Exploring the Importance of Service Quality Attributes for Millennials at Boutique Budget Hotels

Heena Singh Sikand, Neha Singh

California State Polytechnic University, Pomona, USA

Millennials have a high spending power toward travel and therefore, the boutique budget hotel sector has been rapidly developing to attract this target market. However, there is not much information on what Millennials find important in service quality at these hotels, due to which it is pertinent for hoteliers to research and understand their behavior to cater to them accordingly. Therefore, this research investigates which service quality attributes Millennials find the most important in boutique budget hotels. This exploratory study reviews past literature and issuing questionnaire surveys for Millennials. This study explores the service quality dimensions within boutique budget hotels and how the dimensions further influence customer satisfaction and customer loyalty. The results obtained from the exploratory factor analysis revealed five dimensions of service quality, namely, hotel experience, staff experience, device experience, visual appeal perception, and wireless connection. Multiple regression analysis was also applied and showed that these five dimensions had a statistically significant positive influence on customer satisfaction and customer loyal.

Keywords: service quality, Millennials, boutique budget hotels, customer satisfaction, customer loyalty

Chapter 1 Introduction

Service in the hotel sector is one of the most important attributes for gaining a competitive advantage in the hospitality industry (Angelova & Zekiri, 2011). Numerous hotels provide homogenous type of services and products, but the quality of service differs vastly. Service quality is one of the greatest and biggest differentiators along with possessing a powerful competitive advantage (Salazar, Costa, & Rita, 2010). It is vital that guests in hotels receive high service quality in order for the business to grow and prosper. Especially within the hotel industry, as today's generation is better traveled comparatively to the past generations and know exactly what they want (Chacko, Williams, & Schaffer, 2012). Specifically, many hoteliers have been grasping the attention of Millennials as they are the most traveled population (Kubickova, Nusair, Parsa, & Hui,

2015). In the year 2019, about 82% of Millennials had traveled ("Millennials Travel Statistics", 2020). Despite the substantial contribution of Millennials made towards traveling, limited research has been devoted to recognizing their perceptions on service quality attributes.

One of the market segments that have grown tremendously in the tourism industry, especially in the last few years, is "Millennials" (Kubickova et al., 2015). The Millennial generation in the United States is becoming a substantial part of the lodging segment (Kubickova et al., 2015). Millennials are people born within the years of 1981-1996 (Dimock, 2019). By 2020, it is expected that Millennials are to finance half of all travel spending (Walsh, 2014). Their spending power is only increasing as they are graduating from college and advancing in their careers (Bowen & McCain, 2015). This target market has an annual spending power of $200 billion dollars, most of which is being contributed towards travel and tourism ("Millennials Travel Statistics", 2020). In 2016, Millennials spent $4,594 on vacations and had taken an average of 3.5 vacations within one year (Fromm, 2017). Hence, it is expected that Millennials will soon become the biggest customer market for hotels worldwide within the next decade (Mettler, 2015). Millennials travel practices are altering tourism, travel, and hospitality. Marketers, hoteliers, and suppliers should be mindful of these new presenting challenges along with opportunities by Millennials that will be very important to the travel industry. Nonetheless, Millennials travel practices are known to be one of the top 10 trends that have reshaped and been continuing to reshape the hospitality industry (Weisskopf & Masset, 2019).

Research shows Millennials are price sensitive (McGrath, 2016), due to which, budget hotels are targeting this market segment. Within the past decade, there has been a rapid growth in demand for budget hotels (Ren, Qiu, Wang, & Lin, 2016). It is vital for hotels to explore the service quality attributes that Millennials consider important because of their increasing travel practices. Customers of the budget sector are perceived differently from other sectors, such as from full-service or upscale hotels (Ren, Qiu, Ma, & Lin, 2018). Comparatively, budget sector consumers are more value conscious and live a different lifestyle (Fiorentino, 1995). There is limited evidence that explains the customers' behavior towards budget hotel, even though the budget sector is a huge market segment (Ren et al., 2018). Nonetheless, Millennials also want a different and unique experience, hence why the new boutique budget hotels have been grasping their attention. These new and upcoming boutique budget hotels provide everything that Millennials would want in a hotel at a budget friendly price. Because boutique budget hotels are still a new phenomenon, there has not been much research dedicated to this area.

Therefore, the purpose of the study is to strengthen our knowledge on Millennials' perceptions of important service quality attributes in the boutique budget hotel sector.

To be able to provide the best service quality in hotels, customer satisfaction is essential (Said, Shuib, Ayob, & Yaakub, 2013). Nonetheless, it is vital to choose the most appropriate strategy on policy and operation for determining service quality and satisfaction (Juwaheer & Ross, 2003). Many studies have been conducted in full-service hotels regarding customer satisfaction, while only limited amount of research has been explored within boutique budget hotels (Ren et al., 2016). Understanding customer satisfaction is vital to conquer the market. Not only is customer satisfaction significant, but also customer loyalty plays the same importance factor in service quality. Customer loyalty is the most important element that marketers try to achieve due to its high return of financial rewards (Zeithaml, Berry, & Parasuraman, 1996; Bowen & McCain, 2015). Nonetheless, there is a vast amount of research on service quality, but little information on the exact quality dimensions that affect satisfaction and loyalty levels (Markovic & Jankovic, 2013) for Millennials in boutique

budget hotels. Thus, this research will assess the perceived importance and performance of service quality within boutique budget hotels and explore the relationship it has between customer satisfaction and customer loyalty.

Therefore, this quantitative study aims to address the following research objectives:

- What service quality attributes do Millennials find important in boutique budget hotels?
- What are the underlying dimensions of service quality within boutique budget hotels?
- How do the underlying dimensions influence customer satisfaction and customer loyalty?

Studying the perception of Millennials is based on them being the largest consumer target for tourism (Kubickova et al., 2015). Due to their high spending power (Petrak, 2011), they compromise as the largest potential market for boutique budget hotels. Hence, the results presented in this research will help hoteliers with significant insights on how they can customize and select the service quality attributes that will provide customer satisfaction and customer loyalty from Millennials.

Chapter 2 Literature Review

Service Quality

Service quality can be defined as the differences between a customer's expectation and perception (Parasuraman, Berry, & Zeithaml, 1985; Salazar et al., 2010). Perceived service quality is also the customer's judgment and attitude of how they feel toward the overall superiority and excellence of the service (Parasuraman et al., 1985). This concept has been the topic of conversation in many studies as it is generally accepted that service quality results in positive implications for a business's overall performance level (Mei, Dean, & White, 1999; Bowen & McCain, 2015).

Quality issues have become increasingly popular within the hospitality industry (Fiorentino, 1995; Salazar et al., 2010). With today's Millennials, they have become increasingly demanding and service quality is the first expectation they have within the hospitality industry (Ganatra, 2018). People today desire services to be customized to their unique wants and needs. An excellent quality of service is a valuable and profitable strategy for hotels. The outcome will help in more customers being generated, less customers being lost, and fewer mistakes being made which will then result in delivering the service only one time (Salazar et al., 2010). Thus, improving service quality has been the goal for marketers to aid with creating more customers and retaining the existing customers.

Service Quality Measurement Models

Service quality goods cannot be measured so easily. This is due to the fact that service quality has three unique features: heterogeneity, inseparability, and intangibility (Parasuraman et al., 1985). Thus, without there being any objective measures, measuring service quality is completed by measuring customers' perceptions towards quality (Parasuraman, Zeithaml, & Berry, 1988). Even then, there is still no exact quantitative measurement to get their perceptions. Hence, many researchers have come up with their own measurement scales.

The service quality measurement instruments have become increasingly a popular research project (Said, Shuib, Ayob, & Yaakub, 2013) within the hospitality industry. Parasuraman, Berry, and Zeithaml developed the first service quality measurement scale, SERVQUAL in 1985. The scale initially consisted of 10 dimensions: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy,

understanding customer, and access and it generated a total of 97 items (Parasuraman et al., 1985). After three stages of scale purification, SERVQUAL was narrowed down to five dimensions: tangibles, reliability, responsiveness, assurance, empathy and 22 items (Parasuraman et al., 1988). The definitions of the five dimensions according to Parasuraman et al. (1988) are given below:

(1) Reliability: the ability to perform the promised services dependably and accurately.

