Effects of Consumption Value on Purchase Intention in Nepalese Hospitality Industry

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Investigating thoroughly the factors impacting purchase intention of online customers/ users in hospitality industry has remained ever unfold due to emerging and unidentified factors.

Abstract

The present study investigates the purchase intention of online users within the Nepalese hospitality industry, consisting of consumers who invest considerable amounts for quality accommodation. The objective of this research is to examine the effect of monetary value, quality of benefits value, social status value, information value, and preference value on purchase intention. The methodology is underpinned by a positivist epistemology, while the research design was descriptive and causal in nature and guides the analysis. Primary data has been collected through non-probability (judgmental) sampling from online hospitality consumers, and a quantitative approach has been used. The findings conclude a positive relationship between monetary, information and social status value on purchase intention, while indicating a negative relationship between quality of benefits and preference value with the dependent variable. The study has pinpointed some pivotal factors that affect purchase intention in the hospitality industry in Nepal and guides marketing strategies toward service quality improvement to increase customer satisfaction and loyalty. The hotels of Nepal, though investing much in brand image through costly advertisements, do not recognize consumer behavioral practices.

Keywords: Hospitality Industry, Value, Online Platforms, Online Users, Purchase Intentions

Background

Purchase intention is an important aspect of consumer behavior in the hospitality industry because it determines the sales and revenue of the industry (Talwar et al., 2020). Many organizations and researchers spend large amounts of money to identify the antecedents of customer intension to purchase decisions, but concrete factors are still not fully identified. Studies indicate that the customers are capable of recognizing various brand names but may not differentiate between all types of brands. As a result, they often rely on personal values to make decisions, which vary from person to person. Therefore, the major problem is that simply promoting and upgrading advertisements for a brand or trade name cannot guarantee successful outcomes or increased purchase intension. Thoroughly investigating consumer values is also equally important to increase purchase intention in the hospitality industry (Brown et al., 2003). According to Sheth et al. (1991), the Theory of Consumption Value (TCV) puts forward five generic consumption values, namely functional, emotional, social, conditional, and epistemic". Some older researches have also found that among all the values social values is one of the most important values in the context of tourism (Williams & Soutar, 2000). Similarly, researchers have found that social values have a positive impact on the consumer's intension to use hotel services (Morosan & DeFranco, 2016).

It's critical to keep the hotels revenue steady and ensure a flow of guests during both during both peak and off-peak seasons. Therefore, the industry needs to be more proactive in leveraging technological and digital factors to maintain guests flow. Today, people use online platforms and social media to access all the information they need (Ye et al., 2009). Customers prefer digital applications to search for information because they want services that provide everything with

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justone click. This has a direct impact on hotels' purchase intention in one way or another (Arya et al., 2019; Mehra, Paul, & Kaurav, 2020).

Due to its nature of service and accommodation providing, the hospitality industry has emerged as one of the largest and fastest-growing industries in the world. Along with growth, it is necessary to be updated with the most recent trends and data, consumption value included. The hotel industry in Nepal also needs to follow the current market trends and customer values since the flow of guests is primarily dependent on seasonal factors. Previous studies have established an empirical analysis of consumer behavioral pattern in specific regions, which cannot be generalized to studies in other countries (Talwar et al., 2020). In the context of Nepal, the study focuses on online purchase intention focused with no specific sectorial diversification. Existing studies in Nepal have yet to test or propose a theoretical framework basedon purchase intention in the hospitality industry.

The general objective of this study is to examine the impact of monetary value, quality of benefits value, social status value, information value and preference value on the purchase intention. The specific objectives of this study are: i. To identify the current status of monetary value, quality of benefits value, social status value, information value, preference value and purchase intentions in Nepalese hospitality industry, ii. To examine the relationship between monetary values, quality of benefits value, social status value, information value, preference value and purchase intentions in Nepalese hospitality industry, and iii. To analyze the effect of monetary value, quality of benefits value, social status value, information value and preference value on purchase intention in Nepalese hospitality industry.

