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Sustainability Appeals and Gen Z's Willingness to Pay in Hostels: The Role of Gender and Culture

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ABSTRACT :

Sustainability is a burning issue in the global tourism and hospitality industry, causing a shift in business strategies as well as consumer choices. Multiple studies have examined sustainability aspects in hotels, but very little attention has been directed towards hostels, which have emerged as a popular accommodation option. This study focuses on Generation Z and how they view the sustainability appeals in the context of hostels, an accommodation sector that particularly targets young and economically aware travelers. The objective of this research is to find out which sustainability appeal (environmental, social/community, or economic) has the greatest impact on Generation Z travelers' willingness to pay (WTP) and to investigate the moderating effects of gender and cultural values on these relationships.

This study is based on the theoretical framework of the Triple Bottom Line, the Theory of Planned Behaviour, and Hofstede's cultural dimensions. A quantitative research method was implemented, and scenario-based survey data from 66 respondents were collected. Each scenario had a clear focus on one sustainability appeal, while respondents were asked how important the appeal was to them, along with their Willingness to pay (WTP) with a monetary amount provided in Euros. Along with the analysis of the WTP for different sustainability appeals, comparisons were made between respondents' different cultures based on the established cultural theoretical framework of Hofstede's. Similarly, gender differences were analyzed.

The results provided a valuable contribution to understanding sustainability appeals effect size. Moreover, different factors were tested. Some results were contradictory to the expected findings based on the literature review. Mainly, the surprising insight was that economic appeals were deemed the most important and had the highest WTP. However, those from collectivist cultures were found to have a stronger relationship with the social sustainability appeals, as was expected. Females were also found to have a higher WTP for economic sustainability compared to males. These findings can be applied by hostel managers to understand what kind of sustainable marketing appeal would be the most effective for different groups, mainly based on gender and cultural orientation. With these findings used for more effective targeted marketing, a hostel can stand out from its competitors.

KEYWORDS: hostels, generation Z, sustainable tourism, willingness to pay, gender effects, cultural differences

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Abbreviations

DV- Dependent Variable

IV- Independent Variable

MV- Moderating Variable

Gen Z- Generation Z

TBL- Triple Bottom Line

TPL- Theory of Planned Behaviour

WTP- Willingness to Pay

SDG- Sustainable Development Goal

GDP- Gross Domestic Product

1 Introduction

This introductory part presents the background and highlights justifications for conducting this study. The chapter gradually builds background information related to the topic and identifies relevant gaps in the literature. After that, the key research question and objectives of the thesis are defined to clarify the scope and focus of the study. Lastly, it gives a summary of how the study will be organized to guide the reader through the other chapters.

1.1 Background of the study

Over the past few years, sustainability has become a key concern in the global tourism and hospitality industry, which has impacted business models, along with the behaviour of consumers (Sahebalzamani & Bertella,2017). Sustainability is no longer an alternative or back-burning issue. Today, sustainability and tourism have an intertwined connection with a broader focus that goes beyond simple eco-friendly measures (Saarinen, 2021). In 1987, the United Nations defined sustainability as *"meeting the needs of the present without compromising the ability of future generations to meet their own needs"* (WCED, 1987). It is on this basis that this definition asserts that a sustainable tourism industry should design long-term plans which will not only cater to the immediate needs of the travelers but also preserve the cultural heritage and maintain the safety of the natural resources and the health of future generations. Sustainability practices in tourism are no longer regarded as a moral or regulatory responsibility, but also as a competitive edge in business, as it allows improving public image and attracting socially-minded consumers (Kennelly,2022).

Generation Z (Gen Z) has been at the centre of this focus, paving the path toward more responsible and sustainable consumption habits, as a socially aware and digitally literate generation. Sustainability is a uniformly accepted norm today, but its practical impact on the WTP (willingness to pay) issue in the case of young people and the price-sensitive

segment, Gen Z, is still debated. The authors Gössling and Hall (2019) assert that the tourism industry is highly sensitive to social and environmental challenges and therefore, it is not just a matter of ethical values but a matter of survival through sustainable operations if they want to be competitive. In this regard, the issue of sustainability, particularly in the hospitality sector, will not only be an ethical dilemma but also a marketing strategy through which the corporate image could get reinforced, customer attraction increased and financial sustainability ensured over a more extended period. As a result, this is placing pressure on international hotels, hostels, and other accommodation providers to adopt practices that reduce environmental impact, benefit the local community, and promote sustainable tourism.

Born in the years 1997-2012, Generation Z has become a key market segment in the global travel market. This is a digitally fluent and socially conscious group that is growing more concerned with ethical and environmentally friendly processes in their travel choices. According to Condor Ferries (2024), Gen Z travelers represent over 23 percent of the global recreational travelers and are seen to have a spending capacity of over US$360 billion globally. Gen Z travelers are more environmentally and socially aware of their decisions, and in many cases, associate travel experiences with travel responsibility and authenticity. According to The Times, under 47 % of Gen Z adults (ages 18-27) feel overwhelmed by eco-anxiety regarding the environmental impact of tourism, versus 31% of baby boomers aged 60-70 (The Times, 2025). Gen Z travelers' social consciousness, digital nativeness, and openness to diverse experiences make them the most distinguished among all travelers to those characteristics. They very much value authenticity, inclusivity, and sustainability in tourism (Atlys, 2024). But still, the situation remains that even though people are talking about going green, the difference between their attitude and actual booking is still very much there. De Araújo (2025) states that although Generation Z show their concern for nature, there are still very strong influences like price and convenience that dominate the choice of place to stay. In a like manner, Condor Ferries (2024) and Atlys (2024) come to the same conclusion that most of the Gen Z tourists are very much in favor of the ethical and environmental values but

this support is not reflected in a corresponding willingness to pay (WTP) for 'green' accommodations all the time.

The World Economic Forum's Global Sustainable Travel Survey (2023) reveals that a solid majority of 76% of those interviewed expressed their readiness to consider making more eco-friendly travel choices. However, the Booking.com Sustainable Travel Report, released in the same year, paints a different picture by stating that just 43% are willing to pay more for green lodgings. This gap highlights the challenge that hospitality marketers currently experience in aligning the stated beliefs to the actual buying behaviour, including price-sensitive, younger generations like Gen Z (Wut, Lee, & Lee, 2023). The past studies have extensively reviewed the concept of sustainability in the tourism sector, but largely the hotel industry has received the focus.

One instance of this is the 2016 study by Chan and Hsu, where they looked into the benefits of energy and water-saving practices at the respective hotels and concluded that besides saving the hotels operational costs, these practices also help in attracting customers who prefer eco-friendly hotels. That hotel focus, however, creates a knowledge gap in other types of accommodation, including hostels, which are especially applicable to younger, price-sensitive travelers as is the case with Gen Z. Thus, there is hardly any empirical evidence of how different sustainability appeals namely; environmental, social/community and economic, have an effect on the Gen Z travelers' willingness to pay, particularly in the hostel sector where the target clientele is primarily composed of young and budget- and socially-conscious customers.

Many studies have been conducted on sustainability in the hospitality industry. Kim and Han (2010) examined the effect of green practices and environmental appeals on willingness to pay among guests in the hotel sector. In a similar manner, Han & Hyun (2018) explored the relationship between hotel customers' goods and service preferences and the environmentally-friendly hotel attributes. Besides, the studies have provided crucial insights into the guest's reaction to hotels' efforts towards sustainability,

but there is a lack of similar research conducted on hostels, particularly the ones targeting Gen Z travelers. The gap presents the need to examine the role of sustainability appeals, i.e., environmental, social/community, and economic appeals, on booking intentions and willingness to pay in the hostel context.

However, the scholarly literature has mainly focused on the hotel sector, and therefore, the hostel sphere has not been explored adequately. By providing low-cost accommodation to over 20‘% of international youth travelers annually, hostels have a central role in ensuring that youth mobility in the world is facilitated (WYSE,2022). In addition to being cost-effective, they are cultural and social centres that foster communication between heterogeneous travelers. These characteristics are very similar to the principles of social sustainability, such as community building, inclusiveness, and cultural exchange. As a result, the community-based, low-price model of hostels means that these settings will be good places where sustainability messages that prefigure social responsibility, cooperation, and ethical behavior will have a higher resonance than those who only base their calls on environmental or economic reasons. Although empirical studies on sustainable tourism are limited, there is a subsequent growing interest in the scholarly literature in how the dissimilar types of sustainability communication, including environmental, social/community, or economic, influence consumer decision-making in the low-cost accommodation industry.

Chi Ta (2018) analyzed the efforts of environmental sustainability practiced in privately owned hostels operating in Finland and discovered that smaller hostels are more actively involved in activities related to environmental friendliness. It shows that budget accommodations are starting to embrace and report sustainability or are exploring more academically and practically how such communications can influence consumer behavior. The argumentative approach to sustainability communication is also at the center of unravelling the traveler behaviour, due to the importance of sustainability appeals performance depending on the mode used, such as emotional, moral, or rational (Hartmann and Apaolaza-Ibanez, 2012). By way of example, emotional or community-based

messages can create a higher interest among younger generations, and the rationality appeal with an emphasis on cost savings or operational efficiency can appeal to other groups. Therefore, it becomes essential to define which types of sustainability messages have the most significant impact on the readiness of Gen Z to pay in order to design effective and interesting marketing campaigns by hostel managers.

Gender and cultural values are important moderators in consumer decision-making. According to Li, Wang, and Saechang (2022), women are more environmentally aware and more likely to adopt sustainable consumption behavior. The study came to the conclusion that female consumers were more attracted to green hotels and gave more heed to the visible sustainability measures than the male consumers. However, in the study conducted by González-Rodriguez et al. (2019), no statistically significant difference between male and female in the willingness to spend money on sustainable hotels was observed, which indicates the absence of consensus and the necessity of further investigation on the topic, particularly among the young, for instance, Generation Z, which has quite different consumption habits and value systems than the older generations. Moreover, cultural values play a significant role in determining the sustainability preferences of tourists. The study by Tamulienė et al. (2024), which was based on Hofstede's dimensions of culture, implies that people who tend to focus on the community and social responsibility are more likely to choose environmentally friendly consumption. On the same note, a study in Spain and Lithuania established that cultural orientations such as collectivism and long-term orientation have a remarkable impact on how tourists value sustainable accommodation Vilkaite-Vaitone, 2025). Nonetheless, the majority of the research is related to broader populations, but not the younger globalized generations that might bear the multicultural impacts and not necessarily align with the traditional cultural structures.

Although the relation between sustainability and consumer behaviour in the hotel industry has been researched by Han & Hyun (2018), Chan and Hsu (2016) and Kim and Han (2010), it has not focused on hostels as an accommodation model that enjoys

specific popularity among the members of Gen Z, which is why the research on this point is limited. Hostels are very different from traditional hotels in that they are social, community-based, and cost-effective features that can greatly influence the reactions and perception of the guests towards the sustainability appeals. As an example, the message that focuses on community engagement, ethical volunteering, or cultural exchange can prove to be more compelling than traditional environmental or economic messages to the hostel guests. Although there is an increasing interest in sustainable tourism, little empirical data on the role of specific sustainability appeals in affecting the willingness to pay of Gen Z travelers in the hostel setting is available.

In addition, the relationship between the types of sustainability appeal, gender, and cultural values has not received due attention in hotel research. The research literature often looks at these variables separately, thus failing to consider their interaction in terms of influencing sustainability perception and buying behaviour. Empirical studies on the effect of gender and culture in moderating the reception of sustainability messages remain few, and most available studies remain concentrated on millennials or older consumers (Zhao et al., 2021). Therefore, there is a significant knowledge gap regarding the perceptions of Gen Z about sustainability messaging in socially minded, low-end accommodation facilities, including hostels, due to their globalization, environmental consciousness, and price sensitivity.

Through such a query, this research can add value to the area of hospitality and tourism management, both scholarly and in practice. On the academic level, it enlarges theoretical understanding of sustainability communication in the young generations, especially in the hostel setting. In practical terms, it provides useful information to hostel managers and tourism marketers on how to effectively design sustainability communication strategies that may appeal to the ethical, social, and cultural dispositions of the new generation of travelers. The responses of Gen Z to the messages about sustainability are thus vital not only to deepen academic discussion but also to develop a more inclusive and responsible future of global tourism.

1.2 Research question and objectives of the study

This thesis aims to fill in the identified research gap by studying the impact of various sustainability appeals, including environmental, social/community, and economic among others, as well as gender and cultural values on the readiness to make a payment to a hostel accommodation by Gen Z. The paper combines the aspects of generational, cultural, and gender levels to present a multidimensional perspective of the sustainability-based consumer decision-making.

To address this backdrop, this thesis is devoted to the following central research question: **Which sustainability appeal (environmental, social, or economic) is the most important to Generation Z's willingness to pay for hostel accommodation? And what is the moderating effect of culture and gender on the relationship?**

To answer the research question thoroughly, the thesis outlines three objectives, more specifically, to guide the research and create a conceptual framework that can be used to explain how sustainability appeals impact the willingness to pay among Generation Z traveler in the hostel industry when gender and cultural values are considered moderators.

1. To explore Gen Z travelers' sustainability attitudes and behaviors in hostels.
2. To identify which one of the sustainability appeals (environmental, social/community, or economic) is the most important and influential on Gen Z travelers' willingness to pay for hostels.
3. To study the moderating effects of gender and cultural values on the relationship between sustainability appeals and Gen Z travelers' willingness to pay.

