

A manager's perspective on generation Y in the hospitality industry in Finland

Lars Minnaar

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<p>Author or authors Lars Minnaar</p>	<p>Group or year of entry HOSBA13S</p>
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<p>With a personal interest in good service and hospitality the author was disappointed in many cases during service experiences in Finland. From hereonforth he decided to develop a thesis based on service quality. Being from generation Y himself it seemed logical to investigate what the hotel's restaurant managers really think of this generation and whether they are prepared.</p> <p>Generation Y, a highly technically advanced, independent and demanding age group born between 1978 and 2000 is slowly taking over the hospitality industry. With their yearly increasing spending and access to information they are completely different from previous generations.</p> <p>In this study, done between February and May 2014, the author interviewed five hotel restaurant managers on their perception of generation Y both as a workforce and as guests. Through defining service quality and use of the SERVQUAL model the author creates a clearer picture for the interviewed managers. With the knowledge of the SERVQUAL model and the generation Y traits the author developed two models out of a model originally created by Kueh & Voon (2007).</p> <p>The main findings of this study incorporate the fact that even though hotel managers are aware of this new target group and are able to name some of the traits of generation Y, their knowledge as to reaching this generation and making them loyal guests is limited.</p> <p>Customized service is getting ever more important and the same goes for marketing to this generation. Social media should be used in a manner that involves the guest rather than communicates to the guest. Cause related marketing which has been proven to work positively on this generation is currently not being used sufficiently used and should therefore be stimulated.</p>	
<p>Keywords generation Y, service perception, hotel's restaurants, marketing, challenges SERVQUAL</p>	

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1 Introduction

Service is not what it used to be and the perceived quality is even more different. Smart, young, entrepreneurial and not very brand loyal - generation Y (or millennials) are the consumers of the future and are slowly taking over the market with their ever high demands. Since there is still a lot to be found out about the preferences of these highly dynamic guests it is essential that there is a supply of information in order to cater to their needs.

Service perception has developed itself since consumers have ever more and more knowledge and access to information

The hospitality market is constantly changing and generation Y are the main cause of these changes. Whether the managers of today are ready for this large chunk of society, that will indefinitely be upon them very soon, is the question.

Is traditional service still useful in today's business and are the guests really waiting for a meaningful encounter or do they prefer a quick high quality meal.

Mega trends such as individualism, personalization and globalization do not only show that consumers want every experience customized to their needs, but also that there is no more fear of exploring different places, countries and even continents, meaning that the competition can practically be anywhere.

Service quality has been evaluated since a long time through the use of the SERVQUAL model developed in the late eighties. Even though there have been many articles challenging and even completely remodelling the model it is still widely accepted as one of the most useful tools for assessing service quality. Therefore this model will also be applied in this research, focussing mainly on the empathy, responsiveness and tangible dimensions.

Empathy and responsiveness are considered the most valuable measure scales in the people industry whereas it may be interesting to see how generation Y perceives the more tangible aspects of a product or service.

This qualitative research conducted through in depth interviews already had a limited scope because of the low reply rate of the sample selected restaurant managers.

Through defining generation Y and service quality the study conducted became more of a whole. Through means of direct quotes of the interviewees the results part get a more humane feeling to it and make it more tangible for the readers.

During the research the author will focus on four subquestions being:

- Does generation Y exist in the hospitality industry?
- How does generation Y exist and what impact do they have on restaurants?
- What are the challenges for restaurant managers and generation Y?
- How to deal with those challenges?

The topic was chosen because of the author's personal interest in generation y age group. Whereas the idea was triggered by the many disappointing service experiences the author encountered, it slowly evolved into a more firm idea. After an inspiring speech at the Gastropro fair 2014 by PhD John Self about restaurant failures, the author continued to gain interest in this subject. The question whether service is no longer that important in an experience became more and more concrete within the author's mind. With life becoming more digitalized every day and the flow of information growing daily is there still space for enjoying a service experience in a hospitality business?

As the author is from generation Y himself it made him curious how others in his age group experienced this. Moreover, how do managers perceive this generation, not only as guests but also in the workforce. With a high amount of managers still being from previous generations does this not cause generation gaps among managers and operational employees? Besides the experiences within the restaurants do the marketing efforts of the generation X, or even baby boomer oriented managers, reach this target group at all or do they see it and immediately discard the information provided? All of these questions inside the author's head triggered him to dig deeper into the subject and find some answers. As a future professional knowing the target group the author will be catering to is essential.

2 Literature review

Since this paper aims to find out information about how generation Y perceives service and quality there will first be a discussion about what service, quality and SERVQUAL represent. This will be followed by an explanation of the characteristics of generation Y and how they perceive life. Lastly, a discussion on how service quality influences the millennial generation will conclude the theory.

2.1 Defining service quality

Service quality has been an issue in the hospitality industry for a long time. Whereas first people tended to focus mostly on tangible assets of a company such as the food, service is now one of the main influencers between a good and a bad experience. Good service quality can lead to a guest spreading a positive message about the restaurant, while bad service will undoubtedly cause a guest to spread a negative message to as many people as they can reach within their network.

2.1.1 Service

Service is a very abstract term and is hard to be explained in one sentence.

According to one source, services include tangible goods, services and intangible goods as long as they originate from a creative source (Macintyre, Parry, & Angelis 2011, 325). That would mean that nearly anything could be considered as a service since everything had to be created in some way. Another article mentions that service is often intangible and that service is co-created by guests and employees (Miles 2013). This is confirmed and added on to by Riadh Ladhari who mentions that there are four distinctive features in a service being intangibility, heterogeneity, perishability and inseparability (Ladhari 2009, 173).

Services are intangible because they cannot be touched and it is difficult for service providers to assess how a certain service is received (Ladhari 2009, 173) and is often seen as the most important of the four service characteristics (Hellén & Gummerus 2013).

The 5 sources of competitive advantage in service are quality, speed, dependability, flexibility and cost (Slack & Lewis 2006, 8).

Service can be considered as good when it meets or exceed expectations (Abili, Thani, & Afarinandehbin 2012, 4).

Leonard Berry (1999, 21-38) argues that good service can only be provided with the presence of certain core values being:

- **Joy** – a sustainable successful service can only be provided consistently when the service providers take pride in their work thereby increasing the satisfaction of the guest.
- **Excellence** – Rather than settling for good, most successful service providers strive for extremely high standards thereby pursuing excellence.
- **Innovation** – Innovation is seen as one of the main tools of excellence, whereas most excellent service providers are the industry's change leaders.
- **Teamwork** – Creating a strong sense of belonging to a team increases not only the employee's motivation and joy in the company, but it also increases the output of the entire team leading to increased guest satisfaction.
- **Respect** – Respect should be present for everyone involved in the company, not only the guests but also the team members, the environment and any other business partners. A study trying to find the ten biggest service complaints found out that almost all complaints are respect based.
- **Integrity** – Providing honest and fair service to anyone everywhere will lead to a great service experience. If a company provides ethics that should be followed, unnecessary negative consequences can be avoided.
- **Social profit** – creating benefits for society without the mere production of goods and services, leads to satisfaction of both employees and guests.

These core values are all based on having a guest oriented view rather than a profit oriented view, which is exactly what the current market leaders in quality service focus on (Bhat 2012, 328). The time when stakeholder wealth driven companies had an advantage over caring and socially responsible companies has passed, as good service is

provided by those that are stimulated in a good way (Wattanakamolchai, Singal, & Murrmann 2014, 5)

Overall service can be described with the four terms heterogeneous, intangible, perishable and separability. The most successful service providers in the industry make use of mutual core values being joy, excellence, innovation, teamwork, respect, integrity and social profit.

2.1.2 Quality

Quality is a term to determine differentiation between services (Miles 2013, 399) and the extent to which goods or services will reach or exceed a guest's expectations (Bojanic & Rosen 1994, 4 ; Behara & Gundersen 2001, 585 ; Bhat 2012, 328). Since high quality service can only be high quality if guests judge it to be, quality is a rather peculiar subject. Measuring perceptions versus expectations remains difficult as it involves separate humans with different values and beliefs. What one person may perceive as extreme quality may be only average to the next (Marinković, Senić, Kocić, & Šapić 2013, 187), which makes the ranking of quality fairly hard. Quality cannot be compared to satisfaction since quality is something that can be controlled while satisfaction is something that can be influenced from the outside (Rust & Oliver 1994, 4).

The quality of a product or service is very much related to the perception of the actual service. The total perceived value of service model (Figure 1) by Groth & Dye (1999) shows how two services can be perceived entirely different. Service A provides an event in which the act of the provided service is not that important but rather that the outcome of the service is positive. An example is ensuring that the served food is not rotten. The act of checking that the food is still edible is important but the fact that the food actually is not rotten is of larger importance. Service B is focused more on the actual providing of the service in which the quality is of lesser importance. An example is when bringing a bottle of wine to the table and opening it according to the guidelines; it does not really matter to the guest whether the waiter continuously keeps the label towards the guest, the gesture is of higher importance.

