. The goal was to identify the most and least preferred combinations of these attributes, thereby helping tourism providers better understand how to design offerings that align with Gen Z's values. Moreover, market share simulations were conducted to provide insights into how Gen Z's preferences might translate into real-world demand for different sustainable tourism options.

Respondent Profile and Exclusion Criteria

The survey was initially distributed to 401 participants from the Davao Region in Southeastern Mindanao, with 365 valid responses retained after applying data quality filters. As shown in Figure 2, the sample consisted entirely of Generation Z individuals aged 18 to 27 years (born between 1997 and 2006), a group known for their high levels of digital engagement and growing concern for sustainability. The largest cohort within the sample was 19 years old ($n = 115$), followed by 20 years old ($n = 71$). The distribution of age groups is reflective of a demographic that is in the early stages of their tourism decision-making processes, particularly relevant for a region like Southeastern Mindanao, where youth engagement in tourism activities is on the rise.

These participants are important because they are poised to become the primary consumer group in tourism, making it critical for stakeholders in Southeastern Mindanao to understand their evolving travel preferences. The relatively balanced age distribution ensures that the study captures a broad range of Gen Z's views on sustainable tourism, providing a comprehensive picture of their preferences across a spectrum of young travelers.

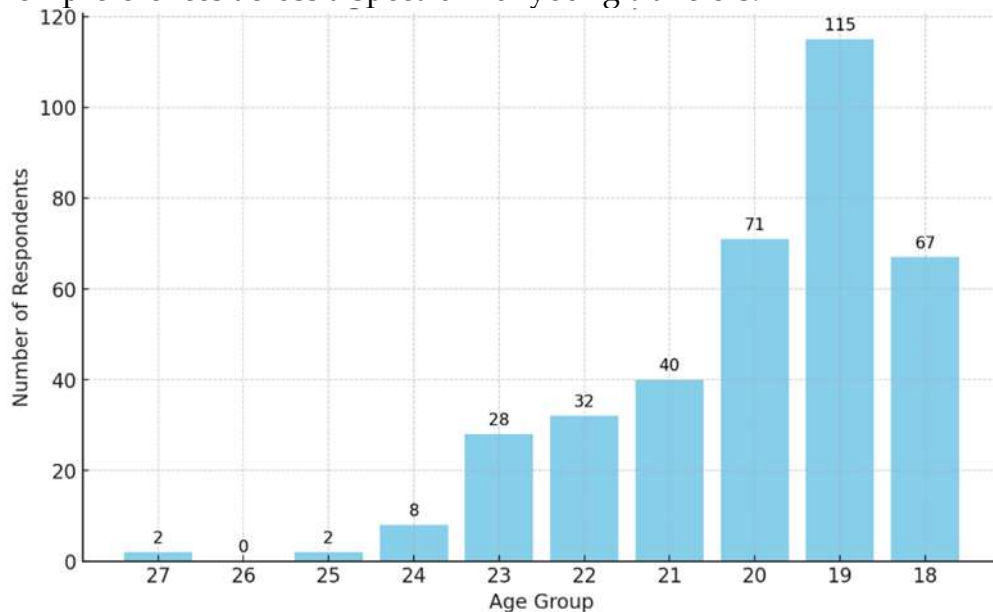


Figure 2. Age of Respondents

Relative Importance of the Attributes

The conjoint analysis revealed that the most significant attribute influencing Gen Z's tourism decisions was the sustainable experience (29.7%), as shown in Figure 3. This suggests that environmental sustainability is not just a trend for Gen Z in Southeastern Mindanao, but a core factor in their decision-making process. As local researchers, this aligns with growing efforts in the region to promote eco-tourism and sustainable tourism practices. Local attractions such as Mount Apo, Samal Island, and the Philippine Eagle Center are prime examples where the region can capitalize on Gen Z's preference for nature-based experiences. It also highlights a potential avenue for tourism operators to create experiences that integrate sustainability, such as eco-lodges or conservation-based tours, to better align with the values of Gen Z travelers.