(2) Responsiveness: the willingness to help customers and provide prompt service.

(3) Assurance: the knowledge and courtesy of employees as well as their ability to convey trust and confidence.

(4) Empathy: the provision of caring, individualized attention to customers.

(5) Tangibles: the appearance of physical facilities, equipment, personnel, and communication materials.

SERVQUAL is a basic structure for measuring service quality in a broad level of services. It may be used in department stores, supermarkets, and banks as all these places provide the same goods, but may offer different levels of service (Parasuraman et al., 1988). Retailers can utilize this method to advance their knowledge on service perceptions and expectations of customers. This will lead them to improve their services to cater to their customers' needs. Moreover, SERVQUAL may be adapted to fit specific types of research and be modified accordingly.

Knutson, Stevens, Wullaert, Patton, and Yokoyama (1990) extended SERVQUAL into LODGSERV. This scale has 26 attributes and is utilized in the hotel industry. It is fairly a less popular and utilized instrument to measure service quality in the hotel industry (Pizam, Shapoval, & Ellis, 2016). Knutson et al. (1990) within the same year also developed DINERSERV for measuring service quality in restaurants, also containing 26 attributes.

HOLSERV is another modified SERVQUAL scale developed in 1999. From the original SERVQUAL scale, eight items were added or modified, leaving the new scale with 27 items and three dimensions (Mei et al., 1999). HOLSERV is known to be a much shorter and user-friendly scale comparatively to SERVQUAL. HOLSERV is developed for hotels with a 3-5 star ratings, thus, other hotels should further modify and customize the scale accordingly (Mei et al., 1999).

One of the more recent service quality measurement scales that came out in 2016 is HOTSPERF. It was developed by Tefera and Govender (2016) and contains 25 items for service quality rating. Most notably, HOTSPERF is differentiated by the past scalesby the rewording of the SERVQUAL/SERVPERF attributes to be read in a more positiveway, using a five-point Likert scale instead of seven, adding three new attributes, and finally, using only two dimensions (Tefera & Govender, 2016). For the purpose of this research, the base for the questionnaire has come from HOTSPERF, as it is the most updated service quality measurement scale.

As seen in the above literature, many researchers have developed a variety of different measurement models within the hospitality industry. Yet there is nomeasurement scale to assess service quality attributes in the budget sector, specificallythe upcoming boutique budget hotel trend. Hence, this research addresses the knowledge gap by modifying the original SERVQUAL and thereafter research model HOTSPERF by selecting quality attributes that are most related to the boutique budget sector. HOTSPERF will be utilized, as it is the newest modified SERVQUAL research model within hotels and it is read more positively than past SERVQUAL research questionnaires. Nonetheless, as business environments in the hotel industry are constantly changing, the quality measurement scales should also be updated to reflect the new hotel environment (Lai & Hitchcock, 2016).

Millennials

There is currently no precise standard for when Millennials were born. Some people believe Millennials were born between the years of 1981-1996 (Dimock, 2019). Ng, Schweitzer, and Lyons (2010) stated Millennials are all born in or after 1980. For the purpose of this research, Millennials are defined as those who were born within the years of 1981-1996. Thus, this brings the age range of Millennials in 2019 to 23-38. Accordingly, as Millennials are given many different birth years, they are also given many diverse terminology names. Some refer to the Millennials as: GenerationY, the Digital Generation, the Echo Boomers Generation, and New Generation (Gardner & Eng, 2005). They are also known as the next generation and digital natives (Bilgihan, 2016).

Millennials within the U.S. characterize the largest living generation (Tabano, 2018). Hence, they are becoming the prime target market by many marketing campaigns. They are a unique group of individuals; likewise their purchasing decisions and social behaviors are also unique. Millennials are a group of smart, educated, aware, and better prepared group of people ("Top Trends", 2017). They are known to be self-sufficient and independent (Williams & Page, 2011) and therefore, prefer self-service technology that permits them to be self-sufficient. Millennials are wise and well grounded comparatively to their age (Williams & Page, 2011).

This group of people has a high spending power towards travel and tourism. Millennials have a $136 billion of global travel spending (Petrak, 2011). Even with a large spending power, these young people still decide to live on a budget (Petrak, 2011). They want to be smart about their spending by using it wisely on things they find absolutely necessary and worth it. They are very price-sensitive and want more for less ("Top Trends, 2017). Essentially, they want the best value for the price they are paying for.

This generation is very tech savvy (Tabano, 2018). They are so intact with the mobile devices and computers. They are always on the go and find it absolutely necessary to stay connected to their mobile devices (Tabano, 2018). According to a report from the Best Western hotel brand (2018), Millennials prefer hotels to have digital keys, digital concierge, and a communal workplace position. They grew up in a world with Internet having a strong impact on their lives and do not know how to live without it (Nussair, Bilgihan, Okumus, & Cobanoglu, 2013). Even when it comes to booking their travel, they would much rather do it through their smartphones or tablets versus calling them or booking through a travel agency (Zaino, 2016).

Millennials have many attributes that make them who they are. One of the most popular characteristics about them is valuing experience over material things. They are more focused on having memorable experiences with their friends and family by traveling and creating adventures (Sykes, 2018). Comparatively, they have less time and concern for tangible items. Globally, Millennials make up one-third of the hotel customers (Tabano, 2018). By the year 2020, it is expected this number will increase to 50 percent of Millennials being hotel customers (Tabano, 2018). Thus, management in hotels should understand Millennials better to create a better sense of experience for them.

Millennials travel experiences are filled with more adventure and customization (Fromm, 2017). They want to travel with hotel's providing them with customized experiences. They are on the constant lookout for personalized and meaningful experiences ("Top Trends", 2017). They search for authentic travel experiences that provide significant value to them. Millennials are on their way to become the world's largest living adult generation. It is expected by 2019 that there will be 73 million Millennials within the United States (Fry,

2018). With this in mind, hotels should capitalize on Millennials as a growing market segment.

Boutique Budget Hotels

Many hotel companies have been using new tactics to attract Millennials by creating brands that will induce young travelers to stay with them. This group is the cause of the many millennial-inspired hotels. Some of the popular boutique budget hotels that are Millennial inspired are Marriotts' Moxy and Aloft, Hiltons' Tru, and IHGs' Hotel Indigo. These hotels first started as being chic and innovative to attract younger travelers. Thus, Millennials were the inspiration of these boutique budget hotels.

Millennials have embraced this new lodging concept of boutique budget hotels quite well. Many Millennials are staying at hotels that have attributes that suit them as they feature low priced accommodations ($100) and small rooms. Their lobbies feature a relaxed atmosphere, where individuals can enjoy themselves by sitting at the bar or playing games (Parker, 2018). There's also a section for people who want to sit down and use their laptops along with another section dedicated to a 24/7 "grab and go" food section (Parker, 2018). Customers who stay at a budget hotel may expect minimal services and products that meet their basic wants and needs (Hua, Chan, & Mao, 2009). Thus, the elements that boutique budget hotel possesses directly relate with the characteristics of Millennials.

The four boutique budget hotels Aloft, Moxy, Tru, and Hotel Indigo were specifically chosen because they share the same reference point in pricing. Prices for the rooms were similar for check-in during the 2nd week of October 2019. Nonetheless, the four hotels are also comparable and chain driven. The first Hotel Indigo began in 2004 and since then, there are 64 Hotel Indigo hotels open within the US as of the end of 2019. They are expanding vastly with more than 100 in the pipeline already around the world (Hotel Indigo, 2019). Aloft opened up in 2008 and has since then expanded all over the world. At the end of 2019, it was reported there are 132 Aloft Hotels in the US and with more than 130 being in the pipeline globally (Aloft, 2019). Moxy Hotel started in 2014 and as of 2019 there were 21 hotels within the US. They are expanding vastly with over 120 Moxy Hotels in the pipeline around the world (Moxy Hotel, 2020). The newest boutique inspired hotel is Tru by Hilton that began in 2016. They have opened up 134 hotels in the US with 42 more in the pipeline within the US (LE, 2019). As the data present, there has been a rapid growth with boutique budget hotels just within the last 15 years with over 350 open hotels in the US.

