UNIVERSITI PUTRA MALAYSIA

FACTORS INFLUENCING CONSUMER BEHAVIOURAL INTENTION AND THEIR EFFECTS ON BEHAVIOUR AND WILLINGNESS TO PAY FOR GREEN HOTELS IN MALAYSIA

SHAYESTEH MOGHADAS

FEP 2017 17
FACTORS INFLUENCING CONSUMER BEHAVIOURAL INTENTION AND THEIR EFFECTS ON BEHAVIOUR AND WILLINGNESS TO PAY FOR GREEN HOTELS IN MALAYSIA

By

SHAYESTEH MOGHADAS

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in fulfillment of the Requirements for the Degree of Master of Science

May 2017
COPYRIGHT

All material contained within the thesis, including without limitation text, logos, icons, photographs and all other artwork, is copyright material of Universiti Putra Malaysia unless otherwise stated. Use may be made of any material contained within the thesis for non-commercial purposes from the copyright holder. Commercial use of material may only be made with the express, prior, written permission of Universiti Putra Malaysia.

Copyright © Universiti Putra Malaysia
DEDICATION

A special thanks to my parents & husband for supporting me throughout the process. I also dedicate this thesis to my supervisor who patiently assisting me with her words of assurance and advice.
Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfillment of the requirement for the Degree of Master of Science

FACTORS INFLUENCING CONSUMER BEHAVIOURAL INTENTION AND THEIR EFFECTS ON BEHAVIOUR AND WILLINGNESS TO PAY FOR GREEN HOTELS IN MALAYSIA

By

SHAYESTEH MOGHADAS

May 2017

Chairman : Associate Professor Yuhonis Abdul Aziz, PhD
Faculty : Economics and Management

Malaysia is one of the favourite destinations of tourists around the world; the numbers of tourists who visit this country increases gradually. Nowadays, environmental problems are discussed considerably, and people are starting to be aware of conservation activities. In the hotel industry, green hotel is becoming a new trend that can attract guests who are concerned about the environment and intend to be involved in green practices.

The general objective of this study is to investigate the relationship of attitude, subjective norms, perceived behavioural control, and perceived value with behavioural intention and its influence on behaviour and willingness to pay. The target population of this study was 329 domestic and international tourists, who visited green hotels in Malaysia during the survey period. The collected data were statistically analysed using SPSS 21 and AMOS 21.

The findings of this study support the hypothesized relationship proposed in the theoretical model. Specifically, the result of Structural Equation Model revealed a relationship between TPB model, perceived value and guests’ behaviour toward selecting green hotels in Malaysia. The results of the specific hypotheses tests indicate a significant relationship between the behavioural intentions and behavioural, willingness to pay of guests who selecting green hotels.

This study contributes new knowledge on the relationship between TPB and the behavioural intention and behaviour of guests toward green hotels. The study also extends the literature regarding the effect of the perceived value of guests on their
behavioural intention and behaviour toward selecting green hotels in Malaysia. The study can benefit hotel marketers, especially those of green hotels, in their understanding of what tourists want and need. The findings of this study guide the designing of effective marketing strategies to increase consumer behavioural intention as well as to influence current tourists’ intention to return and recommend green hotels in Malaysia to others.
Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Master Sains

FAKTOR YANG MEMPENGARUHI HASRAT PERILAKU PENGGUNA DAN KESANNYA TERHADAP KELAKUAN DAN KESEDIAAN UNTUK MEMBAYAR HOTEL HIJAU MALAYSIA

Oleh

SHAYESTEH MOGHADAS

Mei 2017

Pengerusi : Profesor Madya Yuhanis Abdul Aziz, PhD
Fakulti : Ekonomi dan Pengurusan

Malaysia merupakan salah satu destinasi kegemaran pelancong di seluruh dunia; bilangan pelancong yang melawat negara ini meningkat secara beransur-ansur. Pada masa ini, masalah alam sekitar sekitar dibincangkan secara meluas, dan orang mula sedar tentang aktiviti pemuliharaan. Dalam industri perhotelan, hotel hijau menjadi satu trend baharu yang dapat menarik tetamu untuk mengambil berat tentang alam sekitar dan berhasrat untuk terlibat dalam amalan hijau.

Objektif umum kajian ini adalah untuk mengkaji hubung kait sikap, norma subuktif, anggapan terhadap kawalan tingkah laku, dan anggapan nilai dengan hasrat perilaku dan pengaruhnya terhadap kelakuan dan kesanggupan untuk membayar. Sasaran populasi kajian ini ialah 329 pelancong domestik dan antarabangsa yang melawat hotel hijau di Malaysia dalam tempoh kajian. Data yang diperoleh telah dianalisis dengan menggunakan SPSS 21 dan AMOS 21.

Hasil kajian ini menyokong hubungan hipotesis yang dicadangkan dalam model teori. Secara khusus, hasil daripada Model Struktur Persamaan menunjukkan hubungan antara model TPB, anggapan nilai dan kelakuan tetamu dalam memilih hotel hijau di Malaysia. Hasil ujian hipotesis khusus menunjukkan terdapat hubungan yang signifikan antara hasrat perilaku dan kelakuan, kesediaan membayar bagi tetamu yang memilih hotel hijau.

