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Green Market Research anyone?

A study on Green Market Research practice among companies

Master of Science Thesis in Industrial Ecology

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Department of Energy and Environment
Division of Environmental System Analysis
CHALMERS UNIVERSITY OF TECHNOLOGY
Göteborg, Sweden, 2008

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Abstract

The interest towards green products and services can be tracked back to the late 1980's. Since then, being *environmentally friendly* became a trendy characteristic that the public associated with products of a certain nature, some sort of a products' limited elite (considering also the general idea of green products being more expensive than traditional ones) that in general did not find its way into the everyday shopping habits.

Today, green products are not just limited ones that consumers can find on the supermarket shelves. It is much more than organic vegetables and environmentally friendly detergents; today consumers can choose green cars, green energy bills, green clothes and green holidays. Today, being green is much more about a life style choice.

Because of this, one would expect companies to monitor and investigate regularly the green market and green consumers to be constantly up to date about trends, wants, needs and requests of the green world. One would in practice expect companies to carry out green market research, especially those companies that show a strong green interest or market green products. One would also expect that the current practice of green market research had gone through a revision process that follows the evolution of the green populace, and is thus more suitable to the current trends. The aim of this thesis was indeed to understand if:

- the current green marketing wave is based on a better, more reliable and focused green market research (or any at all)
- market research practice generates valuable information for companies and for what purpose the outcomes are employed

The study conducted on a sample of eight companies belonging to different industrial sectors showed that the practice of green market research is after all still approximate and companies do not seem to have better information than in the past about consumers' green interests, purchasing behaviour and marketplaces. After monitoring the practice of green market research within the companies of the sample, it was possible to provide some major conclusions.

Firstly, green market research practice is still very limited in industry; it is not yet a common practice even in green companies. The reasons for not carrying out green market research range from disinterest to budget restraints, but, most interestingly, it seems that companies do not carry out green market research unless they can see a green interest in consumers; a preconception that should be avoided.

Secondly, it seems that companies marketing green goods and using green marketing as a form of communication might be more interested than others in carrying out green market research, as they are more sensitive to green information generated from the market.

Thirdly, the data collected through green market research is usually used by the whole company for different purposes, ranging from product development to marketing communication strategy.

Finally, the thesis concludes that in general it would be good practice for companies to invest more and consciously in green market research in order to come prepared to the short term and long term future green market developments.

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Personal note

This master thesis project has taken a period of eleven months, which have been with no doubts one of the most interesting, creative and fun times of my life. Being an optimistic person, it is simple for me to remember just the positive side of this experience. Of course, I had moments of sorrow and disorientation; at times I felt clueless. Looking back, this project has dragged me through an unexpected rollercoaster of emotions, and has helped me to start climbing the hilly road of research, to which I became addicted.

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"The flower that blooms in adversity is the most rare and beautiful of all"

Giorgia

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1. Introduction

The interest towards green products and services can be tracked back to the late 1980's. At that time, products and production processes were presented and marketed as *environmentally friendly* or *energy efficient* or *organic*, even though their characteristics were many times far from being genuinely "green", a phenomenon known as *Greenwash* (Mendleson and Polonsky, 1995; Grove et al, 1996; Hartman and Ibáñez, 2006). As a result, consumers and society as a whole started to show disbelief towards companies and green products in general (*backlash*) (Mendleson and Polonsky, 1995). Despite this fact, over the 1990's companies invested largely in *green marketing* and consistently in *market research projects*; however, these market research projects were carried out in the midst of what is today considered a misleading approach, due also to the almost complete lack of guidelines, information and literature support. Indeed, the questions used were sometimes irrelevant, often suggesting consumers what to answer and even what to think¹ (Peattie, 2003). It is unclear how and to what extent the outcomes of these researches were used by the companies. What is clear, however, is that there was a big gap between consumers' attitudes and their behaviour: indeed, whilst consumers seemed (and even declared) being ready to buy green products for even higher prices, green goods were left on the shelves (Peattie, 2003).

After a significant peak in the 1990's, the attention and trust over green alternatives faded away and lost consistence; the weak market response towards green products generated a sense of strong disappointment among companies. As a consequence, the practice of green marketing was partially abandoned. However, since 2006 a new massive wave of green advertising has founded its way throughout the global marketplace. All market segments, from cars to energy providers, from food retailers to clothing companies, seem to be affected. Have companies better information than in the past about consumers' interests, purchasing behaviour and marketplaces? Have companies richer knowledge and better guidelines in hand? Principally, it is unclear whether:

- the new massive green marketing wave is based on a better, more reliable and focused green market research (or any at all)
- market research practice generates valuable information for companies and for what purpose the outcomes are employed

The purpose of this master thesis is to enlighten these doubts and establish if companies are currently supporting their green marketing practice with green market research study, and if so, how.

1.1 The purpose of the thesis

The thesis seeks if any and what kind of green market research practice is carried out by companies that expose themselves as being environmentally friendly or sustainable. In particular, the project focused on: *monitoring the practice of green market research as a way to collect green signals from the market*.

This was carried out through seeking to answer the following:

- How common is green market research? How is it carried out?
- Which companies do carry out green market research? Why/Why not?

¹ As the common question: "Would you pay more for a more environmentally friendly product"? Consumers in this case feel pushed to answer "yes" and the question suggests that green products are more expensive than traditional ones, telling indirectly consumers that caring for the environment is an additional cost.

- How is the data collected used within companies?

In order to answer, this project considered and analysed the routines and practices of a group of eight companies that claim to be committed (even just to a limited extent) towards being (more) environmentally friendly or sustainable. All companies are located in Sweden; they are dissimilar in size and industry affiliation, as explained in the methodology chapter.

2. Methodology

In the beginning of the project, it was unclear what kind of method was potentially the best one for the aim of the thesis. Initially, there was a long discussion on whether it was most convenient to carry out a survey including a large number of companies, or a more detailed questionnaire including a limited sample of sources.

Both methods have advantages and disadvantages. The large-scale survey would have, potentially, granted access to a considerable amount of data, but it would have lacked in details; the questionnaire, on the other hand, would have been more suitable for collecting detailed information although from a restricted amount of sources. Eventually, it was chosen to develop a questionnaire and limit the interviews to a maximum of ten companies, focusing the effort on the collection of as detailed information as possible. For the same reason, direct interviews were preferred to phone interviews.

This master thesis project is a qualitative research study that was carried out over a period of ten months applying both theoretical and empirical research. The project was divided in seven phases:

1. literature review
2. empirical pre-study
3. choice of the sample
4. development of a questionnaire
5. development of three matrixes for data collection
6. empirical data collection
7. analysis and patterning
8. discussion, conclusions and recommendations

2.1 Literature review

With literature review was meant a thoughtful seek and study of the literature available on the subjects of:

- marketing and market research in general
- green marketing and green market research in particular

The literature review was meant to:

- construct a solid background knowledge of marketing and market research practice in general
- acquire a deeper understanding of the subject of the master thesis
- seek and locate the need for additional research
- help defining the target of the master thesis

The literature research comprehended the consultation of books, articles and databases (as Emerald) mainly online and in libraries.

2.2 Empirical pre-study

After carrying out the literature review, it was clearly noticeable the presence of white spots and information gaps. It was thus decided to run a short empirical pre-study, which consisted of a search (exclusively over the internet) for information concerning:

- market research companies and their organisation
- information on which kind of firms are relying on market research companies
- information on the services (in terms of market research and green market research) offered to client companies

Additionally, a test on the use and diffusion of the words "marketing", "green marketing", "market research" and "green market research" was carried out, relying on two research engines specialised in green business. In order to run a comparison between different

marketplaces, the test was carried out in North America (US and Canada) and Europe. The aim was to understand if there are considerable differences (in terms of language use and concepts) among marketplaces.

2.3 Choice of the sample

The study considered a sample composed by eight firms. The sample comprehended:

- ABB AB, Power Technology and Industrial Automation company
- AstraZeneca AB, Pharmaceutical company
- DEM Collective AB, Clothing company
- Ericsson AB, Telecommunication company
- ICA AB, Food Retailer company
- Saab Automobiles AB, Automotive company
- Sackeus AB, Food Importer and Retailer company
- Schenker AB, Logistics company

The companies were not chosen randomly, but in a way to create a diverse sample and to cover most of the industrial panorama available on the market. Indeed, each firm belongs to a different industry and the size is very dissimilar; all companies operate on an international setting and carry out green market communication. The firms are all located in Sweden, although some of them are headquartered in other countries (it is the case for ABB, AstraZeneca and Schenker). General information about the companies internal organisation were gathered through their corporate websites, brochures and some of the questions of the questionnaire.

2.4 Questionnaire development

A questionnaire was developed in the early phases of the project and inspired by the "GREEN code for environmental market research" suggested by Peattie (2003). According to Peattie, the sense of doubt towards the accuracy of green market research was mainly due to two causes:

- 1) the fact that consumers' green interest did not translate into actual purchases
- 2) unsuccessful marketing strategies and communication of companies

Consequently to the second reason, Peattie suggested a stepwise framework for the sensible organization of green market research in five points, of which I considered some aspects that seemed to be important for the development of a questionnaire. In particular I considered:

- 1) *generalise with care*, in order to avoid misleading patterns when analysing the answers
- 2) *the validity of market research is not related to the degree to which it supports a preferred option; and neutrality towards responses and answers is imperative*, so avoiding preconceptions when formulating questions and analysing answers is very important
- 3) *terminology and interpretation*, be sure to use an internationally recognised language that is simple to understand even across international boundaries

The questionnaire revealed being essential for:

- (indirectly) keeping at hand a map of the white spots of the literature
- defining the boundaries of the data collection
- supporting the interviews with a structured methodology

The questionnaire was mainly structured, although during the interviews the spokesman was let free to answer and go further exploring freely the topic analysed. A pilot questionnaire was developed at the beginning of the empirical study and tested on the first company interviewed. This first draft focused more on traditional market research and less on green market research practice. Afterwards, a shortened and sharpened version, evenly focused on traditional and green market research practice, was used to carry out all the remaining

interviews. The questionnaire covered several areas of interest with questions and connected sub-questions:

- information about the spokesman/spokeswoman
- general and specific information about market research practice, as: the purpose, the goals, the most common studies carried out, routine and *ad hoc* studies, methods and channels employed
- general and specific information about green market research practice, as: the purpose, the goals, the most common studies carried out, routine and *ad hoc* studies, methods and channels employed
- information about post marketing practice, as: presentation and communication of the outcomes, correlated use and decision making
- integration and credibility of the research outcomes within the company

Even though the interviews were based on the questionnaire, the conversations carried out over the meetings touched also topics that were not directly included in the questionnaire, but were however related to the subject of the thesis. Because of this, the collection of empirical data generated an additional question that was eventually included among the research questions already proposed. The third research query is: *How is the data collected used within companies?*

All interviews were transcribed, whilst all data generated were collected and divided in three matrixes.

2.5 Matrixes development

Regarding the matrixes, the idea was developed later than the questionnaire, principally in response to the need of grouping and comparing the data gathered among each other. The three matrixes had different purposes and consequently contain data of different nature:

1. organisational data of every company interviewed
2. market research practice data of every company interviewed
3. green market research practice data of every company interviewed

The categories of the matrixes according to which the data has been organised are primarily related to the questions of the questionnaire. However, some of them are the result of the fusion of multiple elements that happen to fall into the same macro-category and thus can be used as a single indicator. The matrixes were refined during the process.

2.6 Empirical data collection

Being a descriptive and explorative study, the project has been carried out seeking to avoid any preconceived hypothesis about the final outcomes. Because of this, the empirical study has been carried out with a broad mind perspective and none of the information regarding the sustainability or environmental commitment of the companies has been considered before the interviews.

As for the interviews, the majority has been carried out face to face, whilst a limited amount has been carried out over the phone². All interviews have been recorded on mp3 files and have been written down in order to simplify the analysis process. The spokesmen and spokeswomanes targeted in each company were:

- Environmental Managers
- Market Research Managers or Market Analysts or Marketing Managers
- Product Marketing Managers

² The phone interviews have been carried out with three companies. In the case of ICA AB, the interview was carried out completely over the phone. In the case of ABB AB and Ericsson AB, the phone interviews regarded the collection of just a handful of missing data; they were conducted after the personal interview and with different speakers.

- Consumers Experts

In three cases (ICA, Ericsson and ABB) more than one person has been interviewed from the same company to complete the information collected.

2.7 Analysis and patterning

The analysis has been carried out on multiple levels. Firstly, every matrix has been studied and analysed individually; secondly, data from the three matrixes have been cross-analysed and compared among each other; finally, additional information gathered over the interviews, which could not be categorised otherwise, have been analysed independently and have actually generated a third research question that is being added to the initial two. The three final research questions are addressed at the end of the analysis chapter. The purpose of the analysis, whose process is inspired by the Glaser and Strauss methodology (Grounded Theory, Glaser and Strauss, 1967), is to seek to identify patterns of any kind within the information collected. The analysis is presented step by step according to the specific topics founded. In every paragraph, the outcomes of the analysis are discussed in comparison with the existing literature, if available.

2.8 Discussion, conclusions and recommendations

The discussion of the study considers finding strengths and weaknesses of the whole research process and the outcomes. It discusses how the boundaries, the correct and the mistaken choices have influenced the outcomes of the research.

The conclusions sum up the findings of the study and relate them to the initial aim of the master thesis. This paragraph takes a more personal perspective in comparison to the rest of the study. Finally, in the recommendations the companies are suggested to take action in relation to the outcomes of the research study.

3. Literature review

As already stated in the introduction, over the 1990's many companies worldwide started to misinform consumers regarding their environmental practices and the environmental benefits of their products (Mendleson and Polonsky, 1995; Grove et al, 1996; Hartman and Ibáñez, 2006), which were presented as *environmentally friendly* even though their characteristics were many times far from being genuinely "green": "*Business commitment to the environment has often been more evident in their (the companies') communications than in their actual practices*" (Grove et al, 1996). Currently (over the last two years) a new, massive wave of green advertising has founded its way throughout the global marketplace, affecting all market segments. One could speculate whether companies are currently supporting their green communication practice with green market research study, and if so, how.

The literature review was carried out in order to firstly, create a background on the subjects of marketing and green marketing, which were absent since the beginning; and secondly, to search for possible answers to the research questions previously stated. In more details, the aim of the literature review was to:

- understand the concepts of marketing and market research
- distinguish between traditional and green marketing
- seek information about the practice of green market research in companies
- seek white spots on which building the case of the thesis project

This chapter investigated the background information of the subject and aimed to inform the reader about concepts as:

- a. Marketing and market research
- b. Green marketing and green market research

3.1 Marketing and market research: two different concepts

The concepts of marketing and market research are often confused. In general, marketing is one of the functions of a company and it aims to generate business opportunities and profits (Kotler et al, 2001). According to the very same source, marketing is "*The process of analysing marketing opportunities; selecting target markets³; developing the marketing mix⁴ and managing the marketing effort*" (Kotler et al, 2001).

As shown in the figure 3.1, an industry or company that employs a marketing strategy aims to influence the market through communication, whilst it also monitors the market through the collection of information. If the dynamic is successful, the company provides the market with desired products and gets a profit in return. According to this concept, it seems to be important that communication is carried out in both directions: from industry to market and from market to industry. The feedback gathered from the market helps industry to monitor the marketplace. The collection of this kind of information is done through market research. According to Kotler et al (2001) market research is defined as "*The function that links the customer (...) to the marketer through information (...) used to identify and define marketing opportunities and problems (...) to monitor marketing performance and improve the understanding of the marketing process*".

³ Market targeting is the process of evaluating each market segment's attractiveness and selecting one or more segments to enter.

