

Generation Y travelers' hotel consideration: the impact of travel mode and reference room price

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Bachelor of Business Administration in
Tourism, Hotel Management and Operations

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Affidavit

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

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Abstract

Generation Y has become one of the largest consumption groups in the tourism industry. While the body of literature on Generation Y has been increasing, no available study attempts to explore factors affecting Generation Y travelers' hotel consideration or selection. The objective of this thesis is to investigate Generation Y travelers' hotel consideration under different travel modes and reference room price levels.

A survey experiment testing six different scenarios for hotel consideration of a hotel in Australia was conducted. 132 valid responses (68% female) of Generation Y traveler's were received. The data was analyzed using the 2- way analysis of variance (ANOVA) method. The research findings showed that reference room price and travel mode are highly significant factors influencing hotel consideration, but no interactive impact between these factors was evident.

This study has shown that reference room price and travel mode influence Generation Y's hotel consideration independently. Given the limited sample size of this study, but the highly significant result, a further study with a larger sample size would be needed to generalize the results.

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List of Abbreviations

OTA- Online Travel Agency

ICT- Information and Communication Technologies

GDS- Global Distribution Systems

OIS- Organizational Information Systems

ANOVA- Analysis of variance

1 Introduction

As defined by the Business Dictionary (2016), Generation Y are those born in the 1980s and early 1990s. Also known as “Generation Next”, “Echo Boomers”, “Chief Friendship Officers” or “24/7’s”, this group of people is named as Generation Y, since they are the descendants of Generation X (West Midland Family Center, n.d., p. 1). Ordun (2015) believes that generation Y will soon become the new generation which the world will focus around. A reason for this is that Generation Y has great pleasure in spending money. Due to this, it is of particular importance that great effort is put into analyzing this generation and optimizing particular industries to meet the needs of the “soon-to-be leaders”. According to IPK International (2016) Generation Y consists of around 1.8 billion people. In the United Kingdom for example, Generation Y consists of 13.8 million people (The Guardian, 2017). They grew up in a digitalized world, which focused around them, however alongside many negative events such as school shootings and terrorist attacks like 9/11. All these influences have shaped this generation to be who they are today.

With Generation Y being three times as large as the previous Generation X, they are the largest consumption group since the Baby Boomers (Ordun, 2015). In order to understand the effects this generation is having, and will have on the economy in the future, it is helpful to have a look at some statistics. In 2013 the purchasing power of Generation Y was already estimated to be US\$170 billion per year (Honigman, 2013). Schwabel (2015) states that one fourth of the entire American population is made up of Millennials, which have US\$200 billion in yearly purchasing power. According to the World Tourism Organization (2016, p. 12), in the United Kingdom, “international students are estimated to generate around GBP 17.5 billion for the UK economy, and support almost 22,000 full time equivalent jobs outside higher education”. Therefore it is not only important to have a look at the economy of individual countries but at the economy as a whole, as Generation Y are having an increasingly large impact on consumption and spending patterns.

As stated by Benckendorff, Moscardo and Pendergast (2010, p.1), “a major shift in the balance of generational dominance is currently occurring, with the ‘Baby Boomer’ generation exiting the leadership roles in the workforce and the Y

Generation dramatically, entering, both in the workforce and as visitors". According to Weberskirch (as cited in IPK International, 2016), 150 million outbound trips were taken by Generation Y in 2015, which represents one third of the outbound trips taken by Europeans. With the number of Generation Y travelers steadily increasing, the amount of trips taken by this generation in the future will also increase.

Generation Y characteristics range from outgoing, flexible and optimistic to demanding (Kattiyapornpong, 2009), ambitious and hard to please (West Midland Family Center, n.d.). Therefore, concerning travelling and hotel visits "Gen Y can be notoriously difficult to attract, retain, motivate, and develop" (Dorsey, 2010). This generation consists of achievers who largely communicate through technological devices. They like to be given feedback, and find it natural to ask for it. Although balance is extremely important to Generation Y, they are occasionally willing to give it up. To the elders of this generation, family is extremely important (West Midland Family Center, n.d.).

Given that the characteristics of Generation Y are not identical to previous generations, knowledge and insights from previous studies which are mostly derived from responses by Generation X and Baby Boomers may not generalize to Generation Y. Due to this reason, as well as the prominent growth of Generation Y consumers in both size and impact, academic researchers have started paying larger attention to Generation Y. In Google scholar, the number of 'Generation Y' related studies is as high as 48,400. Various issues have been examined including, but not limited to "Generation Y: Thriving and surviving with generation Y at work" (Sheahan, 2005), "Cause-related marketing: How Generation Y responds" (Cui, Trent, Sullivan & Matiru, 2003) and "What students want: Generation Y and the changing function of the academic library" (Gardner & Eng, 2005). In the tourism and hospitality context, a number of studies about Generation Y travelers' behavior have also been conducted. For instance, the article written by Solnet and Hood (2008) examines the effect which the new generation of employees has on the working environment, as well as the changes in management paradigms needed to recruit, select, train and motivate Generation Y. The case study of Australian four- and five-star hotels by Davidson, Timo and Wang (2010) investigates how much labor turnover costs. Richardson (2010) examines the attitudes and perceptions of

undergraduate tourism and hospitality students in Australia towards careers in the tourism and hospitality industry. Although much effort has been conducted, to the best of the author's knowledge, Generation Y travelers' hotel selection behavior has not been explored. Particularly, the determinants affecting Generation Y travelers' hotel consideration have not been investigated in prior studies.

As Generation Y will be one of the biggest consumer segments in the future (New York Times, 2016), this study aims (1) to examine the impact of travel mode on Generation Y travelers' hotel consideration and (2) to examine the impact of reference room price on Generation Y travelers hotel consideration. These two determinants (i.e., travel mode and reference room price) are highlighted since their influence on travelers has been acknowledged in multiple studies (e.g. Song & Li, 2008; Marcussen, 2011).

2 Literature Review

2.1 Generation Y

2.1.1 Definition

Recently, vast amounts of research and discussions have been published concerning Generation Y. As stated previously, Generation Y are those born in the 1980s and early 1990s (Business Dictionary, 2016) but there is no consensus agreement on the exact beginning and end of this generation (Brosdahl & Carpenter, 2011 cited in Bolton, 2013).

Table 1 exhibits an overview of global generations, which is developed by Ordun (2015). As shown in Table 1, Generation Y is perceived differently depending on the country. Generation Y in India and the Czech Republic for example, is defined as those born in 1980 until now, whereas Generation X and Generation Y are not separated in South Korea and are born between 1970 and now. As there is no clear definition for Generation Y, it is difficult to report how many members of this generation there are. To avoid confusion in this thesis, Generation Y is defined as those born between 1979 and 1995, as defined by Kattiyapornpong (2009).

Table 1: Global generation overview (Ordun, 2015, p. 41).

