Theory of Planned Behavior and the Intention to Stay in Luxurious Hotels

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Abstract— Customer attitude towards luxury brands reflects an individual’s lifestyle, personality, and mindset. As Asian countries enjoy rapid economic prosperity, many luxury brands of products have rapidly penetrated the consumer market of many major countries in this region. The aim of this study is to examine the factors affecting customer attitudes toward global luxury branded hotel with regards to their intention to stay. Using conceptual data from past research, it is hoped that the findings of this research can help luxury hotels develop and strengthen their brand equity in countries like Malaysia, and possibly help governments to initiate public national level policies focused at promoting entrepreneurial initiatives for the hotel industry.

Keywords— Antecedents; Customer; Attitude; Intention; Luxury Hotel.

I. INTRODUCTION

The purchase of extravagance branded products reflects a customer’s lifestyle, personal character and attitude towards monetary wealth and social status. Past research investigations on extravagance branded product utilization are dominantly reflective of Western culture and society, and have focused on factors such as debauchery, glory, uniqueness, quality, obvious utilization and other utilization esteem like self-personality, brand awareness, and brand love. (Geiger-Oneto and Minton, 2019). Very few similar studies were carried out in countries like Malaysia, where increased in economic wealth due to globalized trade has created social classes of “rich and renowned” customers who have a ferocious appetite for extravagance lifestyle that includes luxurious hospitality experience that can only be offered by extravagance branded hotels. Using experimental and hypothetical proof, this study proposes a conceptual model of customer conduct for Malaysia where extravagance is enjoyed by the wealthy elites who have gained wealth through economic mechanics of globalization (Bukhari, Woodside, Hassan, Shaikh, Hussain and Mazhar, 2019).

Luxury brands have started to penetrate the Asian market due to the rapid economic gains enjoyed by the major countries in the region, and their financial wealth has helped reciprocate economic development to neighboring countries. At the beginning of the 21st century, eighty-five percent of the world’s international luxury brands gained entry into the Asia market, and China dominated the luxury brand market in the continent (Tomizawa, Zhao, Bassellier & Ahlstrom, 2020; Koch & Mkhitaryan, 2015). Consuming luxury products serves as a way for individuals to express their personal image of being upscale, having great taste in product purchase, use of quality product, and having high social class. Individuals satisfy their physical, mental, and emotional desires through acquiring and experiencing the use of luxury products (Valenzi, 2019). Loureiro, Jiménez-Barreto & Romero (2020) view luxury brands as the sentiment with both physical and mental qualities. Perceptions of luxury vary from individual to individual. Consequently, most scientists agree that luxury recognition can be divided into two contexts: the uniqueness of situation and the general population (Mrdad, Majdalani, Cui & El Khansa, 2020). Luxury value has been identified based on three fundamental dimensions: functional value of the luxury brand, its social value, and its individual value (Zhang & Zhao, 2019; Ming, Azam, Haur & Khatibi, 2020).

Not enough research has been published on customer attitudes towards luxury goods in Malaysia; many researchers choose to ignore the nature of the products purchased. Therefore, there is a need to study customers’ attitude towards luxury hotel brands to provide relevant, invaluable information for luxury hotel operators. Furthermore, past studies have only considered relatively few factors related to buyer attitudes towards luxury products (Fyll, Legohérel, Frochot & Wang, 2019). As explained by Ajzen (1991); Paproski (2012); Chen (2012) the intention to purchase is a consequence of a purchaser’s activities and has high centrality with regards to brand purchase behaviour (Lim, Cheah, Cham, Ting & Memon, 2020). Customer attitude towards luxury brand hotels has been reported to have a positive correlation with the intention to stay (Hwang, & Lyu, 2020; Sharda & Bhat, 2019). It is important to improve understanding of the precursors of customer attitude toward extravagance brand expectation so as to understand how the nature of inspirations and disposition toward acquisition of extravagance brands might vary across culture, and what shapes these distinctions (Kim and Lee, 2019; Yuan, Azam & Tham, 2020).

