

# An Overview of Strategic Green Planning



## CHAPTER OBJECTIVES

- A. Green Marketing Planning
- B. Incorporating a Green Perspective into the Mission Statement
- C. Integrating a Green Mission into Objectives, Strategy, and Marketing Tactics
- D. The Interaction Between Strategy and the Environment
- E. Delivering Value to All Stakeholders
- F. How This Text Is Organized to Help You Understand Green Marketing

## A. Green Marketing Planning

### TIMBERLAND INC.

In the fall of 2009, Timberland began incorporating recycled rubber into the outsoles of its Mountain Athletics and Earthkeepers lines of footwear.<sup>1</sup> The company plans to make more than 200,000 pairs of shoes using recycled rubber. Although most shoes are still made from virgin rubber, competitively priced recycled materials are making significant inroads into the market. Timberland hopes to increase the market share of these green materials via the introduction of recycled rubber into its footwear.

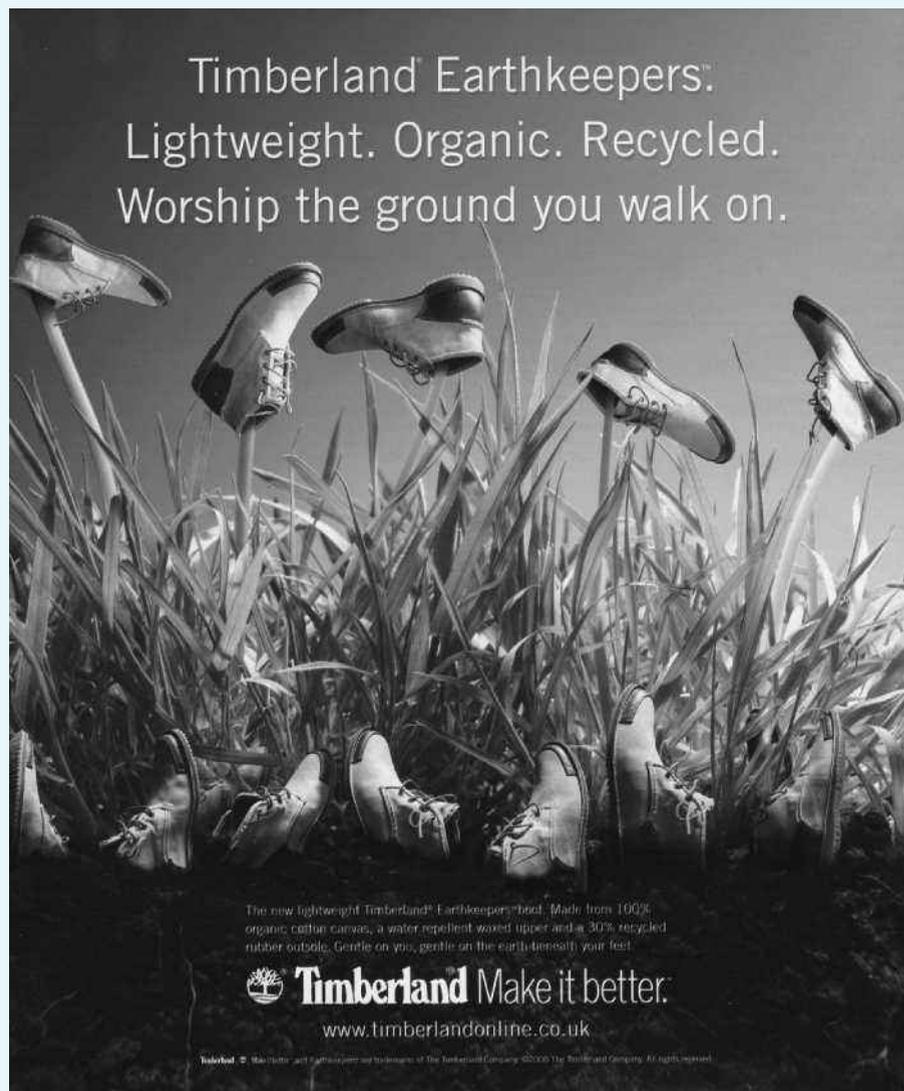
The decision to incorporate recycled materials into the product line is part of Timberland's longstanding commitment to the environment. The corporate strategy is based on a sustainability perspective that permeates everything it does. On a corporate level, the company has a commitment to corporate social responsibility that focuses on four themes. First, the company seeks to become carbon neutral in 2010. The firm approaches this goal by purchasing renewable energy where possible and generating its own renewable energy where clean energy is not available.

The second sustainability theme of the firm is to design recyclable products. Recognizing that the half-life of a shoe is rather short, the firm is striving to create low-cost products that are not only less harmful to the environment but also can become revenue-generating products after the productive life of the shoe. Three years ago, Timberland began labeling the overall amount of energy and the amount of energy from renewable sources associated with production and the supply cycle. In addition, each product is accompanied by a Nutrition Label indicating the climate impact, chemical usage, and resource consumption for the product.<sup>2</sup> The products also feature Green Index cards that provide an easy way to compare the footprints of footwear products.<sup>3</sup>

The third sustainability theme that permeates the organization concerns the environment and surroundings of the communities and workplaces in which the company operates. Timberland sponsors service events in which it works to strengthen communities by improving green spaces and access to the outdoors. Furthermore, it encourages employees to engage in community service in their communities.