By addressing these objectives, the research study can connect sustainability communication with generational behaviour, gender, and culture and offer practical implications to hostel operators and the academic comprehension of the sustainability-oriented consumer decision-making process among the new generation of travelers.

1.3 Delimitation of the study

Delimitations set the limits and extent of a research project, specifying what is purposely included and excluded to keep the study concentrated and manageable (Creswell & Creswell, 2018, p. 158). The study considers only three forms of sustainability appeals- environmental, social/community, and economic, since these three are the most frequently used models in hospitality marketing, and they have been reported to have the potential to impact the purchasing behaviour of young travelers. The other types of sustainability communication (including political appeal, institutional appeal, etc.) are out of the scope of this study.

Also, though the cultural values are taken as a moderating factor, the study is concerned with the general cultural orientations, but not with national or regional situations. One of the main theoretical limitations is the use of Hofstede's cultural dimensions to explore the cultural values. Using this framework, the research concentrates on the culture orientations that include individualism/collectivism and long-term/short-term orientation to identify their moderating role in the reaction of Gen Z traveler to sustainability messages. Other models of cultural analysis have not been given, and this limits the scope although this gives the opportunity to have a structured and widely recognized method of capturing the cultural influences.

In the thesis, Willing to pay (WTP) is employed as the outcome variable, instead of other performance variables like actual booking behaviour, loyalty, and satisfaction. This delimitation gives a clear focus on perceived value and intention as a response to sustainability appeals, while considering the likelihood of further consumer behaviours is also a possible agenda for future research.

A further delimitation is the geographical aspect; this paper will only explore the case of Gen Z travelers in Finland, and the data will be gathered in an international hostel in Finland because the cultural, social, and market peculiarities of this nation are the

background within which sustainability-oriented practices and their influence is discussed.

Lastly, this study uses quantitative research design. Even though qualitative insights may be more thorough in terms of explaining motivations and perceptions, they are omitted because the study focuses on the statistical analysis of how the content of social media influences the booking decisions. It is essential to establish these limitations to maintain the feasibility, clarity, and focus of the research, as overly broad studies can lead to inconclusive results or practical difficulties in data collection and analysis (Simon & Goes, 2013, pp. 2-3).

With such delimitations, the study will guarantee a focused study that falls within the practical feasibility and theoretical relevance, where the findings will be meaningful in ensuring that sustainability marketing can be adapted to suit the Gen Z hostel traveler, and the study has reflected the boundaries under which the findings can be generalized.

1.4 Structure of the study

The thesis is divided into five chapters so that there is a smooth flow of arguments, starting with the introduction of the research problem and the discussion of the conclusions. The Introduction chapter describes the background of the study, the key research question, and the objectives of the thesis, according to which the work will be conducted. The Literature Review serves the purpose of supplying theoretical background by analysing theories like TPB, TBL, and previous research on sustainability in tourism, Generation Z behaviour, Hofstede's cultural model, and advertising/message appeals. In this chapter, hypotheses are presented, which will be tested with empirical methods. The Research Methodology chapter explores the research design, which involves the use of a structured questionnaire to collect data, the sampling methodology, and measurement scale testing in terms of reliability and validity. The Results and Findings chapter explains the statistical measures undertaken using SPSS, which include descriptive statistics and correlations. They lay the foundation to test the hypotheses. Also, the chapter shows the

results of the research, in terms of hypothesis testing, which directly respond to the research goals. Lastly, the Discussion and Conclusion chapter presents the findings of the study in terms of its context with prior literature, offers theoretical and managerial implications, specifies limitations of the study, and proposes future research directions.

2 Literature review

This chapter covers the comprehensive literature review and establishes the theoretical and empirical foundation for the study. Topics covered include relevant consumer behavior theories, hostel examination, sustainability in tourism, Gen Z characteristics, gender and cultural orientation factors. This literature review uses broad sources of studies from various sources, such as Google Scholar. As sustainability is a current and rapidly evolving topic, most of the studies are from recent years, with a handful from the 2010s. By synthesizing the presented themes, this chapter identifies the research gap and paves the way for the hypotheses. During the literature review, the hypotheses are developed.

2.1 Sustainability in Global Tourism

The global tourism industry is one of the largest and fastest-growing industries in the world, contributing 10.4% of global GDP and 334 million jobs in 2019 (World Travel & Tourism Council, 2020). However, with this growth, there is an increase in serious long-term environmental effects. It is estimated that tourism contributes approximately 8 percent to the world's greenhouse gas emissions, with the largest portion being attributed to transportation, accommodation, and food services (Lenzen et al., 2018). In spite of the increase in public consciousness about global warming, the behaviour of tourists often reflects a contradiction between the intentions and their actual practices regarding sustainability; for instance, they worry about climate change but at the same time choose to travel in a more comfortable and less expensive manner (Gössling and Higham, 2021).

To address these negative effects, the United Nations along with other global organizations have come up with the Sustainable Development Goals (SDGs) as a means to the end of prompting tourism to lessen its environmental impact and encourage the socio-economic good (UN-WTO, 2023). The TBL (triple bottom line) theory, which gives importance to the planet, people, and profits, is integrated in this approach (Elkington,

1998). Out of all the SDG goals, SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action) are applicable to the hospitality sector, including hotels and hostels. Accommodation accounts for up to 21 % of tourism carbon emissions, which is why it is one of the main targets of sustainability initiatives (Gössling & Peeters, 2015).

However, the establishment and continuation of sustainability in the tourism industry is not only a technical challenge but also a behavioural dilemma. The research by Booking.com (2023) shows that, despite many global travelers (76 percent) claiming to be more sustainable, only 43 percent are willing to pay more money for eco-friendly accommodation (World Economic Forum, 2023). This attitude-behaviour gap is a major burden to the hospitality business, especially to cost-focused services like hostels, which focus on price-sensitive groups of individuals, especially Gen Z. The growing gap between sustainability goals and consumer behavior is the foundation of this thesis. To understand how variables like gender and cultural background moderate Gen Z when making decisions on willingness to pay, as well as which type of sustainability appeal (environmental, social or economic) plays the most important role in the process of making these decisions, is highly necessary. Hostels are unique in the tourism industry because they occupy a specific niche of the industry as they are affordable and socially focused and appeal to young travelers; hence, they offer an ideal setting to study how sustainability attitudes are formed and acted upon.

2.2 Generation Z and Hostels as Sustainable Accommodation

In the tourism industry, sustainability is becoming a core value, and the future of this sector is dependent on the attitudes and behaviors of Gen Z as they are the next consumer market group. Generation Z, which includes people born roughly between 1995 to 2010. And they are popularly known for their significant response to climate change, digital connectivity, and social and ethical issue sensitivity (Francis & Hoefel, 2018). It is said that this generation is more inclined to choose sustainability, seek authenticity, and care more about the values behind their consumption (Priporas et al., 2017; UNWTO, 2023). Gen Z's environmental and social values are shown consistently by research,

which also states that they expect all businesses, including hospitality, to be responsible (Salinero et al., 2022). Although Gen Z showcases expressive support of sustainable actions, the real purchasing behavior of Gen Z depends on such factors as costs, convenience, and belief in the validity of sustainability expressions (Han et al., 2018; Wang, Gao, and Li, 2024).

Gen Z, compared to Millennials, who are similarly tech-savvy and socially conscious, demonstrates different travel motivations and altogether different sustainability behaviors. The attractiveness of the destination and the influence of the digital content are the main influential factors for Millennials; for instance, the study of Aridayanti, Suryawardani, and Wiranatha (2022) found that in Bali, the pull factors of the destination were the core determinants of Millennials' satisfaction and revisit intention, with 69% of them depending on social media for their trip planning. In a similar way, Javed, Tučková, and Jibril (2020) established that Millennials utilize social media and mobile technology for both travel decision-making and the purchasing process. In contrast, Gen Z expresses their opinion on issues like environment, authenticity, and social impact more openly and entails these values in their accommodation options along with price and access (Salinero et al., 2022, Minazzi & Grechi, 2025). Millennials may highlight the area of experiential attractions and comfort, but Gen Z would not mind traveling that extra mile to stay in a hostel that is not only eco-friendly but also community supporting.

The latest studies in the travel and tourism industry further stress the point that Gen Z, as travelers are choosing accommodations based on how eco-friendly they are to a greater extent than before. For instance, Minazzi & Grechi (2025) state that Gen Z takes into consideration not only hotels with good environmental practices but also transparent business practices and ethical issues. Likewise, Wang, Gao, and Li (2024) utilize an expanded Theory of Planned Behavior model to show that attitudes, social norms, and perceived control over behavior play an important role in letting Gen Z choose green hotels; their results are applicable in a hostel context as well due to similar accommodation conditions like price sensitivity and demand for shared experiences. Besides, Salinero et al. (2022) point out that the green behavior of Gen Z tourists not only

comes from their internal attributes (for example, environmental concern) but also is supported by external influences, such as peer pressure and social media, and the public's environmental efforts.

In a way, hostels can be seen as an essential viewpoint through which the sustainability preferences of younger generations may be interpreted. As inexpensive lodging options, hostels not only fit into the limited budget of Gen Z but also provide their customers with common areas and the chance to mingle with strangers and share different cultures, that is, the Eco and Cultural aspects of the Triple Bottom Line (Cvelbar & Dwyer, 2012). Besides, hostels regularly carry out activities like, for example, setup of recycling schemes, application of energy-saving technologies, local sourcing of food and products, and partnerships with community projects that are in line with Gen Z's want for travel that is not only responsible but also real (Puciato et al., 2023). Different from conventional hotels, hostels, through the accommodation of the guests together and the support of community-building, raise the consciousness of the staff and guests when it comes to living sustainably and taking collective responsibility.

Research findings have shown that Gen Z travelers are ready to invest their money into sustainability if they see strong value and transparency. To illustrate, Nelson et al. (2021) and De Araújo et al. (2022) have discovered that young people who travel are ready to spend extra money on hotels that are either eco-friendly or socially responsible, provided that the whole sustainability process is honest and not contrary to their beliefs. On the other hand, price sensitivity is still a major factor for Gen Z; hence, the necessity of sustainability combined with affordability (Rahman & Reynolds, 2017; Martín-Gago et al., 2025) is to be absolutely stressed. This is the reason why hostels are the most appropriate places to study the impact of the various sustainability appeals on the willingness of Gen Z customers to pay.

2.3 Sustainability Appeals in Hospitality and Hostels

In the study about emerging sustainability themes in the hospitality sector, Blanco-Moreno (2025) highlights that sustainability appeals have become a key factor in the current hospitality context, and accommodation providers are making more efforts to communicate their sustainable actions to environmentally and socially aware consumers. In the hostel industry, sustainability appeals indicate the dedication of the organization in three interconnected aspects, which are the environmental, social/community, and economic aspects (De Araújo, 2025). These appeals are useful at influencing the perception, attitudes, and subsequent behavior of travelers, and particularly their WTP for sustainably managed services (Hartmann and Apaolaza-Ibanez, 2012). Such appeals not only act as marketing tools but also as indicators of the ethical and operational credibility of a brand, thus helping travelers, especially those members of Gen Z, to make informed decisions that are at the same time consistent with their values (Connelly et al., 2011; Gleim et al., 2013).

Sustainability appeals in the hospitality industry are closely related to the theory of Triple Bottom Line (TBL) (Elkington, 1998; Slaper and Hall, 2011). This framework outlines the initiatives in terms of environmental (planet), social/community (people), and economic (profit) results. Stoddard, Pollard, and Evans (2012) conclude that tourism organizations embrace the Triple Bottom Line (TBL) model to promote sustainable development in the development planning process, focusing on the balanced joint consideration of the economic, social, and environmental impacts. Using the TBL framework, Rhama (2023) examined rural tourism contexts by outlining the concurrent effects of sustainability initiatives on the communities, natural resources, and financial performance.

These studies conducted in the hospitality industry have shown that TBL-based practices affect perceptions and behaviours of customers: in particular, hotels that introduce eco-efficiency initiatives along with community engagement programmes record greater customer satisfaction and willingness to purchase eco-friendly services (Rahman and Reynolds, 2017; Minazzi & Grechi, 2025). Such findings indicate hostels can increase their

brand equity, as well as the willingness to pay (WTP) among Gen Z travelers, by linking sustainability appeals to consumers habits (Atlys, 2024; D'Acunto et al., 2025).

2.3.1 Environmental Appeals

Environmental appeals are the most familiar and frequent mode of sustainability communication used in hospitality marketing. They focus on reducing the impact on ecology by implementing strategies like energy efficiency, water conservation, waste reduction, adoption of renewable energy, and use of sustainable materials (Leonisou et al., 2013; Han et al., 2011). These appeals have the greatest impact on the Gen Z traveler, as they are known to be among the most environmentally conscious generations. (Francis and Hoefel, 2018; D'Acunto et al., 2025).

It has been studied that environmental sustainability is likely one of the most powerful appeals of contemporary customers to accommodation (Han et al., 2011). Green practices in hostels, including the use of rooftop gardens, eco-certification, use of renewable energy, or carbon offset programs, are associated with a more favourable brand image, creation of customer loyalty, and increased willingness to pay (WTP) (Rahman and Reynolds, 2017). On the same note, Kang et al. (2012) have found that the willingness to pay among consumers is on the rise when hotels put in place visible green programs like recycling programs or energy-saving programs. Puciato, Szromek, and Bugdol (2023) explored the topic of sustainable hotel services in Poland within a complementary study and found that pro-environmental behaviors have a high impact on the WTP of guests, as such behavioral patterns play a crucial role in determining their choice of accommodation to stay. Moreover, Martin-Gago et al. (2025) emphasized that tourists are ready to allocate extra funds and even make personal compromises to encourage environmentally friendly work of hotels, which validates the assumption that environmental appeals can significantly boost perceived value. These results were supported by Galati et al. (2021), who investigated the same with the green hotel market and showed that clear communication about environmental activities increases WTP and booking intentions.

