

# Sustainability in Store

How Retailers Bring Sustainability to their Customers

Matthias Lehner



**LUND**  
UNIVERSITY

DOCTORAL DISSERTATION

by due permission of the Faculty LTH, Lund University, Sweden.

To be defended at the IIIIEE, Aula, 13-03-2015, 13:00.

*Faculty opponent*

Cecilia Mark-Herbert

Swedish University of Agricultural Sciences, Uppsala, Sweden.

LUND UNIVERSITY		DISSERTATION
		2015-03-13
Author(s)	Sponsoring organization	
MATTHIAS LEHNER	HANDELNS UTVECKLINGSRÅD	
Title and subtitle		
SUSTAINABILITY IN STORE – HOW RETAILERS BRING SUSTAINABILITY TO THEIR CUSTOMERS		
<p><b>Abstract:</b> Retailers across Western Europe are faced with the challenge to integrate the idea of sustainable consumption and production (SCP) into their operations. The difficulty herein lies in the the lack of any clear understanding or agreement for what the term implies for retailers and how to implement it in retailers' daily operations. Instead, retailers need to handle a number of different – at times competing – understandings of SCP among their stakeholders and combine these into a strategy that fits their business interests. In this thesis, I study the interaction between retailers, their stakeholders and market demand to understand how the complexity of the sustainability discourse is translated into concrete action on the shop floor. My results show retailers to be highly flexible in their work with SCP, however also quite unstrategic. Much of retailers' efforts to integrate SCP into their operations is based on a trial-and-error process with frequent mistakes and change of direction. To approach SCP more strategically more attention must be paid to the sensemaking process of SCP among stakeholders and how it connects to market demand. My research found that rather than focusing on the overall sustainability of products and services, retailers ought to compartmentalize SCP to match specific stakeholder groups in a meaningful way. Retail brands have emerged as particularly useful tool in this respect. Due to the property rights assigned to such brands, they offer the retailer the ability to actively enage with SCP and adapt its meaning to stakeholder expectations. However, sensemaking of SCP is also to a great extent a local process, removed from the national discourse. While brands are well-suited to engage with the macro-discourse, they are not sufficiently able to adapt to the micro-level discourse. My research points to the important role individual stores have in the adaptation process of SCP to the micro-level discourse. Several examples of successful micro-adaptation to local sensemaking of SCP at the store level could be observed in my research. Successful integration of SCP into a retailer's operation therefore seems to depend on a functioning multi-layer process within the organisation, where both headquarters and stores contribute their strengthes to a functioning internal translation procees of SCP, from global discourse to local enaction. These results have particular relevance for centralized retail organisations. They imply more responsibility for stores in the sensemaking and operationalisation of SCP as a way to achieve a more contextually meaningful approach to SCP.</p>		
Supplementary bibliographical information		Language ENGLISH
ISSN and key title: 1402-3016 IIIIEE Dissertations		ISBN: 978-91-87357-13-8
Recipient's notes	Number of pages 113	Price
	Security classification	

I, the undersigned, being the copyright owner of the abstract of the above-mentioned dissertation, hereby grant to all reference sources permission to publish and disseminate the abstract of the above-mentioned dissertation.

Signature



Date

2015-02-03

# Sustainability in Store

How Retailers Bring Sustainability to their Customers

Matthias Lehner



**LUND**  
UNIVERSITY

Copyright Matthias Lehner

International Institute for Industrial Environmental Economics, Lund University

ISBN 978-91-87357-13-8

ISSN 1402-3016

Printed in Sweden by Media-Tryck, Lund University

Lund 2015



KLIMATKOMPENSERAT  
PAPPER



# Contents

Acknowledgements	7
Executive summary	9
List of publications	13
Publications for PhD thesis	13
Further publications	14
My contributions to co-authored papers	14
Tables and figures	17
Introduction	19
Background to the research	19
Problem definition	21
Aim and research questions	22
Scope and limitations	22
Summary of research papers	25
Terminology	26
Sustainable development/sustainability	27
Sustainability discourse	27
Sustainable Consumption and Production	28
Sustainable retailing	28
Sustainable/ethical/green consumption	28
Corporate Social Responsibility	29
Target audience	29
Thesis outline	29
Literature review and conceptual model: sustainable retailing as sensemaking of stakeholder expectations	31
Sustainable retailing	31
The translation of sustainable retailing	34
Change agents in sustainable retailing	35
Market action for sustainable retailing	37
Research gap	42

Method	45
Methodological positioning	45
Objectivity and value neutrality in this thesis	47
Generalizability of this thesis	50
The role of theory in this thesis	51
Research methods and analysis	52
Choice of methods	52
Interviews	54
Focus groups	56
Observations	57
Documents and textual data	59
Analysis	60
Ethical considerations	62
Analysis	65
Sensemaking in sustainable retailing: a case-by-case approach	68
Standardization and flexibility: two complementary approaches to sustainable retailing	70
The translation of stakeholder demands into market action	73
The role of the retail store in translation	74
Discussion	81
Implications for theory and research	81
Implications for retailers	84
Implications for policy-makers	86
Critical thoughts about the role of the market	88
Conclusions	91
Main findings	91
Suggestions for future research	93
Appendixes	95
Appendix 1: Secondary literature reviewed for this thesis	95
Appendix 2: List of retail interview partners and store observations	98
Appendix 3: Demographic data for ‘conscious consumers’ and their observed levels of sustainable consumption, and visited stores	100
Appendix 4: Focus group participants	102
References	105

# Acknowledgements

Many people deserve gratitude for supporting me during the four years of my life as a PhD student. Family, friends and colleagues all played a crucial role in keeping me going and keeping me well. I carry all these people dear in my heart and consider myself lucky to be able to continue to count on their presence in my life.

Two people deserve particular gratitude for the creation of this thesis, Oksana Mont and Mikael Klintman. As my supervisors they have done an outstanding job! Their support and expertise carried me through motivational low-points and guided me out of intellectual mazes. Thank you, Oksana and Mikael, for standing by me and for tolerating my doubts, scepticisms and stubbornness. Thank you for giving me guidance but not locking me in!

I should also express my gratitude to the Swedish Retail and Wholesale Development Council (Handelns Utvecklingsråd) for the continuous financial support. Without their support I would not have been able to conduct this research.





# Executive summary

Retailers are occupying a market-dominating role in the food system. This has made them a focal point of societal efforts to introduce sustainable consumption and production (SCP) considerations into the food system. In Europe, civil society organisations, national governments and the European Commission all have increased pressure on retailers to engage with SCP.

Many retailers have reacted to this development and intensified their efforts to integrate sustainability into their operations. However, major European retailers have experienced difficulties in trying to live up to external expectations. Decision-making in retailing to implement sustainability is often based on a trial-and-error process rather than profound understanding of the retailer's position and possibilities in sustainable consumption and production. Retailers are therefore struggling to imagine and implement policies that satisfy the call for sustainability in retailing in a way that fits their business model.

This thesis aims to provide understanding of the retail-internal processes of managing sustainability in retailing and how they are influenced by the retailer's environment. The aim of this thesis is to understand how the complex sustainability discourse results in concrete action by retailers in the marketplace.

The articles compiled in this thesis rest on a number of theories and conceptual approaches. However, the thesis itself (i.e. the 'kappa') draws most heavily from stakeholder theory and takes a constructivist view on sustainable retailing. In recent years, sustainable retailing has emerged as a research field in its own right. A prominent thread within this field is the study of stakeholder influence on retailers' work with sustainability. Stakeholders influence the priorities for retailers in sustainable consumption and production. Given the impossibility to meet all stakeholder demands, the challenge for retailers is to identify those stakeholder demands they can and should satisfy and how to turn those demands into action.

Retailers are not passive transmitters of impulses from stakeholders to the market, though, but are actively engaging in a process of interpretation of these impulses. They can use their market power to influence both consumption and production in ways that fit their business model.

Each retail organisation therefore has to engage in a continuous sensemaking process of sustainable consumption and production, in which sustainability is constructed and communicated in a way that satisfies stakeholders and meets market demand. This sensemaking is driven by change agents within the organisation. Change agents are actors that are knowledgeable about a topic and have the authority to influence processes and outcomes. They interact with relevant internal and external parties and their personal sensemaking process contributes to the establishment of a collective understanding of sustainability in the retail organisation.

Efforts to accommodate the sustainability debate in retailing have led to two major ways to approach sustainable consumption and production. The first assumes that standardisation of sustainable retailing is needed, arguing for the accountability and cost efficiency such an approach entails for retailers and the market. This approach commonly finds expression in the marketplace through third party certifications and labels, which provide standardisation and accountability across retailers and supply chains. Popular standards in Sweden are KRAV (organic agriculture), Fairtrade (fair global trade) or MSC (sustainable fishing).

A second approach to sustainable retailing is a more flexible one, in which retailers aim to accommodate for the inherent diversity in the sustainability debate. This second approach is described as more adapted to the socio-cultural nature of consumption and therefore more market-oriented. This view embraces, rather than problematizes, the argument that the sustainability discourse does not provide any agreed-upon definition according to which a retailer could adopt generally applicable indicators or standards. Instead, the retailer has to take account of the multiple contexts in which sustainability exists and adapt to it. This approach has found expression in the development of multiple retail brands which all in one way or another incorporate sustainability.

What is missing from sustainable retail literature is a more strategic understanding of the tools retailers have at their disposal in their efforts to introduce sustainability into their operations. It is therefore the aim of this study to gain understanding of the sensemaking process in sustainable retailing and how it affects retail action on the shop floor.

To shed light on the process of sensemaking in sustainable retailing and how it results in marketplace action, this study applies a range of qualitative research methods. In total, 25 interviews were conducted with retailers, 45 interviews were conducted with consumers, 5 focus groups were held with retailers and retail stakeholders, 26 store observations were conducted, and 13 consumer observations. Additionally, this study draws from 11 sets of 3-weeks worth of grocery shopping receipts collected from the observed consumers, as well as a range of secondary literature from retailers and third parties dealing with sustainability in retailing.

The analysis of the results of this empirical research revealed a sensemaking process in which retailers applied pragmatism and flexibility, adjusting to stakeholder pressure and market demand on a case-by-case basis. This requires considerable skills, and many retailers have only started to acquire the experience that allows them to successfully integrate sustainability into their operations. One challenge retailers describe are irrational and rapidly shifting stakeholder demands which make a long-term strategy to address aspects of sustainable consumption and production difficult. The way retailers seem to deal with this challenge is by combining standardisation and flexibility in their business operations. As two of my papers discuss, retailers are benefiting from the introduction of sustainability considerations into their retail brands. The exclusiveness and flexibility retail brands offer retailers in their work with sustainable production and consumption provides retailers' with the ability to adjust to stakeholder pressures in a way that fits their business model and market. Examples are manifold and can be observed in countries such as Austria, Denmark, Germany, Sweden, or Switzerland.

However, my research also shows that brands are unlikely to replace standardised efforts to promote sustainable consumption and production, such as third party labels. Instead, a co-existence of the two appears likely from my research results. The main reasons for the need for continuous standardisation efforts in sustainable retailing come from the complexity of supply chains, but also from a high trust among stakeholders these labels offer to retailers. Retailers therefore continue to give standardised third party labels a prominent role in their work with sustainable consumption and production. Most interestingly, there appears to be a strong tendency to combine third party labels under a retail brand, and therewith merge standardisation and flexibility into one and the same market offer. It is not uncommon that more than one label are combined under one brand. Thereby retailers combine standardised and externally certified information with claims they develop purely and exclusively for their private retail brands and achieve an overall image of trustworthiness for their brands.

My research also sheds light on how individual stores adjust to differences in understanding of sustainable consumption and production in their immediate environment, and how they adjust to the local discourse by presenting and promoting sustainable consumption and production in different ways. In Sweden, while some interpretations of SCP are ubiquitous (e.g. organic food), other understandings are more local in their significance. Focus on regional food or vegetarian/vegan diet play a big role in some stores, while it is missing in other stores. A difference between the market leader ICA, and its competitors became apparent here. This I attribute primarily to the de-centralized structure of ICA, in which most stores are owned by local merchants. This structure appeared to lead to a higher level of local sensemaking of sustainable consumption and production with the result of a more locally embedded effort in the store.

My results indicate that a conscious effort to encourage change agents on multiple levels within the retail organisation to engage in the sensemaking process of sustainable consumption and production has positive results for sustainable retailing. However, I found little indication of this awareness among retail representatives. Instead, where I observed such a multi-hierarchical approach to sustainable retailing, it appeared to be an unintended by-product of the organisational structure.

My research has implications for researchers as well as practitioners (retailers, policy-makers).

Researchers should give more attention to the internal process of sensemaking in the study of sustainable retailing. This implies, for example, that a pre-defined interpretation of what sustainable consumption and production means can be counterproductive as it excludes a large number of competing understandings. The argument that numerous understandings of sustainable consumption and production have to be acknowledged poses challenges to future research as this view will have to be united with a scientifically informed understanding of sustainable consumption and production.

For retailers the findings of my research imply that stakeholder interests must be recognized at multiple levels within the retail organisation. By becoming more receptive to various interpretations of sustainability, emerging from local contexts, retailers can achieve sustainable retailing that is better embedded in the socio-cultural context. Already, some retailers have sustainability representatives in some stores and allow for store-led innovation and adaptation. Such efforts should be intensified and further action taken to disseminate good innovation across stores with similar contexts (e.g. customer segments). Combined with increasing focus on retail brands, such efforts should allow retailers to create a sustainable consumption experience for customers that is experienced as both meaningful and easy.

For policy-makers, these findings imply that regulation and standardisation must be treated carefully, as they potentially undermine retailers ability to adapt to multiple understandings of sustainable consumption and production. Policy-makers should therefore resist a possible urge to aim for a harmonized approach to sustainable consumption and production, unless clearly supported by scientific evidence. Instead, they should focus on a 'referee' role, keeping societal interest in sustainability high, and making sure that false claims (e.g. green-washing) by market actors are exposed. Where regulatory intervention is deemed necessary a de-centralised approach to regulatory intervention in which local actors have more influence could be chosen in the design of policies, rather than a 'one size for all' national policy design.

# List of publications

## Publications for PhD thesis<sup>1</sup>

### 5 articles

- Lehner, M. & Halliday, S.V. (2014). 'Branding sustainability: Opportunity and risk behind a brand-based approach to sustainable markets', *ephemera*, 14(1): 13-34.
- Chkanikova, O. & Lehner, M. (2014). 'Private eco-brands and green market development: towards new forms of sustainability in food retailing', *Journal of Cleaner Production*, In Press.
- Lehner, M. (2015). 'Translating sustainability: the role of the retail store', *International Journal of Retail & Distribution Management*, In Press.
- Klintman, M. & Lehner, M. (n.d.). 'Limits to Moral and Health Arguments: Food Retailing, Consumer Trust and the Promotion of Sustainable Food', reviewed and re-submitted to *Consumption Markets & Culture*.
- Lehner, M. (n.d.). 'Retail store influence on sustainable consumption behaviour', reviewed and re-submitted to the *International Journal of Quality and Service Sciences*.

### 1 book chapter

- Lehner, M. (2013). 'Making sense of the retailer-consumer relationship – the case of Swedish food retailing and the promotion of sustainable consumption' in Hansson, L., Holmberg, U. & Brembeck, H. (Eds.) *Making sense of consumption*. Selection from the 2nd Nordic Conference on Consumer Research, Centre for Consumer Science, University of Gothenburg, Gothenburg.

---

<sup>1</sup> These five articles and the book chapter are attached in this publication.

## Further publications

### *1 research commentary*

Lehner, M. (2013). 'Alternative food systems and the citizen-consumer', *Journal of Agriculture, Food Systems, and Community Development*, 3(4): 49-53.

### *1 research report*

Chkanikova, O., Klintman, M., Kogg, B., Lehner, M., Mont, O., Nebelius, N. & Plepys, A. (2013). *Sustainability Landscape of Swedish Food Retailers in the European Union*. International Institute for Industrial Environmental Economics, Lund University, Lund.

### *3 conference papers*

Chkanikova, O. & Lehner, M. (2012). 'Private eco-brands and sustainable market development: towards new forms of SCP governance in food retailing,' Sustainable Supply Chain Workshop, November 22-24, Stockholm.

Lehner, M. & Halliday, S.V. (2012). 'Sustainable Consumption and Corporate Social Responsibility – Shared Values, Values, and the making of the Green Consumer.' Macromarketing Conference, June 13-16, Berlin.

Lehner, M. (2011). 'Understanding the retailer-consumer relationship and its implications for sustainable grocery shopping.' Nordic Environmental Social Sciences Conference, June 14-16, Stockholm.

## My contributions to co-authored papers

Lehner, M. & Halliday, S.V. (2014). 'Branding sustainability: Opportunity and risk behind a brand-based approach to sustainable markets', *ephemera*, 14(1): 13-34.

### *My contribution:*

In this paper I was the lead author, which meant that I was in charge of writing of the article from first draft to final manuscript. In all stages I was drafting the text, then sent it to Prof. Halliday for comments, and organized the old text and her comments into a new manuscript. After each review step (three in total), I adjusted the manuscript to the reviewer comments, sent it to Prof. Halliday for comments, and organized the manuscript and her comments into a new manuscript to be re-submitted to the reviewers.

Chkanikova, O. & Lehner, M. (2014). 'Private eco-brands and green market development: towards new forms of sustainability in food retailing', *Journal of Cleaner Production*, In Press.

*My contribution:*

The work for this paper was divided along the lines of expertise. I was in charge of the downstream part of the argument, including drafting theory, results and analysis for this section of the paper. I also wrote the first manuscript for this paper, which was at the time submitted as a conference paper (see Chkanikova & Lehner, 2012). During the process my colleague Olga Chkanikova took over the role of main author, which meant that she took over the role of being in charge of the manuscript, while I was – at this later stage – in the position to discuss, read and comment on the manuscript, while she took charge of combining our two parts into one manuscript.

Klintman, M. & Lehner, M. (n.d.). 'Limits to Moral and Health Arguments: Food Retailing, Consumer Trust, and the Promotion of Sustainable Food', reviewed and re-submitted to *Consumption Markets & Culture*.

*My contribution*

I was in charge of all empirical work for this paper. I planned and facilitated all focus groups. Prof. Klintman and I analyzed the results together. Prof. Klintman was performing as lead author, and my role in writing was limited to reading and commenting on the manuscript (with the exception of the method section, which I was in charge of).

Chkanikova, O., Klintman, M., Kogg, B., Lehner, M., Mont, O., Nebelius, N. & Plepys, A. (2013). *Sustainability Landscape of Swedish Food Retailers in the European Union*. International Institute for Industrial Environmental Economics, Lund University, Lund.

*My contribution*

I wrote chapter 5 'Downstream activities of Swedish retailers relating to sustainability' and contributed with text and feedback to chapters 2 'Food retail landscape', 6 'What does the future hold for food retailers?', and 7 'Conclusions'.





# Tables and figures

## List of figures

- Figure 1: Schematic illustration of research focus timeline
- Figure 2: Stakeholder model of sustainable retailing
- Figure 3: Model of translation process of stakeholder demands into market action in a retail organization
- Figure 4: A standardisation model of market demand for sustainable products
- Figure 5: A socio-cultural model of market demand for sustainable products
- Figure 6: Model of translation process including strategic choice options for market action
- Figure 7: Representation of the dichotomy between critical research and pragmatist research in sustainable development
- Figure 8: Illustration of data analysis over the course of the thesis research
- Figure 9: Two connected illustrations of the research logic of this thesis
- Figure 10: Idealized sense-making process of sustainable consumption in the retail organization

## List of tables

- Table 1: Summary data collection
- Table 2: Summary of research articles



# Introduction

This thesis deals with the phenomenon of sustainability in retailing. In the following I will provide a short background to the research topic, followed by a problem definition, the objectives of this thesis, the scope and limitations and the target audiences of my research. I will conclude this chapter with an overview of the content of this thesis.

## Background to the research

Company leaders are rallying behind sustainability, and executives overall believe the issue is increasingly important to their companies' strategy. But as it continues to grow into a core business issue, challenges to capturing its full value lie ahead.

This statement from a recent (2014) study conducted by the McKinsey Global Institute<sup>2</sup> describes the opportunities and challenges retailers are dealing with in respect to sustainability. Increasingly, sustainability is considered a core value and practice in retailing (Wiese *et al.*, 2012), and pressure on retailers to integrate sustainability into their business practices is increasing (e.g. European Commission, 2008, 2011). Introducing sustainability as a core value and practice in retailing is believed necessary to safeguard natural resources and societal stability. This view is expressed in the European Commission's (2008) *Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan*, which aims at combining the benefits of economic activity with the principle of sustainable development. It puts responsibility for sustainable consumption and production (SCP) mostly on the shoulders of market actors. Retailers' dominant position in the supply chain, at the crossroads between producer and consumer, has caught the eye of policy-makers assessing ways to promote SCP (Bonini & Oppenheim, 2008; Jones *et al.*, 2009; Sustainable Development Commission, 2007). Retailers have therefore become a

---

<sup>2</sup>[http://www.mckinsey.com/Insights/Sustainability/Sustainabilitys\\_strategic\\_worth\\_McKinsey\\_Global\\_Survey\\_results?cid=other-eml-alt-mip-mck-oth-1407](http://www.mckinsey.com/Insights/Sustainability/Sustainabilitys_strategic_worth_McKinsey_Global_Survey_results?cid=other-eml-alt-mip-mck-oth-1407)

target for those arguing for the necessity for changes in market processes (Maloni & Brown, 2006). It is argued that retailers are in a crucial position between production and consumption – they are the gatekeepers of the food supply chain (Dobson *et al.*, 2003). The European Commission, for example, (2010, p. 13) attests retailers “enormous power to raise awareness and influence shopping choices”.

The food sector is a good example of this, where governments, NGOs and academia alike see retailers to be in a position not only to turn their own operations sustainable, but also to remodel supply chains and influence consumers (Blombäck & Wigren-Kristoferson, 2011; Jones *et al.*, 2009). As a result, governments and other stakeholders across Europe have initiated attempts to influence retail practices, such as discussion forums with retailers<sup>3</sup>, in order to better understand what role retailers could play in achieving sustainable food consumption and production.

Retailers increasingly try to live up to these expectations and a growing number of major retailers claims to be integrating sustainability into their business strategy (Jones *et al.*, 2011; Jones *et al.*, 2005). The range of sustainability efforts in retailing is widespread, ranging from raw material use, over packaging, to GMOs and local communities (Jones *et al.*, 2005). The UK retailer Tesco, for example, claims to be a leader in climate change efforts. It has put great emphasis on carbon emissions and promises to be a zero-carbon business by 2050. Tesco wants to achieve this by setting examples, working with other businesses, and using their powerful position as the world’s third largest retailer (Tesco, 2011). In its 2011 CSR report, among others, Tesco claimed to intend to find ways to help its customers to half their carbon footprint by 2020 (*ibid*).

However, Tesco’s example also shows that such claims are difficult to integrate into retail operations. Tesco has failed with the implementation of a carbon-labelling scheme for its products. After a lofty introduction in 2000, when Tesco announced it would work together with the Carbon Trust to introduce a label on all its products that informs customers about the carbon footprint of the product and influence producers to reduce their carbon footprint, Tesco first cut back on the promise to introduce the label on all of its products, and eventually it abandoned the carbon label altogether. Tesco’s justification for this was a lack of interest among consumers. Moreover, Tesco had hoped to encourage competitors to follow their lead, a hope that did not materialize.<sup>4</sup> In its latest CR-report (Tesco, 2014), Tesco abandoned the claim to intend to help its customers to half their carbon footprint by 2020.

---

<sup>3</sup> e.g. The EU’s Retail Forum, the Nordic Council’s Retail Forum on Sustainable Consumption and Production, or the ‘Visioning sustainable retail’ workshops in the UK

<sup>4</sup> <http://www.thegrocer.co.uk/channels/supermarkets/tesco/frustrated-tesco-ditches-eco-labels/225502.article>

In another example of the difficulties retailers can face in introducing sustainability into their operations, in 2000 another UK retailer – Iceland – took the decision to convert all of its vegetable sales to organically certified. However, only half a year after it was introduced, disappointing sales made the retailer reconsider this policy. By 2014, Iceland had all but abandoned the idea, not even mentioning it in the company-own CSR-section of the homepage<sup>5</sup> anymore.

These are two examples of many that showcase the difficulties retailers face in implementing sustainability in their operations.

## Problem definition

Strategic decision-making in retailing to implement sustainability is difficult and often based on a trial-and-error process rather than profound understanding of the retailer's role in sustainable consumption and production (Wiese *et al.*, 2012). Retailers are therefore struggling to imagine and implement policies that satisfy the public's call for more sustainability in retailing. Despite the emergence of an increasing amount of literature about sustainability in retailing, the picture of how the sustainability discourse impacts retailing remains incomplete. Many authors conducting empirical studies into the topic focus on specific aspects of sustainable consumption and production (e.g. energy [Tassou *et al.*, 2011], social responsibility [Quak & de Koster, 2007], organic food [Jones *et al.*, 2001], or local supply chains [Ilbery & Maye, 2006]) but fail to capture the bigger picture of sustainability being a much debated but poorly defined ideal. Other authors make attempts to provide a more complete picture but remain conceptual in their description of the field. Whysall (2008), for example, offers a conceptual-philosophical model of sustainable retailing in which stakeholders receive primary attention, but does not provide any evidence for how this model functions in the real world.

Thus, while existing literature provides interesting insights into sustainable retailing, the understanding of how the sustainability discourse impacts retailers and influences their work in practice remains patchy and needs further investigation.

---

<sup>5</sup> <http://about.iceland.co.uk/corporate-responsibility/>

## Aim and research questions

This thesis aims to understand how the complex sustainability discourse results in concrete action by retailers in the marketplace. This aim will result in a better understanding of how retailers handle the increasing societal demand for sustainable consumption and production and it will result in improved decision-making for retailers in their attempt to implement sustainability in retailing.

The work for this doctoral dissertation consists of several independent but interconnected theoretical and empirical efforts to study this problem. Together, these various research efforts provide answers to the following research questions:

1. How do retailers make sense of sustainability?
2. How do retailers handle conflicting understandings of sustainability?
3. How do retailers translate the sustainability discourse into market action?
4. Which lessons can be drawn from current experiences of retailers to operationalize sustainability?

## Scope and limitations

This research focuses on the case of food retailing. Food consumption, together with housing and transportation, belongs to the environmentally most impactful – and thus most problematic – fields of economic activity (Tukker & Jansen, 2006). The Argo-food system is responsible for 29 % of greenhouse gas emissions, 58 % of eutrophication, 30 % of acidification, and 32 % of eco-toxicity of Western economies (ibid). Food is therefore highly relevant to the overall discussion about sustainable retailing.

Food has also been one of the earliest focuses of the sustainability discourse to change current (perceived unsustainable) practices. Food retailers have therefore been early in their attempts to accommodate the sustainability discourse into their operations.

In this thesis, retailers' position vis-a-vis both production and consumption of food is of interest. However, consumption, and thus the challenge for retailers to accommodate the sustainability discourse in their customer interaction, has received more attention in my research. This can be justified because market demand has proven to be, in many cases, the “bottle neck” for sustainable retailing (cf. Maignan *et al.*, 2005). For research that provides a thorough discussion of the upstream (i.e. production side oriented) view of sustainable retailing I refer to my colleague Olga Chkanikova's work (see also Chkanikova & Lehner, 2014).

The Swedish context is relevant to the question of sustainable retailing for two reasons. First, Sweden represents a market dominated by high political commitment to sustainable development (Boström & Klintman, 2009). Both the national and supra-national (i.e. EU) contexts are showing continuous interest and support for SCP in food consumption. In Sweden, the government follows the UN Rio+20 goals for sustainable consumption and production. It has made the Swedish Environmental Protection Agency the national focal point for this work.<sup>6</sup> Recently, the Swedish EPA published a report entitled *Förslag till åtgärder för en mer hållbar konsumtion* (“Suggestions for measures for more sustainable consumption”) (Naturvårdsverket, 2014), in which they stress, among others, the role of business in the promotion of sustainable consumption.

The EU, of which Sweden is a member, also has implemented measures to promote sustainable production and consumption. In 2008 the European Commission presented the *Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan*.<sup>7</sup> This action plan emphasizes the responsibilities of business in achieving societal goals.

Second, Sweden has one of the most concentrated food retail landscapes in Europe (Einarsson, 2008), with a handful of retailers dominating the market. In Sweden only four retailers occupy 94,4 % of the market.<sup>8</sup> The market leader ICA alone controls half of the market. The introductorily described pressure on retailers to promote SCP should increase with market concentration. In countries like Sweden, with an oligopoly in food retailing, it is reasonable to expect high pressure on retailers, while markets with a less concentrated retail structure (e.g. in Southern Europe [Einarsson, 2008]) are less likely to put pressure on retailers to promote sustainability and instead focus on other actors. Both the EU and Sweden specifically single out the retail industry as crucial actor in the implementation of SCP in the food system.

In this thesis, ICA – the Swedish market leader – has received a more prominent role than its competitors. This was not initially intended. Rather, it is the result of the empirical work of this thesis in which it became clear that ICA is a particularly interesting case of a retail organization. Any claim of ICA’s success in SCP made in this thesis must however be treated with caution as such claims are not supported in quantitative terms. For example, ICA’s sales volume for organic food is not significantly different compared to its main competitor Coop (Ekoweb, 2013). Stated differences in successful efforts to promote SCP are therefore qualitative in nature, not quantitative.

---

<sup>6</sup> <http://www.regeringen.se/sb/d/1591/a/197720>

<sup>7</sup> [http://ec.europa.eu/environment/basics/green-economy/sustainable-development/index\\_en.htm](http://ec.europa.eu/environment/basics/green-economy/sustainable-development/index_en.htm)

<sup>8</sup> <http://www.delfi.se/wp-content/uploads/Dagligvarukartan2013.pdf>

There are some limitations in the choice of research scope and design.

First, retailers, even in markets with high market concentration such as Sweden, are far from being the only impactful force in the food system. Numerous forces – many of them global – influence sustainable consumption and production efforts in the food system, and Swedish retailers – even the biggest among them – are small players in this global system. While their domestic dominance of the market arguably makes them ‘good targets’ for national efforts to promote sustainable development, it might put an unjustified burden upon them. In a global agri-food system, retailers will find it hard to make a significant impact. A fundamental change in food production and consumption might therefore emerge higher up in the food supply chain, and not at the retail level, which limits the relevance of studying retailers as central to food consumption and production.

A second problem with the scope of this thesis is that it excludes many actors that are relevant to sustainable consumption and production. Even though I put great emphasis on the multi-layered sensemaking process in sustainable retailing, other organizational units, such as Human Resources, Marketing or Accounting, have been ignored. This thesis only focused on those actors that actively work with sustainable consumption and production within the retail organization. This can be justified with the particular role these actors (later in this thesis referred to as ‘change agents’) have in shaping retail organizations’ understanding of sustainable consumption and production. However, it is likely that results of this study overstate the importance of sustainability within the retail organization because the views and actions of other organizational areas are not covered.

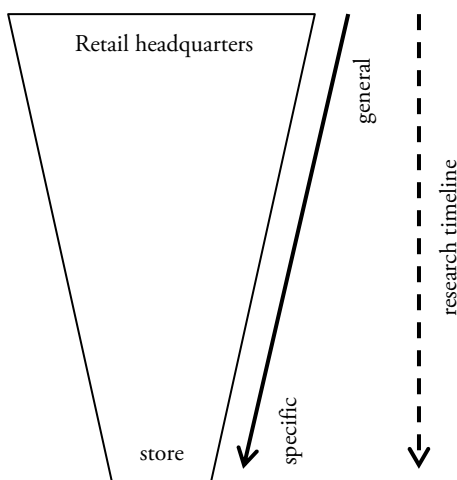
The same is true for socio-cultural processes. This thesis excludes all socio-cultural activity that is not focused on sustainable consumption and production. Again, there is a real risk that the importance of sustainability concerns for consumption is greatly overstated in my results. For most actors in society sustainability might be of marginal concern, with considerably more attention being paid to other aspects of consumption rather than sustainability considerations.



## Summary of research papers

This PhD thesis consists of several steps of data collection and analysis, all connected through the overall research theme but differing in theoretical/conceptual approach, applied methods, and data analysis. The 'kappa' serves as a summary for all research conducted and combines the conducted research to gain further insights, all with the aim to provide an overall answer to the research theme. The 'kappa' builds on five research articles, one peer-reviewed book chapter, one research commentary, and a research report (see 'list of publications'), however with an emphasis on peer-reviewed research (articles, book chapter).

The research for this thesis progresses from a general focus on sustainable retailing to a geographically specific focus on the workings of individual retail stores in Southern Sweden. Empirically this means that the work progressed from a focus on retail headquarters (HQ) to a focus on retail stores as focal point (see figure 1).



**Figure 1**  
Schematic illustration of research focus timeline

In the following I will provide a summary of the publications that are part of this thesis. (These publications can be found in the back-part of this thesis.) The summary excludes the two not peer-reviewed publications. The latter merely served as background information in this 'kappa' but are not directly used as source.

The first publication is a book chapter published in the conference proceedings ‘Making sense of consumption’ (Lehner, 2013). In it I take an initial view at the phenomenon of sustainable retailing and propose a nuanced view of the roles of the retail industry in sustainable consumption and production.

Article 1 (Lehner & Halliday, 2014) takes a theoretical approach to sustainable consumption and production in retailing and develops the logic for pro-active retail efforts to promote sustainable consumption and production by focusing on branding.

Article 2 (Chkanikova & Lehner, 2014) builds on interviews with retail representatives and two focus groups with retail representatives and their stakeholders to explore the practical significance of retail brands for retailers’ work with sustainable consumption and production. It elaborates on the interconnectivity of independent third-party certification and privately owned retail brands.

Article 3 (Lehner, 2015) uses interviews with retail representatives both on the central and the store level, as well as store observations to explore how retailers translate the societal sustainability discourse into concrete market action. It emphasises the role of the retail store as place of socio-culturally embedded sensemaking of sustainable consumption and production.

Article 4 (Klintman & Lehner, n.d.) focuses on the store as meeting point between retailers and consumers. In five focus groups this article explores the socio-cultural side of sustainable consumption and emphasises the need to better acknowledge social factors – such as collective sensemaking, group identity, or peer pressure – in sustainable consumption.

Article 5 (Lehner, n.d.) takes the socio-cultural aspect of sustainable consumption as a starting point and takes a closer look at the multitude of meanings sustainable consumption implies for the consumer. This article builds on an in depth study of 13 self-proclaimed sustainable consumers and follows them through the store, asking questions and collecting shopping receipts. It further builds on interviews with these consumers. The article concludes with the claim that retail stores must strive for sustainable consumption being meaningful and easy, rather than abstract and cumbersome.

## Terminology

Research in sustainability can be confusing at times because of the numerous synonyms commonly used in the field and because of the vague definition of terms. In this thesis I use a number of related terms that deserve short explanation in respect to their use and meaning.

It is also important to mention that at no point in this thesis an attempt will be made to provide a natural-scientific definition of any of these terms. The reasons for this are elaborated throughout this thesis at great length. In short, the explanation behind this decision is that any natural-scientific inspired definition of the terms below would fall short of understanding sustainability as social phenomenon and therefore counterproductive to the aim of this thesis. Instead, I focus on socially constructed understandings of sustainable consumption and production, however without ascribing scientific validity to them. To draw conclusions regarding natural scientific consequences of socially constructed definitions of sustainability is beyond the scope of this thesis.

## **Sustainable development/sustainability**

The term ‘sustainable development’ was coined by the Brundtland Commission in 1987 and has since served as the ideological foundation for a broad societal and political movement. The term is process oriented (i.e. development) and aims for improvements to the state of society and the environment so that future generations are at least as well off as humankind at present.

Even though I acknowledge the fact that there is no final state of sustainability but rather continuous development towards more sustainable states, I chose to use the term ‘sustainability’ instead of ‘sustainable development’ in this thesis. ‘Sustainable development’ and ‘sustainability’ are two terms that are used interchangeably (e.g. Schäfer & Crane, 2005). While the latter can rightfully be criticised for giving the impression of symbolising a final state of development, I argue the term ‘sustainability’ also provides advantages. First, the term is rhetorically easier to work with and – in my opinion – makes text more readable compared to the continuous use of the more cumbersome term ‘sustainable development’. Second, I believe that ‘sustainability’ more accurately describes the way in which the sustainable development discourse is made sense of in society, as a concept that provides an ultimate and ideal state and that provides ‘rights’ and ‘wrongs’ according to which action can be taken. The term ‘sustainability’ is therefore more descriptive to the nature of the sustainability/sustainable development discourse.

## **Sustainability discourse**

In this thesis the term ‘sustainability discourse’ describes the public discussion in which various actors are present and promote their ideas and preferences for what sustainability is supposed to mean. It is partly informed by scientific evidence, but just as much the result of ideological/religious beliefs and vested interests (cf. Dolan, 2002). The sustainability discourse sets the agenda for action taken by individual

actors in the market. However it usually requires interpretation before it can be adopted in a specific context (Nijhof & Jeurissen, 2006).

## **Sustainable Consumption and Production**

‘Sustainable Consumption and Production’ (SCP)<sup>9</sup> describes the attempt to introduce the sustainability ideal into markets. This follows the realisation that the market has an important role to play in the goal to introduce sustainability into societal development. It also implies the hope that market actors can develop to be active agents who introduce sustainability into the production and consumption processes of markets. The study of retailers’ role in sustainable development is therefore more accurately the study of retailers in sustainable consumption and production. In this thesis, whenever I refer to the market I therefore use the term sustainable consumption and production (SCP) rather than ‘sustainability discourse’ (which I use to refer to the societal influence over markets).

## **Sustainable retailing**

With ‘sustainable retailing’ I refer to the adaptation of retailers to the sustainability discourse. The definition of sustainable retailing will receive more attention in the theory chapter of this thesis.

## **Sustainable/ethical/green consumption**

Common terminologies to describe consumption inspired by the sustainability discourse are ‘green-’, ‘ethical-’, or ‘responsible’ consumption (Peattie, 2010). This thesis will use ‘sustainable consumption’ as a term to refer to all these (and other synonymic) terms. ‘Sustainable consumption’ describes the idea to make consumption more sustainable through efficiency improvements (production oriented) and changes in consumption patterns (consumption oriented) (Fuchs & Lorek, 2005). While ‘sustainable consumption’ is obviously linked to SCP, in this thesis sustainable consumption will only be used for the consumer-perspective, i.e.

---

<sup>9</sup> Somehow many authors seem to favour the term ‘sustainable consumption and production’ (SCP) over ‘sustainable production and consumption’. These two terms are obviously interchangeable. However, while ‘sustainable production and consumption’ seems to make more sense intuitively (as production comes before consumption in the value chain), the abbreviation SCP appears to be more common than the more sensible SPC. This thesis will follow the convention to use SCP (sustainable consumption and production) as an abbreviation for these two terms.

where I refer to consumer behaviour. SCP, on the other hand, is understood as focusing on the supply-chain, with or without the direct involvement of consumers.

## Corporate Social Responsibility

The term ‘Corporate Social Responsibility’ (CSR) is not used in this thesis. However it deserves mentioning as it is prominently used in the sustainable business literature, of which sustainable retail literature is part. For the sake of simplicity, in this thesis CSR was not used as a term in its own right and instead treated as implicitly represented in the term ‘sustainable retailing’.

## Target audience

This study has several main audiences; the retail industry, policy-makers, and the research community.

An outspoken goal of my thesis project was to provide understanding of sustainable retailing and what it means for future action for practitioners, primarily on the topic of organisational strategic decision-making to implement SCP in food retailing.

This study also offers valuable insights for policy-makers. The conceptual understanding of the retail industry and the results about retail efforts to promote sustainability in retailing in this thesis are relevant to policy-makers in that they provide novel insights and guidelines for how to design and implement regulation in a way that supports SCP.

For the research community this study provides contributions to various theoretical fields and offers suggestions for future research in the conceptualisation and implementation of sustainable retailing.

## Thesis outline

Chapter 2 consists of the literature review for this thesis. This literature review focuses on theory that helps to understand the position of the retail organization in between stakeholder pressure and market demand. The chapter further provides a conceptual model of the position of the retailer in respect to sustainability and finishes with a discussion about the research gap identifiable from the literature review.

Chapter 3 provides a discussion about the methodological positioning of this thesis. This discussion revolves around the specificities of research that deals with sustainability as a research field. The chapter furthermore provides a discussion of the methods applied throughout the research for this thesis.

Chapter 4 contains the analysis of my research results. This chapter is a summary of all research publications of my thesis work. It revisits the research questions and builds on the research gap identified in the literature review to analyse the empirical findings of my research.

Chapter 5 discusses the implications of the results of this thesis for retailers, policy-makers, and research. Furthermore, the chapter gives room to critical thoughts regarding the concept of sustainable retailing and the role of market actors in sustainable consumption and production.

Chapter 6 concludes this thesis. It briefly summarizes the main findings and contributions of this thesis. Finally, it provides implications for research in sustainable retailing and suggestions for future research.

# Literature review and conceptual model: sustainable retailing as sensemaking of stakeholder expectations

This literature review will explore the phenomenon of sustainability in retailing and how sustainability is operationalized in retailers' daily work. In this thesis, much emphasis is put on the disputed meaning of sustainability. The literature review therefore starts with a discussion about the contested nature of sustainability in retailing. As a consequence, much attention will also be paid to the constructed nature of sustainability, i.e. how socio-cultural influences define the term sustainability and how it influences retailers' understanding of the term. This literature review will also be used to build a conceptual model of the position of the retailer in sustainable consumption and production, which serves as an analytical starting point in this thesis.

## Sustainable retailing

In recent years, sustainable retailing has emerged as a research field in its own right. A prominent thread in sustainable retail literature is the importance of stakeholders in sustainable retailing, and the impact they have on a retailer's work with sustainability (Whysall, 2008). To Whysall (2008), in essence, sustainable retailing means to move beyond the retailer-consumer dichotomy and acknowledge other stakeholders' concerns. Also arguing for the importance of stakeholders, Maignan *et al.* (2005) claim that business must find a balance between market demand and stakeholder expectations to be successful in sustainable retailing (see also Mitchell *et al.*, 2010). Maignan *et al.* (2005) claim that by neglecting the interest of stakeholders, in the past

companies have often triggered fierce critique among stakeholders, which can undermine a company's long-term 'license to operate'.<sup>10</sup> This leads to numerous and at times contradicting understandings of sustainability to be accounted for, and these understandings are not necessarily in line with scientific knowledge.

The different story lines with respect to sustainable food production and consumption emerging over the past two or three decades are to a certain extent based on science but always mixed up with broader societal issues. Applying a sociological definition of sustainable food is therefore required, making the definition dependent from the evolving ways in which consumers' concerns about food are interpreted in specific societies. (Oosterveer *et al.*, 2007, p. 415)

Retailers face the challenge of having to make sense of this multitude of understandings of sustainable food production and consumption if they want to engage in sustainable retailing. This process requires good understanding of the sustainability discourse. Importantly, it requires retailers to selectively identify stakeholder interests to engage with, while not engaging with other concerns, as it is impossible for a retailer to engage with all issues connected to the sustainability discourse (Whysall, 2008). The total of relevant stakeholder concerns will therefore differ from retailer to retailer and impact the way sustainable retailing is understood (cf. Maignan *et al.*, 2005). To Whysall (2008), sustainable retailing therefore equals stakeholder management, where retailers seek solutions that provide the most beneficial mix of impacts.

Garvare and Johansson (2010, p. 738) specify the term 'stakeholder' as those parties that (i) have the means to bring attention to their needs, and (ii) the ability to take action if those needs are not met. In order to identify those stakeholders (and their specific concerns) that are important to a company's sustainability work, Mitchell *et al.* (1997) coined the term 'stakeholder salience'. Stakeholder salience describes the gradual difference between those stakeholders (or more specific: stakeholder demands) that are relevant to a retailer's operations and those stakeholders that are not (and can therefore be ignored). Mitchell *et al.* (1997) argue that power, legitimacy, and urgency are the attributes that define salient stakeholders. These refer to the ability of one part in a relationship to impose its will, the status of a stakeholder's interests as socially accepted and expected, as well as the strength of a stakeholder's conviction that delay is unacceptable.

The stakeholder view stresses the importance for retailers to identify relevant stakeholders and understand their expectations towards the retailer to guarantee a

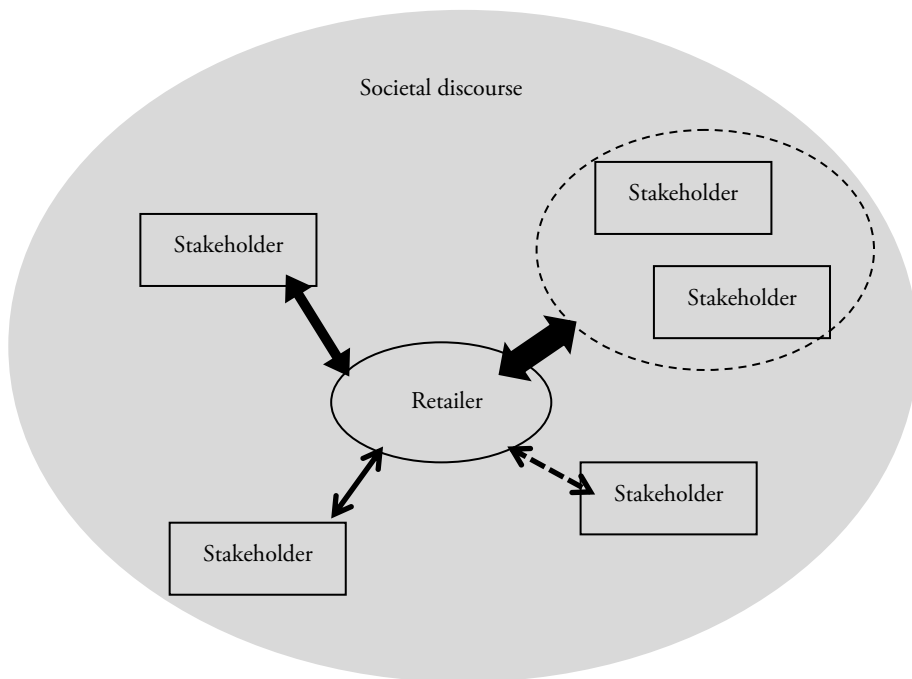
---

<sup>10</sup> For a definition of the term 'license to operate' that stresses the stakeholder-dependent nature of it, see Zinkin (2004).



retailer's long-term 'license to operate'. Stakeholders compete for influence over the retailer's work with SCP. Some stakeholders can also share certain interests and form a formal or informal alliance to influence retailers' actions more forcefully (cf. Maignan *et al.*, 2005).

Figure 2 illustrates the position of retailers in SCP and the process defining sustainable retailing. Each retailer faces a set of stakeholder demands, emerging from the overall societal discourse for SCP but moderated by vested interests. For each retailer, the picture of stakeholder relations that influence the retailers' approach to sustainability is unique, with different weight given to different stakeholder expectations. Stakeholder expectations might be contradictory, complementary or identical for different stakeholders.



**Figure 2**  
Stakeholder model of sustainable retailing (inspired by Whysall, 2008, p. 183, and Mitchell *et al.*, 1997). The differently sized arrows represent variation in stakeholder salience.

## The translation of sustainable retailing

So far this literature review has stressed that stakeholders' understandings of sustainability are important for how retailers operationalize sustainability in the marketplace. Stakeholders' understandings do not follow an objective definition of sustainability. Instead, they follow various (sometimes competing) definitions of the term. Retailers have to deal with this complexity. As explained before, retailers are part of a network in which actors compete to define SCP in a way that fits their interests.

In this process, however, retailers are not simply passively transmitting impulses, but are actively engaging in the process of interpreting, sharing and repackaging of impulses coming from various stakeholders (e.g. media, policy-makers, producers, or consumers). Today, big retailers dominate provisioning systems (Harris & Ogbonna, 2001). They can use this power to open or restrict market access for suppliers, but also to influence consumer behavior (Coombs *et al.*, 2003). Retailers therefore have a choice in how they operationalize sustainability.

Retailers take up a position in connecting innovations upstream with downstream dynamics and vice versa. They have to translate the consumer demand for sustainable food into changes that fit the configuration at the supply side and program a configuration of food products and related services that fit consumer concerns and their lifestyles. The role of retailers as translator between both ends of the food supply chain acquires concrete shape at the shopping floor where the actual practice of selling and buying food takes place. (Oosterveer, 2012, p. 159)

This translational process is different for each retailer, influenced by the specific stakeholders and market forces a retailer has to deal with, as well as the knowledge and understanding of SCP the people working with the issue within a retail organization have at their disposal (Basu & Palazzo, 2008; Cramer *et al.*, 2004; Heijden *et al.*, 2012).

Fuentes (2011) argues that the problem with much of the past research that has attempted to describe sustainable retailing has been to assume sustainability to be 'out there'. Instead, Fuentes describes it as thoroughly symbolic process, and the retailer as constructors and communicators of sustainability. According to Fuentes (2011, p. 22), "their job is to construct and disseminate green commodities" in a way that pleases their stakeholders. For retailers this implies the need for a strategy to identify and understand salient stakeholders that allows them to create value in sustainability that is meaningful to these stakeholders (Morsing & Schultz, 2006). By identifying the right stakeholder concerns and engaging in a collective sensemaking process to achieve a common understanding of sustainable consumption and production the outcomes of a retailer's effort gain social legitimacy (cf. Pater & Van Lierop, 2006).

Heijden *et al.* (2012, p. 548) therefore argue that ‘organisational embedding of sustainability requires context-dependent sensemaking’. Basu and Palazzo (2008) describe this sensemaking process as,

... the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioural disposition with respect to the fulfillment and achievement of these roles and relationships. (Basu & Palazzo, 2008, p. 124)

This sensemaking process results in the construction of a mental framework within which individuals construct meaning and according to which they judge their past behaviour but also plan future action (Cramer *et al.*, 2004). Cramer *et al.* (2006) therefore claim that this sensemaking process is crucial not only to how sustainability is understood, but also to how sustainability is performed in the organization. In short, sensemaking is a prerequisite for individuals to cope with a new concept such as sustainability in order to incorporate this new concept into actions. This sensemaking process is ongoing, instrumental, subtle, swift, social, and easily taken for granted (Weick *et al.*, 2005). The sensemaking concept thus perceives sustainable retailing as an evolutionary process with different actors acting and reacting upon each other (Nijhof & Jeurissen, 2006). The sensemaking concept allows studying and connecting micro-mechanisms to macro-states (Weick *et al.*, 2005) and so it helps to understand how micro-level action in the retail store relates to macro-level discourses. As Weick *et al.* (2005) explain

... while institutions in the form of public discourse define and impose the problems to which corporate actors respond, those public institutions do not appear to direct the solutions. Thus, public discourse appears to direct corporate attention, set agendas, and frame issues, but it is less critical for supplying response repertoires. (Weick *et al.*, 2005, p. 417).

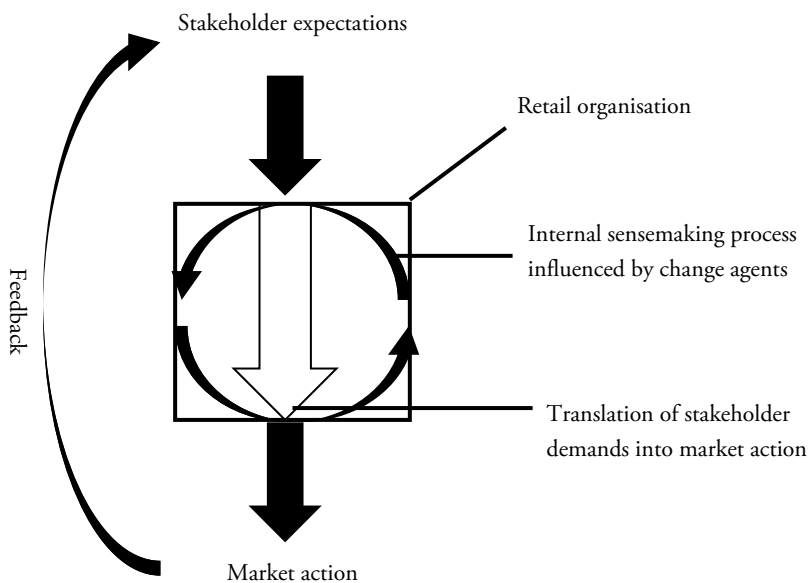
The process of sensemaking, from abstract social discourse to concrete market action, is thus complex and hard to predict, with much room for retailers to manoeuvre, but also with significant uncertainty and risk for failure.

## **Change agents in sustainable retailing**

Sensemaking is driven by ‘change agents’. Change agents are actors within an organization that are at the forefront of the sensemaking process and strongly influence the internal translation and interpretation of sustainability and help to embed it in the organization (Heijden *et al.*, 2012). Change agents interact with relevant internal and external (to the organization) parties and their personal sensemaking process contributes to the establishment of a collective understanding of

sustainability in the retail organization. Change agents lead their personal sensemaking process based on their own situational context and are influenced by their functional position, circle of influence and available instruments (Cramer *et al.*, 2004). This means that change agents and their positioning within the organization affect their sensemaking process with consequences for the understanding and action of sustainability in the entire retail organization. This also implies that sensemaking in sustainable retailing happens throughout the retail organization, regardless of formal responsibilities. Oosterveer and Spaargaren (2012), for instance, stress the importance of retail stores in sensemaking of the sustainability discourse. They refer to stores as ‘consumption junctions’ where retailers and consumers meet to exchange their ideas about sustainability. To them, how sustainable retailing materializes in the store is ‘the result of a specific articulation of local and global forces or dynamics’ (p. 418).

Figure 3 illustrates the translation process and the role change agents have in it. Retailers are exposed to numerous stakeholder demands to implement sustainability in the retail operation. Internally they make sense of these demands in a way that fits the retail organization. Change agents play an important role in this sensemaking process. The result of this translation process is a number of market actions with which retailers aim to satisfy stakeholder demands while catering to their market.



**Figure 3**  
Conceptual model of translation process of stakeholder demands into market action in a retail organization

# Market action for sustainable retailing

Literature suggests several ways in which retailers operationalize sustainability in their daily business.

One stream of literature focuses on the standardization of sustainability in retailing and argues that standardization will increase accountability and decrease costs of sustainable retailing (Fulponi, 2006; Jahn *et al.*, 2005). Iles (2007), for example, argues for the implementation of a broad-based accountancy system in retail operations to implement and monitor sustainability in which sustainability priorities and goals are defined. Such an accountancy system should build on comprehensive information about product life cycles (*ibid*). Erol *et al.* (2009) conduct a study to establish appropriate sustainability indicators for the retail industry. In their eyes, such indicators are necessary for retailers to measure sustainability, to monitor the direction in which they are moving and to determine the size of necessary change. Indicators are, according to Erol *et al.* (2009), the precondition for management to work with sustainability and the best way to convert complex information into easy-to-understand units. Erol *et al.* survey a large number of studies concerned with the construction of sustainability indicators and derive a number of economic, social and environmental indicators from these. They then collect data from the retail industry to achieve a standardized set of 'most appropriate' indicators according to which sustainable retailing can be organized and assessed.<sup>11</sup> Also non-academic literature provides a range of indicators to operationalize sustainability in retailing. The Consumer Forum in the UK published a report in 2009 in which they suggest four indicators to assess sustainable retailing: 1) reducing greenhouse gas emissions, 2) action to reduce, re-use and recycle, 3) supporting sustainable sourcing of fish, and 4) sustainable farming. Each indicator comes with a number of sub-categories not named here.

In some cases retailers develop and implement sustainability criteria internally. More common, however, is to turn to independent third parties for guidance. Common third party guidelines are certification standards for sustainable agriculture (e.g. organic food), fair global trade (i.e. the Fairtrade standard), or sustainable fishing practices (e.g. the MSC certification). Third party standards have proliferated in recent years and are increasingly supported by retailers as they help retailers to

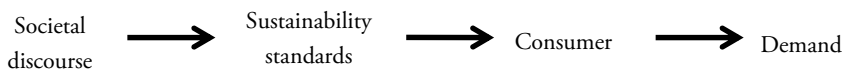
---

<sup>11</sup> These indicators are: water consumption, energy consumption, category selection and management, product and packaging recovery, customer complaints, occupational health and safety, NGO-retailer partnerships, consumer health and safety, private brands, training and career, personnel turnover and layoffs, innovation capabilities and R&D expenditures, total payment made to employees, number of shareholders, total payments per share, and total tax paid.

implement and facilitate sustainability (Hatanaka *et al.*, 2005). The adoption of third party certification to introduce sustainability into retail operations reduces the complexity retailers are facing in dealing with the sustainability discourse and how to introduce it into their operations. Supply chains are often complex, with multiple actors involved. Third party certification allows retailers to introduce sustainability into their operations without having to bear full liability for the sustainability criteria they apply. Instead, governments, NGOs and industry bodies as institutions behind a certain certification are responsible to justify the choice and execution of the certification (Hatanaka *et al.*, 2005). The existing large number of third party labels offers retailers a range of sustainability parameters and cover multiple areas of sustainable retailing. Furthermore, many of these labels are well established on the market and enjoy high acceptance and trust among consumers and other stakeholders. Third party certification and labelling is therefore considered a reliable and trusted way to standardize and introduce sustainability into retailing (Hatanaka *et al.*, 2005; Koos, 2011).

Third party certification is today applied both to products and entire retail stores. In Sweden, for example, the organic standards organization KRAV offers retailers the possibility to certify products as well as entire stores. Other organisations (Svanen, Naturskyddsföreningen) also provide certification and labeling systems for products as well as stores in Sweden, and several of the major retailers in Sweden have adopted at least one of these certification systems for some or all of their stores.

This standardisation model of market action in sustainable retailing builds on an understanding of sustainability as derived from factual information and addressing stakeholders that assess the challenges subsumed under the term sustainability along rational lines where all stakeholders can see the objective rightness of the chosen standards (see figure 4). Rigid control and certification are rallied as the most important tools for gaining trust that the consumer has not been ripped off when paying price premiums for environmental credentials (Koos, 2011; Thøgersen, 2010).



**Figure 4**  
A standardisation model of market demand for sustainable products

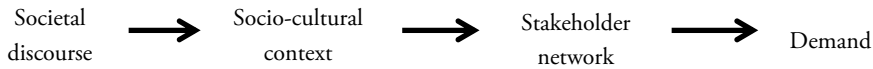
The more rigid the control system, and the harder the punishment for misconduct, the more likely it is that consumers will trust sustainability claims, and will act accordingly, the argument contends (Koos, 2011). Independent 3rd parties, such as governments or NGOs, are perceived as crucial for establishing the necessary level of trust (OECD, 2011).

At the same time, Thøgersen (2010) maintains that for the average consumer (as opposed to a minority of personally very engaged ‘green’ consumers) labels function not through knowledge of trustworthy certification schemes behind the claim, but through ‘social proof’. This means that labels do not gain trustworthiness in the consumer’s eye through scientifically backed guidelines and rigid certification systems, but through the trust their immediate social environment displays in these labels. Thøgersen (2010) further holds that while early adopters are likely to possess issue-specific knowledge, the wider market consists of consumers with less issue-relevant knowledge. The latter category of consumers turns to their peers to judge the trustworthiness of a claim.

