

A Study of Consumer's Online Buying Intention on Tourism Products from the Perspective of Perceived Value and Promotional Strategies

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ABSTRACT

Targeting at online shopping websites for tourism products, this research used two studies to explore the factors that affect consumers' willingness to purchase tourism products online based on perceived value and promotional strategies using the concept of Benefit, Opportunity, Cost and Risk. A total of 570 valid questionnaires were obtained. The analysis empirical data of first study showed that the reference price, opportunity rarity, searching cost and performance risk all exerted a positive impact on perceived value and group buying intentions. Among the three promotional strategies, only price discounts had a significant impact on consumers' willingness to participate in group buying. This means that the higher the price discount, the greater its impact on perceived value and group buying intentions will be. It is hoped that online travel agents can use the results of this study as a reference to better understand the needs of consumers. The present study finds that the perceived value is positively affected by reference price, opportunity rarity, performance risk, and searching cost. Whereas, perceived value will positively affect the group buying intention if the product has a good discounted price and which enhance the public's interest to pay for a good or service. The present study sufficiently addresses the available research gaps that can be remarkable research for the researchers, academicians, and the industry towards setting up online buying intention of the tourists on tourism Products.

JEL Classification: M2, M3, M31

Keywords: BOCR, online shopping intention, perceived value, promotional strategy

I. INTRODUCTION

Previous literature revealed that the group buying behavior has become a major purchasing behavior of consumers gradually. During online group buying, to a great extent, consumers' "perceived value" of a product determines whether they decide to make the purchase because they are unable to physically assess the goods. This study combined perceived value (Hsu and Chang, 2005) with BOCR (i.e. reference prices, opportunity rarity, searching costs and performance risks) to identify the key factors that consumers take into consideration when making online group buying decisions. The advantage of group buying not only includes convenience, but also the possibility of obtaining the product at a lower price. Many businesses need promotional strategies to compete in the online group buying market or to maintain their market share. This study referred to the categories of promotional strategies proposed by Shimp (1993), and set price discounts, bonus packs and complimentary gifts as moderators based on the immediate inducements for consumers. Thus, this study examined the aforementioned factors that consumers take into account when deciding to participate in group buying, namely reference prices, opportunity rarity, searching costs, performance risks, perceived value, group buying intentions, and promotional strategies.

In the past research, there is much discussion on the advantages of the tourism products but the group buying intention and perceived value was scantily addressed. It is a significant motivation to conduct the present research. The present research can provide the answers for the identified research questions of the study these are: (1) why group buying behaviors appear and what are its characteristics; (2) what are the impact of reference prices, opportunity rarity, searching costs, and performance risks on perceived value; (3) how promotional strategies, namely price discounts, bonus packs, and complimentary gifts, influence perceived value and group buying intentions. The research questions were solved in the study by accomplishing various objectives of the study these are:

1. To understand the impact of perceived value (using tourism products) on group buying intentions.
2. To verify the relationship among performance risk, searching cost, reference price and opportunity rarity.

Due to the increase in the number of consumers in the group buying market, many merchants have been attracted to this online trading market. The difference between online group buying and online shopping lies in the emergence of group buying initiators. The exchange of group buying information allows consumers to share information and interact with each other in the virtual community. This study investigated the influence of perceived value and promotional strategies on consumers' willingness to purchase tourism products online, and explored the factors that can increase consumers' willingness to participate in group buying. The results of this study can be used by businesses who intend to enter the online group buying market as a reference to help them understand which sales promotion is the most attractive to consumers.

II. LITERATURE REVIEW

A. Growing Online Buying Market vs Changing on Group Buying Behavior

The number of online market consumers is continually growing because online shopping has allowed them to purchase products and services anytime and anywhere (Strauss and Frost, 2014). Online shopping sites attract consumers mainly because they offer 24-hour shopping which is convenient, time-saving, private, and non-regional. In addition, they offer preferential prices, complete product and service information, a wide range of products and services to choose, and price comparison. According to the Directorate General of Budget, Accounting, and Statistics of the Executive Yuan, in 2016, the total B2B (business-to-business) sales reached NTD 3.137 trillion, which accounted for 85.1% of online sales. Further, the total B2C (business-to-consumer) sales reached NTD 525.7 billion, accounting for 14.9% of online sales. The B2C sales in 2016 have an increase of NTD 91.7 billion in comparison with that of 2015. The B2B sales of the industrial sector reached NTD 2.5593 trillion due to its application of the Electronic Data Interchange (EDI), accounting for 98.1% of its total online sales. The B2C sales of the service sector reached NTD 476.9 billion, accounting for 90.7% of the total B2C sales. In this context, various businesses of tourism products and services have set up online stores in order to keep abreast of this online shopping trend. Under the interactive influence of B2B and C2C (consumer-to-consumer), a new e-commerce model, B2C2C, i.e. business to group initiator (consumer) to team buyer (consumer), was formed. The B2C2C marks the emergence of online group buying.

The Internet provides consumers with a group buying platform, which boasts of its non-regionality, allowing different consumers with the intention of buying the same goods to place an order together over the Internet. In this way, consumers have more bargaining power to get preferential prices and share the freight costs, thereby achieving the effect of economies of scale. Through the mechanism of online group purchase, the seller can reduce the cost of the product, allowing the buyer to purchase it at a lower price. The attractiveness of group buying lies in the enhancement of consumers' bargaining power which enables them to obtain goods at a lower price and overall cost. This study aims to explore the factors that influence consumers' purchase decisions before they participate in group buying. Group purchase motives are also affected by the interactive effects of influential factors. This study used the BOCR (Benefit, Opportunity, Cost, and Risk) proposed by Saaty (1980) as the consumers' manifest variables (Wijnmalen, 2005), aiming to identify the variables that conform to the BOCR and influence consumer's purchase decision. Therefore, for this study, benefit corresponds to *reference price*, cost to *searching cost*, risk to *performance risk*, and opportunity to *opportunity rarity*. The opportunity rarity is a new variable that is used to measure group buying behaviors. Since the most important aspect that affects group buying is the lowered price of a product, businesses take advantage of group buying and initiate sales promotions to stimulate consumers to buy their product. This study utilized three promotional strategies, which are price discounts, bonus packs and complimentary gifts, as moderators.

