

THE INFLUENCE OF INTRINSIC FACTORS, EXTRINSIC FACTORS, CUSTOMER ATTITUDES AND CUSTOMER EXPECTATIONS TOWARD INTENTION TO STAY AT BUDGET HOTEL

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Article Info:

Article history:

Received date: 22.01.2024

Revised date: 31.01.2024

Accepted date: 05.02.2024

Published date: 05.03.2024

To cite this document:

Shahril, A. M., Jusoh, N. H., Qi, Z., & Balasubramanian, K. (2024). The Influence Of Intrinsic Factors, Extrinsic Factors, Customer Attitudes And Customer Expectations Toward Intention To Stay At Budget Hotel. *Journal of Tourism Hospitality and Environment Management*, 9 (35), 01-17.

DOI: 10.35631/JTthem.935001.

Abstract:

This study investigates the multifaceted influences shaping customer intention to stay at budget hotels, considering a comprehensive framework that encompasses intrinsic and extrinsic factors, as well as customer attitudes and expectations. As the budget hotel sector continues to grow in Malaysia, understanding the drivers behind customer decisions to stay in these establishments becomes crucial for both practitioners and researchers. The intrinsic factors measure service quality, safety and security that prompt customers to opt for budget accommodation. Extrinsic factors encompass external influences such as economic consideration such as price and rates that related aspects that impact customers' decisions. Customer attitudes, reflecting their overall perception and feelings towards budget hotels, are examined for their role in shaping intention to stay. Furthermore, this study delves into customer expectations, investigating how anticipated service quality, affordability, and other factors contribute to the decision-making process. By adopting a holistic approach, the research aims to provide valuable insights into the interplay between these factors and their collective impact on the intention to stay at budget hotels. A structure questionnaire was utilised to collect the data using quantitative method with 165 respondents. The online questionnaire was utilised for this survey and the instrument was evaluated using a five-point Likert scale on a questionnaire. Data for this study was obtained via a

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questionnaire and data was accessible using SPSS for the interpretation of independent and dependent variables. The finding showed four independent variables (intrinsic, extrinsic, attitude and customer expectation) positively correlated with dependent variable. The hypotheses are tested using reliability and correlation.

Keywords:

Budget Hotel, Customer Intention, Customer Expectation, Malaysia

Introduction

Tourism is a societal, cultural, and economic element involving people traveling to countries or locations outside their own for personal or business/professional purposes (Arshad, Iqbal & Shabbaz, 2018). According to Goeltom, Kristiana, Pramono and Purwanto (2020), the tourism business is one of the most important sources of state revenue, as evidenced by the increase in the number of foreign and local tourists who visit a location year after year. Thus, to fulfil the capacity of tourists, the increase of the hospitality industry is rapid which include hotel development in one particular location.

The hotel sector is one of the industries that favour the national economy (Buhalis, 2013). It contributes considerably to developing the country's economy by creating additional employment possibilities and marketing Malaysia as a tourism destination. On the other hand, tourists are becoming increasingly choosy in their search for travel information based on variables such as price and ease (Uyar and Bilgin, 2011). As a result, budget hotels have become one of the types of hotels that are quite appealing to tourists, both from abroad to another abroad, when traveling. In addition to competitive price factors, ease in the check-in and check-out processes, standardization, and increasingly good quality and services are also factoring that affect the tourist's intention to stay at a budget hotel.

Since the mid-1990s, budget hotels have been recognized as an important and unique component of travel and hospitality (Xie, 2020). Most travelers shift from luxury hotels to budget hotels because three items affect travelers decision making. There are cost-effectiveness, hospitality, personal touch, and evolutionary strides made by budget hotels. In Malaysia, the President of the Malaysia Budget Hotel Association (MBHA) reported that the number of budget hotels in Malaysia is increasing, with domestic travelers making up most of those staying in hotels and this proved that budget hotels play an essential part in the hotel industry. According to Miss Khoo Peng Yang, Chairwoman of the Malaysia Budget Hotel Association (MBHA), the total registered budget hotels in Selangor is 258. The budget hotel plays an important role when they contribute to the economic development contribution for the tourism sector (Islahuddin, 2020).

