

Exploring Sri Lankan Consumer Attitudinal Support on Buying Eco Labeled Brands: A Study of Sri Lankan Eco Labeled Hotel Sector

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ABSTRACT

Marketers in the modern market place are trying to create and deliver value to their customers greater than their competitors in the dynamic market place, aiming survival and growth. Other than the pressure from traditional environmental variables, today, the green issues have received a greater deal of importance in every industry. Through the understanding of Sri Lankan consumers about eco labeling is in the stage of infancy, pressure from ethical, social, and political arguments in taking actions on environmental issues are more persuasive and widely accepted by every stakeholder party.

Hoteliers in Sri Lanka are also taking various initiatives for the sake of environment aiming economic development and differentiated image creation on the mind set of consumers; in this endeavor eco labels are commonly used. Researcher in this study conducted a preliminary survey to understand the nature of demand in relation to the eco labels in the hotel industry and investigation itself confirmed that there exists a significant demand of domestic customers. But the reason why they make the purchase decision to stay in an eco-labeled hotel created a knowledge gap. In solving the knowledge gap in this context the theory of reasoned action was used.

A quantitative research using 260 conveniently selected domestic sample respondents in Sri Lanka based on positivistic paradigm has been used for the research. Factor analysis, reliability analysis, validity test and multiple linear regression analysis have been used as the main analysis tools of the study.

Results indicated that the attitude towards the general environment greatly influenced the domestic customers for ecological consumption behavior since it explains itself more than 63% of the variability of green purchase behavior. Further, attitude towards hotel environment, pressure from family were positively influenced while pressure from peers was negatively influenced towards green purchase behavior. Findings of this research develop the understanding on sensitivity and behavior of individuals on ecological purchase intention of green consumerism in a collectivistic culture.

Keywords: Ecolabels, green consumerism, ecological consumption behavior, attitude towards general environment

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I. INTRODUCTION:

Environment protection and global warming is considered a world crisis and most countries are trying to find a permanent solution to this massive problem; many countries are coming up with

various solutions; the concept of eco labeling is a unique and a systematic solution to save the environment. The Eco label is a label that is produced to encourage businesses to market products and services that are kinder to the environment; extended pre-production; production, operation and post consumption of products and disposal; instead as entire life cycle base (Palevich, 2012).some examples for eco label products are cleaning products, appliances, paper products, textiles, garden products, lubricants and services such as tourist accommodation.

It is very important that people have a positive attitude towards eco label brands to create a clean environment in the future. The concept of eco label is related to green products; in turn it relates to sustainable manufacturing of products; which labeled as environment friendly products, and/or planet friendly technologies and practices (Palevich, 2012).

II. DEVELOPMENT OF ECO LABELS IN ASIA

Concern over the environmental protection has reached to a golden gate during the last decades of twentieth century; which the environmental concern became a significant social issue (Follows & Jobber, 2000).Further as per Johri & Sahasakmontri (1998) historical evidences provide insights as citizens in Asian societies are increasingly becoming conscious of alarming environmental problems (After Tsunami most of Sri Lankan's eyes also were opened towards environment problems and effects of improper environment behavior) and further to them, governmental policies and business strategies in many Asian countries are being reshaped to give more consideration to long-term sustainable developments including environment protection; 2018 Sri Lanka government budget is called as green budget. Although it is not very clear that the environmental disasters and threats directed consumers for green behavior, it would be indirectly influenced or made a hypothetical world to think about green behavior. So introduction of new regulations, passing of new laws and forming new authorities in protecting environment could be seen in this regards. As a result, consumers in Asian countries also increasingly preferred in adopting green products. As sited by Maniatis (2015) in India, as a result of the government and consumer pressure environmentalism just started. So, companies are bringing their products with green claims in anticipation that consumer will adopt it as it will fulfil both personal and environmental benefits. Indian companies have though the consciousness of reducing environmental issues do have a long history (Jain & Kaur, 2004) rapidly incorporating environmental friendly management practices as well as reveling information are more significant nowadays (Chaklader& Gulati, 2015).Further, consumers behavioral patterns of young Asian consumers are also have changed significantly. Li and Su (2007) highlight that fast-growing

economies in Asia have led to a vigorous rise of financially empowered consumers across Asia are willing to spend more than previous generations in eco labels.

