

# The Value of Green Marketing Education at the University of Wisconsin-La Crosse

Andrew J. Gilbert

Faculty Sponsor: Stephen Brokaw, Department of Marketing

## ABSTRACT

A “Green” business activity can be defined as any business activity that is performed in a way so that it has either limited negative ecological impact or it directly benefits the natural environment in some way. The purpose of this paper is to examine the recent trends in green marketing and green business, provide insight into the future of green marketing, and assess the value that students and faculty at UW-L place upon green marketing. It will go on to recommend what changes could be made to the marketing curriculum at UW-L in order to prepare students for a business world that is placing an increasing amount of emphasis on green practices.

## INTRODUCTION AND JUSTIFICATION FOR STUDY

A “Green” business activity can be defined as any business activity that is performed in a way so that it has either limited negative ecological impact or it directly benefits the natural environment in some way. The common criticisms of green business are that it is more expensive than conventional business and that the benefits that the company derives from green practices do not outweigh the costs associated with them. It has been a recent trend in the media to tout the value of green business. This has been accompanied by stories about what many companies are currently doing to become greener. Media vehicles such as *Fortune*, *BusinessWeek*, *Time*, *Business 2.0*, *Outside*, *USA Today*, and multiple other magazines, newspapers, websites and books have been giving an increasingly large amount of attention to green businesses. Two separate schools of thought have emerged regarding this sudden surge in green business coverage. The first is that green business is a fad that will pass. The second is that green business is a trend that has been emerging for years and has only recently received the attention that it deserves. This school of thought insists that not only is green business environmentally friendly, it is also good business that will result in increased long-term growth. This study will provide a history of green business as well as explore the phenomenon of the recent green boom to determine if it is a passing fad or if we are in the midst of a “green revolution.” (Crane and Peattie, 2005) It will also assess the value that University of Wisconsin- La Crosse (UW-L) students and faculty place upon green business practices and will determine if said practices receive enough emphasis in the current College of Business Administration (CBA) curriculum. If a need for further inclusion in the curriculum is identified, recommendations will be made as to where the University should make changes.

### *Terminology*

In order to fully grasp the contents of this study, a few terms must be identified and defined. First, the researcher will use the terms green business practices and green marketing frequently in this report. For the purposes of this study, these terms are interchangeable and can both be used to classify business activities performed with the specific intent to minimize the ecological and environmental impact that they have. The only point of difference is that green business practices can be applied on a more general scale throughout business, while green marketing usually deals with the environmental impact of producing, pricing and advertising a product. The term “environmentally friendly” will also be used throughout the study and can be thought of as something that does not damage the environment or works to help it in some way.

The concept of sustainability will be addressed in this study. This is the ultimate goal of green business practices and reflects the idea that business should operate at a level that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). Sustainable businesses operate so that they have little or no negative impact on the environment. Examples of negative impacts are taking resources out of the environment that cannot be replaced or creating waste that cannot be returned safely into the natural environment.

### *History*

The current surge in green business is not the first emergence of “green” into the public eye. In their article “Green Marketing: Legend, Myth, Farce or Prophecy?” authors Ken Peattie and Andrew Crane describe past manifestations of green marketing and provide reasons as to why they failed, or at least were not as successful as the trend emerging today. They state that in the late 1980s and early 1990s, green marketing was receiving a great deal of attention as consumers began to shift consumption habits in favor of greener products. Businesses began marketing their greener sides in an attempt to capitalize on this growing trend. The introduction of green products in the U.S. more than doubled to 11.4 per cent of all new household products between 1989 and 1990, and grew to 13.4 per cent in 1991 (Ottman, 1993). In the same time period, the volume of green print ads increased by 430 per cent while the volume of green TV ads grew by 367 per cent (Ottman, 1993). It was the opinion of many market analysts that the “green market appears to be real and growing,” (Menon and Menon, 1997) and “green is in, no questions about it” (Iyer and Banarjee, 1993).

In the late 1990s, however, the trend in green consumption seemed to be declining. It was shown that, though many consumers were concerned for the environment, few were willing to base their purchasing habits upon it (Mintel, 1995). Green products tended to be sold at a premium, often with a quality that was less than what a consumer expected from a conventional product. Green products continued to grow in select markets such as food, tourism, and financial services, but failed to bring about widespread organizational change.

It is the opinion of the authors that the previous surge in green marketing failed because the marketing approaches used at the time were flawed. The five main approaches used by businesses were: green spinning, green selling, green harvesting, enviropreneur marketing, and compliance marketing.

Green spinning occurs when a company, usually one who receives criticism for its environmental impact, implements a strong public relations (PR) campaign to demonstrate that they are environmentally friendly. While this approach may have placed the company in a better light in the eyes of the public, it failed to change the business’ production, policies; or processes. Allocating resources into a PR campaign also made those same resources unavailable for instituting policies that will actually change the operations of the firm to be more environmentally friendly. This approach was often used in an adversarial way and attempted to discredit or deny those who disagreed with the environmental practices of the firm.

Green selling is similar to green spinning in that no organizational changes are made. Instead, the company adjusted its promotional campaigns to include the environmental features of current products. However, no processes or standards were in place to authenticate the green claims of businesses. Many firms positioned their products using false or misleading information. This approach often led to consumers mistrusting green products due to false advertising or promotions.

Green harvesting was the result of companies reducing the amount of packaging used in their products while cutting energy usage at the same time. These practices provided many benefits to the organization, but those same benefits often never made their way to the consumer. Green products still remained priced at a premium and were served almost exclusively to niche markets. Because the products themselves remained premium or specialty products, their widespread acceptance was hampered.

Enviropreneurs are described as individuals, sections, or companies that seek to bring innovative green products to the market (Menon and Menon, 1997). Examples of these are Ark, Ecover, Tom’s of Maine, and the Body Shop. These efforts were initially successful but were characterized by disconnectedness between their production processes and the wants and needs of their customers. Though they produced products in a very environmentally safe way, those same products often failed to meet the specifications required by their customer. The product may have performed the same task, but often did so in a way that was unexpected to the customer. For example, environmentally friendly soaps do not “bubble” due to their lack of cosmetic (and polluting) sudsers. Because of this, consumers who were used to bubbles tended to think that the soap did not perform as well as conventional products. Often, a failure to understand or properly educate customers resulted in the failure of enviropreneurs.

