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Factors Affecting Accommodation Services Purchase Intention when Traveling to Da Lat of Gen Z

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ABSTRACT

The evaluation of communication technology over the past decades has affected the travel industry massively. The point of view and trends when traveling customers are also changing throughout the year, which make lodging properties have to upgrade themselves to meet the expectation. Traveling is one of the most indispensable needs of humankind, especially the youngsters. Generation Z has grown up during the rapid evolution in digital technology which shifts their behaviors, personalities, and lifestyles. They can access the internet and social media easily, and this affects the way they research and pick accommodation services when traveling. There are thousands of pieces of information online they can reach before spending money on something. There are also many online travel agents nowadays that show ratings and comments about the accommodation for them to consider. Gen Zers are young and have limited income compare to other generations so they will be more aware of the price point. This study investigates factors affecting accommodation services purchase intention of 220 Gen Zers in Viet Nam when traveling to Da Lat. The results showed that price, geographical location, service quality, and credibility are four factors affecting the purchase intention of Gen Z when traveling to Da Lat.

Keywords*:* accomodation services, gen Z, traveling,purchase intention.

1.Introduction

Da Lat has been and always will be one of the most popular travel destinations. With cool fresh air and spontaneous sights, Da Lat attracts millions of tourists every year. Gen Z, people who were born between 1997 and 2012, has a special love for Da Lat, this place is considered their second home. The Department of Culture, Sports and Tourism of Lam Dong province (2022), more than 105 thousand visitors came to stay in Da Lat, an increase of 129.3% over the same period in 2021. In the first four months of 2022, about 2.3 million tourists are visiting Da Lat, up 33% over the same period in 2021, of which there are 13.160 international visitors. It can be seen that, although there are remaining effects of the Covid-19 epidemic, the tourism industry in Da Lat has recovered quickly, safely adapting to maintain and continue the development in the new normal situation. Price and promotion are the main decision-making factors in making a hotel reservation Law, (2005). Previous studies have shown that Generation Z is an important target group in the tourism industry, due to its ability to influence families' travel choices Martin & Bush, (2000). The World Tourism Organization (2016), gen Z travelers rank "traveling and seeing the world" as the most important way to spend their money. They are willing to spend more money on trips, experiences, and discoveries and tend to choose different types and services of travel. A study by Expedia Group shows that gen Z travelers are taking 2.8 leisure trips per year, indicating that travel is already a priority for this generation. It also shows about 70 percent of Gen Z travelers use their smartphones when looking for travel inspiration; 84 percent believe social media can be influential, especially promotions and deals or ranking and comments of friends or experts.

2.Literature review

Ajzen (1991), the intention is one of the motivating factors that motivate one person to process an action. According to Elbeck (2008), purchase intention is described as a customer's willingness to purchase a product. Philip Kotler (2001), the buying process of consumers is strongly influenced by cultural, social, personal, and psychological characteristics. In addition, according to Peter & Olson (2005), the components of the marketing mix including product, price, place, and promotion affect consumer behavior in many different ways. Consumer attitude influences their intention Fishbein&Ajzen (1975). IcekAjzen (1985) proposed the Theory of Planned Behaviour. There are three variables in the Theory of Planned Behaviour (TPB): Attitude, Subjective Norm, and Perceived behavioral control. In the marketing literature, no research studies factors that affect accommodation services purchase intention of gen Z, yet there are some studies about service-product purchase intention in the last few years. Research of Huifen Zhou