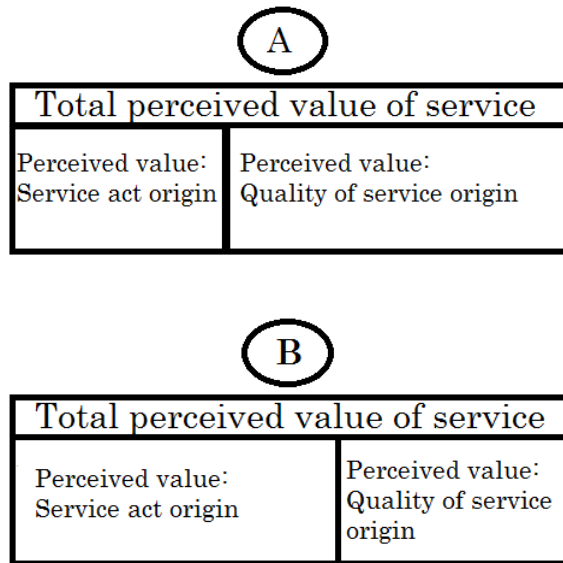


Figure 1. Adopted from (Groth & Dye 1999, 277)

As the years pass, consumers are more and more educated about processes and service providers. There is a wider spread of not only information but also services leading to a more critical judgement from guests (Bhat 2012, 328).

To manage the quality in a hotel, quality management or total quality management should be applied. Total quality management aims at improving quality in the overall business through use leadership, internal communication and the reducing of quantative objects (Tari 2005).

The main benefits of quality management are increased guest loyalty, satisfaction, an increased productivity in the team and cost savings (Harrington & Keating 2006, 267). These advantages are vital in the highly competitive market nowadays and call for implementation to cater to the needs of the more and more demanding guests.

Implementation of high quality standards can only be achieved by cooperation of the entire team from high management to the operational levels. Quality management can only be implemented if the employees want it (Harrington & Keating 2006, 268).

From these statements it can be concluded that without the proper training and motivation, employees can break a company's image for today's well-educated guests. This is confirmed by a study stating that without proper leadership, being an example

for others, providing the staff with the necessary tools and steering the organization towards its strategic goals, high quality in the company cannot be achieved (Paulová & Mlkva 2011).

To sum up, quality is used to measure standards and defines the extent to which a guest's expectations have been met or exceeded. Quality is perceived differently by everyone since all people have different values, beliefs and even moods.

Service quality

Service quality can be defined as the guest's perception of the employee's ability to deliver a promised service combined with ambience and surrounding factors (Miles 2013, 400). Service quality is also the gap between the expected service and the perceived service of the actual performance in the guest's mind (Ladhari 2009, 173) (Markovic, Raspor, & Dorcic 2011, 236). This means that service quality differs from one guest to the next and is therefore also influenced by how a guest is feeling.

Service quality is greatly based on employee behaviour, meaning that any action or series of actions an employee takes within a company affects the guest's experience. The overall satisfaction or dissatisfaction of a guest is greatly based on employee behaviour and service quality (Harrington, Ottenbacher, Staggs, & Powell 2012, 435). By providing high quality service memorable experiences can be created (Bhat 2012, 328), leading to a higher guest retention rate.

In order to achieve a high level of service quality it is essential that managers see further than the mere figurative tip of the iceberg, which is a metaphor for the day to day complaints of guests. By linking these events together and seeing the full ice berg, guests are more likely to perceive the service quality as great (Testa & Sipe 2006, 38).

Since service is often co-created, service quality can be at risk when the consumer does not participate in the creation (Marinković, Senić, Kocić, & Šapić 2013, 185). According to Lehtinen and Lehtinen (1982) in (Markovic, Raspor, & Dorcic 2011, 236) service quality consists of three main factors being physical quality, corporate quality and interactive quality but this does not relate to the main model used in this research.

The SERVQUAL model (Figure 2) can be used to measure the guest's perception of various dimensions in quality towards the experiences of the guest (Chowdhary & Prakash 2007). Whereas the SERVQUAL model is based on ten perception dimensions of guests, it has been categorized in five main dimensions being tangibles, reliability, assurance, responsiveness and empathy (Ladhari 2009, 190). In the SERVQUAL model empathy and responsiveness seem to be the main influencers of service quality for the people industry (Chowdhary & Prakash 2007, 495). This is argued against by Marinković, Senić, Kocić, & Šapić (2013, 193) who state that the

main satisfaction creators in the model are responsiveness, assurance, tangibility and reliability leaving out empathy completely.

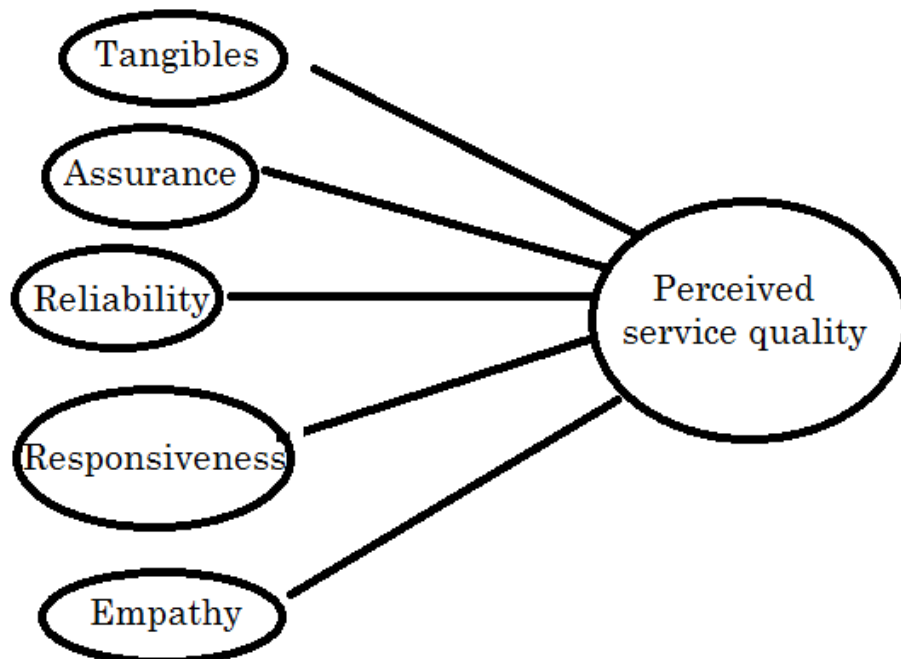


Figure 2. The SERVQUAL model adopted from (Finn & Charles W. Lamb 1991)

- **Tangibles** are the physical facilities, equipment and appearance of the employees (Llosa, Chandon, & Orsingher 1998, 18). Even though Parasuraman, Zeithaml & Berry (1990) stated that tangibles are the least important of the five SERVQUAL dimensions, this argument is countered by Laws (2004, 16-17) who states that there is a lot of evidence showing that tangibles are of high importance in service industries. Since quality service is hard to judge because of its intangible nature, it is defined that guests tend to also judge based on physical factors being the SERVQUAL's tangibles (Bhat 2012, 329).
- **Assurance** is used to measure the competence, courtesy and the credibility of the staff thereby generating trust and confidence from the guest (Kueh & Voon 2007, 659).
- **Reliability** is the providing of accurate, consistent and dependable service (Kueh & Voon 2007, 659). The measurements for this dimension range from providing the correct bill to ensuring the food is always served in the same

portions. It is argued for by Mok & Armstrong (1998, 382) that reliability is the most critical dimension in the SERVQUAL model since reliability is the outcome of the service while the other four dimensions only involve the process of the service.

- **Responsiveness** is the willingness to help guests and provide accurate service (Llosa, Chandon, & Orsingher 1998, 18). Inconsistency in service quality will have the highest impact on a guests overall experience (Miles 2013, 400), which comes down to the responsiveness of the employees.
- **Empathy** is the caring, individualised attention the company provides to their guests (Llosa, Chandon, & Orsingher 1998, 18). There are some questions about the original measuring of this dimension, as questions such as convenient opening times are also placed in this category; this may not always be relevant especially in the hospitality industry.

Concluding, SERVQUAL is a widely accepted model for measuring service quality in any industry. It is argued for that empathy and responsiveness are the most critical factors in the service industry but there are similar arguments for reliability and tangibility. This proves once more that this model is relevant in the industry with all five dimensions.

2.1.3 Staff training and its influence on service quality

Nearly every service company trains their employees, but how does this affect the bottom line performance for the company in question. Is it worth the time and money invested in employees that will most likely not stay for too long? According to Truitt, (2011, 2) training has a direct link with the development and the job satisfaction of an employee and it enhances their performance.

