Exploring the Impact of Consumer Perception on Travel Expenditure in the Context of Eco-Tourism

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Abstract

The concept of green tourism is not very old. The core idea is about preserving natural energy resources and conserving the environment and topography while exploring any region or destination. The growth of travel industry is directly related to the consumer's idea and ability of spending on travel and leisure. The aim of this paper is to study the tourists buying behavior towards the products and services related to green tourism. In this regard, The Theory of Reasoned Action (TRA) and The Theory of Planned Behavior (TPB) were critically evaluated to understand the consumer's buying behavior. The role and impact of experience value (EV) and experience knowledge (EK) in relation to the purchase intention(PI) towards the sustainable tourism packages were also explored. A survey was conducted with the regular travelers to gather their opinions regarding the factors, which effects their expenditure decisions in context with environmental friendly tourism. The result shows the positive relation between environmental knowledge and buying intention in context of sustainability. It also sheds light on the importance of raising awareness regarding pro-environmental behavior.

Exploring the Impact of Consumer Perception on Travel Expenditure in the Context of Eco-Tourism

Our world is blessed with a spectacular nature which includes breathtaking landscapes, shimmering rivers, magnificent mountains, lush green lands, deep blue oceans, dense forests, vast variety of enchanting flowers, unique wildlife, flora and fauna. All these elements have an integral role in creating the environment which is essential for the well-being and existence of all the living things. Several movements were initiated in order to protect the environment and surrounding. However sustainable tourism or eco-friendly tourism are the few terms which are making waves in the travel industry recently. (Streimikiene, Svagzdiene, Jasinskas, and Simanavicius,2020) explains the significance of sustainable development in the tourism industry. With the increasing technological advancements and globalization in every sector, it is important for companies and stakeholder to work jointly in order to promote green tourism and achieving maximum benefits for the environment and society.

Travel industry is linked with various other hospitality industries. Ongoing tourism trends and traveler's general beliefs, values, interests and knowledge plays a vital role in establishing the travel culture.

In this paper we will **"Explore the impact of consumer perceptions on travel expenditure in the context of eco-tourism".** As discussed earlier customer's buying preference is directly related to progress of travel business. Research reveals that the consumers who are more mindful about the environmental safety and possess knowledge about eco-friendly tourism are most likely to purchase sustainable products and services particularly the green hotels. Tourists with positive environmental attitude

are more responsible and willing to make eco-friendly purchases (Noor and Kumar,2014).

This paper explores the traveler's idea regarding the likelihood of their spending outlays, particularly on sustainable tourism. The area of research comprises some basic questions, firstly are the majority of consumers aware about the notion of eco-friendly tourism? Their approach towards it? How it effects their travel expenditure decisions? And most importantly are they willing to adopt the green tourism culture and willing to pay premium price for these services? Opinions were gathered through the survey from the people who travels regularly. Subsequently data analysis and results are presented below.

Literature Review

Before analyzing the consumer's approach towards spending on sustainable travel services and products, it is crucial to understand the general pro-environmental behavior. (Han,2021) studied deeply regarding the patron's behavior related to the environment. It has discussed The Theory of Reasoned Action (TRA) and The Theory of Planned Behavior (TPB), to predict the tourist's perception on the subject of environmental behavior. These tools are widely used to understand social psychology and human behavior of individuals related to the environmental issues. It also describes how social norms, value system, social pressure and other factors shape the person's attitude and thought process towards environmental concerns.

However, the fact cannot be denied that despite of being contributing these theories lacks larger perspective that develops environmental behavior. Various other factor such as personal traits, feelings, lifestyle, social setup and economic stability impacts greatly in establishing an individual's conduct and actions in relation with the environment. Due to this there is a chance that the actual behaviors may differ from the assumed manner. Overall the importance of these theories cannot be denied. The structure is comprehensive enough to give insights about the basic pro-environmental behavior.

Similarly, a research conducted by (Laaroussi, Rjoub, and Wong, 2020) sheds light on tourist's inclination towards green tourism. It provides some beneficial knowledge to the researchers about the predisposition of international tourists towards the responsible tourism. Their tendency to make sustainable choices while travelling and acuity regarding conscious tourism, but it could be more comprehensive if detailed insights were included regarding the challenges faced by hotel managements and other stakeholders, in order to implement the green tourism culture and ways to meet the growing demand for eco-friendly tourism. Solutions should also be provided along with the suggestions to overcome the challenges. It also emphasizes on educating the consumer about the cautious tourism and protecting nature and energy resources for the better outcomes. The more aware the tourists are about the sustainability and its benefits, the more responsibly they will behave and more actively they will take part in promoting and practicing environmental friendly tourism.

