



Exploring Millennial Tourists' Interaction with Destination Stakeholders: A Study on Sri Lanka's Tourism Industry

Received 12 January 2024

Revised 11 March 2024

Accepted 06 July 2024

K.M.M.M. Karunaratne^{*1}, M. Udunuwara²

¹ Department of International Business, Faculty of Management & Finance, University of Colombo, Sri Lanka

² Department of Marketing, Faculty of Management & Finance, University of Colombo, Sri Lanka

Abstract

This study examines millennial tourists' characteristics and travel behaviour in an Island destination like Sri Lanka. Specifically, this study attempts to understand the millennial travellers' interaction with various formal and informal stakeholders in the tourism industry in Sri Lanka and how such interactions are influenced by their unique characteristics. A qualitative approach was used for data collection, involving in-depth interviews with 17 millennial tourists. The data was analysed through thematic analysis, identifying codes and themes. Some of the key characteristics of millennial tourists identified in this research are their price consciousness, preference for independence, thirst for authenticity, and the interaction with the local community. Further, this study identified the specific stakeholders millennial tourists interact with during a tour and revealed their inclination to interact more with the informal sector than the formal sector stakeholders in the tourism industry. This research offers valuable insights to tourism service providers, destination management organisations, and other stakeholders in the tourism industry on how to adapt and customise the tourism experience to cater to millennial travellers, who are becoming a dominant segment of global tourism.

Keywords: Millennial tourists, Formal sector stakeholders, Informal sector stakeholders, Tourist interaction

South Asian Journal of
Tourism and Hospitality
© Faculty of
Management Studies
Sabaragamuwa
University of Sri Lanka
ISSN: 2756-911X

*Corresponding author: methma@dinb.cmb.ac.lk

ORCID: <https://orcid.org/0009-0000-2116-5742>



Articles in SAJTH are licensed under a Creative Commons Attribution-No Derivatives 4.0 International License (CC BY-ND 4.0). This license allows reusers to copy and distribute the material in any medium or format in unadapted form only so long as attribution is given to the creator.

INTRODUCTION

Millennial tourists are the most upcoming generation in the tourism industry and reflect unique and diverse travel behaviours (Cavagnaro & Staffieri, 2015; Cavagnaro et al., 2018; Ketter, 2019; Monaco, 2017; Santos et al., 2016). Despite the numerous classifications in the literature, those born between 1980 and 2000 can be considered millennials (Kotler & Keller, 2012). The unique characteristics of millennials are discussed in diverse fields, such as Consumer Buying Behavior (Moreno, Avila, Lafuente, & Moreno, 2017), Education (Monaco & Martin, 2007), Workplace adjustment (Suh & Hargis, 2016), Technology Adoption (Nawaz, 2020), Military (Stafford & Griffis, 2008), Travel and Tourism, etc.

Some of the general characteristics of millennials are being high in self-confidence, self-esteem and assertiveness and being achievement-focused (Smith & Nichols, 2015). Findings also reveal that the millennials are highly optimistic about life and the future, are influenced by family, peers and other influencers in decision-making, and use technology for communication, research and shopping (Stafford & Griffis, 2008). When engaging in travel and tourism-related activities, millennials demonstrate unique characteristics, such as trying to control what they experience and continuously searching for the right experience that fits their mood, interests, and personalities. When planning their tours, they like to plan the schedule, the experiences, and the cost by seeking low-cost flights and peer-to-peer accommodation-sharing options (Nielsen, 2017).

Millennials and Generation Z are expected to represent 50% of travellers by 2025; hence, the hospitality industry should adjust its strategies based on their demographics, personality traits, and habits (Ramgade & Kumar, 2021). As millennial tourists are reshaping the future of tourism, travel destinations need to identify their characteristics and cater to their needs and wants to reap maximum economic benefits from this segment. Recently, it has

been evident that millennial tourists visiting Sri Lanka are increasingly obtaining services from the informal sector rather than from the formal sector service providers. This was a significant concern to the tourism industry, highlighted by a few industry experts.

Serendib Hotel's former Director and Economist, Mr Murtaza Jafferjee, said that "young tourists visiting Sri Lanka start their tour in a 5-star hotel, but later on take a round trip staying at informal accommodation units, touring the country from three-wheelers to bicycles to trains and gain the real experience by using the sights and the sounds of the island. They use the internet to find accommodation units in the informal sector and obtain authentic experiences. They like to live with locals in accommodation units away from key places so they can travel freely around the country" (Dias, 2016).

Vice President of the Cinnamon Resorts Hotel chain, Mr. Dileep Mudadeniya said that, "About 30% of visitors were young people between 20-29 years... 51% making their arrangements resulting in not using services of travel agencies, and about 80% of visitors are on non-packaged tours. Therefore, in today's context, brick-and-mortar sometimes does not necessarily command the premium; holidaymakers are more interested in paying more for the experience. The informal sector dominated the tourism industry in most Asian countries; this was evident in Sri Lanka, with most visitors eyeing the budget accommodation units. These visitors would frequent the more affordable places to spend the night, but spend more money and time outside tourist attractions and visiting the not-so-traditional sites by establishing links with locals and taking rides on bicycles and three-wheelers, which was more fun and creates a unique experience for the discerning traveller" (Dias, 2016).

These statements indicate that millennial travel behaviour is changing and creating new trends in tourism, such as spending money on experiences, dealing more with the informal sector, visiting unusual, not-so-touristic attractions, etc. This threatens the usual, formal sector tourism service providers

as they still offer traditional, standardised tourism products and services, ignoring the diversity of various tourist segments. Therefore, the current study aims to research millennial tourists' behaviour, especially in an island destination like Sri Lanka, to enhance understanding of the unique characteristics of Millennials and their interaction and engagement with the formal and informal sector tourism stakeholders. Further, this study may also investigate possible challenges for specific stakeholders in the tourism industry due to millennial travellers' unique thoughts and behaviour.

