Sustainabilty and retail marketing: Corporate, product and store perspectives

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A B S T R A C T

This paper investigates sustainability in retailing based on three different perspectives: i) the overall corporate management, ii) the development of an attractive product range, iii) the daily in-store management and activities. The purpose is to identify a set of main themes for each perspective, investigate contradictions and areas of conflict, and discuss how to bridge the perspectives. A qualitative case study approach is applied investigating the global retailer IKEA. The study includes Sweden, Germany and the UK. The research showed that the corporate, product and store perspectives are complementary but also involve contradictions and barriers to giving a higher priority to sustainability. These concern the time perspective, the set of stakeholders considered and the overall priority. Developing goals and benefits linked to sustainability, using effective arenas for interactions and linking sustainability to the legend and culture are suggested as three bridges that may overcome the contradictions.

1. Introduction

Sustainability is argued to be a primary concern for marketing and consumer research (Davies et al., 2020). Retailing is a sector where consumers interact and can be influenced in various ways. An increasing research interest is devoted to understanding the role of sustainability in retailing. (Ruiz-Real et al., 2018). It has focused on a variety of perspectives and issues. One perspective is sustainability and overall corporate strategy, and how it relates to business performance and competitiveness (Bilińska-Reformat et al., 2019; Carroll et al., 1992). This is a central issue also addressed by a number of studies focusing on how sustainability can become an advantage for corporations (e.g. Bhattacharya et al., 2020; Marin et al., 2017; Porter and Kramer, 2006). Furthermore, there has been discussion on the role of sustainability in the development of an attractive product range, with product features that appeal to relevant customer segments (Elg and Hultman, 2016; Nilssen et al., 2019; Park and Kim, 2016). Here, there is also a focus on the distribution channel and relationships with suppliers (Björklund et al., 2016; de Brito et al., 2008). A third perspective is that of the store and employees. Earlier studies stress the staff's perceptions of and commitment to sustainability matters (Fuentes and Fredriksson, 2016; Lee and Ha-Brookshire, 2017) and the store as an arena where sustainability is made visible and tangible to consumers (Lehner, 2015). Wilson

(2015) stresses that there is a triple bottom line and that the retailer should consider environmental, social as well as economic sustainability. These dimensions of sustainability may prioritize different goals which may lead to tensions (Hahn et al., 2015).

The discussion above illustrates the complexity in retailing. Overall issues and decisions managed at Head Quarter level (HQ) must be related to a range of thousands of products and to the conditions and priorities at store level. It is also likely that sustainability will be viewed differently and have different meanings when developing a corporate strategy that is supposed to generate sustainable competitive advantages, compared to building an attractive product range or considering how sustainability may be perceived by customers and employees in the store. On different levels it will be related to different competing priorities, the things you can do to promote sustainability will be different and sustainability will thus have somewhat different meanings.

A retailer needs to simultaneously consider and balance these different perspectives, which is likely to be problematic if the meaning and role of sustainability differ. Nevertheless, different perspectives need to co-exist and become integrated in the daily activities and decision-making. This paper therefore investigates the meaning and role of sustainability in retailing based on three different levels: i) the overall corporate management, ii) the development of an attractive product range and product features, iii) the daily in-store management and

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activities. The purpose is to identify a set of main themes for each of the three perspectives, investigate contradictions and potential areas of conflict and discuss how the perspectives can be bridged. This also means that we focus entirely on the internal organization and how sustainability is understood by different levels and types of employees; relating this to consumer perspectives and perceptions is beyond the scope of this research. The paper is based upon a qualitative, in-depth study of the global retailer IKEA.

