

The Effects of Green Practices and Green Image on Customer Perception: Case of Airline Industry

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ABSTRACT

This study attempts to evaluate the effects of green image and brand image on passenger satisfaction and loyalty. This research also investigates the moderating effects of green practices on the relationships between green image and brand image on passenger satisfaction as well as link of satisfaction and loyalty. The hypotheses developed are based on Theory of Planned Behavior which has been checked with data obtained from 542 passengers who travelled by airline companies in two international Airports of Larnaca, Cyprus and Hamburg, Germany. Structural Equation Modelling (SEM) method applied to test measurement and proposed model. Results revealed that green image enhance passenger satisfaction and loyalty. Brand image boosts passenger satisfaction that leads to loyalty towards the airlines. Green practices moderated the effect of green image on passenger satisfaction and loyalty. The relationship between green image and customer loyalty in airlines is moderated by green practices. Managerial and research recommendations and limitations of the study are presented at the end of the research.

Keywords: Green Practices, Green Image, Brand Image, Cyprus, and Hamburg

ÖZ

Bu çalışma çevre dostu imaj ile marka imajının, yolcu memnuniyeti ve sadakati üzerindeki etkisini arařtırmayı amaçlamaktadır. Ayrıca bu arařtırma çevre dostu uygulamaların, çevre dostu imaj ile marka imajı ilişkisi üzerindeki etkilerini ve bunun yanı sıra yolcu memnuniyetiyle sadakati arasındaki baęlantıyı arařtırmaktadır. Planlı Davranıř Teorisi temelindeki hipotezler, Kıbrıs'ın Larnaka řehrinde ve Almanya'nın Hamburg řehrindeki iki uluslararası hava limanında faaliyet gösteren hava yolu řirketlerini kullanarak seyahat eden 542 yolcudan elde edilen verilerle test edilmiřtir. Ölçümleri ve önerilen modeli test etmek üzere Yapısal Eřitlik Modellemesi (SEM) yöntemi uygulanmıřtır. Sonuçlar, çevre dostu imajın yolcu memnuniyetini ve sadakatini artırdığını ortaya çıkarmıřtır. Marka imajı yolcu memnuniyetini geliştirerek, hava yolu řirketine olan sadakatin oluřmasını saęlamaktadır. Çevre dostu uygulamalar, çevre dostu imajın yolcu memnuniyeti ve sadakati üzerindeki etkisini etkilemektedir. Hava yolu řirketlerinde, çevre dostu imaj ile müşteri sadakati arasındaki ilişki de çevre dostu uygulamalar tarafından etkilenmektedir. Yönetim ve arařtırma önerileriyle sınırlamaları arařtırmanın son bölümünde verilmiřtir.

Anahtar Kelimeler: Çevre Dostu Uygulamalar, Çevre Dostu İmajı, Marka İmajı, Kıbrıs, Hamburg

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Chapter 1

INTRODUCTION

1.1 Philosophy of the Study

In the Airline industry where businesses and passengers are consuming resources at an ever-increasing rate, environmental sustainability efforts and practices are being enacted by airlines operating around the globe. These efforts serve to lessen their negative environmental impacts and consumption of fuels and materials to further increase the level of their responsibility in conserving the natural environment.

Environmental Protection Agency (EPA) stated that sustainability of environment leads to maintain and create situations where nature and humans can co-exist in productive and good harmony with each other; in turn the economic, social and production capabilities of future and present generations will be fulfilled. However consumer reactions were always different to green products. The introduction of phosphate-free detergents showed for the first time that consumers changed their buying behavior and that manufacturers were willing to follow. However, after 1985 sustainability became less important (Graham, 2008).

1.2 Problem Statement

The focus of consumers turned away from environmental concerns to cost-consciousness. When around 1990 consumer interest in green products resurged, producers made sure to label products with environmental claims. However, consumers also became more critical. Statements are not taken for granted, mistakes

and misleading messages can do severe damage to a company's image. An important goal of green marketing should be to help make sustainable initiatives normal, and not to make normal products look green (Szwarc, 2005).

The vast majority of educated population use airlines as the most selected means of transportation (Lamondia, Snell and Bhat, 2009). This group also showed more concern over the many methods airlines adopted to deal with the environmental issues such as airplane fuels and wastes. They also showed concerns regarding other products used in airports to match the level of suitable green awareness among these airline corporations (Higham, 2013). Following these statements, the nature of the problem is the whether the implementation of green strategies and procedures regarding gas emissions from aircrafts and waste management are suitable and strong or weak and poor.

1.3 Purpose of the Study

This study aims to investigate relationships between green image and brand image in relation to customer satisfaction and with customer loyalty. This empirical study also examines moderating impact of green practices on the relationships between green image and brand image on customer satisfaction as well as customer loyalty. When discussing environmental issues in aviation, not only the airlines which pursued more environmental friendly fuels and aircrafts are targeted, but there are also green airport policies which effect the interaction with tourists and travelers. This project aims to evaluate the results and effects of these ongoing green policies for the airlines enacted and introduced as green practices.

1.4 Significance of the Study

According to conventional marketing theory the quality of products and services will lead to customer satisfaction which eventually will result in customer loyalty and ultimately in selling more products (Szwarc, 2005). In the airline industry in case customer complaint occurs, less people will recommend the carrier to others and will result in the decline of passenger's number. Thus in those situations the growth of airlines are in danger (Waguespack and Rhoades, 2014). The green services are not an exception as these new strategies will constantly need to be re-evaluated to keep both customers satisfaction and sustainability in check. Previous studies focused on different areas related to green practices or in other words environmental concern as willing to change the customer's attitudes towards more environmental friendly products and services (Young, Hwang, McDonald and Oates, 2010). Other studies such as Jeong and Jang (2011), Namkung and Jang (2013) came to the conclusion that green brand images are associated with environmental awareness and practices.

Polonsky (2011) stated that all companies designed green marketing procedures and activities first in order to increase their customer satisfaction perception. The brand image of companies covers their overall perception of especially addressing green evaluation (Lee et al., 2010).

In this study a conceptual model proposed to analyze the effects of green image and brand image of airlines, as independent variables on passenger satisfaction and loyalty. This study will contribute to the previous literature as it seeks to investigate the moderating role of green practices on linkages of green image → satisfaction,

green image→ loyalty, brand image→ satisfaction, brand image→ loyalty, and satisfaction→loyalty in airline industry.

1.5 Methodology

This study uses a questionnaire-survey to assess the ongoing green policies of airlines. The questions are in the Likert scale of 5 levels of agreement. These forms will be distributed along the 610 international and domestic travelers in Larnaca International Airport in South Cyprus and Hamburg International Airport in Germany. The theoretical model of this study is based on Theory of Planned Behavior. The results will be analyzed using structural equation modeling by AMOS.

1.6 Outline of the Study

The present study consists of six chapters. First chapter is the introduction, which contains a brief summary of the study's philosophy, aim, significance, and methodology of the thesis. The second chapter is literature review which includes the description and indications of green sustainability of the environment along with variables of the Theory of Planned Behavior in airline industry.

The forth chapter is hypothesis and model of the study and description of data gathering and data analysis procedure. The fifth chapter is data analysis which presents the final results of the study along with main process of structural modeling. The sixth and final chapter is the conclusion that includes findings, conclusion, further recommendation, implication and limitations for follow-up studies.

Chapter 2

LITERATURE REVIEW

Overview

The theory of planned behavior (TPB) has applied the expectancy-value model for describing the relationship between behavior and attitude to enable the people, organizations and systems to successfully predict different behavior based on their attitudes (Ajzen, 1992).

This theory determined the individual behavior to assume the final decision (Ajzen, 1996). Different studies help us in testing the accuracy of this theory for understanding the link between attitudes and behaviors (Manstead and Parker, 1995). Conner and Armitage (1998) analyzed the relationship between attitudes and behaviors achieved based on six variables such as past behaviors/habits, belief salience, behavioral control versus self-efficacy, self-identity, moral norms and affective beliefs. There are two ways to understand the relationship between attitudes and behaviors. First is a review of the relationship between these six variables and TPB. The next one is describing two different avenues for expanding TPB.

Two avenues for expansion of the TPB model are multiple processes that attitudes affect behavior and the role of volitional variables to differentiate the relationship between behavior and intention (Conner and Armitage, 1998).

Before shifting to the main focus of the study, let's direct our attention to the environmental aspects of tourism and its consequences.

2.1 Environmental Impacts

Environmental impacts occur as a result of tourism development in many regions of the world as communities struggle to find an optimal balance between optimal consumption, usage and conservation. Recently, it has been found that tourism activities are highly dependent on the environment. Research has shown the impacts that tourism has on natural resources (Green, Hunter and Moore, 1990). Most of the researches have been conducted on natural or semi-natural areas, with very little research done on urban settings (Green, 1990). Specific sites have been examined such as Alpine areas (Goodman, 1989), islands (Wilkinson, 1989), coastal areas (Martinez-Taberner, Moya, Ramón and Forteza, 1990). In addition, most research has been focused around the negative impacts that tourism has on natural resources after the damage has taken place. As such, tourism is always blamed to be responsible for resource degradation (Farrell and McLellan, 1987). Broader perspectives of the environmental impacts of tourism are discussed in the next paragraph.

2.1.1 The Environmental Impacts of Tourism

“The environment is probably one of the most important contributors to the desirability and attractiveness of a destination. Scenic sites, amenable climates and unique landscape features have an important influence in tourism development and the spatial distribution of tourism movement.” (Coccosis and Nijkamp, 1995, Pp.4)

Tourism and the environment are interrelated as tourism is dependent on natural resources to survive. There are studies that have identified both positive and negative

environmental impacts of tourism (Burns and Holden, 1995). Some of these are illustrated in (Table 2.1).

