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On: 23 April 2015, At: 06:22

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK

Journal of Global Academy of Marketing Science

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/rgam19>

Seeking a Better Place: Sustainability in the CPG Industry

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Published online: 03 Apr 2012.

To cite this article: Molly Inhofe Rapert, Christopher Newman, Seong-Yeon Park & Eun Mi Lee (2010) Seeking a Better Place: Sustainability in the CPG Industry, Journal of Global Academy of Marketing Science, 20:2, 199-207, DOI: [10.1080/12297119.2010.9730192](https://doi.org/10.1080/12297119.2010.9730192)

To link to this article: <http://dx.doi.org/10.1080/12297119.2010.9730192>

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Seeking a Better Place: Sustainability in the CPG Industry

追寻更好的地方：有包装的消费品的产业的可持续发展

Molly Inhofe Rapert^{1)*}, Christopher Newman²⁾, Seong-Yeon Park³⁾, Eun Mi Lee⁴⁾

Abstract

For us, there is virtually no distinction between being a responsible citizen and a successful business... they are one and the same for Wal-Mart today.” ~ Lee Scott, Wal-Mart CEO after the 2005 Katrina disaster; cited in Green to Gold (Esty and Winston 2006).

Lee Scott's statement signaled a new era in sustainability as manufacturers and retailers around the globe watched the world's largest mass merchandiser confirm its intentions with respect to sustainability. For decades, the environmental movement has grown, slowly bleeding over into the corporate world. Companies have been born, products have been created, academic journals have been launched, and government initiatives have been undertaken – all in the pursuit of sustainability (Peattie and Crane 2005). While progress has been admittedly slower than some may desire, the emergence and entrance of environmentally concerned mass merchandisers has done much to help with sustainable efforts.

To better understand this movement, we incorporate the perspectives of both executives and consumers involved in the consumer packaged goods (CPG) industry. This research relies on three underlying themes: (1) Conceptual and anecdotal evidence suggests that companies undertake sustainability initiatives for a plethora of reasons, (2) The number of sustainability initiatives continues to increase in the consumer packaged goods industries, and (3) That it is, therefore, necessary to explore the role that sustainability plays in the minds of consumers.

In light of these themes, surveys were administered to and completed by 143 college students and 101 business executives to assess a number of variables in regards to sustainability including willingness-to-pay, behavioral intentions, attitudes, willingness-to-pay, and preferences. Survey results indicate that the top three reasons why executives believe sustainability to be important include (1) the opportunity for profitability, (2) the fulfillment of an obligation to the environment, and (3) a responsibility to customers and shareholders. College students

identified the top three reasons as (1) a responsibility to the environment, (2) an indebtedness to future generations, and (3) an effective management of resources. While the rationale for supporting sustainability efforts differed between college students and executives, the executives and consumers reported similar responses for the majority of the remaining sustainability issues.

Furthermore, when we asked consumers to assess the importance of six key issues (healthcare, economy, education, crime, government spending, and environment) previously identified as important to consumers by Gallup Poll, protecting the environment only ranked fourth out of the six (Carlson 2005). While all six of these issues were identified as important, the top three that emerged as most important were (1) improvements in education, (2) the economy, and (3) health care.

As the pursuit and incorporation of sustainability continues to evolve, so too will the expected outcomes. New definitions of performance that reflect the social/business benefits as well as the lengthened implementation period are relevant and warranted (Ehrenfeld 2005; Hitchcock and Willard 2006). We identified three primary categories of outcomes based on a literature review of both anecdotal and conceptual expectations of sustainability: (1) improvements in constituent satisfaction, (2) differentiation opportunities, and (3) financial rewards. Within each of these categories, several specific outcomes were identified resulting in eleven different outcomes arising from sustainability initiatives. Our survey results indicate that the top five most likely outcomes for companies that pursue sustainability are: (1) green consumers will be more satisfied, (2) company image will be better, (3) corporate responsibility will be enhanced, (4) energy costs will be reduced, and (5) products will be more innovative.

Additionally, to better understand the interesting intersection between the environmental “identity” of a consumer and the willingness to manifest that identity with marketplace purchases, we extended prior research developed by Experian Research (2008). Accordingly, respondents were categorized as one of four types of green consumers (Behavioral Greens, Think Greens, Potential Greens, or True Browns) to garner a better understanding of the green consumer in addition to assisting with a more effective interpretation of results.

We assessed these consumers' willingness to engage in eco-friendly behavior by evaluating three options: (1) shopping at retailers that support environmental initiatives, (2) paying more for products that protect the environment, and (3) paying higher taxes so the government can support environmental initiatives. Think Greens expressed the greatest willingness to

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change, followed by Behavioral Greens, Potential Greens, and True Browns. These differences were all significant at $p < .01$.