Kajian ini memberikan ilmu pengetahuan baharu tentang hubungan antara TPB dengan hasrat perilaku dan kelakuan tetamu terhadap hotel hijau. Kajian ini juga menambah maklumat tentang kesan anggapan nilai tetamu terhadap hasrat perilaku
mereka dan kelakuan dalam pemilihan hotel hijau di Malaysia. Kajian ini boleh memberikan manfaat kepada pengusaha hotel, terutamanya hotel hijau, dalam memahami kemahuan dan keperluan pelancong. Hasil kajian ini dapat memberikan panduan dalam menggubal sesuatu strategi pemasaran yang berkesan untuk meningkatkan hasrat perilaku pengguna di samping mempengaruhi hasrat pelancong semasa untuk kembali ke negara ini serta mengesyorkan hotel hijau di Malaysia kepada orang lain apabila pulang ke negara asal mereka.
ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to my supervisor, Associate Prof. Dr. Yuhanis Abdul Aziz for her invaluable guidance and encouragement to carry out this research. Without her encouragement and support, the completion of this thesis would not have been possible. I would also like to acknowledge my co supervisor, Dr. Dahlia Zawawi for her support and insightful comments.

I express my gratitude to the members and staff of Faculty of Economics & Management and Ministry of Tourism & Culture of Malaysia, for their assistance and motivation during my enjoyable stay in Malaysia.

Special thanks to my parents who have always been there for me. Finally, I am grateful to my loving husband, Dr. Armin who supported me with his passion and care during these years and specially in hard moments and encouraged me to complete my research.

Last but not least, I would like to acknowledge Prof. Dr. Wong Kong Yew, president of Malaysian Hospitality College, who had linked me with his knowledge and experience to hospitality industry of Malaysia.
I certify that a Thesis Examination Committee has met on 23 May 2017 to conduct the final examination of Shayesteh Moghadas on her thesis entitled "Factors Influencing Consumer Behavioural Intention and their Effects on Behaviour and Willingness to Pay for Green Hotels in Malaysia" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the Master of Science.

Members of the Thesis Examination Committee were as follows:

**Mass Hareeza binti Ali @ Hamid, PhD**
Senior Lecturer
Faculty of Economics and Management
Universiti Putra Malaysia
(Chairman)

**Zaiton binti Samdin, PhD**
Associate Professor
Faculty of Economics and Management
Universiti Putra Malaysia
(Internal Examiner)

**Ahmad Azmi bin Mohd Ariffin, PhD**
Senior Lecturer
Universiti Kebangsaan Malaysia
Malaysia
(External Examiner)

NOR AINI AB. SHUKOR, PhD
Professor and Deputy Dean
School of Graduate Studies
Universiti Putra Malaysia

Date: 8 August 2017
This thesis was submitted to the Senate of the Universiti Putra Malaysia and has been accepted as fulfillment of the requirement for the degree of Master of Science. The members of the Supervisory Committee were as follows:

Yuhanis Abdul Aziz, PhD  
Associate Professor  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Chairman)

Dahlia Zawawi, PhD  
Senior Lecturer  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Member)

ROBIAH BINTI YUNUS, PhD  
Professor and Dean  
School of Graduate Studies  
Universiti Putra Malaysia

Date:
Declaration by graduate student

I hereby confirm that:
- this thesis is my original work;
- quotations, illustrations and citations have been duly referenced;
- this thesis has not been submitted previously or concurrently for any other degree at any institutions;
- intellectual property from the thesis and copyright of thesis are fully-owned by Universiti Putra Malaysia, as according to the Universiti Putra Malaysia (Research) Rules 2012;
- written permission must be obtained from supervisor and the office of Deputy Vice-Chancellor (Research and innovation) before thesis is published (in the form of written, printed or in electronic form) including books, journals, modules, proceedings, popular writings, seminar papers, manuscripts, posters, reports, lecture notes, learning modules or any other materials as stated in the Universiti Putra Malaysia (Research) Rules 2012;
- there is no plagiarism or data falsification/fabrication in the thesis, and scholarly integrity is upheld as according to the Universiti Putra Malaysia (Graduate Studies) Rules 2003 (Revision 2012-2013) and the Universiti Putra Malaysia (Research) Rules 2012. The thesis has undergone plagiarism detection software

Signature: ____________________________     Date: __________________

Name and Matric No.: Shayesteh Moghadas , GS40416
Declaration by Members of Supervisory Committee

This is to confirm that:

- the research conducted and the writing of this thesis was under our supervision;
- supervision responsibilities as stated in the Universiti Putra Malaysia (Graduate Studies) Rules 2003 (Revision 2012-2013) were adhered to.

Signature: ________________________________
Name of Chairman of Supervisory Committee: Associate Professor Dr. Yuhanis Abdul Aziz

Signature: ________________________________
Name of Member of Supervisory Committee: Dr. Dahlia Zawawi
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>i</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td>iii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>v</td>
</tr>
<tr>
<td>APPROVAL</td>
<td>vi</td>
</tr>
<tr>
<td>DECLARATION</td>
<td>viii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xiv</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xvii</td>
</tr>
<tr>
<td>LIST OF APPENDICES</td>
<td>xviii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>xix</td>
</tr>
</tbody>
</table>

## CHAPTER

### 1 INTRODUCTION

1.1 Chapter Overview 1
1.2 Background of the Study 1
1.3 Problem Statement 4
1.4 Research Objectives 5
1.5 Research Questions 6
1.6 Significance of the Study 6
1.6.1 Theoretical 6
1.6.2 Practical 7
1.7 Definition of Key Terms 7
1.8 Organization of Thesis 9
1.9 Chapter Summary 10