2. Theoretical background

This paper uses the term sustainability when addressing retail initiatives conducted to support societal interests and concerns that go outside of what is required from a legal point of view. Drawing upon the literature on corporate sustainability, the study includes activities that are directed towards environmental, social and economic issues (Wilson, 2015). Over the years, the corporate social responsibility (CSR) and the sustainability constructs have come to develop a very similar meaning (c.f. Bansal and Song, 2017; Davis, 1973; Hultman and Elg, 2018) and this study will also draw upon research investigating CSR. When relevant, it also considers research in closely related areas, such as environmentalism (Banerjee, 2001; Björklund et al., 2016), ethical issues (Lee and Ha-Brookshire, 2017; McGoldrick and Freestone, 2008) and corporate citizenship (Hamann, 2007). While CSR appears to have been the most used concept in earlier studies, sustainability is becoming frequent in more recent publications (e.g. Fuentes and Fredriksson, 2016; Jones et al., 2016; Schleiden and Neiberger, 2020). Another reason for working with the sustainability concept in this study is that it is the one solely used by the case company IKEA.

Sustainability has become an increasingly important concern for retailers (Ganesan et al., 2009; McGoldrick and Freestone, 2008; Ruiz-Real et al., 2018). It is a critical component in building a strong image and reputation (Lavorata, 2014; Park, 2019; Simões and Sebastiani, 2017) as well as for creating competitive advantage (Bilińska-Reformat et al., 2019; Wilson, 2015). A major interest has been devoted to how consumers perceive sustainability and the extent to which it influences their purchase behaviour (Dang et al., 2020; Elg and Hultman, 2016; Fuentes, 2015). A recurrent theme is the gap between attitudes and behaviour and the actual impact of sustainability on purchase decisions (Carrigan and Attalla, 2001; Nilssen et al., 2019; Öberseder et al., 2011). It is, however, important to make a distinction between activities taking place at different levels and their implications for sustainability. Other studies have also stressed the complexity of managing retail firms. For example, Elg (2007) investigated market orientation in retailing and found that different activities and processes were required in concept and brand development, product and category development and store development. This study argues that a similar approach is required for sustainability.

A considerable number of studies on sustainability are based on a corporate, top management perspective. More generally, Porter and Kramer (2006) argued that companies gain competitive advantage by integrating a social perspective with their business strategy. Chipman (2016) even discussed the hypothesis that companies need their own foreign policy, dealing with different ethical and social aspects. A number of additional authors discuss how social responsibility can be managed by the corporation and related to other strategic concerns (e.g. Bansal, 2005; DuBois and DuBois, 2012; Marin et al., 2017; Wilson, 2015; Yuan et al., 2011). Another theme concerns sustainability and management of the supply chain (Foerstl et al., 2010; Van Tulder et al., 2009) and building a corporate image (Du et al., 2010). In a recent study, Bilińska-Reformat et al. (2019) found that retailers became more competitive if they integrated sustainability elements in the business model. Among others, Wilson (2015) and Björklund et al. (2016) discussed retailers' impact on their value chain when it comes to driving sustainability aspects. Anselmsson and Johansson (2007) as well as Simões and Sebastiani (2017) and Park and Kim (2016) stressed that

sustainability aspects influence brand identity and loyalty for a retailer, while Perry and Towers (2009) showed the risk of negative publicity consequences if retailers do not consider ethical aspects in their sourcing strategies.

A main theme in the literature related to the product range and features is, however, the extent to which a retailer is responsible for the sustainability of their suppliers and the products offered to customers (e.g., Amaeshi et al., 2008; Andersen and Skjøtt-Larsen, 2009; Elg and Hultman, 2011). This responsibility may involve monitoring compliance as well as constructive collaboration (Hultman and Elg, 2018; Schneider and Wallenburg, 2012). Another question is to what extent sustainability features actually influence consumers' attitudes and behaviour when they evaluate products. Earlier research suggests that sustainability may have a positive impact on consumer perceptions (Bhattacharya et al., 2020; Luo and Bhattacharya, 2006), but to what extent sustainability as a product feature will influence actual purchase decisions is more questionable (Bray et al., 2011; Elg and Hultman, 2016; Fuentes, 2015; Lavorata, 2014; McGoldrick and Freestone, 2008). In a recent study of food and clothing retailing, Nilssen et al. (2019) found that while sustainability aspects were recognized, other factors were more important for consumers' purchase decisions. It is likely that insights like this will also influence managers working with product and range development.

