Generation Y's Perception of Service Quality in the Hotel Industry

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Abstract

The Baby Boomer generation has started slowly to lose its hold on the attention of the hospitality industry. Thus, Generation Y will become the main focus of many revenue managers, general managers, and industry executives because of their large size and high purchasing power. Many hotels will tend to target Generation Y because of their large numbers estimated for the future. Therefore, the main purpose of this study is to evaluate Generation Y's perceptions of service quality in the hotel industry by applying the SERVQUAL model that was created by Parasuraman et al, (1985).

The results of this study showed that there was no relationship between tangibility, reliability, responsiveness and customer satisfaction, which was inconsistent with several previous studies. However, the results of this study also indicated that there was a relationship between assurance and empathy and customer satisfaction, which was consistent with several previous studies. Furthermore, the results of this study indicated that there is a relationship between customer satisfaction and E-word-of-mouth. The results of this study contributed to the body of knowledge on this topic, since there is lack of research on Generation Y perception of service quality in the hotel industry. Based on the results of this study, hotel managers can have a better understanding of what drives Generation Y to choose a specific hotel in terms of services, especially when hotel operators create marketing and promotional strategies for Generation Y.
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Chapter 1 – Introduction

Background

The Baby Boomer generation has slowly started losing its hold on the attention of the hospitality industry (Kelley, 2012). Thus, Generation Y will become the main focus of many revenue managers, general managers, and industry executives because of the group's large size (Agarwal, 2009). The size of Generation Y is approximately 70 million worldwide, and the group is spending around $155 billion every year, which means Generation Y will be able to control many industries including the hospitality industry because of its high purchasing power (Nusair et al., 2011). A study showed that 34% of the US population will be from Generation Y by the year 2030, which means Generation Y should be considered the key target market for the immediate future (Nusair et al., 2011). Therefore, this research concentrates only on Generation Y and its perception of service quality in the hotel industry. In addition, Generation Y has special characteristics that differ from the two previous generations: Baby Boomers and Generation X. However, the market has been dominated by each of three major Generations: Baby Boomers, Generation X and Generation Y. Every generation has expectations and needs when visiting a hotel because each generation grows up in different times and environments.

To better understand the differences between generations, it is important to define each generation separately (Yan, 2006). First, the Baby Boomers generations includes anyone who born after the ending of World War II, when there was a temporary marked
increase in the birth rate between 1946 and 1964. In the past decades, the Baby Boomers have controlled the hotel market in terms of how hotels marketed themselves to their own Baby Boomer generation and how they built their services to cater their own needs and desires. Second, Generation X includes anyone who was born between 1965 and 1980. This generation grew up during the beginning of the technology era. Third, the targeted generation in this paper is Generation Y, which includes anyone who was born between 1981 and 2000. This period has emphasized the growth of business branding. Generation Y is also known as the Millennials generation and they are starting to take over as the largest demographic generation in the market. Bakewell and Mitchell (2003) thought that Generation Y consumers are born to shop because they learned how to select brands carefully at an early age. Thus, Generation Y becomes more aware of dealing with different brands, especially if there is a new promotion in the market. This gives Generation Y opportunities to choose among different brands due to the high education that Generation Y has (Lazarevic 2012, p. 47). For example, in the past, guests become satisfied when they received their cup of coffee and it was warm, but people started to expect more and more when services delivered to them. “Work is a theatre and every business is a stage” is a famous quote by Pine and Gilmore (1999) explaining that the bringing of the very same cup of coffee to the table is no longer enough (p. 29).

According to Barber (2013), the importance of Generation Y in the hospitality industry is that in the near future most of the hotel rooms will be occupied by Generation Y, which gives them the power to make hotel operators start marketing specifically to Generation Y as potential guests in the future. Furthermore, according to Barber (2013),
people from Generation Y are being targeted by hotel operators because Generation Y has a large portion in the market share. Also, because people from Generation Y they learned how to select brands carefully at an early age, thus they are aware of being targeted from managers. Therefore, hotels that do not target Generation Y may lose a large portion of market share estimated to be up to 72 million guests every year (Barber, 2013). Furthermore, Generation Y has been described as a free spending but hard to reach generation. Lazarevic (2012) stated that it has been hard to reach Generation Y compared to its predecessors because previous generations are still active as newspaper and magazine readers, but Generation Y will do most of its research online via smart phones. Therefore, in order to market to Generation Y, marketers should constantly be aware of the changing attitudes and trends for Generation Y. The most important change is in technology. Hotel operators can target Generation Y by advertising through social media to keep up with Generation Y because they have become addicted to technology in their lives. For instance, hotel operators can increase benefits from the most popular social media websites, such as Facebook, Twitter, and LinkedIn, when they stay in touch with Generation Y to create feedback from them as guests, thus sharing their experience of whether it was positive or negative. This action shows when hotels start entering to social media websites, they will be able to increase their chances to create a demand (Chipkin, 2013), especially when hotels provide unique promotions and packages through these social media websites, which can simply have an impact on Generation Y's decision when it comes to choosing between two hotels (Chipkin, 2013). For example, on Twitter there is an option which allows anyone to follow their favorite brand and share
information with friends. This feature will encourage a constant interaction between brands and Millennials, especially when there is a Retweet or new Tweet.

Realizing the important role that Generation Y plays in the hotel industry, some hoteliers have tailored their service specifically to cater to Generation Y. For instance, the Marriott Hotel Chain is trying to take a step forward among its competitors by creating a new brand name called "Moxy" to attract people from Generation Y. Another example that shows how major competitors in the hotel industry are trying to meet Generation Y's needs and desires is Marriott's creation of a new game on smart phones. Marriott is the first company in the hotel industry to develop such a game. Nevertheless, the hospitality industry has changed over the past several decades and will keep changing in the future because wishes and demands of the guests are changing constantly. Generation Y has unique expectations, experiences, lifestyles, and values that may influence their purchasing decisions (Morton, 2002). Hotel operators have to pay more attention to Generation Y to meet their expectations (Sherman, 2008). To the author’s knowledge, there is no previous study that evaluates Generation Y's perceptions with the service quality in the hotel industry. Thus, the purpose of the study is to examine the relationships between Generation Y's perceptions on the five dimensions of service quality and their level of satisfaction and E-word-of-mouth behavior.

Because the hotel industry is slow to react to any changes in the market, managers like to wait to see if changes in the market are sustainable and beneficial before they invest any money to a particular trend (Dev, Buschmann, & Bowen, 2010). Since
Generation Y will be the major target for many hotel managers in the future, the results of this study will provide in-depth information to the hotel industry in terms of Generation Y’s perceptions of hotel service quality and their level of satisfaction and E-word-of-mouth behavior.

**Statement of Problem**

The purpose of this study is to evaluate Generation Y’s perceptions of service quality in the hotel industry. By using the SERVQUAL model scale (Parasuraman et al., 1988), this study examines Generation Y’s perception of the five dimensions: (tangibility, reliability, responsiveness, assurance, and empathy) to measure service quality in the hotel industry. In addition, service quality is measured in terms of the different between customers’ perception of the actual service delivered and the prior service expectation that customers suppose companies should provide (Ma & Niehm, 2006). It also means when the services that provided are above guests’ expectation, it will lead to a great experience. On the other hand, when services that provided are below guests’ expectation, it will lead to poor experience. Service quality models were developed over the years, and SERVQUAL service quality instrument proposed by Parasuraman et al., (1985, 1988) is the most commonly adopted one in many industries. SERVQUAL is usually defined based on consumers’ assessment, thus Parasuraman et al., 1985 defined service quality as “a measure of how well the service level delivered matches customer expectations; delivering quality service means meeting guest expectations on a consistent basis,” (Parasuraman et al., 1985, p. 42), which means that the service quality model allows
organizations and firms to investigate, explore, and identify customers’ requirements and try to meet them in order to provide a high standard of service quality.

Starting with the first dimension, tangibility includes all of the physical facilities, equipment and appearance of the hotel employees (Llosa, Chandon, & Orsingher 1998). In other words, the physical service aspects, such as appearance of employees and facilities come under the tangibles dimension. For example, hotels can apply smart rooms specifically for Generation Y in order to cater to their needs and wants by having unique and high advanced electronic devices where they can use high advanced technology while staying at the hotel. The second dimension, reliability is the measurement of providing an accurate, dependable, and consistent service to the guests as promised (Kueh & Voon 2007). In addition, reliability has two significant concepts dependably and accurately, which leads to perform one of the promised services. For instance, a hotel confirms to the guests that his or her food is going to be delivered in 20 minutes, but the hotel fails to deliver the food to the guest as promised. This action might create a bad image among other services in the hotel operation. The third dimension, responsiveness, is the measurement of willingness in helping guests by providing prompt and accurate services (Llosa, Chandon, & Orsingher 1998). In other words, responsiveness means being prompt and willing to serve guests. For example, when a guest asks the concierge to confirm his or her flight ticket on a specific date, but unfortunately the concierge does not confirm the flight ticket, then a guest will miss his or her flight. This action can have a negative impact on guests, which leads to making the guest dissatisfied. The fourth dimension, assurance, includes the measurement of the competence, courtesy, and
credibility of the hotel employees, which means generating trust and confidence in the hotel guests (Kueh & Voon 2007). For instance, a guest feels safe and secure while staying at the hotel, especially when it comes to financial transactions. This action can play a significant role in guest's perception. The fifth dimension, empathy means caring to guests needs, and desires, by providing the individual attention that the hotel shows to its guests (Llosa, Chandon, & Orsingher 1998). Also, empathy can mean how the hotel employees understand needs and interests that the hotel guests have in order to impact guests’ experience positively and emotionally. For example, a guest arrives earlier than the appointed time for check-in, and the employee does check-in the guest, which can be surprisingly helpful during the guest’s stay time in order to make the guest satisfied. In short, the purpose of the study is to examine whether there is a relationships between Generation Y's perceptions on the five dimensions of service quality and their level of satisfaction and E-word of-mouth behavior. According to Parasuraman et al. (1985), customer satisfaction can be explained by the level in which expectation of each customer is going to be met or exceeded. Thus, satisfied customers can play a significant role on a firms’ income (Al Rousan, 2011). For example, when a guest is satisfied with specific products, brands, or services, the probability of using the same products, brands, or services again will be high, because their expectations, wants, and desires have been achieved by firms or service providers. Electronic word of mouth (E-word-of-mouth), according to Pan et al. (2007), is behavior that occurs when people start checking others' reviews on social media websites in order to get the needed source of information. For example, when a guest stays at a hotel, and gives a review about the hotel through social
media web sites that are related to hotels, such as Booking.com, then, this review could impact the future guests' decision of choosing a specific hotel.