### 2 LITERATURE REVIEW

2.1 Introduction 11
2.2 Overview of the Tourism Industry 11
2.3 Tourism Industry of Malaysia 12
2.4 Hotel Industry of Malaysia 14
2.5 Overview of Green Hotels 15
2.5.1 Overview of Green Hotels in Malaysia 16
2.6 Green Behaviour 17
2.6.1 Consumer Green Behaviour in the Hotel Industry 18
2.6.2 Environmental Issues in the Hotel Industry 20
2.7 Theory of Planned Behaviour (TPB) 21
2.7.1 Attitude 22
2.7.2 Subjective Norms 24
2.7.3 Perceived Behavioural Control 25
2.8 Theory of Perceived Value 25
2.8.1 Acquisition Value 26
2.8.2 Transaction Value 27
2.9 Behavioural Intention 27
2.10 Behaviour 28
2.11 Willingness to Pay 28
3 CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Introduction</td>
<td>31</td>
</tr>
<tr>
<td>3.2 Theoretical Underpinning and Previous Literature</td>
<td>31</td>
</tr>
<tr>
<td>3.2.1 Theory of Planned Behaviour (TPB)</td>
<td>31</td>
</tr>
<tr>
<td>3.3 Previous Conceptual Framework of TPB</td>
<td>32</td>
</tr>
<tr>
<td>3.4 Theory of Perceived Value</td>
<td>35</td>
</tr>
<tr>
<td>3.4.1 Previous Conceptual Framework of Perceived Value</td>
<td>36</td>
</tr>
<tr>
<td>3.5 Proposed Conceptual Framework</td>
<td>36</td>
</tr>
<tr>
<td>3.6 Hypotheses Development</td>
<td>38</td>
</tr>
<tr>
<td>3.6.1 Relationship between attitude and behavioural intention</td>
<td>38</td>
</tr>
<tr>
<td>3.6.2 Relationship between subjective norms and behavioural intention</td>
<td>40</td>
</tr>
<tr>
<td>3.6.3 Relationship between perceived value and behavioural intention</td>
<td>41</td>
</tr>
<tr>
<td>3.6.4 Relationship between perceived acquisition value and behavioural intention</td>
<td>41</td>
</tr>
<tr>
<td>3.6.5 Relationship between perceived transaction value and behavioural intention</td>
<td>42</td>
</tr>
<tr>
<td>3.6.6 Relationship between behavioural intention and behaviour</td>
<td>42</td>
</tr>
<tr>
<td>3.6.7 Relationship between behavioural intention and willingness to pay</td>
<td>42</td>
</tr>
<tr>
<td>3.7 Chapter Summary</td>
<td>44</td>
</tr>
</tbody>
</table>

4 METHODOLOGY

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Introduction</td>
<td>45</td>
</tr>
<tr>
<td>4.2 Research Design</td>
<td>45</td>
</tr>
<tr>
<td>4.3 Data Collection Method</td>
<td>47</td>
</tr>
<tr>
<td>4.4 Sampling Design</td>
<td>47</td>
</tr>
<tr>
<td>4.4.1 Population and Sample</td>
<td>48</td>
</tr>
<tr>
<td>4.4.2 Sample Size</td>
<td>48</td>
</tr>
<tr>
<td>4.4.3 Sampling Technique</td>
<td>50</td>
</tr>
<tr>
<td>4.5 Survey Instrument</td>
<td>51</td>
</tr>
<tr>
<td>4.5.1 Items/scale Measurement</td>
<td>52</td>
</tr>
<tr>
<td>4.6 Pilot Study</td>
<td>56</td>
</tr>
<tr>
<td>4.7 Data Analysis</td>
<td>57</td>
</tr>
<tr>
<td>4.7.1 Reliability Analysis</td>
<td>58</td>
</tr>
<tr>
<td>4.7.2 Validity Analysis</td>
<td>59</td>
</tr>
<tr>
<td>Convergent Validity</td>
<td>59</td>
</tr>
<tr>
<td>Discriminant Validity</td>
<td>60</td>
</tr>
<tr>
<td>4.8 Chapter Summary</td>
<td>60</td>
</tr>
</tbody>
</table>

xi
5 DATA ANALYSIS AND RESULTS

5.1 Introduction 61
5.2 Response rate 61
5.3 Preliminary Analysis 61
  5.3.1 Missing Value Analysis 61
  5.3.2 Outlier Analysis 62
  5.3.3 Common Method Variance 63
5.4 Multivariate Assumption Analysis 63
  5.4.1 Normality Test 63
  5.4.2 Multi - Collinearity 63
  5.4.3 Linearity and Homoscedasticity 64
5.5 Descriptive Analysis 64
5.6 Mean Analysis 66
  5.6.1 Severity of Environmental Problems 67
  5.6.2 Environmentally Conscious Living 67
  5.6.3 Inconvenience of Being Environmentally Friendly 68
  5.6.4 Subjective Norms 69
  5.6.5 Perceived Behavioural Control 69
  5.6.6 Acquisition Value 70
  5.6.7 Transaction Value 71
  5.6.8 Behavioural Intention 71
  5.6.9 Behaviour 72
  5.6.10 Willingness to Pay 73
5.7 Structural Equation Modelling (SEM)
  5.7.1 Model Fit Indices 74
    Absolute Fit Indices 74
    Relative Fit Indices 74
    Comparative Fit Indices 74
5.8 Measurement Model 75
5.9 Individual Model (first-order CFA)
  5.9.1 Second-Order CFA for Attitude 77
  5.9.2 Second-order CFA for Perceived Value 78
5.10 Overall Measurement Model 79
  5.10.1 Convergent Validity 81
  5.10.2 Discriminant Validity 83
5.11 Structural Model Analysis (Path Analysis) 83
5.12 Relationship between willingness to pay and demographic variables
  5.12.1 Willingness to Pay and Gender 88
  5.12.2 Willingness to Pay and Age 88
  5.12.3 Willingness to Pay and Nationality 89
  5.12.4 Willingness to Pay and Education 90
5.13 Chapter Summary 90