This research seeks to investigate the current scenario of how consumption value influences purchase intention among online users in the Nepalese hospitality industry, with special focus

on the hotels of Kathmandu, Nepal. This study will help in understanding the different types of consumption values influencing purchase intention and suggest ways to make the customers aware of brand value rather than simply believing in advertisements and the trade name of a property. So far, rare researchhas established a relationship between consumption value and purchase intention, especially for online users within the hospitality industry of Nepal. This research, therefore, tries to fill this gapby initiating research focused on online users of Nepalese Hospitality services with the purpose of identifying factors defining their purchase intentions.

Previous Studies

This section consists of theoretical review followed by empirical review with a framework of Theory of Consumption value by Shelth et at. (1991) which is described in the following section.

Theoretical review

Theory of Consumption Value (TCV), a theoretical ground, is to understand how consumers regard and obtain value from products, services or experiences when utilizing them (Sheth et al., 1991). The theory emphasizes the values that consumers seek beyond monetary or functional benefits. It signifies the different values that influence and impact consumer behavior and purchasing decisions. Numerous studies have been conducted to explore the reasons behind purchasing intention through online travel agencies (OTAs) (Carlson et al., 2015; Lu & Hsiao, 2010). Value perceptions in the context of OTAs' have also been studied to determine the purchase intention of consumers (Mohd-Any et al., 2014). Talwar et al. (2020), based on the consumption values perspective, indicated that there is a variance of the purchase intentions by variables such as monetary value, quality of benefit value, social status value, information value, and preference value.

Empirical Review

The specific objective of the study is to identify, to examine and to analyze the status, relationships and effects of five variables (Talwar and et.al., 2020) on purchase intention of online users in Nepalese Hospitality industry.

The study attempts to fill the gap of previous studies that didn't highlight the relationship between consumption value of customers with their purchase intention.

Theoretical and empirical reviews of literature posted different dimensions and context of the subject along with consistent and contradict findings. The study specifies and focuses on five independent variables and their relations to dependent variables.

In this section, previously published scholarly articles were reviewed in a literature review matrix. Different studies have similar as well as contradict findings. The empirical review of various researches is shown in the following section:

Table 1

Literature Review Matrix

Authors	Title	Methodology	Key Findings	Objective
Park et al(2021)	Effects of online reviews, trust, and picture-superiority on intention to purchase restaurant services.	A 2x2x2 factorial design was used, manipulating rating, price, and picture to study their effects on purchase intention and trust in restaurant reviews.	Higher ratings, lower prices, and reviews with pictures boosted trust, with the highest trust from high ratings and pictures, leading to increased purchase intention.	To examine the impact of review ratings, price, and pictures on purchase intention.
Cam et al.(2021)	Impact of personal values on customer satisfaction and word of mouth for luxury hotel service consumption in Confucian culture: evidence from Vietnam	A structural equation model has been developed to test. Data was collected in the research from Confucian people who have consumed the services provided by luxury hotels in Vietnam, where the main cultural paradigm is Confucianism.	The results revealed that there is a positive relationship between customer satisfaction and positive word-of-mouth with Confucian personal values, but personal values did not affect positive word-of-mouth.	The article gives how social value influences consumer choices in luxury home & purchases examining the impact of social status & brand buying decisions.
Kim et al.(2017)	The effects of perceived value, website trust and hotel trust on online hotel booking intention	The analyzation of survey data was done using structural equation modeling to test the relationships of perceived value, website trust, and hotel trust in impacting booking intention.	One's perception of value and hotel trust had a positive relation to booking intention, where website trust mediated that relationship.	To study the effect of perceived value, website trust, and hotel trust on booking intentions with a mediating role of website trust.
Azizan et al (2019)	The influence of customer satisfaction, brand trust, and brand image towards customer loyalty	An online survey was conducted among 269 postgraduate students at University Utara Malaysia, and data were analyzed using SPSS to observe the impact of customer satisfaction, brand trust, and brand image on customer loyalty.	Customer satisfaction, brand trust, and brand image significantly influenced customer loyalty, where meeting customer expectations was important for retaining loyalty.	To investigate the impacts of customer satisfaction, brand trust, and brand image on customer loyalty in the branded computer product industry.

