UNIVERSITI PUTRA MALAYSIA

PURCHASE INTENTION AND CONSUMPTION BEHAVIOUR OF GUESTS TOWARDS FOUR- AND FIVE-STAR GREEN HOTELS IN MALAYSIA

PUNITHA A/P SINNAPPAN

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By

PUNITHA A/P SINNAPPAN

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfilment of the Requirements for the Degree of Doctor of Philosophy

September 2017
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Inadequate information related to green purchase intention among hotel customers has become a key barrier for hoteliers in developing a sound marketing strategy. In the same vein, consumer’s intention to purchase is rarely translated to consumption behaviour and this remains poorly understood especially within the hotel context. Given this scenario, the purpose of this study is to identify the factors that would affect green purchase intention of hotel customers and the factors that would moderate the relationship between green purchase intention and green consumption behaviour.

In support of previous literature, this study confirms the need for a new way of thinking that takes into consideration the fragmented nature of the industry and a collective and conscious participation of all key stakeholders to solve the environment related behaviours. Hence, this study considers a hotel’s marketing strategies (i.e., green marketing mix and green brand image), a consumer’s psychographic characteristics (i.e., environmental concern, global environmental connectedness, perceived consumer effectiveness, perceived personal relevance and altruism) and the perceived role of government as important determining factors that would shape one’s green purchase intention. Next, the characteristics of consumers themselves are believed to be the reason for consumers to not engage in green consumption even though they have such an intention. Thus, psychographic and socio-demographic characteristics of consumers are tested in this study to determine if these factors have an impact on the intention-behaviour relationship.
This study applies a quantitative method in which a structured self-administered questionnaire is used. A total of 783 usable questionnaires are obtained from hotel customers through stratified random sampling technique. Data is analysed using the Structural Equation Modelling (SEM) technique via the IBM SPSS Statistics and IBM SPSS Amos for Windows, version 22.0.

The causal path analysis reveals that all seven elements of green marketing mix (i.e., product, price, place, promotion, employee, process and physical evidence) have positive influence on green purchase intention. Next, the result also reveals that the regression path from green brand image to green purchase intention is significant. This is followed by analysis of the causal paths between green marketing mix elements and green brand image. The results show that green brand image is significantly affected by product, place, promotion and physical evidence but price, employee and process are not significantly associated with green brand image. The following set of hypotheses that address the effects of psychographic variables on green purchase intention reveal that hotel customers’ green purchase intention is affected by environmental concern, global environmental connectedness, perceived personal relevance and altruism. However, perceived consumer effectiveness is not significantly associated with green purchase intention. Next, the result shows that perceived role of government is a significant predictor of green purchase intention and green consumption behaviour is significantly affected by green purchase intention.

As for the moderating effects, all psychographic variables (i.e., environmental concern, global environmental connectedness, perceived consumer effectiveness, perceived personal relevance and altruism) do not moderate the relationship between green purchase intention and green consumption behaviour. On the other hand, demographic variables (i.e., gender, age, educational level and income) seem to have significant moderating effects on the relationship between green purchase intention and green consumption behaviour. Correspondingly, the green purchase intention and green consumption behaviour relationship seems to be stronger among female, high-age, high-education and high-income customers.

Finally, this study confirms that the theory of planned behaviour (TPB) which is an extension model of the theory of reasoned action (TRA) can provide a sound theoretical platform for explaining the antecedents and outcomes of the adoption of an eco-friendly marketing strategy in the hotel sector. Similarly, this study affirms that the model of buyer behaviour is very useful in providing a direction to determine the right choice of moderators of the intention-behaviour relationship. To conclude, this study provides insights for planning effective policy and firm-level marketing strategies to promote pro-environmental behaviour among hotel customers.
NIAT PEMBELIAN DAN TINGKAH LAKU PENGGUNAAN DI KALANGAN PELANGGAN KE ARAH HOTEL HIJAU EMPAT DAN LIMA BINTANG DI MALAYSIA

Oleh

PUNITHA A/P SINNAPPAN

September 2017

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

Maklumat yang tidak mencukupi yang berkaitan dengan niat pembelian hijau di kalangan pelanggan hotel telah menjadi satu halangan utama bagi pengusaha hotel dalam membangunkan strategi pemasaran yang kukuh. Pada masa yang sama, niat pengguna untuk pembelian jarang berubah kepada tingkah laku penggunaan dan ini masih kurang difahami terutama dalam konteks hotel. Berdasarkan senario ini, tujuan kajian ini adalah untuk mengenal pasti faktor-faktor yang boleh mempengaruhi niat pembelian hijau pelanggan hotel dan faktor-faktor yang boleh menjadi moderator dalam hubungan antara niat pembelian hijau dan tingkah laku penggunaan hijau.

Dengan sokongan sastera, kajian ini mengesahkan keperluan untuk mengambil kira struktur industri yang terdiri daripada pelbagai pihak utama dalam menyelesaikan tingkah laku pengguna yang berkaitan dengan alam sekitar. Oleh itu, kajian ini mengkaji strategi pemasaran hotel (cth., bauran pemasaran hijau dan imej jenama hijau), ciri-ciri psikografik seseorang pengguna (cth., keprihatinan terhadap alam sekitar, keterkaitan dengan alam sekitar global, persepsi keberkesanan pengguna, persepsi perkaitan individu dan altruisme) dan peranan kerajaan sebagai faktor penting yang boleh membentuk niat pembelian hijau seseorang. Seterusnya, ciri-ciri pengguna itu sendiri dipercayai menjadi sebab untuk pengguna tidak melibatkan diri dalam penggunaan hijau walaupun mereka mempunyai niat pembelian. Oleh itu, ciri-ciri psikografik dan demografi pengguna diuji dalam kajian ini untuk menentukan sama ada faktor-faktor ini memberi kesan kepada hubungan antara niat dan tingkah laku.
Kajian ini mengaplikasikan kaedah kuantitatif di mana borang soal selidik urus sendiri yang berstruktur digunakan. Sebanyak 783 borang soal selidik yang berguna berjaya diperoleh daripada pelanggan hotel melalui teknik persampelan rawak berstrata. Data dianalisis menggunakan teknik Structural Equation Modelling (SEM).


