

**CAPITAL UNIVERSITY OF SCIENCE AND  
TECHNOLOGY, ISLAMABAD**



**Influence of Greenwashing,  
Environmental Consciousness on Green  
Image and Intention to Revisit, by  
Considering Green Image as a  
Mediating and Environmental  
Consciousness as Moderating Construct**

by

**Nighat Abrar**

A thesis submitted in partial fulfillment for the  
degree of Master of Science

in the

**Faculty of Management & Social Sciences**

**Department of Management Sciences**

2019

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*Dedicated to my parents and supervisor for the never-ending support and  
guidance.*



## CERTIFICATE OF APPROVAL

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on Green Image and Intention to Revisit, by Considering  
Green Image as a Mediating and Environmental  
Consciousness as Moderating Construct**

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## *Acknowledgements*

I am pleased to express my earnest appreciations to all those who extended their support and help enabling me to complete my thesis. Particularly, I would like to express my sincere gratitude to my supervisor Dr. Lakhi Muhammad for the continuous support, for his patience, motivation, enthusiasm, and immense knowledge. His guidance helped me in all the time of research and writing of this thesis. I could not have imagined having a better advisor and mentor for my MS study.

In addition, I would like to acknowledge important role of family their help and assistance remained a source of motivation for me throughout this task. I would like to thank my parents for supporting me in every way possible throughout my life. A special thanks for my teachers at Capital University of Science & Technology (CUST) for their remarkable support and valuable suggestions during stay at university. Finally, my gratitude also goes to my friends for sharing their precious time and efforts with me in achieving this goal.

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## *Abstract*

The aim of this study is to investigate the effect of greenwashing and environmental consciousness on green image and revisit intention, with green image been mediator and environmental consciousness as a moderator. A sample of 242 Pakistani hospitality industry consumers who have stayed in hotel in last 6-12 months, answered the survey. Variance based partial least square structural equation modeling (PLS-SEM) was used for data analysis purpose. Results demonstrate greenwashing has a significantly negative relationship with green image, which was further associated positively with revisit intention. Moreover environmental conscious have a positive relationship with green image and has positive relationship with consumer intention to revisit previous hotel they stayed in. Hotels' green image significantly decreases when consumer perceive that of hotel are using greenwashing while communicating their environmental claims. Similarly increase in hotel green image enhances consumer intention to revisit. Thus, when hotel reduce use of greenwashing this significantly increases green image, which then positively influences consumer intention to revisit to that hotel, indicating green image acts as a mediator between greenwashing and revisit intention. The study also examines the effect of consumer's environmental consciousness level as moderator on relationship of green image and revisit intention which is found to have no moderating impact on the relationship of green image and consumer revisit intention. Findings are important for hospitality industry managers to adjust their service in a way that they can avoid greenwashing and increase their customer retention rate. The paper established the influence of greenwashing and environmental consciousness on green image and furthers its effect on revisit intention. Environmental consciousness was also used as a moderator between green image and revisit intention.

**Keywords:** Greenwashing, Green image, Revisit intention, Environmental consciousness, Green hotels.



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# Abbreviations

<b>CESP</b>	Certification Services Pakistan
<b>CESP</b>	Certification Services Pakistan
<b>EC</b>	Environmental Consciousness
<b>FSMS</b>	Food Safety Management System
<b>GI</b>	Green Image
<b>GW</b>	Greenwashing
<b>HFMS</b>	Halaal Food Management System
<b>IR</b>	Intention to Revisit
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>OHSAS</b>	Occupational Health & Safety Management System
<b>PNAC</b>	Pakistan National Accreditation Council

# Chapter 1

## Introduction

### 1.1 Background

Currently, green practices are not so odd in hotels. This is due to tremendous increase in the demand for ecological shelters in the last few decades; global warming being the primary reason (Rahman, 2018). Large amount of energy and water reserves have been used on daily basis in hospitality industry, making them a high energy and water demanding sector (Verma & Chandra, 2018). Hotels are mainly combination of both tangible and intangible elements-interior, exterior and the services they provide. In addition to that, a green hotel is an environmentally friendly hotel that has made its infrastructure in accordance with environmental protection. Things that clicks consumers mind when they think about a green hotel are: structure, energy and water consumption, re-use programs, quality of products used in hotel and there restaurants, recycling etc. 79% of the consumers are concerned about the hotels' 'ecological' manifesto (Rahman, Park, & Chi, 2015). "Eco-friendly", "green", "earth friendly" is term extensively used by hotels in their advertisement, persuading consumers to "go green". Failure in live up to those claims gives rise to the concept of greenwashing. Hidden tradeoffs, proof lessness, vagueness, worshipping false labels, irrelevance, lesser of two evils, and fibbing are the 'seven sins of greenwashing'. Most hotels use at least one of the sins mentioned above (Terra, 2009). Hotels request their guests to participate in towel

re-use programs and be environmentally responsible; thus reducing the amount of water and electricity wasted on washing towels on daily basis (H. Chen, Bernard, & Rahman, 2019b). Whereas, if hotels would really want to be environmentally responsible they can simply contact local small towel industry buying their towels, this way they can save environment and can help economy grow.

There are numerous examples for indicating the greenwashing action in the hospitality industry such as, hotels using solar panels for heating water but there is no system for maintaining wastage of water on a daily basis (Martínez García de Leaniz, Herrero Crespo, & Gómez López, 2018). Another example can be hotels having no information about their food supplier but claiming to serve organic food (Kuehnel & Guday, 2017). Furthermore, self-serving also leads toward consumers being doubtful and not willing to participate in those green practices (Shtip & Gevgelija, 2017). The most common sign that every customer encounters on their visit to any green hotel is; 1) towel re-use program 2) switching off light at the time of check-out.

In order to put up a good green image in the market, companies disclose selective and positive information, while greenwashing all of the negative information (Lyon & Maxwell, 2011). Risks of greenwashing on hotels have been a focus of attention for different authors. According to Stokes (2009) greenwashing literature is mainly covered under the domain of marketing and corporate social responsibility, Parguel, Benoît-Moreau, and Larceneux (2011) with very limited relation to the hospitality industry. Since hotels are severely different from manufacturing products, there is a need for a separate kind of exploration.

Tierney and Latkova (2009) argues that the subject of greenwashing is so apposite that 1 out of 3 travelers are concerned about this problem. There is a general belief among consumers that green practices implemented by hotels are merely cost-saving tactics. According to Terra (2009) 79% of consumers find hotels' green practices to be important and 85% of practices used by hotels are barely eco-friendly. In order to enhance the corporate image and profitability, managers of hospitality industry need to uphold to their environmental responsibility and respond to consumers demand in efficient ways. Evidently it has been observed



that greenwashing reduces consumers trust on hotels' green practices, which effects hotels' green image.

Consumers attitude have been revolutionized with an increase in environmental awareness demanding industries to make more ethical and eco-friendlier products and services. In such cases there are no exemptions for the hospitality industry either. In fact, due to hotels negative impact on innate environment, theirs is more pressure on them to operate ethically (Bohdanowicz, 2005). Mainly this pressure is from the hotels' stakeholder and environmental law by the government (Martínez García de Leaniz et al., 2018). As mentioned earlier environmental responsibility is important for hotel customers. The hospitality industry cannot bear financial and reputational expense in case of failure of environmental assurance (Mensah, 2014). This is why hotels are using new marketing tactics such as green marketing, in order to stratify consumers green environment (Michael Jay Polonsky, 1994). However, there are very few studies stating whether hotels' image will increase consumers' intention of revisit and what role does consumers' environmental consciousness level play in the relationship between green image and consumers' behavioral intention. Horiuchi, Schuchard, Shea, and Townsend (2009) argues that it is difficult to recognize that whether hotel is using greenwashing or not. Thus, it is important to expand marketing literature on greenwashing in terms of hospitality, so it can be easily indentified not just in academics but also in practically (F. Bowen & Aragon-Correa, 2014).

This study examines the effect of greenwashing and environmental consciousness on green image, which further influences consumer intention to revisit previous hotel they stayed in. furthermore, this study will treat green image as mediator between greenwashing and revisit intention, in order to see if green image mediates negative relationship between greenwashing and revisit intention. Moreover, environmental consciousness was examined as a moderating effect between the relationship of green image and revisit intention. Whether, environmental consciousness strengthens the relationship or weakness the relationship between green image and revisit intention.

## 1.2 Research Gap

Even though, greenwashing is nowadays a popular topic among the researchers still there are fewer number of studies have examined the outcome of greenwashing and antecedents of green image are mostly over looked. Along with that, green image holds an important position in marketing literature with regards to consumer attitude and behavior but still previous research has mainly addressed green motivation, green perception perceived risk as a predecessor of green image (Jeong, Jang, Day, & Ha, 2014). Nevertheless, how greenwashing impart role on green image and consumer behavioral intention and its subsequent output on consumer intention is still ambiguous in literature (Akturan, 2018). Accordingly, Lyon and Maxwell (2011) firms are habitual of applying greenwashing to increase sales and reduce cost by disclosing selective positive messages and omitting negative ones. That ultimately increases consumers' doubts about company's green claims and promises (Balmer, Powell, & Elving, 2009). By reducing greenwashing, revealing a complete picture in the message rather than imposing 'goodness', is the only way to decrease customers' skepticism and enhancing hotels' green image (Hoedeman, 2002).

Y.-S. Chen (2008) argues it is not easy for hotels to convince customer about their greenness, unless they provide reliable information. Moreover, in green marketing literature there is very limited research on consumers' behavioral intention; exploring and clearing the effect of greenwashing on consumers' behavioral intention. Accordingly, there is no research on impact of greenwashing with respect to green image and environmental consciousness. In essence of that, green image is taken as a mediator and environmental consciousness as a possible moderator to examine relationship between greenwashing and consumer intention to revisit.

Some studies on greenwashing have been conducted where green trust have negative relationship with greenwashing, whereas the effect of greenwashing and environmental consciousness on green image is deficient (Leaniz, Crespo, & López, 2017). Thus, by adopting the integrated framework of (Martínez García de Leaniz et al., 2018; and H. Chen et al. 2019b), this study strives to fills this research gap.

Furthermore, it is quite encouraging to conduct such study on greenwashing in Asian context in order to explore more novel outcomes of greenwashing. According to Coşkun, Vocino, and Polonsky (2017) most of the studies in green marketing literature are from western and developed countries. Lately in emerging countries, there has been increase in the research on the area of green marketing. For example, there was a study in Thailand (Johri & Sahasakmontri, 1998), Egypt (Mourad & Serag Eldin Ahmed, 2012), Malaysia (Ng, Butt, Khong, & Ong, 2014), India (Khare, 2015), Turkey (Coşkun et al., 2017). While Pakistan still lacks empirical studies on the greenwashing, its antecedents, consequences and outcomes in both service and manufacturing industries. Thus, conducting more studies on the antecedents and consequences of greenwashing will significantly contribute to literature with a glimpse of Pakistani context. Hence, this study fills the contextual gap in literature, expanding the green marketing literature in Asian context. Along with that Pakistan faces problem in tourism industry and hospitality industry, which this study will help to refine by providing relevant information.

### **1.3 Problem Statement**

Management researchers have been trying to study the different outcomes of greenwashing. According Rahman et al. (2015) greenwashing has been covered widely in tabloid newspapers and somewhat in marketing literature, but research in hospitality and tourism literature is very limited. Furthermore, hospitality industry contributes in GDP of Pakistan up to 3%, with growth rate of 7% from 2012-2014 and is continuously growing and flourishing with every passing year. Local and international investments have been increased due to construction of more improved and better hotels. Moreover, today's customer is more aware than ever before and they demand for use of more ecological and green practices in hotel services. Along with that with increasing issue of greenwashing specifically in hospitality industry, hotel managers need to be more careful while crafting the green marketing strategies. Since there are no significant studies addressing issue of greenwashing in particular to green image and environmental consciousness in literature

of hospitality industry, hotel managers doesn't have sufficient knowledge about greenwashing and its consequences, which ultimately effects consumer's behavioral intention. Eventually, this leads to reduction in retention rate in hospitality industry. Along with that, the studies conducted in this area were majorly focused on making customers aware of environmental issues and its effect (Chan, 2013). Whereas, Line and Hanks (2016) argue that there are very few studies that focus on what are the factors that factors consumer behavior. Thus, it calls for studies, to find out predictors that effect consumer behavioral intention in context of green hotels.

Hence, this study strives to solve the theoretical problem by investigating the impact of greenwashing and environmental consciousness on green image with the mediation of green image that further effects consumer intention to revisit, and with environmental consciousness as moderator.

## 1.4 Significance of the Study

This study will help hotels to improve their service and satisfaction rate. Nowadays customers are educated and well aware, due to which when customer finds anything odd they tend to register complain immediately. Many hotel guests particular in Islamabad complaints that hotels are not following safety and cleanliness protocols that they mention in the advertisement. Thus this study aims to investigate the circumstances that changes consumers' behavioral intention towards green hotels by considering green image as a mediator and environmental consciousness as moderator. An integrated research model of greenwashing is proposed in this study falling within 'environmentalism', which will not only fill the gap in hospitality industries' literature but will also help hotels to enhance consumers' intention to revisit previous destination. Although studies have been conducted on greenwashing, but its effect on green image is still unknown. It was suggested by (Y.-S. Chen, Huang, Wang, & Chen, 2018), to examine the impact of greenwashing on green image and the impact of environmental consciousness on consumer revisit intention by (H. Chen et al., 2019b).

Contribution and significance of this study also has contextual nature. Since most of the researches on greenwashing are in U.S.A context and since this study will be conducted in Pakistan, it is expected that findings from this study will provide hoteliers and marketing managers with practical strategies to prevent greenwashing and to better promote their hotels' green initiatives.