Further Conclusions and Implications

We have undertaken a descriptive study which seeks to enhance our understanding of the strategic domain of sustainability. Specifically, this research fills a gap in the literature by comparing and contrasting the sustainability views of business executives and consumers with specific regard to preferences, intentions, willingness-to-pay, behavior, and attitudes.

For practitioners, much can be gained from a strategic standpoint. In addition to the many results already reported, respondents also reported than willing to pay more for products that protect the environment. Other specific results indicate that female respondents consistently communicate a stronger willingness than males to pay more for these products and to shop at eco-friendly retailers. Knowing this additional information, practitioners can now have a more specific market in which to target and communicate their sustainability efforts.

While this research is only an initial step towards understanding similarities and differences among practitioners and consumers regarding sustainability, it presents original findings that contribute to both practice and research. Future research should be directed toward examining other variables affecting this relationship, as well as other specific industries.

Keywords: Sustainability, Consumer packaged goods (CPG) industry, Profitability, Responsibility to the Environment, Responsibility to Consumers and Shareholders

摘要

“对我们而言，成为一名负责的公民和一份成功的事业之间没有区别……他们对今天的沃尔玛是完全一样的。”Lee Scott, 沃尔玛的CEO在2005年卡崔琳娜飓风灾难之后(Esty and Winst-on 2006)

Lee Scott的声明标志着可持续发展的一个新的时代。作为一个被全球生产商和零售商所关注的全世界最大规模的经销商确认了他们的可持续发展的意图。近十年来，环保运动不断增长，并扩展到全世界。公司已经诞生，产品已被创造，学术期刊已经展开，政府已经承诺——所有这一切都在追求可持续发展(Peattie and Crane 2005)。虽然进展的确比一些人渴望的慢了一些，但是很多大规模的经销商已经为环保做出了可持续发展的努力。

为了更好的理解这个运动我们同时提供高管和消费者参与的有包装的消费品产业的角度。该研究依赖于三个潜在主题：(1)概念和证据表明，公司为很多理由进行可持续发展(2)在有包装的消费品行业中，可持续发展活动的数量在持续增长(3)，因此，必须探索可持续发展在消费者意识中起的作用。

根据这些主题，143名大学生和101名企业高管参加了调查来评估一系列的有关可持续发展的变量包括愿意支付，行为意图，态度和偏好。结果显示高层管理者相信可持续发展的三个最主要的原因是(1)盈利能力的机会；(2)以实现对环境的义务；(3)对顾客和股东负责。大学生的三大原因：(1)对环境的责任；(2)为子孙后代负责，和(3)：一种有效的管理资源。虽然企业高管和大学生对支持可持续发展的理由不同，但是企业高管和消

费者的报告显示了对剩下大部分的可持续发展问题的相似性。

另外，当我们要求消费者去评估6个关键问题的重要性时(医疗保健、经济、教育、犯罪、政府支出、和环境)，保护环境仅排在第四位(Carlson 2005)。这6个问题都被认为是重要的，三个最重要的是(1)改善教育；(2)本地地区的经济发展，以及(3)卫生保健。

为了可持续发展的持续性，我们也将预期结果。反映社会、企业利益表现的新定义和执行期的延长同样被揭示出来(Ehrenfeld 2005; Hitchcock and Willard 2006)。基于文献我们发现了三个基本范畴的结果：(1)改进组成的满意度，(2)分化的机会，以及(3)金融奖励。在每一种分类中，我们发现从可持续发展活动中导致11种不同结果的几个特定的结果。我们的调查结果表明，最有可能的结果最高的前五项依序为公司的可持续发展追求的是：(1)绿色的消费者将会更令人满意；(2)公司形象会更好；(3)公司的责任将得到加强；(4)会降低能源成本；(5)产品将会更多的创新。

另外，为更好的理解消费者的环境“身份”和在市场购买中愿意显示出这个“身份”的有趣的交集，我们扩展了以前Experian Research (2008) 的研究。因此，受访者分为四个不同类型的绿色消费者(行为绿色，想法绿色，潜在绿色，或真正褐色)来获得更好的理解绿色消费者。我们评估这些消费者愿意从事环保行为评估三种选择。(1)购物零售商支持环保措施；(2)支付更多来保护环境，以及(3)支付更高的税收，政府可以支持环保措施。想法绿色消费者表示最愿意改变，紧随其后的是行为绿色消费者，潜在绿色消费者和褐色消费者。这些差异都是显著的($p < .01$)。

结论和启示

我们采用描述性研究，旨在促进我们理解战略领域的可持续性。确切地说，该研究以特定的偏好，意图，愿意支付，行为和态度填补了进行比较与对比的持续性的商业管理者和消费者意见的文献的空白。