Boutique budget hotels have become one of the most important sectors of the hospitality industry and are only continuing to increase their overall share of their rooms' provision. It has been a less explored area but it is vital to understand this sector since it is rapidly expanding within the hospitality industry (Ren et al., 2018). This type of hotel is fairly a modern concept that is meeting the demanding changes of the tourism industry.

Customer Satisfaction

Although one of the primary aims of boutique budget hotels is to offer low prices, another aim is to also provide customer satisfaction. Customer satisfaction is crucial for corporate survival (Pizam et al., 2015) and is one of the core elements of marketing. Satisfaction surveys such as comment cards are still highly used by hotels today to collect comments from hotel customers (Ren et al., 2018). Online feedback regarding customer satisfaction with the service provided to them is one of the most popular methods (Radojevic, Stanisic, & Stanic, 2015). Hotels utilize these methods to gain access to customers' overall satisfaction levels with their hotel stay. Nonetheless, in order to enhance customer satisfaction, high quality of service needs to be delivered (Pizam et al., 2015), then only the service provider can differentiate themselves from other competitors and

have a competitive advantage.

According to Choi and Chu (2011), a customer is considered to be satisfied when the weighted sum of total experiences shows a feeling of fulfillment when compared to their expectations. On the contrary, a customer is considered to be unsatisfied when the actual experience makes them feel unhappy when compared with their expectations (Choi & Chu, 2011).

Customer satisfaction is the secret to success within the hospitality industry due to hotels not being able to compete efficiently with other hotels without fulfilling their customers wants (Radojevic et al., 2015). Hence, if hotel managers want to improve their business, they need to have more knowledge on factors that contribute to customer satisfaction. Satisfaction is very unique to everyone; not everyone attains the same level of satisfaction out of the same experience (Pizam et al., 2015). It solely depends on customers' needs, their objectives, and their experiences, which then influences their expectations (Pizam et al., 2015). Notably, the generation of Millennials is known to be the least satisfied compared to the other generations (Pizam et al., 2015). In order to capture this market, hotel management will need to do their best to satisfy these customers by providing exceptional service quality.

Nonetheless, customer satisfaction has been explored within the context of the hotel industry; however, only a few studies have explored the service quality dimensions that essentially affect customer satisfaction (Markovic & Jankovic, 2013). A review of the past literature suggests that service quality is a positively related antecedent of customer satisfaction (Markovic & Jankovic, 2013). Past studies have also reported that by improving service quality within hotels, it will lead to higher satisfaction levels amongst the customers (Markovic & Jankovic, 2013). Thus, as service quality increases, it is likely that customer satisfaction will also increase.

Customer Loyalty

In the case of the hotel industry, customer loyalty is conceptualized as revisiting the hotel and having a positive attitude toward the brand (Bowen & McCain, 2015). Loyalty provides great profits to the business by reducing marketing costs and operational costs and by increasing overall sales (Bowen & Chen, 2001). Customers that are loyal assist with promotions by spreading positive word-of-mouth and creating business referrals (Bowen & Chen, 2001). They help with increasing sales by making frequent purchases and by purchasing more products at the hotel (Bowen & Chen, 2001).

One way to create loyalty out of customers is by fulfilling their requirements, as their experience will result in them either coming back to the same hotel, or opting for a different one. Customers all have specific requirements, such as convenient locations, price, and basic comfort (Ren et al., 2018). It is essential that hoteliers meet these needs. Since Millennials like new experiences, and hardly stay loyal to one specific brand (Osborne, 2017), it makes it even harder for hoteliers to influence their customers to stay loyal to them. In a study that surveyed 1,000 Millennials, it was found that only 7% of them were loyal brand customers (Osborne, 2017). Accordingly, research has found that Millennials stays loyal to brands that reflect who they are along with offering special customization to their unique needs and wants (Bilgihan, 2016).

Nonetheless, creating loyalty out of Millennials is difficult but possible to do as it has been reported that they are the least loyal (Walsh, 2014) comparatively to the older generations. Even more so, they are known to be "notoriously disloyal to brands, and continued purchase is difficult to secure" (Lazarevic, 2012, p. 45). Millennials opt out of freebies from loyalty programs to instead enjoy overall experience and convenience

(Walsh, 2014). Not only with Millennials, but switching costs are quite low overall within the hotel industry (Skogland & Siguaw, 2004). Therefore, in order to gain Millennials' loyalty, boutique budget hotels need to customize and tailor their hotel according to Millennials' characteristics. Hence, it is essential that Millennials, as vital customers, are kept engaged to help with the increase of the hotel's profits.

Chapter 3 Methodology

Overview

The survey questionnaire compromised of 29 items. The survey was given to Millennials that had previously stayed at a boutique budget hotel within the past 12 months. To better understand the dimensionality of customer experience within boutique budget hotels and the impact of the dimensions on customer satisfaction and customer loyalty, exploratory factor analysis (EFA) and multiple regression analysis was applied through SPSS.

Item Development

This study was intended to develop and validate a survey instrument that assesses important service quality attributes and actual performance from Millennials perspective in the boutique budget hotel sector. The attributes came from the modified versions of SERVQUAL, HOTSPERF (Tefera & Govender, 2016) as that is the most updated and relevant. Other attributes came from a review of past literature on important budget hotel attributes (Ren et al., 2016; Sim, Mak, & Jones, 2006). Three faculty members that were familiar with the topic then reviewed all of the attributes. Once they reviewed it, slight wording revisions were conducted based on their suggestions. When there were no further changes recommended, the survey questionnaire was finalized for use. Qualtrics conducted a pilot test with 20 individuals before pursuing the questionnaire for other respondents.

Questionnaire Design

The questionnaire was distributed online via Qualtrics—online survey software. The research population was our target market of Millennials that were born between 1981 and 1996. There were two screening questions that had to be answered before starting the survey. The respondents were asked if they stayed in one of the four boutique budget hotel—Moxy and Aloft by Marriott, Tru by Hilton, Hotel Indigo by IHG within the past 12 months. The second screening question asked them to identify their age, which they had to have been born between 1981 and 1996. If they were not a Millennial and had not stayed in one of the four boutique budget hotel in the past 12 months, they were not able to move forward with the survey. The time frame for 12 months was used so respondents could effectively recall their accommodation experience (Ren et al., 2016). The survey instrument explored the service quality perceptions of Millennials in boutique budget hotels. The survey was composed of three parts: important service quality attributes, performance of service quality attributes, and demographic questions. The sample size was 270 respondents.

Scales with seven responses have been easy to use, reliable, valid, and overall performs better with respondents' feedback (Preston & Colman, 2000). Seven-point Likert scale has been widely used in past studies by Karavasilis, Nerantzaki, Pantelidis, Paschaloudis, and Vrana (2015); Ren et al. (2016); Ren et al. (2018); Chand (2010); Bowen and Chen (2001). In the same vein, this research followed the same seven-point Likert scale. Rating scale for important attributes was measured with a seven-point Likert type scale ranging from 1 (least important)-7 (most important) and 1 (strongly disagree)-7 (strongly agree) for the performance section.

For demographic questions (age, gender, education, etc.), respondents were given about 2-6 choices that they could choose from. There were four questions consisting of customer satisfaction and three customer loyalty questions.

Data Analysis

This research utilized a quantitative approach that is considered the most appropriate technique to gain rich insights of customer perceptions of the service quality in budget hotels. Data analysis was conducted with SPSS and included exploratory factor analysis (EFA) to explore the underlying structure of the variables (Bowen & McCain, 2015). Exploratory factor analysis (EFA) was used to determine underlying factors for aset of measured variables. Once they were grouped together, they were given their theoretical dimension name. There were five dimensions, namely, hotel experience, staff experience, device experience, visual appeal perception, and wireless connection.