(2013), depending on their purposes and conditions, tourists evaluate, compare, and prioritize the criteria of tourism services such as form, price, quality, and brand. Ho TraGiang (2020), there are 7 factors influencing the decision to book a room at Le Meridien Hotel. The analysis results show that the order of impact of factors is arranged in descending order as follows: Reference group, Responsiveness, Staff, Convenience, Brand Reputation, Perceived Price, Facilities, and there is no difference in the decision of different gender, age, income, and job. Based on the theories and results from research proposed a research model including 5 factors affecting Accommodation services purchasing intention when traveling to Da Lat of Gen Z
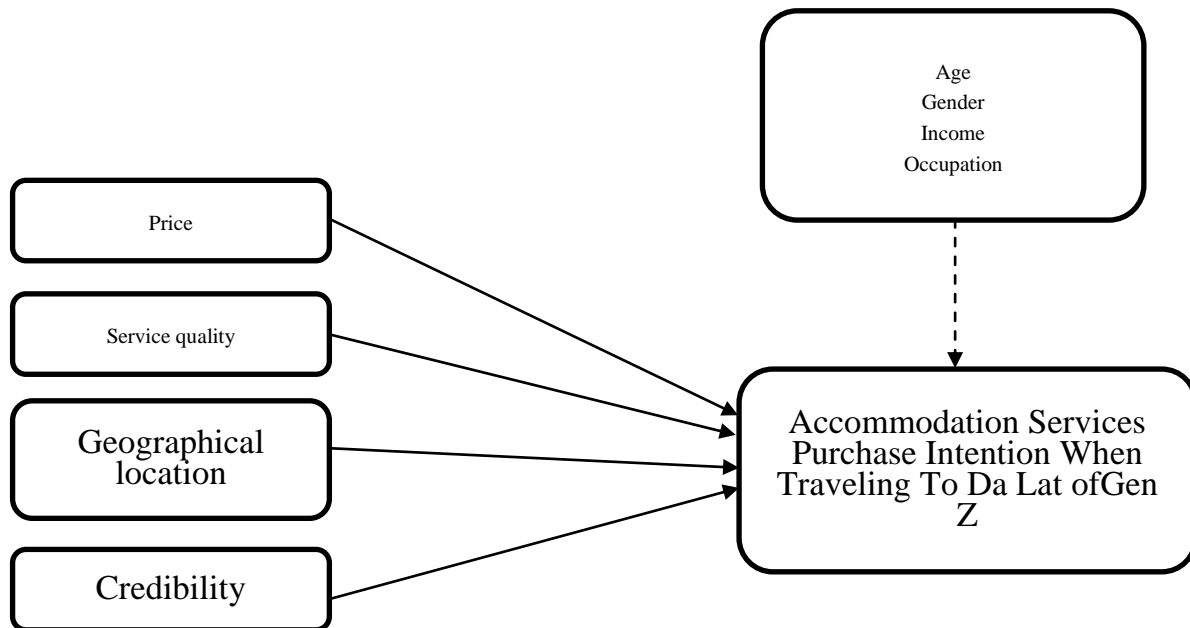

Figure 1: Proposed Research Model

Kotler (1999), price reflected the following factors: reasonable price, diversified price range, stable price, flexible payment, suitable price for quality. According to Starov& Price (2003), low prices are seen as a major driver of online travel purchases. Customers like to compare hotel prices from many different hotel sites before making a decision and they will choose the cheaper hotel room.

Service quality is the difference between customers' expectations of service and their perception of service outcomes (Parasuraman et al., 1988). Good service quality helps attract customers and promote customers' intention to choose a service provider.

The location of the accommodation service provider is only geographical, where the service business is located. Customers care about the location as well as the distance and convenience of travel during their stay while traveling. Property with beautiful sight and convinence has more advantages than others.Tho and Trang (2011), a brand is not just a name or a symbol but it is much more complex, it is a set of attributes that provide target customers with values that they demand. A property that has good ranking and reviews online is more likely to be chosen than others. Consumer buying behavior is influenced by personal characteristics such as age, occupation, economic situation, lifestyle, and personality, the theory of consumer behavior by Kotler (2001), consumer behavior is individual.

3.Research Methodology

1.1Qualitative

The study used the method of in-depth interviews with 3 experts in the field of study: 2 lecturers majoring in Hospitality Management at Van Lang University and 1 expert who is currently Assistant Reservations Manager of Escarpment Hotel Group. The aim is get their opinions and experiences to analyze and adjust for the scale and variables of the research.

1.2Quantitative

Quantitative research is used to measure the influence of the independent variables on the dependent variable. The research took place in Ho Chi Minh City, Vietnam, and collected surveys through online surveys. 275 online surveys were collected after 1 month. Out of 275 surveys' answer, there are 220 valid surveys meet the requirement to continue analyze. The questionnaire consists of three parts: Screening questions; Personal Information Questionnaire; The survey content is the interview questions about the accommodation services purchase intention when traveling to Da Lat of Gen Z.

4.Research result and discussion

Table 1: Demographics of Respondent (n=220)

Variable	Frequency	Percentage %
Have you ever been to Da Lat?		
Yes	206	93,6
No	14	6,4
Gender		
Male	94	42,7
Female	126	57,3
Age		
From 10 to 18	19	8,6
From 18 to 25	201	91,4
Income		
Below 5 million VND	125	56,8
5 to 10 million VND	69	31,4
More than 10 millionVND	26	11,8
Occupation		
Student	159	72,3
Freelance buisiness	16	7,3
Officer	24	10,9
Freelance workers	15	6,8
Others	6	2,7

Table 1 shows that most of the respondents were students in the range of 18 to 25 years old. 56,8% of respondents have income below 5 million VND per month, this is explainable because the majority of them are still young and haven't had a job yet.it is not much difference between 2 genders taking the survey, male (42,7%) and female (57,3%).