Compliance marketing is the final approach that was frequently used in the 1990s. This occurred when a company operated at the level of environmental responsibility mandated by the government, but promoted their business as green. For example, some firms promoted the absence of CFCs in their products as a benefit to the customer, but failed to make clear that CFCs are illegal due to regulation. It is not surprising that this green marketing approach failed due to the fact that no green practices, other than those that have been mandated, were used by the firm.

### *Green Success*

While none of the above methods provided an effective approach to green marketing success, the authors went on to identify a few main features that comprise a successful green marketing strategy. It must “start with the customer, have a long-run perspective, involve the full use of all the company’s resources, and be innovative” (Crane and Peattie, 2005). First, starting with the customer is crucial, as identifying their needs, attitudes, beliefs, and knowledge is the starting point for any marketing decision. If a product or service is not able to fill the unmet need of a customer as well as appeal to them it will not be a success. Secondly, a green marketing approach must have a long-run perspective. This is difficult because many green practices have a longer pay-back period than conventional methods. The thing that differentiates a green practice is that it can become sustainable; the cost associated with running it has become marginalized, yet the value that is derived from it remains. The authors suggested that green businesses should go beyond long-term and become “open-ended.” They must realize that the benefits derived from a practice will not necessarily be immediate. While pursuing this open ended approach, it is important that the company involves the full use of all its resources. This can also be seen as taking a holistic approach to becoming green. No actions or policies at any part of the company or its supply chain can compromise the eco-performance of products. Finally, a firm should work to develop innovative products. It is becoming fairly common for the production of products, or products themselves, to create environmental improvements through their use. This type of innovation can provide value to the customer through things such as improved product longevity, reduced service or maintenance, or creating positive environmental impact by disposing of the product.

### *Green Business Today*

The authors of “Green Marketing...” provide a list of marketing “thought and practice” that will need to be reshaped in order for green marketing to be widespread and successful in the future. Each of these changes will be discussed and a current example of each will be provided in order to demonstrate that all of the elements necessary for a “green revolution” are already present in the market.

The first element needing to be changed is redefining the product to “encompass the means of production and the broader activities of the producer” (Crane and Peattie, 2005). Essentially, the manner in which the product is produced becomes a part of the product’s identity. The most prevalent examples of this are organic or fair-trade goods. Consumers buy these types of products not only because of the value that the product provides, but also for the value that the production process itself provides. A specific example of this type of consumption is exemplified by Timberland, a \$1.6 billion fortune 1000 company. Jeff Swartz, CEO, recently began a policy of attaching “nutrition labels” to every shoebox. These labels detail where and how the shoes were made as well as how much energy was used in the process (Outside, Apr 2007). The thought behind this move was that consumers would buy Timberland shoes because the processes and materials involved in their production are less harmful to the environment than those of many competitors.

The second element is the willingness to change markets as well as changing products. A sustainable economy will require “new types of market in which material flows become more circular through product take-back and recycling; where services are increasingly substituted for goods; and alternative forms of production and consumption are created or rediscovered” (Crane and Peattie, 2005). For example, Hewlett-Packard, a high-tech company employing more than 156,000 and grossing \$91.7 billion last year, produces computers that are 100 per cent recyclable (Fortune, Apr 2007). Not only will they reclaim their own machines, they will take back any brand of machine given to them. The reclaimed computers are then taken apart, resorted into materials, melted, and reprocessed to be turned into new machines. The last part of this element is the development or rediscovery of alternative forms of production or consumption. The repopularization of the classic farmers’ market is a good example of this. Farmers’ markets directly connect producers and consumers, packaging is nonexistent or negligible, and ongoing nature of the consumption results in the success of the producer. Businesses could take a cue from this type of organization in their quest to become sustainable.

The third element is an emphasis on the benefits derived from product use rather than product ownership. This is where the idea of cooperative ownership fits into green marketing. An example of a company built upon the benefits of product use is Flexcar (<http://www.flexcar.com>). This Seattle based company operates a car-sharing program whereby members can use vehicles of varying types for small hourly rates. The program is targeted specifically at city drivers and currently operates in nine different U.S. cities. The cars are dispersed throughout the city to allow for maximum convenience. It is as simple as reserving a vehicle for a certain amount of time. The vehicle will be waiting for the user at a designated parking area nearest to their home and will be made available to them for the duration of their reservation. Coverage plans include costs associated with gasoline, maintenance, insurance, and cleaning. In Seattle alone, the company has over 15,000 members which represents over 3% of that city’s population.

The fourth element is marketing communication that aims to inform rather than impress. This is among the most important areas that a green business must focus on “given the lack of environmental literacy amongst consumers” (Crane and Peattie, 2005). A good example of this is the efforts put forth by Unilever, a major food supplier. This \$52 billion company is currently focusing on the education of farmers and business owners in developing nations. “In Ghana, it teaches palm oil producers to reuse plant waste while providing potable water to deprived communities. In India, Unilever staff help thousands of women in remote villages start micro-enterprises” (BusinessWeek, Jan 2007). On the surface, these acts do not appear to help the growth of the business. The reasoning behind them, however, is based upon long-term thinking. Currently, developing nations account for “40 per cent of the company’s sales and most of its growth” (BusinessWeek, Jan 2007). Unilever currently accounts for 30 per cent of all spinach sales, 10 per cent of all tea sales, and is one of the world’s biggest buyers of fish. By not only educating current and potential consumers, but actually taking steps to increase their future purchasing power, Unilever is ensuring its continued growth.