Group buying mechanisms over the Internet are commonly used in B2B and B2C transactions (Anand and Aron, 2003). The Internet provides consumers with a group buying platform. Because of its non-regionality, it allows consumers to purchase any goods or services online, anytime and anywhere. In this way, the bargaining power of consumers is increased, which permits them to obtain preferential prices and share freight costs among each other, achieving the effect of economies of scale. Through online group

buying, the seller can reduce the cost of the goods that consumers need, and the buyer can purchase the goods at a lower price. Hence, sellers and buyers reap mutual benefits (Yamamoto and Sycara, 2001; Kauffman and Wang, 2002). In the past, Group buying was not an easy feat for consumers due to geographical restrictions; most of them gave up group buying and chose to purchase separately because it was time and energy consuming. However, the development of the Internet has made it easier for consumers to initiate group buying and purchase the same goods with other team buyers at a lower price. Further, the buyer is able to obtain products at a lower price while the seller benefits from group buying due to lower transaction costs from a large transaction volume (Sheu et al., 2006).

B. Perceived Value

According to Pandža Bajs (2015), perceived value provides producers with guidance for creating products that satisfy consumers' expectations between cost and perceived benefits. Perceived value has been explored in the marketing literature for examining variables that are related to future use, purchase decisions, and future product offerings (Jamal and Sharifuddin, 2015). Tourist purchasing decisions have been analyzed and understood using the concept of perceived value (Jamal and Sharifuddin, 2015). Hence, perceived value is positively correlated with behavioral intentions and satisfaction (Chua et al., 2015; Kim et al., 2015). It is defined as the gap between the highest price that consumers are willing to pay for a product or service and the price that they actually pay for it. The higher the consumer's perceived value of a product is, the greater the consumer surplus will be. The consumer's interest on a product or service is usually judged based on the price level; this study refers to *price* as the amount that consumers are willing to pay based on previous similar purchase behavior or on what they have in mind because of an external stimulus. This is known as benchmark or reference price, which will be discussed in the next section. It is the tourist's judgments that determine the perceived value of the experience, and their evaluation includes the information before the purchase, the quality of the service, the tourist resources, the natural surroundings, and the amount of time, money, and effort invested (Jamal and Sharifuddin, 2015). Due to this, measuring perceived value in tourism can have a wide-ranging impact (Petrick, 2002). Therefore, the focus on perceived value is also very useful for attracting responsible tourists to tourism products (Kim and Park, 2017). In the same way, perceived value has been considered a reliable concept for predicting tourist behavior (Eid and El-Gohary, 2015; Pandža Bajs, 2015). Opportunity cost in Economics refers to the cost incurred by the abandonment of one commodity to obtain another. When consumers are presented with an "opportunity", which is an unpredictable stimulus, they abandon one commodity to obtain the other partly based on the present environment or limited resources, not entirely on their rational thoughts or will (Hsing, 2002). The environment and the limitation in resources also reflect the concept of opportunity rarity.

Consumers' product satisfaction depends on the expenditure cost and the expected benefit. Product information is relatively important when consumers are making the decision to purchase. Based on the searching cost of the transaction cost theory, consumers first consider whether it is convenient for them to get the product before purchasing. Consumers also take into account the cost of the product based on their perceived value. The cost involves risks (Murphy and Enis, 1986) that consumers may

encounter when making purchase decisions; consumers are often not completely certain that they can achieve their purchase goals (Cox and Rich, 1964). Consequently, they also consider the risks involved when they are evaluating a commodity's perceived value. Perceived value, proposed by Tam (2004), is a consumer's assessment of the cost to obtain the product or service. This assessment is a comparison of a product or service's get and give components (Sweeney and Soutar, 2001). Zeithaml (1988) argued that some consumers perceive value when there is a low price. others perceive value when there is a balance between quality and price. Online shoppers participating in group buying are unable to physically assess the goods. Thus, the only basis for their perceived value of goods is the information provided, which becomes the focus of consumers' purchasing decisions.

C. Reference Price

Reference price refers to any price that consumers associate with when they come into contact with product information (Biswas and Blair, 1991). The previous price levels of commodities can affect consumers' current demand (Kalwani, 1990). The perceived value of a product is indirectly affected by its market price (Chang and Wildt, 1994). The consumers' lowest and highest estimates of the market price (Urbany et al., 1998) form an internal reference price range that serves as the basis for future price judgments. Biswas and Blair (1991) proposed that the categories of reference prices can be further divided into "external reference price" and "internal reference price". The external reference price refers to the price that retailers provide to consumers, while the internal reference price, also known as the "adaptation level price", refers to the price that consumers expect a product would cost them. The external reference price can significantly increase the perceived value of the consumer during their assessment of internal prices and can affect their searching intention; the external reference prices can significantly increase the perceived value of consumers (Urbany et al., 1988; Lichtenstein and Beardeb, 1989; Grewal et al., 1998). Based on the definition of the reference price and perceived value, it can be deduced that during group buying, consumers compare the price of a product among different channels, which enhances the external reference price. At this time, consumers are able to form an adaptation level price. In terms of perceived value, group buying provides consumers with large bargaining power, resulting in a lower price than the market price. Through this, consumers form an internal reference price range and acceptable price range. When the group buying cost proposed by the group buying initiator is acceptable to consumers, and lower than the internal reference price, the perceived value of the product is relatively improved. Therefore, the first hypothesis is proposed which is as follows:

H1: The higher the reference price of group buying, the higher the consumers' perceived value of the product will be.

