



Factors influencing hotel experiences for millennial tourists: A South African study

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Abstract

Over the past two decades, hotels have given significant attention to the Baby Boomer generation. However, lately the millennial generation has become a niche market in the hotel market, and brought unique perspectives and values, thus posing atypical service quality challenges to hotels. The purpose of this study is to identify factors influencing hotel experiences for millennial tourists. The study was mainly quantitative with some qualitative elements. A meeting was held with seven hoteliers (qualitative), and 424 domestic millennial tourists of hotels in Gauteng, South Africa successfully completed questionnaires (quantitative). The study revealed that three factors namely, 'tangibles', 'reliability' and 'responsiveness' significantly impacted ($p < 0.05$) on hotel experiences. However, among these factors, 'tangibles' emerged as the best predictor of tourist experiences whilst reliability was rated by respondents as the attribute highly impacting on hotel experiences. To improve the tangible experience, hotels can increase technology features in rooms such as extra electrical outlets, strong WiFi connectivity, mobile device charging ports and self-service tablets. To improve 'reliability' hotels can implement digital booking, check-in and check-out via smartphones. This can be done through dial-inns inside rooms. To the best of the author's knowledge, this paper is the first that attempts to identify factors influencing hotel experiences for millennial tourists in South Africa. The findings could help hotels understand the nuances of this niche market and be prepared to offer a hotel experience that meets their expectations.

Keywords: millennials, South Africa, service quality, hotel experiences, tourists

Introduction

Over the past decades, hotels have given significant attention to the Baby Boomer generation (Dicey, 2016). According to Stephan (2018) the baby boomer generation refers to people born between 1945 and 1965. However, lately the millennial generation has become a niche market in the hotel market, and brought unique perspectives and values, thus posing atypical service quality challenges to hotels. Millennials are an enthusiastic generation, which aspires to see the world and experience the best hotel service possible (Hein, 2015). In the extant literature some scholars (see works by Lancaster & Stillman, 2002; Thach & Olsen, 2006; Dimitriou & Blum, 2015), argue that this cohort was born between 1978 and 2000. According to Stephan (2018), data from Statistics South Africa reports that "there are approximately 14.5 million millennials in South Africa or 26.5 % of the population" and they have been defined:

Sociable, optimistic, talented, well-educated, collaborative, open-minded, influential and achievement-oriented. They have always felt sought after, needed and indispensable. They have a strong penchant for modern design and contemporary living spaces, a high demand for the latest technology, with an



emphasis on social media and an insatiable appetite for information (Raines, 2002:1).

Hotel owners and employees need to understand this paradigm shift to be better prepared to serve this generation. According to Stephan (2018), when evaluating hotel service, millennials are not just looking for white-linen service and bellboys to carry their luggage up to their room or a concierge. When millennials enter a hotel, they want to feel completely at home, connected and to be in a hotel setting where they can be part of an experience (Mhlanga & Tichaawa, 2016).

Key amongst their needs, is digital experience which is proving to have a primary impact on millennial engagement and satisfaction (Woods & King, 2010). Mobile technology is currently at the centre of it all. Millennials use mobile technology to interact (Hein, 2015). With the undeniably important role social media plays in millennials' lives, the technology required for accessing it becomes even more important as clearly articulated by Dimitriou and Blum (2015).

Social media plays a key role in how they evaluate hotel experiences (Kovaleski, 2008). They are online customers, masters of social media and demand a hotel experience tailored to their needs. With friendship connections worldwide, hotel referrals are made via social connections. For this reason, it is imperative for hotels to offer the best possible experience to every guest because that guest could be the connection to other reservations (Li, Meng & Uysal, 2008). Consequently, embracing technology is key for hotels to win millennial loyalty (Dimitriou & Blum, 2015).

