Consumers' Willingness to Pay for Eco-Friendly Coffee Shops: The Role of Green Brand Image and Consumers' Environmental Concern

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Abstract

The purpose of this study is to examine the antecedents of consumers' attitudes and willingness to pay more for coffee shops adopting green practices. In particular, it investigates the impact of green brand image and individual environmental concern on consumers' attitudes towards an eco-friendly coffee shop. It also studies the effect of consumers' green attitudes on willingness to pay (WTP) for the coffee shop embracing green initiatives. Paper surveys and online surveys were conducted with 225 consumers who have experience in using services at the specified coffee shop in Thailand. Structural equation modeling was applied to test the proposed framework. The empirical results exhibited that green brand image (β = 0.38, p-value =.000) and individual environmental concern (β = 0.58, p-value =.000) positively related to consumers' attitude towards the eco-friendly coffee shop. The findings also revealed the significant relationship between consumers' attitudes and their WTP for the green coffee shop (β = 0.64, p-value =.000). Additionally, the study also provides results on the number of extra consumers are willing to pay.

Keywords: Green brand image, environmental concern, green attitudes, willingness to pay, eco-friendly coffee shops

Introduction

In the environmental era, the environment-related issues have been gaining more importance and become challenges for consumers, businesses, and society over recent decades (Bronfman, Cisternas, López-Vázquez, de la Maza, & Oyanadel, 2015; Chen & Chang, 2012; Tang & Lam, 2017). Due to increasing awareness of deterioration, increasing pollution, global warming, and depletion of natural resources, consumers have become progressively more interested in environmental protection (Yadav, Khandelwal, & Tripathi, 2017). In view of that, environmental concern emerges as a mainstream issue for consumers under the new ecological paradigm (NEP) (Wong & Wan, 2011) and more researches have been conducted in attempt to study consumers' level of environmental concern (Borisenko, 2018). Notably, environmental concern is one key factor in consumer's decision making process (Ottman, 2001). Consumers who are more concerned about the environment are prone to exhibit environmentally friendly behavior (Albayrak, Aksoy, & Caber, 2013). They are willing to support firms that offer greener products and services to reduce their environmental impact (Royne, Thieme, Levy, Oakley, & Alderson, 2016).

From the supply side, many businesses exploit popular concerns about environmental issues and seek to catch the opportunity by positioning their brands to gain differential advantages in the highly competitive market situation (Yadav et al., 2017). Accordingly, the introduction of green practices and sustainable offerings can become a strategic way of brand positioning (Chen, 2010). Prior research indicated that firms with a green orientation achieve greater profits, higher market shares, increased customer satisfaction and employee commitment (Moser, 2015). Companies who engage in green practices might consider energy saving operations, purchasing locally produced materials, using chemical free and natural materials, reducing and recycling wastes, and other practices that would not harm the environment (Borisenko, 2018; Schubert, Kandampully, Solnet, & Kralj, 2010; Teng, Wu, & Huang, 2014). Accordingly, eco-friendly businesses can be conceptualized as business organizations that employ green practices in its operations (Schubert et al., 2010). For instance, food service operators that adopt green practices will put

emphasis on organic and local food offerings, green environment and energy-efficient equipment, and green management such as recycling and waste reduction (Teng, Wu, & Huang, 2014).

Notably, one of reasons for firms embracing green initiatives is to increase their images (Chen & Chang, 2012). Since brand image has been regarded as one of the most imperative concepts in marketing as it plays a key role when consumers cannot differentiate product or services based on tangible attributes (Chen, 2010; Martınez, Perez, & Rodriguez del Bosque, 2014). Brand images can enhance customer satisfaction, trust, loyalty and purchase intention (Chen, 2010, Han, Yu, Chua, Lee, & Kim, 2019; Huang, Wang, Chen, Deng & Huang, 2020). In particular, green brand image or eco-friendly image could improve the emotional tie-up with the customer (Yadav et al., 2017) and avoid the trouble of environmental disputes (Chen, 2010). In this study, green brand image is expected to be one antecedent that can impact consumers' favorable attitude towards green businesses and their willingness to pay for firms' green initiatives.

