



The influence of intrinsic, extrinsic, and consumer attitudes towards intention to stay at a Budget Hotel

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Abstract

This study aimed to analyze and test the positive effect of intrinsic factor, extrinsic factor, and consumer behavior on intention to stay in budget hotels. This research was a quantitative study using a survey method with a questionnaire. Respondents were people who have stayed at a budget hotel before. This research was conducted on 130 respondents through use of a purposive sampling method. This study used Partial Least Square (PLS) to analyze the data. The results showed that there are impacts of intrinsic factors and consumers' behavior towards intention to stay at budget hotel, while the extrinsic factors do not have effect on it.

Keywords: Intrinsic factor, extrinsic factor, consumer behavior, intention to stay, service quality.

Introduction

The tourism industry is one of the important sources of state revenue that is indicated by the development of the number of foreign and domestic tourists who come to a place and it continues to increase from year to year. The Central Statistics Agency reported that foreign tourist arrivals to Indonesia in December 2019 had increased by 1.88% compared to same period in the previous year. According to the Travel and Tourism Competitiveness Report by the World Economic Forum, Indonesia ranks 40th out of 140 countries in implementing a range of factors and policies for the sustainable development of travel and tourism sector, which contribute to development and competitiveness. Based on the data, it can be said that the tourism sector has a significant role to play in Indonesia. In carrying out activities related to tourism, there are temporary activities carried out by a person or group of people to a destination with different objectives, including for business, recreation, and so forth. To support tourism activities, hotels are needed, which hotels serve as temporary accommodation when tourists conduct activities to find satisfaction from a variety of different needs which are interpreted as tourism activities (Roger & Slinn, 1998). In the process of managing a trip it takes careful planning and must be adjusted, ranging from the type of activity to the budget that will be used for travel. According to Idawati (2016), a budget hotel is an accommodation unit that has been developed for short-term travel with a low budget.

At present, tourists tend to be more selective in finding information about travel, among others, from the price and convenience factors. Therefore, budget hotels become one of the types of hotels that are quite attractive to tourists, both from the archipelago and abroad, when traveling, in addition to competitive price factors, ease in the process of check-in until check-out, standardization and quality and services that are increasingly good is also a factor in the intention of tourists to stay at a budget hotel. This makes budget hotels a new product that will affect competition in the accommodation industry. Room occupancy data in budget hotels in May 2019 has decreased. In the same year, in April to May there was also a decrease, which is shown in table 1. Usually budget hotels are included in the category of two or three star hotels (Idawati et al., 2016) because of the limited facilities compared to other types of hotels.



Table 1. Hotel Room Occupancy Rate (%)

	May 2018	April 2019	May 2019	Change	
				May 2018 to May 2019	April to May 2019
★1	36,97	41,70	32,49	-4,48	-9,21
★2	57,33	51,57	41,80	-15,53	-9,77
★3	55,44	53,45	41,77	-13,66	-11,68
★4	53,97	56,10	46,53	-7,44	-9,57
★5	51,10	57,62	47,50	-3,50	-10,02
Amount	53,86	53,90	43,53	-10,33	-10,37

Source: BPS (2019)

A reduction in the room occupancy rate of a budget hotel needs to be evaluated by factors that influence tourists' decision to stay. The experience of consumer intentions in doing something involves internal and external memory which will play an important role in decision making process (Bettman, 1979). Internal memory comes from actual experience consumers have with goods or services, while external memory comes from information related to goods or services. The buying experience lasts longer and will remain in the mindset of the consumer. Therefore, consumers will immediately begin to evaluate the products purchased or services obtained and the results of purchase experience of goods or services, and will be stored in a mindset for a very long time (Keller, 2001). Consumers with negative experiences on a product or service will have a negative impact on future purchases, while when quality obtained is in accordance with price offered, a positive impact will be shown by consumers. These experiences, especially negative ones, are easy to share with others and thus influence consumer decision making (Jarvala, 1998). Kotler and Keller (2012) define purchasing behavior is an important key point for consumers to consider and evaluate certain products. Purchase interest can be influenced by the effect of price, perceived quality and perceived value expressed by Zeithaml (1988) and Grewal et al. (1998). According to Jaafar et al. (2013) in a study that discussed factors that influence consumer buying interest are intrinsic factors, extrinsic factors, and consumer attitudes. In intrinsic factors, perceived quality and perceived risk are the most important factors influencing buying interest (Hoch, 1996).

