



An Investigating on the Relationship among the Perception of Price, Perceived Service Quality, Customer Perceived Value, Word of Mouth and Purchase Intention: A Holistic Perspective on Lodging Industry in Taiwan

Nguyen, Nu Hoang Tam

Department of Business Administration, Dai Nam University, No. 1 Xom Street, Phu Lam Ward - Ha Dong District, Hanoi 100000, Vietnam

ABSTRACT

Tourism industry is developing very quickly as a popular leisure activity in the world. Tourism and travel are now considered one of the world's largest industries: the UNWTO's Tourism 2020 vision forecast that international arrivals are expected to reach nearly 1.4 billion by the year 2020 and reach 1.8 billion by 2030 (UNWTO, 2014). Getting along with the development of Tourism, there are a lot of other industries are developing to support travelers, tourists such as hospitality industry that provides accommodation for tourist; transportation that provides transport. Recently, the hospitality literature has witnessed growing interest in research on perception of price, service quality and customer value, word of mouth and purchase intention. A number of researchers have attempted to apply related theories and methods in the hospitality industry.

Based on time-series surveys and studies, we are considering finding the relationship between perception of price, service quality, perceived value, word of mouth and repurchasing intentions in luxury hotel management in Taiwan. The purpose of this study is to find out the relationship among perception of price, service quality and perceived value and its impacts on word of mouth and purchase intention in hotel industry environment.

Keywords: Hospitality, Perceived Price, Perceived Sacrifice, Word of mouth (WOM), Perceived Service Quality, Customer Perceived Value and Purchase Intention

1. Introduction

Tourism and travel are now considered one of the world's largest industries: the UNWTO's Tourism 2020 vision forecast that international arrivals are expected to reach nearly 1.4 billion by the year 2020 and reach 1.8 billion by 2030 (UNWTO, 2014). For tourism to contribute to both local and national development, its attractions and resources must be nationally and internationally recognizable and competitive (Yoon et al., 2001), especially for the developing countries that have many historic site and natural tourism resources. Moreover, Tourism is important, and in some cases, vital for many countries. It was recognized in the Manila Declaration on World Tourism of 1980 as "an activity essential to the life of nations because of its direct effects on the social, cultural, educational, and economic sectors of national societies and on their international relations." (UNWOT, 1995). Tourism brings in large amounts of income in payment for goods and services available, accounting for 29 % of the world's exports of services, and 6% of overall exports of goods and services (International Tourism Received surpass 1 trillion USD in 2011, UNWTO, 2014). It also creates opportunities for employment in the service sector of the economy, associated with tourism (UNWTO, 2014). These service industries include transportation services, such as airlines, cruise ship; hospitality services, such as accommodation: Hotel, resort...; and entertainment venues such as theatres, museum, casinos...

Tourism in Taiwan is one of the emerging industries that has been encouraging to develop by government with the "Project Vanguard for Excellence for Tourism" (MOTC, 2009). With an objective of Creating a tourism environment focusing on both quality and quantity, turning Taiwan into a major tourist destination in Asia, Taiwan government has been releasing a lot of policies from that year to present to instruct carrying out that objectives. That is continuing implementation of the "Project Vanguard for Excellence in Tourism," "Medium-term Plan for Construction of Major Tourist Sites," and the "Tourism Optimization through Quality/Quantity Upgrading" portion of the "Economic Power-Up Plan." deepening of the "Time for Taiwan" core promotional program for the advancement of tourism quality and quantity under the principles of innovation and sustainability (2014).

The standard definition for the hotel industry is the commercially operated provision of accommodation offered to the public for indeterminate periods and includes hotels, inns and other lodgings. Attached restaurants are also included within this category; however, restaurants run by independent operators in the same location are classified within the food and beverage industry. Hotels in Taiwan are classified as tourist hotels and standard hotels. Tourist hotels are further classified as either international tourist hotels or general tourist hotels according to construction and equipment standards.

In recent years, government and policy makers are increasingly aware of the importance of a sound “no smoke industry” in the world for economic growth. In addition to this awareness, the hospitality industry has been playing important roles in tourism industry (Lam, 2011). To develop this industry in the future, we have to understand what is playing and driving inside the movement of developing of hospitality industry with customer perspectives side. Therefore, this study attempt to achieve the following goals:

1. To probe deeper into the primary motives for developing in hospitality industry in general and the Taiwan hospitality industry in particular.
2. To shed a light on the key constraints, challenges of Taiwan hospitality industry that hinder managers and policy makers
3. To provide guidance for the government and managers to pinpoint steps, develop and prioritize developing policies together with programs to positively create the better tools, policies to attract more domestic and international tourist.