Despite the above-mentioned advantages of standards and labels for sustainable retailing, another stream of academic literature raises doubts about attempts for standardization in sustainable retailing. An emerging stream of literature stresses the need to address the constructed nature of the sustainability discourse in a socio-culturally informed way, and thus give room to diversity and flexibility. Fuentes & Hagberg (2013) call this view ‘socio-cultural retailing’. They describe retail spaces as places where identities, ethnicities, experiences and ideologies are produced and re-produced, and in turn are influenced by the socio-cultural context within which they operate.

Retailing does not exist apart from socio-cultural processes of identity and meaning construction, but is intrinsically interlinked with these complex processes. What socio-cultural retailing research shows is that retailing, shopping and consumption practices both depend on and contribute to the reproduction of these socio-cultural processes. (Fuentes & Hagberg, 2013, p. 301)

This is true for a single store as much as an entire retail organization and particularly relevant for sustainability in retailing. In the socio-cultural model of sustainable retailing it is important to understand which aspects the sustainability debate are of ethical relevance to stakeholders. The understanding of the socio-cultural network the retailer is embedded into is crucial. This understanding is, among others, inspired by Consumer Culture Theory (CCT), which understands consumption as a mean for individuals to relate to society around them (Arnould & Thompson, 2005). Whether as a reaction to social norms (Cialdini & Goldstein, 2004), aligning with collectivized behavior to create belonging (e.g. neo-tribes [Cova, 1997; Cova & Cova, 2002]), or positioning towards others (i.e. status seeking [Griskevicius *et al.*, 2010]), CCT’s view is one of the individual’s consumption behaviour as being substantially influenced by others. Moisander (2007), for example, argues for the image of a socially and materially embedded consumer as a better way to understand how sustainable consumption behaviour is formed. She stresses the need to understand the social networks an individual is embedded into and argues for the need to study subcultural differences and historically and locally specific circumstances (see figure 5).



**Figure 5**

A socio-cultural model of market demand for sustainable products (Figure inspired by Moisander, 2007)

Moisander (2007, p. 2) argues that:

In practice ... there may be considerable disagreement among consumers and environmental activists alike upon how the concern for environmental consequences of consumption activities is or should be manifested in consumer behaviour. (see also Connolly & Prothero, 2003, who make a similar claim)

This view embraces, rather than problematizes, the argument that the sustainability discourse does not provide any agreed-upon definition or standards according to which a retailer could adopt generally applicable indicators or standards. Instead, the retailer has to take account of the multiple contexts in which sustainability exists and adapt to it. Oosterveer (2012), for example, claims that:

Definitions and strategies are the result of broader interactions engaging different social actors, each with their own specific understanding of sustainability in food. Thus, definitions and dimensions of sustainability are not homogenous, standard, universal or given, but dynamic, evolving and depending on **specific contexts**. Culturally-influenced understandings of sustainable food consumption have to be coupled with accounts of knowledge transfer/translation and with the **context of specific networks** in order to understand how sustainability concerns are translated into forms of responsible action for retailers. (Oosterveer, 2012, p. 158; bold text not highlighted in original)

Fuentes and Hagberg (2013) claim that such a socio-culturally informed view focuses attention on retail spaces, brands, staff behavior and the role of location, product group and consumer segment for sustainable retailing. Fuentes (2014a) states that sustainable consumption is for consumers ‘simply another source of pleasure and identity-making’ (p. 963), and Tsarenko *et al.* (2013) claim that, next to peers, retailers are important in forming consumers’ sustainable consumption experience. For sustainable consumption to happen, retailers must focus on the ‘socio-material retailscape’ and create an enabling environment (Fuentes, 2014a; see also Peattie, 2001). Fuentes and Hagberg (2013) thus stress the importance of the retail site for the materialization of sustainability in consumption. Oosterveer *et al.* (2014) show how the ‘consumption junction’ (i.e. the retail store) influences how Dutch retailers work with fair trade. They emphasize the interaction between retailers and consumers, each ‘with their particular understandings of fair trade when they purchase fair-trade products in the specific setting of a retail outlet’. Successful retail efforts to promote sustainable consumption is mutually reinforcing, they claim.



Oosterveer *et al.* (2007) argue that it is important to avoid the use of exclusive definitions of sustainability, as this neglects the multidimensionality of the idea.

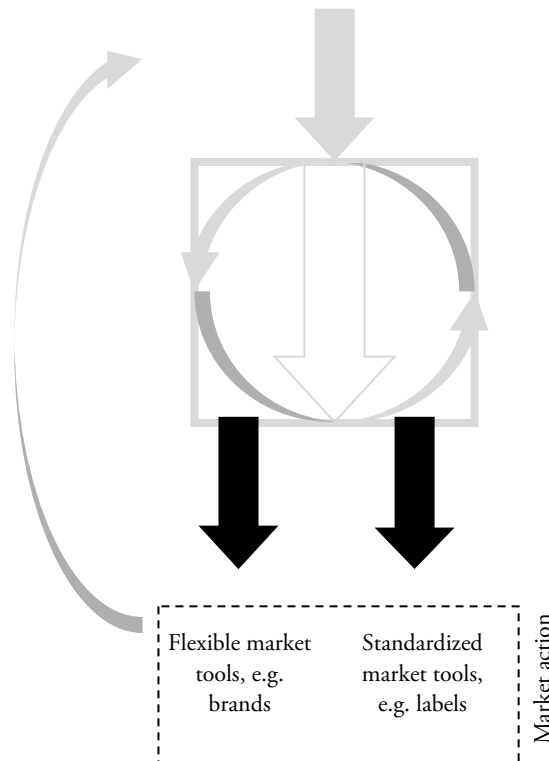
The socio-cultural view on SCP implies that retailers will need to understand market demand for sustainability as a multiplicity of diverging socio-cultural understandings of sustainability. For retailers this means that providing standardized information and guidance is ineffective. Instead, a more reflective and receptive approach must be developed, one that recognizes the socio-cultural context of sustainable retailing. Sustainable retailing then emerges from within groups of stakeholders that are connected through the same socio-cultural context and results in contextually valid understandings of SCP with different consequent market outcomes.

This description of sustainable retailing fits well with the development that brands are an increasingly popular tool for retailers to operationalize sustainability. Brands have received considerable attention in literature as a means to introduce sustainability into business operations. Arvidsson (2008) describes brands as part of an 'ethical economy' in which individual consumers participate not to receive economic benefits but to feel connected and to find meaningful social ties. Holt (1995) promotes the view that consumption increasingly focuses on brands. Brands are used to construct self-identity, using the resources of culture and society (Anderson & Schoening, 1996). On the other hand, consumers are believed to become more demanding towards the brands they incorporate into their identity-formation project (Holt, 2002). Holt (2002, p. 88) explains that the 'proliferation of narrowly focused consumption communities, regardless of their particular content, can be understood as a defensive posture toward consumer culture'. Arvidsson (2008) therefore argues that the power of brands is to create community and make people feel connected to something great and noble.

It is therefore argued that brands are a suitable market-oriented approach to sustainable retailing, one in which business interests, societal concerns and market demand can be united. Indeed a proliferation of retail brands (i.e. brands owned by the retailers themselves) with a focus on sustainability can be observed. These brands can be understood as ways to implement sustainability in retailing in a socio-culturally meaningful way. The high level of flexibility and the property rights associated with retail brands allow retailers to operationalize sustainability in a way that is receptive to the socio-cultural context they operate in. Retailers such as Co-op (Switzerland) and Albert Heijn (Netherlands), have reported that their private eco-brands have "greater resonance with consumer demand for sustainability" compared to third-party eco-labels and generate higher revenues (Organic Monitor, 2010). This claim is supported by Anselmsson and Johansson's (2007) observation that retail brands are increasingly occupying a market position where they compete against prime-segment brands, representing retailers' position in sustainability. Hartmann *et*

*al.* (2005) and Pickett-Baker and Ozaki (2008) relate this commercial success of retail brands to the emotional benefits they create among consumers.

Retailers are thus in a position where they have two broad strategic options to choose from for their market action in SCP (see figure 6).



**Figure 6**  
Conceptual model of translation process of stakeholder demands into market action in a retail organization (in grey, from figure 3) including strategic choice options for market action

## Research gap

This literature review has shown that sustainable retailing is a complex process with no general definition or guidelines available. Each retailer is exposed to a unique set of stakeholder expectations and deals with these expectations in various ways. Neither stakeholder expectations nor market demand are homogenous or stable. It is therefore necessary for the retailer to filter, process and interpret a multitude of ideas

surrounding the ideal of sustainable consumption and production. This process is continuous, as the sustainability debate is evolving continuously. Importantly, retailers are not merely receivers of these interpretations and demands, but actively participating in the sensemaking process behind SCP (see figure 3). Depending on the way change agents within the organization translate stakeholder expectations into retail-internal understanding of sustainability and consequent action a retailer develops market action for SCP. Market action can take very different forms, from standardized, rigidly controlled and externally certified efforts to flexible, socio-culturally adaptive approaches (see figure 6). The process of sustainable retailing is different for each retailer, influenced by factors such as the retailer's business model, the market position, the internal expertise, the set of salient stakeholders and specific consumer segments and the regulatory and competitive framework. It is therefore a unique challenge each retailer faces to define and implement sustainability.

While the emergence of the sustainability discourse has provided researchers with a new lens to study retailing, little clarity and agreement has been reached on what sustainability means for the retail industry and how it is implemented. Wiese *et al.* (2012), for example, conducted a review of the scientific literature on sustainable retailing and found that scientific literature has only just started to try to understand how the sustainability discourse affects retailing. They claim that academic literature is lagging behind practitioners in the intensity with which sustainability in retail is discussed. In another scientific publication, Jones *et al.* (2008) analyzed a report by the UK Sustainable Development Commission that focuses on supermarket food and the role retailers can play in making the food system more sustainable. Jones *et al.* (2012) point out how pressure on retailers to actively engage with sustainability is increasing as they are identified as 'gatekeepers of the food system'. Similar to Wiese *et al.* (2012), Jones *et al.* (2008) find that increasing pressure on retailers to integrate sustainability into their operations has yet to result in academic literature that provides understanding and guidance on how retailers deal with numerous (sometimes conflicting) high level goals and scientific findings related to sustainability. Sustainable retailing remains a research field that provides little clarity about how retailers handle the complexity of the sustainability discourse (Wiese *et al.*, 2012).

Despite the emergence of an increasing amount of literature about sustainability in retailing, the picture of how the sustainability discourse impacts retailing therefore remains incomplete. Neither the retail-internal sensemaking and translation process, nor the operationalization into market action have received sufficient attention in literature. This lack of understanding leaves retailers as well as other actors with an interest in retailers' role in SCP in a position of uncertainty. Sustainable retailing remains what Fuentes (2014b) describes as 'messy', with retailers struggling to reach their intended audiences. According to him, it remains challenging for retailers to "construct the material-symbolic artefacts that make sense to consumers and fit into

their lives and their practices” (Fuentes, 2014b, p. 106). What is missing in literature is therefore an understanding of how this process works out in a retail organization and thus how the translation of stakeholder pressures and the operationalization of sustainability happen in practice. As elaborated above, theory suggests both standardized and dynamic ways in dealing with the operationalization of sustainable retailing. How these are used and combined in practice, as well as for which reasons retailers combine them remains unclear. This study therefore aims to shed light on the retail-internal sensemaking process and how it leads to the operationalization of sustainability in the marketplace.

# Method

This chapter will provide a discussion of the methodological paradigm I follow in this thesis. It will also offer an overview of all research methods deployed throughout my PhD work to collect and analyse data. The discussion evolves around the problem- and solution-orientation of research into sustainability (cf. Conrad, 2002) and the consequent benefits of trans-disciplinary research.

## Methodological positioning

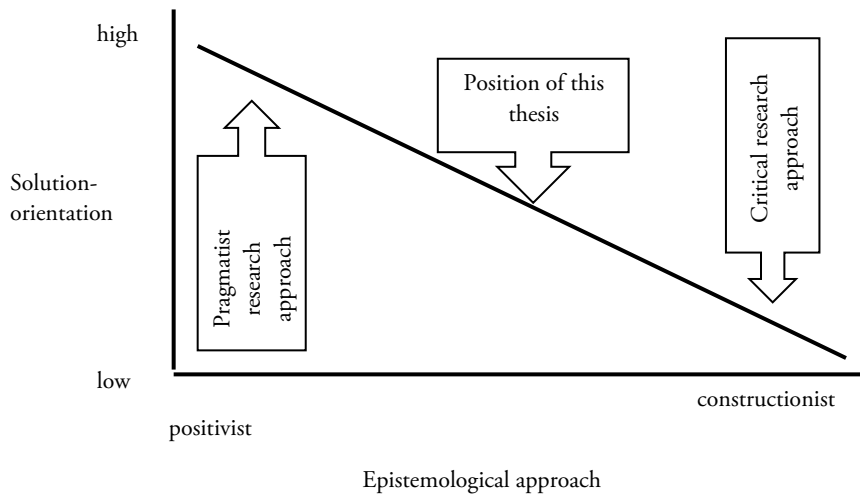
Sustainability as a social ideal implies that society, as it presently exists, needs adjustment (not to say improvement). Sustainability thus represents a critical, but also somewhat ideological approach to the study of society. It is not only the study of a societal phenomenon; it is also the study of change and improvement of current societal practices. Research in sustainability frequently raises doubts about socially accepted beliefs about human behaviour and how society functions. At first sight, this can easily be linked to critical theory's demand for research that challenges power and special interests (Tadajewski, 2010), and questions the managerial approach to problem solution (Fournier & Grey, 2000). One might therefore conclude that sustainability research is naturally related to the broader epistemological movement of critical theory. Critical theory is characterized by a strong scepticism toward the observable reality and assumes power and special interests behind seemingly inevitable 'natural' social realities (Tadajewski, 2010). It is therefore the task of critical research "to distinguish what is socially and psychologically invariant from what is, or can be made to be, socially changeable, and to concentrate upon the latter" (Alvesson & Skoldberg, 2009, p. 144). Indeed, sustainability research often stresses the necessity to question seemingly natural processes occurring in society and challenges the rationality with which we value the outcome of societal and economic processes.

However, in practice much sustainability research is far from critical to the dominant social paradigm<sup>12</sup>. Such research is also less constructionist in its perception of reality and assumes a reality that is 'real enough' to be intelligible in terms of absolute problems and solutions and objectively can be said to be in need of fixing. This second branch of sustainability research is more likely to produce applicable solutions to problems in society. Authors such as Jones *et al.* (2011), Ölander & Thøgersen (2014), or Thøgersen & Ölander (2006) do not question the dominant social paradigm within which they study SCP. They all manage to provide concrete suggestions for practitioners. At the same time, there is no mention of the normative and value-laden worldview they build their studies upon. Such an approach to SCP therefore risks creating knowledge that reinforces the dominant social paradigm.

This study acknowledges both strains of sustainability research. It also acknowledges that, while the critical theoretical branch of research is better in taking into account the constructed nature of sustainability, it is weak in providing answers and solutions. The latter is the strong side of the more pragmatic and normative side of sustainability research. To deal with this dichotomy, epistemologically this thesis positions itself in between an explicitly critical approach, and a more positivistic and normative view on retailing and markets (see figure 7).

---

<sup>12</sup> "Milbrath (1989) defines the dominant social paradigm as "a society's belief structure that organizes the way people perceive and interpret the functioning of the world around them" (p. 116). Perlmutter and Trist (1986) add that it is a social construction so widely held that individuals are only vaguely aware of its underlying logic and the direction it gives to their behavior." (Kilbourne *et al.*, 1997, p. 4).



**Figure 7**  
Representation of the dichotomy between critical research and pragmatist research in sustainability research

This is in line with Spicer *et al.* (2009), who argue for an approach to management studies where critical research meets pragmatism and thereby overcomes the cynicism often inherent in critical research. In this thesis I therefore accept reality as ‘real enough’ to adopt a pragmatic approach to searching for solutions within reality as perceived by society (cf. Dolan, 2002). Reality, here, is understood as understandings of reality shared by a number of people, organizations or society at large. Reality should thus not be understood as universal, but rather as contextual and emergent in changeable societies. Because knowledge and values are socially shared and conditioned, they are restrained from changing chaotically or whimsically because cultures are inherently slow to change (Bishop, 2007, p. 65). Such a reality can be called ‘objectified reality’ (Arbnor & Bjerke, 2008), and it is real for the individuals and institutions sharing this reality. This study therefore opts for an understanding of truth and knowledge as being *contextually* real and intelligible.

## Objectivity and value neutrality in this thesis

Bishop (2007) argues that social science does not necessarily have to be value-neutral; at least when it comes to socially accepted and cherished values (such as equality and freedom). In his opinion it is part of the very nature of social sciences not only to

understand society and the human nature, but also to contribute to its improvement. Bishop (2007, p. 130) claims that “social science is motivated at its core to find knowledge of human behavior that can be employed to liberate and improve people’s lives for the better”.

The same is true for objectivity. Opposite to the positivistic ideal of the researcher taking ‘the view from outside’ on a phenomenon under study, Alvesson and Sköldbberg (2009) as well as Bishop (2007) see the researcher as part of the very phenomenon she studies. As Bishop (2007, p. 143) explains “there is no outsider’s perspective available to us – hence there is no genuine subject-object ontology or epistemology”. Instead, the researcher is part of the phenomenon she studies and therefore influencing its outcome as well as being influenced by the very phenomenon studied by the researcher. By empathically participating in the society to be studied the scientist can “learn and understand more about people and their actions than by the pursuit of correlation studies alone” (Bishop, 2007, p. 73).

Studies in sustainability arguably belong to what Niiniluoto (1993) refers to as ‘design science’. Niiniluoto differs between descriptive and applied research, and claims that, while descriptive research deals with descriptions and predictions, design science (which is part of applied research) deals with “how things *ought to be* in order to attain goals, and [for society] to function” (p. 8; italics in original).

[D]esign science is the activity of generating instrumental knowledge for the production and manipulation of natural and artificial systems. Design science produces knowledge which may then be applied within scientific design. (Niiniluoto, 1993, p. 9)

For design science to be socially relevant, Niiniluoto explains, research has to refer to a situation that is actually existent, and the underlying goal must be acceptable for some social group (p. 15). Sustainable retailing arguably falls into the category of a socially agreed upon goal. Further, Niiniluoto’s (1993) claim supports Bishop’s (2007) belief that values need not be subtracted from social scientific inquiry. Indeed, sustainability is born out of a values discussion. How the study of sustainable retailing ever could be value-neutral thus is a somewhat misplaced question. It is therefore not the aim and duty of this study to question the values underlying sustainability, but rather to build on these values and contribute to finding a way how to reach the (admittedly value-laden) goal of sustainable consumption and production. What is crucial to design science though is to make explicit that it is building on certain value premises, and that the results are binding only for those who accept these premises (Niiniluoto, 1993, p. 15). In reality such values are often so tightly connected to certain design sciences that the existence of the underlying value commitments are forgotten (Niiniluoto, 1993), and the guise of ‘neutral’ experts therefore misleading.



Kvale and Brinkmann (2009) talk about validity and reliability instead of objectivity and value-neutrality as the most important criteria for a qualitative social scientific study. To them, a valid argument is one that is sound, well-grounded, justifiable, strong, and convincing (ibid, p. 246). To Bishop (2007) objectivity in social science is the result of a dialogue between different scientific views, methods and results with the best rapprochements to reality emerging as dominant.

Reliability, on the other hand, deals with the consistency and trustworthiness of research findings. All scientific descriptions are partial, limited and inexact due to the limitations on our intellectual abilities in the face of the complexity of the world we are seeking to describe (Bishop, 2007). The researcher must clearly state personal values and remain aware of them during the scientific inquiry and when drawing conclusions (Smith, 1998). Silverman (2006, p. 389) adds that researchers need to fight any feeling of scientific superiority ('the divine orthodoxy'). Instead of the belief that scientific interpretation differs from others' interpretation simply because of the researcher's intellect, Silverman argues for methodological precaution. Scientific work then becomes the act of convincing one's audience of the coherence of the argument and its advantages over alternative interpretations, rather than claims for truth, emerging from the genius of science (Symon & Cassell, 1998). To critically deal with one's subjectivity is thus a more realistic approach to personal beliefs (Alvesson & Kärreman, 2007; Silverman, 2006). Silverman (2006, p. 359) suggests "to be firmly aware of your own preconceptions and put them on the side", and Alvesson and Sköldbberg (2009, p. 167) stress that what seems natural and self-evident should be problematized. The outcome of such a study is 'robust' knowledge.

For my PhD studies this means that I must be aware of social values and biases, but at the same time I can accept them as socially desired goal and unavoidable lens. Instead of pretending to strive for some unobtainable value-free outsider's perspective, I must be clear about these values as far as possible and engage in scientific discourse to overcome my own hidden ideologies. That way, researchers have a good chance to address a social problem with considerable force and persuasiveness (Silverman, 2006).

This, of course, is difficult; for once because we are often not aware of our biases and underlying values (Alvesson & Sköldbberg, 2009; Bishop, 2007), and because social inquiry does not have anything in its arsenal to deal with the subtle effects of disguised ideologies (Bishop, 2007, p. 128). These disguised ideologies can colour all of social-scientific practice from problem selection/definition to research methods and the interpretation and application of results (Bishop, 2007, p. 130).

## Generalizability of this thesis

In line with my explanations so far it would be naïve to strive for generalizable results and theories derived from my interpretational work of empirical material. Because of the historical and changeable nature of social phenomena, what might be true in one context has no logical explanatory power for another social phenomena (Alvesson & Sköldberg, 2009, p. 300). Alvesson and Sköldberg (2009) claim that empirical research is not about finding the ‘truth’, but rather as source of inspiration for theoretical thinking and interpretations. Flyvbjerg (2006, p. 224) even claims that “since human activity is situated in local contexts of practice and because of the nature of the human world, context-dependent knowledge is more valuable than a vain search for universal, predictive theory”.

Not being able to generalize over whole populations is therefore not a problem. Research findings can be valuable even though they are context-bound. Despite of a clearly non-positivistic perception of reality, this provides an environment stable enough to conduct empirical research with the goal to grasp the current reality and suggest contextually relevant (and ‘real’) improvements to bring it closer to the also (contextually) ‘real’ goal of sustainable consumption and production. Data collected in a specific context (such as a country) is contextually relevant and real enough to make useful contributions. However, the same knowledge cannot simply be applied to another context. Therefore, if we are interested in generalizing, we may ask not whether findings can be generalized globally, but whether the knowledge produced in a specific situation may be transferred to other relevant situations. My thesis is therefore interested in transferability rather than classical positivistic generalization, and aims to achieve that through what Kvale and Brinkmann (2009) call ‘analytical generalizations’ involving “a reasoned judgment about the extent to which the findings of one study can be used as a guide to what might occur in another situation. It is based on an analysis of the similarities and differences of the two situations” (Kvale & Brinkmann, 2009, p. 262).

In this thesis I hope to generate accounts detailed enough to bear meaning for other contexts (i.e. different markets, different societies). Even though I might not aim for universally valid social facts in the pure positivist tradition, it is the explicit goal of my research to produce empirically derived and theoretically informed conclusions that are ‘true’ for the context in which they have been produced. It is further my belief that, provided the reader and interpreter of my findings is careful to take into consideration the contextual framing of my study, validity of the study results can be claimed in other settings; curtailed of course to the degree the context in the place the findings shall be applied is different. One might thus say that I am aiming for transferability of my results, rather than empirical or statistical generalizability. Transferability “refers to the degree to which readers can transfer the results of the

study to other contexts and situations with which they are familiar” (Moisander & Valtonen, 2006, p. 29).

## The role of theory in this thesis

Even though theorizing in social sciences does not simply mirror reality but rather defines and forms it (Bishop, 2007), we cannot erase pre-existing conceptions of the world and thus unavoidably deploy them onto the phenomenon we study. Research can thus not be theory-free (Silverman, 2006, p. 70). Silverman (2006) explains that all research is a process in which data collection, hypothesis construction and theory building are interwoven. Empirical work alone will not necessarily result in the most ‘useful’ results and conclusions for one’s research project and study question. For, to receive the ‘right’ answers, we need to pose the ‘right’ questions (Smith, 1998, p. 133).

For Conrad (2002) a disciplinary approach to scientific inquiry is not the best approach to tackle a societal problem. The theoretical body of knowledge at offer to this study, for example, is by far not limited to one discipline. Instead Conrad suggests for the researcher engaged in the study of a specific problem to reintegrate disciplinary knowledge again. He argues:

Problem oriented research, as opposed to basic research, is less interested in gaining new general scientific findings, but more concerned with the utilization of general knowledge for practical (social) problems which are not structured according to disciplinary categories and delimitations. (Conrad, 2002, p. 3)

I follow Conrad’s claims in this thesis and adopt a problem-oriented view on the role of theory. Theory, in this thesis, is not primarily used to formulate hypothesis to be tested with empirical work. Instead, theory is used to better understand empirical findings and to be able to draw from a broad set of ideas. I orient my scholarly aim of theoretical contribution according to what Corley and Gioia (2011) write in reference to organization and management studies: that a theoretical contribution must be judged by its originality and utility, and understood as facilitators for organizational and societal adaptiveness. Corley and Gioia (2011, p. 13) claim that theory building is in need for a “reframed emphasis on practice-oriented utility as a focus for future theorizing”. This requires observation of phenomena in the real world, rather than finding holes in the scholarly literature. They argue that the production of knowledge should be treated as a recursive dialogue between theorists and reflective practitioners, arguing that “merely holding theoretical knowledge contributes little if that knowledge is not exhibited in organizational practice and does not affect practices other than our own theorizing practices” (p. 23). This requires to “choose our

theories according to how useful they are, not how true they are” (p. 27). It is in this way I try to overcome the social scientific problem to acknowledge both theory and observation (cf. Smith, 1998).

## Research methods and analysis

In the following I will provide an overview of the research methods applied in this thesis. This includes explanations and justification for the chosen approaches as well as a description of the analytical process.

### Choice of methods

The research for this thesis focused on the empirical phenomenon of sustainable retailing and how it is made sense of in the market as a result of relations between retailers and stakeholders. To gain access to these processes of interpretation and how they impact retailers and consumers this study relies on qualitative research.

I use a number of qualitative methods (see table 1). Research paper one focuses on the theoretical understanding of retailers’ role in SCP and relies on secondary literature. (However, the paper is inspired by empirical observations from my research.) In paper two my colleague Olga Chkanikova and I use data from 25 interviews<sup>13</sup> with retail professionals and two focus groups conducted with some of the same retail professionals and national stakeholders to study the dynamics between retail-owned brands and independent third-party certification. Paper three uses interviews with retail representatives and store observations to focus on the process of translation from an abstract sustainability discourse into store action. In paper four Mikael Klintman and I use data from five focus groups with retail and stakeholder representatives from both the local and national level to explore the concept of trust in retailers’ sustainability claims. In research paper five I focus on the consumer’s sensemaking of sustainable consumption and production in the retail store. I used data (observations, interviews, receipts) collected from 13 consumers who described themselves as ‘consciously sustainable consumers’ to explore the differences of understandings of sustainable consumption and production as well as the influence of the retail store in this sensemaking. I conducted an additional 32 short (10-15 min) consumer interviews in an early stage of my research, which served as background information

---

<sup>13</sup> Table 1 only lists those interviews conducted by myself.

for several of the research publications but were not explicitly used for any particular publication.

Table 1: Summary data collection<sup>^</sup>

Paper	Interviews	Observations	Focus Groups	Other methods
1	-	(observations in Sweden and abroad)	-	Secondary literature analysis
2	7 HQ, Sweden 3 HQ, international	(observations in Sweden)	*2 HQ representatives and stakeholders	-
3	*7 HQ, Sweden 15 stores, Sweden	13 stores, Sweden (12 follow up observations in stores) (32 consumers)	-	-
4	-	(32 consumers)	3 store representatives and stakeholders 2 HQ representatives and stakeholders	-
5	13 consumers, Sweden	13 stores, Sweden 13 consumers, Sweden	-	11 sets of 3-weeks worth of grocery shopping receipts
Additional data	32 consumers, Sweden			

HQ = headquarters

\* These data sets were used for several research papers

‘ These 32 consumer interviews were used as data in an additional publication; more broadly, they were also used in papers 3 and 4, where they served as general background

<sup>^</sup> Data listed in brackets was not part of the data collection for the publication and did not enter the analysis but must be mentioned as influential for the general set-up of the paper

The methodological (as well as theoretical) pluralism used in this study is justified by the empirical focus on the phenomenon of sustainable retailing. What is sometimes referred to as ‘mixed research’ describes the use of multiple approaches to answering a research question, rather than restricting or constraining researchers’ choices for the sake of methodological dogmatism. The aim of a mixed research approach is to enable more creativity (cf. Johnson & Onwuegbuzie, 2004).

What is most fundamental is the research question – research methods should follow research questions in a way that offers the best chance to obtain useful answers. Many research questions and combinations of questions are best and most fully answered through mixed research solutions. (Johnson & Onwuegbuzie, 2004, p. 17ff; highlighting in original)

In the following I discuss how I conducted my empirical work. I also point to the strengths and possible challenges of each approach.

## Interviews

Interviews are a powerful tool for the researcher to understand others, and are one of the most popular data collection tools in qualitative research (Punch, 2005). However, the researcher must steer clear of a number of pitfalls. The interviewer must be aware of the influence of the social interaction between interviewer and interviewee (i.e. ‘interviewer’s effect’ [e.g. Kvale & Brinkmann, 2009]). Interview statements can be as much an expression of self-identity, status seeking or social norms as they are representative of the desire to answer an interviewer’s questions as accurate as possible. This interviewer’s effect should be of even greater concern in morally loaded interviews such as is the case with sustainability issues. It is therefore necessary to remain aware of the limited ability and desire of an interviewee to accurately recall events, emotions or thoughts and even less so to predict future or hypothetical behaviour. Furthermore, the impact the interview context can have on the collected data must be kept in mind. How individuals think and reason is influenced by the place, the time of day, the emotional state they are in, or the immediate stimuli they are exposed to (priming, framing) (Alvesson, 2011). It is therefore reasonable to expect an individual to reason differently in a quiet moment at their kitchen table compared to a time-pressed moment in the noisy shop full of marketing influences.

To deal with these limitations of the interview method I took a number of precautions to reduce the negative impact on the collected data. Where possible I located the interview in the context I was interested in (i.e. the retail store). I was also careful not to introduce a certain moral norm into the interview. In each interview I presented myself as being knowledgeable about the topic of sustainability. At the same time I was careful not to paint myself as biased in favour of certain interpretations of sustainability. I allowed for my interview personality to be formed by the conversation and how the interviewees responded to my questions. Furthermore I avoided hypothetical (i.e. about alternative, non-existent societal systems) or predictive (i.e. about the future) questions.

Many different kinds of interviews have developed over time, some being more formal and structured, while others not following any structure and changing

according to specific context (O’Leary, 2005). This study deploys a flexible interview approach, situated in between semi-structured and open-ended interview design (cf. Punch, 2005, p. 169). As the aim of this study is to find out about and understand the reality of retailers and related stakeholders, an open interview style was regarded most suitable (cf. Punch, 2005). At the same time the purpose of this study is not simply to understand the actor retailer, but to do this in respect to a very specific societal problem; namely how to best approach SCP in retailing. Therefore the chosen interview style must be kept apart from the ethnographic interview, “which tries to not impose any a priori categorization which might limit the field of inquiry” (Punch, 2005, p. 172). Instead, a mixed approach appeared suitable in which interviews were conducted based on standardized interview guides (i.e. semi-structured), but also given the opportunity to ‘drift off’ into one direction or another (ethnographic).

Interviews were carried out with all major<sup>14</sup> Swedish retailers, both on the HQ-level and the shop level. Further interviews were conducted with foreign retailers, grocery shoppers, and other relevant stakeholders. On the HQ-level, sustainability representatives of five of the six dominant Swedish retailers were interviewed. Another 15 interviews were conducted with shop representatives (owners, managers, employees) and three international retailers (see appendix 2). In addition, 13 + 32 interviews were conducted with grocery shoppers.

All interviews followed a predefined interview guide. This interview guide was sent to interviewees beforehand in case of phone interviews. In face-to-face interviews the interview guide was not presented to the interviewee. Depending on the direction the interview took I sometimes rearranged questions in the interview guide, I added questions, or left a few questions unanswered.

For research paper 5 I received the help of 13 students from Lund University to conduct the empirical data collection (see appendix 3). All of them followed the same interview guide and received briefing and de-briefing on how to conduct the data collection.

All interviews were recorded and transcribed before analysis. The only exception to this procedure was made in three cases where the interviewees preferred not to be recorded. In that case I made notes during the interviews and transcribed these notes, including comments, after the interview for further analysis.

---

<sup>14</sup> Market share 2013: ICA 50 %, Coop 21,3 %, Axfood (Hemköp, Willy’s) 15,8 %, Bergendahls (Citygross) 7,3 %, Lidl 3,3 %, Netto 2,3 % (<http://www.delfi.se/wp-content/uploads/Dagligvarukartan2013.pdf>)

## Focus groups

Focus groups are suitable research settings to explore a question for which little existing knowledge and guidance is available. Focus groups, as opposed to interviews, enable group interaction and thereby generate new understanding and knowledge. A focus group is therefore a useful research method to collect data on both individual viewpoints and collective sense-making at the same time (Heiskanen *et al.*, 2008). Focus groups are also commonly used in market research (O’Leary, 2005). This method is therefore suitable to study the meaning-giving process in consumption.

Some important prerequisites have to be followed to make sure a focus group generates valid and relevant data. Most importantly, topic, participants and setting have to be carefully chosen and prepared. The topic has to be predefined and prepared for discussion. Usually a set of topic-relevant open-ended questions are prepared which participants can relate to and do not feel overwhelmed by. Furthermore suitable moderators must be engaged to guide the discussion (Côté-Arsenault & Morrison-Beedy, 2005).

For this study, a list of open-ended questions was prepared for each of the two locations (Lund and Stockholm; the locations were chosen to be convenient for participants). In Lund, the participants consisted of store representatives and local stakeholders (consumers, municipalities, NGOs). In Stockholm, the participants came from retail headquarters and national stakeholders (consumer organisations, NGOs, government). Due to the slightly different focuses in the group discussions, a separate list of questions was prepared for each location. In Lund, the focus of the three focus groups was to understand how retail stores and their stakeholders reason around SCP. The data collection focussed on various actors’ understanding of SCP and how compatible these understandings are. Furthermore, participants were encouraged to discuss their views on how SCP could be better promoted in the retail store. In Stockholm, the participants were confronted with the findings from Lund and asked to reflect upon these and how they would affect the role of retailers in SCP. The focus of data collection in Stockholm was to understand the role of the individual retail store in retailers’ work with SCP and to put this into the context of the entire retail organisation.

Three researchers with expert knowledge on the topic acted as moderators. The open-ended questions were prepared by the moderators with the help of an external expert in moderation- and group facilitation techniques. Participants were chosen according to their expertise and engagement with the topic of sustainable food consumption and production (i.e.: all of the participants work with SCP and food retailing; see appendix 4 for details). The consumers invited to participate were self-declared ‘sustainably conscious consumers’ and were recruited online through sustainability forums on Facebook and a ‘green’ newsletter sent out by Lund municipality.



Côté-Arsenault and Morrison-Beedy (2005) suggest that it is important to make participants comfortable, but also to avoid the formation of group dynamics in which power structures can emerge. In this study, at the beginning of each focus group, an introduction round was organized for participants to get to know each other. Further, a short oral presentation of the overall research was given to the participants for them to be able to relate to the topical questions asked later in the focus groups. This presentation was followed by a 15 minutes long coffee break to allow participants to mingle before the actual focus groups started. Typical focus group sizes are 4-12 people (O'Leary, 2005). In this study, suitable group size was determined to be 6 participants for each focus group. This resulted in 3 focus groups in Lund and 2 focus groups in Stockholm (see table 1) with a total of 30 participants (22 women, 8 men). The focus groups in each of the two locations were held simultaneously. A coffee break halfway through the discussion was used to rearrange groups so to avoid power structures and to reduce the risk that participants started to develop collective norms within the group. Moderators were further instructed to actively counteract possible emergence of unbalances in power and representation in each group discussion and would, if necessary, encourage some participants to voice their opinion (e.g.: 'How do you feel about this issue?', or 'What is your experience with this problem?') and discourage other participants from taking too much space in the discussion (i.e.: 'May I interrupt you here to hear what other participants think about the point you raise?').

After each focus group session the three moderators came together for a debriefing, followed by notes taken for each focus group. After the focus groups were finished all recordings were transcribed.

## Observations

While interviews offer the researcher the ability to uncover internal psychological and societal forces influencing individuals' behaviour, observations allow for the study of the context – the external – in decision-making (Silverman, 2006). Observational research allows the researcher to achieve a better understanding of the complexity of social phenomena (O'Leary, 2005). I followed a slightly modified version of the observational approach that Fuentes (2011, p. 48-50) develops in his ethnographic doctoral study of green outdoor equipment retailing. He applies five different observation techniques, 1) grand tour observations, 2) consumer observations, 3) shopping observations, 4) mini-tour observations, and 5) comparative grand tour observations.

Grand tour observations refer to an extended walk around the shop, following the usual shopping trails, examining the goods on offer, the shop interior, marketing material and the visible work of shop assistants. The grand tour observations of shops serve to give an overview of the shop. For this study, 2 x 13 Grand tour observations

were conducted in connection with store-interviews and used for analysis in research papers 3 and 5 (see table 1).

Consumer observations focus on the consumers in the shop environment. Here the researcher follows the consumer through the store to observe shopping behavior and get a more realistic account of shopping behavior compared to context-deprived interviews or surveys. The process followed an approach outlined in Saarela *et al.* (2013). 13 consumers were followed through the retail store (with their consent) and asked to “think aloud” making their shopping choices. In occasions where interesting behaviour remained uncommented they were asked questions about their choices. A research diary was kept for these 13 observations, and – where appropriate – pictures were taken. The consumer observations served as data for analysis in paper 5 (see table 1).

Shopping observation is a simplified version of participatory observation. It refers to those occasions in which I took the role of a grocery shopper myself and interacted with shop assistants in the role of a customer and even shopped various sustainable products and actively practiced sustainable consumption myself. Given my personal interest in sustainability, this exercise was only partly a conscious process, with much information collected throughout the time of my PhD, and not always in direct relation to this research project. The study was a trigger for my daily grocery shopping to become a more conscious and self-reflective process, though, and at numerous occasions I would take notes or pictures of noteworthy experiences when grocery shopping. This routine greatly helped the ‘thickness’ of the understanding of the research topic.

With mini-tour observations Fuentes (2011) refers to “follow-up observations at sites already observed in greater detail” (p. 50). Such observations were conducted at 12 of the stores in which grand tour observations were conducted and served as input in the analysis for paper 3 (see table 1) but also as background information for the preparation and conduction of research for papers 4 and 5.

The last of Fuentes’ (2011) categories – comparative grand tour observations – receives a slightly different meaning in my study. Fuentes (2011) studies one specific outdoor equipment retailer, and this last observation technique describes the practice of visiting and comparing outlets of competing retailers. As I do not focus on one specific Swedish retailer in my study, but have the entire Swedish retail industry as study object, comparative grand tour observations do not refer to competitors within the same market, but rather comparable retailers in foreign markets. The study of international ‘best-practice’ examples included store observations in Austria, Denmark, Germany and the UK and was intended to provide ideas and reference points for the analysis of the Swedish case. The empirical material from these observations was used for the analysis in papers 1 and 2.

All grand tour observations and consumer observations were documented in field diaries. Shopping observations, mini-observation and comparative Grand tour observations were conducted on a continuous basis and only sometimes followed up with documentation. This was decided on an ad-hoc basis depending on the perceived value of the observation. At other times these observations only served general reflection and inspiration.

Observational data collection for article 5 also included the collection of grocery shopping receipts (e.g. Grove & Fisk, 1992). Article 5 focuses on the materialization of SCP in the retail store and aims to understand how personal understanding of sustainability materializes in the store. To gather a more profound understanding of how the 13 consumers studied for article 5 enact their sustainable concerns regarding food, I asked the consumers to collect all grocery shopping receipts over a period of 3 weeks before the actual empirical work. This facilitated the finding of patterns and reduced the risk of behavioral changes induced by the presence of researchers influencing the study results, as these would likely be detectable in the collected receipts. Ransley *et al.* (2001), for example, found that receipts provide a good data set to evaluate consumption patterns. The aim of the receipt collection was thus to cross-check the information collected in the interviews and observations of the same consumers.

In total, 13 consumers agreed to collect 3-weeks worth of grocery shopping receipts. However, after the period, only 11 consumers could provide the collected receipts. The receipts were collected at the day of the consumer observation or the following interview. While it was not possible to guarantee that all receipts from the 3 week period in question were provided by the consumers, it can be confidently stated that all major grocery shopping events during this period were covered. This confidence stems from conversations with the consumers after the interviews and observations in which they confessed to have left out some minor shopping events (mostly convenience shopping for a snack or a party), but confirmed that they had been careful to collect receipts for more day-to-day grocery shopping.

## **Documents and textual data**

This research also made use of text material produced by retailers themselves (reports, homepages, advertisements), and third parties (NGOs, governmental and supranational organizations, industry bodies). These materials are understood as representations of the field of inquiry (cf. Titscher *et al.*, 2000), and therewith relevant to the broader understanding of the Swedish retail industry and its work with SCP. This included an online search for relevant text material from Swedish and international institutions, as well as the regular checking of retailers' homepages, TV ads, newspaper ads and leaflets throughout the study. A list of examined text material

can be found in appendix 1. Relevant text material was stored electronically or in paper and, when appropriate, used to provide a contextual understanding of the study context.

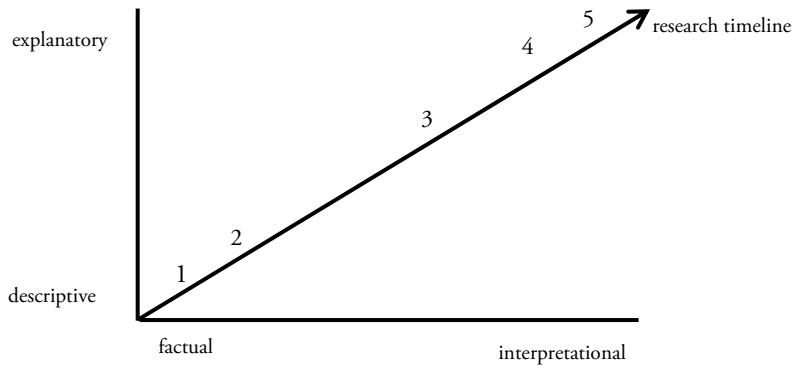
## **Analysis**

Literature research, data collection, the analysis of the empirical material and the writing up of the thesis can be described as continuous, happening throughout the thesis work for the entire duration of the study. This process is also visible in the 5 research articles and the additional publications written and released throughout the work for this thesis.

Interviews and focus groups were transcribed and observations were recorded in a field diary. (An exception had to be made in the case of three interviews because of privacy concerns. In those cases notes were taken during and after the interview to recapture as much of the interview data as possible.) The collected receipts were prepared for analysis in a process that included the detection and eradication of any non-food related purchase on the receipts (e.g. toiletry) and the categorization of purchases into various sustainable consumption categories (e.g. certified, local origin, special diet). Data from the receipts was collected and processed in Microsoft Excel.

The analysis of all data followed the coding approach described by Bryman (2012). He suggests the following steps: 1) to code as soon as possible, 2) to read through the coded data to get an overview, 3) to read the data again and make initial attempts to code the data, and 4) to review your initial coding work and improve it. Bryman also stresses to remain open to later insights and understandings and thus never to fully abandon the activity of coding as long as one works with the data. Some data sets were used more than once (see table 1) and thus revisited with new questions in mind and re-coding conducted on the same material.

In respect to the treatment of empirical data, the analytical work in this thesis represents a process which starts with a focus on the description of the phenomenon under scrutiny (i.e. factual focus) and then moves on to a focus on understanding the phenomenon studied (i.e. interpretive focus) (see figure 8).



**Figure 8**

Illustration of data analysis over the course of the thesis research. The numbers represent the five research papers. The x-axis represents the applied approach to data analysis; the y-axis represents the analytical outcome.

Article 1 is a theoretical argument, which uses empirical data merely as anecdotal support for theoretical reasoning. No analysis of empirical data was performed solely for this article, even though the writing and reasoning for the article were influenced by data collected for this thesis. Articles 2 followed a deductive analytical framework, where the analysis followed pre-defined theoretical categories. For articles 3 and 4 transcripts and field diaries were analysed without clear pre-defined analytical framework. Instead, the collected data enriched the conceptual understanding of the analysis and resulted in re-conceptualization of the understanding of the research questions. This means that, rather than following a clearly defined data collection aim based on theoretical considerations, the data collection was continuously adapted to the findings and the analysis gave room to unexpected findings. Room was also given to newly emerging themes during the analysis. This approach is somewhat similar to the grounded theory analysis (cf. Bryman & Bell, 2011). This type of analysis allows taking into account the complexity of the situations one is studying (Symon & Cassell, 1998). The outcome of such an approach can be concepts, categories, properties, hypothesis, or theory (Bryman & Bell, 2011). In article 3 the outcome was a conceptual model of sensemaking in sustainable retailing, while in article 4 the outcome was primarily of theoretical nature. Article 5 starts out with a clear conceptual idea about the customer-store interaction, but contrary to article 2 there are no pre-existing categories according to which the data is to be analysed. Instead,

the data is analysed in an inductive fashion, with the intention to discover patterns, themes and categories in the data (Marshall & Rossman, 2006).

In the focus groups conducted for this study three researchers (me being one of them) acted as moderators. All three researchers were part of the research program for which the focus groups were conducted.<sup>15</sup> The analysis of the focus group data emerged out of the collective design of the discussion topics and indeed started already during the focus groups. After each focus group the moderators met in debriefing and planning meetings. Meeting protocols were kept of these meetings to facilitate the analysis. Focus group analysis, according to Côté-Arsenault and Morrison-Beedy (2005), starts already during a focus group and continues throughout group sessions and debriefing sessions. Finally, a more formal data analysis is conducted after the data collection phase and concluded with the writing process. This formal analysis was conducted after the focus group recordings had been transcribed. The data was categorised into topical groups and analysed according to the research questions. To strengthen the analysis, two researchers performed this categorisation, with one researcher performing the initial categorisation and the second researcher revisiting the original data and strengthening or modifying the categories.

The analysis of the collected receipts had the purpose to provide background knowledge to the qualitative data collected during the data collection for article 5. The purpose of the analysis was to provide in-depth understanding of the sample population. Receipts were therefore categorised in terms of the sustainability of the purchases and location of the purchases. The receipts were revisited to check for eventual patterns that would emerge from the data. This analysis was performed through qualitative comparison of the receipts (thus, no quantitative statistical analysis was performed).

## Ethical considerations

Some of the data collection methods in this thesis might raise ethical concerns. Where I conduct store observations, follow individual consumers through the store, and where I analyse individual consumers' shopping receipt much attention must be paid to personal integrity. I was careful to not collect personal data unless with consent of individuals. I also made sure to inform any study participant of the motives of my actions. In those cases where I received help with data collection (focus groups,

---

<sup>15</sup> Project 'Hållbar butik' (Sustainable store), funded by The Swedish Retail and Wholesale Development Council (HUR) and The Swedish Research Council (Formas).

consumer observation) briefings on privacy matters were conducted before data collection.

All data was anonymised unless permission was acquired to personalize published data. A number of interviewees requested anonymity in this study. Confidentiality was also attempted by carefully considering the content of the quotes featured in published text to assure that no quote could be connected to a specific study subject. The same was true for observational descriptions and the publication of photos. Where more elaborate and therefore clearly identifiable written material was published (e.g. article 3), text extracts were sent to the interviewees the information came from to make sure the published material was approved by them.

This thesis relies on various data sets. Most of these data sets were collected by me alone. However, I was also able to benefit from data collected by other people. In all cases where this was the case, I acknowledge the contribution of other people in the articles. Even in cases where I received help with data collection, the actual analysis of data was conducted by me. In the cases of article 2 and 4, I conducted the data analysis together with my co-authors (Olga Chkanikova in article 2, Mikael Klintman in article 4).

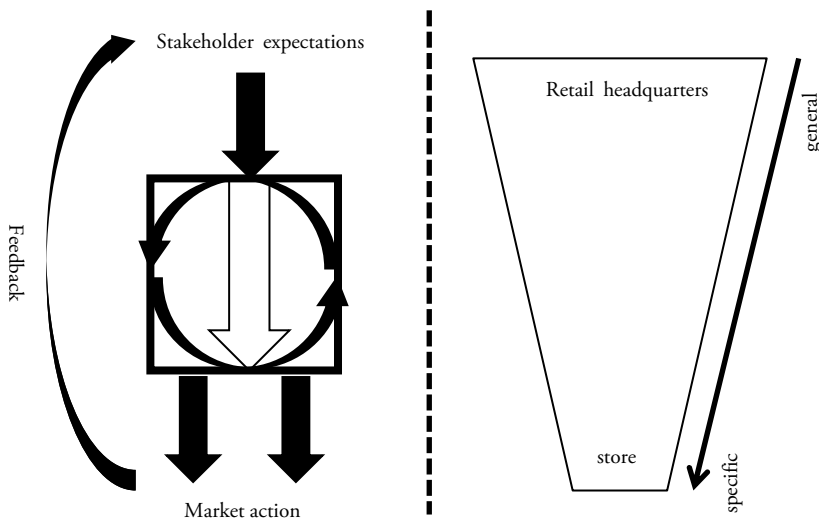
In conducting this research I tried to keep a neutral profile, not taking strong ideological positions. At the same time I tried to avoid to reinforce or undermine expressed strong beliefs. Furthermore, I was careful to present myself and assure that there was no uncertainty among interviewees about my person and my motivations. I attempted to always make sure that the interviewees and subjects of observation were aware of the purpose of the research. However, I cannot state with certainty that all participants of the research experienced me in a similar way. Instead, I acknowledge that in some interviews I reflected a more business friendly attitude, while in others I might have been perceived as more environmentally committed. This is deemed unproblematic (especially because I carefully avoided to reinforce such perceptions).





# Analysis

The purpose of this chapter is to perform an analysis of all research conducted for this thesis. My research has led to five scientific articles, as well as some additional publications (see list of publications on page 11). The five articles that constitute the major empirical and analytical work are summarized in table 2. The five articles follow the research logic outlined in this thesis (see figure 9). The first article provides a general view of sustainable retailing. It takes a broad perspective on sustainable retailing in all markets that follow market-economic principles. Article two also addresses a general level of sustainable retailing, focusing on Western Europe. Articles 3, 4 and 5 move closer to the micro-level sensemaking process of sustainable consumption and production with the retail store gaining more importance.



**Figure 9**

Two connected illustrations of the research logic of this thesis. The figure to the left illustrates the conceptual theoretical model of sustainable retailing applied in this thesis (see figures 5 and 6), the figure to the right illustrates the methodological focus throughout the thesis work (see figure 1).

To accommodate for interesting reading and avoid repetitiveness, I chose not to provide lengthy summaries for each article. Instead I offer a brief overview of the articles in table 2 and then follow a meta-analytical approach in this chapter.

Table 2: Summary of research articles

Paper	Organisation level	Geographical focus	Theory	Methods	Main contribution to this thesis
Lehner & Halliday, 2014	Central decision-making (HQ)	all market economies	NIE theory, CCT, Value co-creation theory, brand theory	Secondary literature analysis	A market-oriented approach to sustainable consumption requires a more consumer culture centered approach; brands are an important tool
Chkanikova & Lehner, 2014	Central decision-making (HQ)	Western Europe	NIE theory	Semi-structured interviews, Focus groups	Brands have to be embedded in the wider sustainable consumption debate and build on it to be successful
Lehner, 2015	Interplay central (HQ) – local (store) decision-making	Sweden	Sense-making theory	Semi-structured interviews, store observations	Relevance of local sense-making (in the retail store) in sustainable consumption
Klintman & Lehner, n.d.	Interplay local (store) decision-making with customer expectations	Sweden	CCT, influenced by dual process theory	Focus groups	Relevance of social motivation in sustainable consumption; Importance to acknowledge the socio-cultural nature of consumption
Lehner, n.d.	Consumer decision-making in the store	Southern Sweden	CCT, Involvement Theory	Semi-structured interviews, Consumer and store observations, 3-week collections of receipts	Potential for increased sustainable consumption through recognition of socio-cultural and contextual influences in sustainable consumption; Retailers must engage and facilitate

Legend: HQ = headquarters, NIE = new institutional economics, CCT = consumer culture theory

## Sensemaking in sustainable retailing: a case-by-case approach

Collected data clearly showed the diversity and fluidity of sensemaking in sustainable retailing. Interviewed retailers appeared well aware of the complexity of the sustainability discourse. This means that they largely understand that sustainability is to a great degree a societal discourse that does not offer clear decision guidelines. In interviews they repeatedly pointed towards the complexity and uncertainty retailers face in their work with sustainability. Retailers also pointed out that stakeholders' interest in some cases strongly focus on a very specific aspect of sustainability. Transport was named in one interview as such a focus area. In this interview the retail representative described media, followed by consumers, as putting much emphasis on the geographical distance between point of production and point of sale in connection with climate change.

[Our] focus on transport is partly the result of consumers thinking that 'you retailers transport so much' ... even if for the entire lifecycle the more important question actually is how the production happens. (HQ2)

The interviewed retail representative stressed that there was little objective support for this particular emphasis on transportation as the correlation between the geographical distance and that the total carbon dioxide emissions is weak for food.

A difficulty for retailers in this respect is to determine how strong and lasting such focus on a certain aspect of sustainability is. Retail representatives stressed that they must be cautious how and to what degree they accommodate different aspects of the sustainability discourse, as the focus on a particular topic can shift. Even though retailers appeared cautious not to follow stakeholders' focus too quickly and uncritically, they stressed the need to act upon various stakeholder interests.

There is no answer to what is best. That depends on the perspective. That's why a company has to decide what is best ... Sustainability was so hot that everyone wrote into their strategy plans that they would work with it, but then nobody knew how. ... The important thing is to listen to consumers, to stores, to other actors, and then decide as a company what to do. (HQ2)

This was partly justified with the desire to avoid regulatory intervention. Retail representatives emphasized their preference for continuous low regulatory intervention in the field of sustainable retailing. Several retail representatives voiced

fear that regulatory intervention would undermine their flexibility in working with sustainability in a way that fits their business.

Development is faster if it happens according to consumer demand rather than regulation. ... It is important that the law protects the consumer ... [but] it is possible to develop the retail industry without new regulations by listening to the consumer ... the problem with regulation is that it often turns out to be complicated. (HQ2)

In Lehner (2013), I describe how retailers deploy a range of ways to deal with sustainability issues, depending on market demand, public pressure and their business model. From interview accounts of retail representatives I conclude that retailers have developed a diversification strategy to deal with stakeholder pressure. Depending on the topic in question, they put themselves in different roles in respect to different aspects of sustainability. They portray themselves as either passively following market demand or actively promoting SCP. They also fluctuate in how much agency they give to the consumer in their accounts of sustainable retailing. In some cases they put most responsibility on the consumer, in other cases they readily accept responsibility for increased sustainability in the food system. An example for the latter is fish consumption. Pressured by the WWF, most Swedish retailers have decided to ban 'red listed' fish from their stores. In one interview a store manager described this move as bad for business but necessary for moral reasons.

This thing with red listed fish was a decision that happened higher up. There are many different recommendations, and respectable retailers follow these. Of course, when you look around out here then you find that many shops let the customer choose. They completely ignore their responsibility and earn a lot of money with it. ... For me, here, where we are located, this [fish policy] meant a loss in sales. All the others around us – the immigrant shops – sell those fish. So then it [i.e. red listed fish] is not hard to get. They don't buy a different fish at my store instead, but go somewhere else and buy it. (Store 13)

This logic hints towards high stakeholder salience of the WWF for national retailers (as opposed to small independent stores) in the field of fishing. This outcome is far removed from how another retail representative reasons around meat consumption.

The majority [of consumers] will never become vegetarian, but one can reduce meat consumption through smart solutions. ... It is not easy to influence food habits ... it's about offering food alternatives that are not too radical from what people are used to, so step-by-step. (HQ4)

Here, stakeholders appear less forceful and less united in their demand. The retailer therefore puts the pressure for action more on the consumer, while arguing for the economic loss stronger action on meat consumption would imply. The balance between market demand and stakeholder pressure, combined with retail-specific

criteria such as reputation/historical legacy and organizational expertise, seems to determine how a retailer makes sense of various sustainability causes. Retailers can therefore follow several different approaches to how they make sense of the sustainability discourse. They can behave as ‘innovator’ in an area where they see economic potential (e.g. organic food; i.e. offer new products, innovate their own retail brands, develop new services), ‘responsible societal actor’ in another area where stakeholder pressure is strong and united (e.g. GMO or fish; i.e. remove products from their shelves), and ‘informer’ when it comes to a third area where pressure is not strong enough to force the retailer to impose changes upon the market and market opportunities appear limited (e.g. climate change; i.e. provide information, offer the consumer advice).

Thus, retailers appear to make sense of SCP in a highly pragmatic way, in which stakeholder pressure and business interests get most attention, while scientific evidence only plays a marginal role in how they determine how to work with SCP. Pro-active behaviour by retailers is most likely where there appears to be a market opportunity, combined with the threat of regulation looming in the case of inaction.

## Standardization and flexibility: two complementary approaches to sustainable retailing

My research shows high appreciation among retailers for third party certification in sustainable retailing, as well as an increasing focus on retail-owned brands as a means for retailers to operationalize sustainability. These two trends – standardization and flexibility – which at first might appear to exclude one another, are in fact compatible with each other.

Third party certification and labelling is a well-established and appreciated tool in retailing to bring order to the sustainability discourse. Observations conducted for this research showed that retailers stock a large number of third-party labelled products for consumers to choose from, and interviews with retailers suggested that they actively support the market success of third party certification and labelling (e.g. Coop Nordic accepts lower margins and lower market demand for organic products compared to other products). This standardization approach to sustainable retailing is also popular with stakeholders. In the research I conducted with consumers, for example, it was clear that they greatly relied on labels such as ‘organic’ or ‘Fairtrade’ to orient themselves in the retail space. These consumers looked for simplicity and trusted guidance in their decision-making.

Third party labels therefore provide a popular solution to both retailers and stakeholders. Retailers acknowledged the invaluable role third party certification and

labelling have in sustainable retailing. Without exception interviewed retailers stressed their dependence on third party certification in their work with sustainability. This dependence becomes apparent also in the reliance of retailers' brands on such labels. Well-developed brands such as Coop Sweden's *Änglamark* or Rewe Austria's *Ja! Natürlich* ('Yes! Naturally') all rely on third party certification to strengthen their claim for sustainability. A striking example here is Aldi Austria's sustainable food brand *Zurück zum Ursprung* ('Back to the origins'). The brand was launched in 2006 without reliance on third party certification. Despite the marketing efforts of Aldi, in 2008 the retailer decided to give up on the idea to position the brand as sustainable without third party support for their claims and acquired the organic label for all products sold under the brand name.