The purpose of this study is to analyze and test: 1) whether intrinsic factors have a positive effect on intention to stay in a budget hotel; 2) whether the extrinsic factor has a positive effect on the intention to stay at a hotel budget; and 3) consumer attitude has a positive effect on intention to stay in a budget hotel. The contribution and implication of this study from theoretical aspect is to understand the factors that determine the intention of consumers to stay at a budget hotel.

Literature review

Budget Hotel

According to Senior and Morphew (1990), the budget hotel sector is a label that has been given to accommodation units that have been developed for short-term tourists with low budgets. However, some literature reviews indicate that the topic of budget hotels is still relatively new. In addition, in many cases, when compared to other top market segments, budget hotels are often considered only as small accommodations. Fiorentino (1995) states that budget hotels are not insignificant hotel products, but this type of hotel represents a new concept in providing hospitality that depends on specific key factors and increasingly influences the industry on both sides, namely in supply and demand.



As a new hotel product concept, there is no complete and perfect definition of a budget hotel. However, there are some that provide a description, including Quest (1983) which identifies that a new generation of budget hotels, generally small and have limited facilities and prices without attributes. Furthermore, in 1989 Gilbert and Arnold defined a budget hotel as a limited service lodging that offers the benefits of the best value for rates with modern-standard accommodations, quality as good as three or four star hotels but the rates are 25% to 30% cheaper. Whereas Roper and Carmouche (1989) mention it as a general term to describe various types of accommodations that offer rooms at rates that are proportionally lower than the norm of the hotel industry, and facilities and services that are generally different from those defined as full-service hotels but either way ethics is required. Nicolaides (2018; 2016) states that irrespective of hotel size, greater market penetration is vital for a hotel as the depth of sales of a product or service in a particular market enhances the bottom-line and invariably affects sustainability. Certain hotels consider ethics to be a restraint on their profitability and these operations consider increased revenues and ethics to be contrarywise. In reality however, adopting ethical practices will in the short term decrease profits, but in the long-run a hotel's profitability will surge due to the idea that once a hotel has a positive ethical practice standing it gains a strategic competitive advantage.

The term budget hotel is difficult to define, but most low-cost properties usually have a standard appearance and offer basic services with limited food and beverage facilities. The first budget hotel, Holiday Inn, was developed in the United States and built along interstate highway system in 1952. In Europe, Accor operates cheap rooms with dominant European brand names. Accor has four brand hotels that have recently been redesigned: F1, ibis budget, ibis Styles and ibis hotels. This low-budget brand offers comfort, modern design and on-site breakfast (Accor, 2015). Low-rate brands owned by Accor are an example of a shift towards a low-cost boutique hotel style. There is no doubt that budget hotels currently represent a significant reality. This accommodation provision has become one of the most important segments of the hotel market and is increasing the overall share of room supply.

Intrinsic Factor

Intrinsic is said to be a factor directed to the brain or cognitive. Therefore it is intangible, but has an effective impact on motivation (Luthans, 2013). Intrinsic factors related to product characteristics include, among others, perceived price and perceived value.

As hotels become more and more targeted for attacks, both large and small hotels, safety and security systems are increasingly playing an important role in the hospitality industry. The hotel is responsible for protecting property from guests' personal security. Management must carry out the task of assessing safety and security needs as designed and managing the facility by continuously monitoring conditions and safety standards (Ghosal, 2011). Therefore, now people are very concerned about hotel security. Risk is caused by mistakes or uncertainties. Uncertainty occurs due to product appearance. Consumers always think that purchasing cheap, simple packaging and even less famous products is very risky because the quality of the product is less confident and doubtful (Sudhir & Talukdar, 2004). The reason why consumers consider budget hotels as high-risk products. Consumers usually maximize the hotel booked to avoid mistakes. On that basis, many consumers assume that hotels with higher rates are always considered to be of higher quality with lower risk, and therefore consumers will always use prices and brands to determine quality.