Country	Defined age range of generation Y	Defined age range of generation X	Defined age range of Baby Boomers
India	1980- Now		
South Korea	1970- Now	1970- Now	
Russia	1985- now	1965-1985	1945-1965
Czech Republic	1980- Now	1965-1980	1945-1965
South Africa	1990- now	1970-1990	1945-1970
Brazil	1980- Now	1965-1980	1945-1965
United States	1981- 2000	1965-1980	1946-1964

2.1.2 Characteristics

The characteristics of Generation Y range from being optimistic yet demanding, to being able to apprehend technology on another level when compared to previous generations (Kattiyapornpong, 2009). Due to this, Generation Y is also nicknamed as the 'Digital Natives'. New behavioral attitudes are emerging as this generation has grown up into a world of digitalization with ever increasing dimensions of communication and socialization via technology (Huber and Rauch, 2013). Although there is not a lot of literature on the behavior of Generation Y concerning online booking behavior, there are vast amounts of literature discussing characteristics of this generation group. Generation Y's characteristics have not only been shaped by the extensive technological developments, but also by events such as 9/11, a general increase in terror attacks, refugee problems in 2015 (Zeit Online, 2015) and the economic recession in 2009. A general attitude pattern can be seen when it comes to Generation Y. They are extremely demanding and "[...] they 'want it all' and they 'want it now'" (Bolton, Parasuraman, Hoefnagels, Migchels, Kabadayi, Gruber, Komorova Loureiro, Solnet, 2013, p. 247). This is perhaps due to witnessing some of the above events. Generation Y lives more by the moment, which could also be a reason why they are more interested and keen to receive a good education in comparison to previous generations. Dealing with money is of importance to this generation as they "earn to spend" (West Midland Family Center, n.d., p. 4).

Open-mindedness is only one of the positive attributes Generation Y has developed. For example, there are less harsh attitudes towards homosexual marriages in more developed countries. Religion and freedom of belief are important aspects this generation is confronted with. Concerning transparency, Generation Y is also very demanding. They are expecting responsibility and like to actively take part in decision-making (Huber & Rauch, 2013). This open-minded attitude enhances the social life of this generation. Ordun (2015, p. 40) describes Generation Y to be "[...] innovative, energetic, ambitious, confident, motivated and smart". Therefore some of the core values of this generation are achievement, diversity, high tolerance, competitiveness and self-confidence (West Midland Family Center, n.d.). Generation Y was brought up in a protected way. As a result of this, they will always be more attached to their parents than other generations.

When it comes to work, Generation Y like to receive individual responsibility, through which they can be innovative and creative. Although they are group oriented, they like to be innovative and are open to new ideas. However most importantly they strive to receive appraisal by friends, family and at their work place. They are affective at fulfilling their job, however stick to the exact working times and do not like to work extra hours. Due to technology they have developed an attitude of working flexibly, anytime and anywhere. They believe that the work itself is what counts, and not how, where or when they complete it. Although long-term relationships concerning customer loyalty are not important to Generation Y as customers, they wish to achieve long- term relationships with their employers, however, under their own conditions. Being able to experience a career makes this generation feel very privileged, and grants them stability concerning their goal-oriented personality. As mentoring is of great importance to Generation Y, they may be the first generation to accept older leadership, and view this as an inspiration (West Midland Family Center, n.d.).

But, Generation Y also has some negative characteristics. They are described as “[...] lazy, irresponsible, impatient, apathetic, selfish, disrespectful and even lost” (Ordun, 2015, p. 40). The fact that Generation Y workers are very punctual concerning the time they like to work, may lead older generations to judge them as being lazy, selfish and disrespectful. By growing up alongside everything happening ‘at the click of a button’, Generation Y may be more impatient than other generations.

2.2 Behavioral differences between Generation Y and other generations

Looking at the previously mentioned global generation overview, it is evident that four main generational groups exist according to the United States’ generation definition. The first generation group is not listed on the table, however according to Ordun (2015), they were born between 1920 and 1945 and are named ‘Builders’. ‘Baby Boomers’ born between 1946 and 1964, ‘Generation X’ born between 1965 and 1980 and ‘Generation Y’ born between 1981 and 2000 are the other three

generational groups. The characteristics of these generation groups are shaped by social, political and economic influences during their teen-age years. As Jackson et al. (2011, as cited in Ordun, 2015, p. 41) stated, “These values, beliefs, expectations and behaviors remain constant throughout a generation’s lifetime”.

Humme (2010, as cited in Ordun, 2015, p. 40) states that “different generations and demographic consumer groups are exposed to: (a) different social and economic opportunities and barriers, (b) different types of technology activities, (c) different social perceptions and different community norms, and (d) different life experiences and events”. Due to these inherent differences it is comprehensible that the behavioral patterns and preferences vary across different generations.

Although described as the Sandwich Generation, Baby Boomers are described as individualistic, competitive, yet have a strong interest in self-fulfillment through personal growth. They grew up during a time of political and social conversion, witnessing the Civil Rights Movement for example (Ordun, 2015). Economic security was created by this generation through their active involvement at work, leading to great career achievements (Jackson, Stoel et al., 2011 as cited in Ordun, 2015). According to Jorgensen (2003, as cited in Ordun, 2015) Baby Boomers favor team work and enjoy group debates, are rather process oriented when working, value company commitment and loyalty and live by the rule of first having to sacrifice something in order to be successful afterwards. Due to this, they search for long-term employment.

2.2.1 Decision making process

The decision- making patterns of Generation Y in comparison with those of Baby Boomers are listed in Table 2. It states that Generation Y chooses their products on an emotional base whereas Baby Boomers tend to make more rational decisions. Generation Y is rarely loyal as they always look for the most innovative products based on feedback received from not only their friends, but well- known influential people. Baby Boomers on the other hand, are more loyal and their purchasing activity may only be influenced by experts and close friends (Parment, 2013 as cited in Ordun 2015).

Table 2: Decisional patterns of Generation Y compared with Baby Boomers (Parment, 2013 as cited in Ordun, 2015, p. 44).

	Generation Y	Baby Boomers
Many market opportunities	An opportunity and source of inspiration	Somewhat frustrating
Large supply of information	Know how to navigate	Stressful, takes time to deal with
Purchase criteria emphasis	Emotional	Rational
Main risks	Social risks	Physical and financial risks
Choice of product	Emotional	Rational
Choice of retailer	Rational	Emotional
Retailer loyalty	Low	High
Attractive products	Innovative, early adoption	Mature, late adoption
Social influence on purchase decisions	High	Limited
Source of social influence	Well- know and influential people, friends	Experts and close friends
Main role of the brand	Image, social profiling and quality	Quality

In comparison to previous generations like the Baby Boomers, Ordun (2015, p. 41) states that “Generation X is one of the most highly educated generations”. They are said to value autonomy and independence, thrive to open communication, and are rather action oriented when compared to the Baby Boomer generation. They seek to gain know how and competences needed for a particular job, but are not interested in a long-term engagement at work. They are reluctant to take on leadership roles, and believe in balancing their work and personal lives.

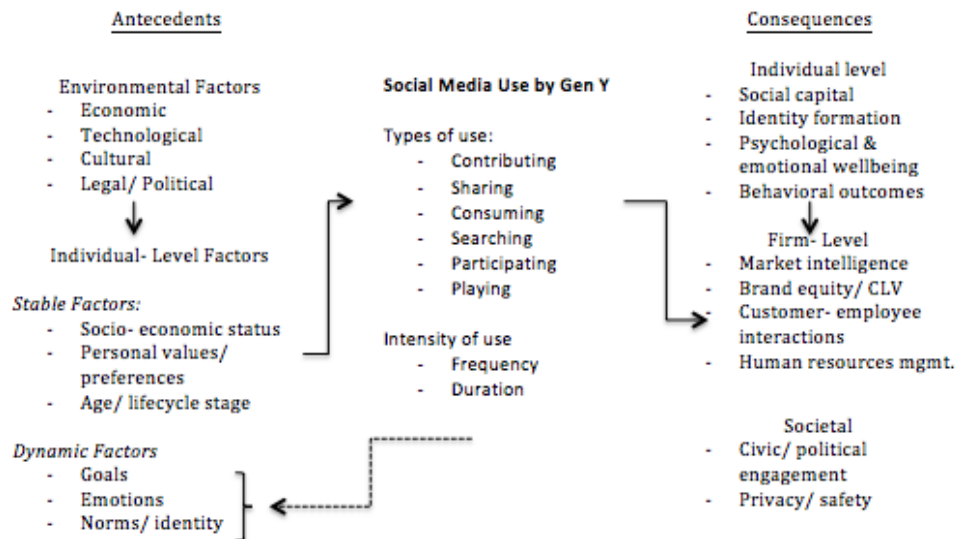
Through the analysis of these three generations, certain comparisons can be made. In the past, generations were mainly oriented around becoming prosperous and providing a comfortable life for their family. Generation Y on the other hand, is taking much longer in getting married for example, and due to this, 75% of Generation Y is still single. On top of this, technology and the Internet have made it

possible that this generation can gain access to information without having to ask someone for permission. This results in a more educated generation (Ordun, 2015). Having a work life balance and being independent is not something that has developed with this generation, but previous generations have also been striving to achieve this. As mentioned before, each generation's characteristics are shaped by the way they are brought up and the events they witness. Due to this, of course, characteristics can be compared, however the reasoning behind these characteristics cannot be compared, only analyzed.