**Justification**

The results of this study can benefit the academic field and add knowledge to industry practice. First, it could benefit the academic filed, since there is lack of research on Generation Y perception of service quality in the hotel industry. The result of this study could help academics to understand and appraise Generation Y's perception of the SERVQUAL model in the hotel industry in which the result of this study could be a good resource for the future researches by bringing new knowledge to the field and by helping academics in their future research, specifically on Generation Y's perception of service quality in the hotel industry. Thus, the result of this study could be a good resource to begin focusing on Generation Y's expectations in terms of service quality. Moreover, the result of this study could contribute to the construction of an effective model in academia that evaluates the relationship between Generation Y perception and the SERVQUAL model in the hotel industry.

Second, based on the results of this study, hotel managers will be able to have a better understanding of what drives Generation Y to choose a specific hotel over others in terms of services, especially when hotel operators do marketing and promotional strategies for Generation Y. For example, when the hotel managers have a specific budget, so instead of concentrating on the five dimensions, they can concentrate only on the most significant dimension to operate the hotel and satisfy hotel guests. Furthermore,
hotel managers can benefit from this study by applying its findings to provide new services tailored only to Generation Y. For instance, Generation Y might be looking for unique and highly advanced technology, thus applying the result of this study to hotel services will help managers to choose the best available technology in order to attract Generation Y. Another example of how the result of this study will benefit the industry is by applying the SERVQUAL five dimensions. Because Generation Y guests tend to use high advanced technology, they might prefer to communicate with hotel employees via emails without communicating physically. Therefore, hotels can benefit from this study because it can improve services and daily operations, which may also help cut costs. Thus, the result of this study could also provide a framework for hotel management to have a better understanding of guests from Generation Y in terms of improving daily operations, services and marketing strategy. For instance, when Generation Y prefers to communicate with hotel employees via emails or specific app (application), in this way the hotel can improve its services by applying and having new services that are only suitable for Generation Y. Thus, when a hotel has only one or two employees at the front desk instead of having four or five as in the past, in this way the hotel will start cutting costs and gain the benefit of having fewer employees. Thus, hotel managers can invest in their properties for the future after knowing what drives Generation Y to their hotels by adapting to Generation Y’s expectations. Hotels can gain competitive advantages by taking precedence over competitors, especially when hotel managers start investing first in Generation Y and providing new services without waiting for other competitors to do so. Therefore, the result of this study could help hotel managers to know what to offer
exactly to Generation Y in their businesses in order to improve services and keep guests satisfied and loyal to a specific hotel.
Figure 1, Proposed Model

- Tangibility
- Reliability
- Responsiveness
- Assurance
- Empathy

Customer Satisfaction

H1 → H2 → H3 → H4 → H5 → H6 → E-Word-of-Mouth
**Hypothesis**

The following hypotheses are examined to evaluate Generation Y’s perceptions with the service quality in the hotel industry.

H1 = There is a relationship between tangibility and customer satisfaction.

H2 = There is a relationship between reliability and customer satisfaction.

H3 = There is a relationship between responsiveness and customer satisfaction.

H4 = There is a relationship between assurance and customer satisfaction.

H5 = There is a relationship between empathy and customer satisfaction.

H6 = There is a relationship between customer satisfaction and E-word-of-mouth.
Delimitations of the Study

A non-probability convenience sampling method was used. The author tried to obtain approval from hotels, but all the attempts were unsuccessful. Therefore, the data was collected electronically through SurveyMonkey.com.

Definition of Key Terms

Generation Y has been defined as people who were born between 1981 and 2000, during a period that emphasized the growth of business branding, especially in the hotel industry (Kueh & Voon 2007; O'Donnel & Yarrow, 2009). Generation Y is also known as the Millennials generation and they are starting to take over as the largest demographic generation in the market.

Customer Satisfaction: according to Gundersen, Heide, and Olsson (1996), customer satisfaction can be defined as a post consumption evaluative judgment concerning a specific product or service. Further, guest satisfaction is the level in which expectation of a guest is met or exceeded (Parasuraman et al., 1985).

Service Quality: Parasuraman et al., (1985) defined service quality as “a measure of how well the service level delivered matches customer expectations; delivering quality service means confirming to customer expectations on a consistent basis” (p. 42), which means the service quality model gives firms the opportunity to investigate and identify guests’ requirements and try to meet them in order to provide a high standard of service quality.
Tangibility includes all the tangible items, such as physical facilities, personnel, equipment, the building and renovations that guests can touch and see (Howard, 1998).

Reliability refers to the ability to perform the promised service dependably and accurately (Miyoung & Haemoon, 1998), which means these two concepts are important in reliability.

Responsiveness refers to the intentions of the hotel employees and their willingness to help guests and provide prompt services (Cronin & Taylor, 1992).

Assurance includes courtesy, competence for employees, security for facility, and credibility for both facility and employees (Olu Ojo, 2008).

Empathy means understanding and knowing the guest, which translates to performing services to guests individually (Olu Ojo, 2008).

E-word-of-mouth means sharing people’s experiences online by posting pictures or writing positive comments electronically through multi-social media websites, such as Twitter and Instagram, and Facebook (Mintel, 2008).
Chapter 2 – Literature Review

Generation Y

Generation Y has been defined as people who were born between 1981 and 2000, during a period that emphasized the growth of business branding, especially in the hotel industry (Kueh & Voon 2007; O'Donnel & Yarrow, 2009). Generation Y is also different than previous generations (Baby Boomers & Generation X) because Generation Y knows that they are being targeted and have a level of education. Furthermore, a study shows that Generation Y has spent approximately 84 billion dollars in the beginning of the nineties and the number kept increasing dramatically to 153 billion dollars between 1999 and 2000 (Ma & Niehm 2006, p. 621). This signifies that Generation Y has enough purchasing power to make executives and operators in the hotel industry start thinking about how to meet Generation Y expectations in order to benefit from them. According to Barber (2013), in the near future most of the hotel rooms will be occupied by Generation Y, which gives them the power to make hotel operators start marketing to Generation Y as potential guests in the immediate future. Thus Generation Y will have the highest portion in the market share in the future, which shows the importance of Generation Y in the hotel industry. Furthermore, hotel operators and executives can target Generation Y by knowing their characteristics and habits; for instance, they can advertise through social media websites in order to keep up with people specifically from Generation Y. In addition, people from Generation Y have become addicted to technology in their daily lives, which requires hotel operators and executives to start marketing to Generation Y
using modern methods in order to meet Generation Y’s expectations, desires, and needs. On the other hand, hotel operators and executives might be losing a large portion of the market share if they do not start marketing to Generation Y, because the number is estimated to be up to 72 million guests particularly from Generation Y every year (Chipkin, 2013). However, hotel operators and executives can get benefits from the most popular social media websites, such as Facebook, Twitter, and LinkedIn when they stay in touch with Generation Y to create feedback from them as a guest, thus sharing their experience whether positive or negative. This action signifies that when hotels start entering into social media websites, they will be able to increase their chances to create demands (Chipkin, 2013), especially when hotels provide unique promotions and packages through these social media websites, which can have a significant impact on Generation Y’s decisions when it comes to choosing between two hotels or more (Chipkin, 2013). For example, on Twitter there is an option where anyone can follow their favorite brand and share information with friends. This action encourages a constant interaction between brands and people from Generation Y, especially when there is a Retweet or new Tweet.

Generation Y has different characteristics than previous generations: Baby Boomers and Generation X, which means that what might work on Generation X will not necessarily work successfully on Generation Y. For instance, in the past the only way to advertise to Generation X was through TV or newspaper, but time has changed where Generation Y can be marketed through emails or social media websites. Agarwal (2009) conceded that in order to meet Generation Y’s expectations, desires, and needs, hotel
operators and executives should invest in technology whether in their properties or social media websites. For example, Generation Y expects to find WiFi wherever they go, especially during their stay time at a hotel because it is important to Generation Y to be connected to the internet 24 hours since they wake up until they sleep connecting to the internet. Without a doubt, being connected to the internet is a part of their lifestyle; therefore, they may compare hotel websites in term of services, prices, and benefits with other websites in their daily life (Amadeus, 2008). However, in the hospitality industry guests can decide what kind of services they want to have and what kind of services they do not want to get. Thus, services have to be more individualized and customized every year and Generation Y consumers and their technological background are one of the main influencers (O'Donnell & Yarrow, 2009). Generation Y will expect to deal with technology at a hotel in several ways, such as finding smart hotel rooms that have high advanced technologies, or communicating with hotel employees via applications that can be downloaded on guests' phones, or can be found in hotel rooms (Amadeus, 2008). To illustrate, a guest from Generation Y can ask a concierge employee to confirm his or her flight ticket through an application that allows both guests and employees to interact together to deliver services. In addition, to examine the concept of Generation Y's perception of service quality in the hotel industry, service quality (SERVQUAL) method was used in this study.
Service Quality

Service quality or the SERVQUAL has been defined based on consumers’ assessment. Thus, Parasuraman et al., (1985) defined service quality as “a measure of how well the service level delivered matches customer expectations; delivering quality service means confirming to customer expectations on a consistent basis” (p. 42), which means the service quality model gives firms the opportunity to investigate and identify guests’ requirements and try to meet them in order to provide a high standard of service quality.

In other words, the model Parasuraman et al., (1985) suggested that through comparing the performance with expectation internally, customers’ impression on the service quality is generated. Based on comprehensive industry interviews, ten dimensions of service quality were formed: access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibles and customer knowledge. In 1988, the scholars simplified the model by decreasing the ten dimensions into five, namely: tangibles, reliability, responsiveness, assurance and empathy.

SERVQUAL is usually defined based on consumers’ assessment, thus Parasuraman et al., 1985 defined service quality as “a measure of how well the service level delivered matches customer expectations; delivering quality service means meeting guest expectations on a consistent basis” (Parasuraman et al., 1985, p. 42), which means that the service quality model allows organizations and firms to investigate, explore, and
identify customers’ requirements and try to meet them in order to provide a high standard of service quality.

The SERVQUAL are also found in the hospitality industry specifically in restaurant services. For instance, when Stevens et al., (1995) adapted SERVQUAL to the restaurant industry and called it DINESERV, they found that reliability was the most important dimension, followed by tangibles, assurance, responsiveness and empathy. Furthermore, the SERVQUAL model remains popular whereby many researchers have used it as the starting point in measuring service quality (Kueh & Voon, 2007). Thus, the goal of investigating service quality in different industries is to apply the model of Parasuraman et al. (1985), which measures quality based on the differences in or gaps between customers’ expectations and their perceptions of the service performance. Even though there are many models to measure service quality, the SERVQUAL model has been the major model being used to measure and manage service quality across different service sectors (Ladhari, 2008).

Implementing the SERVQUAL model is important because it shows the best possible ways to improve services within firms (Ladhari, 2008). According to the model, service quality can be measured by comparing the service expectations of customers with their perceptions of actual performance. In addition, before explaining the five dimensions of service quality, it is important to know the main outcome of the SERVQUAL, which leads to guest satisfaction. Guest satisfaction is the evaluation of a guest whether or not the quality of a service meets his or her expectations. Performance
that falls below expectations makes guests dissatisfied (Mill, 2002). Subsequently, as the main outcome of making guests satisfied, guests will become loyal by revisiting the same hotel that they like again, or spreading a positive word of mouth electronically into the different social media websites. In this study, the SERVQUAL model with its five dimensions was applied to achieve the objective of this study.

