THE ENVIRONMENT AND MARKETING EDUCATION

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ABSTRACT

The purpose of this paper is to alert Marketing Educators to the importance of incorporating environmental and societal issues into the teaching of Marketing. We also present the development of a student environmental awareness questionnaire and the results of a pilot test among undergraduate marketing and management students at two Pacific Northwest private liberal arts universities. This research has grown out of our interest in marketing ethics and on current issues in environmental marketing and environmental management. It is a response to a shared belief that marketing education needs to include more socially responsible and environmentally aware education if students are to be prepared to function in the dematerialized economy of the future.

ENVIRONMENTAL CRISIS: WHERE DOES MARKETING FIT IN?

Almost any survey of the current business literature will reveal that environmental concerns are among the greatest strategic problems facing marketers. These are issues concerned with how business, government, and other institutions relate with the natural environment, and how society is dealing with these issues. In many ways, these issues constitute a crisis in morality for management, and in some ways, this is bringing about a revolutionary change in management thinking, strategic planning and marketing decision-making.

As a result, today, more than ever in the past, environmental pressures are placing extensive constraints upon the limits of strategic business options. Because most of these issues are directed at changing consumption patterns, they have a direct impact upon marketing. Some will result in new business opportunities; others will require costly changes that will drive some firms out of business entirely. All require changes in the way marketers conduct their business. For example, reducing materials and packaging, the process known as ‘dematerialization’, means that new products and packaging methods and materials must be developed (Marvin, 1997; Pestel and Ringou, 1998). Recycling legislation already requires investment in non-revenue producing transportation, salvage and re-use facilities. Air pollution and highway gridlock mean that billions must be invested in new and different logistics and distribution systems.

There is no way of avoiding these issues; not dealing with them will result in even greater damage and greater cost in the very near future. Marketers are particularly affected: environmental pressures require new products, new services, new packaging, new distribution techniques and processes, among other changes. In addition, marketers must help to change consumers’ consumption patterns.

Some of the greatest criticisms marketing has had to live with in the past has been a reputation for producing goods that were not really ‘needed,’ that had a useful life artificially shortened by planned obsolescence, or that produced excessive waste, either in production or consumption. In other words, it sometimes seems that marketers have had to shoulder the bulk of the blame for most of the world’s waste. Whether those criticisms are based in fact or are false, most marketers agree that they cannot operate the way they once did.

Many firms have made the first steps toward what is called ‘green marketing.’ However, today it is not enough to simply put a ‘green’ label on a package while continuing to function in the same way the firm has for years. Instead, many firms must develop proactive, comprehensive, and often costly strategies for functioning in a ‘dematerialized’ economy. And even though many of the methods of dealing with environmental issues can be costly, environmental marketing must not be considered simply a cost; it offers significant benefits as well.
Firms with proactive environmental marketing may gain significant competitive advantage in the green marketplace of the future (Porter and Van der Linde, 1995; Post et al., 1999).

IMPORTANCE OF THESE ISSUES

Some of these environmental issues are critically important and require immediate action. Others are of lesser importance and may be given a lower priority. Businesses, along with consumers and government regulators, must determine which issues are most important to the environment and their stakeholders.

Given the heightened global competition resulting from demand for limited and declining resources, increasing degradation of the natural environment, limited information about how and why to deal with the issues, and conflicting priorities, how should marketers direct their organization into the future? What should government do, if anything? What decisions must be made if we are to avoid global conflict while maintaining desire levels of economic prosperity, with employment for all who desire it?

Today, we have come to believe that trees, rivers, species, air and water - entire ecosystems - have a value that is independent of the instrumental value they may have for humans. Our concern for the environment has expanded to include questions about our obligations to future generations. Do we need to use less? Should we save? Is the earth already dangerously overpopulated?

More and more consumers are answering 'Yes' to these questions. In Europe, for example, marketers are finding themselves forced to 'dematerialize' so that sustainable economic growth can occur without further degradation of the environment.

In some ways, this is bringing about a revolutionary change in management thinking, strategic planning and marketing decision-making. In turn, we must respond by altering the content of our marketing courses.

THE ENVIRONMENT AND EDUCATION

Why do Marketing Educators need to be concerned?