2.2.2 Technology, Internet and Social Media use

Contributing, sharing, searching for and consuming content via the internet using recently developed technology is part of a Generation Y's day to day life (Bolton et al., 2013). The study conducted by Kattiyapornpong (2009) in Australia shows, that while only 24% of all Generation Y read heavy (7+ times in the last week) online newspapers, 41% view commercial TV between 2 hours to 4 hours per day. However these are not the only type of activities Generation Y participates in using technology. The study also shows that 21.3% of Generation Y's use the Internet to book a short trip, while only 13.6% of the generations older than Generation Y book via the Internet. This shows that while older generations also participate in media usage, they participate less than Generation Y. Therefore, as stated in Bolton et al. (2013, p. 249) "Generation Y uses social media for the same purposes as other groups: for information, leisure or entertainment [...]."

Figure 1: Antecedents and consequences of social media use by Generation Y (Bolton et al., 2013, p. 249).



Although social media use is of great importance to Generation Y, it is obvious that the use of social media by Generation Y varies depending on the country, and on cultural and technological differences. Bolton et al. (2013, p. 246) also states that “Generation Y’s social media use affects consumers’ identity formation, their expectations regarding service, formation of habits, engagement with brands and firms, participation value co- creation, brand loyalty, purchase behavior and lifetime value, and (ultimately) the value of the firm”. Environmental factors (cultural, economic and political factors) influence this generation in a direct and in an indirect way. Individual factors like personal values and preferences of use as well as age are affected by these environmental factors, and thereby shape the online presence of Generation Y.

Disposable income, employment chances and consumer confidence are all factors that can be influenced by economic factors and thereby have an effect on the use of social media in a particular country. The way, in which Generation Y has grown up, reflects their use of social media, creating a ‘digital divide’ (Castells et al., 2004 as cited in Bolton et al., 2013, p. 250), which “[...] largely mirrors inequalities on the basis of education, income, occupation, social class and neighborhood” (Zhao et al., 2008 as cited in Bolton et al., 2013, p. 250). In certain countries, Generation Y members have fewer privileges. With the percentage of Generation Y being able to

afford services such as the Internet (which allows the use of social media) being a lot lower than in more developed countries, this so-called 'digital divide' can clearly be seen. In South Africa for example, the majority of citizens own mobile phones and are therefore able to access the Internet (even in urban areas) nevertheless 23% do not have the luxury of owning a mobile device. Due to this, they must find other ways to access the Internet such as a shared ownership of a device or paying per use, if they wish to have a social media account (Donner, 2008; Kreutzer, 2009 as cited in Bolton et al., 2013).

Social inclusion and belonging to a particular peer group are vital factors, which this generation aims to achieve, many with the help of social media (Huber & Rauch, 2013). When comparing the generations, 75% of Generation Y has created and/or owns a social media account while only 50% of Generation X and 30% of Baby Boomers are familiar with social media (Ordun, 2015).

2.2.3 What we don't know about Generation Y

There is a lot left to learn about Generation Y, perhaps through future research. It is still somewhat unclear what influences certain types of social media usage (shown in Figure 1), if there are differences between subgroups of Generation Y and whether they influence individual social media use. Due to this, it is difficult to compare Generation Y's behavior with previous generation groups (Bolton et al., 2013). As Generation Y has only reached the beginning of their 30's, it is not possible to compare them to other generations concerning pension predictions, retirement and general behavior that comes with ageing. Predictions concerning family, the average amount of children Generation Y has and so on are also only partly correct. This is due to the fact that most of Generation Y is only just reaching the age where they start thinking about creating a family. Finally, information concerning online behavior and behavior connected to the use of social media is also difficult to evaluate as not a lot of research is existent at this point in time. Nevertheless, as this generation is currently becoming the most important generation, the amount of research done concerning behavior, will increase rapidly during the next few years (Ordun, 2015).

2.3 Factors Influencing Hotel Consumers' Consideration

When travelling, travelers can be influenced by many different factors. Especially when it comes to the hotel selection, it is difficult to meet everyone's needs. Nevertheless, marketers analyze the individual generation groups in order to get a better picture of what they look for when booking a flight, hotel or holiday in general (Kattiyapornpong, 2006). Older generations were segmented by factors such as age however, when looking at Generation Y, this is not enough. Although there have been some studies concerning the online purchasing behavior of Generation Y, "The characteristics and travel attitudes and behavior of Generation Y tourists are not specifically addressed" (Kattiyapornpong, 2009, p. 2).

2.3.1 Travel Mode

When travelling, the travel mode can have an impact on hotel selection and holiday planning. If someone is travelling alone, they may either be more cautious when planning a journey and reserving the accommodation, or they will be less demanding when it comes to the hotel selection and the journey taken to get to their final destination. Mostly, they will travel using their own budget, and can entirely focus on themselves.

Concerning booking behavior of Generation Y in general, Table 3 shows that the majority of European Generation Y travellers like to stay at 3-4 star hotels. 9% of both European Generation Y and other Europeans stay at five star hotels and only 3% stay at 1-2 star hotels. Generation Y travellers do not differentiate themselves from other generations when it comes to travel patterns (which can also be seen on Table 3). "The main difference was in spending with European Millennials [= Generation Y] spending less on outbound travel than older travellers. However, as the younger generation, this would be expected due to their lower income levels" (Weberskirch as cited in IPK International, 2016, p. 26).

Table 3: Type of accommodation- European outbound travel (IPK International, 2016).

	Generation Y (in Europe)	Total Europe
Hotel	54%	57%
5 * Hotel	9%	9%

4 * Hotel	23%	26%
3 * Hotel	19%	19%
1-2 * Hotel	3%	3%
Other Accommodation paid for	26%	24%
Other Accommodation not paid for	18%	16%
Others	2%	2%

2.3.2 Travel Party Size

When travelling as a group and deciding on the accommodation, there are more factors, which have to be taken into account since more parties are involved. The more travelers the group consists of, the more needs and wants have to be satisfied during the hotel selection process. Of course, if the travelers are of the same age group or same generation, many similarities can be found. However, “Being within the same age group does not mean that they are homogenous who have the same preferences” (Kattiyapornpong, 2009, p. 2). While travelling in small groups has always been popular, not only an increase of group travels has been reported, but also an increase in the size of groups. Groups consisting of around ten people, often including a tour guide have increased by 9%. However, when it comes to the group bookings made online, this will always prove to be a challenge concerning planning and payments. When looking at how bookings are made in general, it can be seen that booking via a desktop computer is still the leading channel. Although mobiles are used to search for holidays, out of the 65% of people doing this, only 20% book via mobile (Student Universe, 2017).