The second most influential factor was price (29%), which indicates that Gen Z is highly price-sensitive despite their strong environmental values. This finding emphasizes the need for affordable sustainable tourism options, which is crucial in a developing region like Southeastern Mindanao, where budget-friendly travel options often attract younger tourists. While Gen Z values sustainability, they are also conscious of economic constraints, especially as many are still students or early-career professionals. Therefore, tourism providers in the region should consider offering discounted packages, group deals, and affordable eco-tourism experiences to attract this price-conscious group.

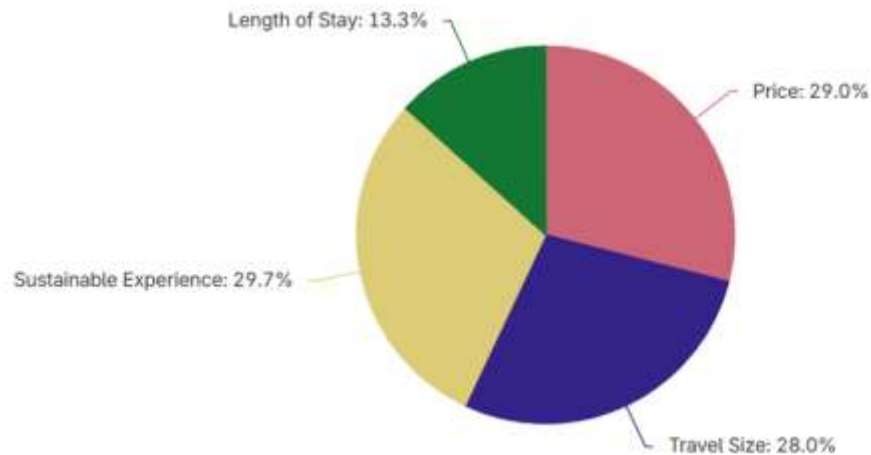


Figure 3. Attribute Weights

The next most important factor was group size (28%), which underscores Gen Z's preference for social, intimate travel experiences. This result is significant because it reflects a cultural shift in travel preferences, with Gen Z prioritizing social connection over traditional large-group or solo travel experiences. For Southeastern Mindanao, this presents an opportunity to market small-group tours, focusing on shared, communal experiences such as group hiking or volunteer tourism that also supports local communities. These tours can offer opportunities for personal connection and shared experiences in nature, which aligns with Gen Z's desire for meaningful and socially engaging activities.

Length of stay, at just 13.3%, emerged as the least important factor. This suggests that Gen Z is flexible in terms of trip duration, with a preference for shorter, more convenient trips. This finding is particularly relevant for Southeastern Mindanao, where weekend getaways and short excursions are highly feasible and appealing. By offering weekend tours to places like Davao City, Samal Island, or Mati's beaches, local tourism operators can cater to Gen Z's preference for short, flexible trips. This is particularly useful for those who are limited by time, whether due to school, work, or budget constraints, thus enabling them to experience the region's beauty without committing to long, expensive vacations.

Most and Least Preferred Combination of Attribute Levels

Among the 72 possible combinations of attribute levels generated by the conjoint analysis, the highest-scoring combination was Eco-Explore for Sustainable Experience, Budget-friendly pricing, Weekend Getaway for Length of Stay, and Small Group Adventure (2-5 people) for Group Size, with a preference score of 73.2%, as shown in Figure 4. This combination clearly indicates Gen Z's desire for nature-based, affordable, short-duration trips in small, social settings. This insight is particularly actionable for Southeastern Mindanao, where the natural environment is a key tourism asset. The region's natural attractions, such as hiking in Mount Apo, beach activities on Samal Island, or wildlife viewing in Davao, can be marketed as affordable weekend getaways suitable for small groups, thereby directly aligning with the preferences of Gen Z.