Apart from digital experience, millennials also prefer eco-friendly hotels and guest practices as part of their hotel experiences (Watkins, 2015). Although hotels are increasingly encouraging guests to embrace green practices some hotels are practicing "greenwashing," a deceitful practice of promoting environmentally friendly programs while hiding ulterior motives (Dimitriou & Blum, 2015). However, greenwashing practices, such as a sign that reads "save the planet: re-use towels," coupled with claims of corporate social responsibility, can affect the trust of millennial hotel consumers who tend to recognise that hotels' green claims may be self-serving (Woods & King, 2010).

Millennials understand the importance of hotels that recognise the value in implementing green business practices. As such they look for hotels that incorporate green procedures to reduce the demand on the environment such as reduction of linen change (Schmitt, 2009). Therefore, hoteliers need to understand the nuances of this niche market and be prepared to offer a hotel experience that meets their needs and expectations (Woods & King, 2010).

Another factor that characterises the millennial generation is their obsession with speed. When checking in or out of a hotel, millennials are much less patient than previous generations (Woods & King, 2010). Also called the 'now generation' millennials demand instant satisfaction, efficiency and convenience. Millennials are also a very sociable generation. They are much more satisfied with a hotel lobby where they can sit in and drink coffee surrounded by other people, than having a coffee machine in their room (Stephan, 2018). Consequently, to successfully target this segment, hoteliers need to consider the demographic differences and aspirations that come together with millennial customers, and appropriately adapt their offer to them based on their individual preferences (Woods & King, 2010).

In the last two decades, there has been an abundance of studies devoted to American Millennials' traits and characteristics, and their needs. However, only a few studies have focused on Non-American Millennials' attitudes and needs, particularly from a developing context. Studies on

American Millennials' traits and characteristics might not be applicable to the South African context, since Dicey (2016) emphasises that South African millennials have their own unique traits and cannot be compared to millennials in the US. South African millennials are formally or informally employed and have some level of income whilst the US millennials are fiscally challenged (Stephan, 2018). Therefore, the factors influencing hotel experiences for millennial guests should be interpreted in the light of their geographical context and should not be generalised to other regions because South African millennials have their own unique traits – there is no “one size fits all” approach.

It is therefore important for hoteliers to understand what these millennial guests want, and be prepared to adapt their service offerings to meet their needs and expectations (Watkins, 2015). Only by understanding their expectations and perceptions and adapting to meet their needs will hotels be able to attract a large number of this burgeoning market.

Theoretical Background

Parasuraman, Zeithaml and Berry (1985) developed a service quality model, the SERVQUAL approach, after realising the significance of service quality for the survival and success of service companies and the need for a generic instrument which would be used to measure service quality across a broad range of service categories. The model proposed a five-dimensional construct of perceived service quality - tangibles, reliability, responsiveness, assurance and empathy, with items reflecting both expectations and perceived performance - and comprised a 22-item scale for measuring customers' expectations and perceptions (Mhlanga, 2018).

According to Parasuraman et al. (1985:42), tangibles refer to ‘the degree to which physical facilities, equipment, and appearance of personnel are adequate’, while reliability refers to ‘the degree to which a promised service is performed dependably and accurately’. Responsiveness refers to ‘the degree to which service providers are willing to help customers and provide prompt service’, while assurance refers to ‘the extent to which service providers are knowledgeable, courteous, and able to inspire trust and confidence’. Empathy refers to ‘the degree to which the customers are offered caring and individualised attention’.

In 1994, Cronin and Taylor (1994) modified the SERVQUAL and named it SERVPERF. The SERVPERF model resulted in a reduction of the items on the questionnaire as there were only 22 items, leaving out the 22 questions on customers' expectations (Ali, Hussain, Konar & Jeon, 2017). In 1995, Stevens, Knutson and Patton (1995) developed a modified version of SERVQUAL, named LODGSERV, which measures the expectations of hotel guests in terms of service quality using a 26-item index developed on the five dimensions of SERVQUAL. Subsequently, Stevens et al. (1995) created a different version of SERVQUAL to measure the quality of service in restaurants, which was named DINESERV. It was later refined by Wong Ooi Mei, Dean and White (1999) to suit the hotel industry and given a different name, HOLSERV. It comprised a 22-item scale with the following five dimensions, namely, tangibles, reliability, responsiveness, assurance and empathy (Table 1).

