

Insights into Paper Souvenir Purchase Intention of Tourists in Nepal

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Abstract

Background: Tourism plays a vital role in Nepal's economy, and handmade paper souvenirs represent a unique cultural product often purchased by tourists. This study explores the factors influencing the purchase intention of Nepali handmade paper souvenirs, focusing on three key constructs: appearance, referrals, and product features.

Methods: A quantitative approach using descriptive and causal research design was adopted to test hypotheses derived from a comprehensive literature review. Measurement and structural models were tested using Partial Least Squares Structural Equation Modeling (PLS-SEM) in Smart PLS 2.0

Results: The findings reveal that appearance ($\beta=0.241$, $t=3.752$) and referrals ($\beta=0.322$, $t=4.995$) significantly and positively influence tourists' purchase intention. However, product

features ($\beta=0.093$, $t=1.474$) do not have a significant impact. The composite reliability ($CR > 0.7$) and average variance extracted ($AVE > 0.5$) confirmed the measurement model's validity. Discriminant validity was supported through cross-loadings and Fornell-Larcker criteria.

Conclusion: This study concludes that appearance and referrals play crucial roles in driving tourists' purchase intention for Nepali handmade paper souvenirs. In contrast, product features appear to be less influential. Marketers and souvenir producers should emphasize product aesthetics and leverage word-of-mouth recommendations to boost sales.

Novelty: This research uniquely integrates cultural aesthetics and social influence to understand the dynamics of souvenir purchasing in Nepal. By identifying key factors influencing buying decisions, the study provides actionable insights for enhancing marketing strategies for handmade cultural products.

Keywords: Paper Souvenirs, Tourist Purchase Intention, PLS-SEM.

Introduction

Consumer behavior show people's purchase, use, and dispose of products and services. It is about people's involvement in buying and consuming or using goods and services ([Brown, 1992](#)). Consumer behavior is the psychological study of consumer purchase decisions to satisfy their needs ([Wilkie, 1994](#)). Hoven and Eggen ([2005](#)) depict souvenir means 'to remember' or 'come to mind.' Souvenir is the tool of global advertising and attractive means for income generation ([Holder, 1989](#)). Hitchcock and Teague ([2002](#)) argue that souvenirs are materials for gift items for travel, events, relationships, and memories. Hoven and Eggen ([2005](#)) tell there is no exact real term to denote souvenir because it differs from the context. It represents relations between people, particular moments, events, and locations. Mostly it is used as gift items as well as a token of love or appreciation. Souvenirs ignite memories and become a reference to particular events ([Wicks, 2004](#)). People feel special when he or she gets souvenirs, and the relationship becomes stronger.

MacCannell ([2002](#)) reveals that buying is considered one of the tourist's most essential practices. Souvenir shopping is a behavior that occurs during activities, including trips and other leisure time. Not many people genuinely spend their vacations without shopping for tangible things ([Littrell et al., 1994](#)). Gordon ([1986](#)) believed that, apart from its everyday life; the souvenir is a reminder of an association with people, places, and events. Littrell ([1990](#)) also found that souvenirs encouraged visitors to contrast trips with their daily lives, broaden their world-view, separate themselves from others, and experience a more authentic cultural life.

Souvenir is unbranded, unique products to give gifts or special items. The souvenir is a crucial component of the tourist experience, with most tourists taking back memories and souvenirs as evidence. People want special moments to be remembered, and these special moments are seen ([Wilkins, 2011](#)). Souvenirs are considered as necessary as the means to memorize the trip ([Khanna & Khajuria, 2015](#)). The highest reason to buy a souvenir is a travel experience recall ([Olalera, 2017](#)). When tourists can only buy a souvenir at the destination, the constraint increases the souvenir's capacity to serve as a representation of the location, effectively