## 1.5 Research Questions

On the basis of the stated problems, the current study investigates in finding the answers to some questions which are as follows:

### **Research Question 1**

What is the relationship between green washing and green image?

### **Research Question 2**

What is the relationship between green image and intention to revisit?

### **Research Question 3**

What is the relationship between green image and environmental consciousness?

### **Research Question 4**

What is the role of green image between the relationship of greenwashing and revisit intention?

### **Research Question 5**

What is the relationship between environmental consciousness and revisit intention?

### **Research Question 6**

What is the effect of environmental consciousness between the relationship of a customer affect the relationship between green image and consumers' behavioral intention?

## 1.6 Objectives

The overall objective of the study is to develop and test hypothesis model to find out the relationship between greenwashing, environmental consciousness level of consumer and green image, impact of green image on consumer intention to revisit. Furthermore, to find out the moderating effect of consumer level of environmental consciousness on the relationship of green image and revisit intention as mention variable in research model.

The research is aimed at achieving the following objectives listed below:

### **Research Objective 1**

To find out how hotel greenwashing influences consumers' green image.

### **Research Objective 2**

To find the effect of green image further on revisit intention.

### **Research Objective 3**

Find out relationship between green image and environmental consciousness.

### **Research Objective 4**

To determine the relationship between environmental consciousness and revisit intention.

### **Research Objective 5**

To determine the relationship between environmental consciousness and revisit intention.

### **Research Objective 6**

Find out the moderating effect of consumer's environmental consciousness on the relationship between green image and intention to revisit.

## 1.7 Supporting Theory

In order to understand the effect of greenwashing on entire primary variables alongside with environmental consciousness as a moderating effect, thus the stimulus-organism-response (S-O-R) framework was used as the underlying theory for this study. This framework was founded by Russell and Mehrabian (1977). In this framework stimulus is implicated as (antecedent) that affects customers' emotional state which can be observed in their behaviors' such as consumers' intention (Robert & John, 1982). All the attributes that affect consumers' perception are characterized as 'stimuli' given by hotels (Su, Swanson, & Chen, 2016). The superseding internal process between stimuli and response is referred to as 'organism', which can be consumers' "perceptual, physiological, feeling and thinking activities" (Bagozzi, 1986). The outcome or action of consumer towards companies' stimuli is 'response', which include attitudinal, psychological reactions and/or behavioral intention (Bagozzi, 1986). According to S-O-R framework, when an individual is exposed to a certain situation, he/she reacts in three steps: 1) when an individual is exposed to certain environmental stimulus (S), then that individual initiates internal state/assessment (O), which then ultimately instigates responses (R). The internal assessment – organism between stimuli and response is said to be a mediating effect in this framework (Su, Hsu, & Swanson, 2017).

Previous studies in which S-O-R framework has been adopted mainly focuses on investigating the relationship between the variable (Breza, Kaur, & Shamdasani, 2017). This paper will open another direction in hospitality industry's literature exploration-relationship of greenwashing with green image and consumers' intention to revisit a hotel, they last stayed in. According to Milne and Parboteeah (2016) and Chang (2017), environmental consciousness and green image have been acknowledged in S-O-R framework by other authors in many research papers and has been considered as consumer emotional state variable.

Précis of this study is that greenwashing is educed as Stimuli (S), green image and environmental consciousness is regarded as organism (O), and the response or outcome (R) is denoted as revisit intention-consumers' behavioral intention.

# Chapter 2

## Literature Review

According to Miller et al., (2012) starting point of any business is not company; itself it's the market in which the company operates. Company tends to adjust their mission, vision, and objectives in accordance with markets' need and wants, in order to survive the competition. Since, nowadays consumers are more aware and concerned about the environmental issue, they prefer and make effort to buy those products and services which are ecological in nature (Kalafatis, Pollard, East, & Tsogas, 1999). As a result, companies started articulating green marketing strategies, in order to attract “green” consumers by purportedly making “eco-friendly” products and services. Before specifically explaining the variables observed, explaining the variables observed, definition and brief explanation of concept of green marketing in order to easily understand concept of greenwashing.

### 2.1 Green Marketing

Concept of greenness began in 1990, when millions of people gathered around the world and protested against cutting of trees and hasty decline in the health of planet and that day was call Earth Day (Gallicano, 2011). From that day forth public concern about environmental health and issue related to natural surrounding stated growing steadily (Kaufman, Reynolds, Liu, Kaufman, & McGrew,



2012). As a consequence, companies both manufacturing and services started developing strategies to meet the need of eco friendly product and service (Kohl, Pohl, & Puchl, 1990). Different scholars and researchers have defined green marketing in many other terms, such as “ecological marketing” and “environmental marketing” (Michael J Polonsky, Grau, & Garma, 2010). Concept of using different strategies like advertisement by companies to communicate green product, service and practices there as using as a way of getting their consumer know about its concern for environmental issue is said to be green marketing. It is holistic concept which covers the domain of production, marketing, consumption, even disposal of product and services in a way that it has minimum negative effect on natural surroundings (Manju & Sreenivasan, 2012).

Previous research focus on green marketing was in ecological terms but recently main attention is on socioeconomic and environmental context of green marketing (Mohanasundaram, 2012). In purchasing process many other terms for green marketing have been commonly focused, in such manner that that reduces environmental destruction (Michael J Polonsky et al., 2010). Marketers need to carefully craft advertisement of their green product and services in a way that consumer don't perceive advertisement to be deceptive and feel cheated or misled by because environmental issue strongly influences consumers perception and lifestyle.

The presence of deceptive marketing can cause confusion in the mind of customers regarding companies' environmental claims about particular product or service. The U.S.A Federal Trade Commission of (FTC) investigated and prosecuted on deceptive advertisement and false environmental claim by many well known companies on customer complaints (Schmidt, Erek, Kolbe, & Zarnekow, 2009). FTC published the following criteria declaring it to be deceptive environmental advertisements (Cohen, 1975):

1. Factually incorrect
2. Subject to multiple interpretation, especially which is false and misleading
3. True but having no proof is false

4. Guilty of omitting negative information
5. “Literally” true but create impression of being false

Such kind of misleading, ambiguous, deceptive practices are described as greenwashing in academic literature.

## 2.2 Greenwashing

“Organizational act of deceiving consumers regarding environmental claims of their product or services” is called greenwashing (Parguel et al., 2011). Generally, greenwashing is the use of deceptive techniques by companies where they lie about their services and product features (Michael J Polonsky et al., 2010). According to Cherry and Sneirson (2012) greenwashing is defined as “insincere, dubious, inflated, or misleading environmental claims”. Greenwashing is used as “creative reputational management” by firm in order to hide their incapability’s. According to Laufer (2003) companies uses mainly 3 type deceptiveness-fronting, posturing, and confusion. Most used technique by hotels is posturing, in which they overstate their environmental claims of ‘being green’ (Akturan, 2018). Some researcher describes greenwashing as ‘intentional misrepresentation’ of environmental claims (Furlow, 2010). Not so long ago, social media become an active part of greenwashing as consumers started using social media platform to protests against use of greenwashing. Table 2.1 given below briefly illustrates the definition, types and consequences of greenwashing outline previously in research papers. (Terra, 2009) have identified greenwashing as seven sin used by companies with regards to deceptive advertisement in term of green product and green services.

Firstly there is sin of hidden trade-off, in this company’ claims their product or service to be “green” based on very little information and ignoring other important problems. A good example for this can be of paper making, in which sources of raw material is mention but the process of producing paper is omitted, which can be harmful for environment. Secondly, sin of vagueness is inadequately defines or broadens the real meaning and purpose of product or services that it creates

confusion and misunderstanding in mind of customers. Example for his can be products having tagline on the packages saying “all natural” or “100% natural”. Thirdly, sin of no proof is environmental claims made by organization doesn’t have any valid supporting information for any reliable source or third party certification. Fourthly, sin of worshipping a fake label is advertisement of product either via word or images, gives a notion of third party endorsement, when in reality there is no endorsement at all. Fifthly sin of lesser of two evils is claims used in this sin has a possibility to be true, but in big picture it can distracts consumer from the greater concern of environmental issue. Sixthly, sin of irrelevance is environmental claim are may be true, but is of no use for consumer seeking environmental safety products and services. Lastly, sin of fibbing includes false environmental claims.

Mainly advertisement or electronic media is mainly used to deliver greenwashing to customers (Chen, Huang, Wang, & Ying-Ron, 2018). 65 percent of the consumers count on companies’ advertisement, but once customer trust is lost about a company’s environmental claims they may lose confidence in their products or services (Hamann & Kapelus, 2004). 44 percent of consumers’ do not trust hotels’ environmental claims, while 77 percent are keen to boycott on being mislead about product or service greenness and quality (ConeComm, 2012). Relationship of greenwashing has been tested by different authors such as Y.-S. Chen and Chang (2013) and Aji and Sutikno (2015) with green perceived risk, green consumer confusion and green trust for manufacturing products, not services. Moreover, approximately 65 percent of the firms in the market frequently exaggerate about their services or a product’s ecological use. This has turned greenwashing into a widespread issue in the market and yet it is underemphasized (Y.-S. Chen et al., 2018).

Michael J Polonsky et al. (2010) argues that consumers normally do not believe in green practices conducted by firms in the market. False environmental claims and green advertising messages (greenwashing) have been used by companies to persuade consumers to use green products in order to save the environment (Balmer et al., 2009). Thus, these false messages make consumers confused about whether these green claims are helpful or harmful (Lyon & Maxwell, 2011). This confusion develops the perception of greenwashing which alters consumer attitude toward

the company's environmental claims especially in hospitality industry (Peattie, Peattie, & Ponting, 2009). Therefore, it can be concluded that doubts originated by green marketing cause greenwashing which in turn harms the hotels' green image (Michael J Polonsky et al., 2010).

It has been previously stated that greenwashing is perceived to have a negative effect on consumer trust and consumers' behavioral intention-revisit intention. On the other hand the relationship of greenwashing with the company's green image is still uncertain. This makes the cost of greenwashing apprehensive and in need of more in-depth research (Zhang, Li, Cao, & Huang, 2018).

TABLE 2.1: Definition, types and consequences of greenwashing.

	<b>Content</b>	<b>Reference</b>
<b>Definition</b>	“When firms put incomplete information and omit negative information to posture themselves as eco-friendly”	(Michael J Polonsky et al., 2010)
	“When firm deliberately mislead consumer about their green practices with false environmental claims to enhance their image in market”	(Lyon & Montgomery, 2015; Marquis, Toffel, & Zhou, 2016)
	“When firm uses selective information about their green practices in order to create negative image”	(Marquis, Toffel, & Zhou, 2016)
	“When company environmental performance is poor but it communicates otherwise, in order to mislead the consumers and other stakeholders”	(Delmas & Burbano, 2011)
<b>Types</b>	Disassociation and attention deflection	(Pope & Wæraas, 2016)
	Vocal green firms, salient green firms, salient brown firms and greenwashing firms	(Siano, Vollero, Conte, & Amabile, 2017)

	<b>Content</b>	<b>Reference</b>
	Greenwashing firms, potential greenwashing firms, false greenwashing firms and no greenwashing firms	(Seele & Gatti, 2017)
<b>Consequences</b>	It negatively influences firm's reputation and financial performance.	(Walker & Wan, 2012)
	It negatively affects companies' stakeholders such as, employees, consumer, investors and environmental protection department etc.	(Du, 2015)
	Bad affect on entire society.	(Guo, Tao, Li, & Wang, 2017)
	Put negative impact on the green image of organization as well as on consumer trust	(Yu-Shan Chen, 2013)
	Greenwashing can lead towards consumer skepticism	(Aji & Sutikno, 2015)

### 2.3 Greenwashing and Green Image

In marketing context, a company's image is the most important and vital part of the organization. This is because in brand image, it is difficult for consumer to differentiate products and services of different brands (Mudambi, Doyle, & Wong, 1997). Companies' image is constantly reported as 'mental image or perception' in the mind of a customer in previous papers (Nguyen & Leblanc, 2001). This mental image could be any physical or behavioral attributes such as name, logo, trademark, product or service, quality or claims, activities and CSR (Nguyen & Leblanc, 2001). In early period of 1970s, concept of hotel image to hotel guests in hospitality research was introduced by (Gunn, 1972; Mayo, 1973). It was suggested that hotel guests generally has a positive image of the hotel they intend to stay in.

The likelihood of their selection for hotel and destination depends on the image they hold about the hotel (Huang & Liu, 2017).

Currently, all the hotels are providing homogeneous product and services due to which hospitality industry is becoming more competitive (Xiang, Zhang, & Chen, 2015). In order to improve hotels' image managers must have to come up with stand out strategies among its competitors (J. T. Bowen & Chen, 2001). Hotels image is defined as a "series of consumer perceptions about a hotel as reflected by its association in their mind and memories" (Hsiao, Chuang, Kuo, & Yu, 2014; Keller, 1993). In connection with pervious definition of image by Keller (1993) and S.-M. Chen and Lee (2010), current study tend to describe green image as a "series of perceptions about a hotel, each perception is related to environmental concerns and commitments, which results in from of consumer making memory nodes in their mind about that particular hotel'. Similarly, (Jeong et al. (2014)) defines, industry green image is defines as "consumer's mental perception of a particular hotel regarding their ecological claims". Green image of any green hotel can be determined through the quality of green practices they conduct in their hotel and how much it's true. Best example of green image in hospitality industry is when hotels are not only environmentally committed to make it better but also use tactics that will increase their profit (Heikkurinen, 2010). Showing their actual commitment through finding solutions for environmental problems along with satisfying stakeholders is a way through which hotels' can not only achieve but can maintain their green image (WY Wong, Lai, Shang, & Lu, 2014).