Perceived quality of service is defined as consumers' judgments about the difference or overall dominance of a business (Nicolaides, 2008; Parasuraman et al., 1988). Turel and Serenko (2004) further argue that quality perception is the actual experience of consumers about services. Faster service delivery will be considered a high quality of service, while slower delivery will be considered a low quality of service (Reimann et al., 2008).



Perceived value represents the overall rating of consumer products. Zeithaml (1988) describes perceived value as being based on perceptions about what is received and what is given. Related studies assume that perceived value differs from factors such as products or services, consumer features or purchasing situations. Consumer intentions and satisfaction are the main variables that have been tested with perceived risk and value by many researchers (Beneke & Carter, 2015; Dedeoglu et al., 2018; Kim et al., 2012; Sweeney et al., 1999; Wu et al., 2018) because perceptions of risk and value have an influence on consumer behavior (Dodds & Monroe, 1985; Gallarza et al., 2016; Mohseni et al., 2018). Frank and Enkawa (2007) found a relationship between perceived value and consumer satisfaction, where perceived value (includes the price dimension of perceived quality and, therefore, it is perceived quality for money (Turel & Serenko, 2004).

Extrinsic Factors

Extrinsic factors are instrumental (Legault, 2016). Several studies have shown that extrinsic factors play an important role in influencing consumer purchase intentions rather than intrinsic factors (Richardson, 1997). The extrinsic factor of the product in this study uses perceived price. Previous studies have stated that consumer intentions are influenced by monetary costs (Grunert et al., 2004). From a consumer perspective, price is the amount of money that consumers must give to get a product or service (Zeithaml, 1988). Some consumers use price as a reflection of quality, according to the phrase "you will get what you pay for" (Erickson & Johansson, 1985). Consumers do not always remember the actual price of the product. Conversely, consumers encode prices in ways that are meaningful to consumers (Zeithaml, 1988). Consumers tend to compare objective prices (prices offered by businesses today) with reference prices (prices offered by other businesses) and then form price perceptions (Kim et al., 2012). Under a competitive and growing environment, low (reasonable) prices help hotels achieve a sustainable advantage in the market (Bojanic, 1996). Boutsouki et al. (2008) prove that most consumers will make decisions by referring to products or services at low prices.

Consumer Attitude

Consumer attitude can be defined as the study of individuals, groups and organizations and the processes used to select, secure, use and dispose of products, services, experiences or ideas to meet the needs and impacts that this process has on consumers and society (Hawkins et al., 2001). Consumer attitudes consist of trust, familiarity, and perceived economic situation. Chaniotakis et al. (2010) states that ways of thinking affect consumer purchase intentions as well as perceptions of the economic situation. A study found that consumers will try to save more money and after economic conditions change for the better, consumers will switch back to better-known brands (Conroy, 2010; Nicolaidis, 2008). This happens because the product is familiar to someone, it will define the product or service in a good way and will begin to trust the brand.

Trust plays a large role in interpersonal interactions within a group (Mayer & Davis, 1995). Pi et al., (2011) show that trust is the most important thing in consumer purchase intentions. Gefen and Straub (2004) show that it can reduce social ambiguity during the product and service distribution period, but will also increase consumers' readiness to buy from sellers. In addition, Harris and Goode provide an attractive conceptual framework for consumers, where trust (consumer certainty or trust in a product or brand) is included as the main attribute influenced by perceived value (product value based on consumer opinion), service quality (functional expectations consumers to the services offered), and customer satisfaction (the level of customer fulfillment of the expected value of a product). There is a direct association of service quality with perceived value, satisfaction, and trust. Meanwhile, there is an indirect relationship with consumer loyalty with trust as a mediator.



After making a purchase of a product or service, a person's internal memory arises from a purchase experiment along with external memory that arises by the information received which will play a role in buying process (Bettman, 1979). People with a negative experience with a product will have a negative impact on future purchases while when the quality is in accordance with the price, a positive impact is demonstrated. Furthermore, such experiences are easy to share with others and thus influence decision making (Jarvala, 1998).

