

California Wood Harvesting Co.

Topic: Environmental vs. Economic Concerns

Characters: Bob Thomas, company president
George Hollis, Vice President of Marketing
John Davidson, assistant to Vice President of Marketing

The California Wood Harvesting Company has been clear-cutting for over 50 years in Northern California. The company has always complied with governmental regulations and actively replants the areas where it logs. Beginning in the 1970s, various environmental groups have criticized the company's policy of clear-cutting, a procedure wherein all the trees in an area are cut, leaving a patchwork pattern on the mountainsides. Even though the company replants these areas, the environmentalists feel that the practice is destructive to the forest. Through the 1970s and 1980s, these environmental groups have become more vocal, larger in size, supported by growing numbers of sympathetic citizens, and more financially viable. As a result, they have created considerable negative press for the company.

The company used to underplay and ignore these concerns based on the fact that it provides logging jobs and economically supports the logging communities. Recently, however, the company has been very concerned with its public image. A recent company study showed that the image of the company and its practices has become increasingly more negative with Northern Californians in particular and with the nation as a whole. There is some indication that this negative press has reduced sales, but an even larger indication that this negative public sentiment may result in additional government regulation that would be extremely costly to the company. The company is very concerned about this issue, given that clear-cutting also has been named as a contributing factor in the ongoing disappearance of the spotted owl.

Company president Bob Thomas has deeply pondered these concerns and has asked Vice President of Marketing George Hollis to create an image-building program for the company. Mr. Thomas has given Mr. Hollis complete freedom to create an image-building program. However, he has requested that any program created include the following element:

Some land that is not profitable for the company will be donated to the government as wilderness areas. This contribution to the environment will be widely promoted through publicity and through paid institutional ads.

Mr. Hollis is not sure about the wisdom of this policy. He fears that people may see it as a token effort to "buy" public support and, indirectly, government support. However, he decides to do what Mr. Thomas has requested, thinking that it will work if it is done right.

Mr. Hollis decides to work closely with John Davidson on the project. John has been with the company for three years. He is doing exceptionally well and has progressed quickly. John considers Mr. Hollis as his mentor and is on his way to a fast track in upper management. Mr. Hollis discusses the project with John. John strongly doubts the wisdom of the land donation aspect of the project and tries to get out of the assignment based on the fact that he has been a Sierra Club member for the past ten years even though his participation has been very peripheral and sporadic. When Mr. Hollis hears that John is a Sierra Club

member, he is elated, thinking that this perspective will surely enable them to create the right ads. Mr. Hollis encourages John: "Give it your best shot, son. I'm counting on you."

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