The final theme of Timberland's sustainability mission concerns the workplace. Since the company realizes that the finished Timberland product is the result of efforts throughout the supply cycle, it monitors the entire supply chain

**FIG. 2-1** Timberland ad for Mountain Athletics Footwear



Source: Image courtesy of *The Advertising Archives*

for human rights issues and sustainable business practices. When the company began assessing the energy content of its footwear, it was surprised to find that more than half of the energy used in making a pair of shoes comes from processing and producing the raw materials.<sup>4</sup> The second biggest energy drain is at the retail level, followed by factory operations. Transportation, the factor the company believed was the biggest producer of greenhouse gases in the supply cycle, turned out to be the lowest contributor to energy usage and carbon emissions.

The Timberland example illustrates how a firm can take a sustainability strategy and incorporate it throughout its marketing strategy. To make this transition from the plan to its implementation, every organization needs a roadmap outlining the direction the firm is pursuing. As organizations grow, each employee should have an understanding of the markets the firm serves, the customers within each market,

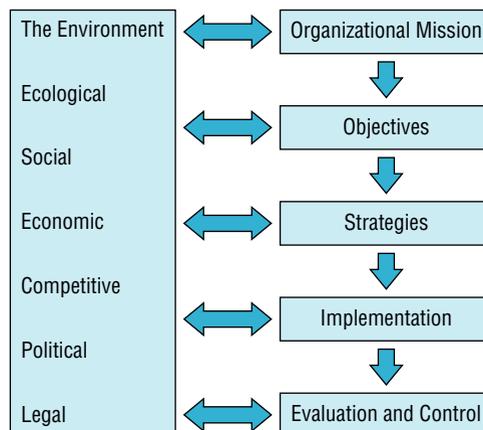
and the product offerings designed to meet these consumers' needs. Strategic market planning is the process that outlines the manner in which a business unit competes in the markets it serves.<sup>5</sup> Strategic market decisions are based on assessments of product markets and provide the basis for competitive advantage in the market. The plan developed through this process provides a blueprint for the development of the skills and resources of a business unit and specifies the results to be expected.

The planning process involves anticipating future conditions and establishing strategies to achieve objectives. Interestingly, the planning process necessarily involves relating the marketing objectives of the firm to the environment.<sup>6</sup> Although strategists have long recognized the interaction between the firm and its environment, much of the research and planning process focuses on the influence of the environment on corporate decision making. Firms that incorporate sustainability concerns into strategic planning recognize that the activities and programs developed by the firm simultaneously influence the environment. For example, Toyota recognizes that gasoline prices represent a facet of the environment that influences consumer purchase decisions. In addition, Toyota also considers the influences of automobile production and operations on the environment.

A green planning process must explicitly examine the interaction of the environment with the corporate strategy. We therefore define **green marketing planning** as the process of creating and maintaining a fit between the environment and objectives and resources of the firm. *Fit* refers to the effort to understand how the environment both influences *and is influenced by* marketers. In Chapter 3, we will examine the interaction of firms, consumers, and individuals with the environment. The planning process begins with an in-depth analysis of the internal and external environment of the firm. Based on this situational analysis, the firm establishes its mission, objectives, strategy, implementation, and evaluation. As outlined in Figure 2-2, the planning process is a dynamic process that relies heavily on interaction with the environment.

Strategic marketing planning should accompany planning throughout all functional areas of the firm such as financial planning, production, and research and development.<sup>7</sup> The output of the planning process is a **marketing plan** that provides an analysis of the current marketing situation, opportunities and threats analysis, marketing objectives, marketing strategy, action programs, and projected income

**FIG. 2-2** The Strategic Planning Process



statements.<sup>8</sup> This plan serves as the blueprint outlining how the organization will achieve its objectives. In addition, the plan informs employees regarding their functions and roles in the implementation of the plan. The plan also provides insight into the allocation of resources and the specification of tasks and responsibilities and the timing of marketing action.<sup>9</sup>

The mission statement should be formulated and articulated by upper management within the firm. The process of developing this statement and strategy demands buy-in by top management. In addition, articulation of the plan by senior executives signals to employees, customers, and stakeholders that the planning process is of central importance to the activity of the firm.

## B. Incorporating a Green Perspective into the Mission Statement

The **mission statement** describes a firm's fundamental, unique purpose, indicating what the organization intends to accomplish, the markets in which it operates, and the philosophical premises that guide its actions.<sup>10</sup> The mission statement is an inspirational tool that provides motivation, direction, and insight into the company's character. For example, Figure 2-3 provides the mission statement and values of Duke Energy.

Importantly, the mission of the firm must consider the organization's history, its distinctive competencies, and its environment.<sup>11</sup> Energy firms such as Duke have been the target of litigation from the U.S. Environmental Protection Agency.<sup>12</sup> The explicit inclusion of sustainability in the mission, however, suggests that the firm seeks to separate itself from this history. In addition, the treatment of sustainability underscores the firm's recognition of the intense interaction between the company's operations with the environment. Finally, the mission statement indicates the distinctive competencies of the company that include diverse talents, passion, and open dialogue with their stakeholders.

**FIG. 2-3** Duke Energy Mission and Values

### **Our Mission**

At Duke Energy, we make people's lives better by providing gas and electric services in a sustainable way. This requires us to constantly look for ways to improve, to grow, and to reduce our impact on the environment.

