

A gap analysis on Generation Y customer expectations and perceptions towards lifestyle hotels

(Extended Abstract)

Wen Hua

Ph.D. Student

School of Hotel and Restaurant Administration

Oklahoma State University-Stillwater

Stillwater, OK 70748, USA

Email: wendy.hua@okstate.edu

Tel: 1-323-206-6616

Hailin Qu

Ph.D., Regents Professor

School of Hotel and Restaurant Administration

Oklahoma State University-Stillwater

Stillwater, OK 74078, USA

Email: h.qu@okstate.edu

Tel: 1-405-744-6711/6713

Fax: 1-405-744-6299

Abstract

This study conducts a gap analysis on Generation Y (Gen Y) customer expectation and perception towards lifestyle hotels. In the result, 11 gaps between Gen Y customer expectation and perceptions on lifestyle hotels are identified. An Importance-Performance (I-P) map further demonstrates how lifestyle hotels satisfy Gen Y clients, and suggests future improvements for lifestyle hotels to better cater Gen Y guests. The findings indicate that Gen Yers are overall satisfied with lifestyle hotels, and lifestyle hotels have relatively high performance in general. But there are also a few aspects lifestyle hotels could enhance for higher customer satisfactions. This research not only enriches limited existing understandings on Gen Y customer expectations, perceptions, and lifestyle hotel performance as well for academics; but also gives industry professionals useful recommendations for future improvements.

Key words: Generation Y, lifestyle hotel, expectation, perception, importance, performance

Background

While Generation X/Y'ers are becoming the main purchasing power group in the hotel market, there are very few studies done to explore their needs and wants. The growth of life style hotels in market gives insights that it would be an ideal product designed for Generation X/Y. Base on the phenomena, the research questions in our study are, 1) do these expectations on lifestyle hotel from Gen Y all meet with the perception of Gen Y? 2) Is Gen Y overall satisfied with the performance of lifestyle hotels? 3) How can lifestyle hotel improve performance to better cater Gen Y customers?

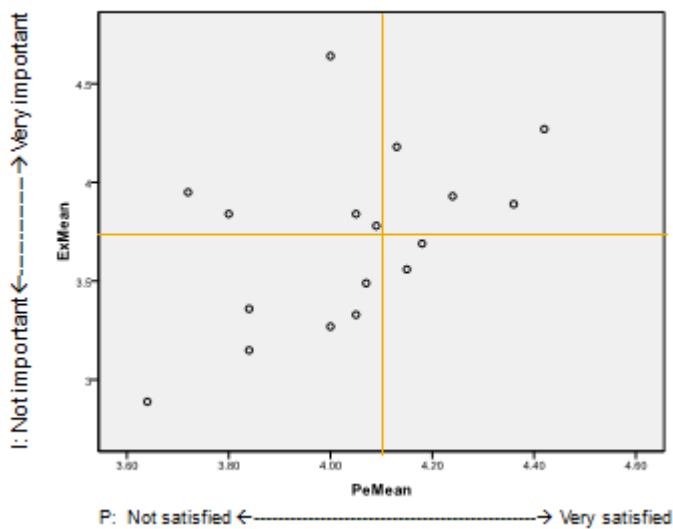
Methodology

In order to study Generation Y customer expectations and perceptions on lifestyle hotels, this study uses one class of students from Hotel & Restaurant Administration School of Oklahoma State University by convenience sampling. The survey includes three sections with a slides presentation in the middle. The first session is Gen Y expectations on hotels. At the last session, they respond questions about perceptions towards lifestyle hotel based on facts in the slides show, and also fill out personal data and travel preferences. 60 students participate and 56 effective responses are collected. Participants show more diverse in their traveling behaviors than in demographic features.

Findings

A paired T-test is adopted on customer expectation and perception comparison. There are primarily four findings in the gap analysis: 1) people are generally have high expectations and high perceptions on lifestyle hotels, and willing to repurchase or recommend to other people; 2) there are 11 significant gaps identified between Generation X/Y customers' expectations and perceptions tested at a 95% confidence interval; 3) for the most part, customer perceptions are actually higher than expectations; and 4) the gaps between expectations and perceptions are insignificant for 6 of the items explored, most of which are guest room related.