According to Chiu, Wang, Fang, & Huang (2014) the relationship between hotels green image and consumer behavior have become most popular issue in hospitality-related research. Efficiently managing a suitable destination and hotels' image, brand and reputation is very crucial for hotel managers in order to attract tourists and visitors (Echtner & Ritchie, 1993). It has been evidently proven in many researches of CSR that green marketing practices are not only important for companies reputation but is also a very vital element for developing company's green image (Miles & Covin, 2000). Constantly, in prior studies green image has been defined as "different set of perception that are linked with environmental claims

and concerns in the mind of the customer” (Martínez, 2015). Thus, it can be said that company’s green image orbits around green or ecological attributes of the company, which are generally perceived by customers (Martín-de Castro, Amores-Salvadó, & Navas-López, 2016).

142 papers related to hotels image were examined and concluded that creating favorable hotel image is an effective strategy for hospitality and travel product and services, as well as it increases consumers loyalty in the mind of target customers (Pike, 2002). Hence, hotel image is consider to be importance factor when consumer through decision making process. Use of greenwashing tactics can easily confuse hotels’ stakeholders, as misleading marketing practices makes it difficult for customer to evaluate true functionality of product or service (Ramus & Montiel, 2005). Green image has a positive direct effect on customer trust, satisfaction and loyalty (Martínez, 2015). Consequently, green image of hotels can be hurt by greenwashing effortlessly (Laufer, 2003). Hence, this study asserts that greenwashing tactics used by hotels can negatively stimulate hotels’ green image in mind of customers. Thus, we can imply the following hypothesis:

**H<sub>1</sub>: Perceived hotel greenwashing negatively influences hotels’ green image.**

## **2.4 Environmental Consciousness and Green Image**

According to (Bohdanowicz, 2005) industries plays a major role in destruction of natural environment such as habitat obliteration, water and energy over-consumption and air, water and soil pollution. Due to which various stakeholders like consumers, NGOs, and other advocates have not only screech the hospitality and tourist industry but also demanded an effective and efficient solution to environmental problem. Consumers with higher level of environmental concern make decisions that benefit environment; thus, environmental consciousness ultimately affects individual lifestyle, shopping behavior and habits (Beverton & Holt, 2012).

Recently companies from different industries whether hospitality or manufacturing are using green marketing strategies, thus it can be implied that hotels are adopting green management system. Constant increase in environmental problems is the main reason behind adaptation of these tactics (Berrone, Fosfuri, & Gelabert, 2017). Environmental issues encourage consumers to be more proactive and open to eco-friendly consumption. The biggest reason that is persuading big hotels to “go green” is increase in consumers’ perception of green products and services (Wossen Kassaye, 2001). The corporate sector of Pakistan has become the leader in using green marketing tactics due to extensive campaign of green marketing. Use of plastic bag is decreasing every day because consumers prefer to bring their own bags at the marketplace. According to (Hussain, Khokhar, & Asad, 2014) in Pakistan manufacturing sector implementation of green marketing is increasing but hospitality and tourism industry still faces difficulty in green and traditional hotel services.

There have been conflicting results in previous studies (academics and market research) of consumer’s level of environmental consciousness, which demonstrate gap between what consumers say and do (Moraes, Carrigan, & Szmigin, 2012). Nonetheless there have been many different researches that confirm this relationship to be positive and significant (Kumar & Purohit, 2012). Previous studies indicate that only consumers with higher level of environmental concern trust hotels’ environmental claim and tend to fall into hotels’ greenwashing trap. Consumers level of environmental consciousness tend to give positive stimulate their behavior towards hotels’ claims and activities once they perceive it to be right and accurate (Kim & Han, 2010). Thus the following hypothesis can be made:

**H<sub>2</sub>: Customer environmental consciousness has a direct positive effect on green image.**

## 2.5 Green Image and Intention to Revisit

Choi, Jang, and Kandampully (2015) argues, that it has been indicated in many researches that consumer intention to revisit or visit green hotel depends on the



image they hold about their ecological claims. A study was conducted to see impact of green claims on company's image (Toyota) and how it affects the behavioral intention of a customer (Manrai, Manrai, Lascu, & Ryans Jr, 1997). Results of the study showed a positive correlation between green-claims and green image, whereas in terms of failing those green claims, customer attitude towards the company image was worn-out (J.-S. Lee, Hsu, Han, & Kim, 2010).

Effect of company's image and its effect on consumer behavioral intention have always been the main attention of many researchers and practitioners in hospitality industry (Durna, Dedeoglu, & Balikçioglu, 2015). Since customer behavioral intention is the main key to increase retention rate and profitability, building a positive image is very important for hotels (Han, Hsu, & Lee, 2009). Behavioral intention basically has 3 facets: revisit intention, intention to spread WOM (positive/negative), and intention to pay premium (Gao, Mattila, & Lee, 2016).

An investigation was conducted in café setting in order to examine the outcome of green image on consumer attitude (Jeong et al., 2014). Result of the study indicated that green image is useful in assisting consumer to form positive attitude and response towards café. Han et al. (2009) tested the relationship between overall image and green behavioral intention in terms of word-of-mouth in hotel setting. The result of investigation showed increase in hotels' green image increases positive word of mouth, which indicates hotels' green image has a significant for managers of green hotel. Past studies confirms that hotel green image has a positive and direct relationship with consumer behavioral intention, that further influences consumer decision making process-revisit intention (Chi & Qu, 2008; Rodríguez-Molina, Frías-Jamilena, & Castañeda-García, 2015). As a result hotel image positioning is most important aspect in travel and hotel stay in decision making process, as a favorable image act an evaluation factor which tends to have a positive impact on consumer behavior intention.

Relationship between green image and consumer behavior (intention to revisit) has been considered positive by J.-S. Lee et al. (2010), while Tingchi Liu, Anthony Wong, Shi, Chu, and L. Brock (2014) confirmed green image can improve not only company's profitability but also its brand quality and preference. Thus, green

image act as an internal evaluation process which further generates consumers' responses in terms of hotel loyalty and their intention to return and revisit the destination. So, the following hypothesis is thereby proposed:

**H<sub>3</sub>: Consumer's perception of hotels' green image has a positive effect on intention to revisit.**

## 2.6 Mediating Role of Green Image Between Greenwashing and Revisit Intention

According to (Martineau, 1958), in prior researches on image person's behavior based on psychological and indistinct representation of objective reality in the mind of any individual's is denoted as image. It can also be said, image can be determined by an individual's behavior and then how they see reality (Fedo, Myers, & Appel, 2001). Likewise, even consumer doesn't have any experience regarding a particular product or service still consumers constantly tend to develop an attitude based on previous or current information they receive about a product or service (Oliver, 1997). Thus, these type of consumers creates either positive or negative image of product and service in marketplace, which ultimately effects their decision making process. According to Oliver (1997) consumer behavioral or attitudes are shaped through these cognitive processes that further leads towards intention formation.

Furthermore, when companies creates positive consumer intention, it not only increases companies overall profitability but it also contributes in consumer retention rate which is most important goal in hospitality industry (Lewis & Chambers, 1989). Moreover, importance for developing and maintaining consumer positive behavioral intention has been centre of attention for many practitioners and academic researchers from different field (Namkung & Jang, 2007). While examining and individual decision making process consumer behavioral intention was originally described as most accurate tool to predict the consumers' actual behavior (Fishbein and Ajzen, 1975). Likewise, Oliver (1997) conceptualize intention as

when individual acknowledge possibility to performance a certain action, hence intention is consider as a substitute indicator of behavior. Intention to stay, intention to revisit, intention to recommend any product or service, willingness to pay premium price are some types of intention in regards to hospitality industry (Zeithaml et al., 1996). In consistence to earlier researchers, in this study consumer behavioral intention is referred as consumer intention to revisit to hotel they recently visited.

There are many research in past that supports the relationship between green image and consumer behavior-revisit intention to be significant and positive e.g., (Han et al., 2009; K. Lee, 2008) found out, while testing the role of green image in hotel setting that hotel image affects their guests behavioral intention. Furthermore, positive image of a particular hotel or destination influences and strengthen hotel guest preference for the destination. Similarly, relationship of green image and revisit intention was also supported in the findings of (J. Wang, Wang, Xue, Wang, & Li, 2018) Green image affirmed play a vital role in building behavioral intention-intention to revisit in previous empirical studies examined in hospitality industry. Previously, image avowed to have both direct and indirect effect on consumers intention.

Many previous scholars as discussed above have recognized the impact of green image on revisit intention in terms of green propection or green practices. Inferring from these various arguments, it can be asserted that green image influences consumer decision making process and reinforce them to generate positive intention (Y.-S. Chen, 2008). Whereas, same argument can't be build for the relationship between greenwashing and green image. Considering greenwashing washing its presence or absences could promote or inhibit consumer from building a favorable behavioral intention (H. Chen et al., 2019b). Deceptive and ambiguous advertisement communicated by hotels in relationship to its environmental claims creates confusion in mind of customer, which further leads towards frustration and feeling of betrayal (Aji & Sutikno, 2015). Confusion created by greenwashing affects the consumer information processing and decision making in a way that it affects consumer behavioral intentions (Akturan, 2018). Greenwashing is also defined

as consumers' failure to develop an interpretation during the information process procedure about environmental feature of services hotels are providing (F. Bowen & Aragon-Correa, 2014). In other words, greenwashing creates a question mark in the mind of customers whether the services is really green or just vague claim to enhance hotel image. Confusion caused by greenwashing develops a negative prospectation about product or service environmental features. Such kind of perception creates a notion in the mind of customers that environmental campaigns are just part of hotels green marketing strategies to increase retention rate (Aji & Sutikno, 2015). Furthermore, due to excessive use greenwashing tactics consumer led to believe that advertisement of green service by hotels is not purely motivated by environmental concern, but rather by motive of profit maximization. In all the cases, marketers need to create constantly favorable consumer perception about their environmental claims because consumer perception of greenwashing will not only damage hotels green image in the mind of customer along with that it will affect consumer intention formation (Michael J Polonsky et al., 2010). Eventually, due to greenwashing perception consumer will become suspicious about all green product and service which can destroy market (A. Chen & Peng, 2012; Michael J Polonsky et al., 2010).

Based on S-O-R framework by (Russell & Mehrabian, 1977) consumer reacts to greenwashing use of greenwashing by hotels is considered as a stimuli that effect the perception, attitude and behavioral intention of a consumer. When consumer perceived greenwashing it generates an internal state process (perceptual, psychological, feeling and activities) which in case of this study is hotels' green image. Ultimately, green image of hotel created in the mind of customer initiate a response in term of behavioral intention formation-revisit intention. Thus, evaluation of hotels' green image can mediate the relationship between greenwashing and revisit intention (Su and Swanson, 2017).

Customer reorganization of the hotels using greenwashing can lead towards consumer generating negative attitude towards the hotel, in the end which will affect hotels image. Due to this immense change in social climate, consumers' recognition of hotels claims of being eco-friendly could form a favorable perception and

positive attitude towards hotel. While on other hand, consumer can also easily identify whether hotel environmental claims are righteous or just another cost cutting strategy. In either way, this can directly and indirectly affect consumers' both cognitive and decision making process (Jeong et al., 2014).

Based on the pervious findings among scholars about the impact of green wash on green image and revisit intention, it is however reasonable to say that these variables use of greenwashing by hotel has a negative impact on consumer behavioral intention and green image can be used as a mediating variable that will act internal evaluating process between greenwashing stimuli and response of revisit intention. Hence this study tests the mediating effect of green image considering the fact that there is a significant difference in greenwashing and revisit intention. Aside from that, pervious scholars have repeatedly consider these relationship in different set of theory such as, theory of reasoned action, attribution theory etc, but in this study S-O-R framework by (Russell & Mehrabian, 1977), has been used thus applicability will be different from previous studies. Furthermore, greenwashing is concept of developed countries and not much of research have been conducted in this area and thereby, testing the median effect in this study will help fill contextual and knowledge gap in the literature of developing countries. In this view, the following hypothesis is hereby formulated:

**H<sub>3a</sub>: Green image mediates the relationship between greenwashing and revisit intention.**

## 2.7 Environmental Consciousness and Revisit Intention

In order to be environmentally conscious and to engage in pro-environmental behavior individual must have explicit psychological factor (Zelezny & Schultz, 2000). Environmental consciousness is defined as an attitude in which an individual is well aware of his/her behavior or others behavior and how it affects their natural surroundings (Schlegelmilch, Bohlen, & Diamantopoulos, 1996). Thus it can

be said that the hotels' customers are said to be environmentally conscious when they are fully aware of environmental issues and are determined to solve them at any cost (Dunlap & Jones, 2002). In previous researches authors came across the fact that women are anxious about nature and surroundings in contrast to men (Murphy et al., 1978). Generally, an average consumer prefers to buy product or service which is eco-friendly as compared to one which is not (Hussain, Khokhar, & Asad, 2014).

According to Schwartz (1977), there is a close relationship between consumer personal values and their environmental concern. Thus consumers with higher level of environmental concern keep eco-friendly claims in mind before making an accommodation decision. While staying at any hotel whether traditional or green, consumers tend to reflect their self-perception regarding environment, such as hotels' green image will be influenced more as consumer level of environmental concern increases (Leaniz, Crespo, & López, 2017). In order to increase their self-esteem, consumers likely develop positive intention-revisit intention, less NWOM, intention to participate towards green hotels which ultimately satisfy their personal values.

In past researches theoretically results of environmental consciousness have generally revealed that consumers level of environmental consciousness has a direct and indirect effect on consumer behavioral intention (Martínez García de Leaniz et al., 2018). In other words, environmental consciousness influences cognitive component of consumer attitude up to some extent that ultimately affects behavioral formation. In hospitality industry, consumer consumers' attitude is strongly linked with their environmental consciousness and their behavior towards eco-friendly product and services (Hunter, 2000).