According to Keller (1993), consumers will respond to the product and service of a brand favorably if they have positive brand attitude (Han et al., 2019). Specifically, attitudes towards green practices of eco-friendly businesses should be profoundly examined as attitudes are significant as the reference points for consumers when they choose a brand (Han et al., 2019). Additionally, consumers' willingness to pay (WTP) for a product or service is also one crucial factor for management decisions concerning product's value, price response and communication decisions (Schmidt & Bijmolt, 2020). To study the relationships between attitudes and WTP for green practices, Ajzen (1991)'s Theory of Planned Behavior (TPB) explaining environmental attitude-behavior relations (Bronfman et al., 2015) is used to examine in this study. According to the TPB, green behavioral intention i.e. willingness to pay for green practices is likely to be predicted by personal evaluation of environmentally conscious businesses (Bronfman et al., 2015). Accordingly, since green products are increasingly popular nowadays, more consumers are willing to pay higher price for them (Chen, 2010; Han & Chan, 2013; Borisenko, 2018). However, some studies indicated that other consumers are not willing to pay premium price for green offerings (Borisenko, 2018). For instance, hotel guests viewed that green practices implemented in the hotel are cost-cutting measures of a hotel and should be priced lower or not be priced differently from

the traditional offers (Millar & Mayer, 2013; Baker, Davis, & Weaver, 2014; Dimara, Manganari, & Skuras, 2015). Accordingly, green strategies might work effectively under different market conditions (Chen & Chang, 2012). The current research model is proposed to gain better understandings of the green attitude-WTP intention in a specific service setting i.e. coffee shop industry.

In recent years, the domestic coffee market and consumption of Thailand keeps growing, with an overall coffee market estimated at 25.8 billion baht in 2019 (ThaiSMEsCenter, 2020). There are two types of service businesses in the coffee market, coffee shops and café (Food Intelligence Center Thailand, 2015). A coffee shop focuses on coffee and drinks menu over the food menu while a café is likely to serve food rather than coffee. This study focuses on examining the proposed framework in the coffee shop sector. According to Euromonitor, there were 8,025 coffee shops operated in Thailand in 2018 (Jitpleecheep & Hicks, 2019). Although per-person consumption of coffee in Thailand is approximately 300 cups per year, compared with 400 cups per year in Japan and 600 cups per year in Europe (Jitpleecheep & Hicks, 2019), the demand is still rising. The market is expected to grow annually by 7.4% between 2019 and 2023 (Ferris, 2021). One of the reasons is the current trend of coffee lifestyle. Consumers are likely to spend time together in a favorite coffee shop. Some coffee shops create a workspace environment for their consumers. According to the vice-president of the Asian Coffee Federation and president of the Barista Association of Thailand, coffee becomes a rising star in the food and beverage industry sector and it is anticipated to double over the next five years (Jitpleecheep & Hicks, 2019). Unfortunately, during the COVID-19 outbreak in 2020-2021, the food service businesses including coffee shops have experienced a negative impact from decreased demand, the lockdown and social distancing regulations (Euromonitor, 2021). The coffee shops adapted their offers by generating take-home sales and partnering with food delivery application services (Euromonitor, 2021). Nevertheless, due to the consumers' new lifestyles and coffee culture, coffee shop industry is likely to have the promising future after the end of the pandemic.

Key players in the coffee shop market in Thailand include Amazon, Starbucks, Doi Chaang, Coffee World, and True Coffee, however, in a particular segment, Inthanin Coffee is recognized as

an eco-friendly coffee shop. Inthanin, a coffee shop chain in the Bangchak group, opened its first outlet in a Bangchak petrol station in 2006 (Bangchak Corporation Public Company Limited, 2018). As of the end of the first quarter of 2021, there are 694 outlets of Inthanin Coffee Shops across the country (Bangchak Corporation Public Company Limited, 2021). Inthanin positions itself as an environmentally friendly brand or eco-brand (Bangchak Corporation Public Company Limited, 2018, 2021). It uses organic Arabica beans supplied by coffee farmers in Chiang Mai and provinces in northern Thailand via contract farming. Inthanin is one of the brands using the most organic Arabica beans, totaling 15 tons per year (Bangchak Corporation Public Company Limited, 2018). In 2016, it was the first coffee shop to launch a campaign that encourages customers to bring their own cups and get a 5% discount to reduce the use of plastic cups. In this regard, plastic waste has been reduced by 200,000 cups per year. Under its social and environmental responsibility policy, the company redesigned the lids of its coffee cups so that customers can drink from the cups and stopped using plastic straws in 2018. It introduced paper cups coated with biodegradable plastic (BioPBS) for takeaway hot coffee. The 100% biodegradable cup is made from plant biomass and compostable within 180 days. At present, Inthanin is the number one brand in using the most biodegradable plastic cups in Thailand (Bangchak Corporation Public Company Limited, 2018, 2021). Since this study focuses on environmentally friendly or eco-friendly coffee shops (i.e. coffee shops that adopt green practices), Inthanin brand is chosen in this study to examine the impact of its green image on consumers' attitudes and WTP decisions.