Table 1: **HOLSERV (Hotel Service Quality) measurement attributes and dimensions.**

HOTEL DIMENSIONS	Code	ATTRIBUTES
Tangibles	V1	The hotel has modern-looking equipment
	V2	The hotel's physical facilities are visually appealing
	V3	The hotel's employees are neat-appearing



	V4	Materials associated with the service (such as pamphlets or statements) at the hotel are visually appealing
Reliability	V5	When the hotel promises to do something by a certain time, it does so
	V6	When you have a problem, the hotel shows a sincere interest in solving it
	V7	The hotel performs the service right the first time
	V8	The hotel provides its services at the time it promises to do so
	V9	The hotel insists on error-free records
Responsiveness	V10	Employees of the hotel tell you exactly when services will be performed
	V11	Employees of the hotel give customers prompt service
	V12	Employees of the hotel are always willing to help you
	V13	Employees of the hotel are never busy to respond to your requests
Assurance	V14	The behaviour of employees of the hotel instils confidence in customers
	V15	Customers feel safe in their transactions with the hotel
	V16	Employees of the hotel are consistently courteous towards customers
	V17	Employees of the hotel have the knowledge to answer customer questions
Empathy	V18	The hotel gives customers individual attention
	V19	The hotel has operating hours convenient to all its customers
	V20	The hotel has employees who give customers personal attention
	V21	The hotel has customers' best interests at heart
	V22	Employees of the hotel understand customers' special needs

(Source: Wong Ooi Mei et al., 1999)

However, an alternate scale (HOTSPERF) was developed, which is a modification of the SERVQUAL and SERVPERF, comprising 25 attributes to accommodate the developmental level of hotel services and using only five-point Likert scales to simplify the range of choices posed to the customers who respond to the various questions on the questionnaire (Bernhardt, Donthu & Kennett, 2000). In the HOTSPERF, three more attributes were added, rewording the SERVQUAL attributes to read positively, using a five-point Likert scale, with only two measurement dimensions (Jensen & Hansen, 2007).

Literature Review

Researchers have been reporting contradictory findings on customer experiences in hotels. Wong Ooi Mei et al. (1999) examined the dimensions of customer experiences in the hospitality industry to determine which dimension is the best predictor of overall experiences. Key findings of the study were that customer experiences are influenced by three dimensions, namely, employees (behaviour and appearance), tangibles and reliability with the dimension, 'employees' being the best predictor of overall experiences. Juwaheer and Ross (2003) assessed customers' expectations and perceptions of service in hotels in Mauritius. They found that customers' perception of service quality fell short of their expectations, with 'empathy' dimension having the largest gap. Markovic and Raspor (2010) measured perceived service quality of hotels in Opatija Riviera, Croatia. They found that the following four dimensions, namely, 'reliability', 'empathy', 'accessibility' and 'tangibles' were the key factors that best explained customers' expectations. Among the four dimensions, 'reliability' was found to be the most important predictor of perceived service quality. Karunaratne and Jayawardena (2010) assessed customer experiences in five star hotels in Sri Lanka and found that customers were satisfied with overall experience especially on the following dimensions, 'tangibility', 'responsiveness', and 'assurance' whilst they were not satisfied with 'reliability' and 'empathy' dimensions, respectively.

Al Khattab and Aldehayyat (2011) measured customer experiences in hotels in Jordan using all five dimensions (tangibles, reliability, responsiveness, assurance and empathy) and found that a low experience score in all service quality dimensions with the lowest experience scores being on

empathy and tangibles. Hossain (2012) studied the influence of customer experiences on tourist's satisfaction in hotels in Bangladesh and found that five service quality dimensions positively impacted on customer experiences. According to Hossain (2012), the strongest factor was empathy, followed by responsiveness, reliability, assurance and tangibles. Minh, Ha, Anh and Matsui (2015) measured customer experiences in hotels in Vietnam. Their findings revealed that four dimensions, namely, 'empathy', 'reliability', 'responsiveness', and 'assurance' highly impacted on customer experiences. Empathy had the highest impact on customer experiences. Tangible, however, did not have any impact on customer experiences.