Their results highlight the importance of positive perceptions of sustainability practices in directly affecting payment intentions, which supports the importance of environmental appeals on influencing traveler behaviour. These findings hence justify the methodology of the present study to explore the effects of sustainability-related appeals on the readiness of Gen Z travelers to spend their money on hostels.

These previous findings suggest that environmental appeals have a strong influence on Gen Z travelers who both incorporate eco-friendly behaviors in their personal and social lives (D'Acunto et al., 2025; Francis and Hoefel, 2018). In the case of hostels, environmental appeals can positively influence the attitudinal and behavioral outcomes, resulting in higher willingness to pay.

H1a: The more important environmental sustainability appeals are to Gen Z travelers, the more they are willing to pay for hostel accommodation.

H2: Environmental sustainability appeals have the strongest effect on Gen Z travelers' willingness to pay compared to social/community and economic appeals.

2.3.2 Social/Community Appeals

Social/ community appeals focus on the social dynamics of sustainability by recognizing an organization's efforts to give back to society. Some of the conveyed values in the hospitality industry through such appeals include inclusiveness, fair employee treatment, ethical sourcing, and participation in local communities (Font et al., 2012). These appeals emphasize that a hostel is not only a place to stay but it is a community actor, which contributes to the well-being of the local community and creates social value. Such a point of view corresponds to the people aspect of the Triple Bottom Line model, according to which sustainability implies the improvement of social equity and community benefit, as well as environmental care and economic sustainability (Elkington, 1998; Ririhena et al., 2024).

According to Stacchini, Guizzardi, and Costa (2022), the perceived socially responsible and community-oriented destinations were rated better by visitors and linked to the increased destination value. In the same manner, a study by Roberts et al. (2022) and Krittayaruangroj et al. (2023) also shows the growing academic interest in the community-based tourism (CBT) concept as a sustainability promoter, with a particular emphasis placed on the importance of traveler participation and empowerment of local communities as key factors in its success. Hostels using social appeal can be seen exhibiting collaboration with local artisans, volunteer programs, or cultural exchange programs. To Gen Z travelers, as they are more socially conscious, such messages support authenticity, inclusivity, and responsible tourism, increasing WTP and booking intentions (Hwang and Lee, 2019). Gen Z reacts well to such initiatives, as they appreciate authenticity, inclusivity, and social impact of brands (Francis & Hoefel, 2018). Through showcasing such values, hostels can generate emotional involvement and reinforce trust.

The study by Wut, Lee, & Lee (2023) revealed that travelers are more driven by the chance to make a positive social difference during their travel. This trend has led to a response, known as responsible tourism, in which factors other than comfort or price are considered during decisions, which include ethical and community-oriented factors. Social sustainability is not limited to conventional marketing; thus, it reminds consumers to engage in collective accountability and to remind their decisions are important. With proper communication, these appeals may boost brand image and willingness to pay in consumers who demand social enhancement in their consumption patterns (Hwang and Lee, 2019). Additionally, according to Haddouche and Salomone (2018), Gen Z wants to experience authenticity and socially responsible traveling, but D'Acunto et al. (2025) claim that the cohort expects a business to have a positive impact on society, and the tendency to support it with money is explained by the Generational Cohort Theory (GCT).

The Theory of Planned Behavior (TPB) can be used to explain these findings; that is, if the travelers have a positive attitude towards socially responsible hostels, they think that

their actions are supported by others (subjective norms), and are of the opinion that they can influence the situation (perceived behavioral control), then they are more likely to pay for and choose this type of accommodation (Ajzen, 1991; Wut et al., 2023).

H1b: The more important social/community sustainability appeals are to Gen Z travelers, the more they are willing to pay for hostel accommodation.

2.3.3 Economic Appeals

Economic appeals underline the financial and operational advantages of sustainability, placing importance on taking sustainable actions, achieving economic efficiency, and creating value on a long-term basis. These appeals convey the message that sustainability and profitability are not opposing concepts but rather they can strengthen each other, provided they are managed in a manner that makes the concept mutually reinforcing (Elkington, 1998). Economic sustainability is also present in the hospitality sector through practices like supporting local suppliers, creating employment opportunities, reducing operational costs with resource efficiency, and maintaining fair prices that are affordable and economically viable simultaneously (Dwyer, 2005).

To price-conscious Gen Z travelers, economic appeals can increase the perceived value by demonstrating how sustainability can be combined with affordability. To take an example, a hostel may advertise its efforts to use local goods or to reinvest profits into community projects and show the guests how their spending helps to promote the economic and social welfare on a larger scale (Cvelbar and Dwyer, 2012). This is not only enough to make the brand image positive but also enhances the feeling that customers have their money go to good causes, which enhances their emotional connection and readiness to spend on such accommodation facilities (Rahman & Reynolds, 2017).

Moreover, by highlighting the long-term economic benefits of sustainability, it is also possible to attract the interest of travelers, who appreciate efficiency and transparency. As an example, conveying cost-saving programs, e.g., energy-saving systems or waste

management programs, sends the message to the guests that the company is responsible and efficient in its business (Mensah & Blankson, 2013). A meta-analytic review by De Araaujo et al. (2024) shows, the willingness of travelers to pay (WTP) is mainly determined by economic, environmental, and social factors, meaning that the sustainability appeal should not be based only on the message of environmental responsibility but on economic rationality as well. When sustainability is made to be a motivation for greater efficiency, high-quality service, or lower costs in the long term, the responses of tourists become more positive.

The economic appeals within hospitality may entail the demonstration of equitable prices, host country investment, or business practices that would guarantee future travelers. Theory of Planned Behavior offers that the readiness of consumers to spend on sustainability is not solely conditioned by their attitudes but also by perceived behavioral control, i.e., the affordability and the perceived value can enhance or constrain the willingness of consumers to act sustainably (Ajzen, 1991). In the case of price-sensitive Gen Z travelers, the perceived cost and sustainability trade-off may well ascertain the transformation of the perceived environmental concern into actual buying behavior (De Araújo, 2025).

H1c: The more important economic sustainability appeals are to Gen Z travelers, the more they are willing to pay for hostel accommodation.

2.4 Moderating Factors: Gender and Cultural Values

2.4.1 Gender as a Moderator

Gender is considered an important factor influencing how consumers respond to different sustainability appeals, including economic sustainability appeals in tourism and hospitality. According to previous studies, women are more interested in environmental concerns and socially responsible than men because they are socialized to be nurturers and social (Li, Wang, and Saechang, 2022; Zhao et al., 2021). This gap is also applied to

purchasing decisions, where females tend to favor ethical brands and practice sustainable consumption, even on the conditions of paying more or working more (Zhao et al., 2021).

The gender gap in sustainability behavior can be elaborated through socialization and value orientation. It is often that women are the ones to feature more empathy, to be more altruistic, or to have stronger nurturing values, all of which are considered pro-social and pro-environmental attitudes. In contrast, the male gender is more inclined to value competition, control, and personal success and for this reason, may be sensitive to prices or hold a skeptical attitude towards the marketing of green products (Zhao et al., 2021). Those inclinations have a direct impact on the willingness to pay (WTP) for sustainable products and services. As an example, Solka et al. (2011) stated that female consumers were more ready than males to pay more money for ethically produced goods, particularly those that bore the social or environmental responsibility. Likewise, gender differences also manifest in the hospitality industry in the same way. Female tourists are more inclined to highlight the community-oriented type of tourism and the eco-friendly hotels, thus following the general idea of sustainability (Li et al., 2022). Conversely, men show interest in sustainability, but they seem to put more stress on functional or economic aspects of sustainability, such as cost-effectiveness and convenience. This implies that gender might moderate the tourists' valuation and perception of certain sustainability appeals- environmental, social, and economic, which can further determine the premium pricing for sustainable accommodation.

With Gen Z travelers, there might be similar gender-based differences. This generation is characterized by digital savviness, social awareness, and a greater emphasis on ethical consumption. However, even among Gen Z, women are more responsive to sustainability messages that preempt ethical, equitable, and responsible, and Gen Z men seem to be more susceptible to messages that emphasize practical and monetary advantages, innovation, or value (Zhao et al., 2021). Results of this study indicate that both genders support sustainable appeals, but motivations towards WTP differ.

H3: The positive relationship between the importance of economic appeals and willingness to pay is stronger for female travelers compared to male travelers.

2.4.2 Culture as a Moderator

Culture is related to shared values, beliefs, and practices guiding the behavior of societies (Hofstede, 2001). Individualism versus Collectivism is one of the dimensions of cultural factors in the Hofstede cultural framework that is relevant to the differences in behavior in terms of sustainability. Individualist cultures include Western Europe or North America, where individuals focus on independence, self-directed objectives and self-expression. Collectivist cultures, including most countries in Asia and South America, on the other hand, value harmony, interdependence, and well-being of the community (Hofstede, 2001; De Mooij, 2019). When viewed through the lens of sustainability, cultural orientations not only affect consumer choices but also create different sustainability attitudes. In the case of collectivist cultures, the practice of sustainability is often regarded as a shared ethical obligation, which is the result of an external pressure from society that expects people to support the common good (Milfont & Schultz, 2016). On the other hand, in individualistic cultures, sustainability measures are considered personal choices, and sometimes, such measures are even linked to one's character, moral identity, or one's gain (Tung and Verbeke, 2010). As a result, the preference of collectivist tourists for sustainability initiatives that focus on community, cooperation, and collective progress is more likely to be collaborated with them than the case of individualist travelers who would expect to be addressed through the argument related to personal benefit or self-expression.

In a like manner, people who come from collectivist cultures are likely to feel a greater moral duty to take part in practices that protect the environment and thus the good of the whole mankind when sustainability issues are marketed this way (Milfont and Schultz, 2016). They might be more sensitive to hostels focusing on practices such as

waste minimization, renewable energy, or biodiversity conservation. Travelers from an individualist culture can, however, analyze these practices in self-oriented terms- comfort, innovation, or prestige of leading an eco-friendly lifestyle (Tung and Verbeke, 2010).

The role of cultural orientations continues to impact Gen Z travelers who have been brought up in a globally connected world. Collectivist Gen Z groups can prefer hostels showing social responsibility, inclusivity, and openness to local societies. An example is a hostel that gives back a part of its income to community-organized environmental cleanup operations or offers jobs to local people, which may be of greater attraction to the collectivist travelers. On the contrary, travelers who come from individualistic cultures could be more positively affected by the actions taken towards sustainability that will result in the improvement of their experience or self-expression, e.g., futuristic eco-friendly lodging, tailor-made eco-friendly travel packages (Li and Zhu, 2023; Wang et al., 2020).

These perceptions underscore that cultural background moderates the effect of sustainability appeals on willingness to pay (WTP). Collectivist cultures are expected to enhance the correlation between sustainability appeals, in particular, social/community and environmental appeals, and WTP compared to individualist cultures.

H4a: The positive relationship between the importance of social/community appeals and willingness to pay is stronger for travelers from collectivistic cultures compared to travelers from individualistic cultures.

H4b: The positive relationship between the importance of environmental appeals and willingness to pay is stronger for travelers from collectivistic cultures compared to travelers from individualistic cultures.

2.5 Conceptual Framework

Figure 1 illustrates the connections and interactions among the hypotheses, sustainability appeals, moderating variables, and the dependent variable. This diagram reveals that the three sustainability appeals (environmental, social, and economic) are the independent variables that affect the DV, Gen Z travelers' willingness to pay for hostels. The moderating variables, cultural orientation based on Hofstede's dimensions, and gender, are expected to influence the degree of the relationship between sustainability appeals and willingness to pay.

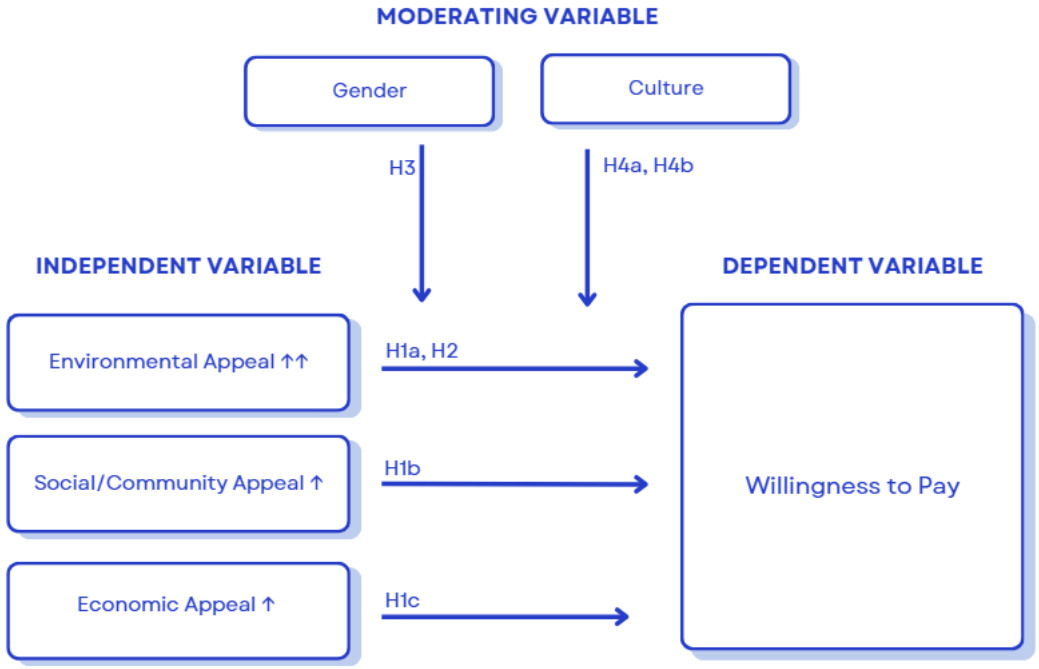

Figure 1. Conceptual Framework

3 Research Methodology

This chapter describes the research methodology of the study. The chapter explores the selected research strategy, design, and methods, the data collection, and data sampling process. The different analytical methods applied to study the data are presented. Lastly, the chapter examines the quality of the research concerning reliability and validity. This is to enable clarity and transparency in the way the study was carried out and assessed.