LITERATURE REVIEW

Many tourism researchers have acknowledged that focusing on different segments of tourists based on the generational cohorts they belong is vital in promoting and attracting tourists to a particular destination (Cavagnaro & Staffieri, 2015; Monaco, 2017; Santos et al., 2016; Shulga et al., 2018). Several hospitality-related studies have examined generational cohort customer purchase behaviour (Bakewell & Mitchell, 2003; Fountain & Lamb, 2011), tourist behaviour (Pennington et al., 2003), and trust development (Obal & Kunz, 2013).

The millennial segment is called by various names such as "Generation Y", "net or web generation", "Next", "Thatcher's children", "Generation Next", "echo boomers", or "digital generation" (Benckendorf et al., 2010). Two major life events for millennials are the internet and smartphone revolutions (KPMG, 2017). Therefore, they are characterised as "wired almost from birth, playing computer games, navigating the Web, downloading music, connecting with friends via instant messaging and mobile phones" (Kotler & Keller, 2012).

As identified by Lesak et al. (2014), some of the characteristics of millennials are that they need to access information quickly, they are impatient and highly intolerant to delays, seek to be constantly connected with peers through multiple platforms and feel psychologically rewarded when they get

involved with virtual friends and validated by "likes" on their posts on social media. Further, this generation shares information and experiences with others and uses consumer reviews as input for decision-making (Lesak et al., 2014).

Millennials are one of the groups most affected by the worldwide economic and social crises, and as a result, they have experienced a diminished disposable income compared to previous generations (Santos et al., 2016). Even though millennials have obtained high levels of formal education, their wage levels do not correspond to them (Fry, 2018). However, millennials are a highly optimistic and confident generation who overcome any difficulty with a positive attitude (Guha, 2010).

A report by Nielsen (2017) reveals that millennials are more focused on personal experiences away from home. As a result, they are very interested in travel. Cavagnaro et al. (2018) also have stated that millennials often spend money on experiences such as travel rather than possessions; their spending on experiences is expected to increase, indicating enormous potential for the travel industry. According to Barton et al. (2013), millennials are depicted as natural tourists: over 60% see travel as an important part of their lives, make 4-5 trips per year and are expected to keep looking for tourism experiences when they grow older.

The millennial segment is becoming the fastest-growing segment in international tourism, and recent research proves that they hold different beliefs, attitudes and expectations than their parents and grandparents and, as a result, are looking for a different type of vacation experience (Ng, 2018). Gradually, millennials move upward through the population pyramids, replacing the older generation; therefore, to prepare for the future of tourism, these generational changes should be considered (Cavagnaro et al., 2018). Studying youth tourism provides a framework for understanding future tourists as their behaviours and preferences set new trends and approaches for tourism (Cavagnaro & Staffieri, 2015).

Millennials often look for experiences, whether an authentic local experience, an adventure or even an opportunity to make a difference at the destination. As Fiz (2018) demonstrated, millennial tourists want to feel like locals by feeling the place. "There has been so much talk about this generation referring to them as 'living like a local' where they want to go undercover, have a drink at a local bar and eat what locals eat. This generation is not content to be locked away in an all-inclusive beachside hotel. Rather, they want to feel in the thick of the action – hanging out in a local piazza or browsing the local market" (Fiz, 2018).

Modern tourists avoid mass tourism and prefer to perceive themselves as travellers rather than tourists (Lesak et al., 2014). This is due to the authorship millennials want to have by choosing where to go and what to do rather than being dictated by a third party (Fiz, 2018). Young tourists desire to be involved in their travels and are willing to skimp on service costs to invest more in lifetime experiences (Richards & Wilson, 2003). Nielsen's (2017) report on millennial tourists' states that millennials plan and schedule the tour alone to avoid additional costs.

Ketter (2019) has recognised four major tourism micro-trends among millennials: creative, off-the-beaten-track, fully digital, and alternative accommodation. Creative tourism demonstrates millennials' involvement in planning tours and executing tourism activities and experiences according to their interests, personalities, and lifestyles (Ketter, 2019). Millennial tourists like to visit destinations that offer off-the-beaten-track experiences (Nielsen, 2017). For millennial tourists, one of the primary motivations for travelling is to explore new lifestyles, undergo new experiences, visit new places, and acquire new knowledge (Ketter, 2019). Therefore, millennials prefer less popular, emerging destinations they consider 'authentic' (United Nations World Tourism Organization [UNWTO], 2016).

The third micro-trend among millennial tourists is that they are entirely digital and planning their entire travel journey using smartphones and digital media. Millennials find inspiration on travel blogs and social media, plan their trips based on user-generated content, customer reviews, and travel websites, book flights and accommodation on booking apps, and explore the destination with the assistance of their smartphones and travel apps (Ketter, 2019).

Another interesting characteristic of millennial tourists is that they choose unusual/ alternative types of accommodation when travelling. There is a rising demand for informal accommodation options such as Airbnb, homestays and hostels from millennial tourists (Ketter, 2019). There is a strong belief that millennials are driving the change to a sharing economy of collaborative consumption (Arthursson, 2016). This sharing economy has been popular among millennials mainly due to their interest in connecting to the local community and wanting to obtain an authentic experience (Visit Scotland, 2017). Further, these alternative accommodation options enable them to save accommodation costs and spend more money on unique experiences (Cavagnaro et al., 2018).

Millennial tourists interact with different types of stakeholders in a tourist destination. The millennial travel survey conducted by the World Youth Student and Education (WYSE) Travel Confederation in 2014 revealed that the most important motivation for young tourists in a tourist destination is to interact with local people (55% rating as important) and experience everyday life (45% rating as important). This shows their drive to experience the 'local' and get closer to local communities. Youth tourism has been defined as 'all independent trips for periods of less than one year by people aged 16-29 which are motivated in part or in full by a desire to experience other cultures, build life experiences and benefit from formal and informal learning opportunities outside one's usual environment' (UNWTO and WYSE Travel Confederation, 2008). Despite this importance highlighted by academics and practitioners in

the tourism industry regarding millennial tourists' interest towards interacting with various formal and informal sector stakeholders, there is limited research on this context globally.