D. Opportunity Rarity

The rarity of resources increases the demand of consumers (Wernerfelt, 1984). Under certain circumstances, a consumer makes a purchase decision immediately due to limitations in time and in product quantity, quality, and price. The "opportunity" of time

when the consumer has to decide whether to purchase the product or not becomes “rare”. Opportunity rarity integrates the “opportunity”, or the consumer’s purchase decision, planned or unplanned, which becomes a final decision due to the unexpected stimulation provided by product information, and the “rarity”, including those of prices, waiting time, and product efficacy. Online group buying often has restrictions of time in terms of when to place orders and on the number of team buyers, which often prompts consumers to evaluate the purchase and make the decision before the deadline is passed or the quota is full. Group buying has the advantages of low prices and short waiting time. These restrictions and advantages enable consumers to have the speculative mentality that they cannot miss an opportunity, thereby encouraging or preventing them from deciding on making a purchase. Opportunity Rarity is a creative variable in this study. It is a concept that integrates trading “opportunity” deduced from “transaction frequency”, and “rarity” from the resource-based view. The opportunity rarity in this study represents the consumers’ perceived rarity of the product’s quantity, quality, price, and availability. That perception leads to the formation of trading opportunities. This illustrates that the higher the rarity of the group buying products that a team buyer initiates, the less likely it will be for consumers to give up group buying, and the higher the corresponding perceived value will be. This study deduces that opportunity rarity exerts a positive impact on perceived value and proposes the following hypothesis:

H2: The higher the opportunity rarity of group buying is, the higher the consumers’ perceived value of the product will be.

E. Searching Cost

When consumers are faced with problems related to consumption, they need to search for supplementary information to assist them in making decisions. In a study conducted by Abubakar and Ilkan (2016) the “word of mouth”, is an effective way of gathering information especially for consumers who feel at risk with online shopping. Since tourism products and services aren’t accessible until consumption, potential visitors consult online reviews before making a purchase (Abubakar and Ilkan, 2016). Accordingly, positive WOM messages are most powerful at the end of a buying process; they reduce fear, and uncertainty, and enact confidence (Martilla, 1971). A WOM message is a way of reducing risk and uncertainty regarding a product or service based on the opinions of others. According to Murray’s (1991) influential study, consumers use WOM messages to reduce the risk they perceive as a result of uncertainty associated with service purchasing decisions. Settle and Aleck (1989) explained that the WOM message, is one of the most influential and popular means of eliminating risk and uncertainty associated with a product or service purchase. Significantly, a simple “word of mouth” can circulate rapidly on the internet and could influence the buying intention of the consumer. When a team buyer initiates group buying and sends messages to other potential team buyers, the message receivers would need to recall whether similar purchase information had been encountered previously. This means that they are already searching for internal information. When the message receiver does not recall any previous purchase experience, and the initiator did not provide any expected information on the product, they would need to search for external information. When the perceived searching cost is low, this means that consumers do not need to spend much time looking

for the information they need, thereby reducing the amount of time and costs. This increases their perceived value on the product. The lower the searching cost, the faster and easier it will be for consumers to obtain product information. On the contrary, when they are not satisfied with the product recommended by the group-buying initiator, they would need to search for other group buying information, which increases their searching cost. This study deduces that the searching cost directly exerts a negative impact on perceived value. Therefore, the following hypothesis is proposed:

H3: The lower the searching cost of a product during group buying, the higher the consumers' perceived value of the product will be.

F. Performance Risk

Performance risks involve the possibility that the purchased product may not offer the expected efficacy or it is not usable as expected (Jacoby and Kaplan, 1972; Brooker, 1984; Schiffman and Kanuk, 1994). During group buying, it is important for consumers that the products they are to buy will meet their expectations. Therefore, the difference between the expected and the actual physical product entails the risk that a consumer needs to take. When consumers search for products of interest in group buying blogs, the risk of group buying is formed through their previous purchase experiences or other buyers' evaluation. Since the products for group buying is displayed in a virtual platform, the products cannot be physically assessed prior to purchasing. Under this circumstance, the consumer will form expected efficacy of the product between the time consumers decide to participate in group buying and the time they receive the physical product. It is important for consumers that the purchased product functions as effectively as their previous experience or as how other previous buyers have described. The lower the performance risk of group-buying products is, the higher the perceived value will be. This study deduces that the performance risk has a direct negative impact on perceived value. Therefore, the following hypothesis is proposed:

H4: The lower the performance risk of the group-buying product is, the higher the consumers' perceived value of the product will be.

G. Group Buying Intentions

The willingness to purchase refers to the likelihood that a consumer will buy a product at a certain period of time. The willingness to purchase is an important indicator of the occurrence of consumer buying behaviors (Spear and Singh, 2004). In the virtual community, the willingness to participate in group buying is that a buyer decides to buy group buying products with the initiator. The higher the perceived value of the product for group buying is, the higher the consumers' willingness to purchase and the higher their willingness to participate in group buying will be. This study deduces that the perceived value directly exerts a positive impact on the willingness to participate in group buying. Hence, the following hypothesis is proposed:

H5: The higher the perceived value of the product for group buying is, the higher the consumers' willingness to participate in group buying will be.

III. PROMOTIONAL STRATEGY EFFECT (STUDY 2)

Sales promotions refer to a variety of incentives that aim to stimulate target consumers or dealers to produce an immediate or enthusiastic response of buying a specific product or service, most of which are of a short-term nature (Schultz and Robinson, 1982; Kotler, 2000). The American Marketing Association (2010) defined “promotion” as the behavior when a consumer, retailer, or wholesaler uses a predetermined media or non-media as an incentive to encourage consumers to try a certain product, increase their demand for a certain product, or improve the effectiveness of a certain product at a limited period of time. In another perspective, businesses tend to create innovative websites to promote their product that could draw the attention of their consumers. The presentation strategy of the product can affect the consumers purchased behavior while browsing their websites (Alcántara-Pilar et al., 2018).

