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MASTER OF BUSINESS ADMINISTRATION

<Consumer Perceptions on Plastic Bags Usage: An Empirical Research in Kuala Lumpur, Malaysia>

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ABSTRACT

In today world, the packaging industry offers numerous types of pouching products to food and beverage industries, healthcare industries and households. Pouching products are widely used and seems it has took an indispensable role in our daily life. Pouching products are easily found in Malaysia to parcel grocery, purchased stuffs, and food. This practice has raises solid waste disposal issue as well. A study by Jayaraman et al. (2011) found more than 62 percent of the consumers are using plastic bags for storing stuffs daily or weekly because of its easy availability, weight convenience and cost effectiveness. Malaysian Government has enforced regulations and campaign like 'No Plastic Bag Day' to reduce the plastic bags usage with aiming to reduce the environmental impact caused by plastics. On the other hand, consumers are optimistic that the environmental and health hazards from the use of plastic bags would have a positive impact in the future. Hence, it raised an interest for researcher to conduct an empirical study regards consumer perceptions on plastic bags usage as well as to examine the factors that would influence their perceptions.

KEYWORDS:

Plastic bag, consumer perceptions, health hazards, environmental hazards, cost effectiveness, green concept, green consumers

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Yow Pei Yee

March 2013

DECLARATION

I hereby declare that this project work entitled "Consumer Perceptions on Plastic Bags Usage: An Empirical Research in Kuala Lumpur, Malaysia" submitted to the INTI INTERNATIONAL UNIVERSITY is of my own effort except for the information that has been used from various authors that have been cited accordingly and ethically.

10th April 2013

Yow Pei Yee

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CHAPTER 1

INTRODUCTION

1.0 Chapter Summary

As the primary objective of this study is to examine the factors influencing consumer perceptions on plastic bags usage, this chapter will begin with the research background of green concept and plastic issue. Problem statement will be addressed and trailed by research objectives, research questions and significant of the study. The following section will discuss the limitations faced during write-up the whole project, scope of the study and a brief of operational definition will be discussed.

1.1 Research Background

The environmental consciousness has been rising among the society and consumers due to emergence of public education and health campaign in this century. The concept of green is accepted by large scale of organisations and environmentalists (Gooi, 2010). Today, the use of green products is very common in the world. The green products consist of organic food, energy saving components or recyclable items. Some customers do prefer to purchase green product with eco-labels.

To compete in business world, lots of companies have practiced green concept due to pressure and regulations from government and public. For instance, a rule exists in European (EU) countries known as Restriction of Hazardous Substances Directive (RoHS), which is to restrict the implement of six harmful materials in electrical and electronic devices, so that manufacturers who export to EU have to comply by it (Scoll and Duckstad, 2008). Under this circumstance, government turns to a powerful stakeholder enforcing the concept of green to be practiced.

Unfortunately, there are many businesses in Malaysia also participate and involve themselves into green concept. The businesses like restaurants, food court, hypermarket, minimart, grocery shop and convenience shop are widely using plastic bags to pack high temperature foods or drinks, groceries and

purchased items. This practice raises the concern among public due to the plastic bags usage is not only affect the environment, global warming as well as chemical migration. For instance, misuse of plastic bags to pack hot foods or drinks might pose chemical migration.

Under green marketing concepts, stakeholders like consumer, business owner and government will play an essential role in reducing plastic bag successfully. This paper focuses on the consumers, one of the most important stakeholders. They do play an irreplaceable role since their opinion will influence other stakeholders like government and organization to fix the problem so as to keep their good reputation. Hence, if the consumer has some view concerned with the material for packaging, the business owner is the one which might be influenced. In this research, the consumers' opinion will affect the stakeholder, business owner on the material for packaging of the products. So, the consumer perception should be investigated to find out the factors which have influence and to help strategy of plastic bag reduction implementation planned successfully in Malaysia.

1.2 Plastic Issue

For many years, the amount of municipal solid waste has been growing in Malaysia. Malaysians make about 18,000 metric tons of municipal waste a day. It is expected that it will increase to 31,000 metric tons a day in 2020. Based on the 9th Malaysian Plan, Table 1.1 shows the breakdown of the waste category. It should be noticed that plastic problem not only cause danger in our environment, but also do harmful to the consumers.

Plastic is one of the trickiest wastes since it is not biodegradable. Although plastic manufacturer has brought in biodegradable alternative, we can still question is the degradable plastic can totally get rid of the hazards to our environment or it is just a marketing tool used by plastic manufacturer (Gooi, 2010).

Table 1.1: Percentage by Waste Category in Malaysia

Category	Percentage
Food Waste	45%
Plastic Waste	24%
Paper Waste	7%
Iron and Glasses	6%
Others	18%

(Source: Economic Planning Unit, 2006; cited by Tarmudi et al., 2009)

Plastic can be seen clogged or littered on streets, or in water channel and drainage in Penang. In order to avoid the 25.2 millions plastic bags given away in 2008 in Penang from six major supermarket groups, Penang claims that Monday as a "No Plastic Bags Day" in July 2009. But, this number does not include the plastic which is dumped by hawkers, retailers and other traders. With this "No Plastic Day" Campaign, the government estimates that 2.1 million plastic bag can be reduced each month (Filmer and Chin, 2009). In 2010, the campaign in Penang has been extended from Monday to Wednesday so as to reduce plastic bags further. Nevertheless, not all business owners would like to participate in this "No Plastic Day". Retail shop and other small business still use plastic bags (Gooi, 2010).

1.2.1 Plastic Components, Types and Usages

According to United States Environmental Protection Agency or USEPA (2008), plastics are polymers chaining molecules. Every link in this chain is often made of hydrogen, carbon, silicon, and oxygen. Through combining monomers into polymers under great heat and pressure in a process called polymerization, plastics can be made. Two major categories are divided which are thermosets and thermoplastics. A thermoplastic is softer and weaker and is used to produce carpet fibers, milk jugs, credit cards, and floor coverings, while a thermoset is more durable and strong thus is used primarily in construction applications, automobiles, inks, coatings and adhesives.

On the other hand, consumers can found the plastic identification code (PIC) on plastic materials. The Society of Plastics Industry introduced the PIC to offer a agreed system for identification. Seven groups of plastics in food related context are commonly used throughout the world as in Table 1.2.

Based on United States Food and Drug Administration (USFDA), these plastics are defined as "Food Contact Substances" (Khaksar and Khansari, 2009). There is same chance for toxins migrating from the plastic to the substance which they have contacted. Even if FDA has given regulations for plastic, that is, it should be examined for safety approval, doubts still left on the plastic examining way because of interest conflict and short of knowledge in the process of toxins migration. Beside of migration, plastics may also pose chemical changes in the package, food, or both therefore make food contaminated, decrease in quality or loss of package integrity. The most common food and plastic contacts are via low-molecular-weight-substances migration like antioxidants, stabilizers, monomers, plasticizers, and oligomers from materials of plastic packaging towards food (Arvanitoyannis and Bosnea, 2004). Table 1.3 shows the commonly migrated chemical of plastic bags.

Table 1.2: Plastic Identification Code and Attributes for Food Items

Plastic Identification Code	Type of Plastic Polymer	Properties	Common Packaging Applications
01 PET	Polyethylene Terephthalate (PET, PETE)	Clarity, strength, toughness, barrier to gas and moisture	Soft drink, water and salad dressing bottles; peanut butter and jam jars
02 PE-HD	High Density Polyethylene (HDPE)	Stiffness, strength toughness, resistance to moisture, permeability to	Milk, juice and water bottles; trash and retail bags