### **Our Values**

**Caring** — We look out for each other. We strive to make the environment and communities around us better places to live.

**Integrity** — We do the right thing. We honor our commitments. We admit when we're wrong.

**Openness** — We're open to change and to new ideas from our coworkers, customers and other stakeholders. We explore ways to grow our business and make it better.

**Passion** — We're passionate about what we do. We strive for excellence. We take personal accountability for our actions.

**Respect** — We value diverse talents, perspectives, and experiences. We treat others the way we want to be treated.

**Safety** — We put safety first in all we do.

The Duke Energy passage encompasses many traits associated with effective mission statements.<sup>13</sup> The mission is clearly articulated, relevant, and enduring. In establishing the mission, senior management provides a sense of direction to the organization. Employees and business partners are inspired to pursue specific action because the action is consistent with the message outlined in the mission. Note that the contrary is also true—constituents are unlikely to pursue activities that do not reflect the values expressed in the mission statement.

If the firm is to have a strategy that meaningfully incorporates green marketing and sustainability, then the mission statement must incorporate green marketing and sustainability. For example, P&G (Procter and Gamble) incorporates an external focus into its core principles for operations.<sup>14</sup> The firm recognizes that this external orientation requires the company to incorporate sustainability into its products, operations, and packaging. The company follows through with this commitment in several ways. First, P&G has adopted a sustainability perspective focused on improving lives for years to come. Second, the firm has a product safety initiative designed to enhance the environmental quality of products, packaging, and operations across the globe. Third, P&G has implemented a commitment to the environment. Since detergents and other products that the firm manufactures can have a significant influence on water and water treatment plants, P&G requires all ingredients to pass an environmental risk assessment before they can be integrated into products. These commitments to the environment flow from a corporate mission that emphasizes environmentalism and sustainability.

Although the mission statement should underscore the firm's commitment to sustainability, it is critical for this statement to be consistent with the level of sustainability currently pursued by the firm. For example, in 2000 BP developed a new symbol along with a media message that claimed the firm was moving "beyond petroleum."<sup>15</sup> The firm outlined a strategy that identified efforts to pursue energy from sources other than fossil fuels, but oil and gas accounted for approximately 98% of the firm's revenue. **Greenwashing** refers to situations in which there is a significant gap between the expressed and genuine commitments to sustainability. Environmentalists accuse oil firms of greenwashing when their investments in renewable energy are small compared with the money that goes into their oil and gas divisions.<sup>16</sup>

In the current business and regulatory climate, firms should also recognize that public statements about efforts to become sustainable subject the firm to greater scrutiny. In a global enterprise, these statements open up the firm to criticism from consumers and government organizations. For example, Coke and Pepsi are two global consumer products companies that each developed commitments to sustainability.<sup>17</sup> These firms and their affiliated bottlers necessarily have to account for the manner in which water is treated in the production process. Each firm's expressed commitment to sustainability has been accompanied by critiques in some markets about water filtration and handling.

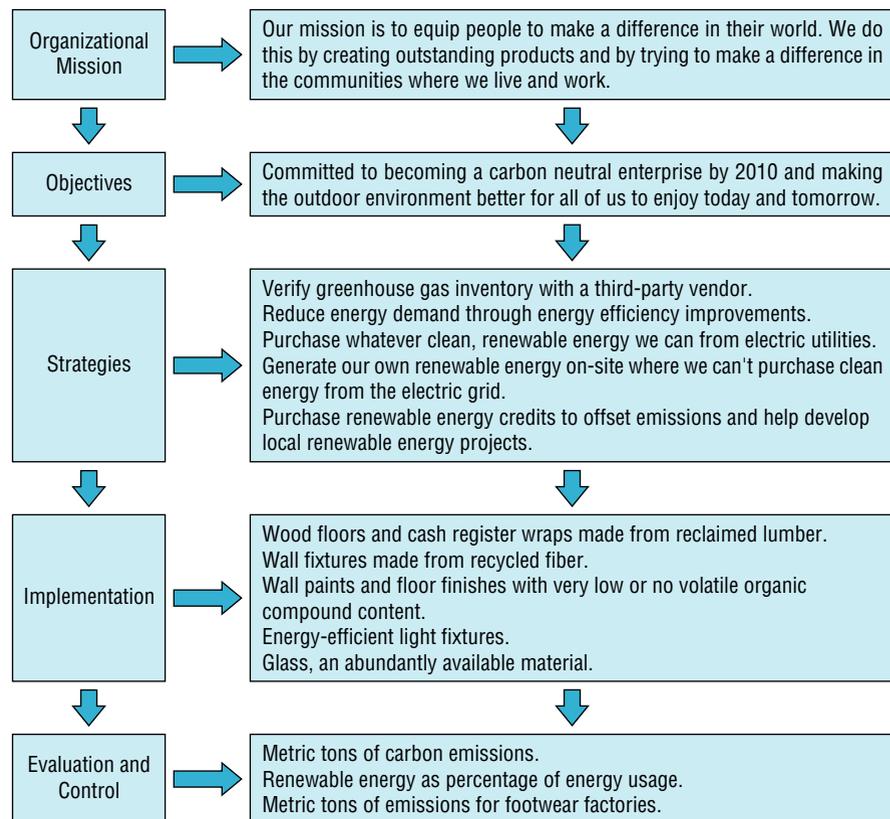
Sustainability should be incorporated into the mission statement of the firm, but this focus should augment other driving forces within the firm. For example, Adidas explicitly recognizes that the company is a consumer-focused, innovative firm that manages a portfolio of brands that consistently deliver outstanding financial results.<sup>18</sup> The firm also affirms its desire to be a socially and environmentally responsible global organization. The Adidas values reflect the mounting evidence of the role of green marketing within the firm. Green marketing augments the other values of the firm and its product offerings, but it is rarely the primary motivation for consumption. The firm needs to incorporate its development of a green strategy as a facet of the value proposition.<sup>19</sup>