Theoretical Framework

In this study, there are 5 independent variables which involves monetary value, quality of benefits value, social status value, information value and preference value. For the dependent variable there is one dependent variable which involves the purchase intension for the hospitality industry.

Figure 1

Research Framework

| Monetary Value |
| Quality of benefits Value |
| Social Status Value |
| Information Value |
| Preference Value |

| Purchase Intention |
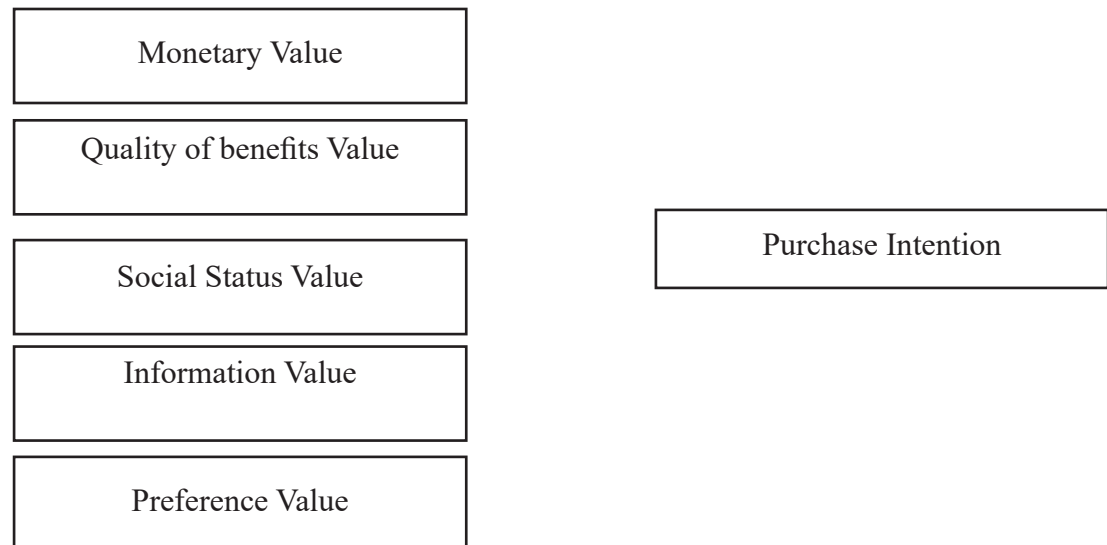
(*Source*: Talwar et al., 2020)

Research Hypotheses

Inorder to carry out the research, five hypothesis had come out to identify the current status of monetary value, quality of benefits value, social status value, information value, preference value and purchase intentions in Nepalese hospitality industry. They are:

H1: Monetary value positively affects purchase intention.

H2: Quality of benefits value positively affects purchase intention.

H3: Social status value positively affects purchase intention.

H4: Information value positively affects purchase intention.

H5: Preference value positively affects purchase intention.

Methodology

To fulfill the objectives of the study, the research followed the positivist epistemology so as to identify the current status, examine the relationship and analyze the effects of monetary value, quality of benefits value, social status value, information value, and preference value on purchase intention in Nepalese hospitality industry. The descriptive and causal research design was used to describe and understand the variables association taken. In this study, monetary value, quality of benefits value, social status value, information value, preference value as independent variable and purchase intention as dependent variable was used and it was taken from Talwar et al. (2020). For this study, the unit of analysis was based on individual units and the data collection was done from the people who utilized and made optimal use of online platforms for consumption of hospitality services. The research was conducted among the individuals who use online platforms for hospitality products and services through physical survey.

To address the objectives, the studies followed the positivist epistemology approach to research. The study use the descriptive and causal research design plus primary data collection through questionnaire survey.

