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Customers Income: Exploring Customers' Willingness to Pay Toward Green-rated Hotels

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Abstract

At present, environmental issues attract the attention of academics, business communities, and governments in Indonesia. It is considered to be one of the requirements for sustainable development. The research studied the impact of customers' belief, their reasonable objective, income, and the hotel's obligation on the customers' willingness to pay for the green-rated hotels. The selected green hotels in Surabaya, Indonesia, were J.W. Marriott, Sheraton, and Mercure. To test the proposed model empirically, personal surveys of hotel customers were conducted in Surabaya, Indonesia, using a structured questionnaire. A structural equations model was developed to test the research hypothesis. The findings show that customers' belief and hotels' obligation have a positive direct effect on the willingness to pay. But income and reasonable objective turn out to have a negative relationship to willingness to pay. At the same time, they reveal that customers' income become a moderating variable of belief and hotels' obligation to willingness to pay.

Keywords: green-rated hotels, willingness to pay, customers' income, customers' belief, hotels' obligation

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1. Introduction

Lately, environmental damage is one of the highlighted problems. At present, industrial environmental problems are being identified as important issues that companies must consider in (Barber, Kuo, Bishop, & Goodman, 2012). Concerns about the deterioration of environmental quality, reducing environmental impacts, and sustainable development have become the center of research attention among academics, practitioners, and even industrial entities (Biswas & Roy, 2016). Albayrak, Aksoy, and Caber (2013) revealed that over the years, concern for the environment is an interesting subject for academics and business practitioners. The University of Adelaide, Australia, already published the results of its research about environment of four countries. Brazil, United States, China and Indonesia are declared as the most contributing countries to environmental damage on earth. General knowledge of this environment, affects young consumers in the

decision-making process, awareness and acceptance of green products and services (Norazah, 2013)

The existence of consumer awareness about green products or services, causing industrial entities to realize that awareness by carrying the concept of green. The concept of green also affects the service industry such as hotels. Green hotel is a hotel that is oriented to nature and environmentally friendly as in the use of energy, water, and materials that do not exacerbate the impact on the earth and environment (Norazah & Norbayah, 2015). Hotel that already owned greenship (green) certification has standards and certifications that can strengthen consumer belief in receiving hotel services, and contribute to financial performance, by increasing management control, and reducing impacts toward environmental (Norazah & Norbayah, 2015). Certification also increases regulatory compliance, increases market share, increases the potential for premium pricing in market segments, increases efficiency and reputation (Chan, 2008).

Green hotels has high operational costs which has an impact on increasing price of services provided. High service price will affect the level of consumers' willingness to pay for these services. According to Norazah (2013), customers who has knowledge about green hotel realizes that the cost of staying in green hotels is expensive but they are willing to pay more for environmentally friendly products and services. Trivedi, Patel, & Savalia (2015) stated that researches which aimed to identify consumer behavior patterns in paying for green labeled products had been carried out for 2 decades. Kim and Han (2010) then recommended other researchers to expand the research on consumers' willingness to pay for green hotel services. Study by Chan and Wong (2006) revealed that there are many hotels that failed to apply this green concept, where the hotel is one of the major contributors that make quite large environmental damage such as energy consumption in hotels and waste disposal into the rivers. According to this study, there are 21 companies that do not do activities that are environmentally oriented, one of them is a hospitality business (Supriadi, November 21, 2015).

Environmental issues has become a major problem in Indonesia, especially in Surabaya. Surabaya itself is the second largest city and the second largest population after the capital city of Jakarta. The government began to be vigorous in carrying out actions that could overcome environmental problems. For example, cleaning rivers in Surabaya, making city parks, and managing trash bins in parks. The government itself wants to increase environmental awareness in the community and industrial entities, one of the ways that the Surabaya government did, is the establishment the city of Surabaya as an Eco City. Eco City has a concept in the form of a city that are green, clean and energy efficiency that is convenient for the community. The initial step in creating

this Eco City concept is the application of the green building concept for buildings in Surabaya. To trigger green building development, the Surabaya government awarded the Green Building Awareness Award for building creator who successfully applied the green building concept in Surabaya (Faqih, December 19, 2014). There are four categories of buildings for assessment of Green Building, namely malls, apartments, offices and hotels. Later there will only be three buildings from each category that will be given an award certification. After a long assessment, 12 buildings in Surabaya received Green Building certification. In the hotel category, Mercure Grand Mirama, JW Marriott Surabaya and Sheraton Surabaya received green hotel awards from the Surabaya government. Those three hotels met 14 assessment criteria set by the government, so those hotels are worthy of being given green building awards.