Even though there are research inroads made into the study of customer attitude towards luxury products, the number of studies on luxury hotels is very few. Presently many well-known and established branded hospitality organizations have broadened their product offerings and created brand expansions to target majority of the working-class customers with the intention of improving their business revenue. Hotels need to identify factors that can influence potential customers’ intention to stay and translate these factors into building an effective showcase (Jain, Naik and Ganesh, 2019). The availability of these measures is not sufficient to help.

understand the rapid development of the extravagance showcase (Li and Leonas, 2019). The goal of this study is to analyse the variables influencing the customer attitudes, emotions and behaviour towards purchasing worldwide luxurious branded hotel (Lam and Law, 2019).

II. LITERATURE REVIEW

Customer Behaviour and Luxury

Customer conduct is a field of study that has been gradually growing after the Second World War. Showcasing is a concept that has been advancing from idea creation to customer-arranged promotion, and we are presently in the comprehensive advertising period (Schmidt, 2019). Kotler, Kartajaya and Hooi (2019) touched on the Marketing 3.0 and Marketing 4.0 when discussing the development of advanced showcasing. Customer conduct is a field of study that investigates how individuals make choices with their limited resources to satisfy their wants and needs. They evaluate choices within their limited resources such as money, time to make a purchase, purchase quantity, and when to purchase (Huy and Zott, 2019). Customer conduct as a subject has been inspired by various fields such as humanities, humanism, and brain science. This subject incorporates zones like getting the hang of, recollecting, thinking, recognition, convictions, mentalities, inspiration, and feelings. These elements have been recognized as fundamental for the study of customer dynamics (Wood, 2019).

In the highly competitive environment of business, analyzing customer conduct is instrumental in understanding consumer behavior. Customer standards of conduct are uniquely personal and can be different from one individual to another as each customer has a variety of needs and wants (Fader, 2020). Advertisers should focus on changing contemporary socioeconomic factors like sexual orientation of job positions, changes in customer buying power and lifestyles. Advertisers should also consider each phase of the consumer purchasing process, and the factors influencing each phase. Factors influencing the purchasing process include choice range, mindfulness, data search, evaluating options, brand loyalty, purchase options, purchase transaction procedures, post purchase services and policies, socioeconomic background and lifestyle (Cheah, Ting, Cham and Memon, 2019).

The Concept of Luxury

Luxury is a concept that is difficult to define and explain as it is derived from personal interpretation and evaluation of what is of value, and it relies on passion and abstract choices (Bui and Kiatkawsin, 2020). According to Athwal, Wells, Carrigan and Hennig (2019) extravagance is a degree of the item offer in any class. Even though few researchers have attempted to classify extravagance in a generic setting, extravagance merchandise can be grouped into four item classifications: style, scents/beautifying agents, wines/spirits, and watches/gems. As extensive number of markets offer extravagance branded products, extravagance brand classes presently can be applied to practically any item or administration, regardless of whether lodgings, home decorations, inns, and the travel industry (Brochado, Oliveira, Rita and Oliveira, 2019).

Keinan, Crener & Goor (2020) explained that one of the key motivations of customer purchase of luxury products is to get others to acknowledge the purchase, and hopefully inspire them to make similar purchase. Customers of luxury products are characterized by their ability to pay high prices for the luxury product, and this type of consumption is particularly characterized by flamboyant exhibition of wealth. Luxury goods are purchased for reasons beyond the tangible value of these goods. Luxury products are branded products that have a low ratio of functionality to price, but a high ratio of intangible situational utility compared to price (Singh & Doval, 2019). These products have well-reputed brand identity, high brand awareness as well as high perceived quality. To retain their sales volume and consistently maintain customer loyalty, luxury products must have strong brand identity, perceived quality, awareness, and customer loyalty (Qalati, Wenyuan, Kwabena, Ersalkina & Pervaiz, 2019).