In similar view, Xie (2014) pointed out that the key to hotel success depends on customer satisfaction during a stay in a hotel. Increases and decreases in the occupancy rate of budget hotel rooms should be evaluated in light of the factors that impact guests' decisions to stay. The demand for budget hotels has been remarkably increasing as tourists largely control their budget. Chong et al. (2016) mentioned that as the budget hotel industry becomes competitive, there is an increased need to understand the customer wants to fill their satisfaction. Customers decision to stay might be impacted by several factors particularly when they choose to stay at

budget hotel and the factors include intrinsic, extrinsic, and customer attitudes (Jaafar, 2018). According to Goeltom et al. (2020), intrinsic factors are from experience regarding the goods and services, while extrinsic is information related to the goods and services while customer attitude is mainly depends on their perception and experience from previous stay at budget hotel. Therefore, it is important to gauge people's influence of intrinsic, extrinsic customer attitudes and expectations that might lead to their positive behavioral intention to stay at a budget hotel.

There is limited research on the factors that affect customer intentions to stay, especially those that focus on budget hotels. Furthermore, there are limited researches to investigate customer intention toward budget hotel in Malaysia during their travel in terms of four variables which include intrinsic factors, extrinsic factors, customer attitude and customer expectations. This study will examine the factor of the budget hotel commitment among Malaysian regarding the influence of extrinsic, extrinsic customer attitudes and customer expectations that lead to positive purchase behavioral intention. The study findings will benefit the hotel budget operators, policy makers, academics, and the information and knowledge gained from the study will motivate budget hotel operators further to improve their hotel service quality and delivery.

Literature Review

Intrinsic Factor

Intrinsic is a factor that directed for cognitive or brain (Goeltom & Kristiana, 2020). Jaafar (2018) described intrinsic as being a component of something's natural condition which include perceived risk and quality. To develop business and consistently generate money, hotels strive to establish positive and good relationships with their guests, which is only feasible if the guest has a nice stay at the hotel with no concerns or complaints related to their stay based on their safety and security (Chauhan, Shukla & Negi, 2018). Kannan (2013) mentioned that management is responsible for assessing and managing the facility's safety and security needs as designed and regularly monitoring conditions and safety standards as hotel is in charge of protecting property from personal security issues as people are now very concerned about hotel security.

Customers believe budget hotel becomes one of the types of hotels that are quite attractive based on safety, convenience in the process of check-in to check out, standardization and quality, and also improved service has contributed to the factor in customer intention to stay in a budget hotel (Chong et al., 2016). On the other hand, perceived quality of service is defined as customer evaluations of a company's uniqueness or overall dominance (Goeltom et al., 2020), while Hatane, Yosari, and Hendaotomo (2012) state that higher levels of quality result in increased customer satisfaction when describing how the relationship between service quality and customer satisfaction works. Company's perceived quality decreases if it does not satisfy its client's expectations for the quality of its services (Keshavarz, Jamshidi, & Bakhtazma, 2016). Goeltom et al. (2020) reported that slow delivery will be considered a low-quality service, whereas faster delivery will be considered high-quality.

Service quality, customer service, and service value are all recognized as important determinants of customer perception towards budget hotels. The intrinsic factor that includes safety and cleanliness, employee response and feedback, and atmosphere will influence the

perception of customers and it has a significant factor that encourage customer to stay in the budget hotel. Based on the above argument, therefore, the following hypothesis is formulated:
H1: There is a significant relationship between intrinsic factors and the intention to stay

Extrinsic Factors

Extrinsic factors are external factors that attract customers to choose something financial and it is beneficial (Goeltom & Kristiana, 2020). According to Bilal (2013), several studies have shown that extrinsic factors play an important role in influencing consumer purchase intentions. In the context of this study, the product's extrinsic factor is perceived price. Previous studies have found that monetary costs influence consumer intentions (Grunert, Bredal & Brunso, 2004). In many occasion, consumers are most attracted by low product prices (Jaafar, 2018). Customer choice has long been thought to be influenced by product and price and guests were more likely to stay if the price is lower. Athar (2020) mentioned that the affordable price at budget hotel has a favorable and significant impact on customer decisions.

