

## Factors That Influence Purchasing Decisions at the Hotel

Heri Prabowo<sup>1\*</sup>, Renny Aprilliyani<sup>2</sup>, Puji Lestari<sup>3</sup>

<sup>1</sup>PGRI Semarang University, Jalan Sidodadi Timur Nomor 24 - Dr. Cipto, Karangtempel, Semarang Timur, Karangtempel, Semarang Tim., Kota Semarang, Jawa Tengah 50232, Indonesia

<sup>2</sup>STIEPARI Semarang, Jl. Lamongan Tengah No.2, Bendan Ngisor, Gajahmungkur, Kota Semarang, Jawa Tengah 50233, Indonesia

<sup>3</sup>Ngudi Waluyo University, Jl. Diponegoro No.186, Gedang Ana, Ungaran Timur, Mijen, Gedanganak, Ungaran Tim., Semarang, Jawa Tengah 50512, Indonesia

**\*Corresponding author**  
*Heri Prabowo*

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**Abstract:** The purpose of this study was to determine the influence of lifestyle and price perceptions on purchasing decisions or guest decisions to stay at a hotel. The population is guests staying at the Patra Jasa Semarang Convention Hotel, with a sample of 98 respondents. The sampling technique in this study uses purposive sampling method. The analytical tool of this study uses multiple linear regression where previously tested its validity and reliability. Test results show that lifestyle is proven to influence guest decisions in defense, and price perception has a positive influence on the decision to stay.

**Keywords:** lifestyle, price perception, purchases decision.

**INTRODUCTION**

The era of globalization promises an opportunity and challenge for business people for hospitality services operating in Indonesia. On the one hand, the era of globalization is expanding the market so that it raises tighter competition both among domestic hotel services and foreign companies. Increasing levels of life, increasingly effective and efficient use of time and increasingly modern lifestyles have led people to switch to using hotels as an alternative to staying overnight. This is because staying at a hotel influences the viewpoint of a society that is more so as to make it a lifestyle. Seeing the increasingly fierce conditions of competition, every hotel needs to increase the strength that exists in providing services to attract consumers to decide to stay overnight.

The purchasing decision [1] is to identify all possible choices to solve the problem and assess the choices systematically and objectively as well as the objectives that determine their respective advantages and disadvantages. Many factors are taken into consideration for consumers to stay at a hotel, including staying at a hotel as a lifestyle or due to consideration of price perception.

Lifestyle [2] as a person's behavior is shown in activities, interests and opinions, especially those related to self-image to reflect their social status. Price [3] has a major role in the decision making process. The perception of price policy is crucial in marketing products / services, because prices are the only element of the marketing mix that influences consumers to decide on purchases.

So is the case with the Semarang Convention Hotel Patra Services that there is a lot of competition in the hospitality business in the city of Semarang, so the hospitality management must have the right strategy in

attracting guests to stay overnight. Various efforts have been made by Hotel Patra Jasa in attracting consumer attention, namely through promotion and pricing, but it has not been able to increase the number of guests staying.

The number of guests at Patra Semarang Convention Hotel continues to decline with an average of 7.62%, although in 2011 it increased with a growth of 2.74%. With the decline in guests as an indicator that the decision of guests to stay at the Patra Jasa Hotel also decreased. The decrease in the number of guests to use the hotel due to lack of hotel management in taking advantage of opportunities to take advantage of lifestyle as needs and desires has not been done well, such as a lack of utilization of meeting room facilities for certain events or taking advantage of opportunities as a means to weekend for the upper middle class. Another phenomenon is also seen from the lack of utilizing the community in the social environment by giving a good discount. Based on 15 respondents, most of them thought that there was no agreement between prices and

services provided. Setting rates for guests with facilities that make no difference is the cause of the low decision of guests in staying.

## LITERATURE REVIEW

### Purchasing Decisions

Consumer purchasing decisions [4] are buying the most preferred brands from various alternatives, but two factors can be between purchase intentions and purchasing decisions. The first factor is the attitude of others and the second factor is situational factors. Therefore, purchase preferences and intentions do not always produce actual purchases. Consumer behavior is influenced by three factors: culture (sub-culture and social class); social (reference group, family, and social roles and status); and personal (age, stage in the life cycle, work, economic situation, lifestyle, personality and self-concept. Research on all these factors can provide marketers with guidance to reach and serve consumers more effectively.