“Train people well enough so they can leave, treat them well enough so they don't want to” is a famous quote by someone who understands staff training better than most, Richard Branson, the owner of the Virgin Group.

Training is not just there to provide the employees with knowledge, skills and abilities, but also to give the staff members a sense of belonging and a feeling that the company is truly interested in keeping them on long term. This may create a feeling of indebtedness for the employees (Valle, Castillo, & Rodríguez-Duarte 2009, 395). Lashley & Barron (2005, 256) argue that when trainings only provide scripts with precise words and tasks, guests will take notice of the forced nature of their service and encounter affecting their experience negatively, instead the training should rather focus on empowerment. Empowerment is enabling staff to make their own decisions rather than following orders.

Measuring whether the trainings that have been provided to the employees are useful, can be done in multiple ways ranging in difficulty, effectiveness and cost efficiency. Starting out by reviewing how employees perceived the training themselves through means of a questionnaire is useful for a low budget, but does not provide that much inside information on overall performance.

Designing a test or exam to see if staff members mastered the skill in question is a second step, but whether that is really effective after the exam still remains the question.

A third and more viable option is watching for behavioural change within employees after their training and seeing if they improved. Yet the bottleneck, of not knowing how the actual perceived service quality is, remains.

The last and most challenging option is looking at actual organizational improvement. Relating your training to an improvement in overall guest satisfaction or increased

bottom line performance is difficult, as it is never certain whether this increase actually comes from the provided trainings. It is however, possible to measure the amount of guest complaints or compliments before and after the training. (Ford, Sturman, & Heaton 2012, 217-218).

Complications of staff training arise these days as more and more generation Y employees enter the work force while the managers are still of the previous generations causing value gaps in trainings (Maxwell, Ogden, & Broadbridge 2010, 54).

2.2 Generation Y

Generation Y (Gen Y) is a generation that cannot be treated like their predecessors. With a craving for knowledge and an ability to challenge the given, these people are a difficult generation to work with and to serve to. They do, however, break boundaries and force companies to change and get even better. Generation Y or millennials are those born between 1978 and 2000 and are known for their influence on not only their own purchasing behaviour, but also that of those around them (Kueh & Voon 2007, 660 ; O'Donnel & Yarrow 2009, 1).

With over 85 million in population they are three times the size of the previous generation (generation X). Having such large numbers it is not only interesting, but also of high value, to find out what influences the purchasing behaviour of this generation. How does a company reach them and how have they already impacted the hospitality industry? These questions require answering and will be touched upon in this chapter.

2.2.1 Characteristics of generation Y

Having grown up in a world where being in debt is more and more accepted with the easily obtained credit cards, generation Y does not mind spending money they do not actually have (Bakewell & Mitchell 2003, 98). They seem to increase in spending habits yearly, The millennials spend 84 billion dollars in 1997 and this already increased to 153 billion dollars in 1999 (Ma & Niehm 2006, 621). Since generation Y have two working parents and are mostly employed, they tend to spend a lot of money quickly and freely already showing the potential value for the hospitality industry (Ma & Niehm 2006, 622).

The study of Harrington, Ottenbacher, Staggs, & Powell (2012 436) states that the three main choice influencers for restaurants are cleanliness, service quality and price, meaning that generation Y does not spend that freely after all. This suggests that generation Y is willing to spend freely when their first two choice influencers have

reached their expectations. By being continuously exposed to media and socialization factors, generation Y has become an age group that likes dining out, is more adventurous than their predecessors and likes to find environments that make them feel welcome and suit their needs (Kueh & Voon 2007, 657 ; Harrington, Ottenbacher, Staggs, & Powell 2012, 436). Their values are shaped by the everlasting availability of high tech products and today's fast paced world.

In an age where information is always within grasp this generation has, within the short span of their lives, already experienced many life changing experiences such as the collapsing of the Twin Towers, bankruptcy of global companies, the war in Syria, the invasion in countries such as the Ukraine and high school shootings. Yet these events are not the main reasons generation Y are the way they are, their caring parents and the digital world are the main influencers (O'Donnel & Yarrow 2009, 6-7).

2.2.2 Generation Y influencers

The first influencers, the millennials parents, are as opposed to previous generations more likely to involve their child in the family business as an equal. They value the friendship with their child and are not very authority focused. This also explains why generation Y is allowed to spend so much money at a younger age (O'Donnel & Yarrow 2009, 6). Yet it should not be forgotten that some of generation Y's are already born in 1978 and are already in decision making positions, meaning their parents may not be as much of an influence anymore.

The second influencer of generation Y, the digital world, is of much larger proportion. Since the largest part of this generation has never experienced a world without technology and the availability of all the technical tools throughout their environment, they are well informed and can work with most machines easily. Since everything is so accessible, this allows generation Y to get something they want to have immediately. Everything has to go fast and should be accessed quickly especially with their friends always available. Waiting for things such as emails or letters is a thing of the past. This is where the influential part comes in as the attention span of the average generation Y

generation is way shorter than that of the previous generation. This also causes the need for instant gratification (O'Donnel & Yarrow 2009, 9).

The millennials have seen a lot and are tech savvy but what characteristics separate them from previous generations and make them so influential in today's economy? Individualism is the first trait of generation Y, with a higher level of self-esteem and self-expectations for the future. Direct advantages of individualism are the avoiding of outdated theories such as prejudices, which means they are more striving for equality and homo support (Maxwell, Ogden, & Broadbridge 2010, 54 ; Ng, Lyons, & Schweitzer 2012, 12). A cause of this individualistic approach to life is also less brand loyalty and a more diversified amount of stores and brands where they make their purchases (Ma & Niehm 2006, 621).

A second large trait for generation Y is their high level of confidence. That is not so strange since everything they do is perceived as good and negative feedback is prevented where possible. American statistics show that the amount of A grade students in high schools has doubled since 1970, which also makes the earlier described caring parents more proud. Their connection with the online world, in which they can validate their opinions within minutes, has shown them they can change the world with what they value strengthening their self-esteem even more (O'Donnel & Yarrow 2009, 12). Generation Y knows what they want, they trust and value their own opinion, they are able to work together and they value a fair effort-reward equation (Maxwell, Ogden, & Broadbridge 2010, 55).

A result of the confidence also causes the less preferable trait of narcissism.

Narcissism, or being over confident, makes for bad team players as they react angrily towards criticism. Yet, according to Yarrow & O'Donnel (2006, 11-19), generation Y tends to be hard working, optimistic, collaborative and team oriented; as they have grown up in a culture where everyone participates and is continuously connected, teamwork comes naturally. On the other hand research has shown that narcissists may be good short term leaders for companies that require change, as they are often

perceived as outgoing self-confident and visionary people. In the long term these kind of leaders may result in a less viable and profitable option, potentially leading to the destruction of the company (Ng, Lyons, & Schweitzer 2012, 18).

According to Agheorghiesei & Iorga (2013, 171) generation Y needs strong leadership; this is interesting but does not make sense as their parents tend to treat them on an equal level, thereby not always preparing them properly for the working life in which bosses still tend to make the decisions.

Figure 3 shows the three latest generations characteristics and how they differ from each other. It provides a clear overview why millennials are so much harder to deal with. Especially since they celebrate diversity, tend to re-write the rules and have higher expectations than previous generations there is a higher experience oriented attitude (Deutsch 2009).

MILLENNIALS	GEN X	BABY BOOMER
Celebrates diversity	Accepts Diversity	Assumes Diversity
Optimistic/Realist	Pragmatic/ Practical	Pragmatic/Idealist
Self-Inventive	Self-Involved	Self-Expansive
Re-write Rules	Desire Rules	Reject Rules
Irrelevance of Institutions	Mistrusts Institutions	Topples Institutions
Nurtured Kids	Latch-key Kids	Laissez faire Kids
High Expectation	No link between hard work and success	Freedom To Seek To Achieve
Future is Open	Future is Closing	Future is Now
Personalization & Customization	Labels (as security)	Categorization (mass)

Figure 3. The three generation characteristics table adopted from (Deutsch 2009)

Whereas the babyboomers reject rules and authority due to their memories of the war the millennials want freedom but at the same time want to have clear boundaries (Salo, P. 20-05-2014). Another great difference with the older generations is the millennials

need for customization. Whereas baby boomers just follow the mass and generation X just wants the security of quality generation Y wants something unique and special (Deutsch 2009)

In order to satisfy generation Y, guests customized experiences with personal attention are required (Ma & Niehm 2006, 621). A second important finding in this study is the importance of the relationship quality for generation Y guests. Relationship quality is focused on the creating and keeping of social and professional relationships between guests and employees. Since generation Y is used to and even confused by a massive amount of choices (O'Donnel & Yarrow 2009, 17) once they will get the ability to make an easy choice (good service versus mediocre to bad service) their choice will be easily made.