The fifth element is a focus beyond current consumer needs. Companies must begin to realize that business activities can have a significant impact on non-consumers. Making business decisions that encompass the needs of current and future stakeholders, including consumers and non-consumers, will play a role in the future green market. Global warming is the perfect example of how business activities can have a negative effect on stakeholders. Currently, carbon dioxide accounts for 80 per cent of greenhouse gas emissions (GHG) (Business 2.0, Jan/Feb 2007). According to the United States Environmental Protection Agency, “the transportation sector directly accounted for approximately 27 percent of total U.S. GHG emissions in 2003. Transportation is the fastest-growing source of U.S. Green House Gases and the largest end-use source of CO<sub>2</sub>” (<http://www.epa.gov>). These types of statistics are sparking concerns internationally, and governments all over the world are beginning to implement policies that will curb CO<sub>2</sub> emissions. Companies, particularly energy companies, are attempting to have a voice in these policies in order to help shape the form that they will take. One oil giant, Exxon Mobil, is a frontrunner in calling for carbon cuts and has been participating in meetings with the U.S. government in order to decide what should be done to cut emissions. (BusinessWeek, Jan 2007).

The sixth element that needs adjustment is the willingness of firms to manage demand and expectations downwards. This may sound like a negative thing, but “realistic expectations about the nature, total costs, and consequences of consumption and production need to be instigated” (Crane and Peattie, 2005). Sustainable consumption, however, does not equate to a lack of business success. The perfectly sustainable company will reach the point that no new materials are needed to produce new products or services, and costs associated with energy and waste disposal are non-existent. Previously produced products will be the “new” materials used to remake products. As discussed above, companies such as HP are taking steps to reclaim old machines in order to turn them into new ones. They are still a long way away from being completely sustainable, but their efforts are being imitated throughout the industry. Due to extra cost saving, margins are becoming larger, but it is the job of truly innovative companies to continue to grow despite, or because of, more sustainable consumption.

The seventh element is an emphasis on cost instead of price. It is the current practice of marketers to sell a product based upon the buying price, not necessarily around the total cost of the item to a customer. Toyota’s petrol-electric hybrid car, the Prius, is an example of a product that sells on cost rather than on price (Kleindorfer, Singhal, Van Wassenhove, 2005). With the cost of gasoline jumping between \$2.50 and \$3.00 per gallon, a car that can get up to 51 miles per gallon on the highway and 60 in the city will save consumers a considerable amount of money at the pumps. For example, if a consumer drives 15,000 city miles in a year and the price of gasoline stays constant at \$2.50 per gallon, a Prius driver will spend \$625 on gasoline each year. The average gas mileage of private transportation vehicles sold in the U.S. today is 24.1 miles per gallon. If the average driver travels 15,000 miles in a year they will spend \$931 annually on gasoline alone. After 6 years, the average car driver will spend \$5,586 more on gasoline than a Prius driver. The Prius currently retails for about \$22,000 (<http://www.automotive.com/2007/101/toyota/prius>), but the long-term cost of the car can raise the value to consumers considerably. This value is only compounded by the fact that the federal government will provide a tax break to the drivers of hybrid cars ranging from \$300 to \$700 each year. That is an extra \$1800 to \$4200 reduction in the cost of this product over six years.

The eighth and final element of marketing practice that must be reshaped is the amount of responsibility taken by companies. It is a common practice for companies to “shelter behind the idea that they are essentially the passive servant of consumers and their desires” (Crane and Peattie, 2005). The San Francisco based PG&E Corporation, a utility company operating with 20,000 employees and grossing \$12.5 billion last year, is a company displaying a commitment to increased environmental responsibility. The company “played a big role in getting mandatory controls on greenhouse gases enacted last year in California, and CEO, Peter Darbee, is now pushing for federal regulation” (Fortune, Apr 2007).

It is clear that many business leaders are looking to go green. Jeffrey Immelt, CEO of General Electric, recently stated, "The opportunity to provide environmental solutions is going to be one of the big four or five themes of our generation of business" (Fortune, Apr 2007). Dow CEO Andrew N. Liveris can be quoted as saying, "There is 100% overlap between our business drivers and social and environmental interests" (BusinessWeek, Jan 07). Vice President of communications for Xerox, Christa Carone, stated, "There's been a shift in thinking and a focus on sustainable innovation and technology" (Global Finance, Apr 2007).

Though much attention has been given to the benefits of going green, little has been given to the costs associated with ignoring this growing trend. New York's Communications Consulting Worldwide (CCW) calculates that "if Wal-Mart had a reputation like that of rival Target Corp., its stock would be worth 8.4% more, adding \$16 billion in market capitalization" (BusinessWeek, Jan 07). In fact, Wal-Mart has begun to buy into the idea of sustainability, quite literally. The company began adopting green business practices such as cutting energy use, buying more organic produce, and vowing to buy and use 100 per cent renewable energy. The effort began as a way to clean up Wal-Mart's often sullied image, but according to CEO H. Lee Scott Jr., "We started seeing it as a business strategy." To date, Wal-Mart has reduced their energy bills by 17% by switching to energy efficient light bulbs. Additionally, less packaging used on the Wal-Mart brand toys alone will save \$2.4 million annually. Their goal of selling 100 million compact fluorescent light bulbs will bring a savings of \$3 billion to their customers, much of which is expected to be brought back to the store. Wal-Mart is just one example of a company, often denigrated for their negative environmental and social impacts, that is beginning to switch to sustainable practices. This change is being questioned by some, doubted by others, but welcomed by most. Manish Kumar, CEO of The Fishin Co. (a major fish supplier of Wal-Mart), believes that, "Wal-Mart's commitment to sell fish certified as caught in sustainable fisheries is doing more to protect stocks than government rules could" (BusinessWeek, Jan 07). These actions have caused businesses everywhere to stand up and take notice. When a leader such as Wal-Mart begins to move in one direction, other businesses tend to go along with it. Speaking on the idea of Wal-Mart becoming environmentally sustainable, Natural Resources Defense Council President, Frances Beinecke, says, "Their goals are bold, but they have a long way to go."