As a hotel that cares about the environment, JW Marriott and Sheraton Surabaya participated in the yearly Earth Hour event by turning off the lights in the hotel for 1 hour. Earth Hour is being expected to save energy or electricity. These savings are believed to minimize climate change due to environmental damage. On the other hand, Grand Mercure's concern for the environment is realized by organizing various environmental awareness programs such as the ecopreneur's environmental entrepreneurship program and the selection of the Prince and

Princess of the Environment. Through these two programs, the Grand Mercure invited the public to care more about the environment.

The concept of Green Building itself has not been too popular among the people of Indonesia, especially the people of Surabaya, therefore the Surabaya city government is campaigning on the concept of green in a large scale (FER, December 23, 2013). This is done to increase public awareness to the concept of green. Many people still do not know the definition and function of green building. Ignorance about this concept makes customer's perception to pay for green products or services different for each person. There are consumers who are not willing to pay, there are also consumers who are willing to pay even though they are not comfortable with the green concept (Tang & Lam, 2017). Norazah's (2015) found that knowledge about the green building influences consumers' staying behavior and consumers' intention to stay again at the hotel. The results of the research by Haanpää (2007) revealed that a person's income factor is not the cause of consumers' unwillingness to pay for a green concept product. Unawareness factors and ignorance of the green concept are the main factors that cause unwillingness to pay for green products (Wen & Hwang, 2018). In other words, the knowledge will change a person's behavior in making decisions even though the environmental awareness is no

less important. If consumers do not have awareness, they will not be motivated to pay for services that apply the concept of green

Based on the background and researches above, researchers want to examine the consumer's knowledge and awareness about the green concept, the concept of green building and the factors that influence customers desire to buy or pay for services that are labeled green. This study uses a sample in the form of a green hotel, because research on willingness-to-pay for green hotels is still few. Previous research more examined about consumers' willingness to pay for green labeled products, not about consumers' willingness to pay for green labeled services.

This study examines several factors that influence consumer decisions in paying for green labeled hotel services. Independent variables that are being used including income, reasonable and objective, belief. enterprise obligation, adopted by Wen and Hwang (2018). Based on these variables, this study was conducted to test whether consumers are willing to pay for services with the concept of green.

This article is divided into five parts. The first section discusses the background of this study, followed by literature review in section 2. Section 3 discusses research methodology and data analysis. The findings of this study are explained in section 4. Furthermore, the last section of this research will contain discussion and conclusion.

2. Literature Review

This research is based on the Triple Bottom Line (TBL) theory which contains an explanation of the willingness to pay consumers, and the sustainability of the company. The Triple Bottom Line (TBL) is a comprehensive approach to achieving business sustainability because it integrates reporting on environmental, social and financial issues (Assaf, Josiassen, & Cvelbar, 2012). According to Hammer and Pivo (2016) This concept is often referred to as 3Ps (People, Planet, Profit), triple value adding and blended value. TBL recommends that development must pay attention to environmental sustainability, maintain, and make opportunities for future generations and so on the next generation (World Commission on Environment and Development, 1987). In this study, the company's sustainability factor is the knowledge and trust of consumers towards the services provided by the green hotel. Consumers who have knowledge of the benefits of green services, willing to pay more. The results showed that the knowledge of the environment owned by consumers had a positive effect on the attitude of consumers to visit green hotels (Mamun, Fazal, Ahmad, Yaacob & Mohamad, 2018). Maichum, Parichatnon and Peng (2016) stated that lack of knowledge of the environment, can lead to behavioral gaps,

which results in a lack of intention to buy environmentally friendly products. As with Belief, when consumers believe in the benefits of the service, consumers will be more willing to pay for the service. Willingness to pay resulted from the level of consumer confidence. (Summers, 1970; Dawes, 1972; Henderson et al., 1987; Ajzen & Fishbein, 1980; Ajzen, 1991). Bandura (2006) stated that when consumers believe their actions will have a positive impact, then the consumer will be more willing to pay for the service. In addition, the results of Doran's research, Hanss & Larsen (2015) stated that consumer confidence can encourage others to participate in paying for the green service. In this study, the authors examine several factors that will influence consumer willingness to service from green hotels such as Consumer Belief, Reasonable and Objective, Enterprise Obligation, and Income.