The I-P map is drawn based on the previous gap analysis to evaluate the success of lifestyle hotel as a new product:



Those factors need improvement include: 1) Size of guest room, 2) Luxury bathroom facilities, 3) free wireless internet, 4) healthy food options, and 5) in-room coffee machine, microwave oven, and mini-fridge.

Conclusion

The finding shows homogeneity demographic features on those college students. Although students are still generally satisfied with room facilities, and willing to repurchase and recommend to their friends, there are still several aspects need to be improved, and more value-added facilities or services are expected.

In conclusion, lifestyle hotels are highly possible suitable for Gen Y travelers. The core competency of lifestyle hotels are stylish design. And they perhaps can still improve some room facilities, such as free wireless internet, food & beverage equipments, bathroom facilities, and room size. In the future, researchers might also include Gen X, or a comparison study on customer expectation and perceptions between Gen Y and other Generations could be conducted.

References:

- Burritt, C. (2001). Aging boomers reshape resort segment. *Lodging Hospitality*, 57(3), 31.
- Barsky, J., & Nash, L. (2007). Word-of-mouth should be top-of-mind for hotel operators. *Hotel and Motel Management*, 222(6), 8.
- Burritt, C. (2001). Aging boomers reshape resort segment. *Lodging Hospitality*, 57(3), 31.
- Daniel Edward Craig, (2009 July), Lifestyle Hotels: Gotta Have Soul, www.hotelonline.com
- Dube, L., Enz, C. A., Renaghan, L. M., & Siguaw, J. A. (2000). Managing for excellence. *Cornell Hotel and Restaurant Administration Quarterly*, 41(5), 30.
- Dube, L., & Renaghan, L. M. (2000). Creating visible customer value. *Cornell Hotel and Restaurant Administration Quarterly*, 41(1), 62.
- Edmundson, W. (2007). Cambria Suites Brand Cites Success in 2007: A New Generation of Hotels. *Business Perspectives*, 19(1), 40.
- Ernst & Young's Global hospitality insights highlights the growing lifestyle hotel trend, (2008 July), www.ey.com
- Ladhari, R. (2007). The effect of consumption emotions on satisfaction and word-of-mouth communications. *Psychology & Marketing*, 24(12), 1085.
- Lapierre, J., Tran-Khanh, A., & Skelling, J. (2008). Antecedents of Customers' Desired Value Change in a Business-to-Business Context: Theoretical Model and Empirical Assessment. *Services Marketing Quarterly*, 29(3), 114.
- Laff, M. (2009). Closing the Generation Gap. *T + D*, 63(5), 20.
- Maitland, A. (2009). A to Z of Generation Y attitudes. *Financial Times*, p. 12. Retrieved from <http://proquest.umi.com/pqdweb?did=1751194281&Fmt=7&clientId=4653&RQT=309&VName=PQD>
- Mckenty, F. (2008, March 10, 2008). The Four Stages of Lifestyle Brands. from <http://www.kascope.com/blog/2008/02/four-stages-of-lifestyle-brand.html>
- Nicholas, A. (2009). Generational Perceptions: Workers And Consumers. *Journal of Business & Economics Research*, 7(10), 47.
- Rama, Y. (2002). A comparison of buyer behavior characteristics of U.S. and French Generation X. *Journal of Euro - Marketing*, 12(1), 5.

Ritson, M. (2007). Have you got the Gen X factor? *Marketing*, 25.

Rockart, J. (1979). Chief executives define their own information needs. *Harvard Business Review*, 57(2), 81–93.

Shereshewsky, J. (2008). The sky is not falling: An open letter to the ad and marketing community. *Advertising Age*, 79(27), 12.

Wen Hua, Andrew Chan & Zhenxing Mao (2009), *Journal of Quality Assurance In Hospitality & Tourism*, 10:59–74

Wolff, C. (2008). Lodgings Lifestyle Landscape. *Lodging Hospitality*, 64(5), 36.

Woodruff, R. B. (1997). Customer value: The next source for competitive advantage. *Academy of Marketing Science. Journal*, 25(2), 139.

Yesawich, P. (2008). It's not your father's lodging brand anymore. *Hotel and Motel Management*, 223(10), 18.