As per the government effort, Sri Lanka's tourism industry has been expected to attract 2.5 million tourists from the year 2016 onwards. In this process the estimates disclose the lodging capacity to be increased from 6000 rooms to 20000 with other infrastructure developments (Sri Lanka Tourism Development Authority, 2016). In this endeavor slight movement towards eco labeling in branding and service packaging is also expected. Through eco labeling tourism industry would be able to generate a competitive edge over traditional weapons and in return lot of money would be breaded. Further, it is expected to generate a larger portion of the foreign exchange contribution to the GNP in near future through tourism industry and in which marketing of Sri Lanka tourism based on eco labeling would be more important in reaching the expected objectives.

However, a pilot survey proved that in domestic tourism industry a growing consumer base and a demand exists for green hotels, though there are some conceptual mismatches available in the service delivery process with high prices. But more importantly, it is not clear that the growing demand and customer base would result from attitude of preserving environment through their purchase decision or subjective norms push customers to make this green purchase decision. Therefore the aim of the study is to determine whether the green decision making behavior of customers of eco labeled hotels in Sri Lankan hotel industry is caused by the attitude of the customer towards preserving the environment or subjective norms of customers caused for the green decision making behaviour.

III. LITERATURE REVIEW

As a result of the burning environmental issues increasingly faced by humans in the world, green labels, green products and green manufacturing were appeared. Srivastava (2007) disclose that green manufacturing was initially came in to the practice and then green procurement and now it expanded to the entire marketing value chains; in which green practices have benefited consumers (Azevedo et al., 2011). With rapid globalisation the environmental issues are seen to be one of the most important topics to be discussed. It has been found that environment pollution through air emission, sewage, land contamination, water pollution in rivers and sea, has several negative impacts on humans and animals. "It is expected that by the next generation about 90% of the world's additional people will live in towns, pace of urbanization poses huge environmental challenges for the cities such as the problems of sanitation, clean water, energy and pollution from industry" (Senaweera, 2005).

Literature revealed that antecedents of environmental friendly behaviours (Busse& Menzel, 2014); pro environment behavior (Kumar et al., 2013); green buying behavior (Punyatoya, 2014); environmental consciousness (Thøgersen et al. 2012) value consciousness and creative reuse (Haws et al. 2013). Further as per (Gatersleben (2004) marketing strategy of green products need to be designed to match with actual consumer consumption pattern and products are also designed accordingly.

Though there can find evidences for understanding the green purchase behaviors of the consumers in the market place; still a gap is existing in understanding the psychological impacts for such behaviours such as attitudes, social pressure etc.

IV. HYPOTHESIS DEVELOPMENT

The theory of reasoned action consists two independent influential factors, which are attitude and subjective norm, jointly predict person's behavior. Further, Fishbein and Ajzen suggested that intentions to engage in acts are usually predicts by the mix of those factors which are attitude toward behaviour and subjective norms (Ajzen& Fishbein, 1980). In this explanation it is hypothesizes that individual behavior is guided by behavioral intentions. Behavioural intentions further are a function of an individual's attitude toward the behaviour and subjective norms surrounding the performance of the behavior. The researcher in this study the theory of reasoned action will be used as a basis for assessing the reason way Sri Lankan consumers get a decision to stay in an ecolabeled hotel for logging. Basic model of analyzing the hypothesis in relation to behavioral intention of the customers would be developed as below.

H₀: Attitude towards environment and Subjective Norms do not have any impact on Green purchase behavior in Hotel industry.

according to Sun (2009) "attitudes toward a behavior (social versus personal) and subjective norms may vary cross-culturally while the process by which behavior is engaged can remain the same". In tourism, it has been argued repeatedly that there is a link between environmental attitudes and behaviour. A positive attitude towards protecting environment guide to a behaviour which would result friendly outcomes in preserving environment. In fact that consumer purchase decision becomes a green or eco friendly. Further it discloses that most previous studies on ecolabels were focused on understanding tourists' attitudes rather than their actual behaviour. It is possible to assume that consumers who do have a more favorable attitude towards environment will greatly consider environment protection through their purchase decision. This leads to the following hypothesis:

- H_{1a}: Coefficient of attitude towards general environment (ATTIGEN) is significantly different from Zero ($\beta_1 \neq 0$).
- H_{1b}: Coefficient of hotel environment (ATTIHO) is significantly different from zero ($\beta_2 \neq 0$).