However, third party labels are non-exclusive. Therefore, any effort to encourage consumers to consume more of such labelled products is easily copied by competitors. Third party based work with SCP is therefore unlikely to provide sufficient incentives for retailers to engage in market development. Furthermore, it became clear that third party certification is too supply-side focused and inflexible for effective market-oriented work. My research showed that retailers try to counter this shortcoming of third party certification and labelling by super-imposing brands upon these independent labels. Anselmsson and Johansson (2007) claimed that retailers' eco-brands increasingly develop into what they call '4th generation brands'. They claim 'in generation four, the products are advanced private brands; innovative products or product-lines, not introduced as 'me-too' products but with the aim to drive and build markets by themselves' (Anselmsson & Johansson, 2007; p. 836). Private eco-branding allows for a long-term approach to sustainable retailing in an economically feasible way.

Under their retail brands retailers combine a great variety of efforts for sustainable retailing. They co-operate with commercial and non-commercial partners (e.g. 'Meet your farmer' at Marks & Spencer, The Co-op UK's work with Fairtrade, the 'Love Food, Hate Waste' campaign in the UK, Swedish retailers' cooperation with the WWF on fish consumption). They also use their brand(s) to spearhead certain causes. In Austria, for example, both Rewe International and Aldi use their well-known sustainability brands to promote and develop organic farming. In the UK, the Co-op has become a vocal supporter for the Fairtrade movement, engaging in the public debate for fair trade practices between the rich and the poor world, and has converted all of its own-brand products into Fairtrade-certified products. Retail brands are also used to engage in the public debate. In Austria, as a response to the pesticide and bee-protection debate in the EU and the Austrian government's initial decision to vote against the ban of the blamed 'nionicotinoids', the two retail giants Rewe (in Austria: Billa) and Aldi (in Austria: Hofer) joined the chorus of critics and outspokenly demanded more efforts to protect bee colonies. Under the umbrella of its 'Ja! Natürlich' brand, Billa aired a TV commercial vilifying the sellers of these pesticides

and started to promote bee-friendly gardening, and Hofer introduced the *Projekt 2020*, a broader sustainability campaign which also included the erection of bee hives in Hofer's Austrian headquarters. A similar 'brave' act had been performed by Coop Nordic in Sweden in 2002, who – under its 'Änglamark' brand – aired a TV commercial vilifying pesticides in general and arguing for the superiority of organic food. Coop Nordic was taken to court for this advertisement, which was eventually banned.

Retail brands thus fulfil an important role in developing market demand for sustainable products. Through the development of brands, retailers pick up on, operationalize and internalize into the market societal concerns aired through the broader public debate. Many retailers have developed their own sustainable 'super brands' to cover their activities under one brand name (*Pro Planet* at Rewe, *Änglamark* at Coop Nordic) or created specific brands for a specific cause (as witnessed in Austria, where the German retail chain Rewe has managed to make its own organic brand *Ja! Natürlich* a synonym for organic agriculture [Vogl & Darnhofer, 2004]).

However, my research also points to the limitations of brand-based sustainable retailing. Retail brands have so far not managed to achieve the same level of trust among stakeholders that third party certification enjoys. Judging from interviews with retailers and stakeholders it does not appear that this is going to change any time soon.

Furthermore, supply-side restrictions also limit retailers' efforts to focus their sustainability work exclusively on brands. The complexity of supply chains, the increased liability retailers have for their brands compared to third party labels and the high costs of monitoring and verifying compliance in supply chains all explain why retailers have shown a preference to build private eco-brands on the basis of existing third-party certification schemes. Only the largest retailers have the in-house capacity to develop and evolve sustainability standards without external support at all, and even then it is highly unlikely that this expertise stretches to all product groups and supply-chain structures.

My research shows that retailers are best served where they combine standardization (third party certification and labeling) and flexibility (retail brands). Indeed, retailers have shown to pursue such a combined approach in the operationalization of sustainable retailing. By combining trusted but inflexible third party labels with the flexibility of a brand, retailers manage to accommodate for the diversity and vagueness present in the sustainability debate. The research demonstrates a future role of third-party eco-labels in supporting the implementation of sustainable retailing. Given the wide product ranges, the complex nature of sustainability issues and the sheer number of suppliers in the retail procurement network, it becomes practically impossible for retailers to perform these tasks unilaterally. In Chkanikova & Lehner (2014), we



suggest that private eco-brands will function under support of third-party certification. The role of the latter is anticipated to transform from being an independent market institution that sets and manages the sustainability agenda in sustainable retailing to becoming a 'service provider' that assists retailers in their efforts to green food markets by reducing transaction costs and liability risks associated with the implementation of sustainable retailing. Only where market incentives are strong enough and supply chain structures allow retailers to take full responsibility over sustainability issues it might be expected that existing third-party eco-labels will eventually be substituted with private eco-brands certified by alternative standards instigated by retail organizations. However, due to associated transaction costs and liability risks, these occasions are limited, with most other constellations encouraging various combinations of private eco-branding and existing third-party certification that altogether facilitate retailers' efforts to support SCP in food markets.

## The translation of stakeholder demands into market action

This thesis suggests that the way Swedish retailers approach sustainable retailing is pragmatic, searching for those topics that satisfy their stakeholders in a way that is beneficial to their business. Which topics retailers choose to focus on seems to be the result of their internal expertise, their stakeholders' expectations and demands, media attention, market demand/trends and competitor action. Some of these parameters affect all retailers equally, while others are more specific to an individual retailer. For the Swedish market this has led to many similarities across retailers. For example, organic agriculture is a dominating theme on the market and is generally accepted by retailers, consumers and other stakeholders alike as representative of SCP. Therefore organic food is offered and promoted by all major retail chains. However, even though it became clear in this study that all major Swedish retailers cover many of the same SCP issues in one way or another, there are differences in the details of how sustainability is presented to the market. This materializes, for example, in differences in which aspects of sustainability are emphasized and how these are communicated. As this study has shown, stores can play a significant role in the process of "fine tuning" sustainability messages to local contexts. The tendency to adjust in-store efforts to promote SCP was apparent throughout interviews with stores. This thesis therefore demonstrates the multi-layered nature of sensemaking in sustainable retailing.

However this multi-layered process appears to happen more as a side effect of organizational structure rather than being recognized and institutionalized. It became clear that HQs focus on different influences compared to stores in their sensemaking

of SCP. HQ-interviews gave an image of sustainable retail efforts being most beneficial to the retailers' overall brand image. This general reputation and brand value seemed almost as tangible and important to CR-managers as actual sales and profits. CR-managers talked about long-term strategies and retailers' overall image in the public mind. Some interviewees at the HQ-level claimed that the effect of working with sustainability in retailing would reach far beyond actual sales and create a favourable perception and a feeling of satisfaction even among consumers not purchasing the products. HQ representatives appeared willing to forgo short-term benefits to achieve long-term results.

## **The role of the retail store in translation**

Store-related empirical data offered a different picture. During interviews in the retail store – both with retail representatives and customers – an image of immediate intimacy between stores and customers became apparent. In several store interviews and observations a considerable degree of store-level sensemaking was observable. Interviewed store managers described the in-store sensemaking in the following way:

We meet customers in the store and they ask for various things, it is as easy as that. To listen to the customers is the small businesses' success. ... We are waiting to remake our store, and while waiting we have asked ourselves what it is our customers always ask for. ... Then we checked who lives in our neighbourhood, and one and two person households dominate totally and people are under 32 years old on average and we thought that we had difficulties adapting to the customers we had ... We had a [vegetarian] that worked here and we took all [products] that were available, and we did that for our customers ... not that they demanded, but that was a way to attract our young folks. We have only received positive response from our young customers. They thanked us that we have so [many of these products]. ... So now we take in all we can find basically to become even better. (Store 1)

or

There are three parts involved [in how the store works with sustainable consumption], the customer, what Coop wants, and we in the store – and we work together pretty well ... we follow different recommendations [from NGOs] like “you shouldn't do this” and Coop usually follows these very well, I think. ... Coop is for organic and they [i.e. HQ] want that we promote the organic product assortment. ... Sometimes it happens that one has one of those people that really care for sustainability [among the store employees], but we don't have one of those now. We have the customers, though, and they ask and we keep our ears open. (Store 3)

In-store sensemaking was described as to a considerable degree influenced by stakeholders in the immediate vicinity of the store, having influence both on the store staff and the store customers. This led to variations in how stores operationalized sustainability. This was particularly visible in the case of the Swedish market leader ICA.

An ICA store in Malmö, for example, focused on organic food, going beyond the average ICA store. Next to marketing and offering ICA's own *I love eco* brand and the range of standard organic products that are offered in most ICA stores (e.g. organic dairy products from the Swedish dairies *Arla* or *Skånemejerier*), the store put much effort into promoting a large assortment of additional organic food products. In repeated store observations these products gained a prominent position in the store as they were displayed and discounted to the consumer in the entrance area of the store. The storeowner explained the effort to promote organic food by referring to the store's many young customers that are very interested in environmental issues.

We always get questions why we don't have more cereal flakes and nuts on the shelves [i.e. health-related], and they ask about organic. ... We are in a student area with "soft" students; doctors [i.e. MPs], sociologists, dentists, artists. ... Here we have the crowd that shop at a second hand shop. ... But then they are price sensitive also. That's one and the same person. We have to try to sell to those, focus on organic and vegetarian, but also offer cheap options. (Store 3)

The owner of the store also pointed out these customers' flexibility in their shopping routines, which made it possible for the store to purchase large quantities of an organic product when the opportunity to get a special discount offered itself and sell it off to this customer group.

Another ICA store in this study put much emphasis on food waste and developed a service in which the store employed chefs to turn food that approached its best-before date into ready-to-go lunches and dinners to be sold in the store. The fact that the food was prepared from food that otherwise had gone to waste was clearly communicated to customers. The store is located in walking-distance from a large Swedish university and according to the store owner its customers – due to their income, education and values – are receptive to information concerning sustainability and willing to accept such innovative ideas. To communicate better with this customer segment the store has created its own homepage, flyers and in-store promotional material. Apart from a focus on food waste, the store also markets the fair-trade label very prominently in the store (with large posters and product-specific information about fair trade) and participates in fair-trade campaigns such as the fair-trade breakfast. This can be explained by the fact that the owner of the store is personally engaged in the fair-trade movement – she is a fair-trade ambassador – and that the municipality in which the store is situated is a fair-trade city.

A third ICA store studied for this research displayed strong focus on local food. This store put great emphasis on the *Smaka på Skåne* ('Taste Scania') label. Behind this label is the *Scania Food Innovation Network*, a branch organization that promotes regional food craftsmanship in Sweden's most Southern region. A store observation and an interview with the owner of the store revealed the store invests resources in communicating the initiative to its customers and into the promotion of the consumption of these products. Moreover, the storeowner is a member of the initiative's retailer council.

Comparing these three stores, all of which belong to the same retail organization, reveals that these stores all make an effort to position themselves as sustainable stores. However, all three produce significantly different outcomes. Interviews with these stores as well as with customers from these stores indicates that this variation is due to a different local composition of stakeholder influences and market demand, combined with specific knowledge and skills in each store. It is important to point out that all of these stores also followed the general efforts conducted by ICA to bring sustainability into the retail store, for example through the promotion of various ICA-brands and by following general recommendations on, for example, not selling red listed fish and sea food:

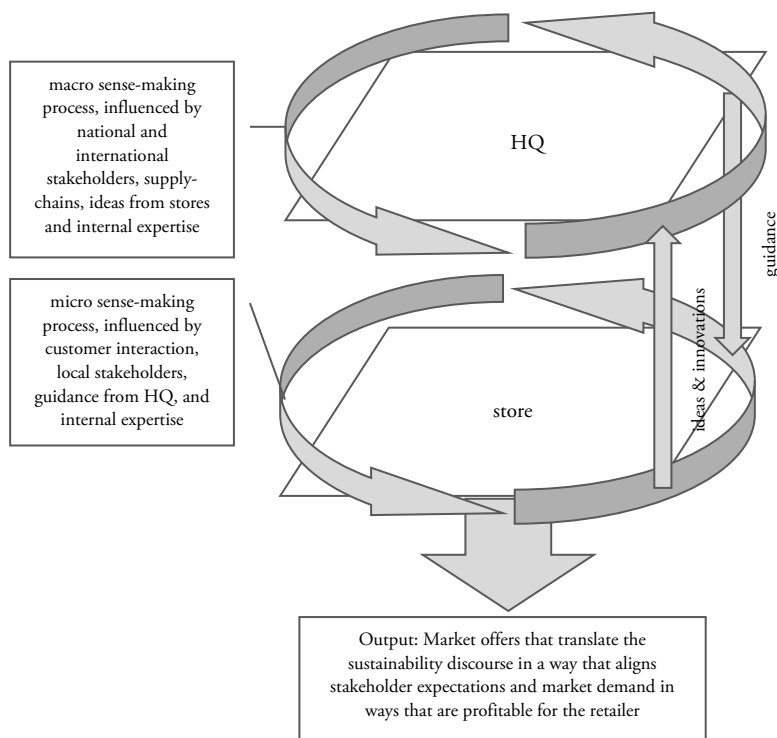
No, we don't have problems with that [i.e. following the sustainable fish debate]. All that is ICA central's [i.e. HQ] responsibility. Take prawns as example. ICA's headquarters went out and told all stores not to sell these anymore. Our suppliers couldn't guarantee the production conditions. So ICA didn't want to sell anymore. We even have a system in the cash register where – for example with prawns – the machine stops you from selling it. That happens in the headquarters. They press a button. I can bypass the system [note: the interviewee is a free merchant and owns the store], but I won't do that because I have received a recommendation from the headquarters. (Store 6)

Numerous store representatives pointed out how crucial they perceived guidance from their headquarters as guidance in the societal sustainability debate. What my research revealed is that stores focus on the immediate local discourse in their sensemaking efforts while they trust their HQs to make big and complex decisions such as to ban a certain fish species from their shelves. This was repeatedly stressed as important for the store, as the sustainability discourse provides too much complexity for an individual store to keep up with.

Compared to HQs, change agents at the store level appeared to define their understanding of sustainable retailing to a high degree based on immediate interaction with customers and the local store environment. While store managers acknowledged the importance of the larger societal discourse, the role this rather complex discourse played in their daily work seemed relatively limited. ICA stores in particular gave the image of being very active, locally embedded stores with good

knowledge about customer preferences and willingness to use this knowledge to lead the way in SCP. Due to the de-centralized owner structure of ICA, this observable differences could be explained with the franchise structure of ICA stores and the connected high degree of agency on the store-level. Local store-ownership seemed to encourage local niching within the sustainability debate, with some stores focusing on local food, others on vegetarian/vegan diet and yet others on labels such as 'organic' or 'Fairtrade'. In store interviews knowledge of the context and the customer base was stressed time and again as success factor in dealing with SCP in the store and as prerequisite to innovate into niches and create store-specific offers that meet customer preferences. Store interviews also highlighted the crucial role of HQs for the store-level sensemaking process of sustainable retailing in that they provided guidelines for how to remain within the limits of the broader sustainability discourse. HQs further seem to be crucial to guarantee a baseline for the understanding and promotion of sustainable consumption in the store in cases where there is little or no interest and willingness to actively engage in sustainable consumption on the store level. Particularly for a case like ICA, with much freedom to follow local trends, which can also lead to gross underperformance in a particular store's performance, this function appears important. Here, ICA's HQ provides the function of setting the minimum requirement for a store's work with sustainability.

Figure 10 illustrates the simultaneous sensemaking process of sustainable retailing at the HQ-level and in the store and the way these two processes cross-fertilize each other.



**Figure 10**

Idealized sense-making process of sustainable consumption in the retail organization (reprinted from Lehner, 2015; modified); HQ = headquarters

In my research, large diversity of efforts and success to engage with the local sensemaking in SCP was observed. This is because retailers seem to lack the awareness for the strategic importance of the retail store in promoting SCP. Where store-based local engagement with the socio-cultural context could be observed (notably in several ICA stores), it appears to be a side effect of the organizational structure, rather than a conscious decision to use the expertise and unique context of each store. The particular performance of ICA stores observed in this study can likely be explained by the de-centralized organizational structure of ICA. It is therefore easier for individual ICA stores that are exposed to strong pressure to engage with SCP on a local level to adapt their promotional activities accordingly. ICA stores were influenced by employees (i.e. vegan diet), local campaigns (e.g. the 'Smaka på Skåne' effort to promote local food), or focus areas of local politicians (such as the decision to make

Malmö and Lund Fairtrade cities). Such influences are different for every store, and ICA stores face less organizational obstacles to react to them.

This thesis also shows that stakeholder pressures seem to align better with local market demand. This is because local stakeholder pressures impact retail stores and market demand alike. It is therefore more likely that local stakeholder pressure aligns well with local sensemaking about SCP. It is therefore easier to align stakeholder pressure with market demand on a local level, rather than to strive for alignment on a macro-level (i.e. national, international). Here, stores use their knowledge about the local discourse to develop market communication and product offerings that are meaningful in the local context. Consumers appeared to react well to such efforts and could find meaningful SCP propositions when shopping for their groceries.





# Discussion

In this chapter, I will discuss the implications of my results for research/theory, retailers, and policy-makers. This discussion is therefore of both theoretical and practical relevance. Furthermore, I offer a critical discussion of the underlying assumption of this thesis that the market is a suitable arena for the pursuit of sustainable production and consumption, and of the assumption that market actors such as retailers can be expected to implement sustainable consumption and production in the market. I finish this chapter with a discussion of the limitations in scope and design of this study.

## Implications for theory and research

In this thesis much weight is given to the idea of sensemaking in sustainable retailing. I argue that more than for many other aspects of product and service value, sustainability credentials are to a great degree socially constructed. Emerging from the insight that sustainability is a constantly contested and thus fluid concept with multiple understandings all co-existing in society at any given moment in time, this thesis ascribes to the view of retailers as translators in the sustainability discourse. This study therefore supports claims made by Maignan *et al.* (2005) about the crucial role of stakeholders in the successful implementation of sustainability into retail operations. To safeguard a 'licence to operate' and avoid regulatory intervention to enforce sustainability in retailing, it is important for retailers to satisfy stakeholder expectations and thus to identify salient stakeholder expectations (cf. Mitchell *et al.*, 1997). Importantly, this thesis describes the multi-level nature of this process.

The results from this research emphasize the importance of taking into account stakeholder interests on multiple levels. In this thesis, the store-level was discussed as a point of stakeholder influence with significance for successful work with SCP. Mitchell *et al.*'s (1997) 'stakeholder salience model' can therefore be enriched by the insight that power, legitimacy and urgency of stakeholder interests are not homogenous throughout the organizational structure. Differing – and potentially contradicting – stakeholder interests affect the firm on different levels of the

organization. The translational process (cf. Oosterveer, 2012) thus happens on multiple levels, influenced by various stakeholders along the organisational hierarchy.

This implies that research into sustainable retailing should move beyond the Corporate Responsibility departments and official communications of retailers and raises doubts about research that focuses on official communication and the study of 'change agents' at the central retail level (i.e. headquarters). Jones *et al.* (2005) and Jones *et al.* (2011) are both examples of an attempt to understand sustainable retailing through the study of information provided by HQs (e.g. CSR reporting, central marketing). Judging from my research, such an endeavour is only limitedly informative to what sustainable retailing means in practice, as it only sheds light on one aspect of dealing with sustainability within a retail organisation. However, sustainable retailing is formed on several organisational levels. Only a multi-level study into the retail organisation will provide a nuanced understanding of how sustainable retailing is understood and implemented throughout a retail organisation. Such an approach will contribute to a better understanding of retailers' performance in respect to sustainable consumption and production.

My results also offer an explanation to why past research has found it hard to make sense of low market demand for sustainable products and services. Where research into sustainable marketing has taken a deterministic view on what is considered to be sustainable consumption and production— often based on scientific or quasi-scientific reasoning<sup>16</sup> – the results have been of limited use. To focus entirely on a specific interpretation of sustainable consumption (e.g. organic agriculture) and then draw conclusions about market demand is a largely unfruitful endeavour, particularly in the long run. While, for example, organic food is a very popular representation of sustainable consumption and production in the market, it would be unwise to presume organic food to be a valid representation of sustainable consumption across space and time. Instead, what can be observed is a continuation of interpretations of sustainable consumption and production (Connolly & Prothero, 2003). In some places, local food has achieved a prominent market position; in others the Fairtrade certification is considered the most valid aspect of sustainable consumption (e.g. in the UK). Some social groups that are strongly committed to sustainable consumption and production focus on food waste and dietary choices rather than product labels.

While sustainability-focused marketing literature still focuses very much on how to increase market demand for a specific aspect of sustainable consumption and production, conventional marketing literature has long ago uncovered the importance

---

<sup>16</sup> For example, the reasoning that organic food is a representation of sustainable consumption and production is quasi-scientific, as scientific knowledge is combined with ideological motives to form a systemic approach to agriculture that is described as sustainable.

of group motivations, neo-tribes (Cova & Cova, 2002; Maffesoli, 1995) and value-creation through social interaction (Vargo & Lusch, 2004). The research conducted for this thesis suggests that retailers have an incentive to supplement (and sometimes even substitute) third party certification as independent third-party labels reduce their ability for market-oriented action. Boström and Klintman (2009) claim that one of the biggest disadvantages of the present dominance of third-party eco-labeling in the marketplace for sustainable consumption and production is their focus on production and thereby insensitivity to market demand. By combining various third-party eco-labels, adding supplementary criteria, and customizing the narrative to various niches, eco-brands not only differentiate themselves on the market, but are also more likely to become more reflective and adaptable to consumer interests, concerns and expectations. Sustainable retail literature – specifically the branch focusing on trust – should reconsider its emphasis on rigid third-party certification and study trust in a new light, with more focus on other trust-generating measures in the market. So far, literature concerned with third-party certification often turns towards policy-makers as means to increase market demand (e.g. Jahn *et al.*, 2005). This study suggests that such literature would be well advised to also consider the importance of alternative informal market institutions such as brands as complementary to third parties.

As my research points out, both standardisation and flexibility are important in sustainable retailing. To achieve a consistent strategy in sustainable retailing that deals with supply chains as well as stakeholder preferences and market demand, these two aspects of sustainable consumption and production have to be dealt with together. In what way a retailer combines standardization (e.g. labels) and flexibility (e.g. brands) is, of course, to a great degree dependent on the size and expertise of the retailer. Only the largest retailers will be able to engage in the formation of new informal market institutions such as brands. This suggests a widening divide in sustainable retailing between the largest retailers and their smaller competitors. While the largest global retailers are likely to be able to take more control of supply-chains, smaller retailers will continue to rely on 3rd party labels and public campaigns to follow. Even though numerous studies have looked into the role of retailers in sustainable consumption and production (e.g. Blombäck & Wigren-Kristoferson, 2011; Fuentes, 2014; Jones *et al.*, 2008; Jones *et al.*, 2011; Terrvik, 2001; Tjärnemo, 2001), few studies have differentiated between retailers in terms of their size and ability to generate enough trust and identity around their SCP activities. From my research I conclude that doing so would increase the understanding of future market development concerning sustainable consumption and production.

## Implications for retailers

The unspecific nature of the sustainability debate opens wide spaces for the understanding of sustainable retailing. My research has shown that stakeholders make sense of SCP in numerous ways. My research stresses the importance of acknowledging stakeholder interests on multiple levels in the retail organisation. Stores, as a prominent example, are exposed to a very specific and unique collection of salient stakeholder interests. These stakeholder interests influence how sustainability is made sense of on the local level, and to properly understand sustainable retailing this must be taken into account. By being more receptive to various interpretations of sustainability, retailers can achieve sustainable retailing that is better embedded in the socio-cultural context.

My research suggests that retail brands as well as in-store adaptation to local contexts create a business case for sustainable retailing by allowing retailers to pursue a differentiation strategy from the overall market. The differentiation mechanism allows retailers to protect their investments into sustainable retailing from competitors (who have access to the same third party certifications). There is also some evidence that branding and localization in sustainable retailing both facilitate sustainable consumer behaviour because they make sustainable consumption easy and meaningful. Fuentes (2014b, p. 106) claims that retailers have to make sustainability meaningful in a way that ‘makes sense to consumers and fit their lives and their preferences’. My research with consumers provides a range of understandings and preferences in sustainable food consumption, such as climate friendliness, natural/unprocessed food, efficiency, or holistic thinking which results in a range of consumption strategies: buying organic food, buying local and seasonal, wasting less food and following specific diets.

However, retailers appeared limited in their ability to connect to this variation in understandings of what sustainable consumption and production means. Rather than adjusting SCP to the local dynamics and trends and allow it to be customized to various group identities, there is a continuing effort to start from the top and communicate overly complex environmental problems and rigid control systems to an audience that is limitedly receptive and mostly confused by such information. This implies that a greater flexibility to react to local stakeholder concerns in the store appears to be necessary, as socio-culturally embedded understanding of sustainability can be generated there. This means that sustainable retailing should not only be dealt with in CR departments alone and retailers should become more receptive to understandings of sustainable retailing emerging from the store context. Consumers are social beings whose attributes and actions are conditioned by their location in networks. These groups share passions or emotions and are capable of collective action. Arvidsson (2008, p. 334) writes that “[t]he basis of power [for a business] is the ability to create community – making people feel that they belong to something

greater, nobler and more powerful than themselves". In the future, retailers will increasingly have to not only live up to consumer preferences but also give a feeling of societal meaningfulness to succeed. The value of a product is then increasingly created in the vibrant social networks consumers are embedded into (Zwick *et al.*, 2008). For retailers, this means that they have to engage in a socio-culturally embedded value-creation process of value co-creation, a process in which they use their organizational knowledge and skills in a way that makes most sense in a consumer's emotional and social life. For a firm to successfully adopt this ideal, it is argued that the cultivation of a relationship in which customers participate in the development of customized offers is crucial. In Zwick *et al.*'s (2008, p. 174) words, the company turns into "a facilitator of social communication and co-operation". Peattie (2001), for example, talks about the creation of the right 'habitat' for sustainable consumption to take place. This implies that there is a need for a more contextually grounded understanding of sustainable retailing and how it influences market demand. Fuentes and Hagberg (2013) explain that retail sites can be meaningful and pleasurable places.

The plurality of ideas and interpretations among stakeholders can be understood as chance for sustainable retailing. In Lehner and Halliday (2014), we argue that a higher level of stakeholder concern will result in increasing incentives for retailers to engage with sustainability, as it will offer them the ability to customize and monetize it better than in the past. The materialism on which sustainable retailing is based would here not be marketed as merely 'better', but also as more cultural signals making a social impression on people who want to share alternative identities (Kilbourne *et al.*, 2009, p. 262).

So far, retailers do not appear to strategically support store-led sensemaking and its integration into the wider organizational sensemaking process. Where in-store sensemaking and action was observed in this study it seems to have emerged spontaneously, with no particular recognition in retailers' organizational routines. This is unfortunate as this research identified some innovative approaches to sustainable retailing that emerged from within stores. It thus seems that more active stores increase the chances to successfully create a 'habitat' for sustainable retailing. Where store managers and employees feel agency in the sensemaking process more thought is put into how a retailer's efforts in sustainable retailing relate to the local context. Not only has each retail chain a certain market segment, each store is also exposed to a local understanding of sustainability which often opens up for a very specific logic in respect to sustainable retailing. Stores can use customers' social motivation in their work with sustainable consumption by positioning sustainability in a socially attractive way, for instance by connecting the sustainability efforts to the local culture and social dynamics (directly through personal communication or indirectly through assortment/marketing decisions). Nivå and Timonen (2001) suggest that in order to increase sustainable production and consumption, consumers and other stakeholders could be involved in product development. In my research

successful examples of such a strategy are the WWF-led campaign to abandon red-listed fish from retail shelves. Even though it is hard to conclude from my study how such an approach works best in general, this study implies that local stakeholder groups can indicate such areas of involvement. Fuentes (2014b) stresses the importance for store assistants to be able and willing to relate to consumers' concerns. In my research retailers appear to have become better at enabling store assistants to give meaningful feedback to concerned consumers. However, judging from this study, it is recommendable to intensify cooperation with local stakeholders, be they municipalities, producers, consumer activist groups, or NGOs, as one can assume that these are closely aligned with the context in which a retail store operates. They would therefore be useful in designing and implementing efforts to encourage sustainable consumption and production. Retailers can enter into local partnerships, e.g. on a store-by-store or region-by-region basis. It further appears that they can greatly benefit from the idea and knowledge gathering process that such store-based embeddedness of SCP offers. By putting more focus on the retail store, retailers could therefore benefit from the complexity of the sustainability discourse.

## Implications for policy-makers

Building on the insight that sustainable consumption and production will most likely not be the outcome of informed consumer choice alone<sup>17</sup>, one can anticipate two effective approaches to SCP. One necessitates the redefinition of the institutions that have led to unsustainable consumption and production patterns, a process that will most certainly require major society-wide efforts and bear considerable risk for failure. The second is where companies make an effort to capitalize on the sustainability discourse by applying flexibility and market-orientation to integrating it into their operations and thereby create incentives for them to become a more active force in the promotion of SCP. This second approach could be a much quicker, more stable and controllable process and therefore appears as a more practical solution to the problem.

---

<sup>17</sup> Much literature points to the consistency of the 'attitude-behaviour gap' across markets. The 'attitude-behaviour gap' describes consumers' stated interest and willingness-to-pay for sustainability-related product attributes, while observed consumption levels range much lower. Whereas 81% of Swedes claim to care for a products' impact on the environment, and 50% claim to be aware of the environmental impact of products they consume (European Commission, 2009), the market share of environmentally labeled products is marginal in many product categories (e.g. 3,6 % for organic food [Ekoweb, 2013]). As a result, even in the most developed markets in Europe, to which Sweden belongs (next to Austria, Denmark, and Switzerland), market shares for sustainability-oriented products are marginal.

In this thesis I argue that food retailers are showing signs of adopting a value creation strategy in sustainable retailing. This development must of course be ascribed to the attention of society – and thus stakeholders – to the retailers' role in sustainable consumption and production. A diverse and market-focused approach to sustainable consumption is likely to increase the willingness among retailers to pro-actively work with sustainable retailing (cf. Pickett-Baker & Ozaki, 2008). The use of brands, for example, allows retailers to fine-tune their efforts to fit their markets, and the localization of sustainable retail efforts offers the possibility to adapt to various understandings and preferences in the market. Retail-owned brands should be able to perform an institutional role similar to third-party certification. Much like third party certification, brands reduce information asymmetry and they build trust (Akerlof, 1970). At the same time they are more likely to generate further market growth for sustainable products and services, as they offer a way for corporations to harness gains from investments in the development of this market in terms of brand value and customer loyalty, and so to internalize some of the positive externalities from market development work.

For this to happen, policy-makers should allow for diversity in retailers' sustainable consumption efforts. They should resist a possible urge to aim for a harmonized approach to sustainable consumption and production. This study suggests, for example, that attempts to create legislation that locks the market into one understanding of sustainable consumption and production could be counterproductive. This claim might worry policy-makers because of the seeming freedom and power it gives to retailers. However, retailers do not only gain opportunity by engaging in sustainable consumption and production, they also take more responsibility. A retail brand, for example, is an investment in marketing communication, increasing customer loyalty and what is being termed customer equity (Kotler & Armstrong, 2004), and the opportunity cost for a firm caught cheating is high. There is therefore a good chance that retailers' role in SCP will be constrained to market development and 'translation', with the center of sensemaking remaining outside their immediate sphere of influence. Moraes *et al.* (2011), for example, provide a recent description of sensemaking of sustainable consumption and production centered in the social sphere of consumption communities, with little influence from marketers. It is therefore likely that, instead of dominating the SCP discourse, retailers will become more central in the segmentation and differentiation of sustainable consumption and production. Thereby they will manage to cater to more markets while meeting stakeholder expectations. Ideally, they contribute to a process in which additional costs created by the societal push for sustainable consumption and production turn into added value for their customers. Arnould (2007, p. 105) finds that 'because markets are an institutional apparatus that can be put to many social ends, they also provide space for progressive political action'. Retailers high brand recognition and position in the supply-chain make them

particularly susceptible to public critique (Maloni & Brown, 2006). Arnould's claim is further supported by Neill *et al.*'s (2005) study of stakeholder pressure and its positive impact on CSR activity. Retailers increasingly appear to use their resources to follow societal demands for sustainable consumption and production. Continuous discussions and the resulting expectations make them focus their efforts on finding solutions for many of today's most pressing environmental and social problems. In this respect retailers can therefore be described as partner for society to identify and develop solutions for the challenges subsumed under the term sustainability.

Where legally binding rules and regulations appear necessary, a suggestion could be to initiate regional and local attempts to influence retail action, rather than to focus on a national approach to SCP. Thereby more influence can be given to contextually valid understandings of SCP, with policy-makers, retailers, civil society and consumers being able to act upon mutually accepted understandings of SCP.

## Critical thoughts about the role of the market

This thesis builds on the idea that markets are a suitable institution to deal with the social goal of sustainable consumption and production. This thesis accepts this reality. However, it feels appropriate and necessary to give some space to critique of the idea that market actors – be it consumers, retailers or third parties – are suitable agents to implement sustainable consumption and production.

Markets are probably the most efficient institution society knows to distribute resources. However, markets are not the best institution to promote moral values. Instead, Falk and Szech (2013) found that market interaction tends to erode moral values and make individuals act selfish. Matten *et al.* (2003) claim that it is unlikely that a corporation will ever put citizenship values over corporate goals. Devinney *et al.* (2009) describe Corporate Social Responsibility – a term that is often used to describe a company's efforts to combine economic, social and environmental goals – as an oxymoron. It is reasonable to assume that corporations will only show corporate citizenship where it is in their own best interest. In the end, corporations will always strive to dodge costly civic obligations (e.g. Moisander *et al.*, 2010) and focus on commercializing the morality of society (Fuentes, 2014a). All this implies that markets only ever behave socially responsible when structures are in place to guarantee that achieving societal goals also provides the highest return-on-investment for businesses. The ultimate goal for business is not to 'clean up their act', but to bring more aspects of an individual's life into the market sphere (Kilbourne *et al.*, 1997; Schäfer & Crane, 2005). This leads Matten *et al.* (2003) to the suggestion that



“... if corporations take over vital functions of governments, they should take over to the same degree exactly the type of accountability which modern societies demand from government as a facilitator of citizen rights. Governments are accountable to their citizens and, in principle, could be approved or discharged of their responsibilities through the electoral process” (Matten *et al.*, 2003, p. 118).

To put trust in markets to follow the societal goal of SCP is therefore gullible. Shamir (2008) contemplates the trend towards ‘politics via markets’ “that are based on the mobilization of consumers and the attempt to shape the behaviour of producers” (Shamir, 2008, p. 14). He describes this as epistemological dissolution of the collective in society. It is driven by the idea of moral agency of market actors – responsabilization – and results not in markets becoming more ethical but society becoming less ethical. In a way the responsabilization of markets results in the economization of society, in which any collective moral decision is the consequence of cost-benefit analysis. Dolan (2002) supports this view and claims that to focus on market action to resolve sustainability issues means to try to resolve macro problems with micro solutions.

This critique, I believe, is highly relevant to my research. While I find in my research that retailers have proven receptive to stakeholder pressure, I also raise concerns about increasing corporate dominance over the sensemaking process in sustainable consumption and production. I found that retailers are highly adaptive to external influences and market developments. How they behave depends on the scrutiny they receive and the fear of sanctions from stakeholders in case of failure to live up to stakeholder expectations. This, I claim, poses a long-term risk for sustainable retailing to turn into a profitable (for the retailer) but ineffective (for society) effort to promote sustainable consumption and production. Once retailers achieve (too) high trustworthiness to act in the interest of their stakeholders, the stakeholder scrutiny balancing the power of retailers might diminish or disappear. As sensemaking in sustainable consumption and production is a stepwise process, there is a risk that retailers gain discursive power without stakeholders noticing this process. As the societal discourse provides the foundation for how retailers operationalize sustainability, the co-option of this discourse by economic interests undermines society’s ability to achieve a system of market exchange that qualifies as sustainable.

If so, this thesis might be complicit in the act of ‘responsibilization’ of the market, as it suggests that retailers and consumers can – together and more or less voluntarily, lead only by the societal debate – achieve ethical markets without the need for external regulatory intervention. This thesis therefore potentially gives too much weight to markets and neglects the important sphere of politics. While this thesis describes a potential future role for retailers as meaning-giving agents for sustainable consumption and production, it must therefore be stressed that it is by no means the intention of my writing to suggest that this is the best possible future role for retailers

(and markets more general). By increasing the visibility of the sensemaking process in sustainable consumption and production I merely intend to make this process more accessible to retailers, policy-makers, researchers and other stakeholders. Ultimately, however, more formal regulatory intervention by policymakers might be necessary in order to make sure retailers act in line with societal goals.

# Conclusions

This thesis focused on the contested meaning of sustainability, and aimed to gain insight into the role of retailers in sustainable consumption and production. It studied how retailers currently make sense of sustainability in retailing and how they operationalize sustainability in the marketplace. This thesis also provided some insights into possible future developments and the consequent implications for the retail industry, the market as well as the wider societal discourse. The results of this thesis are thought to help retailers in dealing with a diffuse but increasingly important debate in society about how to implement sustainable consumption and production in the food industry.

In the following, I will summarize the main findings of my research and will provide suggestions for future research.

## Main findings

Sustainability has become more important in the marketplace and numerous consumption niches – e.g. organic food, Fairtrade labeled food, vegan food, local food – have emerged, some with significant growth over the last decades. This thesis found that Swedish retailers acknowledge the importance of the sustainability debate for their operations. Retailers react flexibly to this debate and prove willing to adapt in order to accommodate public critique and prevent regulatory intervention. However, it has also become clear that market development is only weakly related to factual information grounded in improved scientific knowledge. Understanding stakeholders' views and expectations in respect to sustainable retailing is therefore not straightforward, and retailers have to find a balance between various stakeholder expectations in a way that fits their own operations. A prerequisite for retailers to introduce sustainability into their operations is to understand specific stakeholder groups and how they make sense of sustainability.

My results indicate that retailers, both large and small, are in a position to engage in such an approach to sustainable retailing. This requires the development of a system that gathers knowledge about the meaning of sustainable consumption and production from these stakeholder groups. Rather than focusing on the overall sustainability of products and services, retailers should compartmentalize

sustainability to match specific stakeholder groups in a meaningful way. Such a strategy enables variation and differentiation in sustainable retailing.

This thesis describes how retailers in Sweden and abroad already develop such a compartmentalisation and segmentation strategy, primarily through retail brands. These brands often combine various third party labels to develop a more market-oriented approach to SCP. It is likely that this trend will continue to gain importance in retailers' work with SCP. While third-party labels are likely to continue to be of importance, retail brands will become centre stage in the retailer's SCP activities. Brands are better able to capture the socio-cultural aspects of SCP.

Brands function on a macro-level, representing sustainability across the retail organisation. However, sensemaking of sustainable consumption and production is also a local process. My research shows that retailers are more successful in implementing SCP in their operations where they are able to capture the sensemaking of sustainable consumption and production on both the macro- and micro-level. In my research I observed store-based initiatives that had emerged out of the local socio-cultural context and proved highly adapted to the local understanding(s) of sustainability. These observed store-based initiatives had largely emerged without structured organizational support. While retailers invest considerable effort into the establishment and maintenance of sustainability-oriented brands, the retail store's potential to tap into local sensemaking was largely neglected.

Particularly in highly centralized retail organisations this means that much potential to connect to sensemaking in the store context is lost. Next to a focus on brand development, retailers would therefore be well advised to place more importance on the interaction with stakeholders on the store-level. More responsibility for stores in communicating SCP to stakeholders (particularly consumers), and a bigger role in designing retailers' overall SCP strategy hold the potential for a more contextually meaningful approach to SCP for retailers. Store managers and staff displayed elaborate understanding for contextually meaningful understanding of sustainability and are an underexploited source of sensemaking in sustainable retailing. Retailers should therefore aim to encourage engagement with SCP on the store-level, for example by giving store managers more freedom to work with sustainability, dedicating resources to stores for working with SCP (e.g. additional financial resources to pay for an employee's duty as an SCP representative in each store, as already witnessed in some stores) and paying more attention to ideas generated on the store level and supporting these and spreading to other stores, if appropriate.

## Suggestions for future research

Emerging from this thesis is a clear recommendation to direct future research toward the actual purchase situation to understand markets for SCP (cf. Anselmsson & Johansson, 2007). This implies research that studies consumer thinking and action at the point of purchase, as well as how it is influenced by local stakeholders. This will increase the likelihood to understand how consumers think about sustainability when it matters (i.e. when they choose their products) and which influences guide their consumption behaviour. At the same time it questions the value of context-deprived questionnaires, interviews or focus groups, which are all likely to overemphasize the importance of sustainability in consumption choices (Devinney *et al.*, 2010) and provide a misrepresentation of how sustainability is made sense of. While such research is harder to conduct than context-deprived research, the argument promoted in this dissertation is that it would also make the 'attitude-behavior gap' less of an enigma.

Furthermore, it would be worth to investigate how multiple meanings of sustainability interact with retail brands. Another suggestion for future research is therefore to investigate the question to what extent brands draw from the wider societal debate. This includes the question at what point they turn into a potentially negative force that undermines the sustainability debate in order to generate higher profits for the brand owners. I suggest a case study approach to investigate the functioning of sustainability-oriented brands and their interaction with stakeholders.

In relation to the above, it would be of interest to explore the difference in sustainable retailing between socio-cultural environments with high versus low overall concern for the sustainability debate. This thesis has argued for the important role stores have in the adaptation to contextual sensemaking of sustainability. However, one can speculate that the store does not fulfil a similar role in an environment with low concern for sustainability. Interesting in this context is to investigate whether a more de-centralized organisational structure has negative effects on market demand for sustainable products in this case, compared to a centralized structure, as the contextual incentives for stores to address SCP are then low. Such research could, among others, answer the question how significant the role of the store in consumers' and other stakeholders' sensemaking process of sustainability is.

This thesis also suggests that it would be interesting to integrate findings from cognitive psychology into the study of meaning-giving processes in sustainable consumption and production and how the socio-cultural context results in particular behaviour. In food retailing, many acts of consumption are routinized and therefore conducted with little cognitive effort, while some acts of consumption are of high concern (i.e. high involvement decision) for the consumer (Thøgersen *et al.*, 2012). A closer integration between these two areas should result in fruitful results regarding

the phenomenon of sustainable consumption. Studies could, for example, look into how changing socio-cultural meaning of sustainable consumption influences consumption routines over time (i.e. how and when aspects of the socio-cultural sense-making process get introduced into consumption routines).

Finally, a longitudinal study about the development of retailers' sustainability work would bring valuable insight into the changing nature of sustainable retailing. This is particularly interesting from a socio-cultural sensemaking perspective as this perspective assumes a continuous development of social communication and understanding.

# Appendixes

## Appendix 1: Secondary literature reviewed for this thesis

### Sweden

- Axfood (2010) 'Axfoods hållbarhetsprogram',  
<http://www.axfood.com/Global/Milj%C3%B6%20och%20ansvar/H%C3%A5llbarhetsprogram%20Axfood.pdf>
- Axfood (2010) 'Årsredovisning och Hållbarhetsredovisning'  
<http://ir.myreport.se/show/axfood/show.asp?pid=135333910008>
- Axfood (n.d.) 'Sustainability Programme 2011'  
[http://www.axfood.se/Global/Milj%C3%B6%20och%20ansvar/H%C3%A5llbarhetsprogram%202011\\_extern%20\\_eng.pdf](http://www.axfood.se/Global/Milj%C3%B6%20och%20ansvar/H%C3%A5llbarhetsprogram%202011_extern%20_eng.pdf)
- ICA (n.d.) 'Årsredovisning och hållbarhetsredovisning 2011'  
<http://reports.ica.se/ar2011sv/Start/Hallbarhet>
- ICA (n.d.) 'One Tonne Life' report
- KF (2010) 'Hållbarhetsredovisning'  
[https://www.coop.se/PageFiles/4599/KF\\_AR10\\_h%C3%A5llbarhetsredovisning.pdf](https://www.coop.se/PageFiles/4599/KF_AR10_h%C3%A5llbarhetsredovisning.pdf)
- KF (2011) 'Hållbarhetsredovisning'  
[https://www.coop.se/Global/KF/Finansiell%20information/KF\\_HR11\\_indexerad.pdf](https://www.coop.se/Global/KF/Finansiell%20information/KF_HR11_indexerad.pdf)
- Svensk Dagligvaruhandel (2011) 'Svensk dagligvaruhandels arbete för bättre matvanor'

### International

- Asda (2010) 'Green is Normal'  
[http://your.asda.com/system/dragonfly/production/2011/12/15/16\\_13\\_37\\_444\\_Green\\_is\\_Normal\\_ASDA\\_SustainabilityStudy.pdf](http://your.asda.com/system/dragonfly/production/2011/12/15/16_13_37_444_Green_is_Normal_ASDA_SustainabilityStudy.pdf)
- Coop Danmark (2009) 'Ansvarighedsrapport'  
<http://www.e-pages.dk/coopinside/22/>
- Kesko (2010) Corporate Responsibility Report'  
<http://www.kesko.fi/en/Responsibility/Reports/Corporate-Responsibility-Report-2010/>

- Marks & Spencer (2010) 'How We Do Business'  
<http://annualreport2010.marksandspencer.com/operating-and-financial-review/how-we-do-business.aspx>
- Migros (2011) 'Dossier Nachhaltiger Konsum'  
[http://m11.migros.ch/sites/default/files/M11\\_Dossier\\_Nachhaltiger\\_Konsum.pdf](http://m11.migros.ch/sites/default/files/M11_Dossier_Nachhaltiger_Konsum.pdf)
- Rewe (2010) 'Nachhaltigkeitsbericht 2009/2010'  
<http://www.rewe-group-nachhaltigkeitsbericht.de/2010/de/>
- Sainsbury's (2011) 'Corporate Responsibility Report'  
[http://www.j-sainsbury.co.uk/media/171822/cr2011\\_report.pdf](http://www.j-sainsbury.co.uk/media/171822/cr2011_report.pdf)
- Tesco (2011) 'Corporate Responsibility Report'  
[http://www.igd.com/Documents/CSR%20reports/Tesco\\_Corporate\\_responsibility\\_report\\_2011.pdf](http://www.igd.com/Documents/CSR%20reports/Tesco_Corporate_responsibility_report_2011.pdf)
- Tesco (2014) 'Corporate Responsibility 2014/15 half year update'  
[http://www.tescopl.com/assets/files/cms/Tesco\\_and\\_Society\\_HY\\_Update\\_2014\\_15.pdf](http://www.tescopl.com/assets/files/cms/Tesco_and_Society_HY_Update_2014_15.pdf)
- The Co-operative UK (2010) 'Sustainability Report 2010'  
[http://www.co-operative.coop/Corporate/sustainability/2011/downloads/Sustainability\\_Report\\_2010.pdf](http://www.co-operative.coop/Corporate/sustainability/2011/downloads/Sustainability_Report_2010.pdf)
- The Co-operative UK (2011) 'Sustainability Report 2011'  
<https://www.co-operativebank.co.uk/assets/pdf/bank/aboutus/sustainabilityreport/sustainabilityreport2011.pdf>
- Walmart (2011) 'Global Responsibility Report: Building the Next Generation Walmart ... Responsibly'  
[http://www.socialfunds.com/shared/reports/1335850187\\_Walmart\\_2011\\_Global\\_Responsibility\\_Report.pdf](http://www.socialfunds.com/shared/reports/1335850187_Walmart_2011_Global_Responsibility_Report.pdf)





## Appendix 2: List of retail interview partners and store observations

Retailer	Position	Interview type	Store observation
<b>Headquarter</b>			
ICA	Head of Environment and Social Responsibility	Telephone interview	-
Coop	Head of Environment	Telephone interview	-
Coop	Head of Quality Assurance and Environment	Telephone interview	-
Axfood	Head of Environment and Social Responsibility	Telephone interview	-
Willy's <sup>1</sup>	Environmental Coordinator	Telephone interview	-
Citygross <sup>2</sup>	Head of Environment and Quality Management	Telephone interview	-
Netto	Head of Quality Management	Telephone interview	-
<b>Stores</b>			
ICA Maxi, Östersund	Owner; Sustainability coordinator	Telephone interview	No
ICA Torgkassan, Uppsala	Owner	Telephone interview	No
ICA Kvantum, Södra Sandby	Head of Marketing	Face-to-face interview	Yes
ICA Malmborgs Tuna, Lund	Owner and Head of Sustainability	Telephone interview	Yes
ICA Söder, Malmö	Owner	Face-to-face interview	Yes
ICA Kvantum Malmborgs Clemenstorget, Lund	Owner	Face-to-face interview	Yes
ICA Möllevången, Malmö	Owner	Face-to-face interview	Yes
Coop Forum, Lund	Two employees with sustainability interest	Face-to-face interview	Yes
Coop Konsum Torupsgatan, Malmö	Store manager	Face-to-face interview	Yes
Coop Konsum Höja	Store manager	Face-to-face	Yes

Hemköp Centrum, Malmö	Store manager	interview Telephone interview	Yes
Hemköp Karhögstorg, Lund	Store manager	Face-to-face interview	Yes
Citygross Rosengård, Malmö	Store manager	Face-to-face interview	Yes
Lidl Spångatan, Malmö	Employee	Face-to-face interview	Yes
Netto Centrum, Malmö	Store manager	Face-to-face interview	Yes

<sup>1</sup> part of the Axood concern

<sup>2</sup> part of the Bergendahls concern

### Appendix 3: Demographic data for ‘conscious consumers’ and their observed levels of sustainable consumption, and visited stores

Age	Sex	Education	Income (in SEK)	Total Sustainable Consumption (guess in %)	Sustainable of Total Purchases (observed in %)	Range of Sustainable Purchases (in % of Total)
29	female	university	28.000/month	75	32	0 - 100
32	female	gymnasium	100.000/year	50-60	51	29 - 89
59	female	university	195-270.000/year	50-75	17	0 - 67
37	female	university	260.000/year	70	-	-
58	female	university	330.000/year	75	75	0 - 100
44	male	university	200.000/year	-	29	0 - 70
67	female	university	Retired (no data)	35-40	4	0 - 16
33	female	university	325.000/year	75-80	37	18 - 56
25	male	university	Student (no data)	10-20	13	0 - 50
32	male	gymnasium	250-300.000/year	30	-	-
27	female	university	144.000/year	60	66	0 - 100
40	female	university	100.000/year	“almost everything”	71	34 - 100
26	male	university	310.000/year	90-95	77	0 - 92

Name	Location	Store certification	Sustainability profile
ICA Malmöborgs Caroli	Malmö	Svanen, KRAV	Promoting 3rd-party labels, local producers, and artisanal food production <sup>18</sup>
ICA Fäladstorget	Lund	- <sup>19</sup>	Focus on local food <sup>20</sup>
ICA Malmöborgs Clemenstorg	Lund	Svanen, KRAV	Promoting 3rd-party labels, local producers, and artisanal food production <sup>7</sup> , historically known for in-store activism
ICA Mobilia	Lund	Svanen, KRAV	Promoting 3rd-party labels, local producers, and artisanal food production <sup>7</sup>
ICA Tornet	Lund	-	-
Coop Mårtenstorget	Lund	KRAV	Coop positions its brand as the most ethical Swedish retailer
Coop Folketspark	Malmö	KRAV	Coop positions its brand as the most ethical Swedish retailer
Coop Forum	Lund	KRAV	Coop positions its brand as the most ethical Swedish retailer; the store is a test store for sustainable ideas within Coop
Coop Forum Jägersro	Malmö	KRAV	Coop positions its brand as the most ethical Swedish retailer
Citygross	Höganäs	Svanen	Citygross positions itself as favouring Swedish meat and promoting additive-free products
Willy's	Lund	Bra miljöval	Willy's promotes a brand image of being the cheapest retailer in organic food

<sup>18</sup> This supermarket is part of the Malmöborgsgrupp, a cooperation among 6 ICA stores that promotes a unified message of sustainable consumption.

<sup>19</sup> ICA Fäladstorget is in the process of being KRAV certified (anonymous employee, 28-02-2014)

<sup>20</sup> This focus is expressed primarily through the independent label 'Smaka på Skåne' ('Taste Scania', my translation).

## Appendix 4: Focus group participants

Affiliation	Type of organisation	Position	Location
<i>Lund: 3 focus groups with 6 participants each</i>			
ICA Möllevången	Supermarket	Employee and Sustainability Coordinator	Malmö
Netto Centrum	Supermarket	Store Manager	Malmö
ICA Malmborgs Tuna	Supermarket	Owner	Lund
ICA Fäladstorget	Supermarket	Owner	Lund
Ekolivs Co-operative	Corner Store (all organic)	Member	Malmö
Eko-Skafferiet	Farm Store (all organic)	Owner	Bjärred
Fairtrade City	Municipality	Municipal Employee	Lund
Organic Food in Lund	Municipality	Municipal Employee	Lund
Environment Department	Municipality	Municipal Employee	Malmö
Swedish University of Agricultural Sciences	University	Researcher	Alnarp
Cook'n Smile	Non-profit Food Initiative	Founder	Lund
Ethical consumer	-	Writer	Lund
Ethical consumer	-	Researcher	Lund
Ethical consumer	-	Consultant	Lund
Ethical consumer	-	Student	Malmö
Planet Blå	Environment NGO	Founder	Lund
Consumer	-	Massage Therapist	Lund
Konsumentföreningen Solidar	Consumer NGO	Employee	Malmö
<i>Stockholm: 2 focus groups with 6 participants each</i>			
Hemköp	Retailer	CR-Manager	Stockholm
Axfood	Retailer	CR-Manager	Stockholm
KF/Coop	Retailer	CR-Manager	Stockholm
Svensk Dagligvaruhandel	Branch Organization	Coordinator for Product Quality and Regulation	Stockholm
Årstiderna	Distributor for Organic Food	Owner	Stockholm
Konsumentföreningen Stockholm	Consumer NGO	Employee	Stockholm
KRAV	NGO for Organic Agriculture	Employee	Uppsala

Svanen	Environment NGO	Employee	Stockholm
Naturskyddsföreningen	Environment NGO	Employee	Stockholm
Hushållningssällskapens Förbund	NGO	Employee	Stockholm
Sveriges Konsumenter	Consumer NGO	Employee	Stockholm
Formas	Research Funding Agency	Employee	Stockholm





# References

- Akerlof, G. A. (1970). The Market for "Lemons": Quality Uncertainty and the Market Mechanism. *The Quarterly Journal of Economics*, 84(3), 488–500.
- Alvesson, M. (2011). *Intervjuer : genomförande, tolkning och reflexivitet*. Malmö: Liber.  
Retrieved from <http://www.bokus.com/bok/9789147095513/intervjuer-genomforande-tolkning-och-reflexivitet/>
- Alvesson, M., & Kärreman, D. (2007). Constructing Mystery: Empirical Matters in Theory Development. *The Academy of Management Review ARCHIVE*, 32(4), 1265–1281.
- Alvesson, M., & Skoldberg, K. (2009). *Reflexive Methodology: New Vistas for Qualitative Research* (Second Edition.). Sage Publications Ltd.
- Anderson, J. A. & Schoening, G. T. (1996). 'The nature of the individual in communication research', in D. Grodin and T. R. Lindlof (eds.) *Constructing the self in a mediated world*. London: Sage.
- Anselmsson, J., & Johansson, U. (2007). Corporate social responsibility and the positioning of grocery brands: An exploratory study of retailer and manufacturer brands at point of purchase. *International Journal of Retail & Distribution Management*, 35(10).
- Arbner, I., & Bjerke, B. (2008). *Methodology for Creating Business Knowledge* (3rd edition.). Los Angeles ; London: SAGE Publications Ltd.
- Arnould, E. J. (2007). Should Consumer Citizens Escape the Market? *The ANNALS of the American Academy of Political and Social Science*, 611(1), 96–111.
- Arnould, E. J., & Thompson, C. J. (2005). Consumer Culture Theory (CCT): Twenty Years of Research. *Journal of Consumer Research*, 31, 868–882.
- Arvidsson, A. (2008). The Ethical Economy of Customer Coproduction. *Journal of Macromarketing*, 28(4), 326–338.
- Basu, K., & Palazzo, G. (2008). Corporate social responsibility: A process model of sensemaking. *Academy of Management Review*, 33(1), 122–136.
- Bishop, R. C. (2007). *Philosophy of the Social Sciences: An Introduction*. Continuum.
- Blombäck, A., & Wigren-Kristoferson, C. (2011). *Butikens samhällsansvar: Om innebörden av samhällsansvar i handeln* (No. Forskningsrapport 2011:3). Handelns Utvecklingsråd.
- Bonini, S., & Oppenheim, J. (2008). Cultivating the Green Consumer. *Stanford Social Innovation Review*, 6(4), 56–61.

- Boström, M., & Klintman, M. (2009). The green political food consumer. *Anthropology of food*, (S5). Retrieved from <http://aof.revues.org/index6394.html>
- Bryman, A. (2012). *Social Research Methods, 4th Edition* (4th edition.). Oxford ; New York: Oxford University Press.
- Bryman, A., & Bell, E. (2011). *Business Research Methods* (3 edition.). Cambridge ; New York, NY: Oxford University Press.
- Cialdini, R. B., & Goldstein, N. J. (2004). Social Influence: Compliance and Conformity. *Annual Review of Psychology*, 55(1), 591–621.
- Connolly, J., & Prothero, A. (2003). Sustainable consumption: consumption, consumers and the commodity discourse. *Consumption Markets & Culture*, 6(4), 275–291.
- Conrad, J. (2002). „Limitations to Interdisciplinarity in Problem-oriented Social Science Research. *The Journal of Transdisciplinary Environmental Studies*, 1(1), 1–15.
- Coombs, R., Harvey, M., & Tether, B. S. (2003). Analysing distributed processes of provision and innovation. *Industrial and Corporate Change*, 12(6), 1125–1155.
- Corley, K. G., & Gioia, D. A. (2011). Building theory about theory building: what constitutes a theoretical contribution? *The Academy of Management Review (AMR)*, 36(1), 12–32.
- Côté-Arsenault, D., & Morrison-Beedy, D. (2005). Maintaining your focus in focus groups: Avoiding common mistakes. *Research in Nursing & Health*, 28(2), 172–179.
- Cova, B. (1997). Community and consumption: Towards a definition of the “linking value” of product or services. *European Journal of Marketing*, 31(3/4), 297–316.
- Cova, B., & Cova, V. (2002). Tribal marketing: The tribalisation of society and its impact on the conduct of marketing. *European Journal of Marketing*, 36(5/6), 595–620.
- Cramer, J., Jonker, J., & Heijden, A. van der. (2004). Making Sense of Corporate Social Responsibility. *Journal of Business Ethics*, 55(2), 215–222.
- Cramer, J., Van Der Heijden, A., & Jonker, J. (2006). Corporate social responsibility: making sense through thinking and acting. *Business Ethics: A European Review*, 15(4), 380–389.
- Devinney, T. M. (2009). Is the Socially Responsible Corporation a Myth? The Good, the Bad, and the Ugly of Corporate Social Responsibility. *Academy of Management Perspectives*, 23(2), 44–56.
- Devinney, T. M., Auger, P., & Eckhardt, G. M. (2010). *The Myth of the Ethical Consumer Hardback with DVD* (Har/Dvdr.). Cambridge University Press.
- Dobson, P. W., Waterson, M., & Davies, S. W. (2003). The Patterns and Implications of Increasing Concentration in European Food Retailing. *Journal of Agricultural Economics*, 54(1), 111–125.
- Dolan, P. (2002). The Sustainability of “Sustainable Consumption.” *Journal of Macromarketing*, 22(2), 170 –181.