There are multiple other examples of industry leaders beginning to make the change over to sustainability. Goldman Sachs, the New York based bank with \$69.4 billion in revenue, recently invested \$1.5 billion in cellulosic ethanol, wind, and solar power. They have built bridges with environmental groups and their efforts have given them the business of Texas Pacific and Kohlberg Kravis Roberts as they prepared a bid for a Texas energy company. Goldman's equity analysts in Europe also now include social and environmental factors into their reports (Fortune, Apr 2007). Continental Airlines has spent \$16 billion over the last ten years on green technologies. It has installed "winglets" that have reduced its emissions by up to five per cent on its Boeing 737s and 757s. It has also reduced the nitrogen oxide (NO) output from ground equipment at its Houston hub by over 25% since 2000. Green terminals are currently being built and the company employs a staff of 13 full-time environmental advisors and scientists (Fortune, Apr 2007).

Investment in green businesses is also on the rise. In 2005, mutual funds that are designed to invest in social and environmentally friendly companies reached a value of \$178 billion, according to the trade association Social Investment Forum (BusinessWeek, Jan 07). This is an increase from \$12 billion in 1995. Additionally, charitable trusts and government pension funds in states such as California and some European countries have pledged to consider sustainability factors in investment decisions. Overall, these institutions represent over \$4 trillion worth of assets (BusinessWeek, Jan 07). The first movers into this growing investment segment will be the ones to gain the most benefits from it, while those that fail to make green organizational changes may be left behind.

### *Justification for Study*

It is apparent that green business activities will play a prominent role in the future as businesses become more sustainable. Today's generation of business students will be the ones that will continue the transition from conventional business to sustainability. Those individuals that are able to understand the role that green business practices will play in the marketplace, as well as how to successfully develop and implement green policies and processes, will hold a competitive advantage over those that lack this understanding.

As displayed above, the marketplace is placing an increasing large amount of emphasis on green business. Ideally, it is the role of Universities and other institutions of higher learning to prepare their students to excel in their chosen field. For those students who wish to enter into the business world, it is obvious that an understanding of green business would be advantageous. This is the impetus for this study. Does UW-L prepare its business, specifically marketing, students for a business world that is rapidly becoming green? Research was done in order to attempt to answer this question.

## METHOD

Two distinct methods were used to assess the value that students and faculty at UW-L place upon green business practices: student surveys and faculty interviews. The student surveys consisted of a series of thirteen questions, both quantitative and qualitative in nature. The faculty interviews were conducted individually in each faculty member's office. Each faculty member was asked questions that were designed to allow them to share their perspectives concerning multiple aspects of green business practices and green marketing. Each method will be discussed individually.

The surveys were administered to two distinct groups of business students at UW-L; students currently enrolled in MKT 415 and students currently enrolled in MKT 309. Students in the former group are exclusively seniors graduating in May with a marketing degree. Students currently enrolled in MKT 309 range from freshman to seniors and represent multiple disciplines within the university. Most are enrolled in the school of business. MKT 309 is entitled Principles of Marketing and is the introductory marketing course which must be taken by all students enrolled in the school of business. MKT 415 is the senior seminar class for graduating marketing students and is required to be taken during the semester directly preceding graduation. Surveys were developed by the researcher and the faculty sponsor and were administered to the students by their professors via a web based survey program. The survey was optional but credit was offered by each individual professor as an added incentive to complete the survey.

The items on the survey were designed to test the basic knowledge that students have about green marketing and green business practices. They were asked to define green business activities as well as give examples of business activities that could be considered green. The survey went on to inquire as to the ability of the student to complete writing assignments that identify green business practices, describe their importance on a local, national and international scale, and describe why green business may be important in the future. Questions were also posed asking students whether or not they believe that they will be involved with any green business practices in the future and whether or not they believe that UW-L has/will sufficiently prepare them for a business world that puts a strong emphasis on green business activities. This reflects the first item in the survey where students were asked to rate how well they believe that UW-L has/will prepare them to excel in the business world. Finally, general information regarding sex, grade, major(s) and minor(s) was collected from each respondent.

Questions were measured using a variety of scales. A standard Likert scale was used for the majority of questions. The possible answers were: strongly agree, agree, neutral, disagree, or strongly disagree. Students were able to use this scale to rate their agreement/disagreement with certain statements such as "I feel as though UW-L has/will sufficiently prepare me to excel in the business world." Two questions, numbers two and five, were answered using a "Yes/No" scale. If the students answered 'yes' to either of these, they were asked to elaborate in the following question. (Refer to Appendix A to view a paper copy of the survey). The answers were analyzed using statistical methods including frequency tables and independent samples T-Tests. The results of these procedures are reported later.

The faculty interviews were conducted over a period of three weeks. The researcher met individually with each faculty member in the Department of Marketing. It should be noted that Dr. Brokaw was excluded from these interviews due to his sponsorship of this study. Professors Fields, Finch, Nowicki, Chilsen and Achenreiner participated. The interviews ranged in length from approximately 20 to 50 minutes. An audio recorder was used to make record of the interview and important points were noted later. Questions concerning the place that green business currently has in the marketplace were asked, as well as the direction that it will likely take in the future. Each subject was also asked to explain the practicality of using green practices on a local, national, regional and international level. They went on to share their thoughts on whether green business practices could or should be integrated into business strategy on a general scale, along with what changes or modifications this integration would necessitate. Ultimately, each subject was questioned as to whether or not they believe that the business, specifically marketing, curriculum at UW-L places a sufficient amount of emphasis on green business issues. If the interviewee did not believe that the university places enough emphasis on green business, they were asked to share where this subject should be integrated into the curriculum to provide the most benefit to students. Due to the qualitative nature of these interviews, the answers given cannot be measured or standardized but may provide a very detailed look into the issue of green business.

## RESULTS

The survey data results were received and exported into a data editor after being available to students for three weeks. In total, 205 students completed the survey. Of these, 86 were seniors, 110 were juniors, 8 were sophomores, and 1 was a freshman. It should be noted here that not all students reporting as seniors are enrolled in MKT415. Sixteen seniors are enrolled in MKT309. Majors tended to vary greatly. Of the 205 students, 86 were

marketing majors, 22 were business management, 20 were accounting, 19 were finance, and the rest were represented by multiple disciplines from both the School of Business and from various other schools. The 60 seniors graduating in May represented 60 Marketing majors, so of the 145 MKT309 students who completed the survey, 26 were marketing majors. Frequency tables were generated to determine how students answered the questions overall. When viewed individually, the results for each item are as follows.