To study the effects of consumption values on purchase intention in the hospitality industry, primary data sources was used. Questionnaires survey was created and distributed among the individuals who often used online platform, such as individuals booking hotels or making reservations in restaurants through online sources. In the survey, the questions were related to consumption values (e.g., functional, symbolic, experiential, social) and purchase intention. The questionnaire was designed to ask people about their demographics such as age, gender, qualification, education, income and employment status whereas, there are statements related to different values for the use of online platform. In this study, population from various sectors which includes consultancies, restaurants and college inside Kathmandu valley. In this study, a non-probability sampling technique was employed, specifically using a judgment sampling method.

Respondents were required to use online platforms such as websites or mobile apps to ensure more precise and relevant results for the survey. In line with Green's (1991) recommendation, a subject-to- predictor ratio of 1 to 15 was applied.As there were 5 predictors in the study, a minimum of 75 respondents was deemed necessary to conduct the research. To meet this requirement, 120 questionnaires were distributed on a judgmental basis to individuals who regularly used online platforms, targeting organizations such as restaurants, consultancies and colleges. The data sampling for the study was done through paper forms to make sure that the reach is broad and can reach out to many people as possible. In total the researchers conducted face-to-face survey with 116 people. Conducting physical survey helped the researchers to explain their concept more clearly to the respondents and clear out the doubts and confusions of the respondents. The researchers chose this approach because having face-to-face survey enable the researchers to guide the respondents to give accurate and thoughtful responses and also helps the researchers to have more reliable data for the analysis. The language used for the survey in the paper was English. The

The study used the collected data from the respondents for the analysis purpose. Demographics, reliability, correlation, and regression analysis are the major analyses done by the study.

researchers conducted the survey face-to-face to make sure the respondents understand the concept and purpose of the research and to collect accurate responses from the respondents.

Data Analysis

Demographic and professional details of the survey were presented in Table 1 where the total number of respondents were 116. The demographic information for this study are in the tabular format presented in Table 1.

Table 1. Respondent Characteristics

Variable	no. of Respondents	Percent
Gender		
Male	59	50.9%
Female	56	48.3%
Others	1	0.9%
Qualification		
+2	29	25%
Bachelor	56	48.3%
Master	29	25%
Phd	1	0.9%
Employment Status		
Employed	88	75.9%
Unemployed	7	6%
Student	20	17.2%
Field		
Cooperate	32	27.6%
Medical	3	2.6%
Hospitality	36	61.6%
Others	45	38.8%

Table 2 has provided the reliability of several variables with Cronbach's alpha. Table 2 includes the variables, no of the items, no of the item deleted, no if items retained, Cronbach alpha before deletion and after deletion. All the values are greater than 0.683. Hence, the data has adequate reliability.

Table 2 *Reliability Analysis*

Instrument	No. of items	No.of item deleted	No. of items retained	Cronbach alpha before deletion	Cronbach alpha after item deletion
Quality benefit value	3	- 2	3	-	.649
Monetary Value	4	-	2	.577	.583
Social Status value	4	-	4	-	.844
Preference value	3		3	-	.740
Information value	3		3	-	.751

The correlation provides the interdependencies among the variables, with providing best information for the further analysis and interpretation. This correlation table has the relationship between six variables QBV, MV, SSV, PV, IV and PI. Table 3 reveals that all the variables are positive and significant and confirm for further analysis.

Table 3 *Correlations*

	Mean	SD	1	2	3	4	5
1.QBV	3.33	0.64	1				
2.MV	3.43	0.74	.680**	1			
3.SSV	3.06	0.91	.280**	.280**	1		
4.PV	3.75	0.81	.338**	.338**	.206*	1	
5.IV	3.92	0.74	.212*	.212*	0.12	.572**	1
6.PI	3.70	0.78	.338**	.338**	.295**	.433**	.653**

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Table 4 shows MV had a positive impact on the purchase intention with a coefficient of the 0.17 and a p- value of 0.03. Similarly, SSV also positively influences purchase intention with the coefficient of 0.152 and the p- value 0.013. IV has a positive impact on PI with a coefficient of 0.625 and the t-value of 7.283 which is significant (p-value=0.000). The regression model has significant with an F- value of 27.444 and the sig-value of .000b, which indicates that the model is fit. Moreover, the R^2 is 0.705, which indicated that the model explains 70.5 percent of the variation. In addition, QBV and PV on PI is insignificant. It doesn't have any interpretation in the model; hence remove from the Table 4.