- Einarsson, Á. (2008). The retail sector in the Nordic countries: A description of the differences, similarities, and uniqueness in the global market. *Journal of Retailing and Consumer Services*, 15(6), 443–451.
- Ekoweb. (2013). *Ekologisk livsmedelsmarknad*. Retrieved from <http://www.lrf.se/PageFiles/7910/Marknadsrapport%20slutlig%202013-01-30%20KLAR.pdf>
- Erol, I., Cakar, N., Erel, D., & Sari, R. (2009). Sustainability in the Turkish retailing industry. *Sustainable Development*, 17(1), 49–67.
- European Commission. (2008). *Sustainable consumption and production: a challenge for us all*.
- European Commission. (2009). *Europeans' attitudes towards the issue of sustainable consumption and production* (No. Flash EB Series #256).
- European Commission. (2010). *Smarter and Cleaner: Consuming and producing sustainably*. Luxembourg: Publication Office of the European Union.
- European Commission. (2011). *A renewed EU strategy 2011-14 for Corporate Social Responsibility* (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions No. COM(2011) 681 final).
- Falk, A., & Szech, N. (2013). Morals and Markets. *Science*, 340(6133), 707–711.
- Flyvbjerg, B. (2006). Five Misunderstandings About Case-Study Research. *Qualitative Inquiry*, 12(2), 219–245.
- Fournier, V., & Grey, C. (2000). At the Critical Moment: Conditions and Prospects for Critical Management Studies. *Human Relations*, 53(1), 7–32.
- Fuchs, D. A., & Lorek, S. (2005). Sustainable Consumption Governance: A History of Promises and Failures. *Journal of Consumer Policy*, 28, 261–288.
- Fuentes, C. (2011). *Green Retailing - A socio-material analysis [Elektronisk resurs]*. Lund University. Retrieved from <http://lup.lub.lu.se/luur/download?func=downloadFile&recordOId=2205185&fileOId=2278652>
- Fuentes, C. (2014a). Enacting Green Consumers: The Case of the Scandinavian Preppies. *Culture Unbound: Journal of Current Cultural Research*, 6, 963–977.
- Fuentes, C. (2014b). Green Materialities: Marketing and the Socio-material Construction of Green Products. *Business Strategy and the Environment*, 23(2), 105–116.
- Fuentes, C., & Hagberg, J. (2013). Socio-cultural retailing: what can retail marketing learn from this interdisciplinary field? *International Journal of Quality and Service Sciences*, 5(3), 290–308.
- Fulponi, L. (2006). Private voluntary standards in the food system: The perspective of major food retailers in OECD countries. *Food Policy*, 31(1), 1–13.
- Garvare, R., & Johansson, P. (2010). Management for sustainability – A stakeholder theory. *Total Quality Management & Business Excellence*, 21(7), 737–744.

- Griskevicius, V., Tybur, J. M., & Van den Bergh, B. (2010). Going green to be seen: Status, reputation, and conspicuous conservation. *Journal of Personality and Social Psychology*, 98(3), 392–404.
- Grove, S. J., & Fisk, R. P. (1992). Observational data collection methods for services marketing: An overview. *Journal of the Academy of Marketing Science*, 20(3), 217–224.
- Harris, L. C., & Ogbonna, E. (2001). Competitive advantage in the UK food retailing sector: past, present and future. *Journal of Retailing and Consumer Services*, 8(3), 157–173.
- Hartmann, P., Ibáñez, V. A., & Sainz, F. J. F. (2005). Green branding effects on attitude: functional versus emotional positioning strategies. *Marketing Intelligence & Planning*, 23(1), 9–29.
- Hatanaka, M., Bain, C., & Busch, L. (2005). Third-party certification in the global agrifood system. *Food Policy*, 30(3), 354–369.
- Heijden, A. van der, Cramer, J. M., & Driessen, P. P. J. (2012). Change agent sensemaking for sustainability in a multinational subsidiary. *Journal of Organizational Change Management*, 25(4), 535–559.
- Heiskanen, E., Jarvela, K., Pulliainen, A., Saastamoinen, M., & Timonen, P. (2008). Qualitative research and consumer policy: focus group discussions as a form of consumer participation. *The Qualitative Report*, 13(2), 152–172.
- Holt, D. B. (1995). How consumers consume: a typology of consumption practices, *Journal of Consumer Research*, 22(June): 1-16.
- Holt, D. B. (2002). Why Do Brands Cause Trouble? A Dialectical Theory of Consumer Culture and Branding. *Journal of Consumer Research*, 29(1), 70–90.
- Holt, D. B. (2012). Constructing Sustainable Consumption From Ethical Values to the Cultural Transformation of Unsustainable Markets. *The ANNALS of the American Academy of Political and Social Science*, 644(1), 236–255.
- Ilbery, B., & Maye, D. (2006). Retailing local food in the Scottish–English borders: A supply chain perspective. *Geoforum*, 37(3), 352–367.
- Iles, A. (2007). Seeing sustainability in business operations: US and British food retailer experiments with accountability. *Business Strategy and the Environment*, 16(4), 290–301.
- Jahn, G., Schramm, M., & Spiller, A. (2005). The Reliability of Certification: Quality Labels as a Consumer Policy Tool. *Journal of Consumer Policy*, 28(1), 53–73.
- Johnson, R. B., & Onwuegbuzie, A. J. (2004). Mixed Methods Research: A Research Paradigm Whose Time Has Come. *Educational Researcher*, 33(7), 14–26.
- Jones, P., Clarke-Hill, C., Shears, P., & Hillier, D. (2001). Retailing organic foods. *British Food Journal*, 103(5), 358–365.
- Jones, P., Comfort, D., & Hillier, D. (2005). Corporate social responsibility and the UK's top ten retailers. *International Journal of Retail & Distribution Management*, 33(12), 882–892.

- Jones, P., Comfort, D., & Hillier, D. (2008). Moving towards sustainable food retailing? *International Journal of Retail & Distribution Management*, 36(12), 995–1001.
- Jones, P., Comfort, D., & Hillier, D. (2009). Marketing Sustainable Consumption within Stores: A Case Study of the UK's Leading Food Retailers. *Sustainability*, 1(4), 815–826.
- Jones, P., Comfort, D., & Hillier, D. (2011). Sustainability in the global shop window. *International Journal of Retail & Distribution Management*, 39(4), 256–271.
- Jones, P., Comfort, D., & Hillier, D. (2102). Marketing Sustainable Consumption within Stores: A Case Study of the UK's Leading Food Retailers. *Journal of Food Products Marketing*, 18(2), 96–108.
- Jones, P., Hillier, D., & Comfort, D. (2011). Shopping for tomorrow: promoting sustainable consumption within food stores. *British Food Journal*, 113(7), 935–984.
- Jones, P., Hillier, D., Comfort, D., & Eastwood, I. (2005). Sustainable retailing and consumerism. *Management Research News*, 28(1), 34–44.
- Kilbourne, W., McDonagh, P., & Prothero, A. (1997). Sustainable Consumption and the Quality of Life: A Macromarketing Challenge to the Dominant Social Paradigm. *Journal of Macromarketing*, 17(1), 4–24.
- Koos, S. (2011). Varieties of Environmental Labelling, Market Structures, and Sustainable Consumption Across Europe: A Comparative Analysis of Organizational and Market Supply Determinants of Environmental-Labelled Goods. *Journal of Consumer Policy*, 34(1), 127–151.
- Kotler, P. E. and Armstrong, G. (2004). *Principles of marketing*. New Jersey: Pearson Prentice Hall.
- Kvale, S., & Brinkmann, S. (2009). *Interviews: An Introduction to Qualitative Research Interviewing*. Sage Publications.
- Maffesoli, M. (1995). *The Time of the Tribes: The Decline of Individualism in Mass Societies*. SAGE Publications Ltd.
- Maignan, I., Ferrell, O. C., & Ferrell, L. (2005). A stakeholder model for implementing social responsibility in marketing. *European Journal of Marketing*, 39(9/10), 956–977.
- Maloni, M. J., & Brown, M. E. (2006). Corporate Social Responsibility in the Supply Chain: An Application in the Food Industry. *Journal of Business Ethics*, 68(1), 35–52.
- Matten, D., Crane, A., & Chapple, W. (2003). Behind the mask: Revealing the true face of corporate citizenship. *Journal of Business Ethics*, 45(1), 109–120.
- Marshall, C., & Rossman, G. B. (1996). *Designing Qualitative Research*. Thousand Oaks: Sage.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts. *The Academy of Management Review*, 22(4), 853.

- Mitchell, R. W., Wooliscroft, B., & Higham, J. (2010). Sustainable Market Orientation: A New Approach to Managing Marketing Strategy. *Journal of Macromarketing*, 30(2), 160–170.
- Moisander, J. K. (2007). Motivational Complexity of Green Consumerism. *International Journal of Consumer Studies*, 31(4), 404–409.
- Moisander, J., Markkula, A., & Eräranta, K. (2010). Construction of consumer choice in the market: challenges for environmental policy. *International Journal of Consumer Studies*, 34(1), 73–79.
- Moisander, J., & Valtonen, A. (2006). *Qualitative Marketing Research: A Cultural Approach*. SAGE.
- Moraes, C., Carrigan, M., & Szmigin, I. (2011). The coherence of inconsistencies: Attitude–behaviour gaps and new consumption communities. *Journal of Marketing Management*, 28(1-2), 103–128.
- Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication: stakeholder information, response and involvement strategies. *Business Ethics: A European Review*, 15(4), 323–338.
- Naturvårdsverket (2014). *Förslag till åtgärder för en mer hållbar konsumtion*. Redovisning av regeringsuppdrag. Stockholm. Retrieved on 2015-01-21: <http://www.naturvardsverket.se/Nerladdningssida/?fileType=pdf&downloadUrl=/upload/miljoarbete-i-samhallet/miljoarbete-i-sverige/regeringsuppdrag/2014/hallbar-konsumtion/ru-hallbar-konsumtion-20140915.pdf>
- Neill, J. D., Stovall, O. S., & Jinkerson, D. L. (2005). A Critical Analysis of the Accounting Industry's Voluntary Code of Conduct. *Journal of Business Ethics*, 59(1-2), 101–108.
- Niiniluoto, I. (1993). The aim and structure of applied research. *Erkenntnis*, 38(1), 1–21.
- Nijhof, A., & Jeurissen, R. (2006). Editorial: A sensemaking perspective on corporate social responsibility: introduction to the special issue. *Business Ethics: A European Review*, 15(4), 316–322.
- Nivå, M., & Timonen, P. (2001). The role of consumers in product-oriented environmental policy: can the consumer be the driving force for environmental improvements? *International Journal of Consumer Studies*, 25(4), 331–338.
- OECD. (2011). *Environmental Claims: Findings and Conclusions of the OECD Committee on Consumer Policy*. Paris, France: OECD.
- Ölander, F., & Thøgersen, J. (2014). Informing Versus Nudging in Environmental Policy. *Journal of Consumer Policy*.
- O'Leary, Z. (2005). *Researching Real-World Problems: A Guide to Methods of Inquiry*. London ; Thousand Oaks, Calif: SAGE Publications Ltd.

- Oosterveer, P. (2012), "Restructuring Food Supply – Sustainability and Supermarkets", in Spaargaren, G., Oosterveer, P. and Loeber, A. (Eds.), *Food Practices in Transition: Changing Food Consumption, Retail and Production in the Age of Reflexive Modernity*, Routledge, New York, NY.
- Oosterveer, P., Rossing, G., Hendriksen, A., & Voerman, K. (2014). Mainstreaming fair trade: the role of retailers. *Sustainability: Science, Practice, & Policy*, 10(1), 1210-052.
- Oosterveer, P., Guivant, J.S. & Spaargaren, G. (2007), "Shopping for Green Food in Globalizing Supermarkets: Sustainability at the Consumption Junction", in Pretty, J., Ball, A., Benton, T., Guivant, J., Lee, D.R., Orr, D., Pfeffer, M. & Ward, H. (Eds.), *The SAGE Handbook of Environment and Society*, SAGE Publications Ltd., London.
- Oosterveer, P. and Spaargaren, G. (2012), "Green Consumption Practices and Emerging Sustainable Food Regimes: The Role Of Consumers", in Spaargaren, G., Oosterveer, P. and Loeber, A. (Eds.), *Food Practices in Transition: Changing Food Consumption, Retail and Production in the Age of Reflexive Modernity*, Routledge, New York, NY.
- Organic Monitor (2010). Future of Eco-Labels Debated at Sustainable Foods Summit. Retrieved on 2015-01-21: <http://www.packagingdigest.com/smart-packaging/sustainable-packaging-future-eco-labels-debated-sustainable-foods-summit>
- Pater, A., & Van Lierop, K. (2006). Sense and sensitivity: the roles of organisation and stakeholders in managing corporate social responsibility. *Business Ethics: A European Review*, 15(4), 339–351.
- Peattie, K. (2001). Golden goose or wild goose? The hunt for the green consumer. *Business Strategy and the Environment*, 10(4), 187–199.
- Peattie, K. (2010). Green Consumption: Behavior and Norms. *Annual Review of Environment and Resources*, 35, 195–228.
- Pickett-Baker, J., & Ozaki, R. (2008). Pro-environmental products: marketing influence on consumer purchase decision. *Journal of Consumer Marketing*, 25(5), 281–293.
- Punch, K. F. (2005). *Introduction to Social Research: Quantitative and Qualitative Approaches* (2nd ed.). Sage Publications Ltd.
- Quak, H. J., & de Koster, M. B. M. (2007). Exploring retailers' sensitivity to local sustainability policies. *Journal of Operations Management*, 25(6), 1103-1122.
- Ransley, J. K., Donnelly, J. K., Khara, T. N., Botham, H., Arnot, H., Greenwood, D. C., & Cade, J. E. (2001). The use of supermarket till receipts to determine the fat and energy intake in a UK population. *Public Health Nutrition*, 4(06).
- Saarela, A.-M., Lapveteläinen, A. T., Mykkänen, H. M., Kantanen, T. T., & Rissanen, R. L. (2013). Real-life setting in data collection. The role of nutrition knowledge whilst selecting food products for weight management purposes in a supermarket environment. *Appetite*, 71, 196–208.
- Schäfer, A., & Crane, A. (2005). Addressing Sustainability and Consumption. *Journal of Macromarketing*, 25(1), 76 –92.

- Shamir, R. (2008). The age of responsabilization: on market-embedded morality. *Economy and Society*, 37(1), 1–19.
- Silverman, D. (2006). *Interpreting Qualitative Data: Methods for Analyzing Talk, Text And Interaction*. SAGE.
- Smith, M. J. (1998). *Social Science in Question: Towards a Postdisciplinary Framework*. Sage Publications Ltd.
- Spicer, A., Alvesson, M., & Kärreman, D. (2009). Critical performativity: The unfinished business of critical management studies. *Human Relations*, 62(4), 537–560.
- Sustainable Development Commission. (2007). *Visioning sustainable retail*. Reading Innovation Centre, UK. Retrieved from <http://www.sd-commission.org.uk/publications.php?id=643>
- Symon, G., & Cassell, C. (1998). *Qualitative Methods and Analysis in Organizational Research: A Practical Guide* (1 edition.). London; Thousand Oaks, Calif.: SAGE Publications Ltd.
- Tadajewski, M. (2010). Critical marketing studies: logical empiricism, “critical performativity” and marketing practice. *Marketing Theory*, 10(2), 210–222.
- Tassou, S. A., Ge, Y., Hadawey, A., & Marriott, D. (2011). Energy consumption and conservation in food retailing. *Applied Thermal Engineering*, 31(2-3), 147-156.
- Terrvik, E. (2001). *Att kanalisera hållbarhet: hur dagligvaruföretag översätter miljökrav till handling: en studie om egna miljövarumärken i dagligvaruhandeln*. Göteborg.
- Thøgersen, J. (2010). Country Differences in Sustainable Consumption: The Case of Organic Food. *Journal of Macromarketing*, 30(2), 171 –185.
- Thøgersen, J., Jørgensen, A.-K., & Sandager, S. (2012). Consumer Decision Making Regarding a “Green” Everyday Product. *Psychology and Marketing*, 29(4), 187–197.
- Thøgersen, J., & Ölander, F. (2006). The Dynamic Interaction of Personal Norms and Environment-Friendly Buying Behavior: A Panel Study. *Journal of Applied Social Psychology*, 36(7), 1758–1780.
- Titscher, S., Meyer, M., Wodak, R., & Vetter, E. (2000). *Methods of Text and Discourse Analysis* (annotated edition.). SAGE Publications Ltd.
- Tjärnemo, H. (2001). *Eco-marketing & Eco-management. Exploring the eco-orientation - performance link in food retailing*. Lund Business Press, Institute of Economic Research., P.O. Box 7080, SE-220 07 Lund, Sweden,. Retrieved from <http://lup.lub.lu.se/record/20024>
- Tsarenko, Y., Ferraro, C., Sands, S., & McLeod, C. (2013). Environmentally conscious consumption: The role of retailers and peers as external influences. *Journal of Retailing and Consumer Services*, 20(3), 302-310.
- Tukker, A., & Jansen, B. (2006). Environmental Impacts of Products: A Detailed Review of Studies. *Journal of Industrial Ecology*, 10(3), 159–182.
- Vargo, S. L., & Lusch, R. F. (2004). Evolving to a New Dominant Logic for Marketing. *The Journal of Marketing*, 68(1), 1–17.



- Vogl, C. R., & Darnhofer, I. (2004). Organic agriculture in Austria. *The Organic Standard*, (34), 2–5.
- Weick, K. E., Sutcliffe, K. M., & Obstfeld, D. (2005). Organizing and the Process of Sensemaking. *Organization Science*, 16(4), 409–421.
- Whysall, P. (2008). Values in the Marketplace: What Is Ethical Retailing? *Leadership and Business Ethics*, 177–193.
- Wiese, A., Kellner, J., Lietke, B., Toporowski, W., & Zielke, S. (2012). Sustainability in retailing – a summative content analysis. *International Journal of Retail & Distribution Management*, 40(4), 318–335.
- Zinkin, J. (2004). Maximising the Licence to Operate. *Journal of Corporate Citizenship*, 2004(14), 67–80.
- Zwick, D., Bonsu, S. K., & Darmody, A. (2008). Putting Consumers to Work 'Co-Creation' and New Marketing Govern-Mentality. *Journal of Consumer Culture*, 8(2), 163–196.



# Article I





## **Branding sustainability: Opportunity and risk behind a brand-based approach to sustainable markets\***

Matthias Lehner and Sue Vaux Halliday

In this article we discuss the role of brands in the creation of sustainable markets. We focus on the increasing importance of ethical branding and how it might help to overcome some institutional shortcomings inherent in current market settings. We also discuss the increasing influence of brand communities and the seeming potential for a 'democratisation' of brand value and values. Brands are in this article described as one practical and effective way forward to develop the market for sustainable products further. We illustrate this from examples of food retailing, showing how companies have already started to follow this logic. At the same time this article raises doubts over the long-term effectiveness of a (purely) brand-focused approach to sustainable market exchange. On the one hand we claim that brands have proven receptive to public top-down (i.e. policy makers) and bottom-up (i.e. social movements) pressure. For intensive public scrutiny has resulted in markets developing in line with public interests. Yet, on the other hand, we raise concerns over brands' increasing dominance. Dominance, that is, over the exchange process of sustainable products and services; also over the societal discourse in which sustainability is continuously made sense of. We conclude with the attempt to provide a more nuanced view on brands. We acknowledge their effectiveness in 'bringing sustainable markets to life', but also stress the risk of brands achieving discursive dominance over the (democratically legitimized) public debate. For this undermines societal efforts to 'green' markets.

---

\* We would like to thank the three anonymous reviewers as well as the editorial team of the Journal 'ephemera' for their invaluable critique and sustained suggestions as to how to improve this article.

## The need for sustainable market exchange

Introducing sustainability as a core value and practice in business is said to be one of society's most promising means for safeguarding natural resources and eco-systems. This has led to much interest in how to integrate sustainability into the market-economic system. This view is expressed in the European Commission's (2008) *Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan*, which aims at combining the benefits of economic activity with the principle of sustainable development. It puts responsibility for sustainable consumption and production (SCP) mostly on the shoulders of the two main actors in the market, the consumer and the firm, an approach that strongly relies on market demand (Seyfang, 2005). The European Commission (2011) depicts Corporate Social Responsibility (CSR) as a key tool to achieve SCP, which, it is hoped, will render the innovative potential and market power of individual firms a tool for more sustainable consumption patterns. The problem with this idea, however, is that firms operate in a market setting that does not encourage this kind of behaviour. Given the existing 'rules of the game' (i.e. the institutional market setup), promoting sustainability might well be anticipated to be tricky and unprofitable for a firm. The question this raises is whether policy makers will have to intervene in the market in order to push it towards desired levels of sustainability, or is there a possibility that market actors themselves can develop towards SCP simply due to the pressing necessity to do so?

In this article we discuss the increasingly important role for brands to act as informal institutional arrangements that allow businesses to engage with sustainability. We look at the example of retail brands and their at least partial success in bringing sustainability to the market. We then discuss how this development entails both opportunity and risk for the overall development of the market. Situating our discussion in the context of notions of value co-creation, we reflect upon how the relationship between brands and sustainability can lead to promising alliances between business and consumers and make consumption more sustainable. We finally note the dilemma this approach entails, which derives from the corporate ownership of brands. In the end, we establish a nuanced view on brands, which we believe helps to understand one possible function of brands as 'carriers of sustainability'.

## Branding sustainability

Brands, Akerlof (1970) notes, are company owned quality assurance schemes, and a means to both reduce information asymmetry and build trust. They therefore possess potential to be the foundation for further market growth for

sustainable products and services, as they offer a way for corporations to ‘harness’ gains from investments in the development of this market in terms of brand value and customer loyalty, and so to internalize some of the positive externalities<sup>2</sup> from market development work. Together with another informal market institution – 3<sup>rd</sup> party labelling – brands have played a prominent role in the successful establishment of a market for sustainable products and services. During the last decade or so, sustainability-oriented brands, supported by 3<sup>rd</sup> party labels, have proliferated. The exchange around these brands, and the stepwise familiarisation of consumers with them, has established a meeting place for consumers interested in sustainable product offerings and firms willing and able to offer these products at a price premium.

This development must be praised for two achievements in respect to the shortcomings of the current setup of formal market institutions. First, the existence of brands, supported by 3<sup>rd</sup> party labels, allows consumers searching for specific sustainable product offerings to make seemingly easy and safe choices (Koos, 2011). Brands thus help to overcome the information asymmetry Akerlof (1970) blames for the non-existence of markets for certain product qualities (here: sustainability). Second, brands are a tool well-suited for business to engage with sustainability as they allow firms to ‘occupy’ a certain sustainable cause. This results in (some) internalization of the positive externalities a market actor creates when actively promoting the development (both in size and scope) of markets for sustainable products and services.

Brands, one could argue, are not only the prerequisite for SCP as a business-led strategy, but are also among the most practicable approaches to achieve SCP. In a market where institutional shortcomings hinder the development of sustainable products and services, brands offer an alternative institutional arrangement to establish the trust between consumer and producer necessary for the market to thrive. Brands, therefore, can provide an effective tool for market actors to explore new ways to satisfy unmet demand and actively develop the market.

## The prevalent scepticism towards brands

The proposition that brands are becoming a (or even *the*) major driving force behind SCP and thereby decentre the historically strong social movements rings

---

2 With ‘positive market externalities’ we refer to corporate efforts to support the cause of sustainable consumption and production – through information campaigns, product development, supply-chain efforts, etc. – that result in the market at large becoming more sustainable while the company behind this effort can gain no or little individual benefit from this effort.

alarm bells in many SCP advocates' ears (Thompson and Coskuner-Balli, 2007). Marketing is often criticised for being a primary cause of the very overproduction that promotes unsustainability. Marketing is pictured as a tool to brainwash consumers and so having a negative effect both on society and the individual. It has been challenged for its contribution to the deterioration of our natural environment. It is blamed for over-consumption and said to mostly exist to create artificial wants among consumers (Kilbourne, McDonagh and Prothero, 1997). Marketing, in sum, is perceived as the primary driver of over-consumption (van Dam and Apeldoorn, 1996). As Alvesson and Willmott (1996: 21) note, '[f]rom a critical perspective the discourses and practices of marketing ... are seen to be as much a propagator and seducer of consumer desire as they are an articulation of, or response to, human need' It is further claimed that marketing aims to 'encourage the fulfilment of sociocultural needs through consumption of new goods' (Schaefer and Crane, 2005: 88). Kilbourne et al. (1997: 5) describe marketing's main objective as to encourage a development 'from consuming to live into living to consume'. To keep consumption levels rising, marketers primarily work on the commodification of life in which an imperious market absorbs traditionally nonmarket areas of life. Marketing, it is claimed, wrongly equates increasing consumption levels with increasing quality of life and promotes this view to society, while rarely questioning the implications of this ideal. Marketing, seen through this lens, thereby perpetuates the ideology of consumerism and over-consumption, with all its negative environmental and social consequences. Motivated by fear of the direction and power of marketing, the WWF has critiqued advertising and the (negative) potential brands offer for firms to both 'cover' unsustainable behaviour and shape consumer culture to produce ever-higher consumption levels (Alexander, Crompton and Shrubsole, 2011). Alexander et al. (2011) therefore suggest that the only viable solution to this abuse of market power lies in more civil society activity, while marketing needs to be prevented from unleashing its negative impact by curtailing its pervasiveness in society. Moisander, Markkula and Eräranta (2010) argue in a similar manner by stating that the agency of individual consumers in sustainable consumption receives too much attention while, in fact, individuals' choices and actions are shaped to a great extent by business activities. They state that '[m]arketing activities typically involve the exercise of power on consumers through various techniques and practices of *government*' (Moisander et al., 2010: 74; italics in original). By 'structuring [people's] possible field of action to generate sales' (*ibid.*) marketing co-opts the sustainability idea to generate profits. Brands are, in this context, depicted as refinement of this attempt and therefore act to undermine the ideals of sustainability. Holt (2002: 88) states that '[b]rands now cause trouble, not because they dictate tastes, but because they allow companies to dodge civic obligations'. He also claims that many 'brands seem so



disconnected from, and often contrary to, the material actions of the companies that own them' (Holt, 2002: 88).

From this angle the recent trend of corporations making sustainable causes part of their brand identity is criticised for divorcing social movements such as organic agriculture from their original values and meaning and assimilating them into the market economic system (Niggli, 2005; Reuter, 2002; Thompson and Coskuner-Balli, 2007). This undermines societal efforts to promote sustainability. Proponents of sustainability cast in a negative light the development of mainstream brands starting to 'occupy' the previously mostly independently managed niches of sustainable consumption and production (e.g. organic agriculture, Fairtrade, local consumption), whereby sustainable causes turn into a feature of the brand. The price, it is claimed, that a democratic society pays for the finesse and 'buzz' that brands add to acts of sustainable consumption is no less than control over the overall meaning of sustainability.

### **Putting the consumer in charge of brand values**

Despite the above-illustrated scepticism towards corporate marketing and branding it is often claimed that not less, but more business engagement will be necessary to achieve sustainable markets (cf. Ottman, Stafford and Hartman, 2006; Peattie and Crane, 2005). This is a reaction to the puzzling disparity between claimed consumer concern for sustainability and the size of the existing market (Carrington, Neville and Whitwell, 2010; Chatzidakis, Hibbert and Smith, 2007). What has been termed the 'value-action gap' (or: 'attitude-behaviour gap') persists in most markets where sustainable product alternatives are available and sustainability-oriented products and services remain niches (Thøgersen, 2010; Raynolds, 2009). In order to bridge the gap between claimed concern and actual consumer behaviour it is claimed that more not less marketing is required, with brands as the centre-piece of such efforts. These brands need to intimately connect to consumers' lives and thereby find ways to embed sustainability into individuals' consumption in meaningful and seemingly natural ways (Ottman, Stafford and Hartman, 2006). Ideally, brands here become a tool to integrate sustainability into consumption in ways that provide consumers with emotional and social wellbeing and seamlessly fit into the post-modern consumer's identity-creation project (cf. Arvidsson, 2005; 2008).

This view resonates well with a new stream of ideas on how to view the relationship between companies, the consumer and society at large that has gained popularity in the marketing literature in recent years. It redefines the

predominant idea of how and where value is created (Arvidsson, 2011), and promotes a view in which value-creation has over the last century or so moved from the production line (in the post-Second world war thrift economy), to the marketing department (in the recent needs-creation and consumption-perpetuating overflow economy) to now end up with the consumer (in the global, highly competitive and connected economy of today). The company here turns into a service-provider rather than a seller of goods, with its main objective to facilitate consumers' attempts to create value for themselves and manage to live a good life in an increasingly complex world (Vargo and Lusch, 2004). Competitive advantage for a firm is not so much connected to the control of resources, but the ability to apply skills and knowledge in a way that makes most sense in a consumer's emotional and social life. Central to this idea is the 'value in use' concept, which locates the value creation process not in the production process of a product or the moment of exchange but the moment(s) of usage in a consumer's daily life. As Vargo and Lusch (2004: 7) explain, 'firms can only make value propositions', while the value definition happens in the context of consumption, somewhat detached from the firm's sphere of influence. This is a highly subjective process of value creation with differing outcomes for each consumer. For a firm to successfully adopt this ideal, it is argued that the cultivation of a relationship in which customers participate in the development of customized offers is crucial. To achieve this, the firm has to accept that it does not have total control over its strategy and goals and so be willing to leave it to the consumer to decide the brand meaning for themselves (Vargo and Lusch, 2004). This form of value-creation, which is commonly referred to as 'value co-creation', therefore describes a seemingly chaotic and uncontrolled – one might argue 'postmodern' (cf. Brown, 1993) – process of value-creation which takes place in consumers' daily lives – their buzzing and vibrant social networks – rather than the market as primary site of value definition (Zwick, Bonsu and Darmody, 2008). The value co-creation ideal makes the boundaries of the firm less clearly defined, it is claimed, with customers and their communities having much greater influence on the overall strategy of a firm (Leavy and Moitra, 2006). Value creation more and more becomes the result of processes happening within groups of consumers under the influence of the wider societal discourse. In Zwick et al.'s (2008: 174) words, the company turns into 'a facilitator of social communication and co-operation'. Through the sharing of the firm's superior knowledge and abilities and offering it to the customer for customization within various settings and social networks the final decision how to best use the company's resources to create value is outsourced to the social world of consumers (*ibid.*). Maffesoli (1996) calls these groups 'neo-tribes', which Cova and Cova (2002: 602) describe as 'network of heterogeneous persons ... who are linked by a shared passion or emotion; a tribe is capable of collective action, its

members are not simple consumers, they are also advocates'. 'Value in use' is therefore defined by how well an offering fits the living situation an individual consumer finds herself in, not least influenced by the social communities she is embedded into. The strong relational aspect of value co-creation connects with the fact that valuing, or giving worth, is a community endeavour and based on prior assumptions largely shared in groups (Foxall, Goldsmith and Brown, 1998). People are social beings whose attributes and actions are conditioned by their location within networks.

### **Brands as platforms for collective efforts and social engagement**

'People ... might bowl alone, but they socialize around brands and fan culture', is how Arvidsson (2008: 327) describes the increasingly social and collective nature of brands. Almost 20 years ago Holt (1995) understood that consumption increasingly focuses on brands and today, more than ever, individuals use brands in their self-identification and group identification process (Halliday and Kuenzel, 2008). Brands are increasingly understood as symbols available for individuals to appropriate in constructing their selves 'from a kaleidoscope of social meanings that define the 'who' I can be ... [using] the resources of culture and society' (Anderson and Schoening, 1996: 214). In a consumer culture, the quest for personal meaning has tended to become inseparably linked to brands (Fournier, 1998; Halliday and Kuenzel, 2008; Holt, 1995; McAlexander, Schouten and Koenig, 2002). These connections between consumers and brand messages are, in today's fragmented social order, claimed to be less the result of 'marketer-provoked social manipulation' and more individually owned development of 'differentiated selves' (Arnould, 2007: 102). Consumers are no longer perceived as on the receiving end of the branding process, but rather as 'active agents in the creation of ... linking value' (Cova and Dalli, 2010: 17), and they will more and more 'lock out all but a minuscule subset of the sponsored world' (Holt, 2002: 88). This development is seen as a consequence of the 'increasingly cynical attitude toward all forms of overt marketing and advertising assaults (Frank, 1999; 2000)' (Zwick et al., 2008: 171). Holt (2002: 88) explains that '[the] proliferation of narrowly focused consumption communities, regardless of their particular content, can be understood as a defensive posture toward consumer culture'. Holt (2002), in his dialectical theory of consumers and branding, concludes that '[r]esisting the market's cultural authority in order to enact localized meanings and identities produces a new consumer culture in which identity projects are aligned with acts of consumer sovereignty' (p. 79). Prahalad and Ramaswamy state that:

[d]ialogue is no longer being controlled by corporations. Individual consumers can address and learn about business either on their own or through the collective knowledge of other customers. Consumers can now initiate dialogue. (Pralhalad and Ramaswamy, 2000: 80)

According to Holt (2002), we are entering a crisis of meaningless marketing where brands perceived as artificial will find it difficult to remain successful. At the same time, those brands that manage to appear genuine and meaningful will gain unprecedented levels of importance. O'Guinn and Muniz claim that,

[b]rand communities and other social aggregations of empowered consumers are not going away. In fact society's need for trust and security have rarely been more profound. (O'Guinn and Muniz, 2005: 270)

This changes the logic according to which brand-owners have to engage with consumers. Arvidsson (2008: 334) writes that '[t]he basis of power is the ability to create community – making people feel that they belong to something greater, nobler, and more powerful than themselves'. In the future, corporate brands will increasingly have to not only live up to consumer preferences but also give a feeling of societal meaningfulness to succeed.

Shared values between consumers and the firms they trust have a motivational or aspirational role in individual and corporate lives, 'they keep the transactions together as a relationship entity' (De Ruyter et al., 1997: 303). By letting a brand be shaped by the values of its brand community and credibly pursuing these values, it is assumed that lasting relationships can be built for which brand communities are willing to lend their loyalty to the brand. 'The perception of shared values ... may play a role in the development and maintenance of trust by providing a firmer basis for deciding to bestow (or reaffirm) trust' (Halliday and Christy, 2003: 9). The brand then becomes a platform on which common purpose and direction can be formed. Arvidsson (2011: 268) claims 'the most important source of value in brand communities are those practices that are able to install affectively significant relations among members of the community, and between the community and the public at large'. The most valuable brands are those generating 'ethical surplus' for the community or society at large. With ethical surplus he refers to value 'produced by ethics, or by the ability to install affectively significant relations' (Arvidsson, 2011: 273). This ethical surplus is the result of what the members of a community together define as their values.

The future this logic depicts is one of brands capturing communities' concerns and ethical preferences and translating them into market offerings. In a world significantly influenced by discourses about the dangers of climate change, the risk of biodiversity loss and the need for clean water and a cautious use of non-renewable resources, brands should therefore increasingly be influenced by

ideals of sustainability. In such a scenario, ultimately the collective of ethically oriented brands operating successfully in a market will then in its totality represent ever more closely the multitude of societal concerns and find market solutions to the problems raised in respect to sustainability. A prerequisite for this is of course that the societal discourse surrounding sustainability influences consumer attitudes sufficiently to seek brands that help them to incorporate these values into their identity-creation project and connect to others with similar concerns. Despite the above-mentioned lack of consumer action, numerous studies repeatedly pointing at an increasing consumer consciousness concerning sustainability (see, for example, European Commission, 2009, for a collection of survey data; cf. also Prothero, McDonagh and Dobscha, 2010) provide evidence that this scenario is not unreasonable.

This discussion surrounding identity creation through brands, collective value co-creation and the increasing role of sustainability in society clearly counters the fear of marketing in general, and branding in particular, to fool consumers and lead to ever increasing levels of raw-material consumption and waste creation. The fears raised earlier in this paper might therefore be, as Arnould (2007) claims, a backward-looking perspective to the metanarrative of modernity, which fits the 1960s a good deal better than today.

### **Sustainable branding in practice**

Over the last decade, many companies have shown increasing willingness to engage with SCP issues (Hughes, 2006). These efforts have often developed around brands. One prominent and highly visible example of this trend is the food retail industry, and today most major retail chains can point towards actions taken towards increased levels of sustainability on the markets they operate in. Observable efforts from retailers' brand-led sustainability work have been campaigns, product and service innovations, and co-operation with non-commercial (i.e. civil society, government agencies) and commercial partners (i.e. independent certification organisations, producers). Examples are elaborate origin tracing tools (e.g. 'Meet your farmer' at Marks & Spencer<sup>3</sup>), co-operation with NGOs to educate consumers and increase the availability of sustainable products (such as The Co-op UK's work with Fairtrade) or change behaviour (e.g. the 'Love Food, Hate Waste' campaign in the UK). Retailers have also proven willing to support sustainable trends and become a driving force behind a certain cause. In Sweden, Coop Nordic has pioneered a sustainable fish policy. Based on

---

3 As one of only few retailers, Marks and Spencer was in early 2013 able to stand out by not being involved in the Europe-wide scandal of illegal horsemeat from drugged old horses finding its way into the food chain in many beef- and pork-labelled products.

co-operation with the WWF, Coop has delisted all red-listed fish, which has helped to change the entire retail industry with all major Swedish retailers following Coop's example. In Austria, Rewe International has started to use its well-known 'Ja! Natürlich' ('Yes! Naturally'; own translation) brand of organic food products to promote home gardening with the launch of organic seed and other gardening products, TV and radio spots, a blog, and the launch of (urban) gardening workshops. The 'Ja! Natürlich' brand is also used to create a positive image of organic farming in general, promotes holidays on organic farms and showcases Austria's national parks. In another example from Austria, the discounter Aldi in 2006 launched the 'Zurück zum Ursprung' brand ('Back to the origins'; own translation), which not only lives up to the legal standard for organic agriculture, but also exceeds it and establishes its very own higher brand-related standards. All 'Zurück zum Ursprung' product ingredients are exclusively sourced and processed in Austria (with elaborate source tracking possibilities for each product), the contracted farmers use 'traditional farming techniques' (e.g. only grass feed for milk cows, sour dough for bread production, no use of additives and no use of genetically modified organisms), and the brand supports small scale farming in alpine regions by providing better-than-average contract conditions for participating farmers including long-term co-operation and price premiums above normal (Lindenthal et al., 2010). The brand further invests considerable efforts into consumer education about the 'ecological footprint' concept, with every product containing information about its CO<sub>2</sub>, water, and biodiversity performance. With the 'Zurück zum Ursprung' brand, Aldi Austria reaches out to schools (education material about the ecological footprint is available for free) and concerned consumers (via social media). Some retailers have even engaged in political debates, informing the public and pushing politicians to take action. In the UK, The Co-op has long been a vocal supporter of the Fairtrade movement, engaging in the public debate for fair trade-practices between the rich and the poor world. In Austria, as a response to the pesticide and bee-protection debate in the EU and the Austrian government's initial decision to vote against the ban of the blamed 'nionicotinoids', the two retail giants Rewe (in Austria: Billa) and Aldi (in Austria: Hofer) joined the chorus of critics and outspokenly demanded more efforts to protect bee colonies. Billa aired a TV commercial vilifying the sellers of these pesticides and started to promote bee-friendly gardening. A similar 'brave' act had been performed by Coop Nordic in Sweden in 2002, who aired a TV commercial vilifying pesticides in general and arguing for the superiority of organic food. However, back then Coop Nordic was taken to court for this advertisement, which was eventually banned.

Many of these retailers have also developed their own sustainable 'super brands' to cover their activities under one brand name ('Pro Planet' at Rewe, 'Änglamark' 'Angels' land'; own translation at Coop Nordic) or created specific brands for a

specific cause (as witnessed in Austria, where the German retail chain Rewe has managed to make its own organic brand 'Ja! Natürlich' a synonym for organic agriculture (Vogl and Darnhofer, 2004)).

Many of these examples have received much public attention and are praised for their commitment and effectiveness. In England, Marks & Spencer was awarded 'Responsible Retailer of the Year 2011'<sup>4</sup> for its ambitious 'Plan A'<sup>5</sup> to make the company 'the world's most sustainable retailer'<sup>6</sup>. In Scandinavia, Coop Nordic has strongly linked its brand name with organic agriculture and been named 'Sweden's most sustainable brand' in both 2011 and 2012 by the Sustainable Brands survey (which surveyed 3000 Swedish households)<sup>7</sup>. The German retail giant Rewe was, in 2010, awarded the 'German Sustainability Award' in the categories 'most sustainable initiative' and 'most recycling-friendly company'<sup>8</sup>. In 2009, Aldi Austria was awarded the 'Austrian Climate Care Award' for the 'Zurück zum Ursprung' brand.<sup>9</sup> The Finnish market leader Kesko boasts of having been one of the 'Global 100 Most Sustainable Corporations in the World' since the index was initiated in 2005 (thus for eight consecutive years)<sup>10</sup>.

All these cases can be said to be examples of business using their brand names to pick up on, operationalize and internalize into the market societal concerns aired through the broader public debate (or small but dedicated groups of citizens promoting specific sustainable causes) and thus contributing to the overall societal goal of SCP. Further, these empirical observations illustrate the theoretical claim that branding possesses the potential to fulfil two essential aspects necessary for the success of SCP. First, it provides an informal institutional solution to the information asymmetry caused by existing formal institutional settings of the market. The trust brands are able to build between consumers and firms regarding the reliability of sustainable claims and therefore the justification of price premiums provides the basis for a market for sustainable products. Second, due to the property rights assigned to brands, they offer a means for firms to internalise positive externalities connected to the active development of the market for sustainable products, thereby encouraging them

---

4 Oracle World Retail Awards

5 Marks & Spencer advertises this bold commitment with the slogan 'There is no Plan B'.

6 <http://plana.marksandspencer.com/about>

7 <http://www.sb-insight.com/companies-in-sustainable-brands-2013/ranking-2013/>

8 <http://www.rewe.de/nachhaltigkeit/listing/nachhaltigkeitspreis.html>

9 <http://www.klimaschutzpreis.at/start.asp?b=68&vid=95&id=79>

10 <http://www.kesko.fi/en/Responsibility/Topical/Kesko-on-The-Global-100-Most-Sustainable-Corporations-in-the-World-list/>.

to take the societally demanded active role in the promotion of SCP. This, one could argue, is an early sign of postmodern marketing dreams of co-creational and co-operational value-creation coming true, where private business (meditated through brands) picks up on societal concerns and develops market solutions. This supports the claim that markets indeed will be able to create answers to the sustainability debate without necessitating external interference (i.e. rules and regulations).

## Sustainable brands and public scrutiny

We have argued above that the food industry is showing signs of adopting a value co-creational approach to accommodate societal demands for more pro-active corporate behaviour and that brands have become retailers' favoured tool to introduce sustainable consumption into their customer interaction. We illustrated this claim with examples of big food retail brands that have invested considerable efforts into positioning their brands within the sustainability discourse.

These developments must of course be ascribed partly to the attention of civil society and policy-makers to the retailer role in the food supply-chain, and the resulting pressure. Because retailing has an increasingly central role in the food supply chain it has increasing power to change production and consumption patterns (Dobson and Waterson, 1999; Harris and Ogbonna, 2001; Ogle, Hyllegard and Dunbar, 2004). Retailers have for some time now been in the focus of the discussion on how to implement SCP in the food supply-chain (Jones, Hillier and Comfort, 2011; Anselmsson and Johansson, 2007)<sup>11</sup>. This has led retailers to develop sustainability, and particularly the biggest among retailers have managed to not only comply with public demands, but to exceed them (Havas Media, 2010). The fact that brands are both valuable and very fragile constructs dependent on credibility is believed to effectively prevent empty claims and fraud (Klein and Leffler, 1981). A brand is an investment in marketing communication, increasing customer loyalty and what is being termed customer equity (Kotler and Armstrong, 2004), and the opportunity cost for a firm caught cheating would be high. For not only would trust in sustainable product offerings be undermined, but revenues would reduce, as would the (expensively built) brand value to the firm. Societal pressure cannot be claimed to be the only motivator for retailers to develop a pro-active approach to SCP – cost savings,

---

11 Several governments and other stakeholders across Europe have initiated attempts to influence retail practices; i.e.: The EU's 'Retail Forum', the Nordic Council's 'Retail Forum on Sustainable Consumption and Production', or the 'Visioning sustainable retail' workshops in the UK.



resource scarcity or internal moral hazards, to name but a few, can be other drivers. However, the continuous efforts to build sustainable brands despite often-disappointing market demand (retailers sometimes seem to act almost against better knowledge of what the market demands<sup>12</sup>) point towards the powerful role of societal debate and public expectations in the willingness to invest in sustainability and use brands as tools to convince the market of the advantages of sustainable products and services. This claim is in line with Arnould (2007: 105), who finds that ‘because markets are an institutional apparatus that can be put to many social ends, they also provide space for progressive political action’. This claim is further supported by Neill, Stovall and Jinkerson’s (2005) study of stakeholder pressure and its positive impact on CSR activity. Retailers, we therefore argue, increasingly use privately owned brands to follow the societal discourse. Continuous discussions and the resulting expectations make them focus their efforts on finding solutions for many of today’s most pressing environmental and social problems. The use of brands to introduce sustainability into their interaction with customers and fine-tune it to various customers’ preferences increases the success of such efforts. In this respect retailers can therefore be described as a partner for society to identify and develop solutions for the challenges subsumed under the term sustainability. Retail brands can be seen as useful tools to implement these solutions.

## Defining sustainability

Sustainability has from the day it was coined by the Brundtland commission in 1987 been an only vaguely defined term, open to much interpretation. Historically, the term was given meaning by scientists, policy makers and – not least – civil society. The ideas and ideals sustainability-oriented brands build upon thus come from outside the brand-owners’ sphere of immediate influence. Without a history, Holt (2004) claims, a brand is not a brand. For sustainability-oriented brands to be successful they have to closely align with the societal ideas that make up consumers’ understanding of sustainability. Sustainable brands need to make sense historically and give meaning and thus resonate with consumers. They need to live up to the ethical standards of the society they are embedded into. As Arvidsson (2008) argues, consumers are prone to only pay attention to those brands that provide them with a feeling of meaningfulness, of shared values and of social ties and connectedness with others. To Arvidsson

---

12 British Sainsbury’s, for example, has recently launched a new milk packaging system, which saves 75% of packaging compared to a milk carton but requires consumers to adopt new behavioural routines. This is despite Waitrose’s 2010-decision to stop selling a similar packaging system (introduced in 2007) due to insufficient customer-uptake.

(2011) the ability to create economic value and ethical values coincide. The food retail industry, as we have shown above, is an example of this emerging ethics-based value co-creation approach in which brands turn into a platform on which to integrate all kinds of ethical concerns and moral values into the creation of new products and markets. In the example of Aldi Austria's sustainable brand 'Zurück zum Ursprung', the values it builds upon are clearly emerging from the Austrian culture (regional food, fairness towards farmers, traditional production methods) and the dominant scientific and political debate (climate change, biodiversity, water consumption).

Here we also find the biggest risk with the increasing role of brands as tools to introduce sustainability into markets. This risk lies in brands becoming not only the main stage for sustainable action, but even gaining predominance within the sustainability discourse. Arvidsson (2011) tells us that the expansion of the 'ethical economy' can only work if business accepts that consumers do not provide their co-creational potential for free. What they demand is a 'sense of meaning and purpose to their participation' (p. 270). He does not discuss, though, the importance of where this meaning and purpose derives from. Earlier in this article we discussed the scepticism that meets the brand-led development from some scholars and civil society organisations. This scepticism is largely based on the claimed ability of marketing in general and brands in particular to not only inform but influence consumers' preferences and desires. With the market share of sustainability-oriented products increasing, there is the distinctive risk that business will use the discursive power offered by a well-established brand to influence consumers' sense of meaningfulness and purpose. This increases the risk that ideas about sustainability end up being significantly influenced by the 'marketing laboratories' of brand-owners. Moisander et al. (2010) criticise business for its role in shaping the dominant view on the consumer today, which they judge to be all too individualistic. This has given rise to the idea of the citizen-consumer, who reacts to her declining power as citizen (due to reduced power of nation states in a globalized and market-dominated world (Cova, 1997; Micheletti, Follesdal and Stolle, 2006)) and adapts to this reality by using purchasing power as 'vote' to shape society. Though, as Soron (2010: 179) points out, functioning ethical consumption would mean that consumers have to analyse all aspects of their life and change their behaviour in dozens and dozens of ways: a highly unrealistic prospect. Zwick et al. (2008) argue that the development in marketing towards 'value co-creation' increases corporate power over consumers. For under the cover of working for the freedom of the consumer, value co-creation really only serves to strengthen corporate power and gain discursive dominance over the sustainability debate. They also claim that value co-creation undermines non-market action to handle the sustainability challenge.

Under normal circumstances it would appear that the interplay between dominant and resisting discourses results in the emergence of new ways to dominate and, therefore, new ways to resist (Hall, 1996). Under the specter of co-creation however, even collective ideological resistance becomes creative mass collaboration that is then often seamlessly incorporated into the product itself. (Zwick et al., 2008: 185)

They conclude,

Management and marketing thinkers celebrate the new logic of collaborative value creation as a moment of consumer empowerment and transfiguration of marketing to a model of equal, satisfying, and mutually beneficial relationships between producers and consumers. Yet, the crux of value co-creation, to paraphrase Deleuze (1992), is to provide the surest way of delivering the customer over to the corporation. (Zwick et al., 2008: 186)

That this risk is real was demonstrated by Caruana and Crane (2008) in their study of commercialising 'green holidays'. They find that consumer responsibility is 'constructed in the discursive domain of corporate communications about responsible tourism' (p. 1514). Caruana and Crane describe the 'contested discourse about what it means to be a "responsible" consumer' (p. 1495) as increasingly dominated by corporate communication. They state that their findings 'suggest that the organization of objects, subjects and concepts [by the corporation] provides a morally meaningful category for consumers to identify with' (p. 1496). Their study thus exemplifies the risk of discursive dominance by business and the central role brands play in it.

### **Opportunity and risk behind a brand-based approach to sustainable markets**

Building on the insight that sustainable markets will most likely not be the outcome of informed consumer choices alone, one can anticipate two effective approaches to SCP. One necessitates the redefinition of the institutions that have led to the flawed market settings discussed in this article – a process that will most certainly require major society-wide efforts and bear considerable risk for failure. The second is where business makes use of brands to capitalize on the sustainability debate by integrating it into their (brand-) equity and thereby creating incentives for companies to become a more active force in the promotion of sustainable consumption. This second approach could be a much quicker, more stable and controllable process and therefore appears as a more practical solution to the problem.

Following this latter approach, brands are in this article described as a practical way to develop the market for sustainable products. They aid in overcoming two

institutional shortcomings of the current market institutions, 1) the information asymmetry with which consumers are confronted when choosing sustainable products, and 2) the fact that market development in sustainability results in potentially large positive market externalities but little profit to be captured by the individual firm. Brands address these issues for every individual market participant, and enable individual firms to engage in the promotion of more sustainable market transactions. Property rights connected to brands also provide a disincentive for companies to undermine market expectations and allow companies to capture part of the created positive value for society emerging from higher levels of sustainable consumption, while they nevertheless create positive externalities that lead to improvements for society overall. Thus, adding brands to the equation considerably increases the chances for a single market actor to act as a positive force for SCP.

We illustrated this with examples of food retailing, showing how companies have already started to follow this logic. Food retailers have invested considerable efforts into the branding of their products and operations as sustainable. This has led to initiatives and efforts (undertaken by retailers) that would be difficult to imagine without the use of brands. Unless society decides to institutionalize SCP by regulatory means, brands must therefore be seen as a welcome 'ingredient' into the market equation. The re-branding of existing strong brands and the creation of new sustainability-focused brands to integrate sustainability issues should, according to this logic, be welcomed as fuel for engagement and innovation, with positive effects for firms, consumers and sustainability alike. It should lead to the creation of 'ethical surplus' for brand communities and society at large (cf. Arvidsson, 2011) and result in corporate competitive advantage. In this article we therefore argue that brands bear considerable potential to positively add to the societal quest for SCP.

At the same time this article raises doubts over the long-term effectiveness of a (purely) brand-focussed approach to sustainable markets. We claim that, indeed, business has proven receptive to public top-down (i.e. policy makers) and bottom-up (i.e. social movements) pressure, and that intensive public scrutiny has resulted in markets developing in line with public interests. However, we raise concerns about increasing corporate dominance not only over the exchange process connected to SCP, but also over the societal discourse in which SCP is continuously made sense of. This dominance we identify as the most significant risk with the commercialisation of the sustainability discourse and stress the potential negative effects this poses for the long-term effectiveness of markets to bring about more sustainable production and consumption. This risk is aggravated by the fact that it establishes itself over time, and it is this somewhat insidious stepwise process of brands gaining discursive power within the

sustainability discourse that can render the process invisible to brand communities' and the public's attention. We argue that societal discourse provides the foundation for how brands operationalize sustainability, and its co-option by economic short-term interests undermines society's ability to achieve a system of sustainable market exchange (whatever this may ultimately look like). For the future of sustainable brands to look as Arvidsson (2011: 269) describes ('a disparate array of practices that are beyond the organisation itself') the understanding of the meaning of sustainability has to continue to emerge not from marketing departments but from within consumer communities and society at large. The biggest risk we see in a brand-focussed approach to SCP is therefore the possibility that the corporate world could come to dominate the sustainability discourse itself. Should this become the case then those 'shared' values that are the foundation for consumer trust in sustainability brands would actually only emerge from within corporations. At this point there would be a real risk of the sustainability ideal being twisted towards economic short-term profitability rather than the creation of Arvidsson's (2011) 'ethical surplus'.

Whether or not this risk is likely to materialize depends upon the outcome of a discursive struggle between civil society and corporate marketing within the sustainability debate. This risk, we believe, is limited as long as societal interest in sustainability is high and civil interest groups show enough enthusiasm to engage in the sustainability debate and fight for their values and concerns being heard, or – if ignored – engage in the creation of new ethical consumption niches (such as described by Thompson and Coskuner-Balli (2007) for the case of corporate co-option of organic agriculture and the consequent creation of 'community supported agriculture'). Once sustainable brands achieve a status of 'generally trustworthy' to act in the best interest of the consumer communities they 'serve' (as may already be the case for some of the most successful sustainability-oriented food brands in Austria, Sweden or the UK) this balancing counterpart might disappear, though. (In a world where brands are considered both more effective and trustworthier than civil society to achieve sustainability there is no need for alternatives.) At this point the danger of brands giving in to the strong incentive that exists for them to gradually redefine consumers' understanding of the cause their brand serves, in order to better fit their business interest becomes real, with potential negative effects for society and the environment.

## Directions for future research

The exploratory nature of the argument promoted in this article must be stressed at this point. Whether market incentives for business to invest in SCP, as one of

many stakeholders, are strong enough is uncertain, just as the exact role of civil society as ‘watchdog’ for brands remains unknown. We therefore suggest the need for more case study research on the functioning of sustainability-oriented brands and their interaction with both consumers and civil society and other stakeholders. The crucial question here is to what extent sustainable branding draws from the wider societal debate and under which circumstances it turns into a (negative) force that re-frames the debate away from sustainability and towards consumption.

We propose the following research questions:

- How are the values on which sustainable brands are built defined and operationalized?
- How persistent is brand-led commitment to sustainable causes over time?
- Which are the prerequisites for Arvidsson’s (2011) ‘ethical surplus’ to materialize in brand-based CSR?

## references

- Akerlof, G.A. (1970) ‘The market for “lemons”: Quality uncertainty and the market mechanism’, *The Quarterly Journal of Economics*, 84(3): 488-500.
- Anselmsson, J. and U. Johansson (2007) ‘Corporate social responsibility and the positioning of grocery brands: An exploratory study of retailer and manufacturer brands at point of purchase’, *International Journal of Retail & Distribution Management*, 35(10): 835-856.
- Alexander, J. T. Crompton and G. Shrubsole (2011) *Think of me as evil? Opening the ethical debates in advertising*. Public Interest Research Centre and WWF-UK.
- Alvesson, M. and H. Willmott (1996) *Making sense of management – A critical introduction*. London: Sage Publications.
- Anderson, J.A. and G.T. Schoening (1996) ‘The nature of the individual in communication research’, in D. Grodin and T.R. Lindlof (eds.) *Constructing the self in a mediated world*. London: Sage.
- Arnould, E. (2007) ‘Should consumer citizens escape the market?’, *The ANNALS of the American Academy of Political and Social Science*, 611(1): 96-111.
- Arvidsson, A. (2005) ‘Brands – A critical perspective’, *Journal of Consumer Culture*, 5(2): 235-258.
- Arvidsson, A. (2008) ‘The ethical economy of customer coproduction’, *Journal of Macromarketing*, 28(4): 326-338.

- Arvidsson, A. (2011) 'Ethics and value in customer co-production', *Marketing Theory*, 11(3): 261-278.
- Brown, S. (1993) 'Postmodern marketing?', *European Journal of Marketing*, 27(4): 19-34.
- Carrington, M.J., B.A. Neville and G.J. Whitwell (2010) 'Why ethical consumers don't walk their talk: Towards a framework for understanding the gap between the ethical purchase intentions and actual buying behavior of ethically minded consumers', *Journal of Business Ethics*, 97(1): 139-158.
- Caruana, R. and A. Crane (2008) 'Constructing consumer responsibility: Exploring the role of corporate communications', *Organization Studies*, 29(12): 1495-1519.
- Chatzidakis, A., S. Hibbert and A.P. Smith (2007) 'Why people don't take their concerns about fair trade to the supermarket: The role of neutralisation', *Journal of Business Ethics*, 74(1): 89-100.
- Cova, B. (1997) 'Community and consumption: Towards a definition of the "linking value" of product or services', *European Journal of Marketing*, 31(3/4): 297-316.
- Cova B. and V. Cova (2002) 'Tribal marketing – The tribalisation of society and its impact on the conduct of marketing', *European Journal of Marketing*, 36(5/6): 595-620.
- Cova, B. and D. Dalli (2010) 'The linking value in experiential marketing: Acknowledging the role of working consumers', in P. Maclaran, M. Saren, B. Stern and M. Tadajewski (eds.) *The sage handbook of marketing theory*. London: Sage.
- Dam, Y.K. van and P.A.C. Apeldoorn (1996) 'Sustainable marketing', *Journal of Macromarketing*, 16(2): 45-56.
- Dobson, P. and M. Waterson (1999) 'Retailer power: recent developments and policy implications', *Economic Policy*, 14(28): 133-164.
- European Commission (2011) *A renewed EU strategy 2011-14 for Corporate Social Responsibility*. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2011) 681 final.
- European Commission (2009) *Europeans' Attitudes Towards the Issue of Sustainable Consumption and Production*. Flash Eurobarometer 256, Analytical Report. The Gallup Organisation, Hungary.
- European Commission (2008) *Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan*. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. COM(2008) 397 final.
- Fournier, S. (1998) 'Consumers and their brands: developing relationship theory in consumer research', *Journal of Consumer Research*, 24(March): 343-373.
- Foxall, G.R., R.E. Goldsmith and S. Brown (1998) *Consumer psychology for marketing*, 2nd edition. International Thomson Business Press: London.