**Tangibility**

Tangibility includes all the tangible items, such as physical facilities, personnel, equipment, the building and renovations that guests can touch and see (Howard, 1998). In other words, the physical service aspects, including all of the hotel equipment, facilities, and the appearance of employees belong to the tangibles dimension. Also, the tangible service indicator consists of cleanliness of the dining area, and the appearance of hotel employees, clean and neatly dressed. All of these services may have an impact on Generation Y’s perspective while staying at the hotel. For example, hotels apply unique devices that can be applied to people from Generation Y where they can control room lighting by one device. Tangibles are often rated very high as a factor in customer satisfaction. For instance, Kim (2005) revealed that the tangibles factor of a golf course have a strong impact on customer satisfaction, especially for people who were born after 1980 because they have the highest expectations of service of any of the age groups in the study. This signifies that Generation Y has higher expectations than previous generations in terms of using tangible equipment, thus meeting Generation Y’s expectations, desires, and needs.
Different industries apply the concept of tangibles in different ways including the hospitality industry. A case in point, hospitals use clean facilities, hi-tech operating rooms, specialized equipment and qualified doctors as tangibles to create a positive impression and experience for patients in order to make them satisfied. On the other hand, hotels would use interior design, and smart rooms to create the best possible experience for their guests in order to connect with people from Generation Y (Panda & Das, 2014). The newest computers and smart rooms might be used to create a positive impression on Generation Y guests in the hospitality industry. This implies that the impact of the tangibility dimension on Generation Y where they tend to deal with all the tangible elements through high advanced technology. For instance, having devices for self-check in, or having smart rooms where guests can control everything within the room by one device.

One new kind of tangible that is emerging among Generation Y is a preference for “green” or ecologically sustainable practices, including energy efficiency, use of local materials, LEED building certification in the US, paperless check-in and check-out, and organic food and spa products. Specifically, in DC a hotel even uses honey produced in beehives on their own roof, which means people from Generation Y are increasingly willing to seek out and pay more for hotels using these practices, as opposed to older people who place less importance on ecological sustainability. This suggests that “greening” will be a key to capturing Generation Y customers in the future (Kubikova et. al., 2015).
Reliability

Reliability refers to the ability to perform the promised service dependably and accurately (Miyoung & Haemoon, 1998), which means these two concepts are important in reliability. Moreover, it is important to fulfill promises on time because if not it might lead to negative feelings and create a bad image among other services in the hotel operation, especially when a hotel does not perform services as promised. For instance, a hotel confirms to guests that WiFi is going to be included with the room rate, but when guests arrive to the hotel, they will find that WiFi is not included with a room price.

Markovic and Jankovic (2013) stated that reliability dimension can play a significant role in customer satisfaction and can create an effective competitive advantage. In other words, when a guest has a problem the hotel will show sympathy and reassurance in solving the problem. Thus, Generation Y might consider the reliability dimension one of the most important dimensions among the five.

Kueh and Voon (2007) concurred that the measurement of the reliability is the most criticized dimension in the SERVQUAL model because the reliability dimension considers the outcome of the service. On the other hand, the other four dimensions in the SERVQUAL impact only the process of the service. In order to satisfy Generation Y, customized experiences with personal attention are required to provide the best possible experience, thus meeting Generation Y expectations, desires, and needs (Ma & Niehm, 2006). Therefore, giving Generation Y guests personal attention requires highly trained employees, who are prompt in resolving guest's problems.
Responsiveness

Responsiveness refers to the intentions of the hotel employees and their willingness to help guests and provide prompt services (Cronin & Taylor, 1992). In other words, responsiveness is the willingness to help guests and provide accurate service. Also, it refers to hotel employees when they respond to guests' requests, especially employees' ability to provide services in a timely manner. This can be a critical component of service quality for many guests. For instance, when a guest emails room service asking for a specific service, but room service employees are too busy to respond to the guest. Thus this action might create a bad impression among the other provided services.

In other word, responsiveness means the ability to communicate well enough with the hotel guests, and this is crucial to guest's requests. Oschell (2009) suggested that responsiveness requires more than just language skills; knowledge, skills, and perceived motivation all contributed to the ability to communicate effectively with hotel guests, especially if they are from Generation Y because this generation expects high quality of service. However, it is important to note that different generations might have different interpretations of and feelings about the same behavior. The same responsiveness that could be valuable to an older customer might be irritating for a more independent millennial; Barsky and Nash (2006) stated that, “What an older guests sees as "attentive and responsive," a younger Generation Y may see as "tedious and unnecessary” (p. 24). Finally, Lo et al., (2015) revealed that in resort and hotel spas in southern China,
Generation Y guests rated responsiveness as the most important SERVQUAL factor. Standardization of procedures and employee training were the authors’ recommendations for improving the process that might make Generation Y guests have the highest possible level of satisfaction (Lo et al., 2015).

**Assurance**

Assurance includes the understanding and courtesy of employees, and their ability to show confidence and trust while they interact with guests and perform tasks. Assurance can also include courtesy, competence for employees, security for facility, and credibility for both facility and employees (Olu Ojo, 2008). In other words, assurance includes the competence, courtesy and credibility of the hotel employees, which leads to generate guest trust and confidence. From a hotel’s point of view, the hotel should show its guests a high level of confidence and make guests feel secure while staying at the hotel. In addition, employees should have sufficient skills and knowledge to provide the best service possible. This presence or absence of assurance can play a significant role in Generation Y’s perceptions.

Marcovic et al., (2013) found that in the hotel industry assurance dimension plays a significant role in making guests satisfied. Furthermore, the most important factors for guests while staying at a hotel were a feeling of security and safety, which can be shown and done by the hotel employees in terms of helping the hotel guests. Therefore, all of the assurance factors are being included: competence for the hotel employees, security for the facility, credibility for both the hotel employees and the hotel facilities, and courtesy;
thus, this shows significant impact on the hotel guests and their level of satisfaction while receiving services from the hotel employees.

   Kim (2005) stated that guests need to feel they are safe in the good hands of employees with high competence, or safe while using the hotel facilities, which leads to impact their level of satisfaction positively and their intention to re-purchase services again. However, it is hard to anticipate the benefit of training program and its effects on the hotel employees in developing employee competence, especially when dealing with cross-cultural situations. In the airline industry in Thailand, Wattanacharoensil and Yoopetch (2012) concluded that employees were excellent in the empathy dimension, but poor on the other professional competencies. This might be because in Thailand, a personal relationship is considered more important than following specific protocols, but that expectation was not shared by international travelers. The study’s recommendations all came down to providing better training for the airline employees, from daily briefings to ongoing skills and language training. Increasing the competence of employees can have spillover benefits besides increasing the perception of assurance, like increasing efficiency in the company due to improved communication, which thus leads to satisfied Generation Y’s guests (Wattanacharoensil & Yoopetch 2012).

**Empathy**

Empathy means understanding and knowing the guest, which translates to performing services to guests individually (Olu Ojo, 2008). In other words, empathy is the measurement of taking care of guests’ needs and interests by giving them
personalized attention along with convenient access to the service. Furthermore, empathy involves communication, access and understanding the guest, as well as possible, in order to give the best possible attention to guests. For example, when a guest had a long flight and he or she arrives five hours before the supposed check in time, the front desk employees should allow the guest to check in to relax and get rest after traveling a far distance. This shows that the front desk employees have such empathy because employees understand the guests’ needs and wants.

Mbuthia et al., (2013) stated and highlighted the importance of empathy dimension because even though the guests rated the tangibles of the hotels highly, they gave very low scores to statements like “employees anticipated my needs.” These low scores were found to correlate with lower satisfaction ratings, even in the presence of excellent tangibles (Mbuthia et al., 2013). This shows even if the hotel guests are satisfied with tangibles equipment or the hotel facilities, they might be dissatisfied with interacting and communicating with the hotel employees. In addition, Polyorat and Sophonsiri (2010) concluded that empathy dimension becomes as important as tangibles dimension when Generation Y undergraduates rated empathy along with tangibles as the most important factors in their perceptions of service quality. Generation Y guests consider empathy as one of the most important factors among the SERVQUAL. Therefore, empathy can be expected to be of high importance in Thailand and other cultures, especially because people from Generation Y worldwide share the same common interests and do the same activities while traveling (Polyorat & Sophonsiri, 2010).
Moreover, Generation Y also placed a high importance on empathy, along with assurance and responsiveness, when rating fast food restaurants. Generation Y expected friendly, knowledgeable restaurant staff to give them special attention and feel personally responsible for their wellbeing in order to provide service as expected to be delivered (Hanzaee & Dekhordi 2011). Lastly, empathy dimension can be related to some questions, such as providing convenient opening times, which can be significantly impact guests’ satisfaction level (Llosa, Chandon, & Orsingher 1998).

Customer Satisfaction and E-Word-of-Mouth

After Cardozo (1965) started studying customer satisfaction and expectations, customer satisfaction has been discussed as a significant topic in many industries and researches. In the hospitality industry, customer satisfaction has become one of the main objectives of many firms because in the hospitality industry relies on providing services. Thus, a satisfied customer means successful and profitable business (Al Rousan, 2011). Beyond that by meeting Generation Y’s expectations, needs, and desires, hotels will be benefited in many ways, such as spreading a positive word of mouth electronically through many social media websites.

According to Gundersen, Heide and Olsson (1996), customer satisfaction can be defined as a post consumption evaluative judgment concerning a specific product or service. Further, guest satisfaction is the level in which expectation of a guest is met or exceeded (Parasuraman et al., 1985). Thus, when the service performance is above guests' expectations, guests will be satisfied. On the other hand, when the service performance is
below guests' expectations, guests will be dissatisfied, which means how guests will evaluate the service quality during and after the consumption experience (Oliver, 1980). Furthermore, it is difficult to measure guests’ level of satisfaction because it depends on each guest how he or she will evaluate provided services. In addition, each guest will expect services and products from different perspectives. Therefore, hotels should be able to combine between actual services and expected services in order to provide high quality of services, thus gaining Generation Y’s satisfaction (Ljubojeviš, 2004).