2.2.3 Marketing to generation Y

Reaching generation Y is a lot harder than reaching their predecessors (Lazarevic 2012, 45). Whereas previous generations were still active newspaper and magazine readers, millennials will do most of their research online on the computer or via their mobile phones (O'Donnel & Yarrow 2009). Since this generation is highly educated, they are more aware of the marketing tricks of the companies adding another layer of complexity to the marketing (Lazarevic 2012, 47)

Cause related marketing (CRM) or doing well by doing good (Cichy & Hickey Jr. 2012, 5) is one of the new approaches to reaching generation Y prospective guests. Since millennials have a rather large span of years that they are born, interests may differ within the generation. Disaster support tends to have an increased positive response from millennial guests opposed to on-going charity causes, since they can easily relate (Cui, Trent, Sullivan, & Matiru 2003, 312).

In retail, many stores make use of the environment to get guests to want to be part of their brand. Scents, lighting, music and providing only limited edition items are used to keep consumers in the stores (O'Donnel & Yarrow 2009, p 169-179). This way of marketing is an indirect way of marketing. The consumers barely notice they are being pitched at yet, for example whenever they smell this specific scent it will make them think of the store in question. There are hotels currently starting to work with this phenomenon and by creating a scent that reminds people of the hotel, it is the next step in marketing (Starwood 2014).

Brand loyalty is increasingly difficult with a generation that wants to experience new things, but managing to get generation Y consumers brand loyal can be extremely valuable considering their large spending. The reason it is hard to get generation Y loyal is because they use brands to express themselves. If the brand does not represent their personality, they will not purchase again (Lazarevic 2012, 49).

According to Katherine Smith (2012, 87) millennials are the driving force behind online sales and from all the consumers 56% of them actually share their knowledge about the product via social media. Whereas bad reviews used to have the upper hand,

in social media reviews millennials now tend to write three positive reviews opposed to just one negative one (East, Hammond, & Wright 2007, 178). This provides unlimited potential for the marketers if they manage to push the consumer to write reviews. The key characteristics of marketing through social media are the engagement of the audience, the managing of the social presence, the use of viral campaigns and the open guest feedback (Chaffey & Ellis-Chadwick 2012, 30). Social media has both the possibility to communicate messages to the guest and to receive feedback from the guest. Yet for gaining the full benefit, the communication should always be two ways. In order to determine the most successful social media platforms it is essential not to jump to conclusions. A proper market analysis and the use of the POST framework (Figure 4) will prevent a company from wasting unnecessary money on marketing channels their guests do not make use of (Chaffey & Ellis-Chadwick 2012, 536).

Four step approach to the social strategy

- P People
- O Objectives
- S Strategy
- T Technology

Figure 4. POST Framework adopted from (Bernoff & Li 2008, 67-68)

The POST model focuses on the four steps that need to be taken to achieve a working social strategy.

The people part focuses on what your consumers are ready for. Are they more the sort of guest that write reviews or do they prefer making use of social media websites.

The objectives make sure that the company clearly states its goals. This can be anywhere from increasing employee loyalty to energizing your consumers to increase purchases.

The S for strategy deals with the issue of how the company plans to deal with the consumer. This allows companies to plan for the future and, even more important, make a strategy measurable.

Lastly, the technology takes care of which applications to go for. So only after having

worked out the first three steps a company should move on to the technology and platform phase in which they decide where they will be actively present. (Bernoff & Li 2008, 67-68).

2.2.4 Gen Y's impact on past & future service expectations

The hospitality industry has changed itself enormously over the last twenty years and will keep doing so, since the wishes and demands of the guests have changed along. According to Muetzel (2014) the classic fancy waiter, white linen, candle and an expensive wine dinner is not the standard anymore and what people expect in a high quality dinner. Fast casual is the upcoming trend in the restaurant business where guests do not have to dress up and can quickly have a good quality meal. Healthy food and knowledge about what is in the food are skyrocketing in importance. People, product and processes are the key influencers of guest satisfaction according to a study by Hurst in 1970. An unpleasant atmosphere will have a dissatisfactory feeling for the guests (Susskind 2010, 480).

In the past the focus of the companies was on the product and its production process. Over the years this view shifted towards an increased involvement of the guest leading to the experience based services (Macintyre, Parry, & Angelis 2011, 1-18). The experience economy as described by Pine and Gilmore (1999, 3-15) explains why a certain product can be worth more when served in one place opposed to another.

Where in the past guests would be satisfied when they received their cup of coffee and it was warm, people started to expect more and more. "Work is a theatre and every business is a stage" is a famous quote by those same Pine and Gilmore (1999), explaining that the bringing of the very same cup of coffee to the table is no longer enough. People want a show and a smile. Guests want something to memorize their experience with. This was booming in the past and is also where the future of service is heading. Hospitality is moving in a direction where, rather than having a little involvement, the guest creates the involvement. Guests decide which businesses survive and what they perceive as worthwhile. 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'Donnel & Yarrow 2009).

2.3 Linking generation Y to the SERVQUAL model

Having discussed the general perceptions of service, quality and service quality followed by the characteristics of generation Y, how does it now all come together?

The five SERVQUAL dimensions have been ranked in various ways and often reliability is considered as the number one asset for ranking service quality.

Generation Y has been determined as a choosy generation with three main criteria for picking a restaurant. When assessing these criteria in the SERVQUAL model dimensions it can be concluded that, according to Harrington, Ottenbacher, Staggs, & Powell (2012 436), assurance (cleanliness), responsiveness (service quality) and reliability (price) are the most important dimensions for the millennials.

These factors can be validated by a few of the traits of generation Y, being there individualism and demanding attitude which causes them to easily interchange one restaurant or brand for the next (Ng, Lyons, & Schweitzer 2012, 14).

Figure 5. sums up the macro and micro influencers of generation Y in the hospitality industry.

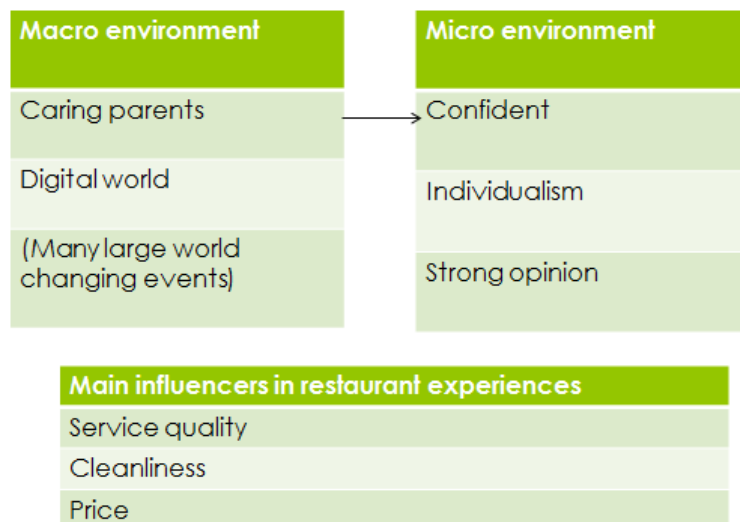


Figure 5. Macro and micro environment Gen Y influencers (Minnaar, 2014)

The research by Kueh & Voon (2007, 666) creates a new model that links Hofstede's culture model to the SERVQUAL model. For this research the author has altered this model by combining the influential factors of generation Y and linking them to the SERVQUAL model (Figure 6).

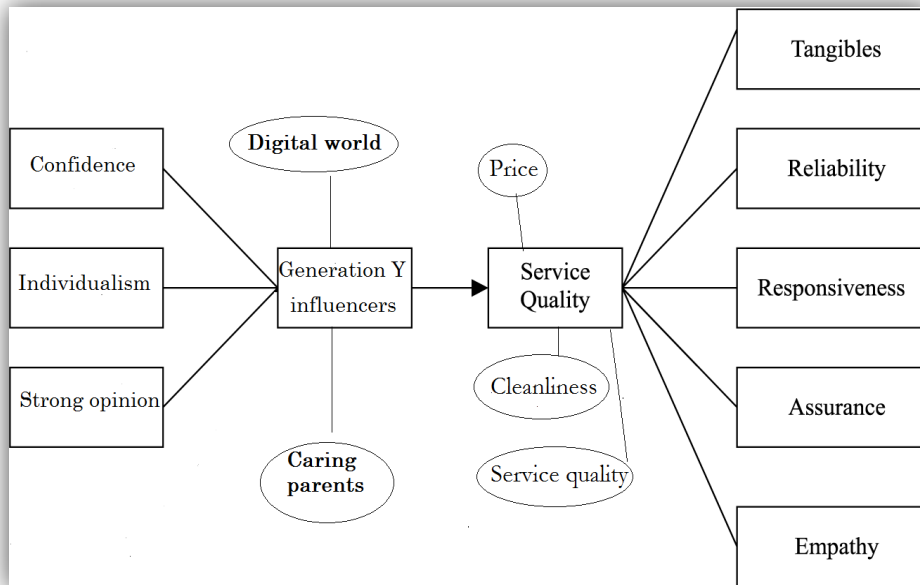


Figure 6: Influential generation Y factors vs SERVQUAL model (Minnaar, Generation Y influencers vs SERVQUAL 2014)

The main traits of generation Y have been determined as confident, individualistic and for being demanding and knowing what they want. This set of characteristics can therefore be considered as the personal influencers. The digital world and the caring parents are influencers from their macro environment or their surroundings. Even though generation Y has a strong opinion, their views are largely shaped through the digital availability of information and their hovering parents (O'Donnel & Yarrow 2009, 6-7).