- Halliday, S.V. and R. Christy (2003) 'Smaller businesses, marketing relationships and shared values', paper presented at the Academy of Marketing SIG in Marketing/Entrepreneurship Symposium, University of Gloucestershire, England, January.
- Halliday, S.V. and S. Kuenzel (2008) 'Brand identification: A theory-based construct for conceptualizing links between corporate branding, identity and communications', in T.C. Melewar and E. Karaosmanoglu (eds.) *Contemporary thoughts on corporate branding and corporate identity management*. Basingstoke: Palgrave MacMillan.
- Harris, L.C. and E. Ogbonna (2001) 'Competitive advantage in the UK food retailing sector: Past, present and future', *Journal of Retailing and Consumer Services*, 8(3): 157-173.
- Havas Media (2010) 'Retailers poised to become the new 'Googles' of the consumer goods industry' [<http://www.businesswire.com/news/home/20101025007219/en/Retailers-poised-%E2%80%99Googles%E2%80%99-consumer-goods-industry>]
- Holt, D.B. (1995) 'How consumers consume: a typology of consumption practices', *Journal of Consumer Research*, 22(June): 1-16.
- Holt, D.B. (2002) 'Why do brands cause trouble? A dialectical theory of consumer culture and branding', *Journal of Consumer Research*, 29(1): 70-90.
- Holt, D.B. (2004) *How brands become icons – the principles of cultural branding*. Boston: Harvard Business School Press.
- Hughes, A. (2006) 'Learning to trade ethically: Knowledgeable capitalism, retailers and contested commodity chains', *Geoforum*, 37(6): 1008-1020.
- Jones, P., D. Hillier and D. Comfort (2011) 'Shopping for tomorrow: Promoting sustainable consumption within food stores', *British Food Journal*, 113(7): 935-984.
- Kilbourne, W., P. McDonagh and A. Prothero (1997) 'Sustainable consumption and the quality of life: A macromarketing challenge to the dominant social paradigm', *Journal of Macromarketing*, 17(1): 4-24.
- Klein, B. and K.B. Leffler (1981) 'The role of market forces in assuring contractual performance', *Journal of Political Economy*, 89(4): 615-641.
- Koos, S. (2011) 'Varieties of environmental labelling, market structures, and sustainable consumption across Europe: A comparative analysis of organizational and market supply determinants of environmental-labelled goods', *Journal of Consumer Policy*, 34: 127-151.
- Kotler, P.E. and G. Armstrong (2004) *Principles of marketing*. New Jersey: Pearson Prentice Hall.
- Leavy, B. and D. Moitra (2006) 'The practice of co-creating unique value with customers: An interview with C.K. Prahalad', *Strategy & Leadership*, 34(2): 4-9.
- Lindenthal, T., T. Markut, S. Hörtenhuber, G. Rudolph, and K. Hanz (2010) 'Climate balance of organic and conventional foodstuffs compared', *Ökologie und Landbau*, Jan/Feb-issue.
- Maffesoli, M. (1996) *The time of the tribes*. Sage: London.



- McAlexander, J.H., J.W. Schouten and H.F. Koenig (2002) 'Building a brand community', *Journal of Consumer Research*, 66(1): 38-54.
- Micheletti, M., A. Follesdal and D. Stolle (eds.) (2006) *Politics, products, and markets: Exploring political consumerism*. New Brunswick: Transaction Publishers.
- Moisander, J., A. Markkula and K. Eräranta (2010) 'Construction of consumer choice in the market: Challenges for environmental policy', *International Journal of Consumer Studies*, 34(1): 73-79.
- Neill, J.D., O.S. Stovall and D.L. Jinkerson (2005) 'A critical analysis of the accounting industry's voluntary code of conduct', *Journal of Business Ethics*, 59(1-2): 101-108.
- Niggli, U. (2005) 'Folgen des Wachstums: Verliert der Öko-Landbau seine Unschuld?' (The consequences of growth: Is organic agriculture about to lose its innocence?), *Ökologie & Landbau*, 122(1): 14-16.
- Ogle, J.P., K.H. Hyllegard and B.H. Dunbar (2004) 'Predicting patronage behaviors in a sustainable retail environment', *Environment and Behavior*, 36(5): 717-741.
- O'Guinn, T.C. and A.M. Muniz Jr. (2005) 'Communal consumption and the brand', in S. Rathneswar and D.G. Mick (eds.) *Inside consumption – Consumer motives, goals and desires*. Routledge: Abingdon.
- Ottman, J.A., E.R. Stafford and C.L. Hartman (2006) 'Avoiding green marketing myopia: Ways to improve consumer appeal for environmentally preferable products', *Environment: Science and Policy for Sustainable Development*, 48(5): 22-36.
- Peattie, K. and A. Crane (2005) 'Green marketing: Legend, myth, farce or prophesy?' *Qualitative Market Research*, 8(4): 357-370.
- Prahalad, C.K. and V. Ramaswamy (2000) 'Co-opting customer competence', *Harvard Business Review*, 78(1): 79-87.
- Prothero, A., P. McDonagh, and S. Dobscha. (2010) 'Is green the new black? Reflections on a green commodity discourse', *Journal of Macromarketing*, 30(2): 147-159.
- Raynolds, L.T. (2009) 'Mainstreaming fair trade coffee: From partnership to traceability', *World Development*, 37(6): 1083-1093.
- Reuter, K. (2002) *Die Ökomärkte in Deutschland, Österreich und der Schweiz – Gemeinsamkeiten und Unterschiede* (The markets for organic food in Germany, Austria and Switzerland – Similarities and differences). Humboldt-Universität zu Berlin. Accessible on <http://www.agrar.huberlin.de/wisola/fg/ama/Reuter.Arbeitsbericht.pdf> [Retrieved March 29, 2012].
- De Ruyter, K., M. Wetzels, J. Lemmink and J. Mattsson (1997) 'The dynamics of the service delivery process: A value-based approach', *International Journal of Research in Marketing*, 14: 231-243.
- Schaefer, A. and A. Crane (2005) 'Addressing sustainability and consumption', *Journal of Macromarketing*, 25(1): 76-92.

- Seyfang, G. (2005) 'Shopping for sustainability: Can sustainable consumption promote ecological citizenship?', *Environmental Politics*, 14(2): 290-306.
- Soron, D. (2010) 'Sustainability, self-identity and the sociology of consumption', *Sustainable Development*, 18(3): 172-81.
- Thompson, C.J. and G. Coskuner-Balli (2007) 'Countervailing market responses to corporate co-optation and the ideological recruitment of consumption communities', *Journal of Consumer Research*, 34(2): 135-152.
- Thøgersen, J. (2010) 'Country differences in sustainable consumption: The case of organic food', *Journal of Macromarketing*, 30(2): 171-185.
- Vargo, S.L. and R.F. Lusch (2004) 'Evolving to a new dominant logic for marketing', *The Journal of Marketing*, 68(1): 1-17.
- Vogl, C.R. and I. Darnhofer (2004) 'Organic agriculture in Austria: Highest rate of certified organic farms in the EU', *The Organic Standard*, 34: 2-5.
- Zwick, D., S.K. Bonsu and A. Darmody (2008) 'Putting consumers to work "co-creation" and new marketing govern-mentality', *Journal of Consumer Culture*, 8(2): 163-196.

## the authors

Matthias Lehner is PhD candidate at the International Institute for Industrial Environmental Economics, Lund University. He has an interdisciplinary background with a strong focus on sustainable agriculture, food systems and marketing. For his PhD he studies the store-customer relationship in food retailing.  
E-mail: matthias.lehner@iiee.lu.se

Professor Sue Halliday, MA (Cambridge), MBA (London Business School), PhD (University of Bradford), is Professor of Marketing at the University of Hertfordshire. She teaches and researches relational marketing focusing on trust, shared values, branding and innovation/entrepreneurship.  
E-mail: s.halliday2@herts.ac.uk

## Article II





Contents lists available at ScienceDirect

Journal of Cleaner Production

journal homepage: [www.elsevier.com/locate/jclepro](http://www.elsevier.com/locate/jclepro)

## Private eco-brands and green market development: towards new forms of sustainability governance in the food retailing

Olga Chkanikova\*, Matthias Lehner

International Institute for Industrial Environmental Economics Lund University, Sweden

## ARTICLE INFO

## Article history:

Received 30 September 2013

Received in revised form

16 May 2014

Accepted 20 May 2014

Available online xxx

## Keywords:

Standards

Certification

Eco-branding

Sustainability governance

Green market

Food retailing

## ABSTRACT

This study seeks to analyze the role of retail eco-brands in the development of markets for sustainability certified food products. Building on insights from the New Institutional Economics (NIE) paradigm, but also broader literature in the supply chain management and marketing research, we suggest that private eco-branding and third-party certification can be explained as private institutional arrangements that motivate and enable sustainability governance by retailers both upstream and downstream in the value chain. Based on semi-structured interviews with Western European retailers, this study reveals critical functions of retailers' sustainability-oriented brands. These functions address a number of inefficiencies pertained to the third-party certification, making eco-branding a private product policy tool to proactively set and implement sustainability in food production and consumption practices. At the same time, limitations associated with the development and use of private eco-brands are identified. Based on these limitations, we suggest that while retailer's eco-brands are likely to play an important role in transforming food markets towards higher levels of sustainability in the future, the continuous value of third-party certification schemes in implementing sustainability in the food supply chain should not be underestimated. The role of the latter will be to reduce transaction costs and liability risks associated with retail efforts to govern product sustainability issues upstream in the supply chain.

© 2014 Elsevier Ltd. All rights reserved.

## 1. Introduction

Sustainable market development is increasingly considered a challenge to be handled by private actors rather than governments, and companies are moving into the spotlight of efforts to promote sustainability in production and consumption practices (European Commission, 2008; European Commission, 2011a,b,c). The food sector is a good example for this, where governments, NGOs and academia alike point at retailers to be in a position not only to turn their own operations sustainable, but also to remodel supply chains and influence consumers (SDC, 2007; Anstey, 2009; Jones, Comfort et al., 2009; Blombäck and Wigren-Kristoferson, 2011). An important question, though, is to what extent retailers live up to their suggested role and how they are taking on the challenge to develop the market for sustainable products.

In the food retail sector, green market development is based on two increasingly prominent market tools – third-party certification

and private eco-branding. Branding and certification are not identical in their functionality. While eco-branding aims to capture higher market shares through means of product differentiation based on sustainability attributes (Orsato, 2009), certification provides a guarantee of product and process adherence to certain environmental, social and ethical standards at different stages in the value chain (Vorley et al., 2010). However, the border between these two market instruments becomes increasingly blurred as more retailers launch private eco-branded products backed up by third-party certification schemes (BIO Intelligence Service, 2009; Henson and Humphrey, 2010). Moreover, application of the 'best practice' standards for products that bear retailers' own logo indicates a change in allocation of responsibilities between supply chain actors, with supermarkets becoming a "part of a new regulatory framework governing standards and quality" (Burch and Lawrence, 2005: p. 12).

While proliferation and diversity of sustainability standards, labels and logos has been acknowledged by previous research (Henson and Humphrey, 2010; Reinecke, Manning et al., 2012), these market instruments are often viewed as rival rather than complementary forms of governance in the era of quality competition (Ponte and Gibbon, 2005; Fransen, 2011). In addition, third-

\* Corresponding author. P. O. Box 196 Tegnersplatsen 4, SE-221 00 Lund, Sweden. Tel.: +46 46 222 02 31 (mobile), +46 70 669 57 55; fax: +46 46 222 02 30.

E-mail addresses: [olga.chkanikova@iiee.lu.se](mailto:olga.chkanikova@iiee.lu.se), [olga\\_chkanikova@mail.ru](mailto:olga_chkanikova@mail.ru) (O. Chkanikova), [matthias.lehner@iiee.lu.se](mailto:matthias.lehner@iiee.lu.se) (M. Lehner).

<http://dx.doi.org/10.1016/j.jclepro.2014.05.055>  
0959-6526/© 2014 Elsevier Ltd. All rights reserved.

party sustainability certification and eco-branding are mostly looked at from the marketing perspective, i.e. their efficacy in changing consumers' behaviour towards purchasing environmentally friendly and ethical products (Rex and Baumann, 2007; Elham and Nabsiah, 2011; Larceneux, Benoit-Moreau et al., 2011). However, both of these market instruments also facilitate corporate ability to influence sustainability improvements 'upstream' in the supply chain (Burch and Lawrence, 2005; Hatanaka, Bain et al., 2005; Pagell, Wu et al., 2010; Seuring, 2011). This study combines both 'upstream' and 'downstream' perspectives to reveal *how private eco-branding contributes to motivating and enabling food retailers to engage in the development of markets for sustainability certified products*.

The paper is structured as follows. First, the academic debate on the role of private eco-branding and third-party certification in the development of green markets is presented. This contributes to the delineation of the analytical framework that comprises of principal functions that institutional arrangements should fulfill both 'upstream' and 'downstream' in supply chains in order to motivate and enable retailer's engagement with sustainable market development. This is followed by the methodology section and presentation of empirical evidence from the Swedish and a number of other Western European food retailers. In the subsequent analysis positive implications of private eco-branding for facilitation of sustainable production and consumption are revealed, but challenges and limitations associated with the development of private eco-brands by retailers are also acknowledged. The discussion section affirms that private eco-branding can indeed be viewed as a retail-driven institutional arrangement for governing sustainability issues in the value chain. It is also explained why private eco-branding is a complementary form of governance which is insufficient without third-party certification to deliver sustainability improvements on the market. In conclusion the major findings are summarized and future research directions are suggested.

## 2. The role of third-party certification and private eco-branding for the development of green markets

In this section the academic debate on the role of third-party certification and private eco-branding in motivating and enabling corporate sustainability governance in the supply chain is presented. First, engaging insights from the NIE paradigm, we attempt to explain the emergence of private eco-branding as new institutional arrangement next to already existing third-party certification schemes. We suggest that in comparison to third-party certification, the institution of private eco-branding incentivizes the efforts of food retailers to actively engage with the creation of supply and demand for sustainable products. Then, drawing on literature in the field of supply chain management and marketing research, we discuss functions of both these market tools for facilitating retailer's ability to influence sustainability of production and consumption practices.

### 2.1. Private eco-branding as a new institutional arrangement for governing sustainability issues in the value chain

Akerlof (1970) argued that in the absence of formal rules and regulations neutralising the information asymmetry between buyers and sellers about specific quality attributes, private institutional arrangements are necessary to allow market supply and demand to meet, while eliminating the 'adverse' selection problem. One such private institution – third-party business-to-consumer certification or eco-labelling – has had a prominent role to play in the successful establishment of a market for sustainable products and services. During the last decade third-party eco-labelling has

proliferated (Rex and Baumann, 2007; Reinecke, Manning et al., 2012). Its establishment has allowed consumers interested in sustainable product qualities and willing to pay a price premium and firms able to offer these products to meet, and has led to considerable market growth in some food subsectors. For example, between 2004 and 2009, the sales of organic food in Europe grew by about 70% and reached a total of €21.5 billion in 2011 (Soil Association, 2013: p. 18).

For a market predominantly driven by consumer demand, third-party certification is a fairly efficient and trustworthy institution to establish the market for sustainable products. However, the 'attitude-behaviour' gap between what consumers claim to look for in products and what they choose in their daily shopping has undermined hopes that consumer demand alone could lift sustainability into mainstream (European Commission, 2009; Thøgersen, 2010). In the food retail sector consumers' interest in product sustainability attributes 'is insufficient to justify the higher supply chain costs' (Smith, 2007: p. 851). As a result, current supply volumes of sustainability certified products satisfy existing but limited consumer demand (Ekoweb, 2013). There is no incentive for retailers to 'go beyond' this equilibrium and actively engage in creating demand and supply for sustainable products.

Engaging insights from the multidisciplinary NIE paradigm (Williamson, 1996, 2000), it becomes possible to suggest that private eco-branding might represent a new form of institutional arrangement that allows retailers to efficiently govern sustainability issues in contractual relationships in the value chain. When stakeholders' expectations towards retailers' responsibility to further markets for green products are increasing, but existing institutions, e.g. third-party certification, do not provide retailers with opportunities to satisfy these demands in a profitable way, private eco-branding emerges as new institution arrangement. It helps retailers to conform to stakeholders' demands while pursuing the rent-seeking behaviour. Previous research reveals that private eco-branding allows retailers to harness gains from investments in the development of green markets in terms of brand value and customer loyalty (Girod and Michael, 2003; Tunçer, Tyson et al., 2007). Higher profit margins associated with development of private eco-brands are also explained by achieving lower input costs per unit of product that result from increased retailer bargaining power and decreased supplier costs (Burch and Lawrence, 2005; European Commission, 2011a,b,c).

The literature on 'collective action problems', which represent one of the branches of the NIE paradigm (Kherallah and Kirsten, 2001), further argues "that firms may be less inclined to green their systems, processes or products if the benefits are non-excludable" (Prakash, 2002, p. 289). This means that food retailers have little incentive to promote a specific third-party label beyond current market demand because such market development efforts are too easily lost to competitors with access to the same certification schemes. Retail eco-brands, on the other hand, move the property rights of a sustainability achievement to the domain of the retailer, creating a case for a competitive market strategy based on product differentiation (Orsato, 2009).

In the following section we review literature that discusses various functions of third-party certification and private eco-branding for retailers' ability to exercise sustainability governance both 'upstream' and 'downstream' in the value chain.

### 2.2. Upstream functions of private institutional arrangements

#### 2.2.1. Market efficiency

Third-party certification helps companies to increase efficiency in the implementation of sustainability improvements 'upstream' in production practices (Deaton, 2004; Henson and Humphrey,

2010; Seuring, 2011). Recent research in sustainable supply chain management has revealed that the availability of third-party certification schemes allows buying companies in the supply chain (e.g. retailers) to avoid the resource-intensive process of engaging in collaborative relationships with suppliers in order to improve product sustainability performance (Pagell, Wu et al., 2010; Kogg and Mont, 2012). Instead, green products can be procured through selection/de-selection of certified goods, with purchasing decisions being made on the basis of supplier competition over contracts. Third-party certification reduces transaction costs associated with setting sustainability criteria, finding and qualifying suppliers, and verifying supplier compliance (Rosen, Beckman et al., 2002; Wathne and Heide, 2004). Standardized requirements regarding product sustainability performance further facilitate achieving the economies of scale in production of green products (Vorley et al., 2002).

Private branding is the corporate tool for product differentiation to accomplish competitive market strategy (Orsato, 2009). Branding allows firm to capture a larger share of the market compared to its competitors (Jung and Sung, 2008). It also allows retailers to generate higher profit margins by lowering manufacturing and other costs associated with research and development, promotion and physical distribution (Kotler, 2002; European Commission, 2011a,b,c).

### 2.2.2. Liability

Engagement of food retailers in procurement centralization and direct supplier contracting has not only helped to cut down the sourcing costs, but also eased the process of verifying supplier conformity to a set of technical product and process specifications (Henson and Reardon, 2005). However, the complex nature of sustainability issues does not allow the same auditing procedure as for other quality aspects. While certain quality attributes can be sufficiently checked by the inspection of delivered products, many aspects of product sustainability should be controlled repeatedly on-site at the production facilities (Gereffi and Lee, 2009; Kaplinsky, 2010). Given the globally dispersed multi-tier supply chain of a company, the corporate task of verifying the supplier adherence to sustainability requirements becomes very challenging (Johnson, 2004; Polonsky and Jevons, 2009). Along with pressure from NGOs acting as a watchdog for maintaining environmental and ethical standards, there is a need for an institutional arrangement that helps retailers to solve the accountability problem of auditing programs (Busch and Bain, 2004). By bearing the 'seal of approval' from independent organizations, third-party certification allows retailers to avoid reputational risks if noncompliance with sustainability requirements is revealed in a supply chain (Fulponi, 2006; Henson and Humphrey, 2010). Hatanaka et al. (2005: p. 365) called third-party certification "an influential institutional mechanism" that facilitates retailers ability to police compliance with sustainability criteria in complex agri-food chains, "while reducing their direct responsibility for the monitoring process, and minimizing their liability should a problem occur".

### 2.2.3. Corporate power to exert sustainability requirements on suppliers

Corporate ability to influence product sustainability performance upstream in the supply chain can be constrained due to the nature of inter-organizational relationships. As argued by Cox et al. (2001), relative power dependency between actors in the supply chain does not always allow a buying company to successfully influence and control suppliers in order to ensure they provide a desired (e.g. sustainable) product. Third-party certification schemes may support the corporate effort to exercise influence over suppliers by

substituting the need for the unilateral firm's power with the market power. In support of this argument, Kogg and Mont (2012) suggest that due to the relative dependency between actors in the supply chain, a buying company may have a mighty impact on upstream sustainability performance by making a decision to procure sustainability certified products, but rather a modest influence when seeking to engage in unilateral efforts to green a supply chain. Since corporate power also depends on the allocation of product ownership rights in the supply chain (Holmström and Roberts, 1998; Cox, Ireland et al., 2002), private eco-branding is likely to enhance the retail authority to exert sustainability demands on suppliers of privately branded products (Burch and Lawrence, 2005).

### 2.2.4. Incentive for sustainability innovation

A controversy surrounding the plurality of voluntary standards, labels and logos is if this plurality leads to minimization or heightening of sustainability requirements. On the one hand, multiplicity of third-party standards can contribute to creating economic rigidity and impede corporate efforts to mainstream sustainability in global product chains (Rosen, Beckman et al., 2002; Franssen, 2011). On the other hand, proliferation of corporate efforts to establish own product sustainability requirements has raised the concern that such dynamics can erode the standardization efforts by lowering the level of sustainability ambition (Riisgaard, 2009). A recent study by De Marchi et al. (2013) provides empirical evidence that as part of their eco-branding strategies, firms are motivated to drive product sustainability improvements upstream in the supply chain. Burch and Lawrence (2005) also point out that one of the benefits of private branding in highly competitive food markets lies in their innovation ability and 'speed to market' compared to traditional brand manufacturers.

The following section presents the academic debate regarding the role of third-party certification and private eco-branding in facilitating retailers' willingness and ability to actively engage with development of consumer demand.

## 2.3. Downstream functions of private institutional arrangements

### 2.3.1. Market orientation

Business-to-consumer certification in the form of eco-labelling discloses information about product sustainability performance. Therefore, eco-labelling is an important part of a green marketing<sup>1</sup> strategy (Prakash, 2002; Rex and Baumann, 2007). However, the efficacy of eco-labelling in making consumers to incorporate environmental and social considerations in their food purchasing decisions is rather low (Grunert, 2011). This is partly due to the lack of clear and engaging messages (Peattie and Charter, 2003; Delmas, Nairn-Birch et al., 2013) and a focus on environmental characteristics of food products that represent 'public' goods (less carbon emissions, sustainable fishing practices, improved environmental conditions on the farm) instead of emphasizing private benefits (Bougherara and Grolleau, 2004). Such marketing strategies only target altruistic consumer motives while neglecting selfish motives to purchase sustainable food (Grolleau et al., 2011). Rex and Baumann (2007) also argue that eco-labelling has been preoccupied with green consumers as a targeting group.

On the other hand, branding as a marketing tool aims to achieve a higher level of product recognition and loyalty among consumers, i.e. brand equity (Kotler, 2002). Prior research on the role of green brand equity is limited (Chen, 2010), but a study by Elham and

<sup>1</sup> Peattie and Charter (2003, p. 727) has broadly defined green marketing as "the holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way".

Nabsiah (2011) has revealed the facilitating impact of eco-brands on the purchasing levels of eco-labelled products. Hartmann et al. (2005) and Pickett-Baker and Ozaki (2008) relate the commercial success of eco-brands to the emotional benefits they create among consumers. Terrvik (1997) further suggests that through their simple message and uniform design retailers' eco-brands attract attention and make it easy to find a sustainable option even for the less engaged consumers. Retailers, such as Co-op (Switzerland) and Albert Heijn (Netherlands), have reported that their private eco-brands have "greater resonance with consumer demand for sustainability" compared to third-party eco-labels and generate higher revenues (Organic Monitor, 2010). However, to achieve such market orientation is not easy. It requires in-depth understanding of complex sustainability-related issues, developing key metrics/product indicators, anticipating future sustainability trends, understanding customer reasoning, and predicting consumer response (Hall, 2001; Polonsky and Jevons, 2009; Hertzfeld, 2010).

### 2.3.2. Availability of sustainable products: quality, range and price attributes

Research in green marketing has recognized that consumers are unlikely to trade traditional product attributes for superior environmental benefits (Ginsberg and Bloom, 2004). From this point of view, the suboptimal quality of some eco-labelled food products (Jones, Comfort et al., 2003; Chkanikova and Mont, 2012) becomes problematic for promoting sustainable food choices. In addition, the range of sustainability certified products in some product categories is still low (BIO Intelligence Service, 2009). This is often due to price, but in some instances sustainability criteria/standards can also be underdeveloped (Chkanikova et al., 2013). From the marketing perspective, limited assortment and diminished quality of eco-labelled products are disadvantageous if retailers are expected to create a demand for green products.

In recent years, many Western European retailers have extended green product lines by launching green products under private brands (Chkanikova and Mont, 2011). Initially, these private eco-brands often followed a mimetic strategy to imitate other successful market actors. However, nowadays the sophistication of retailers' private eco-brands is increasing, with more retailers announcing their commitment to offer 'best-in-category' eco-friendly products under their private brands (Leathers, 2009; European Commission, 2011a,b,c). According to Lehner and Halliday (2014), the introduction of private eco-brands by retailers has led to a further increase in choice of sustainable offers on the market.

Besides the evidence that private eco-brands increase the range and quality of green products, there is also indication that they make sustainable choices more affordable for consumers. For instance, Swiss retailer Migros launched the private Migros Bio label in various product groups, e.g. dairy, bakery, meat and cold cuts, fish and spices. These product launches were accompanied "with significant price reductions – for some products by more than 10 per cent" making privately eco-branded organic products affordable to all customer groups (Migros Group, 2010). The sales of Migros Bio brand increased by 71% in 2011 compared to the previous year (Migros Group, 2011).

### 2.3.3. Trust in sustainability claims

Credibility of environmental claims is highly important for consumers to make sustainable and ethical choices (Prakash, 2002; Ginsberg and Bloom, 2004). Previous research in green marketing has revealed that proliferation of corporate sustainability claims without any form of accountability that environmental and social considerations are actually held in practice leads to "consumer backlash against green marketing" (Crane, 2000: p. 277). According to Boström and Klintman (2008), creating trust for sustainability

claims is at the very core of eco-labelling schemes. This trust is created through establishment of independent monitoring and verification procedures that penalize irresponsible practices (Sønderskov and Daugbjerg, 2011). In addition, many third-party eco-labels nowadays incorporate chain of custody requirements that allow consumers tracking green products back to the farm and provide assurance that a product contains the claimed amount of certified material (Potts et al., 2010).

The effectiveness of private eco-brands in creating trust in product sustainability claims is less clear. Koos (2011) noticed that combining eco-labels with corporate brand logos may decrease the level of consumer confusion caused by multiplicity of the certification schemes. Larceneux et al. (2011) further demonstrated that the efficacy of organic eco-labelling in communicating product sustainability qualities is dependent on the corporate brand equity. The evidence from the aforementioned studies points out that the level of consumer trust in product sustainability might be influenced through the mechanism of co-branding (i.e. combination of third-party eco-labels with corporate brand logos).

## 3. Analytical framework

As it has been found in the reviewed literature, private eco-branding might motivate and enable retailers' engagement with the development of green markets to a higher extent than third-party certification alone. However, in the reviewed literature the role of sustainability certification and private (eco-)branding is either discussed from a supply management or demand facilitation perspective, often dismissing that both insights are inseparable for the realization of the corporate potential to actively engage with the development of green markets. By integrating two perspectives, the analytical framework for further analysis has been compiled (Fig. 1). It comprises of principal functions that private institutional arrangements should ideally fulfill in order to motivate and enable retailers to influence sustainability of both production and consumption practices.

## 4. Methodology and limitations

This paper draws on empirical data obtained from two separate but interrelated studies, both seeking to analyze the role that food retailers play in furthering markets of green products. The first study focuses on sustainable supply chain management practices in Swedish (Axfood, Coop and ICA), British (Waitrose) and Danish (IRMA) retailers. In total 16 semi-structured interviews were conducted with corporate practitioners engaged in the development of sustainability strategies and sourcing of sustainable products. The interviews aimed to unveil how the purchasing process is influenced by the characteristics of the sourcing context, e.g. presence of certification schemes, relative dependency between trading partners and retail ownerships rights over procured products.

The second study explores retail efforts to promote sustainable consumption. It builds on 9 semi-structure interviews with corporate responsibility managers from Swedish retailers (ICA, Coop, Axfood, Bergendahls and Netto) and Western European retailers (British Tesco, Austrian Billa and Danish Irma). In addition, a focus group was conducted in Stockholm in 2013 with 12 participants representing the Swedish retail industry and other stakeholders (Swedish Retail Association, Stockholm Consumer Cooperative Society, KRAV,<sup>2</sup> Nordic Eco-labelling organisation,

<sup>2</sup> KRAV is the third-party certification scheme for organic agriculture in Sweden. It is based on the EU standards for organic production. For more details please visit <http://www.krav.se/krav-standards>.



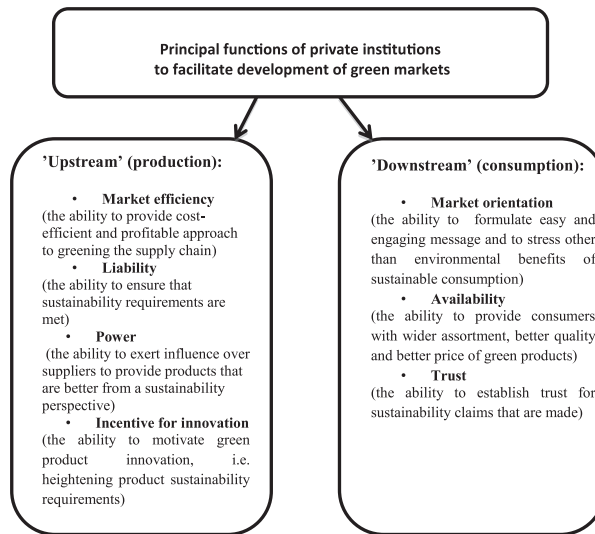


Fig. 1. Principal functions of private institutional arrangements to facilitate development of green markets by retailers.

Swedish Society for Nature Conservation, Swedish Consumers Association, Swedish Rural Economy and Agricultural Societies). In interviews and in the focus group discussion, participants were asked to reflect on strategies and challenges to create the consumer demand for sustainable food.

Data from all interviews were recorded and transcribed. The transcripts were revisited for this article, focusing on issues pertaining to the role of retail eco-brands to facilitate the supply and demand for sustainability certified products. To strengthen the reliability of the analysis, both authors have performed the analysis separately. In order to reach consensus where differences occurred in the analysis, additional literature sources, e.g. retail sustainability and third-party reports, were consulted to ascertain the performance of private eco-brands with regards to a number of functions listed in the analytical framework.

This study has four major limitations:

- The focus is only on large supermarket chains, not other store-formats. This can be justified with the fact that private eco-brands so far exist only within big grocery stores;
- The empirical data were collected from interviews with retailers. Thereby, analyzed data reflect the retailer's own view on private eco-brands and their role in enhancing the development of green markets. In that regard, the perspective of other actors (producers, consumers) is missing;
- The study is qualitative and conducted in pursuit to contribute to the debate on the role of private eco-brands for greening product markets. The detailed quantification of benefits delivered by private eco-branding (in terms of cost-efficiency of greening food supply chains and actual sustainability improvements) is beyond the scope of this paper;
- The results of this study are based on early empirical evidence that were not exclusively collected for the purpose of analyzing the role of retail eco-brands in the development of markets for

sustainability certified food products. Rather, this role of private eco-branding appeared as important implication of two original studies.

## 5. Empirical evidence from Western European food retailers

This section aims to present empirical evidence from interviewed Western European food retailers regarding the ability of private eco-branding to facilitate the development of sustainability certified markets. The findings are structured in accordance with the analytical framework (Fig. 1).

### 5.1. 'Upstream' functions of private eco-brands

#### 5.1.1. Market efficiency

Higher prices (due to production and certification costs) and therefore constrained availability of sustainable supply volumes have been mentioned by eight respondents as the major challenges to increase the sourcing of organic and fair-trade products. Lack of the business case to source only sustainability certified products was acknowledged by four interviewees from Swedish and British retailers. If sustainability certified products are too expensive, this results in their decreased competitiveness with conventional products which could be still offered by other retailers. This creates the risk for an individual retailer to be not able to withstand competition and to lose profit margins. Therefore, fulfilling an active role in greening a supply chain is markedly constrained since it clashes with the economic rationale of retail operations.

At the same time, five respondents from the Swedish retail industry mentioned that launching private eco-branded products allows negotiating better procurement prices, although it remains unclear if this results from increased bargaining power or other market factors. For instance, some of the interviewed retailers

(Waitrose, COOP, Axfod) have confirmed that private eco-branded products are sourced from a limited number of suppliers, what implies achieving scale efficiencies. Sourcing from a limited number of 'preferred' suppliers often raises concerns about prohibiting access of small farmers to food markets. However, Euro Coop reported that private eco-branding enables small and medium size producers to connect to major distribution channels (Euro COOP, 2011).

In case when certification is too costly and a desired price can not be negotiated even for private eco-branded products, Waitrose has reported on building strategic partnerships with supply chain actors, e.g. producers and processors, to develop alternative standards with purpose to lower product prices. Such a strategy allows supermarkets to sell green products at prices close to conventional alternatives, what in turn increases retailers' competitive advantage and leads to achieving higher profit margins.

### 5.1.2. Liability

According to interviews with seven respondents, private eco-brands reinforce the retailer's perception of liability in the supply chain. In other words, retailers feel a stronger obligation to ensure that private eco-branded products meet sustainability criteria. The explanation for this higher level of control over sustainability performance is the shared product ownership rights.

In regards to suppliers of private eco-branded products, nine respondents reported on higher levels of engagement in addressing product sustainability issues and supporting development of sustainable supply. For instance, the corporate responsibility manager at one Swedish retailer argued: "To build a sustainability brand we commit to long-term development of sustainability work with suppliers. There is a need to listen to suppliers, to run the sustainability project together, understand what we have to do and provide them with required support". The coffee buyer at another Swedish retailer reported: "When it comes to sourcing own label coffee, it is a totally different approach really in comparison to sourcing branded coffee from other producers. I am involved in processes of buying from the raw materials to the shelves, what means getting closer to the suppliers of coffee, more involved into the processes of buying and sourcing, influencing more product design and specifications".

Moreover, a higher level of attention is put on suppliers of retail eco-brands in terms of monitoring and verification of compliance. Along with third-party audits, internal audits are conducted with higher frequency to check producers' processes and facilities. Where possible, retailers shorten the supply chain (i.e. source products directly from the farmer). This decreases the complexity of the supply chain, making communication with suppliers and traceability of sustainability aspects much easier.

According to five respondents from Swedish retailers, among the challenges which retailers face in ensuring liability of private eco-brands are substantial investments and a high level of expertise required to conduct environmental audits. Therefore, monitoring of compliance is usually outsourced to existing third-party certification bodies, e.g. 'Ånglamark' coffee is both KRAV and Fair-Trade certified. In other instances independent NGOs are hired to carry out supplier auditing against retailers' own standards, e.g. the Waitrose organic milk standard.

### 5.1.3. Power

According to five respondents from Swedish retailers, the power relationships in the supply chain are not always conducive to exert influence on suppliers to comply with sustainability requirements. Lack of power was highlighted both in relations with large national and international brand suppliers, for whom trade with a particular retailer often represents only a few percent of their total business

volume. For instance, in terms of influencing national brand producers to supply more volumes of sustainability certified coffee, the coffee buyer from one Swedish retailer explained: "We can ask the supplier to provide more volumes of sustainable coffee, but we will not terminate business with them if they do not".

On the other hand, in regards to private brand suppliers, four respondents referred to increased ability to control production processes. To exercise influence on private brand suppliers to provide sustainability certified products, a number of positive incentives was mentioned. They include price premiums to cover development of production volumes, planning of production volumes together with suppliers, ensuring long-term contracts, training and advice on how to improve the efficiency of business operations.

However, in some situations retailers are not able to influence sustainability of supply even for private eco-branded products. In this situation constrained supply availability is not only informed by price and low production volumes, but missing sustainability standards as such to build upon or benchmark with. Along with industrial concentration on the supplier market, a retailer is placed in the critical situation in which greening the supply chain is particularly constrained. In this case retailers are left with two options, 1) waiting for development of the third-party standard or 2) supporting the standard development by joining multi-stakeholder initiatives.

### 5.1.4. Incentive for sustainability innovation

The coffee buyer at one Swedish retailer mentioned that "in sourcing own brand, we try to provide best for customers from what we can. We really try to be a challenge to the big brands in that sense". In a similar vein, Euro Coop reported that private brands play a "fundamental role when talking about innovation and quality" (Euro COOP, 2011: p. 1). Sustainability innovation includes adding extra sustainability provisions for private branded products, such as banning artificial flavourings and ingredients, and requiring recyclable and biodegradable packaging. Some of the Swedish retailers require private brand compliance with 'best practice' standards. For instance, Axfod and ICA require suppliers of private branded fresh fruits and vegetables to get certified with Svenskt Sigill<sup>3</sup> instead of GlobalGAP certification applied to other producers. Svenskt Sigill certification exceeds Global GAP standard applied to other suppliers on a number of issues, e.g. animal welfare, water usage.

Waitrose engaged in more 'far-reaching' sustainability innovation for private eco-branded products. This includes the development of alternative standards to the ones set by existing third-party certification schemes. For instance, the standard for milk produced under Waitrose's Farmer's Milk Scheme exceeds those set by the National Dairy Farm Assurance Scheme in a number of areas, e.g. animal welfare, farming practices, wildlife protection and traceability. However, development of alternative standards requires substantial investments. To source 100% of privately eco-branded dairy products certified according to Waitrose Farm Promise Scheme standards, Waitrose has made an 18 million pounds investment over 10 years (currently about 4 million pounds a year), without passing the price premium to the consumer (John Lewis Partnership, 2009).

According to interviews with five respondents, development of sustainability requirements by individual retailers is not only costly,

<sup>3</sup> Svenskt Sigill (Swedish Quality Label) is the Swedish third-party certification scheme that assures products' adherence to strict safety, environmental and animal welfare requirements. For more details please visit <http://www.svensktsigill.se/Om-Sigill/Intressenter/Svenskt-Sigill-/>.

but also requires expertise that goes beyond the core retailing competences of just selling food. Swedish and British retailers have acknowledged collaboration with different NGOs in setting sustainability criteria. For instance, the Swedish Water & Wastewater Association), the Swedish Environmental Protection Agency and the Carbon Trust Advisory division in the UK provide additional assistance to retailers by recommending what sustainability aspects in the supply chain should be addressed and how.

## 5.2. 'Downstream' functions of private eco-brands

### 5.2.1. Market orientation

A reoccurring claim in interviews with retailers was the role of eco-brands in translating diffuse and complex environmental and social problems into product characteristics consumers could relate to. Six respondents from Swedish, Austrian, Danish and British retailers mentioned that accounting for market trends, lifestyles and particular events (e.g. catastrophes, NGO campaigns) is important for generating demand for sustainable products. In particular, a focus on personal benefits from the purchase of sustainable products, e.g. health effects, better taste, was mentioned as important by four respondents, while scientifically formulated claims regarding product sustainability performance were characterized as limited in their effect to facilitate consumer demand.

The high flexibility in accommodating consumer concerns and interests in designing private eco-brands is demonstrated by the Austrian retailer Billa. The interviewed sustainability manager described how Billa has taken a long-term commitment to sustainability through the introduction of its 'Ja! Natürlich' ('Yes! Naturally') brand. To successfully promote it to the average consumer, Billa has refined its branding strategy over the years. When 'Ja! Natürlich' was launched in 1994 it stood mostly for organic agriculture. Over the years Billa has introduced new aspects to the brand through offering cooking and gardening workshops, and promoting holidays on organic farms. In 2012, a market survey<sup>4</sup> by *Integral* found 'Ja! Natürlich' was the most favored food-brand in Austria, and Vogl and Darnhofer (2004) suggested that 'Ja! Natürlich' has become a synonym for organic agriculture in Austria.

### 5.2.2. Availability

According to interviews with five respondents from Swedish, Austrian and Danish supermarkets, private eco-brands were introduced with the aim to expand across product categories, especially when supply of sustainability certified products did not meet the existing market demand. Several retailers also developed private eco-brands in order to cater for under-served niches, such as health (e.g. Billa in Austria), product safety (i.e. no additives) (e.g. Bergendahls in Sweden), or superior taste attributes (e.g. Irma in Denmark).

Eco-brands also seem to have a positive effect on affordability. According to interviews with four respondents from Swedish and British retailers, private eco-branded assortment allows consumers to find sustainable products at better prices. For instance, Coop Sweden has implemented a policy not to charge a higher premium, in absolute numbers, for its 'Änglamark' brand compared to conventional products. In addition, the positive effect of private eco-brands on price competition was stressed by four respondents from Swedish and Austrian retailers. However,

three respondents claimed that their branding focus is not primarily to bring down prices but rather to increase consumers' willingness-to-pay through the creation of 'added value'. For instance, for the Swedish discount retailer Willy's, launching their private eco-brand was a means to upgrade its operations to be perceived as more sustainable and thus more qualitative, which was believed to resonate well with the target group of young families.

### 5.2.3. Trust

According to interviews with five respondents from Swedish and Austrian retailers, third-party certification plays a crucial role in creating the necessary trust for sustainability claims behind retail eco-brands. These respondents described their eco-brands as a 'supplement' to existing third-party eco-labels.

The importance of third-party certification appeared particularly high for the supermarkets that have not yet gained a high credibility in respect to sustainability. This holds true for the discount store Willy's which belongs to the Axfood retail company. Two respondents from Axfood argued that Willy's eco-brand was very dependent on the organic label to convincingly make the claim that the retailer offers Sweden's least expensive sustainable product assortment.

At the same time it appeared that over time a long-term sustainability commitment may lead to a higher level of consumer trust in the sustainability performance of private eco-branded products. Coop Sweden has had an early and long-lasting commitment to organic agriculture, and has for a long time supported other independent labels such as Fair-Trade or MSC. According to interviews with COOP and its competitor Axfood, this has led to COOP's 'Änglamark' eco-brand becoming one of the Sweden's most sustainable brands.<sup>5</sup> It seems, though, that by applying double certification for some 'Änglamark' products (e.g. 'Änglamark' coffee is certified by both organic and Fair-Trade standard), COOP to some extent tries to disconnect the claim of sustainability from a specific third-party label and transfers it to its own 'Änglamark' brand.

## 6. Advantages and limitations of private eco-brands for 'green' market development

There are many signs of growing corporate supply chain responsibility among food retailers and acceptance of the 'gate-keeper' function they are often ascribed (cf. Nordås, 2008). Our empirical findings indicate that this development is closely connected with launching retail eco-brands. From being traditionally perceived as lower cost alternatives to original brands (Sandberg, 2010), retail eco-brands seem to have transformed into a complementary tool for retailers to engage with green market development. The following analysis of collected empirical evidence reveals that private eco-brands to some extent address the inefficiencies of third-party certification in mainstreaming sustainability in both production and consumption practices.

<sup>4</sup> The survey asked almost 2000 Austrians above 14 years of age to name their favourite brand, regardless of branch. 'Ja! Natürlich' came on 11th place, preceded by car- (Audi, VW, BMW), electronics- (Apple, Samsung), fashion- (Adidas, Nike, Esprit, Levi Strauss) and beauty brands (Nivea). Retrieved from: <http://www.lieblings-marken.at/>.

<sup>5</sup> Coop led the 'Sustainable Brand Index' for Sweden in 2011 and 2012, and ranked 2nd in 2013. The index is compiled by the market research firm SB Insight and based on a survey among 23000 Scandinavian consumers. Retrieved from: <http://www.sb-insight.com/ranking-sb-index-2013-sweden/> Änglamark was awarded 'Sweden's Greenest Brand' for the third consecutive year in 2013. The study is conducted by the consultancy 'Differ', which asks 1000 Swedish consumers to freely chose the greenest brand. Retrieved from: <http://www.differ.se/wp-content/uploads/2014/02/SGV13.pdf>.

### 6.1. Advantages of private eco-brands for 'upstream' sustainability

Development of private eco-brands allows retailers to couple the legitimacy objective (conformity to stakeholder demands to become change agents towards sustainability) and the economic-rational logic. The mechanism of private eco-branding helps to lower the sourcing price of eco-labelled products, thus contributing to cost-effectiveness of greening the food supply chain. Depending on retail strategy, lower sourcing prices can result in more competitive retailing prices for eco-labelled products, positively influencing the development of consumer demand. However, private eco-branding is also used to pursue a non-price differentiation strategy, competing with eco-labelled and conventional products on a number of other product attributes, such as better quality and health benefits. By moving beyond the narrow target group of green consumers (Ginsberg and Bloom, 2004; Rex and Baumann, 2007), retail eco-brands become 'innovators in customer responsiveness' (Girod and Michael, 2003: p. 5) allowing retailers to capture higher market shares. Just as conventional branding (Kotler, 2002), retail eco-branding contributes to generating higher profit margins. Such economic incentive justifies the retail engagement in sustainable sourcing activities.

Additionally, our empirical findings demonstrate that the supply chain context, e.g. industrial concentration on the supplier market and low procurement volumes by a retailer, may hinder the retailer's ability to motivate suppliers to produce according to the certification requirements, especially if market demand for sustainability certified products is low. This means that third-party certification alone does not necessarily allow achieving a significant impact on sustainability performance upstream in the supply chain as suggested by Kogg and Mont (2012). Our findings demonstrate that private eco-branding enhances the retail power to demand suppliers to comply with product sustainability requirements (Burch and Lawrence, 2005). Private property rights assigned to retail brands also increase the perceived responsibility of retailers to ensure that private eco-branded products adhere to sustainability criteria.

Although there is a concern that proliferation of multiple labels can erode the level of sustainability ambition (Risgaard, 2009), empirical data from this study do not provide support that this is actually the case for retail eco-brands. In accordance with Burch and Lawrence (2005), we have observed that retailers apply 'best practice' standards for private eco-branded products. In particular, food retailers add additional sustainability requirements to those required by existing certification schemes and in some instances engage with the development of alternative, stricter standards that are kept exclusive for particular retail chains (e.g. Waitrose dairy standard). From the retailer's perspective, such development is justified by accruing intangible benefits such as brand value and reputation. Thereby, private eco-branding contributes to creating a win–win situation for retailers when investing in product sustainability innovation allows gaining a competitive advantage.

### 6.2. Advantages of private eco-brands for 'downstream' sustainability

Alongside their functions in contributing to implementation of sustainability upstream in the supply chain, this study points towards retailers' eco-brands fulfilling an important role in developing the consumer demand for sustainable products. It appears that leading retailers in Western Europe have chosen to connect their efforts in private eco-branding with reputation building. Anselmsson and Johansson (2007) claimed that retailers' eco-brands increasingly develop into what they call '4th generation' brands. They claim "in generation four, the products are advanced

private brands; innovative products or product-lines, not introduced as "me-too" products but with the aim to drive and build markets by themselves" (Anselmsson and Johansson, 2007: p. 836). Examples discussed in this study, such as COOP Sweden's 'Ånglamark' or Billa's 'Ja! Natürlich', support this view. In both cases, retailers have spent considerable efforts to develop a high level of recognition and reputation, resulting in high levels of trust in their sustainability claims. Private eco-branding allows for such a long-term approach to be done in an economically feasible way. The ownership retailers achieve over sustainable products increase the incentive to engage with development of consumer demand.

Retailer's eco-brands seem to bear another advantage in respect to the promotion of sustainable consumption. By locating the responsibility for sustainable claims closer to the most powerful (and thus shaping) forces in the food supply chain, they increase the chance that sustainable product offerings are closely following market trends and thus increase the connectivity between consumption and production. Klintman et al. (2008: p. 55, own translation) claim that "the trend in food retailing goes towards environmental product declarations and private brands because environmental labels are not considered sufficiently transparent". Due to their market focus, retailer's eco-brands incorporate a high degree of flexibility and make a continuous adaptation to public debate and consumer preferences more likely. Boström and Klintman (2008) claimed that one of the biggest disadvantages of third-party eco-labelling is its focus on production and thereby insensitivity to consumer demands. This is often justified with the necessity for standards, rules and scientific accuracy. By combining various third-party eco-labels, adding supplementary criteria, and customising the narrative to various niches, eco-brands not only differentiate themselves on the market, but are also more likely to achieve what Klintman et al. (2008) claimed to be both a necessity, but also a major challenge to third-party labels - to become more reflective and adaptable to consumer interests, concerns and expectations.

### 6.3. Limitations of private eco-brands

Despite the many possibilities private eco-brands offer retailers, supermarkets also face a number of challenges in developing private eco-brands, among which are increased liability risks and high costs of monitoring and verifying compliance due to complexity and sheer number of suppliers involved into retail sourcing networks (Johnson, 2004). As a result, retailers have shown a preference to build private eco-brands on the basis of existing third-party certification schemes, which allow the outsourcing of the critical task of ensuring the products' adherence to the sustainability criteria. The importance of this task has been demonstrated in regards to palm oil where underdevelopment of the independent traceability system constrained retailers' ability to exercise environmental responsibility in the upstream supply chain even with regards to private eco-brands.

Third-party certification also appeared to be necessary for creating the trust in sustainability claims pertaining to retail eco-brands. Even for the eco-brands with a very strong brand equity and a well established sustainability image (such as 'Ånglamark' in Sweden or 'Ja! Natürlich' in Austria), interviewed retailers greatly rely on third-party certification to assure consumer trust.

Additionally, the development of sustainability standard by individual retailer requires the development of a high level of non-retailing expertise in-house (Hall, 2000), e.g. knowledge of production processes, technologies, environmental regulations in other countries, LCA methodologies etc. It has been highlighted by the interviewed respondents that market institutions such as certification schemes, collective industry forums, and consultancy

organizations assist retailers in outsourcing critical expertise required for developing sustainability criteria and setting priority for sustainability action. Furthermore, in order to develop own sustainability standards, retailers need to find suppliers that are willing to undertake sustainability innovation and associated risks for a particular retailer. In some cases, finding such suppliers is hindered by supply chain constraints, such as a high level of industrial concentration in the manufacturing industry (Cox et al., 2001).

Another limitation of developing private eco-brands that cannot be ignored are trade-offs between short-term and long-term profitability. Retailers have in the past shown to readily abandon sustainability initiatives when short-term profitability is at risk. Tesco UK is a prominent example for this, having abandoned carbon labelling due to high costs and low initial market reaction. While eco-brands arguably offer a stronger incentive for retailers to stay committed to sustainability initiatives, the complete lack of independent external control of Tesco's attempt seemed to undermine the long-term commitment to promote sustainability. Increasing dominance of private sustainability governance has therefore raised concerns of negative long-term effects on sustainable consumption (cf. Moisander et al., 2010).

As such, our analysis suggests that the future role of third-party eco-labels in supporting the implementation of sustainability both 'upstream' and 'downstream' in supply chain should not be underestimated. Outsourcing the task of defining what is sustainable and monitoring/verifying compliance to independent certifier decreases the liability risks and costs of greening food supply chains for retailers.

## 7. Discussion

Some of our findings support the assumption made on the basis of the NIE logic that private eco-branding can be viewed as a retail-driven institutional arrangement that incentivizes retailers' engagement with the development of markets for sustainability certified food by turning it into a profitable endeavor.<sup>6</sup> Our findings reveal that private eco-branding creates the business case for greening product markets by lowering the sourcing costs for eco-labelled products, while at the same time allowing retailers to pursue either price or non-price differentiation strategy from the rest of the sustainability certified assortment (cf. Lehner and Halliday, 2014). The differentiation mechanism allows retailers to protect their investments into green market development from being easily lost to competitors with access to the same certification schemes. There is also some indication that private eco-branding might facilitate consumer demand by enhancing consumer trust in eco-labelled products by applying multiple certification and requiring higher frequency of supplier audits.

However, due to a number of challenges associated with the development of private eco-brands, it is unlikely that they will substitute third-party eco-labels. These challenges are associated with time, expertise and asset-specific investments required to define the sustainability criteria and conduct supplier audits. Given the wide product ranges, the complex nature of sustainability issues and the sheer number of suppliers in the retail procurement network, it becomes practically impossible for retailers to perform

these tasks unilaterally. Existing third-party eco-labelling schemes, besides their marketing function, play an important role in reducing retailers' transaction costs borne by defining sustainability criteria and policing compliance in the global supply chain.

Based on our findings, we suggest that private eco-brands will function under support of third-party certification. The role of the latter is anticipated to transform from being an independent market institution that sets and manages the sustainability agenda in product chains to becoming a "service-provider" that assists retailers in their efforts to green food markets by reducing transaction costs and liability risks associated with the implementation of 'upstream' sustainability. Furthermore, we suggest that third-party certification schemes will continue to fulfill a 'steering' role in ensuring that 1) democratic processes are accounted for in setting and implementing standards; 2) long-term sustainability goals are not jeopardized by corporate agendas for short-term profitability; 3) various suppliers get competitive access to major distribution chains by e.g. providing training, implementation advice and other forms of supplier assistance including donor's financial support.

Only where market incentives are strong enough and supply chain structures allow retailers to take full responsibility over sustainability issues it might be expected that existing third-party eco-labels will eventually be substituted with private eco-brands certified by alternative standards instigated by retail organizations (e.g. Waitrose's dairy standard). However, due to associated transaction costs and liability risks, these occasions are limited, with most other constellations encouraging various combinations of private eco-branding and existing third-party certification that altogether facilitate retailers' efforts to green food markets.

## 8. Conclusions

This study contributes to the broad research field on corporate responsibility in the supply chain by analyzing the interplay between two increasingly prominent market tools – third-party certification and eco-branding. In particular, this paper seeks to explain how private eco-branding allows food retailers to pursue the role they have often been ascribed – becoming active agents in mainstreaming the market for the sustainability certified products. Our findings suggest that private eco-branding can be viewed as a complementary institutional arrangement that motivates and enables food retailers to proactively address sustainability issues both upstream and downstream in the supply chain.

From the 'upstream' perspective, private eco-branding in comparison to third-party certification contributes to better market efficiency in greening the supply chain and enhances retail power to influence suppliers to green their products and operations (Girod and Michael, 2003; Burch and Lawrence, 2005). Private eco-branding further incentivizes food retailers to drive product sustainability improvements (Orsato, 2009; De Marchi, Di Maria et al., 2013) beyond the eco-labelling requirements. It also reinforces the perceived retailer's responsibility to ensure that sustainability requirements are met at different stages in the supply chain. From the 'downstream' perspective, private eco-brands address a number of vital issues which third-party certification schemes fail to address, such as better market orientation and enhanced availability of sustainable products. Our findings confirm that private eco-brands can do what Klintman and Boström (2012: p. 124) argued third-party eco-labels are bad at – to "become more in line with the reflective nature of green, political consumers".

To account for the limitations of this study, a number of directions for future research can be outlined. These include:

- Accounting for the perspective of broader number of food retailers and other actors, i.e. suppliers and consumers, on the role

<sup>6</sup> By calling eco-branding an institutional arrangement, we refer to Williamson (2000) notion of institutions that pertains to the corporate arrangements to efficiently and effectively govern contractual relationships. From this perspective, the institution of private eco-branding is viewed as negotiated and mutually agreed only between limited number of actors that are party to the particular retail value chain (e.g. suppliers, retailers and consumers), rather than between broader set of actors embedded in the socio-technological landscape.

of private eco-branding in furthering the market for sustainability certified products. In particular, it is important to understand what private eco-brands mean for agricultural producers. Such research would contribute to eliminating the controversy on whether private eco-brand strategies should be perceived as green-washing and retailers' pursuit to enhance bargaining power, or indeed trustworthy attempts to support suppliers and consumers in their transition towards sustainability practices;

- Conducting quantitative assessment to provide support for early empirical evidence on advantages of private eco-brands identified in this study. This includes the evaluation of eco-brands' contribution to cost-efficiency of greening product chains, to levels of consumer uptake of sustainable products, and to net environmental and social benefits delivered. The quantitative validation of the comparative advantages of private eco-branding vs. third-party certification will allow drawing more conclusive results on implications of private eco-branding for the development of 'green' markets.
- Analyzing the interplay between private eco-branding and third-party certification in the different national contexts to reveal how the content, functionality and legitimization of these market tools has co-evolved in the broader institutional context.

## Acknowledgements

This research is part of Hållbar Butik (Sustainable Retail) project (number 2010-100) and is funded by the Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning FORMAS. We would like to thank Arthur Mol, Oksana Mont, Maria Jönsson and reviewers for providing relevant comments for improving this article.