In this study, group buying promotion is defined as the diverse short-term incentives that are used to stimulate target consumers to buy specific products or services, achieving specific short-term and immediate sales targets. In order to sell their goods or services, manufacturers often use different promotional strategies. These promotions are designed to attract consumers’ attention, and change their purchasing behaviors. Since this study aims to explore consumers’ willingness to buy tourism products online, the formulated promotional strategy is expected to achieve the effect that consumers are immediately responsive to it. The most direct stimulus for consumers is the price. An inexpensive product can make a consumer think that it gives the best value for money. Bonus packs as a promotional strategy involves adding another item with the product to be purchased as a “bonus”, which leads to increase in consumers’ willingness to purchase. The use of complimentary gifts as a promotional strategy involves providing a “gift or freebie” as a reward for buying the product or service. These strategies, namely price discounts (e.g. tipping to guides at a discount), bonus packs (e.g. fare-free door-to-door transportation), and complimentary gifts (e.g. offering free theatre performances), are used in this study to promote online group buying of tourism products. This study adopted second study to explore whether they can directly exert a positive impact on perceived value and the willingness to participate in the group purchase. With this, the following hypotheses 6a to 6c are proposed specifically for study 2:

H6_a: Price discounts have a positive effect on consumers’ perceived value and willingness to participate in group buying.

H6_b: Bonus packs have a positive effect on consumers’ perceived value and willingness to participate in group buying.

H6_c: Complimentary gifts have a positive effect on consumers’ perceived value and willingness to participate in group buying.

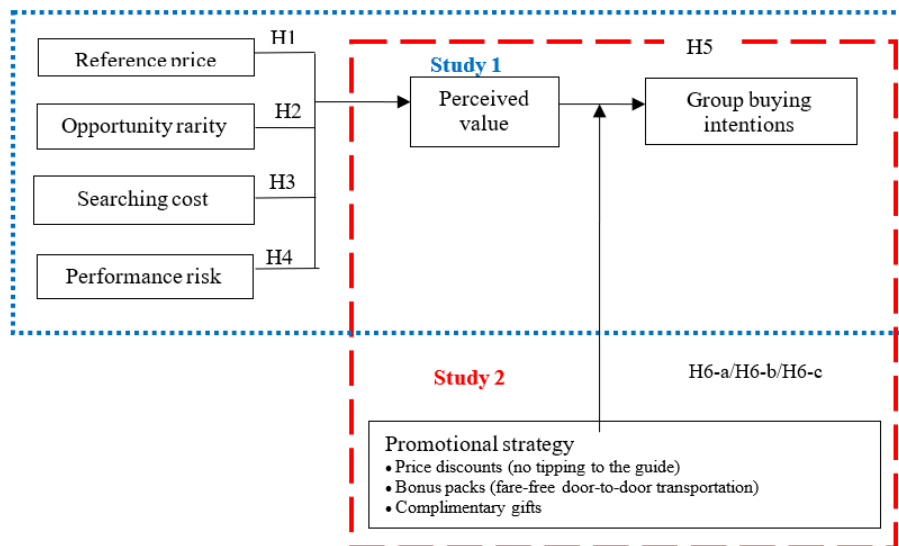
IV. METHODOLOGY

This research explores the online group-buying behavior of consumers with multiple concepts, such as reference prices, opportunity rarity, searching cost, performance cost, perceived value, the willingness to participate in group buying, and promotional strategy (including price discounts, bonus packs, and complimentary gifts). The research framework is shown as Figure 1. The empirical data of this study were obtained through

administration of a survey questionnaire, which was designed based on relevant literature review. The following variables were used: reference price, opportunity rarity, searching cost, performance risk, perceived value, willingness to participate in group buying, and promotional strategies (price discounts, bonus packs and complimentary gifts). The participants of this study were obtained through purposive sampling, and those who booked rooms online were recruited to participate in answering the survey questionnaire. The questionnaire included a total of 34 items and a seven-point Likert scale was used as the method for measurement. In this study, the SPSS 18.0 software package was used to analyze the reliability and validity of the collected data. Moreover, the AMOS18.0 was utilized to construct the structural equation model. Also, the moderating variables were analyzed to examine the extent to which the interaction terms influenced the dependent and independent variables.

This study distributed a total of 600 survey questionnaires. All were recovered but only 570 questionnaires (effective recovery rate reached 95%) were considered valid; the remaining 30 questionnaires were considered invalid due to various reasons such as missing and/or repeated responses. A total of 371 (65.1%) respondents are females, while 199 (34.9%) are males. Moreover, the majority of the respondents (347, 60.9%) attended college or university. In addition, 283 (49.6%) respondents were aged between 20 and 29 years old, while 96 respondents (16.8%) were aged between 30 and 39 years old. In addition, 39.5% of the respondents have participated 1-2 times in group buying within the last six months, 29.3% have not participated in any group buying activities within the last six months, and 20.5% have engaged 3-4 times in group buying in the last six months. For the number of occurrences in group buying participation, “0 times” was added as a control variable since it can provide information about the factors that can stimulate the group buying participation of those who never engage in group buying.

Figure 1. Research Framework of this Study



V. ANALYSIS

A. Study 1: Reliability, Validity, Path Analysis

The composite reliability of latent variables is a component of the reliability of all of the observed variables, and Fornell and Larcker (1981) recommends a value of 0.6 or higher. Hair et al., (1998) suggested that the factor loadings for individual construct should exceed 0.5. The square root of the AVE is greater than the correlation coefficient, so the questionnaire had discriminant validity (Fornell and Larcker, 1981). Table 1 shows the Cronbach's alpha values for each variable of the questionnaire which were: 0.889 for the reference prices, 0.81 for opportunity rarity, 0.808 for the searching cost, 0.913 for the performance risk, 0.905 for perceived value, 0.881 for willingness to participate in group buying, 0.912 for price discounts as a promotional strategy, 0.918 for bonus packs as a promotional strategy, and 0.913 for complimentary gifts as a promotional strategy. The Cronbach's alpha values indicated that the internal consistency for each scale was good. In terms of validity analysis, the factor loading values were obtained using SPSS18.0 software and the results are as follows: between 0.689 and 0.785 for reference price, between 0.785 and 0.863 for opportunity rarity; between 0.789 and 0.866 for searching cost, between 0.815 and 0.856 for performance risk, between 0.838 and 0.898 for perceived value, and between 0.767 and 0.874 for group buying intention. Overall, the questionnaire had a considerable degree of validity. And the square root of average variance extracted (AVE) is greater than the correlation coefficient, which suggests that the questionnaire had convergent and discriminant validity (See details in Table 1).

