

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

**(Extended Abstract)**

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## **Abstract**

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

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

## **Background**

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

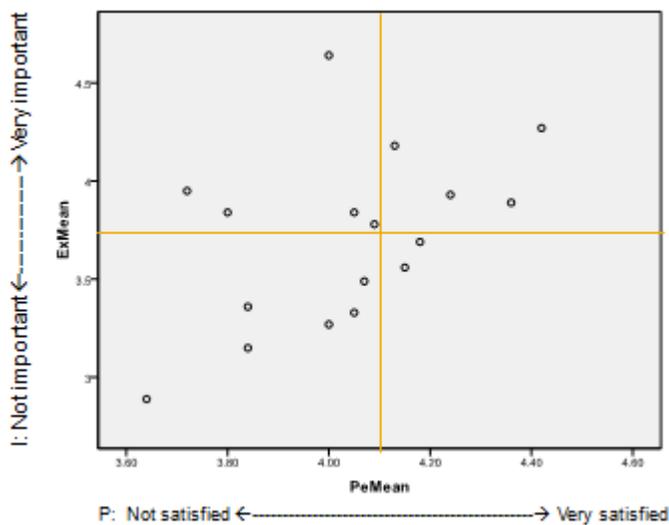
## **Methodology**

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

## **Findings**

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

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



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

## Conclusion

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

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

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