## References

- Akerlof, G.A., 1970. The market for "Lemons": quality uncertainty and the market mechanism. *Q. J. Econ.* 84 (3), 488–500.
- Anselmsson, J., Johansson, U., 2007. Corporate social responsibility and the positioning of grocery brands: an exploratory study of retailer and manufacturer brands at point of purchase. *Int. J. Retail Distrib. Manag.* 35 (10), 835–856.
- Anstey, C., 2009. Retailers and Sustainability. The Drive for Sustainable Food Production, Supply and Consumption. Dutch Sustainable Trade Initiative, Haarlem, Holland, 31.
- BIO Intelligence Service, 2009. Towards a Greener Retail Sector. European Commission, 233.
- Blombäck, A., Wigen-Kristoferson, C., 2011. Butikens samhällsansvar: Om innebörden av samhällsansvar i handeln. Handels Utvecklingsråd.
- Boström, M., Klintman, M., 2008. Eco-Standards, Product Labelling and Green Consumerism. Palgrave Macmillan, Hampshire, UK.
- Boughera, D., Grolleau, G., 2004. Could Ecolabeling Mitigate Market Failures? An Analysis Applied to Agrofood Products. Working Paper 2004/3. University of Burgundy, UMR INRA - ENESAD Agricultural Economics and Sociology Department, 18.
- Burch, D., Lawrence, G., 2005. Supermarket own brands, supply chains and the transformation of the agri-food system. *Int. J. Sociol. Agric. Food* 13 (1), 1–18.
- Busch, L., Bain, C., 2004. New! Improved? The transformation of the global agri-food system. *Rural Sociol.* 69 (3), 321–346.
- Chen, Y.-S., 2010. The drivers of green brand equity: green brand image, green satisfaction, and green trust. *J. Bus. Ethics* 93, 307–319.
- Chikanikova, O., Klintman, M., et al., 2013. Sustainability Landscape of Swedish Food Retailers in the European Context. Lund University, IIIEE, O. Mont. Lund, 978-91-87357-07-7, 94.
- Chikanikova, O., Mont, O., 2011. Overview of Sustainability Initiatives in European Food Retail Sector. IIIEE WORKING PAPER 2011: 1. Lund University, Lund, IIIEE, 40.
- Chikanikova, O., Mont, O., 2012. Corporate supply chain responsibility: drivers and barriers for sustainable food retailing. *Corp. Soc. Responsib. Environ. Manag.* <http://dx.doi.org/10.1002/csr.1316>.
- Cox, A., Ireland, P., et al., 2002. Supply Chains, Markets and Power: Mapping Buyer and Supplier Power Regimes. Routledge, London.
- Cox, A., Sanderson, J., et al., 2001. Supply chains and power regimes: toward an analytic framework for managing extended networks of buyer and supplier relationships. *J. Supp. Chain Manag.* 37 (2), 28–35.
- Crane, A., 2000. Facing the backlash: green marketing and strategic reorientation in the 1990s. *J. Strat. Mark.* 8 (3), 277–296.
- De Marchi, V., Di Maria, E., et al., 2013. Environmental strategies, upgrading and competitive advantage in global value chains. *Bus. Strategy Environ.* 22, 62–72.
- Deaton, J., 2004. A theoretical framework for examining the role of third-party certifiers. *Food Control* 15, 615–619.
- Delmas, M., Nairn-Birch, N., et al., 2013. Choosing the right eco-label for your product. *MIT Sloan Manag. Rev.* 54 (4), 10–12.
- Ekoweb, 2013. Ekologisk livsmedelsmarknad (Ecological Food Market). LRF (The Federation of Swedish Farmers), Stockholm, 26.
- Elham, R., Nabsiah, A.W., 2011. Investigation of green marketing tools' effect on consumers' purchase behavior. *Bus. Strategy Ser.* 12 (2), 73–83.
- Euro COOP, 2011. Euro COOP's Comments on the LEI Study "The Impacts of Private Labels on the Competitiveness of the European Food Supply Chain" from [http://ec.europa.eu/enterprise/sectors/food/files/comments\\_eurocoop\\_privlab\\_en.pdf](http://ec.europa.eu/enterprise/sectors/food/files/comments_eurocoop_privlab_en.pdf).
- European Commission, 2008. Sustainable Consumption and Sustainable Industrial Policy Action Plan.
- European Commission, 2009. Europeans' Attitudes Towards the Issue of Sustainable Consumption and Production. Brussels The Gallup Organisation and European Commission, 86.
- European Commission, 2011a. The Impact of Private Labels on the Competitiveness of the European Food Supply Chain. Luxembourg European Union, 201.
- European Commission, 2011b. A Renewed EU Strategy 2011–14 for Corporate Social Responsibility.
- European Commission, 2011c. Services on Monitoring Retailers' REAP Commitments. Consortium ESRI, Munich, 145.
- Fransen, L., 2011. Why do private governance organizations not converge? A political-institutional analysis of transnational labor standards regulation governance. *Gov. Int. J. Policy, Adm. Inst.* 24 (2), 359–387.
- Fulponi, L., 2006. Private voluntary standards in the food system: the perspective of major food retailers in OECD countries. *Food Policy* 31, 1–13.
- Gereffi, G., Lee, J., 2009. A global value chain approach to food safety and quality standards. *Glob. Health Dipl. Chronic Dis. Prev.* 52.
- Ginsberg, J., Bloom, P., 2004. Choosing the right green marketing strategy. *MIT Sloan Manag. Rev.* 46 (1), 79–84.
- Girod, S., Michael, B., 2003. Branding in European retailing: a corporate social responsibility perspective. *Eur. Retail Dig.* 38 (2), 1–6.
- Grolleau, G., Ibanez, L., et al., 2011. Eco-labelling schemes faces with selfish and altruistic consumer motivations and with the public or private nature of environmental attributes. In: Schmitt, B., Drogue, S. (Eds.), *Research in Economics and Rural Sociology*. INRA Department of Social Sciences, Agriculture and Food, Rural Development and Environment.
- Grunert, K., 2011. Sustainability in the food sector: a consumer behaviour perspective. *Int. J. Food Syst. Dyn.* 2 (3), 207–218.
- Hall, J., 2000. Environmental supply chain dynamics. *J. Clean. Prod.* 8 (6), 455–471.
- Hall, J., 2001. Environmental supply-chain innovation. *Greener Manag. Int.* 35, 105–120.
- Hartmann, P., Ibanez, V.A., et al., 2005. Green branding effects on attitude: functional versus emotional positioning strategies. *Mark. Intell. Plan.* 23 (1), 9–29.
- Hatanaka, M., Bain, C., et al., 2005. Third-party certification in the global agri-food system. *Food Policy* 30 (3), 354–369.
- Henson, S., Humphrey, J., 2010. Understanding the complexities of private standards in global agri-food chains as they impact developing countries. *J. Dev. Stud.* 46 (9), 1628–1646.
- Henson, S., Reardon, T., 2005. Private agri-food standards: implications for food policy and the agri-food trade. *Food Policy* 30, 241–253.
- Hertzfeld, E., 2010. Why Walmart loves private label. *Off. Board Mark.* 86 (18).
- Holmström, B., Roberts, J., 1998. The boundaries of the firm revisited. *J. Econ. Perspect.* 12 (4), 73–94.
- John Lewis Partnership, 2009. Waitrose is the First Supermarket to Commit to Stocking 100 per cent Own Label British Dairy. <http://www.johnlewispartnership.co.uk/media/press/2009/press-release-26-august-2009-waitrose-is-the-first-supermarket-to-commit-to-stocking-100-per-cent-own-label-british-dairy.html>. Retrieved 30 March, 2012, from.
- Johnson, M., 2004. Marks & Spencer implements an ethical sourcing program for its global supply chain. *J. Organ. Excell.* 23 (2), 3–16.
- Jones, P., Comfort, D., et al., 2003. Developing customer relationships through fair-trade: a case study from the retail market in the UK. *Manag. Res. News* 27 (3), 77–87.
- Jones, P., Comfort, D., et al., 2009. Marketing sustainable consumption within stores: a case study of the UK's leading food retailers. *Sustainability* 1 (4), 815–826.
- Jung, J., Sung, E.-Y., 2008. Consumer-based brand equity: comparisons among Americans and South Koreans in the USA and South Koreans in Korea. *Consumer-Based Brand Equity Comp. Among Am. South Koreans USA. South Koreans Korea* 12 (1), 24–35.
- Kaplinsky, R., 2010. The Role of Standards in Global Value Chains. The World Bank, Poverty Reduction and Economic Management Network, International Trade Department, 20.
- Kherallah, M., Kirsten, J., 2001. THE new institutional economics: applications for agricultural policy research in developing countries. *Int. Food Policy Res. Inst.* 50.
- Klintman, M., Boström, M., 2012. Political consumerism and the transition towards a more sustainable food regime: looking behind and beyond the organic shelf. In: Spaargaren, G., Loeb, A., Oosterweert, P. (Eds.), *Food Practices in Transition*:



- Changing Food Consumption, Retail and Production in the Age of Reflexive Modernity. Routledge, London.
- Klintman, M., Boström, M., et al., 2008. Maten märks – Förrutsättningar för konsumentmarknaden. Lund University, Lund, 2008:1: 134.
- Kogg, B., Mont, O., 2012. Environmental and social responsibility in supply chains: the practise of choice and inter-organisational management. *Ecol. Econ.* 83, 154–163.
- Koos, S., 2011. Varieties of environmental labelling, market structures, and sustainable consumption across Europe: a comparative analysis of organizational and market supply determinants of environmental-labelled goods. *J. Consum. Policy* 34, 127–151.
- Kotler, P., 2002. *Marketing Management*. Millenium Edition. Pearson Custom Publishing, Boston.
- Larceux, F., Benoit-Moreau, F., et al., 2011. Why might organic labels fail to influence consumer choices? Marginal labelling and brand equity effects. *J. Consum. Policy*. <http://dx.doi.org/10.1007/s10603-011-9186-1>.
- Leathers, D., 2009. Special Report Sustainability. It's Not Easy Being Green. *PLB*, pp. 120–126.
- Lehner, M., Halliday, S., 2014. Branding sustainability: opportunity and risk behind a brand-based approach to sustainable markets. *Ephemera* 14 (1), 13–34.
- Migros Group, 2010. Our Responsibility/Sustainable Consumption/Sustainable Labels. Retrieved 21 February, 2014, from <http://m10.migros.ch/en/unser-verantwortung-en/nachhaltiger-konsum-en/nachhaltige-labels-en>.
- Migros Group, 2011. Our Responsibility/Sustainable Consumption/Sustainable Labels. Retrieved 21 February, 2014, from <http://m11.migros.ch/en/our-responsibility/sustainable-consumption/sustainable-labels>.
- Moisander, J., Markkula, A., et al., 2010. Construction of consumer choice in the market: challenges for environmental policy. *Int. J. Consumer Stud.* 34 (1), 73–79.
- Nordås, H.K., 2008. Gatekeepers to consumer markets: the role of retailers in international trade. *Int. Rev. Retail Distrib. Consumer Res.* 18 (5), 449–472.
- Organic Monitor, 2010. Future of Eco-Labels Debated at Sustainable Foods Summit. Retrieved 2010-08-28, from <http://www.npicenter.com/article/Industry/Future-of-Eco-Labels-Debated-at-Sustainable-Foods-Summit.aspx>.
- Orsato, R., 2009. *Sustainable Strategies: When Does It Pay To Be Green?* Palgrave Macmillan, Basingstoke, Hampshire, UK.
- Pagell, M., Wu, Z., et al., 2010. Thinking differently about purchasing portfolios: an assessment of sustainable sourcing. *J. Supply Chain Manag.* 46 (1), 57–73.
- Peattie, K., Charter, M., 2003. Green marketing. In: Baker, M. (Ed.), *The Marketing Book*. An Imprint of Elsevier Science, Oxford, Butterworth-Heinemann, pp. 727–757.
- Pickett-Baker, J., Ozaki, R., 2008. Pro-environmental products: marketing influence on consumer purchase decision. *J. Consumer Mark.* 25 (5), 281–293.
- Polonsky, M., Jevons, C., 2009. Global branding and strategic CSR: an overview of three types of complexity. *Int. Mark. Rev.* 26 (3), 327–347.
- Ponte, S., Gibbon, P., 2005. Quality standards, conventions and the governance of global value chains. *Econ. Soc.* 34 (1), 1–31.
- Potts, J., van der Meer, J., et al., 2010. The State of Sustainability Initiatives Review 2010: Sustainability and Transparency. International Institute for Sustainable Development (IISD) and the International Institute for Environment and Development (IIED), 161.
- Prakash, A., 2002. Green marketing, public policy and managerial strategies. *Bus. Strategy & Environ.* 11, 285–297.
- Reinecke, J., Manning, S., et al., 2012. The emergence of a standards market: multiplicity of sustainability standards in the global coffee industry. *Organ. Stud.* 33 (5–6), 791–814.
- Rex, E., Baumann, H., 2007. Beyond ecolabels: what green marketing can learn from conventional marketing. *J. Clean. Prod.* 15, 567–576.
- Riisgaard, L., 2009. How the Market for Standards Shapes Competition in the Market for Goods: Sustainability Standards in the Cut Flower Industry. Working Paper 2009-07, Danish Institute for International Studies (DIIS), 29.
- Rosen, C.M., Beckman, S.L., et al., 2002. The role of voluntary industry standards in environmental supply-chain management. *J. Ind. Ecol.* 6 (3–4), 103–123.
- Sandberg, E., 2010. The Retail Industry in Western Europe: Trends, Facts and Logistics Challenges Linköping. Linköping University, Institute of Technology, 58.
- SDC, 2007. *Visioning Sustainable Retail*. Reading Innovation Centre, UK.
- Seuring, S., 2011. Supply chain management for sustainable products – insights from research applying mixed methodologies. *Bus. Strategy Environ.* 20 (7), 471–484.
- Smith, B., 2007. Developing sustainable food supply chains. *Phil. Trans. R. Soc.* 363, 849–861.
- Soil Association, 2013. *Organic Market Report 2013*. Soil Association with Support of Triodos Bank, Bristol, 23.
- Sønderskov, K., Daugbjerg, C., 2011. The state and consumer confidence in eco-labeling: organic labeling in Denmark, Sweden, the United Kingdom and the United States. *Agric. Hum. Values* 28 (4), 507–517.
- Terrvik, E., 1997. Svenska Miljöbarometern 1995–1996 – En studie av trender i de svenska företagens miljöbeteende. In: Dobers, P., Wolff, R. (Eds.), *Miljöstrategier – ett företagsekonomiskt perspektiv*. Nerenius & Santerus Förlag, Stockholm, pp. 25–44.
- Thøgersen, J., 2010. Country differences in sustainable consumption: the case of organic food. *J. Macromark.* 30 (2), 171–185.
- Tunçer, B., Tyson, G., et al., 2007. *Retailers Calendar: Exploring New Horizons in 12 Steps Towards Long-term Market Success (A Guidelines Manual for Retailers Towards Sustainable Consumption & Production)*. UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption and Production, Wuppertal, 81.
- Vorley, B., Beekmans, A., et al., 2010. *Food-related Voluntary Sustainability Standards: A Strategy Guide for Policy Makers*. Trade Standards Practitioners Network, 42.
- Vorley, B., Roe, D., et al., 2002. *Standards and Sustainable Trade: A Sectoral Analysis for the Proposed Sustainable Trade and Innovation Centre (STIC)*. International Institute for Environment and Development (IIED), London, 56.
- Watthne, K.H., Heide, J.B., 2004. Relationship governance in a supply chain network. *J. Mark.* 68 (1), 73–89.
- Williamson, O.E., 1996. *The Mechanisms of Governance*. Oxford University Press, New York.
- Williamson, O.E., 2000. The new institutional economics: taking stock, looking ahead. *J. Econ. Lit.* 38 (3), 595–613.





## Article III



## **Translating sustainability: the role of the retail store**

Matthias Lehner

*International Institute for Industrial Environmental Economics  
Lund University, Sweden*

### **Abstract**

Purpose Retailers are facing pressure to promote sustainable consumption. Building on literature about the role of retailers as “translators” of the sustainability discourse, this article studies how retailers cope with this pressure.

Design/methodology/approach This study focuses on the Swedish retail sector. In twenty-two interviews with retail representatives and thirteen store observations it explores the way food retailers approach sustainable consumption, particularly focussing on the role retail stores receive in operationalizing sustainable consumption.

Findings The retail store is identified as important organizational layer within retailers to operationalize sustainable consumption. However, retailers do not acknowledge this potential sufficiently. An idealised model of multi-layered sensemaking to successfully promote sustainable consumption is presented.

Research limitations/implications The study results only cover a small part of the entire retail organisation and only provide a snapshot in time of their working. Future research should study how the internal process of translating sustainability to the market develops over time and how it is connected to different parts of the retail organisation (e.g. marketing, HR). More research is also necessary to specify the division of responsibilities between HQs and stores.

Practical implications This article proposes a divide of responsibilities between headquarters and the individual store to better deal with societal pressures and market demand.

Originality/value The results of this study add depth to the theoretical notions of ‘translation’ and ‘sensemaking’ in retailers’ efforts to promote sustainable consumption. A model for how this process works is provided.

**Keywords:** sustainable consumption, sensemaking, retail store

## Introduction

Retailers' dominant position in the food supply-chain (Dobson and Waterson, 1999; Harris and Ogbonna, 2001) has caught the eyes of those assessing ways to make food consumption in Europe more sustainable (Bonini and Oppenheim, 2008; Jones *et al.*, 2009; Sustainable Development Commission, 2007, 2005). It is argued that retailers are in a crucial position between food production and consumption and have considerable power over the workings of the food supply-chain (Ogle *et al.*, 2004). The European Commission (2010, p. 13) attests retailers "enormous power to raise awareness and influence shopping choices". Retailers increasingly try to live up to this expectation and a growing number of major retailers claims to be integrating sustainability into their business strategy (Jones *et al.*, 2011a, 2005).

They are confronted with a difficult market, though. Early hopes that consumers would embrace sustainability remain unfulfilled. While it is widely acknowledged that consumers are both more aware and more concerned about social and environmental problems now than ever before (Carrigan and Attalla, 2001; Peattie, 2010, 2001), sceptics claim that consumers' expression of good ethical intentions must not be taken for anything more than just that; good intentions (Thøgersen, 2010). It is claimed that consumers are cause-driven liberals when surveyed, but economic conservatives at the checkout line (Devinney *et al.*, 2010). In Sweden, for example, although retailers have invested considerable efforts into reaching out to the consumer and promote sustainability in food consumption success has been modest and claimed consumer interest continues to differ considerably from actual shopping behaviour. Whereas 81 % of Swedes claim to care for a product's impact on the environment, and 50 % claim to be aware of the environmental impact of products they consume (European Commission, 2009), the market share of environmentally labelled products is marginal in most product categories (Anselmsson and Johansson, 2007; Ekoweb, 2013; Schmidt *et al.*, 2008).

Retailers are thus in a difficult position, in which they need to satisfy the diverging expectations of society on the one hand and consumers on the other hand (Jones *et al.*, 2011b; Maignan *et al.*, 2005). Retailers are therefore said to face considerable risk and uncertainty in the attempt to implement sustainability in their operations (Terrvik, 2001; see also Gunn and Mont, 2012). They have to strike a delicate balance between following the societal discourse while, at the same time, they have to make sure these efforts do not counteract their business interests.

This article discusses the example of Swedish food retailers trying to cope with the need to engage with sustainable food consumption. It asks how these retailers deal with the divide between societal expectations and market reality and tries to learn from retailers' experiences in their efforts to work with sustainable consumption. Particular focus is given to how the sustainability debate materializes in the daily interaction between retailer and consumer in the store.

## Literature review

### *Making sense of sustainable consumption*

The sustainable consumption debate does not provide any agreed-upon definition or standards according to which a retailer's actions could be evaluated in terms of its level of sustainability (e.g. Jones *et al.*, 2011a; Wiese *et al.*, 2012). Rather, what constitutes a sustainable act is a matter of the societal discourse in which various

interest groups aim to further their agenda (see Heijden *et al.*, 2012). Oosterveer (2012) conceives the food supply-chain as an interactive process in which actors across the chain influence each other, with retailers operating

*... as part of larger and complex socio-technical systems, restricting their room of manoeuvre and influencing the way they incorporate sustainability (Oosterveer, 2012, p. 158)*

He describes the role of retailers within this reality as follows:

*Retailers take up a position in connecting innovations upstream with downstream dynamics and vice versa. They have to translate the consumer demand for sustainable food into changes that fit the configuration at the supply side and program a configuration of food products and related services that fit consumer concerns and their lifestyles. (Oosterveer, 2012, p. 159)*

In this act of translation, retailers are not passively transmitting impulses, though, but are actively engaging in the interpreting, shaping and repackaging of impulses coming from society, the supply-chain, or the market. Today, big retailers dominate provisioning systems (Harris and Ogbonna, 2001). They can use this power to open or restrict market access for suppliers, but also to influence consumer behaviour (Coombs *et al.*, 2003). How retailers act within the complex and fluid arena of sustainable consumption depends on how they interpret and understand the societal debate and their position in it. Heijden *et al.* (2012) argue that

*... organisational embedding of sustainability requires context-dependent sensemaking. (Heijden *et al.*, 2012, p. 548)*

Basu and Palazzo (2008) describe this sensemaking process as,

*... the process by which managers within an organization think about and discuss relationships with stakeholders as well as their roles in relation to the common good, along with their behavioural disposition with respect to the fulfilment and achievement of these roles and relationships. (Basu and Palazzo, 2008, p. 124)*

This sensemaking process results in the construction of a mental framework within which individuals construct meaning and according to which they judge their past behaviour but also plan future action (Cramer *et al.*, 2004). Cramer *et al.* (2006) therefore claim that this sensemaking process is crucial not only to how sustainability is understood, but also to how sustainability is “done” in the organisation. In short, sensemaking is a prerequisite for individuals to cope with a new concept such as sustainability in order to incorporate this new concept into actions.

Sensemaking is driven by change agents. Change agents are actors within an organisation that are at the forefront of the sensemaking process and strongly influence the internal translation and interpretation of sustainability and help to embed it in the company’s operations (Heijden *et al.*, 2012). Change agents interact with relevant internal and external (to the organisation) parties and their personal sensemaking process contributes to the establishment of a collective understanding of sustainable consumption for the entire organisation. These change agents conduct

their personal sensemaking process based on their own situational context and are influenced, among others, by their functional position, circle of influence and available instruments (Cramer *et al.*, 2004). This means that change agents and their positioning within the organisation affects their sensemaking process with consequences for the understanding and action of sustainable consumption in the entire retail organisation.

### *Selling sustainability: the role of the retail store*

In recent literature, a view of sustainable consumption emerges in which a consumer's decision to act sustainably is to a great extent the result of factors such as the context in which a purchase is made and the wider socio-psychological context within which individuals live their lives (Devinney *et al.*, 2010; Ottman *et al.*, 2006; Warde, 2005). Peattie (2001) therefore states that for business to foster sustainable consumption it is necessary to create the right 'habitat' in which sustainable consumption can thrive. Peattie and Crane (2005) argue that green marketing has to become a bridge between consumers' current lifestyles and one that meets the requirements of sustainable consumption. The closer a company is to these insights, the more likely it is that external pressures on the retailer to become sustainable can translate into profits and competitive advantage,

Oosterveer and Spaargaren (2012) claim that supermarkets are 'central nodes' between retailers and consumers. For a common ground for sustainable consumption to be found, 'interaction, communication and trust are indispensable dimensions' (Oosterveer and Spaargaren, 2012, p. 135). Oosterveer (2012) and Oosterveer and Spaargaren (2012) therefore claim that stores constitute an organisational level within large retailers that deserves particular attention in making sustainable consumption understandable to consumers. They describe stores as 'consumption junctions' where producers, providers and consumers meet to exchange their ideas about sustainability to collectively define and redefine sustainable consumption.

A picture emerges in which retailers, as powerful actors in the food supply-chain, not only influence physical exchange, but also the understandings that shape this market exchange. They do so under constant pressure from various stakeholders, though, and are faced with consumers that not only value sustainability to varying degrees, but also give it different meanings. The store, as point-of-interaction between retailers and consumers fulfils an important role in the process of achieving sustainable consumption, not only as a place of physical exchange, but also as a place for exchange of information, ideas and understanding of what it means to consume sustainably. However, the question remains how well retailers manage to align their internal sensemaking process with how their customers make sense of the concept of sustainable consumption. This is important as one can expect greater success in retailers' effort to bring in line stakeholder expectations and market demand where retailers' market communication and market offers meet customers' understanding and concern for sustainability.

### **Research Design**

This article builds on qualitative data. It draws from twenty-two interviews with retail representatives (seven from headquarters, fifteen with stores) and thirteen store observations (see table 1). The interviews and observations cover all major actors in the Swedish market (ICA, Coop, Hemköp, Willy's, Citygross, Lidl and Netto).

However, the retailers ICA and Coop are overrepresented in the empirical focus of this study due to their significantly higher market share (together 71.3 % in 2012)<sup>[1]</sup> and resulting influence on the Swedish market as a whole. Particularly ICA must be assessed in a different light than the rest of the Swedish market because of its market share of almost half of the entire Swedish market. All interviewees represent ‘change agents’<sup>[2]</sup> within the retail organisation.

Table 1: List of interview partners and store observations

	Retailer	Position	Interview type	Store observation
<i>Headquarters</i>				
1	ICA	Head of Environment and Social Responsibility	Telephone interview	-
2	Coop	Head of Environment	Telephone interview	-
3	Coop	Head of Quality Assurance and Environment	Telephone interview	-
4	Axfood	Head of Environment and Social Responsibility	Telephone interview	-
5	Willy's <sup>1</sup>	Environmental Coordinator	Telephone interview	-
6	Citygross <sup>2</sup>	Head of Environment and Quality Management	Telephone interview	-
7	Netto	Head of Quality Management	Telephone interview	-
<i>Stores</i>				
1	ICA Maxi, Östersund	Owner; Sustainability coordinator	Telephone interview	No
2	ICA Torgkassan, Uppsala	Owner	Telephone interview	No
3	ICA Kvantum, Södra Sandby	Head of Marketing	Face-to-face interview	Yes
4	ICA Malmborgs Tuna, Lund	Owner and Head of Sustainability	Telephone interview	Yes
5	ICA Söder, Malmö	Owner	Face-to-face interview	Yes
6	ICA Kvantum Malmborgs Clemenstorget, Lund	Owner	Face-to-face interview	Yes
7	ICA Möllevången, Malmö	Owner	Face-to-face interview	Yes
8	Coop Forum, Lund	Two employees with sustainability interest	Face-to-face interview	Yes
9	Coop Konsum Torupsgatan, Malmö	Store manager	Face-to-face interview	Yes
10	Coop Konsum Höja	Store manager	Face-to-face interview	Yes
11	Hemköp Centrum, Malmö	Store manager	Telephone interview	Yes
12	Hemköp Karhögstorg, Lund	Store manager	Face-to-face interview	Yes
13	Citygross Rosengård, Malmö	Store manager	Face-to-face interview	Yes

<sup>1</sup> part of the Axood concern

<sup>2</sup> part of the Bergendahls concern

14	Lidl Spångatan, Malmö	Employee	Face-to-face interview	Yes
15	Netto Centrum, Malmö	Store manager	Face-to-face interview	Yes

### *Research method*

A semi-structured and open-ended interview design (e.g. Punch, 2005) was deemed most suitable for this study, as such an approach holds the potential to provide a ‘complex stock of knowledge about the topic under study’ (Flick, 2009, p. 155). The intention with this approach was to focus on the topic of sustainable consumption while allowing interviewees to freely associate the topic with what they perceived as relevant. The topics for the interviews and store observations were derived from the focus of this study (i.e. retailers’ difficulty to cope with stakeholder expectations on the one hand and market demand on the other hand), the literature review (i.e. fluidity of the understanding of sustainability and what this means to the internal sensemaking process) and not least further understanding of the topic gained during the collection of the data (i.e. the important role of the retail store in making sense of sustainable consumption).

Interviews were conducted following a questionnaire which focussed on the following topics: the understanding of sustainable consumption in Swedish retail, the integration of sustainable consumption into daily operations in retail, the role of the consumer in a retailer’s work with sustainable consumption, and the role of the retail store in a retailer’s work with sustainable consumption. Questionnaires for store interviews followed the same logic but differed slightly with a stronger focus on daily operations, practical experiences and the direct interaction with customers. All but three interviews were tape-recorded. In three cases the interviewees did not agree to be taped, in which cases hand-written notes were taken during the interviews instead.

Furthermore, store observations were conducted to ensure the researcher would be able to understand and interpret the interviews correctly as well as to complement the knowledge collected through the interviews (see Denzin and Lincoln, 2013; Flick, 2009). Store observations were conducted in connection with (i.e. before or after) store interviews (see table 1). All observations followed a routine in which the researcher observed the store from the perspective of the grocery shopper, focusing on in-store promotion of sustainable consumption. The observations were conducted with the following questions in mind: ‘Is sustainability present and visible as an offer to the customer?’, ‘How is sustainability presented to the customer?’, and ‘How does sustainability as a theme connect with other themes (e.g. health, convenience, quality, value-for-money) promoted to the consumer in the store?’ All store observations were recorded in a field diary.

All interviews and observations were conducted between August 2011 and March 2012.

### *Analytical approach*

Transcripts, field notes and hand-written interview notes were grouped according to retail chains as well as according to the organisational level they represented (i.e. HQ vs. store level). Transcripts were thus read and analysed with two categorisations in mind: 1) the differences between retailers, and 2) the differences between



organisational levels. This exercise led to a collection of themes and threads throughout the material which were compiled into a model of how the processes studied in this research ideally functions (see figure 1), and how work with sustainable consumption can deviate from this process within Swedish retailers.

### *Further clarifications*

Quotes in the text were chosen for their representativeness of themes found in the data. All quotes are anonymised. To distinguish respondents, numbers were assigned to each respondent and used in the text instead of names. Respondents from headquarters are further classified with the abbreviation 'HQ'. Store respondents are indicated with 'Store (+ a number)'. It is important to stress that the numbers used to classify quotes in the text are not connected to the numbering in table 1. Instead, numbers were ascribed on a randomised basis.

Due to ICA's market power, ICA is overrepresented in this study. While this was not an outspoken aim of this study, it quickly became clear in the course of the work that ICA was central to the understanding of how the Swedish retail industry works with sustainable consumption, and in particular how stores can assume an important role in this. The reasons for ICA's overrepresentation in the text are threefold, 1) ICA's market power is sufficient for them to act as a benchmark for the entire Swedish food retail industry, 2) ICA's recent success with sustainable consumption has made them a market leader in this field in Sweden, and 3) ICA's organisational structure (ICA is by far the most decentralised retailer in Sweden) makes it a prime example of store-level adaptation to the sustainability debate.

This article does not provide a definition of sustainable consumption, except that what constitutes sustainable consumption in the context of food retailing is whatever retailers, stakeholders and consumers understand it to be. It also depicts this understanding as controversial and disputed. This does not mean that there are no objective scientifically backed criteria for what sustainable consumption means. However, science has – at best – an indirect impact on retailers' work with sustainable consumption in that it influences stakeholders and/or consumers to change their expectations towards retailers, or retailers to change their internal strategic thinking (which relates to the sensemaking process discussed in this paper).<sup>[3]</sup>

## **Results**

### *How headquarters engage in the sensemaking process of sustainable consumption*

Interviewees from headquarters (HQs) largely acknowledged that their industry is a shaping force of consumption behaviour. Interviewees agreed that retailers are in a position to promote sustainable consumption. However, they also pointed out that this power is limited, and that retailers always face the risk of consumers reacting negatively to attempts of intervention in their behaviour. It was generally argued that consumers have to be 'on board' for sustainable consumption to materialize and for it to be economically feasible and viable in the long term. However, scepticism was raised whether the average consumer will ever become sufficiently engaged in sustainability to make it economically sensible for retailers to fully align societal expectations with market demand.

*It's still the case that very many consumers talk about sustainability, but when they do their shopping there are very low sales of sustainably labelled food. ... We have done much more than what we have been rewarded for [by customers]. ... We introduced additional signs [i.e.: to indicate the shelf position of organic food] in the stores and thought sales would increase, but increases were marginal. (HQ1)*

HQ representatives stressed that consumers are often overwhelmed by contradicting information. As a result most of them resort to routinized and well-known behaviour. Consumers were depicted as having short attention spans in the public sustainability debate, as rather uncommitted to sustainability in general and as unwilling to 'go out of their way' to make their own consumption more sustainable. Public appeals for a more active role of retailers in changing consumer behaviour were therefore met with scepticism, pointing out the risk of loosing consumers to competitors.

This related to a fear among interviewees that the inability to live up to societal expectations will eventually lead to increasing political intervention (i.e. new regulations). Many interviewees expressed fear over future regulation harming their business or distorting competition. Overregulation would, in their eyes, hamper innovativeness and thus make it more difficult to identify business cases in sustainable consumption.

*Development is faster if it happens according to consumer demand rather than regulation. ... It is important that the law protects the consumer ... [but] it is possible to develop the retail industry without new regulations by listening to the consumer ... the problem with regulation is that it often turns out to be complicated. (HQ2)*

Even though some interviewees acknowledged that regulation was sometimes necessary to achieve important societal goals, fear that policy-makers could overshoot in regulation for sustainable consumption lead to a widely shared view among interviewees that innovation and market orientation would be necessary in the future to achieve sustainable consumption without harmful regulatory interventions. This included identifying niches and communicating sustainability in the right way to the customer:

*The majority [of consumers] will never become vegetarian, but one can reduce meat consumption through smart solutions. ... It is not easy to influence food habits ... it's about offering food alternatives that are not too radical from what people are used to, so step-by-step. (HQ4)*

The process of choosing such focus areas is delicate, though, as the following quote from another CR-manager suggests:

*There is no answer to what is best. That depends on the perspective. That's why a company has to decide what is best and stick to it. ... Sustainability was so hot that everyone wrote into their strategy plans that they would work with it, but then nobody knew how. ... The important thing is to listen to consumers, to stores, to other actors, and then decide as a company what to do. ... [Our] focus on transport is partly the result of consumers thinking that 'you retailers*

*transport so much' ... even if for the entire lifecycle the more important question actually is how the production happens. (HQ2)*

Interviewed CR-managers referred to multiple influences, e.g. science, policy-makers, NGOs and the public debate, as sources for retailers to make sense of sustainable consumption.

*The reason that so much happens in retail is that retailers have been criticised ... because retail is so centrally positioned between consumers and producers, society's and policy-makers' focus is more and more on retailers. (HQ5)*

*It is important to listen to the consumer, but not only. One also has to listen to organisations, which have a lot of knowledge, and society, and thereby do the right thing. (HQ2)*

This multitude of influences on the understanding of sustainable consumption became also clear in the interviews. For HQs, sustainable consumption efforts appeared to be as much a way to satisfy stakeholder pressures as they are a way to meet market demand.

*If [we] would strictly focus on how much any product sells [we] would not have so many products as we have ... but image and the future makes [us] focus on sustainable products anyway. [We] are convinced that this is important for image and future sales. (HQ1)*

Retailers' HQs give the impression of carefully crafting their work with sustainable consumption in a way that satisfies a maximum of stakeholders across their operations.

#### *How stores understand their role in sensemaking of sustainable consumption*

Opposite to the reality described among HQs, where the large society-wide debate received much attention, personal consumer interaction was described as the driving force for sustainable consumption efforts in stores. In several interviews store representatives explained that their understanding of sustainable consumption was mostly influenced by immediate interaction with customers. Instead of large societal forces, social forces in the immediate vicinity of the store dominated. This could be municipal effort to promote a certain aspect of sustainable consumption, a locally engaged NGO or a local business initiative. Sensemaking of what is to be considered sustainable consumption was thus mostly the result of a locally embedded debate, with the store's customers and the immediate environment in which the store is situated (i.e. the municipality, the socio-demographic setting, etc.) as major force of influence.

In the observations conducted for this study, the market leaders ICA and Coop were the retailers where sustainability was most prominently promoted in the store, with in-store advertising, prominent product displays and price discounting. Coop focuses on eco-labelled food such as organic, Fairtrade and MSC. One interviewee in a Coop store explained how this happens:

*There are three parts involved [in how the store works with sustainable consumption], the customer, what Coop wants, and we in the store – and we work together pretty well ... we follow different recommendations [from NGOs] like “you shouldn’t do this” and Coop usually follows these very well, I think. ... Coop is for organic and they [i.e. HQ] want that we promote the organic product assortment. ... Sometimes it happens that one has one of those people that really care for sustainability [among the store employees], but we don’t have one of those now. We have the customers, though, and they ask and we keep our ears open. (Store 3)*

Compared to competitors, ICA stores provided an image of higher diversity in how sustainable consumption was presented to customers. Each observed ICA store offered a somewhat different approach to sustainable consumption, and some ICA stores appeared particularly active in their engagement with sustainable consumption. One ICA store, situated in an urban area with a mixed customer segment of both young educated and older working class people, combined discount pricing promotions with high-end sustainability offers (such as organic ‘Green & Blacks’ chocolate or ‘Ben & Jerry’s’ Fairtrade ice cream). While these two segments of the store were geographically distinct from each other (most high-end sustainability products were concentrated in one section of the store, together with dietary products such as vegetarian, vegan, raw-food, sugar-free, gluten-free or dairy-free), the price consciousness and sustainability argument were combined in a special offers section in the entrance area of the store. There, special offers for high-end sustainability products were displayed. According to the owner of the store, there is a clear focus on both, sustainable consumption and low prices in the store because many of his customers are interested in these two product characteristics and how they can be combined. According to the store owner, his customers showed high flexibility in their shopping routines and it was therefore possible for the store to purchase large quantities of, for example, an organic product when the opportunity to get a special deal offered itself.

Another ICA store interviewed and observed for this study decided to focus on food waste. To combat the store’s food waste, the store introduced a service that used products shortly before their best-before date to prepare ready-made meals, which were then sold in the store. The fact that the food was prepared from food that otherwise had gone to waste was also clearly communicated to customers. The store is located in walking-distance from a large Swedish university and according to the storeowner its customers are – due to their income, education and values – receptive to information concerning sustainability and willing to accept such innovative ideas. To communicate better with this customer segment the store has created its own homepage, flyers and in-store promotional material. According to the owner, the service has been a success, with – at the time of the interview – 300 lunches and 150 dinners sold on an average workday, considerable reductions in in-store food waste, and publicity in regional and national media.

Yet another ICA store in this study decided to focus on local sourcing. This store aligned its sustainable consumption work closely with the ‘Scania Food Innovation Network’, which promotes regional food-craftsmanship. With the label ‘*Smaka på Skåne*’ (‘taste Scania’; *own translation*), ‘Scania Food Innovation Network’ aims to bring together small-scale producers all across the region of Scania (Sweden’s most southern administrative district) with retailers. The store observed for this study has become a local leader of the initiative. Not only is the store among those stocking a

large number of 'Smaka på Skåne'-labelled products and championing the campaign to its customers, the storeowner is also a member of the initiative's retailer-council and invests time and energy into the development of the label and the corresponding marketing campaigns. Repeated observations in this store showed a very strong focus on this independent and local labelling initiative, with on-going communication throughout the store. Already when entering the store, customers are greeted with big signs showing the 'Smaka på Skåne' label and explaining its purpose and story. Products connected to the label receive prominent spots in the store, are highlighted with additional information, and presented to the customer in a personalized way through handwritten notes with the signature of an individual employee. Furthermore, the entire shop is designed in a 'countryside' feeling, in which furniture, candles and cooking books are used to strengthen the feeling of connectivity to local farmers and traditional production methods.

Such attempts to connect sustainability to local contexts became apparent even in interviews with stores connected to other, more centralized retail chains. Here is how one of ICAs competitors with a relatively centralised organisation structure describes how stores differ in their engagement with sustainable consumption in the organisation:

*We promote environmentally friendly products. ... But compared to other product groups those are no big sellers. ... Actually, we [i.e. the interviewed store] don't get rewarded by our customers for it. We are located in an area with high immigration and the cultures around here don't seem to connect to these campaigns. ... We have other stores in other places where it is absolutely necessary to be leading [in sustainability]. We have a store near Lund. Many there are young – students – and conscious. All [our] stores have the same assortment, but then [our store in Lund] focuses particularly on it as a niche. (Store 4)*

Store interviewees also repeatedly pointed out that the sustainability debate is often too complicated for them to make sense of. Particularly what was discussed on the national or international level and which consequences this should have for the store were deemed too complicated and time consuming to keep track of. However, this was not considered a big problem, as store interviewees pointed towards their retail organisations' HQs as information source in such occasions. This was true for more centralized retailers such as Coop as well as de-centralised retailers such as ICA.

*No, we don't have problems with that. All that is ICA central's [i.e. HQ] responsibility. Take prawns as example. ICA's headquarters went out and told all stores not to sell these anymore. Our suppliers couldn't guarantee the production conditions. So ICA didn't want to sell anymore. We even have a system in the cash register where – for example with prawns – the machine stops you from selling it. That happens in the headquarters. They press a button. I can bypass the system [note: the interviewee is a free merchant and owns the store], but I won't do that because I have received a recommendation from the headquarters. (Store 6)*

## Analysis

What these results point at is that sustainability is dealt with on multiple levels in the retail organization (see figure 1). Interviews suggested that the way Swedish retailers approach sustainable consumption is pragmatic, searching for those topics that satisfy their stakeholders and connect to their customers. To satisfy both these parts simultaneously appears to be difficult, though. Interestingly, Swedish retailers seem to be willing to forgo short-term benefits to achieve long-term results. Which topics retailers choose to focus on seems to be the result of their internal expertise,<sup>[4]</sup> the societal discourse,<sup>[5]</sup> media attention, consumer preferences and competitors' actions. Some of these parameters affect all retailers equally, while others are more specific to an individual retailer. For the Swedish market this has led to many similarities across retailers. For example, organic agriculture is a dominating theme on the market and is generally accepted by retailers, consumers and other stakeholders alike as representing sustainable consumption. Therefore it is offered and promoted by all major retail chains.<sup>[6]</sup> However, even though it became clear in this study that all major Swedish retailers cover many of the same sustainable consumption issues in one way or another, there are differences in the details of how sustainability is presented to customers. This materializes, for example, in differences in which aspects of sustainability are emphasised and how these are communicated.

As this study has shown, stores can play a significant role in the process of "fine tuning" sustainability messages to local contexts. The tendency to adjust in-store efforts to promote sustainable consumption was apparent throughout interviews with stores. However, the degree to which stores are able to actively influence the way in which sustainable consumption is made sense of in the store differed greatly among stores. In interviews and observations, ICA stores distinguished themselves from their competitors due to a high degree of diversity in their approaches to work with sustainable consumption. This is due to the organisations' de-centralised structure, which enables stores to follow local influences more forcefully.

It further seems that HQs focus on different influences compared to stores in their sensemaking of sustainable consumption. HQ-interviews gave an image of sustainable consumption efforts being most beneficial to the retailers' overall brand image. This general reputation and brand value seemed almost as tangible and important to CR-managers as actual sales and profits. CR-managers talked about long-term strategies and retailers' overall image in the public mind. Some interviewees at the HQ-level claimed that the effect of working with sustainable consumption would reach far beyond actual sales and create a favourable perception and a feeling of satisfaction even among consumers not purchasing the products.

Change agents at the store level, on the other hand, appeared to define their understanding of sustainable consumption to a high degree based on immediate customer interaction. While store managers acknowledged the importance of the societal discourse surrounding sustainable consumption, the role this rather complex discourse played in their daily work seemed limited. Some stores in particular gave the image of a very active, locally embedded store with good knowledge of customer preferences and willingness to use this knowledge to lead the way in sustainable consumption. In these cases local store-ownership seemed to encourage local niching within the sustainability debate, with some stores focusing on local food, others on vegetarian/vegan diet and yet others on labels such as 'organic' and 'Fairtrade'. In store interviews knowledge of the context and the customer base was stressed time and again as success factor in dealing with sustainable consumption in the store and

as prerequisite to innovate into niches and create store-specific offers that meet customer preferences. Store interviews also highlighted the crucial role of HQs for the store-level sensemaking process of sustainable consumption in that they provided guidelines for how to remain within the limits of the broader sustainability discourse. HQs further seem to be crucial to guarantee a baseline for the understanding and promotion of sustainable consumption in the store in cases where there is little or no interest and willingness to actively engage in sustainable consumption on the store level. Particularly for a case like ICA, with much freedom to follow local trends which can also lead to gross underperformance in terms of sustainable consumption efforts this function appears important. Here, ICA's HQ provides the function of setting the minimum requirement for a store's work with sustainability. Figure 1 illustrates the simultaneous sensemaking process of sustainable consumption at the HQ-level and in the store and the way these two processes cross-fertilize each other to result in successful sustainable consumption efforts for retailers.

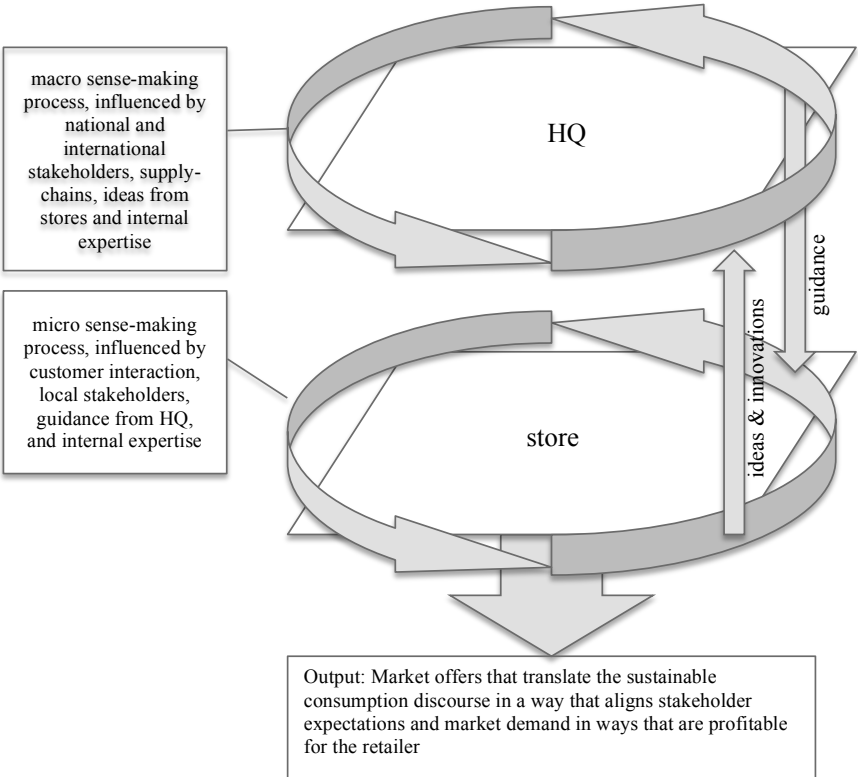


Figure 1: Idealized sense-making process of sustainable consumption in the retail organisation

## Discussion

The literature review of this article argues that successfully creating a ‘habitat’ (Peattie, 2001) for sustainable consumption means much work and engagement with the societal debate and “translating” it into simple behavioural recommendations. It further suggests that the retail-internal sensemaking process is a crucial component in the successfulness of such a process.

The results of this research point toward two important insights in respect to this process. First, the unspecific nature of the sustainability debate opens wide spaces for what kind of understanding retail-internal sensemaking can lead to. This allows retailers to translate sustainable consumption in ways that are both profitable and socially acceptable, but also makes it harder for them to align the internal sensemaking with that of stakeholders and customers so that actions to promote sustainable consumption please both stakeholders and the market. As the case of Swedish retail illustrates, retailers readily accept their responsibility in sustainable consumption and quite pragmatically aim to satisfy stakeholders while also bringing these efforts in line with their bottom line.

Second, this article identified stores as potentially significant contributors to the success of sensemaking in a way that aligns market demand with stakeholder expectations. Several interviews and observations pointed towards a local, contextual component in the sensemaking process as leading to new ideas and innovative solutions. However, Swedish retailers do not appear to strategically support store-led sensemaking and its integration into the wider organisational sensemaking of sustainable consumption. Where in place – most notably in some of the observed ICA stores, but to a lesser degree also in stores of other chains – examples of stores actively engaging in the interpretation and promotion of sustainable consumption to its local context appears to be an unintended side-effect of the overall organizational structure. Rather than being encouraged, it happens spontaneously and might even be more or less suppressed by retailers’ organisational structure. This is unfortunate as this research identified some innovative approaches to sustainable consumption that emerged from within stores. It thus seems that more active stores increase the chances to successfully create a ‘habitat’ for sustainable consumption. Where store managers and employees feel agency in the sensemaking of sustainable consumption more thought is put into how this process relates to the local context. Not only has each retail chain a certain consumer segment as target audience, each store is also exposed to a local understanding of sustainability which often opens up for a very specific logic in respect to sustainable consumption. This increases the likelihood for local adaptations so that it matches customers’ reality. Where, on the other hand, store employees rely only on the sensemaking process at the HQ-level and the resulting guidelines, sustainable consumption can remain abstract and unrelated to the context in which consumers live their lives.

## Conclusion

This article starts with the argument that for retailers promoting sustainable consumption is a process of finding ways to bring together the societal discourse with their supply-chain and market demand. Furthermore, it states that retailers never engage with all aspects of the sustainability discourse. Instead they choose a subset of possible focus areas, which fit their customer base and their business model. This implies taking up dominant aspects of the societal discourse and reducing them to



market actions that can be enacted in existing structures and that can find sufficient support (or at least acceptance) among consumers to remain economically feasible. How this process happens depends on internal sensemaking. Such sensemaking happens on multiple levels within the retail organisation, but the influence these levels have on the outcome of the translational process depends on how much attention and responsibility is given to different levels within the retail organisation (i.e. HQ vs. store). Where retailers are able to capture sensemaking on multiple levels within the organisation, the process of aligning stakeholder pressures and market demand should be more successful.

## **Limitations**

The empirical focus of this study only represents a small part of the entire retail organisation. Other parts of a large retail organisation (e.g. purchasing, marketing and HR departments) and how they influence a retailer's sustainability work have not received attention in this study.

Secondly, the study design only captures a snapshot in time, with limited ability to capture the dynamic nature of retailers' work with sustainability. Clearly, and as repeatedly stated in this paper, retailers' work with sustainable consumption is a process and the lack of longitudinal data is another limitation to this study.

## **Future research**

Further research is necessary to make qualified statements about the phenomenon described in this study. In particular, three research directions can be proposed:

- 1) Is the phenomenon of contextualised sensemaking observable in other countries and industries? If so, can generally valid parameters for success and failure be condensed? It would further be helpful to study the phenomenon of business adaptation to sustainable consumption over time and thus better understand the dynamic nature of it.
- 2) How significant is the impact of the store in the promotion of sustainable consumption? To answer this question an array of quantitative studies assessing, among others, sales numbers, customer satisfaction or various environmental parameters can be conducted.
- 3) How significant is the role of the store in consumers' sensemaking process of sustainable consumption compared to other influences in the consumers' environment? While this question closely connects to the above-mentioned suggestion for future research, here qualitative rather than quantitative research will be necessary to achieve meaningful answers.

## References

- Anselmsson, J. and Johansson, U. (2007), "Corporate social responsibility and the positioning of grocery brands: An exploratory study of retailer and manufacturer brands at point of purchase", *International Journal of Retail & Distribution Management*, Vol. 35 No. 10, pp. 835–856.
- Basu, K. and Palazzo, G. (2008), "Corporate social responsibility: A process model of sensemaking", *Academy of Management Review*, Vol. 33 No. 1, pp. 122–136.
- Bonini, S. and Oppenheim, J. (2008), "Cultivating the Green Consumer", *Stanford Social Innovation Review*, Vol. 6 No. 4, pp. 56–61.
- Carrigan, M. and Attalla, A. (2001), "The myth of the ethical consumer – do ethics matter in purchase behaviour?", *Journal of Consumer Marketing*, Vol. 18 No. 7, pp. 560–578.
- Coombs, R., Harvey, M. and Tether, B.S. (2003), "Analysing distributed processes of provision and innovation", *Industrial and Corporate Change*, Vol. 12 No. 6, pp. 1125–1155.
- Cramer, J., Jonker, J., and van der Heijden, A. (2004), "Making Sense of Corporate Social Responsibility", *Journal of Business Ethics*, Vol. 55 No. 2, pp. 215–222.
- Denzin, N.K. and Lincoln, Y.S. (2013), *Collecting and Interpreting Qualitative Materials*, Sage, Los Angeles, California.
- Devinney, T.M., Auger, P. and Eckhardt, G.M. (2010), *The Myth of the Ethical Consumer*, Cambridge University Press, Cambridge.
- Dobson, P.W. and Waterson, M. (1999), "Retailer power: recent developments and policy implications", *Economic Policy*, Vol. 14 No. 28, pp. 133–164.
- Ekoweb (2013), "Ekologisk livsmedelsmarknad", available at: <http://www.lrf.se/PageFiles/7910/Marknadsrapport%20slutlig%202013-01-30%20KLAR.pdf> (accessed 7 February 2014).
- European Commission (2009), *Europeans' attitudes towards the issue of sustainable consumption and production*, No. Flash EB Series #256, available at: [http://ec.europa.eu/public\\_opinion/flash/fl\\_256\\_en.pdf](http://ec.europa.eu/public_opinion/flash/fl_256_en.pdf) (accessed 7 February 2014).
- European Commission (2010), *Smarter and Cleaner: Consuming and producing sustainably*, Publication Office of the European Union, Luxembourg, available at: [http://ec.europa.eu/environment/eussd/pdf/brochure\\_scp.pdf](http://ec.europa.eu/environment/eussd/pdf/brochure_scp.pdf) (accessed 7 February 2014).
- Flick, U. (2009), *An Introduction to Qualitative Research*, Sage, London.
- Gunn, M. and Mont, O. (2014), "Choice editing as a retailers' tool for sustainable consumption", *International Journal of Retail & Distribution Management*. (in press)
- Harris, L.C. and Ogbonna, E. (2001), "Competitive advantage in the UK food retailing sector: past, present and future", *Journal of Retailing and Consumer Services*, Vol. 8 No. 3, pp. 157–173.

- Heijden, A. van der, Cramer, J.M. and Driessen, P.P.J. (2012), "Change agent sensemaking for sustainability in a multinational subsidiary", *Journal of Organizational Change Management*, Vol. 25 No. 4, pp. 535–559.
- Jones, P., Comfort, D. and Hillier, D. (2005), "Corporate social responsibility and the UK's top ten retailers", *International Journal of Retail & Distribution Management*, Vol. 33 No. 12, pp. 882–892.
- Jones, P., Comfort, D. and Hillier, D. (2009), "Marketing Sustainable Consumption within Stores: A Case Study of the UK's Leading Food Retailers", *Sustainability*, Vol. 1 No. 4, pp. 815–826.
- Jones, P., Comfort, D. and Hillier, D. (2011a), "Sustainability in the global shop window", *International Journal of Retail & Distribution Management*, Vol. 39 No. 4, pp. 256–271.
- Jones, P., Hillier, D. and Comfort, D. (2011b), "Shopping for tomorrow: promoting sustainable consumption within food stores", *British Food Journal*, Vol. 113 No.7, pp. 935–984.
- Maignan, I., Ferrell, O.C. and Ferrell, L. (2005), "A stakeholder model for implementing social responsibility in marketing", *European Journal of Marketing*, Vol. 39 No. 9/10, pp. 956–977.
- Ogle, J.P., Hyllegard, K.H. and Dunbar, B.H. (2004), "Predicting Patronage Behaviors in a Sustainable Retail Environment", *Environment and Behavior*, Vol. 36 No. 5, pp. 717–741.
- Oosterveer, P. (2012), "Restructuring Food Supply – Sustainability and Supermarkets", in Spaargaren, G., Oosterveer, P. and Loeber, A. (Eds.), *Food Practices in Transition: Changing Food Consumption, Retail and Production in the Age of Reflexive Modernity*, Routledge, New York, NY.
- Oosterveer, P. and Spaargaren, G. (2012), "Green Consumption Practices and Emerging Sustainable Food Regimes: The Role Of Consumers", in Spaargaren, G., Oosterveer, P. and Loeber, A. (Eds.), *Food Practices in Transition: Changing Food Consumption, Retail and Production in the Age of Reflexive Modernity*, Routledge, New York, NY.
- Ottman, J.A., Stafford, E.R. and Hartman, C.L. (2006), "Avoiding Green Marketing Myopia: Ways to Improve Consumer Appeal for Environmentally Preferable Products", *Environment: Science and Policy for Sustainable Development*, Vol. 48 No. 5, pp. 22–36.
- Peattie, K. (2001), "Golden goose or wild goose? The hunt for the green consumer", *Business Strategy and the Environment*, Vol. 10 No. 4, pp. 187–199.
- Peattie, K. (2010), "Green Consumption: Behavior and Norms", *Annual Review of Environment and Resources*, Vol. 35, pp. 195–228.
- Peattie, K. and Crane, A. (2005), "Green marketing: legend, myth, farce or prophesy?", *Qualitative Market Research: An International Journal*, Vol. 8 No. 4, pp. 357–370.
- Punch, K.F. (2005), *Introduction to Social Research: Quantitative and Qualitative Approaches*, (2nd ed.), Sage Publications Ltd., London.

- Schmidt, K., Møller, H., Solér, C. and Lindskog, C. (2008), *Afsætning af etiske og miljøtilpassede produkter i nordisk detailhandel\_eksempler på best practice*, Nordic Council of Ministers, Copenhagen, available at: <http://www.norden.org/en/publications/publikationer/2009-533> (accessed 7 February 2014).
- Sustainable Development Commission (2005), *The Role of Food Retail: A Sustainable Consumption Roundtable response to the draft Food Industry Sustainability Strategy*, available at: <http://www.sd-commission.org.uk/publications.php?id=253> (accessed 7 February 2014).
- Sustainable Development Commission (2007), *Visioning sustainable retail*. Reading Innovation Centre, UK, available at <http://www.sd-commission.org.uk/publications.php?id=643> (accessed 7 February 2014).
- Terrvik, E. (2001), *Att kanalisera hållbarhet: hur dagligvaruföretag översätter miljökrav till handling: en studie om egna miljövarumärken i dagligvaruhandeln*, PhD thesis, University of Gothenburg.
- Thøgersen, J. (2010), “Country Differences in Sustainable Consumption: The Case of Organic Food”, *Journal of Macromarketing*, Vol. 30 No. 2, pp. 171–185.
- Warde, A. (2005), “Consumption and Theories of Practice”, *Journal of Consumer Culture*, Vol. 5 No. 2, pp. 131–153.
- Wiese, A., Kellner, J., Lietke, B., Toporowski, W. and Zielke, S. (2012), “Sustainability in retailing – a summative content analysis”, *International Journal of Retail & Distribution Management*, Vol. 40 No. 4, pp. 318–335.

---

<sup>[1]</sup> The distribution of market share in the Swedish grocery market is as follows: ICA (50%), Coop (21,3%), Axfood (15,8%), Bergendahls (7,3%), Lidl (3,3%), and Netto (2,3%). Axfood comprises of the two supermarket chains Hemköp and Willy:s. (all values for 2013, derived from <http://www.delfi.se/wp-content/uploads/Dagligvarukartan2013.pdf>)

<sup>[2]</sup> As ‘change agents’ this study identified the following positions: Corporate Responsibility managers (note: the title given to such positions is different for each retailer in this study; see table 1), store owners/managers, employees in charge of a store’s sustainability agenda, as well as employees identified by their bosses and colleagues as particularly interested and relevant to the topic.

<sup>[3]</sup> A striking example for this view is climate change. Even though the science around climate change is undisputed and abundant, how retailers react to it is greatly dependent on the societal and market context they operate in.

<sup>[4]</sup> ‘Internal expertise’ here refers to a retail organisation’s knowledge of market trends, scientific evidence, and legislative developments.

<sup>[5]</sup> ‘Societal discourse’ here refers to the society-wide debate informed by scientific findings but also morals, culture, or vested interests.

<sup>[6]</sup> In comparison, this is not necessarily the case for other countries. In the UK the broadest societal acceptance revolves around the Fair Trade label representing sustainable consumption, while organic food has lost some of its broad societal appeal resulting in a number of major retailers pulling out of this sustainable consumption niche.

## Article IV



**Limits to Moral and Health Arguments:  
Food Retailing, Consumer Trust, and the Promotion of Sustainable Food**

Mikael Klintman\* and Matthias Lehner<sup>†</sup>

**Abstract**

Building on the well-documented phenomenon of the ‘attitude-behavior gap’ in sustainable consumption, this paper examines how stakeholders involved in food consumption understand the role of consumer trust for why sustainable consumption is still marginal, in terms of its share on the market. Empirical data have been collected from five focus group discussions in Sweden with national retail organizations, national NGOs, store managers, local NGOs, and consumers. Sociological notions of simple and reflective trust are applied to the ancient distinction between the Apollonian and Dionysian, by examining how these sides are considered in the focus groups. The discussions reflect an extensive belief among the participants in the importance of strengthening consumers’ Apollonian trust (in ‘hard facts’) in benefits a certain products to sustainable development and health. Dionysian consumer trust (in ‘social cues’) in the potential of sustainable product choices and lifestyles to strengthen identity, bonds, and prestige of consumers, is given far less attention. The paper discusses what this bias entails in terms of preconditions for changes in the sustainability-oriented efforts of market actors.

---

\* Corresponding author; Department of Sociology, Lund University, mikael.klintman@soc.lu.se, +46702845548

<sup>†</sup> International Institute for Industrial Environmental Economics, Lund University, matthias.lehner@iiee.lu.se, +46462220218

# 1. Introduction

## 1.1 Background

Public criticism of how governments have handled issues of sustainability and food safety has led to a rising consumer interest in products and production processes using sustainability arguments in marketing (Bergeaud-Blackler and Paola Ferretti, 2006; Stolle, 2005). To establish and maintain trust in such marketing claims numerous independent certification schemes have been established to control and guarantee that marketing claims exceed legislative requirements on food production (Boström and Klintman, 2011; Koos, 2011). These schemes are promoted to customers based on a belief that the standardisation and rigour of these schemes are key to a successful promotion of sustainable products to consumers (Kogg and Mont, 2012). Market actors across the Western world have embraced these schemes as means to create added value and to justify price premiums for sustainable products (Connolly & Prothero, 2003).