3.1 Research approach and research methodology

The study is conducted using a deductive research approach, as it is based on existing theories and previous research on sustainability appeals and Gen Z consumer behaviour in the hospitality industry. Based on this theoretical basis, a set of hypotheses (H1-H4) is formulated and subsequently tested by gathering empirical data (Saunders et al., 2019, pp. 150-167). The deductive method is suitable for this study since it enables transitioning between broad principles of theory to the context of booking behaviour of Gen Z in international hostels. This study makes practical contributions to hostel marketing strategies by testing theories in a new and specific context, which not only contributes to existing knowledge but also offers practical implications of such strategies.

The research avails both explanatory and evaluative roles. It is explanatory, as it aims to comprehend the connection between sustainability appeals and the willingness of Gen Z to pay (WTP) (Saunders et al., 2019, pp. 185-190). It is also evaluative, examining the appeal of various forms of sustainability (environmental, social, and economic) on the decision-making of sustainability-conscious young travelers. This twofold focus will provide answers to the research question and objectives, while providing practical suggestions applicable to hostels attempting to streamline their sustainability practices to match customers' preferences.

As for research design, the thesis is based on a mono-method quantitative design, as the main goal of this research is to test theories and previous studies through hypotheses.

This design fits a deductive approach as it allows for the testing of relationships among the variables that have been previously defined, that is, the sustainability appeal types, cultural values, and WTP. For research methods, a quantitative approach is employed. Quantitative methodology enables objective, comparable, and reproducible results, increasing the validity of conclusions (Saunders et al., 2019, pp. 176-185). A mixed-method design was an option but not selected. Although qualitative approaches, such as interviews, may be better at gaining a deeper understanding of individual perceptions, they are at the same time less effective when it comes to testing a set of hypotheses over a large population. Moreover, the limitations in time and resources made it difficult to carry out both qualitative and quantitative steps for the thesis.

3.2 Summary of Variables and Measurements

Based on the literature review, WTP is identified as the dependent variable. WTP explores Gen Z travelers' willingness to pay more for hostels with sustainable activities, thus securing behavioral intentions as defined by sustainability attitudes (Chia-Jung & Pei-Chun, 2014; Akbari, 2015; Kim and Han, 2010; Han et al., 2018). Also, the three sustainability appeals- environmental, social, and economic- are identified as independent variables. Both the dependent and independent variables are developed based on the Theory of Planned Behavior (TPB), where behavioral intentions are based on attitudes and perceived behavioral control, and Signaling Theory, where behavioral actions of perceived sustainability are used to provide credibility and ethical principles to consumers. WTP is in line with the Triple Bottom Line (TBL) framework, which includes environmental, social, and economic aspects.

To explain differences in consumer responses, gender and culture are explored. The study recognized that the cultural orientation has an effect on the relationship between sustainability appeals and WTP, which is attributed to cultural values that are measured in this research through the dimension of individualism/collectivism as proposed by Hofstede (Hofstede, 2001; De Mooij and Hofstede, 2010). Gender is a variable since

previous studies have shown differences in environmental concern and social responsiveness between male and female travelers (Zhang et al., 2023).

Table 1 presents constructs measured, specific survey statements, and references from which items were developed. This table showcases the roadmap linking theoretical foundations and validates the scales' operationalization in the questionnaire. Moreover, the table provides a clear picture to readers on how the literature review contributed to the survey design and also how the questions are involved in the testing of hypotheses.

Table 1. Measure of Scales

Variable Type	Variable	Measurement Items / Scale	Scale Type	Reference(s)
Dependent Variable (DV)	Willingness to Pay (WTP) for Sustainable Hostel Practices	"If a standard hostel night costs €20, how much extra would you pay for these practices?" (Options: €0, €1–5, €6–10, €11–15, >€15)	Ordinal (Price Range)	Kang et al. (2012); Han et al. (2019)
Independent Variable (IV)	Environmental Sustainability Appeal	Scenario-based statement: "It is important to me that the hostel implements these environmental practices."	5-point Likert (1 = Not important at all, 5 = Very important)	Francis and Hoefel (2018); D'Acunto et al. (2025)
Independent Variable (IV)	Social/Community Sustainability Appeal	Scenario-based statement: "These community-focused or cultural exchange activities are important to me."	5-point Likert	Wut, Lee, & Lee (2023); Hwang and Lee (2019)
Independent Variable (IV)	Economic Sustainability Appeal	Scenario-based statement: "Supporting local businesses/fair pricing practices is important to me."	5-point Likert	Mensah & Blankson, (2013); Rahman & Reynolds (2017)

Moderating Variable (MV)	Gender	Self-reported gender: Male, Female, Non-binary, Prefer not to say	Nominal	Zhao et al., (2021); Li et al. (2022)
Moderating Variable (MV)	Culture / Nationality	Self-reported nationality can be coded according to cultural clusters (e.g., Hofstede's dimensions)	Nominal	Hofstede (2001); De Mooij (2019)

3.3 Data collection

3.3.1 Questionnaire Development and Pilot Testing

The questionnaire survey was chosen as the data collection method, which allows obtaining organized answers from large groups of Gen Z travelers. Surveys are commonly used for deductive research data collection strategies in business and management studies (Saunders et al., 2007, p. 138). The survey is chosen, allowing efficient collection of data from a large number of respondents, whether they are companies or individuals. Surveys unequivocally support the deductive approach, enabling structured and reproducible quantitative research to produce measurable data (Saunders et al., 2007, pp. 117-118).

The survey was designed in multiple sections to make it clear and easy to respond to. The questionnaire is presented in Appendix 1. The main section evaluates how sustainability appeals influence WTP among Gen Z travelers, and how gender and cultural values impact. Questions were mostly closed-ended to enable quantitative analysis; however, to elaborate on issues where appropriate, a few open-ended questions were included. Section A collected demographic data such as gender, age, nationality, and frequency of hostel stays. This part aimed to profile respondents and enable pattern observation from various demographics. Sections B, C, and D addressed the three categories of sustainability appeals: environmental, social, and economic. Each appeal was presented by a summary, neutral paragraph outlining

applicable hostel practices. For example, some measures in the environmental appeal included energy conservation, waste disposal, and spreading the message to guests. Social appeals consisted of aims to hire local people, sponsor local projects, and encourage cultural exchange, whereas the economic appeal included local sourcing, fair pricing, and giving back to the local economy.

For every appeal, examples of these practices were presented to the participants, and they were asked to rate them according to a set of Likert-scale questions (1 = Strongly disagree, 5 = Strongly agree) related to perceived credibility, attitude towards hostel, intention to book, and attitudinal WTP. Participants also responded to the question on concrete WTP, indicating the amount they would pay for sustainable practices in a hostel with the range of payment options from 0 (the lowest) to more than €11 (the highest). In order to validate the hypotheses and investigate the role of sustainability appeals on the willingness to pay (WTP) of Gen Z travelers, the researchers utilized a scenario-based questionnaire method in this study.

All three sustainability appeals- environmental, social/community, and economic have two realistic scenarios of the hostel setting in which certain sustainability appeals are practiced. A question is asked about participants' WTP in that scenario. By utilizing scenarios, the participants will have the opportunity to decide as if they were on a real-life situation, instead of abstractly or theoretically replying. This method is used in other studies carried out within the hospitality and tourism domains where its use has been proven to lead to more realism, less ambiguity, and increased credibility of the expressed preferences (Boronat-Navarro & Perez-Aranda, 2020). A similar scenario-based stusy was employed by Han, Hsu, & Sheu (2010), who revealed that the use of scenario-based techniques was useful in revealing tourists' intentions and their willingness to pay for green hotels as these techniques simulated tourists' real decision-making environments. The two diverse scenarios corresponding to every sustainability appeal are indispensable, in that they ensure the dissimilarity of contexts, reduce respondent fatigue and biases, and provide more reliable comparisons among different sustainability practices. This

approach is thus appropriate for the analysis of the direct impact of sustainability appeals on WTP as well as gender and cultural backgrounds on these associations.

Before sending the questionnaire, pilot testing was conducted. Operability and sufficiency of questions were modified accordingly based on the pilot. With vagueness corrected, the usability of data was tested with a pilot run on a statistical software and the transformation of data into the software. For any research, pilot testing is a necessary step and was crucial in this research to affirm validity and reliability for a large and broad sample. Hence, the questionnaire is set to follow academic rigor. Three unbiased pilot participants who had experience in a hostel (Gen Z) were used for the pilots.

3.3.2 Sampling Method and Data Collection Process

The target audience was Gen Z travelers who already have experience with hostels, since they are a typical group to consider the effects of sustainability appeals on WTP.
The population of this study was hostel clients in Finland from the Gen Z category. As the total addressable population could reach tens of thousands with extensive research, further sampling was applied. Population refers to the number of relevant cases, for this study, Gen Z visitors. A sample is a selected group aimed to represent the total population accurately in relative terms (Saunders et al., 2007, pp. 204-205).

For the selected sample, no university database was used. Rather, public data was used to scout hostels in the Uusimaa region. Initially, Google searches and maps were used, along with other apps, to evaluate the total number of hostel offerings. From the initial sample size, those not currently active were left out in the pre-check phase. However, from the left possible sample, only two hostels were used for this study. This was due to the assumption that hostels accepting the survey could gather at least 30 fully completed questionnaires from customers. For each respondent, the survey was available for

answering for about a week. As a final option, the thesis writers were willing to promote the surveys on-site. To sum up, the survey was distributed to 2 hostels, and the number of respondents in the Gen Z category reached 66, the sample for analysis of this study. The number of answers received was deemed enough to conduct sufficient statistical analyses.

A favourable sampling technique was applied. It was used since the hostels agreed to aid in marketing the survey for guests. Favourable sampling was chosen because of the personal affiliation the thesis writer had with these specific hostel managers, providing easy access and supposedly effective data collection. Although the sample was not purely homogeneous, with two hostels, it consisted only of hostels in the Uusimaa area of Finland. However, this might limit the generalization of results. The questionnaire was introduced in two chosen hostels, where the eligible Gen Z were approached to participate. Attending two hostels minimized potential bias due to the limited number of responses by a particular hostel. The language of the survey and talking with both hostel managers was in English.

Google Forms was used for surveys as it facilitated not only the collection of responses but also the automatic organization of data, making it directly compatible with statistical analysis software. This method enabled collecting organized, credible, and quantifiable data effectively.

3.3.3 Data Analysis

The data collected was first exported and analysed using Microsoft Excel. All responses were reviewed thoroughly, especially the age, to make sure that the respondents fall inside Gen Z.

First of all, the demographic profile of the respondents, consisting of age, gender, nationality, educational background, occupation, traveling habits, and past hostel experience, was summarized. The data was presented in charts for better understanding and to draw attention to the most noteworthy points or trends in the sample. Then, for the

main variables, descriptive statistics were computed, which provided information on mean, standard deviation, minimum, and maximum importance for both ratings and willingness-to-pay measures for environmental, social, and economic appeals. This step provided an initial understanding of the general trends, for instance, which appeals were judged as most important, and was fitted with tables that summarized the results.

The next step included conducting correlation analyses based on Pearson's correlation coefficient to investigate the associations between respondents' perceived importance and willingness to pay, considering not only the direction and significance, but also the correlations amongst them. The survey consisted of a willingness-to-pay (WTP) question from which the respondents would choose from a range of €0 to over €11. For the statistical processing of data in SPSS, the uppermost open-ended category ("more than €11") was given a proxy value of 12. This recoding made it possible to treat the WTP variable as continuous while still keeping the participants comparable with each other. The primary hypotheses were validated through regression analyses, which were based on the effect of importance on willingness to pay, and the results were presented in tables, including coefficients, t-values, significance levels, and a concise interpretation of the most significant results. In the end, moderation analyses were conducted to identify the demographic factors, such as gender and nationality (culture), that influence the strength of the relationship between importance and willingness to pay. Interaction terms were included in the regression models.

3.4 Reliability and Validity

Credibility is essential for academic research to be valuable. Validity and reliability are the foundational blocks of research credibility (Saunders et al., 2007, pp. 364-366). With valid research, the data collected is accurate. Reliability ensures the process has been consistent. When these two factors are present, the research should be credible. This section elaborates on the thesis's research validity and reliability.

3.4.1 Research validity

The ability to accurately measure the planned phenomena is called validity. (Saunders et al., 2007, pp. 366-367). Validity measures related to questionnaires are content, criterion-related, and construct validity. Content validity relates to the ability of questionnaire questions to provide sufficient coverage of the research questions the study aims to answer. The ability to measure phenomena by these questions refers to criterion-related validity. Construct validity measures how well the questionnaire reflects the abstract theoretical construct.

