How to Create Value for Micro-Businesses Approaching the Green Economy

By

Gian Luca Gregori
Silvio Cardinali
Paola Palanga
Research Article

How to Create Value for Micro-Businesses
Approaching the Green Economy

Gian Luca Gregori, Silvio Cardinali, Paola Palanga*

Management Department - Economics Faculty "G. Fuà" - Polytechnic University of Marche – Italy.

*Corresponding Author’s Email: palangapaola@gmail.com, Phone: +39 0712207260

ABSTRACT

Based on the result of a survey carried out among a sample of 212 micro-small firms from Italy, the authors explore how the Green Economy is translated into practice and micro-businesses’ perceptions of pressures for engagement with green issues. The aim of the paper is to explain whether opportunities for micro businesses in adopting a green “behavior” could be useful to better address the customers’ needs. The authors gather information on key management issues related to the adoption of sustainable practices and, with specific reference to certain types of businesses, highlight the criticality of the product offering and the formulation and communication of the value proposition. Preliminary findings highlight that often this type of enterprise cannot clearly address customers’ needs in terms of eco-sustainable outcomes as revealed by this study. It is actually very difficult for these firms to formulate an appropriate value proposition and disclose the values of the Green Economy to the market and their customers.

This paper contributes to the emerging stream of research that aims to build a theory of sustainable development that is grounded in the experiences of micro-business owner-managers, and takes into account the heterogeneity and characteristics of this sector.

Key words: green economy, sustainability, micro-business, value proposition, value creation.

1. INTRODUCTION

In recent years, the issue of sustainability has led to an intense debate in many areas of research, economy and politics. Various studies and specialized media have helped to boost interest in this aspect (Thøgersen, 2006).

Moreover, the economic situation has given rise to question the production system in the industrialized countries and the entire process of industrialization, requiring a rethinking of the economic system. In this sense, there appears to be a more and more need for a move towards a sustainable economic model, which is the driving force of a systemic and balanced development. In this perspective, the function of a firm cannot be limited to the typical generation and distribution of economic value, but it should rather expand given the role it needs to play in helping to progress and improve social welfare (Rifkin, 2011). There are, in the course of development, even internationally, new business opportunities related to the Green Economy and it is therefore clear that eco-sustainability, understood as the ability to achieve the right balance between development needs and environmental protection, is an aspect that companies will increasingly have to face in their near future (Khor, 2011).

SMEs constitute the dominant form of business organization in almost all countries worldwide, accounting for 95% or more of the business population depending on the country and the definition of SMEs applied (OECD, 2005). In line with this, one estimate is that SMEs collectively account for up to 70% of industrial pollution worldwide (Hillary, 2000). In this context, we cannot escape the fact that also micro and small enterprises (MSEs) play a particularly important role in terms of numbers and weight in the overall Green Economy (Hillary, 2004; Parry, 2012), but the number of papers and publications in business management is somewhat limited. As such, it is interesting to see the attitude and problems of management in micro and small enterprises towards the Green Economy. In the perspective of the individual enterprise, in fact, different business models are changing market dynamics, highlighting the presence of new constraints that makes it difficult to combine environmental sustainability and economic sustainability (Halme and Korpela, 2013).

1 In this study European Commission’s definition of SME is used: in terms of employee headcount it defines a medium-sized enterprise as employing fewer than 250 persons; a small enterprise employs fewer than 50 persons; and a micro enterprise employs fewer than 10 persons (European Commission Recommendation, 2003).
This paper adopts a ‘bottom-up’ perspective and presents evidence collected with an online questionnaire carried out among a sample of 212 micro-small enterprises from Italy. We explore how micro and small business owners understand the Green Economy and how this links to the context of the business and the actions taken. We use the terms ‘Green Economy’ and ‘sustainable development’ interchangeably and understand them to refer to firm behavior that “seeks to limit or prevent damage to, or to consciously improve, the existing natural environment” (Schaper, 2002).

The aim of the paper is to understand how MSEs create value approaching the Green Economy and how they try to communicate this value to their customers. Additional recommendations will follow the analysis.

Prior to providing a summary of the research design and findings, further justification for the investigation is provided through a review of research evidence examining micro and small firms and environmental sustainability.