However, even after decades in existence, most certification schemes remain a niche market. In 2013, the share of sustainability-labelled food and non-alcoholic beverage in Sweden amounted to 4.3% (Statistics Sweden, 2014).<sup>1</sup> This percentage appears modest in light of the numerous studies claiming to prove high levels of consumer concern and awareness of sustainability issues. In the European Union (EU), more than 80 % of EU citizens claimed, a few years ago, “a product’s impact on the environment is an important element when deciding which products to buy” (European Commission, 2009:7). Swedes scored high in that survey, as well as in a subsequent one where 94% of Swedes claimed to agree that they were willing to buy environmentally friendly products even if they cost more (Eurobarometer, 2014).

What in the literature is commonly referred to as ‘attitude- (intention)-behaviour gap’ or the ‘value-action gap’ (see, for example, Carrington et al., 2010; Vermeir & Verbeke, 2006) has turned out to be a puzzling market reality, which retailers, certification and labelling organisations, governments, and third parties have been unable to overcome so far (Chkanikova and Mont, 2012). Nor have the social or economic sciences explained this gap, aside from common-sense interpretations about the discouraging price premium of sustainability-labelled food (which do not fully explain the gap) (cf. Sauer and Fischer, 2010) or somewhat circular explanations, such as that domestic conventions and household practices often do not converge with environmentally sound conventions (cf. Evans, 2011).

Without questioning the importance of practice and convention-oriented approaches, this paper proposes that explanations can be fruitfully sought in another way. This

---

<sup>1</sup> An extensive variation exists between food product types. Sustainability-labelled fish constituted 9.4% of the market share, whereas only 1.5% of the meat sold in Sweden was sustainability labelled that year (Statistics Sweden, 2014).



necessitates us to think in new ways about what is the very basis for the entire notion of sustainable consumption: trust.

## 1.2 Aim and Research Questions

The aim of the paper is to analyse how various stakeholders involved in sustainable consumption issues understand the role and dimensions of consumers' trust – or lack thereof – for why sustainable consumption can still be said to be marginal, in terms of its market share. To give new nuance to the concept of trust, this paper draws on metaphors from Greek mythology, metaphors with clear connection to recent developments in the natural and social sciences (see section 2 below).

The paper answers the following questions:

- How do market actors explain the apparent value-action gap in sustainable consumption?
- How is trust factored into the explanations of the value-action gap?
- How do market actors envision improvements to market interaction so that sustainable consumption can become more mainstream?

The paper draws on data collected from five focus group discussions in Sweden, with national retail organizations, national NGOs, store managers, local NGOs, and consumers (see Empirical data & Methodology). The rationale for studying stakeholder perspectives on consumer trust rather than, for instance, trust as discussed in groups consisting of consumers only, is that we assume that the perspectives of stakeholders (i.e., retailers, NGOs promoting sustainable food, etc.) are closely linked to how they 'do sustainability' in stores and labelling programmes. This, in turn, constitutes the conditions under which consumers purchase their food.

The paper uses the terms *sustainable* and *sustainability* to refer to marketing claims of certain products and labels as superior – environmentally, socially or in terms of animal welfare. Our use of these terms does not mean that we automatically accept that such products and labels reflect actual sustainability, but only that we accept the intention of 'sustainable' *purchases* as being to contribute positively to the future development of society or the environment.

## 1.3 Previous Studies & Knowledge Gap

Trust is distinct neither as a phenomenon nor as a concept. Thus, it necessitates specification in order to be useful. Boström and Klintman distinguish between simple and reflective trust when they examine the process from scientific uncertainty and ideological diversity and to sustainable production that entails claims of sustainability benefits (Boström and Klintman, 2011). Simple trust is a trust in the cognitive and intellectual authority of certain actors related to their specific expertise. By extension, simple trust may refer to the trust in a standardized piece of information, a knowledge

claim, and so forth. Trusting that sustainability labels provide a perfect reflection of minimal environmental impact is an example of simple trust (Dendler, 2012). Reflective trust, on the other hand, necessitates some kind of transparency. But transparency does not refer only to scientific data behind a knowledge claim. In fact, the full scientific data might even be counterproductive to the goal of a thorough transparency. More important is often transparency about what actors and decision-making processes have preceded the knowledge claim. How have knowledge uncertainties been handled and compromises been reached (Klintman and Boström, 2008)? Together, the concepts of simple and reflective trust may help elucidate the cognitive spectrum of trust in actors, organizations, and policy tools connected to sustainability.

Numerous studies have been conducted on people's cognitive trust in sustainability and health claims in various countries (Halkier, 2010; Kjærnes et al., 2007; Wales et al., 2006). These studies point to the knowledge uncertainty, ambiguity, and sometimes scepticism that consumers hold when they are to make sense of various claims. Other studies examine the role that trust in sustainable products plays for their market penetration (Eden, 2009; Howard and Allen, 2010; Smith and Paladino, 2010). In these, rigid control and certification are rallied as the most important tools for gaining trust among consumers for the environmental credentials offered on the market (Koos, 2011; Thøgersen, 2010). These studies paint a picture in which the more rigid the control system, and the harder the punishment for misconduct, the more likely it is that consumers will have trust in sustainability claims, and will act accordingly (Koos, 2011). Independent third parties, such as governments or NGOs, are perceived as crucial for establishing the necessary level of this trust (OECD, 2011). What these studies have in common is a strong focus on the cognitive dimension of trust, be it simple or reflective.

Yet, there is more to trust than the cognitive dimension. Although this dimension to be sure has a social side – whether we trust that certain knowledge authorities are qualified to produce the knowledge in question, without us having to check everything for ourselves – there is another social side to trust, a side that is based less on a substantive, cognitive quality. Accordingly, Thøgersen (2010) maintains that for the average consumer (as opposed to a minority of personally very engaged sustainability-oriented consumers) product labels function not through fact-oriented knowledge of trustworthy certification schemes behind the claim, but through ‘social proof’. He further holds that while early adopters are likely to possess issue-specific, substantive knowledge, the wider market consists of consumers with less issue-relevant knowledge.

Based on our empirical findings we argue in this paper that the current research focus on trust in sustainable products – largely resting on people's views on relative costs, environmental impact, and health dimensions – must be expanded to include a focus on social, aesthetic, and identity-oriented aspects of the relative images of

conventional and sustainability-oriented products. Such an expansion would enhance the understanding of preconditions for sustainable consumption to become more of a mainstream activity. A broadened perspective helps the analysis to move beyond fact-based knowledge claims, which only a minority of consumers is willing to collect and process. We claim that trust needs to be understood much more broadly than as tied to facts only.

## **2. Theoretical Framework**

Concerning the often limited correlation between how much we act upon the knowledge claims that we trust – many people smoke, drink excessively, or pollute the environment even though they trust those who say this is hazardous – Klintman has developed a distinction between Apollonian and Dionysian trust (Klintman, 2012). This distinction is based on ancient Greek mythology. Furthermore, it is at its core consistent with – although more sociologically informed than – modern evolutionary psychology and neuroscience (See Kahneman, 2011 Mode 1 & 2 thinking). Apollonian trust refers to the Greek god Apollo. He is the god of individual soundness, health, conscious planning, self-control, and moderation. Dionysus, typically portrayed as Apollo's opposite, is the god of wine, enjoyment, even ecstasy, impulse, spontaneity, and other immediate pleasures (George, 2013). Importantly, however, and often missed by scholars, the Apollonian dimension has a stronger individualist character, whereas Dionysian experiences are, according to writings in the ancient Greek mythology, fundamentally collective. The Dionysian model makes individuals transform into group members and get their energy from group bonding as well as from the distinction from other groups. It should be mentioned that our paper leaves aside possible Dionysian connotations to destructive behaviour, such as alcohol or drug use (cf. Babor, 1996).

To be sure, the Apollonian-Dionysian distinction, particularly the Dionysian dimension, may at first seem far-fetched for understanding preconditions for sustainability-oriented trust work of retailers. There are at least three reasons why this distinction is suitable lens through which to view retailers' trust work surrounding sustainability issues.

First, it has certain important convergence with well-established dualist views on human decision making (cognitive science, neuroscience, behavioural economics) (Frankish, 2010; Pierre, 2011).

Second, the Apollonian-Dionysian distinction acknowledges lessons from sociology and market studies, about the relationship between factual product characteristics and the more social and symbolic dimension of products, services, sometimes reflected in 'messages' embedded in the spatial design of stores (cf. van Marrewijk and Broos, 2012). The division furthermore bears some resemblance with Kilbourne's application of the sociologist Robert Merton's classical distinctions between manifest

and latent functions, and between functional and dysfunctional results to environmental communication and marketing (Kilbourne, 2004). Latent consequences of environmentally friendly purchases, such as cultural signalling, may be highly beneficial to the consumer doing these purchases (Griskevicius et al., 2010). They may lead to strengthened social bonds with some other consumers concerned with sustainability issues, although these consequences were not consciously intended.

Third, in its own right, the classical Greek distinction has been vital in a wide range of social and cultural analyses over millennia, since it reflects basic human and cultural universals. Social and cultural problems have often been fruitfully examined as a lack of balance between the two logics. For instance, it has been argued before that a problematic tendency of contemporary efforts towards reduced environmental and societal harms is Western societies' reliance on Apollonian logic only (see Kourvetaris, 1997).

By applying this distinction to trust, its relevance to contemporary challenges of sustainable development in retailing becomes clearer. Apollonian trust refers to a trust based on a conviction of the validity, rationality and reason of knowledge claims and connected recommendations about how to help reducing certain substantive problems. One example of such claims may concern how to move in the direction of a sustainable development (e.g., by choosing sustainability-labelled products and/or a vegetarian diet, given that such products actually are beneficial in this way). Dionysian trust, on the other hand, refers to a trust based on some people's intuitive conviction that the prescribed action (e.g., serving sustainability-labelled food products and/or vegetarian food instead of 'conventional', meat-based food products) benefits how she does in the social game (group bonding, group identity, status, social distinction, knowledge sharing, etc., see Klintman, 2012). This latter understanding of trust is very much related to the origins of both organic agriculture and vegetarianism/veganism, even if these are two highly dissimilar phenomena. Both emerged from social niches in which trust in a certain way to consume was created through social interaction (Klintman & Boström, 2012). Only the commercialisation through major retailers (and other market actors) resulted in the commodification of, for example, organic agriculture, with a steep decline of Dionysian trust and an almost exclusive focus on Apollonian trust. The outcome was a loss of consumer engagement with the topic resulting in a more passive role for consumers (Thompson and Coskuner-Balli, 2007).

A further benefit of using the concept of Apollonian trust is that it bridges inclinations that are often too strongly separated in the social sciences and in the public debate: It includes for instance, trust in financial benefits from supporting certain actors, products, and practices. This has become so elevated in modern society both as norm and social analysis that it is not even called 'economically rational' but just simply 'rational'. But Apollonian trust works just as well for moving beyond, and away from, economic rationality, by referring to a trust that certain informants, products and

practices are ecologically sound and/or beneficial for human health and animal welfare. The distinction between Apollonian (both, simple and reflective) trust and Dionysian trust is the conceptual basis for trying to answer the following question: How may 'Apollonian' trust in substantive claims be combined with Dionysian trust, namely trust that a consumer's cultural capital and group identity are maintained or strengthened by choosing sustainability-oriented products, production processes and lifestyles?

### **3. Empirical Data & Methodology**

For this study, a focus group design was chosen as the most suitable method. In total, five focus groups were conducted in April 2013. Three focus groups took place in the town of Lund, and two focus groups were arranged in the city of Stockholm. Typical focus group sizes are 4-12 people (Heiskanen et al., 2008). In this study, a suitable group size was determined to be 6 participants for each focus group. In total, there were 30 participants: 22 women and 8 men. All focus group discussions were recorded and transcribed.

Focus groups are suitable for studying a topic that is poorly understood and multifaceted in nature. This is certainly the case for the value-action gap in sustainable consumption, and how trust in all its nuances is related to it. Focus group studies, as opposed to interviews, enable group interaction, thereby generating new understanding and knowledge. Focus groups are therefore a useful research method for collecting data about individual viewpoints and collective sense making at the same time. (Heiskanen et al., 2008)

There are certain prerequisites for generating valid and relevant data through focus groups. First of all, topic, participants and setting have to be carefully chosen and prepared. A set of topic-relevant open-ended questions are prepared which participants can relate to and do not feel overwhelmed by (Côte- Arsenault and Morrison-Beedy, 2005). For our study, a list of open-ended questions was prepared for each of the two locations Lund and Stockholm. Lund was selected based on the researchers' thorough knowledge about local background of sustainability efforts of the municipality in that area. Stockholm was selected since it was convenient for the participants, since the central/national offices and organizations are located there. Due to the slightly different focuses (In Lund: How can stores promote sustainable consumption? In Stockholm: What is the role of various stakeholders in promoting sustainable consumption?), each location featured a different assembly of stakeholders (In Lund: stores and related stakeholders; in Stockholm: national retailers and related stakeholders). In the group discussions, a separate list of questions was prepared for each location.

Secondly, experienced moderators must be engaged to guide the discussion. Three

researchers with expert knowledge about the topic and focus group facilitation acted as moderators. Participants were selected according to their engagement and expertise in sustainable food consumption. All of the participants work with sustainable food consumption and food retailing (See Appendix for details). All consumers invited to participate were self-declared 'sustainably conscious consumers.' They were recruited online through sustainable consumption forums.

Côte-Arsenault and Morrison-Beedy (2005) suggest that it is important to make participants comfortable, but also to avoid the formation of group dynamics in which power structures and 'group think' could emerge. In this study, prior to each focus group, an introduction round was conducted for participants to get to know each other. Furthermore, a short oral presentation of the overall research was given to the participants for them to be able to relate to the topical questions asked later in the focus groups. This presentation was followed by a 15 minutes long coffee break to allow participants to mingle before the actual focus groups started. The focus group discussions in each of the two locations were held simultaneously. A coffee break halfway through the discussion was used to rearrange groups so to avoid power structures and 'group think'. Moderators were further instructed to actively counteract possible emergence of unbalances in power and representation in each group discussion. The moderators would, if necessary, encourage some participants to express their opinion, and discourage other participants from taking too much space in the discussion.

The analysis of focus group data typically starts already during a focus group and continues throughout group sessions and debriefing sessions. A more formal data analysis is conducted after the data collection phase and concluded with the writing process (Wibeck et al., 2007). In this study, the three researchers who acted as moderators in the focus groups were all part of the same research program, for which the focus groups were conducted. The analysis of the focus group discussions emerged out of the collective design of the discussion topics, and started while they acted as moderators during the focus groups. The analysis continued in numerous debriefing and planning meetings throughout the focus group work and was collected in written notes. A formal analysis was finally conducted after the recorded discussion had been transcribed. The data were categorised into topical groups, and were analysed according to the research questions. Quotes were selected from the transcribed material according to their relevance to the topic and their potential to illustrate the findings. All quotes were translated from Swedish into English by one of the authors and crosschecked by all three participating moderators.

A couple of comments on the design of this study:

The number of conducted focus groups (five) and the number of participants (thirty in total) may seem small. However, for qualitative studies such as this one, a higher number of participants is not necessarily better. Since the goal of qualitative research is not to generate statistical generalisations, it is more important that a wide range of

themes and arguments emerge from the research (Baxter and Jack, 2008). We argue that our focus groups provided sufficient data to develop the argument of this paper. Nevertheless, in subsequent research it would be useful to supplement this study with one of quantitative design, making random sampling and doing statistics on how various types of stakeholders conceive sustainability effort in retailing.

A comment should also be made about the geographical scope of the paper. This study focuses on the Swedish context. Particularly when it comes to issues of social norms, collective sense making and societal values, the cultural background in which these processes take place is undeniably of immense importance. Therefore, this paper is intended to be used as conceptual and hypothesis generating instead of being directly extrapolated to other regions. To be sure, studies of sustainability policies and marketing sometimes identify Sweden as having good opportunities for progressive sustainability efforts in policy as well as business. A 'strong-state' tradition, consensus culture, and pragmatism constitute a context that some argue has led to progressive sustainability efforts in several Swedish sectors and in politics. At the same time, when examining marketing in specific sectors, such as marketing of ecological food products, Sweden's neighbour, Denmark, has had much more of state involvement, entailing a more successful marketing of sustainability-labelled food products than in Sweden (Halpin et al., 2011). This may be the case of other countries as well. It remains to be examined in subsequent studies whether or not similar studies in other cultural contexts produce similar or contradictory results.

## **4. Analysis**

### **4.1 Apollonian trust and the attitude-behaviour gap**

What in the literature is referred to as an attitude-behaviour gap or value-action gap (Moraes et al., 2012) was clearly present in the focus group discussions. With admittance of frustration, our focus groups repeatedly indicated the low uptake of green product choices, despite the observed high level of recognition and trust among consumers in the validity of certification and labelling schemes common for the food market. This apparent gap was met with perplexed agreement on the problem this gap poses to retailers to engage more with sustainable consumption. Participants expressed a conviction that retailers will have to make an even stronger effort to indicate the supremacy of sustainable choices. At the same time the difficulties that this poses to actors such as retailers were acknowledged: the problem of consumers 'not walking their talk.' Consequently much discussion revolved around how to increase information about sustainability, foster knowledge among consumers, and make it easier for them to choose right.

"Many stores have only focused on price, and what do customers then focus on? Well, then they focus only on price; where is the least expensive pork loin? I think that the grocery stores should increase the

knowledge. They have some responsibility to increase knowledge among their customers. If we focused more on the added value and less on price I think we would have more customers focusing less on price.” (Representative from NGO – Nordic Swan).

Price focus was pointed out as problematic for efforts to promote sustainable consumption in the focus groups. Arguments related to health, quality, and ecological superiority were considered helpful to sustainable consumption, as a counter-weight to consumers’ price focus, the latter portrayed as culturally dominant. During both sets of focus groups (in Lund and Stockholm) significant parts of the discussion revolved around the necessity for retailers and other market actors (e.g. NGOs, certification organisations) to become clearer about the (ecological and social) superiority of foods such as organic, Fairtrade, or Marine Stewardship Council (MSC).

This trust revolves around institutionalised symbols (i.e. labels). It builds on an idea that optimized standardisation, traceability, and independent controls are sufficient for consumers to be motivated to choose sustainability-labelled. The established system of certification, with labels as the market-oriented outcome, was described as crucial to safeguard the trust consumers have in market solutions to sustainability challenges. The focus groups claimed that brands marketed with sustainability arguments were trustworthy only in so far as they live up to (sometimes numerous) certification schemes. The focus group participants shared this conviction. Consensus seemed to be strong among all relevant actors (retailers, consumers, third parties) that this rigid system was a prerequisite for consumer trust in market claims of sustainability. This, in turn, was described as necessary for ensuring continuous and increasing consumer willingness to choose green products.

#### **4.2 ‘Keep it simple’: Simple Apollonian trust as preferred solution**

Despite some doubts about how to create even more awareness, knowledge and information around sustainable consumption, a repeated suggestion in our focus groups was that consumers must be provided with more factual, substantive information and education combined with lower costs for sustainable food.

“I think that change happens through education and information. That’s why it is very interesting to hear that much effort is put on educating ‘environmental ambassadors’ in the stores. I can certainly imagine that the stores that have succeeded with ecological and environmental issues, or environmentally sound food, they are the ones that have worked a lot with explaining to the customers.” (CEO of the ecological food company Årstaderna)

But what kind of knowledge and education did the discussant refer to? And what were their views on what kind of knowledge and education should make a difference? To a large extent their stated views imply an emphasis on simple, Apollonian trust in



sustainability-marketed products as the best way to stimulate sustainable consumption. Apollonian trust is simple, when there is little insight among consumers, for instance, into challenges, compromises, and uncertainties behind categorical expert statements, such as simplistic sustainability claims. The call for stimulating such a consumer trust was particularly clear when the topic about consumer confusion emerged in the discussions, confusion about what various certification schemes mean. Focus group participants stated that the various certification schemes and labels available were confusing. One suggested solution was a more generalized – and thus more abstract – certification scheme covering ‘everything’ that sustainable consumption should incorporate, or – at least – simple and clear guidelines for how consumers should make environmentally and ethically optimal choices. This is also where retailers identified their main responsibility:

-K: ”There we can become much better by clarifying what the sustainability labels stand for, and by saying something like this: ‘Have you thought about changing an item and to select this (ecological) one?’” (Representative of KF/Coop)

To avoid complicating information such as negotiating processes, compromises, rationales for certain relevant sustainability factors to be excluded from certification schemes were seen as important. The simpler and more categorical the sustainability messages are the higher is the chance for simple, Apollonian trust in the superiority of the products at stake, this argument implies.

#### **4.3 ‘Keep the debate open – sometimes’: Reflective Apollonian trust:**

Reflective, Apollonian trust refers to a view that, for instance, the food system is subject to regulation and control, although it is less than perfect. Due to this imperfection, consumers and other actors should scrutinize and question parts of the food supply that appears to be unsustainable and unhealthy. In parts of the discussions, the participants brought up the important role of retailers for stimulating this ideal mind-set among consumers. But this mind-set was mainly stated as constructive when the need for questioning conventional food was discussed, a type of consumer reflection that is lacking, according to the focus group participants:

”It is clear that many people are uninformed and uninterested. What they bring home [from the store], they think that has to be OK, or else it would have been prohibited. I think one has to start already in school. There are very many children growing up not having the faintest idea, and who only see the red pricetags.” (Representative of Eko-Skafferiet, an ecological food store in the small town of Bjärred)

.....

“I think it is basic knowledge that has disappeared a bit, the classic thing that children believe that fishsticks swim in the sea. When I have worked with Fair Trade I discovered that no one knows how cocoa

grows and looks like, it is a brown powder, they think; but it is really a big fruit that can be yellow, red, orange, green, and white and slimy inside.” (Representative of Fairtrade City Lund).

To be sure, when the issue was moved towards discussing ‘sustainable alternatives’ to conventional food, the participant brought up simple, Apollonian trust as something to strive towards among consumers. Still, after some time for reflection, the groups began to reveal some disagreement surrounding simple, Apollonian trust as optimal concerning sustainability-marketed food products. One person stressed the need to claim that sustainability-labelled food is far healthier than conventional food (although the person was aware that there is not scientific consensus on this matter):

“This with health and nutrition facts, when we know that ecological food is more healthy, and it costs 15 or 30% more, but you get twice as much nutrients or whatever it could be, can’t they use such facts in their marketing?” (Author, consumer activist).

Yet, these strong claims of ‘ecological food’ to have ‘twice as much nutrients’ raised a response about the difficulty of making strong and valid scientific claims surrounding ecological production and products.

“I think that is a difficult issue. Because it is also a question about clear science and so on. But there are new scientific claims coming all the time, and what is scientific, and then it is we who should make some kind of assessment on that. I think it is difficult for us [retailers] to make a judgement about this” (Representative of Hemköp).

The challenge of making solid scientific claims were exemplified by the case of fishing policy, where the scientific claims are constantly modified:

“We have a fish policy, I’m involved in a fish policy, that we sell only non-redlisted fish. And that is also changing all the time, so it is a very demanding job to always work with these [constantly changing issues], and we are a rather small organisation.” (Representative of Hemköp)

Although the strategy of stimulating a simple Apollonian trust in sustainability-labelled food was perceived as valuable, retailers also expressed a high degree of difficulty navigating in the complex and contradictory scientific debate about sustainability. The risks of trying to stimulate a simple, Apollonian trust in such complex and uncertain matters such as sustainability of food production were, as the discussions proceeded, acknowledged and spread in the focus groups.

Despite broad agreement among the focus group participants about the importance of reason-based arguments, such as information, knowledge and prices, the discussions also pointed out the difficulty of reaching individual consumers with Apollonian-trust based efforts. Of course, they used other terms, such as clear and rigid rules, knowledge, proven environmental safety, factual information, and bureaucratic systems to communicate this process to the consumer.

#### **4.4 Dionysian trust: the ‘elephant in the room’**

The focus group members continuously stressed the importance of fighting the assumed lack of knowledge about sustainability as well as the experienced lack of green consumer choices. At the same time, when the focus group members’ own children were discussed, the importance of individual choice and of their child not being treated different from others, were stressed:

“I have an 11-year old, who has started to buy a few things for herself. And if her friend has a plastic bottle with carbonated water she asks if she can’t also have that and bring to school. Then I say that I don’t buy that. But you can buy it for your own money. I can’t limit her world into just forcing my own values on her when her friends buy such things. Then I feel that it ought to be the grocery stores and decision makers who have a responsibility to favour environmentally sound consumption. Because I cannot as a parent limit the life of my 11-year old.” (Representative of the NGO Planet Blå, Omställning Sverige)

The solution, according to this discussant, was that retailers, and not parents, ought to take the main environmental responsibility, by not offering unsustainable products in the store. This discussant, describing her frustration with the challenge in educating children about the value of consuming sustainability, also offers an interesting point of departure for another – counteracting – motivation for consumption. In her daughter’s desire to consume a plastic bottle filled with sparkling water the mother saw a strong social component. According to the mother, this social component (peer pressure) is a major challenge for sustainable consumption. A representative of one of the largest retail chains also mentioned a challenge for Dionysian Trust in sustainability-oriented products:

“Willy’s [a discount supermarket chain in Sweden] tried for a while to increase their ecological segment by having special, you know, green houses concentrating a lot of ecological products and vegetables in there. But that didn’t work in terms of sales. Because it almost felt strange to walk in there. Customers probably felt odd who went in there. You don’t want to be too conspicuous. Most people are a bit boring and want to do like everyone else, I think” (National representative of Axfood).

What participants discussed here was the social pressure behind consumer practices.

Similar to the example discussed above, where a teenage girl wants to imitate her friends in drinking sparkling water from a plastic bottle, this social, Dionysian component of human practice is again described as negative to a retailer's efforts to promote sustainable consumption. However, social aspects were also discussed as positive for sustainable consumption.

"A fun thing with having a small ecological store is that contact you get with the [other] customer. I notice with [your store] also that the smaller the store is the stronger is the relation. Often it is very important, particularly when it comes to sustainability, where you as a smaller store and often the consumers who come feel very strongly for it, and are ready to cooperate. It is almost like a cooperation between the customers and the store" (Member of food co-operative; Malmö).

Particularly smaller, independent retail stores seem to rely a good deal on social components of sustainable consumption, creating a pro-sustainable atmosphere in the store. To be sure, there is a high environmental awareness (and Apollonian trust) among the ethical consumers that frequent these stores. But the social component connected with the independent, sustainability-oriented stores might help to explain why some consumers stick to such stores, despite large retailers outperforming small stores in terms of value-for-money offerings also of sustainable products.

The social component was also highlighted in an attempt to discuss the future role of stores in our focus groups, where the social dimension rather than sustainability-oriented or economic facts were featured in the imagination of participants. This was discussed as an opportunity for retailers to promote sustainable consumption in the future.

"I think that we will see more stores with sustainability focus, a bit smaller stores, I mean. Because you can see how more and more of cafés sell food, and it is very much ecological and things like that. There are these smaller stores that we got to hear about now. We have stores such as Good Store, and others, which pop up here and there. So I can imagine that this will continue. It is the whole focus, that you depart from sustainability and sell products." (Representative from an NGO --- Konsumentföreningen Stockholm).

...

"That stores start entirely with a full focus on sustainability, or what did you say [she misunderstood]? Yes, and that's the basis. It is sustainability, and then we try to bring in items that we sell, items that fit with that concept. A bit like Whole Food [in the United States], but I don't think it will at all as big, but something in that direction" (Representative from an NGO - Sveriges Konsumenter).

In this vision, sustainable consumption becomes a 'ground to stand on'. The way

sustainable consumption will be sold to consumers is, from this perspective, not only Apollonian sustainability arguments behind the products sold, but at least as much the Dionysian dimension: trends and lifestyles. Sustainability here functions as a quiet but persistent voice in the back, telling the consumer that while s/he can satisfy more emotional and social drivers of consumption, her or his actions can still be sustainable.

## **5. Conclusions and Discussion**

The stakeholders of our study explain the gap between, on the one hand, high levels of verbal sustainability concern as well as a high trust in sustainability labels and, on the other hand, a low market share of food products marketed with sustainability arguments to a large extent in Apollonian terms.

Prices for sustainable food products are usually motivated, they argued. But consumers are too fixated on prices. Instead, consumer should fully appreciate the superiority of sustainable products in terms of health, general 'quality', and environmental advantages. Here, a frustration became apparent among the stakeholders in that there is marketing regulation that does not allow for scientifically unsubstantiated claims of, for instance, health benefits of sustainability-labelled products.

The store's potential of using marketing strategies oriented more towards identity, culture, style, and so forth, were highly absent in the focus groups (perhaps conceived as unserious). To be sure, the Dionysian dimension (of social and other status aspects of food choices) was brought up in the focus group discussions. Intriguingly, however, this was during the first part of the focus group sessions mainly discussed as an obstacle to the promotion of sustainable food. For instance, they discussed peer-pressure to consume 'normally' as well as awkwardness for consumers to enter ecological sections of stores.

The importance of strengthening the social, Dionysian dimension of sustainable products in retailing was mostly brought up when the stakeholders were asked to discuss in bolder ways their assumptions and hopes for the future. Smaller, sustainability-profiled stores with strong collective identity were suggested. Focus group participants proposed services that offer only sustainable food, combined with ecological data information and packages based on predefined cultural types of sustainability-oriented consumers with different identities (such as young vegans, middle-aged couples with children).

Along similar lines, Cronin and colleagues convincingly show how sustainability-oriented consumption, for instance of food, can serve a function that is at least as important to consumers: The function of strengthening collective identity, social

distinction from other parts of the mainstream (2014). Through qualitative interviews, aimed at exploring meanings that consumers identify with their purchases, Connolly and Prothero (2003) indicate how sustainability-oriented consumers seek to buy not just sustainable products, but also a sustainability-oriented image: a style, a means to signal their awareness to others.

Nonetheless, stakeholders maintained that the overriding challenge is lack of ecological knowledge, education, and information. This knowledge deficit has generated an overly price-minded average consumer. However, it is fair to assume that fact-based ecological and economic (i.e., Apollonian) trust has reached a ceiling in its capacity to convince consumers to consume sustainable products. As Thøgersen (2010) explains, only a limited number of consumers can be assumed to carry both the knowledge and the personal involvement to process such information and react accordingly. The retailers' and NGO-spokespersons' step-motherly treatment of social components of consumption motivation is even more surprising given the strong focus on social drivers of consumption in conventional marketing literature. Where 'green' or 'sustainable' marketing literature continues to talk about altruistic (e.g. biodiversity, climate change) versus selfish (e.g. health) motives to consume more sustainably, conventional marketing literature has long ago uncovered the importance of group motivations, 'neo-tribalism' (Cova and Cova, 2002; Maffesoli, 1995) and value-creation through social interaction (Vargo and Lusch, 2004).

To reach new consumer segments, stimulating Dionysian trust may very well be effective (as a crucial supplement to Apollonian trust). However, it is not sufficient to stimulate, or acknowledge, *one* set of sustainable practices. Sociological lessons about consumption and human drive towards cultural distinction indicates the importance of allowing people and groups to differ (Mitchell, 2001). Thus, to grow in proportion, several ecological niches marked by mutual distinction need to emerge in order to keep the social motivation intact of sustainability-oriented practices.

Instead of having as the aim the unification and standardisation of trust in sustainable products, the aim, in our view, ought to be to achieve diversity and conflict in various consumer groups' perceptions of sustainable consumption. Retailers have started to acknowledge this fact in their practices, both on a central level (branding, marketing) and a local store level (local trends, catering to niches, story telling). This, however, seems to be the result of a trial-and-error process rather than a conscious decision. Most conscious efforts appear to still be highly Apollonian in their orientation. This is reflected in results from our focus groups. Suggestions that have come up are still largely of the kind that 'the store should help consumers make better decisions', from above. The materialism that sustainable consumption is also a part of, is here emphasized as a search for 'better' products (Kilbourne et al., 2009: 262), something which the interview persons assume will lead to the highest consumer satisfaction. Here, health aspects and environmental aspects are intertwined.

Even though much retail focus rests on the belief in the power of Apollonian trust, combining it with Dionysian dimensions appears to produce promising results. Taking Dionysian trust into account seems to fit well with retailers' 'natural' way of working with consumers. Stores can use customers' social motivation in the work with sustainable consumption by positioning sustainability in a socially attractive way, for instance by connecting the sustainability efforts to the local culture and social dynamics (directly through personal communications or indirectly through assortment/marketing decision). The materialism on which sustainable consumption is based would here not be marketed as merely 'better', but also as more cultural signals making a social impression on people who want to share alternative identities (Kilbourne et al., 2009: 262). To be sure, the store may become the centre of trust, partly based on strong standards and hard controls. Yet, it may at least as importantly become a centre of trust based on of a track record of pro-sustainable action and sensitivity to local interests as well as to people's social motivation.

## 6. References

- Babor T (1996) The classification of alcoholics - Typology theories from the 19th century to the present. *Alcohol Health & Research World*, 20(1), 6–14.
- Baxter P and Jack S (2008) Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), 544–559.
- Bergeaud-Blackler F and Paola Ferretti M (2006) More politics, stronger consumers? A new division of responsibility for food in the European Union. *Appetite*, 47(2), 134–142.
- Boström M and Klintman M (2011) *Eco-Standards, Product Labelling and Green Consumerism*. Houndmills, Basingstoke: Palgrave Macmillan.
- Chkanikova O and Mont O (2012) Corporate Supply Chain Responsibility: Drivers and Barriers for Sustainable Food Retailing. *Corporate Social Responsibility and Environmental Management*, n/a–n/a.
- Connolly J and Prothero A (2003) Sustainable consumption: consumption, consumers and the commodity discourse. *Consumption Markets & Culture*, 6(4), 275–291.
- Cova B and Cova V (2002) Tribal marketing: The tribalisation of society and its impact on the conduct of marketing. *European Journal of Marketing*, 36(5/6), 595–620.
- Cronin JM, McCarthy MB, Newcombe MA, et al. (2014) Paradox, performance and food: managing difference in the construction of femininity. *Consumption Markets & Culture*, 17(4), 367–391.
- Eden S (2009) Food labels as boundary objects: How consumers make sense of organic and functional foods. *Public Understanding of Science*, 20(2), 179–194.
- Eurobarometer S (2014) Attitudes of European citizens towards the environment. *Special Eurobarometer*, (313), Available from: [http://ec.europa.eu/public\\_opinion/archives/eb\\_special\\_300\\_280\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_special_300_280_en.htm) (accessed 13 October 2014).
- Evans D (2011) Consuming conventions: sustainable consumption, ecological citizenship and the worlds of worth. *Journal of Rural Studies*, 27(2), 109–115.
- Frankish K (2010) Dual-Process and Dual-System Theories of Reasoning. *Philosophy Compass*, 5(10), 914–926.
- George DR (2013) ‘Shooting at the Sun God Apollo’: The Apollonian-Dionysian Balance of the TimeSlips Storytelling Project. *Journal of Medical Humanities*, 34(3), 399–403.
- Griskevicius V, Tybur JM and Van den Bergh B (2010) Going green to be seen: Status, reputation, and conspicuous conservation. *Journal of personality and social psychology*, 98(3), 392–404.
- Halkier B (2010) *Consumption Challenged: Food in Medialised Everyday Lives*. Ashgate Pub Co.
- Halpin D, Daugbjerg C and Schwartzman Y (2011) Interest-group capacities and infant industry development: State-sponsored growth in organic farming. *International Political Science Review*, 32(2), 147–166.
- Howard PH and Allen P (2010) Beyond Organic and Fair Trade? An Analysis of Ecolabel Preferences in the United States. *Rural Sociology*, 75(2), 244–269.
- Kahneman D (2011) *Thinking, Fast and Slow*. Reprint edition. Farrar, Straus and Giroux.



- Kilbourne WE (2004) Sustainable Communication and the Dominant Social Paradigm: Can They Be Integrated? *Marketing Theory*, 4(3), 187–208.
- Kilbourne WE, Dorsch MJ, McDonagh P, et al. (2009) The Institutional Foundations of Materialism in Western Societies A Conceptualization and Empirical Test. *Journal of Macromarketing*, 29(3), 259–278.
- Kjærnes U, Harvey M and Warde A (2007) *Trust in food : a comparative and institutional analysis*. Houndmills, Basingstoke: Palgrave Macmillan.
- Klintman M (2012) *Citizen-Consumers and Evolution: Reducing Environmental Harm through Our Social Motivation*. Houndmills, Basingstoke: Palgrave Pivot.
- Klintman M and Boström M (2008) Transparency through labelling? Layers of visibility in environmental risk management. In: Garsten C and Lindh De Montoya M (eds), *Transparency in a new global order : unveiling organizational visions*, Cheltenham: Edward Elgar, pp. 179–197.
- Kogg B and Mont O (2012) Environmental and social responsibility in supply chains: The practise of choice and inter-organisational management. *Ecological Economics*, Sustainability in Global Product Chains, 83, 154–163.
- Koos S (2011) Varieties of Environmental Labelling, Market Structures, and Sustainable Consumption Across Europe: A Comparative Analysis of Organizational and Market Supply Determinants of Environmental-Labelled Goods. *Journal of Consumer Policy*, 34(1), 127–151.
- Maffesoli M (1995) *The Time of the Tribes: The Decline of Individualism in Mass Societies*. SAGE Publications Ltd.
- Mitchell RE (2001) Thorstein Veblen: Pioneer in environmental sociology. *Organization & Environment*, 14(4), 389–408.
- Moraes C, Carrigan M and Szmigin I (2012) The coherence of inconsistencies: Attitude–behaviour gaps and new consumption communities. *Journal of Marketing Management*, 28(1/2), 103–128.
- OECD (2011) *Environmental Claims: Findings and Conclusions of the OECD Committee on Consumer Policy*. Paris, France: OECD.
- Pierre B (2011) Dual-process theories of reasoning: The test of development. *Developmental Review*, 31(2-3), 151–179.
- Sauer U and Fischer A (2010) Willingness to pay, attitudes and fundamental values — On the cognitive context of public preferences for diversity in agricultural landscapes. *Ecological Economics*, 70(1), 1–9.
- Smith S and Paladino A (2010) Eating clean and green? Investigating consumer motivations towards the purchase of organic food. *Australasian Marketing Journal (AMJ)*, 18(2), 93–104.
- Statistics Sweden (2014) *Food Sales 2013*. Stockholm: Statistics Sweden, Available from: [http://www.scb.se/Statistik/HA/HA0103/2013A01/HA0103\\_2013A01\\_SM\\_HA24SM1401.pdf](http://www.scb.se/Statistik/HA/HA0103/2013A01/HA0103_2013A01_SM_HA24SM1401.pdf) (accessed 10 November 2014).
- Stolle D (2005) Politics in the Supermarket: Political Consumerism as a Form of Political Participation. *International Political Science Review/ Revue internationale de science politique*, 26(3), 245–269.
- Thøgersen J (2010) Country Differences in Sustainable Consumption: The Case of Organic Food. *Journal of Macromarketing*, 30(2), 171 –185.
- Thompson CJ and Coskuner-Balli G (2007) Countervailing Market Responses to Corporate Co-optation and the Ideological Recruitment of Consumption Communities. *Journal of Consumer Research*, 34(2), 135–152.

- Van Marrewijk A and Broos M (2012) Retail stores as brands: performances, theatre and space. *Consumption Markets & Culture*, 15(4), 374–391.
- Vargo SL and Lusch RF (2004) Evolving to a New Dominant Logic for Marketing. *The Journal of Marketing*, 68(1), 1–17.
- Wales C, Harvey M and Warde A (2006) Recuperating from BSE: The shifting UK institutional basis for trust in food. *Appetite*, 47(2), 187–195.
- Wibeck V, Dahlgren MA and Öberg G (2007) Learning in focus groups. *Qualitative Research*, 7(2), 249–267.

## Appendix: Focus group participants

	Affiliation	Type of organisation	Position	Location
<i>Lund: 3 focus groups with 6 participants each</i>				
1	ICA Möllevången	Supermarket	Employee and Sustainability Coordinator	Malmö
2	Netto Centrum	Supermarket	Store Manager	Malmö
3	ICA Malmborgs Tuna	Supermarket	Owner	Lund
4	ICA Fäladstorget	Supermarket	Owner	Lund
5	Ekolivs Co-operative	Corner Store (all organic)	Member	Malmö
6	Eko-Skafferiet	Farm Store (all organic)	Owner	Bjärred
7	Fairtrade City	Municipality	Municipal Employee	Lund
8	Organic Food in Lund	Municipality	Municipal Employee	Lund
9	Environment Department	Municipality	Municipal Employee	Malmö
10	Swedish University of Agricultural Sciences	University	Researcher	Alnarp
11	Cook'n Smile	Non-profit Food Initiative	Founder	Lund
12	Ethical consumer	-	Writer	Lund
13	Ethical consumer	-	Researcher	Lund
14	Ethical consumer	-	Consultant	Lund
15	Ethical consumer	-	Student	Malmö
16	Planet Blå	Environment NGO	Founder	Lund
17	Consumer	-	Massage Therapist	Lund
18	Konsumentföreningen Solidar	Consumer NGO	Employee	Malmö
<i>Stockholm: 2 focus groups with 6 participants each</i>				
1	Hemköp	Retailer	CR-Manager	Stockholm
2	Axfood	Retailer	CR-Manager	Stockholm
3	KF/Coop	Retailer	CR-Manager	Stockholm
4	Svensk Dagligvaruhandel	Branch Organization	Coordinator for Product Quality and Regulation	Stockholm
5	Årstiderna	Distributor for Organic Food	Owner	Stockholm
6	Konsumentföreningen Stockholm	Consumer NGO	Employee	Stockholm
7	KRAV	NGO for Organic Agriculture	Employee	Uppsala
8	Svanen	Environment NGO	Employee	Stockholm
9	Naturskyddsföreningen	Environment NGO	Employee	Stockholm
10	Hushållningssällskapens Förbund	NGO	Employee	Stockholm
11	Sveriges Konsumenter	Consumer NGO	Employee	Stockholm
12	Formas	Research Funding Agency	Employee	Stockholm



## Article V



## **Retail store influence on sustainable consumption behaviour**

Matthias Lehner

*International Institute for Industrial Environmental Economics  
Lund University, Sweden*

### **Abstract**

Purpose This study contributes to the discussion about how retailers can more effectively promote sustainable food consumption in the retail store.

Design/methodology/approach Thirteen self-proclaimed sustainable consumers were observed and interviewed during their grocery shopping. Separate observations were conducted of the stores. Finally, consumers were asked to provide three weeks worth of grocery shopping receipts.

Findings Results show that the meaning of sustainable consumption varies among consumers. Observed consumer behavior was mostly routinized, with little willingness to engage consciously with the choice situation. Mixed messages in the store cause confusion, uncertainty and frustration. Only for a minority of decisions consumers showed a high level of decision-making involvement. Then consumers were willing to engage with the retailer and accept trade-offs. The retail store should better account for consumption routines in sustainable consumption behavior and open up to interaction with sustainably-minded consumers where necessary.

Research limitations/implications The results are specific for urban areas with high concern for sustainability. Further research should focus on areas of low concern for sustainability and the impact of the store environment on such consumers.

Practical implications Retailers do not sufficiently take into account the contextual nature of sustainable consumption. Retailers would be well advised to account for the habitual nature of grocery shopping and for contextually defined understanding of sustainable consumption in their efforts to promote sustainable consumption.

Originality This study gives new insights into the much debated 'attitude-behavior gap' in sustainable consumption and how retailers can more effectively encourage sustainable consumption behavior in the retail store.

**Keywords:** attitude-behavior gap, food retailing, Consumer Culture Theory, socio-cultural context, sustainable consumption

## Introduction

The so-called ‘attitude-behaviour gap’ is a persistent and unresolved problem in sustainable consumption literature. It describes the discrepancy between consumer values/attitudes and their behavior as observed on the shopping floor. Some scholars argue that the problem is not so much an underperforming consumer, but a misunderstanding of how consumers apply their sustainability concerns in the marketplace. Ehrich and Irwin (2005, p. 276) argue that ‘[consumers’] *professed moral values are real and that given the right conditions, consumers would reflect these values in their actual purchasing.*’ They go on to claim that ‘*the seeming mismatch between ethical attributes and market success may have more to do with marketing (i.e., with the presentation of the attribute information) than with consumer sentiment.*’ Klintman and Boström (2012) suggest that an explanation for the attitude-behaviour gap can be found in the focus on eco-labels and the misconception that these ‘*resonate with the identities, hopes and political sentiments of ... consumers*’ (Klintman and Boström, 2012, p. 109). Klintman and Boström suggest to look ‘beyond the organic shelf’, and instead take ethical concerns in food consumption for what they really are; complex and not easily ‘squeezed’ into a label. This is in line with a recent study conducted by the British retailer ASDA, which shows that 96 % of their customers of all ages and social classes care for green issues, but that these customers ‘*set their own sustainability agenda*’<sup>[1]</sup>. In a similar argument, Frostling-Henningsson *et al.* (2010), who studied the gap between ethical intention and action in Sweden, suggest that businesses ‘*must communicate with consumers in a more conscious way*’ (Frostling-Henningsson *et al.*, 2010, p. 5; my translation) to achieve a better understanding of what consumers perceive to be ethically desirable food consumption and how consumers try to integrate ethical concerns into daily shopping.

The above implies that retailers’ difficulties in addressing the sustainable consumer are the result of their failure to account for the complex and diverse understanding of sustainability the consumer carries. This article focuses on the in-store experience of consumers to shed light on this complex reality. It studies the impact of consumers’ ethical motivations on observable in-store behaviour. This study offers insights into shortcomings and possible counterproductive in-store influences and provides practical and theoretical conclusions about retailers’ efforts to promote sustainable consumption.

## Research aim and objectives

This study aims to counter the problem of context-deprived studies commonplace in sustainable consumption literature and thereby help to establish necessary but missing knowledge about the sustainability-oriented consumer and how sustainable purchases actually take place in the retail store. Jones *et al.* (2007, p. 28), for example, state that ‘*more research is necessary to understand how retailers best communicate CSR themes in the store*’, and Anselmsson and Johansson (2007, p. 837) express that ‘*there is a need to move beyond studying general attitudes and to move closer to actual behaviour and the actual purchase situation*’. Nordfält (2007) points out that grocery stores are a formidable laboratory for studies concerning the way retailers and consumers interact and affect each other. Still, they are rarely used in this way. By studying consumers in the real-life context of the grocery store, this study aims to capture the cognitive processes acting in real life and to overcome the problem of survey-derived one-dimensionality.

The objective of this study is to understand how well retailers relate to consumers’ ethical values and how successful they are in promoting sustainable consumption in the store. By asking how consumers reason around sustainable food choices in the actual purchasing



situation the study aims to achieve a more realistic contextually grounded understanding of sustainable food consumption. This study wants to contribute to the discussion on how retailers can more effectively promote sustainable food consumption and identify relevant factors in the customer-store relationship.

### **Theoretical perspective**

Increasingly, it is argued that the process in which consumers gather their understanding and preferences for sustainable consumption is greatly influenced by the socio-cultural network they are embedded in. This understanding of consumption motives derives largely from Consumer Culture Theory (CCT), which understands consumption as a means for individuals to relate to the society around them (Arnould and Thompson, 2005). CCT's view is of the individual's consumption behaviour being substantially influenced by one's environment, whether as a reaction to social norms (Cialdini and Goldstein, 2004), alignment with collectivised behaviour to create belonging (e.g. neo-tribes [Cova, 1997]), or positioning relative to others (i.e. status seeking [Griskevicius *et al.*, 2010]), CCT's view is one of the individual's consumption behaviour being substantially influenced by one's environment. Context therefore plays a crucial role in CCT, and market success can often be explained by successful embedding of a product or service in a market (Arnould and Thompson, 2007; see also Granovetter, 1985).

CCT helps to explain the seeming discrepancy between ethical values and consumption behaviour by stressing the multiplicity of understandings and preferences emerging from the fuzzy concept of sustainable consumption due to socio-cultural processes that influence understanding and meaning. CCT helps us understand that sustainable consumption practices must be socio-culturally relevant to consumers (e.g. Connolly and Prothero, 2008), and therefore must move beyond generalized information and incentives.

Moisander (2007) therefore argues for the image of a socially and materially embedded consumer as a better way to understand how ideas about sustainable consumption are formed. She stresses the need to understand the social networks an individual is embedded in and argues for the need to study subcultural differences and historically and locally specific circumstances. Fuentes (2014) observes this plurality of meanings in the context of outdoor retailing. According to Fuentes the challenge for green marketing is to '*construct the material-symbolic artefacts that make sense to consumers and fit into their lives and their practices.*' (Fuentes, 2014, p. 106)

The above discussion prompts Peattie (2010) to argue that for marketing to be successful in promoting sustainable consumption it is necessary to create the right 'habitat'. This implies a major role for the retail store and how it is experienced by the customer.

### **Research scope and design**

This study adopts a qualitative research approach to the study of sustainable consumption. It makes use of interviews and observations. While interviews offer the researcher the ability to uncover internal psychological and societal forces influencing individuals' behaviour, observations allow for the study of the context – the external – in decision-making (Silverman, 2006). Only by acknowledging both internal and external forces in consumption behaviour can a realistic account of the purchase situation be gained (Nordfält, 2007). By combining these two methods, this study thus aims to better capture sustainable consumption behaviour in the grocery store.

In-depth interviews were conducted with 13 consumers. Instead of asking consumers about their experiences and behaviour in a decontextualized interview situation deprived of trade-offs, interviews were conducted as part of participatory observations where interviewers followed the interviewees through the store (with their consent), asking them questions about their purchase decisions. The consumers were engaged in a conversation about their product choices and their accounts were recorded for further analysis. In a second separate interview after the shopping trip consumers were questioned about their views, opinions and experiences with sustainability and food consumption. All interviews were taped and transcribed, and observations were recorded in a field diary. Consumers were also asked to provide receipts of their shopping from three weeks before the accompanied shopping trip, which served as further help in interpreting the gathered information.

Consumers were asked to choose the store to visit according to their usual shopping routine. In total 11 different stores were visited (one store was chosen by three consumers independently). All the stores are located in Southern Sweden. Sweden is said to offer a particularly promising outlook for ethical consumption, as people in Sweden increasingly connect societal problems and political ideals with their own consumption patterns, and thus turn to ethical consumption as means to express their political opinion (Micheletti *et al.*, 2006; see also European Commission, 2009). Sweden therefore offers an interesting case for this study, as one can assume a significant “untapped” potential for more sustainable food consumption. The visited stores belong to five different retail chains (ICA, Coop, Citygross, Hemköp, Willy’s), with most store visits to stores belonging to the market leader ICA (7 visits) and the second biggest retail chain Coop (4 visits). All but two of the stores were certified in accordance with at least one of three common sustainability certification schemes for stores (KRAV, Svanen, Bra Miljöval) available in Sweden. All but one store also had some kind of sustainability profile as part of their store profile. All chosen stores belonged to retail chains, while independent *all-natural* stores<sup>[ii]</sup> were not chosen by any of the studied consumers. (For detailed information about the visited stores see Appendix 1.)

All participating consumers were chosen based on a search in sustainable consumption forums (social media, newsletters, NGOs), based on the prerequisite that they identified themselves as consciously sustainable consumers. Twelve of the thirteen participating consumers identified themselves as ‘conscious sustainable consumers’ during the study. (One consumer started to doubt the self-image of a conscious sustainable consumer during the study.) Nine consumers were female and four were male. The overwhelming majority of consumers was enrolled in or had completed tertiary education, which is not representative of the total Swedish population but in line with earlier studies about the higher-than-average educational level of ethically-minded consumers (see Krystallis and Chrysosoidis, 2005). Age and income differed considerably, as did the observed and reported sustainable consumption behaviour (measured in relative monetary value of labelled<sup>[iii]</sup> products of total grocery shopping based on collected receipts). (For detailed information about the study subjects see Appendix 2.)

## Results

### *Consumer explanations for sustainable food consumption*

In interviews, consumers provided a broad spectrum of definitions for sustainable consumption. These definitions incorporated both abstract ideals and concrete guidelines for their grocery shopping. The abstract ideals consumers mentioned as components of sustainable consumption can be summarized to follow three broad themes: 1) reduce consumption levels

and waste, and simplify production and processing in the food industry, 2) make informed choices and keep up to date, and 3) think of other people, animals and the planet (see table 1).

Table 1: Summary of sustainable consumption ideals mentioned in interviews

Ideal	Theme	Quotes from the interviews
<b>Reduce &amp; simplify</b>	climate friendliness	<i>In an ideal world consumers would boycott any product that comes from far away, stop eating bananas and only buy local apples. (consumer 9<sup>1</sup>)</i>
	food waste	<i>Most important is not to waste food. [...] I have a compost. (consumer 5)</i>
	low-impact lifestyle	<i>Only consume stuff I really need! (consumer 4)</i> <i>[...] to have as little impact on the planet as possible (consumer 2)</i>
	unprocessed food	<i>I try not to buy products that are treated too much - those processes are often bad for the environment (consumer 1)</i>
<b>Make informed choices</b>	optimisation	<i>Sustainable consumption is to get out so much positive as possible from so little resources as possible - to get the optimal. (consumer 3)</i>
	continuous learning	<i>One has to keep updated all the time, nothing is static (consumer 3)</i>
	life cycle analysis	<i>It is important to have a life-cycle perspective! (consumer 9)</i>
	consciousness	<i>It means to reflect before to buy - what is it I buy and why do I want exactly this product? [...] I don't think it is easy for anyone to know what is right. So the responsibility is with all of us to get better informed, to do more research, to inform better, and to read up. (consumer 11)</i>
<b>Be altruistic</b>	keep the bigger picture in mind	<i>To think of other consequences than just not to be hungry. That means consequences for those that grow the food, those that produce it, even how it influences my own health. (S. Nelson)</i> <i>Everything I would say. All is connected. What is a consequence for myself becomes the consequence for my environment and the other way around, somehow. It's the same with health issues. This thing to differ between health and the environment, it's actually the same thing if you look at the whole. (consumer 13)</i>
	do the right thing	<i>One must do what is right and at least try to influence ones friends, family and colleagues. (consumer 8)</i>

Asked how these ideals translate into grocery shopping behaviour, consumers described a number of guidelines they followed (see table 2). There was broad agreement that third-party labels such as 'organic' and 'Fairtrade' provided good guidance. 10 Consumers mentioned eco-labels as a guide. Local origin was mentioned 7 times. Another widely mentioned guideline was to prevent food waste by buying the right amounts and by making sure to check the 'best-before' date (6 mentions). To check ingredient lists and to buy certain brands were mentioned 4 times each. To purchase vegetarian or vegan food and to follow growing seasons were mentioned 3 times each.

<sup>1</sup> The numbers for the consumers relate to Appendix 2

Table 2: Guidelines for sustainable grocery shopping mentioned in interviews

Guideline	No. of mentions	Examples	Quotes from the interviews
buy labelled products	10	KRAV, Fairtrade, MSC	<i>First and foremost I look for organic and Fairtrade products. (consumer 6)</i> <i>It is important to be aware of false labels such as the Chiquita frog. (consumer 1)</i>
buy local food	7	Regional, Swedish, close by country	<i>I try to buy Swedish apples instead of bananas. (consumer 1)</i> <i>I come here because I know they have local meat. (consumer 3)</i>
don't waste food	6	Best-before date, packaging, look/smell/taste	<i>Use your senses [smell, taste and look] instead of relying on the best-before date. (consumer 13)</i> <i>I think the most important thing is not to waste food - eat up! (consumer 3)</i>
check ingredients	4	e-numbers, palm oil, chemical-free	<i>I don't buy [product name], because it contains palm oil. (consumer 11)</i>
buy certain brands	4	I love eco, Änglamark, Kung Markatta, don't buy Chiquita	<i>When there are several choices of organic, I buy Kung Markatta [an all-organic brand in Sweden]. (consumer 8)</i> <i>There are false labels also, such as the Rainforest Alliance Frog on Chiquita bananas. That's only greenwashing. (consumer 1)</i>
buy less meat	3	Vegetarian/vegan food	<i>I try to eat less meat. (consumer 8)</i>
buy seasonal food	3	Seasonal fruit/vegetables, buy from producer	<i>In summer and autumn I look for Swedish fruits and vegetables (consumer 7)</i> <i>I like to go to bakeries, butchers and farmers markets and talk to the people there. (consumer 5)</i>

Consumers also provided a range of reasons to compromise the above guidelines (see table 3). One difficulty for consumers seems to be how to prioritize the guidelines they set out for themselves. Internal conflicts could be observed as to whether it is better to buy 'local' or 'organic', whether uncertified soy milk was better than certified cow milk, or between different brands with a sustainability claim. A second reason was the price difference between sustainable products and their 'conventional' counterparts. While all of the interviewed consumers claimed to be willing to pay a price premium for sustainable products, there were also statements about limits to how much more expensive a product could be. This sensitivity to price differences appeared to change according to cyclical factors (i.e. beginning vs. end of the month) and change over time (i.e. being a student vs. being in paid employment, being single vs. having a child). Another factor was the product in question. While consumers seemed to focus on some product groups they considered particularly important for sustainable consumption (e.g. meat, eggs), they were less attentive to other product groups (such as milk). High concern increased their willingness to consider various pros and cons, while low concern led them to quick decisions. The season of the year was another reason to compromise for some consumers. In Northern countries like Sweden there are limits to the growing season and one consumer expressed that, while in summer and autumn it was important to buy Swedish, the rest of the year it was permissible to buy imported fruits and vegetables. Dietary factors, most commonly vegetarianism or veganism, were also mentioned as reasons for refraining from buying certain sustainable foods (vegan milk substitute was chosen over organic milk,

for example). Often, social constraints to sustainable consumption behaviour were also part of the explanation for why consumers compromised. Families, as well as friends and the society as a whole were referred to as inhibiting factors in attempts to consume ethically. Finally, it was acknowledged that ethical consumption often takes time – especially if one wants to keep up to date – and that this time is not always available in one’s schedule.