The main requirements for budget accommodation facilities are cheap, clean, safe to stay in, and providing basic service. Customers who choose to stay in budget hotels are attracted primarily by the affordable prices, followed by the facilities provided as it meet their expectation (Wong, Sam, Kim, & Han, 2020). Accordingly, this type of customer consider quality and low price is the first standard when they choose accommodation. This demonstrates that the better the price offered, the more likely budget hotel customers are agreed to make a purchase. Therefore, it is expected that with the affordable prices offered by budget hotels, it will encourage customers to stay and lodge there. Based on the above argument, therefore, the following hypothesis is formulated:

H2: There is a significant relationship between extrinsic factors and customer intention to stay

Customer Attitude

Consumer attitude is the study of individuals, groups, and organizations to select, secure, utilize, and dispose of products, services, experiences, or ideas to suit consumer demands, as well as the effects that this process has on consumers and society (Goeltom et al., 2020). The intention is mostly affected by trust, and trust seem to influence moderately which concerns on customer feelings that staying at a budget hotel is favorable and desirable. Trust was found to be more able to influence customer willingness to stay at a budget hotel than their actual plan or effort to do so. Li, Teng and Chen (2020) found that customer trust can influence customer satisfaction toward the brands and their positive repurchase behavior on the budget hotel. This is supported by Shamsudin et al. (2019) mentioned that customers' emotions, feelings, and perceptions are also examples of trust when they feel they can rely on the provider to behave in their best interests. Trust is key to consumers' purchasing intentions since they will only purchase a product if they have confidence in its trustworthiness and performance (Rehman, Bhatti, Mohamed, & Ayoup, 2019). Accordingly, it is anticipated that customer trust to budget hotels seem to influence the customers' intention to stay at the budget hotel, including their perception, emotions, and services. Based on the above argument, therefore, the following hypothesis is formulated:

H3: There is a significant relationship between customer attitude and intention to stay

Customer Expectation

Customer expectation defines as any group of acts or behaviors that consumers expect while dealing with a business. In this paradigm, the keys to delivering fulfilling experiences are comprehending and meeting customer expectations (Hung & Wang, 2015). Customer expectations are the opinions customers hold about the quality of the services they receive and they operate as the benchmarks or criteria by which the actual performance is measured. Normally, a budget hotel is simple and provides guest rooms, free Wi-Fi, breakfast, room service, and beverage and this is expected by guest when they choose to stay. Although budget hotel provides simple service but the quality has important role in the delivery process to ensure the customer's satisfaction. This is supported by Ali, Gardi, Othman, and Ahmed (2021), that budget hotels should establish a quality level that meets the customer's needs and expectation. Besides, the satisfaction towards the service encouraged customers to repeat the purchasing behavior in future.

Numerous studies have been conducted to identify their need and understand customer expectations toward the budget hotel which include the convenient location, the accommodation standard, hygiene and cleanliness and the efficiency of service delivery (Brotherton, 2004). For budget hotel operators, they try to create the services that will provide the desired benefit to reduce the anxiety. Identifying customer expectation for need and want for their stay can help a budget hotel to analyze customer need and want based on the product and service that the budget hotel provides (Ahmad et al., 2016). Moreover, in the hospitality industry, budget hotels should be able to modify their service and product according to the motivation of their customer. Based on the above argument, therefore, the following hypothesis is formulated:

H4: There is a significant relationship between customer expectation and customer intention to stay

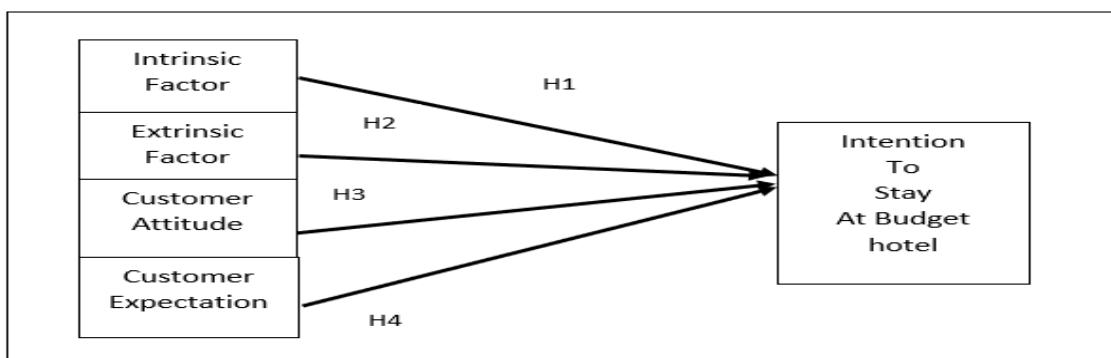


Figure 1: Study Framework Adapted from Goeltom et al. (2020)