As the main outcome of applying the service quality model in the hotel industry, providing high quality of services will lead to customer satisfaction and then loyalty. To have a better understanding of the loyalty concept, Jacoby and Kyner (1973), stated that loyalty is a biased behavioral response (i.e. non-random) expressed over time by some decision making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of a decision-making process. The definition is explained by a set of six necessary and collectively sufficient conditions: (a) biased (i.e., non-random), (b) behavioral response (i.e., purchase), (c) expressed over time, (d) by some decision-making unit, (e) with respect to one or more alternative brands out of a set of such brands, and a function of psychological (decision-making evaluative) processes. All of the six conditions of loyalty require customer satisfaction to accrue first in order to obtain the objective of having a loyal guest. Therefore, after a guest being satisfied he or she can be loyal to a specific hotel by revisiting the hotel again (repeat purchasing behavior), or spreading a positive word of mouth (recommend the hotel to friends and family). In this case, even though guests will not revisit the same hotel again for any reason, hotels can
get the benefit of loyal guests by encourage them to share their experience through social media websites. Guests from Generation Y can share their experience at the hotel by posting pictures or writing positive comments electronically through multi-social media websites, such as Twitter and Instagram, and Facebook (Mintel, 2008). Thus, these websites allow users to share their locations in order to show their friends, meaning that they spread electronic word of mouth (E-word-of-mouth).

Furthermore, the process of word of mouth (WOM) can be explained as people exchanging information with others about specific services or goods whether by saying positive or negative comments in which these comments are considered as word of mouth (Hawkins et al., 2004). In the hospitality industry, people tend to check other people's reviews on social media websites in order to get the needed source of information (Pan et al., 2007). Thus, the online reviewers can share their experiences on a specific hotel or destination by posting comments through the different existing websites, such as Tripadvisor.com and Booking.com. This action shows that when people start posting their comments online, it can be seen by many people, thus it signifies the importance of electronic word of mouth (E-word-of-mouth). Therefore, E-word-of-mouth can be cost-effective, especially when the hotel guests start posting positive comments and reviews on their experiences, meaning that the hotel guests can be considered as marketers for their preferred hotels. Another benefit that hotels can get from E-word-of-mouth is by tracking these comments and reviews hotels will be able to improve their services. For instance, when hotel managers check both the positive and negative comments online, they will be able to keep track of the overall satisfaction for their guests; thus maintaining
high quality of the provided services or improving the provided services in case there was a failure or error in providing services to guests.

Oliva et al., (1992) observed that loyalty has a strong relationship with customer satisfaction, which means when guest satisfaction is high; the guest loyalty will be increased dramatically. On the other hand, when guest satisfaction is low, the guest loyalty will be decreased equally. Thus, when Generation Y customers’ level of satisfaction is recorded high, the probability to spread E-word-of-mouth on social media websites should increase as well. This study hypothesized that the service quality five dimensions might lead to customer satisfaction and then E-word-of-mouth behavior. (Figure 1, page 10).
Chapter 3 – Research Design and Methodology

Introduction

This chapter presents the research process in sequence. First, development of the survey instrument was provided; second, the sampling procedures and sample size were described; third, data collections were presented; fourth, hypotheses testing method was discussed; and finally one-way analysis of variance (ANOVA) and t-Test analysis were used to examine important differences among the participants’ perceptions based on their demographic profile.

Overview

The purpose of this study was to use the SERVQUAL model that was created by Parasuraman et al., (1985) to examine Generation Y's perceptions of service quality in the hotel industry.

Survey Instruments Format

The survey questionnaire was designed to evaluate the relationship between the SERVQUAL dimensions and Generation Y’s perception in the hotel industry. The survey was divided into three parts. Part I was comprised screening questions. Part II measured the service quality five dimensions, customer satisfaction, and E-word-of-mouth. Part III measured the demographic profile. Part I of the questionnaire consisted of two screening questions to identify people only from Generation Y, and participants who have stayed at a hotel in the past 12 months. Part II and Part III consisted of 35 questions modified from
previous studies to measure the constructs. Finally, the questions were measured on a 7 point Likert-scale, where 1=strongly disagree and 7=strongly agree.

**Screening Question**

Two screening questions were provided in this study. First, the age range for the participants was from 18 years old to 30 years old. Second, the screening question asked participants if they have stayed at a hotel in the past 12 months, which was written in the beginning of the survey questionnaire (Please refer to the Appendix A on page 78) in order to exclude ineligible participants.

**Service Quality Five Dimensions**

Participants in this study were asked to list a hotel that they have stayed at the most in the past 12 months and then completed the survey questionnaire based on their experiences.

**Tangibility**

There were a total of five questions modified from previous studies to measure the perception of the tangible construct, with 1 is = strongly disagree, and with 7 is = strongly agree. The first four questions were modified from Parasuraman et al. (1994), and question Q5 was modified from Akbaba (2006).

Q1. The guestroom has modern equipment, such as a smart TVs.

Q2. Physical facilities are visually appealing.
Q3. Employees of the hotel are well dressed and appear neat.

Q4. The hotel has visually appealing materials that are associated with the service provided.

Q5. The atmosphere and equipment are comfortable and appropriate for purpose of stay at the hotel.

**Reliability**

There were a total of seven questions modified from previous studies to measure the perception of the reliability construct, with 1 is = strongly disagree, and with 7 is = strongly agree. The first five questions were modified from Parasuraman et al. (1994), and questions Q11 and Q12 were modified from Parasuraman et al., (1988).

Q6. The hotel provides its services as promised.

Q7. The hotel is dependable in handling my problem.

Q8. The hotel performs the service right the first time.

Q9. The hotel provides its services at the time it promises to do so.

Q10. The hotel maintains error-free records.

Q11. When I have a problem, the hotel shows sympathy and reassurance in solving the problem.

Q12. The hotel keeps its records accurately.
Responsiveness

There were a total of four questions modified from Parasuraman et al., (1994) to measure the perception of the responsiveness construct, with 1 is = strongly disagree, and with 7 is = strongly agree.

Q13. Employees of the hotel keep me informed about when services will be performed.

Q14. Employees of the hotel give prompt services to me.

Q15. Employees of the hotel are always willing to help me.

Q16. Employees of the hotel are never too busy to respond to my requests.

Assurance

There were a total of four questions modified from Parasuraman et al., (1994) to measure the perception of the assurance construct, with 1 is = strongly disagree, and with 7 is = strongly agree.

Q17. Employees of the hotel instill confidence in me.

Q18. Employees of the hotel make me feel safe in their transactions.

Q19. Employees of the hotel are courteous with me.

Q20. Employees of the hotel have the knowledge to answer my questions.
Empathy

There were a total of six questions modified from previous studies to measure the perception of the empathy construct, with 1 is = strongly disagree, and with 7 is = strongly agree. The first five questions were modified from Parasuraman et al. (1994), and question Q26 was modified from Al Khattab et al. (2011).

Q21. Employees of the hotel give me individual attention.

Q22. Employees of the hotel deal with me in a caring fashion.

Q23. Employees of the hotel keep my best interests at heart.

Q24. Employees of the hotel understand my needs.

Q25. The hotel provides suitable 24 hour services, such as room service.

Q26. Employees of the hotel are competent.

Customer Satisfaction

There were a total of five questions modified from Sheely et al. (2007) to measure the perception of the customer satisfaction construct, with 1 is = strongly disagree, and with 7 is = strongly agree.

Q27. Overall, I am satisfied with the hotel service.

Q28. Overall, I am satisfied with the decision to stay at the hotel.

Q29. Overall, I feel the employees at the hotel satisfy my needs.
Q30. Overall, I am content at the hotel.

Q31. If I had to choose again, I am going to choose the same hotel.

**E-word-of-Mouth**

There were a total of four questions modified from previous studies to measure the perception of the E-word-of-mouth construct, with 1 is = strongly disagree, and with 7 is = strongly agree. The first two questions were modified from Sheely et al. (2007), and questions Q34 and Q35 were modified from Bilgihan et al. (2011).

Q32. I would recommend the hotel to others on social media websites.

Q33. I would say positive things to others about the hotel on social media websites.

Q34. I would take pictures and post them on social media websites.

Q35. I would share information related to my hotel stays on social media websites, such as location.

**Demographics Information**

Six questions were used to gather participants’ demographic information, including gender, age, educational level, occupation, household income, and purpose of stay at the hotel.
Pre-Test

A pre-test was conducted via ServuyMonkey.com and among 10 participants who were from Generation Y to gain insight regarding the questions developed based on the pre-test's results. The final survey instrument was revised in terms of wording, vocabulary, sequence of questions, and confusing sentences.

Sample

The survey questionnaires were distributed electronically through SurveyMonkey.com. The Survey Monkey website has its own database where they can send the survey questionnaires to participants. Two screening questions at the beginning of the survey were provided to exclude ineligible participants. First question was to make sure that the age range for the participants was from 18 years old to 30 years old. Second question was to make sure that participants had stayed at a hotel in the past 12 months.

Data Collection

A questionnaire was collected electronically through SurveyMonkey.com for two weeks. This study used a non-probability and convenience sampling method. All the surveys were attached with the logo of Widener University logo to support study authenticity. SurveyMonkey.com distributed 285 survey questionnaires to Generation Y customers in its own database. Among the 285 survey questionnaires that were distributed, 177 valid responses were generated with a response rate of 64%.
Data Analysis

In this study, Frequency analysis was used for the demographic profile of the participants, such as age, gender, and individual personal income. The descriptive statistics were used in this study to examine the perception of participants for each question. Regression was used to test the six hypotheses. In addition, t-Test and one-way analysis of variance (ANOVA) were used to examine the significant differences among the participants’ perceptions based on their socio-demographic profile, such as their gender, age, and education level. In this study, a 95% confidence level (α = .05) was chosen.

Hypothesis Testing

To reach the study’s objectives, the relationship among the SERVQUAL five dimensions, and customer satisfaction, and E-word-of mouth were examined. The Regression was performed for hypothesis testing H1, H2, H3, H4, H5, and H6.

H1 = There is a relationship between tangibility and customer satisfaction.

H2 = There is a relationship between reliability and customer satisfaction.

H3 = There is a relationship between responsiveness and customer satisfaction.

H4 = There is a relationship between assurance and customer satisfaction.

H5 = There is a relationship between empathy and customer satisfaction.

H6 = There is a relationship between customer satisfaction and E-word-of-mouth.
Chapter 4 – Analysis and Results

Introduction

This chapter discusses the response rate, the demographic profile, and a summary of the descriptive analysis, including the regressions for hypothesis testing, and all t-Test and ANOVA results.

A non-probability convenience sampling method was used for this study by distributing the survey questionnaires electronically through SurveyMonkey.com and depending on its own databases. A screening question was used to identify qualifying participants who are in the age range of 18 to 30 years old, and who have stayed in a hotel in the past 12 months. Qualifying participants were asked to list the name of a hotel that they stayed at the most in the past 12 months to complete the survey.