Table 2.1. Balance Sheet of Environmental Impacts of Tourism

Area of effect	Negative impacts	Positive impacts
Biodiversity	<p>Disruption of feeding methods</p> <p>Killing of animals for leisure (hunting) or to supply souvenir trade.</p> <p>Loss of habitats and change in species composition</p> <p>Destruction of vegetation</p>	<p>Encouragement to conserve animals as attractions.</p> <p>Establishment of protected or conserved areas to meet tourist demands</p>
Erosion and physical damage	<p>Soil erosion</p> <p>Damage to sites through trampling</p> <p>Overloading of key infrastructure (e.g. water supply networks)</p>	<p>Tourism revenue to finance ground repair and site restoration</p> <p>Improvement to infrastructure prompted by tourist demand</p>
Pollution	<p>Water pollution through sewage or fuel spillage and rubbish from pleasure boats, aircrafts</p> <p>Air pollution (e.g. vehicle emissions and aircrafts)</p> <p>Noise pollution (e.g. from vehicles or tourist attractions: bars, discos, planes etc.)</p> <p>Littering</p>	<p>Cleaning programs to protect the attractiveness of location to tourists</p>
Resource base	<p>Depletion of ground and surface water</p> <p>Diversion of water supply to meet tourist needs (e.g. golf courses or pools)</p> <p>Depletion of local fuel sources</p> <p>Depletion of local building-material sources</p>	<p>Development of new/improved sources of supply</p>
Visual/structural change	<p>Land transfers to tourism (e.g. from farming)</p> <p>Detrimental visual impact on natural and non-natural landscapes through tourism development</p> <p>Introduction of new architectural styles</p> <p>Changes in (urban) functions</p> <p>Physical expansion of built-up areas</p>	<p>Regeneration and/or modernization of built environment</p> <p>Reuse of disused buildings</p>

Regarding the negative impacts of tourism, Burns and Holden (1995) observed that poorly planned tourism development often leads to increased stress on destinations and in negative changes in the destination's physical and socio-cultural attributes. According to Wood (1991), it is possible to identify broad categories of impacts that may affect all destinations. Therefore, it is important to elaborate on the positive and negative impacts of the environment. The negative environmental impacts of tourism can be as follows:

2.1.1.1 Water Pollution

Water pollution is believed to be one of the environmental impacts caused by tourism. It can affect surfaces such as rivers, lakes and oceans. Chemical and oil spills from boats can cause devastating water pollution that kills water birds, shellfish and other wildlife. Tourists can also contribute to the degradation of the marine life also through: snorkeling, scuba diving and sport fishing can threaten fisheries and other marine resources. For example, tourism is known to have contributed to inappropriate development around Lake Tahoe in the United States (Iverson, Sheppard and Strain, 1993) and at Pattaya in Thailand (Mieczkowski, 1995); oil pollution in water at King George Island (Harris, 1991).

2.1.1.2 Waste Disposal

Apart from the consumption of large amounts of natural resources, the tourism industry also produces considerable waste and pollution. In fact, disposal of liquid and solid waste generated by the tourism industry has posed a problem for many developing countries and some countries are incapable of treating these waste materials. This has led to reducing the availability of natural resources such as fresh water. For example, in Kerala state the tourist industry collapses after two decades of fast growth because there was inadequate disposal of solid waste. Tourists also

contribute to land pollution from solid waste and the contamination of marine waters and coastal areas from pollution generated by marinas, hotels and cruise ships. For example: the cruise ships in the Caribbean Sea alone produced more than 70,000 tons of liquid and solid waste a year during the mid-1990s (UN,1999). The cruise sector around the world is facing this problem.

2.1.1.3 Coastal Area Degradation

Tourism has already had adverse effects on coastal areas, especially in small islands developing states. Beaches are destroyed by sand quarrying and are normally not being replenished because of the destruction of coral reefs by waste disposal and pollution. Erosion occurs because of tourism facilities and infrastructures built too close to beach resulting in destruction and coastal degradation. Destruction of coastal areas happens also by the removal of the mangrove forests which act as a home for birds and other animals because it acts as a barrier against damage caused by the sea. Marine life can be disturbed by intensive use of thrill craft, boat tours and boat anchors. Anchor damage is regarded as one of the dangers to coral reefs in the Carribean Sea as there are a growing number of both small boats and large cruise ships in the region (Hall, 2001).

2.1.1.4 Climate Change

External environmental shocks could be threatening for tourism, especially climate change such as: global warming and sea-level rise. Rises in sea level could threaten tourism activities particularly in coastal regions and small islands. Global warming is expected to change climate temperature and provoke climate events such as: tropical windstorms, coastal flooding and storms that may affect tourist activities in a destination (UN, 2000).

2.1.1.5 Land Degradation and Littering

Land resources include minerals, fossil fuels, fertile soil, forests, wetland and wildlife. Pressures on natural resources have been increased due to intensive tourism development. Tourism can lead to the clearance of native vegetation for the development of new facilities and infrastructure; demand for fuel wood is increasing and will trigger forest fires. Fragile areas such as: rain forests, wetlands and mangroves are threatened by tourism activities. Littering caused by tourists degrades the physical appearance of the environment as tourists on expeditions leave behind their garbage and belongings. Such practices by tourists degrade the environment as some areas lack the appropriate amount of disposal facilities.

2.1.1.6 Damage to Ecosystems

The delicate ecosystems of most small islands are damaged by tourism activities, because they rely heavily on this industry. Tourism activities which are not properly controlled can also cause severe disruption of wildlife habitats and increased pressure on endangered species. For example, in Africa's national parks tourist vehicles approach towards wild animals very often distract them from hunting and breeding (Masny, 2001). Trampling occurs by tourists, they use the same trail and trample the soil, causing damage which leads to loss of biodiversity and other impacts. Habitat loss, fragmentation and erosion in Nepal (Croall, 1995); destruction of wildlife at Zakynthos in Greece (Prunier, Sweeney and Green, 1993); disturbance of animals and loss of area for production in Kenya (Sindiga, 1999) are the examples of environmental damages caused by tourists.

2.1.1.7 Air Pollution

The Tourism Industry contributes towards air pollution. Transport by air, road and rail are continuously increasing. Moreover, polluted air and water, dust, fumes from

traffic congestion also degrade the quality and natural beauty of tourist destination (Williams, 1998, pp.2). Air pollution is the result of emissions from vehicles. Although, tourism is not directly pointed to be the cause of the overall emissions problems, recent issues such as: ozone destruction, greenhouse effect and global warming make tourism related to air pollution (Wheatcroft, 1991). But tourism is responsible for a large share of emissions, accounting more than 60% of air travel.

2.1.1.8 Noise Pollution and Visual Pollution

It is a fact that noise pollution from airplanes, cars, buses, discotheques and recreational vehicles are becoming an ever growing problem for modern life. Noise pollution cause disturbance and annoyance to the lives of people, stress for humans and it also causes distress to wildlife in sensitive areas. For example, noise generated by vehicles of tourists can cause animals to change their natural activity patterns. There is a lack of planning that fails to integrate tourism structures. Large resorts may clash with indigenous design. Poorly designed buildings and structures often do not comply with local building control and cause negative impacts on the picturesque scenery (Williams, 1998). These may include violations congestion of buildings and structures that are not harmonious with the natural landscape.

2.2 Theory of Planned Behavior (TPB)

TPB is an extended version of Theory of Reasonal Action (TRA) ((Ajzen, 1991; Fishbein and Ajzen, 1975) which continuously talks about social psychology (Sheppard, Hartwick and Warshaw, 1988). Both of these models emphasized on behavioral influences. Scientists categorized both of these models on deliberation processing theories, as they mention that individuals make decisions according to available information. Exchange of idea is an individual's motivation in the sense of a person's conscious plan to enact the behavior (Eagly and Chaiken, 1993).

Intentions and behaviors are related to each other in relation to the target, action, time frame and context (Fishbein and Ajzen, 1975). Actually, attitudes toward a particular behavior transfer its impact through intentions on behaviors. Therefore, behavior is under control of intention and attitudes. In contrast to TRA which restricts itself to the volitional behaviors, TPB considered all types of behaviors, attitudes and finally intentions (Paisley and Sparks, 1998). TPB tries to consider both volitional and non-volitional behaviors through combining perceptions of control over performance of behavior as a predictor (Ajzen, 1991).

Consideration of control perception extends the applicability of the TPB theory beyond volitional behaviors to complex outcomes and goals which are dependent on complex behavior. TPB indicates behavior as an outcome of behavioral intentions and perceived behavioral control (PBC). PBC is the person's perception toward difficulty and easiness of behavior performance (Ajzen, 1991). Control as a continuum of easily behavior at one end and meeting behavioral goals demanding opportunities, resources, and particular skills on the other side.

The relationship between intentions and behaviors reflect that individuals involve in their favorite behavior to perform. These relationships show that people are willing to involve in behaviors they are interested in and have full control over it rather than carry out behaviors with no control.

Against the complexity of TPB, TRA examines the attitudes based on one predictor of behavioral intentions. Individuals evaluate the attitudes as the final evaluation of the behavior. According to compatibility principles, the relevant attitudes are based on practicability and assessment of that behavior. TPB involves as PBC. Hence,

behavioral intention is based on three dimensions such as: PBC, Attitudes, and subjective norms.

Ajzen (1985) suggested that intention and PBC interact to each other in the prediction of behavior so these types of intentions would get stronger predictors of behaviors as PBC grow up. Attitude is function of a personal behavioral belief presented attributed of the behavior.

2.2.1 Advantage of TPB

One of the most important advantages of TPB is providing parsimonious account of behavior's determinant (Ajzen, 1991). Second is having additional variable as a coherent model. Based on these additional variables, every new variables support TPB and its extensions such as: past behavior/habit, belief salience, perceived behavioral control versus self-efficacy, self-identity, moral norms and affective beliefs. These variables can be evaluated as the advantage of considering TPB as the theoretical framework.

2.2.1.1 Belief Salience

In TPB, attitudes are determined through salient beliefs. Fischbein's summative model of attitudes (1967) talked about the relationship between attitudes and beliefs. This model mentions that a person can hold a large number of beliefs but in certain circumstances some of them are salient. So, salient beliefs determine the individual's attitudes (Ajzen, Nichols, and Driver, 1995). Salient beliefs indeed appear to suggest and predict the individual's attitudes.

2.2.1.2 Past behavior and Habit

The effect of past behaviors on current behavior is an attractive topic in this area. Researchers believed that many of the individual's behaviors are recognized by and are related to his/her past behavior rather than those cognition elements in TPB

(Sutton, 1994). This idea actually is based on the different researches' results indicating past behaviors and habits as the best predictor of future behaviors (Norman and Smith, 1995).

This is actually acceptable that passengers with environmentally sensitive attention care about the green practices of the airlines, hotels and restaurants. Past behaviors and habits can act as a moderator between TPB variables such as intentions, PBC, and behaviors, not as the independent variable (Ajzen, 1991).

2.2.1.3 Self-efficacy

According to Ajzen's (1991) argument that mentioned PBC as the synonym to self-efficacy, various researchers (e.g. Vries et al., 1988) have measured self-efficacy within TPB. Ajzen (1991) described the relationship between PBC and behavior as a proxy tool to measure the actual control of skills and ability's reflection (Manstead and Van Eekelen, 1998).

2.2.1.4 Moral Norms

Moral norms as the focus of this study have normative influences on behavior. Sheppard et al. (1988) have shown that subjective norms as the weakest predictor of intention in TPB; while moral norms as an important normative factors are the determinants of intentions in the behavior. Ajzen (1991) has mentioned that moral norms can provide a useful addition to the TPB. Moral norms are an individual's perception in the correctness or incorrectness of a certain behavior (Ajzen, 1991).

Moral norms can be defined as the persons' socially determined and validated values attached to an individual's particular behavior (Ajzen, 1991).

2.2.1.5 Self-identity

Self-identity is a social psychology concept defined as salient part of an actor's self-attach to a certain behavior. Self-identity is related to the fulfillment of any societal role (Sparks and Shepherd, 1992). Being an environmentally concerned individual can be called as social self-identity of individuals in society. In comparison to any other variables of TPB, self-identity is more salient regarding social issues (DeBono and Snyder, 1995).

2.2.1.6 Affective Beliefs

As mentioned before, Traditional methods for understanding the final beliefs may fail to provide the affective outcomes to the performance of the behavior (Van der Plicht and De Vries, 1998). Having anticipated affective reaction may provide actual determinant of attitudes and intentions to the performance or non-performance of particular behavior (Triandis, 1977).