对从业人员，能获得一个战略观点。此外，许多结果已经说明，受访者愿意为产品付出更多来保护环境。其他特定的结果表明，女性受访者始终比男性强愿意交流，为这些产品付更多的钱，在环保的零售商。了解这些额外的信息，实践者现在有了更多的特定市场，对目标和交流他们为可持续发展所做出的努力。

虽然这项研究仅仅是最初的一步了解实践者和消费者对于可持续发展的异同，我们的结果对实践与研究都有帮助。未来的研究应向测试其他变量的影响关系，以及其他特殊行业。

关键词：可持续性，有包装的消费品产业，收益性，对环境的责任，对消费者以及投资者的责任

1. Introduction

“What would it take for Wal-Mart to be that company, at our best, all the time? What if we used our size and resources to make this country and its earth a better place for all of us: customers, associates, our children, and generations unborn? What would that do? Can we do it? For us, there is virtually no distinction between being a responsible citizen and a successful business... they are one and the same for Wal-Mart today.”

Lee Scott, Wal-Mart CEO after the 2005 Katrina disaster

Lee Scott's statement signaled a new era in sustainability as

manufacturers and retailers around the globe watched the world's largest mass merchandiser confirm wholeheartedly its intentions with respect to sustainability. For decades, the environmental movement has grown, slowly bleeding over into the corporate world. Products have been launched, companies born, and conferences attended – all in the pursuit of sustainability (Peattie and Crane 2005). Yet, progress had admittedly been slow but steady until the mass merchandisers entered the sustainability arena, impacting the entire supply chain of distribution.

While practitioners have embarked on this journey, research efforts have been slow to follow. To that end, we endeavor to increase our understanding of sustainability initiatives, incorporating the perspectives of both consumers and executives who work in the consumer packaged goods (CPG) industry. This research effort relies on three underlying themes: (1) the incorporation of sustainability initiatives continues to increase in the consumer packaged goods industries, (2) conceptual and anecdotal evidence suggests that companies pursue sustainability for a wide variety of reasons, and (3) that it is incumbent upon us to explore the role that sustainability plays in the minds of consumers.

1.1. Theme 1: Sustainability Initiatives Continue to Increase

Sustainability has been incorporated throughout many CPG companies, impacting research and development of innovative product designs, merchandising assortments, supply chains, operational efforts, and more. Rigby and Bager (2008) highlight many of the innovative sustainability initiatives that have occurred in recent years under the stewardship of companies such as GE, Timberland, Unilever, and General Mills. GE has been one of the most visible players in this arena, recently developing its Ecomagination line of business which relies on the belief that financial and environmental performance can co-exist. They have created a Chief Sustainability Officer role in the firm and have committed to grow revenues from products that provide significant environmental performance advantages to customers. The Timberland Company has developed biodegradable boots, listing the manufacturing-related carbon footprint of fossil fuel usage on every shoebox. Unilever redesigned their Suave shampoo container, estimating a savings equivalent of 15 million bottles. General Mills claims to have eliminated the need for 500 delivery trucks per year as a result of shrinking the packaging of Hamburger Helper products.

While sustainability initiatives continue to increase, research has been slower to follow. A review of the extant literature reveals publications that explore critiques of green marketing (Peattie and Crane 2005), the role of initiatives related to corporate responsibility (Barrett 2009; Esteban 2008; Kama, Hansen, and Juslin 2003), socially responsible supply chains (Carter and Rogers 2008), links between marketing and sustainability (Jones, Clarke-Hill, Comfort, and Hillier 2008;

Brennan and Binney 2008), public relations issues (Signitzer and Prexl 2008), striking a balance between sustainability and business profitability (Bryson and Lombardy 2009), and market responses to sustainability certification/labeling (Harris 2007). In addition, recent studies have examined the importance of eco-labels on consumer behavior, providing evidence that labeling can be effectively used to not only educate consumers but also to motivate purchase behavior (Sammer and Wustenhagen 2006; Banerjee and Solomon 2003; Gallastegui 2002; de Boer 2003; Truffer et al 2001).

1.2. Theme 2: The Corporate Side of Sustainability

There is no one singular paradigm that fully explains the dynamics of sustainability. Rather, there are a variety of useful lenses through which executives and consumers view sustainable initiatives. While it is beyond the scope of this paper to develop a holistic integration of the sustainability issues, it is worthwhile to describe some of the most recent delineations of the reasons for pursuing sustainability initiatives.