Research objectives

This study aims to investigate the antecedents of consumers' attitudes and willingness to pay a premium for coffee shops adopting green practices. Specifically, it explores the effect of green brand image and individual environmental concern on consumers' attitudes towards eco-friendly coffee shops. It also studies the impact of consumers' attitude on willingness to pay for the coffee shops embracing green initiatives.

Literature review

Green brand image

Brand image has become an increasing popular concept in consumer behavior research since the 1950's (Riley, Charlton, & Wason, 2015). Keller (1993) conceptualized brand image as the perceptions about a brand reflected by associations of that brand kept in the consumer's memory. While Park, Jaworski, and Maclnnis (1986) posited that brand image embraces symbolic, functional, and experiential benefits, Cretu and Brodie (2007) argued that brand image involves a consumer's emotional picture of a brand in the consumer's mind. Although brand image have been defined in various ways, a favorable and renowned brand image is recognized as an asset for any business as image can lead to customer perceptions of the firm's communication and operations (Kang & James, 2004).

To study brand image in the sustainability context, this study adopts the definition of green brand image asserted by Chen (2010, p. 309) as "a set of perceptions of a brand in a consumer's mind that is linked to environmental commitments and environmental concerns." Based on this definition, green brand image is essential for firms especially under the growth of prevalent environmental awareness of consumers and regulations of environmental protection (Chen, 2010). Additionally, due to intense competition between brands, firms need to create unique position of their brands in customers' mind and gain the differential competitive advantage (Han et al., 2019). Thus, firms should exploit these concerns about environmental issues to incorporate their environmental visions into their branding strategies. Accordingly, this study expects that green brand image can enhance consumers' attitudes and intention to support eco-friendly businesses.

Environmental concern

Zimmer, Stafford, and Stafford (1994, p. 64) defined environmental concern as "a general concept that can refer to feelings [consumers have] about many different green issues." This concept emerged as the call for human behavior change from the exploitation of many of the world's natural resources (Gifford & Nilsson, 2014). The problems of environmental degradation, natural resource depletion, global warming and pollution are examples that put pressure on

people, businesses and the government to commit to environmental protection and improvements as the global issues for sustainable development (Wong & Wan, 2011; United Nations Environment Programme, 2005).

The relationship between nature and humans can be explained by the new ecological paradigm and the dominant social paradigm (Wong & Wan, 2011). The new ecological paradigm (NEP) involves being sensitive to the risk of an environmental crisis and underlining the balance of nature while the dominant social paradigm (DSP) posits that humans are superior to nature and other species, there is unlimited resources for humans and economic development is a higher priority than the environment protection (Dunlap, Van Liere, Mertig, & Jones, 2000; Borisenko, 2018). Accordingly, people who pursue the NEP are more concerned about the environment than those who believe in the dominant social paradigm (Wong & Wan, 2011). Since environmental concern has been one key factor in consumers' decision making process (McDonald, Oates, Thyne, & Timmis, 2015; Ottman, 2001; Zimmer et al., 1994), this study adopts the new ecological paradigm (NEP) and anticipates that consumers' strong environmental concern leads to pro-environmental attitudes and willingness to pay for green practices.

Attitudes towards green businesses

Bagozzi (1992) defined an attitude as an evaluation (positive or negative) that determines individual's intention to perform behaviors. Similarly, Yadev et al. (2017) posited that individual's liking and disliking leads them to behave in a particular way. Attitude towards an object such as a company or a brand can vary based on the consumer preference (Chang & Liu, 2009). Attitudes are important as the reference points for consumers when they select a brand (Han et al., 2019). In the sustainability context, attitudes towards green practices of eco-friendly businesses can be conceptualized as the overall consumer assessment of businesses adopting green practices.

To understand the formation of individuals' attitude-intention, the Theory of Planned Behavior (TPB) introduced by Ajzen (1991) is examined. According to the TPB, actual behavior and behavioral intention are influenced by attitude, subjective norm and perceived behavioral control (Bronfman et al., 2015; Jalilvand, Shahin, & Vosta, 2014). To extend this concept of attitude-intention relationships to the current study, green behavioral intentions in consumers are likely

to be driven by personal evaluation of environmentally conscious businesses. Specifically, it is expected that consumers' attitudes towards eco-friendly coffee shops are positively related to their willingness to pay for using services there.