In contrast to attitudes toward a behavior, subjective norms are also a function of normative beliefs about the social expectations of significant others and an individual's motivation to comply with those significant others. Further, according to Miniard & Cohen, (1981) (as cited by Sun, 2008) individual characteristics for which subjective norms are more important than attitudes toward a behavior.

H_{1c}: Coefficient of family pressure on selecting eco labeled hotel to stay is significantly different from zero ($\beta_4 \neq 0$).

- H_{1d}: Coefficient of friends pressure on selecting eco labeled hotel to stay is significantly different from zero ($\beta_3 \neq 0$).

The decision criteria for the hypothesis is as follows (assuming 05% significance level)

$$\text{p- Value} \begin{cases} < 0.05 \text{ } H_0 \text{ is rejected} \\ > 0.05 \text{ } H_0 \text{ is accepted} \end{cases}$$

V. METHODOLOGY

In this research the assumption of Saunders et. al. (2005) would be followed; “the researcher is independent of and neither affects nor is affected by the subject of the research” the research is conducted using positivistic paradigm; which objectivistic approach would be more realistic.

The researcher in this research adopts scientific method in creating new knowledge on factors effecting in selecting eco labeled hotel in Sri Lanka.

VI. DATA COLLECTION

Structured questionnaire is the main data collection instrument in this research.

Questionnaire were distributed among conveniently selected 260 respondents who stayed at ISO 14001 certified hotels in Sri Lanka. Questionnaire carries multiple-item scale using seven point Likert-type response format (1- strongly disagree to 7 – strongly agree) including “slightly disagree” (3) and “slightly agree” (5) was used. As Sekaran and Bougie (2010) suggested, reliability analysis was conducted to purify and confirm the internal consistency mean while factor analysis was used for further purification.

VII. DATA ANALYSIS; CORRELATION ANALYSIS

The main objective of the study is to examine the process by which Sri Lankan customers search for eco labeled hotels for their lodging. Correlation analysis is the primary analytical tool used to determine the degree of linear relationship that exists between above variables.

Table VII.1 Correlations Metrix of exogenous variables

	<i>ATTIHO</i>	<i>ATTIGEN</i>	<i>RPFRI</i>
<i>ATTIGEN</i>	0.655 0.002		
<i>RPFRI</i>	-0.171 0.471	-0.180 0.448	
<i>FPFML</i>	-0.334 0.150	-0.027 0.911	0.792 0.000

The reported results of the above table indicate that the correlation among these exogenous variables are not momentous at 95% confidence level since, calculated p-values are higher than 0.05. this confirm the assumption of exogenous variables.

Multiple Linear Regression analysis

Multiple linear regression analysis is used to analysis whole set of data in return it will give the relationship between independent and dependent variables. More importantly, purpose of using regression analysis is to

arrive at a model that discuss the variability of the dependent variable (green purchase intention) through the independent variables (attitude towards hotel environment, attitude towards hotel environment, social pressure

from friends and social pressure from family).further this analysis tool explains the behavior of dependent variable using more than one variable simultaneously. In this

research following step wise regression model was used;

$$GPB = \beta_0 + \beta_1 ATTIGEN + \beta_2 ATTIHO + \beta_3 SPFRIE + \beta_4 SPFMLY + e$$

Where, GPB = Green purchase behavior, ATTIGEN = Attitude towards general environment, ATTIHO = Attitude towards hotel environment, SPFRIE = Reference persons influence – friends, SPFMLY = Reference persons influence – family, e = Error term,

β_0 = Coefficient of constant, β_1 = Coefficient of attitude towards general environment, β_2 = Coefficient of attitude towards hotel environment, β_3 = Coefficient of social/reference person influence – Friends, β_4 = Coefficient of social/reference person influence – Family

Table VII.2 Stepwise Regression Analysis.