Albino, Balice and Dangelico (2009) describe three main reasons that companies “go green”: legitimacy, social responsibility, and competitiveness. The concept of legitimacy includes compliance with legislation, conducting environmental audits and developing networks with the local communities. The second motivation for sustainability arises from the concerns that companies have for social obligations and values (Daub and Ergenzinger 2005). Third, sustainability should also be seen as an opportunity to improve competitiveness, accruing benefits such as increased efficiency, enhanced return on investment, increased sales, improved image, and other positive outcomes. As Frankel (1998, p. 81) states, “Some businesses focus on sustainability because of government regulations. Others focus on it because they think it is the responsible thing to do. Finally, many companies are beginning to think of sustainability as a key strategy for profitability.” Similarly, Ribgy and Bager (2008, page 25) maintain, “In the midst of debates over global warming and the environmental effects of fuel-hungry emerging economies, some companies are regarding sustainability as an opportunity to create a competitive advantage”.

Cohen and Warwick (2006) suggest three avenues by which sustainability efforts can be manifested: providing products/services that improve the quality of life in their communities, investing the profits they earn in social or environmental causes, and conducting the operations of the firm in a responsible manner. These options are indeed being pursued, as companies respond effectively to the environmental sustainability challenges receiving so much attention in personal, media, pop culture, and public policy domains.

1.3. Theme 3: The Consumer Side of Sustainability

The environmental movement has impacted consumers profoundly, creating new networks of volunteers and new causes around which to rally. However, evidence has been mixed with respect to the responsiveness of consumers in the marketplace. This is a critical gap given estimates that \$500 billion was spent in 2008 on eco-friendly products. Experian Research (2008) explored the interesting intersection between the environmental “identity” of a consumer and the willingness to manifest that identity with marketplace purchases. Their study identified four types of green consumers: Behavioral Greens, Think Greens, Potential Greens, and True Browns. Behavioral Greens are consumers who think and act green while having negative attitudes towards products that pollute the environment. They incorporate green practices on a regular basis. Think Greens are individuals who think like green consumers and may recycle but don’t always act or buy green. Potential Greens are indecisives, people who don’t behave or think along environmentally conscious lines and remain on the fence about green issues. Finally, True Browns are consumers who aren’t environmentally conscious and may even have negative attitudes towards those with a heavy environmental focus.

The “greenness” of consumers is important in that one group may behave differently than another with respect to information searches, decision making processes, media consumption patterns, and willingness to change habits (Ryan 2007). Grant (2008) identifies a continuum of three levels of change that consumers are willing to undertake. First, he suggests that approximately 10% of the population is willing to adopt “dark green” lifestyles, engaging in composting and micro-generation efforts. “Light green changes” are of interest to 20-40% of the population, driving smaller cars, taking fewer flights. Finally 60-80% of the population falls in the “no brainer” category, turning down thermostats to save energy. While studies of these environmental behaviors have emerged over the years, the increased role of sustainability initiatives in the consumer packaged goods industry necessitates a closer look at the viability of sustainability initiatives in this marketplace.

The examples abound of how the incorporation of sustainability initiatives continues to increase in the consumer packaged goods industries. Further, conceptual and anecdotal evidence suggests that companies pursue sustainability for a wide variety of reasons. Accordingly, a closer look is warranted with respect to the role that sustainability plays in the minds of consumers and executives.

II. Research Methodology and Findings

This study is undertaken using two main domains of respondents: executives who work in the consumer packaged goods industries and college students attending a university in the southeastern United States. While the domain of the college students is limited to one university, the executives represent a wide variety of firms ranging from small businesses to

some of the largest names in the industry such as ConAgra, Group Danone, Del Monte, Hershey, IBM, Kimberly-Clark, Mars, Nestle, Nice-Pak, Procter & Gamble, Purina PetCare, JM Smuckers, Tyson Foods, Unilever, and US Tobacco.

The survey was administered to 150 college students and 143 completed the survey, a response rate of 95%. The survey was initially administered to forty executives, thirty-nine of whom completed the survey and then forwarded the survey to industry colleagues, resulting in a sample of 101 executive responses. The combined sample size of college students and executives resulted in a domain of 244 respondents. Respondents completed an online survey utilizing Qualtrics.

Overview of Respondents. Table 1 provides an overview of the sample respondents. The sample is fairly even split between males and females, while skewed slightly higher towards college students (58%) compared to executives (42%). Looking at the executive pool, the individuals have accumulated an average of 12.6 years of experience, with experience ranging from entry level to upper level management with more than thirty years of experience.

Table 1. Demographic profile of respondents (n=244)

	% of respondents
Gender	
Male	51%
Female	49%
Domain	
Executives	42.4%
College students	57.6%
Years of work experience for executives:	
1 to 5 years	32.6%
6 to 10 years	16.2%
11 to 15 years	16.3%
16 to 20 years	14.0%
21 to 25 years	13.9%
30 years or more	7.0%

2.1. Research Issue 1: Exploring the Role that Sustainability Plays in the Mind of the Consumers

Caruana (2007) built a compelling case that descriptive studies should be undertaken to increase our understanding of sustainability issues, seeking to better understand the implications association with sustainability practices and processes. To that end, we attempted to benchmark some general aspects of sustainability’s role, including an importance ranking of sustainability compared to five other key issues, while drilling deeper into assessing the perceived condition of the natural environment.