Lastly, cleanliness, service quality and price have been set as the main influencers in restaurant choice and are therefore vital decision makers for generation Y guests. Even though the SERVQUAL model has been created over thirty years ago it is relevant in the industry even as of today. The key contributors to the complex matrix

that is the mind of the millennials, together with the service quality dimensions determine the overall experience in a restaurant.

3 Methodology

3.1 Preliminary research

Before starting the collecting of the actual data the author read up on the creation of the research. Primary to deciding whether the focus would lay on quantitative results or qualitative results, both pros and cons were discussed with the thesis supervisor. With the limited time available for the research it was determined that a qualitative research would be more time efficient. For making up the interview script the author read up on generation Y and the SERVQUAL model. From the five SERVQUAL dimensions together with the information on generation Y the author defined the interview questions. The objective of the qualitative research is to find out how to cater to the needs of generation Y consumers and to find out how managers perceive those guests. By evaluating and determining service, quality and service quality and how it has changed over the last years, the industry already provides a preview of how millennials can leave their stamp on any industry. By finding out who generation Y really is, what their characteristics are and why they make certain buying decisions, the hospitality industry can anticipate and improve itself to be prepared for the generations even after Y such as generation Z or MTV who will be even more demanding.

3.2 Thesis research process

To ensure the quality of the interview was up to standard, the author consulted John Self, a PhD professor from the California Polytechnic University with a large background in hospitality and restaurants to serve as a pilot manager for the interview questions. Based on the answers a few of the questions could be cancelled and others slightly altered. The main feedback was on the questions that were too broad or that could simply be answered through means of a “yes” or “no” answer. The second issue was the question which requested the age of the manager, using their generation rather than the age of this person was proposed instead. (Self, J. 02 Apr 2014)

With the new found knowledge the researcher selected a few hotels within the Helsinki region at random. With an original sample of four hotel restaurant managers within five different chains there was a marginal reply of two managers.

One of these managers emailed two of her colleagues within different chains, leading to another interview for the author.

During the interviews with the managers the researcher sent the same email to the other managers, who had not responded to the first email, twice more but with little effect.

To increase the sample the author also randomly sent some emails to a few contacts in the industry to which he got a reply from a restaurant manager in Malaysia.

The interviews mainly took place in lobbies of the hotels during off peak hours to ensure a quiet environment for the interview. Even though most restaurant managers were busy and had to answer at least one or two phone calls during the interviews, this did not affect the overall quality of the interview. With a rented recorder and a laptop to take notes none of the provided information was missed.

3.3 Qualitative research

Qualitative data analysis demands specific analytic strategies to convert raw data into a logical solution for the problem being researched (Altinay & Paraskevas 2008, 167-185).

With only a limited amount of interviews the researcher decided not to make use of any Computer-Assisted Qualitative Data Analysis Software (CAQDAS), as making use of these kinds of programs is both time consuming and expensive.

For the choice between deductive and inductive research the author chose to work with a deductive approach to the research. An inductive research is often used to examine something that has never been covered before, while a deductive research tries to add to previous research (Gabriel 2013).

The deductive research method coding used will break down the original theory framework questions into manageable topics. This enables the writer to easily define the relevant topics. As the coding scheme below shows, the four main topics have

been divided in smaller, easier definable chunks of the topic making the research clearer.

Four main questions focusing on the managers perspective on generation Y as consumers and their relation to the SERVQUAL model, were used to code the interview into useful information.

3.4 Justification of the research method

The qualitative research method of interviews was chosen since the author was interested in finding the views of managers on generation Y in the hospitality industry. With the use of in depth interviewing, the author made use of slightly steering the answers in a more useful direction when the answers were too limited to work with. A quantitative research method could have been used but would have only allowed to the managers to answer in a certain pattern. Through the use of free speech, interviewees will often say things subconsciously which are more valid in the overall research process.

3.5 Limitations

All researches have their limitations including this one. The main limitation of this research project was the time limit. Since there was a minimal amount of time, the interviews that had to be conducted had to be taken from a wide sample with as only specification that they are located in Finland. For future research the time taken for the data research should be more. Two months is too short to conduct an extensive research on a topic such as this. With only three actual interviews the sample of the research is very small and can therefore be considered rather unreliable. Even though all managers are experienced hospitality professionals, a study with a mere four interviews can jeopardize results. This comes down to time management again where the author should have contacted managers earlier.

The second limitation was the sample interview. Since John Self lives in California the author could not conduct an actual interview and just emailed the questions instead. The answers were therefore shorter than actual interview answers and there was no

possibility to clarify unclear questions. When conducting interviews for research in the future the author will make use of online video call tools such as Skype to ensure the interview is of full strength.

The fact that all of the managers were from generation X is interesting, but a wider variety of generations would have been more useful. The research now only represents how generation X perceives generation Y.

Most Finnish people have a decent level of English, but in a few of the interviews the author encountered a language barrier disabling the managers to express themselves to the fullest extent.

4 Data collection

For the collection of the data the author interviewed five different hotel restaurant managers. Since of the managers was from outside of Finland the author decided not to make use of this data. The coded hotel managers (see table 1) have been defined in the type of hotel they are working, the length of the respective interviews and where the interviews took place. With a coded description of each of the managers it will be easier to identify the various answers per manager. The description of the type of hotel is essential since it shows that there are various sorts of hotels in the target sample rather than one type of similar hotel. The location of the interview is also important as it shows how large the chance for interruption and noise pollution is present. A second reason is because the author could do some observing in the actual hotel restaurants while interviewing the manager.

Table 1: Coded hotel managers.

Coded manager	Description	Length interview	Interview location
Manager A	10 minute from city centre, medium size chain business hotel	35 minutes	Hotel lobby
Manager B	10 minute from city centre, medium size chain business hotel	62 minutes	Hotel restaurant
Manager C	Outside of city centre, medium size chain business hotel	23 minutes	Hotel restaurant
Manager D	City centre, large size business hotel	50 minutes	Hotel lobby

The work that has to be done after the actual data collection should not be underestimated. The coding of qualitative data is a time consuming and very essential

part of the research (Altinay & Paraskevas 2008, 167). The theory topics vs. coded topics model (see model 2) describes the breakdown of the various topics discussed in the literature review and research and how they will be used to work towards the results of the interviews.

Table 2: Theory topics vs. coded topics

Theory topics	Coded topics
Service quality	<ul style="list-style-type: none"> • Service • Quality
Service expectations	<ul style="list-style-type: none"> • Past • Future
Staff training	<ul style="list-style-type: none"> • Approach to staff training • Influence on service
Generation Y	<ul style="list-style-type: none"> • Characteristics • Influencers • Marketing to generation Y

After having coded the interview based on theory, the author continued with his research by analysing the most important data summarized per manager per question. With a total of twelve interview questions related to the abovementioned theory and the summarized answers, the researcher moved on to the next step.

Since data of straight forward interview questions is often not the most relevant for the actual research (Sievers, K. 25 Apr 2014), the researcher now continued with analysing the transcripts to look for answers to the four sub questions supporting the main research question.

5 Results

Now that the coding has been completed and the most important terms have been labelled, it is essential to find the pattern in these answers.

According to Johnny Saldana (2013) there are six ways in which you can recognize a pattern. These ways are similarity, difference, frequency, sequence, correspondence and causation in the answers.

5.1 A managerial view on service and quality

Even though the main data collection is focused on how managers perceive generation Y, it is interesting to see how their view on service and quality matches or differs from the literature.

The general consensus of the interviewees is that the focus in restaurants has shifted towards service rather than tangible items such as the food. With all managers agreeing that service is the most important aspect, the service makes or breaks a restaurant experience.

Managers A and D both agree that service is to meet or exceed a guest's expectation, while B and C focus more on the visible aspects of service being the smile, the personal touch and the energy of the waiter. Even though the opinions of the managers are spread, all interviewees agree that personal service is now becoming a major trend.