RESEARCH METHODOLOGY

Interpretivist philosophy inspires this study and adopts a 'qualitative' approach because 'qualitative' methods are used to answer questions about experience, meaning and perspective, most often from the participant's standpoint (Hammarberg et al., 2016). Therefore, qualitative research methodology was considered most suitable since this research aims to understand the characteristics of millennial tourists and how they interact with stakeholders to create a tourism experience in a particular context.

This study's target population was millennial tourists who visited Sri Lanka. The researcher collected data through in-depth interviews with millennial tourists who came to Sri Lanka from March 2019 to March 2020. The researcher conducted 17 interviews, of which 11 had face-to-face contact between the researcher and the participant. The researcher had to conduct six virtual interviews over Skype due to unexpected occurrences during the data collection period, such as the Easter attack in April 2019 and the spread of Covid 2019 at the beginning of 2020. As a result, there was a drastic drop in tourists coming to the country, and it was unsafe to meet tourists face-to-face to conduct interviews.

Each interviewee was given a questionnaire to gather demographic and other general information about the participants, a summary of which is depicted in Table 1.

Table 1: Demographic information of the participants

	N		N
Country of Origin		Gender	
Australia	3	Female	11
India	2	Male	6
Norway	2		
USA	2	Marital Status	
Belgium	1	Single	12
Canada	1	Married	4
Czech Republic	1	Divorced	1
England	1		
Germany	1	Age Category	
Israel	1	20-25 years	3
Portugal	1	26-31 years	9
South Africa	1	32-39 years	5

Source: Authors' own

The researcher followed a semi-structured interview method, and the interview guide is attached in Appendix 1. Interviews were conducted at the tourists' convenience, as the researcher did not want to interrupt their enjoyment of the holiday. The interviews started by providing an introduction of the researcher and a brief explanation of the research purpose. The researcher also obtained the consent of the tourists to participate in the interviews. Permission to record the interviews was obtained, and the confidentiality of the information was preserved. Interviews generally lasted for 30-45 minutes.

Participants were selected based on the purposive sampling method to generate insight and an in-depth understanding of the topic of interest. This involves selecting participants on the basis that they will be able to provide 'information-rich' data (Braun & Clarke, 2013). In this study, the researcher selected participants according to age category, those born between 1980-2000, to ensure they are millennials. Also, the researcher was concerned about their

English-speaking ability, willingness and availability to participate in the interviews.

In qualitative studies, the general norm is having a sample size between 15 to 30 individual interviews when the researcher aims to identify patterns across data (Braun & Clarke, 2013). In this study, the researcher conducted 17 interviews and ceased data collection once saturation was reached because no new data emerged. Participants for this study were found in three different ways. Firstly, the researcher contacted participants through her local friends who hang out with millennial tourists and rent out houses to them. The researcher's second method was going to places where millennial tourists usually hang out in Sri Lanka, such as Hikkaduwa Beach, Galle Fort and Ella. The third method was approaching entities that provide tourism services to millennial tourists. During the research, it was understood that young tourists stay in informal accommodation places like hostels. Therefore, the researcher visited multiple hostels in the Colombo area and interviewed a few tourists.

Thematic Analysis was used to analyse the data, following the framework outlined by Braun and Clarke (2013). At first, the researchers familiarised themselves with the data by thoroughly reading transcripts while making notes. Then, sub-codes and codes were derived. Subsequently, similar codes were clubbed around a central concept to derive meaningful themes related to research questions (Braun & Clarke, 2006). The identified codes and themes are discussed in the following section.

FINDINGS AND DISCUSSION

This study aimed to discover the characteristics of millennial tourists and the people they interact with in an island destination like Sri Lanka. During the data analysis process, the researcher identified some unique features and characteristics of millennial tourists through some themes. The main characteristics identified are price consciousness, preferring independence,

looking for authenticity, and interacting with the local community. The researcher believes these unique characteristics of millennials impact how they engage in travel and with whom they interact in tourist destinations.

Millennial traveller characteristics

This study captured many unique desires and characteristics of millennial tourists. One such characteristic is that millennial tourists are price-conscious when making travel decisions. They constantly look for cheap alternatives, especially when selecting accommodations, activities, or experiences.

"It is cheap to do by myself because I am travelling for 4 months; it is cheaper not to use guides and stuff because we can save costs and travel longer".

(Lucas)

Their travelling spending abilities are affected by their age and the lower income they earn due to the stage they are in the life cycle. When the interviewer asked the tourist whether they had enough savings to travel, a respondent said, *"Yeah, I worked two jobs in Australia just to save up. The GBP is worth so much more because of the exchange rate for the GBP and AUD. I had to save so much money. It is sad to withdraw money from the cash machine".* (Mandy)

Millennials recently experienced diminished disposable income due to worldwide economic and social crises (Fry, 2018; Santos et al., 2016). Another reason for their cost consciousness is their habit of travelling for longer durations at a stretch by taking long leave to be away from their routine lives. This was evident from several participants. Ola said, *"So, we planned to visit many Asian countries and spend 3.5 months in Asia. So, we just looked at a map, you know, and we saw where we wanna go..."* Similarly, Mandy also mentioned, *"I resigned, and I moved to the U.K. and worked there for six months, three months travel and go back home".* Interestingly, some participants have stayed over months involved in their explorations in Sri Lanka. For example, Ameer mentioned, *"... I am travelling for almost five months now..."*

As identified in the literature, millennials make multiple trips in a year (Barten et al., 2013). Thus, when travelling frequently for long periods, it is required to manage finances; hence, they try to save on costs whenever possible.

"I still save for the future. If you take my future, it also involves travelling. So, if I save this amount now, some of it for the next trip". (Arno)

Another reason is that millennial tourists prioritise obtaining memorable experiences over receiving traditional tourism services. Richards and Wilson (2003) also found that most young tourists skip service costs to invest more in lifetime experiences; thus, prioritising memorable tourism experiences over tourism services may be a primary consideration.

This study demonstrates millennial tourists' preference for high independence, especially when making travel decisions. Millennials do not like to adhere to a fixed itinerary of a third party but instead like to decide on places of exploration, timing, and service acquisition by themselves.