Step	Variables	Coefficients	R2	t-value	p-value
1	(Constant)	1.321*	.638	6.495	.000
	ATTIGEN	.784*		21.313	.000
2	(Constant)	1.970*	.658	7.653	.000
	ATTIGEN	.765*		21.184	.000
	RPFRI	-.129*		-3.942	.000
3	(Constant)	1.615*	.671	5.836	.000
	ATTIGEN	.741*		20.440	.000
	RPFRI	-.124*		-3.877	.000
	RPFMLY	.103*		3.176	.002
4	(Constant)	1.585*	.677	5.762	.000
	ATTIGEN	.7008		17.142	.000
	RPFRI	-.151*		-4.416	.000
	RPFMLY	.111*		3.436	.001
	ATTIHO	.082*		2.137	.034

Note: * denotes statistical significance at 5% level.

According to the above table it is apparent that there are three steps in the regression model indicating that all four exogenous variable have been embodied to the final model. According to the stepwise procedure the most important/correlated variable with the dependent variable is Attitude towards general environment (ATTIGEN, H_{1a}). When include this variable to the model, can get the model as $GPB = 1.321 + 0.784 \text{ ATTIGEN} +$, The R^2 value is 64%, implying that variable ATTIGEN explains 64% of the total variability of the dependent variable.

The second most important/correlated variable with the dependent variable where the ATTIGEN is already in the model is Reference person's influence - friends (RPFRI, H_{1d}). When include this

variable to the current model, can get the model as $GPB = 1.97 + 0.765 \text{ ATTIGEN} - 0.129 \text{ RPFRI}$, The R^2 value is 66% null hypotheses should be rejected.

The third most important/correlated variable with the dependent variable where the ATIGEN and RPFRI is already in the model is Reference persons influence – family (RPFMLY, H_{1c}) and the new model will be $GPB = 1.615 + 0.741 \text{ ATTIGEN} - 0.124 \text{ RPFRI} + 1.03 \text{ RPFMLY}$. The R^2 value is 67%, implying that variable ATTIGEN, RPFRI and RPFMLY collectively explains 67% of the total variability of the dependent variable.

The last most important/correlated variable with the dependent variable where the ATIGEN, RPFRI and RPFMLY is already in the model is Attitude Towards Hotel Environment (ATTIHO, H_{1b}) and can get the new model as $GPB = 1.585 + 0.700 \text{ ATTIGEN} - 0.151 \text{ RPFRI} + 0.111 \text{ RPFMLY} + 0.082 \text{ ATTIHO}$. The R^2 value is 68%, and the null hypotheses should be rejected. These decision was beads on 5% significant level and p-values are less than 0.05.

Therefore the best regression model developed through the stepwise multiple linear regressions analysis to explain Green Purchase Behavior (GPB) is;

$$GPB = 1.59 + 0.70 \text{ ATTIGEN} - 0.15 \text{ SPFRIE} + 0.11 \text{ SPFMLY} + 0.08 \text{ ATTIHO} + e_i$$

All the regression coefficients (β_i) except Reference persons influence – friends (SPFRIE) are positively correlated with GPB. That means the independent variables, ATTIHO, SPFMLY and ATTIHO leads to increase the Green Purchase Behavior as they increases and vice versa. Reference persons influence – friends (SPFRIE) is negatively correlated with GPB. That means as SPFRIE increases, Green Purchase Behavior goes down and vice versa.

VIII. CONCLUSION

According to the results of regression analysis it is clear that the first and most important factor in selecting eco labeled hotel is attitude towards general environment. Respondents which were selected for the research were more concern in making a contribution in protecting general environment and promoting an environmental goal. As to the responses given by the respondents, the second most influential factor for selecting an eco labeled hotel destiny to stay was based on family influence. With the purpose of promoting an environmental goal through their purchase decision family members influence to confirm the green behavior of domestic respondents.

Friends influence on green purchase behavior makes a contradictory view on the theory.

It carried a negative relationship with green purchasing behaviour. That is to say, the more serious the pressure of friends, the less likely they were to take the decision to select an eco labeled hotel to stay. Attitude towards hotel environment was the least important factor in affecting consumers' green purchasing decisions. The evaluation of the service of the service provider with the

atmosphere of the hotel does not impact prior to the purchase decision as other factors in selecting a lodging establishment.

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