Methodology

This study was conducted about finding out relationship variables and customer intention on staying at budget hotel, and a quantitative research approach with a descriptive research design using a set of questionnaires is considered the most suitable method to be used. This study focuses on gathering information from real customer experiences, using a cross-sectional method to collect data from the target customers who have stayed at budget hotel.

The non-contrived setting is used for this field study, where a self-administered survey was conducted and using a set of questionnaires is considered because it is a suitable method to gather the data faster in the form of numbers. According to Miss Khoo Peng Yang, Chairwoman of the Malaysia Budget Hotel Association (MBHA), around 258 budget hotels had been registered to date and the demand toward budget hotel has been growing. Selangor was chosen as the study region because, according to the Annual Report 2018 Tourism Malaysia, Selangor is one of the highest states that receive tourist visits.

In addition, the state of Selangor also is densely populated. Next, Selangor was selected because the state has many budget hotels, therefore data collection process can be done and could be covered within a limited timeframe. Furthermore, due to time constrain and limited resources for the researcher to broaden the studied population, Selangor is the best option for collecting the data. The population of the study, which refers to respondents staying at budget hotels in Selangor, is unknown. However, to determine the sample size, the study referred to Hair, Black, Babin, and Anderson (2010), who suggested that the minimum sample size is 100 when considering models containing five or fewer constructs with more than three high-end group items (0.6 or higher); 150 where the models include seven or fewer construct and modest commonalities (0.5); 300 where the model includes seven or fewer construct and low population (0.45) and 500 models include a large number of the construct. Since this study consists of total five variables, thus, the study distributed minimum of 150 questionnaires to potential respondents to maximize the number of respondents. This study utilizes convenience sampling and respondents for this research were focused on matured students, leisure local traveller, business traveller and self-employed traveller.

Research Instrumentation

The research instrument for this study was developed based on the investigated variables in the conceptual study framework. The items used in the instrument were taken and adapted from previous research with some alteration to suit the current study. The survey questionnaire was divided into three (3) main sections. The first section (A) dealt with the filter question to ensure that the respondents had experienced staying in budget hotel previously. Section (B) covered the socio-demographic profiles of respondents using nominal scale items, such as age, gender, occupation and level of education. This information was needed to identify and measure how these variables affect the respondent's satisfaction. Section (C) focused on the questions for each investigated variable. All the items are conducted using a five-point Likert scale from scale 1, which refers to "Strongly Disagree" until scale 5 refers to "Strongly Agree." This questionnaire was provided in two languages, English and Bahasa Malaysia.

Data Collection Process

The study employed a non-probability sampling technique where the respondents were selected based on non-random criteria, and not every member of the population has a chance of being selected. This study applied convenience sampling, where respondents were sampled based on readily available sources, and they voluntarily participated in the study after being approached. For the study, respondents were selected from those who had stayed in the budget hotel previously.

Since the main objective is to explore the customer intention toward intrinsic factors, extrinsic factors, customer attitude and customer expectations, the data collection was done through online Google surveys distributed through Facebook, Instagram, WhatsApp, email and other

social media platforms. The respondents were asked to join the survey based on condition; firstly, the respondents must have experience staying at a budget hotel and then intend to stay at a budget hotel. The challenges in data collection involve researchers having to wait to reach the minimum required number of respondents. Researchers also need to identify respondents who have stayed exclusively in budget hotels, leading to a longer-than-expected data collection time. However, researchers can streamline the data collection process. The data collection has been done in three months starting from Mac to Jun 2023 to complete this research. The researcher managed to get a total of 165 respondents from the completed survey questionnaire in return, which is in line with the suggested minimum sample (N=165) by Roscoe (1975).