Familiarity is defined by Saini (2015) as the amount of experience related to products that have been accumulated by consumers. Usually well-known brands are a source of competitive advantage because well-known brands stand out in the minds of consumers, and brands have the ability to distinguish themselves in the chaos of competition (Lee et al., 2012).

The level of customer satisfaction is one of the main factors in determining brand familiarity (brand familiarity), which in turn justifies the use of promotional tools, whether advertising or other promotions. There are five levels of brand familiarity as follows: 1) brand rejection; 2) brands with no brand recognition (non-brand recognition); 3) brand recognition; 4) brand preference; and brand insistence. Disgruntled consumers will reject the brand. While satisfied consumers will recognize, choose, or demand a brand. The level of commitment varies with the insistence of the brand that occupies the highest level (Perreault Jr. et al., 2008).

Settlement Intention

Intention to stay is a consumer purchase intention. Usually the purchase intention is related to consumer behavior, perceptions, and attitudes. Purchasing behavior is an important key point for consumers when considering and evaluating certain products or services (Keller, 2001). Ghosh (1990) states that purchase intention is an effective tool used in predicting the buying process.

Purchase intention itself is a possibility that consumers will buy certain products or services (Dodds et al., 1991), which is also an important predictor of actual buying behavior and this relationship has been empirically tested in the hospitality and tourism industry (Bai et al. , 2008; Sparks & Browning, 2011). In online hotel bookings, purchase intentions reflect the desire of consumers to book rooms through the hotel website. In addition, previous studies have shown that price, trust and value are the driving forces of online purchase intentions (Chiang & Jang, 2007; Chen & Dubinsky, 2003, Everard & Galletta, 2006).

Framework

Effect of Intrinsic Factors on Overnight Intention

Intrinsic factors consist of perceived quality and perceived risk according to Baltas and Argouslidis (2007). Risk perception is related to perceived quality. People who lack trust in the product will doubt the quality of the product (Sudhir & Talukdar, 2004; Nicolaidis, 2008). Meanwhile, perceived quality has a positive relationship with perceived value (Tellis & Gaeth, 1990) and perceived value has a relationship with willingness to pay (Richardson et al, 1996). The higher service provided by the hotel, the greater intention of guests to stay. The higher perceived value posed by the hotel, the higher intention to stay. So the first hypothesis of this research is:

H1: Intrinsic factor has a positive effect on intention to stay in a budget hotel

Effect of Extrinsic Factors on Overnight Intention

Extrinsic factors or the so-called perceived benefits consist of perceived price, advertising, and packaging. According to Chaniotakis et al. (2010), and Nicolaidis (2018), consumers' intention to buy a product will be strongly influenced by the perceived benefits. Low product prices are most attractive to consumers (Berman, 1996). The financial cost or price of a product is an important factor that influences consumer purchase intentions for certain types of products (Grunert et al., 2004). The lower price offered the higher intention of guests to stay. There is a positive relationship between the perceived benefits of a product that is the price of intention to stay (Chaniotakis et al., 2009). So the first hypothesis of this research is:

H2: Extrinsic factors have a positive effect on intention to stay in a budget hotel

Effect of Consumer Attitudes Toward Overnight Intention

The perceived trust, loyalty and economic situation are under consumer attitudes, which positively influence purchase intentions (Chaniotakis et al., 2010). According to Broadbridge and Morgan (2001), consumers will buy a product only if they feel guaranteed in terms of reliability and performance, therefore trust is very important in the purchase intention of this type of product. Trust in the product is influenced by the benefits that will be felt and will then influence consumer attitudes (Bettman, 1979). According to Beldona and Wysong (2007), the higher confidence in the hotel, the higher intention to stay. The higher guest gets to know the hotel, the higher intention to return to stay. So the third hypothesis of this study is:

H3: Consumers' attitudes have a positive effect on intentions to stay at a budget hotel

The proposed model in the study is shown in figure 1.