Demographic Profile of the Respondents

Table 1 shows the demographic profile of the respondents who completed the questionnaire successfully. Out of 285 surveys distributed, 177 valid responses were generated with a response rate of 64%. The result shows that the participants were mostly females (n=102) at the rate of (57.6%). Furthermore, the majority of the 177 respondents were between 26 and 30 years old at the rate of (42.5%). In addition, when respondents were asked about the highest education level that they have completed, 86 respondents replied with four-year-college, or university at the rate of (48.6%). However, when respondents were asked about their occupation, 93 respondents replied with
university/college student at the rate of (52.5%). Most participants (34.5%) earned an annual income of less than $10,000. Concluding, when respondents were asked about the main purpose of stay at the hotel, the majority of the 177 respondents traveled for pleasure at the rate of (58.2%), followed by 20.9% who travel for business, and then 13% who travel with a group, and then 7.9% of the respondents travel for other purposes.

Table 1

*Demographic Profile of the Respondents*

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender (N=177)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>75</td>
<td>42.4%</td>
</tr>
<tr>
<td>Female</td>
<td>102</td>
<td>57.6%</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Age (N=177)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 - 21</td>
<td>49</td>
<td>27.6%</td>
</tr>
<tr>
<td>22 - 25</td>
<td>53</td>
<td>29.9%</td>
</tr>
<tr>
<td>26 – 30</td>
<td>75</td>
<td>42.5%</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Education Level (N=177)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>44</td>
<td>24.9%</td>
</tr>
<tr>
<td>Four-Year College or University</td>
<td>86</td>
<td>48.6%</td>
</tr>
<tr>
<td>Education Level</td>
<td>N</td>
<td>Percentage</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----</td>
<td>------------</td>
</tr>
<tr>
<td>Two-Year College</td>
<td>18</td>
<td>10.1%</td>
</tr>
<tr>
<td>Graduate School</td>
<td>29</td>
<td>16.4%</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Occupation (N=177)**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>N</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>University/College Students</td>
<td>93</td>
<td>52.5%</td>
</tr>
<tr>
<td>Self-employed/Freelancer</td>
<td>10</td>
<td>5.6%</td>
</tr>
<tr>
<td>Laborer Employee</td>
<td>8</td>
<td>4.5%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>7</td>
<td>4.0%</td>
</tr>
<tr>
<td>Management Employee</td>
<td>19</td>
<td>10.8%</td>
</tr>
<tr>
<td>Office/Administrative</td>
<td>14</td>
<td>7.9%</td>
</tr>
<tr>
<td>Other(such as police officer and business person)</td>
<td>26</td>
<td>14.7%</td>
</tr>
<tr>
<td>Total</td>
<td>177</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Annual Household Income (N=177)**

<table>
<thead>
<tr>
<th>Income Range</th>
<th>N</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>61</td>
<td>34.5%</td>
</tr>
<tr>
<td>$10,000 - $29,999</td>
<td>39</td>
<td>22.0%</td>
</tr>
<tr>
<td>$30,000 - $49,999</td>
<td>22</td>
<td>12.4%</td>
</tr>
<tr>
<td>$50,000 - $69,999</td>
<td>26</td>
<td>14.7%</td>
</tr>
<tr>
<td>$70,000 - $99,999</td>
<td>16</td>
<td>9.0%</td>
</tr>
<tr>
<td>$100,000 - $149,999</td>
<td>7</td>
<td>4.0%</td>
</tr>
<tr>
<td>$150,000 - $199,999</td>
<td>3</td>
<td>1.7%</td>
</tr>
<tr>
<td>$More than $200,000</td>
<td>3</td>
<td>1.7%</td>
</tr>
</tbody>
</table>
Descriptive Statistics

The descriptive statistics were applied in this study to examine the participants' perceptions toward each question. (Table 2) lists mean scores, standard deviations, and sample size of the total of thirty-five questions for the following five dimensions: (tangibility, reliability, responsiveness, assurance, and empathy), and customer satisfaction and E-word-of-mouth.
Table 2

Results of descriptive statistics (Five dimensions, customer satisfaction, and E-word-of-mouth’s questions)

<table>
<thead>
<tr>
<th>Item</th>
<th>Mean</th>
<th>SD</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangibility</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tq1: The guestroom has modern equipment, such as a smart TVs.</td>
<td>4.72</td>
<td>1.86</td>
<td>177</td>
</tr>
<tr>
<td>Tq2: Physical facilities are visually appealing.</td>
<td>4.58</td>
<td>1.69</td>
<td>177</td>
</tr>
<tr>
<td>Tq3: Employees of the hotel are well dressed and appear neat.</td>
<td>4.95</td>
<td>1.81</td>
<td>177</td>
</tr>
<tr>
<td>Tq4: The hotel has visually appealing materials that are associated with the service provided.</td>
<td>4.59</td>
<td>1.67</td>
<td>177</td>
</tr>
<tr>
<td>Tq5: The atmosphere and equipment are comfortable and appropriate for purpose of stay at the hotel.</td>
<td>4.83</td>
<td>1.71</td>
<td>177</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rq1: The hotel provides its services as promised.</td>
<td>4.72</td>
<td>1.70</td>
<td>177</td>
</tr>
<tr>
<td>Rq2: The hotel is dependable in handling my problem.</td>
<td>4.58</td>
<td>1.69</td>
<td>177</td>
</tr>
<tr>
<td>Rq3: The hotel performs the service right the first time.</td>
<td>4.65</td>
<td>1.71</td>
<td>177</td>
</tr>
<tr>
<td>Rq4: The hotel provides its services at the time it promises to do so.</td>
<td>4.88</td>
<td>1.71</td>
<td>177</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>-----</td>
</tr>
<tr>
<td>Rq5: The hotel maintains error-free records.</td>
<td>4.48</td>
<td>1.68</td>
<td>177</td>
</tr>
<tr>
<td>Rq6: When I have a problem, the hotel shows sympathy and reassurance in solving the problem.</td>
<td>4.53</td>
<td>1.63</td>
<td>177</td>
</tr>
<tr>
<td>Rq7: The hotel keeps its records accurately.</td>
<td>4.66</td>
<td>1.56</td>
<td>177</td>
</tr>
</tbody>
</table>

**Responsiveness**

<table>
<thead>
<tr>
<th>R1q1: Employees of the hotel keep me informed about when services will be performed.</th>
<th>4.54</th>
<th>1.59</th>
<th>177</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1q2: Employees of the hotel give prompt services to me.</td>
<td>4.54</td>
<td>1.69</td>
<td>177</td>
</tr>
<tr>
<td>R1q3: Employees of the hotel are always willing to help me.</td>
<td>4.86</td>
<td>1.81</td>
<td>177</td>
</tr>
<tr>
<td>R1q4: Employees of the hotel are never too busy to respond to my requests.</td>
<td>4.53</td>
<td>1.78</td>
<td>177</td>
</tr>
</tbody>
</table>

**Assurance**

<table>
<thead>
<tr>
<th>Aq1: Employees of the hotel instill confidence in me.</th>
<th>4.53</th>
<th>1.64</th>
<th>177</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aq2: Employees of the hotel make me feel safe in their transactions.</td>
<td>4.76</td>
<td>1.65</td>
<td>177</td>
</tr>
<tr>
<td>Question</td>
<td>Response</td>
<td>Rating</td>
<td>Count</td>
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<tr>
<td>Aq3: Employees of the hotel are courteous with me.</td>
<td>4.83</td>
<td>1.70</td>
<td>177</td>
</tr>
<tr>
<td>Aq4: Employees of the hotel have the knowledge to answer my questions.</td>
<td>4.72</td>
<td>1.72</td>
<td>177</td>
</tr>
<tr>
<td><strong>Empathy</strong></td>
<td></td>
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</tr>
<tr>
<td>Eq1: Employees of the hotel give me individual attention.</td>
<td>4.53</td>
<td>1.71</td>
<td>177</td>
</tr>
<tr>
<td>Eq2: Employees of the hotel deal with me in a caring fashion.</td>
<td>4.62</td>
<td>1.77</td>
<td>177</td>
</tr>
<tr>
<td>Eq3: Employees of the hotel keep my best interests at heart.</td>
<td>4.51</td>
<td>1.61</td>
<td>177</td>
</tr>
<tr>
<td>Eq4: Employees of the hotel understand my needs.</td>
<td>4.61</td>
<td>1.66</td>
<td>177</td>
</tr>
<tr>
<td>Eq5: The hotel provides suitable 24-hour services, such as room service.</td>
<td>4.54</td>
<td>1.86</td>
<td>177</td>
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<tr>
<td>Eq6: Employees of the hotel are competent.</td>
<td>4.64</td>
<td>1.71</td>
<td>177</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
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<tr>
<td>Csq1: Overall, I am satisfied with the hotel service.</td>
<td>4.79</td>
<td>1.86</td>
<td>177</td>
</tr>
<tr>
<td>Csq2: Overall, I am satisfied with the decision to stay at the hotel.</td>
<td>4.89</td>
<td>1.80</td>
<td>177</td>
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<tr>
<td>Csq3: Overall, I feel the employees at the hotel satisfy my needs.</td>
<td>4.79</td>
<td>1.72</td>
<td>177</td>
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</table>
Csq4: Overall, I am content at the hotel.  

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Csq5: If I had to choose again, I am going to choose the same hotel.  

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**E-word-of-Mouth**

Ewq1: I would recommend the hotel to others on social media websites.  

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Ewq2: I would say positive things to others about the hotel on social media websites.  

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Ewq3: I would take pictures and post it on social media websites.  

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Ewq4: I would share information related to my hotel stays on social media websites, such as location.  

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**Hypothesis Testing**

H1 = There is a relationship between tangibility and customer satisfaction.

H2 = There is a relationship between reliability and customer satisfaction.

H3 = There is a relationship between responsiveness and customer satisfaction.

H4 = There is a relationship between assurance and customer satisfaction.
H5 = There is a relationship between empathy and customer satisfaction.

H6 = There is a relationship between customer satisfaction and E-word-of-mouth.

Regression analysis was applied to test the hypotheses by using summative scores of each construct. Summative scores were calculated by adding all the questions measuring the same concept and dividing them by the total number of the questions. For instance, the summative score for the tangibility construct was created by adding Tq1 to Tq5 and dividing by five. After calculating summative scores for each construct, the regression analysis (Table 3) was completed to examine whether there is a significant relationship between the five dimensions (tangibility, reliability, responsiveness, assurance, and empathy), and customer satisfaction. A second regression analysis was completed to examine whether there is a significant relationship between customer satisfaction and E-word-of-mouth.

H1 was not supported. The results indicate that there is no relationship between tangibility and customer satisfaction (t=1.83; p=.068).

H2 was not supported. The results indicate that there is no relationship between reliability and customer satisfaction (t=.85; p=.393).

H3 was not supported. The results indicate that there is no relationship between responsiveness and customer satisfaction (t=1.77; p=.079).

H4 was supported. The results indicate that there is a relationship between assurance and customer satisfaction (β= .186; t=2.60; p=.010).