According to (Zhang et al., 2018), as hotel consumer becomes more aware about environmental issues, consumer environmental concern contributes considerably in behavior formation of revisiting the previous destination. Therefore, environmental consciousness appears to have strong relationship with consumer intention to revisit (Benoit-Moreau & Parguel, 2011).

Environmental consciousness' influences consumers' behavioral intention has been examined in this study in a way that higher the level of environmental consciousness, more sensitive the customer will be, which will contribute in forming behavioral intention. Consumers' perception about hotels environmental has a direct impact in consumer intention to stay at hotel, willingness to pay more, and intention to revisit (Namkung and Jang, 2013). Hence following hypothesis can be drawn:

**H<sub>4</sub>: Consumer environmental consciousness positively impacts their intention to revisit at previous hotel.**

## **2.8 Moderating Role of Environmental Consciousness Between Green Image and Revisit Intention**

Environmental consciousness is defined as when an individual start to grow and develop awareness to not only understand but also become more conscious about the problems and importance of biophysical environment (natural environment), together with human interaction and affect. In other words environmental consciousness is thinking ecologically or ecological consciousness (Lafuente & Sánchez, 2010). Usually, sensitive and committed people have a tendency to not only act responsibly towards environmental problems but they also participate in activities in order make their surroundings better (Barber, 2014). 70% of consumers respond to advertisements of those products and services, which contains message about environmental protection (Deemer, Thoman, Chase, & Smith, 2014). 82% of consumers think environmental issues need immediate attention while 69% think human life is being harmed by environmental damage (Y.-F. Wang, Chen, Lee, & Tsai, 2013). Due to environmental issues hospitality and tourism companies have started adopting green marketing strategies, in order to fill the void of environmental requirements for customers (Michael Jay Polonsky, 1994).

Environmental consciousness comes under the domain of investigative marketing literature. Previous researches indicate that in order to find out consumer 'green needs', initiate green products and services, for segmenting and positioning green consumers in different groups and implementing marketing mix accordingly, companies should adopt marketing strategies (Y.-S. Chen & Chang, 2013).

Moderating effect environmental consciousness, green image and consumer behavior have been studied by researcher, but the connection of environmental consciousness with greenwashing and link between greenwashing and green image has not been studied before in service industry. Thus, there's a need to study this link.

According to, Attribution theory Heider and Simmel (1944) gives a better understanding about the relationship of environmental consciousness with greenwashing and consumer behavior. According to attribution theory two kinds of responses can be generated from the hotels' message-intrinsic or extrinsic. If a person decide to disposition from the actor gives intrinsic response and individual who is environmentally conscious gives extrinsic response.

Previous studies show that environmental consciousness has a positive whereas greenwashing has a negative impact on consumers' intention to revisit to green hotels (Choi et al., 2015; Yoon & Chen, 2017). Consumers' evaluation of green practices, hotels' green image and their intention to revisit is subsided due to their self-perception of environmental consciousness (Namkung & Jang, 2013).

According to (Martínez García de Leaniz et al., 2018) consumer intention to revisit green hotel and environmental consciousness has a direct relationship. Consumers' green behavior depends on their level of environmental consciousness. Consumers' with higher ecological concern tend to have more opinion about hotels' green image and further indicate positive future behavioral intention, which is in this case is intention to revisit green hotels. Hence following hypothesis can be drawn:

**H<sub>4a</sub>: Higher level of environmental consciousness strengthen the relationship between green image and intention to revisit, such that the relationship is weak for consumer with low environmental consciousness.**



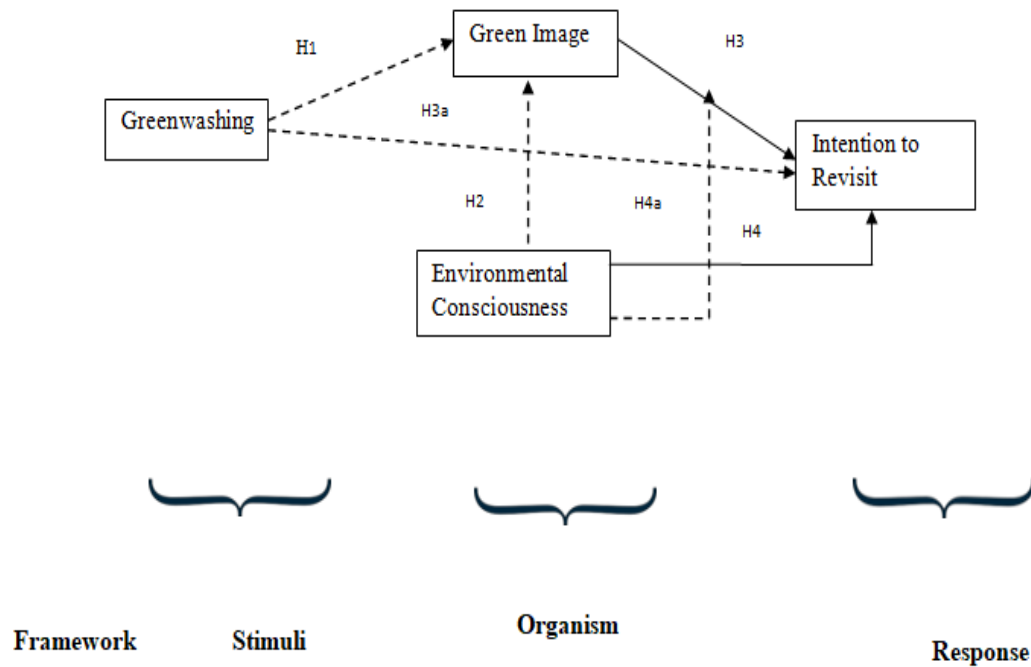


FIGURE 2.1: Research model for impact of greenwashing, environmental consciousness on green image and revisit intention with mediating role of green image and moderating role of environmental consciousness.

## 2.9 Summary of Hypothesis

H<sub>1</sub>: Perceived hotel greenwashing negatively influences hotel consumers' green image.

H<sub>2</sub>: Customer environmental awareness has a direct positive effect on green image.

H<sub>3</sub>: Consumer's perception of hotels' green image has a positive effect on intention to revisit.

H<sub>3a</sub>: green image mediates the relationship between greenwashing and revisit intention.

H<sub>4</sub>: consumer environmental consciousness positively impacts their intention to revisit at previous hotel.

H<sub>4a</sub>: Consumers' environmental consciousness moderates the positive relationship between green image and revisit intention, such that the relationship is weaker for consumers with low consciousness.

## 2.10 Summary of Chapter

This particular and most important section of thesis begins with the heading of literature review. Under literature review section, there are six sub sections providing the basic information regarding the study and deeply explain the past studies outcomes. Moreover, the linkages have been established in perspective of research question and objective with theoretical evidences. Diagram provides the pattern of the study-in which direction this study is moving.

First concept of greenwashing was discussed in terms of marketing literature. Origin of greenwashing, definition, types of greenwashing, and ways through which greenwashing is communicated to customer and previous literature on greenwashing was discussed under first sub heading. Second, construct of hotel green image was discussed and its relationship with greenwashing was established. Definition of brand image, hotel image and then hotels' green image of different authors was discussed. Furthermore, since linkage between greenwashing and green image is new, thus, it was described in light of framework of S-O-R which is used as a base theory in this study and first hypothesis ( $H_1$ ) of this study was developed as mentioned above in Table 2.1. Third, consumer environmental consciousness level construct was defined and discussed. In this environmental consciousness was defined and discussed and relationship was made through literature review. As this relationship between environmental consciousness and green image was also a new linkage, thus this relationship was build with help previous research finding as well as through S-O-R framework. Hence, ( $H_2$ ) was formed.

Fourth, in literature review consumer behavioral intention was discussed. Revisit intention was taken as outcome variable in this study. Since relationship between green image and revisit intention has been tested before by other researcher. Thus, hypothesis ( $H_3$ ) of this variable was developed using existing literature. Fifth, mediating role of green image was discusses in discussed, in which ( $H_{3a}$ ) hypothesis was developed. Sixth, direction relationship of environmental consciousness and revisit intention was formulated and in this using previous literature ( $H_4$ ) was established. Finally moderating effect of consumer environmental consciousness

level was discussed in last sub section of literature review. Previous researches were used to build moderating hypothesis (H<sub>4a</sub>). Using existing literature inconsistency in literature was identified, how consumer environmental consciousness affects relationship between green image and revisit intention was discussed.

# Chapter 3

## Research Methodology

This chapter comprises of methodology incorporated in this research. For study of empirical nature it is required to select data from an appropriate selected sample through an appropriate tool. This section of body is established to cover nature and study setting, tie frame, unit of analysis, measurement criteria and scales, data collection procedure, techniques of analysis population and sample size.

### 3.1 Research Design

Research design describes the process of investigation and managing research. Main objective of this study is to find relationship between all variables used hereby with respect to the service industry of Pakistan especially in context of hospitality industry.

This portion of chapter entails study type, study setting, time horizon, unit of analysis, data collection process and sampling units etc. This section of the study incorporates type of industry, type of study, time horizon, unit of analysis, data collection process and sampling unit.

#### 3.1.1 Type of Study

The current study intended to gather information on study variables from respondents via self-report and administered questionnaires. This study is scenario based

survey in nature in which impact of green washing on hotels green image and consumer intention to revisit was investigated. Independent, dependent, mediator, and moderating variables focused data were collected from the consumer of both green and traditional hotels of twin cities (Islamabad/ Rawalpindi). The data was collected from undergraduate to graduate students having at least prior experience of any hotel they visited in last 6-12 months.

### **3.1.2 Study Setting**

Research questionnaires were used for data collection. In order to fill the questionnaires, some customers were contact via online Google form and rests were researched in university. Respondents were ensured that their data will be confidential and will not be given to anyone. Respondents were asked to fill the questionnaire actively and attentively to enhance generalizability of the study outcomes (Nadiri & Gunay, 2013).

### **3.1.3 Time Horizon**

For this research data was collected from service sector organization in particular to hotels working in Islamabad and Rawalpindi. It took almost 4 weeks to collect data from the respondents hence it was cross-sectional study.

### **3.1.4 Research Interference**

There were no research related interruption to affect findings has been experienced in this study.

### **3.1.5 Unit of Analysis**

This study was intended to determine the consumer behavioral intention regarding certain factors, as encompassed in model. Therefore, an individual have been taken as a unit of analysis in this study (Moreira et al., 2011). However, the data

gathering was limited to the consumers of hospitality industry, who had stayed in hotels in past 6-12 months.

### **3.1.6 Data Collection Process**

Since there is not much research work on green marketing in Pakistan due to which respondent's overall exposure and familiarity towards this topic is fragile. Normally, customers are not aware of green activities and issues of over doing of green practices claims because of that they face difficulty in expressing their opinion even for research purpose. Along with such circumstances, conducting a quality research still remains a challenge for the researchers. Thus, data collection process from customers of hospitality industry took ample effort.

In this study scenario based survey strategy has been used. In this survey two real life scenarios has been used: 1) energy saving program (Appendix-A) and 2) towel reuse program (Appendix-B). Scenario used in this study was adopted from (H. Chen et al., 2019b). Before starting the survey audience was introduced to the concept of greenwashing and green hotels. Then real signs from hotel of towel reuse and energy saving was displayed in-front of audience. Further audience was asked to imagine themselves in that scenario and answer the following questions about greenwashing, green image, revisit intention and environmental consciousness. This survey was sent to undergraduate to graduate students having at least prior experience of any hotel they visited in last 6-12 months. Students were instructed to ask for any problem or ambiguity rest was conducted online with detailed information given. To facilitate data collection no separate and artificial environment was used in this study.

## **3.2 Population and Sampling**

### **3.2.1 Population**

The population of this study is consumers/customers of hospitality industry, who are available in Islamabad and Rawalpindi. It is hard to accumulated data from

entire community for investigation. Necessarily data is assembled from the sample, which exhibits the properties of the whole community.

### **3.2.2 Research Industry**

The current study intended to focus on hospitality industry of Pakistan. Hospitality and tourism is a multidimensional business activity that has grown to the level of an industry with most importance around the world. The global hotel industry market value retail from 2014-2017 was more than US\$600 billion in economic development by pay taxes each year both directly and indirectly ("Statista," 2019). Along with that, hospitality industry have generated employment for more than 200 million people around the world from 2000-2013 ("Hotrec," 2013). The substantial growth of hotel services over the years clearly marks hospitality industry as one of the most extraordinary economical social phenomenon of the past century that has after few subdued years from 2001-2004. Whereas, back in 2005 with 10.7 percent record increase in international tourists and hotel guests arrivals, reaching to recorded value of UD\$622 billion (Baloch, 2007).

In Pakistani context, every year hospitality industry in Pakistan is growing and flourishing. In Pakistan the hospitality industry contributes 3 percent to the GDP. Growth rate of hospitality industry in Pakistan was 7 percent from 2012-2014. With increase in construction of new and better hotels and restaurants, investment of local and international hotel chains has developed gradually, which pushes the trend of green hotels and green marketing (Javed and Hussain, 2018). Globally in hospitality industry environmental protection issue is of utmost importance.