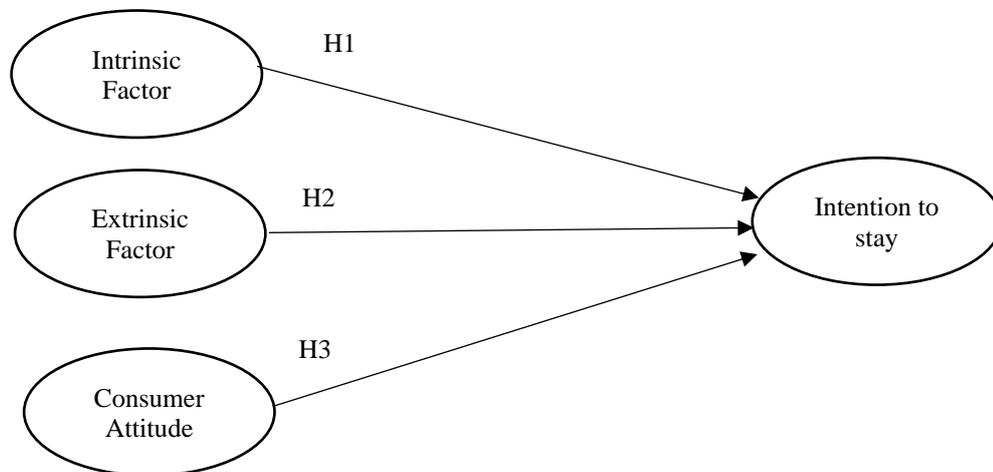


Figure 1. Research Model

Research Methodology

This research was a quantitative study, using survey methods with a questionnaire. Respondents were people who had stayed in budget hotels before. The sampling technique used nonprobability sampling with a purposive sampling method. The purposive sampling technique was done by setting the observed criteria for respondents, the respondent has stayed at a budget hotel before.



One method used to determine a sample is to multiply the number of questionnaire questions by five to ten (Hair et al., 2014). In this study, there were 16 indicators. The minimum limit of respondents for this study is $22 \times 5 = 110$. Researchers finally get 130 respondents, the number is considered to be sufficient to represent the population to be studied because it has better met the minimum sample limit. Questionnaire items on intrinsic, extrinsic, consumer attitudes, and overnight intention variables were measured by a 5-point Likert scale, namely 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. Statistical analysis using the PLS-SEM (Partial Square-Structural Equation Modeling Least) approach with the help of SmartPLS software.

Results and discussion

Characteristics of Respondents

Total respondents were 130 people. Characteristics of respondents can be seen in table 2.

Table 2. Respondent Data

	Aspect	Frequency	%
Gender	Men	45	34,6
	Woman	85	65,4
Age	18-25	124	95,4
	26-35	5	3,8
	36-45	1	0,8
	>45	0	0
Profession	Student	115	88,5
	The Employee	9	6,9
	Entrepreneur	4	3,1
	Government Employees	0	0
	Private Employees	2	1,5
Monthly Income	< Rp. 4.000.000	80	61,5
	Rp. 4.000.000-Rp. 6.000.000	27	20,8
	Rp. 6.000.000 -Rp. 8.000.000	8	6,2
	Rp. 8.000.000-Rp. 10.000.000	6	4,8
	> Rp. 10.000.000	9	6,9
Duration of Stay	1 night	26	20
	2-3 night	93	71,5
	> 3 night	11	8,5
Destination of Stay	Tour/Vacation	115	87,8
	Business	7	5,3
	Service	3	2,3
	The Other	6	4,8

Source: Data Processing (2020)

Respondent data in table 1 shows that 85 people are female (65.4%) and 45 are male (34.6%). The majority of respondents have an age range of 18-25 years with a frequency of 124 people (95.4%), followed by those aged 26-35 years with 5 people (3.8%); 36-45 years as many as 1 person (0.8%). Furthermore, respondents were dominated by students with a frequency of 115 people (88.5%); as many as 9 employees (6.9%); entrepreneur as many as 4 people (3.1%); and private employees as much as 2 people (1.5%). Respondents with less than Rp. 4,000,000 in one month is 80 people (61.5%); Rp. 4,000,000-Rp. 6,000,000 of 8 people (6.2%); Rp. 6,000,000-Rp.8,000,000 of 6 people (4.8%); and more than Rp. 10,000,000 of 9 people (6.9%).