Mohammad and Alhamadani (2011) identified five hotel dimensions significantly influenced customer experiences, namely, empathy, tangibles, reliability, responsiveness and assurance. Fah and Kandasamy (2011) conducted a study in Malaysian hotels and found that empathy and competence of staff, and reliability were the two most important determinants of guests' experiences. Marković and Janković (2013) explored the relationship between service quality and customer experiences in Croatian hotels and found reliability, accessibility and tangibles dimensions as the most important determinants of guests' experiences.

Torres, Adler, Lehto, Behnke and Miao (2013) studied guests' experiences in upscale hotels in the United States and found 'empathy and competence of staff' as the most important determinants of guests' experiences. Mhlanga and Tichaawa (2016) investigated guests' expectations and experiences in hotels in Nelspruit, South Africa, and found that guests' experiences were significantly impacted by reliability, accessibility and tangibles dimensions. Nonetheless, none of these studies researched on factors influencing hotel experiences for millennial guests especially from a developing context. In order to capture this vital segment, today's hotel managers need to identify millennials' hotel experiences and understand how to meet evolving millennial expectations in hotel industry.

Research Methodology

To conduct this study, hotels in Gauteng Province were targeted. Gauteng is the most populous province in South Africa. These hotels had to comply with the criteria set by Tourism Grading Council of South Africa (TGCSA, 2017:3) for classification as a hotel, namely, an establishment that provides formal accommodation with full or limited service to the travelling public. A hotel must have a reception area and also offer a dining facility. It must also have a minimum of 6 rooms but more likely exceeds 20 rooms. Consequently, forty-two hotels were included in the study. The study was mainly quantitative with some qualitative elements. To incorporate content validity, a tentative meeting (qualitative) was scheduled by the researcher with seven hotel managers in Gauteng. Content validity connotes the extent to which a measurement instrument is a representative sample of the content area being measured (Leedy & Ormrod, 2013). After the meeting, a research questionnaire (quantitative) was designed and distributed to hotel customers for data collection.

Two suggestions were made by hoteliers. These suggestions guided the research design of the study. Initially, hoteliers suggested that to measure millennial guests' experiences only guests that were born between 1980 and 2000 should be targeted. Secondly, hoteliers cautioned that the research should not inconvenience guests during check out. Consequently, it was suggested that the research questionnaire should be less than three pages and easy to comprehend.

A self-administered questionnaire based on the HOLSERV model developed by Wong Ooi Mei et al. (1999) was customised to address the objectives and setting of the study. As in the HOLSERV model,

the questionnaire contained 22 items for measuring customer experiences. These attributes represented five dimensions (tangibles, reliability, responsiveness, assurance and empathy).

Some research endeavours (Marković & Janković, 2013; Hossain, 2012; Mhlanga, 2018; Mhlanga & Tichaawa, 2016) identify these five dimensions as the most important that measure customer experiences, hence, they were adopted for this study. The questionnaire consisted of two parts. The first part had a screening question to identify the target sample of domestic hotel tourists who were born between 1980 and 2000, and respondents' demographic characteristics, which included gender, age, education, home language and monthly income. The second part measured customers' experiences. Customers' experiences were measured using a modified SERVQUAL (Johnson & Christensen, 2004). Customer experiences were measured on a five-point Likert-type scale, ranging from very low (1), low (2), indifferent (3), high (4), and very high (5). As in the HOTSPERF model, all the statements in the questionnaire were positively worded.