2.3 TPB and Tourism

Tourism is travel for leisure, recreational and business purpose. Tourists can be defined as people who travel to and stay in places outside their usual surroundings for more than twenty-four hours and not more than one consecutive year for leisure, business and other purposes by the World Tourism Organization. Tourism is a known affair in human life. It has been an industry of vast dimensions and eventually supports economic and social growth. Tourism worldwide has experienced phenomenal growth. With more than 600 million people travelling annually, tourism is the world's largest industry, with revenues of about half a trillion dollars a year, and averaging five percent annual growth.

In tourism studies, models of consumer behaviors mostly predict the consumer intention as a purchase decision to analyze the antecedent of purchase (Ajzen, 1991). As mentioned before, intention and behavior are indistinguishable. Unplanned and uncategorized intention cannot be placed in the consumer behavior model. So TPB analyzed the planned and managed intention regardless of easiness or complexity to assume the consumer final behaviors.

To explain human behavior is a very difficult and complex task. But approaching it from different levels such as the person's attitude and perception factors and so on, sheds light to this complexity. Concepts referring to behavioral dispositions, such as social attitude, and personality trait, have played an important role in these attempts to predict and explain human behavior (Ajzen, 1996).

2.4 Independent Variables

2.4.1 Green Practices

In the late of 20th century and early 21st century world watched the rise of the environmental sustainability problem as a crucial social and political issue (Ebero and Vining 2001; Berglund 2006). The concerns regarding the global warming and environmental pollution led governments and societies alike to expand their operations and attention to increase awareness of air, water and soil pollution and the methods to decrease or prevent these situations. How both individuals and industrial firms face these issues and provide solutions is the main concern of environmental suitability. The broader public awareness of environmental problems is also an essential factor for better response and action to climate change and other related environmental concerns.

The main role of environmental practice status and individual characteristics in the perception development regarding the environment and actions taken to resolve the environmental pollution were the main topics of many researches and studies (Hunter, Strife and Twine, 2010; White, 2009).

One body of work gave rise to the position that the concern about the environment and its protection were more likely to be found in developed countries where populations enjoyed higher socio-economic status (Franzen 2003; Inglehart, 1995). Other studies challenged this position, arguing that awareness of environment pollution as well as a willingness to take action to mitigate these conditions is also found in developing societies (Goksen et al. 2002; White and Hunter, 2009).

The green awareness is a marketing model that puts the environmental protection concept into the product design, service and production process (Tu, 2002). Therefore, green marketing is an important and crucial strategy for firms. Meanwhile, customers are trying to lessen their impact on the environment; however, this is not globally happening and is still evolving (Cherian and Jacob, 2012).

In addition to green practices, innovation is another important aspect that influences consumers' purchase intention and market performance (Pujari, 2006). Meanwhile, green marketing appears as an opportunity for innovation (Cherian and Jacob, 2012). Freeman et al. (1982) proposed that "not to innovate is to die"; this means innovation will influence enterprise growth and determine whether or not an enterprise will survive. Thus, a company must constantly innovate in order to survive in a competitive environment (Porter and Van, 1995).

Hurley and Hult (1998) found that almost all industries are engaged in innovative activities in a dynamic market. However, the question of how the companies' innovation strategies are perceived by consumers and how effective they are requires further exploration.

Studies on environmental problems in air transport have increased over the last few years. An important focus has been on the use of policy instruments and technical advances to address the negative impacts that aviation has on the environment. So far there has been only some focus on the role of consumers in this system (Dickinson, 2010). As people become more aware of the impacts that their purchases have on the environment, they start to include these aspects in their information gathering before they make purchasing choices. As a result they often have to trade off certain characteristics of the product or service and its price against its environmental impact. Customers perceive environmentally friendly products to be of higher quality and are prepared to pay for these environmental attributes.

2.4.2 Green Image

In recent years customers become more environmentally conscious and their demands for environmental friendly products and services increased meanwhile many firm's professionals and marketers have engaged in promoting and developing ecologically sustainable products and services while striving to strengthen their business commitment to sustainability (Earthshare, 2012).

Green practices enable companies to save on long-term operational costs while gaining a competitive advantage by developing or enhancing a positive image and reputation (Chen et al., 2008). During the last few years, there has been an increasing trend for companies to market their products or services as green or environmentally

friendly. Initially, this focused on food products such as organic products, but today more and more multinational corporations in different industries use green methods to highlight their responsibility and caring for the environment (Meyer, 2009; Schreiber, 2009).

Going green is a concept for people how to make the environment become better. This "green" means is multifaceted, it can refer to products, trade or industry, it can be a philosophy or concept of an act, "green" the central meaning refers to protecting the global environment and promote human and nature, socio-economic and ecological harmony, to ensure the sustainable development of human society and the economy (Daub and Ergenzinger, 2005).

The green movement can make people aware of their daily life affect this living space. Nowadays we are running out of water and other natural resources and this problem can cause the world become worse place for live (Daub and Ergenzinger, 2005). Green marketing appears for making a people have responsible daily that benefit for environment and help to reduce the waste. Going green in hospitality industry is defined by being eco-friendly industry with the environment. It contains small changes in daily life and this small change can add up to the bigger changes by our action for protecting the environment (Daub and Ergenzinger, 2005).

An important concept behind efforts to reduce damage to the environment is 'sustainability', an idea which gained importance because of the publication of 'Our Common Future' (Daub and Ergenzinger, 2005). Sustainable development is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Hobson and Essex, 2001)

Sustainability has been further described by Brady (2005) as comprised of three dimensions: economy, society, and environmental stability. "Environmental sustainability is the process of making sure current processes of interaction with the environment are pursued with the idea of keeping the environment as pristine as naturally possible based on ideal-seeking behavior."

Commitment about green marketing needs to be the important part in the hotel to protecting the environment, its need to be important for guide the hospitality industry and foster such a culture. It can make the hotel have an environmental culture that will ultimately affect the peoples to have a consequent in the natural environment. However, if people have responsibilities with this kind of environment and concept, and able to apply it in their daily life and work can be consciously adjust their own behavior.

Global regulations have become increasingly crucial. Two of these are the International Standard Organization (ISO) 14001 and the EU Eco-Management and Audit Scheme (EMAS). These have also forced airlines to address more effectively environmental problems. The concept of "green" may sound unimportant related to airlines since many people are aware of their negative impacts on the environment caused by the airline industry (Becken, 2007; Choueke, 2006; Stern, 2007).

However airlines need to make serious efforts to become more environmentally friendly. Sparaco (2009) highlights the fact that the aircraft manufacturers are improving the fuel efficiency of the new generation of aircraft, which are expected to enter into service after 2020. However, airlines have demonstrated only modest attempts to become greener. Efforts include the testing of bio-fuels, recycling and

proper disposal of lubricants/fuels during maintenance and the provision of voluntary carbon offsetting schemes (Pereira et al., 2011; Mair, 2011). These endeavors were prompted both by internal motivations, such as increased efficiency and other economic benefits, and external pressures from new policies and regulations (Lynes and Dredge, 2006).

2.4.3 Brand Image

Brand is the personality that identifies a product, service or company (name, term, sign, symbol, or design, or combination of them) and how it relates to key constituencies: Customers, Staff, Partners, and Investors etc. (Dudnyk, 2013). Brand image is an important factor for any kind of organization and good brand have some extra opportunity in the market to expand their business and Airlines are not different from it (Aeker, 2012).

According to Financial times (Nicholas IND), Brand image shapes in the eye of receiver or consumer. The image is simply the picture an audience has towards an organization through the accumulation of all received messages. It's all about the consumer perception.

Brand image can be identifying in two ways: first possibility is to give outstanding quality services for the consumer perception; the second one is by name, term, sign, symbol, logo, color, design etc. Analyses done of three air carriers consisting of British Airways, Virgin Atlantic, and Easy Jet was compared these in terms of brand image. First of all, let's discuss about better service of all three airways in terms of quality and quantity. Because quality and quantity is indirectly related to formation of brand awareness and brand image (Kapferer, 2012).

According to airline (quality.com/rating), British airway is a luxury, safe, reliable convenient and attractive looking air carrier. The term luxury represents functional benefits, which means for example comfortable seats are provided accompanied by delicious meals and beverages of the customer's choice. If we talk about the rating in all aviation companies British Airways and Emirates Airline Airlines are four and five stars out of five. These kinds of quality ratings have the role to make brand recognition and contribute to a stronger brand image.

Branded Airlines are always preferable to the customers (Gronroos, 1988). According to that the objective of the report is about travelers trust on Branded Airlines.

Brands have become a critical issue in the marketing of products and services because it represents the main focus an organization should do in order to get their business known and to enhance its reputation. It can be done through advertising (Gronroos, 1988). It means putting the business name on their vehicle. It's sending out their invoice on an attractive letterhead or invoice form (Gronroos, 1988). It can be done through and attractive logo or passing out their business card. If an organization can do its branding right they will get referrals. People will look for that brand on the Internet. People will recognize a brand site when they find it. They will look in the phone book for a brand. They will trust the brand. They will buy from that particular brand (Gronroos, 1988).

When brands are marketing their site, business, product, service, they must be seen, heard and remembered by their audience. Consumers are bombarded with messages

all day everywhere they travel. Branded Airlines must stand out and the most cost effective way to do this is logical domain branding (Sallis, 2014).

In present customers are more aware then before regarding the Brand. In addition to brand identity, customers are not only more willing to support best branded but they are also willing to pay for that particular product. Finally it can be said that branding can be increase profit and enhance shareholder value for the organization (Sallis, 2014).

2.4.4 Passenger Satisfaction

Customer satisfaction is one of the objectives of marketing activity linking the process of purchasing and consumption with post purchase phenomena. Satisfying customers is an important element in marketing concept (Kotler and Armstrong, 2004) as it affects future consumer purchase behavior, profitability and shareholder value (Chitty, Ward and Chua, 2007).

There are many definitions given to the term customer satisfaction with one early given stresses on the cognitive process. More recently, consumer satisfaction paradigm research has gone beyond cognitively toned formulations to recognize the affective nature of satisfaction with Tse and Wilton (1988, pp. 204) defining it as “consumer’s response to the evaluation of the perceived discrepancy between prior expectation and the actual performance of the product”.

While other variations of the definition of customer satisfaction have been presented by scholars, most of the definitions agree that satisfaction is a complex human process, involving cognitive, affective and other undiscovered psychological and physiological dynamics (Bhattacharya and Singh, 2008).

If an airline's customer perceives the quality of service that he or she desired fulfilling their needs, wants, and expectations, than his or her satisfaction toward the airline will be high. Alternatively, if he or she perceives that the quality of service does not meet his or her needs, wants, and expectations, then, his or her satisfaction toward the airline will be low (negative disconfirmation).

Customer satisfaction research in various service contexts can be classified into two categories. The first category is a research that measures the level of guest satisfaction and identifies the shortfall of the service delivery (e.g. Gu and Ryan, 2008; Ryan and Huimin, 2007; Barsky and Nash, 2003).