Various actions were completed to ensure validity in this study. Questionnaire questions were based on and backed by an extensive literature review on relevant prior research. Previous studies or related topics from academia were used, adapted, and influenced the chosen questions. This procedure supports the study's content validity as prior quality research backs the questions. Statistical analysis and correlation tests are a widely used method to ensure criterion-relation validity (Saunders et al., 2007, p. 367). In this study, these tools were implemented for data analysis. Correlation tests were run on SPSS for data validation. This was done to ensure the questions were easy to understand, logical, and clear to enhance research validity.

3.4.2 Research reliability

The ability to produce consistent results refers to reliability (Saunders et al., 2007, p. 149). Reliability carries four risks: participant error, participant bias, observer error, and observer bias (Saunders et al., 2007, pp. 149-150). Cronbach's alpha was used to test the reliability of the scales, and it is a measure of how consistently the items relate to their corresponding constructs within the overall measure. The alpha values for all constructs as per the data in Table 2 are above the minimum limit of 0.70 as per Nunnally (1978, p. 245), implying that strong internal consistency exists. Specifically, the reliability of the environmental sustainability appeals was 0.885, the social sustainability appeals were

0.811, and the economic sustainability appeals were 0.868, respectively. In the same way, WTP values were 0.778 for the environment, 0.875 for social, and 0.870 for economic appeals. Thus, all measurement scales are found to be consistent and reliable for further analysis.

Table 2 shows the results of the reliability analysis conducted for the all dependent and independent variables of the study.

Table 2. Cronbach's Alpha of Dependent and Independent Variables

Construct	Cronbach's Alpha	Number of Items
Importance of Environmental Sustainability (IMP_ENV)	0,885	2
Importance of Social Sustainability (IMP_SOC)	0,811	2
Importance of Economic Sustainability (IMP_ECON)	0,868	2
Willingness to Pay – Environmental (WTP_ENV)	0,778	2
Willingness to Pay – Social (WTP_SOC)	0,875	2
Willingness to Pay – Economic (WTP_ECON)	0,870	2

4 Results and Findings

In this chapter, the results of the study, derived from the data gathered with the help of the online questionnaire, are presented. The outcomes are arranged according to the research objectives and hypotheses. The demographic profile of the respondents and the main variables are summarized using descriptive statistics. The hypotheses proposed are tested with correlation and regression analysis. The moderating effects of gender and culture are also investigated to explore their role in the relationships between sustainability appeals and willingness to pay (WTP).

4.1 Demographic Profile

This section outlines the descriptive data of the 66 survey respondents. All the participants' responses were fully completed and acceptable for the thesis sample.

The age distribution, which is illustrated in Figure 2, reveals that the largest group of participants was in the age range of 23 to 25 years, aligning with the characteristics of Generation Z. 21.2% of the respondents were 25 years old, while 19.7% were either 23 or 24 years old, thus, these three age groups together accounted for more than 60% of the total sample. Younger respondents in the age range of 18–22 years represented 25.8% of the sample, whereas older respondents in the age range of 26–28 years constituted 13.6% of the sample. Therefore, the sample of the study mainly comprised young adults in their early to mid-twenties, which corresponds to the target demographic of Gen Z travelers who are willing to take part in sustainable travel experiences.

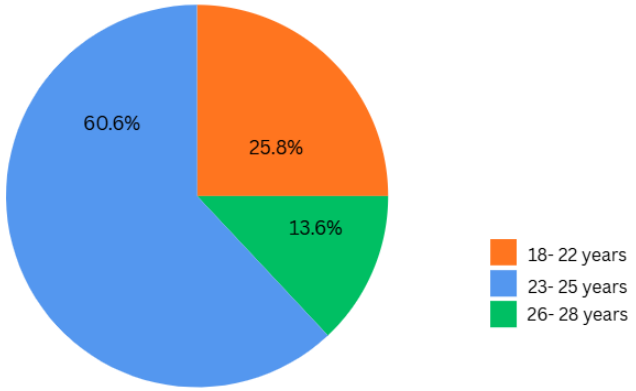

Figure 2. Sample age distribution

In the case of gender identity, the majority of respondents (52%) recognized themselves as female, while 41% stated male, and the rest (7%) either did not wish to declare their gender or identified with a non-binary group. Such a relatively equal distribution among the genders can be very helpful in studying the sustainability differences related to perceptions and WTP.

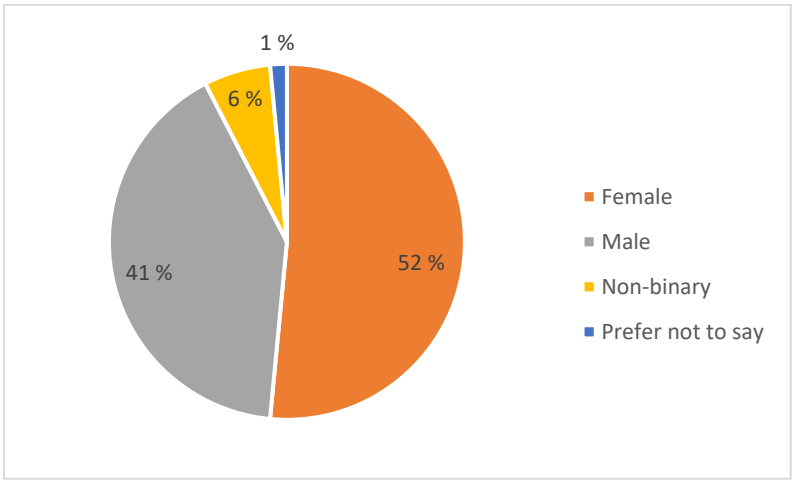

Figure 3. Sample gender distribution

The sample was very international, consisting of participants from 27 different countries, which is showcased in Figure 4. The biggest groups were Finnish and Nepalese, with 7 respondents from Finland and Nepal, each representing 10.6% of the total sample, while

the remaining nationalities were distributed over Europe, Asia, Australia, and the Americas. This diversity relates to the study's primary concern with the global Gen Z travelers and permits the investigation of cultural influences, especially collectivist versus individualist orientations, which were equally divided in the sample (50% each).

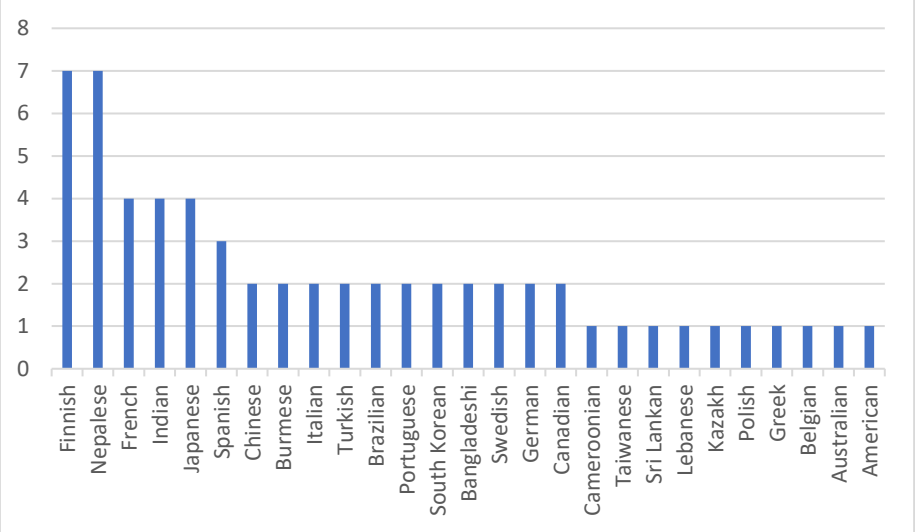

Figure 4. Frequency of Nationalities of respondents

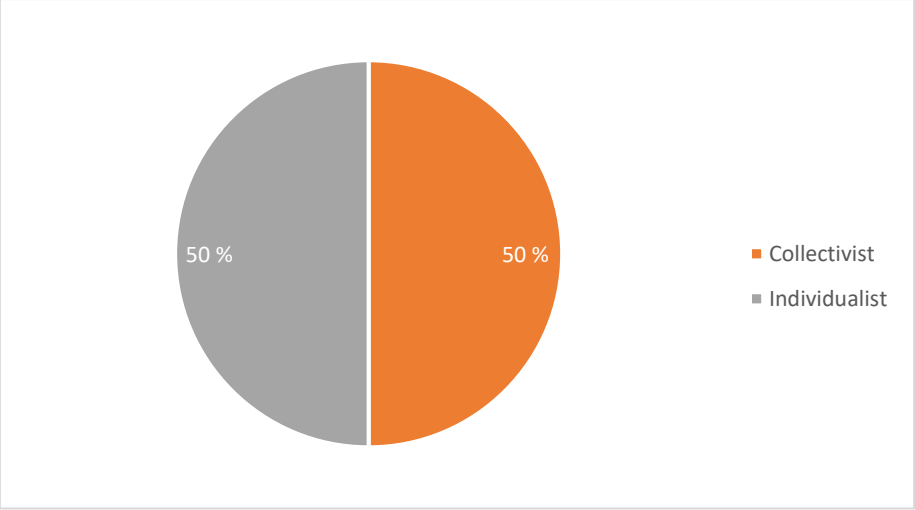

Figure 5. IDV Score

The student's status was considered as a factor. The majority of the participants (65%) were current students, whereas slightly less than one-third (35%) were not studying.

Besides, a considerable number of respondents hold part-time jobs, which shows that they manage their academic responsibilities along with their professional experience and personal income.

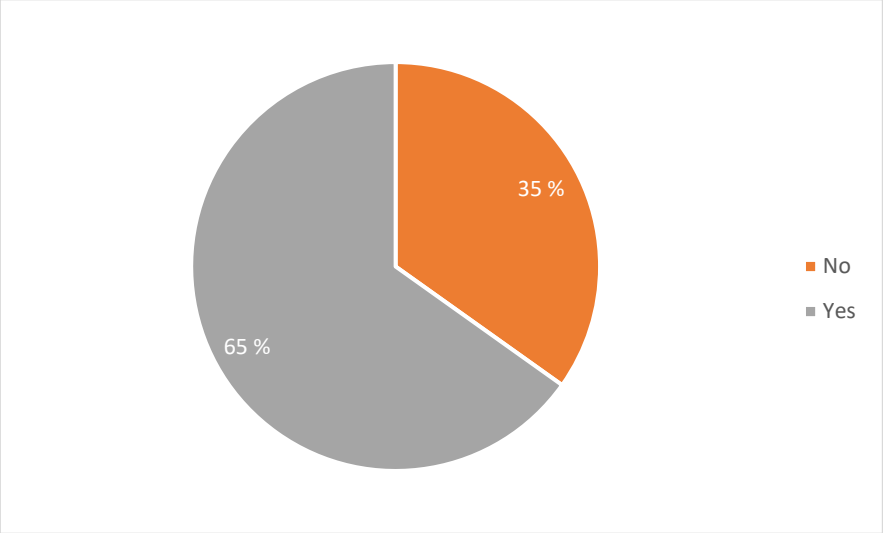

Figure 6. Student status

Accordingly, 43.9% are working on a part-time basis, and one-third (30.3%) are working full-time. Self-employment accounted for a mere 3% of the total, and about a quarter of the respondents (22.7%) were without a job. This gives an indication that the majority of the respondents receive some income, which could intensify their willingness to pay more for hostels that adopt eco-friendly practices.

By the education levels, the highest proportion (62.1%) of the populace is made up of people having bachelor's degrees, followed closely by around one-fifth (22.7%) of the population who have master's degrees, whereas just a tiny fraction (3%) have doctorate degrees, and about one-eighth (12.1%) are high school graduates. Similarly, 77.27% of the respondents are involved in some kind of employment.

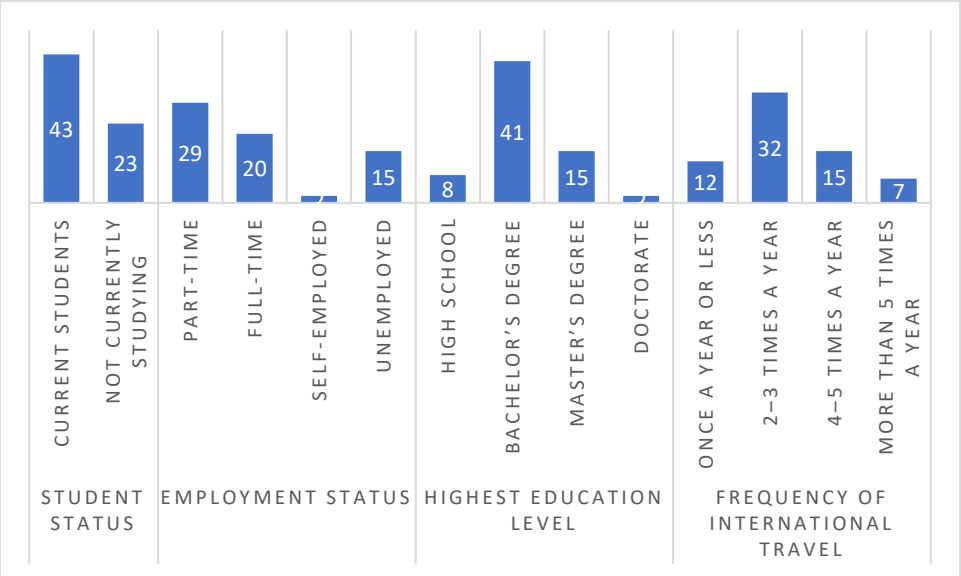

Figure 7. Frequency of Student status, Employment status, Education level, and Frequency of international travel of the sample.