The study conducted by (Ayad, Eshaer, Moustafa, and Azazz,2021) focuses on the importance and effect of green brand knowledge, explaining how greatly it influences the consumer's decision to buy green products and sustainable tourism services. It is necessary to shape consumer's inclination and attitude towards green buying. Creating awareness regarding eco-friendly experiences is the key element. Knowledge from the authentic sources has a significant impact on the tourist's purchasing behavior. Not only this but it also helps local service providers in understanding the preferences and demands of consumers regarding environmental friendly offering and services. In this way they can not only outshine their competitors but also take part in the progress and development of sustainable destination. The studies strongly encourage the policymakers in Egypt to incorporate sustainable tourism practices for the industry growth. However, there are certain areas which were not addressed properly. The research appears to be more generic and there could be multiple other factors that impacts the consumer's idea of spending in relation with sustainability. Elements such as personal preferences, lifestyle, social setup and financial situation should also be taken into consideration. Incorporating more structured methods for the authenticity of results is also suggested.

(Ma, He and Gu,2021) discusses the role of sustainable suppliers and travel agencies in establishing green purchase behavior. Level of greenness offered, positive tourism experience and affordability of products/services influence customer's buying decision.

(Zhang and Chan,2021) in their paper explains, how purchase intention(PI) of green products is directly linked to experience value (EV) and experience knowledge (EK). According to the research, consumers are ready to pay premium for sustainable environment and products, if they have a clear view and better understanding about the advantages. This clearly is a call for service providers to initiate and develop eco-friendly accommodation, leisure, activity and other services worth the money, as most of the times customers are willing to pay for the green experience if it offers value. It also sheds light on the importance of creating awareness about the green tourism as it links directly with the consumer's attitude. Government and stakeholders should adopt better marketing strategies to introduce the concept of environmental friendly tourism among the masses, where long-term potential benefits should be discussed.

Method

To obtain the data for research, survey method was used. An online survey form containing questionnaires was circulated through various chat groups and social media platforms. Survey was developed on google forms. Questions were thoughtfully designed, based on theories discussed in the literature review above, assessing consumer's understanding regarding green tourism and preferences towards buying the sustainable services and products. Majority of the respondents were based in Karachi, Pakistan. Hailing from different backgrounds, all of them had one thing in common and that was there interest in travelling. Most of them were young and middle aged travelers, and well aware about the concept of environmental friendly tourism. People participated in the survey were all well-educated and belonged to above average income group. Survey includes thirteen mandatory questions. Respondents were asked to select predefined options or rate within the given scale. Results are presented in the form of pie graph or bar chart.

Research Hypothesis

Based on the research topic and literature review, following statements were explored with the help of research survey.

Statement One

The consumer's knowledge about responsible tourism has a direct correlation with their attitude towards sustainable tourism.

Previous studies and pro-environmental tools clearly suggests that awareness regarding sustainable tourism has a direct impact on tourist's conduct and action. If people have an understanding about the environment safety, advantages of using energy resource efficiently and long term benefits of preserving the natural assets, it's obvious that they would act responsibly and opt for cautious tourism. Preconceived notion about green tourism impacts greatly in shaping person's beliefs and attitude about various aspects of sustainable tourism. (Kazeminia, Hultman and Mostaghel, 2016) states that the consumers with strong values, less materialistic nature and have a strong emotional connection with the environment are willing to pay extra(WTPP) for green tourism services.

Updating consumers about the green tourism and conducting awareness session is crucial and favorable in promoting eco-friendly tourism. After studying various aspects and conducting research we can conclude the following hypothesis.

Hypothesis 1 (H1)

The positive relationship between green tourism knowledge and consumer's pro-environmental behavior.

Statement Two

The consumer's purchase intention (PI) has a direct correlation with value and knowledge about green tourism.

The statement indicates that consumers who are more familiar with idea of environmental friendly tourism are more likely to buy green products. Here value plays the key role. The tourists who possess sound knowledge about green accommodation, organic products, conserving energy and reducing carbon footprint while travelling, have a high chance to make sustainable tourism choices. Raising awareness about sustainability increase inclination towards green purchases. Here the research clearly suggests the following hypothesis.

Hypothesis 2 (H2)

The positive relationship between green tourism knowledge and tourist's buying behavior.