6 FINDINGS, DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS FOR FUTURE RESEARCH

6.1 Introduction 91
6.2 Study Summary 91
6.3 Discussion of Findings 92
6.4 Research Findings 94
6.5 Theoretical Contribution 97
6.6 Managerial Implications 98
6.7 Research Limitations and Recommendations for Future Research 99
6.8 Conclusion 100

REFERENCES 102
APPENDICES 115
BIODATA OF STUDENT 149
LIST OF PUBLICATIONS 150
LIST OF TABLES

Table | Page
--- | ---
2.1 Number of tourist arrivals and receipts in Malaysia from 2004–2015 | 12
2.2 Top 10 tourist arrivals in Malaysia | 13
2.3 Top 5 Muslim tourist arrivals in Malaysia | 14
2.4 Hotel Rating in Malaysia of 2015 | 15
2.5 Green hotels in Malaysia | 17
3.1 Summary of objectives and Hypotheses | 43
4.1 Number and location of green hotels in Malaysia, 2016 | 48
4.2 Total Hotel Guests in Malaysia in 2015 | 49
4.3 The proportion of sample size | 50
4.4 Total sample size of each hotel | 51
4.5 Scale items, Source and Reliabilities of TPB model | 53
4.6 Scale items, Source and Reliabilities of Perceived value | 54
4.7 Scale items, Source and Reliabilities of Behavioural intention | 54
4.8 Scale items, Source and Reliabilities of behavioural | 55
4.9 Scale items, Source and Reliabilities of Willingness to pay | 55
4.10 Coefficient Alpha on Variables (n=30) | 57
4.11 Summary of objective Analysis used in the study | 58
5.1 Response rate | 61
5.2 Multicollinearity test based on correlation coefficients among independent variables | 64
5.3 Respondent’s profile (n=329) | 65
5.4 Table 5.4: Respondent’s Travel Behaviour (n=329) | 66
| 5.5  | Descriptive statistics of related items to Severity of environmental problems (n=329) | 67 |
| 5.6  | Descriptive statistics of related items to environmentally conscious living (n=329) | 68 |
| 5.7  | Descriptive statistics of related items to Inconvenience of being environmentally friendly (n=329) | 68 |
| 5.8  | Descriptive statistics of related items to subjective norms (n=329) | 69 |
| 5.9  | Descriptive statistics of related items perceived behavioural control (n=329) | 70 |
| 5.10 | Descriptive statistics of related items to Acquisition value (n=329) | 71 |
| 5.11 | Descriptive statistics of related items to transaction value (n=329) | 71 |
| 5.12 | Descriptive statistics of related items to behavioural intention (n=329) | 72 |
| 5.13 | Descriptive statistics of related items to behaviour (n=329) | 73 |
| 5.14 | Descriptive statistics of related items to willingness to pay (n=329) | 73 |
| 5.15 | Recommended criteria for fit Indices | 75 |
| 5.16 | Summary of total items and deleted items based on individual models | 77 |
| 5.17 | Goodness of fit indices for individual constructs | 77 |
| 5.18 | Goodness of fit statistics for measurement model | 81 |
| 5.19 | The result of Convergent Validity of overall measurement model | 82 |
| 5.20 | Discriminant Validity | 83 |
| 5.21 | List of Hypotheses and Relative Paths | 85 |
| 5.22 | Total direct effect of independent variables on DV | 86 |
| 5.23 | Total direct effect of independent variables on DV | 88 |
| 5.24 | Comparison between female and male for willingness to pay | 88 |
6.1 Testing the Hypothesis
## LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Framework of Theory of Planned Behaviour by Ajzen (1986)</td>
<td>32</td>
</tr>
<tr>
<td>3.2</td>
<td>Conceptual model developed by Han (2010)</td>
<td>33</td>
</tr>
<tr>
<td>3.3</td>
<td>Conceptual Model developed by Chen and Tung (2014)</td>
<td>35</td>
</tr>
<tr>
<td>3.4</td>
<td>Conceptual Model developed by Grewal, Monroe, and Krishnan’s (1998)</td>
<td>36</td>
</tr>
<tr>
<td>3.5</td>
<td>Proposed Conceptual Framework Source: Author</td>
<td>37</td>
</tr>
<tr>
<td>4.1</td>
<td>Framework of Research Methodology</td>
<td>46</td>
</tr>
<tr>
<td>5.1</td>
<td>Overall Summary of Missing Values</td>
<td>62</td>
</tr>
<tr>
<td>5.2</td>
<td>2nd order CFA Model for attitude</td>
<td>78</td>
</tr>
<tr>
<td>5.3</td>
<td>2nd order CFA Model for Perceived value</td>
<td>79</td>
</tr>
<tr>
<td>5.4</td>
<td>Measurement Model</td>
<td>80</td>
</tr>
<tr>
<td>5.5</td>
<td>Overall path model with standardized path coefficients</td>
<td>84</td>
</tr>
<tr>
<td>5.6</td>
<td>Path model between attitude and perceived values subscales and behavioural intention</td>
<td>87</td>
</tr>
<tr>
<td>5.7</td>
<td>Willingness to pay among age groups</td>
<td>89</td>
</tr>
<tr>
<td>5.8</td>
<td>Willingness to pay among nationalities</td>
<td>89</td>
</tr>
<tr>
<td>5.9</td>
<td>Willingness to pay among education level</td>
<td>90</td>
</tr>
</tbody>
</table>
# LIST OF APPENDICES