⁴ Marketing mix is the set of controllable tactical marketing tools (product, price, place and promotion) that the company blends to produce the response it wants within the target market

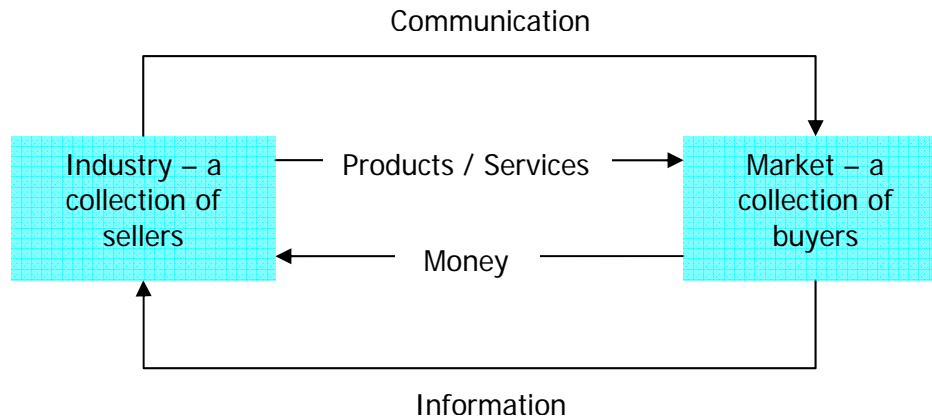


Figure 3.1: The Marketing System as suggested by Kotler et al (2001) in the book *Principles of Marketing*.

This definition seems to limit the aim of market research to the collection of information for marketing purposes. It is however very common: the American Marketing Association (AMA) provides the very same definition. The search for a more general and holistic definition (and aim) of market research within the scientific literature has been tough. The simple description of the Cambridge Dictionary of British English, according to which market research is *"the collection and examination of information about things that people buy or might buy and their feelings about things that they have bought"*, does not provide any information about the possible purpose of market research, meaning what the outcomes will be used for. The definition offered by Hannagan (1995) is also quite general, but it suggests that the outcomes are used by companies to understand consumers (and thus improve their offer?): citing the words of the British Market Research Society, Hannagan states: *'[market research is] information on people's preferences, attitudes, likes and needs, to help companies understand what consumers want'*. The literature seems to suggest (or to take for granted) that market research is mainly used for marketing purposes; however, as it will be described further, in practice this is not the case.

3.2 Marketing and green marketing: definition and comparison

The definitions of marketing available in the literature are many and very different but they all tend to put the customer (or consumer) into focus: *"Marketing is the delivery of customer satisfaction at a profit"* (Kotler et al, 2001); *"Marketing is the whole business seen from its final result, which is from the customer's point of view"* (Charter et al, 2002); *"Marketing is the management process for identifying, anticipating and satisfying customer requirements profitability"* (Charter et al, 2002).

Even though the concept of marketing has changed over the years (due to the change in market trends, companies' needs and consumers' wants) there is in general little reference to environmental, social and ethical perspectives in the traditional definitions (Kotler et al, 2001; Polonsky, 1994; Charter et al, 2002). The "old school" focused on concepts of mass consumption and company compartmentalisation as (Kotler et al, 2001):

- mass sales
- mass marketing
- standardised products or services
- market locally
- separate different responsibilities among different departments

The “new school” instead (modern marketing) adopts partially the concept of globalisation, showing a less generalised and more customised perspective (Kotler et al, 2001), focusing on concepts as:

- consumers' satisfaction
- selected marketing segments
- customised products or services
- market both locally and globally
- involve all departments within the firm

Still, there is no sign of green considerations in the definitions. It is just in the description of green marketing that the reader finally finds a green perspective.

The concept of *Green Marketing* seems to dig its foundations into the concept of traditional marketing itself (Polonsky, 1994; Charter et al, 2002). Holding on the same notions of customers' satisfaction and value delivery, green marketing embraces the concept of sustainability. The definitions of green marketing tend to be more homogeneous than the ones of traditional marketing: words and sentences can slightly differ, but the general concept holds: *“Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment”* (Polonsky 1994b, p 2). This is a very general definition, which points out that the target of marketing practice is not just the consumer anymore: it considers now also the minimization of the impacts of global needs on the biosphere. However, Ottman (2006) suggests a slightly different concept, according to which the first rule of green marketing is the first rule of marketing: to focus on customers' benefits. This might be connected to the fact that if consumers see a benefit in the purchase, they could feel more stimulated to actually buy. With this concept, the environment becomes a benefit linked to the act of purchasing. Ottman points out that, if played by its rules, *“green marketing can lead to product improvements that can enhance marketability, improve overall performance and become a potent new source of innovation”* (Ottman, 2006). A new series of concepts as product improvements, performance and innovation is introduced. The purpose of marketing is enlarged in general terms. However, it is important to clarify that for green marketing is intended, in very simple terms, the process of marketing products and services that have environmentally friendly characteristics.

3.3 Market research: definition and limitations

As previously said, it was not possible to find a holistic definition of market research within the scientific literature. For the time being, it will be used the process definition offered by Kotler et al (2001), which accordingly describes the market research process itself as a series of four steps:

1. problem definition
2. research objective definition
3. interpretation of the data collected
4. reporting of the findings

According to Kotler et al (2001), the way the process is carried out depends on the plan development and methodology chosen by the market analysts, which includes:

- research approaches (observation, survey, experiment)
- contact methods (mail, telephone, personal, internet)
- sampling plan (unit, size, procedure)
- research instrument (questionnaire, mechanical instrument)

Every approach, method and instrument has its own strengths and weaknesses that need to be considered when planning a market research (Kotler et al, 2001).

A concept that comes forward from the literature is that it is not possible to do methodologically "good" (in terms of unflinching) research; researchers face very often trade-off situations, where they must choose between precision and consistency (Bonoma, 1985). Usually one or two significant concepts are developed while others are sacrificed; this means that the outcome of a research might not match reality, but just be indicative. However, this is not a good reason for not carrying out market research. Indeed, since there are numerous methods to choose from, one has the possibility to use a range of methods that have different limitations; this way, the methodology used is more complete and presenting less limitation altogether, which might be able to offer an outcome closer to reality (List, 2002).

3.4 Green market research

When it comes to green market research, the literature seems to suggest, or take for granted, that its practice would bring a number of advantages to companies, especially green ones: according to McDaniel and Rylander (1993), the companies that would benefit from green marketing (and thus also green market research) the most are those showing a commitment to solve real problems and be proactive. These advantages are mainly due to the fact that companies would obviously get to know more about green trends and green consumers, since a consequence of market research practice is to gain information about the market. But unfortunately, green market research practice seems to bring mismatching and approximate information back to firms: Peattie (2000) blames misleading research planning and ambiguous questions that contribute to confuse the green consumer and do not produce valuable information for companies. Except for the suggestion of McDaniel and Rylander (1993), according to which green companies more than others should benefit from green market research practice, there is not indication in the literature on which kind of company actually carries out green market research.

As for the definition, whilst in the case of market research it was possible to find multiple definitions, seeking for a definition of green market research was rather unsuccessful. Once overcome the confusion between market research and marketing research⁵, it was possible to notice that the literature offers a wider choice of green marketing research definitions than green market research definitions; as the one by McDaniel and Rylander (1993) that defines green marketing research as "*the process of developing strategies that are meant to target the environmental consumer*". They point out that researchers working with green consumer marketers should "*understand environmental issues and be able to incorporate this consideration into the strategic marketing process*" (McDaniel and Rylander, 1993).

Another indication that comes up from the literature is that researchers should not ignore the long-run best interests of our society and the environment (McDaniel and Rylander, 1993; Kolk, 2000). This is not a new idea: Kotler (1976) had already suggested 30 years ago four considerations to be included in marketing decision making: "*consumer wants, consumer interest, company requirements and societal welfare*". Ottman et Al (2006) points out that the *green concept* must be considered by firms as an "*ideal goal to be achieved through continuous improvement*". In summary, being green is not something that can be achieved from one day to another.

3.5 Green marketing and green market research: the role of consumers

Polonsky (2001) points out that public opinion, in general, tends to ignore the real meaning and purpose of green marketing, indeed: "*unfortunately, a majority of people believe green*

⁵ The difference between the two concepts is consistent. For market research is intended the process of gathering data from the market in order to provide information about consumers, a phenomena or a trend. For marketing research is intended the process of running studies to gather information on how to structure an improved marketing strategy.

marketing refers solely to the promotion or advertising of products with environmental characteristics" (Polonsky 2001, p 1). The real purpose of green marketing is to communicate the environmental commitment of the firm, by presenting to the public a green choice that represents the efforts of the whole company. The literature also points out that, since after the Greenwash of the 1990's, consumers have become distrustful towards green claims, companies and products (Mendleson and Polonsky, 1995; Hartman and Apaolaza Ibáñez, 2006; Grove et al, 1996; Ottman et al, 2006; Peattie, 2003). It is a common suggestion in the literature cited above that better and richer information could be helpful to clarify the nature and aim of green marketing to the public. But given that a larger amount of information could be provided to consumers, would they be willing to change their habits?

Rubik and Frankl (2005) point out that consumers' attitude and behavior play a key role when it comes to green choices. Consumers are believed to be ready to pay 5% more for ordinary green products, and even more for specialized green ones. So it seems clear that the response of consumers is highly important when it comes to green marketing. Moreover, the symbolic aspect of environmental labeling matters (Rubik and Frankl, 2005). Ottman argues that the consumer that purchases eco-labeled goods fulfils by doing so a personal, sometimes subconscious, need (Ottman et al, 2006). This could be a need for:

- social/group acknowledgment (or identification)
- personal beliefs in some environmental/social cause
- social/group approval (or admiration)

It becomes clearer at this point that consumers' attitude, beliefs and behaviours have a great influence on marketing practice. In the case of traditional marketing, it is quite simple to recognize consumers belonging to different groups and following a particular behavioural pattern (Peattie, 2001); in the case of green marketing instead, it is much harder to define the profile of the green consumer (Ottman et al, 2006; Peattie, 2001; Pedersen and Neergaard, 2006) especially since "*it is uncertain whether consumers actually behave in accordance with their attitudes*" (Pedersen and Neergaard 2006, p 17). This is a key issue: attitudes and behaviours do not match. A straightforward conclusion to this statement is that it seems very important to have a deeper understanding of how the green marketplace works. In order to do so, it might be necessary to carry out more and more detailed green market research. The question now is: are companies currently carrying out any green market research at all? If yes, is their approach different from the one observed by Peattie (2000) in the 1990's?

3.6 Green marketing and green market research: the role of industry

The literature does not bring any information on if the current practice of green market research in industry is, in any aspect, different from the one carried out in the 1990's. Talking generally about market research, the practice in industry is very common, but the outcomes have little relevance if the credibility of the study is in doubt. According to Gupta and Wilemon (1988) R&D managers perceive sometimes market research inputs as not credible. The extent to which this information is recognised as convincing seems to depend on the level of integration between R&D and the Marketing Department within the company. The higher the integration between the two bodies, the higher recognition to market research outcomes (Gupta and Wilemon, 1988). This fact has several implications for conducting market research. Gupta and Wilemon suggest that for specialists to be taken seriously, it is vital that:

- the information provided is of the highest quality and reliability; and the sizes of samples must be reasonable for R&D to trust the conclusions
- R&D managers are involved in the research process from early stage; and the communication between Marketing/Market Research and R&D department is transparent and bi-directional

It seems to be very important that R&D researchers get involved into market research, and that market analysts are aware of the needs of R&D, providing useful information as:

- product performance feedbacks
- customers' needs
- business implication of decision making, et cetera

One of the main problems related to the concept of green marketing is that it seems hard to establish whether companies use this practice consciously, as part of a strategy, or just as a convenient tool applied in response to the market trends and completely disconnected from the other activities carried out by the firm (Kotler et al, 2001; Polonsky, 1994; Charter et al, 2002).

It seems clear that the outcome of market research can be used for many other purposes than just marketing strategy, as product development or service improvement. Especially in the case of product development, R&D and Marketing Department should be involved at the earliest stage and cooperate tightly. This idea assumes a very important role in technology driven companies, where there is a common tendency to ignore the importance of market information in product development situations (Gupta and Wilemon, 1988).

The literature suggests that the role of information and trust are vital. Polonsky (2001) points out that public opinion, in general, tends to ignore the real meaning and purpose of green marketing, which, as already stated, is to communicate the environmental commitment of the company. It is a common suggestion in the literature that companies should be involved and active in generating better and richer information to clarify the nature and aim of green marketing to the public. This seems important, because the authority and credibility of green marketing and related tools (as Eco-labels) become very weak without consumers' knowledge and trust (Rubik and Frankl, 2005; Rex, 2002). According to Rubik and Frankl, information matters and it is essential for green tools reliability. They argue that consumers, actually, place a great deal of (social) responsibility on industry (they tend not to feel directly responsible), but do not usually trust information gotten from the industry. This may be due to a historical lack in transparency within industry and between industry and consumers: it seems indeed that today consumers ask for not only interesting and useful services, but primarily for transparency (Himpe, 2007).

As the idea of green marketing grows stronger, the recognition of products' environmental implications becomes essential (McDaniel and Rylander, 1993). It seems that companies could be facing an "attitude crossroad": holding to the idea of environmental implications as threats to profitability; or identifying the potential advantage of "being green" (Kolk, 2000; Reinhardt, 1999). According to McDaniel and Rylander, the companies that would benefit from green marketing are those showing a commitment to solve real problems and be proactive. Awareness and true commitment: are these the keys to green success? The authors strongly believe so and point out that "*the most effective approach to greener marketing is assertive leadership within the industry*": everybody is involved, from the manager to the cleaning lady, and green marketing is well integrated within the company's strategy (McDaniel and Rylander, 1993). The idea of an "*even more integrated marketing*" is also suggested by Peattie (1995), who points out that "*the move from selling to marketing requires the coordination of all business functions*". The "*integration challenge*" of an environmental marketer is said to be even harder than the one of a traditional marketer, since it crosses many more levels of hierarchy and functional boundaries (Peattie, 1995).

McDaniel and Rylander (1993) seem to believe that industry has not been pressured enough to become greener, although the green consumers are "a growing populace"; which is in contrast with the data currently collected by marketing research companies and also other researchers suggesting that the "green populace" is not growing at all; in some cases it actually does not even exist. However, Peattie (1995) suggests that it might be just a matter

of time for green marketing to win its challenge; he believes that green consumerism is likely to evolve in three phases:

1. substitution: consumers start differentiating between products on the basis of their perceived eco-performance
2. systemisation: eco-performance evaluation systems are established; businesses redesign products and production systems
3. societal change: radical shift; a more sustainable society is developed

So, Peattie seems to say that companies should expect an incoming, massive wave of green consumers in the future. This change will not happen by itself: "*the deepening environmental crisis*" is believed to be the principal reason for such a radical change (Peattie, 1995). It has been currently pointed out that "going green" is still far from being priority number one "*in most corporate board rooms*", but that the current trends are forcing industry as a whole to make a change (Gewin, 2005). It is noticeable that Peattie (1995) and Gewin (2005) present theories that are ten years apart from each other, with Gewin confirming to a certain extent the expectations of Peattie ten years later. It seems to also confirm what anticipated by Reinhardt (1999) according to which it is necessary to integrate the environmental perspective into companies business thinking, where enlighten managers start to recognize the valuable business possibilities linked to the environment.

3.7 Comments to literature review

It is quite interesting to notice that the literature available on the subject is diverse in nature and approach. The authors writing about marketing related topics are many and have different backgrounds. The great majority of the sources are related to the fields of economics and business management. The majority of the authors belongs to the academic setting; they are mainly researchers and scientists and they occasionally couple these activities with the one of consultancy (for governmental institutions for instance). The rest of the authors are composed by professionals (both consultants and industrial specialists), journalists, free thinkers and public figures asked to share their opinions. The literature itself is commonly catalogued as belonging to the field of economics, business management and partially communication/design. In minimal part to the other categories mentioned. Interdisciplinary studies tend to be rare. Due to the different background of the authors, the studies carried out present commonly an approach that is representative of a particular field. Authors tend to relate the study to that background knowledge characteristic of the field they belong to (engineering, social science or economics to cite a few). So it isn't easy to find a study that has a holistic perspective on the issue.

There is plenty of literature available on the subject of green marketing and green marketing research, whilst just a scarce amount is dedicated to green market research practice.