Data Analysis

All data were analysed using the Statistical Package for Social Science (SPSS) Version 22. The descriptive analysis which is standard deviation and mean was first conducted. The data collected were first tested on its internal reliability. The study applied the Cronbach alpha analysis to measure its reliability or internal consistency. This reliability analysis was also done to test whether multiple questions of the Likert Scale in Sections B and C are reliable. Any errors or inconsistencies of the questions and constructs were deleted from the questionnaires.

The demographic profile of the representative for this study was identified based on the assessment of descriptive analysis. In addition, to investigate the influence of factors and customer intention toward budget hotels, Statistical Packages Social Science (SPSS) was used as the tool to run the data.

Demographic Profile

This section explains the statics of demographic profile of the respondent who are participant in this study. The demographic profile explains the gender, age, educational level, marital status, occupation and salary. This table showed the data from demographic profile.

Table 1: Respondent Demographic Profile

| Demographic Profile | Frequency (n) | Percentage (%) |
|-----------------------|---------------|----------------|
| <u>Age</u> | | |
| 18 to 25 years | 16 | 9.7 |
| 26 to 35 years | 96 | 58.2 |
| 36 to 45 years | 44 | 26.7 |
| Above 46 years | 9 | 5.5 |
| <u>Gender</u> | | |
| Female | 86 | 52.1 |
| Male | 79 | 47.9 |
| <u>Marital Status</u> | | |
| Married | 120 | 72.7 |
| Single | 43 | 26.1 |
| Others | 2 | 1.2 |
| <u>Qualification</u> | | |
| Degree | 84 | 50.9 |
| Masters | 16 | 9.7 |
| Secondary school | 27 | 16.4 |

| | | |
|---------------------------------|-----|------|
| Others | 38 | 23.0 |
| <u>Employment sector</u> | | |
| Government | 33 | 20 |
| Private sector | 102 | 61.8 |
| Self-owned | 30 | 18.2 |
| <u>Household income</u> | | |
| Below RM2000 | 44 | 26.7 |
| RM2000-RM4000 | 55 | 33.3 |
| RM4001-RM6000 | 30 | 18.2 |
| RM6000 and above | 36 | 21.8 |
| <u>Stay with whom</u> | | |
| Alone | 18 | 10.9 |
| Business partner | 2 | 1.2 |
| Family | 101 | 61.2 |
| Friends | 44 | 26.7 |

(N=165)

Source: Authors' Calculation

Reliability Coefficient

Each section for questionnaire was examined separately. The reliability test was undertaken in order to generate prompt information and consistent result in all data collected that has been respond by respondent.

In this study, the results shows that alpha coefficient for intrinsic factor (service quality) are 0.906 while for intrinsic factor (safety and security) are 0.904. Meanwhile, coefficient value for Extrinsic factor is 0.852. Then, coefficient value for customer attitude is 0.815 followed by customer expectation 0.790. lastly, the coefficient value for customer intention which is as dependent variable are 0.920. All the values in the measurement are ranging from 0.790 to 0.920 were exceed the minimum acceptability coefficient. The summary of the result can be easily seen in table 2 below.

Table 2: Cronbach's Alpha Coefficient for Intrinsic, Extrinsic, Customer Attitude, Customer Expectation and Customer Intention

| Variables | Alpha Coefficient |
|------------------------------------|-------------------|
| Intrinsic Factor (Service Quality) | 0.906 |
| Intrinsic Factor (Safety Security) | 0.904 |
| Extrinsic Factor | 0.852 |
| Customer Attitude | 0.815 |
| Customer Expectation | 0.790 |
| Customer Intention | 0.920 |

Source: Authors' Calculation

Descriptive Analysis for All Construct

Descriptive analysis was used to conclude and describe the information and data for this study. In the descriptive test, mean and standard deviation value which under section B and section C were illustrated. Section B of these instruments are used as independent variable which were divided into three dimensions.

Descriptive Analysis (Intrinsic Factor)***Service Quality***

The first analysis on customer purchasing toward their intention are intrinsic factor which are refer to service quality. Looking for the table above, it shows the magnitude score of the mean ranging from 3.25 to 3.62 which indicate that the respondent is agree with all statement for this section. The highest mean score is column 2 (3.62) where the respondent are agree that budget hotel service are appropriate whereas, the lowest mean score is column 5 (3.26) which means staff have good knowledge on handling any issues.