Since the marketing managers of the future are the college and university students of today, it is our responsibility as educators to ensure that our students are aware of the benefits and costs of marketing in an environmentally safe and enhancing manner. Therefore we must examine the content and emphasis of our marketing courses.

Our students have been hearing about the environmental problems from their first school days, and in many ways they may be more sophisticated in their environmental thinking than we are. As we consider introducing environmental concerns into marketing it behooves us to determine how we have been doing as educators and to develop effective instructional programs in environment-enhancing marketing.

Development of an Environmental Awareness Questionnaire

We report here the development of an environmental and social issues questionnaire to assess students' awareness, interest and concern on a wide variety of environmental and societal concerns, and the pilot test of the questionnaire. Our thought is that classroom discussions and instructional strategies for covering gaps in students' knowledge can be developed after administering the questionnaire at the beginning of a course.

Our first step in developing an instrument for measuring student's awareness and interest of environmental issues was to examine the literature to determine the most critical issues facing marketers. Several surveys of consumers' attitudes have resulted in different lists of concerns and action priorities. A survey of the literature revealed that little agreement exists on the most important environmental problems facing business and society. Equal diversity of opinion exists on preferred solutions for these environmental problems, as well as the "price" people are willing to pay for those solutions. We turned to a number of different sources to guide us in the development of the questionnaire.

We examined the Coalition for Environmentally Responsible Economics called the 'Valdez Principles', which is a response to the Exxon Valdez Alaska oil spill. This list of principles calls for protection of the biosphere, sustainable resource use, waste management, energy efficiency, risk reduction, the environmental impacts of products, damage compensation, disclosure of hazards, the appointment of environmental directors, and regular environmental audits. Berry Nash (1992) examined the Ethics Codes of European and U.S. firms and found that "environmental responsibility" was high of the list of topics covered in the firms' codes of conduct. In
both the U.S. and European, it was fourth in order of the frequency of mentions.

Berry (1993), reporting on a proposed 'Code of Environmental Practice', identified the following as major environmental issues: Global warming, destruction of the ozone shield, acidification of land and water, desertification and soil loss, deforestation and forest decline, diminishing productivity of land and waters, and extinction of species and populations.

Farhar (1994) reported results of an issue-specific (energy) study on trends in consumers' concern over environmental issues. In a general question Farhar found that many people believe their environmental quality is declining rather than improving. The percentage of people indicating that they believed the environment was worse increased by 19 percentage points. Farhar also reported that U.S. Environmental Protection Agency (EPA) perceptions of environmental problems differ from the opinions of the general public. In 1992, the EPA listed the following as the most important environmental problems: stratospheric ozone destruction, air pollution, the greenhouse effect, radon, drinking-water contamination, and pesticide risk to farm workers. The public was more likely to note local problems, such as super-fund pollution sites, air and/or water pollution, and the like. He cited a 1989 poll which asked the public what they felt to be the most important problem facing the environment. A majority (52%) selected 'quality of the atmosphere'; 22% said water quality; 19% said 'solid waste'; 10% said toxic materials; and 18% said other items. Polls in 1989, 1990 and 1991 revealed that approximately 60 percent of respondents reported they were 'very concerned' about global warming. In a 1993 poll 97 percent of a League of Women Voters group reported that global warming constituted a 'real environmental threat.'

Similar findings regarding energy issues were reported by Kempton (1993): a series of polls taken since 1980 has shown that the public's awareness and concern over the environment has increased every year. Kempton also cited a 1990 poll in which Americans were asked, "Do you consider yourself to be an environmentalist or not?" More than three-fourths of the respondents said that they did, while 24% said they were not.

May and Nash (1996) report that increasing urban transportation congestion is a major cause of environmental problems, as well as contributing to delays in movement. In addition to increased consumption of fuel, higher emissions from traffic congestion cause damage to buildings and are injurious to health. At the regional and international level, they contributed to acid rain and global warming.

Ritov and Kahneman (1997) reported results from a more recent poll in which more than 65 percent of Americans surveyed in 1994 reported that the label 'environmentalist' applied to them. Respondents differed widely in which environmental issue was of most concern, and also differed greatly on what they would give up to the right redress. Their study included a variety of animal and plant species, ecological damage items, public health concerns, and miscellaneous items such as historic buildings and earthquake safety.