Gallup Poll, one of the world’s leading consumer data providers, identified six key issues which are of interest to consumers in the United States: crime, economy, education, environment, government spending, and health care (Carlson 2005). The relative importance of these issues is assessed using a

five-point, likert scale ranging from “1 = not at all important” to “5 = extremely important”. As shown in Table 2, all six of these issues are identified as important, with the top three most important emerging as improvements in education, the economy, and health care. Protecting the environment ranked fourth out of the six, with an average response of 4.26. Only one gender-based difference is identified: females ranked “protecting the environment” of marginally higher importance than males. College students and executives evaluated these comparably.

Table 2. Importance of Issues

	Mean(stddev)
Improving education	4.76 (.626)
Improving the economy	4.65 (.666)
Improving health care	4.34 (.877)
Protecting the environment	4.26 (.871)
Lowering crime rates	4.14 (.867)
Cutting government spending	4.07 (.827)

1 = not at all important and 5 = extremely important

Protecting the environment clearly emerges as an issue of importance to consumers and executives, motivating further exploration of their perceptions of the environment in the past, present, and future. Table 3 reveals that over half of the respondents (57%) believe the environment is worse today than ten years ago. No respondents believe the environment today is excellent and over half (56%) believe it is fair. One-quarter of the respondents believe the environment will be better in 10 years, while 38% believe it will be about the same and 36% believe it will be worse. These perceptions are similar to those founds in national studies (Saad 2006, 2005). There are no significant differences between executives/students or males/females.

Table 3. Perceptions of the natural environment

	% of respondents
Compared to ten years ago	
Worse	57%
About the same	33%
Better	10%
The condition today is	
Very poor	04%
Poor	25%
Fair	56%
Good	15%
Excellent	00%
Thinking ahead ten years from now	
Worse	36%
About the same	38%
Better	26%

2.2. Research Issue 2: Assessing the Presence and Impact of ‘Green’ Consumers

As discussed previously, several archetypes of green consumers have been proposed over time. Of particular interest to this

study is Experian’s delineation of the green consumer as a hybrid of an individual’s environmental identity and behaviors as a consumer. As Table 4 indicates, the majority of respondents (77.8%) are Think Greens, consumers who are worried about the environment but whose concern does not always translate into the marketplace. These consumers may recycle but do not act or buy green with regularity. Only a small percentage of respondents (6.2%) incorporate green practices as a part of their daily purchase and consumption pattern. Exploring the presence of these four groups, there are no subgroup differences identified between executives and college students. However, each group did vary based on gender. Females are more likely to self-report as Think Greens while males skewed higher than females with respect to Behavioral Greens, Potential Greens, and True Browns.

Table 4. Four Types of green consumers

	Behavioral Greens 6.2%	Think Greens 77.8%	Potential Greens 14.4%	True Browns 2.5%	
Environ. Conscious	Consumers who think green & have negative attitudes about products that are not eco-friendly; regularly behave green	Think like green consumers and may recycle but don’t always act or buy green	Indecisives who don’t behave/think along environmentally conscious lines and remain on the fence about green issues	Not environmentally conscious and may actually have negative attitudes towards those with a heavy environmental focus	Not environ Conscious
	male v fem 7 v 5	male v fem 67 v 87	male v fem 21 v 8	male v fem 5 v 0	

*gender differences significant at $p < .01$

Next, we combined the presence of four types of green consumers with the relative importance of the six national issues (crime, economy, education, environment, government spending, and health care). While consumer/environmental identity types responded similarly across four issues, there are subgroup differences with respect to improving the economy and protecting the environment. Behavioral Greens ranked “improving the economy” as more important than Think Greens, followed by True Browns, then Potential Greens. Not surprisingly, Behavioral Greens provided the highest importance rating for “protecting the environment”, followed by Think Greens, Potential Greens, then True Browns.

Consumers are faced with many opportunities at the shelf to vote with their environmental identity. These decisions are not limited simply to selection of products, but also extend into selection of retail channels of distribution and governmental support through public policy. Exploring these three options, we assessed a respondent’s willingness to engage in eco-friendly behavior. As show in Table 5, three options are evaluated: paying higher taxes so the government can support environmental initiatives, paying more for products that protect the environment, and shopping at retailers that support environmental initiatives. These options are evaluated using a 5-point,

likert scale ranging from “1 = extremely unwilling” to “5 = extremely willing”. While sentiment towards all three options is best summarized as “neutral”, paying more for products that protect the environment emerged at the top, with an average answer of 3.46. Paying higher taxes and shopping at sustainable retailers followed closely at average answers of 2.97 and 2.90 respectively.