When responding to the statement “I feel as though UWL has/will sufficiently prepare me to excel in the business world,” 33 (16.1%) strongly agreed, 143 (69.8%) agreed, 23 (11.2%) were neutral and 6 (2.9%) disagreed. See figure 1.

		Frequency	Percent
Valid	Strongly Agree	33	16.1
	Agree	143	69.8
	Neutral	23	11.2
	Disagree	6	2.9
	Total	205	100.0

**Figure 1.** “I feel as though UWL has/will sufficiently prepare me to excel in the business world.”

The second question inquired as to whether or not students are able to give an example of green business activities. Seventy-four (36.1%) were able to give an accurate example of a green activity, while 131 (63.9%) were not. See figure 2. Answers to this question will be discussed later.

		Frequency	Percent
Valid	Yes	74	36.1
	No	131	63.9
	Total	205	100.0

**Figure 2.** “I am able to identify ‘green business’ activities.”

“I am able to differentiate a green business activity from a conventional business activity,” generated 7 (3.4%) responses that strongly agreed, 56 (27.3%) that agreed, 52 (25.4%) that were neutral, 59 (28.8%) that disagreed, and 31 (15.1%) that strongly disagreed. See figure 3.

		Frequency	Percent
Valid	Strongly Agree	7	3.4
	Agree	56	27.3
	Neutral	52	25.4
	Disagree	59	28.8
	Strongly Disagree	31	15.1
	Total	205	100.0

**Figure 3.** “I am able to differentiate a green business activity from a conventional business activity.”

A yes/no question was posed inquiring as to the ability of students to define “Green Business Activities” and explain what makes them “green.” Fifty-one (24.9%) were able to define, with at least some accuracy, what a green business activity is. This will be addressed later. The remaining 154 (75.1%) were not able to define green business practices. See figure 4.

		Frequency	Percent
Valid	Yes	51	24.9
	No	154	75.1
	Total	205	100.0

**Figure 4.** “I am able to define ‘green business activities’ and explain what makes them ‘green.’”

“If asked to do so, I would be able to complete a one page writing assignment that identifies different types of green business activities,” had answers of 13 (6.3%) who strongly agreed, 43 (21%) who agreed, 39 (19%) who were neutral, 68 (33.2%) who disagreed, and 41 (20%) who strongly disagreed. See figure 5.

		Frequency	Percent
Valid	Strongly Agree	13	6.3
	Agree	43	21.0
	Neutral	39	19.0
	Disagree	68	33.2
	Strongly Disagree	41	20.0
	Total	204	99.5
Missing	System	1	.5
	Total	205	100.0

**Figure 5.** “If asked to do so, I would be able to complete a one page writing assignment that identifies different types of green business activities.”

When students responded to the statement, “If asked to do so, I would be able to complete a one page writing assignment that describes the importance of green business on a local, national and international scale,” 19 (9.3%) strongly agreed, 47 (22.9%) agreed, 30 (14.6%) were neutral, 67 (32.7%) disagreed, and 42 (20.5%) strongly disagreed. See figure 6.

		Frequency	Percent
Valid	Strongly Agree	19	9.3
	Agree	47	22.9
	Neutral	30	14.6
	Disagree	67	32.7
	Strongly Disagree	42	20.5
	Total	205	100.0

**Figure 6.** “If asked to do so, I would be able to complete a one page writing assignment that describes the importance of green business on a local, national and international scale.”

When responding to the statement, “If asked to do so, I would be able to complete a one page writing assignment that describes why green business practices may be important in the future,” 21 (10.2%) strongly agreed, 59 (28.8%) agreed, 30 (14.6%) were neutral, 56 (27.3%) disagreed, and 39 (19%) strongly disagreed. See figure 7.



		Frequency	Percent
Valid	Strongly Agree	21	10.2
	Agree	59	28.8
	Neutral	30	14.6
	Disagree	56	27.3
	Strongly Disagree	39	19.0
	Total	205	100.0

**Figure 7.** “If asked to do so, I would be able to complete a one page writing assignment that describes why green business practices may be important in the future.”

When asked to respond to the statement, “I do not believe that I will be involved with any green business activities in the future,” 6 (2.9%) strongly agreed, 16 (7.8%) agreed, 111(54.1%) were neutral, 59 (28.8%) disagreed, and 13 (6.3%) strongly disagreed. See figure 8.

		Frequency	Percent
Valid	Strongly Agree	6	2.9
	Agree	16	7.8
	Neutral	111	54.1
	Disagree	59	28.8
	Strongly Disagree	13	6.3
	Total	205	100.0

**Figure 8.** “I do not believe that I will be involved with any green business activities in the future.”

Finally, when asked to respond to the statement, “I believe that UW-L has/will sufficiently prepare me for a business world that places a strong emphasis on green business activities,” 2 (1%) strongly agreed, 30 (14.6%) agreed, 108 (52.7%) were neutral, 50 (24.4%) disagreed, and 15 (7.3%) strongly disagreed. See figure 9.

		Frequency	Percent
Valid	Strongly Agree	2	1.0
	Agree	30	14.6
	Neutral	108	52.7
	Disagree	50	24.4
	Strongly Disagree	15	7.3
	Total	205	100.0

**Figure 9.** “I believe that UW-L has/will sufficiently prepare me for a business world that places a strong emphasis on green business activities.”

An independent sample T-Test was also run on the data to see if there was a difference between the average responses depending on grade. For this test, seniors composed one group and freshmen, sophomores, and juniors composed the other. The senior group was composed of 86 individuals and the other group of 119. A point system was assigned to the scale used for questions: -2 for “Strongly Disagree”, -1 for “Disagree”, 0 for “Neutral”, 1 for “Agree”, 2 for “Strongly Agree”. Each question was tested individually with the hypothesis; “There is no difference in agreement with the statement based upon grade classification.” It was found that there was a significant

difference between the two groups' agreement for the statements, "If asked to do so, I would be able to complete a one page writing assignment that identifies different types of green business activities," and, "I believe that UW-L has/will sufficiently prepare me for a business world that places a strong emphasis on green business activities." It was found that the means for seniors were -.2288 and -.0924 for each question, and the means for the other group were -.6279 and -.4070. The mean differences were .399 and .315 and the P-Values for each test were .019 and .007, respectively. See figure 10.