Multiple regression analysis was also utilized for service quality performance and to explore how each of the five dimensions affects customer satisfaction and a separate one was conducted for loyalty. The mean composite scores were utilized from the survey questions that represented each dimension. Simple regression analysis was applied to explore the relationship between customer satisfaction and customer loyalty. The research model for this study is shown in Figure 1.
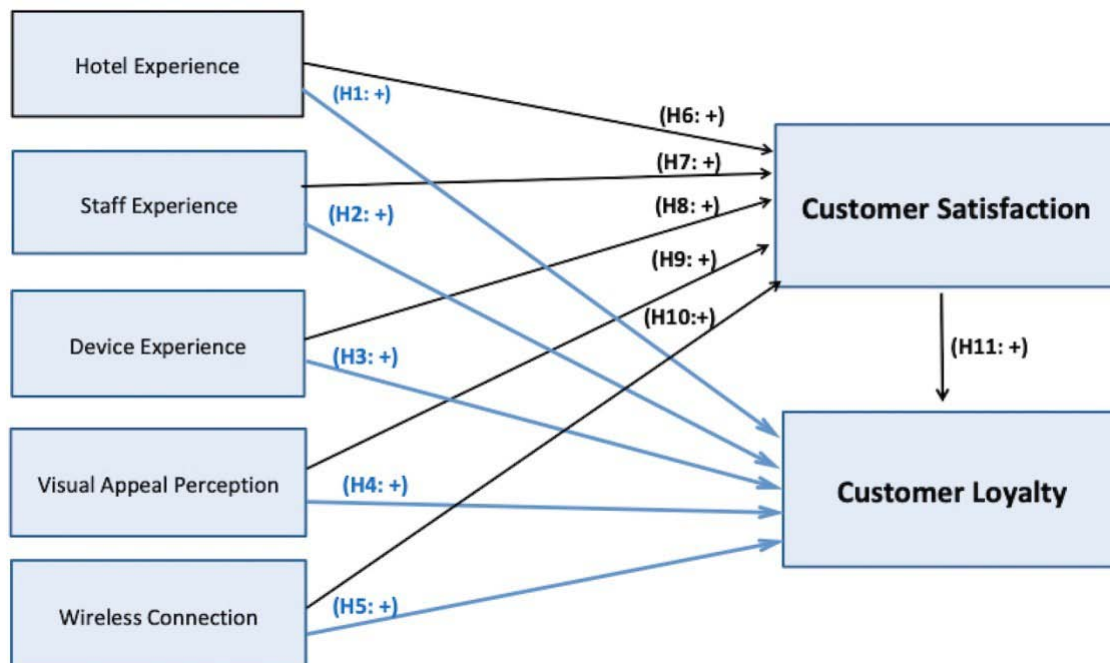
Figure 1. Research model.

Hypothesis 1: Hotel experience will positively affect customer satisfaction.
Hypothesis 2: Staff experience will positively affect customer satisfaction.
Hypothesis 3: Device experience will positively affect customer satisfaction.
Hypothesis 4: Visual appeal perception will positively affect customer satisfaction.
Hypothesis 5: Wireless connection will positively affect customer satisfaction.
Hypothesis 6: Hotel experience will positively affect customer loyalty.

Hypothesis 7: Staff experience will positively affect customer loyalty.

Hypothesis 8: Device experience will positively affect customer loyalty.

Hypothesis 9: Visual appeal perception will positively affect customer loyalty.

Hypothesis 10: Wireless connection will positively affect customer loyalty.

Hypothesis 11: Customer satisfactions will positively affect customer loyalty.

Lastly, Importance Performance Analysis (IPA) was conducted since it is an easily readable presentation for importance and performance of service quality attributes. The questions within the survey asked respondents to rate the importance of each attribute and the performance of each attribute with a Likert scale of 1-7.
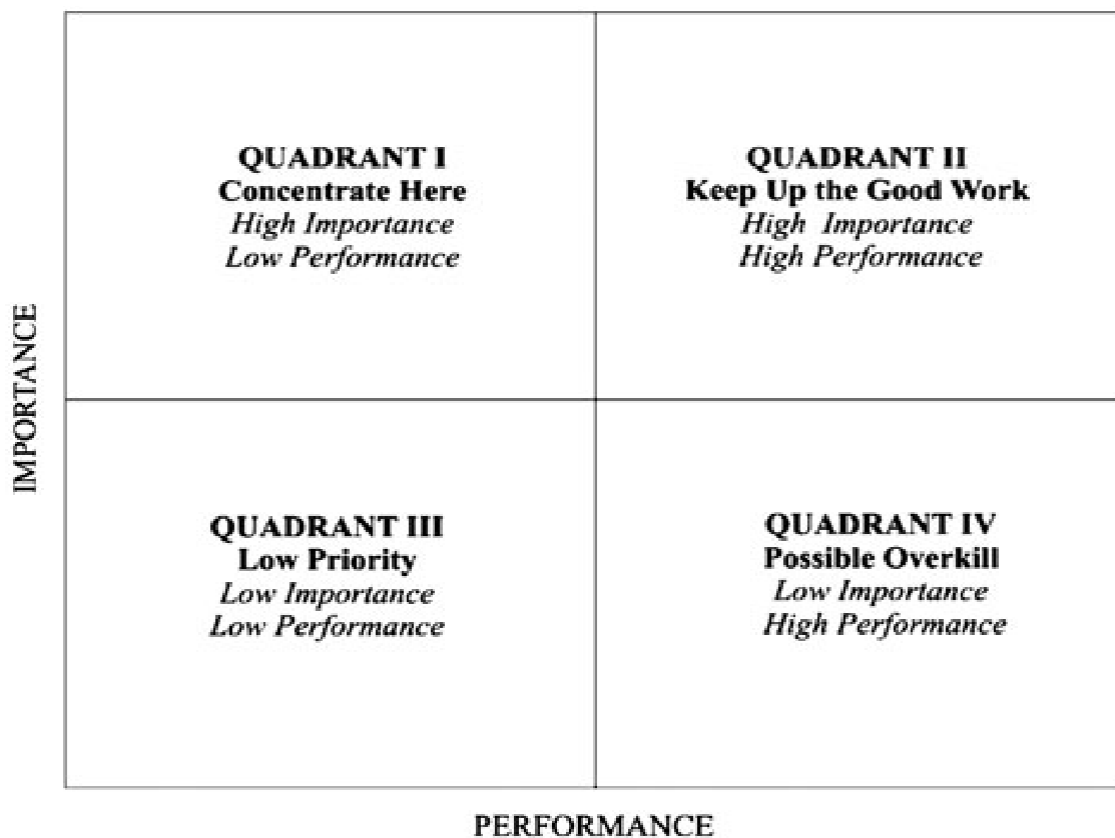

QUADRANT I
Concentrate Here
High Importance
Low Performance

QUADRANT II
Keep Up the Good Work
High Importance
High Performance

QUADRANT III
Low Priority
Low Importance
Low Performance

QUADRANT IV
Possible Overkill
Low Importance
High Performance

IMPORTANCE

PERFORMANCE

Figure 2. IPA.

The IPA quadrants are displayed in Figure 2. There are four quadrants, namely, Concentrate Here, Keep up the Good Work, Low Priority, and Possible Overkill. In the Concentrate Here quadrant, the attributes within this quadrant are very important to the respondents but the performance levels are low. Thus, improvement efforts need to be made within this quadrant. The second quadrant is Keep up the Good Work where respondents think the attributes are important and the organization also performs verywell in relation to the activities. Low Priority is the third quadrant; the attributes are both low in importance as well as being low in performance. Managers do not need to be too concerned because the attributes within this quadrant are low on the importance scale andtherefore limited resources should be place here. Lastly, the Possible Overkill quadrant displays low importance but high performance attributes. This signifies that respondents are satisfied with the performance levels of these attributes. Although, managers should consider shifting their efforts elsewhere it is

needed.