3.7.1 Data mismatch

Data sometimes do not match. It isn't rare to find contrasting concepts and ideas, divergent figures and contradictory data. Authors supporting green marketing practice, for instance, indicate that the "green populace" is a growing force, that people are becoming more and more aware of green issues and that the demand for green products is increasing accordingly (McDaniel and Rylander, 1993). Authors in contrast with the green marketing concept, mention instead that green consumers are not easy to catch and monitor, and their behaviour is practically impossible to model (Ottman et al, 2006; Peattie, 2001; Pedersen and Neergaard, 2006). Indeed, attitude and behaviour of the green consumer do not match; even though buyers declare to be willing to purchase green products, the sales' figures show that the products are left on the shelves. This mismatch seems to be responsible for companies being discouraged to run market research studies because the outcomes are sometimes far from being realistic (as in the case of data mismatch between consumers' attitude and their actual behaviour). Some authors point out that to push forward green

consumerism we need to put more pressure on companies (McDaniel and Rylander, 1993); some others say that it is just a matter of time, since sooner or later the environmental crisis will strike (Peattie, 1995).

3.7.2 Green marketing and green market research

Green marketing seems to encounter more issues related to credibility and reliability than traditional marketing, mainly due to historical reasons (Greenwash). Additional uncertainties as unpredictable consumers' behaviour, companies' unwillingness and resistance to change, seem to add insecurity to the success of green consumerism.

Although on one side it seems to be taken for granted that green market research might be used just for marketing purposes, some authors points out at the importance of using the outcomes also for other applications as product development and service improvement (Gupta and Wilemon, 1988). Green market research provides mismatching data about green consumers (gap between attitude and behaviour), which is one of the main issues related to green market research. It is however suggested that the driving forces behind this phenomena might be: the lack of extensive information about the meaning of green marketing to the public (Polonsky, 2001); the fact that consumers do not feel directly responsible for the current environmental situation but tend to blame industry (Rubik and Frankl, 2005); the fact that green market research is been often misleading in the past, suggesting to consumers concepts as green products being more expensive than traditional ones (Peattie, 1995).

There is a series of gaps in the literature:

- information about green market research practice is limited
- information about the use of the outcomes of green market research within companies is also incomplete

Questions as "who carries out market research and green market research, what are the outcomes used for?" remain unanswered. Consequently, my next step will be to collect the missing information using other tools than scientific literature.

The literature review is indeed followed by what can be considered a pre-study, a short empirical investigation that aims to answer even just partially these questions.

4. Green market research practice within industry: an empirical pre-study

Information about the actual practice of green market research within companies is generally scarce. Major gaps concern the lack of studies on market and green market research practice within companies.

It seems quite common for companies to usually lack the knowledge and the facilities to carry out independently any kind of market research. As a consequence, it is sensible to believe that a company would collaborate with a market research partner to carry out studies of interest. However, the literature does not suggest anything on the subject. Questions as: who does market research, to what extent firms rely on market research outcomes, how are research companies organised, what kind of services they offer and so on remain unanswered. Consequently, the next step taken to fill in the gaps of the literature has been to search for information related to market research companies, in the effort to find information about how market and green market research is carried out in industry.

4.1 Marketing companies and associations: who are they?

Over the internet, the number of advertised marketing companies, forums, consultant agencies and associations is remarkably large. Companies are grouped in categories according to their field of expertise. The list of "audience industries" or "market specialities", meaning the field a company works into, is practically endless. To cite just a few (as published on www.greenbook.org):

- acquisitions
- advertising
- agriculture
- airlines
- automotive
- business to business
- communications
- constructions
- consumer durable and services
- demographics
- direct marketing
- education
- environment
- fashion
- financial
- foods
- government
- healthcare
- legal
- manufacturing
- media
- military
- non profit and fund rising
- packaged goods
- pets
- petroleum
- politics
- professional organisations
- real estate
- religion
- sports
- technology
- toys
- trade
- transports
- tourism
- utilities and energy systems

It is interesting to notice that together with expected sectors as automotive, foods and tourism, other less ordinary audiences are presented in the list: business to business, education, legal, military, religion and others are starting (or increasing) the use of marketing as part of their expansion strategy. This shows that the importance of marketing has increased even among organizations that generate previously un-marketed services as the ones offered by churches or schools.

Market research companies are also organised into Marketing Associations. The way they are grouped together depends on their field of expertise or on their location, or both. Some associations are international (as the Asia Pacific Marketing Federation – www.apmf.org.sg), so they reunite companies belonging (or not) to the same field of expertise, but located in

different countries/continents. Some other associations are regional/national, so they group companies located in the same region/country (as the MMA or Montreal Marketing Association – www.marketing-montreal.com). Marketing Associations offer a certain number of services and benefits to their members: online support for advertisement, free website adverts, courses and symposia, organisation of conferences, financial support, consultancy and more. Marketing Associations prefer to organise courses internally, promoting themselves as the experts of the field they belong to (as for the American AMS – Academy of Marketing Science and the UK based Academy of Marketing, www.ams-web.org and www.academyofmarketing.info respectively). Additionally, the net offers an endless number of portals that can be used to search about marketing related topics (as <http://marketing.about.com> from www.about.com).

4.2 Market research companies: what do they do?

Among market research companies, the most common research categories for potential customers are listed as:

- online surveys
- online panels
- proprietary panels
- online focus groups
- internet broadcasting
- online data collection
- surveys and panel advertising

The majority of these categories represent an online marketing service, which underlines the importance and strength of internet as a communication, research and information channel. Generally, the technical services offered by market research companies are:

- data collection/data entry/data processing
- conjoint/trade-off analysis
- modelling/forecasting
- sampling/tabulating/coding

If the customer is looking for a more detailed, custom made research, then many different sub-categories are available, as:

In the case of products research:

- product development testing
- package development testing
- concept development testing
- home use tests
- taste tests

In the case of customer research:

- customer satisfaction
- customer loyalty/value
- customer research
- customer interviewing
- mystery shopping

And in the case of advertising and brand research:

- advertising effectiveness
- advertising research
- copy testing/print/tv
- advertising tracking
- brand equity/loyalty
- brand positioning/identity

Clearly, the services presented are many and different in nature and approach. It is quite rare to find a company that offers services pertinent to more industrial fields (as food, pharmaceuticals and automotive to make an example). Usually a company offers a complete set of tools and services that are particularly related to one precise industrial field (such as

automotive, pharmaceutical and so on) so they tend to become specialised in one specific sector at the time.

Additionally, a market research company is usually specialized in one particular research field: as an example, a company could have expertise in customer behaviour research, or product life cycle research or other.

From the data collected, it seems clear that market research companies offer to industry all possible research studies a firm would potentially need. This could be the reason why a company could prefer to purchase the service of a specialized market research company, rather than carrying out the study alone. However, so far none of the market research companies observed (a number of over hundred random companies) mentions in its offer a service of green market research. In next paragraph, a small research about the availability of green market research services is carried out and the outcome is presented.

4.3 Green market research anyone?

While searching for data over the internet, it was noticeable that the word "green", as for "green market research" was not coming up. As a short and quick test the words "marketing", "green marketing", "market research" and "green market research" were typed on two different research engines specialised in green business. In order to carry out a comparison, two different marketplaces were chosen: US&Canada and Europe. Thereafter, the results of these simple tests are presented.

For this test, carried across US and Canada, it has been used the research engine service of *greenbook.org*. After typing the word "marketing" a list of companies with 444 entries came up, indicating companies that offered "marketing" as one of their services. Interestingly, after typing the words "green marketing", the research service offered the same list gotten before, same number of entries and same companies. This shows clearly that marketing and green marketing were giving the same results; the two concepts are not differentiated and green marketing is meant as traditional marketing.

A second test carried out using the words "market research" gave 364 entries; the same test for "green market research" gave *no* entries. This shows that there might actually be a differentiation between the two concepts.

A test carried out across Europe (using www.ezilon.com or European Marketing Firms and Europe Advertising Companies Listing) about the word "marketing" gave a total of 234 entries, and the companies listed were already grouped depending on their field of expertise. The largest group was represented by the "Online Marketing" companies (25), followed by "Direct Marketing" (18) and "Marketing Consultants" (16). Again, this trend shows the importance of internet as a marketing channel. As a matter of setting, the majority of the companies listed were located in the UK.

"Green marketing" instead gave just 8 entries, but the companies listed were not included in the previous groups and there was no specification about the services offered. This shows that, in Europe, the two concepts are sensed as different. Even though the number of companies was 8 against 234, it seems that green marketing owns his own segment.

The second test carried out on the words "market research" gave 26 entries, whilst the words "green market research" gave again *no* entries.

A quick comparison between the results shows that when it comes to “market research” and “green market research” both marketplaces offer the same options in terms of trends, although the figures are quite different (as shown in table 3.7.a).

	US&Canada	Europe
Market Research	364	26
Green Market Research	none	none

Table 3.7.a: Comparison between market and green market research

In the case of “marketing” and “green marketing” instead, the tests gave contrasting results (as shown in table 3.7.b):

- In US&Canada, the two tests gave same figures and same list of companies, showing that the two concepts are not differentiated and “green marketing” is meant as traditional marketing
- In Europe, the two tests gave different figures and listed different companies, showing that the two concepts are differentiated and “green marketing” occupies its own segment

	US&Canada	Europe
Marketing	444	234
Green Marketing	444	8

Table 3.7.b: Comparison between marketing and green marketing

4.4 Comments to green market research practice in industry

Through the web research carried out, it was possible to understand what market research companies do and which companies they generally supply. It was concluded that it is unclear to define the extent to which a firm rely on marketing companies for market research. My guess is that one of the parameters might be the *extent* of the research planned. If the study is meant to be a large, international investigation involving different languages, the firm might not have the necessary in-house resources to carry it out. Some questions remain anyway, and the only possible way to answer is to get in contact with real companies and ask on their views, organisation and marketing strategy.

4.5 List of web references

- www.academyofmarketing.info (UK based Academy of Marketing) as for September 2007
- www.ams-web.org (American AMS – Academy of Marketing Science) as for September 2007
- www.apmf.org.sg (Asia Pacific Marketing Federation) as for September 2007
- www.ezilon.com (European Marketing Firms and Europe Advertising Companies Listing) as for September 2007
- www.greenbook.org as for September 2007
- www.marketing-montreal.com (MMA or Montreal Marketing Association) as for September 2007
- www.marketingpower.com (American Marketing Association (AMA) website) as for September 2007
- <http://marketing.about.com> (from www.about.com) as for September 2007

5. Results of the empirical data collection

As described in the methodology section, the empirical study is based on the data gathered from a sample of eight companies. Over the next chapter, the reader is introduced to every company through an overview of the firm's characteristics and activities. Additionally, the major outcomes of the data collection are presented for every company in terms of trends and routines.

At the end of the chapter, three matrixes are used to group and compare the results from the interviews and a discussion over the outcomes is carried out.

5.1 A sample of eight companies

The initial target of the study was to involve ten to twelve companies. After multiple attempts to establish connections, a total of 15 companies showed interest towards the project. However, for reasons ranging from the lack of time to reluctance of the upper management, seven companies could not participate; therefore, the final sample is composed by eight firms, as presented in the methodology chapter. As already explained, the companies were chosen in a way to create a diverse sample: each firm belongs to a different industry, the size is dissimilar (from very large to very small) and their strategies are also different in terms of both business and environment. Over the next chapter, each company is first presented according to the information gathered from the firm's international website, brochures and partially through some of the questions asked during the interviews; secondly, the information regarding its market and green market research practice are presented.

ABB AB

ABB (Asea Brown Boveri) is a multinational corporation that resulted from the merger of the Swedish and Swiss companies ASEA (Almänna Svenska Elektriska Aktiebolaget) and BBC Brown Boveri in 1988. ABB operates in the power and automation technology areas and is one of the largest engineering companies and conglomerate companies in the world. The company is headquartered in Zürich and operates in around 100 countries employing about 111,000 people worldwide (as for the end of 2006). In 2006 the total revenues were \$ 24.4 billion, about € 16.4 billion.

ABB is a business to business organisation whose strategies are defined both on a centralised and decentralised setting. This means that the headquarters of the company set guidelines for the whole organisation but each BU is, to some extent, free to put forward its own strategy.

ABB consists today of three interconnected divisions, all reporting to the Chief Executive Officer (CEO):

1. Business Units
2. Corporate Research
3. GFSA – Group Function Sustainability Affairs

The Business Units are today five and they work with a certain degree of freedom, but they cooperate with and are supported by the other two divisions. The five BU at ABB cover different market segments, ranging from Power Products to Robotics.

Additionally, ABB is also regionally active in other sectors through ABB Building Systems (only in a handful of countries), ABB Lummus (sold in August 2007) and ABB Telecommunications (Australia only).

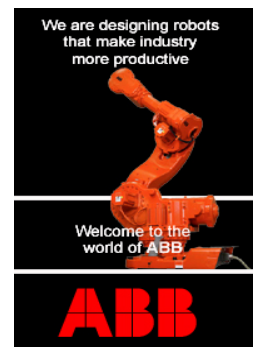


Figure 5.1: ABB AB engineering

Corporate Research is the R&D core of ABB: it is responsible for researching and developing tools and knowledge for the company on a global level.

GFSA is a centralized internal network that sets the guidelines for how the company needs to address sustainability and environmental issues on a global scale. GFSA leads a net of Country Sustainability Controllers (CSC), present in 45 countries and tailoring the guidelines suggested by ABB to the local reality. Every CSC is led by a Local Sustainability Officer (LSO). ABB implies LCA methods to assess its impacts; the company has identified several sustainability issues on which focusing its efforts, ranging from energy efficiency to sustainable supply chain.

Judging from the work of the GFSA network, ABB seems to invest a consistent amount of time and money to address sustainability and environmental issues on a global scale. The company is also active in communicating its dedication through a yearly Sustainability Report (published since 1998) and it uses EPD certification (Environmental Product Declaration).

Market research practice at ABB AB

The spokesmen interviewed at ABB AB were Mr Lennart Swanström, Senior Scientist in Environment and Materials Technologies, and Mr Björn Bergström, Area Product Marketing Manager.

ABB does carry out traditional market research on a national, regional and global level. The most common routine studies, which are all carried in house, comprehend:

- Volume sales and sales prices, to get to know how the products are selling and to which price
- Market trends and market share, to get to know how the products are selling compared to other brands and competitors

These studies are carried out on yearly basis and rely on surveys as the methodology of choice. The channel varies as the company does not rely on one channel in particular. The most common *ad hoc* studies instead focus on consumer product satisfaction, to get to know if consumers are satisfied with the products and services provided. These studies are run just when required and not in house. The methodology preferred is the questionnaire, generally long; the channel used is the traditional mail, as, according to the spokesman, the majority of the customers of the company tend to prefer traditional mail to e-mail.

ABB AB does not offer green alternatives (meaning products or services marketed as more environmentally friendly) to its customers. According to the spokesmen interviewed, ABB customers do not seem to be interested in products or services with environmental characteristics, but rather on the proportion between quality and cost. Because of this reason, the company is not currently interested in marketing green alternatives. Again because of consumers' perceived indifference towards green products, ABB seems disinterested in conducting green market research. This is quite interesting, as it suggests that a company might decide to carry out green market research if it perceives that consumers might be interested in green alternatives; whilst the purpose of market research, in general, is to get to know data that are not known, so a company should be interested in getting to know what consumers want avoiding preconceptions.

When it comes to environmental communication, ABB relies on an annual sustainability report and on life cycle based certification. The company does not rely on green marketing and does not carry out any kind of green market research: according to the spokesman of the firm, ABB is not interested in collecting green information, especially not through green market research, but rather to produce green information and knowledge about the company's commitment (for the reason explained above). Market research is reserved to the

gathering of market related indicators⁶ and customers' feedbacks. ABB claims that its consumers are not interested in greener products at the moment, so trying to gather this kind of data would be impractical.

ASTRAZENECA AB

AstraZeneca is an Anglo-Swedish pharmaceutical company, result of the merger between Astra AB (Swedish) and the Zeneca Group PLC (British) in 1999. AstraZeneca is an international company that employs about 66,000 people worldwide (as for the end of 2006). Corporate headquarters are based in London, whilst the research and development (R&D) headquarters are based in Södertälje (Sweden). Major secondary R&D centres are located in the US, UK, Sweden, China and India. The revenues in 2006 were \$ 26.48 billion, about € 17.8 billion. R&D total spending over the same year was \$ 3.5 billion, about € 2.35 billion. AstraZeneca is a business to business and business to customer (limited to the US marketplace) organisation, whose strategies are defined on a decentralised setting. This is due to the internal structure of the company, which is divided into independent business units that are responsible for the development of one particular brand (brand teams). AstraZeneca seems to be committed towards being compliant on a legislative level and shows also interest towards taking responsibility for the consequences of its business choices. The board of directors of AstraZeneca is composed by 15 members lead by the current CEO, and it is based in London. Every region (as US, Europe, Asia and so on) has its own President and board of directors that report to the CEO.