The decision to buy taken by the buyer is actually a collection of a number of decisions. There are seven components [5] as a measure of purchasing decisions:

#### 1. Decision about the type of product

Consumers can make a decision to buy a product *x* or use the money for other purposes. In this case the company must focus its attention on people who are interested in buying products and other alternatives that they consider.

#### 2. Decision about the shape of the product

Consumers can make decisions for *x* products with a certain form. The decision also concerns the size, quality, style and so on. In this case the company must conduct marketing research to find out consumer preferences about the product in order to find the attractiveness of the brand.

#### 3. Decisions about brands

Consumers must make decisions about which brand image to buy. In this case the company must know how consumers choose a brand.

#### 4. Decision on sales

Consumers must make a decision where the product *x* will be purchased. In this case, the manufacturer of the retailer must know how the consumer chooses the seller and the service provided. Good service here is the service provided by a distributor to consumers. Distributors distribute products offered directly to consumers.

#### 5. Decisions about the number of products

Consumers can make decisions about how much they will buy at a time. In this case the company must

prepare the number of products in accordance with the different desires of the buyer.

#### 6. Decision about the time of purchase

Consumers can make decisions about when to make a purchase. Therefore, companies must know the factors that influence consumer decisions in determining the time of purchase. Thus the company can manage production time and marketing activities.

#### 7. Decision on how to pay

Consumers must make decisions about the method / method of payment of the product purchased whether in cash or in installments. This decision will affect the decision about the seller and the number of buyers.

### Lifestyle

Consumer lifestyles [6] as consumer activity patterns, interests and opinions that are consistent with their needs and values. The key words: pattern and consistency. Both can be used by marketers as predictable consumer behavior. This is an effective marketing tool for segmentation. So the consumer lifestyle is also the tendency of consumers to behave in the market and in response to predictable marketing efforts. The consumer's lifestyle is an expression out of the values he adheres to to satisfy his needs. Lifestyle or lifestyle is a pattern of a person's life to understand the forces that can be measured by the dimensions of activity, interest and opinion (AIO). Activity dimensions (activities) seen from work, hobbies, shopping, sports, and social activities. While the dimensions of interest consist of food, fashion, family, recreation. The dimensions of opinions consist of themselves, social problems, business, and products. Lifestyle encompasses something more than just social class or one's personality.

### Price Perception

Perception [6] is a psychological factor that influences a person's behavior how an individual sees and interprets an event or object. Individuals will act based on their perceptions without regard to whether these perceptions reflect actual reality.

Price [3] is one element of the marketing mix that generates opinions, price is the easiest element in the marketing program to be adjusted, product features, channels and even communication need more time.

Price perception [7] is the relative cost that consumers must spend to get the product or service they want. "

The company solves price problems by choosing a method that influences one or more considerations. The pricing method [8] has three orientations, namely:

1. Cost-oriented pricing

Pricing is oriented to costs adjusted to the level of needs of the products / services offered. When determining the rate, the loss is expected to arise as a result of an error.

2. Demand-oriented pricing

Pricing is still based on cost plus pricing, it's just that the pricing here sees the intensity of the government. If demand is strong, mark-ups or margins are also set high, whereas if demand is weak, mark-ups or margins are set low.

3. Competitive-oriented pricing

The company in determining the price considers the price determined by the competitor as well. In this case the possible price is determined by all prices set by competitors or may be lower (cheaper) or higher (expensive) in a certain percentage of competitors. So here, the company will change the price without paying attention to the cost and intensity of demand.

**RESULTS OF ANALYSIS AND CONCLUSIONS**

Data analysis is used to test hypotheses that are useful to determine the influence of lifestyle and price perception on the decision to stay, the calculation process of which is assisted by the SPSS 21 program with the following results.

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.181	2.634		1.587	.116
	lifestyle	.161	.072	.154	2.247	.027
	Price perception	1.113	.101	.754	10.984	.000

a. Dependent Variable: purchase decision

Based on the results of the multiple linear regression equation above, it gives the following meanings:

- The results of the lifestyle variable regression equation on the decision to stay have a positive parameter value of 0.154 with a significance of 0.027, meaning that the higher a person's lifestyle in utilizing hotel facilities, the greater the likelihood of the guests' decision to stay.
- Price perception perception coefficient value on decision to stay has a positive value of 0.754 with a significance of 0.000, giving an understanding that the higher the consumer perception that the price set by Patra Jasa Semarang Convention Hotel is affordable for the community, it will further enhance the guest decision to stay.