## C. Integrating a Green Mission into Objectives, Strategy, and Marketing Tactics

If the mission statement incorporates discussion of sustainability, then there is a much greater likelihood that the objectives and strategy will be poised to consider the interaction of the firm with its environment. Figure 2-4 uses Timberland Apparel to illustrate the planning process. The firm's mission is to equip people to make a difference in their world.<sup>20</sup> Timberland pursues this mission by creating outstanding products and by trying to make a difference in the communities where employees live and work. Importantly, the firm views volunteering in communities and designing ecologically friendly products as ways to reduce the company's influence on the environment.

**Organizational objectives** are desired or needed results to be achieved by a specific time<sup>21</sup> and emerge from the development of the mission statement. For Timberland, one objective is environmental stewardship whereby the company is committed to becoming a carbon-neutral enterprise by 2010. This goal embodies three essential elements of objectives.<sup>22</sup> First, the objective precisely specifies the goals of the organization. If the objective is not precise and clear, employees will be less likely to achieve the desired outcome. Second, the objective is measurable and in this case leads to exact mechanisms for assessing pursuit of this objective. Objectives must be measurable if the firm is to assess the level of success in a meaningful way.

**FIG. 2-4** The Timberland Planning Process



Third, the objective must entail action commitments specifying the behaviors associated with achieving the objective. If the relevant action is understood, management can convert the objective into specific action associated in the marketing plan and strategy.

Corporate strategy outlines the direction the firm will pursue within its chosen environment and guides the allocation of resources and effort.<sup>23</sup> For Timberland, the strategy emphasizes third-party verification of energy use, efficient operations, use of clean renewable energy, and the purchase of energy credits to offset emissions.

Clearly articulated strategies based on measurable objectives enable management to develop specific implementation plans. The implementation process refers to the stage at which the firm directs specific effort to the realization of objectives. Although senior management establishes objectives and strategy, it is rarely involved in the implementation process. Thus, it is essential that management relay a message of sustainability throughout the strategic planning process.

Implementation includes determination of action plans and related tactics designed to enable the firm to realize objectives.<sup>24</sup> The action plans provide schedules and milestones, whereas the tactics refer to the specific activities that the firm will engage in to ensure that objectives are realized. For Timberland, some of these tactics include the types of fixtures installed at retail locations.

The final stage of the strategic planning process is the evaluation and control phase. At this point, management takes stock of the degree to which the firm has realized objectives. Importantly, the criteria that emerge from the plan are the factors incorporated into evaluation. These evaluative criteria should logically complement the mission and objectives. Again, if the mission and objectives do not incorporate sustainability, then the evaluation and control systems will not address these concerns. The commitment to sustainability must therefore accompany every phase of the strategic planning process.

## D. The Interaction Between Strategy and the Environment

The presentation of strategic planning as a static step-by-step process facilitates presentation of the model. Nevertheless, the step-by-step process does not capture the manner by which planning occurs in many organizations. The multiple phases of this process are going on simultaneously. Senior management is reevaluating the tactical plans while employees are implementing specific facets of the plan.

A primary need for constant reassessment of strategic planning is the interaction with the environment. As we will elaborate in Chapter 3, entities in the firm ranging from CEO to field sales representative monitor changes in the environment and modify their behavior to accommodate this action. For example, as energy prices escalate, senior management must consider costs of reimbursement to sales representatives while sales representatives likely re-assess their sales call schedules and routes. Because the environment is subject to change that has a significant influence on marketing activity, it is essential for the marketing organization to monitor the environment. Thus, marketers evaluate the ecological, competitive, economic, social, political, and legal environments.

An increasing awareness in society is the recognition that marketing influences the environment. Marketers are increasingly monitoring their influences on the environment. For example, McDonald's historically used a polystyrene container known as a clamshell to package hamburgers and other sandwiches.<sup>25</sup> These clamshells

created a difficult form of solid waste, were economically unattractive for recycling, and produced chloroflourocarbons (CFCs) that were harmful to the ozone.<sup>26</sup> In 1989, McDonald's began collaborating with the Environmental Defense Fund (EDF) to address waste management. At the time, McDonald's employed 500,000 people in 11,000 stores serving 22 million customers per day. The alliance prompted McDonald's in 1990 to replace the polystyrene with quilted paper made from polyethylene and paper. The new wrapper was less bulky, cheaper, required less energy to produce, and discharged less pollution.

The EDF–McDonald's alliance illustrates how marketing activity has a dynamic influence on the environment. McDonald's, its franchisees, and their customers each play a significant role in the waste management for the restaurants' packaging and products. The collaboration with EDF enabled the company to strike a win–win strategy that reduced waste and pollution while simultaneously lowering McDonald's production costs.