The population of the study comprised all the millennial hotel customers in Gauteng. In order to measure customers' experiences, only domestic hotel customers who were born between 1980 and 2000 were targeted. In order to guarantee equal representation of each of the hotels, proportional stratified random sampling was used to find the sample size for a particular hotel taking into account the hotel's occupancy. The sample size per hotel in this study was calculated at 25% of each hotel's occupancy. This sampling method is comparable to the technique used by Marković and Janković (2013). These researchers calculated the sample size per hotel at 25% of each hotel's occupancy per day and used the following formula:

$$\text{Sample Size} = (Z\text{-score})^2 * \text{Std Dev} * (1 - \text{Std Dev}) / (\text{margin of error})$$

Consequently, with a proportional sample of 25% of each hotel's occupancy per day, a confidence level of 95%, margin of error at 6.5% and standard deviation being 0.5, it was ensured that the sample would be large enough and this resulted in a sample size of at least 364 respondents.

Systematic sampling, which is a probability sampling method, was then used to select respondents by targeting every fourth guest who checked out of the hotel until the sample size for a particular hotel was reached. A decision to target every fourth guest was made in order to be discreet and avoid annoying other guests who were not participating in the survey, as advised by Mhlanga and Tichaawa (2016). The hotel manager from each participating hotel was approached for permission to conduct the study. Data were collected in November 2017. This study was approved by the Ethics Committee of the Faculty of Business and Management Sciences of Cape Peninsula University of Technology (CPUT).

This study was conducted according to the research ethical guidelines stated by Leedy and Ormrod (2013). As such, participation in the study was voluntary and verbal consent was obtained from all the restaurant managers. In addition, all respondents were assured of anonymity and that information and responses shared during the study would be kept confidential. Respondents were not given incentives to participate in the study. The following procedures were used to collect data. The researcher systematically approached every fourth guest who was checking out of the hotel at the reception after ascertaining that the guest was a millennial. The researcher explained the aim of the study to the guests and asked them to participate. It was emphasised that the researcher would treat the information provided as confidential and anonymous.



Hotel guests who were willing to participate in the study received a questionnaire. Completed questionnaires were collected, checked and discussed with the respondents in case of any queries. Out of the 451 returned questionnaires, 26 were not included in the analysis because of incompleteness. Data were analysed using the Statistical Package for Social Sciences (SPSS) software version 23.

Findings

Results and discussion

Table 2 shows the results for customers' experiences of hotel service in South Africa.

Table 2: Customers' experiences of hotel service

	SERVICE DIMENSIONS	Hotel experience	
		M	SD
	TANGIBLES		
V1	The hotel has modern-looking equipment	2.26	0.59
V2	The hotel's physical facilities are visually appealing	2.62	0.64
V3	The hotel's employees are neat-appearing	4.24	0.73
V4	Materials associated with the service (such as pamphlets or statements) at the hotel are visually appealing	4.07	0.92
	RELIABILITY		
V5	When the hotel promises to do something by a certain time, it does so	3.60	0.77
V6	When you have a problem, the hotel shows a sincere interest in solving it	3.53	0.63
V7	The hotel performs the service right the first time	2.49	0.42
V8	The hotel provides its services at the time it promises to do so	3.97	0.89
V9	The hotel insists on error-free records	2.29	0.56
	RESPONSIVENESS		
V10	Employees of the hotel tell you exactly when services will be performed	3.86	0.85
V11	Employees of the hotel give customers prompt service	2.51	0.51
V12	Employees of the hotel are always willing to help you	3.75	0.48
V13	Employees of the hotel are never busy to respond to your requests	3.44	0.76
	ASSURANCE		
V14	The behaviour of employees of the hotel instils confidence in customers	3.73	0.80
V15	Customers feel safe in their transactions with the hotel	4.04	0.69
V16	Employees of the hotel are consistently courteous towards customers	2.98	0.66
V17	Employees of the hotel have the knowledge to answer customer questions	3.19	0.55
	EMPATHY		
V18	The hotel gives customers individual attention	2.87	0.79
V19	The hotel has operating hours convenient to all its customers	4.36	0.58
V20	The hotel has employees who give customers personal attention	2.65	0.83
V21	The hotel has customers' best interests at heart	3.95	0.71
V22	Employees of the hotel understand customers' special needs	2.59	1.04
	Overall	3.32	0.70