Keputusan ujian hipotesis menggunakan analisis moderasi juga mendedahkan bahawa kesemua pembolehubah psikografik (iaitu keprihatinan terhadap alam sekitar, keterkaitan dengan alam sekitar global, persepsi keberkesanan pengguna, persepsi perkaitan individu dan altruisme) tidak bertindak sebagai moderator dalam hubungan antara niat pembelian hijau dan tingkah laku penggunaan hijau. Sebaliknya, pembolehubah demografi pengguna (iaitu jantina, umur, tahap pendidikan dan pendapatan) mempunyai kesan moderasi terhadap hubungan antara niat pembelian hijau dan tingkah laku penggunaan hijau. Sejajar dengan itu, hubungan antara niat pembelian hijau dan tingkah laku penggunaan hijau adalah lebih kuat antara pengguna wanita, pengguna berusia tinggi, berpendidikan tinggi dan berpendapatan tinggi.

Akhir sekali, kajian ini mengesahkan bahawa teori tingkah laku terancang yang merupakan model lanjutan teori tindakan beralasan boleh memberikan platform teori yang kukuh untuk menjelaskan penggunaan strategi pemasaran yang mesra alam dalam sektor hotel. Kajian ini juga mengesahkan bahawa model tingkah laku pembeli adalah sangat berguna dalam menyediakan panduan untuk menentukan pilihan moderator yang tepat bagi hubungan niat-tingkah laku. Kesimpulannya, kajian ini memberikan pandangan dalam perancangan dasar kerajaan dan strategi pemasaran peringkat firma yang berkesan untuk menggalakkan tingkah laku pro-alam sekitar di kalangan pengguna hotel.
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This thesis would not have been possible without the inspiration and support of a number of wonderful individuals. I would like to take this opportunity to extend my thanks and appreciation to all of them.

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Finally, I would like to thank my family for their continuous help, support and prayers. I am forever indebted to my parents for giving me the opportunities and experiences that have made me who I am today. They selflessly encouraged me to explore new directions in life and seek my own destiny.
I certify that a Thesis Examination Committee has met on 11 September 2017 to conduct the final examination of Punitha a/p Sinnappan on her thesis entitled "Purchase Intention and Consumption Behaviour of Guests Towards Four- and Five-Star 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 Doctor of Philosophy.

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<tr>
<td>AGFI</td>
<td>Adjusted Goodness-of-Fit Index</td>
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<td>AIC</td>
<td>Akaike Information Criterion</td>
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<td>ALT</td>
<td>Altruism</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>AVE</td>
<td>Average Variance Extracted</td>
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<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
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<td>CFI</td>
<td>Comparative Fit Index</td>
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<td>CMV</td>
<td>Common Method Variance</td>
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<td>CNN</td>
<td>Cable News Network</td>
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<tr>
<td>CR</td>
<td>Composite Reliability</td>
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<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>EC</td>
<td>Environmental Concern</td>
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<td>ECCB</td>
<td>Ecologically Conscious Consumer Behaviour</td>
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<td>EMP</td>
<td>Employee</td>
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<td>EMPs</td>
<td>Environmental Management Practices</td>
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<td>EMS</td>
<td>Environmental Marketing Strategy</td>
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<td>ENGOs</td>
<td>Environmental Non-Government Organisations</td>
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<td>ETP</td>
<td>Economic Transformation Programme</td>
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<td>GBI</td>
<td>Green Building Index</td>
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<td>GBI</td>
<td>Green Brand Image</td>
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<td>GCB</td>
<td>Green Consumption Behaviour</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GEC</td>
<td>Global Environmental Connectedness</td>
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<td>GFI</td>
<td>Goodness-of-Fit Index</td>
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<td>GFTS</td>
<td>Green Technology Financing Scheme</td>
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<td>GHGs</td>
<td>Greenhouse Gases</td>
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<tr>
<td>GNI</td>
<td>Gross National Income</td>
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<td>GOV</td>
<td>Government</td>
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<td>GPI</td>
<td>Green Purchase Intention</td>
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<td>GSTC</td>
<td>Global Sustainable Tourism Council</td>
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<tr>
<td>KeTTHA</td>
<td>Kementerian Tenaga, Teknologi Hijau dan Air</td>
</tr>
<tr>
<td>KMO</td>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
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<tr>
<td>LED</td>
<td>Light-Emitting Diode</td>
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<td>MAH</td>
<td>Malaysian Association of Hotels</td>
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<td>MI</td>
<td>Modification Indices</td>
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<td>MOTAC</td>
<td>Ministry of Tourism and Culture</td>
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<td>NFI</td>
<td>Normed Fit Index</td>
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<td>NTP</td>
<td>National Transformation Programme</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>PCA</td>
<td>Principal Components Analysis</td>
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<td>PCE</td>
<td>Perceived Consumer Effectiveness</td>
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<td>PE</td>
<td>Physical Evidence</td>
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<td>PGFI</td>
<td>Parsimony Goodness-of-Fit Index</td>
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<td>PLAC</td>
<td>Place</td>
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<td>PPR</td>
<td>Perceived Personal Relevance</td>
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<td>PRIC</td>
<td>Price</td>
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<td>PROC</td>
<td>Process</td>
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<td>PROD</td>
<td>Product</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<td>PROM</td>
<td>Promotion</td>
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<td>RMSEA</td>
<td>Root Mean Square Error of Approximation</td>
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<td>ROA</td>
<td>Return on Assets</td>
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<td>SEM</td>
<td>Structural Equation Modelling</td>
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<td>SIRIM</td>
<td>Standards and Industrial Research Institute of Malaysia</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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<td>TLI</td>
<td>Tucker-Lewis Index</td>
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<tr>
<td>TPB</td>
<td>Theory of Planned Behaviour</td>
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<td>TRA</td>
<td>Theory of Reasoned Action</td>
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<tr>
<td>UNEP</td>
<td>United Nations Environment Programme</td>
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<tr>
<td>UNWTO</td>
<td>United Nations World Tourism Organisation</td>
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<tr>
<td>VIF</td>
<td>Variance Inflation Factor</td>
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<td>WWF</td>
<td>World Wild Fund</td>
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CHAPTER 1

