

## **Millennials Age Group and Income Levels among Domestic Tourists in Tanzania**

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### **ABSTRACT**

The aim of this paper is to analyze millennials age group and income levels among domestic tourists in Tanzania. This study analyzes the relationship between millennials age group and income levels among domestic tourists. Quantitative design with survey questionnaires was used to obtain data from a sample size of 210 respondents in Mikumi and Kitulo National Parks in Southern Tanzania. Results revealed that the relationship between millennials age group and income levels among domestic tourists is statistically significant ( $p = 0.000$ ). This study adds knowledge of statistically significant relationship between millennials age group and income levels among domestic tourists who visit Mikumi and Kitulo National Parks in Tanzania.

**Keyword:** millennials age group, income levels, domestic tourists

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### **1.0 INTRODUCTION**

Millennials are those born between 1980 and 2000s in countries such as Brazil, India and the USA (Hole, Zhong, & Schwartz, 2010). Millennials can also be those who are born in 1979 to 2000 (Garikapati, Pendyala, Morris, Mokhtarian, & McDonald, 2016). Various studies have researched millennials on attitudes, training, misperception, tourism growth, advanced technologies, activity patterns, time use, gender, social transformation, travel, and tourism planning (Morrissey, 2011; Langan, 2012; Zopiatis, Karambia-Karadis, & Varnavas, 2012; Singapore Tourism Board and

Company, & Visa Worldwide, 2013; O'Connell, 2015; Yusop, Zin, Kurniawan, & Girinsah, 2015; Ferguson, 2016; Arcinue & Grata, 2016; Garikapati et al., 2016; Myers, 2016; Mzembi, 2017). Africa business and development are evident in Tourism. Although there is research on millennials in other countries, there is limited knowledge about millennials in Tanzania.

More knowledge about millennials is crucial for the tourism sector since these are also consumers of tourism products such as visits to national parks. Singapore Tourism Board et al. (2013) mentioned that millennials provide opportunities for the travel industry since they are the drivers of consumption and tourism growth. Bright, Vanneste and Rompaey (2014) did research in tourism with the focus on income distribution in terms of accommodation sector around Kibale National Park in Western Uganda. Findings showed that tourism is the main source of income for over 80% of households (Bright et al., 2014). This study is also in tourism but with interest on income levels of domestic tourists visiting Mikumi and Kitulo National Parks in Southern Tanzania.

In Tanzania, tourism is one of the major contributors to the gross domestic product (Mkwizu, 2016). According to the World Travel and Tourism Council (WTTC) the total travel and tourism contribution to Gross Domestic Product (GDP) in 2016 was USD 5.9 billion which is equivalent to 13.3% of GDP and this is expected to increase by 4.1% in 2017 (WTTC, 2017). The tourism industry in Tanzania had employment contribution of 1.3 million jobs in 2016, and this is forecast to rise by 4.6% in 2017 (WTTC, 2017). A recent report in 2016 on International Visitors' Exit Survey Report recorded 1, 284, 279 tourists arrivals in Tanzania (National Bureau of Statistics & Bank of Tanzania, 2017). Domestic tourists contribute 40.5% of total visitors to national parks in Tanzania (Mkwizu, 2017). Despite the growth in tourism statistics and the contribution to the economy, little is known about millennials in the tourism industry in Tanzania. To fill the knowledge gap, this paper analyzes millennials age group and income levels among domestic tourists in Tanzania. The specific objective is to analyze the relationship between millennials age group and income levels among domestic tourists.

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical framework and hypothesis development**

The Resource Based View theory developed by Barney (1991) is used in this study to guide the analysis of millennials age group and income levels among domestic tourists. The Resource Based View (RBV) theory assumes that firms have competitive advantage due to available resources (Barney, 1991). Other studies (Ngoma, Abaho, & Nkambwe, 2015; Matama, 2016; Elly, 2016; Mkwizu, Wilbard, Mbilinyi, & Maliva, 2017) have applied RBV theory in research. For instance, Ngoma et al. (2015) used RBV theory to guide in the investigation of the role of resources in the internalization of Small and Medium Enterprises (SMEs). Matama (2016) used RBV theory in analyzing small business and education levels. Elly (2016) also used the RBV theory and was keen to determine the adoption of standards and certification among Tanzania agribusiness firms. Mkwizu et al. (2017) adopted the RBV theory to analyze factors that influence convenience shopping of industrial products.