Data Analysis

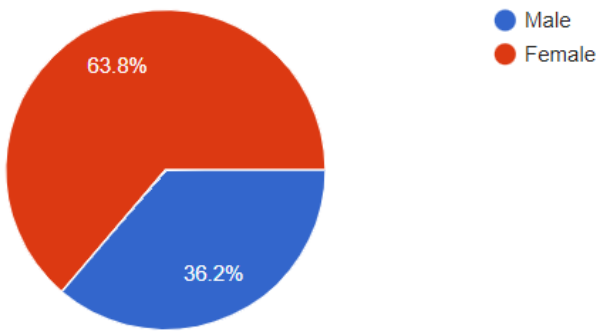
The aim of conducting survey research is to explore the consumer's perception about the green tourism. their values, beliefs, attitude and general overview towards environmental safety and conservation. The primary objective is to study tourist's concept about sustainable tourism. Its relationship and impact on their behavior and willingness to spend on green tourism.

This survey is designed to collect valuable opinion of the consumers regarding eco-friendly tourism, sustainable travel choices and preferences related to travel spending.

Gender

Figure one shows the gender of survey participants. Here majority are women around 63.8%, whereas male respondents are less which is 36.2% only.

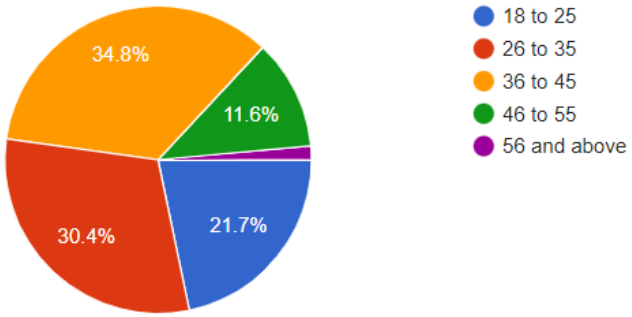
Figure 1.



Age

Age of the participants is mostly between 26 to 45, which suggests that the young and people below 50 are more aware about the concept of green tourism and willing to contribute for the research. figure two shows the detailed age group of the respondents.

Figure 2.

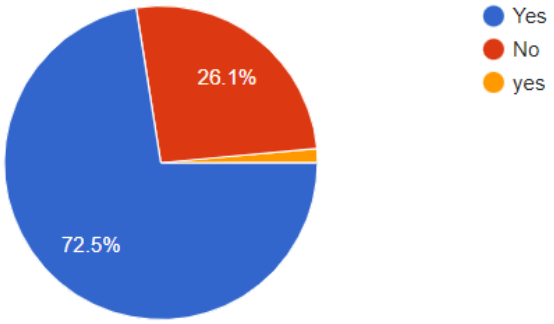


Awareness regarding green tourism

In figure three we can see that the majority of participants are well aware about the eco-friendly tourism. It was pleasure finding that the large number of people are

well informed about the principals of sustainable tourism. research findings show that 72.5% consumers have knowledge about it. 26.1% are oblivious, where as 1.4% are unsure.

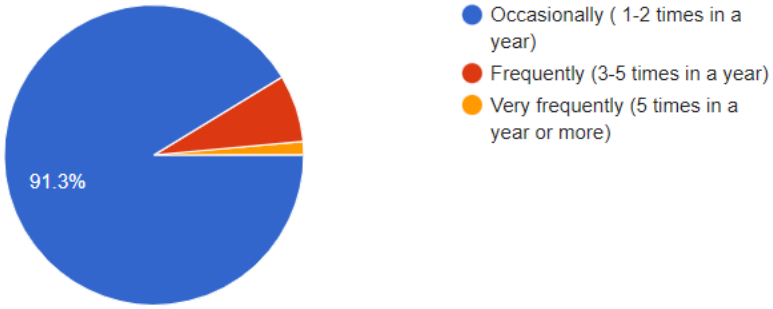
Figure 3.



Travel pattern

In figure four the respondent's yearly travel pattern was gathered. Large number of participants are occasional travelers, tends to travel one or two times in a year. As the graph shows 91.3% participants travels occasionally,7.2% frequently whereas only 1.4% are regular travelers.

Figure 4.

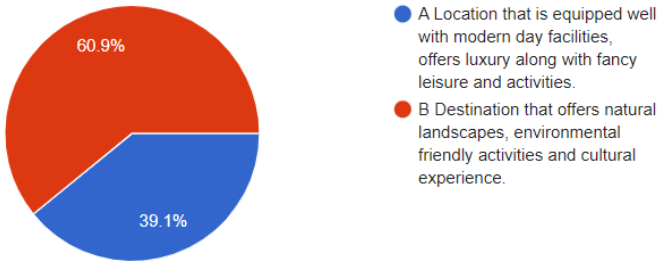


Green v/s regular destination

Figure five suggests that consumer's willingness to select a sustainable and environmental friendly destination for the holidays. It clearly shows that the

majority are inclined towards the destinations that offers sustainable activities and cultural experience in comparison with locations that are luxurious and fancy. 60.9% opt for green destinations whereas, 39.1% goes with the idea of comfort and grandeur.

