THE ROLE OF UTILITARIAN VALUE, HEDONIC VALUE, AND FINANCIAL VALUE IN INFLUENCING INTENTION TO STAY AMONG LUXURY HOTEL CUSTOMERS IN JAKARTA

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ABSTRACT

Currently, the hotel industry is experiencing a decrease in the intention to stay due to a decline in tourist numbers as well as the use of technology that changes people's behavior and the spread of hotels that provide a unique staying experience. Thus, it is important to research the intention to stay, because it is in order to increase the customers' purchases. The purpose of this study was to determine whether: 1) Utilitarian value has a significant effect on intention to stay among 5-star luxury hotel customers; 2) Hedonic value has a significant effect on the intention to stay among 5-star luxury hotel customers; and 3) Financial value has a significant effect on the intention to stay among 5-star luxury hotel customers. Samples were selected using the convenience sampling method with a total sample of 150 respondents among Indonesian customers who have rented and stayed at least once. The results of this study show that the perceived utilitarian value, hedonic value, and financial value can positively affect the intention to stay among the customers of 5-star luxury hotels.
Keywords: utilitarian value, hedonic value, financial value, intention to stay

1. INTRODUCTION

In this day and age, more and more people like to travel and vacation to other regions and countries to get a new experience in the places they visit to feel the atmosphere in the area, people usually take vacations for the next few days, that way people need a place to stay in the area so that their trip feels comfortable, in every region and country there are always places to stay such as villas, resorts, apartments, motels, and hotels. Hospitality has several star categories, which www.kompas.com categorizes into star hotels and non-star hotels. Star-rated hotels are included in the 1 (one) to 5 (five) star class category and have met the criteria, but it is different from non-star hotels which are not included in the class group and also do not meet the 1 (one) star hotel criteria, which can be also known as jasmine hotels. The tourism sector has always been a concern of the government, even though in 2018 there was a decline, the demand for new rooms is always there and in 2019 there were around 50,000 new room units for the hospitality sector. Referring to 2018, according to data from PHRI (Indonesian Hotel & Restaurant Association), there are 301,400 rooms available in several regions in Indonesia. According to www.cnbcindonesia.com, there were a number of things that contributed to this decline, including the declining number of tourists both domestically and abroad, and also because of the high ticket prices. In addition, a new model in the hospitality industry that emphasizes the sharing economy and the use of technology in the digital world has changed tourist behavior, and the increasing number of hotels offering a variety of unique stay experiences has become one of the factors causing a decline in demand for rooms at hotels. starry. In addition, Lusch and Vargo (2006) stated that understanding this, consumers' perceived value is very important.

All service providers in the hospitality industry compete for customers and their intention to stay. Intention to stay is identified as a factor in increasing purchase intention in the hospitality industry. According to research conducted by Walls et. al (2011), utilitarian value is an atmosphere, facilities, and human activities such as service and professional behavior, which are determining factors for the intention to stay. Thus, the utilitarian value in this study includes tangible and intangible elements of the experience of staying at a luxury hotel. Yang and Mattila (2016) also explain that hedonic values are the most important influence in staying at luxury hotels, because consumers stay at these hotels

based on the experiences they have obtained and they tend to seek emotional pleasure and benefits from these staying activities. In addition, Yang and Mattila (2016) also explain that financial value is a significant influence, taking into account people's purchasing power, where luxury hotels also provide price reductions, the relationship between costs and benefits can play an important role in the intention to stay at the hotel.

2. METHOD

Sugiyono (2018) suggests that samples are a component of the characteristics and numbers possessed by the population. This study used cross-sectional descriptive research, where this study was conducted by collecting data at a certain period of time. Descriptive studies are chosen if the researcher wants to understand the characteristics of a group in a particular situation and with data derived from primary sources. Samples are taken using the non-probability sampling method as a sample selection technique, where each member of the population does not have an equal chance of being selected as a sample. In this study, purposive sampling was used in taking samples, because it has certain criteria or characteristics for sampling.

According to Fraenkel et al. (1993) ideal minimum sampling for descriptive research of at least 100 samples. Thus, the number of samples in this study was 150 respondents. The measurement of the variables in this study refers to previous studies, including the following:

Table 1. measurement of the variables in this study

Variable	Indicators	Reference
Utilitarian Value	5 items	Wu and Yang (2018), Jain (2019), Djelassi et. al (2018)
Hedonic Value	5 items	Wu and Yang (2018) Djelassi et. al (2018), Chiu et. al (2014)
Financial Value	4 items	Wu and Yang (2018), Yang and Matilla (2016), Hennigs *et. al* (2015)
Intention to Stay	5 items	Jain (2019), Hennigs *et al*. (2015), Hung et. al (2011), Chiu and Leng (2016)

Assumption Test Results
Multicollinearity Test

According to Sekaran and Bougie (2013), multicollinearity tests are a frequently encountered statistical phenomenon, where there are two or more free variables in highly correlated multiple regression models. Then Ghozali and Latan (2015) revealed that the multicholinearity test was carried out by calculating the value of the *Variance Inflation Factor* (VIF), whose recommended value should be below 5.

Table 4 Variance Inflation Factor (VIF) Value

Variable	VIF value	Information
Utilitarian Value	1,255	No multicholinearity
Hedonic Value	1,832	No multicholinearity
Financial Value	1,695	No multicholinearity

Source: Processed Data

Based on Table 4 above, it can be seen that the results of *utilitarian value, hedonic* value, and *financial value* variables do not have symptoms of multicollinearity, because the results given on the *VIF* values on each of these variables are less than 5.