2.3.3 Holiday Type

When referring to Table 4, it is evident that 38.3% of Generation Y prefer to take a short break to escape the grind when compared to taking a family holiday for example, which only 9.7% of Generation Y prefer doing. When comparing Generation Y to older generations, not so much of a difference can be seen. Nevertheless, the generations do differentiate when it comes to taking part in a holiday in a vibrant, stylish, cosmopolitan place. 9.3% of Generation Y would take part in such a holiday, however only 4.3% of the older generations would. A reason for this could be that Generation Y is keen to experience as much as possible, whereas older generations prefer to travel to more peaceful, remote destinations.

Also, according to Student Universe (2017), “[...] students are generally more resilient in the face of terror attacks, political uncertainty and health scares (such as Zika)”.

Table 4: Types of holiday of Generation Y in Australia (Kattiyapornpong, 2009, p. 4).

Holiday Type	Generation Y	Older than Generation Y
Vibrant, Stylish, Cosmopolitan holiday	9.5%	4.3%
Road-trip: exploring things at ones own pace	12.0%	14.0%
Family Holiday	9.7%	11.8%
Active Holiday	5.1%	2.2%
Outdoor Activity Holiday	9.5%	8.5%
Short break to escape the grind	38.3%	33.7%

2.3.4 Price of Journey/ Accommodation/ Ease of Booking

Money plays a huge role in the life of Generation Y. When booking a holiday or journey to go somewhere, a fundamental criteria for booking is the price, for 90% younger Generation Y members. Enforcing simple economy flights without seat selection, cancellation policies and overall reduced services, such as United and American Airlines have done, was a great solution to target low- budget travelers, meaning Generation Y, to travel for less. However, booking flights with stopovers can also decrease spending. 65% of younger Generation Y members would use this technique to reduce their spending, even though it would make their journey less convenient and comfortable. Nevertheless, when it comes to booking a holiday via OTAs, Generation Y need convenience. For this generation it is extremely important to be able to book flights, a hotel and everything else needed for their holiday in one go, ideally using the same website. This is why more and more online websites are beginning to not only offer flights or hotels, but a mix of both. (Student Universe, 2017).

3 Research Methodology

In order to find out whether travel mode and reference room price have any influence on Generation Y travelers’ hotel consideration, an online survey with different sections was conducted.

3.1 Research Stimuli

In order to picture the situation more clearly, six scenarios were created:

- **Scenario 1:** the participant is travelling alone and received high reference price level information concerning the hotel room price per night.
- **Scenario 2:** the participant is travelling alone and received medium reference price level information concerning the hotel room price per night.
- **Scenario 3:** the participant is travelling alone and received low reference price level information concerning the hotel room price per night.
- **Scenario 4:** the participant is travelling with a friend and received high reference price level information concerning the hotel room price per night.
- **Scenario 5:** the participant is travelling with a friend and received medium reference price level information concerning the hotel room price per night.
- **Scenario 6:** the participant is travelling with a friend and received low reference price level information concerning the hotel room price per night.

The three price levels are determined based on the results of a pilot survey with 20 members of Generation Y. In brief, the respondents were given the scenario: ‘Imagine you are planning to take a trip to Adelaide (Australia) to celebrate Easter in the coming April 2017, and were to book a room in an independent hotel (at a 3-star level)’, and being asked to list what they believe to be a high, medium and low average room price per night according to the given situation (see Appendix 10).

Table 5: Pilot survey results of 20 Generation Y members.

Participant	High room price/ night (Euro)	Medium room price/ night (Euro)	Low room price/ night (Euro)
1	80	60	30
2	100	65	45
3	80	45	20
4	300	150	70

5	80	50	30
6	130	80	60
7	160	80	40
8	100	75	50
9	300	200	100
10	100	70	55
11	70	50	30
12	160	120	100
13	250	190	120
14	120	70	30
15	200	80	45
16	140	85	40
17	155	100	50
18	100	60	45
19	120	70	55
20	125	75	70
Average	143,5	88,75	54,25

The results of this pilot survey are listed in Table 5, and the individual averages of the high, medium and low room price per night are calculated at the bottom of the table. In order to simplify the experiment, these averages were rounded to an integer:

- High room price / night: 145 Euro
- Medium room price/ night: 90 Euro
- Low room price/ night: 55 Euro

3.2 Experimental Design

The online survey conducted, consists of three main sections. The first section displays a total of six different hypothetical scenarios, where each participant is presented with one scenario only (to view a sample scenario, see Appendix 1). After being given their scenario, the participants are asked to indicate the maximum amount of money that they would pay for staying at a hotel for one night (see Appendix 2).

The second section consists of presenting all participants with the same screenshot of tripadvisor.com of a hotel's information (see Appendix 3). The hotel 'Adelaide Rockford' in Australia was chosen at random since the likelihood of one of the

participants having been there or knowing of it is very low. The participants were then asked how likely they would consider this hotel based on the previously viewed screenshot (7= very likely, 1= very unlikely) and what the maximum amount that they would pay for a night at this hotel would be (see Appendix 4). The next step consisted of presenting the participants with a maximum of 20 real user generated reviews, which were extracted from tripadvisor.com (see Appendix 5). After viewing the first review, respondents had the option (A) of either clicking on a button, which took them to the next review, or option (B), which consisted of a second button, which said 'I have seen enough reviews'. If participants chose (A), they were taken to another review and so on, whereas participants who chose (B) were taken to another set of questions. They were asked to answer four questions: How likely they are going to consider this particular hotel on a scale of 7= very unlikely and 1= very likely, what the maximum amount they would pay for a night at this hotel would be, how likely they would reserve a room at this hotel via tripadvisor.com and how likely they would reserve a room at this hotel using another channel, all based on the same scale mentioned above: 7= very unlikely, 1= very likely (see Appendix 6).

Next, respondents were asked to complete a manipulation check by answering three questions about the previously presented scenario. They were asked whether they were travelling alone or with a friend (based on the information they received in the scenario they received at the beginning of the survey), whether the reference price per room per night shown was categorized as a low, medium or high price level as well as how many stars the hotel has that they are looking to book (see Appendix 7).

Finally, the participants were asked to state their gender, nationality, how often they read reviews online (rating this on a scale of never, sometimes, often and always) and how often they book using an online platform like tripadvisor.com (rating this on a scale of never, sometimes, often and always - see Appendix 8).

3.3 Data Collection

As there are three different price levels (high, medium, low), two different travel party sizes (big, small), and 30 respondents are required per scenario, a total of 180 respondents are needed in order to collect enough data for each of the variables. The target respondents for the survey experiment were Generation Y travelers. They

were selected using the convenience sampling method (by approaching social circles). In order to ensure participants were qualified to take the survey (i.e. are part of Generation Y) they were required to tick a box at the beginning of the survey stating that they are (a) between the age of 21 and 37 or (b) not between the age of 21 and 37 (see Appendix 11)

The survey was distributed to target respondents via an online link. They were messaged individually on Facebook, were given the link and were asked to fill in the questions. In total, 149 responses were received.

3.4 Data Analysis

The descriptive analysis was used to find out the demographic profile of the Generation Y travelers, who took part in the online survey. Only surveys where all questions were filled out completely and with consent were included in the analysis. Overall a total of 132 valid responses were received from the online survey. With this in mind, the following four demographic related questions were asked at the end of the survey (also stated in 3.1):

- Gender
- Nationality
- Frequency of booking a hotel online
- Frequency of reading reviews online

In order to better understand the main/interactive impact the two-way ANOVA test was used to test the three dependent variables- the likeliness of choosing the hotel, the price and the number of reviews read. The results state the individual/ main impact of travel mode and price, as well as the collective/ interactive impact.

4 Research findings

4.1 Demographic profile

4.1.1 Gender

Table 6 shows that 32.6% (n = 43) of the 132 valid survey respondents are male and 67.4% (n = 89) of all respondents are female.