Willingness to pay for green practices

Willingness to pay (WTP) refers to the maximum price at or below which a consumer will certainly purchase one unit of a product (Varian, 1992). Borisenka (2018, p.1) conceptualized WTP as "an amount or cost that a person intends to pay for a designated improvement or compensation." Consumers' WTP can be used to assess firms' value offerings, pricing and communication decisions (Schmidt & Bijmolt, 2020). In a sustainability setting, this study focuses on WTP for businesses engaging in green practices. In particular, it attempts to examine consumers' willingness to pay premium price for using a service at eco-friendly coffee shops. Willingness to pay such price for the greener services reflects that there is a demand for green consumers. Hence, it is expected that people who choose environmentally friendly products/services over traditional ones (Kuscu, 2019) are likely to pay premiums for sustainable offerings (Schmidt & Bijmolt, 2020). Accordingly, the extra amount that consumers are willing to pay for coffee shops embracing green initiatives would be explored in this study.

In this regard, eco-friendly coffee shops refer to the coffee shops that engage in green practices. They pay attention on energy saving, purchasing local food and drink materials, using natural materials, recycling, reducing wastes, and other practices that would not damage to the environment (Borisenko, 2018; Schubert et al., 2010; Teng et al., 2014). Accordingly, this study choose Inthanin coffee shops as they adopt such green practices (Bangchak Corporation Public Company Limited, 2018, 2021).

Research framework

Based on branding, consumer behavior, and sustainability literature, the framework of green brand image, individual environmental concern, consumer attitudes, and willingness to pay for green practices are proposed as follows.

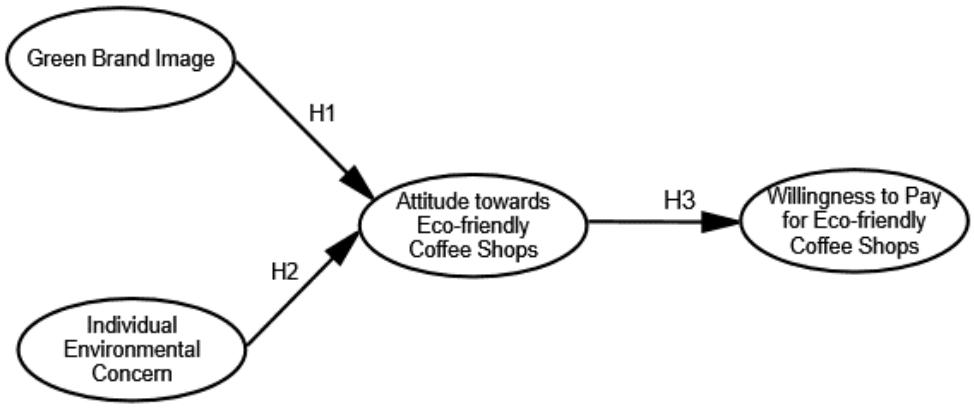

Figure 1 Research framework

Hypotheses development

Green brand image and attitude towards green businesses

According to de Ruyter and Wetzels (2000) and Jalilvand et al. (2014), brand image is an essential predictor of attitude towards brand. In other words, positive brand perceptions can enhance the credibility of the market offerings. Huang, Wang, Chen, Deng, and Huang (2020) asserted that brand image reflects consumers' overall impression of the brand. Martínez and Pina (2010) also indicated that the more favorable the brand image, the more positive the attitude to the brand. In a green marketing context, green brand image increases the pleasurable level of consumer fulfillment (Chen, 2010). Thus, based on the above discussion, the study proposes that green brand image is expected to significantly affect attitude.

H1 Green brand image positively relates to consumers' attitude towards the eco-friendly coffee shop.

Individual environmental concern and attitudes towards green businesses

Consumers pay more attention and actively participate in environmental protection issues than in the past (Tang & Lam, 2017). According to the Value-Belief-Norm (VBN) theory proposed by Stern, Dietz, Abel, Guagnano, and Kalof (1999), consumers will adopt pro-environmental attitudes if they perceive that they are responsible for protecting themselves, other people in the society and the whole ecosystem (Bronfman et al., 2015). Additionally, based on the new ecological paradigm (NEP), consumers who believe in the NEP are highly concerned about the

environment (Wong & Wan, 2011). Thus, consumers with a stronger concern for the environment are expected to buy green products and services as a consequence of their pro-environmental perspective than those who have lower environmental concern (Borisenko, 2018). Particularly, Chan (2000), Hassan (2014), Kirmani and Khan (2016) and Tang, Wang, and Lu (2014) found in their empirical studies that the higher degree of environmental concern impacts favorable attitude towards green offerings. Therefore, this study proposes the following hypothesis.

