

**IMPLEMENTATION OF SOCIAL AND ENVIRONMENTAL
STANDARDS: CONTINUITY IN USE BASED ON BENEFITS
AND COSTS A CASE STUDY: THE FLOWER LABEL
PROGRAM IN ECUADOR**

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ABSTRACT

In 1996 a German initiative created the Flower Label Program, with the main intention of improving the image of the floricultural sector in this country, and improving the social and environmental conditions in the developing countries in which flowers are produced. The scheme to be implemented by cut flower producers was seen by them to be an opportunity to reach a privileged position in this market, as the continued protests led by social and environmental organizations in Germany could create restrictions for the trade of non labelled flower in this market. Therefore flower growers saw in the label the possibility of improving access to the German market and gaining better prices while they accomplished what they consider to be part of their philosophy with respect to social and environmental concerns. However, after the label was implemented, the benefits obtained by flower growers were less than expected, creating the possibility that companies already working with the scheme could stop its use. This situation prompted the current study, which attempts to determine the principal factors influencing decisions regarding continued use of the label by flower producers. In order to accomplish this goal, the current qualitative study uses a conceptual framework based on the Technology Acceptance Model (TAM), in order to analyze the influence of different factors such as perceived benefits, perceived costs, external pressure and external variables in the final decision. Thus, the results revealed that the most important factor influencing continuity in the label's use is the construct *perceived costs* which shows a direct influence in the final decision as well as an indirect effect through *perceived benefits*. Similarly, *intangible economic benefits* coming from *enterprise image* improvements were found to be crucial factors determining the label's continuity in use, as well as the construct *firm's philosophy* which influences indirectly the final decision by attenuating cost perceptions. Additionally, the construct *enterprise ideas* was also found to be an important determinant of the final decision, both directly and indirectly through the construct *enterprise image*.