Table 6: Gender of survey participants.

	Frequency	Percent	Valid Percent
Male	43	32.6	32.6
Female	89	67.4	67.4
Total	132	100.0	100.0

4.1.2 Nationality

Overall 22 different nationalities participated in the survey, 54.5% (n = 72) of them being Austrian. Also amongst the countries with the most participants were Germany (n = 11, 8.3%), Spain (n = 7, 5.3%) and the United Kingdom (n = 10, 7.6%).

Table 7: Nationality of valid survey respondents.

	Frequency	Percent
Austria	72	54.5
Germany	11	8.3
The United Kingdom	10	7.6
Spain	7	5.3
Mexico	4	3.0
Japan	3	2.3
Greece	2	1.5
Hong Kong	2	1.5
Croatia	2	1.5
Italy	2	1.6

Poland	2	1.5
Ukraine	2	1.5
Slovenia	2	1.5
Slovakia	2	1.5
Norway	1	.8
Korea	1	.8
The United States	1	.8
Sweden	1	.8
Thailand	1	.8
Korea	1	.8
Hungary	1	.8
Bosnia	1	.8
Total	132	100.0

4.1.3 Frequency of booking a hotel online

From the results obtained in Table 8 it can be seen that 34.1% (n = 45) of all survey participants often book a hotel online whereas 2.3% (n = 3) never book a hotel online. The amount of people sometimes booking a hotel online and always booking a hotel online is the same, which is 31.8% (n = 42).

Table 8: The frequency of valid survey respondents booking a hotel online.

	Frequency	Percent
Never	3	2.3
Sometimes	42	31.8
Often	45	34.1
Always	42	31.8
Total	132	100.0

4.1.4 Frequency of reading reviews online

Concerning the frequency of reading online reviews, the table below shows that 45.5% (n = 60) of respondents always read reviews online, 29.5% (n = 39) often read reviews online and only 4.5% (n = 6) never read reviews online. This highlights the importance of reading online reviews to the participants.

Table 9: The frequency of survey respondents reading reviews online.

	Frequency	Percent
Never	6	4.5
Sometimes	27	20.5
Often	39	29.5
Always	60	45.5
Total	132	100.0

4.2 Likeliness

4.2.1 Likeliness of booking the hotel after reading the scenario, hotel profile and the reviews

The two-way ANOVA results show that travel mode and reference room price are not key factors affecting one's likeliness to stay in the reviewed hotel because the significance values are larger than 0.05 (Price: 0.202; Mode: 7.87; Collective impact of the two variables: 0.355).

Table 10: Likeliness of booking the hotel after reading the scenario, hotel profile and the reviews.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	8.239 ^a	5	1.648	1.084	.372
Intercept	3842.504	1	3842.504	2528.480	.000
SCENE_Price	4.924	2	2.462	1.620	.202
SCENE_Mode	.111	1	.111	.073	.787
SCENE_Price * SCENE_Mode	3.171	2	1.585	1.043	.355
Error	191.481	126	1.520		
Total	4051.000	132			
Corrected Total	199.720	131			

The mean total values of low-priced, mid-priced and high-priced are very similar (low-priced: 5.53, mid-priced: 5.13, high-priced: 5.55), which is why the test indicated that price and travel mode are not a significant factors affecting how people rate the likeliness of staying at the hotel after having read the reviews.

Table 11: Descriptive statistics for the likeliness of booking the hotel after reading the scenario, hotel profile and the reviews.

Reference price	Travel model	Mean	SD	N
Low-priced	Travel alone	5.43	1.121	23
	Travel with friends	5.64	1.002	22
	Total	5.53	1.057	45
Mid-priced	Travel alone	4.95	1.527	22
	Travel with friends	5.30	1.663	23
	Total	5.13	1.590	45
High-priced	Travel alone	5.73	.703	22
	Travel with friends	5.35	1.089	20
	Total	5.55	.916	42
Total	Travel alone	5.37	1.191	67
	Travel with friends	5.43	1.287	65
	Total	5.40	1.235	132

4.2.2 Likeliness of booking the hotel via Trip Advisor after reading the scenario, hotel profile and the reviews

Regarding the impact of the manipulated variables on respondents' likeliness of booking the hotel via tripadvisor.com, alike the findings in 4.2.1, the significance values of the two-way ANOVA test (including the main impact of price, the main impact of travel mode and the interactive impact of the two) are insignificant as their values are above 0.05, as shown in Table 12 below. This means that price and travel mode have no impact on the likeliness of booking the hotel via tripadvisor.com, after having read numerous reviews about it.

Table 12: Likeliness of the survey participants booking the hotel via Trip Advisor after reading the scenario, hotel profile and the reviews.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	16.067 ^a	5	3.213	1.188	.319
Intercept	2975.665	1	2975.665	1100.534	.000
SCENE_Price	11.690	2	5.845	2.162	.119
SCENE_Mode	.240	1	.240	.089	.766

SCENE_Price * SCENE_Mode	3.866	2	1.933	.715	.491
Error	340.683	126	2.704		
Total	3335.000	132			
Corrected Total	356.750	131			

The descriptive statistics in Table 13 below show that although the results of the test were insignificant. The majority of participants answered the question of whether they would book the hotel through Trip Advisor, after having read the reviews with “undecided”. Participants had a choice of 7 different answers (very likely, likely, somewhat likely, undecided, somewhat unlikely, unlikely and very unlikely), where unlikely was placed fourth. When looking at the total mean for the low-priced hotel accommodation, which is 4.40 and for the mid-priced 4.73 it can be seen that most participants tend to choose a positive rating (rating towards 7) rather than choosing a more negative rating (towards 1), which may be an explanation to why the mean score of 4 was chosen. The mean of the high-priced hotel is 5.14 meaning most participants chose the answer “somewhat unlikely”. A reason for this could be that the scenario did not necessarily help them to decide whether they would like to stay at this hotel or not.

Table 13: Descriptive statistics for the likeliness of the survey participants booking the hotel via Trip Advisor after reading the scenario, hotel profile and the reviews.

Reference price	Travel model	Mean	SD	N
Low-priced	Travel alone	4.48	1.201	23
	Travel with friends	4.32	2.297	22
	Total	4.40	1.802	45
Mid-priced	Travel alone	4.55	2.176	22
	Travel with friends	4.91	1.345	23
	Total	4.73	1.789	45
High-priced	Travel alone	5.36	1.002	22
	Travel with friends	4.90	1.410	20
	Total	5.14	1.221	42
Total	Travel alone	4.79	1.572	67
	Travel with friends	4.71	1.739	65
	Total	4.75	1.650	132

4.2.3 Likelihood of booking the hotel via a different booking platform after reading the scenario, hotel profile and the reviews

The results of the testing of whether survey respondents are likely to book the given hotel via a different platform have shown to be insignificant. Both price and travel mode have a significant value higher than 0.05. With a value of 0.815, the interactive impact of both price and travel mode is also insignificant.

Table 14: Likelihood of survey participants booking the hotel via a different platform after reading the scenario, hotel profile and the reviews.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	13.399 ^a	5	2.680	1.430	.218
Intercept	3122.522	1	3122.522	1666.074	.000
SCENE_Price	9.010	2	4.505	2.404	.095
SCENE_Mode	3.927	1	3.927	2.095	.150
SCENE_Price * SCENE_Mode	.767	2	.384	.205	.815
Error	236.147	126	1.874		
Total	3372.000	132			
Corrected Total	249.545	131			

As during previous tests, the results of the descriptive statistics of the likelihood of booking the given hotel via a different booking platform are also leaning more towards the negative side. With a mean value of 4.53 for the mid-priced hotel room, and a value of 4.90 for the high-priced hotel room, it can be seen that again participants chose the answer “4. Undecided”. Concerning the low-priced hotel room, most respondents answered the question with “5. Somewhat unlikely”.