Figure 5.2: AstraZeneca AB pharmaceuticals

AstraZeneca develops, manufactures and sells pharmaceuticals in several therapeutic research areas, as Gastrointestinal (GI), Cardiovascular, Neurological and Psychiatric and more. AstraZeneca markets its products internationally. The core of the company is represented by R&D, which employs about 5,000 worldwide (one twelfth of the total working force). The company is divided into Brand Teams (BT), which are small internal BU. Every team follows a particular brand, meaning a particular drug or project. All functions are thereafter decentralised. The company has developed a "Patient Assistance Program" in the US that provides medicines for free to eligible patients with low income. AstraZeneca is also the major sponsor for the "Breast Cancer Awareness Month", which focuses on early detection and treatment (notice that the company is leading producer of breast cancer treatments drugs).

The company environmental matters are handled by a group called SHE (Safety, Health and Environment), whose role is to ensure the firm's performance against policies, standards and external requirements. SHE manages the internal auditing program and the SHE reporting system.

AstraZeneca claims being committed towards becoming a more sustainable company. The firm has invested in a number of initiatives in order to reduce its impacts, as:

- Substituting CFC propellers with dry powder inhalers
- Reducing the leaking from fire extinguishers and refrigerators
- Investing into combined heat and power plants and purchasing energy from low or zero carbon sources

⁶ A market indicator describes what and how the market is doing at a given moment. There are many indicators developed to study market behaviour from different perspectives: Percent Advances and Declines, Sales Advances and Declines, Price and Sales Volume, Market Momentum and so on.

- Investing in electronic communication systems and increasing the number of hybrid and alternative fuel vehicles

Other initiatives include measures of “sustainable production” regarding products and packaging, waste management, emissions and water use. Outside its walls, AstraZeneca funds charitable donations and initiatives to contribute to the growth and education of local communities worldwide.

Market research practice at AstraZeneca AB

The spokeswoman interviewed at AstraZeneca AB was Mrs Ann Franzén, Market Research Manager at the Global Nexium Insight Team.

AstraZeneca does carry out traditional market research on a regional and global level. The most common routine studies focus on topics as:

- Brand tracking, which monitors the behaviour within the market of a particular brand or drug
- Roadmap analysis, which looks at the history and performance of a particular drug

These studies are run on yearly basis and are not carried in house; the method preferred in this case is the questionnaire, which is not mailed but instead used as a support during phone and direct interviews. When it comes to *ad hoc* studies, the company flags as an example of most common study the one carried out to choose a name for a new drug. In this case the study is carried when needed and is not run in house. Again, the methodology preferred is a questionnaire used as a support for phone and direct interviews.

AstraZeneca does not offer any green alternative to its customers and green market research is not carried out. The company focuses its research efforts on other drug related issues that are perceived to be far more relevant by the firm. According to the spokeswoman interviewed, patients are interested in other features than environmental characteristics when it comes to drugs and treatments, as: efficacy, handiness and cost. Patients ask for drugs that are faster and safer (efficacy), that do not interfere with their everyday life (handiness) and that are affordable (cost). So the company is currently not attracted by green alternatives production. Very interestingly, as in the case of ABB, AstraZeneca does not carry out green market research because it perceives that consumers are not interested in green alternatives.

Concerning environmental communication, the company relies on a yearly sustainability report and does not run any green marketing activity. AstraZeneca edits and publishes yearly a CR Report (Corporate Responsibility) since the year 2000, which is not included in the economical report.

DEM Collective AB

Founded in Göteborg in 2004, DEM Collective is a Swedish clothing company that funds its business idea on “decent sustainable trade”, ecology, ethics, quality and good design coupled with bearable retail prices. The company aims to be environmentally sustainable and to use fair-trade produced material, ensuring the respect of human and working rights.

The company is not very large (it employs around 27 people worldwide) and it was established by two co-founders that share today the position as CEOs of the firm. The board of DEM is composed by the two CEOs, a chairman and another additional

member of the board. DEM Collective is responsible for designing and selling clothes to a wide range of customers: organisations, clothing companies and private individuals. The annual turnover is of about € 3 million. DEM Collective is both a business to business and a business to customer organisation. DEM has a daughter company in Shri Lanka, DEM Colletive Lanka Private Ltd, which is responsible for handling, dyeing and using the cotton provided by DEM Collective to produce the clothes that will be sold by the firm. The daughter company was funded by the two CEO's but it is administrated by a local manager, which owns 18 % of the factory. This was a choice of the two co-founders, which decided to renounce to the right of foreign companies to be placed in the free trade zone and have a five years tax free benefit. Worldwide, Dem has 17 employees; 10 more people work in the south of Shri Lanka but are employed by an organization that is contributing to the regional economy restoration after the Tsunami tragedy.

Everything within Dem Collective is carried out with an eye to environment and sustainability: from the use of low energy lamps, the sensible cutting of materials, the importance of producing compost to flexible time tables for the workers, education, appropriate salary and building of basic knowledge about environmental and sustainability issues. All stakeholders, suppliers and business customers believe in the whole concept on which Dem Collective funds its business. The clothes are sold both in fair trade shops and boutiques that sell different brands. The amount of clothes that can be produced is limited (3000 per month); this is due do the choice of organising fair working hours for the employees and to the limited availability of fair trade and ecological cotton (only 512 farmers worldwide are currently producing what DEM considers to be the right cotton).

DEM Collective clothes are not certified, but the cotton used for the production is certified by both SKAL⁷ and FLO⁸, which guarantee that the material is 100% ecologically produced (SKAL) and that the production process is in agreement with fair-trade standards (FLO). DEM has control over the whole production process and works closely with its suppliers. The company is currently (February 2008) undergoing the process of certification with BraMiliöval.

DEM collective produces also clothes for two clothing firms that are two major clients of the company:

1. Rabbi
2. Spirit of Maya



Figure 5.3: DEM Collective AB clothing

⁷ SKAL International is an inspection and certification organization that certifies organic products, processes and inputs (Sustainable Forests and Wood, Textiles) on a global level. It is an authorized organization in the EU member states under the Regulation (EEC) Nr. 2092/91.

⁸ The Fair-trade Labelling Organization (FLO) is the biggest non-profit, international association that develops and reviews fair-trade standards, and provides support to fair-trade certified producers by assisting them in gaining and maintaining fair-trade certifications. It follows the ISO Standards for Certification Bodies (ISO 65).

The fashion perspective offered by these companies is different in nature and style from the one offered by DEM, but they are all equally committed towards marketing ecologically and socially sustainable clothes.

Market research practice at DEM Collective AB

The spokeswoman interviewed at DEM Collective AB was Ms Annika Axelsson, Director CEO of the company.

DEM Collective does not carry out green market research. So far, DEM Collective has never carried out any kind of market research study, nor green neither traditional, but it is committed towards being more active in this sense. The reason why the company does not carry out any form of market research might rely in its size and business stage. The firm is still indeed quite small and expanding its business, so for reasons linked to budget, time and workforce restraints the company does not have the resources to carry out green market research.

DEM Collective AB markets exclusively green products, meaning ecological and sustainable. The cotton with which the clothing is produced is certified according to two major certification bodies. The working condition reserved to their employees in Sri Lanka is decided according to sustainable and humanitarian standards.

When it comes to environmental communication, the company relies on green marketing actions and on the spread of information through people, media, fairs (a recent one at the Museum of world culture in Gothenburg) and the academia. The company does not publish any sustainability or corporate responsibility or environmental report. The only current forms of corporate environmental communication except for green marketing are a news letter, customers can sign up on the website, and news and information published on the website.

ERICSSON AB

Ericsson is a leading Swedish-based provider of telecommunication and data communication systems (and related services) covering a wide range of technologies. Founded in 1876, the company employs about 64,000 people worldwide (as for the end of 2006), is present in many countries and has its headquarters in Kista (Sweden). Ericsson is a major provider of handsets and supplier of infrastructures for all major wireless technologies. The company played an important role in



Figure 5.4: Ericsson AB telecommunications

modernising existing copper lines to offer broadband services. The handsets division formed a joint venture with Sony called Sony Ericsson in 2001. In 2006, net sales were \$ 25.4 billion, about € 17.1 billion. Ericsson is a business to business organisation, whose strategies is defined both on a centralised and decentralised setting. This means that the headquarters of the company set guidelines for the whole organisation but each BU is, to some extent, free to put forward its own strategy. Ericsson seems to be committed towards being compliant on a legislative level and shows also interest towards taking responsibility for the consequences of its business choices. The Board of Directors has 16 members lead by the current Chairman, Deputy Chairman and President and CEO. Ericsson has three major business segments:

1. Systems: focused on operations of mobile and fixed line public telephone networks
2. Phones: focused on distribution of mobile handsets to the end users
3. Other operations: focused on a number of various operations including EMP (Ericsson Mobile Platforms), Network Technologies (cables) Enterprise and Power Modules

Ericsson seems to be committed towards making a positive contribution to the communities where the company works and the world in general. The approach of the company towards corporate responsibility is to follow three bottom line principles, which are:

- Economic prosperity
- Environmental performance
- Social equity

For Ericsson, being responsible is about minimizing risks and creating positive business impact globally. The company employs LCA methods to assess its impacts; the major focus points on which Ericsson is focusing its efforts are:

- Energy management
- Design for environment
- Treatment of hazardous substances
- Supplier requirements
- GeSI, Global e-Sustainability initiatives network for IT companies

Market research practice at Ericsson AB

The spokesmen interviewed at Ericsson AB were Mr Mikael Eriksson Björling, Expert Consumer Experience, and Mr Erik Kruse, Senior Expert Consumer Behaviour.

Ericsson AB carries out market research studies on international, national and regional level. The most common routine study is called Fundamental Study, which is a long complex research run on yearly basis to get to know about public fears, thoughts and behaviour in connection to the current international situation. The study is not run in house, and it is presented as a long questionnaire available on the website of the company as a web survey (the link to the survey might be actually mailed to customers). In the case of *ad hoc* studies, the firm cites as an example a survey on the use of the home telephone, to get to know

what people think and to what extent they still use a home appliance. The study was run partially in house (a part of the data collection was carried out by in house researchers) and was based on a short series of questions, used as guidelines to perform direct interviews.

Ericsson is the first one out of the four companies of the sample so far that carries out both market and green market research. The reason for carrying out green market research is that the company values information about sustainability and the environment collected from the market. Ericsson indicates as its most common routine study the series of environmentally related questions that belong to the Fundamental Study. The company does not perform a dedicated routine study on the topic. In the case of *ad hoc* studies, the company is to carry out over autumn 2008 its first *ad hoc* green market research study. The research will investigate the public opinion about green movements and CSR. It will not be run in house and it is planned to be carried out whenever needed. The basic method used will be a questionnaire, coupled to focus groups and web surveys. Ericsson was very reserved on the kind and precise formulation of the questions implied in its research studies. The topics of the questions are, in general, about how the public perceives:

- the environmental crisis
- sustainable development
- climate change
- green movements
- corporate social responsibility
- the role of Ericsson in the current environmental panorama

It was not possible to get precise indications on how many questions are asked, their formulation and the conclusions to which Ericsson was able to come.

In the case of environmental communication, Ericsson publishes a yearly Sustainability Report since 2001 and is also keen on using green marketing as a form of communication to advertise some of its activities, as the development of solar panels. The company claims to market green products, meaning all those technology systems that are somehow related to current environmental issues and have somehow a green purpose (solar panels, wireless communications and so on).

ICA AB

ICA (Inköpscentralernas Aktionbolag) is the Nordic leading retail chain for daily consumption consumer goods. ICA AB is headquartered in Solna, Sweden, and was funded in 1938 as the merger of four purchasing centres by the will of four people:

1. Hakon Swenson, director of Hakonbolaget
2. J Rudolf Lifwendahl, director of Svenska Varor el. Speceristernas Varuinköp
3. Emil Clemetson, director of Eolbolaget
4. Erik Karlsson-Kyhlstedt, director of Nordsvenska Köpmannaaktiebolaget

The majority of the ownership of ICA AB belongs today to the Dutch Royal Ahold (60%) while the rest is owned by Hakon Invest AB; however, neither party has total control of the company due to stakeholders' agreement.

ICA Baltic (one of ICA AB Business Unites) enrolled on a joint venture with Finnish Kesko on 2007 under the name of Rimi Baltic, which is in charge of managing all the shop sites of the Baltic Region. ICA shops form a cooperative called ICA Förbundet. The cooperative was funded on 1940 as a membership organization in order to strengthen the collaboration and communication among shop sites. The cooperative is the major owner of Hakon Invest AB (67%)⁹ and so accordingly also owner of ICA AB itself. ICA AB is managed and controlled by three corporate bodies:

1. Annual General Meeting, the regulatory body.
2. Board of Directors and the President, the executive body
3. Auditors, the controlling body in accordance with the Swedish Companies Act and the Company's Articles of Association

ICA is a business to customer organisation, whose strategies are defined on a centralised setting. ICA seems to be committed towards being compliant on a legislative level and shows also interest towards taking responsibility for the consequences of its business choices. ICA AB distributes and markets daily consumption goods. With a total turnover of € 6.7 billion in 2006, the ICA Group is today one of the leading Nordic retail companies (about 2300 ICA and associated stores in Scandinavia) and employs about 12,000 people (as for the end of 2006). ICA AB has four Business Units:

1. ICA Sverige AB, the leading food retail company in Sweden. ICA retailers own and manage their shops independently. The presence of ICA is ensured in all locations by different store sizes:
 - a. the smallest ICA Nära, which works also as an agent for Apoteket, Systembolaget and ATG
 - b. the medium sized ICA Supermarket
 - c. the larger ICA Kvantum (offers a larger range of products, including eco-labelled items and media ranges) and Maxi ICA (sells also books, clothes, household utensils, sport and gardening items)
2. ICA Norge AS, one of Norway's leading food retailers with about 700 stores nationwide. ICA Norge store format strategy is the same of ICA Sverige.
3. Rimi Baltic AB or ICA Baltic AB is, with its 205 stores, the leading food retail chain in the Baltic Region. The store format strategy includes small supermarkets (Rimi Supermarkets), large hypermarkets (Rimi Hypermarkets and Rimi Compact Hypermarkets) and budget stores (Supernetto and Säästumarket, the last one only found in Estonia).



Figure 5.5: ICA AB food retailer

⁹ The remaining 33% of Hakon Invest AB is owned by private shareholders.

4. ICA Banken AB offers financial services to ICA customers. ICA Banken administers 3.1 million card customers and 285,000 banking customers every year. The business volume for 2006 was € 1.3 billion and according to a survey carried out by the Swedish Quality Index ICA Banken had the most satisfied customers of any bank in 2006.

When it comes to sustainability, ICA seems to focus on minimizing the impact of its operations and taking responsibility for the life cycle of its products. ICA claims to be focusing its efforts on, among others:

- Rising ethical standards of profitability
- Maintaining an open dialogue with the world
- Contributing to environmental improvements and sustainable development initiatives

Market research practice at ICA AB

The spokesman interviewed at ICA AB was Mr Jonas Gunnarsson, Market and Consumer Research Manager.

ICA most common routine study is the CSI or Customer Satisfaction Index, which investigates the level of satisfaction of customers towards the products and services offered by the company. It is not carried in house; it is run on yearly basis with a short questionnaire used over phone interviews. As for *ad hoc* studies, the company run over spring 2007 a survey on public opinion over climate change and sustainability. In this case the research was run in house through a web survey based on a questionnaire published on line.

