THE INFLUENCE OF ENVIRONMENTAL VALUES, ECONOMIC VALUES
AND SOCIAL STRUCTURE ON CONSUMERS' CHOICE OF GREEN HOTELS:
THE CASE OF LUXURY HOTELS

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ABSTRACT

While many hotel companies have participated in various green initiatives and adopted green policy, when it came to the real purchasing decision, their willingness was not matched by action. There could be many reasons for such inconsistency. Lack of consumer demand, increasing environmental regulation, managerial concern with ethics, customer satisfaction, maintenance issues, financial barriers and stakeholder pressures are some of the issues that hotels rustle with. One of the major missing parts is economic considerations. A second important consideration is social support and social structure. This research intend to examine how consumers environmental values, perceived social structure/support, economic values function together as drivers for consumers attitude towards hotel green practices and ultimately consumers green hotel use intention, all in the context of the luxury hotels. This research differentiates itself from other consumer choice models by examining the dynamic roles of not just environmental roles and social norms but also the role of economic values.

Keywords: Green hotel, Environmental values, Attitudes, Social structure, Economic value, Behavioral intention

INTRODUCTION AND BACKGROUND

The concept of sustainable development emerged as part of the World Conservation Strategy formulated in the 1980s (United Nations, 1992). The World Commission on Environment and Development (1987) and International Hotels Environmental Initiative (1992) acted as a catalyst for green hospitality practices (Kirk, 1998; Tzschentke, 2004). Responding to customers’ increasing environmental concerns, hotels today have evolved from little or sporadic green practices and initiatives to taking systematic steps toward a comprehensive greening approach through (Manaktola & Jauhari, 2007; Gustine & Weaver, 1996). In fact, green and sustainable concepts and practices are increasingly becoming the expected norm and are issues of strategic importance. Enhancing corporate brand image, and achieving a high level of energy and resource efficiency vital for hotel management.
While many hotel companies have participated in various green initiatives and adopted green policy. Green issues are fast becoming a focal point for academic research. Several studies have reported that more and more consumers appreciated and rewarded firms that show strong environmental and social responsibility and were willing to pay premium prices for green services (Joyner & Payne, 2002). Blamey (1999) suggest that consumers are in theory willing to pay more for a ‘green’ product; however, when it came to the real purchasing decision, their willingness was not matched by action. There are the inconsistencies between environmental concern and environmentally-friendly hotel purchase behavior. The "talk" is still louder than actions to some degree, on the part of consumers and hotel operations. There could be many reasons for such inconsistency. Lack of consumer demand, increasing environmental regulation, managerial concern with ethics, customer satisfaction, maintenance issues related to physical plant, the need for aesthetics, financial barriers and stakeholder pressures (Foster, 2000) are some of the issues that hotels rustle with.

On the consumer side, the theory of planned behavior (Ajzen, 1985, 1987) and its theoretical extensions have been applied extensively to examine factors influencing consumers’ green product choices (Heesup Han, 2010). While existing research have assiduously modeled and empirically tested how consumer environmental values and belief influence consumer attitudes and behavioral intention towards hotel choices (Chien-Wen Tsai, 2008). There appears to have missing components in the conceptualization. One of the major missing parts is economic considerations. The economic values represent a system of producing, distributing, and consuming wealth, which is generally defined as the means of satisfying the material needs of people through money, property, possessions of monetary goods, or anything having economic value measurable in price (Irene M. and Robin E. Reid, 2002). There is an ongoing perception that green products are too expensive (Michael V. Russo, 2008). Price, along with quality and convenience, generally remain more important factors in consumer decision making than the relative ‘greenness’ of a product (Ottman, 1994). It appears that many consumers are cynical about environmental claims made by green product sellers, are confused about green products (Schlossberg, 1991), and also skeptical about the ability of green consumerism to contribute to a better environment (Pearce, 1990).