2.1. Consumer belief

This factor included in the most important factors to influence willingness to pay for higher prices (Wen & Hwang, 2018). When consumers are sure of the benefits of the service, consumers will be willing to pay at any price. Moser's research results (2015) show that consumer confidence in green labeled services influences consumers' desire to buy. Following this logic, purchasing green labeled services is based on beliefs about the perceived personal, altruistic and or environmental benefits of green services and the positive consequences of purchasing. Lin and Huang (2012) state that consumers are willing to pay extra money to pay for green services if they believe and certain that the service is beneficial to them and the environment. When the trust relationship between the consumer and the company has been established, the consumer will be easier to believe the company. Based on previous studies, the hypothesis is proposed:

H1: Consumer Belief has a positive effect on willingness to pay.

2.2. Enterprise obligation

Hotels that have been certified green usually have environmentally friendly operational applications as well. According to Ruiz, Irene, and Beatriz (2010), eco-friendly hotels are hotels that synergize their day-to-day operations with efforts to reduce environmental impacts through the preparation of toilets, energy efficiency systems, recycling programs, utilization of renewable energy systems, irrigation systems, utilization of recycled products, use of organic products in food and programs aimed at reducing water use. With this implementation, many benefits are gained, such as cost savings, increased

productivity, improved indoor air quality, and cost premiums (Zhang et al., 2018). Unfortunately, the lack of information about this concept to consumers is one of the factors that influence consumers' willingness to pay for green services. Consumers who lack knowledge of the environment may not want to pay for green services that they think are expensive (Zhang, Chen, Wu, Xue & Dong, 2018). Therefore, Nguyen, Skitmore, Gray, Zhang, and Olanipekun (2017) research revealed that conferences, workshops, television programs related to the concept of green, can be a useful approach in solving problems and helping consumers make decisions about purchasing green services. Based on the Howard-Sheth Model theoretical framework, the requirement for purchasing decisions is that customers have knowledge of green buildings (Tian & Li, 2018). Therefore it can be seen that activities related to green will affect the willingness of customers to pay. This is reinforced by Ozaki's (2009) research, that activities that promote green such as TV ads and magazines can be useful tools for customers to make purchasing decisions for green or product services. Therefore, the hypothesis proposed:

H2: Enterprise Obligation has a positive effect on willingness to pay

2.3. Reasonable and objective

Reasonable and Objective are one of the factors considered by consumers when making choices in buying green hotel services. According to Chen and Chang (2012), because people now think more about the environment, people are more willing to buy products that do not harm the environment. A competitive company must be able to provide benefits so that consumers are willing to pay (Martenson, 2018).The customer's purchase intention is influenced by the customer's logic (Chen & Chang, 2012). This factor shows that consumers are willing to pay a higher price to buy green hotel services because this is a natural thing because consumer spending is in line with the green hotel service's goal of having a positive impact on the surrounding environment. Thus, this study hypothesizes that:

H3: Reasonable and Objective has a positive effect on willingness to pay

2.4. Income

The income factor is used to test whether a person's income has a direct effect on one's willingness to choose services, especially green hotel services. Consumer income is a basic

requirement to test whether consumers can pay for premium services such as the green hotel, because premium service prices will be more expensive than ordinary services. According to Im et al. (2003), income is a strong predictor of consumer behavior. The influence of income levels on environmental concerns has also been found to vary in various studies. Arbuthnot and Lingg (1975), Lyons and Breakwell (1994), and Straughan and Roberts (1999) find that the higher the income or social class of individuals, the more they care about the environment. However, according to research by Hansla, Gamble & Gärling (2008), income does not affect willingness to pay. Thus, the proposed hypothesis is:

H4: Income has a positive effect on Willingness to Pay

H4a: Income moderates the relationship between Belief and Willingness to Pay

H4b: Revenue moderates the relationship between Enterprise Obligation and Willingness to Pay

H4c: Revenue moderates the relationship between Reasonable & Objective and willingness to pay

In this study income becomes a moderating variable. Moderation analysis is used to test whether there is an effect of the independent variables associated with the moderator variable to the dependent variable (Hayes, 2013). Income can strengthen or weaken the relationship of variables with each other, therefore the researcher will examine the relationship of income with other variables.