2. Literature review

2.1. Perceived price and Sacrifice

From the perspective of consumers, price is what is given up or sacrificed to obtain a product or service. There are a lot of researches that related to price, perceived price or price sacrifice (Oh, 1999; Zeithaml, 1988, Jacoby and Olson, 1977). The components of price: objective price, perceived nonmonetary price and sacrificed price (Zeithaml, 1988). But Jacoby and Olson (1977) distinguished between objective price (the actual price of a product or service) and perceived price (the price as encoded by the consumer), and a gap between actual and perceived price making important to understand how consumers encode prices of products. Nonmonetary costs- such as time and effort- must be acknowledged. Many consumers consider time an important commodity. Anything that can be built into products and service to reduce time, effort and search costs can reduce perceived sacrifice and thereby increase perceptions of value (Zeithaml, 1988). This author also found that price is a quality indicator. The same results from Oh (1999) price exerted a negative influence on perceived value through perceived price. The effect of perceived price on perceived service quality was marginal and in a negative direction. Although a number of researchers have hypothesized a negative influence of perceived price on perceived value, Dodds et al.'s (1991) and Bojanic (1996) reported a significant positive effect in the luxury segment of the lodging industry. While Bojanic (1996) suspected potential measurement problems with the data he used for this anti-theoretical finding, this study provides empirical evidence supporting a negative relationship between perceived price and value. Moreover, Ryu and Han (2010) found that customer's perception of reasonable price increases the effect of quality of physical environment on their satisfaction and perceived value. This finding is important because it has critical strategic implications for the industry.

2.2. Service quality

In the past few decades with the globalization and linearization, service quality has been becoming a major area of attention to practitioners, managers and researchers owing to its strong impact on business performance, lower costs, customer satisfaction, customer loyalty and profitability (Gro' nroos, 1984; Parasuraman et al., 1985; Frost and Kumar, 2000; Santos, 2003; etc.). And there has been continued research that related to definition, modeling, measurement, data collection procurement and data analysis etc., the issue of service quality adopted into different industries. Especially, since Parasuraman et al. (1988) introduced a 22-item scale, called SERVQUAL, for measuring service quality, the model has been widely adopted across industries.

The concerns in measuring expectations are topics for ongoing debates among researchers. Note, however, that measurement of performance of perceptions has not undergone the same criticisms. the service quality outcome and measurement is dependent on type of service setting, situation, time, need etc factors. In addition to this even the customer's expectations towards particular services are also changing with respect to factors like time, increase in the number of encounters with a particular service, competitive environment, etc (Seth, desh mukh and Vrat, 2005). Moreover, high involvement services such as health care or financial, tourism services have different service quality definitions than low involvement services such as fast food or dry cleaning (Cronin & Taylor, 1992) and customers' perception vary according to the nature of service (Abdul Mueyed, 2012). To measure service quality in hospitality industry Wael Hassan El-garaihy (2013) developed 7 factors compare to 5 factors of Parasuraman's SERVQUAL model. In contrast, Oh (1999) selected only an element of the perceived price, and eight elements of the perceptions of hotel equipment, while Dabholker, et al (2000) set three factors: trust, personal care, and

comfort. The same 3 but different factors Broderick and Vachirapornpuk (2002), identified three factors: equipment service, customers' expectations, and the mental image of the service organization.

2.3 Perceived value

Customer value is a “customer's perceived preference for and evaluation of those products attributes, attribute performance, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations.” (Woodruff, 1997). According to Hobrook, 1994: Customer value is “a relativistic (comparative, personal, situational) preference characterizing a subject's consumer's experience of interacting with some object ... i.e., any good, service, person, place, thing, event, or idea.” Or Gale, 1994 provided “Customer value is market perceived quality adjusted for the relative price of your product. [It is] your customer's opinion of your products (or services) as compared to that of your competitors.