ICA is the second firm of the sample to carry out both market and green market research, on both regional and national levels. The reason for carrying out green market research is that ICA believes in the importance of market research as a way to collect green signals and trends; moreover, the company is interested in monitoring the loyalty of its consumers towards green products. The most common routine study cited by ICA is the Customers' Loyal Segment database, with which the firm monitors the loyalty of customers to some specific green brands sold by the company. The study is run on yearly basis and in house. The method chosen is a questionnaire which is published on line as a web survey. It is interesting to flag that this is the only green market research routine study of the whole sample to be run independently from other traditional market research studies. As for *ad hoc* studies, ICA indicates two examples:

- Organic product tracking, which investigates the perception and purchase of organic products
- Organic private label launch, which investigates the perception and purchase of a particular ICA green label brand

Neither of these studies is run in house. The first one is carried out on yearly basis, whilst the second one is carried out whenever needed by the company, meaning in association with a new launch. Both studies imply the use of a questionnaire, but while the organic product tracking relies on web surveys, the organic private label launch relies on phone interviews. As in the case of Ericsson, ICA was very reserved on the formulation of the questions implied in its research studies. The topics of the questions are, in general, about how the public perceives the role of ICA in the current environmental scene, and some more food related aspects as:

- customers' satisfaction with green products marketed by ICA
- customers' satisfaction with ICA own green products line

It was not possible to get precise indications on how many questions are asked, their formulation and the outcomes obtained by ICA.

The company publishes a yearly Sustainability Report and uses also green marketing as a form of environmental communication. ICA AB distributes a limited amount of products (spacing from food to household goods) that are certified according to the Swedish Bra Miljövan (environmentally friendly), Krav (organic) and Svanen (environmentally friendly).

SAAB Automobiles AB

Saab Automobiles AB was founded in the 1940's as the car division of Saab (Svenska aeroplan aktiebolaget" or Swedish Aeroplane Limited), which is a world leading provider of products, services and solutions ranging from military defence to civil security. In 1990, Saab car division was restructured as an independent company called Saab Automobiles AB; General Motors bought the majority (51%) of Saab Automobiles on that year and acquired the rest a decade later. Today the company is entirely owned by GM.

The new
Grrrrreen.

New Saab 9-3. Sleek. Powerful. Grrrrreen.
Carbon emissions are offset across the entire Saab range.



Figure 5.6: Saab Automobiles AB automotive

Saab Automobiles manufactures and sells cars in more than 60 countries worldwide, although the most important markets are US, Australia, UK and other major European countries as Germany, Italy, France, Sweden, Norway and Switzerland. Founded and headquartered in Trollhättan, Sweden, the company employs about 5,000 people (as for the end of 2006) nationwide. The turnover last year was about € 1.3 billion. Saab Automobiles is a business to customer organisation, whose strategies are defined on a centralised setting by GM, but also on a decentralised setting by Saab itself. The company seems to be committed towards being compliant on a legislative level and shows also interest towards taking responsibility for the consequences of its business choices.

The product range offered by the company is of five cars. The limited amount of products presented is due to the fact that the company is one of the world's smallest car manufacturers; however, Saab takes this limitation as an advantage, since the company is free to challenge conventional car producers. Indeed, Saab markets a green model (Saab BioPower 100, which is a Saab 9-5 model) that runs completely on ethanol. According to the company, the car is not only more environmentally friendly than traditional gasoline cars, but it also offers a higher performance in terms of horse power.

As mentioned before, Saab Automobiles belongs to General Motors. Although it is the American GM that sets the general goals and standards when it comes to environment and sustainability, all companies have to comply with the local reality. Saab says to be focused on recycling oriented design, aiming to:

- Decrease the waste produced over production
- Reduce the waste at the end of the vehicle's life

In these terms, Saab not only recycles but also uses recycled material when their usage is technically feasible and economically viable.

Market research practice at Saab Automobiles AB

The spokesman interviewed at Saab Automobiles AB was Mr Nazif Gulsen, Market Analyst.

The most common routine study run by Saab is a new customers' satisfaction research, which investigates the level of satisfaction of new customers with the model purchased. The research is not run in house and it is carried out on yearly basis; the method chosen is a long and complex questionnaire, which is sent by traditional mail. In the case of *ad hoc* studies, Saab cites a recent survey about a specific car, the ethanol model, which happens to

be a green market research study. The survey was run over the year 2007; it was not carried in house and it implied a short and simple questionnaire used to carry out phone interviews (which were performed in Sweden only). It investigates fuel usage, car performance and driving habits.

Saab is the third company of the sample to carry out both market and green market research, on regional and national levels. The reason for carrying out green market research is that the company is interested in collecting green signals from the market and monitoring the performance of its green model. Saab indicates as its most common routine study the series of environmentally related questions included in the new customers' satisfaction research. These questions investigate the satisfaction and driving habits of new customers with green models, but also more general issues as their response to Global Warming. In the case of *ad hoc* studies, the example cited by the company is the survey on the Saab ethanol model, as already presented before. As well as with Ericsson and ICA, Saab Automobiles is not keen in sharing the exact formulation of its market research questions or the outcomes obtained by the studies. In general, the topics of the questions asked are:

- people's view and response on the environmental situation, especially global warming
- customers' satisfaction towards the ethanol model
- driving habits, fuel and car usage

In the case of environmental communication, Saab publishes, through General Motors, a yearly Sustainability Report which is the same for all the automotive companies that belong to the GM unified brand. Saab is also actively using green marketing as a form of environmental communication to promote its ethanol model.

SACKEUS AB

Sackeus is the leading fair-trade import organization in Scandinavia, aiming to market provisions according to the international recognised fair-trade criteria. The company is based in Göteborg and started in 1976 under the name of Ekumeniska U-landsimporten as the result of collaboration among:

- Diakonia, a Christian development organization working for a more sustainable world
- Svenska Kyrkans mission, the Swedish Church mission, and the
- Lutherhjälpen, organization belonging to the Swedish Church and working towards a sustainable and ecological development

In 1986, the company renamed itself as Sackeus AB. Since the very beginning, the company has managed and marketed the products of small producers located in developing countries. Today, Sackeus is a well established supplier of fair-trade foods for the whole Scandinavian region. The company supplies fair-trade items to a solid network of fair-trade and ecological stores within the region, and it has recently become supplier of fair-trade chocolate and coffee for COOP AB, one of the two major food retailers of the Baltic Region (ICA AB is the other one).

Since 2001, the company is owned by Svenska Kyrkans Förvaltnings AB (Swedish Church's Cooperation; just 5% of the company), Bergman & Bergstrand Kafeerosteri (Bergman & Bergstrand coffee roast factory; 75%), the Mexican coffee cooperative UCIRI (which together with B&B is the main supplier of crude coffee for Sackeus; 10%) and Eva Olsson (owner of Condeco; 10%). Sackeus roasts indeed its own coffee in Bergman & Bergstrand's roasting facilities (located in Göteborg, Sweden) which is the owner of the roasting and warehouse facilities co-used by Sackeus. The total turnover for 2006 was € 1.5 million; the company employs six people. Sackeus is a business to business organisation. All the products distributed by Sackeus AB are fair trade certified, while up to 60% of the assortment is also certified as "green" according to multiple international labels¹⁰. The products include:

- Coffee and tea
- Chocolate, cacao and sugar
- Candies, cookies and nuts
- Snacks, including energy bars and crisps
- Drinks, mainly juices
- Rice, couscous and pasta goods: including quinoa and musli
- Jams, sauces and spices: including honey, oils, vinegars and dried spices

Market research practice at Sackeus AB

The spokeswoman interviewed at Sackeus AB was Ms Jessika Kjellgren, Customer Relations and Financial Manager.

Sackeus does not carry out green market research. So far, Sackeus has never carried out any kind of market research study, but it is committed towards being more active in this sense. As in the case of DEM Collective AB, the reason why the company does not carry out any form of market research might rely on its size and business stage. The firm is still indeed quite small and expanding its business, so for reasons linked to budget, time and workforce restraints the company does not have the resources to carry out green market research. Currently, information about the market is gathered on a very regular basis from the



Figure 5.7:
Sackeus AB
fair-trade food
importer

¹⁰ The Swedish *Krav*, the Belgian *IDB*, the German *Bio*, the Italian *IMC*, the Spanish *CCPAE*, the Swiss *BI* and the Thai *ACT*.

Rättvismarkad (fair-trade Swedish organisation), Krav and the media. Lots of information about competitors comes also from the media.

As for environmental communication, the company does not publish any sustainability or corporate responsibility or environmental report. The only current forms of communication are green marketing (on many channels, even the church press) and the spread of information from the company website.

SCHENKER AB

Schenker AB is a German logistics company and a subsidiary of Deutsche Bahn, the German railway company, operating on land, sea and air transport and contract logistics. Founded by Gottfried Schenker in 1872 and based in Essen, Germany, the company has about 1,500 offices worldwide (150 countries) and employs nearly 55,000 people (as for the end of 2006). In 2006 the total turnover of the company was of € 13.2 billion. Schenker is a business to business organisation, whose strategies is defined both on a centralised and decentralised setting. This means that the headquarters of the company set guidelines for the whole organisation but each BU is, to some extent, free to put forward its own strategy. Schenker seems to be committed towards being compliant on a legislative level and shows also interest towards taking responsibility for the consequences of its business choices. Schenker claims to be number 1 in European land transport and number 6 in worldwide contract logistics. The Board of Management (BOM) is based in Essen and consists of six people: Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Global Air and Ocean Freight Manager, Global Contract Logistics Manager and Global HR Manager.



Figure 5.8: Schenker AB logistics

Schenker AB consists primarily of three different Business Units (BU) characterised by business responsibility and autonomy: Schenker Logistics, Schenker International and Schenker Eurocargo. The company figures in several international mergers with other logistics companies worldwide, as with BTL-AB in Sweden (Schenker-BTL) and with Seino in Japan (Schenker-Seino Ltd). Additionally, Schenker leads a number of global projects where special oversized transportation requirements are needed, as for refineries in the United Arab Emirates, power plants in India, dams in China and oil field bases in Indonesia.

Moreover, Schenker provides support for fairs and exhibitions, especially global sports events: it is the official freight forwarder for the Olympic Games and Olympic Winter Games since 2000 and it has recently been confirmed for the upcoming Olympic Games in Beijing in 2008.

When it comes to environmental matters, the company is supported by an internal environmental network (whose main group is based in Essen) that sets the guidelines on how to address globally issues of this nature.

As one of the leading logistics service providers in the EU and worldwide, Schenker is very aware of its responsibility in reducing the impacts due to transport, by both reducing superfluous kilometres and introducing better technologies (new cars and new fuels). The company aims to reduce the amount of kilometres covered by:

- Better coordinated transports
- Use of GPS to improve traffic control

And to improve its technology by:

- Introducing bio fuel vehicles

- Introducing of emissions control technology
- Again, use of GPS to improve traffic control

Market research practice at Schenker AB

The spokeswoman interviewed at Schenker AB was Ms Monica Jadsén Holm, Environmental Manager.

Schenker carries out on yearly basis the so called SCI or Satisfied Customer Index, which investigates the level of satisfaction of customers towards the services provided by the company. The study is not run in house and the method employed is a long questionnaire used to carry out phone interviews. In the case of *ad hoc* studies instead, curiously the company has never, so far, carried out any specific study.

Schenker AB is the fourth company of the sample to carry out both market and green market research, on a national level. The reason for carrying out green market research is that the company believes in the importance of differentiating its offer and providing the market with a valuable green alternative, and thus is very interested in collecting green signals from the market to module its offer. Schenker (as in the case of Ericsson and Saab) indicates as its most common routine study a series of environmentally related questions included in the SCI research. These questions investigate customers' expectations towards the company's environmental performance and other more general issues (environmentally and sustainability related). In the case of *ad hoc* studies, as already discussed the company does not currently carry out any *ad hoc* study. As happened before, the company is reserved when it comes to sharing the formulations of its questions and the outcomes connected to the studies. In general, the questions asked aim to investigate:

- people's view on the environment and sustainability
- customers' expectations towards Schenker's environmental performance

As for environmental communication, the company publishes a yearly Sustainability Report and is uses also green marketing to increase awareness about its green service. The company offers a green or "environmentally smart" service to its customers, where transports are better organised and planned, and the distance covered represents the minimum amount of kilometres needed to carry out the service.

5.2 Summary of the results

In order to directly compare the data that were gathered, the records have been divided in three matrixes. The matrixes contain data of different nature depending on the purpose of the matrix itself.

The first matrix is called *organisational matrix* and its purpose is to list and compare general organizational elements of every company, as:

- The industry in which it operates, the number of employees, the revenue size
- The type of business and organization
- The presence of green products/services in the variety of items offered; the kind of environmental communication, if any, published

The second matrix is called *market research matrix* and its purpose is to list and compare the principles, use and essentials of market practice of every company, using elements as:

- The purpose, scale and frequency of market research
- The most commonly used tools, meaning methods and channels
- The practice, if any, of green market research

The third and last matrix, called *green market research matrix*, has the purpose of listing and comparing the principles, use and essentials of green market research practice of every company, where available. It compares elements as:

- The purpose, scale and frequency of green market research
- The most commonly used tools, meaning methods and channels
- Examples of green question asked, if available

Organizational matrix

Company	Industry	Employees worldwide	Revenue in 2006 [€]	B2B or B2C ¹	Central-/decentralised organization	Green products or brands	Of which Ecolabelled	Environmental communication
ABB	Power Technology & Industrial Automation	111,000	16.4 billion	B2B	Both	None	None	Sustainability Report, yearly EPD
AstraZeneca	Pharmaceuticals	66,000	17.8 billion	Both	Decentralised	None	None	Corporate Responsibility report, yearly
DEM Collective	Clothing	27	1.3 million	Both	Centralised	Yes	Applying for the Swedish Bra Miljöval in February 08 ³	Green Marketing
Ericsson	Telecommunications	64,000	17.1 billion	B2B	Both	Yes ²	None	Sustainability Report, yearly Green Marketing
ICA	Food distribution	12,000	6.7 billion	B2C	Centralised	Yes	Bra Miljöval Krav Svanen on some of the products	Sustainability Report, yearly Green Marketing
SAAB Automobiles	Automotive	4,700	1.3 billion	B2C	Both	Yes	None	Sustainability Report, yearly Green marketing
Sackeus	Food import	6	1.5 million	B2B	Centralised	Yes	Krav and other international labels on 60% of the products ⁴	Green Marketing
Schenker	Logistics	55,000	13.2 billion	B2B	Both	Yes	None	Sustainability Report, yearly Green Marketing

(1): B2B means business to business; B2C means business to customer

(2): If one intends technologies as communication, solar panels and similar as such

(3): The clothes are not labelled yet but the cotton is organic and certified by Agrofil

(4): 100% of the products marketed by Sackeus are labelled as fair-trade products

Market research matrix

Company	Purpose of market research	Scale ⁵	Most common routine study	Most recent <i>ad hoc</i> study	In house ?	Frequency	Method	Channel	Green market research	Why?
ABB	Price, sales and market share investigation	N / R / I	Volume sales Sales price Market trends Market share	Consumer product satisfaction	Yes	Yearly basis	Survey, statistical studies	None in particular	No	ABB does not acquire information about environment or sustainability through market research. ABB is keen into collecting information of this nature through other channels.
	Yes				Yearly basis	Long questionnaire	Traditional mail			
AstraZeneca	Product tracking	R / I	Brand tracking Roadmap Analysis	Name Impact Others	No	Yearly basis	Questionnaire	Phone and direct interview	No	Focused on other, more relevant drug-related issues
	Market analysis				No	Yearly basis	Questionnaire			
	Sales volume				No	When needed	Questionnaire			
DEM Collective	No market research so far	-	-	-	-	-	-	-	-	Focused on other more relevant start-up issues
Ericsson	Product development	N / R / I	Fundamental study	Current use of the home telephone	No	Yearly basis	Long questionnaire	Web survey	Yes	Because Ericsson values information about sustainability and the environment collected from the market
	Customers satisfaction and behaviour				Partially	Over 2007	Short series of general questions	Direct interview		
ICA	Price Investigations	R	Customer Satisfaction Index	Survey on climate change and customers' interest on sustainability	No	Yearly basis	Short questionnaire	Phone interview	Yes	Because ICA believes in the importance of market research to collect green signals and trends and is keen in monitoring the loyalty of its customers toward green products
	Consumer demand and satisfaction				Yes	When needed, last one over Spring 2007	Questionnaire	Web survey		
SAAB Automobiles	Customer Satisfaction	R / N	New customers satisfaction research	Survey about Saab ethanol cars	No	Yearly basis	Long questionnaire	Traditional mail	Yes	Because SAAB is keen into collecting green signals from the market and monitoring the performance of its green cars
	Product tracking				No	Over 2007	Short questionnaire	Phone interview		
Sackeus	No market research so far	-	-	-	-	-	-	-	-	Focused on other more relevant expansion plans
Schenker	Consumer Satisfaction and service improvement	N	SCI – Satisfied Customer Index ⁶	-	No	Yearly basis	Long questionnaire	Phone interview	Yes	Because Schenker believes in the importance of differentiating its offer and providing an environmentally smart service