Table 2: Cronbach's Alpha

Variable	Observed variables	Cronbach's Alpha
Price	5	.792
Geographical location	5	.852
Service quality	5	.825
Credibility	5	.858
Intention	5	.755

Table 2 indicated that all the four independent variables and dependent variable are reliable with Cronbach's Alpha over 0.60. Tho (2013), the qualified Cronbach's Alpha is between 0.6 and 0.95.All the observations are kept in this model.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.853**
Bartlett's Test of Sphericity	Approx. Chi-Square	1934.663
	Df	190
	Sig.	.000

The KMO and Bartlett's Test of Independent variable shows KMO = 0.853 and Sig = 0.000 demonstrate that the test of the conceptual validity of the scale is suitable for conducting analysis.

Table 5: Rotated Component Matrix^a

	Component			
	1	**2**	**3**	**4**
UT5	.811			
UT2	.788			
UT4	.780			
UT1	.753			
UT3	.742			
VT2		.785		
VT1		.780		
VT3		.772		
VT5		.741		
VT4		.709		
CL3			.764	
CL4			.746	
CL5			.705	
CL1			.698	
CL2			.692	
GC1				.716
GC5				.705
GC2				.691
GC3				.689
GC4				.659
Eigenvalues	6.422	2.376	1.985	1.406
Cumulative %	32.112	43.991	53.917	60.946

Table 5 shows that the total variance extracted = 60.946% > 50 is accepted and show that those 4 factors explain 60.946% of data variation. Eigenvalues of 4 factors are all above 1 and the factor loading coefficients of the observed variables are all above 0.6. Therefore, the scale has high reliability and can be used for regression analysis.

Table 6: KMO and Bartlett's Test of Dependent variable

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.810**
Bartlett's Test of Sphericity	Approx. Chi-Square	233.947
	Df	10
	Sig.	.000

Table 6 result has KMO = 0.81 > 0.5show that factor analysis to group variables together is appropriate and the data is suitable for factor analysis. Barlett's test has significance level sig = 0.000 < 0.05, so the observed variables are correlated with each other.

Table 7: Rotated Component Matrix^{a}ofDependent variable

Variable	**Component**
	1
YD3	.768
YD1	.747
YD5	.731
YD2	.729
YD4	.582
Eigenvalue	2.552
Cumulative %	51.034

Exploratory factor analysis of dependent variable cumulative = 51,034% > 50%, showing that one factor can explain 51.034% of the variation of the data, so the scale is accepted. Eigenvalue = 2,552 > 1 is satisfactory. The factor rotation matrix table shows that the factor loading coefficients of the observed variables are all > 0.5, so the scale has high reliability.

Table 8: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725[a]	.526	**.517**	.35120	**1.847**

The results of the regression analysis show that adjusted R^2 = 0.517, showing that the independent variable when running the regression analysis affects 51.7% of the change of the dependent variable, 48.3% left is due to other out-of-model variables and random error. Durbin – Watson coefficient = 1.847, in the range of 1.5 to 2.5, so no autocorrelation occurs.

Table 9: ANOVA[a]

Model	Sum of Square	df	Mean Square	F	Sig
Regression	29.447	4	7.362		
Residual	26.518	215	.123	59.687	**.000[b]**
Total	55.964	219			

Sig = 0.00 < 0.05 and F = 59.687,confirming that the model is consistent with reality, the independent variables are linearly correlated with the dependent variable and shows that multiple linear regression model fits with the data set and can be used.

Table 10: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.102	.199		5.536	.000		
VT	.143	.038	.204	3.812	.000	.766	1.306
GC	.222	.048	.264	4.623	.000	.675	1.481
CL	.200	.049	.233	4.087	.000	.678	1.475
UT	.206	.036	.292	5.679	.000	.834	1.199

From Table 10 results, Tolerance is quite high and Variance inflation factor VIF of the variables are all<10, proving that there is no multicollinearity between the independent variables in the model.From Table 9 results, all four hypothesis are accepted and the model of Standardized Coefficients can be built as follow:

*YD = 0,292*UT + 0,264*GC + 0,233*CL + 0,204*VT*

Or *Accommodation Services Purchase Intention When Traveling To Da Lat ofGen Z = 0,292* Credibility + 0,264*Price + 0,233*Service quality + 0,204*Geographical location*

The result also shows that price, geographical location, service quality, and credibility all have positive impact on accommodationservices Purchase Intention When Traveling To Da Lat ofGen Z.From the standardized regression equation, it can be seen that Credibility facfactor has strongest influence on the accommodation services purchase intention when traveling To Da Lat of Gen Z with standardized coefficient = 0.292. The factors Price and Service Quality are the second and third influence, with standardized regression coefficients of 0.264 and 0.233. The factor that has the smallest influence on the purchase intention is the geographical location factor with a standardized coefficient of 0.204.This model can only explain 52.6% of Gen Z's purchase intention (adjusted R2 = 0.526). This means that there is a possibility that there are other components or other observed variables that measure the above components but have not been focused on analysis in the model.