Compared to their male counterparts, females consistently report a stronger willingness to pay more for products and shop at eco-friendly retailers. There are modest but consistent subgroup differences in these questions based on the identities of green consumers. For each of the three behavioral changes, Think Greens express the greatest willingness to change, followed by Behavioral Greens, Potential Greens, and True Browns. These differences are all significant at $p < .01$.

Table 5. Willingness to Change Behavior

	Mean(stddev)
Pay more for products that protect the environment	3.46 (4.00)
Pay higher taxes so government can support environmental initiatives	2.97 (3.00)
Only shop at retailers that support sustainable initiatives	2.90 (3.00)

1 = extremely unwilling and 5 = extremely willing

2.3. Research Issue 3: Identifying the Perceived Likely Outcomes for Firms that Pursue Sustainability

As the pursuit and incorporation of sustainability continues to evolve, so will the likely outcomes to be achieved. New definitions of performance that reflect the social/business benefits as well as the lengthened implementation period are relevant and warranted (Ehrenfeld 2005; Hitchcock and Willard 2006). Based on the literature review of both anecdotal and conceptual expectations of sustainability, three primary categories of outcomes are identified: improvements in constituent satisfaction, financial rewards, and differentiation opportunities. For constituent satisfaction, four groups are incorporated: firm employees, shareholders, customers, and “green” customers.

Table 6. Likely Outcomes for Companies that Pursue Sustainability

	Mean(stddev)
Constituent Satisfaction	4.60 (.618)
Green customers are more satisfied	3.73 (.805)
Customers are more satisfied	3.56 (.815)
Shareholders are more satisfied	3.50 (.878)
Employees are more satisfied	3.50 (.878)
Financial Rewards	
Reduction in energy costs	4.14 (.798)
Reduction in operational expenditures	3.53 (1.03)
Company sales are higher	3.39 (.854)
Company profits are higher	3.23 (.966)
Opportunities for Differentiation	
Company image is better	4.56 (.589)
Enhanced corporate responsibility	4.23 (.820)
Products are more innovative	4.02 (.794)

1 = extremely unwilling and 5 = extremely willing

With respect to financial rewards, four aspects are included: reduced operational expenses, reduced energy costs, higher sales, and higher profits. Finally, the opportunities for differentiation encompassed enhanced corporate responsibility perceptions, products seen as more innovative, and improved firm image. Each of these outcomes is assessed using a 5-point, likert scale ranging from “1 = strongly disagree the outcome would occur” and “5 = strongly agree the outcome would occur”. Results are summarized in Table 6. As indicated by the average answers, all eleven outcomes surpassed the threshold of neutrality. For constituent satisfaction outcomes, the most likely outcome is the satisfaction of green consumers (average of 4.60), followed by customers (3.73), Shareholders (3.56),

Table 7. Key Themes identified by executives when asked “Should sustainability be a big focus for companies?”

Key Themes	Sample Verbatim Quotes
Profitability	<ul style="list-style-type: none"> “Not only does it improve a company’s social image, but it can also positively impact the bottom line”. “Increased efficiency and less waste reduce fuel and packaging costs, and environmentally friendly products create a new marketplace, thus impacting the bottom line”. “There are tremendous cost savings that can be realized, which if passed on to the customer, can feed back into social sustainability by giving shoppers more discretion with their disposable income”.
Responsibility to the environment	<ul style="list-style-type: none"> “Everyone has a responsibility to sustain our planet. Companies, as a collection of individuals, have more opportunities, and thus, more responsibility in these efforts”. “Companies need to feel the pressure to make products that are better for the environment, forcing consumers to consume with the environment in mind...If they do and focus on products that are better for the environment everyone will be surprised at what we can do for our world”. “Consumers and shareholders are now demanding that companies think about the impact they have on the environment. In turn, companies are coming up with innovative ways to develop products and services that are more environmentally-friendly. The result is a win-win for both the companies and the environment”.
Responsibility to consumers and shareholders	<ul style="list-style-type: none"> “Yes, but only to the extent it aligns with creating shareholder value”. “I think serving our customers to the best of our ability should be our focus. If they want sustainability, we should lead the way”. “Significantly improving sustainability will have to become a profitable business strategy in order to drive adoption across all stakeholders”.
Ethicality	<ul style="list-style-type: none"> “It is ethically, morally, and politically the right thing to do”. “It is the right thing to do for long-term business development & because a corporation/manufacturer has a responsibility to do right by the land it exists on & the people that it impacts daily (employees, neighbors, consumers, etc)”. “Big companies need to focus on doing the right thing with their people and products. Forget all the other stuff. People will buy from companies that produce or offer products people want at a fair market value without taking advantage of the environment, people, or hurting someone”.
Sustainability is the future	<ul style="list-style-type: none"> “Sustainability is the new reality - that is the direction everyone is moving and will soon be an entry ticket to businesses. In the next 10 years, companies who don’t get on board will fade out”. “I think a sustainability/green initiative is (and will be) a way for companies to differentiate themselves in the market, and I do believe that it will give them competitive advantage in many cases”. “With large companies such as Wal-Mart leading the way in such initiatives, it has brought the idea of sustainability into the mainstream. As the environment becomes more of a focus, more consumers begin to demand products that are more environmentally friendly”.