Customers' experiences were measured on a five point Likert-type scale, where the higher the score, the greater the experience of hotel service (Table 2). The mean scores of customers' experiences ranged from 2.26 to 4.36. The lowest experience item was "the hotel has modern-looking equipment" (V1), which indicate that millennial customers perceived hotel equipment to be less-modern. On the other hand, customers' highest experience item was "the hotel has operating hours convenient to all its customers" (V19). The overall mean score for hotel experience items was 3.32. This score rather

low experiences of hotel customers regarding service quality. The results corroborate the findings by Al Khattab and Aldehayyat (2011) who found a low experience score in all service quality dimensions with the lowest experience scores being on empathy and tangibles.

In order to determine whether the hotel service dimensions significantly impacted on hotel experiences, the 22 hotel factors were factor-analysed, using principal component analysis with orthogonal VARIMAX rotation, to identify underlying factors. The extraction of the factors and the variables were based on the eigenvalues and the factor loadings of the variables. Only factors with an eigenvalue larger than one and attributes with loading > 0.50 were considered. The exploratory factor analysis extracted five factors, which accounted for 80 per cent of variance in the data. Table 3 illustrates the results of this VARIMAX process.

Table 3. **Factor and reliability analysis results of service dimensions impacting on hotel experiences**

ITEMS	FACTORS					COMMUNALITIES
	F1	F2	F3	F4	F5	
V1	0.780					0.658
V2	0.621					0.691
V3	0.609					0.503
V4	0.732					0.680
V5		0.583				0.724
V6		0.645				0.562
V7		0.614				0.722
V8		0.712				0.553
V9		0.526				0.732
V10			0.606			0.585
V11			0.694			0.469
V12			0.725			0.637
V13			0.698			0.441
V14				0.685		0.584
V15				0.713		0.690
V16				0.657		0.756
V17				0.742		0.679
V18					0.694	0.527
V19					0.681	0.770
V20					0.765	0.641
V21					0.704	0.555
V22					0.532	0.784
Eigenvalue	4.326	4.903	5.625	3.860	5.277	23.991
% of variance	23.747	20.502	17.918	11.260	6.023	79.450
Cronbach alpha	0.8402	0.7695	0.8837	0.7844	0.8106	0.8253
Number of items	4	5	4	4	5	

Reliability analysis (Cronbach Alpha) was calculated to test the reliability and internal consistency of each factor. The results of the reliability analysis showed that Cronbach's alpha coefficients of the extracted factors ranged from 0.7695 to 0.8837. That is well above the minimum value of 0.60, which is considered acceptable as an indication of scale reliability (Leedy & Ormrod, 2013). These values suggest good internal consistency of the factors. Finally, Cronbach's alpha value for the overall hotel experience scale is 0.8253 and indicates its high reliability.

Most of the factor loadings were greater than 0.60, implying a reasonably high correlation between extracted factors and their individual items. The communalities of 22 items ranged from 0.441 to 0.784 indicating that a large amount of variance has been extracted by the factor solution. The five hotel experience factors identified by VARIMAX as reliable and consistent with an Eigenvalue greater than one are as follows;

Factor 1: Tangibles had four attributes which accounted for 23.75% of the variance, with an Eigenvalue of 4.33 and an alpha coefficient of 0.8402. This factor included the following attributes 'the hotel has modern-looking equipment,' 'the hotel's physical facilities are visually appealing,' 'the hotel's employees are neat-appearing,' and 'materials associated with the service at the hotel are visually appealing'.

Factor 2: Reliability had five attributes which accounted for 20.50% of the variance, with an Eigenvalue of 4.90 and an alpha coefficient of 0.7695. This factor included the following attributes 'when the hotel promises to do something by a certain time, it does so,' 'when you have a problem, the hotel shows a sincere interest in solving it,' 'the hotel performs the service right the first time,' 'the hotel provides its services at the time it promises to do so,' and 'the hotel insists on error-free records'.