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Questionnaire</td>
<td>115</td>
</tr>
<tr>
<td>II</td>
<td>Outliers</td>
<td>140</td>
</tr>
<tr>
<td>III</td>
<td>Multivariate Normality test based on Mahalanobis distance</td>
<td>141</td>
</tr>
<tr>
<td>IV</td>
<td>Total Variance Explained</td>
<td>142</td>
</tr>
<tr>
<td>V</td>
<td>Normality test for all items</td>
<td>143</td>
</tr>
<tr>
<td>VI</td>
<td>Multi - Collinearity</td>
<td>144</td>
</tr>
<tr>
<td>VII</td>
<td>Linearity and homoscedasticity</td>
<td>145</td>
</tr>
<tr>
<td>VIII</td>
<td>First order CFA</td>
<td>146</td>
</tr>
</tbody>
</table>
## LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN</td>
<td>Cable News Network</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>MAR</td>
<td>Missing at Random</td>
</tr>
<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organization</td>
</tr>
<tr>
<td>MOTAC</td>
<td>Ministry of Tourism and Culture</td>
</tr>
<tr>
<td>MAH</td>
<td>Malaysian Association of Hotels</td>
</tr>
<tr>
<td>WTTC</td>
<td>World Travel and Tourism Council</td>
</tr>
<tr>
<td>IHEL</td>
<td>International Hotels Environment</td>
</tr>
<tr>
<td>GHA</td>
<td>Green Hotel Association</td>
</tr>
</tbody>
</table>
CHAPTER 1

INTRODUCTION

1.1 Chapter Overview

This chapter presents an overview of the research. The study background is provided at the beginning of the chapter, followed by the statement of the problem. The objectives of the study are set based on the identified research gap, leading to a discussion of the research questions. The definitions and applications of terms in this study are also discussed. This chapter concludes with the outline of the study.

1.2 Background of the Study

Tourism is defined as a short-term movement of people to places some distance from their normal place of residence for doing any activities, and it may involve travel for business purposes.

Tourism is an activity which is serviced by a number of other industries such as hospitality, transportation, and retail travel agencies, which is probably the nearest that tourism comes to being an industrial sector (Horner & Swarbrooke, 2016).

Defining tourism is challenging because the concept is a complex of various tangible and intangible parts, such as feelings, emotions, experiences, and desires; natural and cultural attractions; transportations, tours, and other related services; and government policies. Many tourism scholars have commented on the difficulty of defining tourism (Burns & Holden, 1995; Hall & Muller, 2008; Mathieson & Wall, 1982; Middleton, 1989; Morrison & Christie Mill, 1992; Murphy, 1985; Online (28 Oct 2012); (Ryan, 1991). World Tourism Organization (UNWTO) proposed one of the convincing definitions of tourism in 1991 which was sub sequenced by United Nation (UN) 1993: “Tourism comprises the activities of the persons traveling to and staying in place outside their usual environment for not more than one consecutive year for leisure, business or other purposes.”

Tourism also incorporates the hospitality sector. Collin (1994, p. 42) defined “hospitality” as “good care of guests” and providers of such services as “all companies participating in providing services to their guests (hotels, restaurants, pubs and other recreational or entertainment establishments)”. The term of hospitality is becoming increasingly used in Europe to replace traditional terms such as hotel and catering. Hospitality therefore includes all organization that provide guests with foods, drinks, and leisure facilities (Horner & Swarbrooke, 2016).
Tourism is a worldwide socioeconomic phenomenon that has evolved from a developing sector of the world’s economy in the past to an emerging sector in the 21st century. The growth of tourism is an outcome of many factors, such as changing lifestyles, gaining new interests, growing income and leisure time, improving accessibility and accommodation, and presenting new offerings in the tourism market (Giaoutzi & Nijkamp, 2006). UNWTO reported that by 2016, the arrival of international tourists abroad rose by 4.4% worldwide from 2015 and reached a record of 1.2 billion in receipts. Moreover, from 2014 onward, the international tourist arrivals grew by 5% from 2013 and reached a record of 1,087 million arrivals. For 2014, 4% to 4.5% growth was forecasted above the long term projections; demand for international tourism to destinations in Asia and Pacific are strongest in regional prospect with a 5% to 6% growth, and the number of international tourists grew by 14 million, reaching a total of 248 million (UNWTO, 2014).

According to the World Travel and Tourism Council (WTTC), travel and tourism contributed directly and indirectly to the global economy of 277 million jobs and 9.8% of gross domestic product (GDP) in 2014, and, thus, the number of tourists who are visiting other countries increases sharply (WTTC, 2015).

The tourism sector in Malaysia is one of the largest contributors to the national economy in terms of GDP. The total contribution of the tourism sector to the GDP of Malaysia in 2014 was MYR 61.0 billion (5.7% of GDP); in 2015, the GDP of tourism sectors increased by 5.6% to MYR 64.4 billion from the previous year and is expected to increase to 4.1% pa to MYR 95.9 billion (5.8% of GDP) by 2025 (WTTC, 2015).