Table 15: Descriptive statistics of the likelihood of survey participants booking the hotel via a different platform after reading the scenario, hotel profile and reviews.

Reference price	Travel model	Mean	SD	N
Low-priced	Travel alone	5.04	1.331	23
	Travel with friends	5.27	1.420	22
	Total	5.16	1.364	45
Mid-priced	Travel alone	4.41	1.563	22
	Travel with friends	4.65	1.229	23
	Total	4.53	1.392	45
High-priced	Travel alone	4.64	1.620	22

	Travel with friends	5.20	.894	20
	Total	4.90	1.340	42
Total	Travel alone	4.70	1.508	67
	Travel with friends	5.03	1.224	65
	Total	4.86	1.380	132

4.2.4 Likeliness to stay (after reading the scenario) vs. likeliness to stay (after reading the reviews)

Table 16 shows a mean of 4.55 (n = 132) for the likeliness of staying at the hotel after having read the scenario, and a mean of 5.40 (n =132) for the likeliness of staying at the hotel after having read the reviews. Due to this it can be concluded that participants are more likely to choose the hotel after being exposed to consumer generated reviews. In other words, they are more likely to choose the hotel after having read the reviews than after having read just the scenario.

Table 16: Paired sample statics of the likeliness to stay (after reading the scenario) vs. the likeliness to stay (after reading the reviews).

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 After reading scenario - Likeliness	4.55	132	1.520	.132
After reading reviews - Likeliness to stay in this hotel	5.40	132	1.235	.107

The paired samples test listed in Table 17 shows that the significant 2- tailed value of the test is lower than 0.05 with a value of 0.000. This again denotes, that the respondents are more likely to choose the given hotel after being exposed to the consumer generated review. The negative correlation coefficient of -0.658 shows that there is a strong negative correlation.

Table 17: Paired samples test of the likeliness to stay (after reading the scenario) vs. the likeliness to stay (after reading the reviews).

		Paired Differences			
		95% Confidence Interval of the Difference			
		Upper	t	df	Sig. (2-tailed)
Pair 1	After reading scenario - Likeliness - After reading reviews - Likeliness to stay in this hotel	-.658	-8.794	131	.000

4.3 Price

4.3.1 Price after reading the scenario

The results show that after having read the scenario, price and travel mode have a significant impact due to a significant value of 0.000. A possible explanation for the significance in travel mode could be, that when people travel alone, they like to treat themselves better and therefore are willing to spend more money on their accommodation when compared to travelling with friends. On the other hand, when people do not have enough experience in making certain decisions, they tend to trust the information they are given/ provided with and follow the norm. Therefore, when the high-level reference price was shown in the survey, participants were more willing to pay a higher price. In contrast, when a low-level price was shown, they were more likely to rate the reference room price lower.

Table 18: Price the survey participants would pay per night per room after reading the scenario.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	44797.533 ^a	5	8959.507	16.927	.000
Intercept	908573.489	1	908573.489	1716.519	.000
SCENE_Price	26714.449	2	13357.225	25.235	.000
SCENE_Mode	17073.321	1	17073.321	32.256	.000
SCENE_Price * SCENE_Mode	860.573	2	430.286	.813	.446
Error	66693.278	126	529.312		
Total	1020009.000	132			
Corrected Total	111490.811	131			

The descriptive statistics table (Table 19) shows that, overall an average of 94.18 Euros (meaning the price they would pay for the hotel) were indicated by participants travelling alone after reading the scenario and a total of 71.40 Euros (meaning the price they would pay for the hotel) by participants travelling with friends. These results go hand in hand with the results mentioned underneath the previous table- people who are travelling alone, are willing to spend more money compared to when they are travelling in a group.

Table 19: Descriptive statistics of the price the survey participants would pay per night per room after reading the scenario.

Reference price	Travel model	Mean	SD	N
Low-priced	Travel alone	76.96	20.171	23
	Travel with friends	50.55	16.730	22
	Total	64.04	22.700	45
Mid-priced	Travel alone	95.50	23.460	22
	Travel with friends	79.91	16.599	23
	Total	87.53	21.506	45
High-priced	Travel alone	110.86	27.499	22
	Travel with friends	84.55	31.090	20
	Total	98.33	31.815	42
Total	Travel alone	94.18	27.351	67
	Travel with friends	71.40	26.516	65
	Total	82.96	29.173	132

4.3.2 Price after reading the hotel profile

The results show that price (having a significant value of 0.000) and travel mode (also with a significant value of 0.000) are both crucial factors for survey respondents when it comes to booking a hotel accommodation. The interactive impact on the other hand, is insignificant with a value of 0.708. A possible explanation for this could be that customers only draw a final conclusion about the hotel after having viewed the profile. The initial information, pictures and comments, which are displayed on the profile, allow customers to decide whether and if, how much, they would like to pay for a room at the given hotel.

Table 20: Price the survey participants would pay per night per room after reading the hotel profile.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	32032.002 ^a	5	6406.400	8.227	.000
Intercept	1022295.583	1	1022295.583	1312.795	.000
SCENE_Price	20862.960	2	10431.480	13.396	.000
SCENE_Mode	10352.805	1	10352.805	13.295	.000
SCENE_Price * SCENE_Mode	539.832	2	269.916	.347	.708
Error	98118.331	126	778.717		
Total	1148490.000	132			
Corrected Total	130150.333	131			

The price level continues to be significant after having read the hotel profile. This shows that the confidence level of the participant's increases concerning the hotel and the price they would pay for the hotel.

Table 21 shows that participants travelling alone would pay more after having read the hotel profile. On average, these respondents would pay 96.73 Euros per night per room, whereas participants travelling with friends would pay an average of 78.66 Euros.

Table 21: Descriptive statistics for the price the survey participants would pay per night per room after reading the hotel profile.

Reference price	Travel model	Mean	SD	N
Low-priced	Travel alone	81.30	30.976	23
	Travel with friends	63.27	25.883	22
	Total	72.49	29.708	45
Mid-priced	Travel alone	100.05	31.515	22
	Travel with friends	77.48	25.330	23
	Total	88.51	30.414	45
High-priced	Travel alone	109.55	14.589	22
	Travel with friends	96.95	35.168	20
	Total	103.55	26.883	42
Total	Travel alone	96.73	29.067	67
	Travel with friends	78.66	31.527	65
	Total	87.83	31.520	132

4.3.3 Price (after reading the scenario) vs. price (after reading the hotel profile)

Table 22 shows a mean of 82.96 (n = 132) for the price after reading the scenario and a mean of 87.83 (n = 132) for the price after reading the hotel profile. This indicates that participants are willing to spend more money on the hotel after having read the hotel profile. The hotel profile not only provides them with more information than the scenario, but they are also able to see a picture of the hotel (which may have great influence on some participants as well).

Table 22: Paired samples statistics for the price (after reading the scenario) vs. the price (after reading the hotel profile).

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 After reading scenario - Price	82.96	132	29.173	2.539
After reading hotel profile - Price	87.83	132	31.520	2.743

Table 23 shows the paired samples test for the price respondents would pay for the hotel after reading the scenario, compared to the price they would pay after having read the hotel profile. The significant 2-tailed value is 0.055 meaning the results are significant and respondents would pay more for the hotel (per room per night) after having read not only the scenario, but the hotel profile too.

Table 23: Paired samples test for the price (after reading the scenario) vs. the price (after reading the hotel profile).