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	T	df	Sig. (2-tailed)
I feel as though Uwl has/will sufficiently prepare me to excel in the business world.	Equal variances assumed	1.707	.193	-.189	203	.850
I am able to differentiate a green business activity from a conventional business activity	Equal variances assumed	.063	.802	1.475	203	.142
If asked to do so, I would be able to complete a one page writing assignment that identifies different types of green business activities.	Equal variances assumed	.583	.446	2.362	202	<b>.019</b>
If asked to do so, I would be able to complete a one page writing assignment that describes the importance of green business on a local, national and international scale.	Equal variances assumed	.760	.384	1.582	203	.115
If asked to do so, I would be able to complete a one page writing assignment that describes why green business practices may be important in the future.	Equal variances assumed	.001	.982	1.426	203	.155
	Equal variances not assumed			1.424	182.300	.156
I do not believe that I will be involved with any green business activities in the future.	Equal variances assumed	.366	.546	.710	203	.479
I believe that UWL has/will sufficiently prepare me for a business world that places a strong emphasis on green business activities.	Equal variances assumed	2.749	.099	2.748	203	<b>.007</b>

**Figure 10.** T-Tests of average responses based upon grade grouping.

After reviewing each interview, it is quite apparent that the marketing faculty at UW-L believe that more emphasis should be placed on teaching green marketing. Four out of five professors believe that green marketing should be integrated more heavily throughout the marketing and business curriculums. It was the opinion of the other that green marketing should receive more attention exclusively in "niche" areas such as Principles of Marketing, Buyer Behavior, and Marketing Management. Two believed that green marketing was important enough to warrant the creation of a class centered upon it. Both, however, stressed that a class designed to cover green marketing in great detail would not be successful unless green marketing was first infused throughout other areas of the curriculum. The rationale behind this is that curricular infusion would provide the framework required to delve deeper into green marketing issues. It is clear that faculty members believe that green marketing is important enough to include more prominently in the curriculum. Specific recommendations as to how to best go about doing this will be discussed later.

## DISCUSSION

It should be noted that many students reported a “neutral” response to the questions. It was the opinion of the researcher that a neutral response should be included for students who did not understand the question, did not care to answer, or honestly did not know how to answer. Neutral answers were included in the analysis to avoid bias created by forcing students to express an agreement level to a statement that does not accurately reflect their true level of agreement.

Overall, it seems that the students who completed the survey were not very knowledgeable about green business. As the above results indicate, only 56 students agreed (27.3%) and 7 strongly agreed (3.4%), for a combined total of 63 students (30.7%), that agreed that they are able to differentiate a green business activity from a conventional business activity. This left 52 (25.4%) students who were neutral, 59 (28.8%) who disagreed and 31(15.1%) who strongly disagreed that they are able to differentiate the two types of activities. This combines for a total of 142 (69.3%) students that either did not care or know how to respond, or did not believe that they could differentiate green business activities from conventional ones.

The third item on the survey gave students an opportunity to give up to three examples of green business activities. As discussed earlier, 74 students provided at least one example. Of these, 29 were able to provide one, 15 provided two and 30 were able to provide three examples. The answers themselves varied significantly and ranged from very general examples such as “recycling” to very specific ones such as “UPS using alternative fuel trucks.”

The sixth item on the survey allowed students to provide a definition of the term, “Green Business Activity” and provide a brief explanation of what makes these activities “green.” As discussed earlier, 51 students provided a definition and an explanation. The answers ranged from very concise, such as, “They are environmentally friendly,” to lengthy and detailed, “Green Business Activities are methods, policies or other business activities that are done for the purpose of being environmentally safe and friendly within a company. Something that is “green” may help to reduce the amount of pollution a firm puts into the air or conserving energy on a daily basis.”

The survey results show that the majority of students either do not believe that they will be involved with green business activities in the future or do not know/care. Only 22 students (10.7%) agree or strongly agree that they will be involved with green business activities in the future. Considering the trend toward green practices that was highlighted earlier, it is safe to assume that most students will be exposed or involved with green business in the future. With current industry leaders moving toward sustainability, it is likely that the current generation of business students will be employed in a business world that places a very strong emphasis on green business. Only 32 students (15.6%) agree (or strongly agree) that UW-L has sufficiently prepared them for such a business world. The rest are neutral (52.7%), do not agree (24.4%), or strongly do not agree (7.3%). If the greening of business continues (and there is no reason to believe that it will not), UW-L may have to consider changing its curriculum in order to better prepare students for this change.

It was interesting to see that there was a statistically significant difference in the average level of agreement between the two grade groups for two items. The items, as stated above, were, “If asked to do so, I would be able to complete a one page writing assignment that identifies different types of green business activities,” and, “I believe that UW-L has/will sufficiently prepare me for a business world that places a strong emphasis on green business activities.” It should be noted that the senior group had an average response that was higher than those of the combined other grades. A test was not run to determine the significance of this due to the fact that this is a separate research question and does not directly affect the conclusions drawn by this study. Additionally, reasons for this difference cannot be determined by this study but may be an issue which could be addressed at a later time. It is the opinion of the researcher, however, that seniors reported feeling more prepared for a business world that places a large emphasis on green marketing due to the fact that they have received more education and ideally should be more prepared to enter into the market. Additional research is necessary to support this hypothesis.