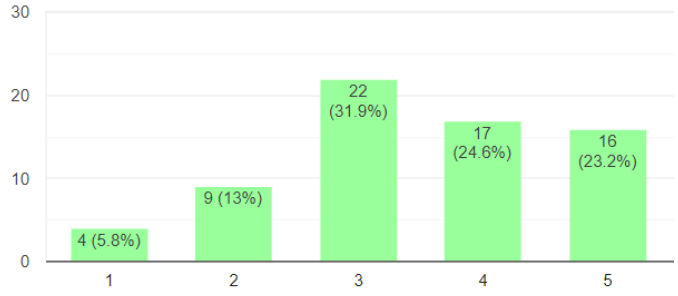
Figure 5.



Pro-environmental behavior

Above responses from the questionnaire establishes the fact that majority respondents have sound knowledge about the green tourism. With the figure six we can assess the impact of this knowledge on the tourist's behavior. Participants were asked to share the amount of effort they put in to protect the environment and responsibly using energy resources (water, electricity etc.) during the trip. They rate themselves on the scale of 1 to 5 (1 being lowest).

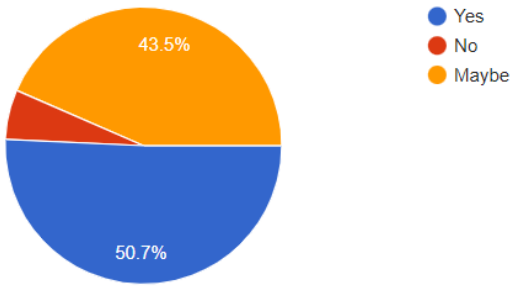
Figure 6.



Willingness to pay

In figure seven the graph shows the purchase intention of the consumers regarding sustainable tourism activities. Are they willing to pay extra amount for the sustainable and environmental friendly activities during the trip like hiking, river rafting and exploring ancient sites etc.? 50.7% agreed to pay premium but 43.5% refused. Remaining 5.8% were unsure.

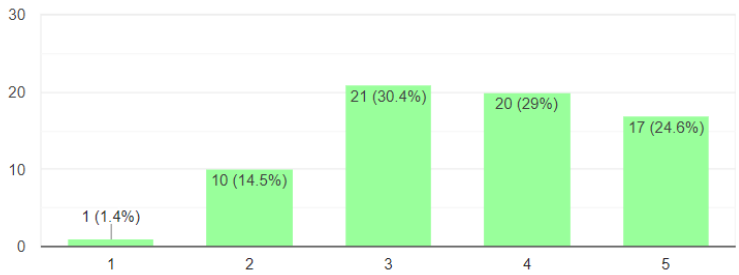
Figure 7.



Sustainable travel choices

Similarly, willingness to adopt green culture was explored more by asking respondents regarding their likeliness to pay extra for green accommodation and making sustainable choices such as walking by foot or picking local vendors for food and shopping during the trip. Participants rate themselves on the scale of 1 to 5 (1 being lowest).

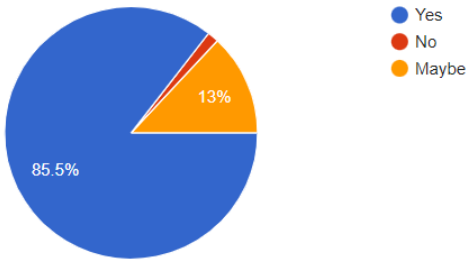
Figure 8.



Benefits for tourism industry

In figure nine the impact of green tourism on the growth of tourism industry was asked. 85.5% believes that the green tourism has the potential to generate good revenues and will be beneficial for the local communities.13% thinks otherwise.

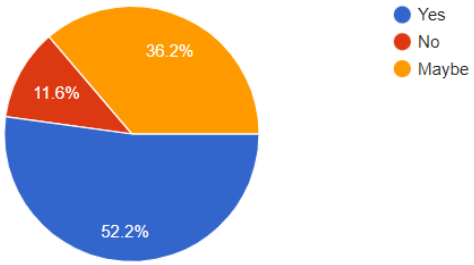
Figure 9.