		Paired Differences			
		95% Confidence Interval of the Difference			
		Upper	t	df	Sig. (2-tailed)
Pair 1	After reading scenario - Price - After reading hotel profile - Price	.107	-1.936	131	.055

4.3.4 Price (after reading the hotel profile) vs. price (after reading the reviews)

When looking at Table 24, it can be seen that with mean values of 87.83 (n =132) and 88.33 (n = 132), the price indicated by participants is only slightly lower after having read the hotel profile when compared to the price indicated after having read the reviews.

Table 24: Paired sample statistics for the price (after reading the hotel profile) vs. the price (after reading the reviews).

Mean	N	Std. Deviation	Std. Error Mean

Pair 1	After reading hotel profile - Price	87.83	132	31.520	2.743
	After reading reviews - Price	88.33	132	32.472	2.826

The paired samples test results listed in Table 25 are insignificant with a 2-tailed significant value of 0.771. This shows that reading reviews after having read the hotel profile does not have an effect on the price per night the survey participants would pay for the hotel.

Table 25: Paired samples test for the price (after reading the hotel profile) vs. the price (after reading the reviews).

		Paired Differences			
		95% Confidence Interval of the Difference			
		Upper	t	df	Sig. (2-tailed)
Pair 1	After reading hotel profile - Price - After reading reviews - Price	2.895	-.291	131	.771

4.3.5 Price (after reading the scenario) vs. price (after reading the reviews)

The paired samples statistics (Table 26) shows a mean of 82.96 (n =132) for the price after reading the scenario, and a mean of 88.33 (n =132) for the price after reading reviews. Again, these results show that the more information the participants receive about the hotel, the more money they are willing to spend as their confidence concerning the hotel increases.

Table 26: Paired sample statics for the price (After reading the scenario) vs. the price (after reading the reviews).

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 After reading scenario - Price	82.96	132	29.173	2.539
After reading reviews - Price	88.33	132	32.472	2.826

With a 2- tailed significant value of 0.044, it can be seen that there is a statistically significant difference between the price after reading the scenario when compared to the price after reading the reviews.

Table 27: Paired samples test for the price (after reading the scenario) vs. the price (after reading the reviews).

		Paired Differences			
		95% Confidence Interval of the Difference			
		Upper	t	df	Sig. (2-tailed)
Pair 1	After reading scenario - Price - After reading reviews - Price	-.153	-2.036	131	.044

4.4 Number of Reviews

With a significance level of 0.005, the price level of the hotel per room per night has an impact on the amount of reviews read. Travel mode on the other hand is insignificant with a value of 0.591. Also, there is no collective impact between the two variables, as the significance value of 0.905 is above 0.05.

Table 28: The number of reviews read per participant.

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	73.526 ^a	5	14.705	2.259	.052
Intercept	1921.780	1	1921.780	295.250	.000
SCENE_Price	70.808	2	35.404	5.439	.005
SCENE_Mode	1.885	1	1.885	.290	.591
SCENE_Price * SCENE_Mode	1.297	2	.648	.100	.905
Error	820.133	126	6.509		
Total	2841.000	132			
Corrected Total	893.659	131			

The descriptive statistics show, that an average of 2.86 (n =42) reviews were read by participants which received the high-priced scenario, followed by 3.96 (n = 45) reviews which were read by participants of the low-priced scenario. The mid-priced scenario participants read an average of 4.64 (n = 45) reviews, which is the highest amount of reviews read out of all three price groups. This result is rather unexpected. Logically, one would think that participants, who are spending the most money, would read the most reviews.

Table 29: Descriptive statistics of the number of reviews read per participant.

Reference price	Travel model	Mean	SD	N
Low-priced	Travel alone	4.00	1.567	23
	Travel with friends	3.91	2.810	22
	Total	3.96	2.236	45
Mid-priced	Travel alone	4.91	2.844	22
	Travel with friends	4.39	3.627	23
	Total	4.64	3.241	45
High-priced	Travel alone	2.91	1.797	22
	Travel with friends	2.80	1.963	20
	Total	2.86	1.855	42
Total	Travel alone	3.94	2.256	67

Travel with friends	3.74	2.949	65
Total	3.84	2.612	132

5 Conclusion

5.1 Summary

This thesis aims at analyzing Generation Y travelers by investigating the impact of travel mode and reference room price on their hotel consideration. From the literature review it can be seen that Generation Y is a very complex generation with many behavioral differences. Generation Y will soon become the largest consumption group, which is why it is important to focus on their behavior. Especially in the tourism sector, individualization and personalization of journeys and experiences for example is becoming more and more important, so knowing as much as possible about this upcoming generation will be very beneficial in the long run.

Although the global generation overview (Ordun, 2015, p. 41) in Table 1 consists of many definitions for Generation Y (depending on the country), for the purpose of research and ease of understanding this thesis, Generation Y is given one definition only. Generation Y is not defined broadly as done by the Business Dictionary (2016), but is defined as those born between 1979 and 1995, meaning those aged between 21 and 37 at this point in time.

When compared to other previous generations, generational differences can be seen. Differences in characteristics for example can also be seen within Generation Y itself depending on which country the person is from. There is still a lot left to learn about Generation Y and there are many things yet still to be discovered. For example, as the oldest members of Generation Y are currently only in their thirties, the generation can only be analyzed up to this point. Behaviors of elderly Generation Y's, pension patterns as well as family predictions are not very accurate at this point in time.

Analyzing some of Generation Y's behavior and habits is difficult, which is maybe why there is not as much literature when compared to the literature, which investigates the behavior of previous generations. However, what can be said about this generation is that they are more technologically advanced than any other generation has ever been before, keen to learn and not shy to delegate others.

The literature review of this thesis focused on 4 main factors influencing hotel consumers' consideration (Travel Mode, Travel Party Size, Holiday Type and Price of Journey/ Accommodation/ Ease of Booking). With the help of an online survey, the researcher was able to find out whether travel mode and reference room price have any influence on Generation Y travelers' hotel consideration. In total 132 valid responses were received (32.6% male, 67.8% female) which showed the following trends.

Growing up next to the current development of technology has made this Generation dependent on ICT's such as the Internet. Information transparency and reading reviews about previous experiences has become an important aspect for Generation Y which can be seen as 45.5% of survey participants, always read customer reviews. 34.1% of these participants then go on to booking a hotel online.

In the present study, it was found that both price and travel mode are crucial factors for survey respondents when it comes to their hotel consideration/ booking a hotel accommodation. This can be seen by the highly significant results ($\text{sig} = 0.000$). With a significance value of 0.798, the interactive impact of these two variables has however proven to be non-significant. Concerning the number of reviews read per respondent before considering the hotel, it was found that the price (with a significance level of 0.005) has an impact on the amount of reviews read. Travel mode on the other hand was again non-significant with a value of 0.591. The descriptive statistics show that the most reviews (on average 4.64 per person) were read by participants, who received a mid-price scenario, and in fact participants who received a high-price scenario read the least amount of reviews (on average 2.86 per person), which was rather unexpected. The more information the traveler receives about the hotel, the more money he/she is willing to spend on the hotel per room per night, as a result of a confidence increase concerning the given hotel.

5.2 Limitations

The survey experiment conducted in the current study has two main limitations. Only 132 valid survey responses were received, which is lower than the number of

valid responses required for this experiment. Due to this, some of the tests are insignificant. With the small amount of valid responses received, it is difficult to generalize the result to the whole Generation Y (consisting of 1.8 billion members (IPK International, 2016)). In order to improve this in the future, it is necessary not only to extend the amount of respondents, but also to diversify their cultural mix (now most are from Austria and other parts of Europe).

The survey was conducted in the online space meaning the participants can't be monitored whether they the questions carefully, and answer them truthfully. However if the survey would be conducted in a laboratory or natural setting (OTA) the results could be very different.