H2 Consumers' environmental concern positively relates to their attitudes towards the eco-friendly coffee shop.

Attitude towards green businesses and willingness to pay for green practices

Ajzen (1991)'s Theory of Planned Behavior (TPB) has been generally accepted as one of the theories that explain environmental attitude-behavior relations (Bronfman et al., 2015). According to the TPB, attitudes, which are stable evaluative overall summaries about an object, are an imperative psychological variable because they have been established to impact many behaviors (Olson & Zanna, 1993; Jalilvand et al., 2014). Specifically, this theory proposes that an individual's behavioral intention is directly explained by attitude (Bronfman et al., 2015). Ajzen suggested that the more favorable the attitude toward the behavior, the stronger will be an individual's intention to perform the behavior (Jalilvand et al., 2014). Han et al. (2019) asserted that attitude towards brand can predict consumer behavior and is formed through emotional responses. Thus, attitude is one key indicator of the targeted behavioral intention. In this study, the behavioral intention is the willingness to pay for green businesses i.e. eco-friendly coffee shops. In an empirical study in the eco-friendly hotel setting, consumers with more positive attitudes toward green hotels are willing to pay more to stay in the green hotels (Tang & Lam, 2017). In the food context, attitude has been proven to have high predictive power on green behavior (Moser, 2015). Therefore, the current study proposes that pro-environmental attitudes can predict willingness to pay for the eco-friendly coffee shop.

H3 Consumers' attitudes towards the green coffee shop positively relates to willingness to pay for the eco-friendly coffee shop.

Research methodology

Research design

To test the conceptual framework, a quantitative survey is applied. The survey instrument is a questionnaire which has three parts. The first part involves respondents' demographic characteristics including gender, age, education level, occupation, and monthly income. The second part involves respondents' usage experience at coffee shops. It also includes a screening question asking if respondents know about the "Inthanin Coffee" brand. The third part involves respondents' evaluation of green brand image, their environmental concern, their attitudes and willingness to pay for eco-friendly coffee shops. In this part, more information of the brand's green practices is given to them before they respond to those questions. A five-point Likert scale (from strongly disagree to strongly agree) is employed to measure the variables. All measurement items are adapted from previous studies as shown in Table 1. Additionally, in the third part, respondents are asked to indicate whether and how much (%) they are willing to pay more for coffee shops adopting green practices. To assess face validity of the measures, three scholars in the field of marketing and sustainability would be asked to assess and modify the questionnaire.

Table 1 Measurement of variables

Variables	Measurement items	Sources
Green brand image	GBI1 The brand is regarded as the best benchmark of environmental commitments. GBI2 The brand is professional about environmental reputation. GBI3 The brand is successful about environmental performance GBI4 The brand is well established about environmental concern.	Chen 2010

Variables	Measurement items	Sources
	GBI5 The brand is trustworthy about environmental promises.	
Individual Environmental concern	IEC1 I am worried about the environment. IEC2 Mankind is severely abusing the environment. IEC3 When people interfere with nature, they produce disastrous results. IEC4 The balance of nature is very sensitive. IEC5 The balance of nature is easily deteriorate. IEC6 If we continue as before, we are approaching an environmental disaster. IEC7 For the benefit of the environment, we should be ready to restrict our momentary style of living.	Kirmani and Khan, 2016
Consumers' attitude towards eco-friendly coffee shops	ATT1 The overall image I have about an eco-friendly coffee shop is positive. ATT2 My overall image for using services in an eco-friendly coffee shop is positive. ATT3 Overall, I have a good image about an eco-friendly coffee shop.	Tang and Lam, 2017
Willingness to pay for eco-friendly coffee shops	WTP1 I am willing to spend extra to use the service at an eco-friendly coffee shop. WTP2 It is acceptable to pay more for a coffee shop that engages in green practices. WTP3 I am willing to pay more for an eco-friendly coffee shop.	Tang and Lam, 2017; Borisenko, 2018

Variables	Measurement items	Sources
	WTP4 I prefer green coffee shops over non-green coffee shops when their service qualities are similar. WTP5 If I have a choice, I will choose a coffee shop based on its green practices.	
	How much more you are willing to pay for coffee shops adopting green practices? (Indicate %)	