Table 4 Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	F	Sig	R2
		B	Std. Error	Beta					
1	(Constant)	0.203	0.354		0.574	0.567	27.444	.000b	0.705
	MV	0.17	0.077	0.161	2.197	0.03			
	SSV	0.152	0.06	0.179	2.538	0.013			
	IV	0.625	0.086	0.598	7.283	0.000			
a Dependent Variable: MEAN_PI									

Some findings of the study aligned with Talwar and et.al., finding and some others not aligned with the same study.

Discussion

The finding of this study found that there is a significant effect of MV, SSV, and IV on PI and it is consistent with the finding of Talwar et al. (2020). However, the effect of QBV and PV on PI is insignificant in this study and it is not aligned with the study of Talwar et al. (2020). The theorization of this study is presented in the following table (Table 5).

Table 5. Theorization

Authors	Conclusions	Conclusions of this study
Talwar et.al (2020)	MV has positive influence on PI	Consistent with the study
Talwar et.al.(2020)	QBV has positive influence on PI	Inconsistent with the findings of previous study
Talwar et.al.(2020)	SSV has positive influence on PI	Consistent with the findings of previous study
Talwar et. al (2020)	IV has positive influence on PI	Consistent with the findings of the previous study
Talwar et.al (2020)	PV has positive influence on PI	Inconsistent with the findings of previous study

Conclusion and Implication

The present study has analyzed that monetary value, quality of benefits value, social status value, information value, and preference value in terms of purchase intention within the Nepalese hospitality industry. The result of this study indicates few important facts about the consumer behavior and identifies how the findings combine and separate from other studies.

In every aspect, monetary value is seen to have a beneficial impact on purchase intention, which again established the fact of competitive pricing stimulating customer demands. This has been supported by Talwar et al. (2020), where it has been highlighted that with the affordability of services, it is definitely going to capture customer's attention towards the hospitality services in Nepal.

The social status value also influenced the purchase intention positively, with a consumer demand for up-scale and luxury services which reflects the social standing of the consumers. It also highlights brand image and exclusivity issues in the Nepalese market, which further solidifies the fact that "consumers are driven by prestige and personalized services.

Another strong indicator that strengthened the importance of online reviews, ratings, and detailed descriptions of properties toward steering customer choices was information value. The more consumers depend upon information right at their fingertips, the more a provident online footprint will help build customer trust and stimulate reservation.

On the other hand, quality of benefit value and preference value had no significant effect on purchase intentions, which contradicts the findings of Talwar et al. (2020). This may be an indication that cultural and contextual differences create a scenario in Nepal where price sensitivity and social status become stronger drivers than perceived benefits or personal preferences.

Limitation

This study is focus on quantitative analysis which is not sufficient to get the in-depth information from the respondents. Hence, qualitative or mixed method could one of the way to collect the data. In the course of data collection, the researchers encountered several challenges that have affected the standard and thoroughness of the data gathered. As the respondents were mainly the workers of

college, consultancies and restaurants where the time factor made it difficult for the researchers to have enough time to explain and make them fill the survey form. As most of the people were confused about the numbering scale, it was difficult for the researchers to have enough time to explain each and every statement with make the respondents participate effectively. In most of the cases, the respondents required the guidance of the researchers which also consumed a lot of time and delayed the process of filling the survey form.

To prevent the respondents from being bored and uninterested, the researchers decided to limit the statements in 20 numbers and only state important statements. However even with the limited statements for the survey, the respondents did not had enough time to fill each and every statement fully. In consequence, few of the questions which required answers were left unanswered, which made it difficult for the researchers to have exact and accurate answers.

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The study concludes with the inference that in the context of hospitality industry of Nepal monetary value, social status and the information value acts as the major determinants of purchase intention of online customers. Factors like quality of benefit value and preference value has no significant effects on the same.