"I travel mostly independently. I do not have a problem with a local guide; I do not go to many local attractions, but I mostly go trekking. After several months of trekking, I thought visiting some beaches, travelling around, and seeing the culture might be nice. (Ameer)

Millennials prefer to take their own time and avoid time constraints when travelling. They enjoy touring leisurely, giving meaning to experiences by themselves. Millennials see travel as an opportunity to discover the world and themselves; hence, they aspire to freedom and flexibility.

"For me, the purpose of travelling is to do new things, to try new things and see new things. I believe everyday life is too monotonous, like going to work, driving, etc. Why not just go somewhere with a friend to a completely unknown location... You do not know what is going to happen; you do not know what

interaction you will have... you do not know what you are going to see, what you are going to do... That, for me, is quite exciting!" (Arno)

Further, throughout this study, it was evident that millennial tourists are motivated to search for authenticity and opportunities to experience social and cultural elements in the tourist destination.

"It is less developed than some other Asian countries... Fewer people... More authentic vibe... So, I think tourism will not be here forever... Like some places you go, you feel like it is a tourist place, and Sri Lanka is becoming a tourist, but it still has much authenticity. If you come here, you have a more authentic experience than India or some other country..." (Ola)

Hence, they dislike being called tourists and try to live like locals, as it would give them more opportunities to experience the locality. This was in line with the findings of Fiz (2018), who claimed that the millennial generation wants to feel like a local rather than a brusque tourist. They want to go undercover, drink at a local bar, and eat what the locals eat. Seeking support from locals to obtain an authentic experience was also prominent among millennial tourists. Millennial tourists try to obtain support from stakeholders in the local community as they are the best ones who know about the country and culture. UNWTO (2016) says millennial tourists' interaction with the local community in a tourist destination has increased. As a result, their contribution to the economy of the tourist destination has increased over time.

Millennial travellers' interaction with the stakeholders in the tourist destination.

While analysing the data gathered, the researcher identified a comprehensive list of individuals/ institutions with whom tourists interacted during the tour. They were categorised into two main themes: formal sector stakeholders and informal sector stakeholders.

Formal sector stakeholders

As Biggs et al. (2012) cited, formal-sector enterprises are licensed, registered for taxation, officially enumerated and often eligible for government subsidies. Accordingly, formal sector service providers in the tourism industry are the individuals or institutes registered with the Sri Lanka Tourism Development Authority (SLTDA) as official tourism service providers. The data of this study revealed that the millennials have interacted only with two types of such stakeholders: tour guides and hotels.

Tour Guides

The service of a tour guide was not considered essential by millennial tourists. Only in a few circumstances have they interacted with a tour guide, such as when a particular destination has made it compulsory for a tourist to travel with a tour guide when the tourist does not have sufficient knowledge to discover a particular destination by themselves or do not have the necessary skills to obtain a specific experience. This was mentioned in Anna's statement.

"...I needed a tour guide in Cuba because I cannot go alone. Therefore, getting a guide is a must. There is only one special area in Cuba where you can stay as a tourist. Locals are living in another area. Moreover, we can only travel on a big bus with 50 other people. Moreover, I hated it! Then I decided never, ever!" (Anna)

In all the other instances, they prefer to travel independently without using the service of a tour guide. There were several reasons for not using the support of a guide. One of the reasons they expressed was that they do not like to follow a fixed itinerary; instead, they prefer to adjust and flex the travel plan to suit their individual preferences. When Arno was questioned on whether she likes to travel with a tour guide or independently, she said,

"Normally, independently. I try to do my own thing. I find it much more relaxed just by myself. With a tour guide, things

kind of feel rushed, and sometimes you want to stay in a place longer, but you cannot because you need to stick to an itinerary. So, I prefer doing it independently." (Arno)

Even in the literature, it is stated that planning the tour independently and taking control over experience creation is a tourism micro-trend among millennials (Ketter, 2019). Another reason millennials dislike tour guides is that they feel guides rush a tour to tick off a list of attractions. This does not provide time and space for the tourist to immerse themselves in the travel destination.

"I do not like guided tours because if you are with 40 other tourists and packed into a bus saying "now we are seeing this, now we are seeing this" you feel like you cannot take time and enjoy because you always need to get on a bus and go somewhere. I feel like just being able to take things in your own time and enjoying the country, not feeling like you are there to cross all the things off your list without really enjoying it..." (Ola)

Also, they feel that when there is a tour guide, he/she tries to interpret the experiences, which can have a personal bias. Hence, tourists will not get access to authentic information about the country. As the literature explains, millennials seek authentic experiences wherever they travel (UNWTO, 2016). Further, Millennial tourists feel tour guides are expensive. As identified in the previous section, millennial tourists are price-conscious and try to avoid paying an intermediary whenever possible. Also, millennials have built an impression that tour guides operate with a monetary incentive. Hence, they dislike obtaining their service, as reflected in the statements below.

"With a tour guide, we always feel that they are going to fleece us. So, that is why I do not trust tour guides. Always a recommendation by a friend who has no money motive is better..." (Suresh)

"We use tour guides here if it is necessary to do a tour. But I do not like tour guides/ travel agents because they are expensive. I can do it myself." (Natalie)

Overall, it can be concluded that millennial tourists reject tour guides simply because this generation values freedom and authorship to choose where they want to go and what they want to do rather than being dictated by a third party.

Hotels

Another formal sector stakeholder that millennial tourists highlighted during the discussion was Hotels. Millennial tourists who participated in this study believe hotels are too expensive. They further claim they cannot afford hotels unless they travel for work, where the company sponsors the accommodation cost. When going on vacation, most people stay in a particular travel destination for a long time. As a result, using hotel accommodation would be costly for them. This is linked to the millennials' characteristic of being price-conscious.

"Not interested in hotels. It is too expensive" (Diana)

"Only when I am flying for work, I stay in hotels. Because who will pay that much to stay in a hotel? And when you are locked in a room, it is not fun..." (Hasheem)

However, VisitScotland (2017) expresses a different opinion, saying that millennial tourists splurge on selected experiences that are important to them and spend more on some trips and less on others. A German tourist who was interviewed in this study validated the exact point when she said that whenever she wants to get a luxury experience in a hotel, she travels to a European country which is in proximity. When she wants to obtain an authentic experience, she travels to an asian country like Sri Lanka. This indicates that they are not looking for luxurious hotel experiences in a destination like Sri Lanka.