Although there is a growing interest in examining how individuals and firms affect the environment, there is little agreement concerning how to assess these influences. In Chapters 11 and 14, we elaborate on mechanisms that enable consumers and manufacturers to assess their influences on the ecological environment.

## E. Delivering Value to All Stakeholders

**Stakeholders** refers to the individuals, organizations, and groups that have an interest in the action of an organization and have the ability to influence it.<sup>27</sup> The development of corporate strategy demands consideration of the number of entities that are influenced by the action of the firm. Primary stakeholders include the following:<sup>28</sup>

- a) **Consumers.** The purchasers and users of a firm's products are important stakeholders that influence the firm in many ways. Consumers influence the action of a firm when they elect to buy the organization's product offerings or choose to purchase products from competitors. Individuals operating in the marketplace are important sources of new product opportunities for the firm.<sup>29</sup> In addition, consumers provide feedback on their experiences with the firm's products, and these comments influence other consumers as well as corporate product decisions.
- b) **Suppliers.** Companies are increasingly finding that their suppliers influence efforts to achieve sustainability. Since the inputs into production influence an organization's ability to achieve sustainable results, suppliers who provide environmentally safe products reduce the buyer's ecological influence.
- c) **Employees.** The employees of the firm play a strategic role in the implementation of any strategy. As stakeholders, employees are important sources of sustainable new product ideas. Employees often have industry-specific knowledge and understanding of the market, which enables them to offer insight into product development.
- d) **Competition.** The competitors in the market have a strong influence on the activities of the firm. Companies must proactively monitor the action and performance of their competition. Moreover, firms can establish a source of competitive advantage if they raise industry expectations for the environmental standards. For example, in the wake of the Bhopal, India, tragedy, Union Carbide and other companies in the Chemical Manufacturers Association developed the Responsible Care initiative.<sup>30</sup> The CMA established criteria for

pollution prevention, process safety, and emergency response, which enabled the firms to improve their competitive positions.

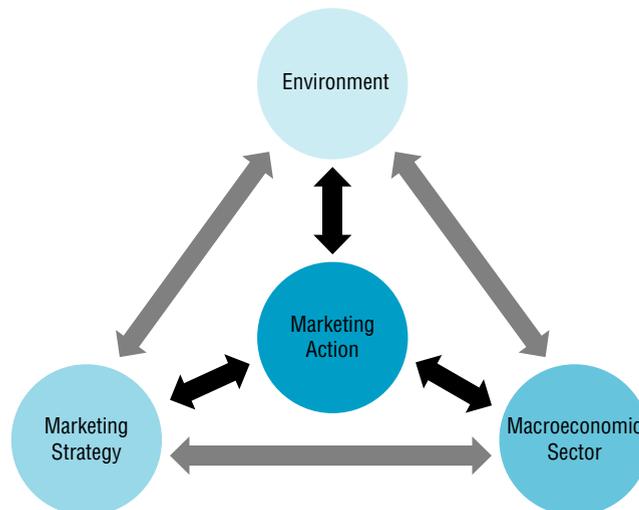
- e) **Legal System.** The courts and legal system are stakeholders that influence the firm via the enforcement of laws governing sustainability. For example, in 1989, the *Exxon Valdez* ocean tanker ran aground and spilled 11 million gallons of crude oil into Alaska's Prince Edward Sound.<sup>31</sup> The 1994 class action suit against the firm awarded 33,000 Alaskans \$287 million in compensatory damages and \$5 billion in punitive damages against Exxon. Although the punitive-damage award was later reduced to \$2.5 billion, the example underscores the potentially critical influences of the legal system.
- f) **Financial Institutions.** Banks, other lending agencies, and insurance firms are significant stakeholders because they determine the availability and cost of funds to an organization. Financial institutions are increasingly embracing sustainability as an important facet of corporate strategy, and they are developing financial systems to facilitate implementation of the strategy. For example, Standard Chartered is taking a lead role in the financing of renewable and clean energy projects in Asia, Africa, and the Middle East. These projects are slated to have a total value up to US\$10 billion over the 2008–2012 horizon.<sup>32</sup>
- g) **Government.** Government influences the action of firms via the regulations established to ensure product safety throughout production, use, and post-consumption. The mantle of responsibility falls on government at all levels. Firms must monitor state and local legislation as well as national regulations. In addition, there is increasing pressure from international government, including trade alliances (e.g., EU) and the United Nations. Organizations that fail to track regulatory developments at each of these levels expose themselves to serious competitive disadvantages.
- h) **Media.** The *Valdez* disaster offers evidence that media are strategically poised to frame public perception of the events involving the firm. Increasingly, firms recognize that they must manage their interaction with the media in a proactive manner. Moreover, as the firm acts to mitigate its influence on the environment, it must make the media aware that these efforts are taking place.<sup>33</sup>
- i) **Stockholders/Owners.** Investors with a variety of levels of ownership in the firm are increasingly taking action to influence the extent to which firms pursue sustainability causes.<sup>34</sup> Individuals influence companies by engaging in dialogue, voting proxies, attending shareholder meetings, and filing resolutions.
- j) **Scientific Community.** Evidence developed within the scientific community has a strong influence on other stakeholders and thereby influences firm action. For example, the mounting scientific evidence of a greenhouse effect influenced the Supreme Court ruling that the federal government had the power under the Clean Air Act to regulate carbon dioxide emissions from vehicles.
- k) **Nongovernment organizations (NGOs).** NGO is a term used to describe a broad family of organizations that is not profit oriented or supported by government.<sup>35</sup> Historically, the action of NGOs has been at odds with industry. Increasingly, however, firms such as Starbucks have established relationships with NGOs that enable both parties to achieve objectives.<sup>36</sup>
- l) **General Public.** The public at large are also stakeholders that influence operations. For example, urban planners recognize that management of relationships with the public enables them to gain support for land use initiatives.<sup>37</sup> Although the general public may not directly benefit from land development, their participation is essential throughout the design and utilization processes.