In attempting to measure customer satisfaction, it is possible that attributes can have different satisfaction implications for different consumer and market segments - the usage context, segment population, and market environment can influence satisfaction and product use (Anderson and Mittal, 2000). Failure to take into account segment-specific variation may lead a firm to focus on the wrong aspect for a given set of consumers (Anderson and Mittal, 2000).

Furthermore, consumers with similar satisfaction ratings, yet different characteristics, may exhibit different levels of repurchase behavior (Mittal and Kamakura, 2001). It is clear, then, that market and consumer segments should be important factors to consider when measuring customer satisfaction and its implications.

Garbarino and Johnson (1999) did consider segments in the customer base in their study of satisfaction where they analyzed the different role played by satisfaction between low relational and high relational customers. Their study, however, involved

customers from only a single organization. Our approach extends this work by studying customers from multiple organizations, and shares some similarities with Anderson and Sullivan (1993) with respect to the type of analysis and sampling methods. The goals of their research, however, were to study the antecedents and consequences of customer satisfaction rather than investigate how different types of satisfaction may influence the overall measure of customer satisfaction. In addition, our theoretical approach shares some similarities to Hutchison, Kamakura, and Lynch (2000) who posited that unobserved heterogeneity is a problem for interpreting results from behavioral experiments.

2.4.5 Passenger Loyalty

Passenger loyalty is the key indicator of competitive advantage in the challenging airline industry (Writz, Mattila, and Lwin, 2007). Profitable and sustainable market share of the airlines depend on passenger loyalty (Chang and Hung, 2013). All of the airlines including low-cost, charters, full-service have tried to ensure their long-term and sustainable success through determinant of customer loyalty (see Reinartz and Kumar, (2000), cited in Akamavi et al., 2015).

Both travelers overall—and business travelers specifically—nominally ranked loyalty programs as only the 19th and 18th most important airline attribute (out of 26), respectively. For both groups, the “table stakes” attributes—such as safety and punctuality—ranked near the top. However, high-frequency business travelers nominally ranked loyalty programs as their second most important attribute—even higher than safety! And while loyalty programs did not rank very high for business.

Loyalty programs should be focused on creating a mutually beneficial relationship with their customers. Traditionally airlines have had a perceived incongruous

relationship with all but their top customers. Airlines should use reward programs to drive brand loyalty exclusively, yet a remarkable 50 percent of overall respondents are enrolled in two or more airline loyalty programs, with one-third of overall respondents participating in two or more programs. Participation in multiple programs among business travelers increased to nearly 44 percent (Sheth and Parvatiyar, 2000).

Subsequent research claimed that loyal customers are more profitable to a firm (Reichheld and Sasser, 1990). This profitability was thought to be generated by reduced servicing costs, less price sensitivity, increased spending, and favorable recommendations passed on to other potential customers by loyal buyers. Add to this the claim that it costs much more to entice a new customer to do business with a company than to get a current one to purchase again, and the strategy of gaining and maintaining loyalty seems like the source of sustainable competitive advantage (Reichheld and Sasser, 1990). Companies expect from loyalty programs to achieve various objectives or practical measures of success. The most common objective is to retain existing customers and in so doing:

- Maintain sales levels, margins, and profits;
- Increase the loyalty and potential value of existing customers (an offensive outcome to provide incremental increases in sales, margins, and profits), and
- Induce cross-product buying by existing customers (defensive or offensive) (Baraza, 2012).

Advocates of loyalty programs contend that they are profitable because:

- The costs of serving loyal customers are less.

- Loyal customers are fewer prices sensitive.
- Loyal customers spend more with the company.
- Loyal customers pass on positive recommendations about their favorite brands or suppliers (Alinvi and Babri, 2008).

Companies seek to achieve the competitive advantage by applying new programs and strategies such as green environmental practices alongside of their products and services to attract the attention of those who are concerned about the environment and keep their satisfied customers and change them as their loyal ones in a long run; Competition is the major reason for companies to involve in the new competitive programs (Alinvi and Babri, 2008).

Chapter 3

THEORETICAL FRAMEWORK, HYPOTHESIS AND MODEL

Overview

In this chapter, detailed information about the model and hypothesis of the study are presented. The entire proposed hypotheses of the study is clearly explained and expanded in Figure (3.1) as the proposed model of the study. Moreover, in the present chapter information about research design, pilot study, type of the research, sampling and methodology of the study are discussed. The data collection process of the study is provided as well.

3.1 Proposed Model of the Study

The model of the study is presented in the Figure (3.1). Based on this model, the relationships proposed by the present study would be presented clearly. This model tests the case of two Airline Companies from one international Airport in Cyprus and one Airline Company mainly operating in International Airport of Hamburg, Germany. There have been several studies on the relationship between satisfaction and loyalty (e.g. Chitty et al., 2007; Gu and Ryan, 2008; Ryan and Huimin, 2007). Based on Theory of Planned Behavior, moderation of green practices has been added to the model (Manaktola and Juahari, 2007). Moreover, the effects of brand image and green image as the independent variables also added to the model for better consideration due to the theoretical implication of the aforementioned variables (Lee et al., 2010; Martenson, 2007; Penny, 2007).

Green image of the company in the market environment increase the satisfaction level of the passengers and an airline with green images can attract new prospective passengers while keep the old ones into loyalty level. Brand image of the company can effect on satisfaction level of the passengers. Brand image of the company can increase the loyalty level of the passengers as well. Green practices of the airline companies can increase the effects of brand image on satisfaction and loyalty level of the passengers. Passenger satisfaction can change the loyalty in a long run.

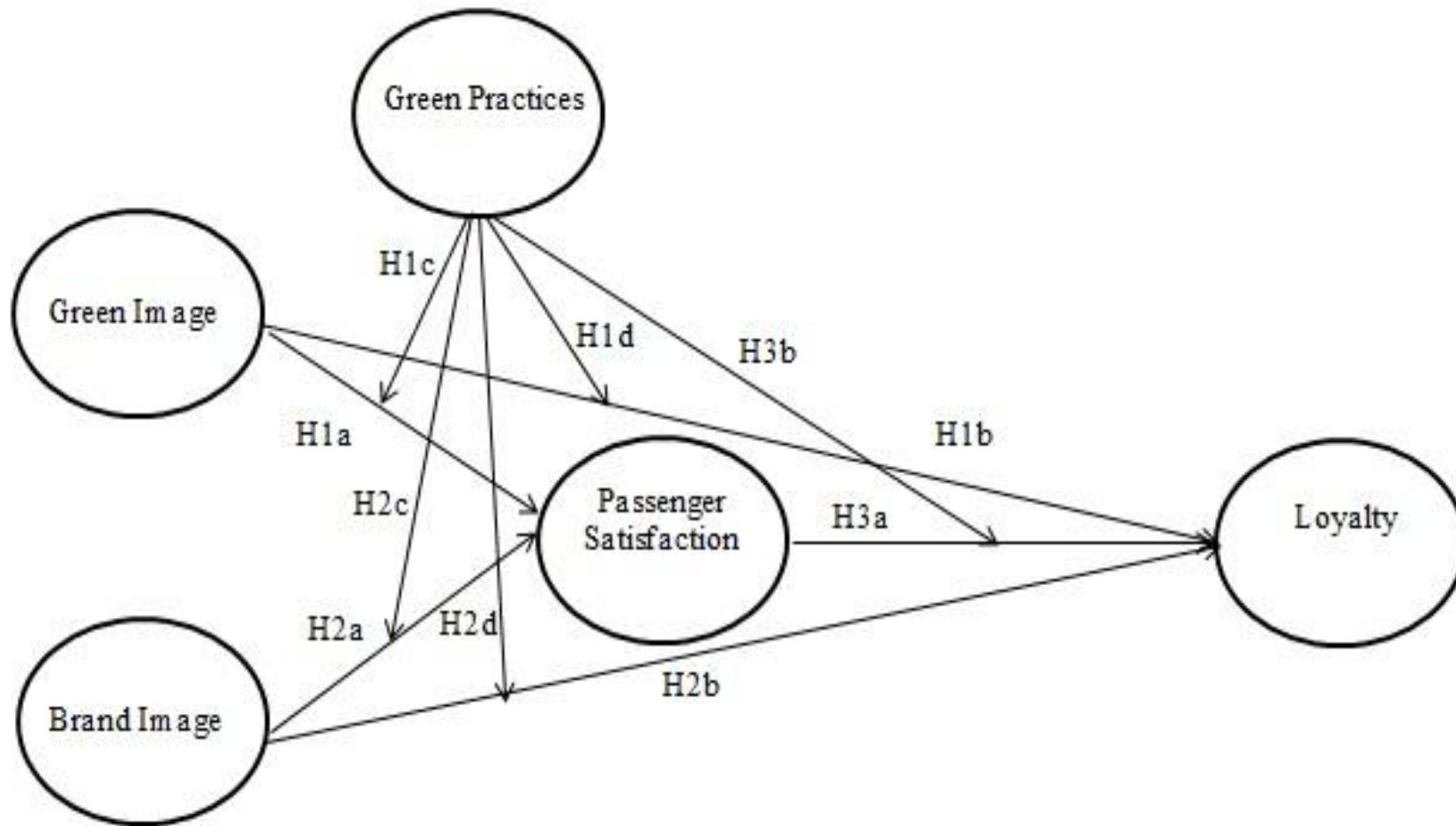


Figure 3.1. Proposed Model of the Study

3.2 Hypotheses Development of the Study

In this section of chapter 4, hypotheses of the study are presented and developed through theoretical background. All of the hypotheses of the study developed and proposed are based on Theory of Planned Behavior (TPB). Below you can find the complete information regarding the development and proposition of ten hypotheses.

3.2.1 Green Image – Satisfaction- Loyalty

Chen (2009) stated the direct positive effects of green image of the organization on the customer satisfaction, trust and its equity. Penny (2007) mentioned the importance of corporate green image in environmental activities to attract the customers with certified green products in order to increase customer satisfaction. Thus, satisfied customers are willing to buy the corporate products based on the green management of the company (Penny, 2007)

Lee et al. (2010), addresses the positive green image of hotels in increasing the customer's satisfactions and intention to return. Lin, Morais, Kerstetter, and Hou, (2007), found the importance of green image on satisfaction and loyalty of the customers and profitability of the firm. According to Chang and Fong (2010), green image of the well-known companies have direct effects on customer loyalty to its services and products. Orth and Green (2009) stated the effects of retail image on increasing customer loyalty.

Based on this information the following relationship is proposed as:

Hypothesis 1a: Green image is positively related to customer satisfaction.

Hypothesis 1b: Green image is positively related to customer loyalty.

3.2.1.1 Green Practices - Green Image-Satisfaction

Green image is the new phenomenon in the Marketing area but a well-known topic in tourism studies. According to the wide concerns about the depletion of environmental elements such as wildlife, global warming and jeopardy in ecosystems an increasing number of individuals is willing to get involved in green environmental practices and products. They are willing to buy eco-friendly products based on their green images and aspects (Lee et al., 2010).