"This is why I am not a normal tourist, why I am not fully staying in a hotel. If I would like to stay in a hotel, I can

stay in Germany. I can book a hotel room and then stay there. Alternatively, I go to France or a closer country and then stay there." (Anna)

Katy also believed obtaining accurate, authentic hotel experiences is difficult as hotels provide an artificially manifested experience. *"Lots of people are seeking the real experience, and you cannot do that if you are in a hotel. It is separated from reality." (Katy)*

Further, many millennial tourists felt hotels do not provide enough space and opportunities for socialising activities. Millennials are a social bunch who try to mingle with other tourists and locals while travelling, unlike any other generation. Activities with others help them deepen their relationships and make them feel more connected to other people, the community and the world (VisitScotland, 2017). Tourists believe hotel rooms are isolated and restricted, thus making them less fun and enjoyable. Fiz (2018) also identified, "This generation is not content to be locked away in an all-inclusive beachside hotel". Millennial tourists perceive hotels as mainstream, offering standardised services that are not customised according to the tourists' requirements. Anna's statement reflected this: hotels offer standard international food, while tourists want to taste authentic, local food when travelling in other countries.

I like to eat local food. When we are touring a country, I cannot understand why Sri Lankan hotels serve spaghetti, noodles, etc. These I can eat in Europe. I do not need to come to Sri Lanka to eat this. Moreover, I was happy when, in hotels, some Sri Lankan food was offered; then I was thinking, OMG, aha, great. This is the reason why I am here." (Anna)

Participants claim that their experiences in hotels are artificially manifested, and thereby, they do not like the unique treatment given by the hotel staff as it

is not natural. *"In hotels, I feel there is always too much treatment; I do not need this. They come and say 'Good Morning' and stuff."* (Anna)

Further, large hotels are prominent, being formally structured, crowded and standardised. Small properties like boutique hotels and villas provide a unique, personalised experience.

"I had two options: I can book a Marriott, which is a large property with a consistent customer care system, but will it be customised to me? I do not know... Their concept is flooded with 100 people staying in the hotel. You book a boutique hotel that has fewer people but pays more attention to your experience. However, you still pay a top buck for a smaller property because everything is private there. So, you only have one pool used by 18 people versus the same one in a Marriott or a larger property that a hundred people would use. So, I usually pick smaller properties to get whatever I want..." (Suresh)

Visit Scotland (2017) also mentioned that well-designed boutique hotels and concept-based accommodations suit millennials better. Millennial tourists' general sentiment about hotels is that they are expensive, lack sufficient space for social activities and do not offer much fun and excitement. Some also believe hotels are too standardised and mainstream, failing to provide an authentic experience.

Informal sector stakeholder

The informal sector in the tourism industry is 'all the individuals and micro enterprises who engage with tourists and the tourism industry' (Bah & Goodwin, 2003), which are composed of small-scale, self-employed entrepreneurs, primarily family-owned, unregulated using intensive labour and depend on Indigenous resources (Biggs et al., 2012). Accordingly, the informal sector in the tourism industry in Sri Lanka is the party providing services to

tourists; however, it is not registered with SLTDA and thus is not regulated. All the millennial tourists interviewed in this study closely interacted with the informal sector stakeholders such as three-wheeler drivers, locals, and homestay hosts.

Three-wheeler (Tuk-Tuk) Drivers

The service of truck drivers is used for transportation purposes, primarily to travel within a small vicinity. Tourists find riding in a tuk-tuk fun and exciting, as such vehicles are unavailable in their countries. Riding in a tuk-tuk helps tourists experience the ambience factors of the destination, such as light, sound and smells (Slatten et al., 2011). It is a convenient mode of transportation, and they find it cheaper than other taxi services available in Sri Lanka.

"When I was going outside, there were some tuk-tuk drivers, and they also do tours, and then I talked with them, and they offered lower prices, and then I decided okay, I will go with one. ...it is a little country, a little island, so I thought I should take the help of a tuk-tuk driver to see many things because I had only 10 days." (Anna)

In addition to providing transport, tuk-tuk drivers also connect tourists to other tourism service providers. Tuk drivers, a very social group, have a widespread network through which they can provide extended services to tourists, which was evident in Anna's claims.

"The tuk guy connected us with another Van person. They are not a formal organisation. He knows somewhere that this person has a van, and this van person knows other people connected to tourism. Moreover, this way, they are connected." (Anna)

Tourists also get a chance to learn about the social and cultural aspects of the country through them. However, some tourists negatively perceive tuk-tuk drivers because of their experiences with them during their interactions. Few

tourists claimed that tuk drivers cheated on them by overcharging, and some tuk drivers even treated the tourists rudely. Fiz (2018) says that millennials are usually hostile to anything that appears false, fake, or designed to appeal to tourists. It was evident in this study that the millennial tourists were unwilling to tolerate this unfair and unruly behaviour of tuk-tuk drivers.

"Like you mentioned about tuk drivers... I do not like them. Because I always feel they cheat on you. They try to rip you off. I do not have good experience with people I do not know unless someone recommended me. I have had horrible experiences, actually, with them. Because they think I am white, I am European; I have hundreds on my forehead. Therefore, I like to ignore them..." (Katy)

Local Community

Millennial tourists were found to interact closely with the locals in the community because they provide valuable insights and recommendations to tourists about local attractions and the neighbourhood. The Majority of the tourists commented positively about the locals, saying they are helpful, friendly, and trustworthy, thus showing enthusiasm for interacting with them. With that intention, millennial tourists frequently visited local pubs and restaurants to meet and hang out with locals.

"...I met some locals like in cricket tournament... So, from time to time, I went to a pub or a bar where people were watching cricket... And I met some people there and talked to them." (Ameer)

"...I also interact with many locals because I like to do my own thing, like to go to different places and say 'Hi' to someone. I think speaking to locals is a good interaction; we can pick up language from them, ideas of where to go, which we do not know about..." (Arno)

This finding aligns with the UNWTO (2016) survey on millennial tourists, which reported that the most important motivation for young tourists in a tourist destination is to interact with the local people. Hence, the local community can be considered an important part of creating millennial tourist experiences.