5.3 Recommendations

This study shows, that travel mode and reference room price are significant factors influencing booking behavior of Generation Y, however act independent of each other.

As this experiment has a small sample size of 132 participants, the results can be understood as a trend. In order to be able to generalize these findings, they should be confirmed in a study using an expanded sample size.

As previously mentioned, most of the surveys were answered by those living in European countries. It would be preferable to include more nationalities from other continents in order to be able to properly generalize the results to all the people of Generation Y.

67.8% of the valid survey respondents were female. This could have caused the results to be biased. In order to avoid this when conducting experiments in the future, it would be of importance that the amount of valid responses are equally split between male and female survey participants.

The scenario at the beginning of the survey states that participants should imagine themselves planning a trip to Adelaide, Australia. This is quite a remote city to most of the target respondents. Therefore, if the city was changed to a closer (perhaps even European) one, the results may be different, as participants are more able to relate to the scenario given. It would also be advisable to create different scenarios

using hotels in different geographical regions in order to investigate the difference between intercontinental, continental and regional hotel consideration.

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7 Appendices

Appendix 1

Task 1 Scenario

Please take a look at the scenario of this task:

- Imagine that you are planning to visit Adelaide (Australia) **with a friend** in the coming summer (June 2017)
- You are looking for a **3-star hotel**, and the averaged room price is approximately **EUR145** according to the information from friends of the same age

Appendix 2

Based on the abovementioned scenario, what is the **maximum amount of money (in EURO)** you would pay for staying in a chosen hotel for one night?

0 20 40 60 80 100 120 140 160 180 200

Maximum amount of money (in EURO) you would pay is:



Survey Completion



Appendix 3

Task 2 Hotel profile

To identify an appropriate hotel for your upcoming trip, you visit a number of hotel, online travel agencies and other travel-related websites. At one point, you visit TripAdvisor.com and see a hotel's profile - which is shown in the next page.

South Pacific > Australia > South Australia > Greater Adelaide > Adelaide > Adelaide Hotels

Adelaide Rockford

864 reviews | #19 of 59 Hotels in Adelaide

164 Hindley St, Adelaide, South Australia 5000, Australia (Formerly Quality Hotel) | Hotel amenities

03/12/2017

03/18/2017

1 room

2 adults

0 children

Great Deal

tripadvisor with agoda

€119*

Book Now >

Booking.com

€126*

View Deal >

*Disclaimer: Prices above are the average nightly price prov...

★★★★★

Mid-range

Pool

Overview

Rooms & Rates

Reviews (864)

Photos (324)

Location

Amenities

Appendix 4

Based on the hotel's profile shown above, how **likely** are you going to **consider staying in this hotel** for your upcoming trip?

- Very likely
- Likely
- Somewhat likely
- Undecided
- Somewhat unlikely
- Unlikely
- Very unlikely

Based on the hotel's profile shown above, what is the **maximum amount of money (in EURO)** you would pay for staying in that hotel for one night?

0 20 40 60 80 100 120 140 160 180 200

Maximum amount of money (in EURO) you would pay is:

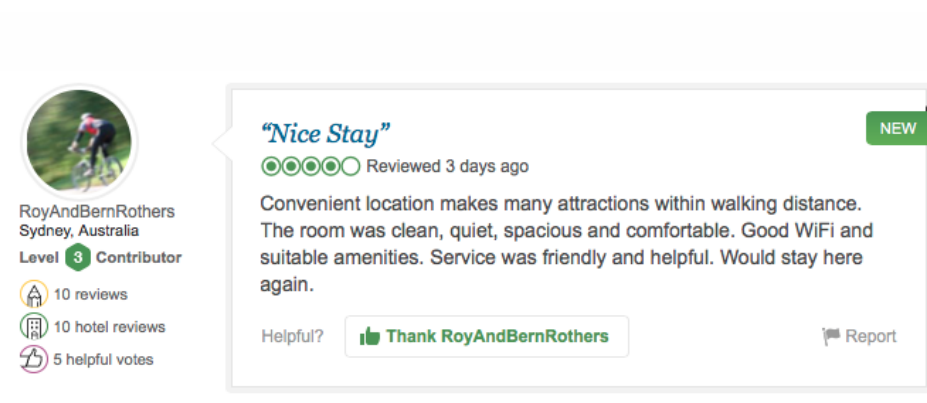
Appendix 5

Task 3 Hotel reviews

To better understand that hotel, you scroll down the webpage and check the reviews written by past staying guests.

In the following pages, a set of consumer-generated reviews on that hotel will be presented (only one review will be shown in each page):

- If you want to continue reading the next review, please choose **"I want to view another review"**
- If you do not want to continue reading, please choose **"I have seen enough reviews"**



The screenshot displays a user profile on the left and a review card on the right. The user profile for 'RoyAndBernRothers' includes a circular profile picture of a cyclist, their name, location 'Sydney, Australia', a 'Level 3 Contributor' badge, and statistics: 10 reviews, 10 hotel reviews, and 5 helpful votes. The review card features the title '"Nice Stay"', a 'NEW' badge, a 4.5-star rating, and the text 'Reviewed 3 days ago'. The review content describes a convenient location, clean room, and good service. At the bottom of the card, there is a 'Helpful?' label, a 'Thank RoyAndBernRothers' button, and a 'Report' link.

Appendix 6

After reading the reviews written by past hotel staying guests, how **likely** are you going to **consider staying in this hotel** for your upcoming trip?

- Very likely
- Likely
- Somewhat likely
- Undecided
- Somewhat unlikely
- Unlikely
- Very unlikely

After reading the reviews written by past hotel staying guests, what is the **maximum amount of money (in EURO)** you would pay for staying in that hotel for one night?

0 20 40 60 80 100 120 140 160 180 200

Maximum amount of money (in EURO) you would pay is:

After reading the reviews written by past hotel staying guests, how **likely** are you going to reserve a room in this hotel via TripAdvisor.com?

- Very likely
- Likely
- Somewhat likely
- Undecided
- Somewhat unlikely
- Unlikely
- Very unlikely

After reading the reviews written by past hotel staying guests, how **likely** are you going to reserve a room in this hotel via other reservation channels?

- Very likely
- Likely
- Somewhat likely
- Undecided
- Somewhat unlikely
- Unlikely
- Very unlikely

Appendix 7

Based on the description presented in the scenario, are you travelling alone or with a friend?

- Travel alone
- Travel with a friend

Based on the description presented in the scenario, which type of hotels you are looking to book for this trip?

- 2-star or below
- 3-star
- 4-star
- 5-star

Based on the description presented in the scenario, the averaged room price is approximately _____ according to the information from friends of the same age ?

- Around EUR 55
- Around EUR 90
- Around EUR 145

Appendix 8

Task 4 Demographic profile

Your gender

- Male
- Female

Your nationality

How often do you read reviews online?

- Never
- Sometimes
- Often
- Always

How often do you book hotel accommodations online (e.g., using Booking.com, Marriott.com)?

- Never
- Sometimes
- Often
- Always

Appendix 9

Survey Part I:

Imagine that you are planning to take a trip to Adelaide (Australia) to celebrate Easter in the coming April 2017.

If you were to book a room in an independent hotel (at the 3-star level), in your opinion:

- A high room price (per night) is : EUR _____
- A medium room price (per night) is : EUR _____
- A low room price (per night) is : EUR _____

Appendix 11

Please select the most appropriate answer:

- I understand the terms stated above and **consent** to participate in this study.
- I **refuse** to participate in this study.

Please select the most appropriate answer:

- My age is **between 21 and 37**.
- My age is **NOT between 21 and 37**.