Respondents who took part in this questionnaire were guests who had stayed at a budget hotel, staying for a duration of 1 night was 26 people (20%); 2-3 nights as many as 93 people (71.5%); more than 3 nights as many as 11 people (8.5%). The largest number of respondents staying with the purpose of traveling or vacationing with a frequency of 115 people (87.8%); business as many as 7 people (5.3%); service as many as 3 people (2.3%); and others are 6 people (4.8%).

Measurement Model

The validity test explains how well the data collected covers the actual area of investigation (Ghauri & Gronhaug, 2005). Validity basically means measuring what is meant to be measured (Field, 2005). While the reliability test involves the extent to which the measurement of a phenomenon gives stable and consistent results (Carmines & Zeller, 1979). Average Variance Extracted AVE is the number of indicator variances calculated by the items underlying the construct and must be > 0.5, so that latent variables explain more than half of the indicator variants (Hair et al., 2014; Henseler et al., 2009) and composite reliability in above 0.7 (Ghozali, 2011) as a criterion of the reliability test.

The generally acceptable threshold value is 0.7 or more, even though values below 0.7 have been considered acceptable (Hair et al., 2014). To test the validity of using discriminant validity which refers to the extent to which these constructs actually differ from each other empirically. It also measures the level of difference between overlapping constructs (Hair et al., 2014). This study assessed the discriminant validity using the Fornell-Lacker criteria. This method compares the square root of AVE with the correlation of latent constructs. The construct must describe the variant of the indicator itself better than the other latent construct variant (Fornell & Cha, 1994). Therefore, the square root of each AVE construct must have a value greater than the correlation with other latent constructs (Hair et al., 2014).

Table 3. Evaluation of Expenditure Models

Contract & item	Outer Loading
Intrinsic Factor (AVE = 0,587; CR = 0,908)	
PQ1 I feel comfortable when staying at a budget hotel	0,783
PQ2 I feel budget hotel services are appropriate	0,775
PQ3 Budget hotels respond quickly to guest desires	0,792
PV1 A budget hotel has a good reputation	0,675
PV2 Staying at a budget hotel is a good decision	0,846
PV3 I have a good impression when intending to stay in a budget hotel	0,839
PV4 I feel a budget hotel is worth the budget and time that I will spend	0,626
Extrinsic Factor (AVE = 0,550; CR = 0,785)	
PP1 Rates are an important factor in a stay decision	0,730
PP2 I consider budget hotel rates with other types of hotels	0,794
PP3 Prices offered by budget hotels are reasonable	0,697
Consumer Attitude (AVE = 0,529; CR = 0,887)	
F1 I often stay at budget hotels	0,807
F2 I found out information about budget hotels	0,788
F3 Information about budget hotels can be trusted	0,673
PES1 I intend to stay at a budget hotel to save money	0,673
PES2 I intend to stay at a budget hotel by considering economic conditions	0,685
T2 A budget hotel can be trusted	0,724
T3 Budget hotels have high integrity	0,729



Contract & item		Outer Loading
Intention to Stay (AVE = 0,587; CR = 0876)		
P1	A budget hotel is my first choice	0,715
P2	I stayed at a budget hotel because it suits me	0,711
P3	I would definitely stay at a budget hotel again	0,742
P4	I would recommend a budget hotel to others	0,849
P5	My desire to stay in a high budget hotel	0,803

Source: Processed Data (2020)

According to Chin and Marcoulides (1998) in Ghazali (2011), a correlation can be said to meet convergent validity if it has a loading value > 0.5. Table 3 output shows that the loading factor gives a recommended value of > 0.5. So that the manifest variable used in this study is appropriate. AVE of each construct shows value > 0.5 and composite reliability value > 0.7. Furthermore, Table 4 shows the results of the evaluation of discriminant validity that have been achieved, namely $\sqrt{\text{AVE}}$ higher than the correlation value between latent variables.

Table 4. Evaluation of Discriminant Validity

	Intrinsic Factor	Extrinsic Factor	Intention to Stay	Consumer Attitude
Intrinsic Factor	0,766			
Extrinsic Factor	0,682	0,742		
Intention to Stay	0,552	0,480	0,766	
Consumer Attitude	0,543	0,459	0,695	0,727

Source: Processed Data (2020)

Structural Model

R Square value of the intention to stay overnight is 53.1% and the remaining 46.9% is influenced by other variables that are not in this study. Table 5 shows that all indicator items on intrinsic factors, extrinsic factors and consumer attitudes have values below 5.0 so it can be concluded that there is no tendency of collinearity in the research model.