The frequency of international travel presented in Figure 7 further enhances this profile. Almost half of the participants (48.5%) travel to foreign countries 2 to 3 times a year, while nearly one-fourth (22.7%) travel to foreign countries 4 to 5 times a year. A very small percentage (10.6%) travel more than five times a year, and under one-fifth (18.2%) travel once a year or less. This shows the majority of respondents are fairly to very experienced international travelers.

The survey showed that the majority of the respondents (89%) had already booked a hostel for their travels, while only a tiny portion (11%) was completely inexperienced in this type of accommodation. This fact demonstrates that hostels are not a new phenomenon for Gen Z or young adult travelers, hence an appropriate context for probing their perceptions about sustainability in such places.

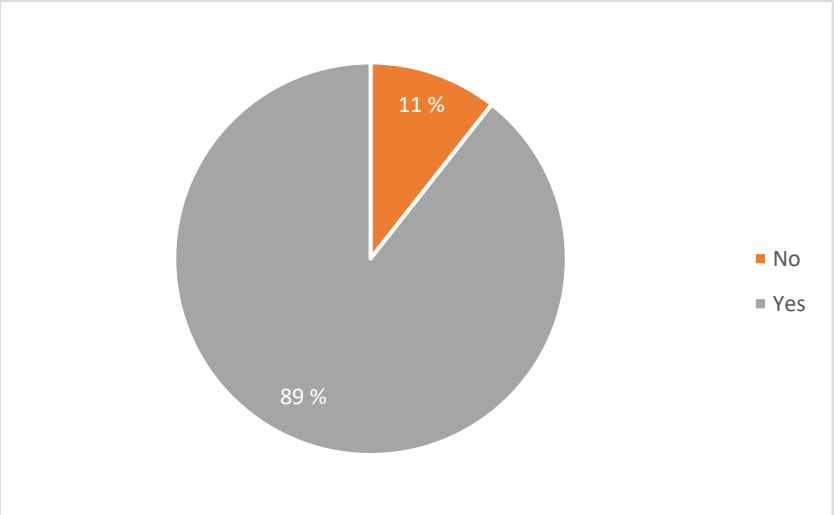

Figure 8. Previously accommodated in the Hostel

When the accommodation choices of the people surveyed were analyzed with respect to the importance of sustainability, the outcome was that a clear majority of the respondents (39%) see sustainability as a very important factor, and almost a quarter (24%) see it as a moderately important one. On the other hand, one-sixth (17%) judges it as important, while a smaller group considers it slightly (15%) or of no importance (5%). All in all, this indicates that the majority of Gen Z travelers attach at least a moderate importance to sustainability while making their accommodation choices.

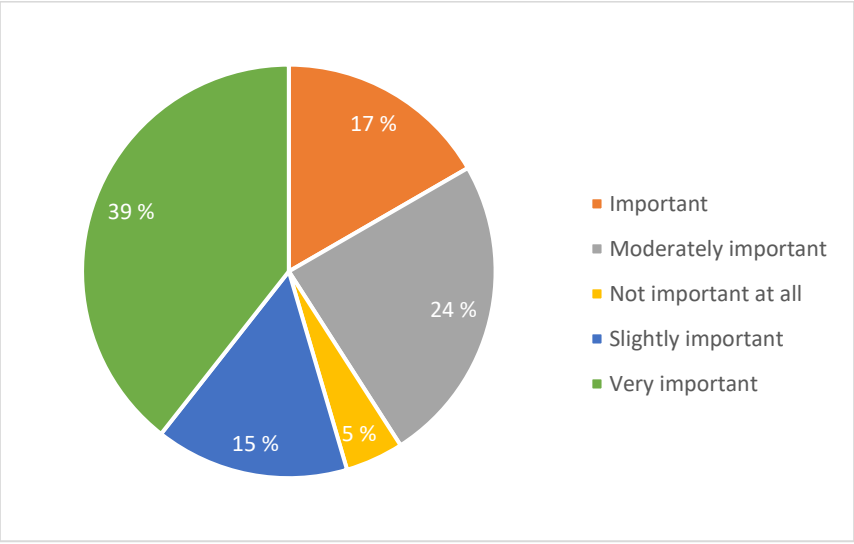

Figure 9. Importance of Sustainability

Additionally, when they were questioned if they had made a particular hostel or accommodation selection solely based on its sustainability practices, almost 70% of the respondents answered positively while approximately one-third (30%) of them negated it. This highlights that sustainability is a real and tangible factor which, among others, is actively impacting travel choices of Gen Z travelers, not just an abstract value.

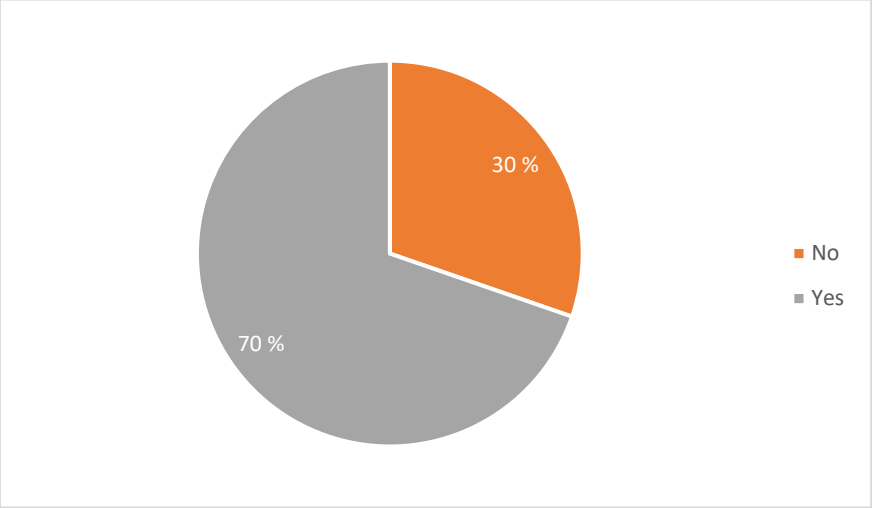

Figure 10. Choose a particular hostel or accommodation based on its sustainability practices.

The demographic profile provides a picture of Gen Z travelers who are very educated, have a high level of international mobility, and are very conscious of environmental and social issues. Most of them know about hostels and are putting sustainability at the top of their accommodation preferences list. An equal number of men and women and the same ratio of collectivist and individualist cultural orientations give a chance to study the impact of moderation on WTP. These demographic information sets a base for studying how the importance of environmental, social/community, and economic sustainability appeals affect the willingness to pay for Gen Z travelers, along with the moderating effects of gender and cultural background, thus giving a comprehensive view of sustainability-driven travel behavior in this group.

4.2 Descriptive Statistics of Key Variables

The descriptives from the importance of the three sustainability appeals along with their WTP of them are presented here. In Table 3 below, all of the descriptives can be found. The descriptives found in the table are the mean, standard deviation, variance, and range of minimum and maximum.

For the importance of the sustainability appeals, they were measured with a Likert scale, where 1 was the lowest and 5 the highest score. Answers ranged from 2 to 5 in all three appeals. The highest mean was found with the economic appeal (4,0758). Environmental appeal had the second highest mean with (4,0682), followed by social appeals (3,9545). Overall, the means were near number 4. The highest standard deviation was with economic appeal (0,869). Following was the social appeal with (0,849) and the environmental appeal with (0,788).

For the WTP, answers ranged from 0 to 12. These were in monetary amounts and ranges had a few amounts combined inside them, so that there were five category ranges to choose from. The highest mean was with the economic appeal (5,348). The following were the social appeal (5,075) and environmental appeal (4,416). The highest standard deviation was found with the economic appeal (3,721). The second largest was the social appeal with (3,560) followed by the environmental appeal with (2,795).

To sum up, for both importance and WTP, the economic appeal had the highest average. It also had the highest standard deviation, as well as variance.

Table 3. Descriptive Statistics of Dependent and Independent Variables

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
IMP_ENV_MEAN	66	2,00	5,00	4,0682	0,78880	0,622
IMP_SOC_MEAN	66	2,00	5,00	3,9545	0,84910	0,721
IMP_ECON_MEAN	66	2,00	5,00	4,0758	0,86932	0,756
WTP_ENV_MEAN	66	0,00	12,00	4,4167	2,79503	7,812
WTP_SOC_MEAN	66	0,00	12,00	5,0758	3,56073	12,679
WTP_ECON_MEAN	66	0,00	12,00	5,3485	3,72101	13,846

4.3 Correlation Analysis

The correlation measures the correlation between the factors of sustainability importance and WTP. Some of the correlations were significant and able to be accepted, while others were not. All of the significant correlations were positive. Table 4 displays the correlation between the dependent and independent variables.

The correlation between environmental impact and social impact was positive and significant (r = 0.263, p=0,03). The other significant correlation was found with environmental impact and environmental WTP (r = 0.538, p=0,00). Other correlations between environmental impact and economic impact, social WTP and economic WTP were found to be not significant (r = 0.222, p=0,07), (r = -0.083, p=0,50), (r = 0.203, p=0,10), respectively.

The correlation between social impact and social WTP was significant (r = 0.366, p=0,002). Other correlations between economic impact, environmental WTP, and economic WTP were not significant (r = -0.011, p=0,93), (r = 0.186, p=0,13), (r = 0.157, p=0,20), respectively.

The correlation between economic impact and environmental WTP was significant (r = 0.283, p=0,02). Economic impact and economic WTP were also significant (r = 0.567, p=0,00). Economic impact and social WTP were not significant (r = -0.068, p=0,58).

Environmental WTP significantly correlated with economic WTP (r = 0.308, p=0,01). Environmental WTP and social WTP were not found to be significant (r = 0.153, p=0,22).

Social WTP and economic WTP were not found to be significant (r = 0.178, p=0,15).

Table 4. Correlation Analysis

Variables	1	2	3	4	5	6
1. IMP_ENV_MEAN	1					
2. IMP_SOC_MEAN	.263*	1				
3. IMP_ECON_MEAN	.222	–.011	1			
4. WTP_ENV_MEAN	.538**	.186	.283*	1		
5. WTP_SOC_MEAN	–.083	.366**	–.068	.153	1	
6. WTP_ECON_MEAN	.203	.157	.567**	.308*	.178	1

*. Correlation is significant at the 0.05 level (2-tailed).

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

4.4 Hypothesis Testing - Main Effects

In this part, the regression analysis outcomes are shown, which were carried out to validate the main hypotheses of the study. The main aim was to find out if the consideration of sustainability appeals in terms of environmental, social, and economic had a more or less positive impact on Gen Z travelers' WTP (Willingness To Pay) for hostels. Each hypothesis (H1a–H1c, H2) was individually tested by applying linear regression analysis, taking the independent variable as the importance of a specific sustainability appeal and the dependent variable as the corresponding willingness to pay.

H1a: The more important environmental sustainability appeals are to Gen Z travelers, the more they are willing to pay for hostel accommodation.

The regression analysis revealed that the model was statistically significant, $F(1, 64) = 26.095$, $p < .001$, establishing a strong positive relationship between the importance of environmental appeal and willingness to pay (WTP).

The coefficient for IMP_ENV_MEAN was positive and considerable ($\beta = 0.538$, $t = 5.108$, $p < .001$). This means that the customers who rate environmental sustainability appeals as important will certainly be willing to pay more for the hostel accommodation.

Specifically, for every unit rise in the perceived importance of environmental sustainability, WTP rose by almost €1.91.

Thus, H1a is accepted.

Table 5. Regression Results for H1a

Predictor	B	Std. Error	Beta	*t*	*p*
(Constant)	-3,341	1,547		-2,161	0,034
IMP_ENV_MEAN	1,907	0,373	0,538	5,108	0,000

H1b: The more important social/community sustainability appeals are to Gen Z travelers, the more they are willing to pay for hostel accommodation.

The regression analysis for the importance of social/community appeals was statistically significant, F(1, 64) = 9.915, p = .002, establishing a strong positive relationship between the importance of social appeal and willingness to pay (WTP).

The coefficient for IMP_SOC_MEAN was positive (β = 0.366, t = 3.149, p = .002). That means travelers who value social/ community sustainable appeals are more willing to pay for hostels that provide such experiences. More concretely, WTP increased by about €1.54 for each unit increase in the perceived importance of social sustainability appeals.

Thus, H1b is accepted.

Table 6. Regression Results for H1b

Predictor	B	Std. Error	Beta	*t*	*p*
(Constant)	-0,998	1,972		-0,506	0,615
IMP_SOC_MEAN	1,536	0,488	0,366	3,149	0,002

H1c: The more important economic sustainability appeals are to Gen Z travelers, the more they are willing to pay for hostel accommodation.

The findings demonstrated that the model was statistically significant, $F(1, 64) = 30.355$, $p < .001$, showing a strong positive impact of the economic appeal's importance on the WTP. The coefficient for the IMP_ECON_MEAN variable showed a positive and significant value ($\beta = 0.567$, $t = 5.510$, $p < .001$). This means that the tourists who value economic sustainability appeals would be willing to pay more for their hostel accommodation that emphasises those economic appeals. The willingness to pay would increase by approximately €2.43 for the one-unit increase in the importance of economic sustainability appeals.

Thus, H1c is accepted.

Table 7. Regression Results for H1c

Predictor	B	Std. Error	Beta	*t*	*p*
(Constant)	-4,547	1,836		-2,477	0,016
IMP_ECON_MEAN	2,428	0,441	0,567	5,510	0,000

H2: Environmental sustainability appeals have the strongest effect on Gen Z travelers' willingness to pay compared to social/community and economic appeals.