Lee et al. (2010) mentioned that environmental eco-friendly practices increase the green image of the company and eventually effect on customer satisfaction. Another study by Han, Hsu and Lee (2009), emphasized the positive relationship between green practices of the company in direction with green image and satisfaction of the customers in hospitality industry.

Based on this information, Hypothesis 1c is proposed as:

Hypothesis 1c: Positive impact of green image on customer satisfaction is stronger in airlines with a high level of green practices.

3.2.1.2 Green Practices – Green Image-Loyalty

Green practices increased the green image of the company in terms of environmental issues, all of these lead to increase in the loyalty level of the satisfied customers (Keating, Green and Kao, 2002). Jang, Kim and Lee (2015), mentioned that green image of the company can be improved only by the help of green practices and these lead to increase in the loyalty level of the customers. Jeong, Jang, Day and Ha (2014), found the impact of eco-friendly practices on green image of the firm and positive effects on customer attitudes.

Based on these justifications, Hypothesis 1d is proposed as:

Hypothesis 1d: Positive impact of green image on customer loyalty is stronger in airlines with a high level of green practices.

3.2.2 Brand Image and Satisfaction

According to the study done by Lee et al. (2010), Green Brand Image organizations can be more successful than the others in attracting and retaining satisfied customers. One of the most important elements for customers' satisfaction is the brand of the corporation; a well-known brand is defined with serving qualified services and products to its customers; therefore, brand image has a positive strong relationship with customer satisfaction (Martenson, 2007).

Brand is the most essential trend in tourism industry (Grewal et al., 2004). Customers select the brand based on its image in the market (Ailawadi and Keller, 2004). Reputation of brand image determines the satisfaction level of the customers (Osman, 1993). Ailawadi and Harlam, (2004) investigates the positive relationship between brand image, customer satisfaction and loyalty; they found the direct relationship between brand image on both satisfaction and loyalty. Akbar (2014) investigated the effects of service quality and brand image on customer satisfaction and their direct simultaneous relationship on loyalty of the customers.

According to these justifications the following hypothesis is proposed as:

Hypothesis 2a: Brand image is positively related to customer satisfaction.

Hypothesis 2b: Brand image is positively related to customer loyalty.

3.2.2.1 Green Practices - Brand Image-Satisfaction

Irfan, Sabir, Lodhi, Mukhtar (2014) studied the effects of green practices towards brand image and their positive relationship with customer satisfaction in food

industry in Pakistan. Exploring the moderating effects of green practices on brand image might approve the positive effects of these two on customer satisfaction (Irfan et al., 2014). Based on brand management perspective, brand image has direct effects on satisfaction level of the customers via applying green practices (Kubickova et al., 2014).

Therefore, the following hypothesis is proposed as:

Hypothesis 2c: Positive impact of brand image on satisfaction is stronger in among airlines with a high level of green practices.

3.2.2.2 Green Practices – Brand Image-Loyalty

Namkung and Jang (2014), concluded that different types of green practices in restaurant industry effect on the positive brand image of the company as well as increasing loyalty level of the customers. Green marketing practices extended the positive effects of brand image in the market area on loyalty (Rosenbaum and Wong, 2015). Jang et al. (2015), in their studies stated the moderating effects of green practices in the relationship between brand image and loyalty.

Based on these studies, Hypothesis 2d is proposed as:

Hypothesis 2d: Positive impact of brand image on loyalty is stronger in airlines with high level of green practices.

3.2.3 Satisfaction and Loyalty

The relationship between satisfaction and loyalty has been investigated by many researchers in most of the studies regardless to their fields. Anderson and Sullivan (1993) observed the association between customer satisfaction and loyalty in the airline industry. Satisfied customers are intending to repeat their purchase behavior,

repurchase and recommend the products or services to other people that are strongly related as a customer loyalty to the company (Kandampully and Suhartanto, 2006).

The high expectations towards the quality offered by lodging industry, the customer's satisfaction and their advertisement happening through positive word of mouth regarding the service quality of the organization results in current customers loyalty and in attraction of perspective customers (Getty and Thompson, 1994). Gunderson (1996) indicated that customer satisfaction and the company's image are related to the loyalty of the customers. Providing the best quality in services associated with value and satisfaction of customers would result in the high level of customer loyalty to the firm (Ford et al., 2014).

Based on the information above, the following hypothesis is proposed as:

Hypothesis 3a: Customer Satisfaction is positively related to Customer loyalty.

3.2.3.1 Green Practices –Satisfaction-Loyalty

Green practices are defined as those environmentally friendly activities individuals, firms and organizations have done to decrease the negative effects to the environment and increase sustainability of the business, life and nature. In the Hospitality industry, study done by Manaktola and Juahari (2007) found the positive relationship between green practices and satisfaction of the customers as customers were more willing to book stays at hotels providing green activities.

Jang et al. (2015) observed that green companies have chosen green practices in their brands and products experience higher level of customer satisfaction. Welford (2000) mentioned that individuals' comprehensiveness regarding green issues have increased, thus businesses should get involved more actively in green marketing

practices in order to attract customers. Foster et al. (2000) states that environmental competitiveness has increased due to the importance of green marketing and people's concerns to achieve customer satisfaction and profitability in the market environment.

Paulraj (2009) has addressed concerns regarding the adoption of organizations' ecological friendly practices that have increased their competitive advantages and profitability in the market and industry through high level of customer satisfaction and increased purchase behavior.

Hypothesis 3b: Positive impact of passenger satisfaction on customer loyalty is stronger in airlines with a high level of green practices.

Chapter 4

METHODOLOGY

4.1 Research Design

It refers to the strategies applied in responding to the study questions. Study design also indicates the amount of secondary based information and primary research undertaking in the numerical and non-numerical analysis (Bryman and Bell, 2015).

4.2 Research Type

In the present study quantitative research design is used. The quantitative research can be explained as “a formal, objective, systematic research process in which numerical data and figures are utilized to obtain information about the world” (Bryman and Bell, 2015). Quantitative research is considered to be more valid and accurate regarding analytical data analysis (Bryman and Bell, 2015). Thus in the present study quantitative approach has been used where structured questionnaires were used as the tool for collecting data.

4.3 Data Collection Process

The sample frame indicates the essential elements of the targeted population. Convenience sampling technique was applied for this study, which is defined as a non-probability sampling technique where subjects are chosen due to their convenient accessibility and proximity of the author from the sample (Hair et al., 2015). This method was applied because it was impossible to test the entire population of airline passengers as the population is too large and it is impossible to

include every passenger in the study (Hair et al., 2015). In addition, convenience sampling is easy, inexpensive, fast and reliable.

Convenience samples can be used to intervene to satisfy dissatisfied customers. A key, often forgotten aspect of probability sampling is its dependence on external selection: inviting and then repeatedly reminding people to take a survey, which helps ensure representativeness (Gunter, 2002). Putting a survey postcard with every bill presented at a restaurant is a convenience sample, since there is no follow-up and encouragement to take the survey: no true external selection (Gunter, 2002). And in such cases dissatisfied customers are often more likely to complete such surveys -the survey does provide an opportunity to hear from such customers and ask them for contact information in order to take action to improve their satisfaction (Gunter, 2002).

Convenience samples can provide rich qualitative information. When illustrative quotes are important, surveys to convenience samples can be a great source of rich verbatim comments on specific topics. The survey can also provide detailed demographic profiles to shed further light on the comments (Gunter, 2002).

Convenience samples may provide accurate correlations. Some argue that correlation research is accurate enough with convenience samples, since the study is not of proportions of the target audience but of the relationship between variables (Gunter, 2002).

Self-administered questionnaires were given to international passengers available in the Arrivals area of the airports involved as these passengers have just had the experience with the airlines analyzed in this study.

The present research is concerned mainly with passengers traveling to Cyprus' and Hamburg International Airport. Questions were prepared in English in order to be easily understandable. The respondents were given as much time as needed to fill their questionnaires comfortably and assistance was provided to them whenever they requested it.

The process of data collection lasted for one month through the help of department and, researcher. Researcher contacted the airline companies to take the permission for the data collection. Permission request to conduct the survey was written by the faculty of Tourism, Eastern Mediterranean University. After sending the permission request by e-mail and in some cases delivered the permission request by hand, researcher was waiting for their response around two weeks. After two weeks the data collection process was accepted and the researcher started its work. During a period of two weeks using cross-sectional methods, 610 questionnaires were collected from two full service airlines at Larnaca International Airport located in the South of the Cyprus Island and one low cost service airline based in Germany.

This study selected these three airlines (Emirates Airline, British Airways, and Lufthansa) due to various reasons. The main point of view is the fact that they are the leading airlines of their countries and according to the number of flight frequencies in a day. Emirates Airline is the leading airline of U.A.E., British Airways is the national airline of the United Kingdom and Lufthansa is the airline of Germany. The

questionnaires were collected from two different airports of Larnaca International Airport and Hamburg International Airport. Questionnaires for Emirates Airlines and British Airways were collected from Larnaca International Airport and those of Lufthansa from Hamburg International Airports in their arrival points.

Out of 610 administrative questionnaires that were collected from all these three airline companies; in the end, 524 of them were valid and acceptable. The acceptance percentage of the questionnaires is 85.90%, which is highly valuable.

4.4 Pilot Study

After completing the questionnaire, a pre-test known as pilot test was carried out to get an idea of the respondents' answers that would be obtained before undertaking the main survey attempt. During the pilot test 30 people were chosen as sample to test the validity of the questionnaire. Consequently, it was noted that some of the questions' wordings were complex as these words were technical and thus understanding certain questions was difficult for those questioned in the pilot test. As a result the questionnaire was reviewed, refined, simplified accordingly and a total number of 53 questions remained. These questions were clear and understandable.

4.5 Data Collection Structure

For the present research the instrument used was a structured questionnaire. This method was chosen because it has better response rates than other methods used in theoretical studies (Andereck and Nickerson, 1997). The self-administrated questionnaire was designed in a simple way with simple language so as to facilitate the respondent in answering it. The survey questionnaires were designed for international passengers of three popular airline industries in two international airports in Cyprus and one in Germany.

A covering note was put at the top of the questionnaire to explain the purpose of the research and kind regards due to participation in the study. Part A of the questionnaire included questions related to the model and proposed hypotheses of the study and part B was related to the demographic characteristics of the respondent in terms of age, marital status, salary, nationality etc. In the present study's survey no name was collected due to the confidentiality and privacy of the respondents.

Questionnaire consist of two sections: part A of the questionnaire has 46 items asked from the passengers regarding their perceptions about environmental green activities such as brand image, green image, and green practices on the level of satisfaction and loyalty. Part B allocated for measurement of demographic information of the participants.

Green image's items were extracted from two studies of Haggmann et al. (2015) and Chen et al. (2011). Five items derived from Geraldine and Chikwendu (2013) and Yeon and Chung (2011) to adapt items of brand image. Fifteen items of green practices used from works of Han et al. (2009), Mobley et al. (2010) and Haggmann et al. (2015). Four items of satisfactions and six items of loyalty were derived from Akamavi et al. (2015).