Few millennial tourists visited the country upon their friends' invitations. Their motivation to travel was to interact with friends, meet new people, and have fun and an enjoyable time. As Kreziak and Frochot (2011) highlight, tourists enjoy interacting and socialising in a tourist destination. In some instances, the tourist's interaction goes beyond the particular friend to the friend's other friends, family members of the friend, neighbours, etc. It was interesting to note how community interaction and engagement happen through these extended networks.

"Erm... It was only, besides the Airport officials, the people whom I interacted with were Rainu and her family. Her father took much responsibility for me" (Charlotte).

"Initially, I wanted to travel alone, but Kalinga's brother came along. They did not want me to be alone because they knew all the tourist places. They were concerned about my safety. So, I always had somebody." (Charlotte).

The study participants claimed that these encounters with the local community made them feel belonging, cared for, and safe. This aligns with some tourism literature, which says that on-site interactions tourists develop carry a social meaning (Mehmetoglu & Engen, 2011; Morgan, 2007) and make them feel emotionally connected (Correia & Crouch, 2004).

Further, the researcher was able to see that a few of the millennial tourists have built intimate relationships with locals where their girlfriend/ boyfriend or spouse is from Sri Lanka or they have got into such an affair after coming to the country. In such instances, their primary interaction is with that particular partner. However, since the partner is part and parcel of the local community,

through him/her, the tourist has the opportunity to interact with a broader network of locals. Nathan's wife is Shami, a Sri Lankan; hence, most of his interactions revolve around Shami's contacts.

"Shami's family, friends of Shami, the priests of a couple of different temples and even when we travel to different destinations like Sigiriya, you know you interact with the staff there... so you meet so many people along the way. But mostly family and friends." (Nathan)

Homestay hosts

Another major stakeholder millennial tourists interact with during their stay in Sri Lanka is the host of homestays. Homestay is a shared facility where a local family host a tourist for one or a few nights. As the literature explains, there is a growing demand for alternative accommodation options such as homestays (Ketter, 2019). The Homestay concept belongs to the sharing economy, which has gained popularity in the recent past because it enables millennial tourists to connect with the local communities, create authentic local experiences, and receive value for money (VisitScotland, 2017). Tourists are motivated to use homestays as they allow them to live like a local and immerse themselves in the local culture. In this study, it was highly evident that most millennial tourists use homestays as their accommodation and interact closely with the hosts of homestays in order to create an authentic tourism experience.

"Mostly we interacted with the people from the homestays. They are very safe and helpful. We spent a lot of the time talking with them trying to understand how they live." (Salina).

Homestay hosts are helpful, provide local food, and arrange other facilities that tourists require. They go beyond their expected service, provide advice and recommendations, and arrange other facilities such as transport using their widespread networks. Tourists believe they can learn about the local lifestyle,

language, and culture while staying in homestays. They are also confident about the security at homestays and have a strong trust in the hosts of homestays.

"First, in Negombo, we stayed in a Home Stay, and in Ella, we stayed in a Home Stay again. So, I think they have helped us a lot. We just asked, for example, if we wanted to do a train ride, can you help us to get a car? Moreover, they say, Yeah, then call a friend and help us make things happen because they have contacts. Like in Ella, we just said we wanted to go to the tea plantation, and they took us there."

(Ola)

Most millennial tourists have become extremely friendly with these hosts during their stay in Sri Lanka, some of which have become long-lasting friendships. *"Well...Thusith can tell you a lot about it. Because he is hosting people. Thusith has always been very helpful."* (Katy). Arsenault (2004) also identified that tourists like connecting with the local community, being welcomed into their homes, sharing experiences, and spending time with them.

Other tourists

Another stakeholder, millennial tourists have interacted with during their stay in the destination, is the other tourists. One of the main characteristics of millennial tourists is that they are a highly social and connected group of people who like to interact with other peer tourists with similar interests. Sometimes, they travel with friends from the beginning of the tour or meet other tourists during the tour. This has also been highlighted in the VisitScotland (2017) study, where millennials are much more likely to travel with friends or family and mingle with others while staying at the tourist destination.

"I usually interact with many other tourists 'cause I think we are in a hostel" (Arno).

"I hang out with my friends in the hostel (Hasheem).

These tourists meet and hang out with other tourists, mostly in tourist hostels.

There is an increasing demand for poshtels (posh hostels) among millennial tourists, who have smaller rooms and larger lobby/hangout areas (VisitScotland, 2017). The researcher of this study was also quite amazed by seeing such stylish hostels being operated around Colombo and the demand for them. In Sri Lanka, these hostels belong to the informal category as they are not registered under the SLTDA. However, the quality of their services was appreciated by the tourists. Particularly, millennial tourists appreciate the freedom, flexibility, space and ambience these hostels provide for tourists to hang out and socialise freely. Ketter (2019) also acknowledges that "these posh hostels bring a new chic to the traditional accommodation categories". Accordingly, millennial tourists interact enthusiastically with many informal sector stakeholders, such as tuk-tuk drivers, people from the local community, hosts of homestays, and other travellers.

CONTRIBUTION OF THE STUDY

Past studies on millennial tourists have recognised millennials as independent tourists (Monaco, 2017; Santos et al., 2016; Sofronov, 2018; UNWTO, 2016). Only a few scholars have discussed millennials' interest in interacting with stakeholders in the tourist destination. Hence, the current study tried to understand the millennial tourists' interactions with stakeholders when engaging in a tour. The study's main finding was that millennial tourists often interact with various parties when engaging in the tour. Millennial tourists who visit Sri Lanka prefer interacting with informal sector stakeholders rather than formal sector stakeholders.