3. Research Model

3.1. Data collection method

The hotels that are being object of this research are three hotels that already received green certification from the Surabaya government, namely the JW Marriott Hotel, Sheraton Hotel, and Grand Mercure Surabaya. Research data is primary data taken by using a questionnaire. Respondents of this study were consumers who had stayed in those three hotels. Questionnaires are distributed by online. Initial respondents who answered questionnaires totaled 91 responses. The researcher then selected the incoming response

and discarded 29 responses due to incomplete questionnaire filling. The final respondent data that can be tested is 62 responses. The technique used in distributing questionnaires is snowball sampling. Snowball sampling is a useful methodology in explorative, qualitative and descriptive research, especially in research that has few respondents, requires a high level of trust to initiate contact or difficult to contact (Baltar & Brunet, 2012).

3.2. Questionnaire

This study used a questionnaire consisting of 3 questions, adopted from the Wen and Hwang (2018) questionnaire. This study used several questions related to individual background, consumer behavior patterns, consumer Belief levels and Enterprise Obligation. Questionnaire's questions are derived from the variables used by Wen & Hwang (2018) and measured by a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

3.3. Data analysis

Data testing is done using the WarpPLS version 5.0 computer program. WrapPLS version 5.0 is used to test and explain the relationship between dependent and independent variables and the relationship to other variables. This technique can provide accurate results on small samples. The test model is mathematically as follows:

$$\gamma = \beta_0 + \beta_1 F + \beta_2 EO + \beta_3 RO + \beta_4 I + \beta_5 F * I + \beta_6 EO * I + \beta_7 RO * I$$

$\beta0$ - $\beta7$ =

Coefficient F =

Belief

EO = Enterprise Obligation

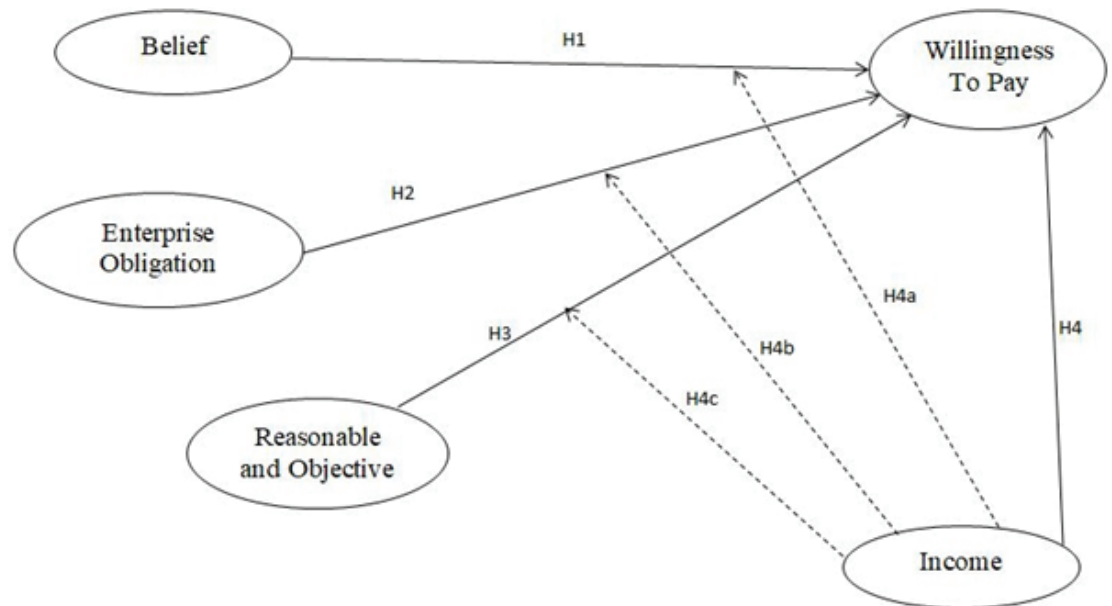RO = Reasonable & Objective

I = Income

4. Finding

Figure 1: Theoretical framework.