Green purchasing

Again the buying behavior of tourists were explored by asking whether they would pay premium price to purchase authentic, organic and natural products during the trip. In figure ten ,52.2% showed willingness, 11.6% refused and 36.2% answered in may be.

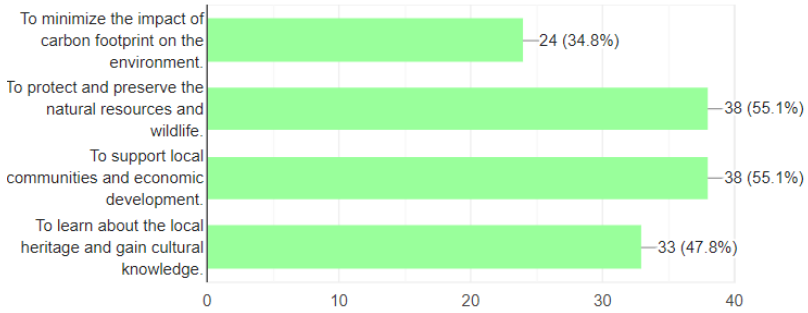
Figure 10.



Reasons for going green

Reasons for practicing eco-friendly tourism could be various. Figure eleven shows four primary options. Starting from the lowest, 34.8% choose sustainable tourism to reduce the impact of carbon foot print and save the environment.47.8 % shows their interest in learning more about local culture hence they are keen to explore green tourism. Supporting local communities, economic development along with preserving natural resources and wild life gathers 55.1% votes.

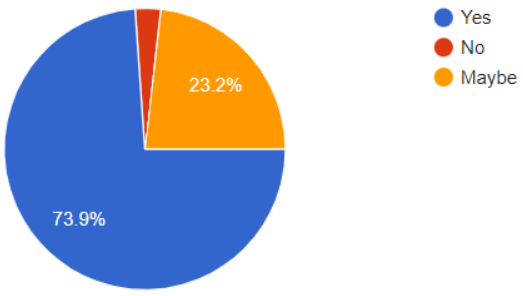
Figure 11.



Spending on green tourism

Finally figure twelve shows that majority of consumers believe that spending premium amount on sustainable tourism is a wise choice.

Figure 12.



Results

Above research investigates the influence of knowledge on the formation of tourist's attitude and behavior towards the green tourism and how it impacts their decision making in terms of sustainable purchases. The studies clearly indicate that information about preserving natural assets and energy resources while exploring any destination, plays a vital role in shaping consumer's behavior. Consumer who possess knowledge about responsible tourism tends to make sustainable choices during the trip. Majority of the participants are concern about minimizing wastage, carefully using resources and promoting local culture. They are keen to take part in economic development by adopting sustainability while travelling.

However, it is also evident in the graphs that many consumers are still unaware about the environmental cautious tourism and hence confuse about the green purchases and its benefits.

Conclusion

The primary focus of this paper is to study the consumer's buying behavior towards the environmental friendly tourism services and the products. In this regard The Theory of Reasoned Action (TRA) and The Theory of Planned Behavior (TPB) were explored in detail. The efficacy of these tools in determining the consumer's eco-friendly behavior was also discussed. From the research analysis and literature review of multiple studies, it is quite evident that the tourist's knowledge about the green tourism greatly reflects in their decisions regarding purchases. Experience knowledge (EK) and experience value(EV) has a significant impact on purchase intention (PI). (Han,2021) states that the pro-environmental purchase is a great way to support sustainable tourism. it is undoubtedly a major contributing factor in nature preservation and energy conservation.

The result shows the positive attitude of consumers in paying premium price for the better sustainable experience and value for money. However, there are very few studies available to understand the tourist's willingness to pay more

than regular for the eco-friendly tourism. Active involvement from stake holders related to travel and tourism industry such as transporters, tour operators, hotels and accommodation providers, is required to promote green tourism culture. They should work diligently to introduce offers and packages that attract tourists to adopt sustainability during the trip. Government departments, NGOs and private sectors working for the environment safety should work closely to make eco-friendly tourism a norm. Incentives should be provided to the service providers as well as to the tourists to increase green purchases.

It is also important to bridge the gap caused by lack of awareness regarding the advantages of sustainable tourism. Tourist's preference and behavior should be assessed thoroughly to formulate a better marketing strategies for green tourism services. (Font and McCabe,2017) emphasize on the importance of green tourism marketing. Various solutions were presented in order to achieve long term benefits. Significance of collaboration between active marketing and areas working for sustainable tourism was also highlighted.

Educating general public and stakeholders is crucial for the development of sustainability and longevity of the environment.

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