Further, this research identified many unique characteristics of millennial tourists that directly impact their decisions regarding interactions with stakeholders and tourism experience co-creation. Such unique findings of this study are millennials' interest in travelling for lengthy periods, price consciousness, desire to socialise with the local community and witness real

life, not engaging in pre-planning of the tour, but making spontaneous decisions during the tour. Many millennial tourists interviewed in this study said they chose Asian countries like Sri Lanka primarily to obtain an authentic experience of Eastern culture. Hence, they dislike artificially manifested, westernised experiences offered by hotels and other tourism service providers.

PRACTICAL IMPLICATIONS

As revealed in the study, from the millennial tourist's perspective, informal sector parties play a significant role in the travel experience creation process. Therefore, SLTDA should focus on identifying these key stakeholders in the informal sector (such as homestays, hostels, tuk-tuk drivers, and the local community), train them, make them more knowledgeable about tourist handling, create proper sources of revenue for them and uplift them by giving them necessary resources to improve the quality and standards of their services so that, they will contribute better to the improvement of the overall tourism services in Sri Lanka. Contributions from the informal sector should be acknowledged and included in the overall tourism industry. The tourism industry needs to adopt a participatory approach (Ravald & Gronroos, 1996) because tourism is a creative industry with complex value network interactions.

Further, formal sector stakeholders such as hotels, tour guides and travel agents should be made aware of these upcoming trends and generational behaviour. Specifically, tour guides and travel agents should be flexible and adapt to the requirements of millennial tourists and customise the tourism experience, enabling these tourists to obtain authentic experiences while making their services affordable to the millennial segment. Hotels should focus on providing space and opportunity for tourists to socialise with other tourists and locals, and customise services without offering standard services. Further, hotels should not artificially manifest a luxurious experience because most millennial tourists travel to Sri Lanka to obtain an authentic Asian experience and hence dislike European or American architecture or food offerings.

Suppose formal sector stakeholders do not adapt to these emerging trends among millennial tourists, informal sector stakeholders who adopt millennials' desires will likely outperform the tourism industry shortly.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The current study examines how millennial tourists perceive their tourism experience when travelling in Sri Lanka. As per Vargo and Lusch (2008), the individual receiving the benefits of the transaction will determine the value derived from it based on their current experience, previous experience and unique needs. Hence, the subjective experiences the participants have faced in the past, and their unique individual needs would have impacted their interpretations, thus, generalisation would be difficult.

The data for this research was collected through the semi-structured interview process of interviewing millennial tourists who were reachable by the researcher. The researcher visited a few places where millennial tourists usually hang out based on her general understanding. Therefore, the study participants might not represent the millennial tourist population, an inherent limitation in an interview-based qualitative study. Further, during the data collection time, an unfortunate terrorist attack (Easter attack) happened in Sri Lanka. Therefore, some data was collected before the Easter attack, and some interviews were done after the Easter attack. This incident might have impacted the responses of the tourists slightly, however, it was not looked at when addressing the set research questions.

The current study used in-depth interviews as the primary data collection technique. This approach limits the ability to produce the data orally only. Additional techniques such as observations, photo ethnography, participatory observations, and in-depth interviews are suggested when conducting future research.

ACKNOWLEDGEMENT

The authors thank the reviewers and the editorial board for their valuable feedback, which helped refine this manuscript to a publishable standard.

CONFLICT OF INTEREST

The authors declare no conflicts of interest.

REFERENCES

- Arsenault, P. (2004). Validating generational differences: A legitimate diversity and leadership issue. *Leadership & Organization Development Journal*, 25(2), 124-141.
- Arthursson, D. (2016, June 9). How Millennials are defining the sharing economy. Retrieved from <https://www.entrepreneur.com/article/275802>
- Bakewell, C., & Mitchell, V. (2003). Generation Y female consumer decision-making styles. *International Journal of Retail & Distribution Management*, 31(2), 95–106.
- Barton, C., Haywood, J., Jhunjhunwala, P., & Bhatia, V. (2013). Travelling with millennials. www.bcg.com/documents/file129974.pdf
- Benckendorff, P., Moscardo, G., & Pendergast, D. (2010). *Tourism and Generation Y*. CAB International.
- Biggs, D., Hall, C. M., & Stoeckl, N. (2012). The resilience of formal and informal tourism enterprises to disasters: Reef tourism in Phuket, Thailand. *Journal of Sustainable Tourism*, 20(5), 645-665.
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3, 77–101.
- Braun, V., & Clarke, V. (2013). *Successful Qualitative Research - a practical guide for beginners*. SAGE Publications Ltd.

- Cavagnaro, E., & Staffieri, S. (2015). A study of students' travel values and needs to establish future patterns and insights. *Journal of Tourism Futures*, 1(2), 94-107.
- Cavagnaro, E., Staffieri, S., & Postma, A. (2018). Understanding millennials' tourism experience: Values and meaning to travel are key for identifying youth (sustainable) tourism target clusters. *Journal of Tourism Futures*, 4(1), 31-42.
- Correia, A., & Crouch, G. (2004). A study of tourist decision processes: Algarve, Portugal. In M. Perdue, & H. Timmermans (Eds.), *Consumer psychology of tourism, hospitality and leisure* (pp. 121-134). Wallingford: CABI.
- Dias, S. (2016, January 24). *Business Times*.
<http://www.sundaytimes.lk/160124/business-times/authentic-sri-lankan-experience-sells-says-tourism-industry-180104.html>
- Fiz. (2018, August 1). Millennial Travellers and How They Have Changed Travel for the Better. <http://www.fiz.com/blog/travel-trends/millennial-travellers/>
- Fountain, J., & Lamb, C. (2011). Wine consumption and purchase behaviour in high and low involvement situations: A comparison of Gen Y and older consumers. 6th AWBR International Conference. Bordeaux: Bordeaux Management School.
- Fry, R. (2018, August 25). Millennials overtake Baby Boomers as America's largest generation. www.pewresearch.org/fact-tank/2016/04/25/millennials-overtake-baby-boomers/
- Guha, A. (2010). Motivators and hygiene factors of Generation X and Generation The test of two-factor theory. *Vilakshan: The XIMB Journal Of Management*, 7(2), 121–132.
- Hammarberg, K., Kirkman, M., & De Lacy, S. (2016). Qualitative research methods: when to use them and how to judge them. *Human Reproduction*, 31 (3), 498-501.
- Ketter, E. (2019). Millennial travel: Tourism micro-trends of European Generation Y. *Journal of Tourism Futures*, 7(2), 192–196.