The overall opinions of what quality is are widespread whereas interviewee A & D agree that it is also about meeting and exceeding expectations, manager D also mentions that it has to be measurable and is different for everyone. It is interesting to note that manager C takes a more operational approach to the term quality with comments such as cleanliness, safety and the use of the best products. Lastly, manager B thinks that consistency is key in providing quality.

5.2 The presence of generation Y in the hospitality industry

Out of the four managers only one manager (C) does not think that generation Y are the deciders in making purchases. The other managers support the idea that generation Y is an ever growing force in the hospitality industry. This is supported by all managers stating that generation Y guests will complain more if they are unsatisfied. The increased amount of complaining matches with all managers also mentioning that their guests are ever more demanding. This is mainly because of the increasing need for recognition by generation Y consumers (A, B, C, D) which presents a notable change in the hospitality industry. Generation Y is not taking anything for granted and with their low brand loyalty must be satisfied on a whole different level than the previous generation.

It is not about the food, it's not about the bed, it's not about the gym.

Of course it is important too but not as important as that they know the people who work here and they also know the guests too – Manager B

Interestingly enough, even though all managers agree that personalised service is more important, only two managers think individualism is a trait mark of generation Y (A, C); there is a counter statement from manager B in which it is mentioned that the number one choice for a restaurant is based on the popularity of the place. This indicates that generation Y is still perceived by some as a mass generation that copies each other. In the same statement however, the interviewee also mentions that personalised service is important.

Be like chameleons because every table has different wishes and demands. - Manager D

When looking at the staff training programs currently being used in the hotels and its content there are differences among all managers, but three managers (A, B, D) make use of discussions with the staff and the use of role play while one manager (C) still relies on the more basic guest training.

When someone is going out when it is raining, give them an umbrella. When someone looks tired, give them coffee. Trying to read the person and recognize their needs before they do. – Manager A

The recognizing of needs has to do with the ever higher expectations of generation Y, which has been rising and will keep rising in the upcoming years. The majority of the interviewees agree that a simple smile and copying the same text on every guest will not work anymore. The necessity of providing good value for money is ever rising with the increased transparency of the service and product, due to the internet and social media like Tripadvisor (A, B, C, D). With over half of the interviewees mentioning that generation Y are such highly technologically skilled it makes sense that managers noticed the need for increased value creation. Manager A is the only one mentioning that technological advancements in the industry are present because of generation Y, whereas the other interviewees do not mention whether the technologically advanced generation has influence on the technology in the hotels.

5.3 The impact of generation Y on the hospitality industry

With the managers being aware of generation y as emerging force, it is interesting to see how these young professionals slowly changed and are changing the industry. According to all of the interviewees the previous generation was mainly focused on getting a career, a wife and a family while generation Y is not so determined for these goals; it will happen later, for them the most important thing happening is life. This matches with the expectations of managers on the amount of time the average generation Y employee will stay in the company. Manager B, C & D all state that they do not expect their generation Y employees to stay around for a long period of time. They like new experiences too much to remain in the same place for a longer period of time.

When I was 20 years old I thought I would get a job and a career and stay at the same place for 40 years. Nowadays I think that generation wants to experience, see so much, they want to feel so much. When I hire generation Y I can be absolutely sure they will not be here for more than 2 years. –
Manager D

Interestingly enough, only two managers reflect on these experiences when they talk about generation Y.

When working, millennials tend to think they are ready to take on more tasks and can be promoted within a matter of months (D). Concurring to that, the other managers do mention that they think that generation Y lives faster (A & C) and is completely different from generation X (B). A second statement fortifying this argument is various managers arguing that generation Y is extremely self-confident and will challenge the given (A, D).

Even though the confidence of the staff may have sky rocketed, this does not mean that they actually have to know that much about the product to satisfy the guests. According to manager B the skill set and knowledge about the food and wines is not the main focus point anymore, while it is more about the attitude and the personality of the staff. All the other interviewees also agree that attitude and being able to act from the guest's perspective is one of the most important things in today's hospitality industry.

People need local food and they are willing to pay more for organic food. (...) What I think is really important, is that all ingredients should be very transparent. They should be ordered according to traceability. – Manager D

Nearly all respondents (B, C, D) think that food awareness will become a major trend over the next ten years. This would be a counter statement but since food has to be sold with a story, there will be an increased need for outgoing people which is based on attitude. All respondents think the need for real food is ever more present because generation Y needs to know more.

The respondent panel was rather divided on the way the food will best be presented to generation Y. 3 of the managers think that street food, together with less formal dining experiences but with personalised service, will be the tone for the upcoming years. The other one (D) thinks that hotel restaurants should at the minimum deliver Michelin star quality service and, if possible, also the food to keep generation Y coming back to their place.

All managers agree that for the clothing of both the staff and the employees the dress code should be far less formal. This also concurs with the general consensus of the interviewees to changing their hotel restaurant's appearance and operating procedures, in order to provide a quality product and service for the millennials.

Concerning operating procedures, whereas all case hotels are still making use of feedback forms, manager C mentions that the guest comment cards are actually getting outdated and that there is need for a newer way of obtaining feedback from the guests. All interviewees now also make use of either supervisors asking a certain amount of guests per shift about their experiences or, with one respondent (D) taking it to a whole new level, inviting a group of guests twice a year to discuss the future of the hotel and possible improvements.

Having accurate feedback is ever more important with the rising up of many new and innovative concepts and therefore an increased competitor set (B).

5.4 Managerial challenges with generation y

With most managers being from generation X or even baby boomer, there is a generation gap causing challenges. For example marketing to generation Y proves harder than expected. All managers agree that social media may be a very important tool for reaching these younger guests. Yet all respondents mention that it will not suffice in the challenge of reaching these experience seeking consumers.

We are using more Facebook and social media but at the moment people at my age are using Facebook more. We are a little bit after them because they are going further. Now they are using Instagram and this and that we try to reach them but it doesn't work – Manager C

Besides the difficulties within social media the question also remains which other tools can be utilised.

The second challenge the managers experience with the Y's is the need for new experiences versus the company standards. Whereas the company standards have most likely been designed by older generations, they do not apply to the newer generation who have a different perception of service and hospitality (A, B, C, D). One manager

(B) even states that when there are rules there is no more place for common sense or creativity.

The loyal guest base of the chain hotels is largely from generation X or even older (B, D) and this is going to cause issues, since the hotels cannot rely on these people forever. Creating a new loyalty base with generation Y consumers, while retaining the older loyal guest base, seems difficult (B & D). One of those reasons is the less brand loyalty of the millennials (A, D). The other reason is because wishes and demands are ever changing especially generation wise and all interviewees had moments in which they thought they knew the guest's wishes and were completely wrong.

The majority of the respondents feels challenged by the many different wishes and demands of the guests, especially since every single guest wants his/her stay optimized to their needs.

The challenge with the restaurant is nowadays that because the hotel guests are more different lot of leisure people, domestic leisure, international business and the challenge is that we need to please them all. We need to find the red rope to try to please them all – Manager D

The new consumer also creates difficulties in training the staff and generation Y staff in general. With managers from a different generation, the way they were trained is no longer relevant (A, B, D). Determining what training does work proof way harder than originally expected (B, D). Besides the managers there is also the issue with a lot of older staff and their influences. One manager states that a lot of the staff has been working there for 25 years and takes their advice on how to run the restaurant. The other two managers mention that there is an increasing need for outgoing staff rather than the traditional employees (A, D).

All in all it seems that there is a lot of wisdom among the managers but between the lines of the answers there seems to be confusion and a certain unknowingness on how to handle this new generation successfully. Sentences such as “I really don't know” or “I guess” indicate unawareness to a certain extent. This may prove to be the largest challenge among the managers.

5.5 Difficulties in providing solutions

In the challenges the various managers mentioned problems related to reaching generation Y, the company standards versus the need for new experiences, the new loyal guest base creation and retaining the older guests, the many different wishes and demands of the varied guests, the outdated staff and training and a general unawareness of dealing with millennials. In the interviews the provision of solutions to these challenges is minimal.

For the marketing related challenges all but one manager agrees that there is a need for a new, out of the box and creative way of reaching these guests. Various options provided are using graffiti, promoting at sports events, concerts and fashionable events. One manager (D) thinks that continuously changing the company will keep it exciting and fresh for generation Y. Being exciting has also been mentioned several times by the other respondents.

In order to stop having the issue of the company standards versus the fresh experience generation, one manager suggests not following the rules too strictly (B) while other respondents suggest teaching the staff putting themselves in the guest's perspective or discussing values with generation Y (A, B, D).

Retaining the older guests, while creating a new loyal guest base, had few solutions in the interviews. Yet one of the managers made use of achieving personal feedback from guests through scheduling specific hours in which the only task was to talk to guests and find improvement points. Another respondent prefers working with the recognition of needs, even before the guest does, and putting the stress on the service contact moments while maintaining product quality. Besides those steps, making use of technological advancements such as online check outs and being responsive on social media feeds make sure that while keeping the old standards in place new ones are added to reach newer generations. The aforementioned solutions also relate to providing customized service for everyone and getting employees more up-to-date with the current situation of the service industry.

