

Green Products from the Lens of Graduate School Students

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Abstract: This descriptive qualitative study explored the views of graduate school students particularly those enrolled in the Master of Business Administration Programs on Green Products. The exploration delved on exposure to green products, benefits green products, marketing implementation of companies, calibration of consumer knowledge, and credibility of green products. It employed the descriptive qualitative approach. Thirty Master of Business Administration (MBA) students of University of Cebu, Cebu City, Philippines were interviewed using focus group discussion. FGD was conducted for one hour for ten sessions during the first semester of SY 2017-2018. Findings revealed common themes which include: minimal exposure to green products; products that contribute to good health and protection of the environment; poor implementation of marketing green products; “companies do not calibrate my knowledge”; and “green products do not perform well.”

Keywords: Green Products, Willingness to Pay, Consumers, Graduate School Students, Consumer Behavior, Corporate Social Responsibility

1. Introduction

Until the late 1960's, little attention was given by people and companies on the consequences of their decisions and actions to the environment. Yet there were groups such as the Sierra Club and other environmental activist groups which were concerned with land conservation and conservation of natural resources. Environmental disasters and ecological problems brought about awareness and the spirit of environmentalism in the society. On the other hand, managers also confronted questions about the impact of the natural environment to organizations. This link is called greening of management - the connection between the company's decisions and activities and its impact on the natural environment (Robbins & Coulter, 2001).

A company is not considered an environmentalist if it does not go beyond government regulations compliance. To be considered green, the company must address three issues: green products to bring to the market; disclosure of pollution information; and ways to reduce waste at its source. Managers should

insist on sustainable growth. Hence, there is a big investment in environmentalism which is comparable to research and development. Organizations should rely on literature that analyzes the product life cycle of green products. As for public disclosure, the benefits are unexpected. Federal legislation requiring companies to report the emission of potentially hazardous waste to a central data bank has forced companies to learn what chemicals they inadvertently produce and how much. As for pollution prevention, it is better to remove harmful waste products out of the system the soonest possible time (Kleiner, 1990).

Problems in the physical environment have stressed the penalties and threats that organizations face. But organizations can turn problems into opportunities. One is to invest in research. Another is to find new energy sources. Businesses have also seen opportunities in developing green products (those that are environmentally-friendly). Other companies focused on innovative smaller packages for many goods. For the public, pieces of eco products are in line with ordinary products especially when the quantity offered is considered (Boyd, Walker, Mullins & Larreche, 2002).

Environmental issues have affected marketing practices in Europe and Asia. Some marketing programs and environmentally-friendly products seem to capitalize on consumers' perceived sensitivity to various issues of the environment. Green marketing programs have not been successful from a branding perspective. In one study conducted by environmentalists, Sony, Samsung and LG are praised for their greening marketing. These companies have reduced, substituted and eliminated the use of substances that are hazardous to the environment. Toshiba and Acer were perceived as not being environmentally-friendly (Kotler et al., 2009).

Marketers of green sales have identified obstacles as well. First is lack of credibility. Using various statistical analyses, it studied the demographic, psychological and behavioral profiles of consumers who are willing to pay more for green products. Findings revealed that consumers find today's ecological problems as severe. They believe that organizations do not act responsibly toward the environment, and that ecologically favorable behavior is important. They also consider ecological issues when making a purchase (Laroche, Bergedon & Barbaro-Forleo, 2001).

2. Theoretical Background

This study is anchored on a four-stage model which presents the development of an organization's social responsibility. At Stage 1, manager will promote the stockholder's interests. They minimize costs and maximize profits. At Stage 2, managers will focus on human resource concerns. Because they'll want to get, keep and motivate good employees, they will improve work conditions, expand employee rights, increase job security, and the like (2001).

At Stage 3, managers will include fair prices, high-quality products and services, safe products, good supplier relations, and similar practices. Finally, at Stage 4, managers are responsible to the society. As a public property, their business advances the public good.

3. Related Studies

In a study which presents a model-based analysis of the introduction of green products, which are products with low environmental impacts, both consumers and firms are simulated as populations of agents who differ in their behavioural characteristics. Model experiments illustrate the influence of behavioural characteristics on the success of switching to green consumption. The model reproduces empirical observed stylised facts and shows the importance of social processing and status seeking in diffusion processes. The flexibility of firms to adapt to new technology is found to have an important influence on the type of consumers who change their consumption to green products in the early phase of the diffusion process (Janssen & Jager, 2002).

In another study, there was a significant connection between the desire for eco-labeling and seafood features (freshness of the fish, geographical origin of the fish and the origin of the fish). It also showed consumer information, intrinsic motivation and socioeconomic status is highly connected with ecological issue regarding fisheries. Similarly, consumers who are aware of the importance of marine resource preservation are informed and intrinsically motivated (Brecard et al., 2009).

In the study of Lin & Huang (2012), it indicated that consumers with high environmental concern support green products more and show greater readiness to choose them. The study utilized One-way analysis of variance and multiple regression to assess the data collected. In conclusion, the main influence factors on consumer choice behavior regarding green products include desire for knowledge, novelty seeking, psychological benefit, and specific conditions.