Chapter 4 Results

Table 1

Demographic Profiles of Questionnaire Respondents (N = 270)

Demographic Variable	Description	Percentage
Ethnicity	Caucasian	61.11%
	African-American	17.59%
	Latino or Hispanic	10.49%
	Asian	7.41%
	Native American	0.62%
	Native Hawaiian or Pacific Islander	0.62%
	Other	2.16%
Gender	Male	30.25%
	Female	69.75%
Education	Less than a high school diploma	0.62%
	High school diploma or equivalent	41.67%
	Bachelor's Degree	42.28%
	Master's Degree	8.02%
	Ph.D. Degree	1.54%
	Professional degree	5.86%
Annual Income	Less than $10,000	0.93%
	$10,000 - $50,000	43.21%
	$50,000 - $100,000	38.58%
	$100,000 - $150,000	15.43%
	More than $150,000	1.85%
Marital Status	Single	51.54%
	Married	42.59%
	Divorced/Separated	5.86%
	Widowed	0.00%
Purpose of your visit?	Leisure	82.72%
	Business	17.28%
Amount of stays in 12 months	1-2	41.05%
	3-4	37.35%
	5-6	11.11%
	7 or more	10.49%

Table 1 above illustrates the demographic profile of the questionnaire respondents. Of the 270 respondents, more than half of the respondents were white (61.1%) and were female (69.7%). Half of the respondents had at least a bachelors degreeand above (57%). A majority of the respondents (82.7%) made less than $100,000 annually. The marital status of the respondents is toward a more balanced distribution between married and unmarried (or widowed/divorced). Lastly, a large majority of the respondents (82.7%) traveled to boutique budget hotels for leisure and had at least stayed at 1-4 hotels (78.4%) in the past 12 months.

Dimension Exploration

Table 2

EFA-Dimensionality of Customer Experience

Dimension and Items	Eigenvalue	Variance Explained (%)	Cumulative (%)
Hotel Experience	15.95	48.333	48.333
The room was clean			
The bathroom, shower and toilet are hygienic and clean			
I feel safe and secure during my stay			
I feel relaxed in this hotel			
The location of the hotel is convenient			
The surrounding environment of the hotel is good			
The hotel was quiet, noise-free, and disturbance-free			
I feel at home in this hotel			
The price per night of the hotel is reasonable, given the quality of stay			
My check-in and check-out processes are smooth			
Overall, I am satisfied with the value I received, for the price I paid			
The surrounding area of the hotel provides supermarkets, restaurants, and other amenities			
The hotel provides good value for money			
The staff is friendly and polite			
The hotel has your interest at heart			
Staff Experience	3.096	9.381	57.714
The staff offers to help			
The staff keeps you informed about when the service will be performed			
The staff dealt with you in a caring fashion			
The staff provided personal attention to you			
The staff responds to my requests in a timely manner			
Device Experience	1.376	4.17	61.884
Interactive tablet			
Streaming devices to TV			
Smart phone docking station			
Self-check in			
Smart TV			
Visual Appeal Perception	1.153	3.493	65.377
The hotel has an attractive lobby			
The Interior design matches the theme of the hotel			
Wireless Connection	1.004	3.041	68.418
Wi-Fi			

Note: KMO: 0.951; Chi-Square: 7036.889; Sig.: 0.000; Total Variance Explained: 68.41%

The above dimension exploration with boutique budget hotel experience has created five distinctive dimensions—hotel experience, staff experience, device experience, visual appeal perception, and wireless connection. These five dimensions have reflected the nature of boutique budget hotels.

Service Quality and Customer Satisfaction

Multiple regression analysis was applied using the forced entry method to examine the influence of service quality on customer satisfaction. Assumption checks were conducted for the regression variable that validated the data. The assumption test for normality was met by the P-P plots demonstrating a linear pattern with the data output, assuming residuals were normally distributed. SPSS was used to detect for multicollinearity through an inspection of correlation coefficients and Variance Inflation Factor (VIF) values.

Each VIF statistic was below 10. Lastly, the assumption of homoscedasticity was met by utilizing a scatterplot of standardized residuals being plotted against the standardized predicted values and it showed no obvious pattern.

The five service quality factors were the independent variables, and satisfaction mean score (three items, namely, I was fully satisfied with the services offered by this hotel; the services offered by this hotel met my expectations; I am satisfied with my experience in this hotel) was the dependent variable.

Table 3 presents the regression results. The R^2 was 0.729, and the adjusted R^2 was 0.724, which suggested that the five predicting variables can account for more than 70% of variance in the dependent variable (customer satisfaction). An Analysis of Variance (ANOVA) test was conducted to test the differences between means of the independent variables within the model; $F (5, 264) = 142.26$, $p < 0.05$ (Appendix A).

All five factors were significant in predicting the dependent variable at the 0.05 level. A positive relationship between the five independent variables and level of customer satisfaction existed. The regression model:

$$Y = 6.08 + 0.671X_1 + 0.48X_2 + 0.10X_3 + 0.096X_4 + 0.13X_5.$$

In the above model, Y is the customer satisfaction, X_1 is the hotel experience, X_2 is the staff experience, X_3 is device experience, X_4 is visual appeal, and X_5 is wireless connection.

The above regression analysis result has thus further verified that the five dimensions capture the customers' satisfaction levels. The five dimensions lead to customers' satisfaction levels within the boutique budget hotels.

All five factors were significant in predicting the dependent variable at the 0.05 level. A positive relationship between the five independent variables and level of customer satisfaction existed.

Table 3

Satisfaction Regression Model (N = 270)

Regression model[a]				
	B	*SE B*	*β*	Sig.
Hotel experience	0.670	0.032	0.677	0.000
Staff experience	0.478	0.032	0.483	0.000
Device experience	0.101	0.032	0.102	0.002
Visual appeal perception	0.095	0.032	0.096	0.003
Wireless connection	0.131	0.032	0.133	0.000

Notes. a. Dependent variable: Satisfaction Mean Score; Adj. R Squared: 0.724.

Service Quality and Customer Loyalty

Multiple regression analysis was applied using the forced entry method to examine the influence of service quality on customer loyalty. The five service quality factors were the independent variables, and customer loyalty mean score (four items, namely, the overall experience has been good and memorable; the boutique hotel that I stayed at before would be my first choice for my next stay; I consider myself to be loyalto the hotel that I previously stayed at; I say positive things about this hotel to other people) was the dependent variable.

Table 4 presents the regression results. The R^2 was 0.571, and the adjusted R^2 was 0.563, which suggested that the five predicting variables could account for more than 50% of variance in the dependent variable (customer loyalty). An Analysis of Variance (ANOVA) test was conducted to test the differences between

means of the independent variables within the model; $F(5, 264) = 70.36$, $p < 0.05$ (Appendix A).

All five factors were significant in predicting the dependent variable at the 0.05 level. A positive relationship between the five independent variables and level of customer loyalty existed. The regression model:

$$Y = 0.587 + 0.59X_1 + 0.45X_2 + 0.23X_3 + 0.09X_4 + 0.08X_5.$$

In the above model, Y is the customer loyalty, X_1 is the hotel experience, X_2 is the staff experience, X_3 is device experience, X_4 is visual appeal perception, and X_5 is wireless connection.

The above regression analysis result has thus further verified that the five dimensions capture the customers' loyalty levels. The five dimensions lead to customers' loyalty levels within the boutique budget hotels.

All factors except wireless connection were significant in predicting the dependent variable at the 0.05 levels. A positive relationship exists between the five independent variables and level of customer loyalty.

Table 4

Loyalty Regression Model (N = 270)

Regression model[a]				
	B	SE B	β	Sig.
Hotel experience	0.597	0.042	0.567	0.000
Staff experience	0.457	0.042	0.435	0.000
Device experience	0.231	0.042	0.220	0.000
Visual appeal perception	0.086	0.042	0.081	0.044
Wireless connection	0.080	0.042	0.076	0.062

Notes. a. Dependent variable: Loyalty Mean Score; Adj. R Squared: 0.563.

Customer Satisfaction and Customer Loyalty

Simple regression analysis was applied using the forced entry method to examine the influence of customer satisfaction on customer loyalty. The independent variable was customer satisfaction and the dependent variable was customer loyalty.

The regression results present as R^2 being 0.601, and the adjusted R^2 being 0.600, which suggested that the customer satisfaction variable could account for more than 60% of variance in the dependent variable (customer loyalty).