The comparison of standardized coefficients from the regression analyses across the three appeals of sustainability was used to test H2. The comparison showed that the economic sustainability appeals had the most significant impact on the willingness to pay ($\beta = 0.567$), and the environmental appeals ($\beta = 0.538$) and social/community appeals ($\beta = 0.366$) represented the following. This suggests that when it comes to the willingness to pay, Gen Z travelers will mainly consider the hostels that underscore economic sustainability appeals.

As environmental appeals did not have the strongest effect, H2 is rejected.

4.5 Moderation Analysis- Gender & Culture

This part discusses the role of gender and cultural background in moderating the positive correlation between the significance of sustainability appeal and the willingness of Gen Z travelers to pay (WTP) to stay in a hostel. Interaction terms were used to conduct moderation analyses in multiple regression models.

4.5.1 Gender as a Moderator (H3)

H3: The positive relationship between the importance of economic appeals and willingness to pay is stronger for female travelers compared to male travelers.

The regression model with the interaction term (GENDER × ECON) was statistically significant, F (2, 63) =20.053, p< 001. The interaction coefficient was positive and significant (B = 0.393, β =0.372, t =2.634, p=0.011), indicating the moderating role of gender. In case of one unit change in the importance of economic sustainability appeal, the willingness to pay, on the part of male travelers, rose by 1.29 units, and on the part of female travelers by 1.68 units, which corresponds to the fact that female travelers are more sensitive to economic sustainability appeals.

These findings support H3.

Table 8. Moderation Effect of Gender on the Relationship Between Economic Sustainability and Willingness to Pay (H3)

Predictor	B	Std. Error	Beta	*t*	*p*
(Constant)	-2,702	1,891		-1,429	.158
IMP_ECON_MEAN	1,288	0,604	0,301	2,133	.037
GENDER	1,708	0,627	0,303	2,722	.008
GENDER × ECON	0,393	0,149	0,372	2,634	.011

4.5.2 Cultural Background as a Moderator (H4a & H4b)

H4a: The positive relationship between the importance of social/community appeals and willingness to pay is stronger for travelers from collectivistic cultures compared to travelers from individualistic cultures.

The regression model with the interaction term (CULTURE × SOC) was found to be statistically significant with $F(3, 62) = 12.576$, $p < .001$. The interaction term coefficient was positive and statistically significant ($B = 1.788$, $\beta = 1.071$, $t = 2.075$, $p = .042$), which implies that cultural background indeed moderates this relationship. To be more precise, WTP went up by 1.98 units for individualistic travelers, whereas it went up by 3.77 units for travelers from collectivistic cultures.

This supports H4a, which states that travelers from collectivistic cultures are more likely to consider social and community-oriented hostel sustainability appeals as factors in deciding how much extra they are willing to pay.

Table 9. Moderation Effect of Culture on the Relationship Between Social Sustainability and Willingness to Pay (H4a)

Predictor	B	Std. Error	Beta	*t*	*p*
(Constant)	-4,261	2,194		-1,942	.057
IMP_SOC_MEAN	1,981	0,559	0,472	3,542	.001
CULTURE	10,321	3,501	1,460	2,948	.005
CULTURE × SOC	1,788	0,862	1,071	2,075	.042

H4b: The positive relationship between the importance of environmental appeals and willingness to pay is stronger for travelers from collectivistic cultures compared to travelers from individualistic cultures.

The interaction term (CULTURE × ENV) was not significant ($B = -0.332$, $\beta = -0.255$, $t = -0.420$, $p = .676$), thereby suggesting that cultural background is not a moderating factor for this relationship. For all respondents, the WTP increased uniformly by 2.12 units for

every one-unit increase in environmental sustainability importance, regardless of their cultural background.

Therefore, H4b is rejected, implying that the impact of environmental sustainability appeals on the WTP is likewise for both collectivistic and individualistic cultures.

Table 10. Moderation Effect of Culture on the Relationship Between Environmental Sustainability and Willingness to Pay (H4b)

Predictor	B	Std. Error	Beta	*t*	*p*
(Constant)	-4,232	2,613		-1,620	.110
IMP_ENV_MEAN	2,121	0,635	0,598	3,339	.001
CULTURE	1,397	3,271	0,252	0,427	.671
CULTURE × ENV	-0,332	0,791	-0,255	-0,420	.676

4.6 Summary Table of Hypotheses Results

Table 5 provides a summary of the regression and moderation analyses results. The main hypotheses (H1a–H1c) were all supported. The importance of environment (H1a), social/community (H1b), and economic (H1c) sustainability appeals had a positive impact on the WTP of Gen Z travelers, the increase being 1.91, 1.54, and 2.43 units, respectively, for each one-unit increase in importance.

H2 was unfulfilled since the economic sustainability appeals had the maximum effect (β = 0.567), followed by environmental (β = 0.538) and social/community (β = 0.366), thus showing that WTP is least affected by environmental practices and most by economic practices.

For moderation, gender significantly played a role in increasing the economic WTP effect for females (H3), while culture moderated social/community WTP (H4a), where collectivistic travelers were willing to pay more. Environmental sustainability cultural moderation (H4b) was not significant.

The results indicate that WTP is determined by various sustainability dimensions and is also affected by the gender and cultural background of the consumer.

Table 11. Summary of Hypotheses Results

Hypothesis	Relationship Tested	Coefficient (β)	t-value	p-value	Result / WTP Increase	Supported?
H1a	IMP_ENV_MEAN → WTP_ENV_MEAN	0,37	0,28	< .001	WTP increases by 1.91 units per 1-unit increase in importance	Yes
H1b	IMP_SOC_MEAN → WTP_SOC_MEAN	0,25	0,23	.002	WTP increases by 1.54 units per 1-unit increase in importance	Yes
H1c	IMP_ECON_MEAN → WTP_ECON_MEAN	0,39	0,56	< .001	WTP increases by 2.43 units per 1-unit increase in importance	Yes
H2	Comparison of β values (Environmental > Economic >Social)	0.567 (Economic), 0.538 (Environmental), 0.366 (Social)	-	-	Environmental sustainability appeals have the strongest effect on WTP	No
H3	Gender moderates IMP_ECON_MEAN → WTP_ECON_MEAN	0.372 (Interaction)	0,52	.011	WTP increases by 1.68 units for females vs 1.29 units for males per 1-unit increase	Yes
H4a	Culture moderates IMP_SOC_MEAN → WTP_SOC_MEAN	1.071 (Interaction)	2.075	.042	WTP increases by 3.77 units for collectivistic vs 1.98 units for individualistic per 1-unit increase	Yes
H4b	Culture moderates IMP_ENV_MEAN → WTP_ENV_MEAN	-0.255 (Interaction)	-0.420	.676	No difference; WTP increases by 2.12 units regardless of culture	No

5 Discussion and Conclusions

This chapter discusses empirical findings to help readers comprehend the findings deeper. Following theoretical contributions are explained. Next managerial implications for the practical part of the research are discussed. Concluding the thesis, future research directions are provided along with the limitations of this research explained.

5.1 Summary and discussion of key findings

The research was conducted to find out whether the importance of different sustainability appeals (environmental, social/community, and economic) would have an impact on Gen Z's willingness to pay (WTP) for hostels, and the moderating effects of gender and cultural background. The data analysis discovered several important findings to address the research objectives.

Based on the data analysis, it is clear that the Gen Z travelers in the study, mostly aged 20-26, give considerable importance to the sustainable aspect when selecting hostel accommodation. The regression analysis confirmed that the three categories of sustainability appeals (environmental, social/community, and economic) all significantly influenced WTP in the predicted direction of H1a, H1b, and H1c.

The importance of environmental sustainability significantly raised WTP ($\beta=0.538$, $t=5.108$, $p<0.001$), which means that one unit improvement in perceived importance of the sustainability led to an increase in WTP of around €1.91. D'Acunto et al. (2025) and Han et al. (2011) also noted the same thing regarding Gen Z's environmental awareness and the big impact of green initiatives on the selection of accommodation and WTP, However, the environmental appeal, though it was a strong factor, was less significant than the economic one since the latter had a slightly higher impact.

The importance of social/community appeal also positively had an effect on WTP (β=0.366, t=3.149, p=0.002), thus raising WTP by €1.54 for each unit. This finding is in line with the literature which indicates that socially responsible and community-oriented practices not only increase perceived value but also result in greater loyalty and emotional involvement among travelers (Stacchini et al., 2022; Roberts et al., 2022; Wut, Lee & Lee, 2023). The effect observed is explained through the Theory of Planned Behavior whereby the Gen Z travelers' favorable attitudes, perceived social norms, and awareness of behavioral control empowering them to pay more for the socially responsible hostels (Ajzen, 1991; Wut et al., 2023).

Economic sustainability appeals had the strongest impact (β=0.567, t=5.510, p<0.001), thus increasing WTP by €2.43 for each unit increase in the appeals. Economic sustainability makes it clear to travelers that through hostels' sustainable appeals, they are not only responsible towards the environment or society but also gaining financially and adding value. Supporting local suppliers, offering fair pricing, reinvesting in community initiatives, or optimizing operational costs without compromising service quality are some of the examples for this. These practices are directly appealing to the price-conscious Gen Z travelers who consider not only ethical but also affordable and efficient. Prior studies indicated that the emphasis on economic benefits increases perceived value and consequently, payment for sustainable lodging is encouraged (De Araújo et al., 2024; Cvelbar & Dwyer, 2012).

The hypothesis H2, which assumed that environmental appeals would have the strongest effect on WTP, was rejected as economic appeals were the most influential factor, followed closely by environmental and community/social appeals. This means that even though environmental awareness is still a major driver for Gen Z travelers, they rank the economic sustainability appeals higher. It means that if hostels want to attract Gen Z, they must not only connect with environmentally friendly initiatives but also deliver the non-economic benefits of sustainability to their customers to increase their willingness to pay.

Moderation analyses revealed that gender and cultural background moderate the willingness to pay. The relationship between the importance of economic sustainability and WTP was moderated by gender, with female travelers being more sensitive. Female travelers raised their WTP by 1.68 units while male travelers raised 1.29 units each time the importance was raised by one unit. This is consistent with H3 and previous studies whose findings suggest that women are more likely to hold pro-social and pro-environmental attitudes and therefore, they are more willing to pay extra for ethically or socially responsible products (Zhao et al., 2021; Solka et al., 2011). Cultural background was a moderator in the social/community appeal relationship, supporting H4a, and thus the collectivistic travelers showed a higher WTP increase (3.77 units) than the individualistic ones (1.98 units). However, H4b was not significant as the environmental sustainability was not influenced by culture, and the WTP increased evenly by 2.12 units among all the participants.

These results obtained further confirm the applicability of the Triple Bottom Line model in analyzing Gen Z's travel behavior. They suggest that sustainability strategies are most effective when they integrate the environmental, social, and economic appeals, underscoring that economic appeals are the determining factor in changing sustainability-related concern into actual willingness to pay. The developed framework is presented in Figure 11. It features a positive relationship represented by upward arrows (↑), indicating that all types of sustainability appeals positively influence the consumers' willingness to pay, while the economic appeals are the strongest driver of all, and is presented with (↑ ↑).

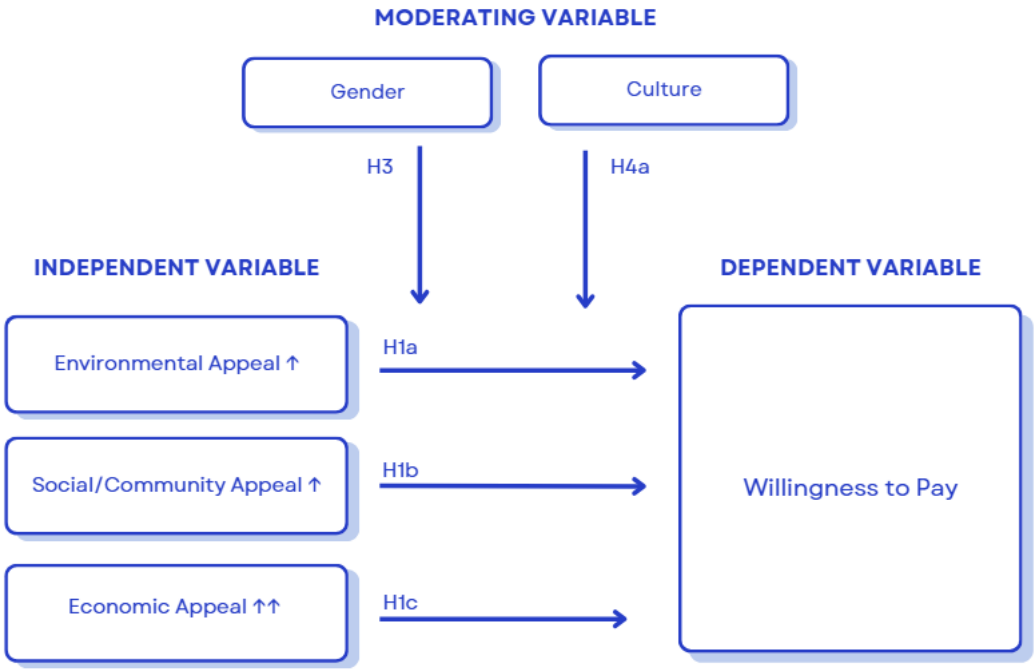

Figure 11. Conceptual Framework after the hypotheses testing and discussion.