This study used structural equation modelling (SEM) to explore the interaction effect between the various constructs, and to verify H1, H2, H3, H4, and H5. The path diagram for the theoretical framework was obtained based on the research framework. The results indicate that the higher the reference price for group buying products, the higher the consumers' perceived value will be; the higher the opportunity rarity of group buying products, the higher the consumers' perceived value will be; the lower the searching cost of group buying products, the higher the consumers' perceived value will be; the lower the performance risk of group buying, the higher the consumers' perceived value will be; the higher the perceived value of group buying is, the higher consumers' willingness to buy will be, and so the higher the willingness to participate in group buying. As shown in Figure 2 and Table 2: H1, H2, H3, H4, and H5 are all supported (See details in Table 2 and Figure 2).

Table 1
Analysis of Discriminant Validity and Coefficients for the Variables

	(1)	(2)	(3)	(4)	(5)	(6)	C.R	AVE
(1) Reference Price	0.696	0.257**	0.048	-0.032	0.213**	0.323	0.8239	0.4851
(2) Opportunity Rarity		0.788	0.122**	0.104*	0.100*	0.233**	0.8906	0.6205
(3) Searching Cost			0.866	0.766**	-0.347**	0.134**	0.9225	0.75
(4) Performance Risk				0.886	-0.392**	0.131**	0.9369	0.7878
(5) Perceived Value					0.89	0.292**	0.9385	0.7926
(6) Group Buying Intention						0.817	0.8885	0.6667
Mean	5.6733	5.2523	4.2789	4.2509	5.0136	5.1513		
Cronbach's alpha	0.889	0.881	0.808	0.913	0.905	0.881		

Note: The diagonal value is the square root of the AVE. Data source: collected by this study

Table 2

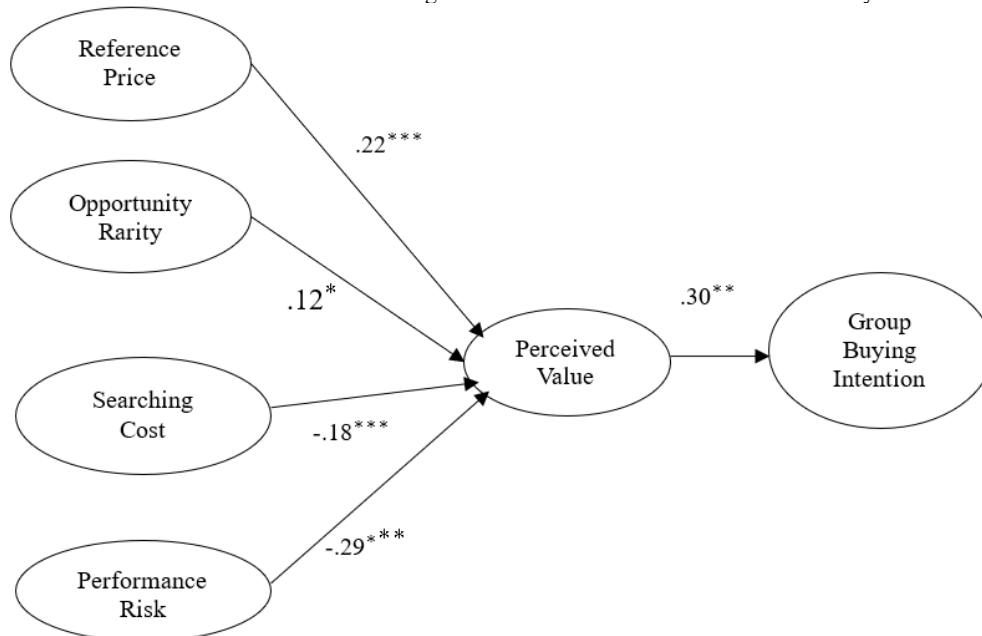
The Relationship between the Paths of the Variables and the Test of Goodness-of-Fit of H1 to H5

Hypothesis	Independent variable	Dependent variable	Relationship	Std. Coefficient	P values	t values
H1	Reference price	Perceived value	+	0.219***	< 0.001	4.785
H2	Opportunity rarity	Perceived value	+	0.118*	< 0.05	2.802
H3	Searching cost	Perceived value	-	-0.181***	< 0.001	-4.383
H4	Performance risk	Perceived value	+	-0.290***	< 0.001	-6.920
H5	Perceived value	Group-buying intention	+	0.298***	< 0.001	6.623

Note: * p < 0.05; ** p < 0.01; *** p < 0.001 Data source: collected by this study

Figure 2

The Test Results on the Path Diagram of the Research Framework of this Study



B. Study 2: Reliability, Validity, Path Analysis

In order to extensively examine the influence of promotional strategies on perceived values, the authors further executed study 2 to test the effect between promotion strategies of price discounts, bonus packs, and complimentary gifts on perceived values. This study used AMOS 18.0 software for computation. The three promotional strategies were compared to explore their moderating effects on perceived value and group buying intention. The factor analysis approach was used to compute and analyze whether the moderating variables are supported or not. The confirmatory factor analysis (CFA) models for promotional strategies are shown in Figures 3 to 5. All latent variables (price discounts, bonus packs and complimentary gifts) were estimated by allowing every two factors to correlate for each CFA model, after which the factor weights were used to compute the factor scores (see Figure 3a, 3b, 3c, 3d for CFA model details and Table 3 for path diagram coefficient details). Figure 3a shows the regressions of all interaction

terms obtained through factor scores, while the path analysis is of the research framework for this study. Figure 3d shows the moderating effect on the path analysis results for variables of Discount, Bonus Packs and Complimentary Gifts. The relationship among various variables and the test of goodness of fit, indicating that H6-a is supported, while H6-b and H6-c are not. The use of promotional strategies does not necessarily result in consumers purchasing the product or service. In this study, bonus packs exerted a significant, negative impact on perceived value and group buying intentions. The complimentary gift had a positive impact on perceived value and willingness to participate in group buying, but the result was not significant. For some consumers, the likelihood to become attracted to complimentary gifts depends on whether they need the gift. If they are unlikely to use the gift, the promotional strategy of complimentary gifts indirectly leads to a lower willingness to purchase the product. That is probably why the impact of complimentary gifts on perceived value and group buying intentions was not significant.