According to Zeithaml (1988), perceived sacrifice are influenced by both perceived monetary price and perceived nonmonetary price. The antecedent of perceived customer value is also very different among authors, Oh (1999) only use perceive price, perceive service quality and perceptions of company performance to measure perceived customer value. But Wang, Ching&Yi (2013) use perceived benefits and perceived sacrifice is antecedents of perceived customer value. Based on the exchange theory in marketing studies, it is believed that consumer's perceived value is the prerequisite of purchase intention. After a comprehensive trade-off evaluation of the benefits and costs, a consumer may conclude whether a product/service is valuable and take it as the basis for his/her following behavioral decision (Zeithaml, 1988). According to Lu & Hsiao (2010), it has been proposed that perceived value has a positive effect on consumer intention to buy. Moreover, Several previous studies have also provided empirical evidence for the positive influence of perceived value on purchase intention (Oh, 1999; Chu & Lu, 2007; Arshad, 2014; Lu & Hsiao, 2010; Wang, Ching&Yi 2013). Some of other author measures the relationship between perceived customer values by using customer satisfaction (Oh, 1999; Che, Miin&Chung, 2011), ethical self-efficacy for online piracy (Wang, Ching&Yi, 2013)

2.4. Word of mouth

Word of mouth (WOM) has been acknowledged for many years as a major influence on what people know, feel and do. Word-of-mouth (WOM) is defined as "all informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services or their sellers (Westbrook, 1987)." Moreover, the concept of positive word of mouth has been largely used by marketing professionals as it can serve both the purpose of measuring the effectiveness of the marketing tools like advertising and also at the same time be used as a credible source for gaining information relating to the product (Li and Zhan, 2011). Historically, word of mouth is widely considered as a powerful influence in consumer marketplace, especially on consumers' information search and subsequent decision making (Silverman, 1997). Additional, WOM is a more important input to the decision process when purchasing services, rather than goods (Buttle, 1998).

The impact of WOM in the hospitality industry is especially strong. Intangibles such as hotel services cannot be evaluated before the consumption experience; therefore, purchasing intangible products and services brings a higher risk, so customers are more dependent on the interpersonal influence of WOM (Lewis and Chambers, 2000). Despite the significant impact of WOM in hospitality-related industries, especially in the hotel segment, little research has been done to investigate WOM in this field.

2.4. Purchase intention

In hospitality industry, it is important to understand customers' purchase intentions because customers' behavior can usually be predicted by their intention (Bai, Law, & Wen (2008). Similarly, according to Zeithaml et al. (1996), purchase intention is one dimension of behavioral intention or a helpful indicator for management to better know whether customers would retain with company. Moreover, customer purchase intention measurement can be more effective than behavioral measure in capturing the consumers' mind because customers may make purchases due to constraints instead of real preferences (Day, 1969). Compared with attracting new customers, enterprises can spend less on marketing to retain old customers (Zeithaml et al., 1996).

Post-purchase intention is defined as the tendency that consumers will purchase the goods or services at the same shop and share their use experiences to friends and relatives (Cronin et al., 2000; Zeithaml et al., 1996). Repurchase intention is the process of an individual purchasing goods or services from the same firm and the reason for repurchase is primarily based on past purchase experiences. Therefore, Boulding, Kalra, Richard, & Zeithaml (1993) used repurchase intention and word of mouth to estimate consumer's post-purchase intention.

Based on the literature review, the conceptual framework was developed as followed.

