

"Sustainable development is development that meets the needs of the present without compromising the ability of further generations to meet their own needs." - World Commission on Environment and Development, *Our Common Future*, 1987

Sustainable Marketing Enterprises

BADM 505/590 - Spring 2012

Tuesdays - 3:30-6:20 pm

Madhu Viswanathan

mviswana@uiuc.edu

Department of Business Administration (Marketing)

Course Overview

At the dawn of the 21st century, business and society is confronted with a confluence of factors ranging from environmental degradation, widespread poverty, and the need for renewable sources of energy. The diverse sources of information that point to an uncertain future suggests that a "business as usual" approach has to be replaced with more proactive alternatives that address the needs of the environment, consumer welfare and community development. This course on sustainable marketing management begins to address these issues and engender an appreciation among our students for the challenges that lie ahead for businesses.

The purpose of this class is to explore current challenges and opportunities facing firms in the area of sustainability. Through lectures, case discussions, guest speakers, and a course-long project, each week we will examine and critically evaluate contemporary trends in sustainable marketing business practices with respect to environmental protection, community/economic development and consumer welfare. Using the realm of sustainable business practices, we will address related issues of incorporating social values into business objectives, social responsibility and the need to meet triple bottom lines relating to people, planet, and profit.

Course Description

This seven week course will encourage students to examine marketing and business models through the lens of sustainability while emphasizing the interconnections between society and the environment. We view the term sustainability in the broadest sense as it relates to the need to conserve and use natural resources to maximize individual and societal welfare for present and future generations. Our goals for this course are, first and foremost, to engender an appreciation among students for the need for sustainable marketing and business practices and the considerable challenges that need to be overcome to achieve such practices. The course objectives include providing students with:

- an understanding of the relationship between sustainable business practices, societal welfare, and ecological systems
- an understanding of marketing and business practices that are sustainable and work in harmony with, rather than in competition with, nature
- an understanding of the leadership role marketing must play in creating the sustainable consumption society of the future
- an understanding of the interdisciplinary and eclectic nature of sustainable marketing
- an opportunity to demonstrate how each element of the marketing mix can be adapted to implement sustainable marketing strategy in the broader context of a firm's corporate strategy.

Class lectures will cover different areas of marketing and management. Although the primary emphasis of the course will be on sustainable marketing management, such an approach necessarily interfaces with all areas of business and several other disciplines. Students are encouraged to explore a broad range of issues in sustainability from different disciplinary lenses to develop holistic solutions that address business challenges while maximizing societal welfare. We envision a learning experience that is global in scope. Cases and a course project will be selected that cover different contexts across the globe covering advanced and developing economies, and covering markets that span the range of income levels.

Grading

Group Project..... 50%
Class Participation & Assignments..... 50%

Attendance & Participation

50% of the grade for this class is for individual assignments, participation in in-class assignments and discussions, and tutorials. Therefore, attendance is very important and a necessary condition for participation. Students who do not attend class regularly cannot participate effectively and can easily lose one or more letter grades. In-class work will involve presentations and write-ups of cases and other assignments throughout the semester.

Project

The course emphasizes hands-on experience and applications. Therefore, a sizable portion of the grade is for a project where you will design a new product and develop a sustainable marketing plan. You will work in a group which will serve as a resource for completing several assignments and a final presentation and written report. Each individual's contribution to his/her group will be assessed by peer evaluation. The peer evaluation form is attached to the end of this handout. A deduction in the points earned for group assignments will be made in proportion to the group peer evaluations. This often leads to reduction of an individual's overall grade by one or more letter grades. Free riding will be identified & penalized in this course.

Grading

The two most important aspects for grading are in-class work and participation in the group project. Therefore, lower performance in class work (i.e., missing class-work for more than 1 class) or in participation in group work (as indicated by peer evaluation below 100%) can lead to reduction in overall grade by one or more letter grades.

Class Schedule

January 17	<p>Overview and rationale for course</p> <p>Discussion of sustainability based on individual assignment and reading</p> <p>Guest speakers for class project</p> <p>Project - Group formation and initial discussion</p> <p>Individual assignment 1 due - Writeup of companies and sustainable practices</p> <p>Reading - Marshall and Toffel (2005)</p>
January 24	<p>Discussion of unsustainable consumer behavior based on individual and group assignments</p> <p>Understanding sustainable consumer behavior</p> <p>Group assignment 1 - 5 minute presentation of likely direction of project</p> <p>Individual assignment 2 due - Write up of unsustainable consumption practices and consumer resistance to project related product ideas</p> <p>Project - Diagnosis</p> <p>Reading - Voelcker (2006)</p>
January 31	<p>Discussion of characteristics of sustainable product design based on readings</p> <p>Designing sustainable products</p> <p>Conducting sustainable market research</p>

	<p>Group assignment 2 - 7 minute presentation in class of learning from readings about sustainable product design and possible product ideas/target segments</p> <p>Project -Brainstorming Solutions</p> <p>Readings - McDonough website, Haworth example, Haworth sustainable product design facts</p>
<p>February 7</p>	<p>Designing Sustainable Distribution Systems</p> <p>Pricing and Promoting Sustainable Products</p> <p>Group assignment 3 - 7 minute presentation in class of about details of product idea and learning from market research</p> <p>Project -Assessing Solutions</p>
<p>February 14</p>	<p>Discussion of characteristics of sustainable distribution, pricing, and promotion</p> <p>Group assignment 4 - 7 minute presentation in class of about ideas on promotion and distribution</p> <p>Readings - Search on your own for examples of sustainable business practices in areas such as distribution, promotion, and pricing, and in areas outside of marketing</p> <p>Project - Putting together the Marketing Plan</p> <p>Guest speaker - TBA</p>

February 21	Sustainability - Challenges and Opportunities for Business Project - Preparing the Marketing and Business plan Guest speaker - TBA Case - to be announced
Week of February 28	Final presentation and report due

Course Project- Developing a Sustainable Marketing/Business Plan

Your challenge is to develop a marketing/business plan for the launch of a new product for the company you represent. Overlaying the usual demands of a marketing plan is the need to address the broader issues of sustainability.