2. GREEN ECONOMY: DEFINITION OF SECTOR BOUNDARIES

The debate about business and sustainability has stimulated some kind of awareness about this new perspective. However, there seem not to emerge a clear and unambiguous interpretation and delineation of the “green” industry. On the contrary, it is not easily identifiable within its boundaries (Khor, 2011).

The proliferation of different terms such as Green Economy, sustainable development and environmental responsibility, has contributed to increase the attention towards these issues, but there is still a considerable difficulty to understand what is green and what is not.

As defined by the World Commission on Environment and Development (WCED, 1987), “Sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to meet those of the future” (WCED, 1987). A different definition calls sustainable development “a development that improves the quality of human life while living within the carrying capacity of supporting ecosystems” (IUCN, 1991). In application to businesses, Dyllick and Hocketts (2002) stated: “For the business enterprise, sustainable development means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining, and enhancing the human and natural resources that will be needed in the future”. While these earlier definitions focused on sustainable development, later definitions speak more generally of sustainability. Carter and Rogers (2008) defined sustainability as “the strategic, transparent integration and achievement of an organization’s social, environmental and economic goals in the systemic coordination of key inter-organizational business processes for improving the long-term economic performance of the individual company and its supply chains.”

Soyka (2012) formulates sustainability as consisting of “three legs of the stool”, namely economic prosperity, environmental protection and social equity, noting that the phrase “people, planet, profits” is increasingly used to describe the three aspects. Sustainable business practices hence require looking at environmental, social and ethical effects of firm operations.

About the Green Economy, we can say that it is not only a new sector or a new branch, but also a system that cuts across some of the most important economic areas, and for this reason, it is complicated to provide a shared definition of this phenomenon (Chapple, 2008). The term “green” in the past has been used to indicate everything that had an environmental orientation. However, today choosing to use the term “Green Economy” means including a broader and more complex significance.

A green economy is typically understood as an economic system that is compatible with the natural environment, is environmentally friendly, is ecological, and for many groups, is socially just. These attributes are the conditions that must be imposed on an economy from the perspective of many Green Economy advocates (Fulai, 2012). This conventional concept may be alternatively described as “the greening of an economy”. Some fundamental criteria for meeting these conditions are using renewable resources within their regenerative capacity, making up for the loss of non-renewable resources by creating their renewable substitutes, limiting pollution within the sink functions of nature, and maintaining ecosystem stability and resilience.

Less understood but which should be of a much greater interest is a green economy as an economic system that is dominated by investing in, producing, trading, distributing, and consuming not only environmentally friendly but also environmentally enhancing products and services (Khor, 2011). In this sense, many green conditions, such as those listed above, should no longer be seen as constraints on an economy (Bhardwaj and

2The authors make that assumption because, from a revision of the Italian literature, they could see that there is a gap: academic literature talk about “sustainability” while entrepreneurs talk more often about “Green Economy”. In the next paragraph, authors try to define the two concepts separately, even though they know that the results from the questionnaire highlight the equality of sustainable development and the Green Economy in the entrepreneur’s mind.
Malhotra, 2013); instead, they should be regarded as forces that generate new economic opportunities. This is about expanding and reshaping, not reducing, the space for economic development and poverty reduction.

The Green Economy encompasses the economic activity related to reducing the use of fossil fuels, decreasing pollution and greenhouse gas emissions, increasing the efficiency of energy usage, recycling materials, and developing and adopting renewable sources of energy (McCarthy, 2008).

At its most basic level, the Green Economy is the clean energy economy, consisting primarily of four sectors: renewable energy (e.g., solar, wind, geothermal); green building and energy efficient technology; energy-efficient infrastructure and transportation; and recycling and waste-to-energy.

However, the Green Economy is not just about the ability to produce clean energy but also about technologies that allow cleaner production processes as well as a growing market for products which consume less energy, from fluorescent light bulbs to organic and locally-produced food. Thus, it might include products, processes, and services that reduce environmental impact or improve natural resource use (Chapple, 2008).

According to this logic, Iraldo et al. (2010) distinguish between “green production oriented” companies which approach the issue of environmental sustainability primarily by greening their production process, and “green business oriented” companies which produce a technology, a product or a service by reducing the environmental impact of other subjects along the supply chain.

The Green Economy represents the sum of two worlds: the first includes firms producing in an environmentally friendly manner through a series of tools such as environmental certification process and product, and adoption of technologies for resource conservation or the reduction of impacts.