and employees (3.50). For financial rewards, modest expectation is held for company operational expenditure reductions (3.53), increased sales (3.39), and increased profits (3.23), while stronger agreement is expressed for a reduction in energy costs (4.14).

In the last category, opportunities for differentiation, the strongest agreement is reported with company image improvements at the top (4.56) followed by enhanced corporate responsibility perceptions (4.23), and innovative products (4.02). Females consistently expressed stronger agreement than males with respect to whether these are likely outcomes for companies that pursue sustainability. The only outcomes that are comparable across males/females are high company profits and sales.

While the findings from the survey items are interesting, additional meaning can be gleaned from qualitative insights as to the whether sustainability should be a big focus for companies, as reported in Table 7. The top three reasons why executives believe sustainability to be important include the opportunity for profitability, the fulfillment of an obligation to the environ-

ment, and a responsibility to customers and shareholders. As shown in Table 8, while there are some commonalities in themes across executives and consumers, there are also some important differences emerged as well. Consumers provided support for several of these themes while two new themes emerged: the enhancement of the corporate image and the management of resources.

2.4. Research Issue 4: Perceptions of Retail-Level Sustainability Identities

Wal-Mart's intensive move into the sustainability arena signals an important evolution in this movement. While these initiatives had primarily been the domain of niche manufacturers and retailers, the investments made by the world's largest mass merchandiser have garnered the attention of executives and consumers alike. We examined the perceptions of respondents in terms of how much they perceive the companies focus on sustainability. Because people interpret sustainability in a wide variety of ways, we provided a specific frame of reference:

"Today there are sustainability programs aimed at cutting carbon emissions, utilizing alternative energy sources, building environmentally-responsible stores and developing efficient transportation methods. Companies are redesigning product packaging to be more eco-friendly and a growing number of manufacturers are now creating green-friendly products. Given this view of sustainability, please rank the following list of seven retailers, putting them in one of three groups: very focused, somewhat focused, or not at all focused on sustainability."

Respondents are also given the option of indicating that they are unsure of the company's focus. Most of the respondents identified these companies as "somewhat focused" but perhaps the more important story is told by the percentage of responses placing each store in the "very focused" category. These percentages are summarized in Table 9, along with the percentage of respondents that are unsure. As shown in Table 9, Wal-Mart received the highest percentage of respondents (68%) who identify them as a company that is very focused on sustainability initiatives while Kroger and CVS have the lowest percentages (4%).

It is important to note that both the student sample and much of the executive sample live within an hour of Wal-Mart corporate headquarters. That obvious bias aside, Wal-Mart has

Table 8: Key themes identified by college students when asked "Should sustainability be a big focus for companies?"

Key Themes	Sample Verbatim Quotes
Responsibility to the Environment	<ul style="list-style-type: none"> "The state of our environment begins and ends with the consumer culture. If companies make minor adjustments, big changes will be a result". "Although the effects of human activities are irreplaceable thus far, it is still possible to avert our actions today from damaging the natural environment tomorrow". "The environment is a big issue that has a huge impact on everyone's lives whether they think so or not. Also, companies do have a corporate social responsibility to fulfill their environmental duties since most are utilizing it to make profits".
Responsibility to Future Generations	<ul style="list-style-type: none"> "Yes, for our kids and grandkids...". "The world has to go on for future generations and for that sustainability is the only way". "Everyone is responsible for improving, or at least not harming, the environment for future generations".
Resource Management	<ul style="list-style-type: none"> "If we use all our resources irresponsibly then we will end up having no earth worth living on". "Big companies have a large impact on the environment. It is part of their responsibility to take care of the planet instead of ravage it of all natural resources". "It is impossible for all companies to continue operating in the natural resource degrading practices they have for years. Eventually resources will be unavailable so some forms of sustainability are required".
Corporate Reputation/Image Management	<ul style="list-style-type: none"> "It will also help their overall image within the media and in the consumer's mind". "Yes, because it has become a hot button topic as of late. Companies must advertise they are keeping the environment in mind to get 'green' consumers to buy". "I believe sustainability should be a focus for companies today. They cannot afford to not be on the sustainability bandwagon. This will become more important as public opinion swings more in favor of environmental preservation".
Profitability	<ul style="list-style-type: none"> "By engaging in sustainable efforts firms can reduce costs, achieve ROI". "It benefits all stakeholders. It actually can reduce costs substantially, contrary to many beliefs". "I think that, just like all companies should cut costs where they can, all companies should cut waste and pollution where they can".