H5 was supported. The results indicate that there is a relationship between empathy and customer satisfaction (β= .480; t=7.95; p=.000).
**H6** was supported. The results indicate that there is a relationship between customer satisfaction and E-word-of-mouth. ($\beta=.774; t=16.14; p=.000$)

**Table 3**

*Results of regression to examine whether there is a significant relationship between the five dimensions and customer satisfaction*

<table>
<thead>
<tr>
<th>Service Quality Five Dimensions</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
<td>N.S</td>
</tr>
<tr>
<td>Reliability</td>
<td>N.S</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>N.S</td>
</tr>
<tr>
<td>Assurance</td>
<td>.186*</td>
</tr>
<tr>
<td>Empathy</td>
<td>.480***</td>
</tr>
</tbody>
</table>

**Regression 2 Customer Satisfaction Toward to E-word of Mouth**

Customer Satisfaction | E-word-of-mouth

$\beta=.774***$

*The standardized beta weights are significant at ***. 000 level*

**DE: Direct Effect**
Data Analysis

t-Test and one-way analysis of variance (ANOVA) were used, and a 95% confidence level (α=0.5) was chosen to analyze differences among respondents' perceptions based on their demographic profile. Table 4 shows the results of the t-Test analysis used to examine whether there was a difference between respondents’ perceptions based on their gender. The results indicated that gender influenced the perceptions of the following questions. Eq5- The hotel provides suitable 24-hour services, such as room service (t=-1.986, ρ=.049); Ewq1- I would recommend the hotel to others on social media websites (t=-1.996, ρ=.047). Female participants (M=4.78) scored higher than male participants (M=4.22) in Eq5; Female participants (M=4.92) scored higher than male participants (M=4.38) in Ewq1. In summary, these results indicated that female participants agreed more in both Ewq1 and Ewq1 than male participants.

Table 4

<table>
<thead>
<tr>
<th>Question</th>
<th>t</th>
<th>Sig (2-tailed)</th>
<th>Gender</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eq5: The hotel provides suitable 24-hour services, such as room service.</td>
<td>-1.986</td>
<td>0.049</td>
<td>MALE</td>
<td>4.22</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FEMALE</td>
<td>4.78</td>
</tr>
<tr>
<td>Ewq1: I would recommend the hotel to others on social media websites.</td>
<td>-1.996</td>
<td>0.047</td>
<td>MALE</td>
<td>4.386</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>FEMALE</td>
<td>4.921</td>
</tr>
</tbody>
</table>
ANOVA for Age

The results of the ANOVA show that there are no differences between respondents’ perceptions based on their age.

ANOVA for Education Level

Table 5 shows the ANOVA results as to how participants’ education level influenced their perceptions. With regard to R1q4: Employees of the hotel are never too busy to respond to my requests (F=3.75; ρ=.012), the Tukey multiple comparisons showed that participants with two-year college degrees had a higher mean score (M=4.88) than participants with four-year college or university degree (M=4.73). With regard to Csq4: Overall, I am content at the hotel. (F=2.86; ρ=.038), the Tukey multiple comparisons showed that participants with a high school degree had a higher mean score (M=5.20) than participants with four-year college or university degrees (M=4.86). These findings indicated that participants’ education level influenced their perceptions of SERVQUAL in the hotel industry.

Table 5

<table>
<thead>
<tr>
<th>Education Level</th>
</tr>
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<tbody>
<tr>
<td>Question</td>
</tr>
<tr>
<td>R1q4: Employees of the hotel are never too busy to respond to my requests.</td>
</tr>
<tr>
<td>Csq4: Overall, I am content at the hotel.</td>
</tr>
</tbody>
</table>
ANOVA for Occupation

The results of the ANOVA show that there are no differences between respondents’ perceptions based on their occupation.

ANOVA for Household Income

Table 6 shows the ANOVA results as to how participants’ household income influenced their perceptions. With regard to Rq3: The hotel performs the service right the first time (F=2.18; ρ=.038), the Tukey multiple comparisons showed that participants whose household income is more than $200,000 had a higher mean score (M=6.33) than those between $30,000 and $49,999 (M=5.31). The result indicated that participants’ household income influenced their perceptions of SERVQUAL in the hotel industry.

Table 6

Household Income

<table>
<thead>
<tr>
<th>Question</th>
<th>df</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rq3: The hotel performs the service right the first time.</td>
<td>7</td>
<td>2.18</td>
<td>.038</td>
</tr>
</tbody>
</table>

ANOVA for Purpose of Stay at the Hotel

The results of the ANOVA show that there are no differences between respondents’ perceptions based on their purpose of stay at the hotel.
Chapter 5 – Summary and Conclusions

Introduction

The purpose of this study was to investigate Generation Y’s perceptions of the service quality in the hotel industry. The author used the SERVQUAL model that was created by Parasuraman et al., (1985). Furthermore, this chapter presents the summary of the findings, discussions of the hypothesis testing, demographic analysis, implications and limitations of the study, and recommendations for future research.

Summary of the Findings

Out of 285 surveys were distributed electronically through SurveyMonkey.com. 177 valid responses were generated with a response rate of 64%. The participants were mostly females (n=102) at the rate of (57.6%). In addition, the majority of the 177 respondents were between 26 and 30 years old at the rate of (42.5%). Moreover, when respondents were asked about the highest education level that they have completed, 86 respondents replied with four-year-college, or university at the rate of (48.6%). However, when respondents were asked about their occupation, 93 respondents replied with university/college student at the rate of (52.5%). Most participants (34.5%) earned an annual income of less than $10,000. Concluding, when respondents were asked about the main purpose of their stay at the hotel, the majority of the 177 respondents traveled for pleasure at the rate of (58.2%), followed by 20.9% who traveled for business, and then 13% who traveled with a group, and then 7.9% of the respondents traveled for other purposes.
Hypothesis Testing

Regression

H1 = There is a relationship between tangibility and customer satisfaction.

H1 was not supported. The results indicated that there is no relationship between tangibility and customer satisfaction (t=1.83; p=.068).

The result was inconsistent with several previous studies (Cronin & Taylor, 1992; Fu & Parks, 2001; Kandampully et al., 2001; Munusamy et al., 2010; Panda & Das, 2014; Parasuraman et al., 1988; Parasuraman et al., 1994). On the other hand, tangibility does not influence customer satisfaction was found in several previous studies (Jamal & Naser, 2003; Loke et al., 2011; Saghier & Nathan, 2013). According to Saghier and Nathan (2013), there is no relationship between tangibility and customer satisfaction. In addition, Loke et al., (2011) indicated that the tangibility dimension was insignificant towards customer satisfaction, which supported the results of the current study.

The possible explanation for the insignificant relationship between the tangibility dimension and customer satisfaction might be that Generation Y customers have higher expectations of service quality than previous generations in terms of the tangibility dimension, such as the appearance of employees, physical facilities and convenient locations (Parasuraman et al., 1998; Kim, 2005). In addition, Generation Y customers always expect to experience something new while staying at a hotel, which might have an impact on Generation Y’s perspectives to evaluate the tangible dimension. It is possible
that Generation Y customers expect to stay at hotels with modern and updated equipment, and thus providing an updated tangible facility has become a minimal standard for the hotel industry, which is not sufficient to stimulate Generation Y customers’ satisfaction (Culiberg & Rojsek, 2010).

Another possible explanation for the insignificant relationship between the tangibility dimension and customer satisfaction might be that in the service sector, including the hospitality industry, customers tend to evaluate other dimensions, such as empathy as being more important than tangible dimension, even when all tangible items are provided well enough (Saghier & Nathan, 2013).

**H2 = There is a relationship between reliability and customer satisfaction.**

H2 was not supported. The results indicated that there is no relationship between reliability and customer satisfaction (t=.85; p=.393).

The result was inconsistent with several previous studies (Cheserek et al., 2015; Hamed et al., 2015; Kueh & Voon, 2007; Lee & Ritzman 2005; Parasuraman et al., 1988; Parasuraman et al., 1994). On the other hand, reliability does not influence customer satisfaction was found in several previous studies (Gorji & Sargolzaee 2011; Ismail et al., 2013; Munusamy et al., 2010). For instance, in the Ismail et al., (2013) study, the relationship between reliability dimension and customer satisfaction was insignificant in the service sector. Furthermore, Munusamy et al., (2010) indicated that the reliability dimension was insignificant towards customer satisfaction, which supported the results of the current study.
The possible explanation for the insignificant relationship between the reliability dimension and customer satisfaction might be that Generation Y customers have high expectations, thus providing promised services right the first time became basic and normal when they stay at hotels, which leads to make the reliability dimension to not influence customers’ satisfaction (Clausing, Kurtz, Prenderville, & Walt, 2003). Providing services as promised has become a minimal standard for the service sector in order to maintain profitable businesses (Markovic & Jankovic, 2013). In addition, because providing services as promised has become a minimal standard for the service sector, Generation Y customers might have high expectations while staying at hotels, especially in terms of reliability dimension.

According to Yulisetiarini (2014), questions belong to the reliability dimension, such as the ability of employees to handle guests' problems, do not provide or lead to customers’ satisfaction. The possible explanation for the insignificant relationship between the reliability dimension and customer satisfaction might be that Generation Y customers have needs and wants that differ from previous generations in terms of service quality, including the reliability dimension (Rempel, 2009). Furthermore, because Generation Y is different than previous generations, the traditional way of providing services might no longer work effectively with Generation Y, which makes it difficult for hotels to provide high quality of services that meet Generation Y customers’ needs, wants, and desires. Thus, providing the traditional ways of services might not be enough to stimulate Generation Y customers’ satisfaction (Bakewell & Mitchell, 2003).
H3 = There is a relationship between responsiveness and customer satisfaction.

H3 was not supported. The results indicated that there is no relationship between responsiveness and customer satisfaction (t=1.77; p=.079).

The result was inconsistent with several previous studies (Barsky & Nash, 2006; Cheserek et al., 2015; Oschell, 2009; Parasuraman et al., 1988; Parasuraman et al., 1994; Parasuraman et al., 1999). On the other hand, responsiveness does not influence customer satisfaction was found in several previous studies (Annamalah, Munusamy, Chelliah, Sulaiman, & Pandian 2011; Ismail et al., 2013; Munusamy et al., 2010). For example, in Annamalah et al., (2011) study, the relationship between responsiveness dimension and customer satisfaction was insignificant in the service sector. Furthermore, Ismail et al., (2013) indicated that the responsiveness dimension was insignificant towards customer satisfaction, which supported the results of the current study.

The possible explanation for the insignificant relationship between the responsiveness dimension and customer satisfaction might be that in the service sector, including the hospitality industry, even though the responsiveness dimension requires interacting with employees, it is no longer considered as a main element in gaining customer satisfaction. Thus, Generation Y customers might see that communicating with hotel employees is not one of their top priorities (Annamalah et al, 2011). Generation Y customers expect to receive prompt services, which has become as a minimal standard for the hotel industry, and it is not sufficient to stimulate Generation Y customers’ satisfaction (Culiberg & Rojsek, 2010).
The first three hypotheses H1, H2, and H3 are not supported. Thus, the results of the regression indicated an insignificant relationship between customer satisfaction and those dimensions of tangibility, reliability, and responsiveness. Another reason for the inconsistency in the results of this study could be explained by how customers from Generation Y would give more attention to other dimensions, such as assurance and empathy instead of being attached to other dimensions, such as tangibility, reliability, and responsiveness dimension (Deutsch, 2009; Saghier & Nathan, 2013).