As discussed above, faculty members generally believed that green marketing deserves increased integration into the business curriculum at UW-L. A variety of reactions were recorded including overt enthusiasm displayed through comments such as, “It would be so cool!” to a direct approach as to how it should be done. One professor immediately commented that the university should, “Treat it more matter of fact than as exceptional.” One expressed a wish to begin teaching it in their classes, “I should be teaching the green side of things and that it is not necessarily a cost. It doesn’t cost us to do it, it costs us not to do it,” while others lamented not including enough of it. “I wish I would teach it more. I do it as an afterthought,” and, “I should have done it on my own... the University doesn’t push it very much,” were two notable comments made by faculty members. It was the opinion of one professor that, “The faculty is of a mind to do this,” while another concluded the interview with the comment, “This is too important of a topic to wait.”

## GREEN MARKETING EDUCATION AT UW-L

It can be concluded from this study that UW-L does not place a sufficient amount of emphasis on green business practices. Further integration of green business topics would benefit business students, and by default, the university. As one of the professors at UW-L stated, it is the job of the University to, “educate our future business leaders now.” Another believed that, “People have to be taught green right from the beginning. The university [should be] the primary teacher of this...The future is in green marketing [and] we’ve barely scratched the surface. Those that figure it out [now] are going to be the stronger competitors in the marketplace.” It is evident that if the university wants to prepare students to excel in the business world, green issues must receive more attention.

The integration of green business curriculum could take one of two forms. The first is the creation of a 300 level business class that could be offered as an elective and would be centered on the concept of sustainable business practices. Such a course could provide insight into green practices and how they relate to management, marketing, economics, government, supply chains, public policy, and overall corporate strategy. The class could be team-taught, if not group taught, in order to fully incorporate the many disciplines that would need to be represented. Another idea would be to model the class after the University of Wisconsin- Madison’s Environmental Strategy and Sustainability course. This course is currently taught by Professor Tom Eggert and meets once weekly, but each class period a guest speaker is invited to speak to the class about sustainability. The specializations of the speakers vary from public policy to environmental architecture. This type of class provides a holistic approach to green business, but has one weakness; it is contained in a single class. This, in essence, has created a “closet” for green business education at UW Madison. Students assume that they can go to one class to learn about green practices, but may not believe that the topics taught in it are applicable in their other classes.

The second, and preferable, approach is curricular infusion. As one UWL professor stated, “It should be integrated into current classes... It wouldn’t replace anything currently in the curriculum.” As illustrated above, green business is applicable to all parts of business strategy and should be treated as such. The goal is to not create a closet for this subject. It should be integrated into the curriculum at all levels including 100, 200, 300, and 400 level classes. A recurring theme of green business concepts will provide a step-based approach so that green practices can become “matter of fact rather than exceptional.” Doing so will also avoid the danger of offering a high level business class centered on green business to a group of students that have not had any previous experience with them.

This study concentrated specifically on the marketing curriculum at UW-L, so any implementation of green business into the curriculum should begin in the marketing department. From there, a base can be established in order to ensure consistency between disciplines. However, because the research conducted dealt exclusively with marketing classes, recommendations concerning green marketing education will focus on these courses.

### *Recommendations*

There are currently nine classes required to earn a degree in Marketing from UW-L. These are: Principals of Marketing, Buyer Behavior, International Marketing, Promotions and Advertising Management, Market Research, Professional Selling and Sales Management, Industrial Marketing and Transportation, Marketing Management, and the Senior Seminar. Each of these classes provides an opportunity to integrate green marketing into the curriculum from a unique, but equally important, perspective.

The first class that marketing students are required to take is MKT 309: Principles of Marketing. This is the class that essentially paves the way for the other marketing classes. All business majors at UWL are required to complete this course. It provides a basic look into business topics such as, “the marketing environment, marketing strategies and decision-making, marketing ethics and the international dimension of marketing strategy” (UWL Marketing Dept. Website). Since this class is required of all business majors, it may be the class where the integration of green topics is the most essential. Recommendations will be made as to the best way to integrate green business into the curriculum.

MKT 309 currently covers green marketing, but this coverage is limited to a definition and possibly an example. Further concentration of green marketing into the course content will not lead to this subject becoming the central point of the class. It is possible to integrate green marketing further without detracting from the value of other topics. Providing examples of green practices as they relate to the currently covered subjects may be the most effective way to illustrate to students that green practices are not an isolated topic to be covered in the second week of class. One or two assignments could be added to this class in order to get students thinking about how green practices may affect business from a holistic approach. The researcher recommends the addition of one of the most creatively written literary pieces of our time which addresses the issue of sustainable business into the required course reading; *The Lorax* by Dr. Seuss. Students would be responsible for analyzing the business practices of the narrator and providing recommendations as to how the problems encountered in the book could have been avoided.

MKT 309 is also the course where students are first introduced to the marketing mix, or the four “Ps” of marketing: Product, Price, Place and Promotion. Currently, the course covers each of these topics in detail and shows the part that each must play in order to properly execute a marketing strategy. Products will be among the easiest green topic to illustrate. Green products are numerous and range from shoes to building materials. Recyclable products will be the main point to stress. Goods that can be reused at a lower cost than it would take to create new ones can provide a competitive advantage to a firm, as in the case of HP. Related assignments could be identifying green products in the marketplace or determining main differences between green products and conventional products in different areas.

Currently, green products are often bought at a premium price. A discussion of why this is should be incorporated into the curriculum. A step by step coverage of what determines the pricing of a green product, from birth to rebirth, may be necessary. This area should also stress that price is not as important as cost when selling green products. An example of a possible assignment would be for students to assess the overall cost of green products vs. conventional products in different product areas. This could focus on costs to end consumers, supply chain members, or a combination of the two. This is where a discussion of value propositions can most easily be tied into green marketing.

Place, or an introductory look at supply chains, is among the most crucial areas to cover. The way a product is made often has the largest environmental impact. Coverage should include sustainable supply chain activities, such as recycling, power generation, green buildings, and the concept of a “cradle to cradle” product life rather than the conventional “cradle to grave.” For further explanation of this concept refer to Cradle to Cradle by M. Braungart and W. McDonough. This text may serve as a reference for students and professors who wish to further integrate green practices into business strategy. Assignments concerning place could have students compare conventional supply chain activities with green supply chain activities. An analysis of the relative strengths and weaknesses of each could be done in order to encourage students to begin thinking about how sustainable practices may benefit a firm.