Table 5. Collinearity Evaluati

As a predictor of Overnight Intention	
Construct	VI F
Intrinsic Factor	2,137
Extrinsic Factor	1,910
Consumer Attitude	1,448

Source:
Processed Data

(2020)

Testing the hypothesis of this study using the bootstrapping method on 5000 times the sample data. According to Hartono (2004) the significance measure of hypothesis support can be detected by using a comparison between t-count and t-table, while the t-table value at the significance level of 95% ($\alpha = 0.05$) for the one-tailed hypothesis is ≥ 1.65 . In table 6 it was detected that one hypothesis was rejected, namely the extrinsic factor had a positive effect on intention to stay overnight (H2), and the other hypothesis was accepted because the t-value > 1.65.

Table 6. Hypothesis Test Results

Hypothesis	Path Coefficient	t count	Results
H1: Intrinsic factor has a positive effect on the intention to stay in a budget hotel	0,815	2,042	Support
H2: Extrinsic factors have a positive effect on intention to stay in a budget hotel	0,102	1,220	Does not Support
H3: Consumer attitudes positively influence the intention to stay at a budget hotel	0,547	8,289	Support

Source: Processed Data (2020)

The intrinsic factor has a path coefficient of 0.815 to stay intention. Extrinsic factor has a path coefficient of 0.102 for overnight intentions. While consumer attitudes have a path coefficient of 0.547 to stay intention. Furthermore, the model of the results of hypothesis testing using PLS will be shown in Figure 2.