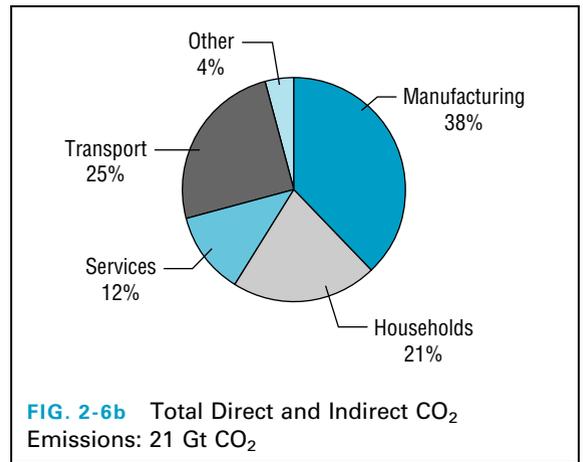
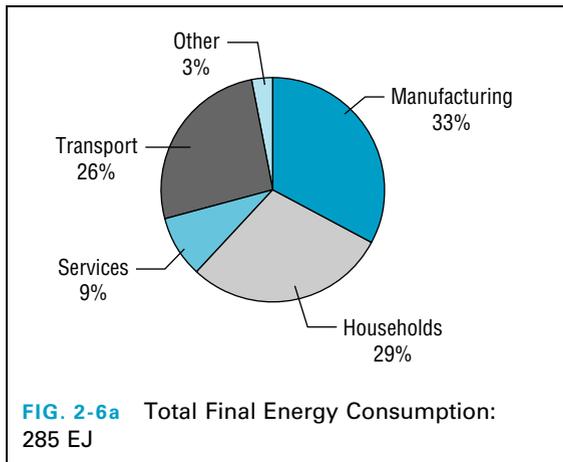
## F. How This Text Is Organized to Help You Understand Green Marketing

The goal of this text is to drive marketing decision making toward action that is sensitive to the environment. Our general model of the context surrounding marketing action is provided in Figure 2-5. Marketing action is at the core of this model, and it is surrounded by environmental considerations, industrial activity, and marketing strategy. We define **marketing action** as any behavior associated with the procurement, purchasing, sales, consumption, and postconsumption of product offerings. Note that all of this marketing action reflects situations in which there is some sort of exchange between two parties. The purchase of a cup of coffee in a reusable thermos, for instance, involves the exchange of currency for a beverage. Both entities that are involved in the exchange activity are driven by the desire to increase value. The value of an exchange can be expressed in terms of the three related outcomes. To varying degrees, exchange activity provides economic, social, and environmental value. The coffee consumer, for example, may identify economic and environmental value from purchasing coffee in a reusable container, whereas the ambiance and service offered by the restaurant employees may yield social value to the consumer. It is not only meaningful to consider the triple bottom line of the consumer, but it is also increasingly essential for companies to recognize that they must pay attention to the economic, social, and environmental value of their product offerings.<sup>38</sup>

Marketing action is broadly defined to include all action associated with sourcing environmentally sensitive products as well as the activity endemic to using and discarding products. Thus, this definition encompasses all action associated with the supply chain from the procurement of raw materials to the postconsumption treatment products that have outlived their utility. For example, marketing action includes Pepsi's efforts to incorporate clean water into the syrups it sells to local bottlers in India. It also incorporates all the effort to make this product available for sale in the country, and it further includes all efforts to reuse or recycle the packaging of the product.

**FIG. 2-5** Factors Surrounding Marketing Action





Source: *International Energy Agency, Worldwide Trends in Energy Use and Efficiency (Paris, France: International Energy Agency)*

Importantly, the marketing action undertaken in a supply chain is influenced by and influences three factors. First, the action undertaken by individuals is influenced by the environment. *The environment* refers to physical and social contexts that provide the potential for marketing activity to occur. Part II of this book focuses on the interaction between the environment and consumption. In Chapter 3, we illustrate how the level of consumption influences the atmosphere, water, land, and biodiversity. In Chapter 4, we examine how the environmental activity influences consumption. Together, these two chapters underscore the interaction between environment and consumption.

In Part III, we examine facets of marketing strategy designed to enhance the sustainability of the firm. The central factor in the pursuit of sustainability is the **value** that market offerings provide to consumers. Sustainable value emerges from analysis of the economic, relational, and ecological returns sought in a market. Consequently, each chapter in our discussion of marketing action focuses on strategies that generate value. In Chapter 5, we outline a process for analyzing markets. This analysis of markets and market segmentation addresses the discovery of value. Promotional efforts by which firms communicate value are examined in Chapter 6. In Chapter 7, we frame product development as the set of processes by which the firm produces value. The effort to deliver value is addressed in the analysis of supply cycles in Chapter 8 and in the analysis of retailing in Chapter 9. Chapter 10 provides an overview of the mechanisms by which the firm proclaims value via its pricing strategy.