There has been seen a sharp increase in hospitality and tourism industry of Pakistan in past one year. According to (Akhter, 2017), Pakistan, in 2015 the hospitality industry was able to generate US\$1 billion. Along with that, 1.04 million foreign tourists were attracted too. It was predicted that by 2017 Pakistan's economy would be the fastest growing economy in the Muslim world which would put Pakistan ahead of Indonesia, Malaysia, Egypt and Turkey (Qadri, 2017). Pakistan tourist industry contributes in economy by creating job opportunities. Pakistan

hospitality industry contributes to total 6.2 percent of employment. The total number of jobs created by hospitality industry across the country is 1,429,500 (Akhter, 2017). Furthermore, with growing chain of green hotels in Pakistan is increasing the not so old issue of greenwashing.

Hotels in capital city Islamabad are facing some problem environmental protection. Even though, Hotel and Restaurant Act 1997 exists, this binds hospitality industry to follow standard related to food and environment concerns (Javed & Hussain). While, there are some customers that are still facing issues of unhygienic food, environment and atmosphere. Many guests are complaining the hotels are exaggerating their claims and are not following the safety and cleanliness standards. Many residents complain that many restaurants are not following the safety and cleanliness standards of Hotel and Restaurant Act 1997 (Waheed, 2005). According to pervious researches there are no such study exists which estimated the customer's willingness to pay for standard food items, compliance of environmental laws in restaurants followed by the impact of monitoring on revenues of restaurants.

According to pervious research, green marketing is relatively new phenomenon in Pakistan but the significance and awareness of sustainability are gradually improving in the country. Previous literature suggests that (Naeem & Welford, 2009; Sajjad & Eweje, 2014). In addition, the business sector is largely lacking the philosophy of green marketing and green practices (Khan, 2012). Furthermore, the Pakistani population is also not aware of the implication and importance of green practices and green activities importance, giving hotel manager pass to take advantage of customers (Ehsan & Kaleem, 2012). Thus, there is a great need to raise awareness at corporate community levels about the importance of green marketing, green practices and issue that rises from over doing of environmental claims.

It's predicted that Pakistan's hospitality industry has a bright future and would help in creating many job opportunities' and contribute to environmental preservation waves which will help improving Pakistan's image globally.



### 3.2.3 Sample Size

By implying the G×power formula and the by consider effect size as 0.15, standard error probability as 0.5 and the number of predictor arrows as 2, the minimum sample size was 88 for this study. In this study we considered a bit more than 88 and decided to collect usable sample size of 300 for this study.

Total 300 hospitality industry consumers were contacted and were requested to fill survey. 250 respondents agreed to fill survey. Among those 8 were eliminated due to missing information and wrong inputs and 242 were usable. Therefore, 242 polls were considered for research. Since, minimum sample size was 88; therefore, 242 responses are appropriate sample size for analysis. Respondents were selected on the basis of their previous experience of staying in hotels. Along with that in Pakistan there are very few green hotels itself and we need consumer with some prior hotel experience to collect data from. Thus, it can't be collected using convenient or any other technique. Therefore, scenario based survey was conducted for data collection. Lastly the data was collected through paper pencil and online procedure. Respondent filling online survey were requested to pass the link to other possible respondents.

According to Sekaran (2006) a subset of population is called as sample and it permits a researcher to extract inferences which are generalized to the given population. Sampling is process of selecting a sufficient, number of elements from the population (Sekaran, 2006), so that sample accurately generalize it's characteristics to the whole population. In other country data collection from the consumer of green hotel is easy as compare to Pakistan because of the availability of green hotels. Whereas, in Pakistan there are very few green hotels so it was a bit difficult to reach to customer with green hotel experience. Due to lack of green hotel we have to conduct scenario based survey and take imaginative situation for most of the respondents and it took 6 weeks to collect the data.

## **3.3 Scales**

### **3.3.1 Greenwashing**

The 5 item scales developed by (H. Chen, Bernard, & Rahman, 2019a) has been adopted to measure the effect of greenwashing. The responses have been obtained through 5 point likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The sample items of the scale includes, “This hotel misleads with words in its environmental features”, “This hotel misleads with visual or graphics in its environmental features”, “This hotel has a green claim that is vague or seemingly unprovable”, “This hotel overstates or exaggerates how its green functionality actually is”, “This hotel leaves out or masks important information, making the green claim sound better than it is”.

### **3.3.2 Green Image**

5 likert scale developed by (Leaniz et al., 2017) was adopted to measure hotels green image. The responses have been obtained through 5 point likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The sample item of the scale includes, “This hotel misleads with words in its environmental features”, “The sample question includes whether green hotels behave in a socially responsible way”, “Environmentally certified hotels behave in a socially responsible way”, “I believe that environmentally certified hotels are concerned about environmental conservation”, “I think that environmentally certified hotels not only care about generating profits but also about the environment and consumers”.

### **3.3.3 Revisit Intention**

Revisit intention was measured through 5 likert scale adopted from (H. Chen et al., 2019a). All responses have been rated on 5-point scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree). Sample question of revisit intention include, “I am willing to stay at this hotel when traveling”, “Next time I shall need to stay in

this area, I intend to stay at this hotel”, “I am willing to stay at this hotel when traveling”, “I intend to continue to be a customer of this hotel in the future”, “I plan to stay at this hotel when traveling”, “I will make an effort to stay at this hotel when traveling”.

### 3.3.4 Environmental Consciousness

To measure environmental consciousness level of a customer, items were adopted from (Leaniz et al., 2017). The responses have been obtained through 5 point likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). It consists 8 items and the sample question includes, “I feel frustrated when I think of hotel companies that carry out their business activities by polluting the environment”, “When two hotel companies are similar, I tend to select the one that harms the environment less, even if it is more expensive”, “If the services provided by a hotel industry seriously damage the environment”, “I will refuse to purchase the”, “When choosing a hotel company, I always select the one with environmental certification, even if it is more expensive”, “I regularly recycle at home”, “I often purchase products that use less paper or cardboard for packaging”, “I am conscious about the actions I can take to improve the environment”, “I am usually informed about environmental issues”.

TABLE 3.1: Instruments.

No	Variables	Sources	No. of items
1	Demographics	(Muhammad, Mahadi, & Hussin, 2017)	Age, Gender and Education.
2	Greenwashing (GW)	Chen, Bernard, & Rahman (2019)	05-items
3	Green Image (GI)	Leaniz, Crespo, & López (2017)	04-items
4	Environmental Consciousness (EC)	Leaniz, Crespo, & López (2017)	08-items
5	Intention to Revisit (IR)	Chen, Bernard, & Rahman (2019)	05-items

### **3.4 Measures**

Multi-data collection methods are mostly considered in market today, but survey questionnaires are normally used method (F. Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014). Surveys from in writing allow respondents a better comprehension of the question and provide answer in standardized form. It also facilitate in collecting data in large quantity from a per-determined sample (Fowler Jr & Cosenza, 2009).

### **3.5 Measurement Instrument**

Primary data was collected through questionnaires. The section 1 o the research question consists on demographics of the respondents like age, sex, education and experience. While, section 2 is consist o the views regarding greenwashing, green image, revisit intention and environmental consciousness. Independent, dependent, mediator and moderator variable items in questionnaire were responded using 5 likert scale where 1(strongly disagree) to 5 (strongly agree). The measurements used in study was borrowed and adopted from the original source. Table 3.1 shows the instrumentation of the entire variables and questionnaire is attached at the end of document see Appendix-C.

### **3.6 Pilot Testing**

Pilot testing done on the sample size of 30 respondents. In which reliability of greenwashing was low which was 0.520 and was suggested to delete the item number 5 (GW5) in order to increase cronbach alpha. After deleting GW5 the reliability of GW construct was increased to 0.620 and according to Sekaran, (2003) reliability up to 0.60 is acceptable.

### 3.7 Data Analysis Tools

For choosing right statistical software for data analysis really depends upon research objective and research question. If search objective is comparison analysis SPSS statistical analysis is preferred because it performance both parametric and non parametric comparison analysis and it allows researcher to check normality and outlier tests. Whereas, SmartPLS is used when examining the causal and effect relationship between number of independent and dependent variable with precedence to explore theory. Since this study aims to predict the relationship among the construct so for that partial least square structural equation modeling (PLS-SEM) was most suitable to analysis this data (Muhammad et al., 2017). Therefore SmartPLS 3 was used to scrutinize measurement and structural model. While for checking frequency and percentages of demographics SPSS was used. The data was having some items with standard deviation greater than 1; it may be the issue of non normality of the data. PLS-SEM is stronger data analysis tool which considers non parametric statistics. Hence PLS-SEM was considered as data analysis tool.

### 3.8 Data Analysis Procedure

- Frequency distribution
- Descriptive statistics
- Measurement model: it evaluates reliability and validity of the constructs.
  - Reliability analysis: In reliability Cronbach's alpha and composite reliability CR was examined.
  - Validity analysis: In validity of construct convergent and discriminant validity was assessed. For convergent validity factor loading and average variance extracted was assessed. Whereas, for discriminant validity Fornell and Larcker (1981) was determined.
- Structural model

- Path coefficient: Its diagram based approach use to consider the relationship between constructs in a multivariate system (Wright, 1921).
- Mediation and Moderation analysis.

### 3.9 Sampling Characteristics

The demographics recorded in this study are consumers' age, gender, education, and prior experience in hotel staying. Sample characteristics details are as follow:

#### 3.9.1 Gender

The first demographic was gender. The sample was assorted in terms of sexual orientation as both male and female. The study focused on maintaining gender balance since data was collected through snow ball technique and most of the respondents were under-graduates and graduates, the ratio of male respondents were more than female. In addition to, since study was conducted on hospitality industry thus, males are more tend to stay at hotel as compared to females.

TABLE 3.2: Gender.

Gender	Frequency	Percentage	Cumulative Percentage
Male	146	60.3%	61.
Female	96	39.7%	100.0
<b>Total</b>	<b>242</b>	<b>100%</b>	

Table 3.2 depicts the ratio of male and female respondents. As we can see in this study majority respondents were a male, which shows that 60.3% of male and female were 39.7%.

#### 3.9.2 Age

Another demographic variable used in the study was age. Range base was provided to the respondents to keep them at ease of answering the required detail. Table

3.3 shows the statistical structure of test in terms of age and demonstrates that respondents of present study have place with various age gathering.

TABLE 3.3: Age.

Age	Frequency	Percentage	Cumulative Percentage
<b>Below 25</b>	127	51.7%	52.9
<b>26-35</b>	97	40.1%	90.8
<b>36-45</b>	18	7.4%	99.2
<b>46-55</b>	2	8%	100.0
<b>56 and above</b>	0	0	
<b>Total</b>	242	100%	

Table 3.3 illustrates that most of the respondents were below 25. 51.7% of majority of respondents were having age ranging from 20-25, 40.1% of respondents were having age ranging from 26-35. 7.4% of respondents were having age ranging from 36-45. 8% of respondents were having age ranging from 46-55. Lastly there were no respondents have age ranging 56 and above.

### 3.9.3 Education

Next demographic variable used in the study is education. Education develops and changes many mind set of human beings. Table 3.4 shows the statistical structure of test in terms of education. Since greenwashing and green image is a complex concept so the target audience for this was undergraduate or literate customer. For that reason education was important to be part of demographics. The respondents of present examination were placed in different groups of education, Such as; secondary school, intermediate college, bachelors and masters.

TABLE 3.4: Education.

Education	Frequency	Percentage	Cumulative Percentage
<b>Secondary Education</b>	5	2.1%	2.1
<b>Intermediate College</b>	10	4.2%	6.3
<b>Under-graduate</b>	143	57.9%	63.2
<b>Graduate</b>	99	35.8%	100.0

Table 3.4 demonstrates that majority of the respondents were under – graduate, which comprised 57.9% of the total sample. Whereas, 35.8% were graduates, 4.2% were intermediate college qualified and 2.1% having secondary school education.

### 3.9.4 Experience

Last demographic variable used in the study is experience. For collecting information regarding consumer experience in hotel stay, in this research nominal scale was used. Table 3.5 shows the statistical structure of test in terms of experience. Prior experience in any green or tradition hotel was requirement of this study so keeping experience in demographics was important. As without having prior experience customers wouldn't be able to fill survey. Customers' previous experience is gathered by simple categorical question-Yes/No.

TABLE 3.5: Experience.

<b>Hotel Staying Experience</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulative Percentage</b>
<b>Yes</b>	198	80.8%	80.0
<b>No</b>	44	19.2%	100.0

Table 3.5 gives detail of hotel stay experience reported respondents. Most of the respondents have prior experience in staying at hotel, which was 80.8%. Whereas, 19.2% of respondents haven't stayed in hotel recently but have stayed in hotel once.



# Chapter 4

## Results

### 4.1 Data Analysis

Data was analyzed in Smart-PLS. PLS-SEM has caught the attention of research around the world because it is a latent variable modeling technique that accommodates multiple dependent constructs and obviously recognizes measurement errors (Hoque, Karim, & Amin, 2015). In addition, recently evidences seem to have shown that PLS-SEM is very robust in estimation and very sound in developing constructs validities than CBS-SEM (F. Hair Jr et al., 2014). In order to optimize this technique, a two –step approach suggested by (Chin, 1998) was followed. This therefore implies the measurement model was first examined in order to test its reliability and validity after which the structural model was examined for the purpose of testing the hypotheses, effect size ( $f^2$ ) ad predictive relevance ( $Q^2$ ) of the model (Hair et al., 2014). We started with missing analysis, descriptive statics of both items and construct, then measurement model was conducted and lastly structural model was conducted. Details of the analysis are mentioned below.

### 4.2 Descriptive Statistics

Descriptive statistics provides simple summary about the sample size and the observations that have been made about the data. It also denotes the basic details

of the data that has been collected such as sample size, maximum value, minimum value, mean value and standard deviation of the data. Descriptive statistics also represents that large sum of the data into arranged and summarized form. Table 4.1 shows the descriptive detail of demographics.

TABLE 4.1: Demographics descriptive.