3. RESULTS AND DISCUSSION
1. The results of the convergent validity test using *Average Variance Extracted* (AVE) provide the

results of each variable greater than 0.5, where the *utilitarian* value is 0.587, the *hedonic* value is 0.528, the *financial value* is 0.594, and the *intention to stay* is 0.579, and using *loading factor* analysis All indicators have a value above 0.7 so that it can be concluded that the results given from all indicators on the four variables can meet the analysis requirements.

2. The results of the discriminant validity test in this study showed that the data was valid using the *Cross-Loadings method.* If each construct is greater than the correlation with the original latent variable, then it can be stated that each of those statements is valid. All statements of *utilitarian value, hedonic value,* and *financial value* variables against the *intention to stay* have met the requirements criteria in the discriminant validity test.

3. The reliability test results in this study showed reliable results based on the results of the analysis using *Cronbach's alpha* which was more than 0.7 and *composite reliability* on *items* for each variable that was more than 0.7. All statements of *utilitarian* value, *hedonic* value, and *financial value* variables to *intention to stay* have met the criteria for analysis requirements.

4. The results of the multicollinearity test in this study showed that there were no symptoms of multicollinearity because the VIF value < 5.

5. In this study, the result of the *r-square* test (R^2) was 0.449 or 44.9% which means that 44.9% of the variation in the dependent variable (*intention to stay*) can be explained by an independent variable, and the remaining 55.1% is explained by other variables outside the scope of this study.

6. The *predictive relevance* (Q^2) test gave a result of 0.247, which is greater than 0 (zero), so the study can predict the model well.

7. The *coefficient* path test showed positive results, where the path from *utilitarian* value to intention to stay was worth 0.204, the path from *hedonic* value to intention to stay was worth 0.362, and the path from *financial value* to *intention to stay* was worth 0.249, so this test all gave positive results.

8. The results of the significance test show that the *t-statistics* and p-value values of a hypothesis must have a value of more than 1.96 and the *p-value* results must also be less than 0.05 for the hypothesis to be accepted. The effect of *utilitarian value* on *intention to stay* has a *t-statistics* result of 2.870 and *a p-value* of 0.004. Then the effect of *hedonic value* on *intention to stay* has t-statistics of 3.821 and *p-value* of 0.000. Furthermore, the effect of *financial value* on *intention to stay* has a t-statistics result of 2.870 and *a p-value* of 0.016. Thus, all three hypotheses have a valid and significant influence.

9. The results of the effect size test (f^2) have a small result on the influence of each independent variable on the dependent variable, where the effect *size* value of 0.02 has a small effect, the value of 0.15 has a moderate effect, and the value of 0.35 has a large effect. So the influence of *utilitarian* value on intention to stay has an effect size result of 0.060, then the influence of *hedonic* value on intention to stay has an *effect size* result of 0.130, and the influence of *financial value* on *intention to stay* has a result *effect size* of 0.066.

10. The results of this study show that the first hypothesis (H1) is not rejected, because there is a positive and significant influence of *utilitarian* value on *intention to stay*, with a *t-statistics* value of 2.870 and a *p-value* of 0.004 and has a *path coefficient* of 0.204.

11. The results of this study show that the second hypothesis (H2) is not rejected because there is a positive and significant influence of *hedonic* value on *intention to stay*, with a *t-statistics* value of 3.821 and a *p-value* of 0.000 and has a *path coefficient* of 0.362.

12. The results of this study show that the third hypothesis (H3) is not rejected, because there is a positive and significant influence of *financial* value on *intention to stay*, with a *t-statistics* value of 2.870 and a *p-value* of 0.016 and has a *path coefficient* of 0.249.

The first hypothesis (H1) is not rejected, because this study proves that *utilitarian value* has a positive and significant effect on *intention to stay* among luxury hotel customers in Jakarta. This is in line with research conducted by Wu and Yang (2018) on the influence of *utilitarian value, hedonic* value and *financial value* on *intention to stay.*

The second hypothesis (H2) is not rejected, namely *that hedonic value* has a positive and significant effect on *intention to stay* among luxury hotel customers in Jakarta. This is in line with

research conducted by Wu and Yang (2018) on the influence of *utilitarian value, hedonic* value and *financial value* on *intention to stay.* Previous research has stated that *hedonic value* is one of the most important factors in restaurants to increase *purchase intentions* from their customers.

The third hypothesis (H3) is not rejected, namely *that financial value* has a positive and significant effect on *intention to stay* among luxury hotel customers in Jakarta. In this study, according to luxury hotel customers, *financial value* in the form of a price commensurate with the quality provided, greatly affects customer satisfaction. This is in line with research conducted by Wu and Yang (2018) on the influence of *utilitarian value, hedonic* value and *financial value* on the *intention to stay.* Previous research has stated that *financial value* has a positive and significant influence, which is the main driver of *intention to stay*, which shows that customers are looking for greater profits to compensate for the premium price paid.

4. CONCLUSION

From this research, it can be seen that utilitarian value, hedonic value and financial value can affect the intention to stay positively and significantly. Advice for business actors in the hospitality sector, namely that they must provide better service than before, because with good service will make customers believe in quality with the money they spend and the emotional experience given to them.

Hedonic value has the highest coefficient path among other independent variables. Based on the results of this study, to further increase the intention of staying, it is recommended to business actors in the hotel industry to be able to provide pleasure to their customers, because not all luxury hotels are able to provide a lot of pleasure felt by their customers.

Financial value has the second highest coefficient path based on the results of this study. For this reason, in order to maintain the intention of staying, it is recommended to business actors in the hotel industry to maintain a value that is in accordance with the money that has been spent by their customers.

The utilitarian value in this study has the lowest path coefficient among other independent variables. Based on the results of this study, to increase the intention of staying, it is recommended to business actors in the hotel industry to be able to provide the best service and quality of facilities, in order to increase the intention of staying intentions among their customers.

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