Population, sample and data collection

The population of the study is the consumers who have experiences in using services at coffee shops and know the brand specified in this study. The sample size is calculated based on a ratio of 10 samples to 1 measurement item (Bentler & Chou, 1987). Given the total 20 indicators, the sample size should be 200 samples at a minimum. In this regard, 300 questionnaires will be distributed to consumers to deal with unusable and missing responses. The sampling method is convenience sampling with the screening question so that respondents can answer all questionnaire items. Paper survey and online survey via Google Form will be utilized to collect data. Accordingly, the researcher will contact Inthanin coffee shop managers, explain the purpose of the survey, and ask for their cooperation. With the consent of the managers, customers in each shop will be invited and asked to evaluate the paper/online questionnaires. To encourage customers to participate in the survey, some souvenirs such as foldable cloth bags were provided to the respondents. Notably, consent, privacy, and confidentiality were considered in collecting data. Within five weeks, 256 questionnaires were collected. Following the missing data screening, the usable questionnaires were 225.

Since a self-report survey was used to collect data in the present study, the common method bias (CMB) might be a concern (Malhotra, Schaller, & Patil, 2017). In this regard, the study employed the Harman's single factor test to assess CMB. According to Podsakoff, MacKenzie, Lee, & Podsakoff (2003), CMB establishes if majority of the variance of all the variables is exhibited by

a single factor. Based on exploratory factor analysis (excluding a rotation) results, the first factor explained only 32.38% of the total variance, thus CMB is not the problem in the present data set.

Results and analysis

The majority of the respondents were female (65.3%), employees (67.1%) and between 25 and 35 years of age (46.2%). Most of them were at the undergraduate level of education (69.4%) and had monthly income between 25,001 and 35,000 baht (45.8%). Additionally, among all respondents, 171 (76.0%) of the sample were willing to pay a premium for coffee shops adopting green practices. In this regard, they indicated that they would pay 1-100% more for eco-friendly coffee shops. Specifically, among the 171 respondents, 49 (28.7%) were willing to pay 5% more for such sustainable offerings, 42 (24.6%) would pay 10% more, and 15 (8.8%) would pay 20% extra for green coffee shops.

Measurement Model Results

This study adopted Confirmatory Factor Analysis (CFA) via AMOS to test the fitness of the measurement model. Accordingly, three analyses were conducted i.e. the measurement model fitness indices, reliability, and validity. According to Hair, Black, Babin, Anderson, and Tatham (2010), multiple fit indices including χ2/degree of freedom (df), Comparative Fit Index (CFI), Tucker–Lewis index (TLI), and Root Mean Square Error of Approximation (RMSEA) were examined to assess a model fit. Accordingly, the measurement model indicated a good fit to the data (χ2 = 394.87, df = 155, p-value = .00, χ2/df = 2.55, CFI = 0.93, TLI = 0.92, RMSEA = 0.08). All exceeded the recommended values (RMSEA < 0.08, CFI, TLI > 0.90 proposed by Hair et al. (2010), and 1 < χ2/df < 5 advised by Joreskog (1969).

Table 2 presents the reliability and validity measures for the proposed constructs. Cronbach's alpha, and composite reliability (CR) were used to examine the reliability of each construct in the measurement model. According to Table 2, Cronbach's alpha (0.79 – 0.92), and CR (0.83 – 0.93) values were all higher than 0.70, the threshold suggested by Hair et al. (2010), indicating good reliability. All indicator loadings and average variance extracted (AVE) values were

assessed for convergent validity. From Table 2, standardized factor loadings (0.52 – 0.93) and AVE values for each construct (0.62 - 0.66) were greater than 0.50, showing convergent validity (Hair et al., 2010).

Table 2 Reliability and validity of the measurement model

Construct	Standardized factor loadings	AVE	CR	Cronbach's alpha
Green brand image (GBI)		.655	.904	.911
GBI1	.70***			
GBI2	.75***			
GBI3	.82***			
GBI4	.87***			
GBI5	.89***			
Individual Environmental concern (IEC)		.648	.927	.922
IEC1	.66***			
IEC2	.87***			
IEC3	.83***			
IEC4	.78***			
IEC5	.65***			
IEC6	.93***			
IEC7	.87***			
Consumers' attitude towards eco-friendly coffee shops (ATT)		.621	.829	.790
ATT1	.81***			
ATT2	.67***			

Construct	Standardized factor loadings	AVE	CR	Cronbach's alpha
ATT3	.87***			
Willingness to pay for eco-friendly coffee shops (WTP)		.630	.890	.896
WTP1	.90***			
WTP2	.92***			
WTP3	.93***			
WTP4	.52***			
WTP5	.60***			

Note: *** = p-value < .01, Model fit indices = $\chi 2$ = 394.87, df = 155, p-value = .00, $\chi 2/df$ = 2.55, CFI = 0.93, TLI = 0.92, RMSEA = 0.08

To test for discriminant validity, the procedure suggested by Fornell and Larcker (1981) was used. From Table 3, the square root of AVE for all the constructs was higher than the correlation with each of the other constructs, thus showing the evidence of discriminant validity. Therefore, the measures of all constructs were reliable and valid.