increasing the authenticity of the souvenir (Love & Sheldon, 1998). The categories include pictorial image souvenir, piece-of-the-rock souvenir, symbolic shorthand souvenir, markers, and local product souvenir (Lunyai, Run & Atang, 2008). The assortment of souvenirs available to the tourist should also not be universally the same. Souvenirs come in various forms, such as mass-produced items and figurines; arts and crafts (Turner & Reisinger, 2001); gem and jewelry (Turner & Reisinger, 2001); antiques (Grado, Strauss, & Lord, 1997); collectibles (Michael, 2002); and local products like foods and wear (Gordon, 1986). Gordon (1986) explored the term souvenirs and classified as five types – pictures, part of rock (seashells, pinecones, and rocks), symbolic shorthand (code, message), marker (words on t-shirts) or local goods (food and clothing). Kahn (1999) supports Gordon (1986) that product differentiation facilitates sellers to convince customers.

Souvenirs variety motivates customer needs and wants and also leads to customer purchases (Simson, 1999). Current souvenir products increase tourist customer preferences and chances of being bought and took souvenirs to his/her home for memory. Wicks (2004) argue that Souvenirs must possess its authenticity like products having quality. Tourists want to see local products to purchase. Wicks (2004) argue that tourist's souvenirs are mostly based on convenience to location, price, fashion, sales person's motivations, and service. Souvenir prices are varied from the reasonable average cost to expensive items like fine art and jewelry (Swanson & Horridge, 2006).

Siregar, Faulina, and Novita (2017) verified ethnic and traditional cultural frameworks provide unique souvenirs with lots of unique formed houses, flowers, animals, items and people, bright, fascinating textures eye-catching packaging with discount labels on souvenirs as a promotional tool.

Literature Review and Hypotheses Development

Product Appearance and Paper Souvenir Purchase

Product appearance implies an aesthetic and symbolic type of products that are functional and user-friendly. The presence of items such as color and design should be an essential element for cultural products (Lee, Kim, Seock, & Cho, 2009). Kim and Littrell (1999) and Littrell (1990) found that souvenir purchase decisions were the most important criteria for product appearance. Souvenir retailers can improve customer loyalty by taking steps such as customer shopping loyalty training to workers, expanding operating hours, broadening agreed payment methods, and enhancing the quality and display of goods and the exterior appearance of their shops (Sthapit, Coudounaris & Bjork, 2018).

A strong relationship between situational factors, especially the presence of souvenirs, becomes a crucial thing supporting increased purchasing intention (Lee et al., 2009; Siregar et al., 2017). If the souvenir at a discount price is more exclusive, humorous with attractive packaging, tourists would prefer it (Siregar et al., 2017). Siregar et al. (2017) suggest that business and government bodies enhance the souvenir appearance to attract visitors.

Hypothesis 1: Product appearance affects Souvenir Purchase

Referrals and Paper Souvenir Purchase

Referrals mean promoting products through positive word of mouth. Family members and friends also communicate product quality and performance in positive or negative ways. One thing that visitors ask family and friends about is the place to buy souvenirs ([Siregar et al., 2017](#)). Souvenir purchases, particularly on souvenirs, are heavily influenced by the perceptions of the family, friends, and people closest to the tourists. Souvenir purchases in large quantities to give to relatives, friends, and colleagues typically become one reason tourists seek discounted souvenirs ([Siregar et al., 2017](#)).

Most tourists fly with their families' groups and friends ([Suherlan & Hidayah, 2016](#); [Vasheghani-Farahani, Esfandiar & Tajzadeh-Namin, 2014](#)). Tourists buy souvenirs as evidence of visiting the tourist destination, representing famous icons seen by them, and as gifts to family and friends ([Khanna & Khajuraia, 2015](#); [Olalera, 2017](#)). Loker and Perdue ([1992](#)) argue that the purpose of tourist travel is often expressed as a focused family and friends.

Hypothesis2: Referrals influence Souvenir Purchase

Product Features and Souvenir Purchase

Product features are product attributes that contain unique local and ethnic attributes to attract tourists. Damrongpipat ([2009](#)) found that quality, longevity, and packaging of souvenirs were also important factors.