Customer satisfaction was significant in predicting the dependent variable at the 0.05 level. A positive relationship between customer satisfaction and level of customer loyalty existed. Customer satisfaction thus has positively influenced customers' loyalty levels within boutique budget hotels. The regression model:

$$Y = 1.964 + 0.71X_1.$$

In the above model, *Y* is the customer satisfaction and X_1 is customer loyalty.

Importance Performance Analysis

Importance Performance Analysis (IPA) was followed by the multiple and simple regression analysis and was further utilized to identify opportunities in determiningwhere their energy should be focused on. Table 5 illustrated each of the questions from all the five dimensions in comparison to importance and performance of all service quality attributes.

Table 5

IPA Descriptive Statistics

Notation	Service quality attributes	Importance	Performance
1	Wi-Fi	6.23	6.32
2	Smart TV	4.86	5.54
3	Smart phone docking station	4.68	5.17
4	Self-check in	5.18	5.49
5	Streaming devices to TV	5.02	5.34
6	Interactive tablet	4.08	4.75
7	The location of the hotel is convenient	6.17	6.10
8	The surrounding environment of the hotel is good	6.02	5.99
9	The surrounding area of the hotel provides supermarkets, restaurants, and other amenities	5.72	5.88
10	The hotel has an attractive lobby	5.41	5.76
11	The room is clean	6.49	6.25
12	The bathroom, shower, and toilet are hygienic and clean	6.44	6.19
13	The interior design matches the theme of the hotel	4.97	5.63
14	The hotel is quiet, noise-free, and disturbance-free	5.81	5.90
15	I feel at home in this hotel	5.68	5.90
16	I feel relaxed in this hotel	6.21	6.11
17	My check-in and check-out processes are smooth	6.20	6.14
18	The hotel has your interest at heart	5.94	5.86
19	I feel safe and secure during my stay	6.37	6.19
20	The staff is friendly and polite	6.24	6.14
21	The staff responds to my requests in a timely manner	6.09	6.00
22	The staff deals with you in a caring fashion	6.08	5.99
23	The staff keeps you informed about when the service will be performed	5.97	5.93
24	The staff offers to help	6.04	5.98
25	The staff provides personal attention to you	5.71	5.82
26	I feel comfortable communicating with the staff	6.12	6.06
27	The price per night of the hotel is reasonable, given the quality of stay	6.23	6.04
28	The hotel provides good value for money	6.30	6.17
29	Overall, I am satisfied with the value I received, for the price I paid	6.34	6.12

Figure 3 shows that service quality attributes 2 (smart TV) and 13 (interior design matches theme of hotel, and 10 (attractive lobby) were located in the low importance/high performance. These attributes are performing very well but Millennials do not find this being important. Therefore, employers may find that they can reduce their energy being spent on this area and redirect their attention to other quadrants. This will aid in increasing customer satisfaction and customer loyalty levels.

Service quality attributes 6 (interactive tablet), 3 (smart phone docking station), 5 (streaming devices to TV), and 4 (self-check in) were plotted within the low importance/low performance quadrant. Nonetheless, Millennials find these attributes being low on their importance scale and managers are doing a good job at keeping this as a low priority.

Lastly, the rest of the service quality attributes are located in the high performance/high importance quadrant. This suggests that the attributes that are found important are doing exceptionally well so managers
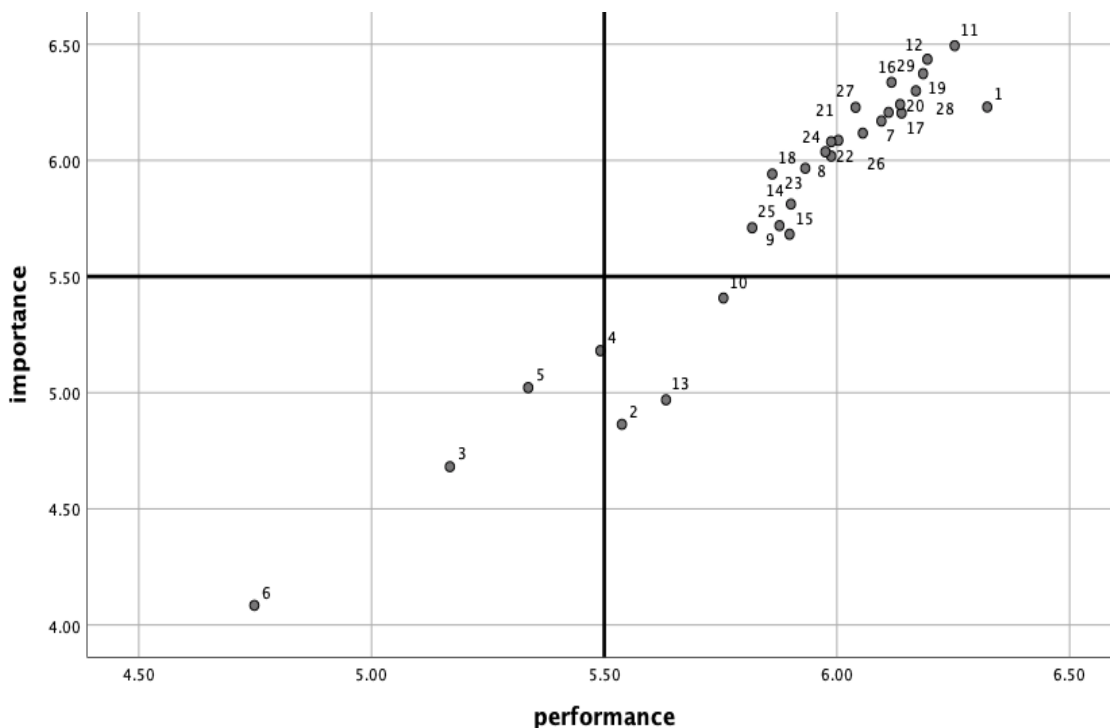
should keep up the good work.

Figure 3. IPA analysis.

Chapter 5 Discussion

Managerial and Theoretical Implication

The implications derived from this study show that boutique budget hotel operators should be aware that Millennials scrutinize the very basic elements of a hotel. A clean room and bathroom should be ensured for Millennials. Millennials also find safety to be a major concern for them. Managers can implement further safety precautions to help Millennials with feeling safer during their stay by installing more security cameras around the hotel and have a security guard on site at the hotel. Managers should recognize the need to maintain and improve service quality within the simplest items that Millennials find important. Managers can implement efficient pricing strategies that will offer low costs to customers. Deals on inclusive packages or a lower rate on return visits will also help with maintaining customer loyalty.

Millennials appreciate responsive communication and caring staff members. Managers should provide their employees with cell phones that allow the employees to see the request made by their guests quickly and therefore can provide the service in a timely manner. The cell phones will allow for quicker service and guests will be able to reach the kitchen or front desk directly instead of going through an operator first.

Technology related devices are very important to Millennials. Hotel managers should strive for in-room technology devices that can make their customers' experience more convenient. Facilities and management should work together to try and incorporate the latest technology within the hotel. Managers can implement keyless check-in system to allow for convenience and timesaving for their guests. A smart-TV should also be ensured for every hotel room.

Visual appeal is also important for Millennials. Managers should ensure their hotel lobbies are always

clean and visually appealing to customers as that is the first thing customers will encounter when they enter the hotel. The lobbies can be filled with fun things to do such as a game room and implement a fun work place that includes a coffee bar with snacks.

Lastly, wireless connection had a significant impact on customer satisfaction, but not on customer loyalty. One of the possible reasons is that Wi-Fi has been considered a must-have for Millennials. Accordingly, they expect that Wi-Fi should be provided by the boutique budget hotels so that it may not be the factor that affects their loyalty for a specific hotel. It may imply that hotel managers should consider that Wi-Fi is a must-have service for Millennials and it is still the significant factor that affects their satisfaction according to the findings from the multiples regression.

With these implications, managers can increase their customer satisfaction and customer loyalty levels within boutique budget hotels with developing more specific strategies for Millennials. Although this research focused only on four boutique budget hotels, the recommendations are still suitable for multiple hotels because they are chain driven.