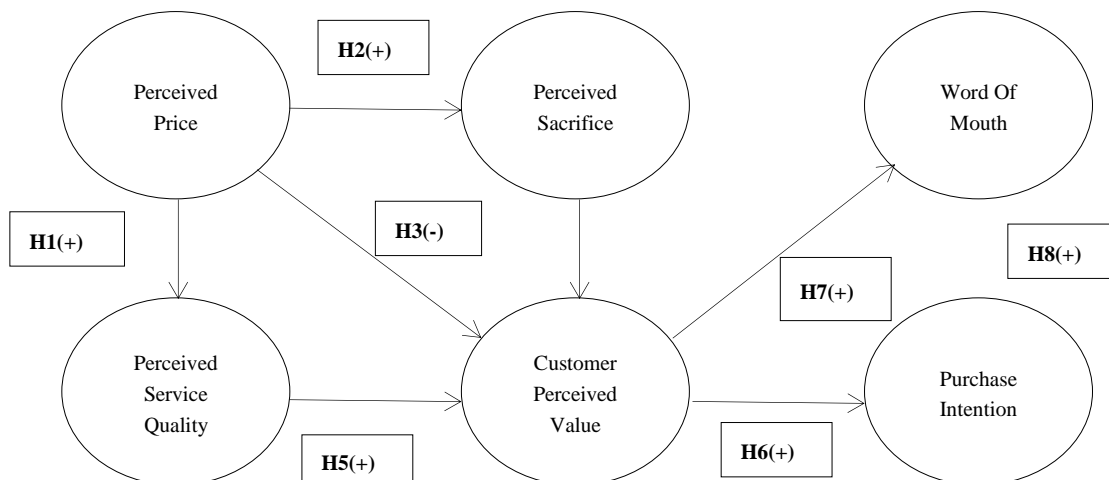


Figure 1: The research framework

Hypothesis 1 (H1): Perceived price positively affects perceived service quality

Hypothesis 2 (H2): Perceived price positively affects perceived sacrifice.

Hypothesis 3 (H3): Perceived price **negatively** affects customer perceived.

Hypothesis 4 (H4): Perceived Sacrifice **negatively** affects customer perceived value.

Hypothesis 5 (H5): Perceived service quality positively affects customer perceived value.

Hypothesis 6 (H6): Perceived customer value positively affects purchase intention.

Hypothesis 7 (H7): Customer perceived value positively affects word of mouth.

Hypothesis 8 (H8): Word of mouth positively affects purchase intention.

3. Methodology

A questionnaire was used to explore the connection of research factors in the practices Firstly, participants of this study come from a convenient sample of 300 customers who used to use services at hotels at least one time in Tainan. Questionnaire is preferred as data collecting method in this study which has been distributed through an online survey and paper-based survey. The questionnaire was translated from English to Chinese. Three translators who can speak English fluently and have background knowledge on business administration and marketing arena were employed to translate the questionnaire. After that, three versions were compared and discussed to get a consensus final version.

The question for conducting the research contains 46-questions items, includes mainly six constructs: Perceived Price, Perceived Sacrifice, Perceived Service Quality, Perceived Customer Value, Word of Mouth and Purchase Intention. The demographic data collected include customer gender, age, education background, monthly income, using hotel service frequency and purchase intention.

This study used quantitative method to analyze the collected. At least 300 respondents were collected, the result was generated by two statistic software, the Statistics Package for Social Science (SPSS) version 20 and Amos version 20. In addition, relationships between variables were examined by descriptive statistics, confirmatory factor analysis (CFA) and structural equation modeling (SEM).

Table 1: Sample profile

		Frequency	Percent	Valid Percent	Cumulative Percent
Gender					
Valid	Male	144	53.7	53.7	53.7
	Female	124	46.3	46.3	100
	Total	268	100	100	
Age					
Valid	Under 20	20	7.5	7.5	7.5
	20-29	94	35.1	35.1	42.5
	30-39	87	32.5	32.5	75
	40-49	23	8.6	8.6	83.6
	Above 50	44	16.4	16.4	100
	Total	268	100	100	
Marital status					
Valid	Single	134	50	50	50
	Married	130	48.5	48.5	98.5
	Other	4	1.5	1.5	100
	Total	268	100	100	
Occupation					
Valid	Office staff/Manager	159	59.3	59.3	59.3
	Self-Employed	20	7.5	7.5	66.8
	Unemployment	0	0	0	0
	Student	28	10.4	10.4	77.2
	Housewife	26	9.7	9.7	86.9
	Retired	23	8.6	8.6	95.5
	Other	12	4.5	4.5	100
	Total	268	100	100	
Income					
Valid	Under:20,000	47	17.5	17.5	17.5
	20,000-39,999	104	38.8	38.8	56.3
	40,000-59,999	95	35.4	35.4	91.8

	Above 59,000	22	8.2	8.2	100
	Total	268	100	100	
Using hotel service frequency					
Valid	Everyday	0	0	0	0
	Usually	15	5.6	5.6	5.6
	Frequently	36	13.4	13.4	19
	Sometimes	39	14.6	14.6	33.6
	Occasionally	57	21.3	21.3	54.9
	Rarely	121	45.1	45.1	100
	Total	268	100	100	