4.6 Demographic Result

Table (4.1) showed the demographic profile of the passengers. The profile of respondents is presented also in this table. From the total number of valid questionnaires accounting 524 respondents, 135 (25.8%) were between the age of 38 to 47, 113 (21.6%) were aged between 18 and 27. If we check the next age frame of 28 to 37, a number of 127 (24.2%) respondents can be matched within this interval.

Only 98 respondents, representing 18.7% of the total number of those questioned were aged between 48 to 57 and 51 respondents, representing 9.7% aged between 58 and 67.

The educational level was divided into five levels: Primary school including 2 respondents (0.4%), Middle School 43 respondents (8.2%), High Schools studies completed were 100 (19.1%), Junior Technical College degree achievers were 157 respondents (30.0%), University Degree graduates were 222 (42.4%).

When having a look at the demographic details of those questioned, these reveal the following details: from the total number of respondents 266 (50.8%) were male while the females accounted a number of 255 (48.7%). Regarding the marital status 179 (34.2%) were single, 249 (47.5%) married and 96 (18.3%) were divorced or widowed.

In terms of Frequency of Travelling a number of 61(11.6%) were doing it monthly, 223(42.6%) were seasonal travelers and 240(45.8%) were yearly travelers.

Travel purpose was divided into three options: 98(18.7%) were business, 325(62.0%) were leisure and a number of 100(19.1%) were flying to the analyzed airports for other purposes such as family, friends visit etc.

Furthermore, regarding the place of birth a number of 25(4.8%) of respondents were from Asia, 34(6.5%) were from Asia Pacific, 313(59.7%) were from Europe, 31(5.09%) were from Africa, 56(10.7%) from Middle East, 47(9.0%) were from Australia and 18(3.4%) were from America.

The Income Level was divided into 4 options to choose from and those questioned have picked the followings: a number of 38(7.3%) were between 0 up to 1000US \$, 124(23.7%) were between 1000 up to 2000\$, 168(32.1%) were between 2000 up to 3000\$, 193(36.8%) were above 3000\$.

Table 4.1. Demographic Profile of Passengers

Variable	Frequency	Percent	Variable	Frequency	Percent
<i>Age</i>			<i>Education</i>		
18-27	113	21.6	Primary School	2	.4
28-37	127	24.2	Middle School	43	8.2
38-47	135	25.8	High School	100	19.1
48-57	98	18.7	Junior Technical College	157	30.0
58-67	51	9.7	University	222	42.3
Total	524	100.0	Total	524	100.0
<i>Gender</i>			<i>Marital status</i>		
Male	266	50.8	Single	179	34.2
Female	258	49.2	Married	249	47.5
Total	524	100.0	Divorced or Widowed	96	18.3
			Total	524	100.0
<i>How often</i>			<i>Travel purpose</i>		
Monthly	61	11.6	Business	99	18.9
Seasonally	223	42.6	Leisure	325	62.0
Yearly	240	45.8	Other	100	19.1
Total	524	100.0	4.00	1	.2
			Total	524	100.0
<i>Birth place</i>			<i>Income level</i>		
Asia	25	4.8	0 up to 1000\$/monthly	38	7.2
Asia Pacific	34	6.5	1000\$ up to 2000\$/monthly	124	23.7
Europe	313	59.7	2000\$ up to 3000\$/monthly	168	32.1
Africa	31	5.9	up to 3000\$	194	37.0
Middle East	56	10.7	Total	524	100.0
Australia	47	9.0			
America	18	3.4			
Total	524	100.0			

4.7 Methods of Data Analysis

After collecting the data, the questionnaires were analyzed by SPSS and AMOS. Data analysis process was carried out by using wide array of descriptive statistics such as mean, standard deviation, reliability testing and the Structural Equation Modeling (SEM) method. The results were then showed by the use of tables, and graphical representations.

4.7.1 Structural Equation Modeling

Structural equation modeling (SEM) is the family of various methods to analyze the theoretical or conceptual methods (Ullman and Bentler, 2003). This method contains various data analysis methods such as path analysis, confirmatory factor analysis, and latent growth modeling. SEM mostly reveals interest in Latent construct such as “an attention to the brand” and “intelligence” rather than manifesting variables using these sort of constructs.

Chapter 5

RESULTS

5.1 Measurement Results

The Result of Fit Statistics: ($\chi^2 = 873.30$, $df = 265$, $\chi^2/df = 3.295$, $GFI = 0.87$, $NFI = 0.83$, $CFI = 0.87$, $PNFI = 0.73$, $RMSEA = 0.06$) revealed that the proposed model well fitted with empirical data (See Table 5.1).

Further on the results demonstrated that all items were loaded at significant level ($P < 0.01$) and the standardized loadings ranged from 0.43 to 0.84. According to Larcker and Fornell (1981) and also based on Girbing and Anderson, (1988), the convergent validity of variables has been proven as ($\lambda > 40$, $P < 0.1$). These results demonstrate validity of measurements.

Table 5.1. Results of Factor Analyses Including Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA)

Scale item	EFA	CFA
<i>Green Image (4items: q11, q17, q18, q19)</i>		
GI1	0.57	0.38*
GI2	0.58	0.53*
GI3	0.71	0.59*
GI4	0.67	0.62*
GI5	0.67	0.54*
<i>Brand Image</i>		
BI1	0.63	0.65*
BI2	0.70	0.72*
BI3	0.71	0.70*
BI4	0.71	0.72*
BI5	0.74	0.67*
<i>Airline Green Practices (3 items: q24, q 25, q26)</i>		
AGP1	0.67	0.49*
AGP2	0.66	0.58*
AGP3	0.65	0.59*
AGP4	0.62	0.52*
AGP5	0.54	0.58*
AGP6	0.47	0.57*
<i>Satisfaction</i>		
S1	0.80	0.82*
S2	0.84	0.88*
S3	0.76	0.81*
S4	0.74	0.77*
<i>Loyalty (1 item: q10)</i>		
L1	0.57	0.71*
L2	0.45	0.75*
L3	0.75	0.67*
L4	0.43	0.61*
L5	0.74	0.60*

Fit statistics: χ^2 : 873.30, df: 265, χ^2/df : 3.295; GFI: .87; NFI: .83; CFI: .87; PNFI: .73; RMSEA: .06.

Note: * : $P < .001$. GFI: goodness of fit Index; CFI: comparative fit index; NFI: normed fit index; RMSEA: root mean square error of approximation. Number and label of items that were dropped during EFA, due to low factor loading or cross-loading with other factor, are presented within the parentheses. (See Appendix A. Questionnaire)

Means, correlations, standard deviations and reliability test were applied as shown in Table (5.1). Based on these results, the correlation between variables was significant.

As the result demonstrated, the correlation between brand image and green image was significant ($r = .182, p < .01$). Furthermore correlation between Brand Image and Airline Green Practices was significant ($r = .444, p < .01$). The correlation between Brand Image and Customer Satisfaction was significant as well ($r = .514, p < .01$).

Brand Image and Customer Loyalty correlated positively and significantly ($r = .396, p < .01$). The correlation between Green Image and Airline Green Practices was significant ($r = .363, p < .01$). Additionally Green Image positively and significantly correlated with Customer Satisfaction ($r = .256, p < .01$). Green image was significantly correlated with Customer Loyalty ($r = .437, p < .01$) Likewise, the correlation among Airline Green Practices with Customer satisfaction was significant ($r = .437, p < .01$).

Airline Green Practices was significantly correlated with Customer Loyalty ($r = .437, p < .01$). The correlation also between Customer Satisfaction and Customer Loyalty was significant ($r = .584, p < .01$). Based on Cortina (1998) in case the value of ($\alpha > .7$) it means that the reliability of Data doesn't represent an issue. As available in Table 3, the values of Cronbach Alphas are: .821 for Brand Image, .744 for Green Image, .727 for Airline Green Practices, .889 for Customer Satisfaction, .799 for Customer Loyalty.

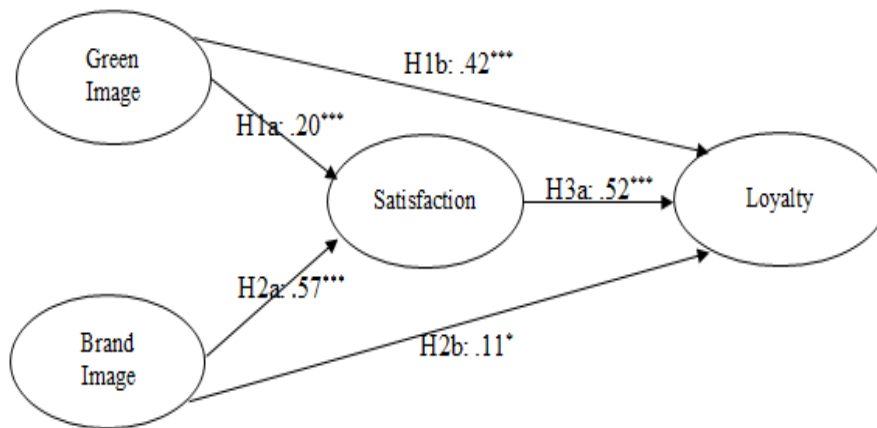
Table 5.2. Results of Means, Standard Deviations, Correlations Matrix, and Reliability Tests

Variable	Mean	Std. Deviation	Alpha	1	2	3	4	5
Brand Image	3.911	.621	.821	1				
Green Image	3.470	.569	.744	.182**	1			
Green Practices	3.605	.533	.727	.444**	.363**	1		
Satisfaction	3.809	.787	.889	.514**	.256**	.437**	1	
Loyalty	3.661	.710	.799	.396**	.437**	.437**	.584**	1

**Correlation is significant at the 0.01 level (2-tailed).

5.2 Test of Hypotheses

The theoretical model fits the empirical data as ($X^2 = 721.1$, $df = 184$, $x^2/df = 3.92$; $GFI = .87$; $NFI = .83$; $CFI = .87$; $PNFI = .73$; $RMSEA = .07$). A path analysis was applied in order to test the hypotheses 1a to 3a. (Figure 5.1) From the results we could understand that Green Image is positively related to Customer Satisfaction ($\beta = .20$, $P < .001$). Thus, Hypothesis 1a was supported. Furthermore from the Results obtained we deduct that Green Image is positively related to Customer Loyalty ($\beta = .42$, $P < .001$). Hypothesis 1b was supported. The Results also demonstrate that Brand Image is positively related to Customer Satisfaction ($\beta = .57$, $P < .001$). Therefore, Hypothesis 2a was supported. Likewise, Brand Image is positively related to Customer Loyalty ($\beta = .11$, $P < .05$). Thus Hypothesis 2b was supported. Additionally Customer Satisfaction is positively related to Customer Loyalty ($\beta = .52$, $P < .001$). Then Hypothesis 3a was supported (See Figure 5.1).



Note: ***: $P < .001$, *: $P < .05$.