IPA analyses also have a few implications that managers would find helpful. The IPA analyses results should be shared with managers and staff members so they are able to identify what their customers find most important and where they should spend their energy and attention on to keep customers satisfied. It is vital to examine the service quality attributes that were plotted in the low importance/high performance quadrant. From a financial perspective, there is an opportunity to modify the resources being spent on those specific service quality attributes and have cost savings or refocusing that energy somewhere else. A careful analysis of each service quality attribute represented would be beneficial for employers to improve service quality as a whole within boutique budget hotels.

The objectives are reexamined to find that it is important to explore the service quality attributes that Millennials find important. It is essential that hotel operators pay careful attention to Millennials wants and needs, as they are biggest customer target for hotels. Thus, if hotel operators understand them better, they can create a meaningful experience for them. The results presented in this study will help industry professionals to have a better understanding on the role of service quality elements for Millennials. The results will also help hoteliers to have a better understanding on the effect of service quality on customer satisfaction and customer loyalty. The results demonstrate that by improving the service quality in hotels, it should effectively increase customer satisfaction, and higher levels of satisfaction will ultimately lead to higher customer loyalty. Nonetheless, developing better strategies to improve service quality by sustaining and attracting more customers will aid in generating great profits.

Chapter 6 Conclusion

Summary of Major Findings and Contribution

Although research on Millennials and what they find of importance in service quality is limited, it is evident that a thorough understanding of this can have a profound impact on customer satisfaction and customer loyalty levels in a hotel. Identifying what service quality elements Millennials find important will enhance their stay and be profitable to hotels.

This study sought out to identify which factors contribute to service quality that Millennials find important in boutique budget hotels and how these service quality attributes performed during their stay. The 29 items were sampled amongst 270 boutique budget hotel Millennial customers. Exploratory factor analysis was

performed to examine the underlying dimensions of service quality within the four boutique budget hotels: Moxy, Aloft, Tru, and Hotel Indigo. The analysis generated a total of five dimensions: hotel experience, staff experience, device experience, visual appeal perception, and wireless connection. These five dimensions were further tested with multiple regression analysis to look at the influencing power it had on customer satisfaction and customer loyalty. All five dimensions had a positive significant relationship with influencing customer satisfaction and customer loyalty with hotel experience being the largest influencing dimension. Hotel experience included the very basic components of a hotel, such as cleanliness, location, feeling safe and relaxed at the hotel, and should be guaranteed at every hotel. The simple regression analysis resulted in customer satisfaction positively influencing customer loyalty levels.

This regression model in this research can be studied by other lodging organization in order to enhance Millennials service quality experience in the hotels. It is expected that Millennials will soon become the biggest customer market for hotels worldwide within the next decade (Mettler, 2015). Millennials travel practices are altering the hospitality industry and hoteliers should be reminded of the great opportunities that Millennials bring into the hotels.

Limitations and Future Research

There were a few limitation presented in this research. This study only focused on four boutique budget hotels due to time and money constraints. Future research can present more boutique budget hotels. The results may be skewed based on initiatives taken on by chain driven hotels. For future research, it would be interesting to see which of the specific boutique budget hotels people have visited the most and compare to other boutique budget hotels presented in the research and find if service quality differs from one hotel to the other.

Also, this research only focused on Millennials within the U.S. A study could be done with Millennials globally as well as all of the boutique budget hotels worldwide. This will also allow for a larger sample size. Further tests can be conducted to determine if the findings are restricted to a certain geographic areas. A more in-depth research could also further explore more aspects among other generations. A comparison of the results can be made with Millennials (Gen Y) and Gen X.

Confirmatory factor analysis can also be applied to verify the results presented in this research with a greater sample size. The measurement scale can be further verified with data from a larger respondents sample size. Lastly, more research can be undertaken on how the dimensions affect perceived value and behavioral intentions.

References

Angelova, B., & Zeqiri, J. (2011). Measuring customer satisfaction with service quality using American Customer Satisfaction Model (ACSI Model). *International Journal of Academic Research in Business and Social Sciences, 1*, 232-258. doi:10.6007/ijarbss.v1i2.35

Aloft Hotels. (2019). Retrieved January 29, 2020, from https://news.marriott.com/brands/aloft-hotels/

Bowen, J., & McCain, S. (2015). Transitioning loyalty programs: A commentary on "the relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management, 27*(3), 15-430. Retrieved from https://doi.org/10.1108/IJCHM-07-2014-0368

Best Western® Hotels & Resorts announces arrival of Glō® with first-ever opening in Desoto, TX. (2018, October 1). Retrieved April 18, 2019, from https://www.bestwestern.com/en_US/about/press-media/2018-press-release/first-ever-opening-glo-in-desoto-texas.html

Bilgihan, A. (2016). Gen Y customer loyalty in online shopping: An integrated model of trust, user experience and branding. *Computers in Human Behavior, 61*, 103-113.

Bowen, J., & Chen, S. L. (2001). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management, 13*(1), 213-217. Retrieved from https://doi.org/10.1108/09596110110395893

Chacko, H. E., Williams, K., & Schaffer, J. (2012). A conceptual framework for attracting Generation Y to the hotel industry using a seamless hotel organizational structure. *Journal of Human Resources in Hospitality & Tourism, 11*(2), 106-122. doi:10.1080/15332845.2012.648843

Chand, M. (2010). The impact of HRM practices on service quality, customer satisfaction and performance in the Indian hotel industry. *The International Journal of Human Resource Management, 21*(4), 551-566.

Chu, S.-C., & Choi, S. (2011). Electronic word-of-mouth in social networking sites: A cross-cultural study of the United States and China. *Journal of Global Marketing, 24*, 263-281. doi:10.1080/08911762.2011.592461

Dimock, M. (2019, January 17). Defining generations: Where Millennials end and Generation z begins. Retrieved from https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/

Fiorentino, A. (1995). Budget hotels: Not just minor hospitality products. *Tourism Management, 16*(6), 455-462.

Fromm, J. (2017, November 8). Why Millennials are the most important consumer generation for the travel industry. Retrieved April 15, 2019, from https://www.forbes.com/sites/jefffromm/2017/11/08/why-millennials-are-the-most-important-consumer-generation-for-the-travel-industry/#3a967887e1f1

Fry, R. (2018, March 1). Millennials expected to outnumber Boomers in 2019. Retrieved April 16, 2019, from https://www.pewresearch.org/fact-tank/2018/03/01/millennials-overtake- baby-boomers/

Ganatra, R. (2018, June 20). How Millennials are shaping the future of hospitality: A closer look. Retrieved January 8, 2020, from https://insights.ehotelier.com/insights/2016/04/05/millennials-shaping-future-hospitality-closer-look/

Gardner, S., & Eng, S. (2005). What students want: Generation Y and the changing function of the academic library. *Portal: Libraries and the Academy, 5*(3), 405-420.

How to attract the Gen Y hotel guest. (2018, February 7). Retrieved May 7, 2019, from https://www.tripadvisor.com/TripAdvisorInsights/w650

Hotel Indigo® celebrates opening in 100 vibrant neighbourhoods around the world. (2019, January 22). Retrieved February 8, 2020, from https://www.ihgplc.com/news-and-media/news-releases/2019/hotel-indigo-celebrates-opening-in-100-vibrant-neighbourhoods-around-the-world

Hua, W., Chan, A., & Mao, Z. (2009). Critical success factors and customer expectation in budget hotel segment—a case study of China. *Journal of Quality Assurance in Hospitality & Tourism, 10*(1), 59-74. doi:10.1080/15280080802713702

Juwaheer, T. D., & Ross, D. L. (2003). A study of hotel quest perceptions in Mauritius. *International Journal of Contemporary Hospitality Management, 15*(2), 105-115.

Knutson, B., Stevens, P., Wullaert, C., Patton, M., & Yokoyama, F. (1990). Lodgserv: A service quality index for the lodging industry. *Hospitality Research Journal, 14*(3), 277-284.

Knutson, B., Stevens, P., Patton, M., & Thompson, C. (1992). Consumer expectations for service quality in economy, mid-price and luxury hotels. *Journal of Hospitality and Leisure Marketing, 1*(2), 27-44.