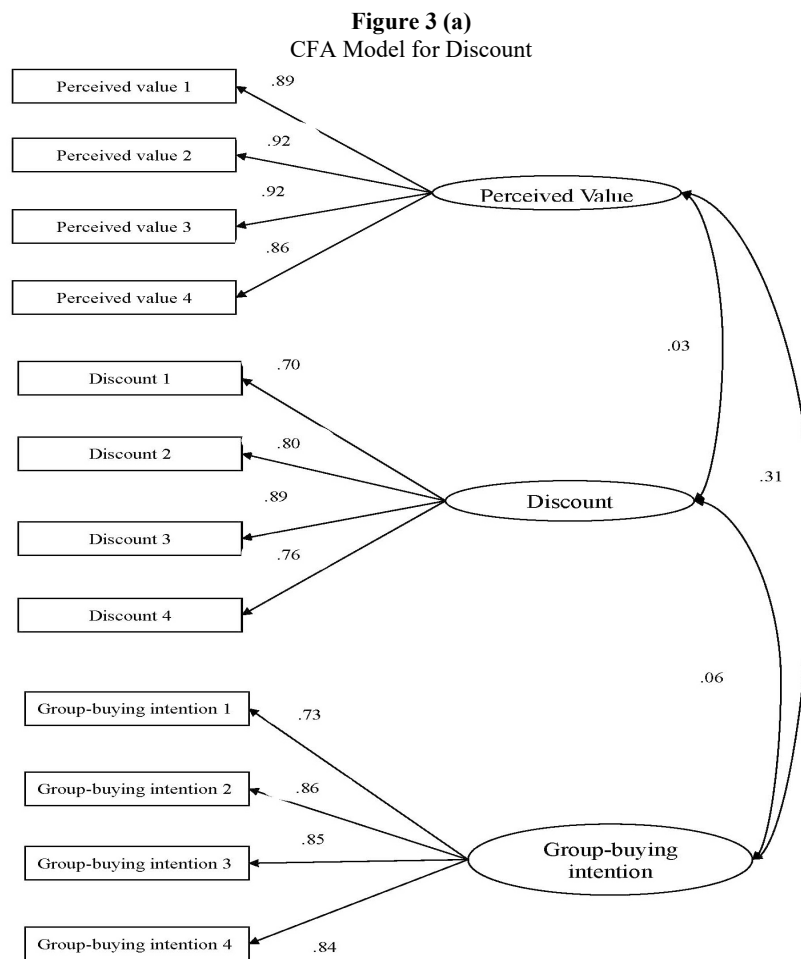
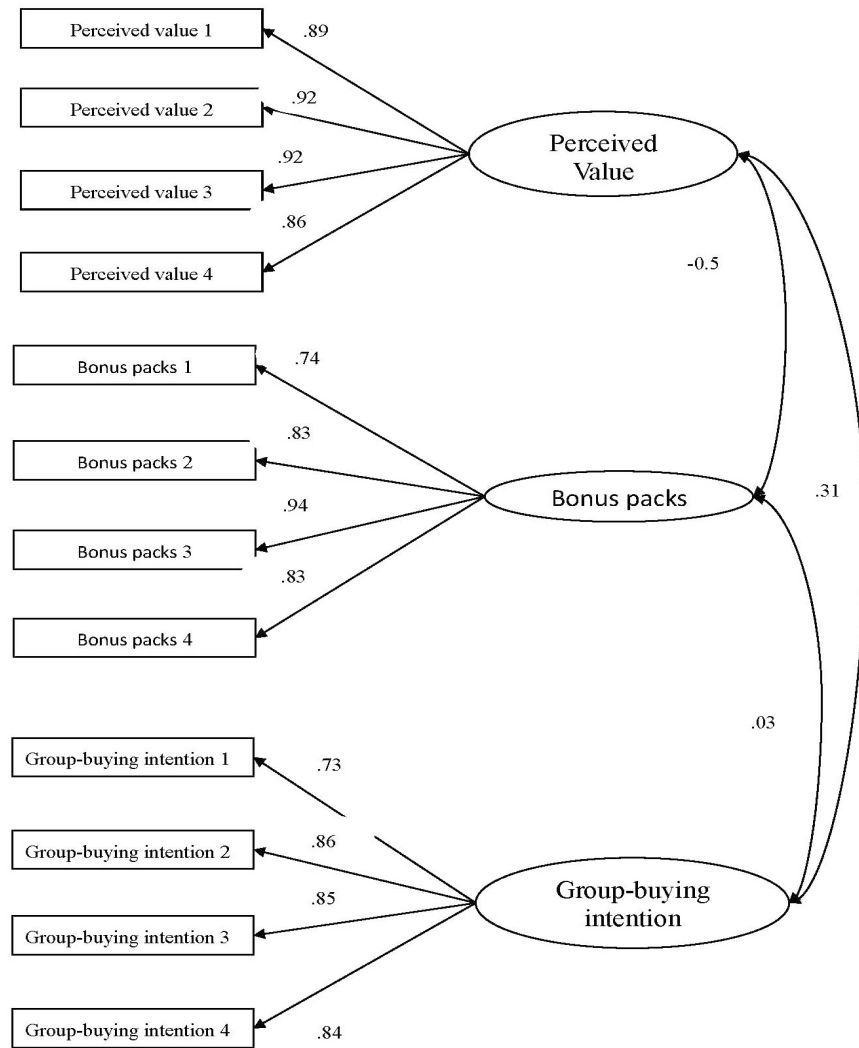