Rank	Score	Attribute contribution	Sustainable Experience	Price	Length of Stay	Travel Size
1 st	73.2%		Eco-Explore	Budget-friendly	Weekend Getaway	Small Group of 2-5 people
2 nd	72.7%		Active Adventure	Budget-friendly	Weekend Getaway	Small Group of 2-5 people
3 rd	71.1%		Eco-Explore	Budget-friendly	Week-long Adventure	Small Group of 2-5 people
4 th	70.6%		Active Adventure	Budget-friendly	Week-long Adventure	Small Group of 2-5 people
70 th	28.2%		Active Explore	Luxury	Week-long Adventure	Solo Discovery
71 st	24.7%		Cultural Adventure	Luxury	Weekend Getaway	Solo Discovery
72 nd	22.6%		Cultural Adventure	Luxury	Week-long Adventure	Solo Discovery

Figure 4. Most and Least Preferred Combination of Attribute Levels

Combinations that featured luxury pricing, solo travel, and cultural immersion were among the least preferred, with the Cultural Adventure and Solo Discovery combination scoring as low as 22.6%. This suggests that Gen Z in Southeastern Mindanao is not inclined toward luxury travel or experiences that involve long stays or individual exploration. These findings imply that there is little demand for high-cost, solo travel options that focus on cultural immersion, which are typically more aligned with older generations or tourists with higher disposable income. Instead, tourism providers should focus on experiences that emphasize shared, community-based travel and affordable eco-tourism that provide both social interaction and environmental engagement.

Simulated Market Share and Preferences

The simulated market share analysis further corroborates the findings from the conjoint analysis. The highest-scoring combination, which mirrors the preferences for affordable, nature-based, and small-group travel, secured the largest market share at 9.9%. The second and third most preferred combinations garnered 5.6% and 3.0%, respectively. These results highlight the strong preference for affordable eco-tourism experiences in small social groups, making it clear that price sensitivity and the desire for social interaction should be central to any tourism strategy targeting Gen Z. These findings also suggest that sustainable tourism offerings in Southeastern Mindanao that align with these preferences will likely experience higher engagement and success, particularly if small-group tours are paired with affordable pricing and nature-focused experiences.

Participants ranking alternatives 1st, 2nd, 3rd

Percentages of the 365 participants – sometimes referred to as “market shares”.

	RANK		
	1 st	2 nd	3 rd
1112	9.9%	5.6%	3.0%
1113	6.0%	5.9%	3.7%
2112	5.8%	3.2%	6.2%
1123	5.2%	3.3%	3.2%
2123	4.9%	2.4%	4.2%
2113	4.4%	3.7%	3.8%
2122	3.8%	4.9%	4.2%
3123	3.8%	3.9%	2.2%
4112	3.6%	3.6%	5.1%
3113	3.3%	4.4%	4.2%

Figure.5 Simulated Market Share

CONCLUSIONS AND RECOMMENDATIONS

This study sheds light on the significant role that sustainability plays in the tourism preferences of Generation Z in Southeastern Mindanao, while also highlighting their price sensitivity and preference for small-group experiences. Gen Z's desire for nature-based tourism experiences, such as eco-lodges and hiking adventures, aligns with the region's strong eco-tourism potential. However, their sensitivity to cost underscores the need for tourism providers to create affordable packages that allow them to experience the region's natural beauty without financial strain. Additionally, the relatively low importance placed on the length of stay suggests that shorter, more flexible trips will resonate with this generation, making weekend getaways and day tours particularly appealing.

Tourism operators in Southeastern Mindanao are encouraged to tailor their offerings to align with Gen Z's preferences for sustainability, affordability, and small-group interactions. First, eco-tourism packages that emphasize nature exploration, such as wildlife tours, hiking expeditions, and conservation efforts, should be prioritized. Second, providers should focus on creating small-group experiences that offer personalized and immersive activities, allowing for more meaningful social interactions. These experiences should be promoted as budget-friendly, with clear pricing structures that cater to Gen Z's financial constraints. Additionally, short-duration tours such as weekend getaways to Samal Island or the Philippine Eagle Center should be marketed to Gen Z, whose travel preferences are inclined toward flexibility. Lastly, leveraging social media platforms to showcase these sustainable, small-group, and nature-based experiences will help effectively capture Gen Z's attention and foster long-term engagement with the region's tourism offerings. By aligning sustainable tourism

strategies with the values and preferences of Gen Z, Southeastern Mindanao has the opportunity to cultivate a new generation of environmentally conscious, socially connected travelers who are eager to experience the region's natural and cultural wealth.

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