- Kotler, P., & Keller, K. (2012). *Marketing Management*. Upper Saddle River, Pearson Prentice Hall.
- KPMG. (2017). Meet the millennials.
<https://home.kpmg/content/dam/kpmg/uk/pdf/2017/04/Meet-the-Millennials-Secured.pdf>
- Kreziak, D., & Frochot, I. (2011). Co-construction of the tourism experience: Tourists' strategies in ski resorts. *Decisions Marketing*, 64, 23-33.
- Lesak, A., Fyall, A., & Barron, P. (2014). Generation Y: An agenda for future visitor attraction research. *International Journal of Tourism Research*, 16(5), 462–471.
- Mehmetoglu, M., & Engen, M. (2011). Pine and Gilmore's concept of the experience economy and its dimensions: An empirical examination in tourism. *Journal of Quality Assurance in Hospitality & Tourism*, 12(4), 237-255.
- Monaco, M., & Martin, M. (2007). The Millennial Student: A New Generation of Learners. *Athletic Training Education Journal*, 2(2), 42-46.
- Monaco, S. (2017). Tourism and the new generations: emerging trends and social implications in Italy. *Journal of Tourism Futures*, 4(9), 7–15.
- Morgan, M. (2007). 'We are not the barmy army!': Reflections on the sports tourist experience. *International Journal of Tourism Research*, 9(5), 361–372.
- Moreno, F. M., Avila, F., Lafuente, J. G., & Moreno, S. M. (2017). The Characterization of the Millennials and Their Buying Behavior. *International Journal of Marketing Studies*, 9(5), 135-144.
- Nawaz, I. Y. (2020). Characteristics of Millennials and Technology Adoption in the Digital Age. In S. S. Dadwal (Ed.), *Handbook of Research on Innovations in Technology and Marketing for the connected consumer* (p. 22). Business Science Reference.
- Ng, B. (2018, May 8).
<https://www.rezdy.com/blog/millennials-depth-look-travel-segment-infographic/>

- Nielsen. (2017, January 1). Young and ready to travel: A look at millennial travellers. www.nielsen.com/wp-content/uploads/sites/3/2019/04/nielsen-millennial-traveler-study-jan-2017.pdf
- Obal, M., & Kunz, W. (2013). Trust development in e-services: A cohort analysis of Millennials and Baby Boomers. *Journal of Service Management*, 24(1), 45–63.
- Pennington-Gray, L., Fridgen, J., & Styness, D. (2003). Cohort segmentation: A tourism application. *Leisure Sciences*, 25(4), 341–361.
- Ramgade, A., & Kumar, A. (2021). Changing trends of the hospitality industry: Emergence of millennials and Gen Z as future customers and their influence on the hospitality industry. *Vidyabharati International Interdisciplinary Research Journal* 12 (2), 110–116.
- Ravald, A., & Grönroos, C. (1996). The value concept and relationship marketing. *European Journal of Marketing*, 30, (2), 19-30.
- Richards, G., & Wilson, J. (2003). *New Horizons in Independent Youth and Student Travel. Today's Youth Tourists: Tomorrow's Global Nomads? A report for the International Student Travel Confederation (ISTC) and the Association of Tourism and Leisure Education (ATLAS)*. Amsterdam: International Student Travel Confederation.
- Santos, M., Veiga, C., & Aguas, P. (2016). Tourism Service: Facing the challenge of new tourist profiles. *Worldwide Hospitality and Tourism Themes*, 8(6), 654-669.
- Shulga, L., Busser, J., & Kim, H. (2018). Generational Profiles in Value Co-Creation Interactions. *Journal of Hospitality Marketing & Management*, 27(1), 196-217.
- Slatten, T., Krogh, C., & Connolley, S. (2011). Make it memorable: Customer experiences in winter amusement parks. *International Journal of Culture, Tourism and Hospitality Research*, 5 (1), 80–91.
- Smith, T., & Nichols, T. (2015). Understanding the Millennial Generation. *Journal of Business Diversity*, 15, 39–47.

- Sofronov, B. (2018). Millennials: A New Trend for the Tourism Industry. *Annals of Spiru Haret University. Economic Series.*
- Stafford, D., & Griffis, H. (2008). A Review of Millennial Generation Characteristics and Military Workforce Implications. The CNA Corporation.
- Suh, J., & Hargis, J. (2016). An interdisciplinary approach to develop key spatial characteristics that satisfy the Millennial generation in the learning and work environment. *Transformative Dialogues: Teaching & Learning Journal*, 8(6), 1–19.
- United Nations World Tourism Organization. (2016). *Affiliate Members Global Reports, Volume thirteen – The Power of Youth Travel.* UNWTO.
- UNWTO and WYSE Travel Confederation. (2008). *Youth travel matters: understanding the global phenomenon of youth travel.* UNWTO.
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for Marketing. *Journal of Marketing*, 68(1), 1-17.
- Visit Scotland. (2017). *Millennial Travellers.*
www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers/millennial-travellers-topic-paper-jan-2017.pdf

Appendix 1

Interview Guide

Opening Questions

1. Can you start by telling how you planned your visit to Sri Lanka?
2. Why did you choose to visit Sri Lanka?
3. Do you usually like to travel independently or by obtaining a Tour Guide (TG)/Travel Agent service?

Research Question	Interview Qs	Probing Qs
Who are the stakeholders that millennial tourists interact with in the tourist destination?	<p>Who are the parties with whom you interacted during your tour?</p> <p>Who are the stakeholders you recognise as formal sector and informal sector service providers?</p> <p>Who are the stakeholders who created the tourism experience together with you?</p>	<p>-Hotels? TGs? Local Friends? Tuk Drivers? Vendors? Travel Agents? Restaurants?</p> <p>-Who are the established institutes or registered parties from whom you obtained service?</p> <p>- Who are the casual parties from whom you obtained service?</p> <p>-Did they inquire about your preference and create the experience for you together accordingly?</p>