On the contrary, Iraldo et al. (2010) speak of green business compared to those firms that operate openly in markets such as environmental waste, pollution, integrated water cycle, energy. It is said that these entities are increasingly reducing environmental impact and they are green because their target market is, but not because they are necessarily “green” themselves.

The approach outlined in this latter definition (Iraldo et al., 2010) appears to be particularly effective in the interpretation of the impact of micro businesses in relation to the phenomenon examined; this paper will adopt the same last approach with reference to the empirical analysis.

3. GREENING THE MSEs: A THEORETICAL FRAMEWORK

As mentioned previously, the role of smaller companies cannot be considered irrelevant in the European context and particularly in the Italian Green Economy, not only because of the high number of firms that operate in this “sector”, but especially because green business oriented companies play a very active role\(^3\). In this sense, numerous papers deal with the issue of sustainability, and most of them have a purely scientific or economic nature, mainly focusing on medium and large enterprises (Noci and Verganti, 1999). On the contrary, issues related to the adoption of sustainable practices in companies of micro and smaller size do not seem to be widely discussed. Even so, some authors already mention this area specifically and brand it as a research priority (Alberti et al., 2000).

On one hand, the main topics refer to the issues surrounding the adoption of sustainable practices by SMEs, on the other hand they refer to paths of implementation and to the benefits that this new approach can provide.

With regard to the use of sustainable practices, several critical issues are highlighted.

Although it has strongly increased the awareness of SMEs owner in managing the effects in a structured way, according to some authors, a significant part of them still stands for a partial awareness of the environmental effects of their actions (Taylor/YouGov, 2007). In particular, they do not know how these problems can be effectively managed (Marcus, 1984; Net Regs, 2002).

The low visibility of individual SMEs may be an explanation for the inactivity of SMEs because of their little exposure to the reputational risks that can motivate larger enterprises to focus on improving their environmental performance (Jenkins, 2004).

Because of the dominance and decision-making freedom of the owner–manager, small business behavior is often understood in terms of the psychological characteristics of the entrepreneur (Kruger, 2003). In studies that have not just looked at attitude but also its relationship with practice, the formation of green strategies within small businesses has been found to be closely linked to the ethical principles of the business leaders (Branzei et al., 2004). In particular, the owner–managers’ levels of concern and awareness about their business’s environmental impact have a direct bearing on how green the business is (Allen and Malin, 2008).

\(^3\) In Italy, the impact of the various activities related to the green economy is particularly high and it is estimated that the whole "sector" will generate approximately 2.5 billion Euros in revenue each year up to 5.5 billion by 2020 (ERC Data - European Research Centre, 2011).
Another reason could be that it often seems complex for SMEs to access information on environmental issues, and many managers tend to underestimate these themes and have difficulty in identifying and connecting environmental issues to their business reality (Noci and Verganti, 1999; Institute of Directors, 2006).

It should be noted that, in many cases, SMEs must face a lack of resources and the need to fill a gap in technical, cultural and environmental issues. Azzone et al., (1997a, b) and Azzone and Noci (1998) show that SMEs are companies with limited financial resources. Therefore, they cannot develop long processes of competence accumulation and not even allocate funds to ecological initiatives or secondary aspects of the company’s main activity. This lack of resources is an element hindering the development of environmental improvements (Greening and Gray, 1994; Russo and Fouts, 1997; Mazuro et al., 2013).

In addition, lack of specialized figures (Azzone et al., 1997a; Azzone and Noci, 1998) or the time required for managers to understand the patterns and to adapt them to their environmental business may also be mentioned (Iraldo et al., 2011).

Still on the subject of managerial resources, some authors highlight difficulties in coping with environmental legislation from a legal and bureaucratic point of view (Fairman and Yapp, 2005; Wilson et al., 2010, 2011).

Some studies have shown that, among the difficulties that SMEs encounter to implement environmental actions, there are some peculiar characteristics of their organizational structure. Several elements confer an advantage on larger companies over SMEs with regard to environmental protection (Alberti et al., 2000; Aragon, 1998).

There are other types of obstacles also in establishing an EMS (Environmental Management System4), such as implementation costs, costs of external consultants and others. These “barriers” seem to be very significant, especially for micro enterprises5 (Biondi et al., 2000; Hillary, 2004).