According to Graburn ([1989](#)), travelers' favorite product attributes include portability, low cost, cleanliness, and usability at home. Pysarchik ([1989](#)) considered travelers to have size, fragility, and manageability as essential product attributes. On the other hand, Throsby ([2003](#)) suggested the following essential features of cultural products: aesthetic properties, intangible value, symbolic values, historical significance, artistic trends, authenticity, dignity, and uniqueness. Turner and Reisinger ([2001](#)) discovered three essential product attributes for tourists buying cultural products: value (range, quality), product design (color, design, packaging, size), and uniqueness (trip memory).

Hypothesis3: Product features influence souvenir purchase intention

From literates, Siregar et al. ([2017](#)) examined factors influencing tourists to purchase souvenirs. Mogindol and Bagul ([2014](#)) researched tourists' perceptions about an appealing handicraft as a study on consumers concerning tourists visiting. Damrongpipat ([2009](#)) examined on determinants of souvenirs purchasing behavior among international Phuket visitors. Kim ([1997](#)) studied on international tourists' souvenir purchasing behavior. However, the considerable previous research into souvenirs and purchase behavior, little research exists that investigates souvenir purchase motivations.

This research measures the answers to the following research questions.

What are the factors affecting souvenir purchase intention?

Which factors are the essential factors for souvenirs' purchase intention?

The study's objective is to examine the factors affecting souvenirs' purchase intention and identify the most critical factors for souvenirs purchase intention.

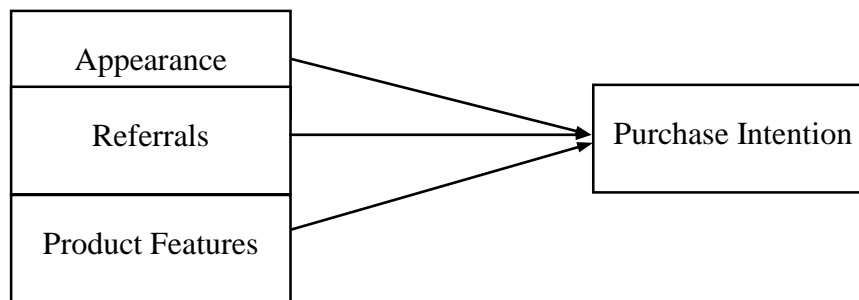


Figure 1: Theoretical Framework

Development of Hypothesis

H1: Appearance has the significant positive effect on purchase intention.

H2: Referrals has the significant positive effect on purchase intention.

H3: Product Features has the significant positive effect on purchase intention.

Methods

This research was done to study the factors affecting customers' buying decisions on Nepali handmade paper souvenirs. The research is quantitative. This study adopted a descriptive and causal research design that assimilates the constructs from the literature review thoroughly and to test the assumed relationships.

The source of the data was collected from primary data. The primary data were collected through a questionnaire. The questionnaire consists of structured questions. The questionnaire was designed to collect data about purchasing decisions regarding Nepali handmade paper souvenirs.

The study population has been defined as the customers buying Nepali handmade paper souvenirs from the stores available in Kathmandu. Two hundred eighty-one responses were collected. A convenience sampling method was used to collect data.

The data were collected using a survey method through a structured close-ended questionnaire. The questionnaire was designed based on previous literature and variables included in the conceptual framework. Likert scale questions were used with statements; appearance, referrals, product features, and purchasing behavior. For data collection, It was distributed to convenient respondents through souvenir stores.

Partial least square equation modeling is used for validation of the model and testing structural model. Smart PLS 2.0 software was used.

Results and Discussion

The research is conducted to measure tourists purchase intention towards paper souvenirs in Nepal. Smart PLS 2.0 is used for partial least square structural equation modeling. The model is evaluated in two steps as outer model or inner model. Outer model is testing the reflective measurement model, and the inner model is called testing structural model.

