UNIVERSITI PUTRA MALAYSIA

CONSUMERS’ WILLINGNESS TO PAY FOR BIODEGRADABLE SHOPPING BAGS IN SELECTED HYPERMARKETS IN SELANGOR, MALAYSIA

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By

FATIMAH AZ ZAHARAH SUBAHIR

Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia, in Fulfilment of the Requirements for the Degree of Master of Science

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By
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May 2014

Chair : Associate Professor Mohd Rusli Ya’cob, PhD
Faculty : Economics and Management

Malaysia is facing critical pollution and environmental deterioration issues as a result of massive consumption of plastic- since it takes more than 300 years to be disposed. Introduction of biodegradable shopping bag (BSB) as a greener alternative is deemed as the best substitute for plastic bags, due to its disposability nature in order to preserve the environment, thus, preventing environmental distortion or environmental problem.

The general objective of this study is to determine the consumer awareness and estimate their willingness to pay for BSB. On the other while, the specific objectives of this study are; i) to determine the consumer awareness towards the environment and biodegradable shopping bag, ii) to determine the dimension of consumer perception towards the usage of biodegradable shopping bag, and iii) to estimate consumer willingness to pay for BSB. Data are obtained through face to face interviews by using closed ended and multiple categories questionnaire. A sample of 300 respondents is randomly chosen at selected hypermarkets in Selangor in September to November 2012.

Data are analysed using descriptive analysis, factor analysis and Contingent Valuation Method (CVM). Four factors that significantly influence consumers to use BSB are found through the factor analyses, namely; behaviour and lifestyle concern, environmental concern, knowledge of BSB and negative attributions toward environment. The results obtained from the analysis indicate that price of BID, AGE, GENDER (MALE) and INCOME are significant in influencing the consumers’ willingness to pay for BSB.

The result of the survey also reveals that consumers are willing to pay an additional premium of RM 3.53 per unit of BSB. In this regards, findings from this study are believed to provide some guidance for the policy makers and business operators to revise the BSB price introduced to consumers. Increase in consumers’ demand for BSB and their environmental awareness may lead to subsequent reduction or
elimination of the plastic shopping bags usage, and ultimately make our environment healthier by reducing environmental degradations and distortions.
Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

KESANGGUPAN PENGguna MEnBAYAR UNTUK BEG MEMBELI BELAH BIODegRADASi (BIODegRADABLE) Di PASARAYA TERPiLiH Di SELANGOR, MALAYSiA

Oleh
FATIMAH AZ ZAHARAH SUBAIR

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Malaysia kini berhadapan masalah pencemaran yang kritikal dan kemerosotan alam sekitar sebagai kesan sampingan terhadap penggunaan plastik dan bahan buangan yang melampau kerana produk terbabit memerlukan lebih dari 300 tahun untuk dilupuskan. Pengenalan beg membeli-belah mesra alam (BSB) adalah dilihat sebagai pengganti terbaik kepada beg plastik kerana ia dapat memelihara alam sekitar di samping, mencegah sebarang gangguan atau masalah alam sekitar.

Objektif umum kajian ini adalah untuk menentukan kesedaran pengguna dan kesediaan membelayar mereka untuk beg membeli-belah mesra alam (BSB). Manakala, objektif khusus kajian ini merangkumi; i) menentukan kesedaran pengguna terhadap alam sekitar dan beg membeli-belah mesra alam, ii) menentukan persepsi pengguna terhadap penggunaan beg membeli-belah mesra alam, dan iii) menganggar kesanggupan membelayar pengguna untuk BSB. Data diperolehi melalui soal selidik dengan menggunakan format soalan tertutup dan pelbagai pilihan. 300 responden telah dipilih secara rawak di pasaraya yang terpilih dari September sehingga Oktober 2012.

Data analisis menggunakan metod analisis deskriptif, faktor analisis dan kaedah penilaian kontigen (CVM). Empat faktor yang mempengaruhi kesanggupan pengguna membayar terhadap penggunaan BSB diperolehi melalui kaedah faktor analisis, yang terdiri dari; tingkah laku dan gaya hidup, keprihatinan terhadap alam sekitar, pengetahuan mengenai BSB dan sifat-sifat negatif terhadap alam sekitar. Hasil dari model logit regresi menunjukkan harga BID, UMUR, JANTINA (LELAKI) dan PENDAPATAN adalah signifikan dan mempengaruhi kesanggupan membayar pengguna untuk BSB.

Hasil kajian turut mendedahkan bahawa pengguna sanggup membayar peningkatan premium sebanyak RM 3.53 untuk setiap unit BSB. Oleh itu, dapat daripada hasil kajian ini diperdaya dapat membantu pihak pengubal dasar dan pengusaha perniagaan untuk menyemak harga BSB yang diperkenalkan kepada pengguna. Peningkatan permintaan pengguna untuk BSB dan kesedaran mereka terhadap alam
sekitar dapat membawa kepada pengurangan kebergantungan terhadap beg plastik yang berterusan atau penghapusan penggunaan beg plastik dan seterusnya menjadikan alam sekitar lebih sihat dengan pengurangan kemerosotan dan gangguan alam sekitar.
First and foremost, my praise to Allah SWT, blessed me with patience, courage consistency and good health during this study. I am very honoured to be supervised by my supervisor, Assc. Prof Dr Mohd Rusli Ya’cob and my supervisory committee member Assc. Prof Dr Alias Radam for their invaluable advice, guidance and encouragement throughout process and my thesis writing.

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I certify that a Thesis Examination Committee has met on 30 May 2014 to conduct the final examination of Fatimah Az Zaharah binti Subahir on her thesis entitled “Consumers’ Willingness to Pay for Biodegradable Shopping Bags in Selected Hypermarkets in Selangor, Malaysia” in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the Master of Science.

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Date:
DECLARATION

Declaration by graduate student

I hereby confirm that:

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Declaration by Members of Supervisory Committee

This is to confirm that:

- the research conducted and the writing of this thesis was under our supervision;
- supervision responsibilities as stated in the Universiti Putra Malaysia (Graduate Studies) Rules 2003 (Revision 2012-2013) are adhered to.

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