Table 2: Construct and items included in the questionnaire

Construct	Item	Measurement	Reference
Perceived Price	PP1	1. Using services at this hotel may be more expensive than at another one.	Gefen and Devine(2001);
	PP2	2. I will probably save more money using services at another hotel than at this one	Hee-Woong Kim, YunjieXu, Sumeet Gupta(2012)
	PP3	3. It may be possible to get a better discount from another hotel than from this one	
	PP4	4. It may be cheaper to use the services at this hotel than at another hotel.	
Perceived Sacrifice	PS1	1. The price charge to consume the services of hotel is	J. Joseph Cronin, Jr. Michael, K. Brady, G. Tomas, M. Hult(2000).
	PS2	2. The time required to use the services of the hotel is	
	PS3	3. The effort that I must make to receive the services offered is	
Perceived Service Quality	PSQ1	1. Generally, the employees provide service reliably, consistently, and dependably.	J. Joseph Cronin, Jr. Michael, K. Brady, G. Tomas, M. Hult(2000).
	PSQ2	2. Generally, the employees are willing and able to provide service in a timely manner.	
	PSQ3	3. Generally, the employees are competent (i.e., knowledgeable and skillful).	
	PSQ4	4. Generally, the employees are approachable and easy to contact.	
	PSQ5	5. Generally, the employees are courteous, polite, and respectful.	
	PSQ6	6. Generally, the employees listen to me and speak in a language that I can understand.	
	PSQ7	7. Generally, the employees are trustworthy, believable, and honest.	
	PSQ8	8. Generally, this facility provides an environment that is free from danger, risk, or doubt.	
	PSQ9	9. Generally, the employees make the effort to understand my needs.	
	PSQ10	10. Generally, the physical facilities and employees are neat and clean.	
Customer Perceived Value	PV1	1. I received a good quality service for a reasonable price	Hesham, Z., Al-Sabbahy, YukselEkinci, and Michel Riley (2004).
	PV2	2. Considering the quality of the physical environment of the hotel, the price was appropriate.	
	PV3	3. I valued this hotel as it met my needs at a reasonable price.	
	PV4	4. I got good value for the money I spent at this hotel.	
	PV5	5. Given the features of the room of hotel , it was good value for money.	

	PV6	6. This hotel fulfilled both my high quality and low price requirements.	
	PV7	7. Compared to what I was willing to pay, the price I actually paid was good value.	
	PV8	8. This hotel met my specific needs (e.g., comfortable accommodation, convenient location) at a reasonable price.	
	PV9	9. Reflecting on the price I paid, I feel that I got a good deal.	
	PV10	10. It added to my pleasure knowing that I got a good deal on the price.	
	PV11	11. Beyond saving money, there was a good feeling attached to making a good deal—as was the case here.	
Word of Mouth	WOM1	1. I will say positive things about hotel that I have stay to other people	Line Richard, Jamsmin Bergeron, Francois Maritcotte(2010)
	WOM2	2. I will recommend this hotel to others (family or friends)	
	WOM3	3. I will refer this hotel to other people who want advices.	
Purchase Intention	PI1	1. The probability that I would consider using/buying the services of this hotel	Long-Chuan Lu, Wen-Pin Chang, Hsiu-Hua Chang (2014)
	PI2	2. I have no intention to buy/consume the services of this hotel.	
	PI3	3. It is possible that I would buy buy/consume the services/ of this hotel.	
	PI4	4. I will purchase the services of this hotel the next time I need a service.	
	PI5	5. If I am in need, I would using/buying the services of this hotel.	

4. Data analysis and results

4.1. Descriptive Statistics

With regard to the perception of customer about price, service quality, service value and purchase intention, the primary focus of this research is the impact of individual difference variables. However, the previous research suggests that demographic characteristic of customer might also influence on exogenous and endogenous variables (Chao and schor, 1998).

The effects of demographic variables to exogenous and endogenous variable by one-way ANOVA at P-value =0.05.

In statistics, Levene's test is an inferential statistic used to assess the equality of variances for a variable calculated for two or more groups. Some common statistical procedures assume that variances of the populations from which different samples are drawn are equal. Levene's test assesses this assumption. It tests the null hypothesis that the population variances are equal (called homogeneity of variance or homoscedasticity)

Null hypotheses H0 states that: variables are same amounts of variability between scores

Alternative hypotheses H1 states that: variables are different amounts of variability between scores.