(5): I = international, globally although with some limits; R = regional, a major regional market as Europe or a smaller regional market as Scandinavia; N = national, one country

(6): Known in Sweden as NKI – Nöjd Kund Index

Green Market research matrix

Company	Purpose of green market research	Scale	Most common routine study	Most common <i>ad hoc</i> study	In house ?	Frequency	Method	Channel	Questions asked
ABB	-	-	-	-	-	-	-	-	-
AstraZeneca	-	-	-	-	-	-	-	-	-
DEM Collective	-	-	-	-	-	-	-	-	-
Ericsson	Consumers attitude, views and behaviour	I	Environmental and sustainability related questions within the Fundamental study	First one planned on Autumn 2008 will focus on green movements and CSR ⁷	No	Yearly basis	Long questionnaire	Web survey	What are people fears and what people think about the future in connection to current sustainability and environmental issues
					No	When needed, first one over 2008	Questionnaire	Direct interview, focus group, web survey	What are people expectations towards CSR ⁷ and what are people views towards green movements
ICA	Organic products tracking	R / N	Customers' segment loyal database		Yes	Yearly basis	Questionnaire	Web survey	How customers expect ICA to handle and address environmental issues
	Customers' loyal database building			Organic products tracking	No	Yearly basis	Questionnaire	Web survey	
				Organic private label launch	No	When needed	Questionnaire	Phone interview	
Saab	Tracking customer satisfaction and driving habits over Saab green cars	R / N	Environmental related questions within the New customers satisfaction research		No	Yearly basis	Long questionnaire	Traditional mail	Customers' response to GW ⁸ , customers' driving habits, fuel usage and car performance
				Survey about Saab ethanol cars		Over 2007	Short questionnaire	Phone interview	Fuel usage, car performance and customers' driving habits
Sackeus AB	-	-	-	-	-	-	-	-	-
Schenker AG	Meeting customers expectations toward the environment	N	SCI	None so far	No	Yearly basis	Long questionnaire	Phone interview	Environmental and sustainability related questions in general: a general investigation about customers expectations concerning amount and nature of emissions from vehicles

(7): Corporate Social Responsibility

(8): Global Warming

5.2.1 Organisational matrix: general organisational elements

While analysing the matrix, the eye of the reader is caught by the acute differences existing among the companies interviewed. The fields in which they operate, the number of people they employ and their environmental dedication space from an extreme to the other. From the huge ABB AB to the petite Sackeus AB, from the business to business to the business to customer, each and all of these companies represent a particular industry, a different business concept and a dissimilar environmental and/or sustainability commitment.

Six companies out of eight offer green alternatives to their customers. Among these five, two companies market just sustainable products: DEM Collective and Sackeus, in the clothing and food industry respectively. The two left-outs are AstraZeneca, and ABB: big business to business corporations operating in the fields of pharmaceuticals and power technology. Out of the six companies that market also green alternatives, just two currently offer a range of products that is certified and eco-labelled: ICA and Sackeus.

Summing up, two out of eight companies offer certified green products to their customers. A third one, which markets sustainable clothes, is currently undergoing a certification process (DEM Collective) to become certified according to the Swedish Bra Miljöval. Of the remaining five companies, just two offer green alternatives without being certified: Saab Automobiles and Schenker. Curiously, they operate within interrelated sectors: automotive and logistics.

When it comes to environmental communication, nearly all the companies (six out of eight) are engaged in green marketing, meaning they market some of their products and services as also environmentally friendly and/or sustainable; ABB AB and AstraZeneca AB do not. Again, nearly all the companies (six out of eight) edit on a yearly basis a public Sustainability Report/Review, which is available to all stakeholders and downloadable from the firms' website. Interestingly enough, the two companies that are currently not publishing such a report/review are the most sustainable (but also smallest) of the sample: DEM Collective AB and Sackeus AB.

Overall, it turns out that the preferred ways for environmental communication among the companies interviewed are the *sustainability report* and *green marketing*; indeed, half of the companies use both tools simultaneously.

It is interesting to note that just one of the companies is familiar with Environmental Product Declaration (EPD). However, it might be that some of the other companies have expertise with LCA methods too even though they don't have an EPD; as a matter of fact, DEM Collective has recently undergone a full LCA study carried out by an independent environmental researcher; it is also currently undergoing the process for becoming Bra Miljöval certified.

5.2.2 Market research matrix: principles, use and essentials of market research practice

The scale and purpose of market research is of course dissimilar from company to company and from case to case.

Concerning the scale, there are only three companies out of eight carrying out market research on a global international level: ABB, AstraZeneca and Ericsson; curiously, they happen to be the largest firms of the sample for number of employees and revenues. Additionally, they are also the most widespread geographically.

As for the scope, five companies (ABB, Ericsson, ICA, Saab Automobiles and Schenker) indicate *consumer satisfaction* as one of their primary purposes when carrying out market research. Three (ABB, AstraZeneca and ICA) point to *market related indicators* (price investigation, sales volume, market share and market analysis) as one of the main purposes of market research. Some cite also *product tracking* (AstraZeneca and Saab), and some indicate also *product development* and *service improvement* (Ericsson and Schenker).

Two of the companies have never carried out any kind of market research so far. Interestingly, these are the two smallest but also most sustainable companies included in the sample: DEM Collective and Sackeus. According to the two spokeswomen interviewed, both firms had never carried out market research because they were more focused on other strategic issues, linked to their expansion and consolidation plans. Additionally, their choice has also been driven by budget constraints. Both companies are however planning to be more active on this front starting from 2008. In figure 5.1 below is shown the share of the most common purposes for market research studies carried out in/for the companies interviewed.

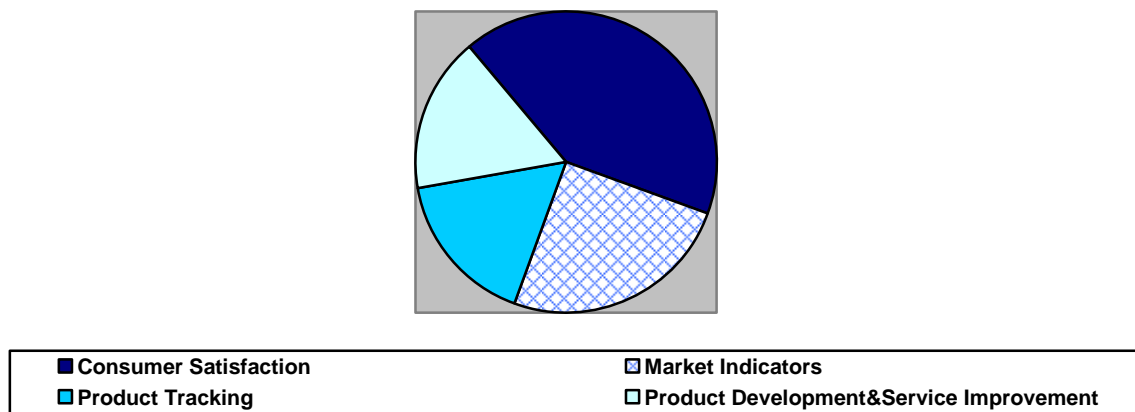


Figure 5.1: Share of the most common purposes for market research studies carried out in/for the companies interviewed.

Since most of the companies of the sample (five) point at customer satisfaction as one of the main purposes of their market research, it is no surprise that:

- four of them cite customer related researches as their most common routine study
- two of them cite customers related researches as their most recent *ad hoc* study

Interestingly, one company (ICA) has run both its last routine study and its most recent *ad hoc* study on customer satisfaction.

The second most common routine study mentioned during the interviews is the one on market related indicators, in particular: volume sales and sales prices, market trends and share, brand tracking and roadmap analysis.

In the case of *ad hoc* studies instead, there is more focus on product related researches, as product development and product tracking. The figure 5.2 below shows the occurrence of different typologies of market research studies (in the case of both routine and *ad hoc* studies) for the companies interviewed.

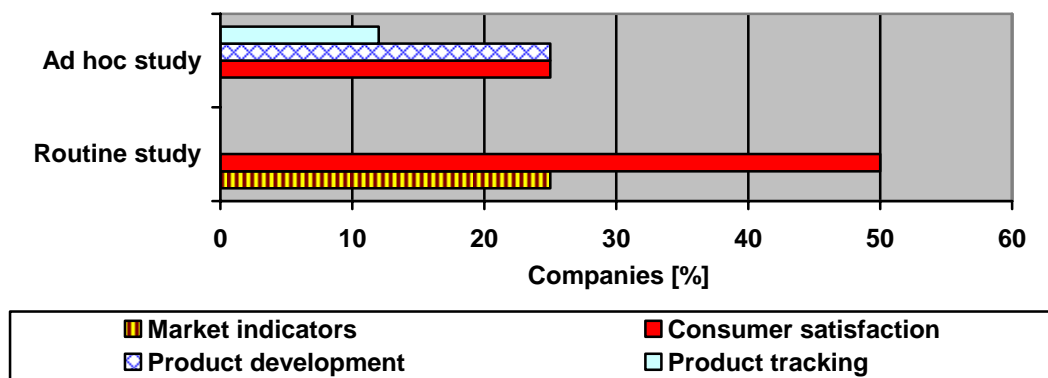


Figure 5.2: occurrence of different typologies of market research studies (in the case of both routine and *ad hoc* studies) for the companies interviewed.

All the routine studies mentioned are carried out on a yearly basis, while *ad hoc* studies are done when required. However, three companies out of eight (Ericsson, ICA and Saab) have carried out at least one *ad hoc* study over the last year (2007).

By far, the majority of the firms interviewed do not carry out market research in house, especially when it comes to customer satisfaction related studies. However, last spring ICA did carry out in house a survey about customers' interest on sustainability.

When it comes to methodology, the use of questionnaires dominates the practice of market research. All the companies of the sample use commonly questionnaires to run their studies; the complexity, format (multiple answers, free suggestions and so on) and length depend on the topic of the study, the audience targeted and the channel used. As for the channel, the phone interview is the most commonly used, followed by direct interview and traditional mailing (as shown in next figure).

Finally, half of the firms of the sample claim to carry out green market research, even to a limited extent. Considering that two out of eight (DEM Collective and Sackeus) do not carry out any market research at all, this means that over 60% of the companies interviewed that carry out market research are interested in collecting green signals from the market. The spokesman and the spokeswoman of the two remaining companies (ABB and AstraZeneca) have mentioned different reasons for not carrying out green market research. In the case of ABB, information concerning environment and sustainability is collected via other channels; for AstraZeneca, the focus of market research is shifted toward other drug-related issues.

In summary, it seems that all companies do or want to do market research; consumer satisfaction seems the main aim with routine studies, whilst product development seems the main one with *ad hoc* studies. Additionally, *ad hoc* studies are less common or less frequent than routine studies.

5.2.3 Green market research matrix

The scale of green market research doesn't reach a global international level as in the case of traditional market research; on the contrary, it is more common on a national setting, and successively on a regional scenario.

In comparison to traditional market research, the purpose of green market research is less diverse. The four companies that run this kind of research (Ericsson, ICA, Saab Automobiles and Schenker) point out to *customer related studies* as their main purpose (in this case not just consumers' satisfaction, but also consumers' habits, behaviour, loyalty, general views and expectations). Just two firms also mention other quite specific aims, which are "*organic product*" in the case of ICA AB and "*ethanol car*" in the case of Saab Automobiles AB.

Not surprisingly, for these four firms the most common routine study is customer related, although with quite different focuses:

- in the case of ICA, the study focuses on customers' loyalty and it is dedicated to the construction and update of an internal database
- for Saab, the study is run to track new customers' satisfaction and driving habits with Saab green cars (as part of the new customers' satisfaction research run every year)
- in the case of Schenker, the study focuses on determining customers' expectations toward the environmental performance of the company (as part of the SCI research carried out every year)
- in the case of Ericsson, the study has a general focus on environmental and sustainability questions (as part of the Fundamental Study run every year).

In the case of *ad hoc* studies instead, none of the three companies runs customer related researches. Schenker, so far, has never run any *ad hoc* green market research, whilst both ICA and Saab have recently carried out green product related studies: organic products and ethanol cars.

As in the case of traditional market research, green market studies are generally not run in house. The only exception is for ICA, which run an in house routine study for the construction of an internal database on customers' loyalty.

The majority of these studies are run on a yearly basis, which shows a continuous commitment toward the collection of green signals from the market.

As in the case of traditional market studies, the choice over the questionnaire dominates the practice of market research. Again, the complexity, format and length of the questionnaire depend on the topic of the study, the audience targeted and the channel used. Concerning the channel, the phone interview is still the most commonly used, followed by web survey and traditional mailing.

All the companies were of course very reserved concerning the kind of questions asked in their studies. The information gathered about this is quite general, but it gives anyway room enough for a comparison.

In the following table 5.1 are summarised the topics of the “green” questions asked by ICA, Saab Automobiles, Ericsson and Schenker.

Ericsson	ICA	Saab Automobiles	Schenker
<p>what are people's fears and what people think about the future in connection to the current environmental issues</p> <p>what are people's expectations towards CSR and what is their view towards the green movement</p>	<p>how customers expect ICA to handle and address environmental issues</p>	<p>customers' response to global warming</p> <p>customers' driving habits and thus fuel consumption</p> <p>Saab cars performance</p>	<p>environmental and sustainability related questions in general</p> <p>customers' expectations concerning amount and nature of emissions from the vehicles used at Schenker</p>

Table 5.1: Green Topics. The table shows the topics of the green questions asked by Ericsson, ICA, Saab Automobiles and Schenker, the four companies that carry out green market research.

After a simple comparison, it seems that the majority of the questions put the consumers into focus by investigating their ideas and expectations from a very general to a very specific level, concerning:

- their view on the current environmental issues (very general, global focus)
- their expectations about the company (less general, company focus)
- their expectations about the green products and services offered (narrow, product focus)
- their expectations about the available environmental performance (narrower, environmental performance focus)

Some questions deal more specifically with customers' independent attitude (independent from companies), habits and behaviour, as:

- the way they live their lives in response to the current global situation
- their consumption habits, as the way they drive their car

A few questions deal with the actual performance of the product or service offered:

- the environmental and technical performance of Saab's ethanol car in terms of horse power and fuel usage
- the environmental performance of Schenker logistics service in terms of amount and nature of the emissions generated

It is interesting to note that just a couple of the questions asked do not put consumers into focus:

- Saab asks about the performance of its ethanol car
- Schenker asks about environment and sustainability in general

Again, this fact shows that consumers' habits, behaviour, thoughts, needs and wants play a key role when it comes to green market research. Indeed routine green studies focus on consumers' orientation, whilst the few *ad hoc* studies focus on products. The types of questions asked are highlighted in the following table 5.2

Ericsson	ICA	Saab Automobiles	Schenker
<u>what are people's fears and what people think about the future in connection to the current environmental issues</u> <u>what are people's expectations towards CSR and what is their view towards the green movement</u>	<u>how customers expect ICA to handle and address environmental issues</u>	<u>customers' response to global warming</u> <u>customers' driving habits and thus fuel consumption</u> <u>Saab cars performance</u>	<u>environmental and sustainability related questions in general</u> <u>customers' expectations concerning amount and nature of emissions from the vehicles used at Schenker</u>

Table 5.2: Questions focus. The table shows that the majority of the questions put into focus consumers and their habits/behaviour (underlined). Just a couple of questions focus on green issues and do not include the consumers (highlighted).