The Malaysian government, especially the Ministry of Tourism and Culture Malaysia (MOTAC), has been promoting the tourism industry internationally and domestically to attract more tourism-related and other related industries to visit Malaysia. For attracting more domestic and foreign tourists to stay longer and become top of the tourist’s mind choice, the ministry promoted tourism in Malaysia and overseas with Malaysia Truly Asia (2007), Visit Malaysia Year (2014), and Malaysia Year of Festivals (2015). The Ministry slogan of 2015 was MyFEST 2015 to encourage tourists to stay longer and to enjoy the festival offerings nationwide such as cultural festivals, shopping extravaganzas, internationally acclaimed events, eco-tourism events, arts, music showcases, food promotion and themed events (MOTAC, 2016).

As discussed, hotel industry is one of the key elements for tourists who are away from their home. In 2015, MOTAC had recorded 34.91 and 52.49 million foreign and domestic hotel guests who stayed in hotels around Malaysia. This record indicates that the tourism sector in Malaysia is heavily dependent on hotel services; the data of MOTAC show 4,799 hotels registered in Malaysia (MOTAC, 2016).
The hotel sector has been described as one of the sectors threatening the environment (Kasim, 2009; Suki & Suki, 2015). The hotel industry is one of the critical sub-sectors under the tourism industry that possesses significant factors to provide accommodation and fulfill tourist demands and other requirements such as food & beverages and other related facilities.

The hotel industry consumes large amounts of goods and services, thereby causing a significant increase in ecological problems over the past few years (Kinnear & Taylor, 1973). A growing number of businesses have become proactive in green practices because of the gradually increasing demand of customers for environmentally-friendly products and services (Peterson, 1995).

In the hotel industry, the green shifts in the purchasing behaviour of hotel guests have considerably enhanced the number of hotel companies that prefer environmentally-friendly practices, especially over the past few years (Blackwell, DSouza, Taghian, Miniard, & Engel, 2006). Therefore, understanding the purchasing behaviour of tourists staying in hotels is important in influencing their experience and predicting their future reactions.

The term “green” is alternatively known as “eco-friendly,” “environment-friendly,” or “sustainable” (Han, Hsu, & Lee, 2009; Pizam, 2009). Wolfe and Shanklin (Wolfe & Shanklin, 2001) indicated that “green” refers to actions that decrease negative impacts on our environment (e.g., recycling, eco-purchasing). Similarly, Green Hotel Associations claimed that a green hotel is an eco-friendly lodging property implementing various green (Wolfe & Shanklin, 2001) practices and institutes sound and environment-friendly programs to protect the environment and reduce operational costs. In particular, in green hotels, the following are quite commonly used, practiced, and served: durable service items, cotton towels and linens for air quality, donations to charity, well-educated staff about green practices, energy conservation, environmental cleaning, eco-friendly/organic foods, fresh air, water recycling/conservation, recycling bins, and towel re-use program.

The current study attempts to bridge the gap between economic growth and environment protection by integrating the factors influencing the behaviour or intention of guests in terms of green purchasing behaviour in the hotel industry. This effort may help in understanding the requirements and needs of customers in selecting green hotels, providing approaches that are beneficial to the environment, and persuading hotel managers to be advocates of green hotels. Theory of Planned Behaviour (TPB) and theory of perceived value are the main theories applied in this study. These two theories are chosen because they both explain the relationship between tourist behavioural intention and tourist behaviour toward selecting green hotels. Both theories have been commonly cited in studies on consumer behavioural intention in the tourism and hospitality sectors. The next section further identifies the gap related to the current study.
1.3 Problem Statement

The hospitality industry worldwide is expected to witness a significant rate of growth in the next few years. For example, revenue per available room is expected to grow by 6% in 2014 in the United States and by up to 5% in some European cities during 2014 and 2015 (Milburn & Hall, 2014). In the Middle East, the Gulf Cooperation Council countries are expected to see a boom in hotel revenue by 2016, which implies a compound annual growth rate of 6.93% (Kimes, 2011). In Malaysia, room occupancy rate on 2015 was 61.9%, which is expected to reach 65.9% by 2018 (MOTAC, 2016).

This expansion in hospitality sector operations is complemented by an expansion in its waste, water and energy management operations. More waste usually referring to greater environmental footprint and therefore more harm to the ecosystem. Recently, the hotel industry has been rather oblivious of the extent of environmental damage caused by its services and operations. Consumption in hotel industry includes land, fixtures and furnishings, cleaning supplies, food, and equipment (air conditioners, computers, elevators, and furnaces), construction materials (carpet, paint, and wood), In addition, water and energy are consumed daily. Hotels are active 24 hours a day, seven days a week, and they utilize water and power throughout the day for general operations, cleaning, and guest use (Kasim, 2007). With this massive ongoing use of products and resources, environmental actions should be taken to preserve the environment and conserve resources for future generations.

Based on the initiative report of International Hotels Environment (IHEL), a typical hotel consumer roughly generates at least 1 kg of rubbish per day, and only approximately 50% of this waste is recyclable (Pirani & Arafat, 2014). Hotel managers have been encouraged to participate in waste management; it is an essential practice to decrease the harmful effect of solid waste on the natural environment. In water management perspective, medium-sized hotels with 50–100 rooms consume an average of 250 litters of water per person daily, which costs approximately $346 million annually (Bohdanowicz, 2006; DiPietro, Gregory, & Jackson, 2013). Unfortunately, this negative impact of the hotel industry on the environment is not only limited to the consumption of water and electricity but also extends to detergent and chemical cleaners that housekeeping department of hotels use for laundry services that are harmful to the environment. Therefore, efforts to minimize the negative environmental impact of hotel activities lead to the adoption of green tourism.