If P-Value \geq 0.05 accept H0, if P-Value <0.05 reject H0

Table 3: Test of homogeneity of variances and ANOVA

	Sig. Test of Homogeneity of Variances	Sig. Between Groups	Result
ANOVA Gender			
Perceived Sacrifice	0.148	0.195	There is no significant differences of perceived sacrifice, perceive customer value, word of mouth and purchase intention level between difference of gender. (p>0.05)
Perceived Customer Value	0.133	0.558	
Purchase Intention	0.674	0.479	

Word of Mouth	0.213	0.438	
ANOVA Age			
Perceived Price	0.71	0.000	There is significant differences of perceived price, perceived service quality level between difference of age. (p<0.05)
Perceived Service Quality	0.067	0.005	
ANOVA Marital status			
Perceived Service Quality	0.135	0.172	There is significant differences of and purchase intention level between difference of marital status (p<0.05)
Purchase Intention	0.839	0.000	
ANOVA Occupation			
Perceived Price	0.534	0.039	There is significant differences of perceived price, perceived sacrifice, perceived service quality and perceived customer value level between difference of occupation. (p<0.05).
Perceived Sacrifice	0.715	0.000	
Perceived Service Quality	0.356	0.01	
Perceived Customer Value	0.141	0.004	
ANOVA Income			
Perceived Price	0.157	0.000	There is significant differences of perceived price, perceived sacrifice level between difference of income. (p<0.05)
Perceived Sacrifice	0.333	0.000	
Perceived Customer Value	0.603	0.086	

Table 4: KMO and Bartlett's Test

In this study, factor loading as low as 0.5 is considered practical. The measurement is accepted when Kaiser-Meyer- Olkin (KMO) is range from 0.5 to 1(Othman and Owen, 2002).

	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	Bartlett's Test of Sphericity			Cumulative %	Results
		Approx. Square	Chi- df	Sig.		
Perceived price	0.622	186.659	6	0	75.348	<i>Perceived price</i> based on the KMO and Bartlett's Test table, we can see that: KMO = 0.622 > 0.5 ---- > good; P- value (sig.) = 0.000 < 0.05 --- > good; cumulative = 75 % -- -- > good results.
Perceived sacrifice	0.646	150.507	3	0	62.631	<i>Perceived sacrifice</i> based on the KMO and Bartlett's Test table, we can see that: KMO = 0.646 > 0.5 ---- > good; P- value (sig.) = 0.000 < 0.05 --- > good; cumulative = 62 % -- -- > good results.
Service quality of employee	0.76	297.411	15	0	43.071	<i>Service quality of employee</i> based on the KMO and Bartlett's Test table, we can see that: KMO = 0.76 > 0.5 ---- > good; P- value (sig.) = 0.000 < 0.05 --- > good; ---- > quite good results with cumulative = 43%.
Service quality of physical facilities	0.674	74.758	6	0	42.702	<i>Service quality of physical facilities</i> based on the KMO and Bartlett's Test table, we can see that: KMO = 0.67 > 0.5 ---- > good; P- value (sig.) = 0.000 < 0.05 --- > good; ---- > quite good results with cumulative = 42%.
Perceived of Customer value	0.878	775.826	45	0	41.891	<i>Perceived of Customer value</i> Based on the KMO and Bartlett's Test table, we can see that: KMO = 0.87 > 0.5 ---- > good; P- value (sig.) = 0.000 < 0.05 --- > good; ---- > quite good results with cumulative = 42 %
Test of word of mouth	0.661	163.204	3	0	64.258	<i>Test of word of mouth</i> based on the KMO and Bartlett's Test table, we can see that: KMO = 0.66 > 0.5 ---- > good; P- value (sig.) = 0.000

						< 0.05 --- > good; ---- > very good results with cumulative = 64 %.
Purchase intention	0.714	219.188	10	0	64.193	Purchase intention based on the KMO and Bartlett's Test table, we can see that: KMO = 0.714 > 0.5 ---- > good; P- value (sig.) = 0.000 < 0.05 --- > good; ---- > very good results with cumulative = 64 %.

In summary, the data generally was sufficient reliability and validity to be submitted to the subsequent analysis in the context of the structural equation model for testing the hypothesis.