Table 3: Mean Score and Std. Deviation for Intrinsic Factor (Service Quality)

| Item no | Description | Mean | Std Deviation |
|---------|--|------|---------------|
| 1 | I feel comfortable when stay at budget hotel | 3.37 | 0.857 |
| 2 | I feel budget hotel service is appropriate | 3.62 | 0.844 |
| 3 | Budget hotel respond quickly to guest request | 3.30 | 0.892 |
| 4 | Budget hotel staff have professional attitude | 3.26 | 0.876 |
| 5 | Budget hotel staff have good knowledge to handling any issue | 3.25 | 0.895 |

Items adapted from Goeltom et al. (2020)

Table 4: Mean Score and Std. Deviation for Safety and Security

| Item no | Description | Mean | Std Deviation |
|---------|---|------|---------------|
| 1 | Budget hotel staff have professional knowledge on handling any issue related to safety and security | 3.18 | 0.885 |
| 2 | The hotel provides a safe environment to stay | 3.37 | 0.864 |
| 3 | CCTV cameras are installed at budget hotel | 3.53 | 0.972 |
| 4 | Smoke, fire, heat detectors are available in guestroom | 3.39 | 1.057 |
| 5 | Budget hotel clearly display fire sprinklers and fire extinguishers | 3.48 | 0.973 |

Items adapted from Goeltom et al. (2020)

Table 5: Mean Score and Std. Deviation for Extrinsic Factors

| Item no | Description | Mean | Std Deviation |
|---------|---|------|---------------|
| 1 | The price information of the budget hotel is correct | 3.75 | 0.837 |
| 2 | The price information of the budget hotel is complete | 3.70 | 0.835 |
| 3 | Rates are important for me to stay in budget hotel | 3.97 | 0.920 |
| 4 | Price offered by budget hotel is reasonable | 3.97 | 0.858 |

Items adapted from Goeltom et al. (2020)

Table 6: Mean Score and Std. Deviation for Customer Attitude

| Item no | Description | Mean | Std Deviation |
|---------|---|------|---------------|
| 1 | I often stay at budget hotel | 3.09 | 1.087 |
| 2 | I easily found information about budget hotel | 3.69 | 0.888 |
| 3 | Information about budget hotel can be trusted | 3.36 | 0.898 |
| 4 | I stay at budget hotel to save money | 4.13 | 0.918 |
| 5 | I stay at budget hotel because considering economic condition | 3.98 | 0.894 |

Items adapted from Goeltom et al. (2020)

Table 7: Mean Score and Std. Deviation for Customer Expectation

| Item no | Description | Mean | Std Deviation |
|---------|--|------|---------------|
| 1 | I expect staff budget hotel is friendly | 3.71 | 0.827 |
| 2 | There is efficient process during check-in and check out in budget hotel | 3.60 | 0.810 |
| 3 | Budget hotel offer variety food and beverage menu | 2.61 | 1.156 |
| 4 | Budget hotel has good atmosphere | 3.22 | 0.926 |

Items adapted from Rahimi and Kozak (2017)

Table 8: Mean Score and Std. Deviation for Customer Intention

| Item no | Description | Mean | Std Deviation |
|---------|---|------|---------------|
| 1 | I prefer that budget hotel is my first choice | 3.12 | 0.827 |
| 2 | I feel comfortable staying at budget hotel | 3.28 | 0.810 |
| 3 | I would definitely stay at a budget hotel again | 2.46 | 1.156 |
| 4 | I would recommend a budget hotel to others | 3.43 | 0.926 |

Items adapted from Goeltom et al. (2020)

Next, the study analysed the data using correlation analysis to examine the strength between the two variables.