INTRODUCTION

1.1 Chapter Overview

Consumer purchasing behaviour is a complex phenomenon and has been attracting the attention of a great number of academicians and industry players for many years. Various decision-making processes, internal elements, external determinants and market stimuli have made the phenomenon significantly tough to be predicted and controlled. Correspondingly, the emergence of environmental concepts and sustainability in the marketplace has made the process of understanding consumers more challenging and difficult. While this challenging task is spreading steadily across various industries, the Malaysian hotel industry seems to face a similar problem despite the adoption of green practices in day-to-day operations. Inadequate details and information regarding green purchase intention among hotel customers has become a key barrier for hoteliers to develop a sound commercial and marketing strategy. In the same vein, customers’ intention to purchase is rarely translated into consumption behaviour and this remains poorly understood especially within the hotel context.

Given this scenario, the purpose of this study is to identify the factors that would affect green purchase intention of hotel customers and the factors that would moderate the relationship between green purchase intention and green consumption behaviour. Principally, environmental protection needs collaborative effort of various stakeholders. As such, this study considers the hotels, customers and the government as important determining factors that would shape one’s green purchase intention. At the same time, the characteristics of customers are believed to be the reason for customers to not engage in green consumption even though they have such an intention. Thus, psychographic and socio-demographic characteristics of customers are examined to ensure if these factors have an impact on the intention-behaviour relationship. In respect to this, this chapter begins with the background of the study (section 1.2) and is followed by the problem statement (section 1.3). The next section includes the research questions (section 1.4) and research objectives (section 1.5). Then, the significance of the study is discussed (section 1.6). This is followed by the scope of the study (section 1.7) and operational definitions of key terms (section 1.8). The last section describes the organisation of the thesis (section 1.9). Then, the chapter ends with a summary (section 1.10).
1.2 Background of the Study

Sustainability has been regarded as an emerging megatrend in the literature of marketing and management (Leonidou & Leonidou, 2011) and has captured unprecedented attention from researchers and practitioners recently (Chabowski, Mena, & Gonzalez-Padron, 2011). Sustainability has also become a preferred goal in most areas of human activity and endeavour (Jones, Clarke-Hill, Comfort, & Hillier, 2008). Its ultimate goal is to take into account the social and economic systems for development without endangering the natural system (Griffin & Prakash, 2010). The researchers have been encountering the issues of sustainability by focusing on studies related to environmental management, sustainable consumptions, sustainable consumer behaviours, green management and other ecological topics (e.g., Chan, He, & Wang, 2012; Myung, McClaren, & Li, 2012).

Similar to the literature, a huge concern that is growing immensely in the industry around the globe is the concept of sustainability (KamalulAriffin, Khalid, & Wahid, 2013). The concept is found important in providing a healthy and meaningful life for citizens and tourists through social, environmental and economic systems (Cheng, 2010). Many countries including Malaysia have alluded to the importance of sustainability and green economy as a new way forward for development. According to the Ministry of Energy, Green Technology and Water (2009), the Malaysian government is totally committed in its efforts to promote and develop the country into a green economy to achieve a status of green country. In relation to this, the Prime Minister YAB Dato’ Sri Mohd. Najib bin Tun Abdul Razak had pledged at the 15th Conference of Parties (COP-15) in Copenhagen in 2009 to voluntarily reduce the country’s carbon dioxide emission to 40% by the year 2020 compared to the 2005 levels (ASEAN Cooperation on Environment, 2013). To accomplish this, Malaysia has taken various steps in the direction to reverse the adverse effects of industrialisation. With regards to this, several green programmes such as Green Technology, Green Technology Financing Scheme (GFTS), Green Building Index (GBI), National Conservation Trust Fund, Malaysian Green Foundation, Energy Audits, the National Green Labeling Framework, and Green Directory have been initiated in recent years (see Appendix B1).