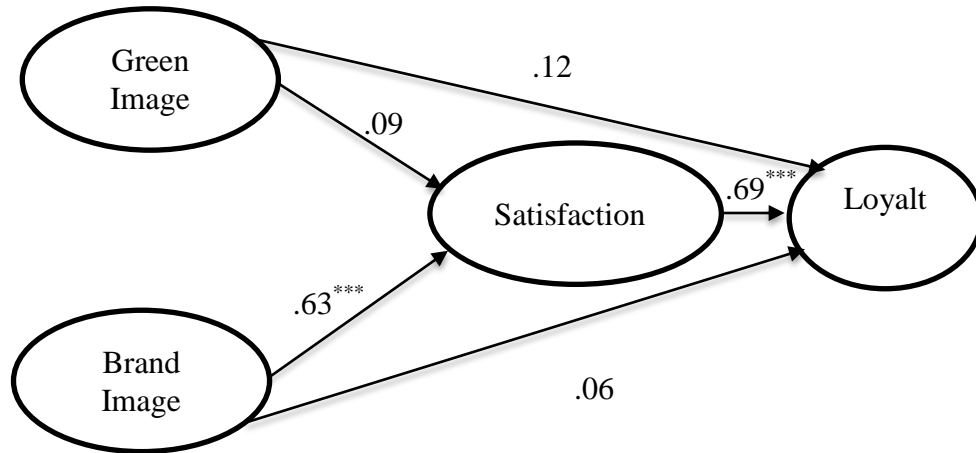
Fit statistics: χ^2 : 721.1, df : 184, χ^2/df : 3.92; GFI: .87; NFI: .83; CFI: .87; PNFI: .73; RMSEA: .07.

Figure 5.1. Results of Hypothesis Testing

5.3 Testing Moderation of Hypothesis

Mean score of airlines green practices has been calculated and airline with mean of ≤ 3 is considered as airline with low level of green practices (group a) and airline with mean of >3 are labeled as airline with high level of green practices (group b) (See Figure 5.2 and Table 5.3). Then, group analysis is performed to check differences between these two groups. Those relationships that are different between two group airlines considered as supported hypotheses, which means green practices acts as moderator. The acceptable level of fit statistics have been shown in Figure 3 ($X^2 = 865.3$, $df = 368$, $\chi^2/df = 2.35$; GFI = .86; NFI = .80; CFI = .86; PNFI = .69; RMSEA = .05).

(a): Airlines with a Low Level of Green Practices



(b): Airlines with a High Level of Green Practices

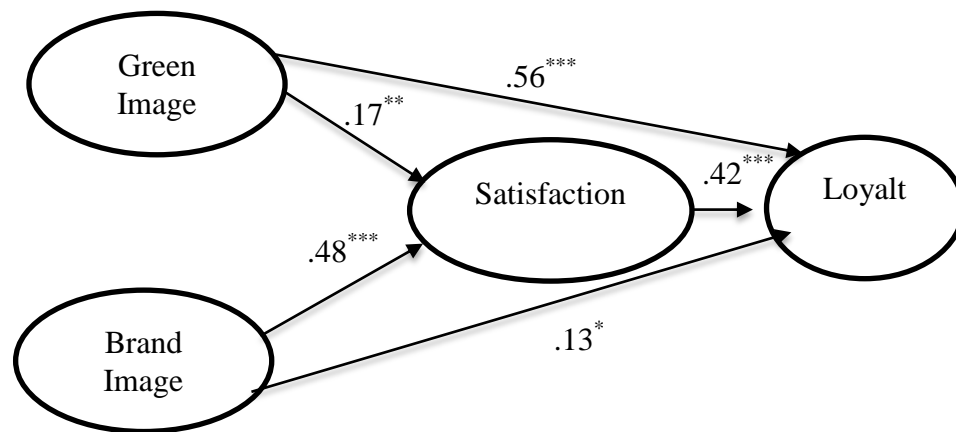


Figure 5.2. Results of Hypotheses Testing

The result showed that positive impact of Green Image on Customer Satisfaction was not significant in airlines with low level of Green Practices ($\beta=.09$, *n.s.*). However the positive impact of Green Image on Customer Satisfaction is significant in airlines with high level of Green Practices ($\beta=.17$, $p < .01$). Therefore, Hypothesis 1c was supported.

Similarly, positive impact of Green Image on Customer Loyalty was not significant in airlines with low level of Green Practices ($\beta=.12$, *n.s.*). Nevertheless the positive

impact of Green Image on Customer Loyalty was significant in airlines with high level of Green Practices ($\beta=.56, p<.01$). Then the Hypothesis 1d was supported.

The Results indicated that positive impact of Brand Image on Customer Satisfaction was significant in airlines with low level of Green Practices ($\beta=.63, p<.001$). Likewise the positive impact of Brand Image on Customer Satisfaction was significant in airlines with high level of Green Practices ($\beta=.48, p<.001$). Therefore, Hypothesis 2c was not supported.

The results showed that the positive impact of Brand Image on Customer Loyalty was not significant in airlines with low level of Green Practices ($\beta=.06, n.s.$). However the positive impact of Brand Image on Customer Loyalty was significant in airlines with high level of Green Practices ($\beta=.13, p<.05$). Thus, Hypothesis 2d was supported.

From the results obtained the positive impact of Customer Satisfaction of Customer Loyalty was significant in airlines with low level of Green Practices ($\beta=.69, p<.001$). Similarly the positive impact of Customer Satisfaction of Customer Loyalty was significant in airlines with high level of Green Practices ($\beta=.42, p<.001$). Then the Hypothesis 3b was not supported (See Table 5.3.)

Table 5.3. Results of Comparison of Two Groups of Airlines

Hypothesis	Group A	Group B	Status
H1c: Green image → satisfaction	.09	.17**	Supported
H1d: Green image → loyalty	.12	.56***	Supported
H2c: Brand image → satisfaction	.63***	.48***	Not-Supported
H2d: Brand image → loyalty	.06	.13*	Supported
H3b: Satisfaction → loyalty	.69***	.42***	Not-Supported

Note: ***: $P < .001$, **: $P < .01$, *: $P < .05$. Group A: Airlines with a low level of green practices, Group B: Airlines with a high level of green practices

Discussion, conclusions are provided in the next chapter.

Chapter 6

DISCUSSION AND CONCLUSION

6.1 Discussion of the Study

In this part of the chapter information about the outcome of the study based on data analysis and result of the study is presented and the consistency of the hypotheses of the study with the theoretical framework is mentioned.

The relationship between green image and passenger satisfaction was positive. This relationship is consistent with the studies done by Chen (2010), Penny (2007), and Lee et al. (2010). Chen (2010) found the positive relationship between the green images of the company along environmental issues which increased the customer satisfaction. Green image has positive impact on customer satisfaction (Penny, 2007).

The relationship between green image of airlines and customer loyalty was positive. This relationship is congruent with some of the empirical studies such as Lee et al. (2010), Lin et al. (2007), and Chang and Fong (2010). Chang and Fong (2010) stated the importance of green image availability for increasing loyalty level of the customers. Lin et al. (2007) mentioned the positive impact of green image on loyalty in the firms.

The relationship between brand image and customer satisfaction was not supported. This relationship is congruent with studies done by Lee, Moon, Kim, Mun (2015). Lee et al. (2015) concluded that although the brand was well-known in the market and added many positive advantages to its brand image, it did not necessarily increase the customer satisfaction. This result was not in line with Lee et al. (2010) which approved the positive relationship between brand image and satisfaction.

The relationship between brand image and customer loyalty was positive. This relationship is consistent with studies by Akbar (2014) Ailawadi and Harlam, (2004). Akbar (2014) indicated that brand image and its efforts in the market environment increase the number of loyal customers in terms of positive words of mouth, and repurchasing intention towards the firm. Ailawadi and Harlam, (2004) also approved the positive relationship between these two variables in tourism industry.

The relationship between customer satisfaction and loyalty was positive. Although this relationship was approved by various scholars and researchers, there can be a possibility of satisfied customers not to necessarily become loyal customers to a company (Chou, 2015). Jo, Lee, Reisinger (2014) mentioned that in most of the destinations customers are satisfied with their choice of travel, services and products given, but they wouldn't will to returned at that certain destination.

Green practices moderate the relationship between green image and passenger satisfaction. This relationship is congruent with studies done by Irfan et al. (2014) and Kubickova et al. (2014). Irfan et al. (2014) which stated the green practices as being one of the strong moderators effecting on improving the company's green image and increase the satisfaction level of the customers. Kubickova et al. (2014)

investigated and concluded the positive impact of green practices on green image and satisfaction.

Green practices moderate the relationship between green image and customer loyalty. This relationship is congruent with previous studies of Akbar (2014) and Jang et al. (2015) which approved the indirect effects of green image on loyalty through green practices.

Green practices do not moderate the relationship between brand image and customer satisfaction. This is consistent with theoretical studies by Kubickova et al. (2014) and Irfan (2014). Kubickova et al. (2014) concluded green practices in some especial situations of communities that care less about the environment or due to cost involved cannot have positive moderating effects on achieving high level of customer satisfaction and success based on brand image. As there are several activities that lead to achieve a brand image such as advertisement, positive word of mouth, perceived Service Quality etc. The green practices work on a shorter term, than brand image. Brand Image works as a long term investment on behalf of a company. Green image takes time to be achieved and implemented. Thus green image should be one of the strategies aimed to be achieved by airlines.

Green practices moderate the relationship between brand image and customer loyalty. This relationship is consistent with empirical studies done by Namkung and Jang (2014) and Rosenbaum and Wong, (2015), who revealed that those firms which applied green practices experience positive improvement in their brand image and loyalty of their customers. This relationship is congruent with study done by Welford (2004) and Foster et al., (2000). In line with this relationship Manaktola and Juahari

(2007) concluded the positive relationship between green practices and satisfaction of the customers who tend to extend their stay at hotels and recommend it to their friends due to green activities and services provided. There are the two Models in figure 4.3 regarding Green Image, Brand Image to Satisfaction, because the indicator that leads to Satisfaction is Green Image. Thus the airline companies should work on their Green image, which is a time consuming process.

Green practices do not moderate the relationship between customer satisfaction and loyalty. This relationship is congruent with studies done by Welford (2004) and Foster et al. (2000). In line with this relationship Manaktola and Juahari (2007) concluded the null relationship between green practices and satisfaction of the customers willing to book a stay at the hotel and recommend it to their friends due to green activities and services.

6.2 Conclusion of the Study

In the second part of the present chapter as being the final section, the justification of the study based on theoretical studies, and the result is presented. At the end of the study the managerial implication is provided to indicate the managerial usage of the study as the educational experience to scholars, researchers and managers. At the closing part, the study presents the limitation of the study with future paths for those who seek to investigate in the area of this topic.

Nowadays customers are more aware of environmental issues and are concerned regarding the companies' activities (Elkington, 1994). Therefore companies should improve their image as being a green company in the eyes of customers, especially in the eyes of their satisfied and loyal customers (Lee et al., 2010). That is, applying

green elements to their company's image. The positive effects of green image on customer's satisfaction and loyalty showed the applicability of introducing environmental green elements to the brand in order to increase the green aspect of the company's image in the market environment (Lin et al., 2007). Improving the green aspect of a company's image increases the satisfaction and loyalty level of customers (Chang & Fong, 2010).