Table 9: Correlation Between Service Quality and Customer Intention

| Correlations | | | |
|--|---------------------|-----------------|--------------------|
| | | Service Quality | Customer Intention |
| Service Quality | Pearson Correlation | 1 | .671** |
| | Sig. (2-tailed) | | .000 |
| | N | 165 | 165 |
| Customer Intention | Pearson Correlation | .671** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 165 | 165 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Based on the above table, the value r is 0.671, which is more than 0.3. The p -value is 0.000 which is less than 0.01. By this, it shows that correlation between service quality and customer intention are significant. Correlation analysis was used to determine the relationship between service quality toward customer intention toward budget hotel. Thus, the result was indicated a significant relationship as it was significant using Pearson Correlation Analysis.

Table 10: Correlation Between Safety and Security Between Customer Intention

| Correlations | | | |
|--|---------------------|---------------------|--------------------|
| | | Safety and security | Customer Intention |
| Safety and security | Pearson Correlation | 1 | .551** |
| | Sig. (2-tailed) | | .000 |
| | N | 165 | 165 |
| Customer Intention | Pearson Correlation | .551** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 165 | 165 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Table 10 shows the analysis using Pearson Correlation between safety and security toward customer intention. The results showed a value of .551 which is positive relationship and the p-value was .000 less than 0.01 which indicate significance. The result showed a relationship between safety security and customer intention toward budget hotel.

Table 11: Correlation Between Extrinsic Factors Between Customer Intention

| Correlations | | | |
|--|---------------------|-------------------|--------------------|
| | | Extrinsic factors | Customer Intention |
| Extrinsic Factors | Pearson Correlation | 1 | .601** |
| | Sig. (2-tailed) | | .000 |
| | N | 165 | 165 |
| Customer Intention | Pearson Correlation | .601** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 165 | 165 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Table 11 shows the analysis using Pearson Correlation between extrinsic factor and customer intention toward budget hotel. The result showed value to be .601 which is good relationship and p-value was .000 less than 0.01 which indicated significant relationship between extrinsic factor and customer intention toward budget hotel.

Table 12: Correlation Between Customer Attitude Between Customer Intention

| Correlations | | | |
|--|---------------------|-------------------|--------------------|
| | | Customer Attitude | Customer Intention |
| Customer attitude | Pearson Correlation | 1 | .766** |
| | Sig. (2-tailed) | | .000 |
| | N | 165 | 165 |
| Customer Intention | Pearson Correlation | .766** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 165 | 165 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Table 12 shows the analysis between customer attitude and customer intention. The results showed value to be .766 which is a positive relationship and the p-value was .000 less than 0.01 which indicated significance.

Table 13: Correlation Between Customer Expectation Between Customer Intention

| Correlations | | | |
|--|---------------------|----------------------|--------------------|
| | | Customer Expectation | Customer Intention |
| Customer Expectation | Pearson Correlation | 1 | .645** |
| | Sig. (2-tailed) | | .000 |
| | N | 165 | 165 |
| Customer Intention | Pearson Correlation | .645** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 165 | 165 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

Based on above table, the results showed value to be .645 which a positive relationship and the p-value was .000 less than 0.01 which indicated significance relationship between customer expectation and customer intention.

Table 14: Hypothesis Testing

| | Hypothesis | Result |
|----|---|-----------|
| H1 | There is a significant relationship between intrinsic factors and customer intention to stay | Supported |
| H2 | There is a significant relationship between extrinsic factors and customer intention to stay | Supported |
| H3 | There is a significant relationship between customer attitude and customer intention to stay | Supported |
| H4 | There is a significant relationship between customer expectation and customer intention to stay | Supported |

Table 14 summarizes the result of all hypotheses formulated for this study. It can be concluded that all hypotheses are supported and the variables used to measure customer intention to stay at budget hotel is suitable and can be used for further investigation in similar area.

Discussion

Based on the finding, the result in Hypothesis 1 showed that the relationship between intrinsic factors and customer intention is strong. Thus, this study indicates that intrinsic factors that measure the service quality positively influence customer intention toward the budget hotel. Customers appear to have a penchant for selecting the intention based on intrinsic factors. This research proves that customers are satisfied with the services offered by budget hotels, such as all the provided facilities, including hotel rooms, amenities, and the atmosphere. It is also aligned with the prices offered to customers. This is in line with Prabowo, Austuti and Respati (2020) that found service quality has a positive relationship with the factors that influence customer intention.