4.1. Profile of respondents

Questionnaire data showed that 58% were female respondents and 42% were male respondents. Respondents who were in the age 20-30 amounted to 49 people (79%), 5 people (8%) who were in age 31-40, 6 people (10%) who were in age 41-50, and 2 people (3%) who were in the age 51-60. Based on the last level of education that had been taken, 34 people (54.8%) completed bachelor degrees, 1 person (1.61%) completed D3, 25 people (40.32%) graduated from high school, 2 people (3.22%) graduated from junior high school. The monthly income level of respondents is 29 people (46.77%) have income below Rp. 5,000,000, 18 people (29.03%) have income between Rp. 5,000,000 - Rp.19,000,000, 10 people (16.12%) have income between Rp. 20,000,000 - Rp. 34,000,000 1 person (1.61%) has income between Rp. 35,000,000 - Rp. 49,000,000 and 4 people (6.45%) have income above Rp. 50,000,000. 69.35%

respondents have a frequency of staying 2 to 3 times a year, 10 people (16.13%) staying 4 to 5 times a year, 9 people (14.52%) staying more than 6 times a year.

4.2. Reliability analysis

TABLE 1: Composite reliability and Cronbach's alpha coefficients.

	F	I	RO	EO	WTP	I*F	I*EO	I*RO
Reliability	1.000	1.000	1.000	1.000	0.907	1.000	1.000	1.000
Cronbach's alpha	1.000	1.000	1.000	1.000	0.846	1.000	1.000	1.000

The results of the calculation of composite reliability and Cronbach's alpha are used to determine the reliability of the research variables. Based on the table above, the value of composite reliability is above 0.70 and the values of Cronbach's alpha are above 0.60 for all variables. So it can be concluded that all variables in this study have met reliability requirements.

TABLE 2: Validity of questionnaire instruments.

	F	I	RO	EO	WTP	I*F	I*EO	I*RO
F	1.000	0.203	0.404	0.318	0.525	0.214	−0.012	−0.028
I	0.203	1.000	−0.019	−0.216	0.070	0.412	−0.247	0.126
RO	0.404	−0.019	1.000	0.064	0.327	−0.023	−0.018	0.108
EO	0.318	−0.216	0.064	1.000	0.334	−0.012	0.129	−0.021
WTP	0.525	0.070	0.327	0.334	0.874	0.079	−0.007	0.069
I*F	0.214	0.412	−0.023	−0.012	0.079	1.000	0.103	0.359
I*EO	−0.012	−0.247	−0.018	0.129	−0.007	0.103	1.000	0.276
I*RO	−0.028	0.126	0.108	−0.021	0.069	0.359	0.276	1.000

Based on the above output, the validity for Belief, Income, Reasonable & Objective variables, Enterprise Obligation also fulfills its validity with a number greater than other numbers. The validity of the Willingness to pay variable itself is fulfilled because the numbers produced are 0.874, greater than 0.525, 0.070, 0.327, 0.334, 0.079, -0.007, and 0.069. Income variables moderate the Belief, Enterprise Obligation, and Reasonable & Objective because the number of moderation coefficients is greater than the number of other coefficients.

4.3. Measurement model results

TABLE 3: Hypothesis testing.

| Hypothesis	Influence	Path Coefficient	P-Value	Remarks
H1	Belief → Willingness to Pay	0.521	< 0.001	Accepted
H2	Enterprise Obligation → Willingness to Pay	0.244	0.020	Accepted
H3	Reasonable & Objective → Willingness to Pay	0.087	0.243	Not Accepted
H4	Income → Willingness to Pay	0.152	0.105	Not Accepted
H4a	Belief * Income → Willingness to Pay	0.171	0.080	Accepted
H4b	Enterprise Obligation * Income → Willingness to Pay	−0.035	0.390	Not Accepted
H4c	Reasonable & Objective * Income → Willingness to Pay	0.147	0.114	Not Accepted
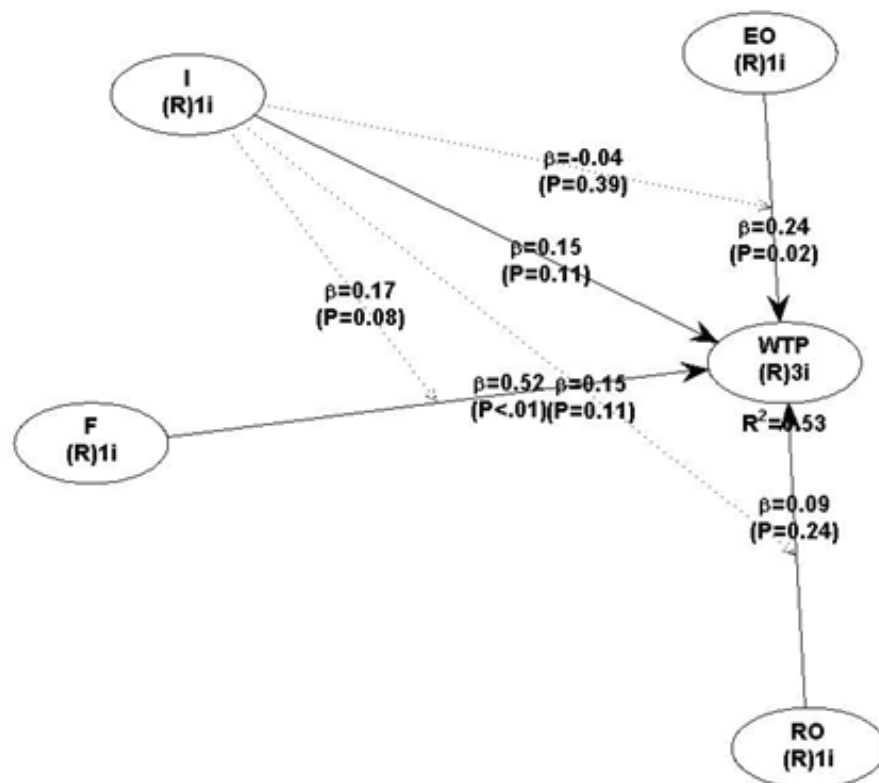
Figure 2: Result model.