Finally, some contributions have pointed out environmental practices that are still perceived as expensive with limited benefits (Stuart and Gautam, 1996; Anglada, 2000). In particular, it has been argued that SMEs have more difficulties following a proactive environmental attitude (Bianchi and Noci, 1998; McKeiver and Gadenne, 2005) and see environmental issues as a threat instead of as an opportunity (Günther and Kaulich, 2005).

This paper has so far identified the drivers for environmental behavior in SMEs. However, just as it is argued that SMEs differ from larger businesses, it has also been argued that within the category SME, there is a range of different businesses, namely medium, small and micro, which have differences approaching the Green Economy. In particular, it has been shown that micro businesses are different to small businesses in terms of the conditions and variables affecting their environmental behavior (Parry, 2012). Research to date supports this suggestion in that it highlights how some of the drivers discussed earlier may differ in micro businesses. For instance, the dominant influence of the owner–manager is likely to be greater in a micro-business (Atkins and Lowe, 1994). Another example could be related to the lack of adequate resources and expertise, once again much more marked in micro-businesses.

However, in order to implement such a process (a green marketing strategy) it would be useful to first define the path required for the analysis of production efficiency (reduction in consumption, supply chain management and logistics in terms of cost and environment). A second step is a search for environmentally friendly materials or those with low environmental impact, not only for production but also for logistics and procurement (Sarkis and Rasheed, 1995). The success of a sustainable project is finally in the proper and effective communication to the customer (Parry, 2012; Borga et al., 2009).

It should be noted that the advantages for SMEs, arising from the application of a green conduct code and a better management of environmental risks, could be summarized into three categories:

- **Environmental benefits**: less pollution, energy conservation and integration of LCA into the business strategy;
- **Economic advantages**: cost reduction with the application of EMS, stimulation of innovative strategies and creation of new market opportunities;
- **Social benefits**: better organization of the company and improvement in relations with all categories of stakeholders (Bonifant et al., 1995; Forsman, 2013).

---

4 These models provide a guarantee from Community institutions in terms of "environmental excellence", which can lead to a position of competitive advantage to those companies which, by adopting EMAS or ISO 14001, are committed to improving their environmental performance (Biondi et al., 2000).

5 It has been shown that micro businesses are different to small businesses in terms of the conditions and variables affecting their environmental behavior, and it is therefore suggested that they should be looked at as a separate category (Mir and Feitelson, 2007).
Ultimately, one of the aspects of particular importance that emerges from the various authors who have dealt with this issue is the difficulty found among smaller companies to build and deliver value to the market by adopting an eco-friendly behavior (Sarkis and Rasheed, 1995).

4. METHODOLOGY

In this section, the authors present the results of an exploratory empirical research conducted on a sample of Italian micro and small businesses. The purpose of the study is to gather information on key management issues related to the adoption of sustainable practices and, with specific reference to certain types of businesses, to highlight the criticality of the product offering and the formulation and communication of the value proposition.

In order to achieve these objectives, the empirical research was carried out by sending out an online questionnaire in April-May 2011. Sample selection was based on the maximum variation strategy. Respondents are micro and small-business owners from a wide range of industries (manufacturing, services, and primary production), from different locations across the Marche Region (urban and rural areas) and with a varying degree of engagement in environmentally responsible business practices. The sample was compiled from a list of randomly selected micro and small firms registered with two different Italian trade association (Confarigtianato and CNA).

A total of 212 micro business owners were reached using a structured interview schedule that covered the following issues: the nature of the business and the owner-managers aspirations for the businesses; their perceived environmental impact; the environmental practices pursued by the business plus the drivers for their engagement; and how the owner-managers understand environmental sustainability in the context of their business.

The study refers to the past literature to design questionnaire items for the survey. Prior to mailing to the respondents, two experts and scholars were asked to modify the questionnaire in the first pretest. The questionnaire comprises three parts. The first part is the measurement of the descriptive data of companies (including the number of employees, year founded, etc.); the second part is the measurement of environmental commitments; the third part was directed only toward "green" enterprises (installers, constructors, energy saving SMEs and waste disposal and treatment plants).

The sample consists of 212 companies of which 112 are "green production oriented" (53%) and 100 "green business oriented".

5. FINDINGS

The first aspect examined in the survey concerns the meaning of the terms Green Economy. The answers show that, among the other choices, "economy that reduces its environmental impact" obtained the highest percentage of respondents (44%); this proves that MSEs often tend to identify the Green Economy in a reductive way by showing respect for and protection of the environment but neglecting its systemic perspective. The same is true for the "economy based on sustainable activities", which received 42% of the answers.