More research on millennials reveal that tourism trends for millennials in Poland are similar to those of other millennials around the world in terms of preferences and behaviour (Kowalczyk-Aniol, 2012). Although the RBV theory is concerned with how firms achieve a competitive advantage with available resources, this study uses the article by Kowalczyk-Aniol (2012) to argue that millennials are "a group" and similar to "firms". Therefore this link makes the RBV theory applicable for this study. By adopting the RBV theory, this study analyzes how significant the relationship between millennials age group and income levels is among domestic tourists. While RBV theory assumes how firms achieve advantages with available resources, this study assumes individuals who are millennials achieve advantages in relation to income as a resource in visiting national parks.

Therefore, the use of individuals who are millennials in this study as opposed to firms contextualizes RBV theory from a tourism perspective. The hypothesis developed in this study argues that there is a statistically significant relationship between millennials age group and income levels among domestic tourists.

## **2.2 Empirical Literature Review**

In recent studies, millennials are known as “go-nowhere” (Buchholz & Buchholz, 2012). Other researchers were keen to study millennials in the USA by reviewing their relationships and performance in organizations (Myers & Sadaghiani, 2010; White, 2011). Myers and Sadaghiani (2010) concluded that there is a positive relationship between leadership socialization and altruistic leadership values as well as extrinsic values. While Myers and Sadaghiani (2010) were interested on millennials in terms of organizational relationship and performance, Langan (2012) concentrated on research about training for millennials. Langan (2012) did a study in the USA and looked at training of millennials students using a sample chat reference approach, and findings indicated that the trainers need to consider millennials’ attitudes in the training sessions. Additional findings reveal that the training of millennials should be based on theory to allow students to learn (Langan, 2012).

Another study in tourism conducted in Poland noted that there are similarities in millennials world wide in relation to their preferences and behaviour (Kowalczyk-Aniol, 2012). The findings indicated that the preferences by millennials in Poland were comfort and entertainment while their behaviour involved internet couch surfing portals (Kowalczyk-Aniol, 2012). Another empirical study concentrated on millennials and technology (Yusop et al., 2015). Furthermore Yusop et al. (2015) mentioned that millennials of Malaysia and Indonesia use 96% of search engine to plan their travels. Similarly (Mzembi, 2017) conducted a study in Zimbabwe by applying the exploratory approach and found that millennials make up 54.7% of the workforce.

A recent study in tourism by Ramsay et al. (2017) was carried out in Canada. Ramsay et al. (2017) examined the barriers for millennials to visit Rouge Urban National Park in Toronto, Canada. The study used a quantitative survey approach of 280 millennials and found that distance, transportation and awareness were the three barriers for millennials to visit Rouge Urban National Park (Ramsay *et al.*, 2017). Other findings using frequency, cross-tabulation and Chi-square test analyses of the sampled respondents in Canada showed that 38.6% of millennials earned income below USD 49,999, and the relationship between barriers and millennials willing to visit Rouge Urban National Park was not significant (Ramsay et al., 2017). While barriers to visit Rouge Urban National Park were revealed by the respondents, the study also found that there were motivations to visit urban national parks expressed by millennials which were appreciation of nature, animals and scenery (Ramsay *et al.*, 2017). Therefore it is clear the study by Ramsay et al. (2017) focused on barriers and motivations by millennials to visit national parks.

The mentioned studies (Myers & Sadaghiani, 2010; Buchholz & Buchholz, 2012; Langan, 2012; Kowalczyk-Aniol, 2012; Yusop *et al.*, 2015; Mzembi, 2017; Ramsay *et al.*, 2017) did not focus on the relationship between millennials age group and income. Most of the research concentrated on millennials in organizations and even those studies that have linked millennials with tourism, it was limited to tourism in terms of the workforce, motivations and barriers. Age and income were used as demographics characteristics only. There are also scant studies on millennials in Tanzania. Hence this paper analyzes millennials age group and income levels among domestic tourists in Tanzania.

The conceptual framework for this study is guided by RBV theory and empirical literature review (Figure 1). The independent variable is millennials age group and the dependent variable is income levels among domestic tourists.

## **3.0 DATA & METHODOLOGY**

The research design for this paper is quantitative for purposes of testing the hypothesis which stated that there is a statistically significant relationship between millennials age group and income levels among domestic tourists. The respondents in this study are domestic tourists visiting Mikumi and Kitulo National Parks in Southern Tanzania. Mikumi National Park is located in Morogoro region while Kitulo National Park is in Mbeya region. The sources of data for this study were primary and secondary. The primary data was sourced using survey questionnaires that were distributed to 210 domestic tourists during the months of December 2014 and January 2015. The secondary data was to gather literature reviewed for this study that was sourced using reports, conference proceedings and journals. The sampling technique deployed in this study is stratified random sampling to accommodate heterogeneous and cover the two different regions (Morogoro and Mbeya). The 210 questionnaires handed to respondents were collected with 10 defects and therefore this study used 200 as the sample size  $n = 200$  for data analysis.