5.3 Conclusions of the results

Overall, it turns out that the preferred ways for environmental communication among the companies interviewed are the *sustainability report* and *green marketing*; indeed, half of the companies use both tools simultaneously.

Half of the companies included in the sample carry out green market research (Ericsson, ICA, Saab Automobiles and Schenker). These four companies belong to different industries; they have different sizes and characteristics, but it seems that all companies do or want to do market research. All the companies were of course very reserved concerning the kind of questions asked in their studies; they all gave general indications about the topics of the questions:

- environment and sustainability, with a focus on global warming
- consumers expectations on the companies environmental performance
- consumers habits and attitudes
- consumers' satisfaction towards green products and/or services

However, it seems clear that consumers' habits, behaviour, thoughts, needs and wants play a key role when it comes to green market research. Indeed the routine green studies cited focus on consumers' orientation, whilst the few *ad hoc* studies cited focus on products. Additionally, *ad hoc* studies are less common or less frequent than routine studies.

If we compare market research and green market research practice, it seems clear that the amount of traditional market research is far larger than the amount of green market research. "Green" questions seize a very limited share of market research practice; the scope is more restricted (mainly about consumers' orientation) and the scale is also narrower, with mainly national and regional studies (against international market research).

Why do these four companies carry out green market research? And why the other four do not? What is the data gathered used for and by whom?

In the following chapter, all data will be analysed and compared among each other with the purpose of seeking for interesting patterns that might be helpful in answering the previous questions. The analysis will then be followed by a discussion of the outcomes with the support of the existing literature.

6. Analysis and Discussion

In the previous chapter, the empirical data gave quantitative information on how many companies are currently carrying out green market research. Over the next chapter, the empirical data is analysed and discussed in the attempt to:

- Identify possible patterns
- Answer the research questions

The section is conceptually divided in two parts:

1. analysis of the data: pattern identification and answering of the research questions
2. discussion of the outcomes in relation to the literature reviewed

At the end of the chapter, the major conclusions are summarised and discussed.

6.1 Analysis

In this paragraph, the empirical data collected within the three matrixes is cross-analysed and compared in the attempt to identify major or remarkable patterns.

The following table shows which company markets “green” products and which of these products actually are certified (and thus eco-labelled); it shows which company does green advertising through green marketing and which company does carry out green market research; finally, it shows if the company is active with other kinds of environmental communication except for green marketing.

Company	Green Products	Green Eco-labelled Products	Use of Green Advertisement	Use of Green Market Research	Use of other kinds of Environmental Communications
ABB	X	X	X	X	✓
AstraZeneca	X	X	X	X	✓
DEM Collective	✓	X/✓	✓	X	X
Ericsson	✓	X	✓	✓	✓
ICA	✓	✓	✓	✓	✓
Saab Auto	✓	X	✓	✓	✓
Sackeus	✓	✓	✓	X	X
Schenker	✓	X	✓	✓	✓

Table 6.1: The table above shows a cross-comparison of some indicators extracted from the three matrixes used in chapter 5. The eight companies of the sample are compared among each other on the basis of the five indicators chosen.

From the table above, it is possible to identify four groups or categories of companies that behave accordingly to four different business logics:

1. companies that are not carrying out GMR¹¹, do not market products with green characteristics and do not make use of green advertisement, in particular ABB and AstraZeneca;
2. companies that are not carrying out GMR but do market products with green characteristics, some of which eco-labelled, and make use of green advertising, in particular DEM Collective and Sackeus;

¹¹ GMR = Green Market Research

3. companies that are carrying out GMR, in a very general way, that do not market genuine green products but do make use of green advertisement, in particular Ericsson and Schenker;
4. companies that are carrying out GMR in a more effective way, that do market green products, some of which eco-labelled, and do make use of green advertisement, in particular ICA and Saab Automobiles;

The companies composing these four groups are further analysed in the following paragraphs, in order to distinguish the logic behind such behaviour.

6.1.1 Green Market Research? No thanks – first category

The first group includes companies that are currently not carrying out GMR and are not interested to do so in the future. The companies of the sample that follow this pattern are two: ABB and AstraZeneca. According to the data presented in the *market research matrix* (page 50), both companies seem to be uninterested in GMR because they do not perceive any green interest among their customers.

ABB flags that its customers are commonly concerned by the quality and the costs of the products and services purchased. Green or environmental characteristics are not on their agenda. They show no interest towards such attributes and, so far, customers have never asked ABB to provide such products. According to this, the company is reluctant to invest in GMR as there is apparently no need for getting to know something that simply is not perceived in the first place.

The respondent at AstraZeneca provides a similar explanation. Their customers are mainly concerned by drug-related issues such as the safety, the effectiveness and the costs of the treatments purchased. Green or environmental characteristics are again not considered or perceived as unimportant by the customers. Although a cluster of the general public is resentful towards some aspects that can be considered unsustainable (as animal experimentation, water use and so on) the majority of customers do not seem to care about the environmental characteristics of drugs. It is for this reason that the company is reluctant to invest in GMR, as it does not perceive any green interest among its customers.

None of the two companies markets green products, none of them perceives a green interest among its customers and none of them is willing to invest in GMR. The logic behind the two companies seems to be the following: we do not offer any green product as our customers are not interested; since our customers are not interested we are not attracted by investing in green market research, which would not provide us with valuable information. The whole logic seems to be linked to the fact that as a green interest is not perceived, the two companies are not making the first step. Both companies rely on the fact that they are sure to be aware of their customers' needs, wants and thoughts when it comes to environmental issues.

6.1.2 Green Market Research? We are planning to start – second category

The second group includes companies that do not carry out GMR but are planning to do so in the future and are known for marketing products that are truly *green*. The companies that fall in this category are two: DEM Collective and Sackeus.

These companies run their business mainly in green niche markets (sustainable clothing and fair-trade food respectively) where the green interest of consumers is very high. According to both firms, their business has so far been too limited in size and revenue to allow them to invest in GMR. Moreover, their customers are mainly committed green-consumers that found in these two companies an answer to their needs and wants. Occasional buyers are a randomised variable, as they buy in a discontinuous manner. Both firms are willing to invest more in green marketing and GMR in the future: they perceive green marketing as one of

the ways to enlarge their business and consolidate their market share, whilst GMR is perceived as a way to be closer to their customers' needs. Hence, the fact that a company might offer a green alternative does not imply that the same company carries out green market research.

Both companies market green products (sustainable clothes and fair-trade food), both perceive a strong green interest among their customers and they are both willing to invest in GMR in the future. The logic behind the two companies can be seen as: we have a precise business idea that is developing with success; in our niche, we market green products and we have a good market response, which allowed us so far to run our business avoiding superfluous investments in green marketing and green market research. We however believe in the importance of GMR, which would provide us with valuable information, and we are willing to become active in the future. The whole logic seems to be: as both companies work in a green niche market with well informed customers, there was no need so far to get to know customers' needs, wants and thoughts, as they are already known. However, even though they are currently doing well on a business level, they might need to use GMR practice as a way to further expand their business.

6.1.3 Green Market Research? Yes, we do what we can – third category

The third group includes companies that are carrying out GMR on a limited scale and/or with a general approach, marketing "green" products or services that are not eco-labelled; the companies that follow this pattern are two: Ericsson and Schenker.

Ericsson's main purpose for carrying out GMR is to get to know more about consumers' views, attitude and behaviour towards their future, in connection to general issues as the current environmental situation. Their GMR has so far been quite limited in scale: the questions used were actually embodied in the general market research study that is carried on yearly basis (Fundamental Study). According to Ericsson business strategy, this is just enough to satisfy the company's needs. The first green *ad hoc* study will be carried out by Ericsson over autumn 2008.

Schenker's main purpose for carrying out GMR is to get to know more about customer's expectations towards the environmental performance of the company and its logistic services. As in the case of Ericsson, Schenker's GMR practice has been so far limited to a restricted number of questions that were included in the general market research study run yearly (SCI). The company has not carried out so far any green *ad hoc* study so far and is not planning to do so in the near future.

Both companies declared to offer green services to their customers (considering communication services as green products in the case of Ericsson and an environmentally smart service for Schenker). Both of them perceive a green interest among their customers and both are currently carrying out, even though to a limited extent, GMR. The logic behind for these two companies seems to be the following: we offer green services as some of our customers show green interest; for the same reason, we carry out GMR to get to know better their thoughts and views on the environmental topic, collecting data that would provide us with valuable information to shape our future offer. The whole logic seems to be based on the fact that as a green interest is perceived, the companies are making an effort to get to know more about their customers' views. But this effort is still limited to a restricted research, as both firms market mainly services that are not green. Although it might also be possible that they are not familiar on how to use GMR.

6.1.4 Green Market Research? Yes, up and running – fourth category

The fourth group takes into account those companies that are carrying out GMR in a more effective way, using tailored questions referred to the products they market, showing interest towards customers' behaviour and consumption habits. The category includes two companies: ICA and Saab Automobiles.

ICA's main interest in GMR is to get to know more about the performance of its green products (both the ones labelled internally by ICA and externally by Krav, Bra Miljöval and Svanen) in terms of sales and customers' satisfaction; and to get to know more about customers' consumption habits towards green products. ICA considers of course the great importance of customers' habits and behaviour, but the focus of GMR is in this case shifted towards the performance and perceived quality of its green products.

Saab Automobiles has similar interests. Saab's main purpose with GMR is to track new customers' satisfaction over the ethanol models and to get to know more about their customers' driving habits. As in the case of ICA, customers are taken into account but the focus is again shifted towards the performance and perceived quality of Saab ethanol cars.

Both companies market green products and strongly perceive the green interest among customers; both firms invest in a deeper and more structured GMR to get to know about their green products' performance and their customers' satisfaction towards their green offer. The logic behind the two companies seems to be the following: we do offer green products and we invest largely in their development and marketing; as we are highly interested in the feedback that is related to our green products, we carry out extensive GMR to get to know what our customers think. The whole logic seems to be linked to two facts: first, the two companies are actively offering the market green alternatives, and second, a strong green interest is perceived by the two companies. Because of this, both ICA and Saab Automobiles seem to carry out GMR to get to know the degree to which their green offer matches their customers' wants and needs. It is interesting to notice that Saab, according to the previous Table 6.1 at page 53, would actually fall into the third categorisation; the company is instead included in the fourth group because of its constant GMR activity and promotion through green advertisement.

6.1.5 Comparison among categories

In the following paragraphs, the four groups will be compared among each other and analysed further.

The role of eco-labels in GMR

The companies that market "real" green products (eco-labelled or using a green technology) are three:

1. DEM Collective, with its sustainable clothes
2. ICA, with its green labelled alternatives
3. Sackeus, with its fair-trade and organic products
4. Saab Automobile, with its ethanol models

These companies belong respectively to group two (not carrying out GMR but planning to start, DEM and Sackeus) and group four (carrying out extensive GMR, ICA and Saab). Observing the strategies and actions of these companies, it is possible to say that companies marketing green alternative (although maybe not eco-labelled, as in the case of Saab) seem to be more interested to carry out green market research. This could be due to the fact that companies offering green alternatives need to get to know data about the market segment and trends but most important about consumers' needs in order to maximise the impact of their products. This fact is in agreement with what suggested by the literature, according to which the public plays a key role when it comes to green choices (Rubik and Frankl, 2005).

This could be one way to explain both the extensive GMR carried out by ICA and Saab and the willingness to carry out GMR of DEM and Sackeus.

However, it might be interesting to consider also the other two companies that claim offering green alternatives: Ericsson and Schenker, belonging to pattern three (carrying out limited GMR). Although their green services arouse a certain degree of suspicion, as they do not appear to have objective green characteristics (much less in the case of Schenker), they are both active in carrying out GMR, although in much more general terms compared to ICA and Saab. This case strengthens the idea according to which companies marketing green alternatives are more interested than others to carry out GMR. The fact that the green products/services might or might not be labelled is unessential for companies, as a label does not ensure the commitment of a company or the absolute and genuinely green characteristics of a product. However, it might be important for consumers for multiple reasons: first, it is easier for a consumer to recognise a green product if that product is eco-labelled; and eventually, because as consumers that purchase eco-labeled goods fulfill by doing so a personal, sometimes subconscious, need (Ottman et al, 2006).

The role of advertisement in GMR

All companies, except for ABB and AstraZeneca, use green marketing as a form of communication to promote their own companies, their green products and their services. Again, this case allows a comparison among group two, three and four, as in the previous paragraph. It seems companies employing green marketing carry out in general green market research. This could be due to the fact that market research and market communication are closely related, as they are two different marketing actions. Moreover, this is also in agreement with that portion of the literature that suggests, and actually takes for granted, that the common aim of market research is to provide information for marketing purposes. However, the study carried out on the sample has shown that the outcomes of market research are actually shared by the whole company for diverse purposes, as product development, service improvement and so on. R&D is very much interested in the outcomes of market research and commonly takes part in the early planning phase of the process. This fact goes against the literature suggesting that R&D does not commonly trust the outcomes of market research (Gupta and Wilemon, 1988).

Companies that do not carry out GMR

When comparing patterns one and two, it is possible to observe four companies that do not carry out any GMR for dissimilar reasons. The four companies are at the two extremes of the sample:

1. ABB and AstraZeneca being the least green
2. DEM Collective and Sackeus being the greenest

It was previously discussed how and why ABB and AstraZeneca do not carry out any form of GMR because they do not perceive any green interest among customers. However, both companies are making objective efforts to be more environmentally friendly. AstraZeneca is sincerely trying to cut its environmental impacts through the acquisition of some more environmentally smart solutions; it additionally publishes a yearly public sustainability report on which its commitment to sustainability is shown. ABB seeks continuous improvement in its production processes through the application of LCA methodologies (ABB is indeed EPD certified) and publishes every year a sustainability report. So, even though according to the previous classification the two firms appear to be the least green of the sample, it is difficult to argue against the environmental commitment of AstraZeneca and ABB.

Observing DEM Collective and Sackeus, it is possible to claim that being green does not seem to be characteristic of a company that performs green market research. Because they run niche market businesses, getting to know more about their customers was not so far vital for the two firms. According to the literature, companies that would benefit the most from green marketing practice (I expected green market research to be included) are those showing a commitment to solve real problems and be proactive (McDaniel and Rylander, 1993). Both DEM Collective and Sackeus are proactive and committed green firms, so it is advisable that they should practice green market research, in order to benefit from the information gathered and be competitive.

6.1.6 GMR typical questions: a matter of priorities

Regarding the questions asked in green market research studies, it has already been explained how consumers' habits, behaviour, thoughts, needs and wants play a key role. As a consequence, it seems that companies might picture the commitment of people towards being green consumers depending on their priorities and personal beliefs. It was possible for me to isolate four consumers' behaviours that companies might consider when formulating green questions. The four groups are presented in the following model, which I call Pyramid of Priorities (figure 6.1).

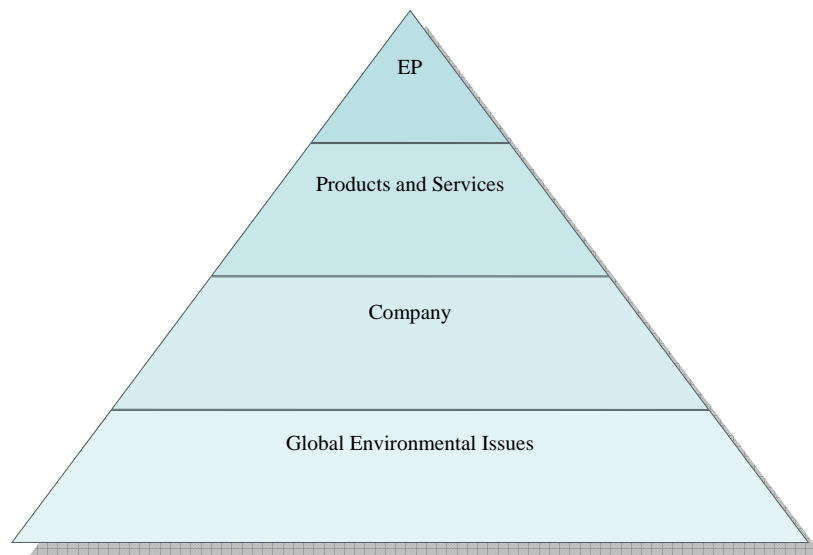


Figure 6.1: The Pyramid of Priorities in GMR. Here is shown how companies might react to public perceived interest with questions that suit the public targeted, from a very general level at the bottom to a very narrow focus at the top (EP stands for Environmental Performance).