Theory of Planned Behaviour (TPB)

In the context of behavioral dispositions, the Theory of Reasoned action introduced by (Fishbein, 1967; Fishbein and Ajzen, 1975) is one of the most adopted theories for predicting human behavior in academic literature. According to this theory, behaviour is influenced by the intention to behave and in turn, is affected by the attitude towards the action and by subjective norms. Therefore, the attitude towards an act can be identified as a function of perceived outcomes that customers associate with the behaviour (Sarwar & Azam, 2019). Subjective norm is identified as a function of beliefs regarding the expectations of referent groups. This argument has been empirically supported in literature (Ramayah, Nasurdiin, Noor & Hassan, 2020). The Theory of Planned Behavior was later proposed by (Ajzen, 1995, 2011) to address limitations in the Theory of Reasoned Action. This theory assumes that in this model, a variety of factors influence customer behavioural intention, customer behavior, and perceived behavioural control (Awn & Azam, 2020a, b).

![Figure 1: Theory of Planned Behaviour. Source: Ajzen (1995)](image)

Theory of Planned Behaviour suggests that in the customer decision making process, an individual’s perceived behavioural control could affect his or her behavioural intentions. Perceived behavioral control is a very important

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factor that influence an individual’s intention to behave, and that the individual’s behavior is not completely under their volitional control. When purchasing products, customers not only have to have the ability to pay for the purchase, but they would also have to have intrinsic abilities like self-confidence and product knowledge especially when purchasing innovative products (Dewi, Azam & Yusoff, 2019). Perceived behavioural control acts as a salient factor when predicting customer behavioural purchase intention. Intention has broader inferences and intention usually significantly influence the actions of individuals (Han, Hsu & Sheu, 2010). Antecedents of intention to stay at luxury brand hotels have been further explored by several researchers (Phau & Teah, 2009).

III. METHODOLOGY

This research intends to fill the gap in the study of customer attitudes towards luxury brand purchase within the context of the luxury hotel industry of developing countries. Using conceptual data from previous research, it is hoped that the findings of this research can help managers work towards strengthening their luxury hotel branding in countries like Malaysia, and help governments to implement public policies designed to promote entrepreneurial opportunities in the hotel industry with its recent initiatives. The scope of this research is limited to and focused on the investigation of the rising global luxurious branded hotel consumption in Malaysia. This conceptual paper addresses linkages between previous research addressing the conceptualization of consumer behavior towards luxury product consumption with more recent studies of customer attitudes towards luxurious branded hotels and incorporate well known models and scales of luxury brand.

IV. DISCUSSION

Perception can be defined as the human ability of interpreting and understanding the observed world. People select, filter, sort out, and decipher sensory inputs into a significant and intelligible image of the world. Observation is an act of viewing objects in the general surroundings with a specific purpose. What is observed serves as empirical proof, and translating what is observed relies on the necessities, qualities, and desires of the observer; and the conclusions of what is observed is unique to that person (Broadbent, 2013). Marketing Mix impacts buyer recognition as they experience the item or administration which serves as inputs to the development of brand attitude. Brand attitude serves to influence the purchasing conduct of a buyer (Wang, Cao & Park, 2019). Keller (1993) states that brand attitudes comprise of many intrinsic dimensions of a buyer that reacts to the properties that represent the brand attributes of a product. The four significant attributes are related to the disposition of the customer. Brand attitude relies on properties that have the potential to impress the cognitive and affective nature of a customer; the cognitive component influences the belief of brand advantage such as offering the customer with the perception of superiority over others (Rather & Camilleri, 2019).

The perception of luxury, customer attitude towards the idea of luxury and the customer’s passionate sentiments are recognized as the elements that form the buyer conduct on extravagance. Purchase behavior, shopper devotion and brand fulfillment are influenced by the way customers perceive extravagance. Taking these factors into consideration is critical in recognizing and evaluating buyer perception and their attitudes towards luxury (Kaur & Mohindru, 2019). As explained by Wiedmann, Hennigs & Siebels (2007), the variables that distinguish the difference between the terms luxury and non-luxury are perceived conspicuousness, perceived uniqueness, perceived quality, perceived hedonism, and perceived social value. Although the measure of perceived luxury cannot be directly measured, there are ways it can be estimated. Brand Luxury Index (BLI) was created as an instrument to measure apparent extravagance of a prestige brand consisting of five dimensions (Christodoulides, Michaelidou & Li, 2009).