Table 9. Percentage of "Very focused" and "Unsure" responses

	Overall very focused (unsure)	Executives very focused (unsure)	College Students very focused (unsure)
Wal-Mart	68%* (02%)*	84% (0%)	57% (03%)
Costco	12% (39%)*	11% (26%)	13% (48%)
Target	20%* (10%)	9% (8%)	27% (12%)
Kroger	4% (39%)*	4% (22%)	4% (50%)
Home Depot	15%* (24%)*	4% (12%)	21% (31%)
Walgreens	8%* (26%)*	2% (20%)	11 % (29%)
CVS	4%* (50%)*	0% (29%)	7% (64%)

*significant at $p < .05$

clearly made great strides in sustainability, including sweeping changes in-store, increased emphasis within the supply chain, and support of strong initiatives such as the Center for Applied Sustainability at the University of Arkansas. In addition, their efforts as a socially responsible company have been highlighted in many recent times of crises such as their extraordinary efforts following the Katrina disaster. Interestingly, there is a great deal of variation in responses between executives and students. Further, the widely varying levels of uncertainty are telling, ranging from 2% of the sample unsure about Wal-Mart's focus on sustainability to 50% being unsure about CVS.

III. Conclusions and Implications

While anecdotal and conceptual evidence indicate that there is a strong trend in sustainability as a strategic direction for firms, little research has been developed which explores this phenomenon. To that end, we have undertaken a descriptive study which seeks to enhance our understanding of the strategic domain of sustainability.

To recap, this research explored four main issues: exploring the role that sustainability plays in the mind of consumers, assessing the presence and impact of "green" consumers, identifying the perceived likely outcomes for companies that pursue sustainability, and perceptions of retail level sustainability initiatives. Sustainability doesn't indeed play an important role in the mind of the consumer. On the list of critical issues, "protecting the environment" is perceived as somewhat or very important by the majority of respondents. In addition, it ranked as more important than lowering the crime rates and cutting government spending. The perception of the condition of our environment provides insight into this story, given that the majority of individuals believe that the current condition of our environment is fair, that it is worse than 10 years ago, and that improvement is uncertain. Turning to the delineation of environmental/consumer identities, the majority of consumers in our study are Think Greens – consumers who think like green consumers and may recycle but don't always act or buy green. Does this translate into behavior in the marketplace? Consumers are somewhat willing to pay more for products but not neutral about retailer choice or government intervention.

What do companies stand to gain? College students and executives perceive fruitful benefits to these efforts, with particular optimism about the satisfaction of green customer, enhanced company image, and enhanced perceptions of corporate responsibility. The top three reasons why executives believe sustainability to be important include the opportunity for profitability, the fulfillment of an obligation to the environment, and a responsibility to customers and shareholders. College students identified the top three reasons as a responsibility to the environment, an indebtedness to future generations and an effective management of resources. Finally, with respect to the last research issue, while Wal-Mart has accrued much sustainability capital, opportunities for improvement still remain.

Both prior work and this work have significant implications for practitioners and academics alike. Given the minimal presence of research on sustainability in the current marketing literature, the results of this particular study become even more noteworthy. For practitioners, much can be gained from a strategic standpoint. While only a small percentage of respondents (6.2%) claimed to incorporate green practices as a part of their daily purchase and consumption pattern, respondents also reported to be more than willing to pay more for products that protect the environment. With additional results indicating that female respondents consistently communicate a stronger willingness than males to pay more for these products and to shop at eco-friendly retailers, practitioners now have a more specific market in which to target their sustainability efforts.

Additional implications can be drawn from the present study to assist with future academic research. As previously mentioned, a focus on sustainability is still scarce within the current literature—most likely due to the fact that green initiatives have just recently begun to gain significant traction among firms and consumers. Knowing this, there is a plethora of opportunities to gain more knowledge about this rapidly growing initiative. Future areas to be researched include: 1) case analyses of firms that have made a serious commitment to sustainability to determine what effects arose as direct results, 2) effectively implementing and managing a green initiative among employees within a corporation, and 3) the impact of sustainability on international business and relationships. Of course, this list is not nearly exhaustive but merely a hint of the many momentous changes that are capable of occurring given the current growth of green initiatives in and by our society. As Lee Scott stated, "...there is virtually no distinction between being a responsible citizen and a successful business." Time will reveal the truth of this statement.

(Received: Mar. 16, 2010)

(Revised: May 6, 2010)

(Accepted: June 22, 2010)

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