The variables for age group and income levels were adopted and customized from (Mungai, 2011; Mkwizu, 2017). In this study, millennials age group is those born between 1980 and 2000s and this is adopted from Hole et al. (2010). In this study the income levels are below Tanzania Shillings (TZS) 300,000 and above TZS 300,000 per month. For reliability, the Cronbach's alpha value for age and income variables in this study shows (0.784) which is acceptable according to Field (2014). The collected nominal data which is discrete for the variables of age group and income levels in this study was analyzed using descriptive statistics, Chi-Square test and Phi and Cramer's V test supported by SPSS Version 20.

#### 4.0 FINDINGS & DISCUSSION

The descriptive statistics for the basic profile of the sampled respondents shows that those of 35 years and below (90.5%), males (58.5%), earn monthly income of below and above TZS 300,000 (42.5%), and have a secondary education (64.5%). Further descriptive statistics results for income levels among domestic tourists show that the 42.5% is distributed as follows for the 2 levels of below TZS 300,000 (21.5%), and above TZS 300,000 (21%). This suggests that those of 35 years and below are males, earn income and have a secondary education.

Table 1 shows Chi-Square statistics findings for millennials age group and income levels among domestic tourists which is significant at ( $p=.000$ ). This indicates that there is a statistically significant relationship between millennials age group and income levels among domestic tourists. Therefore the hypothesis is accepted. Furthermore, the statistical significant result means that the income levels among domestic tourists is not independent from millennials age group but it is dependent on millennials age group.

**Table 1:** Chi-Square Test: Millennials age group and income levels among domestic tourists

	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	134.479 <sup>a</sup>	.000
Likelihood Ratio	152.924	.000

Source: Field Data (2017)

This study deployed further data analysis using Phi and Cramer's V in order to test the strength of the relationship between millennials age group and income levels among domestic tourists. The findings in Table 2 show the Phi value (.820) and Cramer's V value (.580) with significant value ( $p=.000$ ). The strength rate of .10 to .29 is regarded as small to moderate effect between two variables (Pallant, 2011). The result of this study show that this relationship between millennials age group and income levels among domestic tourists is above small to moderate effect and significant. This suggests that the effect of millennials age group is above small to moderate on income levels among domestic tourists.

**Table 2:** Phi and Cramer’s V analysis: Millennials age group and income levels among domestic tourists

Variable		Value	Asymp. Sig. (2-sided)
Millennials Age Group	Phi	0.820	0.000
	Cramer’s V	0.580	0.000

Source: Field Data (2017).

These results in Table 1 and Table 2 show that there is a statistically significant relationship between millennials age group and income levels among domestic tourists, and above small to moderate effect. This statistical significance is explained by millennials who are mostly 35 years and below, earn income that enables them to visit national parks, and in this particular study the millennials visited Mikumi and Kitulo National Parks. This finding differs from Buchholz and Buchholz (2012) that millennials “go-nowhere”. In addition, the statistically significant result of this study confirms the application of RBV theory in the context of Tanzania by showing that millennials who earn income visit national parks and this is positive for tourism growth. The reason for the variations between the study by Buchholz and Buchholz (2012) and this study is that the research was conducted in different settings. The findings of this study are also in line with Singapore Tourism Board et al. (2013) that millennials can provide opportunity for the travel industry.

## 5.0 CONCLUSION

The main objective of this paper was on analysis of millennials age group and income levels among domestic tourists in Tanzania. The specific objective was to analyze the relationship between millennials age group and income levels among domestic tourists. Results indicated that there is a statistically significant relationship between millennials age group and income levels among domestic tourists. In addition, the strength of the relationship between millennials age group and income levels among domestic tourists is above small to moderate effect which means that millennials age group has effect on income levels among domestic tourists. The outcome of this study has factual findings regarding statistical significant relationship of millennials age group and income as a resource among domestic tourists. Findings differ from a previous study stating that millennials go nowhere while this study implies that millennials who earn income go places and in this particular study the visits were to Mikumi and Kitulo National Parks. Future researchers can explore similar relationships in other countries.

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