Figure 3 (b)
CFA Model for Bonus Packs



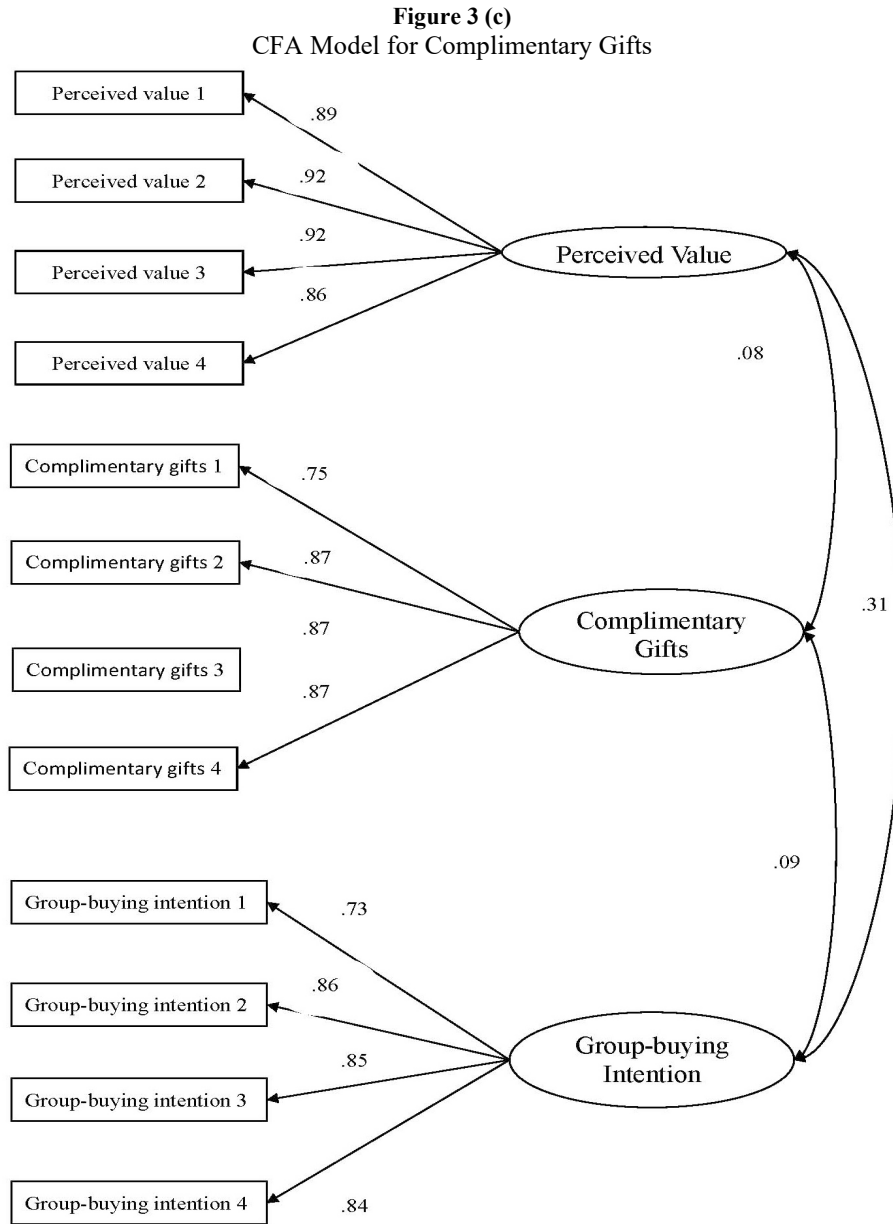


Figure 3 (d)
 Moderated Path Analysis for Discount Bonus Packs and Complimentary Gifts