The results showed that hypothesis 1, hypothesis 2 and hypothesis 4a were accepted. In hypothesis 1, Belief has an effect on Willingness to Pay because *p*-value is < 0.001 with a coefficient of 0.521. The results of this study support the previous research, Chen and Chang (2012) which stated that green belief can positively influence the intention to purchase green services. Gustin and Weaver (1996) also revealed that belief, along with knowledge of environmental issues, was positively related to consumers' willingness to stay in the green hotel. Thus the results of the study reveal that Belief consumers do have a positive influence on their attitude towards Willingness to Pay for green hotels.

In hypothesis 2, Enterprise Obligation affects Willingness to Pay because *p*-value is < 0.05, with a coefficient of 0.244. Enterprise Obligations carried out by hotels such as participation in earth hour events, selection of environmental ambassadors, application of electrical efficiency in hotel rooms, the use of fresh flowers as a room fragrance turned out to affect the willingness of consumers to pay for green certified services. These results indicate that consumers have attachments with green service hotels through green programs. Although this result is not supported by Wen and Hwang's (2018) research, this finding can be used by service industry players to maintain a green campaign program, the use of environmentally friendly technology, and natural materials in serving consumers.

Testing the hypothesis 4a, it was found that income can be a pure moderator of belief in Willingness to Pay because p-value < 0.001 with a coefficient of 0.171. These results indicate that the higher the consumer's income, the willingness to buy is more strongly influenced by Belief. Ling-yee (1997) reveals that social class tends to have a positive influence on environmental awareness and commitment. In other words, consumers with high income levels have a positive relationship with their commitment to the environment. Consumers with a commitment to the environment, will be willing to pay for the green services provided by the green hotel. These results are also strengthened by other findings. Empirical studies in countries with low income per capita, indicate the lack of willingness of consumers to pay for green services or products (Bloom & Sevilla, 2004). Therefore, consumer Beliefs that are moderated by Income have a positive influence on their willingness to pay for green services.

While in hypothesis 3, hypothesis 4, hypothesis 4b, and 4c hypothesis are rejected and not significant. In hypothesis 3, the Reasonable & Objective variable has no effect on Willingness to Pay so hypothesis 3 is rejected. This is shown through p-value > 10% that is equal to 0.243. This research shows that, consumers do not believe that the money they pay can reduce the impact of environmental damage. The results of this study reject the results of research by Mamun et al. (2018) which states that consumer knowledge of product benefits has a positive effect on product purchases. On the contrary, the results of the study are strengthened by the results of previous studies by Wen and Hwang (2018) which state that Reasonable & Objective is not the reason consumers are willing to pay for green services. The finding of hypothesis 3 provides information to industry players that so far green hotel consumers have not been able to see the positive impact on the environment provided by the green hotel service industry. Hotel consumers only have a green concept but it has not fully made green a behavior. For example, when chemical perfume by hotel is replaced with flowers, consumers only like the natural fragrant produced but have not understood that replacing fragrance can reduce the impact of ozone damage. Consumer choice to stay at the green hotel is caused by consumer attachments to green programs carried out by the hotel. Through these findings, hotel management can educate hotel consumers to be able to make green a behavior. An example of education that can be done is to install reasons for using flowers to reduce the impact of ozone damage. When consumers have made green a behavior, consumers will have the willingness to pay for green services. When consumers are willing to pay, sales of green hotel services can increase.