Measurement Model

Table 1: Quality Criterion for Reflective Model Assessment

Constructs	Items	Loadings	CR	AVE
Appearance	AP3	0.839	0.84	0.725
	AP5	0.864		
Referrals	RF2	0.73	0.841	0.571
	RF3	0.821		
	RF4	0.736		
Product Features	RF5	0.731	0.799	0.666
	PF1	0.767		
	PF5	0.862		
Purchase Intention	PI3	0.77	0.804	0.578
	PI4	0.67		
	PI5	0.808		

Table 1 shows all the loadings of the constructs are more significant than 0.7. Composite reliability is greater than 0.7, and AVE is more significant than 0.7. Also, composite reliability is greater than AVE. So, convergent validity is confirmed.

Table2: Cross Loadings among Reflective Measurement Scale Items

	Appearance	Product Features	Purchase Intention	Referrals
AP3	0.8385	0.1395	0.3327	0.3756
AP5	0.8641	0.1115	0.3601	0.431
PF1	0.1687	0.7679	0.1264	0.1182
PF5	0.0818	0.8612	0.1593	0.1248
PI3	0.2774	0.0232	0.7754	0.4035
PI4	0.2663	0.0291	0.6996	0.2679
PI5	0.3728	0.3034	0.803	0.3451
RF2	0.3338	0.2319	0.2827	0.730
RF3	0.356	0.1239	0.3695	0.8213
RF4	0.3368	0.0283	0.3378	0.7366
RF5	0.4039	0.0859	0.3585	0.7304

Table 2 shows all the latent constructs having high factor loadings of its respective indicator items. So, discriminant validity is obtained. It is also proved in Table 3 using Fornell-Larcker Criterion.

Table3: Discriminant Validity Assessment (Fornell-Larcker Criterion)

	Appearance	Product Features	Purchase Intention	Referrals
Appearance	0.851	0	0	0
Product Features	0.147	0.816	0	0
Purchase Intention	0.408	0.179	0.760	0
Referrals	0.475	0.149	0.449	0.756

Table 3 shows the diagonal values are the square root of AVE, and this is greater than values lies in rows and columns. So, Discriminant validity is achieved.

Structural Model

The structural model tests the relationship between constructs. Hypothesis testing is done here to check the impact of exogenous constructs on the endogenous construct.

Table 4: Hypothesis Testing

Hypothesis	Beta	T-Statistics	Decision
H1: Appearance -> Purchase Intention	0.241	3.752	Supported
H2: Referrals -> Purchase Intention	0.322	4.995	Supported
H3: Product Features -> Purchase Intention	0.093	1.474	Not Supported

Table 4 shows path coefficients and the t-value of latent constructs and their relationships. Appearance and referrals have a significant positive effect on souvenir purchase intention. So, H1 and H2 are supported. Product features do not influence souvenir purchase intention. So, H3 is not accepted. The beta value of referrals ($\beta=0.322$) and appearance ($\beta=.241$) are more excellent, so referrals and appearances have more impact on souvenirs.

Conclusion

This research aims to analyze tourist's purchase intention towards paper souvenirs in Nepal. This research confirmed that product appearance is the factor for souvenir purchase for tourists that are consistent with Lee et al. (2009), Kim and Littrell (1999), and Littrell (1990). Tourists give more attention to product appearance than what it looks like. Tourists prefer attractive and unique souvenirs items for purchasing. The research finding is not consistent with Damrongpipat (2009) and Siregar et al. (2017) that product features influence souvenir purchase intention. Tourists do not prefer souvenir products because they mostly purchase for memory and gift. Souvenir is a precious item for them. The research is also aligned with Silver and Kundu (2012), and Sirergal et al. (2017), Damrongpipat (2009), Graburn (1989), and Pysarchik (1989) that referrals influence souvenir purchase intention. Referrals are essential factors for influencing the purchase decision. Tourists purchase souvenirs as a memory for their family and friends. This research contributes to local tourism body and tourism retailers, and concerned stakeholders that should consider in these aspects for tourism product promotion in Nepal.

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