6 Data analysis

Now after having studied the theory and analysed the coded data provided by the managers, the question remaining is whether there are any similarities or complete differences between those two. Having discussed the service quality in its broadest, mainly in the literature review, the data analysis will mainly focus on generation Y as an age group and the challenges it raises for managers in the hospitality industry.

6.1 Defining service & quality

Surprisingly enough, most of the managers took the definition of service quite far of the literature defined way of describing it. Whereas manager A & D come closer to the definition of quality with their statement than the actual meaning, the other managers define service as something operational rather than the broad term.

This most likely has to do with the interviewees' not actually perceiving service the way it has been noted down in academic papers.

Concerning the definition of quality, manager D used the description that came closest to the academic description. As mentioned before, manager C went for the operational approach. The terms they mentioned are the indefinite result of a proper quality management system but do not actually describe the term itself as they are only minor pieces of it.

6.2 A managerial view on the defining of generation Y

The general consensus of the managers describing who the millennials are, matches quite accurately with the literature. Traits that have been described by various managers such as individualism, curiousness, confidence and open mindedness come quite close to the "Influential generation Y factors vs SERVQUAL" model that the author created. The only trait that has been mentioned by every manager is the confidence of the young generation. This implies that not all managers know all the ins and outs about their clientele.

In the Influential generation Y factors vs SERVQUAL model the macro influential factors were the digital world and the caring parents. All interviewees mentioned the technical skills and the smoothness in which generation Y is able to use technology and the internet. It therefore also matches with the earlier described theory. However, only one of the managers (B) pointed out that generation Y is not yet in a decision-making position, which would mean that the caring parents who are present in the literature are not visible to the largest part of the interviewees. This can be interpreted in two ways: either the literature is not as relevant in the hospitality industry as in other industries, or, more worrying, meaning that all promotion currently focusing on generation Y should actually at least partly be focused on their parents. Yet the literature suggests that the yearly spending of generation Y is increasing annually. Also, a large part of generation Y is already in their thirties and in leading positions. This is confirmed by interviewee A, who stated that generation Y are already in decision making levels and positions. It can therefore be defended that even though caring parents may be a side influence, they do not make the decisions for the major part of generation Y anymore.

The characteristics of the millennials described by the managers mainly come down to the lack of stability in life. The way the respondents perceive generation y, shows that they seem to be an experience and thrill seeking crowd. The literature confirms these claims as multiple research papers also state that the millennials are more adventurous than their predecessors. According to the theory, the reason for the way this generation is shaped, is the availability of information on the internet. This is confirmed by multiple respondents (A, B, D, E) who also provide valid reason to believe that, due to the increased transparency, generation Y is more experience oriented but also more demanding.

The demanding part of the millennials, which has been mentioned in all the interviews, does come back in the theoretical framework, where it has been stated multiple times that generation Y knows what they want, how much they are willing to pay for it and the quality they expect in return.

Their high demanding attitude also comes back in their need for recognition, which was argued as highly important by various respondents and is also justified in the literature. These two features together make for the increased need for personalized service in the hospitality industry. All managers agreed that service has become ever more important and the majority also agreed that service weighs heavier than service in the perceived quality of an experience nowadays. Customized experiences, which have been preached for by multiple industry professionals, have been covered in multiple articles and now also came back in the interview responses once again, show the importance of changing the company towards the guest's wishes, especially those of generation Y.

6.3 Generational differences

The reason that there are so many more challenges than actual solutions available in the data provided by the respondents is mainly because of the generational gap between, in this case, generation X and generation Y.

With generation Y looking for experiences and enjoying life as much as possible, generation X is way more focused on building their career and securing their family. As is stated in the theory, generation Y does not appreciate authoritative figures telling them what to do, while things are more structured for generation X. This makes the creation of solutions for the various challenges harder as the managers have not previously encountered this sort of employees and guests.

6.4 Staff training and its impact on experiences for generation Y

Even though the overall picture is slowly getting clearer, generation Y both as a consumer and as an employee still pose questions such as the multiple influencers which have been discussed both in the literature and in the interviews.

Staff training has proven to be increasingly difficult but as the literature suggests, training enhances how employees perceive their job. In the interviews none of the managers touch on how training works positively for the staff. They do however mention that through training guests will have an enhanced experience.

The managers do touch upon the low loyalty of employees in their companies. Whether this has to do with the training is questionable. According to literature and also the majority of the managers, it is more likely because of the experience oriented generation that Y is.

Concerning the approaches to training in general there is both in the theory and the research proof that with managers and employees from different generations there are different values and beliefs. The generation X manager may also apply outdated training material, although the majority of the interviewed managers already showed their knowledge on generation Y through the use of new and current ways of training staff.

6.5 Marketing to millennials: implications and suggestions for managers

Having covered generation y both as staff and as guest the main challenge remains actually reaching them.

Since they represent the future both as a guest and as employees it is essential to attract their attention somehow. As could be seen in the results, the managers currently seem to be having a hard time or at least were not able to mention one solid method.

Social media being mentioned as the first tool by the managers also comes back in the literature review. Even though many articles touch on communicating a product or service to generation Y, the articles focus more on communicating two ways. None of the managers accurately describe what they mean with marketing via social media. The basic sharing of information on a communication platform, such as Facebook or Twitter, has little added value. The true potential lies in the feedback the guests can provide for a company. Immediately jumping to the part where companies decide which social platform they will start out with their presence is the worst possible option. A marketing analysis or POST framework analysis should point out which platform has the highest potential for a company in question. Simply being present in social media is not enough, as most of the interviewees also agree upon.

Cause related marketing, which comes back in the literature review, is one of the marketing options towards millennials that has been proven on paper to work but that has not been made proper use of among the respondents. Even though there will not likely be any disasters around Finland, the millennial generation tends to be more willing to spend on companies that have a corporate social responsibility policy.

Making use of an indirect marketing strategy in which the consumer does not notice being marketed to, could indeed be useful in all hotels. Manager D already stated that hotels continuously need to keep changing themselves. This is true to the extent that they need to change their appearance but a strong brand makes sure their scents, music and lighting all fit within the concept. Manager B mentioned in the interview that the hotel was not too sure how to get the loyalty of both their current guests and the millennials. Adding small tricks like these will be the first step in the positive direction.

By combining the information from the literature review and the information provided by the managers, the author altered generation Y influencers versus SERVQUAL model into a model related to the marketing channels for generation Y. With the personal characteristics of generation and the macro environment of technology and the caring parents, there are five main marketing channels available right now. This model has developed into the generation Y marketing channel model (Figure 5) and should provide a better insight into the difficult generation that Y is.

With the SERVQUAL factors present in the previous model not being useful for this marketing related model the author decided to replace these aspects with the various marketing channels that can be applied to reach generation Y.

The reader should perceive the first model as a model to assess the perceived service quality of generation Y because of their influencers but only after they have been successfully been marketed to and led into the restaurant.

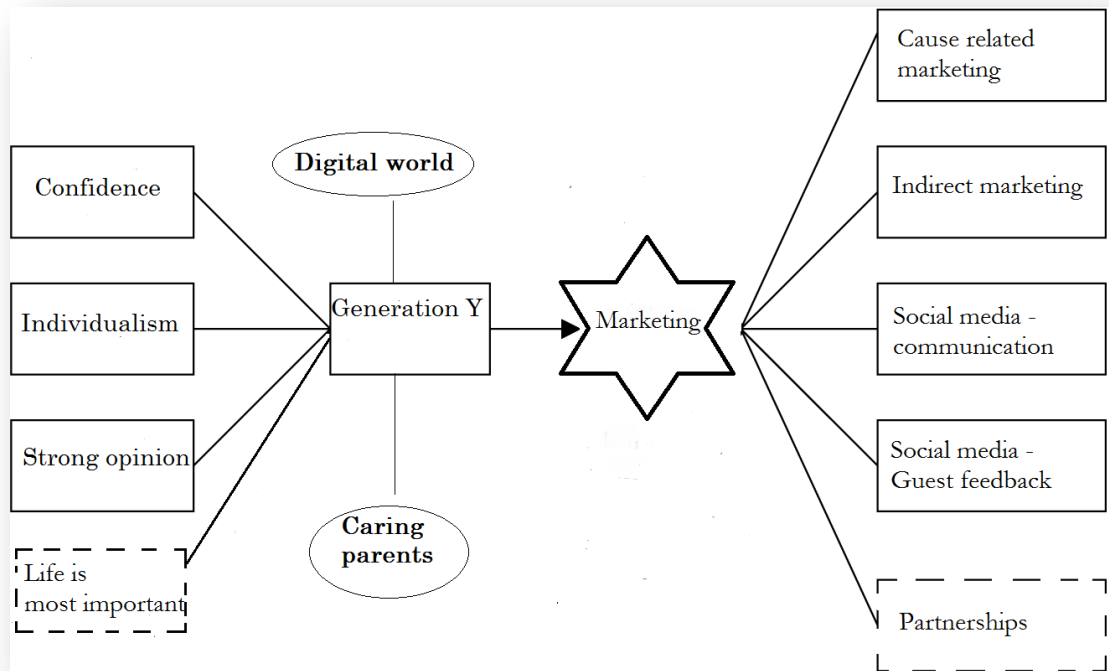


Figure 5: The generation Y marketing channel model, developed model from Minnaar, (2014).