Figure 2: Final Structural Equation Modeling (SEM)

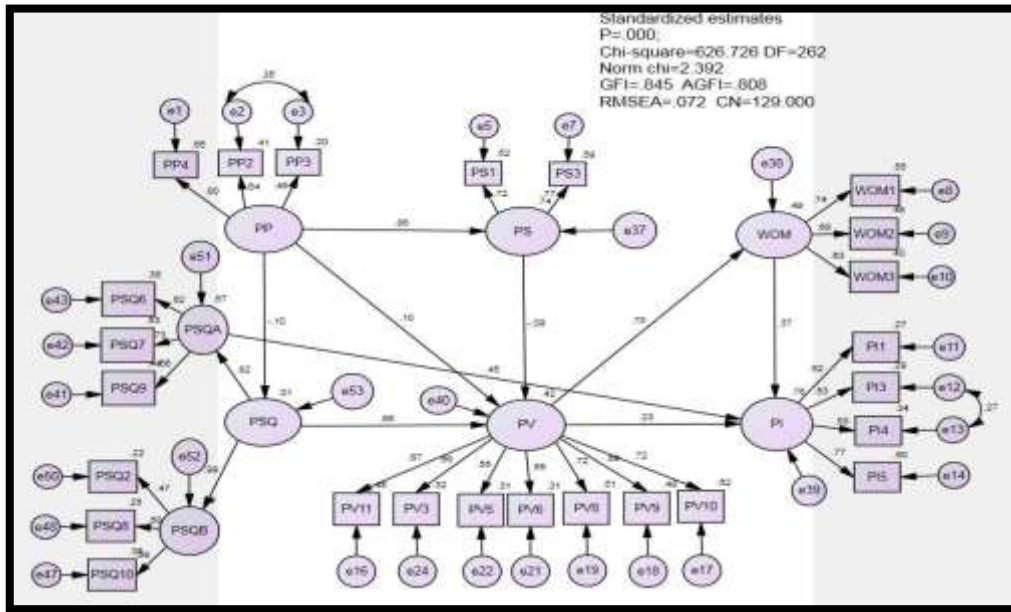
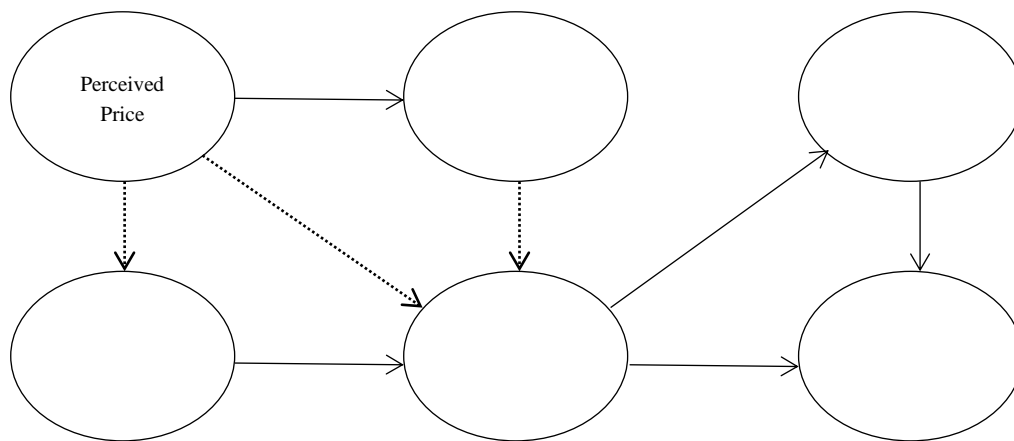


Figure 3: Research framework after testing



** Significant at 0.01 level, *** significant at 0.001 level

Not support ----->
 Support ----->

Table 5: Summary of the results of hypothesis testing

Hypotheses	Results
Hypothesis 1 (H1): Perceived price positively affects perceived service quality	Not supported
Hypothesis 2 (H2): Perceived price positively affects perceived sacrifice.	Supported
Hypothesis 3 (H3): Perceived price negatively affects customer perceived.	Not Supported
Hypothesis 4 (H4): Perceived Sacrifice negatively affects customer perceived value.	Not Supported
Hypothesis 5 (H5): Perceived service quality positively affects customer perceived value.	Supported
Hypothesis 6 (H6): Perceived customer value positively affects purchase intention.	Supported
Hypothesis 7 (H7): Customer perceived value positively affects word of mouth.	Supported
Hypothesis 8 (H8): Word of mouth positively affects purchase intention.	Supported