While it is the responsibility of the government to place the base for long-term sustainable development, the businesses within the industry are responsible to create value-added goods and services through investment, partnerships, trade and other engagements (United Nations Global Compact, 2007). Despite the growing concern, the product-based industry is given high attention compared to service-based industry. According to Leonidou and Leonidou (2011), more than a quarter of studies had concentrated on industries related to the production of consumer products (e.g., toiletries, foodstuffs and household cleaning) and followed by studies related to industrial goods (e.g., petrochemicals, pharmaceuticals and chemicals). Whereas, limited studies have been done in the area of services sectors in relation to environmental sustainability (Leonidou & Leonidou, 2011). This is due to the nature of service
itself. Since the overall processes within the product-based industry involve merely physical goods, they are more visible in terms of raw material usage, production of output, amount of waste produced and its effect on the environment (Grove, Fisk, Pickett, & Kangun, 1996). Oppositely, service organisations’ efforts may not be obvious, given the nature of their services which are intangible (usually lack of physical presence), inseparable (produced and consumed simultaneously), heterogeneous (never exactly repeated and varies with different hands) and perishable (cannot be stored for later use) (Berry, 1980; Parasuraman, Zeithaml, & Berry, 1985). Hutchinson (1996) has also described the service industry as the silent destroyer of the environment.

In today’s vibrant and competitive environment, the services sector has turned out to be one of the leading key drivers for the global economy growth. It is also known as the fastest growing sector of the global economy, representing some two-thirds of the global output (World Trade Organisation, 2013). For most countries around the world, services are the biggest part of their economy. The U.S. and other EU countries are now dominated by the services sector, accounting for a large percentage of their Gross Domestic Product (GDP) (Roethig, 2016; Udland, 2015). Similarly, the Department of Statistics Malaysia (2017) reported that services sector is the largest sector for Malaysia today, ranked evidently as the main contributor of the country’s GDP with a 54.6% share in the fourth quarter of 2016 (see Appendix B2). At the same time, the services sector is also projected to grow at 6.8% per annum and contribute 56.5% to the GDP in 2020 and offer 9.3 million jobs (Malaysia Investment Development Authority, 2015).

As the services sector is constantly growing in size and importance, the sustainability of intangible products like services should also be measured and considered by both consumers and service suppliers (Wolfson, Tavor, & Mark, 2013). Some economists mentioned that there will be a reduction of greenhouse gases as the economy depends less on heavy industry and focuses more on services. However, in reality, the services sector has a huge influence on the environmental quality. Its contribution is huge when the entire life cycle of a service-related product and growth of service industry are taken into account. This is supported by Suh (2006) who revealed that services sector basically produces about 44 types of emissions through its heavy use of electricity and natural gas, production of solid waste, transportation, building installations and others. This explains that at one hand, services sector is providing a platform for future economic growth but on the other hand, heavy reliance on its involvement is deteriorating the environment.

In specific, services sector in Malaysia consists of a very disparate group of sub-sectors, with varying productivity performance and contribution. According to the Ministry of International Trade and Industry (2013), there are 12 sectors classified under services (see Appendix B3). Out of all the sub-sectors listed, tourism is the only industry that stands as the second largest foreign exchange earner for Malaysia after manufactured goods (Aruna, 2013). Also, the
business volume of tourism is equal to, or even more than that of oil exports, food products and automobiles (Malaysia Productivity Corporation, 2013).

In the same vein, Economic Transformation Programme (ETP) reported that tourism includes various sub-sectors, namely accommodation (e.g., hotels and other lodging services), shopping, tourism products (e.g., eco-tourism, cruise tourism and other related activities such as spa and wellness) and food and beverage as well as inbound and domestic transportation (ETP, n.d.). While there are many sub-sectors, the success of tourism industry is mainly dependent on its facilities in which hotels represent a critical part of the tourism industry (International Tourism Partnership, 2013). Despite the requirement to increase the supply of hotels to cater the growing of tourist arrivals and receipts every year (ETP Annual Report, 2011), hotel industry is known to grow increasingly with unsustainable pattern of consumption jeopardising the environment and its quality (Farricelli, 2013; Graci & Dodds, 2008). This hotel industry is also commonly known to use a large amount of energy resources, water and non-durable goods that cause more environmental damages compared to other types of services of comparable size (Tang, Amran, & Goh, 2014; Leonidou et al., 2013b; Hsieh, 2012; Kasimu, Zaiton, & Hassan, 2012; Nicholls & Kang, 2012).

Given this background, the green market is set to boom. Hotels are encouraged to implement green practices to cater the environmental damages they make and also to complement the efforts of government in developing a sustainable tourism sector (“Hospitality Sector Urged to Go Green,” 2012). The Frangipani Langkawi Resort and Spa owner, Anthony Wong, who is also known as an environmentalist mentioned during an interview that running an eco-friendly resort makes a perfect business sense and businesses that are not green will not be able to survive by 2030 (“The Dollars and Sense of Going Green,” 2011). Also, in response to the ecotourism term that has gained tremendous popularity in recent years (Aziz, Ramlan, Tasci, & Johari, 2012), hotels have been encouraged to adopt green practices to decrease the negative impact of their operations to the surrounding environment (Englebert, 2012). This has further created a new economic trend not only in the country but around the globe to redesign their business models and entire systems of commerce with green practices. According to Tuttle (2011), a hotel that displays strong interest in environmental matters and vigorously participates in environmentally friendly practices will be able to differentiate itself from other hotels, hence builds a substantial competitive advantage. Similarly, such adherence to excellent environmental, sustainable and socially responsible practices can offer outstanding public relation and marketing opportunities for hotels.

As a result, many hotels to date have begun to implement numerous innovative techniques to strengthen the “greenness” of their processes (Dief & Font, 2010, Manaktola & Jauhari, 2007). Green hotels, eco-friendly hotels, environmentally friendly hotels or sustainable hotels are terms used to describe hotels that have made significant environmental improvements to the structure and operation to
reduce environmental impact. These terms are often considered synonymous and used interchangeably in the hotel industry and scholarly literature to represent an environmentally responsible lodging that supports the practices of green living.

