

Why aren't consumers buying remanufactured products?

July 29 2014, by Victoria Fryer

Firms looking to increase market share of remanufactured consumer products will have to overcome a big barrier to do so, according to a recent study from the Penn State Smeal College of Business. Findings from faculty members Meg Meloy and V. Daniel R. Guide Jr., indicate that consumers perceive many categories of remanufactured products as dirty and disgusting.

Remanufactured products, also known to consumers by terms such as refurbished or rebuilt, are products that have been disassembled, cleaned, and—after replacement of any worn or defective parts—reassembled and returned to the market. They represent a significant opportunity for businesses aiming to increase sustainability, but currently they only account for about 5 to 10 percent of the consumer market.

Part of the reason these products haven't gained greater [market share](#) is the consumer perception that many of these products are dirty or disgusting—despite the thorough sterilization process that products undergo as part of the remanufacturing process. Disgust plays a particularly strong role when the remanufactured products are used for food preparation (e.g., a food processor) or personal care (e.g., an electric toothbrush).

"The perception that remanufactured products are somehow dirty and disgusting due to their prior ownership adds a previously undocumented and powerful predictor of remanufactured product attractiveness," the

authors wrote. "Fully mitigating these negative perceptions ... may prove difficult."

The upside of this market is that remanufactured products are more environmentally friendly. Consumers are often more willing to adopt remanufactured technology products (e.g., smart phones or tablets).

"Because remanufactured products derive from direct reuse (in contrast to new or recycled products), the environmental impacts of production can be lower than for new products," write the authors.

But contrary to their hypothesis, the authors found that consumers who self-identified as being committed to environmentally friendly practices and products did not necessarily have a significantly more positive perception of remanufactured products.

"Such a finding indicates that some green-minded consumers may not fully appreciate the potentially environmentally friendly or green attributes of a remanufactured product."

The authors indicate that remanufacturers will need to reduce consumer perceptions of disgust directed at these products in order to make them more viable. Reminding consumers of the [environmentally friendly](#) aspects of remanufactured products may increase "green" consumers' positive perceptions of these products and, thereby, hold promise as one way to potentially remove the barrier to this market.

More information: Abbey, J. D., et al. "Remanufactured Products in Closed-Loop Supply Chains for Consumer Goods." *Production and Operations Management* (2014), [DOI: 10.1111/poms.12238](https://doi.org/10.1111/poms.12238)

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