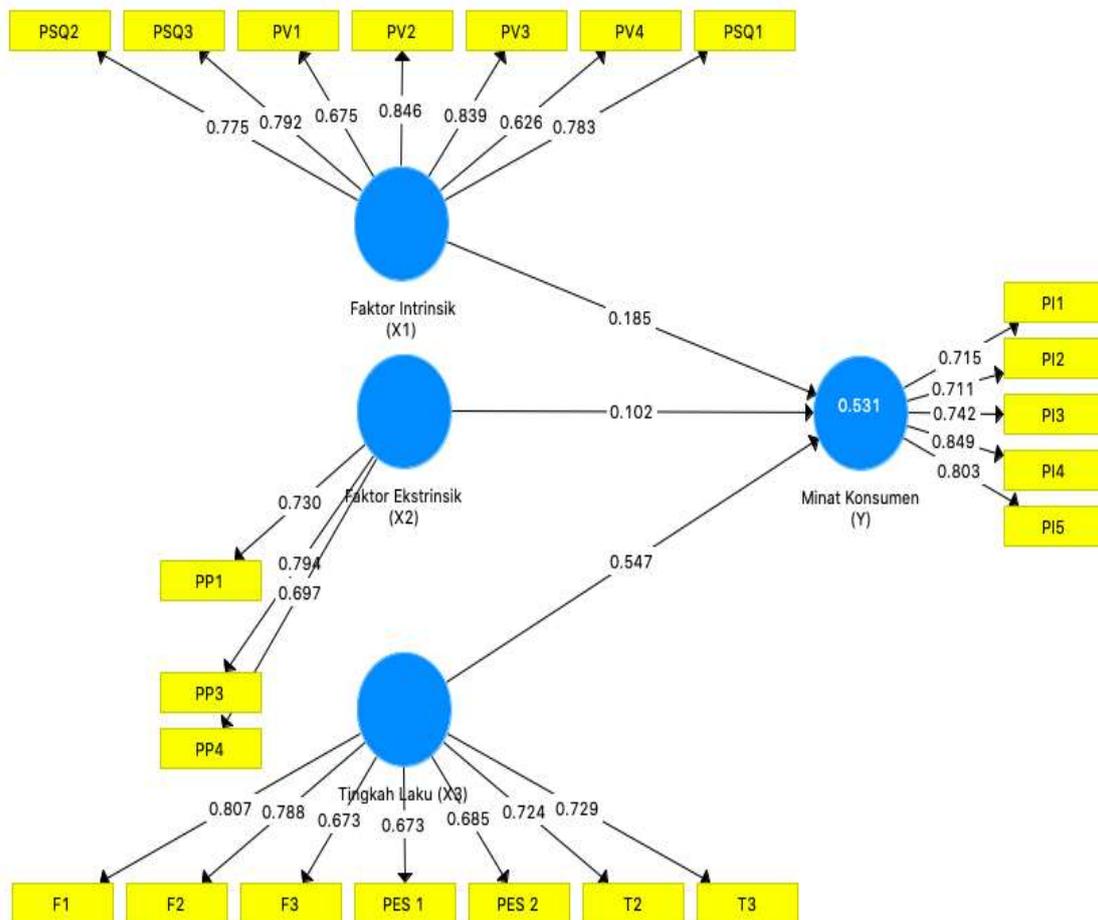


Figure 2. Model Hypothesis Test Results

Discussion

The results of the first hypothesis test (H1) support that intrinsic factor has a positive effect on the intention to stay in a budget hotel. The higher intrinsic factor of the guest, the higher intention of the guest to stay in a budget hotel. In this study service perception and value perception as manifest variables of intrinsic constructs. These results are in accordance with research



conducted by Mahesh (2013); Chi et al. (2014); Prakoso (2016); Septialana and Kusumastuti (2017) where the perception of value affects the intention of staying overnight. The results of other studies which stated in addition to the perceived value that perceived quality is very influential on overnight intentions are supported by research results from Thammawimutti and Chaipooirforest (2005); Yaseen et al. (2011); Arifin and Fachrodji (2015). High quality perception allows guests to think more about the effects of benefits received. Purchase intention is an important consequence of consumer value (Szybillo & Jacoby, 1974; Nicolaidis, 2008; Dodds et al., 1991; Oh, 2000). Thus, it is logical to assume that the perception of quality and perceived value provided by hotels in the form of services and products has a very positive effect on intention to stay in a budget hotel.

The results of the second hypothesis test (H2) do not support the extrinsic factor which has a positive effect on the intention to stay in a budget hotel. Where the perception of price as an indicator item of the extrinsic factor latent variable. The results of this study are not in line with the findings of Chiang and Jang (2008) or Munusamy and Wong (2008). Price perception is another important concept for understanding consumer price interpretations with reference to internal price standards or competitive prices (Oh, 2000). This is because consumers tend to compare what is offered by one budget hotel with the price offered by another budget hotel, and then form a price perception. Guests will think more about intentions to stay that are tailored to their budget. While many budget hotels apply high prices and do not match the type of hotel.

The results of the third hypothesis test (H3) support that consumer attitudes positively influence the intention to stay at a budget hotel. Consumer attitudes and intentions show a parallel relationship in the study of Tarkiainen and Sundqvist (2005). According to Chaniotakis et al. (2010) consumer attitudes include trust, familiarity and perceived economic situation (Jaafar et al. 2013). The trust factor is very influential on guests' intention to stay. The results of this study indicate that trust is significantly related to value, which indicates that consumers develop trust in a brand and then evaluate value based on trust. Berry (2000) states that trust can also be seen as the essence of the value given by a strong brand to consumers, because it allows consumers to visualize and understand offers. The familiarity factor certainly affects. In this research, it was revealed that the brand helps consumers improve efficiency. When consumers decide to buy products, consumers tend to be influenced by brand familiarity (Chen et al., 2014). The economic situation factor remains a consideration for consumers in choosing budget hotels.

Conclusion

The results showed that intrinsic factors and consumer attitudes had a positive influence on intention to stay in a budget hotel while extrinsic factors did not have a positive effect on intentions of staying in a budget hotel.

Recommendation

Although this research has stated that intrinsic factors and consumer attitudes can influence consumers' intention to stay at a budget hotel, other factors are believed to be very important in understanding consumer purchase intentions. This study has respondents with a number that is not too large. Therefore, further research can be conducted by adding other variables that can influence purchase intentions, and re-examine extrinsic factors with a larger number of respondents.

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