A second aspect examined is related to the weight, in terms of importance, of the Green Economy for small businesses: it was found that 44% of the respondents said that the Green Economy will play a "very important" role and for the other 34%, an "important" role.

Among the main reasons why entrepreneurs should invest in sustainable development were innovation (37%), market opportunities (28%), followed by an improvement in the company image (16%).

Another important aspect investigated through this research work has been linked to the benefits achieved by companies using environmentally sustainable practices. Results are consistent with what was seen in relation to the driving force to invest in sustainable development.

Table 1: Results of the survey – Benefits achievable from entrepreneurs through the exploitation of "green values"

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good image for the company</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>Retention/acquisition of new customers</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>Entry into new markets</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Cost containment</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Improved relationships with distributors</td>
<td>26%</td>
<td>74%</td>
</tr>
</tbody>
</table>

Despite the systemic nature of the Green Economy, analyzing the answers, it is possible to infer that the improvement in relations with the distributors is not recognized as a possible benefit from the majority of respondents. Finally, it is interesting to note that there is a slight imbalance in favor of those who declare that it is not likely to achieve cost containment through green practices compared to the ones who are positive about it.
This substantial balance leaves the discussion open to different interpretations, and it is no coincidence that returns from green activities are still being questioned. The debate is between those who support the adaptation to the requirements imposed by regulations leading to an increase in production costs and others who connect cost reduction to less use of resources and increased efficiency.

Subsequently, the respondents expressed an opinion on several statements about the Green Economy; in this sense, the respondents showed particular attention to these issues and especially evinced the awareness that sustainability is increasingly involving their business. From the responses (Figure 1), some elements of concern emerge, such as the company’s ability to transfer its green values to the market.

![Figure1: Results of the questionnaire](image)

To analyze the “green” engagement of the interviewed firms, we asked them if they had made any investments and if so, what type. In almost all the items examined, over 50% of the businesses stated that they had made investments because of their “personal” conviction showing marked social responsibility and not merely compliance with legislative indications.

### 5.1. Problems and perspectives for ‘green business oriented’ MSEs

The last section of the survey starts with the respondents’ prospects for development for the next three years. Contrary to what happens in national and international forecasting, the MSEs had a more “conservative” tone, and their response was characterized by certain stability. In fact, the majority of them indicate a stable future (35%), 23% reports a slight increase and only 4% believes that there might be highly developed.

The reasons given for these prospects are essentially linked to a caution of legislative nature and, in particular, it is due to the announced government intervention to reduce incentives to this sector (54% of respondents); moreover, 51% of the respondents said that problems could also occur with regard to bank loans.

Regarding measures deemed necessary for the sector, “less bureaucracy” (83%) seems to be a priority according to the interviewees. However, orientation toward collaboration/networking with social and local actors is limited, indicating once again the lack of a systemic and integrated approach by Italian entrepreneurs that distinguishes the Green Economy in the first place.

---

It is important to remember that the period when the questionnaire was sent out coincided precisely with the expectation of the new decree on the Quarto ContoEnergia which has considerably reduced the incentives reserved for photovoltaic installations, and this situation could not but arouse concern and consequently more conservative forecasts on the turnover trend.
Another important aspect concerns the product offering of the green business oriented MSEs. Results show that the proposal to the customer is prevalently traditional instead of an offer that includes a more modern composition of a product/service package. In this sense, only mainly technical services are added to the sale of a product (servicing/maintenance in 71% of cases). However, the supply of services with higher value added, such as expert advice and training is limited.

![Figure 2: The product offering of the “green business oriented” MSEs](image)

6. CONCLUSIONS AND IMPLICATIONS FOR MANAGEMENT

The present research work examined the main features of the "green sector" from the dual perspective of green product oriented and green business oriented companies. In particular, it refers to the management aspects of micro and small enterprises.

Firstly, the analysis shows some “green inclination” of the two categories of companies examined, and this is made even more evident not only from their statements, but from the actions and investments made by these business realities. Given this orientation and the positive outlook detected at national level for the sector, there is a certain caution on the possible development of the sector, and this happens with particular reference to the continuing uncertainty of the legal situation and incentives.