Finally, the concept of promotion could easily incorporate more green themes. This section of the course teaches students to position a product favorably in the minds of consumers. As discussed above, the green consumer market is rapidly growing and those firms who are able to effectively promote their green products will be successful. This is where it should be important to stress to students that being green is good, but it will not necessarily benefit the firm if no one knows about it. Possible assignments could be to find examples of green advertisements.

At the end of the course, the class is split into groups and asked to develop a marketing plan for a product or service. These plans should effectively utilize all four Ps of the marketing mix. If sufficient emphasis has been placed on green marketing, students should have little difficulty integrating at least some green practices into their marketing plan. The assignment could be modified so that at least one section of the plan is done in a sustainable way. This is done not with the intent to create more work for students but to encourage them to think critically about the concept of green marketing. As with any other business activity, there are times when it will work well and times when it will not. It is up to students to begin to explore the possibilities of green marketing and determine for themselves where green practices would fit into their marketing plan. Students should think of green marketing not as a business case, but as a business concept that can be integrated into marketing strategy in a multitude of ways. Getting this point across to students should be the ultimate goal of further integrating green marketing into MKT 309 classes at UW-L.

Based upon the recommendations for MKT 309, it is not difficult to imagine how the more advanced marketing courses could continue to build upon green marketing lessons. Going into further detail as to how green marketing applies to sales, market research, promotions, international marketing, industrial marketing, and marketing management may be the responsibility of the faculty of UW-L. The reason for this is that each professor at UW-L is an expert in their field and as such would be better suited to determine what would be the best way to integrate green marketing into classes. It is the responsibility of the faculty of the Department of Marketing to provide students with the necessary education to excel in the business world: a world that is quickly becoming green.

## LIMITATIONS

This paper was not able to address the reasons behind why different grade groupings had significantly different average responses concerning the level of agreement with some survey items. Further research could be undertaken to determine the reason for these differences. Additionally, the subject of governmental regulation as they relate to business operations was only briefly touched upon. An in-depth analysis of past, current and future governmental policies, particularly those that serve to regulate the environmental activities of business, may need to be performed

in order to better understand the trend of green business. Finally, the class recommendation, as mentioned above, merely served as a guide and does not reflect any actual changes that will be made to the course. Any changes to the curriculum are at the discretion of the faculty.

## ACKNOWLEDGEMENTS

I would like to use this opportunity to thank those students who completed the survey that made this report possible. I would also like to extend my gratitude to all faculty members of the Department of Marketing for their cooperation, support, insight and encouragement.

## REFERENCES / LITERATURE CITED

- Boyle, M., Gimbel, B., Gunther, M., Murphy, C., Ryan, O., Schwartz, N., Taylor, A., Yang, J.L., "Green is Good", *Fortune* Vol. 155, No. 6 April 2, 2007
- Braungart, M., McDonough, W., *Cradle: Remaking the Way We Make Things*, North Point Press 2002
- "Brundtland Report", *Our Common Future: Report of the World Commission on Environment and Development*, United Nations, 1987
- Crane, A., Peattie, K. "Green Marketing: Legend, Myth, Farce or Prohesy?" Emerald Group Publishing, 2005
- Eggert, T. *Environmental Strategy and Sustainability: Course Syllabus*, University of Wisconsin: Madison, 2006
- Engardio, P. "Beyond the Green Corporation", *BusinessWeek* Issue 4019 Jan. 29, 2007
- Environmental Protection Agency, <http://www.epa.gov/otaq/greenhousegases.htm>
- Felton, E., Sims, R., "Teaching Business Ethics: Targeted Outputs", *Journal of Business Ethics* Vol. 60, Springer 2005
- Green, P. "A Question of Principles", *Global Finance* Vol. 21 No 4 April, 2007
- Kleindorfer, P., Singhal, K., Van Wassenhove, L., "Sustainable Operations Management", *Muncie: Winter* 2005 Vol. 14, Iss. 4
- Lozada, H., Mintu, A., "Green Marketing Education: A Call for Action", Cohen, 1990
- M.M. "Green Giants", *Outside* Vol. XXXII No. 4 April, 2007
- Meadows, D., Meadows, D., Randers, J., *Limits to Growth: The 30-Year Update*, Chelsea Green Publishing, 2004
- Geisel, T. *The Lorax*, Random House 1971
- Taylor, C. "Go Green. Get Rich.", *Business 2.0* Vol. 8 No. 1 Jan./Feb., 2007

## APPENDIX

Appendix A: Survey: Green Business Marketing at UWL



Green Business Education at UWL

Page 1

I appreciate you taking the time to fill out this survey. Please answer all questions to the best of your ability.

1. I feel as though UWL has/will sufficiently prepare me to excel in the business world.\*

Strongly Agree  Agree  Neutral  Disagree  Strongly Disagree

2. I am able to identify "green" business activities.\*

-- Please Select --

3. If you answered "Yes" to question 2, please give 1-3 examples of green business activities.

Enter at least 1 response.

1

2

3

4. I am able to differentiate a green business activity from a conventional business activity.\*

Strongly Agree
  Agree
  Neutral
  Disagree
  Strongly Disagree

5. I am able to define "Green Business Activities" and explain what makes them "green."\*

Yes
  No

6. If you answered "Yes" to question 5, please define "Green Business Activities" and explain what makes them "green."

7. If asked to do so, I would be able to complete a one page writing assignment that:\*

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Identifies different types of green business activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Describes the importance of green business on a local, national and international scale.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Describes why green business practices may be important in the future.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. I do not believe that I will be involved with any green business activities in the future.\*

Strongly Agree
  Agree
  Neutral
  Disagree
  Strongly Disagree

9. I believe that UWL has/will sufficiently prepare me for a business world that places a strong emphasis on green business activities.\*

Strongly Agree  Agree  Neutral  Disagree  Strongly Disagree

10. Sex\*

-- Please Select --

11. Grade\*

Freshman  Sophomore  Junior  Senior

12. Major(s)\*

1

2

13. Minor

1

2

3