The star indicated that marketing is the main bottleneck managers seem to be facing in the competitive race who will gain the most insight into generation Y first. With the first four marketing strategies being found in the theory the fifth strategy has been offered by a part of the respondents.

This figure does not specifically focus on any business segment meaning that it is a model focussing on the general traits and influencers of generation Y and the most successful marketing channels to reach them, backed up by the theory and research.

7 Conclusion

Concluding this research, it is safe to say that the hotel managers in Helsinki are indefinitely aware of the presence of this multitalented technological generation. On the other hand it can also be said that the literature still has a lot of useful information for the managers, especially concerning the marketing to a new target group while retaining the old one.

The original purpose of this research was to find out how managers perceive generation Y in the hospitality industry and their view on service quality. During the research, the author ran into a more vital issue. All the interviewees mentioned certain traits of generation Y from their experiences but among the comments there were many challenges concerning generation Y. This research proves that there is a need for some instructions regarding generation Y, what triggers them into purchases and what stimulates them.

The most important findings of this research were the fact that, while generation Y is visibly present in the industry and managers are dealing with them, the generation gap is clearly visible. Not just in the marketing but also in things such as the way the staff is trained and their general approach to life. Whereas generation X was focused on finding a career and a family, generation Y is looking for experiences. It has been concluded that generation Y staff does not appreciate working for a boss, nor will stay at the same work place for a longer period of time. The highly experience oriented generation Y appreciates travelling, has a strong bond with their family and is, according to the majority of the respondents, already in a decision making position and even more important, has quite some money to spend.

With the ever increasing availability of technology, internet, reviews and social media there is more knowledge available to this generation than any other generation will see in a life time. This has not only made generation Y incredibly price and value oriented but has also raised their expectations and their demands. If something is not up to standard this generation will speak up and if it is not handled properly it will spread all

over social media. Luckily for most managers the way negative messages versus positive messages are spreading is slowly changing. In a research paper created in 2007 it is stated that there is a 3:1 ratio of positive reviews versus negative reviews on social media. This provides limitless possibilities for the smart marketers.

Communicating towards the guests is a useful marketing tool but if a hotel wants to claim the full benefit of a social media network there is a need for communication with the guest. This means that mere one way promoting will not do. Feedback is vital and is the only way hotels can stay on top of their competition. With the created generation Y marketing channel model by Minnaar (2014) there should be a better insight on why generation Y does what they do and which marketing channels should, according to both literature and field research, prove the most profitable.

7.1 Evaluations and validity of the research

One of the main challenges of a qualitative research, conducted through the use of interviews, is the outcome being very unpredictable. Different interviewees with different backgrounds can cause a wide variety of answers. The second limitation of a qualitative research is the ability to interpret data as the researcher and can therefore be subject to biased opinions. Yet in the case of this research the sample of interviews was rather small and therefore is more manageable and less subject to biased opinions from the author.

It is important to note that, even though this research has been conducted within Helsinki this does not represent the overall view of hotel restaurant managers in Finland everywhere. With the minor amount of interviews that the author took, suggestions can be made and opinions can be formed but it is no solid ground for taking action yet. Furthermore, this research did not take any religious or cultural aspects into consideration.

Secondly, the interviews have all been conducted in English, which is not the main language of any of the respondents. Even though the level of English of the interviewees was of sufficient quality, there may have been difficulties in expressing

themselves which may have lead them not to say something therewith leaving behind valuable information.

With all of the managers being from the same generation there is an age limitation; it would have been interesting if there were multiple baby boomers, generation X and generation Y respondents and see if there were a lot of similarities or differences between the generations of managers.

7.2 Managerial implications

It is interesting to find out that, even though managers are increasingly aware of the immense spending habits of the millennials, the research and knowledge on this target group is still quite limited.

With sufficient proof that generation Y is already in decision making positions, it is essential that the general direction of service and of seperate companies move towards the personalized service with customized experiences.

7.2.1 Generation Y as a workforce

Training to staff is no longer the right approach. Role play or learning through doing is the new way of enforcing staff and keeping them happy.

The new workforce is willing to work hard but their desire to be complimented and promoted quickly is ever higher. It is essential for managers to find out how to deal with these eager job hunters. With such a low brand loyalty not only as guests but also as employees, managers may wonder whether still investing money on training their short term staff. A famous quote from Richard Branson states: "Train people well enough so they can leave, treat them well enough so they don't want to."

It may be interesting for managers to look into generation Y and perhaps conduct some research themselves. Finding out the managerial differences between generation Y and generation X managers could be useful and help managers understand. Since the

power is slowly shifting from generation X to generation Y, it is useful to prepare the current employees but also the trainers of these future managers.

A second project focusing on the multi cultural aspects and values of generation Y could be a vital edition to a manager's skillset. With generation Y moving all over the globe with more and more speed, the likelihood that people actually work in their country of birth is ever getting smaller. A manager's ability to deal with both a new generation and their cultural differences is increasingly important.

A third interesting research would be to look at the generation Y's perspective on managers. In this study it has been determined that generation Y wants to be bosses immediately, but researching what generation Y thinks of their current supervisors may prove insightful in determining how to successfully train and manage this generation.

7.2.2 Generation Y as a guest

Concerning the company image itself, continuous changing is advised. Millennials are looking for experiences and cannot be bothered to go to the same place over and over again. Keeping the experience fresh will keep the attention of these thrill seekers. Since there is also an older loyalty base that has to be kept satisfied, the best approach is to always keep one or two aspects in the environment the same to let older generations embrace the change with more ease.

Managers are advised to incorporate any tips or tricks the millennials will indefinitely provide them when asked. With generation Y easily speaking up and sharing information with their friends they should be kept happy.

Generation Y has their caring parents and the digital world as macro environment influencers. Individualism, a strong opinion, their focus on life and their confidence as micro influencers shape millennials. These characteristics come back in the service where millennials expect not only a good price value ratio but also a clean place and most important high quality service. It is therefore of great importance that not only

does the restaurant provide a clean and trendy environment but moreover makes use of professional staff that is able to provide personal service.

Personal service having been found as one of the most trending new necessities in restaurants is what makes or breaks an experience for millennials. Wanting to be different from the pack the need for customization among them is extremely high. As a manager ensuring that guests are catered to in a personal and appropriate manner can result in positive guests and therefore an increased chance to create loyalty.

7.3 Suggestions for future research

Since the millennials are going to be the predecessors of a large era of tech savvy generations that will only get more demanding, there is plenty of space for future research. The need for it is high and the ways to approach the research are nearly unlimited.

An important research that should be conducted sooner than later is how managers perceive generation Y internationally. The findings of this report do not represent anywhere besides Finland. Different cultural values also cause a somewhat other view on life therefore making this research rather limited. By conducting this research among a large variety of managers from different generations, countries and potentially with different religions there could be a set up for an internationally integrated strategy for successfully dealing with generation Y.

The author does however suggest to slightly alter some of the questions to make the research even stronger. Instead of merely asking the manager's perception of service and quality also ask them what they think service and quality is to generation Y.

For an even more extensive research there could be a cross research including a qualitative research aspect with a survey for generation Y to find out about their wishes and demands and afterwards comparing it with the managers view.

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9 Appendices

9.1 Interview questions

1. Could you tell me a little about yourself and your experience?
2. To which generation do you belong? (baby boomer, generation X, generation Y)
3. What is your favorite kind of restaurant experience?
4. Could you describe how you perceive the term service?
5. What about quality?
6. How does training staff add to a guest's experience?
7. How do you measure the perceived quality of the service among guests in your restaurant?
8. What do the trainings in your restaurant include to ensure quality for guests varying wishes?
9. How do you think service expectations have changed over the last 10 years?
10. What do you expect will happen to service in the next 10 years?
11. What are the key characteristics of millennials?
12. How has generation Y changed the hospitality industry?
13. What is the most successful way to promote your company to generation Y?
14. What do you think are the three most important factors in restaurants for generation Y?
15. What difference does service make for generation Y versus good food in a restaurant experience?