While hotels continue developing their environmental efforts, a serious challenge that hotel marketers face is understanding the current or potential customers’ intention and desire for green consumption (Han, Hsu, & Lee, 2009). As a matter of fact, the human factor here is seen as a key factor for enhancing transformation (Ruekeith, 2013). The efforts of hoteliers can be potentially fruitful only when the consumers understand them. While the hoteliers are made known to everyone as the service provider, the consumers should be known as the service consumer. Basically, consumers are the ideal instruments who are responsible to practise green consumption and the end result can only be seen when they start practising it. The Borneo Post newspaper pointed out that hotel management would be confident to adopt green practices only when the people are aware of good eco-hospitality practices, but unlikely the management continue to struggle when it comes to people’s awareness (Ruekeith, 2013). In addition to this, Malaysians are progressing very slowly in living a more environmentally-friendly lifestyle and the majority of Malaysians are also unaware of the availability of locally produced green products and services (“Giving Malaysians the Green Option,” 2012).

Besides that, Cable News Network (CNN) has reported that regardless the fact that most people describe themselves in surveys as environmentally conscious, there is a big gap between consumer attitudes and consumer behaviours when it comes to going green (Hetter, 2013). This represents a huge knowledge gap in the literature. Studies have stated that there is a well-documented gap between what people say and what they truly do (Horng, Liu, Chou, & Tsai 2013; Gleim, Smith, Andrews, & Cronin, 2013; Strizhakova & Coulter, 2012; Han et al., 2011; Kollmuss & Agyeman, 2002). Given this situation, more studies are expected to explore and identify the reasons for this unresolved gap (Horng et al., 2013).

1.3 Problem Statement

According to the Organisation for Economic Co-operation and Development (OECD), national and international efforts have been intensified to promote green growth as a new source of development to improve the economic and social well-being of people (OECD, 2012). This trend also includes the hotel industry to define and embrace sustainable business models so that a balance between its growth and environmental sustainability can be achieved. However, it has been reported in the Borneo Post newspaper that the Malaysian hotel industry seems to lag behind other countries in this field and need immediate transformation, considering the country’s continuous impressive growth in the tourism sector (Ruekeith, 2013).
Nevertheless, Hall et al. (2016) who conducted a meta-analysis of articles related to accommodation and sustainability reported that countries like USA, Spain and Taiwan have been the most studied locations and research undertaken in the Malaysian context is very limited. So far, only a few studies have been performed to address the emerging issues in the Malaysian hotel industry (e.g., Suki & Suki, 2015; Noor & Kumar, 2014; KamalulAriffin et al., 2013; Kasimu et al., 2012; Kasim, 2009; Chan & Baum, 2007; Kasim, 2007). In fact, among the few studies that have been conducted, consumer-focused studies and particularly studies related to their behaviours are the least. Notwithstanding the limitations of geographical coverage, on the whole, Rahman and Reynolds (2016) also stated that studies seem to be somewhat lagging behind consumer trends in addressing green consumer behaviour in the hotel industry. As such, conducting a consumer-focused study in a predominantly Malaysian context is in itself a valid research area.

In trying to understand the hotel consumers and their behaviours, researchers have noted that a primary goal of any hotel business is to improve its consumers’ favourable intention and behaviour towards the firm (Jani & Han, 2014, 2013; Han, 2013; Tanford, Raab, & Kim, 2012; McCall & Voorhees, 2010). As such, if the hotels want to implement green initiatives or make their sustainable business models a successful venture, they need to really comprehend their consumers’ green intention and behaviour. However, it is observed that there is no much information is available for the hoteliers to strengthen their understandings on this matter. In specific, questions such as what stimulates the green purchase intention of consumers and what converts them into actual behaviour are far from well answered in the literature (Jiang & Kim, 2015).

Given these, this study aims to discover the factors that would stimulate the green purchase intention of hotel consumers and the factors that would convert the green purchase intention into green consumption behaviour (i.e., the actual behaviour). To attain a better understanding of this subject matter, this study employs Ajzen’s (1991) theory of planned behaviour (TPB). The core of the theory is that consumers act on a behaviour based on their intention. Despite the general usefulness of the TPB in examining the effect of intention on behaviour, TPB also allows studies to test additional constructs to improve the theory’s explanatory power (Ajzen, 1991; Ajzen & Fishbein, 1980). As such, this study develops a model that examines the intention-behaviour relationship along with other factors that may contribute to the green purchase intention.

According to Tukker et al. (2006), solutions to sustainable consumption are multidimensional and basically involve three key players, namely the producers who are the business operators, the government which acts as the policy maker, and also the consumers who purchase or use the producer’s offerings. This explains that the essence of transformation of the hotel industry towards green growth relies on the hotels, the government and the consumers themselves. Principally, the hotels and the government have a responsibility not only to engage in the process of sustainable development but more
important, to encourage and persuade consumers towards green consumption. Above all, an individual consumer’s behaviour can also be affected by his/her own environmental attitudes, values and beliefs. Nonetheless, no effort has been made in previous studies so far to investigate these key players collectively. Likewise, there are also very limited or no studies performed separately on each key player in the green hotel context.

While marketing function stands at the forefront of the hotel’s strategy (Kotler & Lee, 2008), there is much room for investigation of the hotel’s marketing strategies to stimulate the consumer’s green purchase intention. As such, the green marketing mix that has direct influence on end users (Leonidou & Leonidou, 2011) is seen as one of the hotel’s marketing strategies that can significantly improve the green purchase intention of consumers. Since branding is also agreed to be one of the most leading trends in the global hotel industry (Kayaman & Arasli, 2007), hotels should also find an opportunity to enhance their green brand image and include it as another marketing strategy to compete in the environmental age. Besides that, the government that is expected to perform corporate social responsibility (CSR) for the benefit of the society (Bondy, Moon, & Matten, 2012; Jamali, 2008) is also subject to an ongoing debate about the appropriate roles that it plays in solving environmental issues, with many environmentalists also calling for more governmental interventions. Since these governmental roles may direct to a fundamental shift in green purchase intention, there is an opportunity to include it as another factor.