Kubickova, M., Nusair, K., Parsa, H. G., & Hu, H. (2015). Does green hotel image influence guests' behavior the case of Generation Y. *Journal of Services Research, 14*(2), 9-32. Retrieved from http://proxy.library.cpp.edu/login?url=https://search.proquest.com/docview/16522 12637?accountid=10357

Kucukusta, D. (2017). Chinese travelers' preferences for hotel amenities. *International Journal of Contemporary Hospitality Management, 29*(7), 1956-1976. Retrieved from http://dx.doi.org/10.1108/IJCHM-09-2016-0511

Lai, I., & Hitchcock, M. (2016). A comparison of service quality attributes for stand-alone and resort-based luxury hotels in Macau: 3-Dimensional importance-performance analysis. *Tourism Management, 55*, 139-159.

Lazarevic, V. (2012). Encouraging brand loyalty in fickle Generation Y consumers. *Young Consumers, 13*(1), 45-61.

LE: Marriott, HILTON, IHG lead U.S. hotel construction pipeline. (2019, August 05). Retrieved from https://www.hotelbusiness.com/le-marriott-hilton-ihg-lead-u-s-hotel-construction-pipeline/

Lianping, R., Qiu, H., Ma, C., & Lin, P. (2018). Investigating accommodation experience in budget hotels. *International Journal of Contemporary Hospitality Management, 30*(7), 2662-2679. Retrieved from https://doi.org/10.1108/IJCHM-11-2016-0625

Markovic, S., & Jankovic, S. R. (2013). Exploring the relationship between service quality and customer satisfaction in Croatian hotel industry. *Tourism and Hospitality Management, 19*(2), 149-164. Retrieved from http://proxy.library.cpp.edu/login?url=https://search.proquest.com/docview/15443 67765?accountid=10357

McGrath, M. (2016, February 3). Millennials: The money-conscious generation? Retrieved from https://www.forbes.com/sites/maggiemcgrath/2015/06/22/millennials-the-money- conscious-generation/#4124f1c85dc3

Mei, A., Dean, A., & White, C. (1999, April 01). Analysing service quality in the hospitality industry. Retrieved March 8, 2019, from https://www.emerald.com/insight/content/doi/10.1108/09604529910257920/full/html#loginreload

Mettler, L. (2015). Millennial appeal: 5 ways hotels are engaging Gen Y. *US News.* Retrieved April 11, 2019, from http://travel.usnews.com/features/Millennial-Appeal-5-wayshotels- are-engaging-Gen-Y/

Moxy Hotels. (2020). Retrieved from https://hotel-development.marriott.com/brands/moxy-hotels/

Ng, E., Schweitzer, L., & Lyons, S. (2010). New generation, great expectations: A field study of the millennial generation. *Journal of Business Psychology, 5*(2), 281-292.

Nusair, K., Bilgihan, A., Okumus, F., & Cobanoglu, C**.** (2013). Generation Y travelers' commitment to online social network websites. *Tourism Management, 35*, 13-22. Retrieved from http://refhub.elsevier.com/S0747-5632(16)30175-3/sref99

Osborne, M. (2017, September 26). Brands need to step up their game to win over Millennials. Retrieved May 7, 2019, from https://www.forbes.com/sites/forbesagencycouncil/2017/09/26/brands-need-to-step-up-their-game-to-win-over-millennials/#5 f1bafbe1b32

Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing, 49*, 41-50.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing, 64*(1), 14-40.

Parker, L. (2018, March 2). Marriott breaks into Japan with its Millennial-focused Moxy brand. Retrieved April 15, 2019, from https://www.forbes.com/sites/lauraannaparker/2018/02/28/marriott-breaks-into-japan-with-its-millennial-focused-moxy-bran d/#5e2ea2a3103d

Petrak, N. (2011). Generation Y: Soon-to-be your next best customers. Retrieved April 16, 2019, from http://www.adventuretravelnews.com/generation-y-soon-to-be-yournextbest-customers

Pizam, A., Shapoval, V., & Ellis, T. (2016). Customer satisfaction and its measurement inhospitality enterprises: A revisit and update. *International Journal of Contemporary Hospitality Management, 28*(1), 2-35. Retrieved from https://doi.org/10.1108/IJCHM-04-2015-0167

Preston, C. C., & Colman, A. M. (2000). Optimal number of response categories in rating scales: Reliability, validity, discriminating power, and respondent preferences. *Acta Psychological, 104*, 1-15. doi:10.1016/S0001-6918(99)00050-5

Radojevic, T., Stanisic, N., & Stanic, N. (2015). Ensuring positive feedback: Factors that influencecustomer satisfaction in the contemporary hospitality industry. *Tourism Management, 51*, 13-21.

Ren, L., Qiu, H., Wang, P., & Lin, P. (2016). Exploring customer experience with budgethotels: Dimensionality and satisfaction. *International Journal of Hospitality Management, 52*, 13-23.

Ren, L., Qiu, H., Ma, C., & Lin, P. M. (2018). Investigating accommodation experiencein budget hotels. *International Journal of Contemporary Hospitality Management, 30*(7), 2662-2679. doi:10.1108/ijchm-11-2016-0625

Said, A., Shuib, A., Ayob, N., & Yaakub, F. (2013). An evaluation of service quality from visitors' perspectives: The case of Niah National Park in Sarawak. *International Journal of Business and Society, 14*(1), 61-78. Retrieved from http://proxy.library.cpp.edu/login?url=https://search.proquest.com/docview/13652 72778?accountid=10357

Salazar, A., Costa, J., & Rita, P. (2010). A service quality evaluation scale for the hospitality sector. *Worldwide Hospitality and Tourism Themes, 2*(4), 383-397. Retrieved from http://dx.doi.org/10.1108/17554211011074047

Skogland, I., & Siguaw, J. A. (2004). Are your satisfied customers loyal? *Cornell Hoteland Restaurant Administration Quarterly, 45*(3), 221-234.

Sykes, L. (2018, May 25). Millennials and the experience economy: Three strategies for hotels to stand out. *Hospitality Net*. Retrieved May 7, 2019, from https://www.hospitalitynet.org/opinion/4088597.html

Tabano, B. (2018, April 25). 3 ways hotels can connect with millennial travelers and drive sales. Retrieved May 7, 2019, from https://www.hotelmanagement.net/sales-marketing/3-ways-hotels-can-connect-millennial-travelers-and-drive-sales

Tefera, O., & Govender, K. (2016). SERVQUAL to HOTSPERF: Towards the development and validation of an alternate hotel service quality measurement instrument. *African Journal of Hospitality, Tourism and Leisure, 5*(4), 1-16.

Top trends: Millennial travelers & the hospitality sector. (2019, April 19). Retrieved May 7, 2019, from https://rategain.com/blog/millennial-travelers-trends- hospitality-sector/

Walsh, E. (2014). Looking ahead: Millennial travel trends—Part 1. Retrieved May 7, 2019, from https://turnerpr.com/spin-kitchen/millennial-travel-trends-part-1

Weisskopf, J., & Masset, P. (2019, January 07). 2019 top 10 hospitality Trends: By Philippe Masset & Jean-Philippe Weisskopf. Retrieved February 7, 2020, from https://www.hospitalitynet.org/opinion/4091419.html

Wen, H., Andrew, C., & Mao, Z. (2009). Critical success factors and customer expectation in budget hotel segment—a case study of China. *Journal of Quality Assurance in Hospitality & Tourism, 10*(1), 59-74.

Williams, K. C., & Page, R. A. (2011). Marketing to the generations. *Journal of Behavioral Studies in Business, 3*(1), 1-17.

Zaino, L. (2016, December 3). How the hotel industry is wooing Millennials. Retrieved May 7, 2019, from https://thepointsguy.com/2016/12/how-hotels-woo-millennials/

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing, 60*(2), 31-46.

Appendix A

ANOVA Table

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	191.902	5	38.380	142.264	.000[b]
	Residual	71.223	264	.270		
	Total	263.125	269			

a. Dependent Variable: SatisfactionMean

b. Predictors: (Constant), REGR factor score 5 for analysis 1, REGR factor score 4 for analysis 1, REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1