Table 3 Discriminant validity results

Construct	IEC	GBI	ATT	WTP
IEC	**0.805**			
GBI	0.290	**0.809**		
ATT	0.640	0.490	**0.788**	
WTP	0.410	0.420	0.600	**0.794**

Structural model assessment and hypotheses results

The study conducted Structural Equation Modeling (SEM) via AMOS to test research framework and hypotheses. The structural model results indicated good model fit ($\chi 2$ = 402.33,

df = 157, p-value = .00, χ2/df = 2.56, CFI = 0.93, TLI = 0.92, RMSEA = 0.08). From Figure 2, the findings of the study showed that green brand image (β = 0.38, p-value =.000) and individual environmental concern (β = 0.58, p-value =.000) were antecedents of consumers' attitude towards eco-friendly coffee shops, thus supporting H1 and H2. The significant linkage between consumers' attitudes and their willingness to pay for eco-friendly coffee shops (β = 0.64, p-value =.000) also supported H3. Table 3 exhibits the findings of hypotheses testing.

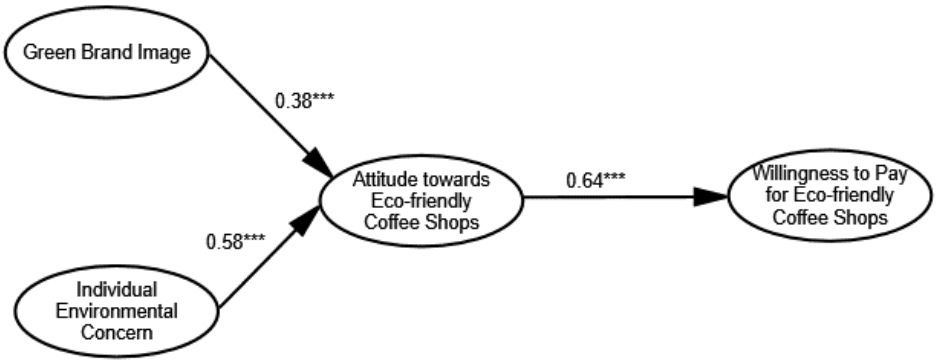

Figure 2 Structural model results

Note: Model fit indices = χ2 = 402.33, df = 157, p-value = .00, χ2/df = 2.56, CFI = 0.93, TLI = 0.92, RMSEA = 0.08

Table 4 Hypotheses testing results

Hypotheses	Path Coefficient	P-value	S.E.
H1 Green brand image positively relates to consumers' attitude towards the eco-friendly coffee shop.	0.38	.000	0.07
H2 Consumers' environmental concern positively relates to their attitudes towards the eco-friendly coffee shops	0.58	.000	0.07
H3 Consumers' attitudes towards the green coffee shop positively relates to willingness to pay for the eco-friendly coffee shop.	0.64	.000	0.11

Conclusions, discussions, contributions, limitations and recommendations of the study

Following the new ecological paradigm (NEP), the current study proposes that consumers' strong environmental concern influences attitudes towards service businesses adopting green practices. Likewise, from the supply side, service firms' green brand image could predict consumers' attitude towards brand. The study also exploited Ajzen (1991)'s Theory of Planned Behavior (TPB) to verify environmental attitude-WTP relations in the coffee shop sector. Paper survey and online survey were conducted using 225 respondents who have experiences in using services at "Inthanin", an eco-friendly coffee shop in Thailand.

Accordingly, CFA was used to validate the measurement scales and SEM was applied to test research hypotheses. The CFA findings showed that the proposed measures were reliable and valid. SEM results supported all hypotheses indicating that green brand image (β = 0.38, p-value =.000) and individual environmental concern (β = 0.58, p-value =.000) positively related to consumers' attitude towards the green coffee shop. The significant link between consumers' attitudes and their WTP for the green coffee shop (β = 0.64, p-value =.000) was confirmed in this empirical study.