Organization and Content of the Marketing Plan

The Sustainable Marketing Plan that you develop needs to address the following areas:

- I. Executive Summary (Synopsis and major aspects of the marketing plan)
- II. Marketing Situation Analysis
 - A. Internal Strengths and Weaknesses (including strengths and weaknesses in the arena of sustainability)
 - B. External Opportunities and Threats (including ecological issues, such as depletion of natural resources)
- III. Desired Outcomes in terms of Profits, People, and Planet/Marketing Objectives (Goals and Objectives)
- IV. Marketing Strategies
 - A. Target Market Selection
 - B. Sustainable Marketing Mix (Designing, Communicating, and Delivering the Value Proposition - Product, Price, Promotion, Distribution)
- V. Action Plans (Tactics)
 - A. Targeting and Positioning Statement Including Sustainability Issues
 - B. Promotional Plan
 - C. Distribution Plan
 - D. New Product Forecast
 - E. Product Launch Schedule
 - F. Financial Forecast
 - G. Ecological (Planet) Impact Forecast
 - H. Societal (People) Impact Forecast

VI. Implementation, Controls, and Evaluation

A. Measures of performance - meeting triple bottom lines

B. Monitoring and evaluating performance on multiple dimensions

Assignments

Individual Assignment 1 - Due January 17th before class as a hard copy - 3 pages maximum double-spaced.

Review the Marshall paper on the meaning of sustainability. Find an example of a company and engages in sustainable business practices and describe and critique it. The assignment should cover the following issues

- How sustainability is defined and expressed in the firm's mission or value statements?
- What are the firm's specific sustainability goals and how are they measured?
- What is specifically meant by sustainability, i.e., what is being sustained?
- What specific strategies, tactics, or practices does the firm employ to achieve its sustainability goals?
- What are the strengths and weaknesses of the company as it relates to sustainability?

Group Assignment 1 - Due January 24th in class

Read the paper on 10 innovative technologies in the Week 2 folder. This provides a broader picture of sustainable solutions. A website called gapminder provided under additional resources is very good as well, to learn about statistics relevant to sustainability.

Understand the companies involved in class projects . Use the internet to search for articles about companies making similar products. Our project will focus on developing business plans for related products.

Provide an overview as a group on the direction your project is likely to take - 5 minutes. Provide initial impressions from what you are learning about solar technology, solar ovens, related products, and related consumer behavior insights.

Individual Assignment 2 - Due January 24th before class as a hard copy - 2 pages maximum double-spaced.

This assignment is about unsustainable consumer behaviors and possible resistance to products you will be working on. Your own instincts as a consumer are, of course, very pertinent here. A personal inventory of your own tendencies as a consumer over the course of 1-2 days in terms of unsustainable consumption practices is a useful way to begin to identify potential obstacles to adoption of sustainable solutions.

Provide a discussion of unsustainable consumption practices in general based on a personal inventory. Tie it back to your project topic and your research for your *Group assignment 1* by speculating about possible consumer resistance to the products likely to be involved in the project.

Group assignment 2 - 7 minute presentation in class of learning from readings about sustainable product design and possible product ideas/target segments

Group assignment 3 - 7 minute presentation in class about details of product idea and learning from market research

Group assignment 4 - 7 minute presentation in class about preliminary ideas on promotion and distribution

Case analyses - as indicated in class

Final 20 minute (including questions) in-class group presentation - *Week of February 28*

Group Written report due - *Week of March 6*

Individual assignment 3 - *Personal and professional vision statement about sustainability* - *due Week of March 6*

BA505 - PEER EVALUATION FOR GROUP WORK ON PROJECT

YOUR NAME _____ GROUP NO. _____

The purpose of this evaluation is to assess the degree to which your group members contributed to the group projects required for this class. Please rate each group member (except yourself, of course) on his/her overall contributions to the **group project and all group assignments**. In order to maintain the integrity of this process, it is important that you make your estimation on the basis of the quality/quantity of contributions and not on unrelated factors.

Please circle the option that best represents the percentage of an individual's fair share of work that he or she contributed. The "fair share" of work should represent what you feel as being an individual's proper responsibility. In determining the "fair share" of work, you should give particular emphasis to group assignments such as the final presentation and written report. For example, if you felt that an individual contributed as much as he or she was supposed to, you would circle "100%". If you felt that an individual contributed only half the amount he or she was supposed to, you would circle "50%". If an individual contributed more than his or her fair share, then you would circle "> 100%" and fill in the actual percentage in the space provided next to it (e.g., 150%, 120%, etc.).

1. NAME OF GROUP MEMBER RATED _____

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% > 100% _____

2. NAME OF GROUP MEMBER RATED _____

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% > 100% _____

3. NAME OF GROUP MEMBER RATED _____

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% > 100% _____

4. NAME OF GROUP MEMBER RATED _____

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% > 100% _____

RATE YOURSELF (Will not count in your overall ratings)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% > 100% _____