Hypothesis 4 test shows that income has no effect on Willingness to Pay so hypothesis 4 is rejected, because *p*-value > 10% is 0.105. This finding is in accordance with the findings of Kang, Stein, Yoonjoung, and Lee (2012) state that consumers with environmental awareness are willing to pay for the green services provided by hotels, even though costs are more expensive. So it can be concluded that the size of a person's income will not affect the willingness to pay for services. Although consumer income is low but has awareness, consumers will still be willing to pay for the service. The findings of Jacobsen & Hanley (2009) and Broberg (2010) stated that the size of the consumer's income or not has no effect on their Willingness to Pay, corroborating these findings.

Hypotheses 4a, 4b, and 4c are proposed to test whether income plays a moderating variable between Belief, Enterprise Obligation and Reasonable & Objective variables on Willingness to Pay. The test results show that Income can become pure moderation and moderation predictor of these variables with the following equation:

$$\gamma = \beta_0 + 0.521F + 0.244EO + 0.087RO + 0.152I + 0.171F*I - 0.035EO*I + 0.147RO*I$$

Based on the results of Table 1, it can be seen that Income becomes pure moderation between Belief and Willingness To Pay because the test results show that the Belief coefficient is insignificant and the interaction coefficient between Belief and income variables is significant. This means that this study finds that income strengthens the relationship between Belief and Willingness to Pay. While Income becomes a predictor moderation between Reasonable Objective because the test results show that the Reasonable & Objective coefficient is significant and the interaction coefficient between Reasonable & Objective and Income is insignificant. And income weakens the relationship between Reasonable & Objective with Willingness to Pay.

The results of hypothesis testing 4b, show that income cannot be a moderating variable between Enterprise Obligation and Willingness to Pay so hypothesis 4b is rejected. This is indicated by the *P*-value > 10%, which is 0.39.

Hypothesis 4c, shows the results of testing that Income cannot be a moderating variable between Reasonable & Objective and Willingness to Pay so the 4c hypothesis is rejected. This is shown through the *P*-value > 10%, which is 0.114.

The findings of the hypothesis test 4b and 4c show that consumers with high income levels do not strengthen or weaken the Enterprise Obligation and Reasonable & Objective variables in their willingness to pay for green services. This finding is reinforced by previous findings from Sadik-Rozsnyai (2016), consumers with high income cannot strengthen or weaken any variable in influencing consumers' willingness to pay for services or products.

5. Conclusion

Based on the description above, this study found a positive influence of Belief on Willingness to Pay. When consumers have believed in the benefits of green services provided by green hotels, consumers will be willing to pay for any of these services, regardless of their level of income. In addition, the results of other studies found that income can be a moderation between belief and willingness to pay. Second, there is no effect of income on Willingness to Pay. This result shows how consumer income levels do not affect willingness to pay for green services, especially if consumers care about the environment. The findings of this study are reinforced by the results of research Wen and Huang (2016) stating that consumer income is not a variable that influences the willingness of consumers to pay for green services or products.

Enterprise Obligation is also a factor that has a positive influence on willingness to pay in this study. This research is supported by Ozaki's research (2009), that green promotion activities become useful tools for customers that will affect customers' Willingness to Pay.

The results of other studies found that Reasonable & Objective had no effect on Willingness to Pay. Based on the test results, it can be concluded that consumers do not want to pay for products because they do not believe that the costs they incurred can reduce the impact of environmental damage. The findings of this study are reinforced by the results of Wen and Hwang (2018) research which states that Reasonable & Objective is not a factor that causes consumers to pay for green services. Furthermore, it was found that Enterprise Obligation has an effect on Willingness to Pay. In addition, the test results also show that income cannot be a moderation between Enterprise Obligation and Reasonable & Objective variables with willingness to pay.

Based on the above findings, it can be concluded that Belief is the most influential variable in the willingness of consumers to pay for green services, with a coefficient of 0.521. R2 of this research model of 0.531 shows that this model can be developed for further research. First, further research can use qualitative methods to provide additional evidence and new findings. Second, further research can examine other variables that can moderate or mediate the relationship between green consumer behavior and Willingness to Pay.

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