In a study on the amount of risk Britons perceived from a list of adverse events and ecological disasters, Paul Slovic (1997) found widely different responses between females and males, and ethnic origin. Heading the list of items provided by the British Toxicological Society was nuclear waste and nuclear power reactors, outdoor air pollution, alcoholic beverages and suntanning. At the low-risk end of the 29-item list were food irradiation, motor vehicle accidents, radon at homes, chemical pollution in the workplace, and burning fossil fuels.

These and other sources were used to develop a comprehensive 65-item awareness and importance questionnaire. It was divided into three sections: 1) a list of 45 environmental and social concerns, 2) 20 items soliciting respondents' level of agreement to statements for dealing with the issue(s), and 3) ten classification items. In section one of the questionnaire, response categories to the 45 environmental and social concerns section included 'Not at all Important', 'Slightly Important', 'Moderately Important', 'Very Important', 'Absolutely Critical' and 'Not Familiar with this issue'. A 5-point Likert scale (Strongly Agree to Strongly Disagree) was used in section two that contained statements dealing with environmental and social issues.

The instrument was developed during winter and spring 1998, and pre-tested with several groups of marketing and management students during the summer of 1998. The major change to the instrument resulting from pre-testing was a revision of the response scale: a sixth response, 'Not familiar with this issue' was added to the scale. The revised questionnaire was administered to a convenience sample of approximately 80 undergraduate business school students at our two universities during fall 1998.
Results of the Pilot Test

From the first section of the questionnaire containing the 45 environmental and social concerns, the issue that was of the greatest concern to our students was 'chemical pollution in the environment'. 'Crime and Violence' and 'Nuclear Wastes' were tied for second place. Interestingly, the next most important issue of concern to our students was 'loss of rainforests'. The environmental and social issues that were of least concern to our students were high voltage power lines, medical X-rays and abortion.

A cursory examination of demographic variables associated with differences in scores showed that on average, females were more concerned with the issues than males, and non-US citizens were more concerned with the environment than their American classmates. (Interestingly, US and non-US students did not vary in their scores on the 'rainforests' issue.) Age did not appear to have an impact.

The second section of the questionnaire, soliciting agreement/disagreement with statements about environmental issues and how they are being handled, revealed that the highest score of agreement was with the statement 'Business corporations are guilty of negligence in environmental matters'. The second highest agreement score was for the statement 'I would be willing to pay more for food and housing if I knew it would improve the environment'. The highest disagreement score was for the statement 'AIDS is not the problem here that it is in Africa and Asia'.

Again, looking at how demographic variables might be associated with differences in scores, we found very little difference between males and females. In examining country of citizenship, the number one statement of agreement for US citizens was that 'Business corporations are guilty of negligence in environmental matters' while the number one statement of agreement for non-US citizens was 'I would be willing to pay more for food and housing if I knew it would improve the environment'. The number one statement of disagreement for US citizen was 'AIDS is not the problem here that is in Africa and Asia', while the number one statement of disagreement for non-US students was 'Global warming is not the problem politicians are making it out to be'. Looking at how age influenced agreement scores, we found exactly the same pattern of agreement and disagreement for younger (20 years or younger) versus older (over 20 years) as for US and non-US students.

As can be seen, any of these findings could launch an interesting classroom discussion. For instance, 'Why are Americans less concerned with the environment than non-US citizens?', or 'Why are Americans and younger people less willing to pay more for environmental-friendly products than non-US citizens and older folks?'. Or, students could be asked to research and write a paper on the issues that were of greatest (or least) concern to them. The questionnaire could also be used to determine gaps in students' knowledge, and discussions could be centered on those issues. Interesting comparisons between younger and older, male and female, and domestic versus international could also lead to stimulating discussions and assignments.

SUMMARY AND CONCLUSION

We feel that environmental and societal issues are becoming more and more important to marketing managers and that we, as marketing educators, must include these issues and concerns in our teaching. We have presented some issues that we feel are important to consider, and hope we have stimulated your interest in exploring others.

We are suggesting that you might administer our environmental and societal issues questionnaire at the beginning of your marketing course, and use the results as a basis for classroom discussion and to determine students' areas of concern and/or lack of knowledge. We will have our questionnaire available at the 1999 WMEA conference for distribution to those who are interested. We will be gathering more data, and will have more results and statistical analyses to share.

References upon request.