Among the three airlines analyzed, Emirates Airline owns the highest environmental friendly and green practices level in terms of practices, services and products. Then, British Airways has occupied the second position based on environmental practices and services. The last but not least is Lufthansa with lower level of green practices in comparison with the other two in perception of the customers. Emirates Airline and British Airway have the higher concern for environmental issues. Based on Emirates Airline' official website, this airline has commitment to the continuous development of environmentally-responsible work practices and eco-efficient operations

Their annual report highlights Emirates Airline's position as a leader in the industry for fuel efficiency and CO2 emissions due to its young, technologically-advanced fleet (www.Emirates Airline.com). Moreover, British Airways has led on sustainability for 25 years since the establishment of their Environment function in 1989 and in 1992; they became the first airline to produce an environmental report and have continued to do so annually since (www.britishairways.com). British Airways has comprehensive climate action plan including development of new low-carbon fuels, emissions saving initiatives, environment projects supported by customer donations, and proactive support for appropriate government regulation.

So these two airlines (Emirates Airline and British Airways) have spent more time and efforts on environmental values; they have more satisfied customers responding to the environmental practices. This finding is in line with the model of the study (Figure 3.1).

Those firms with well-known green image regardless of green activities cannot satisfy the need of their perspective customers while they can increase numbers of their loyal ones (Hill, Jones, and Schilling, 2014). This can be justified in terms of green practices and its relative concern expanded all over the world. Prospective customers care about environmental concerns of their selected company alongside of green standards (Saylor, 2005). Therefore, providing green practices as the moderator in the relationship between brand image and satisfaction is vital.

The moderating role of green practices confirms the relationship between brand image, satisfaction and loyalty (Bonn, Cronin and Cho, 2015). Green practices increase the effects of green image on satisfaction and loyalty by enforcing green practices to the branded company and updating its profile in the environmental concern market environment (Leonidou, Fotiadis, and Christodoulides, 2015). In this study, unfortunately green practices cannot moderate the relationship between brand image and satisfaction. This can be explained with previous experience of the customer with brand itself and its products rather than applying green practices interestingly. Passengers are satisfied with the branded airline company due to their services and previous purchases not based on green practices which evoke the importance and of brand image and lack of enough knowledge between passengers for environmental issues (Baskin and Earls, 2002).

The relationship between satisfaction and loyalty is positive due to providing efficient factors in leading satisfied customers to loyal ones (Myrden, Kelloway, and Baron, 2015). Moreover, in tourism industry, there is a variety of choices when people travel all over the world and have experiences with different airlines, hotels and destinations so it means that they can lead their satisfied passengers with the firm's products and services to become loyal to the company (Nickerson, Jorgenson, Berry, and Kwenye, 2014).

Applying green practices cannot increase the relationship between satisfaction and loyalty in the airline industry (Barcelos, and de Paula Baptista, 2015). Passengers are willing to travel with the airline which applied the green practices and care about the environmental issues but this cannot lead them to use the airline in a continuous manner or recommending to their friends (Hagmann, Semeijn, and Vellenga, 2015). So they wouldn't choose the airline based on its green activities for their future travel choices.

Thus, applying green practices increase the passengers' intentions to return to the company and recommend the brand to their friends and relatives based on green image and green activities of the firm.

Green practices and environmental issues are much more important in the eyes of the passengers due to their knowledge and awareness rather than companies (Yearley, 2014). Green practices give the competitive advantages to the company in competitive market environment (Epstein and Buhovac, 2014). Green practices give them the sense of company's attention to the world's concern and environmental friendly topics repeatedly mentioned all around the world (Efird, 2014).

Based on TPB, those who are concerned about the environmental issues and green aspects of the airline would choose the green brand with appliance of green practices. These green practices shape their attitude and determine their final behavior as selecting green brand image rather than the brand without applying the green elements.

This study compares two types of airlines with a low level of green practices and high level of green practices. The observation of comparison among these have shown that in case of those airline companies with lowest level of green practices, the relationship between green image and brand image with satisfaction and loyalty of the passenger is weak; while in case of airlines applying high level of green practices in their company experience the significant relationship between green image and brand image with passenger satisfaction and loyalty is significant. That is, passengers are willing to purchase and repurchase from those brands with applying green practices and green issues attached to their services and products. In case of these companies the satisfaction and loyalty level of the customers is significant. These firms care about the environment and achieve competitive advantage in the airline industry.

6.3 Managerial Implications

Nowadays being winner out of hundreds in the market environment is critical and demanding task to achieve in an organization's activity. One of the most important criteria every company regardless of their industry concentration would face is green environmental issues (Yearely, 2014).

Environmental eco-friendly issues attract the attention of every individual. Managers, researchers, academicians and scholars as the educational source of the industries should care about the green practices and green aspect of the brands to attract more points while achieving competitive advantages (Ahmad and Panni, 2014). Satisfaction of the passengers is not enough, keeping the passengers satisfied and loyal for long term is significant and worthy (Shao, 2014).

Managers should also be careful about their brand image in the eyes of the users. Green aspects of the brand are important for customers to choose a company out of hundreds. Improving positive brand image in the minds of the people is essential for vitality of the business in the market environment (Miller, 2015).

6.4 Limitation and Future Research of the Study

The same way as other studies, the present one lacks several areas of research thus it has its own borders. First of all, this study distributed its questionnaires among three airline companies in two different airports in the summer of 2015. Expanding the number of airline companies in various airports would help the researcher to obtain a broader result.

Duplication of this study with the use of same study in another geographical and cultural area as well as in different time frame would be useful for further studies. The comparison between airline and hotel industries in terms of green practices would open more doors in understanding the importance of green practices. This study obtained its data during a limited period of time, thus applying a prolonged research in the same geographical areas is worthy.

Longitudinal data evaluation would lead to analyze every variable separately thus a more accurate image and connection between variables would be achieved as well. Obtaining the detailed information regarding airlines green practices that are not visible/ tangible for passengers would be essential and further research could collect such data by measuring green practices from airline's staff point of view.

Finally, future studies can use a broader comparison between charter flights, full service and low cost air carriers with wide selection number of each for better generalization.

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APPENDIX

Appendix A. Questionnaire

Survey on Green Marketing Practices of Airlines

Dear Respondent

As part of my M.S. research/thesis at the Eastern Mediterranean University, faculty of tourism in North Cyprus, I am conducting a survey to explore the travelers' perception regarding Green Image and Green Practices of airlines, which positively impact our environment. Your kind participation is highly appreciated. Any information obtained in connection with this study will remain confidential. No need to reveal your name. If you have any query, please contact me.

Thank you very much for your kind cooperation.

Victoria Sabrina

PART A

For each of the statements below, please indicate the extent of your agreement or disagreement by placing a tick in the appropriate box.

The response scale is as follows:

1. Strongly Disagree
2. Disagree
3. Undecided or Neutral
4. Agree
5. Strongly Agree

	Green practices	1	2	3	4	5
1	If the products sold by the Airlines seriously damage the environment, I will refuse to purchase them.					
2	I feel frustrated and angry when I think of Airline industry that conducts business by polluting the environment.					
3	When purchasing products and selecting companies, I always select the ones with global environmental certification, even though they are more expensive.					
4	I follow the key points of recycling and classify recycled waste at home.					
5	I am concerned about my actions to improve the environment.					
6	I am often concerned about and absorb environmental knowledge and information.					
7	When two products are similar, I tend to select the one that harms the environment less, even though it is more expensive.					
8	I am often concerned about and absorb environmental knowledge and information.					

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	Green Image	1	2	3	4	5
9	Airline has increased its number of seats per aircraft					
10	This airline uses newer aircraft.					
11	Air offers "Carbon off-setting"					
12	Using public transport to reach the airport.					

13	Airline has a good safety record.					
14	Airline has less stopover and more direct flights					
15	Airline's aircraft fleets are in good condition					
16	Airline has achieved several eco-friendly merits					

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	Brand Image					
17	I have always had a good impression of this airline.					
18	I believe that this airline has a better image than its competitors.					
19	In my opinion, this airline has a good image in the minds of passengers					
20	This airline provides high quality of services.					
21	The airline has up-to-date aircraft and in-flight facility					

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	Green Practices					
22	It is acceptable for the airline I am traveling with to inform me that it does not actively provide disposable toiletries.					
23	It is acceptable for the airline I am flying at to inform me of the reuse of towels.					
24	It is acceptable for the airline I am flying with at to inform me that it does not provide bottled mineral water.					
25	Airline is using new bio-fuels for their aircrafts.					
26	Airline has environmental awareness programs for travelers					
27	Airline uses waste disposal and recycle procedures in the aircrafts					
28	Airline uses recyclable environmental friendly food dishes					
29	Airline uses organic food and friendly environment disposal facility.					
30	Recycling and environmental friendly disposal of spoons, forks are done in correct way.					
31	Maintenance of aircraft engines are done correctly.					
32	Aircrafts/Airports have eco-friendly disposal waste stations					
33	Legroom at seat or space between seats.					
34	Seating selection facility					
35	Airline Environmental performance (recyclable forks, knives, napkins and papers)					
36	Airline average age of aircraft					

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	Satisfaction						
37	I felt happy after flying with this airline.						
38	I felt satisfied after flying with this airline.						
39	My choice to fly with this airline was a wise one						
40	I think I did the right thing when choosing this airline.						
	Loyalty						
41	I will do more business with this airline in the next years.						
42	I consider this airline to be my first choice when flying.						
43	I consider myself as a regular customer of this airline.						
44	I prefer to fly with this airline as opposed to competitors.						
45	I consider myself as loyal to this airline.						
46	I will recommend this airline to my friends and relatives						
47	It is acceptable for the airline I am travelling with to inform me that it does not actively provide disposable toiletries						
48	It is acceptable for the airline I am travelling with to inform me of the reuse of blanket and pillow						
49	It is acceptable for the airline I am travelling with to inform me that it does not provide bottled mineral water						
50	It is acceptable for the airline I am travelling with to inform me of the usage of recycled of environmental friendly food dishes						
51	I prefer to fly with airlines that offer “carbon offsetting”						
52	I prefer to fly with airlines that are testing biofuels (not fossil fuels)						
53	I prefer to fly with airlines that are serving organic food.						

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PART B

<i>Age</i>	<i>Educational Level</i>	<i>Gender</i>
18-27 ()	Primary school ()	Male ()
28-37 ()	Middle school ()	Female ()
38-47 ()	High school ()	
48-57 ()	Junior technical college ()	<i>Marital Status</i>
58-67 ()	University ()	Single ()
		Married ()
		Divorced or

Widowed ()

How often have you been traveling?

Monthly ()

Seasonally ()

Yearly ()

Travel Purpose

Business ()

Leisure ()

Other (family/friend visit, etc.) ()

Airline Services

Car Parking Yes () No ()

Checking Number and weight of baggage Yes () No ()

Birth Place

Asia () Asia Pacific () Europe () Africa () Middle East () Australia ()
America ()

Your average salary (Per month/in Dollars):

0 up to 1000\$ () 1000 up to 2000\$ () 2000 up to 3000\$ () up to 3000 ()

What was the purpose of your trip?

Business () Education () Leisure () Other ()

Thank You for your Valuable Contribution