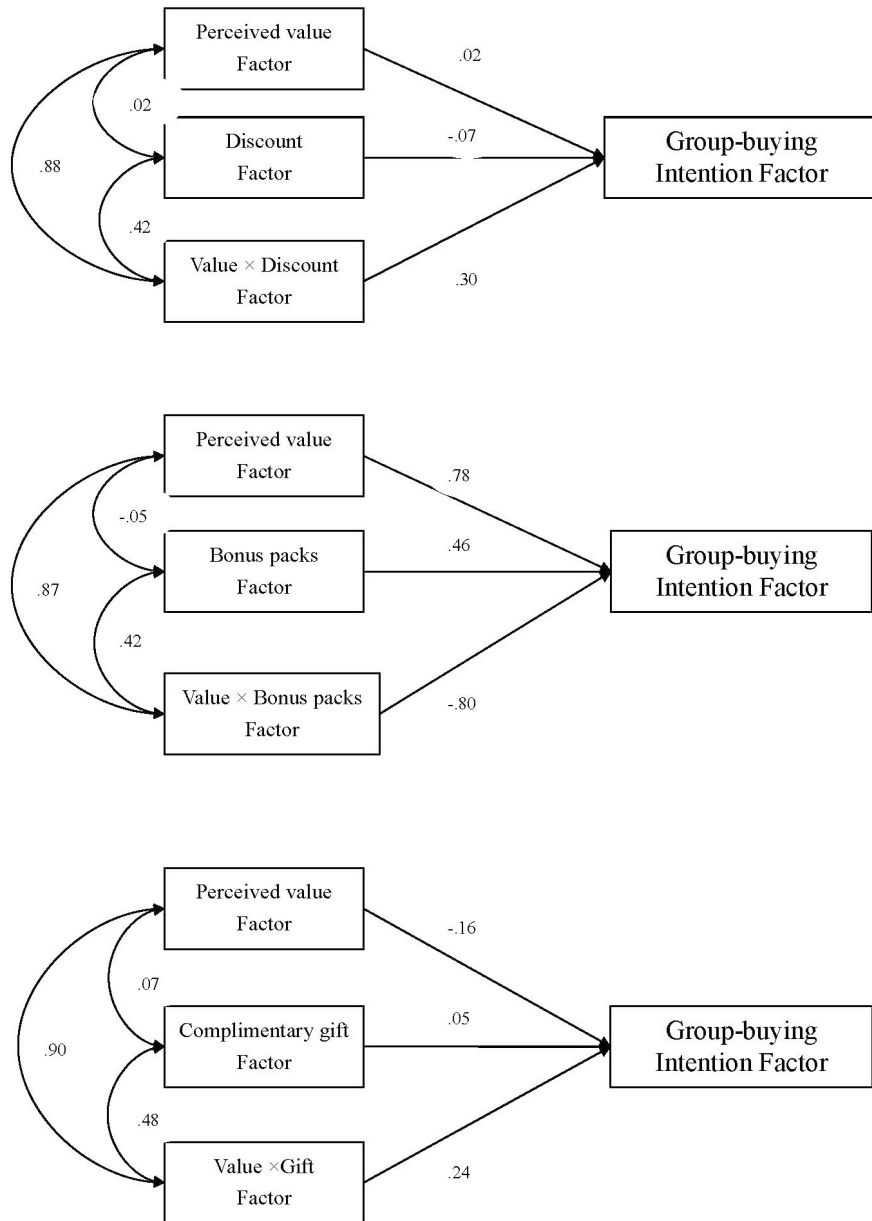


Table 3
Test result of Promotion Strategy

Hypothesis	Independent Variable	Dependent variable	RLAT.	Sig.	Std. Coefficient	p values	t values
H6-A	Price discounts	→ Perceived value	+	Sig.	0.296*	< 0.001	(1.978)
H6-B	Bonus packs	→ Perceived value	-	Sig.	-0.797*	< 0.05	(-2.472)
H6-C	Complimentary gifts	→ Perceived value	+	Not Sig.	0.239		-0.798

Note: * p < 0.05; ** p < 0.01; *** p < 0.001

VI. CONCLUSION

The present study examined customers' discernment and belief towards online tourism products. This study was based on the concept of BOCR proposed by Saaty (1980). The results also examines the positive impact of reference prices, opportunity rarity, searching costs, and performance risks on perceived value and group buying intentions. Whereas, perceived value also positively affect the group buying intention because the products are available in a good discounted price which enhance the public's interest to pay for a good or service. The online availability of tourism products is a good way to attract tourist's attention towards various products and as a result of which it enhances the group buying intention. As a marketing tool, online marketing can also be used to promote products or services using various locations or items. Also, among the three promotional strategies, only the price discount showed a significant, positive impact on perceived value and group buying intentions. This means that the higher the discount is, the stronger the interaction effects of price discounts among perceived value and group buying intentions will be. Complimentary gifts also had a positive impact on perceived value and group buying intentions, but the result was not significant. On the other hand, bonus packs had a significant but negative impact on perceived value and group buying intentions.

The study mainly has two parts: the first part explored the impact of manifest variables (reference price, opportunity rarity, searching cost, and performance risk) on perceived value and group buying intentions; the second part explored the moderating effects of promotional strategies (price discounts, bonus packs, and complimentary gifts) on perceived value and group buying intentions. The arguments that consumers' perceived value is influenced based on the results of the study are explained as: (1) the reference price and performance risk had a relatively deep impact on consumers' perceived value. It is relatively convenient for online shoppers to compare prices between different online sellers. However, consumers are unable to physically assess the products or service prior to purchasing. Therefore, online shoppers would need to base their decision-making on the price of the products, making them highly sensitive to prices. In addition, consumers are only able to base their purchase decisions on the photos and information about the product provided online. Consequently, they are apprehensive about the functionality of the product and whether it will work as expected. (2) Opportunity rarity had different impacts on perceived value. Due to various characteristics and categories of products for online group buying and different preferences of consumers, opportunity rarity varies for every individual, which leads to consumers having different sense of perceived value for group buying products. (3) Price discounts had a positive impact on consumers' group buying intentions. Among the three promotional strategies, only the price discount showed a direct effect on consumers.

When consumers want to purchase a product, their group buying intentions can be affected by the price discount being offered by the online seller. In other words, the higher the discount, the stronger the interaction effects of price discounts among perceived value and their willingness to participate in group buying. (4) The success of bonus packs and complimentary gifts as promotional strategies depends on the characteristics of the product. The use of bonus packs and complimentary gifts as promotional strategies in this study were not successful. The complimentary gifts and bonus provided by the seller could not satisfy the needs of every consumer. As a result, the impact of these two promotional strategies on consumers' perceived value and group buying intentions did not reach a significant level. Overall, consumers are willing to participate in group buying when the perceived value of products is high; that is, the reference prices and opportunity rarity are high, while the searching costs and performance risks are low. Consequently, price discounts as a promotional strategy can be used to enhance consumers' perceived value of the product and their willingness to participate in group buying.

This study revealed that among the three promotional strategies, price discounts were the most effective in enhancing consumers' willingness to participate in group buying. In addition, this study used the variable of opportunity rarity to measure the attributes of opportunity, which is an abstract concept. Opportunity costs in Economics suggest that the opportunity benefit is highly important when consumers need to make purchase decisions within a short amount of time when faced with opportunities. This study was able to classify the opportunity rarity and describe its characteristics. In summary, to enhance consumers' willingness to participate in group buying, the businesses can take into account the factors that influence the group buying intentions, namely reference price, opportunity rarity, searching cost, performance risk, perceived value and promotional strategies.

This study is aimed at exploring online shopping sites for travel products, using two studies, as well as the concept of BOCR, in order to understand the perceived value of consumers and the response to promotional strategies. In the end, the authors hope to accumulate the knowledge about the factors that influence consumers' willing in putting orders for online travel products. The empirical analysis of these two studies proves that reference price, opportunity scarcity, search cost and performance risk all have a positive impact on perceived value and group purchase willingness, while in promotional strategies, price discounts, bonus packages and gift gifts. Among them, only price discounts have a significant impact on consumers' willingness to participate in group purchases. This means that the higher the price discount, the greater the impact on perceived value and group buying willingness. This study can be used by companies operating online travel agencies to use the results of this study as a reference to better understand consumer needs. Therefore, it is suggested that future studies could also perform one-on-one interviews aside from administering survey questionnaires to obtain additional and more in-depth information. It will also allow researchers to better understand the consumers. Also, previous researches on group buying focused on individual consumers only or on group purchase initiators only; succeeding studies could explore both, and further investigate the relationship between them.

CONFLICT OF INTEREST

The authors state that they are free of any personal or business association that could

represent a conflict of interests regarding the article submitted, and we have respected the research ethics principles.

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