The findings of the present study were consistent with prior research (Chen, 2010), suggesting that green brand image increases the pleasurable level of consumer fulfillment. In other words, image reflects a consumer's emotional picture of a green brand in the consumer's mind (Cretu & Brodie, 2007). Accordingly, this study confirms that the perceptions of green brand is an antecedent of attitude towards brand in the service setting. Under the NEP, consumers who are more concerned about the environment would adopt environmentally friendly behavior (Albayrak et al., 2013). Particularly, consumers who have more environmental concern for the environment are likely to buy green products and services as an outcome of their pro-environmental attitudes than those who have a lower environmental concern (Borisenko, 2018). Therefore, the current empirical findings are consistent with the NEP and previous studies (Chan, 2000; Hassan, 2014; Kirmani & Khan, 2016; Tang et al., 2014) in that the higher degree of individual environmental concern enhance consumers' attitudes towards green service offerings.

According to the TPB, actual behavior and behavioral intention are influenced by attitude, (Bronfman et al., 2015; Jalilvand et al., 2014). Hence, the current study provides the evidence that green behavioral intention, i.e. WTP for environmentally conscious businesses is driven by pro-environmental attitudes. According to related literature, green practices might work effectively under different market circumstances (Chen & Chang, 2012). On the one hand, some studies suggested that more consumers are willing to pay extra for green offerings to support eco-friendly businesses (Chen, 2010; Han & Chan, 2013; Royne et al., 2016). On the other hand, according to Borisenko (2018), some consumers are not willing to pay premium price for green practices for specific reasons. For instance, consumers consider adopting green practices as businesses' cost-cutting processes. In this study, the high percentage (76.0%) or three-fourths of all respondents indicated that they were willing to pay more for coffee shops adopting green practices. In particular, among these respondents, most of them would pay 5%-20% more for the green coffee shop. Collectively, the current findings reveal that consumers are willing to support firms that offer greener services in the coffee shop industry.

Contributions of the study

This research contributes to the literature by integrating the body of knowledge among branding, consumer behavior and sustainability in the coffee shop industry context. This study focused on exploration for new framework of green marketing in compliance with the environmental trends to increase green brand image and pro-environmental attitudes. The proposed model could be an essential step for future investigation of the effect of green brand image and environmental-related constructs on consumers' WTP decisions in other business sectors.

For practical implications, since green brand image and individual environmental concern can enhance consumers' attitudes and intention to support the green coffee shop, service firms in the coffee shop sector should exploit the consumers' concerns regarding environmental issues to incorporate their environmental visions into their branding strategies. Particularly, due to today's tough competition among brands, service firms need to construct a competitive advantage by creating unique position of their brands (Han et al., 2019) i.e. green brand positioning

in customers' mind. They might implement and promote their green practices such as eco-friendly innovations, purchasing local and natural materials, offering local ingredients on the menu, water and electricity saving, conducting food waste composting program and recycling processes, using biodegradable containers, and other practices which help to protect environment (Borisenko, 2018; Schubert et al., 2010; Teng, Wu, & Huang, 2014; Wang, 2012).

Accordingly, eco-friendly coffee shops can attract and target green consumers who are concern for the environment and choose to buy green products or services over the traditional offers (Kuscu, 2019). Based on the findings, most respondents indicated that they were willing to pay 5%-20% extra for the green coffee shop. According to Yadav et al. (2017), green brand image could increase the emotional tie-up with the customer. Thus, providing green brand and green innovation positioning could encourage customers to have greater awareness of the coffee shop's image and are likely to pay more for eco-friendly services. Such branding strategy could lead to a premium in pricing the firms' offers. To summarize, the research findings encourage coffee shop managers to implement more environmentally friendly initiatives into their businesses and adapt their branding strategies in sustainable practices to gain the differential competitive advantage.

Limitations and recommendations of the study

The limitation of this research is that the current research tested the conceptual framework based on the coffee shop sector. Thus, future studies might explore the proposed relationship in other green service settings to enhance understandings of the green attitude-WTP intention. Furthermore, since a particular case (i.e. Inthanin coffee shop) was chosen in this study, the generalizability of the results could be one of the concerns as it might not a perfect representation of the entire eco-friendly coffee shops. Additionally, the study was merely investigated in a specific country, Thailand. Thus, it requires extensive studies to test the generalizability of the research findings to other green coffee shops including café in different countries and regions. Finally, subsequent studies could employ qualitative interviews to gain insights of consumers' willingness to pay a premium for eco-friendly services.

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