As the importance of environmental issues continues to take precedence, numerous researchers study the green purchasing behaviour of consumers (Kasim, 2004a, 2004b; Mishra, 2016). Similarly, a developing stream of research on various determinants that influence the behavioural intention of consumers toward their choice of green products is conducted. Although only few number of hotels in Malaysia demonstrate environmentally friendly practices, while there is a lack of official estimates, only 19 hotels out of 4,072 Malaysian hotels have ever participated
in the green practices (MOTAC, 2016). Based on previous study by Kasim (2004b) these few numbers of green hotels in Malaysia become a trend for this industry. However, the success of such initiative depends on how willing guest is to accept the related changes to hotel services (Zhang, Joglekar, & Verma, 2012). In comparison, studies pertaining to consumer behaviour in green hotel contexts in Malaysia are scarce. A gap exists in the empirical studies on which factors play prominent roles in forming behavioural intentions toward the choice of green hotels. The current study focuses on the behaviour of hotel guests in Malaysia in terms of theory of planned behaviour and theory of perceived value, however the dimensions of is focusing on environmental concerns.

In a previous study, attitude has been studied as a general attitude; limited research has examined this factor from an environmental perspective, (Han et al., 2009; Han, Hsu, & Sheu, 2010; Rezai, Mohamed, Shamsudin, & Teng, 2011; Rezai, Teng, Mohamed, & Shamsudin, 2013a). On the contrary, the present study examines attitude from a specific dimension of attitude in the context of environment. Previous research did not mention the effect of the perceived value in customer behavioural intention in selecting green hotels by combination of TPB in green hotels contacts.

Beside that The target group of those studies were guests who stayed in general hotels in a specific city which don’t have any experience and image of green hotels in Malaysia (Kasim, 2009; Mohamed, Kit Teng, Rezai, & Sharifuddin, 2014; Rezai, Teng, Mohamed, & Shamsudin, 2013b). By contrast, the present study contributes to all green hotels in Malaysia. This problems highlights the issue to be studied empirically. This study is conducted to fill the current knowledge and industrial gap by extending the number of studies on the behavioural intention of guests specifically on the factors influencing their behaviour toward selecting green hotels in Malaysia. The following section presents the direction of the study by identifying the objectives of and the research questions that need to be answered using hypotheses testing.

### 1.4 Research Objectives

The general objectives of this study are to investigate the relationship of attitude, subjective norms, perceived behavioural control, and perceived value with behavioural intention and its influence on behaviour and willingness to pay. The specific research objectives are stated as follows:

1. To examine the effect of the attitudes, subjective norms, and perceived behavioural control of hotel guests on their behavioural intention toward their choice of green hotels.
2. To investigate the effect of the perceived value of hotel guests on their behavioural intention toward their choice of green hotels.
3. To identify the effect of the behavioural intention of hotel guests on their behaviour toward their choice of green hotels.
4. To identify the effect of behavioural intention of hotel guests on their willingness to pay.
1.5 Research Questions

Along with the preceding objectives, this study aims to answer the following questions:

1. Is the behavioural intention of hotel guests toward selecting green hotels affected by their attitude, subjective norms, perceived behavioural control?
2. Is the behavioural intention of hotel guests toward selecting green hotels affected by their perceived value?
3. Is the behaviour of the hotel guests are affected by the behavioural intention?
4. Is the willingness to pay are affected by the hotel guest’s behavioural intention?

1.6 Significance of the Study

This study contributes theoretically and practically in the area of behavioural intention and behaviour of green hotel guests who select green hotel during their travel in Malaysia. The study extends the framework of past studies by examining the role of 1) attitude (including three environmental dimensions), subjective norms, and perceived behavioural control, 2) perceived value (with two dimensions) to the integrated model, 3) behavioural intention on the behaviour of guests, and 4) willingness to pay on the behaviour of guests. This study assists in shaping the construct, identifying boundary, and creating consistency in definition for future research.

1.6.1 Theoretical

The main purpose of this study is to identify and create a new knowledge base of the behaviours and intentions of consumers in selecting green hotels in Malaysia. This study provides views on current environmental issues in Malaysian green hotel industry. In addition to the enhanced understanding of the attitudinal and intentional factors of consumers, findings also improve the understanding of the demographic factors and personal characteristics of consumers, in relation to green consumption, which, in turn, can help hospitality industry. (Banerjee & McKeage, 1994b; Han et al., 2009; Han, Hsu, Lee, & Sheu, 2011; Laroche, Bergeron, & Barbaro-Forleo, 2001).

A previous study on green hotels in Malaysia focused on their relationship with consumer behaviour (Kasim, 2004b), whereas the current study intends to bridge the existing research gap by focusing on attitudes from an environmental perspective, by extending the perceived value with two related dimensions of TPB and examining the role of willingness to pay on the behaviour of guests toward staying in green hotels in Malaysia.
Finally, this study is conducted only for guests staying the green hotels of Malaysia. Some previous studies in this area focused guests who stayed in general hotels as sample. The current study intends to contribute on guest behavioural by expanding the current framework proposed for previous research and expedite the understanding of favourable outcomes of guest behaviour.