Factor 3: Responsiveness had four attributes which accounted for 17.99% of the variance, with an Eigenvalue of 5.63 and an alpha coefficient of 0.8837. This factor included the following attributes 'employees of the hotel tell you exactly when services will be performed,' 'employees of the hotel give customers prompt service,' 'employees of the hotel are always willing to help you,' and 'employees of the hotel are never busy to respond to your requests'.

Factor 4: Assurance had four attributes which accounted for 11.26% of the variance, with an Eigenvalue of 3.86 and an alpha coefficient of 0.7844. This factor included the following attributes 'the behaviour of employees of the hotel instils confidence in customers,' 'customers feel safe in their transactions with the hotel,' 'employees of the hotel are consistently courteous towards customers,' and 'employees of the hotel have the knowledge to answer customer questions'.

Factor 5: Empathy had five attributes which accounted for 6.02% of the variance, with an Eigenvalue of 5.28 and an alpha coefficient of 0.8106. This factor included the following attributes 'the hotel gives customers individual attention,' 'the hotel has operating hours convenient to all its customers,' 'the hotel has employees who give customers personal attention,' 'the hotel has customers' best interests at heart,' and 'employees of the hotel understand customers' special needs'.

The five orthogonal factors (tangibles, reliability, responsiveness, assurance and empathy) were used in Pearson's product-moment correlation coefficient and regression analysis to investigate the relationship of overall hotel experiences (dependent variable) with the five service dimensions (independent variables). The results of the correlation analysis are depicted in Table 4.

Table 4: Correlation results of service dimensions and overall hotel experiences

Service dimensions	Overall hotel experiences	
	Correlation coefficient (r)	Significance (p-value)
Tangibles	0.81	<.0001*
Reliability	0.69	<.0001*
Responsiveness	0.65	<.0001*
Assurance	0.56	0.1243
Empathy	0.53	0.2406

The data revealed that three factors namely, ‘tangibles’, ‘reliability’, ‘responsiveness’ and ‘empathy’ significantly impacted ($p < 0.05$) on hotel experiences whilst assurance did not have any impact ($p < 0.05$) on hotel experiences. The factor with the highest positive impact on overall hotel experiences was ‘tangibles’ ($r = 0.81$), followed by ‘reliability’ ($r = 0.69$) and ‘responsiveness’ ($r = 0.65$).

The impact of ‘tangibles’ highly influencing hotel experiences deviates from previous literature (Minh et al., 2015; Wong Ooi Mei et al., 1999; Markovic & Raspor, 2010; Hossain, 2012; Marković & Janković, 2013; Mhlanga & Tichaawa, 2016) who found different factors highly impacting on customer experiences. However, a possible reason for the difference in results between this study and previous scholars might be the difference in target sample. This study focused on millennials yet in other studies the sample was generic (i.e. all generations).

The reason why tangibles impacted on millennial hotel experiences might be that millennials value technology which falls under tangibles. Millennials are a generation that was shaped by the internet, and this has turned them into one of the most demanding, informed and technology-literate generations. Digital experience has a primary impact on millennial engagement and satisfaction (Woods & King, 2010). Millennials never existed in a world without computers. They expect hotels to provide such technology. The other reason why tangibles impacted on millennial hotel experiences might be that millennials use mobile technology to interact (Hein, 2015). Due to their obsession with social media, millennials expect hotels to offer free Wi-Fi from their rooms and the technology required for accessing it becomes even more important (Dimitriou & Blum, 2015). WiFi has become a necessity and for millennials, WiFi is an expected amenity.

A full regression model was run for the dependent variable (hotel experiences). The model regressed the five service dimensions against overall hotel experiences. The regression model is depicted in Table 5.

Table 5: Regression results of service dimensions and overall hotel experiences

Independent variables	Model : Overall hotel experiences	
	t-value	p-value (p)
Tangibles	12.81	0.0087*
Reliability	13.27	0.0001*
Responsiveness	10.06	0.0149*
Assurance	6.59	0.0035*
Empathy	4.84	0.4227

* indicates significant relation ($p < 0.05$)

The regression model depicted in Table 5 shows that four factors, namely, tangibles ($p < 0.0001$), reliability ($p = 0.0087$), responsiveness ($p < 0.0035$) and assurance ($p < 0.0149$) significantly impacted ($p < 0.05$) positively on hotel experiences. The t-values in Table 5 indicate the relative impact of each factor on hotel experiences. Reliability ($t = 13.27$) was rated by respondents as the hotel attribute highly impacting positively on hotel experiences, followed by tangibles ($t = 12.81$) and responsiveness ($t = 10.06$).