A second important consideration is social support and social structure. When people carry out specific environmental behavior, structural variables should be understood. The characteristics of social setting can act as facilitatory and inhibitory factors of responsible environmental behavior. According to José A. Corraliza (2000), the interaction between personal and social structural variables can be defined in terms of the degree of conflict or consistency between the two. This conflict will be high when personal and structural variables are of different signs, that is, when there is positive personal disposition to action but the structural makes it difficult, or when personal disposition to act is negative and the structural facilitates it. Customers’ evaluation of the level of inhibition-facilitation presented by the social structure will affect personal environmental attitude and behavioral intention.

According to Ajzen and Fishbein (1980), attitude toward the behavior refers to the degree of an individual’s positive or negative evaluation/appraisal of behavior performance. Ajzen and Fishbein (1980), as well as Hines, Hungerford, and Tomera (1986) found that the primary predictor variable for green consumption behavior is green consumption behavioral intentions, which are primarily affected by attitude. This attitude is based on salient behavioral beliefs and values. Thus, this perception of value is inextricably linked to a
consumer's attitudes concerning any issues surrounding that purchase, and will directly influence their purchase decision (Woodall, 2003). Some studies have argued that corporate environmental management strategy can be different among companies operating within the same industry which has similar social, regulatory, and public policy contexts (Russo & Fouts, 1997). It is found that green practices among small or budget hotel are mainly driven by owner-managers’ ethical concerns about the natural environment (Tzschenkte et al., 2004). Following Stern (2000), from individuals who believe their hotel should act in a socially- and environmentally-responsible manner, one might expect consumer behavior that reinforces the desired behavior by the hotel. Consumers could theoretically express higher green practice expectations for luxury hotels than for budget hotels.

**RESEARCH OBJECTIVES AND HYPOTHESIS**

This research intend to examine how consumers environmental values, perceived social structure/support, economic values function together as drivers for consumers attitude towards hotel green practices and ultimately consumers green hotel use intention, all in the context of the luxury hotels. This research differentiates itself from other consumer choice models by examining the dynamic roles of not just environmental roles and social norms but also the role of economic values.

Based on review of previous literature, this research proposed and will empirically test a model explaining factors influencing consumer green hotel choice (Figure 1). More specifically, this research developed 5 hypotheses:

**Hypotheses**

**H1.** Consumers’ environmental values will have a significant impact on their attitudes towards hotels' green practices.

**H2.** Consumers’ perceived social structure will have a significant impact on their attitudes towards hotels' green practices.

**H3.** Consumers' attitudes towards hotel green practices influence their green behavioral intention.

**H4.** Consumers’ perceived social structure will have a significant impact on their green behavioral intentions.

**H5.** Consumers’ economic values will moderate the relationship between consumers' attitudes towards hotel green practices and their green behavioral intention.
METHOD AND EXPECTED CONTRIBUTION

This study will utilize self-reported on-line survey design to collect needed data. Based on previous literature review and methodological traditions, a survey instrument will be developed to measure customers’ environmental values, environmental attitudes, social structures, economic values and behavioral intention. To assess values concerning the environment, an 18-item scale adopted from Stern et al. (1995) is used. It covered four conceptual areas including altruism, egoism, openness to change, and conservatism. To assess social structure, a 9-item scale will be utilized. The scale is comprised of three components: an egoistic, social altruistic, and biospheric value orientation following work by Jan E. Stets (2003). Economic Values will be assessed by using Mitchell and Carson’s (1989: p. 2) Contingent Valuation Method of eliciting willingness to pay. In this section, respondents will be asked to state their maximum WTP for the good, following an elicitation procedure that facilitates the valuation process. Intention to use green hotels will be used as a proxy for behavior. Three items will be employed by Dunlap and Van Liere’s (1978) NEP as the measurement tool.

This research can potentially bear interesting ramifications. The outcome of the research will provide a better understanding of consumer green hotel choices and better account for the discrepancies between consumers environmental believes and their actual hotel decision choices.

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