**Effect of Lifestyle on Decisions to Stay**

The results of the study proved that there was a positive and significant influence between lifestyle on the decision to stay, meaning that the higher a person's lifestyle in utilizing hotel facilities, the greater the likelihood of the guests' decision to stay. The highest respondent's response is on food and mode indicators, while the lowest response is on sports indicators. The high response gives an understanding that the lifestyle of the community must be monitored properly by the hotel management, namely as a level of community need for the importance of the hotel in providing services.

These results are similar to the results of the study [9] which states that lifestyle is a factor in consumer decision making. Findings [10] show that lifestyle also influences purchasing decisions. The

results of the study [11] showed that the lifestyle of Jordanian passengers significantly affected the purchase of their electronic tickets. Research [12] confirms that there is a significant relationship between consumer lifestyles and the brand of products used by them. From the study concluded that consumers often choose products, services and activities above others because they are related to a particular lifestyle.

A person's lifestyle for using hotel services to stay must be able to be utilized or considered properly by the management. A pleasant consumer experience with comfort and security will certainly create a habit of staying overnight. The influence of lifestyle variables that is by utilizing the dimensions of work, hobbies, sports, social activities, food, fashion, family, recreation, social problems, business and products to the decision of stay can be explained as follows.

The management must facilitate themselves against the needs and desires of consumers, for example providing sports facilities in the form of sports facilities such as fitness, swimming pool, badminton, yoga and others. With the existence of fitness facilities, it will make consumers to have a habit in using the hotel as a means to stay. Lifestyle can also be used by hotel management as predictable consumer behavior. as an effective marketing tool, examples of consumer behavior habits to use hotels to stay or the habits of families who have plans to stay overnight should be able to be used properly by the hotel management. Another example is the role of parents in using the hotel during graduation to stay overnight. Consumer lifestyles for staying hotels are also closely related to the development of times and increasingly advanced

technologies, such as consumer needs for business interests are often the choice for consumers to use hotel services. Another example is the presence of Pertamina guests who conduct meetings using hotels to stay overnight. Especially if the hotel management gives a promotion by giving comfort to every product that varies, it will certainly add to the attractiveness of consumers to decide to stay. An example is the family's habit of enjoying food and drinks at the hotel.

#### Effect of Price Perception on Decision to Stay

The results of the study prove that if the perception of price has a positive and significant influence on the decision to stay, it can be interpreted that the higher the consumer perception that the price set by Patra Jasa Semarang Convention Hotel is affordable for the community, it will further enhance the guest decision to stay. For the highest response, that is on the indicator of management's fairness in pricing, while for the lowest response, it is on the quality conformity indicator. The high response gives an indication that prices are very influential on the high interest of the community to stay at the hotel. The more affordable prices set by consumers are offset by maximum service, of course, the higher the level of interest of consumers to stay at the hotel.

The results of this study are similar to the results of the study [13] which states that prices affect the purchasing decisions. The results of the study [14] also state that prices affect purchasing decisions. Research [15] also concluded that prices affect purchasing decisions. Findings [16] show that there is a positive relationship between price and consumer buying behavior. The results of the study [17] are that prices and quality have an influence on consumer purchasing decisions and that consumers consider price and quality in their purchasing situation.

The influence of price variables with dimensions Pricing is oriented to costs, requests and competitors to the guest's stay decision can be explained as follows: Room production costs play a major role in determining consumer decisions to stay overnight. By proving the results of the research, the hospitality management must make efforts to ensure that the rates charged to guests are evaluated again so that they will be more affordable and will certainly be able to attract the attention of consumers to stay overnight. One example of hotel management is updating the pricing with competitors. And on the other hand that high prices, will bring prestige and have their own pride if consumers decide to stay overnight. Consumers before deciding to stay will definitely compare other competitors for price comparison.

High prices must be supported by high service and will also bring perceptions from consumers. This means that there are still many consumers who argue

that with high prices, the services provided will be of higher quality. For example, the hotel tried to improve the quality of service by making the shuttle service to the city center or the old city, Spa, to the provision of a large parking lot.

Pricing is the main determinant of market demand, where prices have a competitive position and are part of the company's strategy. Examples are made by hotel management by contact rate with several companies or agencies (Tax Office) when going to do activities with fullboard packages (stay + meeting). High prices must also be followed by improved services, because if without good service followed by high prices resulting in a decrease in demand.

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