Culiberg and Rojsek, (2010) argued that in the service sectors, customers tend to interact with employees, rather than dealing with machines. On the other hand, the service sector has changed continuously depending on customers' needs, wants, and desires; thus, Generation Y might tend to prefer to deal with machines, rather than interacting with employees, because interacting with hotel employees is not one of Generation Y customers’ top priorities (Annamalah et al, 2011). For instance, instead of checking-in at the front desk, hotels can provide to Generation Y’ guests self-check-in, which means interacting with the hotel employees might be no longer necessary, especially at the front desk.

**H4 = There is a relationship between assurance and customer satisfaction.**

H4 was supported. The results indicated that there is a relationship between assurance and customer satisfaction ($\beta = .186; t=2.60; p=.010$).

The result was consistent with several previous studies (Marcovic et. al. 2013; Navaratnaseelan & Elangkumaran, 2014; Olu Ojo, 2008; Parasuraman et al., 1988;
Parasuraman et al., 1994; Wattanacharoensil & Yoopetch 2012). Assurance has a relationship with customer satisfaction (Navaratnaseelan & Elangkumaran, 2014). Furthermore, most of the previous studies indicate that there is a relationship between assurance and customer satisfaction. For instance, the Prabhakar et al., (2010) study states that customers have high expectations on the assurance dimension, which means employees should make customers feel safe and secure in their transactions, especially when there is a financial transaction. In the service sector, Ndubisi (2006) stated that the assurance dimension requires a clear and strong communication between customers and employees in order to impact level of satisfaction positively, which might be considered as an important factor of overall customer satisfaction. Moreover, employees can have an important impact on customers' perceptions by handling customers' problems and having the knowledgeable employees who can show confidence and trust in customers (Sureshchandar & Rajendran 2002).

According to Marcovic et al., (2013), the assurance dimension plays an important role in making guests satisfied in the hotel industry. This signifies that the assurance dimension might have an impact on Generation Y's perceptions of a stay at a hotel, especially when it comes to competence of employees, security of the facility, and credibility for both facility and employees. In addition, the reason for the significant relationship between the assurance dimension and customer satisfaction might be that Generation Y respondents in this study had an experience where hotel employees made guests feel safe in their transactions, or in which employees of the hotel were courteous with guests. Thus, guests always need to feel safe in many ways, such as feeling safe in
the good hands of employees with high competence, or feeling safe while using the hotel facilities (Kim, 2005). This action leads to impact Generation Y’s level of satisfaction positively and their intention to re-purchase the same services again, especially when it comes to financial transactions.

**H5 = There is a relationship between empathy and customer satisfaction.**

H5 was supported. The results indicated that there is a relationship between empathy and customer satisfaction ($\beta = .480; t = 7.95; p = .000$).

The result was consistent with several previous studies (Kheng et al., 2010; Mbuthia et. al., 2013; Olu Ojo, 2008; Parasuraman et al., 1988; Parasuraman et al., 1994; Polyorat & Sophonsiri, 2010). According to most of the previous studies, empathy has a strong relationship with customer satisfaction. Furthermore, the Kheng et al., (2010) study stated that empathy has a strong relationship with customer satisfaction. Thus, customers who have high expectations of the empathy dimension, which means empathy can be achieved by giving customers individual attention and understanding customers' needs and desires. In addition, empathy means the personalized attention that be given by employees to their customers (Saravanan & Roa, 2007). Therefore, empathy becomes an important factor among service quality five dimensions because when customers feel special and employees show customers extra attention; the probability of having loyal and satisfied customer will be increased (Munusamy et al., 2010).

According to Polyorat and Sophonsiri (2010), undergraduates from Generation Y rated the empathy dimension as important as the tangibles dimension in their perceptions.
of service quality. In this study, Generation Y guests considered the empathy dimension as one of the most important factors that affect their perceptions of service quality five dimensions, which signifies the result of this study. Therefore, when respondents were asked question about empathy dimension at hotels, such as employees of the hotel give individual attention to customers, or employees of the hotel understand needs of customers, their responses indicated that there is a relationship between empathy and customer satisfaction. In addition, even if the hotel guests are satisfied with tangibles equipment or the hotel facilities, they might be dissatisfied with interacting and communicating with the hotel employees, meaning there has to be a balance between the tangibles and the empathy dimensions (Mbuthia et al., 2013). Thus, this shows that even if guests were satisfied with the tangibles dimension factors, such as hotel facilities, at the same time they might be dissatisfied with the hotel if its employees do not give guests extra care or fail to understand guests’ needs, wants, and desires, which correlates with the overall level of satisfaction.

**H6 = There is a relationship between customer satisfaction and E-word-of-mouth.**

H6 was supported. The results indicated that there is a relationship between customer satisfaction and E-word of mouth (β = .774; t = 16.14; p = .000).

The result was consistent with several previous studies (Heide et al., 1995; Jacoby and Kyner 1973; Litvin et al., 2008; Shih C C., 2011; Yee et al., 2009). According to previous studies, customer satisfaction has a strong relationship with E-word-of-mouth (Griffin, 2005). Furthermore, the Cheung and Lee, (2012) study stated that E-word-of-
mouth has a relationship with customer satisfaction. Thus, customers have high expectations on E-word-of-mouth, especially if they are expecting many viewers who will read their comments online; therefore, these customers are willing to share their experiences online, such as posting pictures on social media websites or sharing the hotel location in order to spread E-word-of-mouth. This signifies that the customer satisfaction toward E-word-of-mouth might have an impact on Generation Y’s perceptions of a stay at a hotel, especially when it comes to posting pictures on social media websites, such as Instagram and Facebook because they want to be seen from their families, friends, relatives, and colleagues, specifically the places they like to go to. Also, E-word-of-mouth is considered as customers’ behavior toward the services that being received by sharing their experiences online with others (Jeong & Jang, 2011).

According to Senecal and Nantel (2004), E-word-of-mouth has two major factors based on both online reviews and reviewers ratings for the hotel that each guest stays at. For instance, in the current study when respondents were asked about questions that belongs E-word-of-mouth construct, such as I would say positive things to others about the hotel on social media websites, which includes and allows guests to share their experiences online based on the individual experience that each guest has.

The other three hypotheses H4, H5, and H6 are supported. Thus, the results of the regression indicated there is significant relationship between customer satisfaction and those dimensions of assurance and empathy. Also, the results of the regression indicated there is significant relationship between customer satisfaction and E-word-of-mouth. The
reason for the consistency in this result could be explained by how customers from Generation Y would give more attention to other dimensions than previous generations, thus the traditional model of service quality with five dimensions might not work effectively on people of Generation Y.

**Demographic Analysis**

Min, Khoon, and Tan (2012) indicated that guests from Generation Y’s perceptions of service quality could be influenced by some of the demographic factors, such as education and gender. Therefore, several demographic factors have been discussed in this study.

**Gender**

When comparing female and male participants, the results of the t-Test analysis in this study showed that there are differences between respondents’ perceptions based on their gender. Moreover, in this study, females had a higher mean score than male participants, indicating that there were differences between males and female's perceptions in responding to some questions, such as Ewq1 and Ewq1.

Some studies have been conducted that evaluated service quality and customer satisfaction based on gender. Previous studies, such as the study by Mokhlis (2012) stated that service quality and customer satisfaction have a different impact on female and male perceptions. In the current study, female participants agreed more in both Ewq1 and Ewq1 than male participants.
Age

One-way analysis of variance ANOVA was applied to explore how respondents' age influenced Generation Y's perceptions of service quality in the hotel industry. The results of the ANOVA show that there are no differences between respondents’ perceptions based on their age. The possible reason for this might be that all of the participants were from the same generation, and there was no significant relationship between service quality and customer satisfaction based on participants' ages. However, the Caruana et al., (2000) study stated that age between participants can play a significant role in determining the difference between service quality and customer satisfaction. In other words, different groups of participants who have different ages can have different perceptions, even though they are under the same generational category.

Education Level

ANOVA was applied to explore how respondents' education level influenced their perceptions of service quality in the hotel industry. The Tukey multiple comparisons showed that participants of different education levels had differing perceptions of SERVQUAL in the hotel industry. The results of this study indicated that participants with a high school degree had a higher mean score than participants with four-year college or university degrees. Similarly, participants with two-year college degrees had a higher mean score than participants with four-year college or university degrees. In general, people who had a high education level will be tending to have high standards in terms of customer satisfaction (Caruana et al., 2000).
**Occupation**

ANOVA was applied to explore how respondents' age influenced Generation Y's perceptions of service quality in the hotel industry. The results of the ANOVA show that there are no differences between respondents’ perceptions based on their occupations. The possible reason for this might be that all of the participants were from the same generation, and there was no significant relationship between service quality and customer satisfaction based on participants' occupations.

**Household Income**

ANOVA results indicated that participants’ household income influenced their perceptions of SERVQUAL in the hotel industry. Therefore, the Tukey multiple comparisons showed that the respondents who had household incomes more than $200,000 had a higher mean score than those are between $30,000 and $49,999.

**Main Purpose of Stay at the Hotel**

ANOVA was applied to explore how respondents' purpose of stay influenced Generation Y's perceptions of service quality in the hotel industry. The results of the ANOVA show that there are no differences between respondents’ perceptions based on their purpose of stay at the hotel. The possible reason for this result might be that all of the participants were from the same generation, and there was no significant relationship between service quality and customer satisfaction based on their purpose of stay at the hotel.
Conclusion

The purpose of this study was to examine Generation Y’s perception of service quality in the hotel industry. The first analysis was completed to examine whether there is a significant relationship between the five dimensions (tangibility, reliability, responsiveness, assurance, and empathy) and customer satisfaction. The second analysis was completed to examine whether there is a significant relationship between customer satisfaction and E-word-of-mouth. The results of the first analysis indicated that there is no relationship between tangibility and customer satisfaction, there is no relationship between reliability and customer satisfaction, and there is no relationship between responsiveness and customer satisfaction. On the other hand, the results indicated that there is a relationship between assurance and customer satisfaction, there is a relationship between empathy and customer satisfaction, and there is a relationship between customer satisfaction and E-word-of-mouth.