5.Recommendation

Depending on the customers that the business is targeting, there should be a way to build an appropriate price, ensuring stability and transparency. Therefore, to balance costs - profits and attract customers of Generation Z, accommodation businesses in Da Lat can offer preferential price for groups of guests, room and dining combos, or exclusive offers for room rate, and have more price choices for customers. Have many policies for loyal

customers to attract new customers as well as retain the old one. Generation Z is mostly young people with low incomes, so having reasonable price policies and programs, such as breakfast packages, and car rental services, will increase the ability to attract this type of customers.

Lodging properties in Da Lat need to focus on improving the quality of their services. Not only in terms of facilities, but factors such as staff quality, customer attention, quality of utilities, and so on will all affect the service quality of the business. Lodging properties in Da Lat still lack of high-quality human resources, which sometimes affects the customer's experience. Improving service quality not only increases the reputation of the property, attracting Generation Z, but also helps in retaining and attracting customers in the accommodation business market.

Although Da Lat currently does not have prestigious hotel management company, long-standing and highly-regarded brands are still one of the plus points in the eyes of customers. Therefore, whether it is a hotel, homestay or resort business, it is extremely important to keep the brand reputation and keep a good business image in the eyes of customers. Besides branding, lodging properties should also pay attention to building the image of the business on social networks and keep the scores on online booking sites at a good score or higher (above 8.0 point). Because with easy access to reviews on websites, Generation Z will rely on it to decide whether or not to spend money for that accommodation service.By keeping the image, and reputation of the business stable and highly rated will always be an advantage. Besides, businesses can also approach and marketing by collab with KOLs (Key Opinion Leaders), writing reviews to increase brand awareness and to reach more customer groups. Businesses should also note that the use of social networks for marketing is very effective and fast but should only advertise what the business really provides and be honest with actual quality, to avoid conflicting comments that will affect the reputation of the property. Enterprises also need to have a strategy to build and develop images on social networks in a specific and professional way, in addition to training employees in responding to customer comments in a professional manner to avoid crisis situations.

6.Conclusion

Growing up in the era of outstanding digital technology and strong development of social networking sites, Generation Z is highly influenced by reviews from social media through KOLs and Influencers, especially when the Tiktok platform started to explode with short video clips. Besides, Gen Z also has easy access to reviews on OTA (Online Travel Agent) sites such as Booking.com, Tripadvisors, and so on. Before traveling or before choosing a certain type of service, Generation Z can reach and be influenced by a wide variety of opinions, from family and friends to reviews as well as rated scores. Besides, with a personality that loves to explore and experience, receiving positive information from reviews and seeding will be a premise to motivate them to want to try out that service. Therefore, the reputation of the Lodging property has a great influence on the purchase intention of Generation Z before traveling.

Coming in second is the Price factor, which is reasonable because most of Generation Z are still students so their income is somewhat lower than other generations. Therefore, when traveling, they will tend to choose accommodation facilities that have suitable price range. Besides, Gen Z often prefers to spend money on entertainment and dining activities than accommodation services, so they will pay more attention to choosing property with more reasonable prices.

The service quality factor is the third influence factor, although Gen Z is a young and dynamic generation, they are cautious in using and experiencing products and services. In addition to the facilities and additional services of the property, the staff is also one of the most important factors in improving customer satisfaction. A business with good service quality, will increase customer loyalty to the business. Besides, Generation Z has been raising awareness in environmental protection, so businesses that use green and environmentally friendly products can easilly attract customers Gen Z.

Finally, is the geographical location factor, which is a factor that businesses can hardly change during business time. This factor does not affect the purchase intention of Generation Z too much. No matter how centrally located, or how pretty the view, Gen Z shows that they prioritize other factors than location.Due to the flexibility of this group when traveling, they will tend to choose other views while sightseeing rather than have a high demand for beautiful places to stay. For businesses have advantages in terrain such as beautiful views (pine forests, flower gardens) or near dining places will add an advantage in competing with other businesses.

Conflict of interests

None

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