In Part IV, we examine the macroeconomic sector in which consumption occurs. This section focuses on sectors of the economy and their consumption of energy. Across the globe, energy consumption and greenhouse gas emissions are associated with four industrial contexts: manufacturing, households, services, and transportation (see Figure 2-6ab). Consequently, Chapters 11 through 14 address the major sources and uses of energy for each of these industrial contexts.

In Part V, we address procedures by which firms monitor and report the pursuit of value.

## Summary

### A. Green Marketing Planning

The purpose of this chapter has been to provide an overview of strategic green marketing planning. We began by defining *strategic market planning* as the process that outlines the manner in which a business unit competes in the markets it serves.

### B. Incorporating a Green Perspective into the Mission Statement

The *mission statement* describes a firm's unique purpose, indicating what the organization intends to accomplish, the markets in which it operates, and the philosophical premises that guide action. If the firm is to have a strategy that meaningfully incorporates green marketing and sustainability, then the mission statement must incorporate green marketing and sustainability.

### C. Integrating a Green Mission into Objectives, Strategy, and Marketing Tactics

*Organizational objectives* are results to be achieved by a specific time; they emerge from the development of the mission statement. First, the objective precisely specifies the goals of the organization. If objectives, strategies, and tactics are precise, measurable, and specific with respect to sustainability goals, management engages in action essential to achieving the mission of the firm.

### D. The Interaction Between Strategy and the Environment

*Strategic planning* refers to the process by which the firm provides a fit between the environment and

corporate action. In the strategic planning process, green marketing planning consists of creating and maintaining a fit between the environment and objectives and resources of the firm. By incorporating sustainability into the strategic planning process, the firm increases its likelihood of being able to interact effectively with the environment.

### E. Delivering Value to All Stakeholders

*Stakeholders* refers to the individuals, organizations, and groups that have an interest in the action of an organization and have the ability to influence it.<sup>39</sup> The development of corporate strategy demands consideration of the number of entities that are influenced by the action of the firm. Primary stakeholders include consumers, suppliers, employees, competition, the legal system, financial institutions, government, media, stockholders/owners, and the scientific community.

### F. How This Text Is Organized to Help You Understand Green Marketing

This book seeks to outline the relationship among marketing strategy, marketing action, macroeconomic sectors, and the environment. In Part I we introduce green marketing management and strategy. Part II of this book focuses on the interaction between the environment and consumption, and Part III examines facets of marketing strategy designed to enhance the sustainability of the firm. In Part IV, we examine the macroeconomic sector in which consumption occurs. In Part V, we address procedures by which firms monitor and report the pursuit of value.

## Keywords

green marketing planning, 21  
greenwashing, 23  
marketing action, 28

marketing plan, 21  
mission statement, 22  
organizational objectives, 24

stakeholders, 26  
value, 29

## Questions

1. Why would a firm like Timberland elect to develop a sustainable strategy when it could effectively compete based on price?
2. How does the strategy of Timberland reflect an effort to achieve sustainability as defined in Chapter 1?

3. To what extent does the incorporation of a green perspective into the mission statement change how the firm will operate and be viewed in the market?
4. Describe a situation under which a firm (other than BP) has been accused of greenwashing. What conditions lead to this evaluation, and what did the firm do to correct it?
5. What did the EDF–McDonald’s alliance teach NGOs and CEOs about relationships between NGOs and companies?
6. Consumers and stockholders are two divergent groups of stakeholders for a retailer. How might they differ in their attitudes toward sustainability?
7. Does Timberland consider its suppliers to be important stakeholders? What evidence supports your claim?
8. Describe a situation in which the general public has had an influence on a company’s attitude toward sustainability. What events lead the public to become concerned about sustainability in this context?
9. Why would competitors such as the Chemical Manufacturers Association work together to develop sustainability standards? What are the consequences of failing to address sustainability?
10. Why is it necessary to examine the relationship between the macroeconomic industry and marketing action?

## Endnotes

<sup>1</sup> K. Galbraith, “Timberland’s New Footprint: Recycled Tires,” *The New York Times*, March 7, 2009, <http://greeninc.blogs.nytimes.com/2009/04/03/timberlands-newfootprint-recycled-tires/?scp=1-b&sq=Timberland&st=nyt>.

<sup>2</sup> T. J. Ryan, “Timberland Introduces ‘Nutrition Labels,’” *SGB* 39, no. 3 (2006): 14.

<sup>3</sup> M. Frazier, “Timberland ‘Walks the Walk,’” *Advertising Age* 78, no. 24 (2007): 8.

<sup>4</sup> Cortese, “Friend of Nature? Let’s See Those Shoes,” *The New York Times*, March 7, 2007, [http://www.nytimes.com/2007/03/07/business/businessspecial2/07label-sub.html?\\_r=2](http://www.nytimes.com/2007/03/07/business/businessspecial2/07label-sub.html?_r=2) (accessed April 28, 2010).