The majority of consumers know about current environmental issues, they might decide to buy green products once in a while to fulfil some sort of ethical need (buy as a reaction to Global Environmental Issues) and thus try, for instance, fair-trade coffee instead of traditional coffee because its production is more environmentally friendly. Linked to this behaviour is the reaction of companies, which tend to ask a large amount of general questions regarding common environmental topics (as global warming and sustainable development). It looks like firms might know about the large response of the public, and thus rely on this kind of questions to get to know about people's view on the subject.

On a less global level, consumers might know that a company in particular is more environmentally friendly than another one, and thus decide to prefer one firm instead of another one because of personal values (reaction to Company): for example boycotting a

clothing company because it uses child labour. To the same extent, companies imply related questions, but in a large number compared to the global issues.

Narrowing down the concept, consumers might decide to stick to a particular brand or product within the same company because it fulfils a personal want (reaction to Product) and thus decide to shift to another energy contract because part of the energy is produced by green providers. Again, it is possible to observe the reaction of companies to this behaviour, and notice that an even smaller amount of the questions used is related to products and services. At the top of the picture, one finds the real green consumer, the one that buys a product just in reaction to its Environmental Performance, and thus would purchase an ethanol car without even comparing it to other traditional alternatives. The amount of green consumers in the marketplace is limited, so it is not a surprise that companies include a limited amount of specific green questions in their surveys.

The questions asked seem to follow the structure previously suggested; the majority of them focus on consumers' thoughts and attitudes (just a couple investigates the performance of green products):

- from general to narrowed down: from personal view on the global sustainability situation to individual lifestyle choices
- from occasional buyer to convinced green consumer: how often they buy, what they buy, why the buy

It seems that companies are more interested in getting to know consumers, green consumers in particular, than getting to know about the performance of their own products. This is somehow understandable since there is little and controversial information (despite the large amount of literature available) about green consumers and their behaviour. The literature suggests that modelling green consumers' behaviour is far more complicated and uncertain than modelling traditional consumers. This is due to the larger number of factors affecting the choices of green buyers, both in terms of long and short term purchasing habits.

However, it seems that companies do not really try to get to know more about consumers, but rather get confirmation of what they already know by targeting consumers' groups with *ad hoc* questions. My conclusion is that when it comes to GMR, companies and researchers have still too many preconceptions about green consumers and green market: they seem to believe that both market and consumers behave the same way they did in the 1990's and they seem to keep asking the same kind of questions. What Peattie said in 2003 is thus still valid: GMR is not carried out in the way it should, with the right set of questions and the right strategy.

6.2 The research questions

After concluding the general investigation of the empirical data, the focus of the analysis is shifted towards searching answers for the research questions defined at the beginning and during the project. The three research questions were:

- How common is green market research? How is it carried out?
- Which companies do carry out green market research? Why, why not?
- How is the data collected used within companies?

6.2.1 How common is green market research? How is it carried out?

As for the first question, it is possible to state that green market research practice is limited among the surveyed companies (half of the sample). Concerning routine studies, four companies out of eight carry out on regular basis (yearly) green market research studies: Ericsson AB, ICA AB, Saab Automobiles AB and Schenker AB. In the majority of the cases though, the companies consider green market research as made up of a limited amount of general questions related to environment and sustainability that focus on the consumer, and

which are usually included in their yearly multi-topic traditional market research study. So far, the only company interviewed that carries out a full routine green market research is ICA AB.

As for *ad hoc* studies, two out of eight companies currently carry out green market research studies: ICA AB and Saab Automobiles AB. A third company is to carry out its first *ad hoc* study over autumn 2008 (Ericsson AB), whilst the fourth company (Schenker AB) has never so far carried out any *ad hoc* study on this topic (and has none planned in the short run). When it comes to *ad hoc* studies, the research performed by the companies seems to be richer and deeper, but the number of companies that actually carry it out is smaller and the focus is shifted from the consumer to the product.

6.2.2 Which companies do carry out green market research? Why, why not?

Concerning the second question, from the data gathered it is hard to establish which kind of company performs green market research. It is not possible to claim that there is a single distinctive feature that characterises a company carrying out this kind of studies. There can be several reasons for engaging in GMR and there are at least three characteristics that could be in relation with a company's green market research practice. The company could feel the push to carry out green market research more than another firm in case:

1. the company markets green alternatives
2. the company uses green marketing in particular as a form of environmental communication (other forms in general)
3. the company already perceives an interest towards green markets

Potentially, the indicators that might define a company as green are many, and carrying out green market research might be just one of them, but it does not seem to be an essential aspect of the ideal green company. So, a green company might not carry out GMR and a company that does carry out GMR might not be green.

This conclusion is based on the fact that two of the companies interviewed (DEM Collective AB and Sackeus AB), which are by far the closest example to ideal green firms of the sample, do not carry out green market research studies. Whilst the four companies that currently do carry out green market research seem to be just *limitedly green* in comparison to DEM and Sackeus.

6.2.3 How is the data collected used within companies?

The outcomes of green market research are usually shared by the whole company and used for different purposes, as: marketing communication, product development, service improvement, marketing mix definition and so on. Moreover, it has been said that different departments are involved since the planning phase of the studies and do collaborate together. Interestingly, these outcomes go against some of the suggestions of the literature. Some authors suggest that very often R&D and Marketing have incommunicability problems between each other. This issue seems to be at the basis of the problem according to which R&D tends not to trust the outcomes of market research studies (Gupta and Wilemon, 1988). As a consequence, the outcomes of market research tend to get lost within the company and hardly reach other audiences than the marketing counterpart, which uses it for marketing related purposes.

According to the outcomes of this study, none of the respondents of the sample experiences such a problem in their companies. All spokesmen and spokeswomen interviewed highlighted the high level of communication, trust and collaboration between all bodies of the company they worked for. According to them, R&D is commonly very open and very interested to the outcomes of market research; very often, in fact, R&D collaborates with the Marketing department since the early phases of market research, defining mutual targets and aims.

This seems to be an area of improvement, although there is not indication on how the collaboration was like in the past (according to the data gathered).

The information gathered from the market is thus commonly shared by the whole company; every department uses the information received for different purposes, from marketing to product development, from service improvement to the launch of a new brand. An essential aspect of the research that came forward from the interviews is the high level of clarity needed in translating and communicating the outcomes to other departments. This aspect is in agreement with the suggestions of the literature according to Gupta and Wilemon (1988).

6.3 Discussion

It is important to consider that the outcome of this project is the results of choices made, and eventually improved, over the whole research process.

At times it was clear that different decisions would have perhaps resulted in a better set of choices for the whole study. Unfortunately, this realization came to mind too late for being able to make substantial changes, since the study was already fully running and the remaining time limited.

I believe the decision of using a questionnaire to facilitate the data collection was a good choice. The questionnaire was extensive and detailed, conceived in relation to the hints of the "GREEN code for environmental market research" suggested by Peattie (2003). The questionnaire revealed been irreplaceable for collecting both the data sought and some additional data that came up unexpectedly during the interviews. The decision of conducting interviews in person (with the questionnaire as a guideline) was also a good choice. By doing so it has been possible to gather information "between the lines" and observe the spokesmen and spokeswoman reaction to the topics, which also generated a certain amount of "unspoken" information.

Of course, choosing to use a detailed questionnaire and to conduct the interviews in person has some disadvantages, as the number of companies included in the study is limited. A survey with a shorter and more general questionnaire, mailed to a larger number of firms, would have potentially gathered a much larger amount of data, which would have generated a statistically more genuine outcome. So, in one hand the study might have been more credible, but on the other hand it would have lacked in details. The size of the study is anyway limited, so the reader should consider this fact when observing the outcomes.

I believe the first important aspect that should not be modified in this study is the choice of companies of the sample. The fact that each company belongs to a different industry, for instance, seems a good choice: this way, the study explores the market broadly and it offers a wide range of examples. On the other hand, the fact that the size of the companies is so different could be considered a misleading choice: it was indeed difficult to understand whether some companies take strategic decisions in relation to their sizes or to other factors. This is the case for DEM Collective and Sackeus: neither of the two companies carries out green market research and the reason why they do not depends most likely on their sizes rather than on strategic decisions. For a future research, one could choose companies of similar sizes or, for a deeper understanding of a particular industry, the researcher could prioritize companies belonging to the same sector; this approach would of course deprive the study of its broad perspective.

Another doubtful aspect of the study regards the choice of the spokesmen and spokeswoman interviewed in each company. As discussed in the methodology chapter, the people targeted with the interviews had different profiles within the companies; they belonged to different departments and had dissimilar tasks. It is then natural to expect that each person, although interviewed with the same questionnaire, has contributed to the

empirical data collection with its own view, experience and knowledge of the subject. This choice was not a mistaken preference, rather a necessity due to some issues as:

- The unavailability of professionals to interview in general
- The unavailability of *some* professionals in particular, for time related issues
- The fact that not all the companies employed the same professionals (as not all companies had an Environmental Manager or a Market Research Manager)
- The fact that some professionals did not feel as they had enough knowledge to answer the questionnaire and thus redirected me to a colleague

For a future research, it would be advisable to speak, if possible, to the same person (meaning the person in the same role) in each company, if available.

Summing up, it is the case to point out that the conclusions of this study have a validity which is limited to the boundaries chosen and decisions made. A different choice of companies and a larger sample, for instance, would modify the outcome and conclusions of the research. However, this study offers in general an idea of which are (or could be) the characteristics of companies that carry out green market research. Since the current literature does not help in identifying any possible profile, the study contributes to the field with the potential (or one of the potential) description of the features of a company that carries out green market research.

7. Conclusions

The project was intended to seek if and what kind of green market research was carried out by companies that claim, to some extent, to be environmentally friendly or sustainable, and in that case why. The findings show that the practice of green market research is quite limited in companies, and that the way green market research is carried out is not similar within the companies of the sample that do carry it out. Additionally, in most of the cases observed, firms that carry out green market research just add a selected number of environmentally related questions to their traditional routine studies (three companies out of four), questions that tend to focus on consumers' habits and views. In the case of *ad hoc* studies instead, each company tends to carry out a more characteristic study depending on its needs, but green *ad hoc* studies are less common than green routine studies. In general, they tend to focus on products instead of consumers.

Green market research is carried out in a less various way compared to traditional market research, the studies are less diverse and more focused on consumers' habits and views than on products.

When it comes to state which kind of company carries out green market research, it is quite difficult to find a series of features that characterise a company carrying out this kind of studies. There are three characteristics that could be in relation with a company's green market research practice:

1. marketing green alternatives
2. using green marketing as a form of environmental communication
3. being interested in enlarging the knowledge about consumers' wants

The outcomes of green market research seem to generate interest in the whole company. If a firm carries out GMR, the whole company is most likely to be involved from the planning phase of the study and interested in getting the results for a specific purpose, as product development or marketing communication.

In conclusion, a company that carries out green market research is most likely to be interested in the outcomes for practical reasons related to some of its business activities (sales, product development, marketing communication strategy). None of the companies has stated to be interested in collecting green information from the market in general or just *per se*; their interest is always driven by convenience.

8. Recommendations

The outcomes of this study suggest that the practice of green market research is still limited. Although companies feel the pressure of the green movement, investing in green market research does not seem to be a priority.

Indeed, the majority of the companies that carry out this kind of research currently include a limited amount of environmentally related questions in their traditional surveys, questions that are focusing on consumers' habits and views. To the companies' defence, the literature admits that it is highly unclear whether the green population is growing or not, and it is very difficult to model green consumers' behaviour. Moreover, the study has showed how companies do actually carry out GMR just when they perceive that consumers might have a green interest. These are not good reasons to avoid green market research practice, actually all the contrary. The very purpose of market research, in general, is to provide information that was unknown before. The fact that companies carry out GMR just when they already know that consumers have a green interest is very limitative, as it is possible that consumers have a green interest without companies noticing. This way, firms would lose the chance to get vital information about consumers wants.

My impression is that, for the very same reasons, companies should feel the need for new, continuously updated information about green consumers' behaviour and green populace development. Given that the green movement is a reality, although it is unclear to what extent, it is vital for companies to get to know more about the potentials of their green business options in terms of: trends; products and services desired; consumers' behaviour and so on. My suggestion to companies is to invest more and consciously in green market research in order to come prepared to the short term and long term future green market developments.

As for future research, I believe it would be interesting to get to know more in details about GMR practice in some other specific sectors that were not included in this study. Just as an example, investigating the use of GMR in the restoration, tourism, energy and in the transportation sector to cite just a few, would be extremely interesting.

Alternatively, it would be attractive to investigate further the reason why companies do not carry out GMR unless they perceive a green interest from consumers.

Also, a future researcher might decide to focus on one (or several) of the four behavioural categories isolated within this project, and expand the study to a consistent number of companies to see if it possible to validate the theory suggested.

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Appendix

Market Research and Green Market Research Questionnaire

1. **Speaker ID** – What is your role in this company? What do you do? Whom do you report to?
2. **Planning phase** – What is generally the purpose when you plan to carry out market research? Who sets the goal?
 - a. Do you use any guideline or idea suggested by the headquarters toward goal, scope and targets of market research?
 - b. Do you collaborate with other departments when defining the goal, scope and targets of market research?
3. **Nature and frequency of the studies** – what kind of studies do you most commonly carry out?
 - a. Which studies did you carry out over the last year?
 - i. What was the goal of those studies?
 - b. Do you carry out routine studies?
 - i. How often?
 - c. Do you carry out *ad hoc* studies?
 - i. When? For what purpose?
4. **Methods** – What methods do you use to carry out market research?
 - a. Is the research structured for a regional, national or international setting?
 - b. Is the research carried in house?
 - c. If not:
 - i. Are you always supported by the same market research companies?
 - ii. Do you use more than one external company at the time and compare the outcomes?
 - d. Do you have preferences for the methods and channels used during the research? (interview, questionnaire, survey; phone, internet, mailing)
 - i. What method and channel are most often used?
 - ii. In your opinion, which method and channel are the most successful?
 - e. Who formulates the questions or subject of the research?
5. **Post market research** – How is the outcome of the research presented?
 - a. Do you do/request a written report?
 - b. To who is the outcome presented? (The whole marketing department? The whole managerial network? More departments at the same time?)
 - c. Is the outcome coupled with marketing suggestions (from the consultant company)?
6. **Results and decisions** – Once you have gotten the data from the market research, what do you use it for?
 - a. Do you benchmark the results against internal data or previous hypotheses?
 - b. What kind of decisions is made in relation to market research outcomes?
 - i. Marketing oriented or strategic?
 - ii. Based on a local or global level within the company?

7. **Green market research** – Are you interested in information concerning the environment, sustainability or green market at all?
 - a. How do you collect information related to these issues?
 - i. Employees, media, stakeholders, competitors, market research?
 - b. If you use market research, what kind of questions do you include in your research? (If you do not, why is so?)
 - i. Do you use always the same questions?
 - ii. Who frames the questions?
 - iii. Is the Environmental Manager (if you have one) involved throughout or in some of the phases of the research?
 - iv. Whom do you report your outcomes to?
 - c. Is the research carried out by the same market research companies?
 - d. How much do you value this kind of information?

8. **Integration** – How is the marketing department connected to the rest of the company on an organizational level?
 - a. What's the level of integration of the concept of marketing with the rest of the company?
 - b. How many people work in the market research/marketing department?

9. **Use and perception of market research**
 - a. In your opinion, in this company market research is over-used, wisely used or scarcely used? Why?
 - b. To what extent do you trust the validity of data collection?
 - i. Do you consider a certain percentage of inaccuracy? Examples?
 - c. Does it happen to encounter scepticism or resistance against market research practice?
 - i. Is this attitude spread all over the company or it can be isolated in one particular layer or department?
 - d. Would you say it is more likely to encounter scepticism or resistance against green market research or traditional market research?
 - i. Why?
 - e. Do you market/offer any green product or service?
 - i. Why is it green? Which green characteristics?
 - f. Do you provide the market with any green information or green claims?
 - i. If so, of what kind?