From the consumers’ perspective, to achieve a commercial success, it is absolutely necessary to understand their behaviour and ensure if the marketing strategy fits the consumers’ personal characteristics (Łatuszyńska, Furaiji, & Wawrzyniak, 2012). At this point, the psychographics which are very much related to the consumer behaviour are believed to deliver useful facts about them and their purchasing habits compared to other factors (Awad, 2011). Of all psychographic variables available, variables such as environmental concern, global environmental connectedness, altruism, perceived personal relevance and perceived consumer effectiveness are less likely studied in the green hotel context, especially in the Malaysian setting. Moreover, studies conducted in different contextual applications (e.g., consumption of green products and general studies of consumer’s green behaviour) explained that such psychographic variables are very important when investigating the consumers’ green intention or behaviour. (e.g., Cho, Thyroff, Rapert, Park, & Lee, 2013; Kang, Liu, & Kim, 2013; Akehurst, Afonso, & Goncalves, 2012; Kim & Choi, 2005; Roberts, 1996). In this event, this study believes that conducting a research and providing a detailed profile of hotel consumers related to these psychographic variables will add value to the literature.

Other than that, studies have also identified that there is a discrepancy between the behavioural intention and actual behaviour (McEachan et al., 2011; Auger & Devinney, 2007; Shaw, Shiu, Hassan, Bekin, & Hogg, 2007). According to Yeow, Dean and Tucker (2013), this discrepancy occurs because
consumers’ intention is not always translated into actual behaviour. Studies also stated that this intention-behaviour gap is neither a new concern nor isolated to ethical consumerism, and its complete understanding is still missing (Szmigin, Carrigan, & McEachern, 2009; Belk, Devinney, & Eckhardt, 2005). Similarly, Cable News Network (CNN) has identified this gap as a major problem in the hotel industry (Hetter, 2013). At this point, besides looking at the effect of intention on actual behaviour, knowing the reasons and barriers that prevent the translation of intention into actual behaviour is essential. Also correspondingly agreeing to Chatzidakis, Hibbert and Smith (2007), when people act in an attitudinally-incongruent manner, there must be an important moderating variable that describes ethical breaches within the decision-making process.

In this event, the model of buyer behaviour is used as a foundation to determine the moderators of this relationship. Principally, this model is used to study the behaviour of consumers that exists in a dynamic marketing environment with multiple influencing factors. The model is also fairly popular and utilised extensively in the process of understanding the factors that would influence the patterns of consumer purchases and the reasons behind their purchasing decisions (Kotler, Armstrong, Saunders, & Wong, 1999). In reference to this model, the immediate predictors of buyers’ responses are their personal characteristics and these personal characteristics are expected to play a huge role in the consumer buying decisions and in influencing the consumer’s final purchasing or consumption decisions. Due to the level of impact that these characteristics have on the purchasing decisions, the intention-behaviour gap mentioned before could be attributed to the differences in these characteristics. As personal characteristics include both psychographic and socio-demographic variables, integrating both as the moderators may help to bridge the intention-behaviour gap that has been a focal challenge for many researchers to date.

1.4 Research Questions

Based on the problem statements discussed earlier, this study addresses the following research questions (RQ):

RQ1: What are the factors that would affect hotel consumer’s green purchase intention?

RQ2: What are the factors that would moderate the relationship between green purchase intention and green consumption behaviour?
1.5 Research Objectives

The general objective of this study is to examine the factors that affect green purchase intention and moderate the relationship between green purchase intention and green consumption behaviour of hotel consumers.

To substantiate the first research question (RQ1), this study addresses the following specific objectives (SO):

SO1: To investigate the relationship between hotel’s marketing strategy and green purchase intention.
SO2: To investigate the relationship between individual psychographic characteristics and green purchase intention.
SO3: To investigate the relationship between the perceived role of government and green purchase intention.

To substantiate the second research question (RQ2), the following specific objectives (SO) are derived:

SO4: To investigate the relationship between green purchase intention and green consumption behaviour.
SO5: To investigate the moderating effects of individual psychographic characteristics on the relationship between green purchase intention and green consumption behaviour.
SO6: To investigate the moderating effects of socio-demographic characteristics on the relationship between green purchase intention and green consumption behaviour.

1.6 Significance of the Study

This section will provide a brief description on the various significances of the study. Basically, the outcomes of this study will be useful for academics, practitioners and policy makers.

1.6.1 Academics

From an academic viewpoint, this study contributes to the theoretical field of green consumer behaviour. Researchers who aim to study about green consumer behaviour could benefit from this study through a replication in different context or industry that they are fascinated in. With theoretical directions, the result of this study will help to address the issues related to
consumer’s decisions and choices, particularly related to the factors that would affect one’s green purchase intention in hotels.