<b>Demographics</b>	<b>Sample</b>	<b>Minimum</b>	<b>Maximum</b>
<b>Gender</b>	242	1	2
<b>Age</b>	242	1	4
<b>Education</b>	242	3	4
<b>Experience</b>	242	1	2

Detail given in Table 4.1 demonstrates the descriptive statistics of demographics used in study. Maximum, minimum and average values of each variable have been reported. First column of the table demonstrates the sample size of the study, second column shows minimum/maximum values, and third column represents the mean value of the data. Gender has maximum value of 2, as gender was measure via two factor category where 1 was male and 2 was female. Furthermore, age was grouped in different range where 1 (minimum value) denoting below 25, 2 denoting range of 26-35, 3 denotes 36-45, 4 indicates 46-55, which was maximum value and 5 symbolizes 56 and above. Further, education was also ranged from 1-4. 1 indicates secondary school, 2 represents' intermediate college, 3 symbolizes bachelors qualification, which was minimum value in the sample and 4 denotes masters which was the maximum value in the sample.

Furthermore, detail given in Table 4.2 demonstrates the descriptive statistics of the all the items of variables used in study. Maximum, minimum and average values of each variable have been reported, alongside with mean and standard deviation. First column of the table demonstrates the sample size of the study, second column shows minimum/maximum values, third column represents the mean value of the data whereas, last and forth column shows standard deviation.

TABLE 4.2: Item descriptive statistics.

Items	Sample	Minimum	Maximum	Mean	Std. Deviation
GW1	242	1.00	5.00	3.21	1.009
GW2	242	1.00	5.00	3.25	.997
GW3	242	1.00	5.00	3.29	1.006
GW4	242	1.00	5.00	3.51	.969
GI1	242	1.00	5.00	3.28	.909
GI2	242	1.00	5.00	3.13	.947
GI3	242	1.00	5.00	3.19	.997
GI4	242	1.00	5.00	3.16	1.036
RI1	242	1.00	5.00	3.33	.967
RI2	242	1.00	5.00	3.30	.989
RI3	242	1.00	5.00	3.28	.989
RI4	242	1.00	5.00	3.28	.953
RI5	242	1.00	5.00	3.25	.998
EC1	242	1.00	5.00	3.73	1.111
EC2	242	1.00	5.00	3.42	1.102
EC3	242	1.00	5.00	3.60	1.107
EC4	242	1.00	5.00	3.42	.957
EC5	242	1.00	5.00	3.44	1.038
EC6	242	1.00	5.00	3.56	1.001
EC7	242	1.00	5.00	3.81	.929
EC8	242	1.00	5.00	3.75	.952

The cumulative mean value of greenwashing items was 3.31 with standard deviation of 0.747. Environmental consciousness has a mean value of 3.59 and standard deviation 0.657. Mean value of green image was 3.19, whereas standard deviation value was 0.732. Furthermore, the mean value of revisit intention was 3.29 and standard deviation was 0.657. Lower score shows disagreement with the items. Summary of constructs descriptive statistics is given below in Table 4.3.

TABLE 4.3: Summary of constructs descriptive.

Constructs	Sample	Min	Max	Mean	Std. Deviation
Greenwashing	242	1	5	3.31	0.747
Environmental Consciousness	242	1	4	3.19	0.732
Green Image	242	1	5	3.29	0.770
Revisit Intention	242	1	4	1.57	0.666

### 4.3 Measurement Model

In order to examine the measurement model (outer model) for the construct reliability and validity, researchers are required to assess Cronbach's alpha, composite reliability (CR), convergent validity and discriminant validity.

#### 4.3.1 Reliability of the Constructs

Measurement model is also known as outer model that shows the relationship between construct and indicator variable, which tests reliability and validity. For reliability composite reliability, Cronbach's alpha reliability is measured. Reliability of environmental consciousness was less than minimum requirement. Therefore, item EC5, EC7 and EC8, were deleted for not meeting the requirement of minimum loading suggested by (F. Hair Jr et al., 2014). Reliability of all the variables is shown in Table 4.4 below.

TABLE 4.4: Reliability and validity.

Measures	Outer Loadings	Cronbach's Alpha	CR	AVE
<b>Greenwash</b>		0.742	0.828	0.554
<b>GW1</b>	0.842			
<b>GW2</b>	0.868			
<b>GW3</b>	0.545			
<b>GW4</b>	0.677			
<b>Green Image</b>		0.837	0.564	0.741
<b>GI1</b>	0.641			
<b>GI2</b>	0.765			

Measures	Outer Loadings	Cronbach's Alpha	CR	AVE
<b>GI3</b>	0.783			
<b>GI4</b>	0.806			
<b>Revisit Intention</b>		0.846	0.891	0.622
<b>RI1</b>	0.737			
<b>RI2</b>	0.799			
<b>RI3</b>	0.865			
<b>RI4</b>	0.854			
<b>RI5</b>	0.675			
<b>Environmental Consciousness</b>		0.767	0.842	0.522
<b>EC1</b>	0.684			
<b>EC2</b>	0.762			
<b>EC3</b>	0.799			
<b>EC4</b>	0.809			
<b>EC6</b>	0.516			

### 4.3.2 Validity of the Construct

To assess validity convergent and discriminant validity was measured. The purpose of convergent validity is to ensure that items effectively reflect their corresponding factor (Wen et al., 2013). Similarly, it shows the degree to which a factor positively correlates with another factor of the same construct (F. Hair Jr et al., 2014). The convention in SEM for convergent validity average variance extracted (AVE) and factor loadings were anticipated. The loadings of the items must be at least 0.5, while the AVE must not be below 0.5. Values of AVE were greater than the minimum threshold (0.50) (Hair et al., 2014). Likewise, factor loading of all the constructs were also greater than the minimum condition (0.707) as per suggested by (Hair et al., 2014). Cronbach alpha, CR, factor loading, AVE are shown in Table 4.4 above.

Furthermore, through following the criteria of Fornell and Larcker (1981) and heterotrait-monotrait ratio of correlations HTMT was assessed for discriminant

validity (Hair et al., 2014). Discriminant validity reveals whether two factors are different statistically or not. It demonstrates the extent to which one construct is actually different from other construct based on empirical benchmark (F. Hair Jr et al., 2014). The items of a particular construct must have more variance amongst them as compare to the other construct they are shared with. Using the criteria of Fornell and Larcker (1981), diagonal values of (square root AVE) were compared with the off-diagonal values of correlation. According to that standard, 'square root AVE was compared with correlation all the construct in the model. Table 4.5 shows the square root of AVE has a greater value than correlation when all the constructs were compared with each other. Hence, discriminant validity has suitable measurement for the model. Whereas, HTMT was less than the average threshold (0.90) shown in Table 4.6. Next step is structural model for hypothesis testing, since measurement model has acceptable level of reliability and validity.

TABLE 4.5: Discriminant validity.

	<b>EC</b>	<b>GI</b>	<b>GW</b>	<b>RI</b>
<b>EC</b>	<b>0.722</b>			
<b>GI</b>	0.16	<b>0.751</b>		
<b>GW</b>	0.154	-0.175	<b>0.735</b>	
<b>RI</b>	0.239	0.499	-0.064	<b>0.789</b>

Bolded values are the square root of the AVE whereas the off-diagonals are correlations among the constructs. GW = greenwashing, GI = green image, RI = revisit intention, EC = environmental consciousness.

TABLE 4.6: Heterotrait-Monotrait ratio of correlations HTMT.

	<b>EC</b>	<b>GI</b>	<b>GW</b>	<b>RI</b>
<b>EC</b>				
<b>GI</b>	0.234			
<b>GW</b>	0.297	0.212		
<b>RI</b>	0.294	0.616	0.126	

## 4.4 Structural Model and Hypothesis Testing

Inner model also known as structural model shows the relationship or paths among the construct. After examining reliability and validity of the construct, the proposed hypothesis of this study were examined by running Algorithm and Bootstrapping of SmartPLS. Calculations performed in structural model are path coefficients, effect size  $f^2$ ,  $R^2$  and  $Q^2$ . Structural model was estimated using SmartPLS 3. In order to determine significance of variables, bootstrapping procedure was conducted up to with 5000 replication (Hair et al., 2014). Results show that  $H_1$ ,  $H_2$ ,  $H_3$ ,  $H_{3a}$  and  $H_4$  were supported, while  $H_{4a}$  was rejected. In addition to, effect size  $f^2$  is also demonstrated, which shows the values of  $f^2$  were 0.039, 0.43 and 0.3 respectively. Figure 4.1 and Table 4.7 illustrated the products of algorithms.

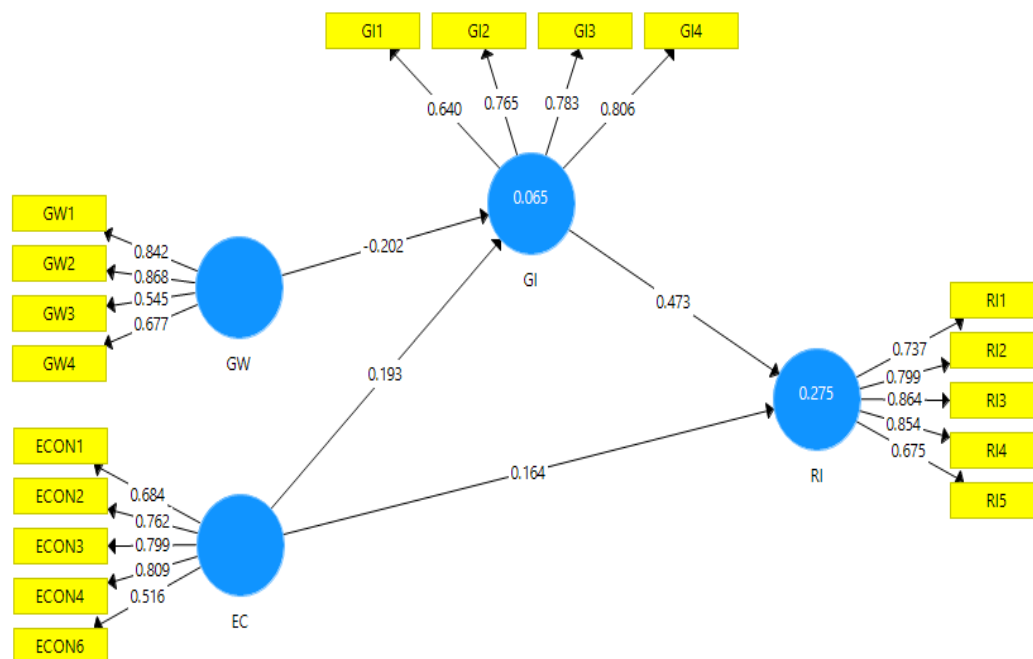


FIGURE 4.1: PLS-SEM Model.

Fig. 4.1 shows estimated  $R^2$  value of structural model for endogenous and exogenous constructs. In order to examine the relevance of model  $R^2$  and Cross-Validated Redundancy were used.  $R^2$  is estimated to determine the extent of variance of endogenous variable that is explained by exogenous variable. According to (Cohen, 1975),  $R^2$  that is above 0.26 is considered to be substantial,  $R^2$  values of 0.13-0.26 is moderate while value ranging between 0.02 to 0.13 is regarded to be weak. For

this study  $R^2$  value of endogenous construct is substantial for revisit intention (0.275), but weak for green image (0.065) as it's below the threshold. Thus, suggesting model has an intermediately explanatory power. Table 4.7 demonstrate beta, standard deviation, t-value,  $R^2$ ,  $f^2$  and p-value.

Furthermore, Cross-Validated Redundancy was also measured in order to examine the quality of the model. This is done through blinding technique in PLS. the process requires the researchers to remove some data values which would be estimated as missing values. The omission distance for blind folding running is 7 and after which certain values would be generated and a comparison will be made in order to test how close the real result from the assumed results is. The rule for the predictive relevance is that the value must be above zero as it is applicable in this study (see Table 4.7). Value of  $Q^2$  for endogenous constructs-green image was 0.029 and exogenous construct-revisit intention was 0.157, which was more than the requirement-greater than 0 suggested by (Hair et al., 2014), indicating that model has a good predictive.

TABLE 4.7: Path coefficients of baseline model.

Hypothesis	Relationship	Beta	Std. Dev. Error	t-value	$R^2$	$f^2$	$Q^2$
H <sub>1</sub>	GW→GI	-0.202	0.078	2.605***	0.065	0.043	0.029
H <sub>2</sub>	EC→GI	0.193	0.063	3.082**		0.039	
H <sub>3</sub>	GI→RI	0.471	0.063	7.431***	0.275	0.286	
H <sub>4</sub>	EC→RI	0.165	0.082	2.017*		0.035	0.157

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

#### 4.4.1 Greenwashing and Green Image

First we look at the predecessors that effect hotels' green image and consumers' behavioral intention. The path between Greenwashing and green image ( $\beta = -0.152$ ,  $p < 0.014$ ), indicates that greenwashing has a significantly negative relationship with green image. Hence H<sub>1</sub>: *Greenwashing has a negative impact on hotels' green image was supported.*



#### **4.4.2 Environmental Consciousness Level of Consumer and Hotels Green Image**

Moreover, in this study empirical evidence obtained from the path coefficients attests that there is direct and positive relationship between consumer's environmental level and green image ( $\beta = 0.193$ ,  $p < .002$ ). Thus, H<sub>2</sub>: *Customer environmental a consciousness has a direct positive effect on green image was supported.*

#### **4.4.3 Green Image and Revisit Intention**

Based on the calculation, results shows that green image has a positive and significant relationship with revisit intention ( $\beta = 0.471$ ,  $p < 0.000$ ). Hence, H<sub>3</sub>: *Consumer's perception of hotels' green image has a positive relationship with their intention to revisit was supported.*

#### **4.4.4 Environmental Consciousness and Revisit Intention**

Furthermore, in this study empirical evidence obtained from the path coefficients attests that environmental consciousness ( $\beta = 0.165$ ,  $p < .044$ ) has a direct and positive relationship with revisit intention. Thus, H<sub>4</sub>: *Consumer environmental consciousness positively impacts their intention to revisit at previous hotel was supported.*

### **4.5 Mediation Analysis**

#### **4.5.1 Mediating Effect of Green Image on Revisit Intention**

In order to determine the mediating effect, (Salimon, Yusoff, & Mokhtar, 2017) approach was followed by running the bootstrapping at 5000 subsamples and use

the sobel calculator to test the hypothesized mediation effect of green image on the relation of greenwashing and revisit intention. Based on the calculation, green image act as a mediator between greenwashing and revisit intention ( $\beta = 0.096$ ,  $p < .017$ ). Thus hypothesis H<sub>3a</sub>: *Green image mediates the relationship between greenwashing and revisit intention was accepted*. Table 4.8 demonstrates corresponding p-value, t-value and confidence interval. Calculation of mediation through this approach has been supported by different researcher who argued that this method is superior to (Baron & KennY, 1986) traditional method (Zhao, Lynch Jr, & Chen, 2010).