Next, for hypothesis 2, the result found that extrinsic factor is also one of the big factors contributing to stay at budget hotel. This research found that the price factor plays a crucial role in the reason customers choose to stay in budget hotels. Affordable prices are a key element in attracting customers to stay in budget hotels, in line with the basic facilities offered. Therefore, hotel budget operators should maintain affordable prices so that customers will continue to choose to stay in budget hotels. This result is similar to Chong et al. (2016), who showed that price has a positive relationship and can affect customer satisfaction toward budget hotels. Additionally, Steiner, Siems, Weber and Guhl (2014), suggested that price strongly influences customer satisfaction since they will look at the price when evaluating their overall satisfaction.

The third formulated hypothesis was that customer attitude has a significant positive relationship with customer intention toward budget hotels. The result showed that this hypothesis is supported. It indicates that customer attitude is significant in examining customer intention toward budget hotels. Customers' attitude toward budget hotels is acceptable as the results of this survey prove that customers are satisfied to stay in budget hotels because they believe that they can get a reliable service. Additionally, customers choose to stay in budget hotels as they can save money and allocate their funds for other necessities during their travels.

In times when the country's economy is facing increasing prices for most goods, staying in a budget hotel is considered as a wise decision. It is supported by Goeltom et al. (2020), who believed customer attitude to be one of the important variables influencing the customer and has a positive relationship with customer intention to stay at budget hotels. Hotels with high guest satisfaction ratings can easily draw devoted guests, produce favorable internet reviews, and receive a lot of word-of-mouth advertising, all of which help the property increase income.

Finally, the formulated hypothesis 4 was customer expectation with a significant positive relationship to customer intention toward budget hotels. This hypothesis was supported and the result indicated that customer expectation was among the crucial factors in identifying customer intention's influence toward the budget hotel. The study results indicate that customers get what they expect when they stay in budget hotels. They are satisfied with the level of service provided, including the available restaurants, the behavior and service of the staff towards customers, and the overall environment in the budget hotel. Customers feel comfortable staying in budget hotels, even though they may not be as luxurious as other hotels. However, the services offered by budget hotels are sufficient and appropriate for the offered price. Based on the result of this study and similar study from other researchers, this study can conclude that intrinsic, extrinsic, customer attitude and customer expectation have a significant positive relationship to the customer intention toward budget hotels.

Limitation of The Study

The present study faced several limitations that need to be addressed by future researchers. Firstly, due to time constraint, this research only focused in Selangor and has not been conducted to other states in Malaysia. Second, the limitations of collecting the data for sample size and data collection time constraints, have impacted the way data was collected for this study. This study used a quantitative method of survey questionnaire where future study could apply the mixed method of qualitative and quantitative study to obtain robust findings. Finally, since the study focus on budget hotel only, one major hurdle is the need to accumulate a sufficient number of respondents to achieve statistical significance, requiring time and effort to get enough respondents.

Recommendations

This research only focused on budget hotels in Selangor. Thus, expanding the study area within Kuala Lumpur, Johor, and Melaka is advisable for future research. This is because these states be as attraction states. Furthermore, this allowed future research to obtain more significant responses and a wider perspective. Moreover, regarding the concentration of the research on the relationships among the intrinsic factor, extrinsic factor, customer attitude and customer expectations, future research could extend to study the effects by using other variables such as customer satisfaction, tangible and intangible and other related variable. Next, a higher sample size can be used in future studies to ensure the accuracy of the results in related studies.

Conclusion

This study was conducted to identify the factors that drive customers to stay in budget hotels. This research successfully achieved its objective of examining the factors that lead many people to stay in budget hotels. The findings of this study are particularly useful for budget hotel owners to maintain the quality and services provided to customers. It also provides information to the hotel industry in Malaysia, emphasizing the significant role that budget hotels play in driving the country's economy. This study also enables healthy competition

among budget hotel operators to provide the best services for their customers, thereby enhancing the quality of their services to remain relevant for the future. The information gathered from this research can aid budget hotel owners and managers in strategic planning, allowing them to allocate resources effectively and make informed decisions to stay competitive in the market.

Acknowledgement

The researchers would like to express the highest appreciation to the respondents who participated in the study for their cooperation and assistance in completing this study.

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