Both the t-Test and the one-way analysis of variance (ANOVA) were used, and a 95% confidence level (α=0.5) was chosen to analyze differences among respondents' perceptions based on their demographic profile. The results indicated that gender influenced the perceptions of some questions, such as Eq5. In short, the results of this study indicated that there were relationships between service quality and some of the demographic factors, such as gender, education, and household income. On the other hand, no relationship was found between service quality and other demographic factors, such as age, occupation, and purpose of the stay at the hotel.
Implications

The results of this study can benefit the academic field and add knowledge to industry practice. The first contribution might be that hotel managers will be able to have a better understanding of what drives Generation Y to choose a specific hotel over others in terms of services, especially when hotel operators do marketing and promotional strategies for Generation Y. For example, when hotel managers have a specific budget, instead of concentrating on the five dimensions, they can concentrate only on the most significant dimension to operate the hotel and satisfy hotel guests. Thus, the hotel managers can cut costs and save their budgets money, especially when they only focus on the important dimensions that Generation Y prefers.

The second contribution could be that hotel managers can benefit from this study by applying its findings to provide new services that can be tailored specifically to Generation Y. For instance, in term of tangibility dimension, Generation Y could only prefer and look for unique and highly advanced technology, thus applying the result of this study to hotel services will help managers to choose the best available technology in order to attract Generation Y. For example, in terms of assurance, since Generation Y become addicted to technology in their lives, they can book a hotel through the hotel's websites itself, or through other websites, such as Booking.com; thus they should feel safe and secure, especially when there are financial transactions. In terms of empathy, hotels can meet Generation Y's needs, wants, and expectations by giving them the
individual attention, thus the hotel can provide convenient opening times, such as operating room service 24-hours.

In terms of E-word-of-mouth, hotels can provide high quality of services in order to get benefits from Generation Y. These benefits can be that encouraging guests to revisit the same hotel again, which means repeat purchasing behavior, or spread a positive word of mouth, which means recommend the hotel to friends and family. Thus, the main outcome of applying the service quality model in the hotel industry would be to provide high quality of service that leads to customer satisfaction and then loyalty, which E-word-of-mouth.

According to Kang and James (2004), business firms that provide services should concentrate on both current and potential guests in order to increase the probability of having loyal guests. Without a doubt, loyal guests are considered important and valuable for any business, especially when those loyal guests start recommending the hotel that they like to their families, friends, relatives, and colleagues (Kotler & Keller, 2009). Thus, people from Generation Y can play a significant role in engaging their families, friends, relatives, and colleagues in choosing specific hotels, especially when they spread positive E-words-of-mouth via social media. By engaging Generation Y’s families, friends, relatives, and colleagues in choosing specific hotels, people from Generation Y also have significant impact on the hotels’ income when they encourage other people to come to a specific hotel, which contributes to profits.
In terms of responsiveness, guests from Generation Y have less social lives than previous generations and more active in social media websites (Jean et al., 2012). Thus, Generation Y guests might prefer to communicate with hotel employees via emails without communicating physically. Therefore, hotels can benefit from this study because it can improve services and daily operations, which may also help cut costs. The third contribution is that the result of this study could provide a framework for hotel management to have a better understanding of guests from Generation Y in terms of improving daily operations, services and marketing strategies. Thus, hotel managers can invest in their properties for the future after knowing what drives Generation Y to their hotels by adapting to Generation Y’s expectations.

Finally, hotels can gain competitive advantages by taking precedence over competitors, especially when hotel managers start investing first in Generation Y and providing new services without waiting for other competitors to do so. Therefore, the result of this study could help hotel managers to know what to offer exactly to Generation Y in their businesses in order to improve services and keep guests satisfied and loyal to a specific hotel. For instance, when guests from Generation Y prefer to communicate with hotel employees via emails or specific app (application), in this way hotel can improve its services and gain competitive advantages by applying new services that are only suitable for Generation Y and by taking precedence over competitors.

On the other hand, the results of this study can also benefit the academic field by contributing to the body of literature of Generation Y’s perception of service quality in
the hotel industry. Furthermore, since there is lack of research on Generation Y perception of service quality in the hotel industry, the results of this study could help academics to understand and appraise Generation Y's perception of the SERVQUAL model in the hotel industry. Thus, the result of this study could be a good resource to begin focusing on Generation Y's expectations in terms of service quality. Moreover, the result of this study could contribute to the construction of an effective model in academia by including the E-word-of-mouth construct within the SERVQUAL model, which evaluates the relationship between Generation Y perception and the SERVQUAL model in the hotel industry.

Limitations and Recommendations for Future Research

Although this study offers important implications for people from Generation Y and their perceptions of the service quality in the hotel industry, some limitations need to be addressed. The first limitation, the survey of this study was distributed in the United States electronically through SurveyMonkey.com, so it cannot be easy to determine what other countries might have about perceptions of the service quality in the hotel industry due to the differentiation in cultures. Therefore, the result of this study cannot be generalized to other countries or cultures because what might drive people from Generation Y in the United States might be different than what people from Generation Y in other countries. However, a non-probability convenience sample was used; the surveys collected through SurveyMonkey.com by distributing the survey questionnaire to people from Generation Y.
The second limitation could be that because the survey monkey website has its own database, it is not necessary that all of the participants in this study can be the best possible representative of people from Generation Y. Therefore, the participants in this study were required to answer the screening questions correctly to be able to participate in the survey before they even start participating in the survey questionnaire. The importance of having screening questions was to select the qualified participants because participants were asked at the beginning of the survey to answer two questions that can identify participants if they have stayed at a hotel in the past 12 months and they were between 18 and 30 years old. In short, the study had a significant limitation. The results of this study cannot be generalized to the entire industry because the sample was limited to SurveyMonkey.com's database, which means participants in this study are not the best representative of the entire group of Generation Y around the world because the survey was distributed within the U.S. However, during about two weeks, 285 surveys were distributed and 177 valid responses were generated. Furthermore, participants in this study were asked to list the name of the hotel they have stayed the most at during the past 12 months, which made participants listed different types of hotels, such as four star hotels and five star hotel. Also, participants list different types of hotels, such as international hotel chains and unknown hotels.

For future research, this study was intended to be an important step in opening the doors for studying Generation Y's perceptions of the SERVQUAL in the hotel industry. Moreover, further research can evaluate Generation Y’s perceptions of the SERVQUAL in a specific type of hotel, such as luxury, or four stars hotel. In addition,
the sample was limited to SurveyMonkey.com’s database, which means that it’s difficult to specify a specific hotel in terms of hotel types, such as five stars hotel and three starts hotel. Because the sample was limited to SurveyMonkey.com’s database and was distributed in the U.S, which means that in terms of having different cultures, participants from different cultures might have different perceptions of service quality.

Finally, the results of this study indicated that there is no relationship between tangibility and customer satisfaction, there is no relationship between reliability and customer satisfaction, and there is no relationship between responsiveness and customer satisfaction. The inconsistency results grant the opportunity to examine Generation Y’s perceptions of the SERVQUAL in the hotel industry in more detail. For instance, future researchers could conduct studies in other cultures or in other hotel types, such as three stars hotel, luxury hotels to assess how Generation Y people from different cultures would think about the SERVQUAL in different hotel types.
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Appendix A

Survey Questionnaire

Part I: Screening Question

Are you in the age range of 18 to 30 years old? ______
If yes _____, please continue
If No _____, please discontinue. Thank you!

Have you stayed in a hotel in the past 12 months? ______
If yes _____, please continue to Part II
If No _____, please discontinue. Thank you!

Please list the name of a hotel you stay at the most in the past 12 months:
_____________________________

*Please notice that you need to refer to the hotel you listed above for answering all the questions in part II.

Part II: Please indicate your level of agreement to the following questions. Where 1 is strongly disagree and 7 is strongly agree

<table>
<thead>
<tr>
<th>Questions</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The guestroom has modern equipment, such as a smart TVs</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>2. Physical facilities are visually appealing</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>3. Employees of the hotel are well dressed and appear neat</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>4. The hotel has visually appealing materials that are associated with the service provided</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>5. The atmosphere and equipment are comfortable and appropriate for purpose of stay at the hotel</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>6. The hotel provides its services as promised</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Statement</td>
<td>Ratings</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>7</td>
<td>The hotel is dependable in handling my problem</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>8</td>
<td>The hotel performs the service right the first time</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>9</td>
<td>The hotel provides its services at the time it promises to do so</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>10</td>
<td>The hotel maintains error-free records</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>11</td>
<td>When I have a problem, the hotel shows sympathy and reassurance in solving the problem</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>12</td>
<td>The hotel keeps its records accurately</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>13</td>
<td>Employees of the hotel keep me informed about when services will be performed</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>14</td>
<td>Employees of the hotel give prompt services to me</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>15</td>
<td>Employees of the hotel are always willing to help me</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>16</td>
<td>Employees of the hotel are never too busy to respond to my requests</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>17</td>
<td>Employees of the hotel instill confidence in me</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>18</td>
<td>Employees of the hotel make me feel safe in their transactions</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>19</td>
<td>Employees of the hotel are courteous with me</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>20</td>
<td>Employees of the hotel have the knowledge to answer my questions</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>21</td>
<td>Employees of the hotel give me individual attention</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>22</td>
<td>Employees of the hotel deal with me in a caring fashion</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>23</td>
<td>Employees of the hotel keep my best interests at heart</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>24</td>
<td>Employees of the hotel understand my needs</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>25</td>
<td>The hotel provides suitable 24 hour services, such as room service</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>26</td>
<td>Employees of the hotel are competent</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>27</td>
<td>Overall, I am satisfied with the hotel service</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>28</td>
<td>Overall, I am satisfied with the decision to stay at the hotel</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>29</td>
<td>Overall, I feel the employees at the hotel satisfy my needs</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
30. Overall, I am content at the hotel | 1 2 3 4 5 6 7
31. If I had to choose again, I am going to choose the same hotel | 1 2 3 4 5 6 7
32. I would recommend the hotel to others on social media websites | 1 2 3 4 5 6 7
33. I would say positive things to others about the hotel on social media websites | 1 2 3 4 5 6 7
34. I would take pictures and post it on social media websites | 1 2 3 4 5 6 7
35. I would share information related to my hotel stays on social media websites, such as location | 1 2 3 4 5 6 7

### Part II I I: Demographics

1. Gender: ______ Male ______ Female

2. Your age? ______ Years old

3. What is the highest education that you have completed?

   ______ High School
   ______ Two-Year College
   ______ Four-year College or University
   ______ Graduate School

4. What is your occupation?

   ______ University/College Student
   ______ Management Employee
   ______ Self-Employed/Freelancer/Consultant
   ______ Office/Administrative Employee
   ______ Laborer Employee
   ______ Unemployed
5. Which of the following categories best describes your annual household income before taxes?

- Less than $10,000
- $10,000 - $29,999
- $30,000 - $49,999
- $50,000 - $69,999
- $70,000 - $99,999
- $100,000 - $149,999
- $150,000 - $199,999
- More than $200,000

6. Which of the following categories best describes your main purpose of stay at the hotel?

- Business
- Group
- Pleasure
- Other (Please specify)

************

Thank you very much for your participation in this survey