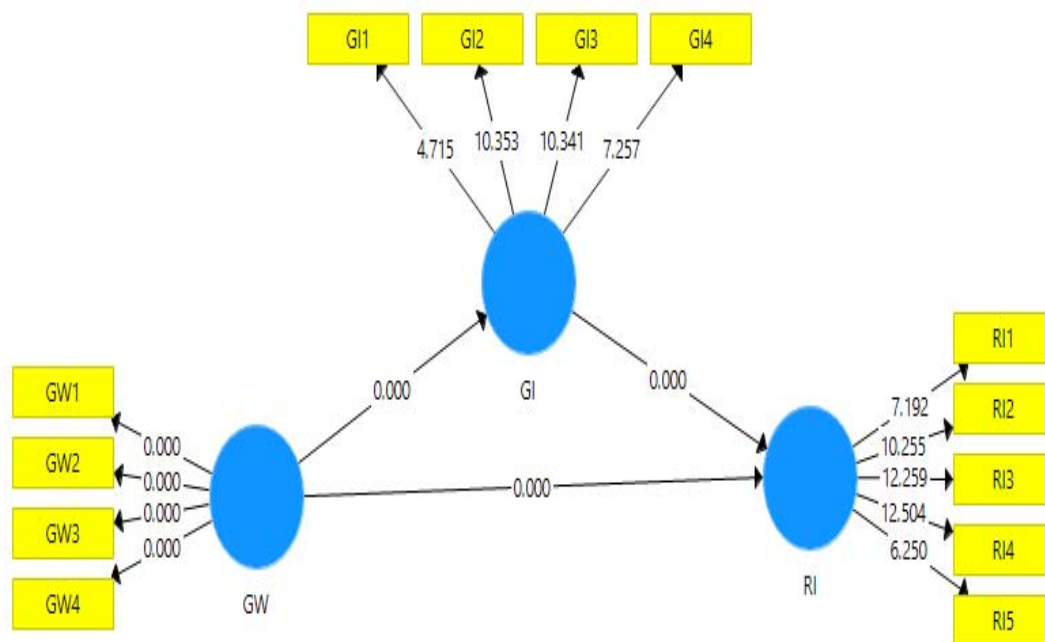


FIGURE 4.2: Mediating PLS-SEM diagram.

TABLE 4.8: Results on the mediating role of green image.

Hypothesis	Variable Bootstrapping Effect	Indirect Effect	t- value	95% CI-LL	95% CI-UL
H <sub>3a</sub>	GW→GI→RI	-0.096	2.390*	-0.171	-0.006

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

## 4.6 Moderating Analysis

### 4.6.1 Moderating Effect of Environmental Consciousness

Table 4.9 shows the result for moderation of consumer level of environmental consciousness. Consumer environmental consciousness exerts a moderating effect on the relationship of hotels' green image and consumers' revisit intention ( $H_4$ ), which was rejected. Path coefficient shows that environmental consciousness ( $\beta = 0.022$ ,  $p < .795$ ) has no moderating effect on the relationship between green image and revisit intention. Hence,  $H_{4a}$ : *Consumers' environmental consciousness moderates the positive relationship between green image and revisit intention, such that the relationship is weaker for consumers with low consciousness, was rejected.*

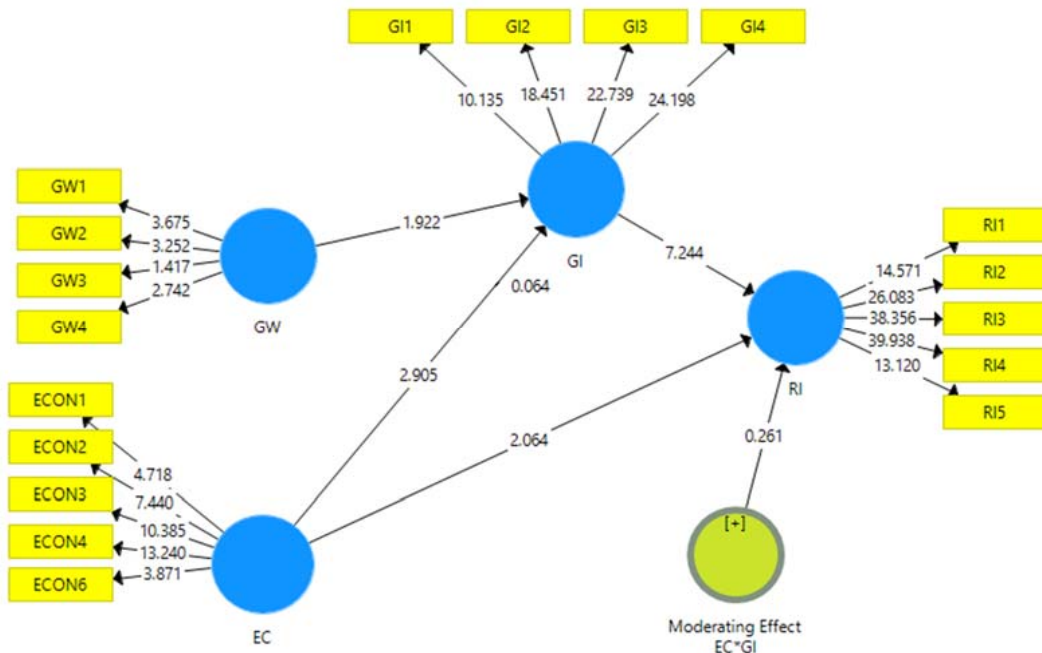


FIGURE 4.3: Moderating PLS-SEM diagram.

TABLE 4.9: Results on the moderating role of environmental consciousness.

Hypothesis	Relationship	Beta	t-value	p-value	$f^2$	95% CI-LL	95% CI-UL
$H_{4a}$	$GI \times EC \rightarrow RI$	0.022	0.259	0.795	0.162	-0.125	0.193

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

## 4.7 Summary of Accepted/Rejected Hypothesis

TABLE 4.10: Decision.

<b>Hypothesis</b>	<b>Statement</b>	<b>Decision</b>
<b>H<sub>1</sub></b>	Perceived hotel greenwashing negatively influences hotel consumers' green image.	<b>Accepted</b>
<b>H<sub>2</sub></b>	Customer environmental a consciousness has a direct positive effect on green image.	<b>Accepted</b>
<b>H<sub>3</sub></b>	Consumer's perception of hotels' green image has a positive effect on intention to revisit.	<b>Accepted</b>
<b>H<sub>3a</sub></b>	Green image mediates the relationship between greenwashing and revisit intention.	<b>Accepted</b>
<b>H<sub>4</sub></b>	Consumer environmental consciousness positively impacts their intention to revisit at previous hotel was supported.	<b>Accepted</b>
<b>H<sub>4a</sub></b>	Consumers' environmental consciousness moderates the positive relationship between green image and revisit intention, such that the relationship is weaker for consumers with low consciousness.	<b>Rejected</b>

# Chapter 5

## Discussion and Conclusion

To develop an integrated model of consumer greenwashing perception with its effect on hotels' green image and consumer behavioral intention was the main purpose of this study. Research questions were developed and tested according to the hypothesis in order to achieve the purpose of the study. Overall, hypotheses—H<sub>1</sub>, H<sub>2</sub>, H<sub>3</sub>, H<sub>3a</sub>, and H<sub>4c</sub> were in good support to research question and objective, whereas results of H<sub>4a</sub> were contrary to expectation. The following chapter discusses results in detail.

### 5.1 Discussion

The goal of this research was to examine the greenwashing effect on consumer intention to revisit. The primary purpose of this study was evaluating the relationship between greenwashing and green image. The focus of this study was to analyze consumer environmental consciousness level and green image and how further green image influences consumer intention to revisit the pervious hotel they stayed in. Furthermore, this study examines the role of consumer environmental consciousness level which is considered as moderator between green image and consumer intention to revisit. In addition to that, an analysis of this study was specifically in context of Pakistan.

Greenwashing and green image are two constructs that have been considerably investigated in terms of green practices, green trust and motivation but there is no study examining the impact of greenwashing on green image particularly in hospitality industry. The results of this study contributes to the existing literature of hospitality industry and as well as of green marketing by highlighting the linkage between greenwashing, consumer level of environmental consciousness and green image.

Wang et al. (2018) have discussed green image in S-O-R framework in relation to green trust and green satisfaction. This study makes a supplement to this theoretical discussion by considering greenwashing as an antecedent of green and examines the impact of greenwashing on consumer behavioral intention. Results of the study indicates that three hypothesis— $H_1$  (greenwashing and green image),  $H_2$  (environmental consciousness and green image), and  $H_3$  (mediating effect of green image between greenwashing and revisit intention) were accepted. Whereas, the moderating effect of environmental consciousness on the relationship of green image and revisit intention  $H_4$  was rejected.

Details discussion on each hypothesis is given as following.

### 5.1.1 Hypothesis 1

**Perceived hotel greenwashing negatively influences hotel consumers' green image.**

Result of the present study was in line with previous studies that greenwashing has a negative impact on hotels' green image. The first hypothesis ( $H_1$ ) of the study got strong support from the results calculated from the data gathered. Results showed that the impact of greenwashing was significant and negative on hotels' green image. Therefore, it was supported. Hence, first objective of research was achieved, which was to explore the relationship between greenwashing and green image.

According to, Y. S. Chen, Huang, Wang, and Ron (2018) argues that, greenwashing of hotels could negatively influence their green image. Decrease in greenwashing can not only satisfy consumers' environmental need but also enhances hotels image. This shows that finding of this study is inconsistent with the previous literature.

### 5.1.2 Hypothesis 2

**Customer environmental a consciousness has a direct positive effect on green image.**

This hypothesis has been accepted. The results show significant relationship between environmental consciousness of consumer and hotels' green image. Consumer level of environmental consciousness had a significantly positive effect on green image, that consumer with higher level of environmental consciousness tend to have positive image of hotel. As environmental level increases hotel green image increases. Results of this study have also confirmed the finding of the past literature. Martínez García de Leaniz et al. (2018) argues that, hotels green image helps consumer to develop trust on the hotel's green practices. Only a consumer with environmental consciousness can create a memory node of green image of a hotel in his/her mind, leading to improved hotel green image and behavioral formation. Thus, (H<sub>2</sub>) was confirmed. Results have also supported the achievement of research objective that were to analyze the relationship between consumer level of environmental consciousness and green image of hotel.

### 5.1.3 Hypothesis 3

**Consumer's perception of hotels' green image has a positive relationship with their intention to revisit.**

This hypothesis has been supported strongly by the results collected from the collected data. Results of hypothesis 3 shows that impact of green image on consumer revisit intention was significant and positive. present study results has

also confirmed the findings of the past studies that hotels greenwashing influences revisit intention of a customer through green image and green image has a positive influence on consumer revisit intention.

Additionally, previous researchers have similar kind of findings and results of present study are aligned with the findings of (Leaniz et al., 2017). According to (H. Chen et al., 2019a) consumer will have a clear incentive to return to previous destination if they have a positive image of hotel. Hence, H<sub>3</sub> was supported in light of literature. Furthermore, results have also supported the attainment of research objectives that were to analyze the mediating effect of green image between the relationship of greenwashing and consumer intention to revisit. Thus, this research objective was also achieved.

#### 5.1.4 Hypothesis 3a

**Green image mediates the relationship between greenwashing and revisit intention.**

The mediating effect of green image on the relationship between greenwashing and revisit intention (H3a) was confirmed. The result of this study is in line with previous findings. This in essence indicates that positive green image of hotel can reduce the effect of greenwashing on consumer behavior that is consumer revisit intention. Green image has proven to mediate consumer behavior in previous studies of (Leaniz et al., 2017) and (Y. S. Chen et al., 2018). However, results of this hypothesis also answer the research question developed that does green image mediates the relationship between greenwashing and revisit intention. Additionally, outcome of this present study achieved the objective of the research.

#### 5.1.5 Hypothesis 4

**Consumer environmental consciousness positively impacts their intention to revisit at previous hotel was supported.**

Hypothesis 4 was accepted. The results show significant relationship between environmental consciousness of consumer and revisit intention. Consumer level of



environmental consciousness had a significantly positive effect on consumer intention to revisit. Results of this study have also confirmed the finding of the past literature. Martínez García de Leaniz et al. (2018) argues that, environmental consciousness has affected consumer behavior intention in such way that consumer with higher level of environmental consciousness prefers to stay and revisit environmental friendly hotels. Thus, this hypothesis was confirmed. Results have also supported the achievement of research objective that were to analyze the relationship between consumer level of environmental consciousness and revisit intention of a consumer.