The research findings in this study where reliability highly ranked amongst the factors that impacted on hotel experiences corroborates previous research scholars (Markovic & Raspor, 2010; Marković & Janković, 2013; Mhlanga & Tichaawa, 2016) who found reliability as the highest factor positively impacting hotel experiences. It is not surprising to note that reliability was identified by millennials as the factor highly impacting on their experiences as millennials are much less patient than previous generations (Woods & King, 2010). Millennials demand instant satisfaction, efficiency and

convenience. The other reason might be that millennials tend to expect frictionless hotel experience. When millennials check-in a hotel lobby, their expectation is that the hotel knows who they are, so they expect check-in to happen smoothly. However, this usually is not the case. Hotel guests usually go through a long process from check-in, to identity verification, to paying for hotel amenities and services.

The model F-value was calculated at 23.99 ($p < 0.001$). The five hotel attributes had a coefficient determination (R^2) of 0.7945 (Table 3) and thus explained more than 79 per cent of the variability in overall hotel experiences. This explanation of the variability in overall hotel experiences is high when compared to other studies. For example, the regression results of a study performed by Marković and Janković (2013), identified reliability, accessibility and tangible dimensions as significant factors ($p < 0.05$) impacting on hotel experiences, which explained only 62 per cent of hotels' experiences.

Conclusions and Managerial Implications

The purpose of this research endeavour was to determine factors influencing hotel experiences for millennial tourists in South Africa. The study clearly indicates that all hotel attributes are not equally important to millennial customers. The study revealed that three factors namely, 'tangibles', 'reliability' and 'responsiveness' significantly impacted ($p < 0.05$) on hotel experiences. The results suggest that 'the degree to which physical facilities, equipment, and appearance of personnel are adequate' (tangibles), 'the degree to which a promised service is performed dependably and accurately' (reliability) and 'the degree to which service providers are willing to help customers and provide prompt service' (responsiveness) are the key factors influencing hotel experiences for millennial customers in South Africa.

However, among these three dimensions, 'tangibles' emerged as the best predictor of customer experiences. Although millennial customers may appreciate the service of staying in a hotel, if the 'tangible' dimension is not met, millennial customers will have low experiences. This is so because millennials are a digitally-savvy generation which relies heavily on the internet when it comes to planning, purchasing and sharing information on hotel experiences. To improve the tangible experience, hotels can increase technology features in rooms by increasing electrical outlets, strong WiFi connectivity, mobile device charging ports and self-service tablets.

The study further shows that reliability was rated by respondents as the hotel attribute highly impacting positively on hotel experiences, followed by tangibles and responsiveness. To improve reliability hotels can implement digital booking, check-in and check-out via smartphones. Therefore, hotels should invest in technology for guests to be able to control the settings of their rooms from their phones, such as, the entertainment system, room temperature, room lighting, schedule laundry and room cleaning services. This can be done through dial-inns inside rooms.

Since millennials prefer speed and personalised service, hotels can integrate a customer relationship management (CRM) system for faster check-in and check-out. When a CRM system is integrated, reception staff can quickly and easily access guests' arrival and check-out dates, language, preferences, wake-up call times and special requirements before calling. This helps provide a faster service while retaining an element of personal service.

Millennials make up a large portion of the population, therefore, they are the hotel market of tomorrow. The forward thinking hotelier would do well to understand their needs today, in order to be better prepared for them tomorrow. Although they are a demanding market, millennials remain the market



of the future and a key source of growth for the tourism industry in general and hotels in particular. Staying relevant is a key competitive feature in this market without which no business can remain sustainable.

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