4. Objectives

This descriptive qualitative study explored the views of graduate school students particularly those enrolled in the Master of Business Administration Programs on Green Products. The exploration delved on exposure to green products, credibility of green products, consumer behavior, marketing implementation of companies, calibration of consumer knowledge, and consumer value positioning.

5. Methods

This study employed the descriptive qualitative approach. It interviewed 30 Master of Business Administration (MBA) students of UCLM. The focus group discussion was conducted for one hour for ten sessions during the first semester of SY 2017-2018.

Unstructured interviews were maximized in the entire course of the study further subdivided into five clusters of interviews: exposure to green products, benefits green products, marketing implementation of companies, calibration of consumer knowledge, and credibility of green products. From the responses of the informants, themes were formed based on the five clusters of interviews.

6. Results and Discussion

This study discovered 5 themes based on the 5 clusters of interviews. The themes were: minimal exposure to green products; products that contribute to good health and protection of the environment; poor implementation of marketing green products; “companies do not calibrate my knowledge”; and “green products do not perform well.”

6.1 Minimal Exposure to Green Products

Graduate School students believe that they have minimal exposure to green products. The informants claimed that they usually shop on Saturdays and Sundays in malls, markets and street shops. According to them, it is difficult to find green products. In the Philippines, people are influenced to buy products that are well advertised in newspapers, television and radio. A growing number of consumers are ordering products from websites, social media and online sources.

As one informant reiterated, “with knowledge gained from courses in the MBA Program, I am willing to patronize green products. But I seldom see these products displayed in shops. Most of these products are showcased during the environmental month as spearheaded by the Department of Environment and Natural Resources.”

The informants also shared that green products are mostly in the category of food and cosmetics. Ingredients are replaced with healthy items. For instance, one company claims that fruits used in their products are all-natural and no preservatives was used. The processing of drying the fruits was also naturally done to decrease fuel consumption. Another company claims that they have reduced the plastic component of their caps to 50% its previous form.

6.2 Products that Contribute to Good Health and Protection of the Environment

According to informants, green products contribute to good health and protects the environment. Most of them agree that natural ingredients and processes are maximized in the creation of these products.

One informant says, “It is very important nowadays to patronize green products, especially that global warming is felt by everyone. In Cebu, we experience unstable weather conditions, floods, and soil erosion. With green products, we are able to protect natural resources and foster zero wastes.”

Another MBA student believes that she benefits physically from using green products. She believes that a lot of people are getting sick from the chemicals and preservatives that are found in commercial products. With green products harsh ingredients are avoided.

6.3 Poor Implementation of Marketing the Green Products

Informants believe that the companies which offer green products implement poor marketing strategies. As observed by one informant, these companies join trade fairs and situate themselves in a kiosk for the

entire duration of the fair. If people do not pass by their kiosk, or inquire about the product, they are not able to sell or market it.

Another student has observed that when someone purchases a green product, the marketing personnel seldom makes follow-up from customers and ask consumers about their experiences of the product. He also noted that green products are highly priced. Since they guarantee consumers of all-natural ingredients and processes, the cost per item is also increased. Although he is willing to pay for the product, his family members and friends consider it as an expensive purchase.

One informant also observed that innovation is somehow lost. Packaging revolves around the use of recyclable or bio-degradable materials. Unlike commercial products which use state-of-the art technology for packages, this premium is somehow missing in green products.

6.4 “Companies do not Calibrate my Knowledge”

A common observation among the informants is on the calibration of companies on customer’s knowledge about green products. For most commercial brands, surveys are conducted prior to the introduction of the product and once the product is consumed. As reiterated by one informant, “I have never experienced a survey conducted by a company which advocates green products. I usually receive emails and surveys from the other brands that I use, but not for green products.”

Packaging are not very informative as well. Although the natural ingredients or processes are stated, nutritional content, restrictions and even company information details are not reflected. This makes repurchase difficult, unless the company joins another trade fair, or able to penetrate supermarkets.

6.5 “Green Products Do Not Perform Well”

Green products claim to be socially responsible but informants believe that green products do not perform well. Certain benefits or features are lost. For instance, the smoothness of paper is lost when paper is recycled, or containers are easily damaged inasmuch as paper is used or other recyclables.

One informant shared that, “I have had experiences on green practices in our area. Supermarkets are not anymore using plastic bags for your purchases. I bought some groceries one time and had a hard time bringing those items back to my car in the parking area because they placed my groceries in paper bags which eventually is destroyed easily.” Another informant shared her experience on a product which reduces electric bills. Although it claims to reduce consumption of electricity, it took her a long time of monitoring the significant results.

7. Implications of the Study

It is important for organizations to make socially responsible decisions. This includes obeying laws and regulations in the area or country where they operate. People view the company’s image as desirable when they see that the company uplifts the situations of the community.

Although use of natural ingredients and processes benefit the natural resources and general health of its consumers, certain premiums are lost and it takes some time for benefits to be experienced. It is highly recommended in this study that marketing strategies be improved and follow-ups with consumers be conducted to encourage re-purchase and product loyalty.

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