

ENVIRONMENTAL CONCERNS AND MARKET PLANNING

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ABSTRACT

This study describes marketing managers' attitudes toward environmental issues and the place of environmental issues in their marketing strategies. The data come from a survey of marketing managers conducted in Spring, 1991. The results indicate that marketing managers view environmental issues as an important concern and that marketing departments have integrated environmental issues into their strategies. These perceptions and actions seem to be in part a response to public concern about the environment.

INTRODUCTION

Green marketing has received considerable attention in the popular business press (see for example [Bertrand and Lawler 1990] [Bird 1990] [Boroughs and Carpenter 1991] [Bremner 1989] [Chase 1991] [Dignoli 1990] [Eisenhart 1990] [Fierman 1991] [Kirkpatrick 1990] [Quinton 1990] [Schiller 1990] [Schwartz et al 1990] [Smith *et. al.* 1990] [Tucker 1991] [Winters 1990]). Yet these reports are anecdotal and qualitative, focusing on the experiences of individual companies or offering impressions from particular industries. No documentation has been offered of the extent to which marketing professionals are concerned with environmental issues or the degree to which environmental policies are being integrated into marketing strategies.

The purpose of this study is to provide such descriptive data by empirically examining marketing managers' attitudes toward environmental issues and the place of environmental issues in their marketing strategy.

METHODOLOGY

Data

The data for this study come from a self-administered questionnaire mailed to a sample of marketing professionals. A systematic random sample was drawn of members of the American Marketing Association who identified "Marketing Management/Sales Management" as one of their three main areas of interest or who, in the absence of self-identified areas of interest, were by title in marketing management or sales management. The 1988 Association Directory was used as the sampling frame (the most current directory available in Spring 1991). The questionnaire including a stamped self-addressed envelope was mailed in April, 1991. No follow up mailings were conducted. A total of 1445 deliverable questionnaires were sent out and 496 usable responses were received; a response rate of 34%. This response rate is somewhat higher than those achieved by other samples drawn from this sampling frame [Akaah and Riordan 1989] [Chonko and Hunt 1985] [Hunt, Wood, and Chonko 1989].

Measures

Attitudes toward environmental issues were measured by a 9 item adjective checklist (see Table 1) and 6 likert scale items designed to identify personal views of the role of environmental concerns in marketing strategy (see Table 2). Each of these items was drawn from the popular business literature.

The integration of marketing issues into marketing strategy was measured by three items. First, respondents were asked what percent of their personal work time, if any, was spent working on environmental issues (see Table 3). Next, respondents were asked to check which, if any, of 10 environmental considerations were

among the goals of their marketing strategy (see Table 4). Finally respondents were asked to what extent their departments' inclusion of environmental considerations was based on 6 factors (see Table 5). Again, these were drawn from the popular business literature.

FINDINGS

Table 1 presents the percent of respondents who checked each of 9 words or phrases as being apt descriptions of their personal views of the role of environmental concerns in marketing strategy.

Table 1
Personal View of Role of Environmental Concerns in Marketing Strategy
(percent checking "yes")
(n = 496)

fad	6%
growing trend	76%
costly	23%
responsible	59%
complex issue	56%
hogwash	0%
top priority	22%
irrelevant	1%
marketing opportunity	62%

Environmental concerns are perceived to be a serious issue for marketing strategy. The majority of respondents view the role of environmental concerns in marketing strategy to be a growing trend, to be a marketing opportunity, and to be both responsible and complex. Yet relatively few respondents view environmental issues as a top priority. The failure to assign top priority for environmental concerns is not due to a perception of such strategies as fads, "hogwash," irrelevant, or costly. It may be the perceived complexity of environmental issues that account for the stated restraint.