5. Discussion, recommendation and implications

5.1. Discussion

The research context is in Taiwan where author is studying, a developed economy where service industry plays important role in economic. From the previous research, author build up a model including perceived price, perceived sacrifice, perceived service quality, perceived customer value, word of mouth, and purchase intention, because, customer with different income, age, education has different perspective and perception about product and service quality. Moreover, in the same industry has a lot products and services with different price and quality with different criteria. Therefore, in this study, author takes customer as central role to consider, investigate and assess the quality of product and service. This study chose hospitality industry to investigate.

Few previous studies explore perception of price, service sacrifice, service quality, customer value and word of mouth drives consumption and purchase intention. An important finding of this research is that among six factors, the quality of service plays an important role affect to the perceived value of customer. In addition, the perceived value of customer is significant influence on word of mouth and purchase intention. These results are similar to the results of previous research (Cronin et al., 2000; Zeithaml, 1988; Oh, 1999; Dodds et al., 1991). Moreover, the perceived price is statically proved that has positive affect to perceived sacrifice. But, there is no significant influence on perceived service quality and perceived customer value, these findings is contrary to some previous researches. Dodds et al. (1991) and Oh (1999) found that perceived price has positive affect to the perceived service quality and perceived customer value. Therefore, these findings of study contribute to theoretical theory of perceived price, service quality, and customer value to be applied and investigated in new contexts.

5.2. Implications

Theoretical implication

The findings of this study contribute to have better understand about perceived price, perceived sacrifice, perceived service quality, perceived customer value, word of mouth and purchase intention in new context research, in hospitality industry. From the results of this study, we can see that with the same theory, the same model but when applying into different context will give the different results. For example, the perceived price and perceived sacrifice have significant affect to perceived service quality and perceived customer value as historical research (Dodds et al.,1991; Cronin et al.,2000; Oh, 1999) proved. But, in this study there is no significant between perceived price, sacrifice and perceived service quality, perceived customer value.

The data was analyzed by confirmatory factor analysis and structural equation model. The results show that model is quite good fit with good fit indices. In fitting process, the model was added one line (PSQA- > PI) so that a final model with good fitness to help marketer predict Taiwanese's purchase intention hospitality industry. The results were showed briefly in tables, figures and were discussed quite carefully.

The findings of this study with fit model give a holistic understanding about perception of price and perceived sacrifice, service quality, customer value, word of mouth and purchase intention behavior.

Practical management implications

Managerial implications of the present study, the findings provide useful information for marketers of hospitality industry and lodging industry in Taiwan. With regard to service quality marketers should understand that the quality of staff and facilities could enrich customer experiences by reinforcing a sense of unique characteristic of hotel. Service quality, customer value and word of mouth is the most important role to customer purchase intention and behavior. This research helps managers create a market advertising campaign-promoting emphasis on service quality in hospitality industry as well as the quality of human resources who directly affect to the service quality.

5.3. Limitation and recommendation

This study has achieved a certain success in examining in hospitality industry in Taiwan. However, it also presents some limitations that future studies could address, and suggests several areas in which this research could be further extended.

First, because of time consuming, my research an only distribute questionnaire to respondents in Tainan city (A city locates in southern Taiwan). The data collected with 268 participants in Tainan may not present for the whole Taiwanese population. Research using a larger and more representative sample including other cities such as Taipei (in the North) Taichung (in the Central region) Tainan and Kaoshiung (in the South) would be useful to further verify the findings pertaining to conspicuous consumption behaviors of urban consumers in Taiwan.

Second, future study may need to be conducted in other countries for further verification. South Korea would be an interesting country for fulfilling that objective as it has many similarities to Taiwan in terms of economic development characteristics. Furthermore, it may be considerable to conduct future research in a cross- cultural context. Especially, it would be interesting to compare customer behavior in hospitality industry between developing and developed economic context to explore the differences, as well as confirm the results and theory in this research.

In conclusion, the findings from this study provide a empirical evidence for a holistic perspective of customer in hospitality industry in Taiwan.

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