Principally, this study seeks to make an original contribution to the body of knowledge by investigating the participations of three key players (i.e., hotels, consumers and the government) in stimulating the green purchase intention. In specific, this study examines the hotel’s marketing strategy related to green practices (i.e., green marketing mix and green brand image), personal eco-identity variables related to consumer’s psychographic characteristics (i.e., environmental concern, global environmental connectedness, perceived consumer effectiveness, perceived personal relevance and altruism) and also the role played by the government in inducing the purchase intention among hotel consumers. To complement these investigations, this study aspires to bridge the gap between intention and actual behaviour, which has become a huge concern of many academicians to date (Carrington, Neville, & Whitwell, 2010). In trying to explain the gap between intention and behaviour, factors related to the person performing the behaviour (i.e., psychographic and socio-demographic variables) are taken into consideration. By scrutinising such relationships, this study will contribute to knowledge development and further provide a better understanding of consumers’ intention and behaviour towards hotels’ green practices.

1.6.2 Practitioners

Next, knowing about the public and their behaviours regarding green consumption will offer a helping hand to those practitioners who are targeting the green market. The practitioners who are the hoteliers would certainly able to strategize their marketing elements when they know their customers’ needs, wants and preferences. Applying the known appeals when targeting would also strengthen the hoteliers’ tactics to outfit the green segments. Further, the results of this study will not only benefit the practitioners of service industry but will also benefit the practitioners of product-based industry that is growing vastly with its sustainability measures.

1.6.3 Policy Makers

In addition, this study also contributes to the effort of the Malaysian government in developing the green concept in the country. Recently, the policy makers have been totally involved in many green ventures such as green technology, green business promotions, intensive programmes and motivating the public to go environmentally friendly in order to achieve a status of green country. However, promoting sustainability requires a better understanding of consumer behaviour and attitudes. Simultaneously, consumers tend to have different information needs and the ability of individual potential to be influenced by instruments and tools also differs. Thus, this study makes available of some decisive elements that would help the policy makers to gain understanding of
those consumer groups. In addition, this study also helps to determine the effectiveness of current initiatives and programmes implemented by the policy makers, which is important for planning an effective framework for a better future for the generations to come.

1.7 Scope of the Study

This study is confined to the investigation of consumers’ purchase intention and behaviour pertaining to the green practices of the four-star and five-star hotels in Malaysia. This study targets the four-star and five-star hotels because these hotels already have a top-class reputation in many aspects of environmental protection. They are also the pioneers in environmental management and often make their green efforts visible when marketing their business compared to other hotels with low star ratings. Moreover, these hotels also share common characteristics in terms of facilities and services that ease the survey development and questioning of this study. Additionally, the Ministry of Tourism and Culture Malaysia, via the Malaysian Tourism Transformation Plan 2020, is also looking to attract the high-yield segments and achieve high-yield growth per tourist instead of focusing on the number of tourist arrivals (The Edge Property, 2012). Its initiatives include increasing the number of four-star and five-star hotels in Malaysia (Hospitality Valuation Services, 2015). As such, this study aims to make a small contribution to this agenda by reporting the current trends.

Besides that, this study considers both local and international hotel consumers as the respondents since the hotel industry in Malaysia is made up of both groups with an almost equal percentage each (see Appendix C3). By studying both groups collectively, hoteliers will be able to reap the benefits of standardised strategies. In support, Whitla, Walters and Davies (2007) mentioned that hotels often seek to achieve significant standardisation in terms of service standards and marketing activities. On the need for standardisation, it was noted that the hotels will be able to preserve a consistent image and identity everywhere in the world, reduce uncertainty among buyers who travel frequently, develop a single advertising campaign for different markets and save a substantial amount in advertising (Steenkamp & de Jong, 2010; Papavassiliou & Stathakopoulos, 1997).

Geographically, this study focuses on the hotels that are located in Penang, Klang Valley and Melaka for data collection. A primary reason for choosing these locations is because they are highly recognised as popular tourist destinations in Malaysia and have the greatest concentration of hotels to accommodate the growing number of tourists every year compared to other locations. Indeed, these varied geographic locations that accommodate a large group of hotel consumers allow the results to be generalisable to the hotel industry as a whole.
1.8 Operatio nal Definitions of Key Terms

The definitions of important key terms used in this study are provided in this section.

**Altruism:** It is defined as an act of performing something good for others without expectation of anything in return (Rushton, 1980). It is measured in this study by using four statements with a five-point Likert scale.

**Environmental concern:** It is defined as an attitude that is associated to environmental consequences (do Paco and Raposo, 2010; Kinnear and Taylor, 1973). It is measured in this study by using five statements with a five-point Likert scale.

**Global environmental connectedness:** It is a novel construct proposed in this study and it is defined specifically by this study as an individual's sense of belonging to the global environment that will motivate the individual to express intense emotions for the environment and show favourable green attitudes when travelling, both within and across countries. It is measured in this study by using seven statements with a five-point Likert scale.

**Green brand image:** It is defined as "a set of perceptions of a brand in a consumer's mind that is linked to environmental commitments and environmental concerns" (Chen, 2010, p. 309). It is measured in this study by using five statements with a five-point Likert scale.

**Green consumption behaviour:** It is defined as "consumption behaviours that are perceived by people to have either a nil, minimal, or reduced impact on the environment, such as purchasing environmentally friendly products, recycling, and using public transportation" (Johnstone and Tan, 2015, p. 805). It is measured in this study by using thirteen statements with a five-point Likert scale.

**Green purchase intention:** It is defined as "the likelihood that a consumer would buy a particular product resulting from his or her environmental needs" (Chen and Chang, 2012, p. 507). It is measured in this study by using four statements with a five-point Likert scale.

**Perceived consumer effectiveness:** It is defined as "a measure of the subject's judgment in the ability of individual consumers to affect environmental resource problems" (Roberts, 1996, p. 219). It is measured in this study by using four statements with a five-point Likert scale.
**Perceived personal relevance:** It is defined as an individual’s belief that a certain object, activities, concepts or behaviour is associated with his/her personal lifestyle, value and self-image (Celsi et al., 1999). It is measured in this study by using five statements with a five-point Likert scale.