This study contributes to the body of knowledge of guest behaviour by proposing fewer variables than those studied in the past literature. Using TPB as basis, this study focuses on three dimensions, namely, attitude by focusing an environmental perspective, subjective norms, and perceived behavioural control. While By contrast, other studies establish a good relationship by adopting general attitude as one of the variables. The current study is conducted in all recognized green hotels in Malaysia.

1.6.2 Practical

Apart from the theoretical contributions, understanding the determinants of green behavioural intention of consumers can help hotel managers develop effective marketing strategies that persuade green purchasing behaviour. The findings of this study can help to protect the environment of Malaysia through the hospitality industry and persuade other hotels to become a green hotel. The results can also help hotel managers to understand guest behaviour for creating a unique experience during their stay in green hotels. This study can help hotel managers gain in-depth understanding of the personal needs, characteristics and profiles of their customers, which can result in advantageous strategies. Thus, the understanding of consumer behaviour is not only of academic interest; doing so provides knowledge for effective tourism planning and marketing. Overall, this study provides a significant insight into the actual readiness and intentions of customers toward green hotels.

The results of this study can provide opportunities for governments, NGOs, researchers, and practitioners to contribute to the various stages of green practices for protecting the planet from further degradation. The government enhances their understanding of what tourism marketers need to fulfil consumer demand and increase the number of green hotels and guests who visit these hotels in Malaysia.

1.7 Definition of Key Terms

Clear explanations of the terminologies used in the research are important before proceeding with the study. The following definitions are based on the constructs of the theoretical model of the study.

**Green hotel**

“A green hotel is an eco-friendly lodging possession that follows environment-friendly guidelines, such as water and energy conservation, waste management, and
purchasing policies to preserve natural resources and decrease operational costs” (Mensah, 2006).

**Attitude**

“Attitude toward a behaviour is defined as a person’s overall evaluation of performing the behaviour in question” (Ajzen, 2002).

**Severity of environmental quality**

“Public concern for environmental quality is widely assumed to be dependent on affluence. Severity indicates the level of seriousness of environmental issues” (Dunlap & Mertig, 1995).

**Environmentally conscious living**

“Consumers consider environmentally compatible behaviours as important to themselves or their society” (Laroche et al., 2001).

**Inconvenience of being environmentally friendly**

This term refers to the perception of a consumer on the feeling of being bothered or hassled in relation to the use of environment-friendly products or services (Vermeir & Verbeke, 2006).

**Subjective norms**

“The perception of an individual on whether the people important to him/her believe that a particular behaviour is expected” (Ajzen, 2002).

**Perceived behavioural control**

“Perceived behavioural control refers to the perception of people on their ability to behave in a particular manner” (Ajzen, 2002).

**Perceived value**

Value is defined as “the consumer’s overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given” (Zeithaml, 1988).
**Acquisition value**

This term refers to perceived net gains from the tradeoff between benefits and sacrifices (Dodds, Monroe, & Grewal, 1991; Zeithaml, 1988).

**Transaction value**

This term indicates the difference between the consumers’ internal reference price and the price offered in the context of a special deal (Yi, Jeon, & Choi, 2013).

**Behavioural intention**

An indication of the extent to which people are willing to try and how much effort they plan to exert to perform a behaviour (Ajzen, 2002).

**Behaviour**

The observable response of an individual in a given situation with respect to a given target (Ajzen, 2002).

**Willingness to pay**

Refers to the maximum amount of money a customer is willing to spend for a product or service (Kang, Stein, Heo, & Lee, 2012).

### 1.8 Organization of Thesis

This thesis has six chapters, covers introduction, literature review, theoretical framework and hypotheses, methodology, result and analysis, discussion and conclusion.

**Chapter 1** provides an introduction, including the background of the study. It explains the problem statement and the objectives of the study. The importance or significance of the study is elaborated. This chapter ends with the organization of the research for easy reference.

**Chapter 2** discusses variables related to the current study, followed by the literature on the service, tourism, and hotel industry. This chapter continues with the literature on the factors of consumer behavioural intention, which includes attitudes, subjective norms, perceived value, in determining the relationship with behaviour and also the relationship between behavioural intention with behaviour and willingness to pay.
Chapter 3 presents the conceptual framework that acts as a guide of connecting the study construct. This chapter explains the original framework which is adapted for the current study and the modification applied to achieve the objectives. Discussion is followed by the explanation of the variables involved in the new proposed frameworks. Hypotheses are also formulated.

Chapter 4 discusses the methodology used in this study, which includes research design, location of study, sampling design, and survey design. The procedure of data acquisition and a brief overview of the data analyses are also discussed in this chapter.

Chapter 5 presents the data analyses and results. Analyses are conducted by following the procedures for the preliminary analysis, multivariate assumption analysis, reliability and validity analysis. Descriptive analysis and Structural Equation Modelling was employed to test the goodness fit of the model and proposed hypotheses.

Chapter 6 reports the findings and summarizes the significance of the study. Both the theoretical contributions and managerial implications are highlighted in this part. Finally, limitations are acknowledged and possible research directions are suggested.

1.9 Chapter Summary

This chapter provided a brief explanation of the study, including its background, problem statement, objectives, research questions, and importance, to justify the reason for conducting the research. Important terms related to the study are also defined to avoid any ambiguity generated by the terms. The study is carried out to conduct a comprehensive approach in studying the relationships between consumer behavioural intention and behaviour toward selecting green hotels in Malaysia. The next chapter discusses relevant literature, including studies on the hotel industry, related to the study.
REFERENCES