Table 3: Reasons consumers mentioned for deviation from their personal sustainable consumption guidelines

Reason for compromise	Quotes
<b>conflicting ethical ideals</b>	<i>This is a very difficult question. There’s a lot to take into account. I am very interested in vegetarian and vegan food. Then locally produced can be really good, but if one only thinks from an environmental perspective ... hmmm ... I can ask myself the question is locally produced always better? [...] And then there is this thing with the labels. Who says that those here are the right ones only because they have a label, what about everything else that does not have a label but still can be good? And one look at it from another perspective, sugar can be Fairtrade certified but how good is it for our health and how good is it for society if we all increase our sugar consumption? And exclusively from a sustainability perspective, from a health perspective which is part of sustainability thinking. (consumer 13)</i>
<b>price/income</b>	<i>Like with avocados, they are so much more expensive when organic and so I decide from time to time (consumer 11)</i> <i>everyone has his own parameters what is ‘good’ and that changes of course depending on whether one is poor. (consumer 10)</i>
<b>product group</b>	<i>Lamb is not always KRAV-certified, but it doesn’t work to raise lamb in a bad way anyway. (consumer 8)</i>
<b>season</b>	<i>Swedish products, good quality and good price. Locally produced. Maybe one cannot always buy those, but I like to buy eggs, potatoes and vegetables from the area during summer. (consumer 7)</i>
<b>diet</b>	<i>I think it is a good choice to buy soya ice cream even though I can’t get it organic. And the organic is not lactose free. (consumer 8)</i>
<b>Social environment</b>	<i>Of course, when you change your way to think it takes some effort to change something. But then it becomes a new habit and then the important thing is not to get stuck in this because things change all the time. Never to be satisfied, that’s how I reason. To always develop in a dynamical process. But then it is difficult because even if one thinks one is very knowledgeable and not so dependent on the industrial society one is it anyhow because one lives in this society and has accepted the societal structure. It’s only possible to chose within these frames. (consumer 13)</i>
<b>Time constraints</b>	<i>It is quite easy [to consume sustainably] in the store one is used to, but if one wants to change something, for example try a new recipe, it takes time. (consumer 12)</i>

### Choice of store

All observed consumers chose stores that made an effort to communicate sustainability to their customers. All visited stores displayed general messages about sustainability. Some of the stores appeared to have picked a specific sustainability-related cause, which they promoted as part of their store image (see Appendix 1 and pictures 1 and 2). All except two stores also had some kind of store certification (see Appendix 1) and clearly displayed it to their customers. Most commonly, this was done at the entrance to the store, with signs attached to the swing-doors, hanging from the ceiling or attached to the wall. All of the stores also carried a basic assortment of certified (i.e. organic, Fairtrade, MSC, etc.) products.



Picture 1: Promotional material linking Coop to the organic label KRAV at Coop Mårtenstorg (19-10-2013, Caroline Eliasson) Picture 2: Promotional material for the 'Smaka på Skåne' (Taste Scania) local food labelling initiative and for the local food distributor 'Bondens Skafferi' (The Farmer's Pantry) at ICA Fäladstorget (21-10-2013, Ida Mexnell)

The choice of store appeared to be conscious, as study participants claimed to exclude other mainstream stores from their grocery shopping. This was explained by lack of choice (e.g. too few organic/Fairtrade/vegan products) but also an overall impression of low sustainability performance. According to collected receipts as well as consumers' own accounts, the retail chains Netto and Lidl (both discounters) were not frequented by any of the consumers in this study. In interviews, this was explained by referring to these discount retailers' lack of sustainable product choices.

On the other hand, it appears that once a certain threshold of choice was passed, consumers were content with mainstream retail stores. It was revealing, for example, that not a single consumer in this study chose to do her grocery shopping in an all-natural store during observation, even though such stores exist both in Malmö and Lund. Given the prerequisite for this study - to accompany them when they do a typical grocery shopping trip - it appears that purchases at all-natural stores are the exception rather than the rule for the consumers participating in this study. Judging from the total purchases conducted in all-natural stores compared to overall purchases observed in this study (five of the thirteen consumers in this study provided at least one receipt from an all-natural store) it can be stated that these stores only serve as additions to overall grocery shopping. No consumer in this study purchased more than 22 % of overall groceries in an all-natural store during the 3 weeks of observation. Nine consumers did not shop at an *all-natural* store at all during this period.

### *In-store behaviour*

There appeared to be a high level of routinization in the study participants' sustainable consumption behaviour. This was apparent in consumer accounts during shopping. Consumers claimed that a routine was in place for them to quickly choose the right products. This was also observed in the store, where the majority of choices happened fast, often supported by a shopping list. Observed decision heuristics seemed to rely, first and foremost, on product labels (i.e. 3<sup>rd</sup> party certification) and brands, but even packaging and place of origin were used as guidelines by consumers to make quick decisions.

Reflection or hesitation was observable only in rare cases. Examples for such observed more conscious decision-making in the store were the purchase of meat (to study origin and farming method), a change in packaging design (to make sure the product was identical), changes in product pricing, the necessity to choose a rarely purchased product, or the need to buy something for a specific occasion (the child's birthday party). In those cases consumers displayed higher involvement in the decision-making process.

Collected receipts provide further interesting observations. The comparison of interview data with shopping receipts reveals that consumers' estimated share of sustainable consumption deviated considerably from observed purchases of labelled products (see Appendix 2). Only in four cases did the estimates match observed purchases (measured in monetary value). In all other cases, observed behaviour was lower than self-estimates. One possible explanation is that labelled goods do not encompass the entirety of conscious consumers' perception of sustainable consumption. All consumers except one listed a range of further criteria according to which they assessed the sustainability of a purchase (see table 2). Secondly, price discounts (i.e. campaigns) appear to have influenced consumers' shopping behaviour. In the receipts collected for this study, this was mostly observable as a reason to deviate from sustainable shopping choices. Receipts from five consumers showed purchases of discounted 'normal' products, while the same product was purchased as eco-labelled product in another situation. The variation in the share of labelled purchases seemed to partly depend on the size of the total purchase (among the receipts collected for this study all five shopping baskets from *all-natural* stores were relatively small compared to the purchases at mainstream supermarkets), as well as the store. Obviously, the consumer's choice to shop at an all-natural store influences the share of labelled products, but even differences between retail chains could be observed. Receipts from retail chains with a greater choice of labelled products (i.e. ICA, Coop) showed a higher number of labelled product purchases compared to receipts from Citygross and Willy's, both of which have a more limited range of labelled product choice.

### *Consumer satisfaction with stores*

A focus in interviews was how well consumers thought stores would meet their preferences. Here, consumers presented both positive and negative statements about the role of the store in their efforts to consume sustainably.

It was stressed that it has become easy nowadays to make sustainable consumption choices in the store. Eco-labels and eco-brands were mentioned as good guides for consumption choices in the store. Stores were praised for making it easy to find sustainable products by placing them in prominent spots in the store and by using signs to indicate their position. Special offers for sustainable products – such as Coop's 'veckans ekologiska' (the weekly organic offer) was mentioned twice as being appreciated.

It was also mentioned that it is much easier nowadays to talk to store staff about sustainability than in the past. Store staff were described as more knowledgeable and accustomed to consumer concerns and preferences regarding sustainability. Stores' cooperation with independent organisations (such as the Swedish Society for Nature Conservation (NSF), or the WWF) – e.g. to promote a specific label or to inform consumers about a specific issue – was also mentioned as positive. Specifically, a recent campaign was mentioned where the NSF, together with an ICA store in Malmö, promoted the organic label on bananas by putting up a price sign for "conventional" bananas saying 'sprayed bananas', together with setting up an information point in the store run by the NSF.

At the same time, examples were given for how stores are negatively influencing sustainable consumption behaviour in the store. The perception that retailers are only interested in selling more products and earning money was mentioned as negative example, e.g. the common practice to promote ‘take 3 and pay for 2’. Related to this, retailers were perceived as opportunistic by some consumers. While stores in Malmö and Lund had big assortments of sustainable products, consumers reported their observations that stores of the same company located in rural areas of Sweden had a very limited choice. Some consumers complained about too much packaging. Their perception was that sustainable products often had more packaging than conventional products. Consumers also reported that mixed messages in the store made it harder to make sustainable choices and that stores were sometimes actively misleading consumers. One consumer stated that he often gave up looking for a sustainable option after a while because it was too confusing to make a sound decision. Some frustration was also articulated toward the fact that the sustainably-minded consumer pays for environmental and social improvements. This was perceived as substituting other consumers’ bad choices and the belief was expressed that “conventional” food has to be more expensive. Here, particular frustration was expressed over the two discounters Lidl and Netto, both perceived as having a negative influence on the market.

While some stores received praise for their higher level of awareness and concern for sustainability issues, other stores were criticised for not being flexible enough towards consumers, e.g. in respect to selling products shortly before the best-before date. One consumer complained that she had approached a store repeatedly about her willingness to buy meat before it is taken off the shelves and thrown away, but has always been met with polite indifference. Another consumer criticised her once favourite store for having become “like any other store”, not trying to push boundaries any longer. She reported that this means that shopping at this store was less fun to her now.<sup>[iv]</sup>

## Analysis

### *Encouraging sustainable food consumption in the store*

A general observation made in this study is that sustainably minded consumers are sufficiently happy with Swedish mainstream retailers to choose them as major source for their grocery shopping. Many purchases observed in this study were habitual and consumers appeared to want to spend little effort in ensuring they act according to their principals in the context of grocery shopping. They followed decision heuristics such as eco-labels and brands, (local) origin, and various dietary alternatives (i.e. vegetarian and vegan). Furthermore they assessed products in respect to their ingredients and seasonality. These results indicate that retailers’ efforts to offer easy-to-follow sustainable consumption cues are supportive to established sustainable consumption routines. High visibility of products and in-store marketing also help to create an in-store environment that facilitates and reinforces sustainable consumption routines.

These results support findings from Thøgersen *et al.* (2012) that sustainable consumption behaviour is routinized much in the same way as ‘conventional’ consumption behaviour. The results also suggest that decision cues to guide ethical behaviour extend beyond eco-labels. This study gives evidence that retail brands are well positioned to serve the habitual part of sustainable consumption behaviour. Several of the consumers in this study appeared to find retail brands attractive due to the simplicity and reduction in price they associate with these brands. Observations confirmed that many of the study subjects readily incorporated these



brands into their consumption habits and used them as decision heuristics for quick decision-making.

Price incentives also worked in favour of sustainable consumption. Coop's campaign for a weekly organic offer was acknowledged by interview participants as positive and could be observed in this study as having an effect on in-store behaviour. Price incentives appear to reinforce the pleasurable experience among consumers that habitually purchase sustainable products. Coop's weekly price reductions on organic food increase the positive experience of buying sustainable products. Interviews indicated that they feel rewarded by the store for following their values. Given the above argument that numerous decision cues for sustainable consumption exist, it would seem appropriate to expand price campaigns such as Coop's weekly organic offer to other sustainability categories observed in this study (e.g. vegetarian/vegan food, local food, sustainability-oriented brands) in order to cover a greater range of consumers and their understanding of sustainable consumption.

#### *Unintended discouragement of sustainable food consumption in the store*

The findings also point towards counteracting in-store influences on sustainable consumption. Consumers mentioned conflicting messages in the store as negative. Observations strengthened the view that such contradictions in the store undermine sustainable consumption behaviour as it resulted in frustration about the "unfair" treatment of those consumers following sustainable consumption. The same was true for price campaigns on conventional products that excluded the sustainable option (e.g. a discount on a coffee brand with the organic option excluded from the discount). Such action by the retailer appeared to result in a feeling of being cheated and fooled among sustainable consumers. This way of offering price incentives appeared to divert sustainably-minded consumers away from their preferred sustainable choice in numerous cases during observations. As data from this study shows, special deals on conventional products often incentivised consumers to temporarily break their sustainability habit. In several cases, receipts from a specific consumer differed considerably depending on the chosen store and special offers available in the store. Considering how consumers described their efforts to consume sustainably in interviews, it appears that 'mixed messages' and contradicting incentives result in a feeling of frustration about personal shopping decisions and lead to the impression among sustainable consumers that retailers undermine their efforts to act sustainably.

This finding reinforces the need for consistency on the side of the retailer in how they address sustainability-minded consumers in the retail store. Even a temporary incentive to opt out of an established sustainable consumption routine is detrimental to retailers' efforts to promote sustainable consumption. As Schröder and McEachern (2004, p. 176) explain,

*'If a consumer cannot consume consistently according to their values and beliefs, these values and beliefs will be weakened rather than reinforced. This is a bad outcome from many points of view, including the likelihood of meaningful product differentiation occurring in food markets.'*

It is therefore important for retailers to reduce conflicting messages in the store (see Connolly and Prothero, 2008). In this study, variation in the price difference between sustainable and conventional products was perceived as unfair and led to changes in consumer behaviour. Retailers should thus make sure that customers in their stores that have a general inclination to choose sustainable options in their grocery shopping are not undermined in their decision-making in the store due to counteracting incentives. Of course there were factors that made consumers compromise on their sustainable consumption routines which were out of the realm

of retailers. In this study, mentioned reasons to not chose the sustainable option were the growing season, social influences, or changes in family status and income. While these external influences are impossible for retailers to predict and mitigate, it might be wise to put extra efforts in place to reduce the risk of temporary habit-breaks.

Even though habitual behaviour was observable for most choices during the shopping observations, some situations triggered higher levels of awareness and engagement in consumers' decision-making. As suggested in literature (Hansen, 2005; Pedersen and Neergaard, 2006), these triggers differed among consumers. In this study high levels of decision-making involvement could be triggered by a certain product group (e.g. meat), packaging (e.g. new design), the state of the product (appearance or short best-before date), the missing of a habitual product choice (e.g. out of stock), changes in pricing, or purchases for which consumers had no routines in place (e.g. shopping for a birthday party). In these cases a more careful study of the product characteristics, comparison of alternatives, and engagement with store staff was observed. In cases of high involvement a much higher level of willingness-to-act on ethical motives was observable and consumers showed willingness to make a significant effort and compromise other incentives to support sustainability. Tolerance for perceived trade-offs appeared to be higher in these cases. However, the potential for frustration with retailers appeared higher in such instances as well. Consumers in this study got upset with stores when they perceived that such conscious efforts to make a sacrifice to consume sustainably were met with indifference or rejection. This was especially true for occasions where the effect on the retailer was perceived as minor (e.g. to sell a product with a short best-before date at a discount rather than throwing it away). Thus, where the cost for an act of sustainable consumption was mostly perceived to be on the consumer's side, lack of support from the retailer was perceived as disturbing. What became apparent in these situations was that the inability of the retailer to accommodate this high level of consciousness and willingness-to-act greatly increased the potential for frustration among consumers.

## **Conclusion**

This study provides a range of understandings and preferences for how consumers make sense of sustainable food consumption. Examples in this study were climate friendliness, natural (i.e. unprocessed) food, efficient food production or holistic thinking. This study also provides insight into consumers' strategies for sustainable food consumption, e.g. buying organic, local and seasonal, buying less or following specific diets. This multi-faceted nature of how consumers make sense of sustainability makes it hard for retailers to encourage sustainable consumption in a way that connects well with customers' understanding of and interests in sustainable consumption. Indeed, retailers appeared limited in their ability to connect to these different understandings in their stores.

A conclusion from this research is the importance of consumption habits for sustainable consumption and the lesson for retailers to encourage and not to disturb such habits. To help customers follow sustainable consumption habits in an easy way and make sure not to interrupt these habits appears an obvious 'take away' from this study as it offers a low-cost, high-effect measure to encourage sustainable consumption.

The proliferation of retail brands appears to be a development that supports habitual sustainable consumption behaviour. A sense among consumers that these brands offer 'a good deal', as well as the ease with which they can be found in the store received positive mentioning in this study.

This study also indicates the importance for retailers to be prepared to deal with consumers when they face a consumption choice that is of high importance to them. These rare cases of high-involvement decision-making in the retail store result in higher ‘willingness to pay’ (either in monetary terms, or in terms of time and effort involved in the behaviour), but also a higher level of frustration with the retail store where the retailer deals with such cases poorly. Fuentes (2014), for example, notes that it is important for store assistants to be able and willing to relate to consumers’ concerns (see also Carrington *et al.*, 2010). From this study it can be concluded that retailers have become better at this. Consumers in this study generally praised store assistants for being more receptive and knowledgeable to the sustainability discourse than in the past. Nevertheless, retailers still appear to fall short of bringing this more receptive approach to consumers’ individual understanding of sustainable consumption to its logical conclusion. Judging from the results of this study, it is recommendable to intensify cooperation with local stakeholders, be they municipalities, producers, consumer activist groups, or NGOs. One can safely assume that these actors are closely aligned with the socio-cultural context store customers are embedded in. They should therefore be able to help design and implement sustainable consumption campaigns.

One solution to this might be to give consumers more opportunity to develop triggers and incentives to change behaviour. Nivå and Timonen (2001), for example, suggest that in order to create more sustainable consumption habits, consumers could be involved in product development. Even though it is hard to conclude from this study how such an approach could work in practice, in this study it appears that retail brands offer room for a wide range of understandings of sustainable food consumption and have the potential to offer meaning to a wide range of consumers. Retail brands could thus serve as a platform for dealing and accommodating high levels of concern among consumers (see Lehner and Halliday, 2014).

### **Limitations and further research**

The results of this study are specific for the situation of the cities of Lund and Malmö, both of which are located in a country with above-average public concern for sustainability (European Commission, 2009), municipal governments that actively promote sustainable consumption<sup>[v]</sup>, and a local population which displays high levels of willingness to pay for sustainable product credentials. The results of this study should be applicable in similar contexts (i.e. urban areas with high concern for sustainability). Further research must be directed to areas of low concern for sustainability, where only a small minority of consumers show interest and a willingness to pay a premium for sustainable produce. Whether or not retailers could benefit from a more active approach to sustainable consumption in such cases is a question that deserves more attention.

## References

- Anselmsson, J. and Johansson, U. (2007), "Corporate social responsibility and the positioning of grocery brands: An exploratory study of retailer and manufacturer brands at point of purchase", *International Journal of Retail & Distribution Management*, Vol. 35 No. 10, pp. 835-856.
- Arnould, E.J. and Thompson, C.J. (2007), "Consumer Culture Theory (and We Really Mean Theoretics): Dilemmas and Opportunities Posed by an Academic Branding Strategy", *Research in Consumer Behavior*, Vol. 11 No. 3, pp. 3-22.
- Arnould, E.J. and Thompson, C.J. (2005), "Consumer Culture Theory (CCT): Twenty Years of Research", *Journal of Consumer Research*, Vol. 31 No. 4, pp. 868-882.
- Carrington, M.J., Neville, B.A. and Whitwell, G.J. (2010), "Why Ethical Consumers Don't Walk Their Talk: Towards a Framework for Understanding the Gap Between the Ethical Purchase Intentions and Actual Buying Behaviour of Ethically Minded Consumers", *Journal of Business Ethics*, Vol. 97 No. 1, pp. 139-158.
- Cialdini, R.B., and Goldstein, N.J. (2004), "Social Influence: Compliance and Conformity", *Annual Review of Psychology*, Vol. 55 No. 1, pp. 591-621.
- Connolly, J. and Prothero, A. (2008), "Green Consumption Life-Politics, Risk and Contradictions", *Journal of Consumer Culture*, Vol. 8 No. 1, pp. 117-145.
- Cova, B. (1997), "Community and Consumption: Towards a Definition of the 'linking Value' of Product or Services", *European Journal of Marketing*, Vol. 31 No. 3/4, pp. 297-316.
- Ehrich, K.R. and Irwin, J.R. (2005), "Willful Ignorance in the Request for Product Attribute Information", *Journal of Marketing Research*, Vol. 42 No. 3, pp. 266-277.
- European Commission (2009), "Europeans' attitudes towards the issue of sustainable consumption and production", available at: [http://ec.europa.eu/public\\_opinion/flash/fl\\_256\\_en.pdf](http://ec.europa.eu/public_opinion/flash/fl_256_en.pdf) (accessed 1 May 2014).
- Frostling-Henningsson, M., Hedbom, M. and Thuresson, L. (2010), "Varför skiljer sig intention från handling vid val av livsmedel", available at: [http://www.hur.nu/forskning/butiken\\_som\\_marknadsplats/avslutade\\_bsm/intention\\_och\\_handling](http://www.hur.nu/forskning/butiken_som_marknadsplats/avslutade_bsm/intention_och_handling) (accessed 24 August 2014).
- Fuentes, C. (2014), "Green Materialities: Marketing and the Socio-Material Construction of Green Products", *Business Strategy and the Environment*, Vol. 23 No. 2, pp. 105-116.
- Granovetter, M. (1985), "Economic Action and Social Structure: The Problem of Embeddedness", *American Journal of Sociology*, Vol. 91 No. 3, pp. 481-510.
- Griskevicius, V., Tybur, J.M. and Van den Bergh, B. (2010), "Going Green to Be Seen: Status, Reputation, and Conspicuous Conservation", *Journal of Personality and Social Psychology*, Vol. 98 No.3, pp. 392-404.
- Hansen, T. (2005), "Perspectives on consumer decision making: an integrated approach", *Journal of Consumer Behaviour*, Vol. 4 No. 6, pp. 420-437.
- Jones, P., Comfort, D. and Hillier, D. (2007), "What's in Store? Retail Marketing and Corporate Social Responsibility", *Marketing Intelligence & Planning*, Vol. 25 No. 1, pp. 17-30.
- Klintman, M. and Boström, M. (2012), "Political Consumerism and the Transition Towards a More Sustainable Food Regime: Looking Behind and Beyond the Organic Shelf", in

- Spaargaren, G., Oosterveer, P. and Loeber, A. (Eds.), *Food Practices in Transition: Changing Food Consumption, Retail and Production in the Age of Reflexive Modernity*, Routledge Studies in Sustainability Transitions, Routledge, London, pp. 107-130.
- Krystallis, A. and Chrysoschoidis, G. (2005), "Consumers' willingness to pay for organic food: Factors that affect it and variation per organic product type", *British Food Journal*, Vol. 107 No. 5, pp. 320-343.
- Lehner, M. and Halliday, S.V. (2014), "Branding Sustainability: Opportunity and Risk behind a Brand-Based Approach to Sustainable Markets", *ephemera: theory & politics in organization*, Vol. 14 No. 1, pp. 13-34.
- Micheletti, M., Follesdal, A. and Stolle, D. (2006), *Politics, Products, and Markets: Exploring Political Consumerism*, Transaction Publishers, New Brunswick, New Jersey.
- Moisander, J.K. (2007), "Motivational Complexity of Green Consumerism", *International Journal of Consumer Studies*, Vol. 31 No. 4, pp. 404-409.
- Nivå, M. and Timonen, P. (2001), "The role of consumers in product-oriented environmental policy: can the consumer be the driving force for environmental improvements?", *International Journal of Consumer Studies*, Vol. 25 No. 4, pp. 331-338.
- Nordfält, J. (2007), *Marknadsföring i butik: Om forskning och branschkunskap i detaljhandeln*, Liber, Stockholm.
- Peattie, K. (2010), "Green Consumption: Behavior and Norms", *Annual Review of Environment and Resources*, Vol. 35, pp. 195-228.
- Pedersen, E.R. and Neergaard, P. (2006), "Caveat Emptor – Let the Buyer Beware! Environmental Labelling and the Limitations of 'green' Consumerism", *Business Strategy and the Environment*, Vol. 15 No. 1, pp. 15-29.
- Schröder, M.J.A. and McEachern, M.G. (2004), "Consumer Value Conflicts Surrounding Ethical Food Purchase Decisions: A Focus on Animal Welfare", *International Journal of Consumer Studies*, Vol. 28 No. 2, pp. 168-177.
- Silverman, D. (2006), *Interpreting Qualitative Data: Methods for Analyzing Talk, Text And Interaction*, Sage, London.
- Thøgersen, J., Jørgensen, A.-K. and Sandager, S. (2012), "Consumer Decision Making Regarding a "Green" Everyday Product", *Psychology and Marketing*, Vol. 29 No. 4, pp. 187-197.

## Appendix 1: Summary of visited stores

Name	Location	Store certification	Sustainability profile
ICA Malmöborgs Caroli	Malmö	Svanen, KRAV	Promoting 3 <sup>rd</sup> -party labels, local producers, and artisanal food production <sup>2</sup>
ICA Fäladstorget	Lund	- <sup>3</sup>	Focus on local food <sup>4</sup>
ICA Malmöborgs Clemenstorg	Lund	Svanen, KRAV	Promoting 3 <sup>rd</sup> -party labels, local producers, and artisanal food production <sup>7</sup> , historically known for in-store activism
ICA Mobilia	Lund	Svanen, KRAV	Promoting 3 <sup>rd</sup> -party labels, local producers, and artisanal food production <sup>7</sup>
ICA Tornet	Lund	-	-
Coop Mårtenstorget	Lund	KRAV	Coop positions its brand as the most ethical Swedish retailer
Coop Folketspark	Malmö	KRAV	Coop positions its brand as the most ethical Swedish retailer
Coop Forum	Lund	KRAV	Coop positions its brand as the most ethical Swedish retailer; the store is a test store for sustainable ideas within Coop
Coop Forum Jägersro	Malmö	KRAV	Coop positions its brand as the most ethical Swedish retailer
Citygross	Höganäs	Svanen	Citygross positions itself as favouring Swedish meat and promoting additive-free products
Willy's	Lund	Bra miljöval	Willy's promotes a brand image of being the cheapest retailer in organic food

<sup>2</sup> This supermarket is part of the Malmöborgsgrupp, a cooperation among 6 ICA stores that promotes a unified message of sustainable consumption.

<sup>3</sup> ICA Fäladstorget is in the process of being KRAV certified (anonymous employee, 28-02-2014)

<sup>4</sup> This focus is expressed primarily through the independent label 'Smaka på Skåne' ('Taste Scania', my translation).

## Appendix 2: Demographic data for participating consumers and levels of sustainable consumption

	Age	Sex	Education	Income (in SEK)	Guess: % sustainable of total purchases	Observed: % sustainable of total purchases	Variability in range of % sustainable of total purchases
1	29	female	university	28.000/month	75	32	0 - 100
2	32	female	gymnasium	100.000/year	50-60	51	29 - 89
3	59	female	university	195-270.000/year	50-75	17	0 - 67
4	37	female	university	260.000/year	70	-	-
5	58	female	university	330.000/year	75	75	0 - 100
6	44	male	university	200.000/year	-	29	0 - 70
7	67	female	university	Retired (no data)	35-40	4	0 - 16
8	33	female	university	325.000/year	75-80	37	18 - 56
9	25	male	university	Student (no data)	10-20	13	0 - 50
10	32	male	gymnasium	250-300.000/year	30	-	-
11	27	female	university	144.000/year	60	66	0 - 100
12	40	female	university	100.000/year	“almost everything”	71	34 - 100
13	26	male	university	310.000/year	90-95	77	0 - 92

<sup>[i]</sup>[http://your.asda.com/system/dragonfly/production/2011/12/15/16\\_13\\_37\\_444\\_Green\\_is\\_Normal\\_ASDA\\_SustainabilityStudy.pdf](http://your.asda.com/system/dragonfly/production/2011/12/15/16_13_37_444_Green_is_Normal_ASDA_SustainabilityStudy.pdf) (p. 7)

<sup>[ii]</sup> In this study, the term ‘*all-natural* store’ refers to a retail outlet comparable to mainstream supermarkets in terms of opening hours (i.e. not farmers markets). Opposite to mainstream supermarkets *all-natural* stores specifically cater to sustainable consumers. In this study the term *all-natural* stores refers to both supermarket-style outlets providing for all daily necessities and smaller specialty store-style outlets.

<sup>[iii]</sup> In this study ‘labeled product’ refers to any product carrying a sustainability-oriented third-party label. The most common examples of such labels in the Swedish market are KRAV (indicating organic standards), Fairtrade, and MSC.

<sup>[iv]</sup> The explanation for this store’s reduced engagement with sustainability was a change in ownership.

<sup>[v]</sup> Both cities have, for example, declared themselves ‘Fairtrade city’, and both engage actively in various efforts to promote sustainable consumption (e.g. vegetarian eating).





From:

Hansson, L. ; Holmberg, U. ; Brembeck, H. (Eds.)(2013).

Making sense of consumption. Selections from the 2nd Nordic Conference on Consumer Research 2012.

Göteborg: Centre for Consumer Science, University of Gothenburg. ISBN: 978-91-974642-6-0.

Available online at <http://hdl.handle.net/2077/34508>

# **Making sense of the retailer-consumer relationship – the case of Swedish food retailing and the promotion of sustainable consumption**

Matthias Lehner

Retailers' dominant position in the food supply chain, at the crossroads between producer and consumer, has caught the eye of policy-makers assessing ways to make food consumption in Europe more sustainable (Bonini and Oppenheim 2008; Jones, Comfort and Hillier 2009; Sustainable Development Commission 2007). Retailers have therefore become a target for those arguing for the necessity of changes in food consumption patterns. It is argued that they are in a crucial position between food production and consumption – they are the gatekeepers of the food supply chain (Dobson, Waterson and Davies 2003). The European Commission (2010, p. 13) attests to retailers 'enormous power to raise awareness and influence shopping choices'. As a result, governments and other stakeholders across Europe have initiated 'soft' approaches to influencing retail practices, such as initiating discussion forums with retailers (e.g. The EU's Retail Forum, the Nordic Council's Retail Forum on Sustainable Consumption and Production, or the 'Visioning sustainable retail' workshops in the UK) in order to better understand what role they could play in achieving sustainable food consumption.

That retailers, despite their strong position for influencing consumption patterns, have so far mostly concentrated their efforts to become more sustainable on their sourcing and distribution activities and on the physical operations of their stores while largely ignoring consumption issues (Jones et al. 2011) is, at least partly, the result of considerable uncertainty among re-

tailers as well as their stakeholders (including consumers and policy-makers) about the exact role of the retail industry in the promotion of sustainable consumption. While there is no doubt that retailers have a role to play in the attempt to make food consumption more sustainable, few would hold them solely responsible. One must not forget that retailers are not democratically legitimised institutions and thus lack the mandate (i.e. they have no ability to force consumers and are in permanent competition against other retailers) to interfere with their customers' consumption patterns.

Thus it remains unclear to what extent one can expect retailers to carry the sustainability debate into the consumers' shopping baskets and kitchens. With consumption moving into the spotlight of the sustainability debate (European Environment Agency 2010; Foley et al. 2011) and retailers being pointed out as 'agents of change', the specifics of the relationship between retailers and their customers become vital.

This chapter intends to take a closer look at how retailers perceive their role in the 'greening' of food consumption. Particular attention is paid to the retailer-consumer relationship. It presents empirical evidence of retailers' perception of their role in sustainable consumption. It will take a closer look at the Swedish example, in order to contribute to the understanding of the crucial but poorly understood relationship between retailers and their customers and to what extent retailers are acting as the gatekeepers they are claimed to be.

## Understanding the reality of retailing

The empirical work for this chapter was conducted in Sweden and covers all major Swedish retail chains. Between September 2011 and February 2012, 22 semi-structured interviews with retailers' CR managers and store employees (including storeowners and managers) were conducted (see Table 1).

Table 1: Interview partners

Interview partner	Organization	Position
Andreas Söderström; Daniel Faxing	ICA Maxi Östersund	Store Manager; Environment Representative
Anna Billing	ICA Malmborgs Tuna Lund	Store Owner
Annica Hansson-Borg	Bergendahls Food	Environment and Quality Manager
Janne Krantz	Willy's	Environment Manager

Interview partner	Organization	Position
Kent Nilsson	City Gross Rosengård Malmö	Store Manager
Magnus Jönsson	Hemköp Karhögstorg Lund	Store Manager
Maria Frelin	ICA Kvantum Södra Sandby	Employee
Maria Smith	ICA	Environment and Social Responsibility Manager
Mikael Robertsson	Coop	Environment Manager
Ola Hollerup	ICA Kvantum Malmborgs Clemenstorget Lund	Store Manager
Per Baumann	KF (Coop), Svensk Dagligvaruhandel	Former Quality Assurance and Environment Manager
Petra Flygare	ICA Torgkassen Uppsala	Store Manager
Peter Bengtsson	ICA Möllevången Malmö	Store Owner
Peter Åkesson	ICA Södra Malmö	Store Manager
Roger Höjendal	Netto	Quality Manager
Stefan Nordblad	Hemköp Centrum Malmö	Store Manager
Susanne	Coop Konsum Erikslust Malmö	Store Manager
Åsa Domeij	Axfood	Environment and Social Responsibility Manager
Interviewee 1	Netto Centrum Malmö	Store Manager
Interviewee 2	Coop Forum Jägersro Malmö	Store Manager
Interviewee 3	Lidl Spångatan Malmö	Employee
Interviewees 4 and 5	Coop Forum Lund	Employees

To better grasp the assumed complexity of the topic, the interviews were conducted in a flexible manner, with divergences from pre-defined questions largely tolerated. While this approach is believed to allow for a richer understanding of the topic, it also means that the results presented in the following must be dealt with carefully. Keeping in mind the narrow focus on food retailing, the geographically restricted area under study and the qualitative interview-based approach to it, generalizations should be made with care. While some of the findings might be transferable to other contexts, whether the results remain valid outside of the Swedish context has yet to be studied.

This chapter will in the following offer a short discussion of the role of retailers in the food supply chain, as well as various theoretical ideas that circulate in science about the ‘green’ consumer and what these theories imply in respect to the functioning of the retailer-consumer relationship. It then presents empirical evidence from Sweden regarding retailers’ perception of their own role and that of their customers and other societal actors. Based on these findings, this chapter concludes with a discussion of the retailer-consumer relationship and how these findings are to be interpreted in respect to the existing body of theory.

### **Retail power in the food supply chain**

Retailers have moved up in the food supply chain hierarchy in the last 60 years or so to become the most powerful actor. This is particularly true for Northern Europe (Dobson and Waterson 1999; McGoldrick 2002). While, after the Second World War, manufacturers dominated the food supply chain, power has since shifted towards consumers and – even more so – the retail industry (Harris and Ogbonna 2001). Despite the existence of some powerful producers (e.g. Unilever, Nestlé, Kraft), the retailer-consumer relationship is increasingly shaping the food supply chain. Retailers are considered particularly powerful in this setting, with considerable influence over both producers and consumers (Jones, Hillier and Comfort 2011). This is the result of a market concentration process that has left most countries with an oligopolistic market structure (Dobson et al. 2001; Dobson and Waterson 1999) in which retailers have become *de facto* agents of the state, entrusted with the “management and policing of the food system and in the social structuring of consumption” (Wrigley 1993 In: Harris and Ogbonna 2001, p. 166). Despite sporadic public demands for the power of retailers to be curtailed, regulation has so far been rather loose on the industry and even changed in favour of their business model (for example with the abolishment of most price regulatory interventions since the 1970s [Harris and Ogbonna 2001]). As long as the regulatory environment remains benign, retailers continue to expand both in scale and in scope, and continue to put competitive pressure on suppliers and enhance their brand value (e.g. through the introduction of private brands) (*ibid*), thereby strengthening their dominant position in the food supply chain.

## The retailer-consumer relationship in theory

There are differing views in science regarding the retailer-consumer relationship. These views have implications for sustainable consumption and the role of retailers and consumers in achieving it.

Drawing from the classical economic view of the individual (i.e. 'homo economicus'), consumer behaviour is guided by preferences, prices and income (Rischkowsky and Döring 2008). Consumers are in charge of sustainable consumption and are able to decide and express what sustainable food consumption should look like through their purchases. This view is prominently expressed in the 'ethical consumer' literature, which depicts the individual as a rational fusion of consumer and citizen. This 'citizen-consumer', it is claimed, consciously reacts to her declining power as citizen (due to reduced power of nation states in a globalized and market-dominated world [Cova 1997; Micheletti, Follesdal and Stolle 2003; Micheletti and Isenhour 2010]) and adapts to this reality by using purchasing power as 'vote' to shape society. Sustainable food consumption is thus the outcome of changed preferences (increased weight for ethical considerations) or changes in the income-price dimension (Brekke 2010). Changed preferences arguably being the preferable option (under normal circumstances neither governments nor retailers or consumers want prices to increase or income to fall), it is often claimed that knowledge, information and advice are the driving forces for more sustainable food consumption – in a belief that the exposure of consumers to scientific knowledge will trigger changes in personal preferences and consequently behaviour (Eden, Bear and Walker 2008).

The idea of cognitive limitations (cf. Rischkowsky and Döring 2008), the desire for social recognition (cf. Soron 2010) and socio-technical 'lock-ins' (cf. Shove 2003, 2010; Thøgersen 2010), on the other hand, shift the onus of action from the individual consumer to her surrounding and attributes greater importance and power to the retailer. Those arguing for one of the latter ideas of how consumption decisions are made often argue for solutions such as manipulating default options (e.g. 'nudging' [Thaler and Sunstein 2009]) the removal of certain products from the market ('choice editing' [Maniates 2010; Sustainable Development Commission 2007]) or the reframing of societal status and 'the good life' (i.e. 'alternative hedonism' [Soper 2007]), all of which point to a much greater role of the retailer in shifting consumption patterns towards more sustainability.

In a reaction to the prevailing confusion over the nature of the consumer and thus how companies should address the issue of sustainable consumption,

some researchers claim that the truth about the ethical consumer is to be found ‘somewhere in the middle’ of the above discussed views (Cialdini 2006; Hansen 2005). What they point out as being most important to understand in consumer behaviour is the context of a purchase (Devinney et al. 2010; McGoldrick 2002; Niva and Timonen 2001; Peattie 2001, 2010; Rischkowsky and Döring 2008). For a retailer to foster sustainable consumption, it is thus necessary to create the right ‘habitat’ in which sustainable consumption can thrive (Peattie 2001). Devinney et al. (2010) relate consumers’ willingness to act sustainably to the degree of a company’s displayed social and environmental responsibility. They describe the path to sustainable consumption as an evolutionary interplay between a company and its consumers. The more effort a retailer is prepared to invest, the higher the chances these efforts will be rewarded. The question to what extent retailers are able to influence consumers is thus a question of commitment. An uncommitted retailer will find its assumptions of an uninterested consumer confirmed, while an involved and pro-active retailer will experience the opposite.

Peattie (2001) also suggests that marketers should focus less on the consumer and instead turn their attention to the actual purchase in order to understand the premises of green consumption. He points out the importance trust and credibility play in this respect. This requires a redefinition of marketing, from identifying and attracting the ethical customer to integrating sustainability as a feature into many different consumption motives and purchase situations. Ottman, Stafford and Hartman (2006) support the idea that consumers are not indifferent to the sustainability debate, but that buying green is not necessarily an act of ethical consumerism. In the past, a narrow focus on the greenness of products has blinded companies from considering broader consumer and societal desires. Ottman et al. (2006) paint a picture of the future of marketing in which all marketing – out of necessity – will incorporate elements of green marketing and address various consumer segments by connecting sustainability to existing values such as efficiency, cost effectiveness, health and safety, performance, symbolism or convenience, rather than treating sustainability as a consumer value in itself. Retailers were thus wrong in the past to believe that the commitment to sustainability shown by a few consumers (the ‘deep greens’) could be carried into the mainstream market by addressing the average consumer with broad, unspecific and purely altruistic messages. Instead, they should acknowledge that most consumers will never become primarily driven by sustainability concerns (Ottman et al. 2006). For green marketing to be successful, it is therefore important for a

business to design green marketing efforts with the question 'What is in it for the consumer?' in mind (*ibid*). The success of organic food, for example, is, according to Ottman et al. (2006), as much the result of concerns for personal health as concerns for the environment. In a way, green marketing is not – as initially thought – so much about the promotion of environmental product characteristics as it is about the reframing of sustainable products in consumers' heads so that sustainability becomes more and more associated with desirable attributes such as cheap, efficient, convenient, healthy, trendy or mainstream.

In order to promote more sustainable consumption, retailers cannot simply focus on meeting existing demand for sustainability; they must also engage in adjusting current demand to external constraints and societal concerns. According to Peattie and Crane (2005), green marketing has to become a bridge between consumers' current lifestyles and one that meets the requirements of sustainable consumption. The closer a company is to these insights, the more likely it is that external pressures on the retailer to become sustainable can translate into profits and competitive advantage. In the eyes of Devinney et al. (2010), tomorrow's business models will require an evolutionary interplay between a company and its customers to facilitate a long-term process with the creation of new demand and thus business possibilities as the ultimate goal, rather than a continuation of the 'preference guessing' game currently undertaken in marketing.

The above views can be complemented by Maignan et al.'s (2005) discussion of sustainability and business strategy. In their eyes, the integration of sustainability into business is a matter of stakeholder interests. They blame today's unsuccessful attempt to integrate sustainability into core-business operations on a too narrow focus on customers (and owners). Maignan et al. emphasize the importance of identifying, understanding and valuing numerous stakeholder interests. For our question of the nature of the retailer-consumer relationship in respect to the promotion of sustainable consumption, Maignan et al.'s view gives the relationship between retailers and their customers yet another twist. It is given the character of a tool to adjust the market to external pressures weighing on both the retailer and the consumer (thus somewhat in line with the socio-technical view described above, but with a more positive perception of the retailer's ability to influence and use these external forces) rather than adjusting supply and demand.

### How Swedish retailers perceive their role in sustainable consumption

In light of the above discussion, a central question in interviews with Swedish retailers was how they perceive their role in the promotion of sustainable consumption and thus how the mentioned theoretical views reflect in Swedish retailers' mind-set and practical experience. Unsurprisingly, there was no coherent picture the conducted interviews uncovered, but instead a multitude of views. Summing up these views, they can be grouped and categorized into different self-attributed roles of the retailer in promoting sustainable consumption:

- 1) the informer/facilitator (providing information and following customer preferences),
- 2) the influencer (steering customer behaviour with or without them noticing),
- 3) the responsible societal actor (fostering sustainable consumption because it is 'the right thing to do'),
- 4) the public servant (the retailer being at the mercy of policy-makers and the public), and
- 5) the innovator (developing solutions that create value for their customers and society alike).

Which of these roles retailers adopt appears to be the result of an assessment of the specificities of the case and the stakeholders involved. But retailers' owner structure, their history and their business model also seem to influence the role they adopt.

The informer/facilitator self-description that holds onto the belief that the consumer is in charge of how sustainable food consumption will develop and that retailers are powerless (but benevolent) servants to the sovereign consumer features prominently in interviews. On both central and store level and across the industry, this view was commonly the first to be expressed in the interviews. As mentioned, owner structure, historical factors and business model played a big role in how retailers described their role. The emphasis on consumer sovereignty was thus partly the result of the over-representation of ICA among interviewees. ICA's focus (both historically and in its business model) on consumer choice and entrepreneurship lends itself to the informer/facilitator role. Nevertheless, even representatives from other retailers emphasized the importance of consumers' freedom to choose. Given the strong market position of ICA in the Swedish market, one might



speculate that ICA's view of sustainable consumption and the consumer informs the entire sector.

Upon further inquiry, and despite this emphasis on consumer sovereignty, retailers, both on the central and the store level, admitted that they *are* a shaping and active force on consumption behaviour. It was also admitted that this power to influence consumption patterns was not primarily used to promote sustainability, but – first and foremost – to generate profits for the business and remain competitive. A more nuanced picture presented in interviews was thus the one of a retailer being able to influence consumer behaviour, but only to a limited degree, and with the risk of consumers reacting negatively. For retailers to be willing to take that risk, a realistic perspective for profits is required.

Interestingly, even though interviewees admitted to the profit motive being dominant in their operations, they also stressed the sometimes almost altruistic motivation behind a pro-sustainable action. Sustainability seems to have entered the mind-set of the retail industry on all levels, with managers, as well as store owners and employees, gradually buying into the idea that sustainability is a future necessity and – expressed particularly among independent store-owners – a moral obligation. In interviews, Swedish retailers seemed genuinely prepared to 'do their bit' to contribute to the ideal of sustainable consumption. Quotes like 'The driving force to work with sustainability is that something has to happen within 20 or 30 years' (CR manager) and '[We] do not sell everything one can earn money with' (different CR manager) underline an aspect of retailers' sustainability work that does not fit the description of profit-orientation. A prominent example is the (uncoordinated) renouncement of red-listed fish across the entire Swedish retail industry. Interviewees referred to the looming ecological catastrophe, the value of sustainable fish stocks, or it being simply 'the right thing to do'. Swedish retailers thus depict themselves as responsible societal actors. Assessed in the light of other interview answers, such displayed seeming social and environmental altruism likely relates to retailers' dependency on public opinion and any businesses' need to preserve its 'licence to exist'. In the interviews conducted for this study, meeting public expectations was related to the reputation and image of a retail chain, with (long-term) effects on brand value and ultimately business success. One CR manager described this reality pointedly. '[We] do have a certain internal motivation to work sustainably, even if this internal motivation is triggered by the world around us.'

In respect to this external influence, Swedish retailers showed a very ambivalent attitude. While it was acknowledged that for sustainable consum-

ption to be achieved external pressure is essential and regulatory intervention often necessary, many interviewees expressed fears over inefficient regulation harming their business or distorting competition. Overregulation would, in the eyes of some, hamper innovativeness and thus make it more difficult to identify business cases in sustainable consumption. To prevent this, an entrepreneurial approach to sustainable consumption was stressed as a practical and favoured solution. While this was also true for the store level, regulation or standardization of sustainable consumption was perceived as less harmful and often described as desirable. It was described as functioning as a facilitator to the necessary work with sustainable consumption, which was perceived as difficult and full of risks of doing wrong. For anyone not deeply involved with questions of sustainability and consumption, which was often the case at the store level, clear and sector-wide rules were described as reducing the risk of misjudgements and thereby upsetting either customers or stakeholders.

### **Retailers' perception of consumers**

Despite Swedish retailers being aware of the great influence of external forces upon consumer behaviour, the picture offered of the consumer was the one of the idea of the consumer as sovereign actor (i.e. an ethical version of the 'homo economicus'). This conviction prevailed even in light of the discussion about the attitude-behaviour gap. In interviews, the attitude-behaviour gap was explained away with, for example, a time gap between understanding and action (i.e. behaviour will follow attitudes, but with a time gap, as behaviour change simply takes time), or short-term "disturbances" such as the economic crisis. Nevertheless, it was acknowledged that it would be unrealistic to expect a majority of consumers to actively engage in changing either their lifestyles or aspects of the socio-technical systems that influence their lifestyles. Consumers were depicted as showing short attention spans for environmental issues, as rather uncommitted to sustainability in general and as unwilling to 'go out of their way' to make their own consumption more sustainable. Still, it was generally argued that consumers have to be 'on board' for sustainable consumption to materialize and for it to be economically feasible and viable in the long term.

Society was described as an important factor, both as a facilitator and an inhibitor. Societal forces, such as the media (e.g. in the form of TV cookery programmes and celebrity cooks), were mentioned as influential 'game changers' that have had a strong influence on consumer behaviour in the past.

At the same time, consumers were described as being held back by socio-technical systems that encourage unsustainable consumption and discourage sustainable consumption. This view was often put in relation to the claim that sustainable products simply are more expensive on average and that most customers cannot afford to pay price premiums. What was interesting in respect to the costs associated with being a 'green' consumer was that opinions about price premiums differed. Some interviewees described price premiums as being a logical consequence of higher production costs and thus unavoidable. A solution proposed for the price discrepancy between sustainable and unsustainable products was then to increase prices for conventional products, with interviewees pointing at the system-induced discrepancy between production costs for unsustainable and sustainable food, often referring to taxes or regulation as inhibiting factors to sustainable consumption that create an artificial price discrepancy between unsustainable and sustainable food. A diverging view emerging from interviews was the one of retailers needing to divert the focus of the discussion away from price, and – rather than offering product alternatives with higher sustainable qualities – promote ways to change not only what consumers choose, but also how to satisfy consumer needs in different ways. The latter view clearly presents retailers in a more powerful position to overcome structural barriers.

### **The retailer-consumer relationship in sustainable consumption**

The above results provide a complex picture of the retailer-consumer relationship. Swedish retailers are clearly aware of the multi-faceted functioning of the market for sustainable products and services and distinguish between their role as an information provider, an influencer of consumption patterns, a struggling agent of public interest, and an entrepreneurial innovator. Which of the several roles Swedish retailers embrace seems to be context-dependent. Influencing factors are the product in question, the level of customer involvement, the level of public interest, and also the business model of the retailer and the owner structure. The latter is of particular interest for the Swedish case, as the dominant four actors in the Swedish market have different owner structures.

The findings present an overall picture of retailers believing in the sovereignty of their customers and a limited belief in their own ability to force sustainable consumption upon them. They largely disagree with the claim stated in the beginning of this chapter of them being the single most powerful

actor in the food supply chain. Instead, the consumer is described as a driving force and having responsibility for her consumption choices. As mentioned earlier, one might argue that the over-representation of ICA in the empirical data shines through in these findings. With its dominant market position and its focus on entrepreneurship and consumer choice, ICA might be defining this narrative for the entire industry.

Looking past the narrative of the sovereign consumer, the influence of retailers and society becomes more apparent. Swedish retailers attest considerable influence to society as a whole (particularly public opinion and opinion leaders) in relation to how consumers act in the store. They seem to believe that, over time, sustainable consumption is mostly a question of social trends and socio-technical structures, and they display awareness that sustainable consumption is not only a question of customer demand, but also the outcome of a multi-stakeholder process in which numerous stakeholder interests have to be considered.

One could thus argue that it is out of necessity that Swedish retailers cling to the idea of the sovereign (and ethical) consumer. Their emphasis on the possibility to inform and convince consumers of the necessity to consume more sustainably and thereby trigger changes in demand and additional sales seems to be an effort to protect business interests and to align with the dominant narrative. Concerning long-term changes, it showed that retailers put less faith in the consumers' agency, instead counting on societal trends and public pressure to change consumer demand and generally support the view that consumers are locked into a socio-technical system.

This has resulted in a two-way approach to dealing with consumers. On the one hand, Swedish retailers focus on satisfying short-term market demand and provide sustainable choices to consumers and encourage their purchase through marketing, putting a lot of emphasis on the responsibility of consumers. On the other hand, they support long-term societal trends and developments that change the prevalent socio-technical systems, be it through co-ordination and interaction with their stakeholders (e.g. through cooperation with NGOs and government agencies), or by adjusting their marketing activities to societal discussions and trends.

At the same time, Swedish retailers show little confidence in their ability to directly implement sustainability in the market and influence their consumers' behaviour. They also seem to oppose the idea that it is their responsibility to do so. The role of the retailer as pro-active actors in achieving sustainable consumption therefore appears to be limited and more complex than is often

claimed. Rather than leading the way, Swedish retailers appear to engage in a (somewhat unstructured) process of co-evolution between customers, societal stakeholders and themselves. The idea that sustainable consumption is a co-evolutionary process of retailers and their consumers is confirmed here. However, Swedish retailers do not appear to believe that they can lead this co-evolutionary process.

### **Gatekeeping and other ways to promote sustainable consumption**

The results presented in this chapter point towards Swedish retailers feeling uncomfortable with the role of gatekeepers of the food supply chain and the consequent responsibility to change their customers' consumption behaviour. As a result, retailers try to pass on some of that responsibility to consumers. The awareness of the limits to consumer agency in sustainable consumption leads retailers to denote societal stakeholders and the public debate as the strongest force in changing consumption patterns over time. Little support could be identified for the position that retailers themselves can adopt a pro-active approach to sustainability and use their influence over the consumer to create more sustainable consumption patterns.

In light of these findings, it seems unlikely that Swedish retailers will use their powerful position in the food supply chain to significantly influence consumer behaviour directly. Fear of lost sales, combined with the belief that any action not in line with consumer demand will only lead to competitors gaining market share, will – at least in the short and medium term – keep Swedish retailers to a benevolent and supportive, but by no means pro-active approach to sustainable consumption. According to my findings, it appears unlikely that retailers (at least in Sweden) will become what policy-makers have imagined them to be any time soon; the gatekeepers of a more sustainable food system.

On the other hand, Swedish retailers seem to expect changes in food consumption in the future and appear prepared to support these changes. Growing societal interest and the increasing threat of regulatory intervention also appear to result in retailers becoming more engaged with the sustainable consumption ideal. Sustainability can in this respect be seen in analogy to quality management, which has seen a similar development path, from being on the periphery of business interests and regarded mostly as a cost factor, to becoming a core component of any business strategy with businesses now championing product and service quality and pushing it to higher levels,

almost unrelated to direct consumer demand or public pressure (Rainey 2006; Willard 2002). If sustainability remains of central interest to Swedish society, it can be concluded that retailers will intensify their search for ways to please consumers and stakeholders alike. This will not necessarily lead to them turning into actors that lead the market towards more sustainability (a role that seems to be that of society as a whole), but is likely to intensify their attempts to translate between stakeholder interests and market demand; e.g. through introducing innovative solutions. Support for this assumption can be found in Anselmsson and Johansson's (2007) study of CSR in Swedish food retailing. They compare Swedish retail with the UK. Anselmsson and Johansson (2007) argue that Swedish retailers' introduction of fourth generation private brands (i.e. not imitating existing products at lower prices but creating new value for the consumer) might be understood as a sign for the intensification of retailers efforts to introduce sustainability into their market reality.

If this is the case, failures along the way seem likely, though, and a trial-and-error process is probably inevitable. Future research should therefore be directed onto understanding the consumer's role in the co-evolving process of sustainable consumption. How consumers will react to a stronger retail focus on sustainability and which approaches will work best are highly relevant, yet difficult to answer questions. Cases from other countries (e.g. The Co-op in the UK), where retailers have adopted a more paternalistic approach to sustainable consumption than is the case in Sweden, might be worth studying for comparison.

## References

- Anselmsson, J., and Johansson, U. (2007). 'Corporate social responsibility and the positioning of grocery brands: An exploratory study of retailer and manufacturer brands at point of purchase.' *International Journal of Retail & Distribution Management*, 35(10), 835-856.
- Bonini, S., and Oppenheim, J. (2008). 'Cultivating the Green Consumer.' *Stanford Social Innovation Review*, 6(4), 56-61.
- Brekke, K. A. (2010), 'The economics of consumption.' In: *Consumer Behavior: A Nordic Perspective*, ed. Ekström, Karin M., Lund: Studentlitteratur, 117-32.
- Cialdini, R. B. (2006). *Influence: The Psychology of Persuasion* (Revised.). HarperBusiness.

- Cova, B. (1997). 'Community and consumption: Towards a definition of the 'linking value' of product or services.' *European Journal of Marketing*, 31(3/4), 297-316.
- Devinney, T. M., Auger, P., and Eckhardt, G. M. (2010). *The Myth of the Ethical Consumer*. Cambridge University Press.
- Dobson, P. W., Clarke, R., Davies, S., and Waterson, M. (2001). 'Buyer power and its impact on competition in the food retail distribution sector of the European Union.' *Journal of Industry, Competition and Trade*, 1(3), 247-281.
- Dobson, P. W., Waterson, M., and Davies, S. W. (2003). 'The Patterns and Implications of Increasing Concentration in European Food Retailing.' *Journal of Agricultural Economics*, 54(1), 111-125.
- Dobson, P., and Waterson, M. (1999). 'Retailer power: recent developments and policy implications.' *Economic Policy*, 14(28), 133-164.
- Eden, S., Bear, C., and Walker, G. (2008). 'The sceptical consumer? Exploring views about food assurance.' *Food Policy*, 33(6), 624-630.
- European Commission. (2010). *Smarter and Cleaner: Consuming and producing sustainably*. Luxembourg: Publication Office of the European Union.
- European Environment Agency. (2010). *Consumption and the environment*. SOER 2010 thematic assessment. Copenhagen: European Environment Agency. Retrieved from <http://www.eea.europa.eu/soer/europe/consumption-and-environment>
- Foley, J. A.; Ramankutty, N.; Brauman, K. A.; Cassidy, E. S.; Gerber, J. S.; Johnston, M.; Mueller, N. D.; O'Connell, C.; Ray, D. K.; West, P. C.; Balzer, C.; Bennett, E. M.; Carpenter, S. R.; Hill, J.; Monfreda, C.; Polasky, S.; Rockström, J.; Sheehan, J.; Siebert, S.; Tilman, D.; and Zaks, D. P. M. (2011), 'Solutions for a cultivated planet.' *Nature*, 478 (October), 337-42.
- Hansen, T. (2005). 'Perspectives on consumer decision making: an integrated approach.' *Journal of Consumer Behaviour*, 4(6), 420-437.
- Harris, L. C., and Ogbonna, E. (2001). 'Competitive advantage in the UK food retailing sector: past, present and future.' *Journal of Retailing and Consumer Services*, 8(3), 157-173.
- Jones, P., Hillier, D., and Comfort, D. (2011). 'Shopping for tomorrow: promoting sustainable consumption within food stores.' *British Food Journal*, 113(7), 935-984.
- Jones, P., Comfort, D., and Hillier, D. (2009). 'Marketing Sustainable Consumption within Stores: A Case Study of the UK's Leading Food Retailers.' *Sustainability*, 1(4), 815-826.



- Maignan, I., Ferrell, O. C., and Ferrell, L. (2005). 'A stakeholder model for implementing social responsibility in marketing.' *European Journal of Marketing*, 39(9/10), 956-977.
- Maniates, M. (2010). *Editing out unsustainable behavior*. State of the World Report: Transforming Cultures, from Consumerism to Sustainability. The Worldwatch Institute.
- McGoldrick, P. J. (2002). *Retail Marketing*. McGraw-Hill.
- Micheletti, M., Follesdal, A., and Stolle, D. (eds.). (2003). *Politics, Products, and Markets: Exploring Political Consumerism*. Transaction Publishers.
- Micheletti, M. and Isenhour, C. (2010), 'Political consumerism', in *Consumer Behavior: A Nordic Perspective*, (eds.) Ekström, Karin M., Lund: Studentlitteratur.
- Miele, M. (2006). Consumption culture: the case of food. *The Handbook of Rural Studies*. Sage Publications.
- Nivå, M., and Timonen, P. (2001). 'The role of consumers in product-oriented environmental policy: can the consumer be the driving force for environmental improvements?' *International Journal of Consumer Studies*, 25(4), 331-338.
- Ottman, J. A., Stafford, E. R., and Hartman, C. L. (2006). 'Avoiding Green Marketing Myopia: Ways to Improve Consumer Appeal for Environmentally Preferable Products.' *Environment: Science and Policy for Sustainable Development*, 48(5), 22-36.
- Peattie, K. (2001). 'Golden goose or wild goose? The hunt for the green consumer.' *Business Strategy and the Environment*, 10(4), 187-199.
- Peattie, K. (2010). 'Green Consumption: Behavior and Norms.' *Annual Review of Environment and Resources*, 35, 195-228.
- Peattie, K., and Crane, A. (2005). 'Green marketing: legend, myth, farce or prophesy?' *Qualitative Market Research: An International Journal*, 8(4), 357-370.
- Rainey, David (2006), *Sustainable Business Development. Inventing the Future through Strategy, Innovation, and Leadership*, Cambridge University Press.
- Rischkowsky, F., and Döring, T. (2008). 'Consumer Policy in a Market Economy Considerations from the Perspective of the Economics of Information, the New Institutional Economics as well as Behavioural Economics.' *Journal of Consumer Policy*, 31(3), 285-313.
- Shove, E. (2003), *Comfort, Cleanliness and Convenience. The Social Organization of Normality*, Berg.



- Shove, E. (2010). 'Beyond the ABC: climate change policy and theories of social change.' *Environment and Planning A*, 42(6), 1273-1285.
- Soper, K. (2007). 'Re-thinking the 'Good Life'.' *Journal of Consumer Culture*, 7(2), 205 -229.
- Soron, D. (2010). 'Sustainability, self-identity and the sociology of consumption.' *Sustainable Development*, 18(3), 172-181.
- Sustainable Development Commission. (2007). *Visioning sustainable retail*. Reading Innovation Centre, UK. Retrieved from <http://www.sd-commission.org.uk/publications.php?id=643>
- Thaler, R. H. and Sunstein, C. R. (2009). *Nudge - Improving Decisions About Health, Wealth, and Happiness*. Yale University Press.
- Thøgersen, J. (2010). 'Country Differences in Sustainable Consumption: The Case of Organic Food.' *Journal of Macromarketing*, 30(2), 171 -185.
- Willard, B. (2002). *The Sustainability Advantage: Seven Business Case Benefits of a Triple Bottom Line*. New Society Publishers.