

March 2010 | Vol. 3 Issue 1



AUTHOR

Jessica Gordon
eBulletin Editor
Frost & Sullivan

Mainstreaming Green Product Innovation: Why and How Companies Integrate Environmental Sustainability

It isn't often that case studies and solutions for green-striving companies become available, but that's exactly what the academic paper by two leading scholars of business and marketing seeks to do. Italy-based Ph.D., Rosa Maria Dangelico, collaborated with Canadian professor Devashish Pujari to look at 12 small-to-medium-sized manufacturing companies in Italy and Canada, investigating the trials, tribulations and successes of green product innovation. (Dangelico is a doctor of in Innovation Management and Product Development at Politecnico di Bari; Dr. Pujari is Associate Professor of Marketing at McMaster University in Hamilton, Ontario.)

By doing in-depth interviews, observations and case studies, the scholars reveal 12 firms' "motivations to develop green products, environmental policies and targets for products, different dimensions of green product innovation, and challenges faced during developing and marketing of green products."

Their results show the different challenges and results of green innovation, and important patterns that emerged during the transition to environmental sustainability.

For instance, one challenge repeatedly mentioned by businesses was retaining a quality product while incorporating green attributes (in other words—not trading the product's integrity for environmental friendliness). Price was also an issue,

because as products' characteristics get greener, they also become more expensive, thus increasing cost at market. Other challenges mentioned were esthetics and credibility of "green" claims. Though this isn't surprising news, it is interesting to note how these businesses overcame the challenges of going green, and rose to succeed in their respective fields. (Fields run the gamut and include: detergents, inks, recycled rubber, solar roofing systems, wooden pallets, hot water/heat/electricity, ecological/fair-trade products and bio-diesel.)

I spoke with Dr. Pujari to ask him what takeaways large corporations interested in implementing green innovation could learn from these mid- and small-level companies going through similar challenges.

Q: What was the most surprising fact you learned about companies integrating green innovation into their practice?

Dr. Pujari: We find that often the integration of environmental sustainability into the innovation process is driven by a firm's internal motivation. It's mainly expressed by top management's own personal values toward social responsibility, rather than by external factors, such as compliance to regulations, or opportunity to pursue competitive advantage.

Q: What's the most useful advice corporations looking to go green take away from your study?

Dr. Pujari: Developing green innovations

requires a comprehensive approach by firms—considering several phases of product's life cycle (production, use and disposal of the product), as well as different types of product's environmental impacts (materials, energy and pollution). Integrating stakeholders in various phases will not remove all the potential conflicts, but it will significantly address most of the concerns which are sometimes not apparent to companies if green products are developed in isolation.

Q: Based on your current and previous research, what is your prediction for the future of green product innovation?

Dr. Pujari: We can confidently say that environmental sustainability has become the innovation's new frontier with immense possibilities to create new markets and new product categories. Firms that start to integrate environmental sustainability into their innovation strategies will enjoy competitive advantage, not only in their home markets but also internationally. New products will increasingly come with some sort of sustainability index (carbon footprint or overall environmental impact), as well with more third-party certifications.

Doctors D'Angelico and Pujari's entire paper is available digitally at: <http://www.springerlink.com/content/mlw64032127513j5/>