#### 5.1.6 Hypothesis 4a

**Consumers' environmental consciousness moderates the positive relationship between green image and revisit intention, such that the relationship is weaker for consumers with low consciousness.**

The moderating effect of environmental consciousness on the relationship of green image and revisit intention has not been supported by the results of this study. Environmental consciousness does not act as a moderator between the relationship of green image and consumer intention to revisit. Therefore, H<sub>4a</sub> was rejected. The result of this study is not aligned with previous research and is not in accordance with the theory. The literature has contradictory results on the moderating role of environmental consciousness. For instance, (Leaniz et al., 2017) found that environmental consciousness moderates the relationship between green trust and intentions. Contradictory to this, (Huang & Liu, 2017) found that the moderating effect of environmental consciousness on overall green image and satisfaction was insignificant. As, outcome of this study indicates that environment consciousness has no moderation effect on the relationship of green image and revisit intention, makes it aligned with the results of (Huang & Liu, 2017). However, results of this hypothesis also answer the research question developed that does environmental consciousness has moderating effect on the relationship of hotels' green image and consumer intention to revisit that hotel. Additionally, outcome of this present study achieved the objective of the research.

## **5.2 Theoretical Implication**

The aim of this study was to examine the effect of greenwashing on consumers' intention. Hence greenwashing, green image, intention to revisit and consumer level of environmental consciousness, were proposed and empirically tested in a framework. In addition to that some new linkages were investigated, making a theoretical contribution. For instance, mediating role of green image and moderating role of environmental consciousness was yet to be considered (H. Chen et al., 2019a). Thus, this study filled the gap in hospitality and expands the current literature of greenwashing.

## **5.3 Managerial Implication**

This study demonstrate green image as a powerful too with which hotel managers can develop favorable responses. Firstly, findings of this study will help hospitality managers, advertiser, marketers and publicists to design system to raise perception of green-related features of their hotel which will improve their green image enhancing consumer retention rate and it will also help them to avoid greenwashing. Along with that, environmental certification programs can become part of hotel's green image, simultaneously with traditional factors like price, location, service quality and infrastructure. For example, ecological certificate can be obtained from ministry of climate.

Secondly, hoteliers can get registered at Pakistan Environmental Protection Agency. Moreover they can get certificate for occupational Health & Safety Management System (OHSAS), Food Safety Management System (FSMS) Halaal Food Management System (PS), personnel certification, product certification, inspection services from Certification Services Pakistan (CESP) endorsed by Pakistan National Accreditation Council (PNAC). In addition to that many international organization offers third party environmental certificate such as Leadership in Energy and Environmental Design (LEED). Hotels' green image will improve when environmentally conscious consumer see their associated with environmental agencies, it

will create a strong relationship between them. Furthermore, this will help hotels' to create differential point of parity giving them competitive edge. Thus, hotels manager will able to achieve their ultimate goal of business supportability, particularly in Pakistan service and purchase market.

Thirdly, this examination has another suggestion for the hotel managers that they should promote environmental consciousness. Consumers with lower environmental consciousness are mostly uninformed about how non ecological hotels and other firms are negatively affecting their natural surroundings (A. Chen & Peng, 2012). In order to inform and educate guests' hotels can use green marketing strategies and develop different programs like conferences, seminars, tours, initiating contest or competition in order to encourage guests to get involved environmental activities.

Lastly, hotel manager can educate consumer about how they can minimize negative impacts by providing information through leaflets, brochures etc. these affords will motivate consumer to change their habit and act responsibility in their daily life which will eventually improve their environmental purchase decision.

## **5.4 Limitation**

There is couple of limitation in this focus, beside some speculative implications, which should be tended to in future examinations. First of all, this study is a cross-sectional study due to time constraint instead of opting longitudinal study that requires more time period along with resources we did cross-section research. Green image was measured only once although there always remains enough scope for change in the level of hotel image in front of consumers with different level of environmental consciousness and different time frame. Repeat observation would be required to test the effect of greenwashing on green image of a hotel.

Secondly, the data of this study was gathered just from some students' not household persons. Along with those actual customers staying at hotels weren't reached out. Therefore, the result lack generalization of data and limits the scope of the

study along with the implacability of study as regards to other major service sectors.

Thirdly, lack of cultural perspective and consumer' unwariness towards use of green products and services and over doing of green claims was another limitation of this study. Greenwashing occurs very commonly in different country but the effects of greenwashing are alarming dangers for developing countries like Pakistan, India, Malaysia, and most of the Asian developing countries. Uneven power distribution among the different institution, whether it production, service, or social organizations is main reason major effects greenwashing on these countries. Since greenwashing is westerner phenomenon and many customers and organization that greenwashing as a serious offence towards the public. Increase of greenwashing in developing country will not affect the image of hotels, or effects the natural surrounding but it'll also have negative impact on the overall image of Pakistan. This will repeal big global hotel chain to invest in Pakistan.

Fourthly, biggest constraint of this study was since in Pakistan there are very few green hotels, therefore it was hard to find actual green hotel customers. For that reason scenarios were adopted from (H. Chen et al., 2019a), for data collection. Lastly, time and resources was also a constraint in data collection due to which only customer from Rawalpindi and Islamabad were targeted.

## **5.5 Future Direction**

In current research, effect of greenwashing and environmental consciousness on hotels green image and revisit intention. In addition to, green image further effects consumer revisit intention has been studied. Additionally, current study environmental consciousness level of hotel guests and how it can affect the relation of hotel green image and guests intention to revisit. Future researches should emphasize to address other type of customer from other service industries such as restaurants and travel agencies.

Furthermore, future direction can be directed to other cities of Pakistan rather than Islamabad and Rawalpindi. Other cities like, Lahore, Karachi, Gwadar,

Peshawar, Gilgit etc. Moreover, this study was cross-sectional study longitudinal research can be performed in future. In which data should be collected from actual same respondent before and after their stay at a particular hotel. This will give better understanding about the constructs and the data will have more generalizability.

In addition to, examination in future can use different variables as a consumer intention for example, willingness to pay more. Future research can also compare customers of different segment to see if there is difference in their attitude and behavior towards greenwashing. Moreover, for better understanding environmental consciousness can be treated as a mediator between greenwashing and customers intention. Furthermore, other factors like internal (customer motives, values, attitudes, emotions or sense of responsibility) and external (economic, social or cultural aspects) could be used to increase the explanatory power of the proposed model.

## **5.6 Conclusion**

The research demonstrate the impact of green wash (GW) on intention to revisit (IR), with the mediating role of green image (GI) and moderating role of consumer environmental consciousness (EC). Greenwashing is most problematic not only for hotels image but also for customer trust on hotels services. The main objective of this research is to provide a foundation to the practitioners by studying current body of knowledge related to greenwashing, consumer environmental conscious level, hotels' green image and its effect on consumer intention to revisit. As a next step, hotels can utilize this study in order to find out and avoid greenwashing before it becomes a gigantic problem in term is decrease in customer retention rate, low profitability and fall in hotels' green image, which will cause both financial and reputational cost.

This study has significantly focused consumer intention based perspective within the boundary of the service industry and investigating the effect on greenwashing not only on hotels green image but also on consumer behavioral intention. Results

have revealed some light into which factors emphatically impact customers' intention, which isn't vastly covered in literature within the Pakistan setting. Findings would help publicist and experts to characterize systems to redesign their green marketing tactics in order to reduce greenwashing and improve hotels' image.

Findings of this study will help to achieve their objective to get high grounds and business stability, particularly in Pakistan's market. Results of this study indicates that green image act a mediator between greenwashing and consumer revisit intention but consumer level of environmental consciousness weakens the relationship between green image and consumer intention to revisit. This study can help hospitality managers and hotels' marketing professionals to improve their image and in enhancing their consumers' intention. Marketers should perform well to take advantage from the opportunity. This may help managers ensure not over doing the environmental claims and how to enhance their profitability and reputation in the market. Finally the main objective of every organization must strive to not only increase their profit but also to protect the environment they and everyone else lives in and if they won't work sincerely, there will be no consumer left to earn profit from.

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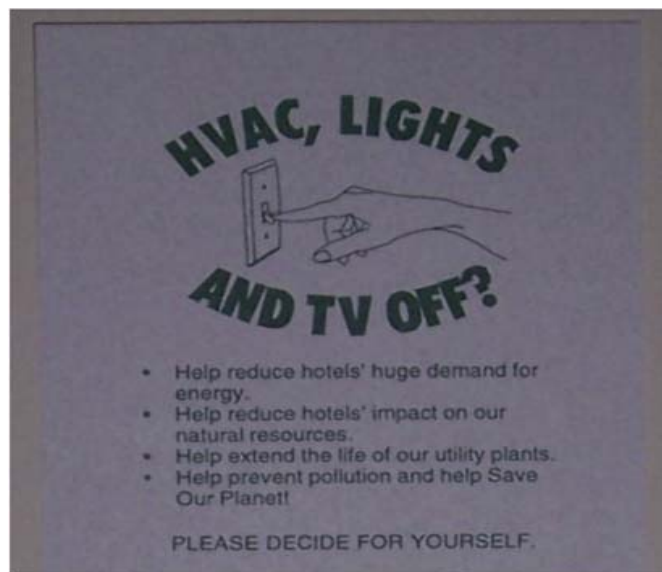
# Appendix A

Scenario 1 towel reuse program



# Appendix B

Scenario 2 energy saving sign



# Appendix C

## CAPITAL UNIVERSITY OF SCIENCE & TECHNOLOGY ISLAMABAD

Department of Management Sciences

### Questionnaire

**Respected Participant,**

I am a research degree student, at Capital University of Science & Technology Islamabad. Currently, I am pursuing research on **“Influence of Greenwashing, Environmental Consciousness on Green Trust, Green Image and Intention to Revisit, Negative Word-of-Mouth and Intention to Participate by considering Green Trust as a Mediating and Environmental Consciousness as Moderating Construct”**. This research is important for tourist to enhance their social commerce experience. Therefore, your participation is important in this survey. This survey takes approximately 08-10 minutes. All information provided will remain confidential and will be used only for research purpose. Please choose the most appropriate option which defines you best. I am thankful to you for your time and participation.

**Regards,**

**Nighat Abrar,**

**MS Student, CUST**

**Before starting survey we would like to give you a little background about what greenwashing and green hotels are:**

**Greenwashing:** The term “greenwashing” originated in “whitewashing”, which means to cover up, mask and camouflage. According to researchers hotels were doing greenwashing by directing consumers to reuse towels for the sake of the environment; however, in reality, they do not care about the environment but to gain profit.

**Green hotels:** An eco hotel, or a green hotel, is an environmentally sustainable hotel or accommodation that has made important environmental improvements to its structure in order to minimize its impact on the natural environment.

**Sign given below are two real-life sign used in hotels, i.e. hotel reuse programs and energy saving problems. Look at the signs and answer the following questions below.**

**Section 1: (Demographics)**

**On the answer key, please do not fill out any personal information (e.g. name, id number)**

1. **Gender:** ( ) Male ( ) Female
2. **Age:** ( ) Below 25 ( ) 26-35 ( ) 36-45 ( ) 46-55 ( ) 56 and above
3. **Education:** ( ) School ( ) College ( ) Bachelors ( ) Masters
4. **Did you stayed in a hotel before?**  
( ) Yes ( ) No



**Section 2: (Greenwashing)**

In the following section, evaluate your answer regarding what do you think about hotels' environmental claims, where;

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Questions	1	2	3	4
1. Hotels misleads with words in its environmental features.				
2. Hotels misleads with visual or graphics in its environmental features.				
3. Hotels has a green claim that is vague or seemingly unprovable.				
4. Hotels overstate or exaggerate how its green functionality actually is.				
5. <i>Hotels leave out or masks important information, making the green claim sound better than it is.</i>				

**Note:** Item in italic was deleted.

**Section: 3 (Green Image)**

In the following section, evaluate what is kind of image they hold about last hotel they stayed in, where;

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Questions	1	2	3	4	5
1. Environmentally certified hotels behave in a socially responsible way.					
2. I think that environmentally certified hotels are responsible regarding environmental issues.					
3. I believe that environmentally certified hotels are concerned about environmental conservation.					
4. I think that environmentally certified hotels not only care about generating profits but also about the environment and consumers.					

**Section: 4 (Revisit Intention)**

In the following section, evaluate the degree of intention that you'll revisit hotel last time you stayed in, where;

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Questions	1	2	3	4	5
1. Next time I shall need to stay in this area, I intend to stay at this hotel.					
2. I am willing to stay at this hotel when traveling.					
3. I intend to continue to be a customer of this hotel in the future.					
4. I plan to stay at this hotel when traveling.					
5. I will make an effort to stay at this hotel when traveling.					

**Section 5: (Environmental Consciousness)**

In the following section, evaluate how much environmentally conscious are you, where;

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

Questions	1	2	3	4	5
1. I feel frustrated when I think of hotel companies that carry out their business activities by polluting the environment.					
2. When two hotel companies are similar, I tend to select the one that harms the environment less, even if it is more expensive.					
3. If the services provided by a hotel industry seriously damage the environment, I will refuse to purchase them.					
4. When choosing a hotel company, I always select the one with environmental certification, even if it is more expensive.					

Questions	1	2	3	4	5
5. <i>I regularly recycle at home.</i>					
6. I often purchase products that use less paper or cardboard for packaging.					
7. <i>I am conscious about the actions I can take to improve the environment.</i>					
8. <i>I am usually informed about environmental issues.</i>					

**Note:** Items in italic were deleted.