Brand love is recognized as a new marketing concept among researchers who study customer’s perception and propensity towards product brands (Shujaat, Durrani, Abrar & Rashid, 2018). Trivedi (2019) argued that brand love is a concept explaining the relationship between the brand and the customer’s positive attitude towards the brand. The re-intention to stay at a hotel is influenced by the positive emotions of the customer towards that hotel (Celik & Güler, 2019). The most common approach to understanding brand love is like the understanding of interpersonal love as there are many similarities between these concepts. Critics however suggest that there is a fundamental difference between these two concepts in that customers do not prefer the word ‘love’ to describe their feelings towards a brand (Gómez-Suárez, 2019). Aro, Suomi & Saraniemi (2018) explained that the two essential dimensions of brand love are the customers’ level of passion and emotional attachment towards a brand name. Brands can be self-expressive when the customer’s emotions and attitudes are identified towards the brands, and they are referred to as customer delights, customer satisfaction and customer love. Over the past decades, companies have moved from employing transactional marketing to relationship marketing. In the past, developing product brand loyalty was believed to be possible through transactional relationship with customers. Today the goal of transactions with customers is to develop lasting relationships (Morritt & Weinstein, 2012).

Researchers have addressed the influence of the self-identity and self-value factors for the luxury consumption. The concept of self could be identified as an object which is perceived as an individual’s attitudes, perceptions, feelings, and evaluations with respect to the luxury consumption. It has been argued that the customers’ point of reference is reflected by the self-perception of luxury consumption and the personal value because of that consumption (Liang, Ghosh & Oe, 2017). Wiedmann, Hennigs & Siebels (2007) highlight that customers are concerned about whether their accomplishments and successes are on par with the image of the luxury products they consume. Furthermore, ability, appearance, limitations, and characteristics are measured from the individual customer’s own perspective and belief. A customer’s purchase

behavior of luxury products is dependent on the extent the purchase experience contribute to self-satisfaction, enjoyable experience from the luxury products, customer’s willingness to be different and to feel exclusive, and even to have self-pleasure of consuming luxury products as opposed to satisfying the expectations of the others (Yu, 2013).

The added value of a brand name experienced by a customer is referred to as brand equity (Wood, 2000). Brand equity could lead to increased profits as the brand creates loyalty, ability to set premium pricing for brands, create lower elasticity, low levels of sales to advertising ratios and the leverage of trade (Ansary & Hashim, 2018). Brand equity can create entry barriers for new entrants as competitors find it difficult to imitate, and brands are less vulnerable to environmental changes. For these reasons, the study of brand equity is regarded as highly important for academic research (Yao, Huang & Li, 2019). There has been a growing importance on the concept of experiential value, but it appears fragmented in the academic literature (Varshneya, Das & Khare, 2017). The value of positive customer experience is referred to as experiential value. Ordenov, Abu-Shiekh & Boiarshevina (2020) argued that we are witnessing the transformation of the business environment to an experience economy as we moved from agrarian, industrial economy, service economy with a shift of the customer demand from commodities, products, and services to experiences.

V. Conclusion

The perception of luxury, customer attitude towards luxury and the buyer’s passionate sentiments are recognized as the elements that form a buyer’s conduct on extravagance. The purchasing behaviors, shopper devotion and brand fulfillment are influenced by the way customers distinguish, recognize, and desire the experience of consuming extravagance products. Brand love is recognized as a new marketing concept among researchers who study customer relationship with brands. Brand love as a concept that explains the relationship between the brand and the customer’s positive attitude towards the brand. The re-intention to stay at a hotel is influenced by the positive experiential emotions of the customer. Researchers have discussed about the influence of self-identity and self-value factors for luxury consumption. The concept of self could be identified as the perception comprising of an individual’s attitudes, perceptions, feelings, and evaluations of the consumption of luxury products. It has been argued that the customers’ point of reference is reflected by the self-perception when luxury consumption and the personal value are concerned.

References