Table 2 presents respondents' views of the current status of environmental issues in their industry

Table 2
Perceptions of Environmental Issues in Industry
(in percentages)
(n = 496)

	Agr Str	Agr	Neu	Dis-agr	Disa Str
Public concern about the environment is affecting my industry	29	38	16	12	5
Claims about threats to the environment have been exaggerated	4	12	15	44	24
Environmental considerations should be part of every marketing decision	15	46	22	16	2
Buyers of my product/service would be willing to pay more for environmentally sound goods/services	4	23	39	28	6
Buyers of my product/service would be resistant to purchasing goods with recycled materials	0	4	25	47	23
Buyers of my product/service would not trust environmental claims of products/services	1	12	38	43	6

Respondents view environmental concerns as affecting their industry, as not exaggerated, and as relevant to every marketing decision. Respondents report being neutral in their perception of buyers' likelihood to pay more for environmentally sound goods/services, but do not feel that buyers would be resistant to purchasing goods with recycled materials or that buyers would mistrust environmental claims.

Table 3 presents the average percent of personal work time respondents spend on 4 environmental issues.

Marketing professionals surveyed spend on the average about one eighth of their time on environmental issues, the largest portion of which goes to identifying ways to reduce waste.

Table 3
Percent of Personal Work Time Spent
on Environmental Issues (Means)
(n = 496)

Identifying ways to lessen use, including limiting use of raw materials, recycling, and energy conservation	2.8%
Working on new, "environmentally friendly" ingredients/procedures	2.6%
Identifying ways to reduce waste	4.3%
Other environmental considerations	2.9%
Total	12.6%

Table 4 presents the percent of respondents who noted each of 10 environmental considerations were among the goals of their marketing strategy.

Table 4
Environmental Considerations Among
Goals of Current Marketing Strategy
(percent checking "yes")
(n = 496)

Reduce packaging	26%
Introduce new "environmentally safe" product/service	26%
Use recycled materials in packaging	42%
Reduce waste/emissions	42%
Use recycled materials in products/services (including paper)	57%
Consult or donate to environmental groups	31%
Research buyer attitudes toward environmental issues	29%
Conduct buyer education programs	13%
Conserve energy	53%
Evaluate environmental impact of product/service from manufacturing thru disposal	25%

The most frequently cited ways in which environmental concerns are actually integrated into marketing strategy are (1) using recycled materials in products/services, (2) conserving energy, (3) using recycled materials in packaging, and (4) reducing waste/emissions.

Table 5 presents the respondents' perceptions of the factors motivating their departments' inclusion of environmental considerations in marketing plans.

Table 5
Reasons for Including Environmental
Considerations in Marketing Plans
(n = 435*)
(in percentages)

	Great Deal				Not at All	Not Part of Plans
Reduce costs	14	22	19	10	15	20
Protect/preserve the environment	16	34	17	8	5	19
Gain competitive advantage over competition	16	26	16	9	13	19
Build positive image	28	37	10	2	4	19
Prepare for/avoid future regulation	15	27	14	10	14	20

* missing data = 61 cases

The most frequently cited reason for including environmental considerations in marketing plans is to build a positive image. The second most frequently cited reason is to preserve/protect the environment

SUMMARY AND CONCLUSIONS

Overall, the marketing managers in this study perceive environmental concerns to be an important issue in marketing strategy. They acknowledge environmental marketing to be a growing trend. They also view environmental concerns as a marketing opportunity which is

affecting their industry and toward which their buyers are favorably disposed.

These managers are not merely paying lip service to environmental concerns. While they do not view environmental concerns as a top priority for marketing strategy, they do, on the average, spend over ten percent of their personal time on environmental issues. Over half note that using recycled materials in products/services and conserving energy have been integrated into their marketing strategy. The motivation for integrating these and other environmental concerns into marketing strategy is in part good business (building a positive image) and in part altruistic (preserving/protecting the environment).

Marketing managers, then, both take seriously and are actively working on environmental issues. They seem to be responding, at least in part, to public concern about the environment. It is possible that in order to move environmental issues to a top priority, there must be increased demonstrations of public commitment to and support of environmental issues.

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