### 1.9 Organisation of the Thesis

This thesis comprises eight chapters and a brief synopsis of each chapter is discussed in this section. The following paragraphs outline the content of each chapter.

**Chapter One - Introduction:** This chapter provides a basic introduction to the study. It establishes the necessary background of the study by stating the purpose in the form of research problem. From the research problem, the research questions and objectives are derived. This is followed by the significance of the study that discusses the general contributions to the academics, practitioners and policy makers. Then, the scope which defines the boundaries of the study is provided. With authoritative sources, this chapter ends with the definition of important terms and concepts used in the study.

**Chapter Two - Tourism and Hotel Industry:** This chapter describes the development of the tourism and hotel industry in Malaysia. This is followed by a discussion on the emergence of green hotels as one of the most important innovations to address the environmental issues faced by the hotel industry. To complement this discussion, the key industry issues are detailed. This includes a discussion about the key areas of environmental issues that have been growing for the past decade within the hotel industry (i.e., energy consumption, water usage and waste materials).

**Chapter Three - Literature Review:** This chapter reviews literature relevant to the study. First, this chapter discusses about consumer behaviour, the main field of the study. This section is further explained by considering a number of consumer behaviour models that are related to the marketing field of study. Then, the effects of environment on consumer behaviour are detailed. The chapter also provides an overview of the green concept and how the concept has evolved over the years. This is followed by a review of literature surrounding the research constructs and variables. In relation to the first research question, literature surrounding the important key players (i.e., hotels, consumers and the government) is provided. This includes discussions about green marketing, green marketing mix, brand image, green brand image, psychographic characteristics, personal eco-identity and perceived role of government. Then, literature related to the intention-behaviour relationship is discussed to address the second research question. This covers literature related to green purchase intention and green consumption behaviour. Finally, this chapter concludes by identifying the gaps in the literature.
Chapter Four - Conceptual Framework & Research Hypotheses Development: The first part of the chapter focuses on the theoretical underpinnings. A discussion about the theory of reasoned action (TRA), the theory of planned behaviour (TPB) and the model of buyer behaviour is included to provide greater transparency about the behavioural aspects of consumers. Next, a review of alternative theories is provided. The following section provides the conceptual framework that illuminates the connections between the theoretical perspectives and various concepts identified in the literature. Finally, the relationships among the variables are explained and the research hypotheses of the study are developed.

Chapter Five - Research Methodology: This chapter provides a comprehensive description of how the study was conducted and analysed. Firstly, the chapter introduces the principal research paradigms: positivist and interpretivist. Then, the study’s research paradigm is discussed. This is followed by research design that explains about the type of instrumentation used for data collection and the logic behind the selection. Then, the sampling design process is detailed. It covers the target population, sample size, and sampling technique and procedures. The chapter also provides a detailed explanation about the data collection procedure. Then, it explains about the scales used to measure the constructs and where the scales were developed from. This is followed by a discussion on expert review and pilot study. The results of pilot study are also provided in this chapter.

Chapter Six - Data Analysis and Results: This chapter describes and discusses the data analysis and findings of the study. The chapter is divided into two parts. The first part focuses on the preliminary data analysis. Mainly, topics such as data preparation, data screening, assumptions of multivariate analyses (i.e., normality, linearity and multicollinearity), assessment of sample size and descriptive analysis are discussed in this part. The second part of the chapter focuses on the primary data analysis of the study. It describes the measurement and structural models, followed by the hypotheses testing for both causal and moderating effects.

Chapter Seven - Discussion on Analysis and Findings: This chapter provides a detailed discussion of the results obtained and how those are important. Firstly, an overview of the type of analysis considered in this study is provided (i.e., causal effects and moderating effects). Then, the chapter focuses on discussions about the roles of predictors in influencing the dependent variable (i.e., the causal effects) and the roles of moderators in influencing the intention-behaviour relationship (i.e., the moderating effects).

Chapter Eight - Contributions, Limitations and Future Research Directions: This chapter represents the conclusion of this study. First, it summarizes the findings from Chapter Six. Then, the theoretical and managerial contributions of the study are discussed. This is followed by the
study’s limitations and recommendations for future research. Finally, an overall conclusion of the study is provided.

1.10 Chapter Summary

This chapter contains the introductory section that develops the direction of this study. It also provides a discussion on the background information with the essential context needed to understand the research problem. Initially, it discusses the emerging concept of sustainability which is now central to the programmes of the governments, businesses and academic research around the world. The discussion on the importance of sustainability is then continued into the service industry and hotel industry. From the background information provided, this chapter details the need for this study to be conducted, the extent to which past studies have investigated the problems, and in particular where gaps exist that this study attempts to address. From the identified research problems, two research questions and six research objectives are developed.

By addressing these research questions and objectives, this study expects to contribute to the development of theory related to sustainable development and help the hoteliers to understand the behaviour of consumers. Besides that, this study also aims to assist the government in its attempt to protect the environment and promote the go green concept in the country. Then, the chapter defines the scope of the study. Basically, this study is confined to an examination of the behaviours of domestic and international consumers in four-star and five-star hotels located in Penang, Klang Valley and Melaka. This chapter is then continued with the definition of important terms and concepts used in the study. Finally, a brief description of the thesis organisation is provided to explore the content of subsequent chapters. The following chapter will discuss the background information of the tourism and hotel industry with a detailed description of the gaps and issues in the industry.
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