5.2 Theoretical contributions

This research claims multiple contributions to the identified research gap on the effect of sustainability appeals on Gen Z hostel customers, especially on the research objective of understanding what factors have the most impact on booking intention behavior. With the different sustainability issues as common knowledge among Gen Z, companies offering differentiation with sustainability initiatives are attractive to Gen Z. However, there is limited research from a niche of the accommodation industry, namely hostels, that are mostly used by Gen Z. Moreover, there is not much research that indicates how different sustainability appeals of hostels affect Gen Z from different cultures or genders. This study investigates the differences between environmental, social, and economic sustainability appeals and their relationship to WTP. In Finland, there has not been a similar study conducted before, and globally, hostel studies linked with sustainability have not compared the WTP to the different sustainability appeals. The findings indicate

the key factors that can help understand what sustainability appeals to which cultures and genders should be marketed. However, the findings had contradictions to the hypotheses based on previous studies. This leaves space for future research to conduct surveys on the topic with a larger sample to raise the objective understanding.

Moreover, this research adds to prior research, using eclectic means to synthesize key findings into one study for a more thorough understanding of the topic (Han et al., 2019; Francis & Hoefel, 2018; Wut, Lee & Lee, 2023; Mensah & Blankson, 2013). Aiming for a comprehensive understanding of the three identified sustainability appeals, along with the culture and gender factors of Gen Z, this study adds to a section where prior studies have focused on only some of these factors (Zhao et al., 2021; Hofstede, 2001; De Mooij, 2019). While there have been studies related to the above factors, only a small proportion of them have exclusively focused on hostels alongside the other factors (Kang et al., 2012; Rahman & Reynolds, 2017; Hwang & Lee, 2019). This allowed space for a study to combine these factors into the hostel market and provided the base for a more thorough study, where the sustainability appeals and WTP are investigated, which this research set out to do.

5.3 Managerial implications

This thesis aimed to provide practical implications and understanding for hostel managers on top of the theoretical research and contributions. The study's findings suggest which sustainability factors are the most important and what customers are ready to pay more to have. This is important for managers, especially since Gen Z customers are more sustainability-conscious than the previous generations, based on previous research. For managers, it is imperative to know how markets and customers' perceptions are constantly shifting. Therefore, it is necessary to evaluate the different factors and their effects on various customer categories.

First, different sustainability appeals were found to have various effects on importance and WTP. It was shown that economic sustainability appeals were deemed the most

important for a hostel customer. This result was contradictory to the previous literature found. This shows that, according to customers, the economic importance seems to be more important for customers than sustainability or social. Accordingly, hostels should find a way to promote their economic sustainability to customers to make the most of the customers' perceptions. Without using the sustainable economic appeal, hostels may be leaving some potential revenue from customers on the table. This is based on the results that customers were willing to pay higher amounts for the economic appeal than for the other two.

Second, female customers were found to have a higher WTP for the economic appeals. This suggests that females would be a more lucrative segment as a customer or a better marketing target with the economic appeal. Managers should be made aware of this insight to have a better understanding of which group they should market to and with what. Alternatively, this suggests that females would be the ideal customer, at least when it comes to responding to the economic appeals.

Third, culture was found to influence both the importance and WTP. For the social/community appeal, customers originating from collectivistic cultures were willing to pay more compared to those from more individualistic cultures. Therefore, a suggestion would be to really emphasize these values if there are a lot of customers from these collectivist cultures, or a hostel wants to start being more appealing to them. Familiarly, for these cultures, having people from the same country known to be in the same hostel could be a key selling point for the customers. Potentially, hostels could try to niche themselves to these more collectivistic cultures to make themselves stand out from the competition.

Lastly, even though the original hypothesis of environmental sustainability appeal being the most strongly influencing one was rejected with the sample of this thesis, those other appeals should not be dismissed. As they have been supported in other studies, as well as the overall general attitudes of society, they still are a potential selling point

for customers. So, even if they were not proven to be the most significant out of the three appeals used in this study, hostels should keep looking for market outlooks to see what customers are truly valuing and how they are developing over time. Perhaps future research with a larger sample and a longer timeframe would give other results than those from this study.

5.4 Limitations and ethical considerations

Although this study provided intriguing findings, with contributions to theory and managerial implications, it was not without limitations. Those are discussed here.

First, the time to gather the surveys was quite limited. After having the survey questionnaire ready for distribution, there was only one week to gather the data from respondents. With more time, the sample size could have been higher, as 66 completed surveys were used for the sample. Essentially, with a larger sample size, the results could become more accurate at measuring differences between cultures. With the used sample, differences could still be counted for individual penchants rather than a cultural generalization. However, the data mainly came from two cultures: Caucasian and Southeast Asian. Therefore, with an extended sample size, cultural differences could be better explained. Alternatively, for a larger sample size, more hostels could have been contacted and asked to distribute the questionnaire earlier.

Another possible limitation was that the questionnaire was only available in English. This meant that for some respondents whose mother language is not English or who do not possess a sufficient level of reading English, the questions might have been misinterpreted or not understood. However, the questionnaire would have had to be translated into many languages that the thesis writers could not reasonably predict. For example, Finnish, Swedish, or Nepalese languages could have been translated by the thesis writers; however, other languages like French, Spanish, or other common languages could have been better understood by people who are more fluent in these than in English. Yet, the thesis writers could not predict the respondents' preferred first

language before sending the survey. However, considering that most of the respondents from hostels probably used English to book the hostel, they can be assumed to have English skills at least to a certain limit.

The research was conducted transparently and in an ethical manner. Survey raw data was only accessible to the thesis writers and supervisor upon request. Respondents had an option to withdraw or leave the survey incomplete at any time they wished. However, all 66 respondents' answers were used in the sample, giving a valid percentage of 100%. There was no further distribution of the raw data to any parties whatsoever. Furthermore, if there were a mishandling of the data noticed by the thesis writers, the respondents would be notified.

5.5 Directions for future research

The study on sustainability appeals to the willingness to pay in different hospitality industry sectors has a variety of future research directions to take. This topic has been studied only from a limited part of all possible perspectives, and there is a lot of research potential and approaches to enhance knowledge in the area. Below are some possible future research opportunities that would logically follow from the studied phenomena in this study.

First, the research topic and design of this thesis can be used in other hospitality sector accommodation providers. In this thesis, to gather opinions from the respondents, sustainability scenarios were provided. These could be asked from the choice between hotels, hostels, Airbnb and other options and be analysed with ANOVA or other statistical measures to see if the sustainability appeals differ between accommodations even with the same scenarios. As there has not been a large sample-based study on this topic, the hypotheses and potential findings could be interesting to evaluate. Another perspective to consider is whether the country, where the accommodation is located or the questionnaire is completed, would significantly affect on results. Even though there have been lots of studies on WTP in tourism generally, comparisons between

accommodations' WTP are few. Moreover, the gender and culture affect in different countries and accommodation providers would be interesting to study further.

On the contrary, the study could be made more detailed with a scope of only European participants or only Finnish people. This way, the effect of gender could be explained in more detail in a specific setting. However, this study was narrowed down to only consider hostels. So, for a more specific respondent population, the accommodation scope could be expanded to various accommodation providers. Alternatively, as this study focused on Gen Z, future studies can make comparisons on other age groups. This study mainly assumed, based on the literature, that the average Gen Z person is more considered about sustainability than older generations. However, for hostels, there are some more elderly people as customers, but the majority of customers are from Gen Z. So, there could be studies done on the sustainability appeals of different generations on various accommodations. However, considerations regarding accurately representing sample sizes would be needed for these studies.

Another logical approach would be to remove the delimitation of this study. A study could be conducted with hostels from different countries to try to get a more global view of the sustainability appeals perception. However, it is hard to tell if the sustainability appeals in different countries' hostels would make a difference to the WTP. A possible finding could be the home-country bias of being more willing to pay for the different sustainability appeals in hostels in one's home country compared to others. For this kind of study, there should be a clear mention of the geographical location of each hostel to evaluate if the location impacts WTP. Another possible factor to study related to WTP could be the wealth level of a nation. The study could evaluate to see if there is a significant difference in WTP between hostels in poorer and richer countries.

In this study, sustainability appeals were evaluated by the given scenarios and provided the WTP amount in money. That has some bias risk and standardization challenges. For example, if the results of this study were compared to other studies, the scenarios would

have to be the same. Different scenarios could yield significantly different results. Therefore, findings of any further related studies with different scenarios and compared to this should be evaluated critically. It is fair to say that with different scenarios, the studies cannot be fully objectively compared. Also, by having data on respondents' financial level, differences in WTP could be explored. However, this would be personal data that respondents might not be willing to provide.

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Appendices

Appendix 1. Questionnaire

The Role of Sustainability Appeals in Hostel Marketing: How Gender and Cultural Values Shape Gen Z's Willingness to Pay.

Thank you for taking part in this research survey titled *The Role of Sustainability Appeals in Hostel Marketing: How Gender and Cultural Values Shape Gen Z's Willingness to Pay.*

This study is part of a Master's thesis at the University of Vaasa. It aims to explore the importance of sustainability appeals - *environmental, social, and economic*- and how they affect the willingness to pay for hostel among Generation Z. It also examines how factors like gender and cultural values moderate these attitudes.
Your responses will help provide valuable insights into how young travelers perceive and respond to sustainable tourism in Finland and beyond. Participation in this survey is completely voluntary and anonymous, and the responses will be used solely for academic purposes.

The survey should take around 7–10 minutes to complete. Please read each scenario carefully and select the option that best represents your opinion.

A. <u>Demographic Information</u>

1. **Age-**

2. **Gender**

- Male
- Female

- Non-binary
- Prefer not to say

3. **Nationality-**

4. **Country of Residence-**

5. **Highest level of education completed**

- High school or equivalent
- Bachelor's degree
- Master's degree
- Doctoral degree
- Other (please specify)

5. Are you currently a student?

- Yes
- No

6. Current occupation

- Employed full-time
- Employed part-time
- Self-employed
- Unemployed

7. How often do you travel internationally (leisure or study/work)?

- Once a year or less
- 2–3 times a year
- 4–5 times a year
- More than 5 times a year

8. **Have you ever stayed in a hostel while travelling?**

(A hostel is defined as a budget-friendly accommodation where guests typically share rooms or facilities such as bathrooms or kitchens, often with opportunities to socialize with other travelers.)

- Yes
- No

9. When choosing accommodation, how important are general sustainability practices to you?

- Not important at all
- Slightly important
- Moderately important
- Important
- Very important

10. Have you ever specifically chosen a hostel or accommodation because of its sustainability practices?

- Yes
- No

Section B – Environmental Sustainability Appeal

Scenario 1:

This hostel turns off lights and heating automatically in empty rooms, offers vegan/plant-based meals, and invites guests to plant trees nearby during their stay.

Statement: It is important to me that the hostel implements these environmental practices.

- 5-point Likert: 1 = Not important at all, 5 = Very important

WTP: If a standard hostel night costs €20, how much extra would you pay for these sustainable practices?

- €0
- €1–5
- €6–10
- More than €11

Scenario 2:

The hostel offsets carbon emissions from guest travel by contributing to local reforestation projects and provides eco-friendly laundry and zero-waste toiletries.

Statement: It is important to me that the hostel takes measures to reduce its environmental impact.

- 5-point Likert: 1 = Not important at all, 5 = Very important

WTP: If a standard hostel night costs €20, how much extra would you pay for these environmental measures?

- €0
- €1–5
- €6–10
- More than €11

Section C – Social / Community Sustainability Appeal

Scenario 1:

The hostel hires local students and artists to conduct workshops for guests, including Finnish cooking, painting, and storytelling sessions about local traditions.

Statement: These community-focused activities are important to me.

- 5-point Likert: 1 = Not important at all, 5 = Very important

WTP: If a standard hostel night costs €20, how much extra would you pay for these community-focused activities?

- €0
- €1–5
- €6–10
- More than €11

Scenario 2:

The hostel organizes social dinners where travelers and locals cook together, share

stories, and build connections. These events promote cultural exchange and community engagement.

Statement: These community and cultural exchange activities are important to me.

- 5-point Likert: 1 = Not important at all, 5 = Very important

WTP: If a standard hostel night costs €20, how much extra would you pay for these social and cultural activities?

- €0
- €1–5
- €6–10
- More than €11

Section D – Economic Sustainability Appeal

Scenario 1:

The hostel buys souvenirs, snacks, and toiletries directly from local artisans and small family businesses, helping local economies thrive.

Statement: Supporting local businesses through the hostel is important to me.

- 5-point Likert: 1 = Not important at all, 5 = Very important

WTP: If a standard hostel night costs €20, how much extra would you pay for these economic sustainability practices?

- €0
- €1–5
- €6–10
- More than €11

Scenario 2

The hostel ensures fair pricing for all guests, offers discounts for students, and donates part of its profits to local social projects.

Statement: These fair pricing and social contribution practices are important to me.

- 5-point Likert: 1 = Not important at all, 5 = Very important

WTP: If a standard hostel night costs €20, how much extra would you pay for these economic and social practices?

- €0
- €1–5
- €6–10
- More than €11

Appendix 2. Use of AI

Artificial Intelligence (AI) tools were used in idea and background drafting of this thesis. This is disclosed to ensure transparency of the study. We used ChatGPT (GPT-5, October 2025) to do deep background reseach, summarize long research papers and to guide SPSS procedural steps. Grammarly and Microsoft word autocorrect were used to check the spelling and grammar, form academic sentence structure, maintain language consistency and smooth flow of the paragraphs.

The ideas created with the help of AI was carefully cross-checked, researched, and further edited by us. The intellectual contributions, analyses, and interpretations are our original work.