<sup>5</sup> American Marketing Association, “Dictionary,” [http://www.marketingpower.com/\\_layouts/Dictionary.aspx](http://www.marketingpower.com/_layouts/Dictionary.aspx) (accessed April 28, 2010).

<sup>6</sup> J. D. Thompson and W. J. McEwen, “Organizational Goals and Environment: Goal-Setting as an Interactive Process,” *Administrative Science Quarterly* 23 (1958): 23–31; Lee G. Cooper, “Strategic Marketing Planning for Radically New Products,” *The Journal of Marketing* 64, no. 1:1–16.

<sup>7</sup> C. Daniel, “How to Make Marketing Plans More Effective,” *Management Review* 68, no. 10 (1979): 60–61.

<sup>8</sup> See Note 5 above.

<sup>9</sup> G. E. Greenley, “An Understanding of Marketing Strategy,” *European Journal of Marketing* 23, no. 8 (1989): 45–58.

<sup>10</sup> D. Ireland and M. A. Hitt, “Mission Statements: Importance, Challenge, and Recommendations for Development,” *Business Horizons* 35, no. 3 (1992): 34–42.

<sup>11</sup> P. Kotler, *Marketing Management* (Englewood Cliffs, NJ: Prentice Hall, 2000), 718.

<sup>12</sup> James L. Nash, “Cinergy Agrees to \$1.4 Billion Clean Air Penalty,” *Occupational Hazards* 63, no. 2 (2001): 29.

<sup>13</sup> R. A. Stone, “Mission Statements Revisited,” *SAM Advanced Management Journal* 61, no. 1 (1996): 31–7.

<sup>14</sup> Procter & Gamble, <http://www.pg.com>.

<sup>15</sup> D. C. Esty and A. S. Winston, *Green to Gold* (New Haven, CT: Yale University Press, 2006), 366.

<sup>16</sup> “Consider the Alternatives,” *Economist* 375, no. 8424 (2005, April 30): 21–24.

<sup>17</sup> D. Brady, “Pepsi: Repairing a Poisoned Reputation in India,” *Business Week*, June 11, 2007, 46–54.

<sup>18</sup> Adidas, “Our Values,” <http://www.adidas-group.com/en/ourgroup/values/default.aspx> (accessed April 28, 2010).

<sup>19</sup> J. N. DeBonis, E. Balinski, and P. Allen, *Value-based marketing for bottom-line success* (New York, NY: McGraw Hill), 245.

<sup>20</sup> Timberland, “About Timberland,” <http://www.timberland.com/home/index.jsp> (accessed April 28, 2010).

<sup>21</sup> See Note 5 above.

<sup>22</sup> J. P. Peter and J. H. Donnelly, *A Preface to Marketing Management* (New York, NY: McGraw Hill), 280.

<sup>23</sup> See Note 5 above.

<sup>24</sup> J. K. Pinto and J. E. Prescott, “Planning and Tactical Factors in the Project Implementation Process,” *Journal of Management Studies* 27, no. 3 (1990): 305–327.

<sup>25</sup> S. M. Livesey, “McDonald’s and the Environmental Defense Fund: A Case Study of a Green Alliance,” *Journal of Business Communication* 36, no. 1 (1999): 5–39.

<sup>26</sup> C. L. Hartman, “Green Alliances: Strategic Relations Between Businesses and Environmental Groups,” *Business Horizons* 39, no. 2 (1996): 50–59.

<sup>27</sup> G. T. Savage and others, “Strategies for Assessing and Managing Organizational Stakeholders,” *Academy of Management Executive* 5, no. 2 (1991): 61–75.

<sup>28</sup> M. J. Polonsky, “A Stakeholder Theory Approach to Designing Environmental Marketing Strategy,” *Journal of Business and Industrial Marketing* 10, no. 3 (1995): 29–46.

<sup>29</sup> M. J. Polonsky and J. Ottman, “Stakeholders’ Contribution to the Green New Product Development Process,” *Journal of Marketing Management* 14, no. 6 (1998): 533–557.

<sup>30</sup> F. L. Reinhardt, “Bringing the Environment Down to Earth,” *Harvard Business Review* 77, no. 4 (1999): 149–158.

<sup>31</sup> R. G. Edmonson, “Exxon Valdez Spill Reaches High Court,” *Journal of Commerce* 8, no. 41 (2007): 26–27.

<sup>32</sup> “Banks Buy Into Green Revolution,” *Asiamoney* 18, no. 10 (2007): 3.

<sup>33</sup> See Note 15 above.

<sup>34</sup> “More Stockholders Exert Influence,” *Wall Street Journal*, May 15, 2008, D3.

<sup>35</sup> L. M. Salamon and H. K. Anheier, *Defining the Nonprofit Sector: A Cross National Analysis* (Manchester, England: Manchester University Press), 526.

<sup>36</sup> P. A. Argenti, “Collaborating With Activists: How Starbucks Works With NGOs,” *California Management Review* 47, no. 1 (2004): 91–116.

<sup>37</sup> L. S. Nelson, “Community Sustainability and Land Use,” *Public Administration Review* 61, no. 6 (2001): 741–746.

<sup>38</sup> G. Peters, *Waltzing With the Raptors* (New York, NY: John Wiley), 285; J. Elkington, *Cannibals With Forks* (Gabriola Island, BC: New Society Publishers), 407.

<sup>39</sup> See Note 27 above.