

# ATTITUDE AND WILLINGNESS TO PAY FOR GREEN PRODUCTS

# $\mathbf{BY}$

# YUHAINIS BT MOHD YUSOFF



# Fakulti Pengurusan Perniagaan (Faculty of Business Management) Universiti Utara Malaysia

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## **ABSTRACT**

Attitude towards environmental issue is beginning to attract a lot of consumers in Malaysia. However the contribution towards environmental activities such as recycling, buying biodegradable product and buying other green products is still small. The main objectives of this research is to determine the level of consumer willingness to pay for green products, to determine the differences in willingness to pay between gender and races and to determine the relationship between personality, lifestyle, attitude, income and willingness to pay. Independent variables consist of demographic factors, attitude, lifestyle and personality. Dependent variable for this research is willingness to pay for green products. Data is gathered through questionnaire containing five parts (demographic, attitude, lifestyle, personality and willingness to pay) using six point Likert scales: (1-strongly disagree to 6-strongly agree). Data is analyzed using descriptive analysis, T-test, ANOVA, correlation and regression stepwise. Results show that the level of willingness to pay for green products is high. There is also no significance difference in willingness to pay between gender and races, and there is a significant relationship on willingness to pay for attitude, personality and income. Discussion and recommendation are discussed.

# **ABSTRAK**

Sikap terhadap isu-isu yang berkaitan denan alam sekitar mula mendapat perhatian pengguna-pengguna di Malaysia. Masalah yang timbul ialah sumbangan mereka kepada aktiviti-aktiviti yang bercirikan alam sekitar (mengitar semula kaca, kertas dan tin, membeli produk-produk yang boleh diuraikan dan membeli produk-produk yang boleh dikitar semula) sangat sedikit. Objektif utama penyelidikan ini dibuat adalah untuk melihat tahap kesanggupan pennguna untuk membayar lebih bagi produk-produk ynag bercirikan alam sekitar, melihat perbezaan diantara lelaki dan perempuan serta keturunan keatas tahap kesangupan membayar lebih bagi produkproduk yang bercirkan alam sekitar dan melihat factor-faktor yang menyumbang kepada tahap kesangupan membayar lebih bagi produk-produk yang bercirkan alam sekitar seperti factor-faktor demografi, sikap, gaya hidup dan personality. Data diperolehi melalui borang soal-soal selidik yang mengandungi lima bahagian dan diukur dengan skala 1(sangat tidak bersetuju) hingga 6(sangat bersetuju). Data dianalisa menggunakan aplikasi-aplikasi di dalam SPSS (12.0). Keputusan analisa menunjukkan bahawa tahap kesanggupan membayar bagi produk-produk yang bercirkan alam sekitar adalah tinggi, dan terdapat hubungan yang signifikan antara tahap sanggup bayar bagi produk-produk yang bercirkan alam sekitar dengan pendapatan, sikap dan personality, manakala tidak bagi gaya hidup. Jantina dan keturunan pula tidak menunjukkan perbezaan dalam tahap sangup bayar bagi produkproduk yang bercirkan alam sekitar antara lelaki dan perempuan dan keturunan. Kesimpulan dan cadangan untuk penyelidikan masa depan dibincangkan di dalam kertas penyelidikan.

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# ATTITUDE AND WILLINGNESS TO PAY FOR GREEN PRODUCTS

## INTRODUCTION

# 1.1 Chapter Overview

Overall, this chapter will touch on the introduction and other major aspect of this research. This includes the introduction of the research, the research question, the research objectives, significance of the research, problem statement, assumption and the limitation of the study.

### 1.2 Introduction

Previously the term "green products" or eco-labeled products is still new and for some consumers, it is still awkward for them and they have no intention on buying such products. Although environmental issues influence all human activities, but due to lack of information and exposure, consumers are not interested to take part in this issue. Previous research which identified ecologically concerned consumer segments (Anderson and Cunnigham, 1972) was discounted because of the "existence of a substantial segment that exhibits little or no concern about the pollution aspect of products" (Kinner, Taylor and Ahmed, 1974).

Today, as society becomes more concerned with the natural environment, business has begun to modify their behavior in an attempt to address society's new concern (Polonsky, 1994). This evolution has resulted in an expanded issues that concerning the environmentally responsibility. Straughan and Roberts (1999) mentioned that with the increased of social and political pressure, companies have moved beyond simply addressing pollution and waste disposal to looking for

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