We try to further synthesize the results of this research, giving a cross-reading of all the answers and to describing the characteristics of the hypothetical average firm in the sample. This company has a high interest in the Green Economy and in everything surround it and it does not consider it just a fad, even though not distinguishing clear and precise boundaries. There is still confusion between the 'end' and 'means' that words such as sustainable development, energy efficiency and renewable energy are considered almost interchangeable. The question arises: is this a real interest or these MSEs are attracted only by the green of money/profit?

With regard to investments already made, MSEs seem to believe in the Green Economy. The only flaw is represented by the lack of respect reserved for internal training on the subject, but the workers are on average 5-6 so it is likely that this aspect is considered implied in everyday relations between entrepreneur and employees.

Among the reasons that have led MSEs to invest in environmentally sustainable practices, innovation play a primary role, closely followed by market opportunities. The benefits are mainly linked to image, even if the entry into new markets creates, in turn, high expectations; cost containment instead leaves doubt: maybe it is considered a reach advantage but only under certain conditions and as a result of large investments. In addition, to really achieve these advantages, it is necessary to raise awareness of customers on environmental issues because right now MSEs think that any kind of investment in this field entails higher costs that the customer does not want to support.

With regard to the "green production" system, it is possible to observe that it seems to be a most important playground for medium and large enterprises, which, in addition to adopting a code of green conduct, in many cases carry out environmental initiatives also aimed at communication campaigns. However, it must be pointed out that what seems to be missing in smaller firms is not a "green behavior", but their ability to transfer that same value to the market.

In this sense, the companies surveyed do not seem to take full advantage of two different opportunities: on the one hand, the search for enhancement of managerial actions from the customer’s perspective, and on the other, the ability to leverage networks to govern the value chain. The latter issue, which is related to the first, is an important opportunity to be taken that needs a qualitative growth of small businesses and a cultural evolution.

It should however be noted that the use of green practices is also characterized by the presence of individuals who attempt to use its meaning in amplifying communication, with the result that the environmental impact of the economic initiatives are transformed into actions of "green washing".
It should be noted, in fact, that the interest of companies in the environment should lead to a management model that combines the environmental variable to the other corporate strategic variables, involving all business functions.

In this context, however, valuable connections will be the ones that businesses will be able to activate with the territory, universities and public administrations in order to reduce the gap in terms of economic and cultural research that separates small production companies from more structured firms.

In the particular case of green business enterprises, it is important to note that in the business-to-business context, where most of the companies examined carry on their businesses, it is possible to witness a slight evolution process of the concept of offer: from the product, intended as a physical part of the offering, to the proposal of solutions. Green business companies should rethink their product mix in terms of value proposition and, in this sense, the bid procedures and services should be developed in a logic of value creation for the customer; the latter does not express a demand for the product but the demand for a solution to support a complex of problems and application processes. In this context, customer satisfaction not only depend on the variable "product", but also and even more on intangible factors including the nature and characteristics of the relational customer-supplier process (Chen and Chang, 2013).

Green business enterprises could focus their attention not only on the combination of tangible products and services connected to them but also understand that the concept of "solution" is broad to the customer, since it refers to the quality and natural processes that characterize the interactions, from pre-negotiation to service and after-realization. Considering that each customer is particularly sensitive to some different specific dimensions of the complex solution concept, the supplier could conceive a superior offering to that of its competitors in those dimensions most highly appreciated by the client, and the latter will recognize a higher value and will perceive minor sacrifice (Anderson et al., 2006).

It should however be noted that the survey results seem to highlight how companies are still partially far from offering such a concept, remaining tied to the traditional mechanisms and limiting the potential of a business-to-business marketing as a "communicator of sustainability".

It should finally be noted that MSEs are an integral part of "green business" and continue to show positive prospects, but it seems implausible they will maintain the current rates of development for a long time. Therefore, it is essential to reflect on the role they may have in the future. In fact, it can be shown that currently many small businesses are providing an operational support to larger businesses, and there is the risk that because of a reduction in growth rates they might find themselves partially "excluded" from the value added generated by the green sector.

APPENDIX 1 – Questionnaire

The following questionnaire has been designed for micro-businesses to investigate the knowledge owned by local entrepreneurs in the field of "green economy" and to understand the impact that it has had and may still have on their company.

Section 1 - Company information

- year founded
- age of the entrepreneur
- number of employees
- sector

Looking at the well-known concept of "solution", it is observed that the meaning of this word is not limited to a combination of tangible and intangible elements of the offer, but it is the result of interactive and relational processes that include the identification of specific needs and after-sales support.

