EXPLORING IMPORTANT SERVICE QUALITY ATTRIBUTES FOR MILLENNIALS AT BOUTIQUE BUDGET HOTELS

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Abstract

Service quality in hotels is vital if they want to remain competitive and continue to grow. Quality issues have become increasingly popular within the hospitality industry with today's customers, who have become increasingly demanding compared to the past customers, service quality is the first expectation they have within the hospitality industry. Many hotels provide homogenous type of services and products, but the quality of service differs vastly. Service quality is the greatest and biggest differentiator. With today's competitive market, service quality is a sustainable competitive advantage. Millennials are the target market for hotels because they are the largest living generation and because of their high spending power within the hospitality industry. By 2020, it is expected that Millennials are to finance half of all travel spending. Their spending power is only increasing as they are graduating from college and advancing in their careers Due to which hotels needs to capitalize on this market segment. This research will focus on four hotels: Moxy and Aloft by Marriott, Tru by Hilton and Hotel Indigo by IHG. These hotels were chosen because they share the same reference point in pricing, are comparable hotels, and are chain driven.

Although the primary aim of budget hotels is to offer low prices, another aim is to also provide customer satisfaction. Customer satisfaction is crucial for corporate survival and is one of the core elements of marketing. Nonetheless, customer loyalty is also crucial. Customer loyalty provides valuable information for marketers to obtain a competitive advantage, retain existing customers, and enhance brand image. In the case of the hotel industry, customer loyalty is conceptualized as revisiting the hotel.

This research will utilize a questionnaire to rate importance and performance of service quality attributes and how they are related to customer satisfaction and customer

loyalty. Results will be analyzed by using Importance Performance Analysis. Results will also be analyzed using exploratory factor analysis and then multiple regression analysis will be used to find how the dimensions are related to customer satisfaction and customer loyalty. The results will help hospitality professionals to better accommodate Millennials by utilizing better strategies to improve service quality.