Therefore, the value sought by the customer is not only satisfied by the supply of a product but also by the availability of a set of processes and business skills that need to connect effectively and efficiently with the processes and skills of the purchasing.

In essence, the concept of "solution" refers to the quality of the customer relationship processes with suppliers: proper design, effective processes of adaptation, custom development, and timing of delivery are implemented by providing an excellent customer/supplier interaction.
Section 2 – Green Economy

1. What does the terms “green economy” mean for you?
   □ energy conservation / renewable sources
   □ economy that reduces its environmental impact
   □ economy based on sustainable activities
   □ other: __________________________________________

2. In general, not referring to his/her business, how important is the green economy for the future of micro-businesses?
   □ 1 □ 2 □ 3 □ 4 □ 5

3. Why should a micro-business invest in sustainable development?
   □ moral commitment
   □ to improve the company image and to meet the customers' needs
   □ innovation and cost containment
   □ market opportunities
   □ other: __________________________________________

4. Do you think those benefits are truly attainable through environmentally sustainable practices?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good advertising for the business, higher reputation</td>
<td></td>
</tr>
<tr>
<td>Customers retention / New customers acquisition</td>
<td></td>
</tr>
<tr>
<td>Entering new markets</td>
<td></td>
</tr>
<tr>
<td>Cost Containment</td>
<td></td>
</tr>
<tr>
<td>Improving relations with distributors</td>
<td></td>
</tr>
</tbody>
</table>

5. Do you agree or not with the following statements?

<table>
<thead>
<tr>
<th>Strongly disagree</th>
<th>Average agreement</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I took actions for the improvement of sustainable because I believe in it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The green economy and sustainability involve costs that customers do not want to support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I only realized interventions to adapt to the law</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The green economy and sustainability are a lot of appearance and little substance. A fad.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It should raise customers’ awareness on environmental issue to get real benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The green economy and sustainability are opportunities only for some sectors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The green economy and sustainability are opportunities NOT only for large enterprises</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have adequate tools to know the real impact of my activities on the environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The resources to implement eco-friendly practices are still too scarce for micro-businesses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6. Have you made investments to improve:

<table>
<thead>
<tr>
<th></th>
<th>Yes, because I believe it</th>
<th>Yes, because they are required by law</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy use</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recycling and re-use of its materials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmentally friendly technologies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal training on the topic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selective waste</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase and use of materials with less impact</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. When you realize new products and services, do you think about their potential impact on the environment?

☐ absolutely not  ☐ not very  ☐ enough  ☐ very much

Section 3 – Supplementary questionnaire directed only to the green business oriented enterprises

a. How do you expect your turnover to be in the next three years?

☐ strong decrease  ☐ slight decrease  ☐ stable  ☐ slight increase  ☐ strong increase

b. Assign a priority to the following actions that the public administration can achieve to promote the sustainable development:

<table>
<thead>
<tr>
<th></th>
<th>1 - Absolute priority</th>
<th>2 - Medium priority</th>
<th>3 - Low priority</th>
<th>4 - No priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy access to bank loans, incentives and economic contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater collaboration among the various social actors of the territory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less bureaucracy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market regulation and more efficient controls</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c. What are the aspects of the future that you most care about?

☐ problems in dealing with customers
☐ legislation/government intervention
☐ bank loan
☐ control of the commercial network
☐ supply chain management
☐ other: _____________________________________

d. Has your company activated:

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>General consulting services to the customer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training and customer awareness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnership or networks with other companies in the sector</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

e. Do you think partnership or networks with company from your same sector could be useful for you in the future?

☐ Yes  ☐ No

f. How important in your sector is to obtain a certificate proving your commitment in implementing environmentally sustainable practices?

☐ very important  ☐ important  ☐ not important  ☐ I don’t know
REFERENCES


Azzone G., Bertelè U., Noci G. 1997a. At last we are creating environmental strategies which work. *Long Range Planning* 30 (August), 562–571.


Institute of Directors 2006. *Environmental policy comment, the business of the environment: policy and opportunities*, IOD seminar.

Iraldo F., Cancila E., Cariani F. 2010. Competitività ambientale e green “made in Italy”: una prospettiva territoriale e distrettuale. *Quaderni di Ricerca sull’Artigianato*, n. 54.