A third dimension is what goes on in the store: how products are displayed, sustainability information, and the activities of the store employees. One main aspect stressed in earlier research is employee commitment to sustainability and how front line staff may influence consumer perceptions of the retailer (Zhang et al., 2020). Frostenson et al. (2012) further discussed how a retailer's code of conduct may influence store employees' pride and commitment of being in a responsible organization – provided that they receive effective internal communications. Furthermore, in their study of fashion retail employees, Lee et al. (2018) found that sustainability was considered highly important, but that retailers may have to use different approaches to gain the commitment of their staff. Other studies further highlight the critical role of employee support for sustainability in the store (e.g. Fuentes and Fredriksson, 2016). More generally, earlier research also suggests that the impressions consumers get when visiting a store have a high degree of significance when it comes to sustainability (Grewal and Levy, 2007; Gupta and Pirsch, 2008). In their study of Swedish consumers visiting a store, Elg and Hultman (2016) found that consumers stressed that they were much more influenced and motivated by messages, practical examples and cases displayed in the store than by general corporate sustainability communications. While the existing body of research offers a general overview, we need a much deeper understanding of what the corporate, product, and store perspectives embrace, how they are related and how they can be integrated.

3. Research method

Our ambition was to explore, in depth, the sustainability perceptions that prevail at different levels within a retail environment aiming at theory development. It is argued that a qualitative case study approach is relevant for this type of study (Crilly and Sloan, 2012; Eisenhardt and Graebner, 2007; Franke and zu Knyphausen-Aufsess, 2014; Ghauri et al., 2020). The fact that we focus on different organizational levels also suggests an embedded case design (Yin, 2018). The study has investigated the global retailer IKEA. Sustainability is an integral part of the retailer's corporate strategy and IKEA invests substantial resources in sustainability, concerning the supply chain as well as the stores and the product range.

The empirical study started in October 2016 and ended in November 2019. All information about IKEA's organizational structure refers to this period. In all, 43 respondents in Germany, Sweden and the UK were interviewed. The study covered respondents such as a former CEO, marketing and sustainability managers, functional managers as well as

store employees. Of these, 13 were specifically responsible for sustainability matters while the rest had broader responsibilities, which were also related to sustainability aspects. 14 interviews were done at the HQ level while 29 respondents worked in a country organization. The quotes presented below were taken from different organizational levels and from respondents representing all three countries included in the research. The respondents were guaranteed to remain anonymous, and therefore we cannot reveal the specific person behind each quote. However, we have included information about whether the respondents belonged to the corporate level or a country organization and whether they work focused solely on sustainability or was of a more general nature. The interviews were between 30 and 90 min long and were semi-structured. They were thus structured around a set of themes, covering the respondents' perceptions of IKEA's sustainability strategy including its scope and role, how the respondents perceived the meaning of sustainability and how it was used and implemented within that part of the organization. In addition, the empirical material included different types of internal documents dealing with corporate, product and/or store matters related to sustainability.

The software NVIVO 12 was used for coding the material. It made this part of the research more transparent and systematic (Sinkovics et al., 2008). The first step was to code the material based upon whether statements and accounts concerned aspects to do with corporate matters, the product range, or the store perspective. The statements and accounts that were found to represent one of these three perspectives were then further coded based upon identifying a set of themes including priorities that appeared as the most critical ones for each perspective. NVIVO then also helped to analyse how recurrent and thus relevant a certain theme was. For example, one aspect stressed that the corporate level was how sustainability can be related to branding and positioning, while one focus of the product range perspective was how and if sustainability brings additional product value; the store perspective stressed if and how sustainability adds to the customer experience and drives sales. We then also identified three bridges that were discussed when explaining how sustainability might gain a stronger and more coherent role within the retail organization.

4. Main themes for the three perspectives

Below, we will first introduce and discuss themes that appeared to be the most central ones at each organizational level. We then present the bridges that we found when analysing the material.

4.1. The corporate perspective

Embedding sustainability in the whole organization. One theme that was often brought up by centrally positioned managers, both within and outside the sustainability organization, was the importance of involving sustainability aspects in corporate agendas and guidelines. This was described as a main vehicle for raising the awareness of sustainability throughout the different levels of the organization. Several respondents stressed that it may be very problematic if sustainability becomes an isolated issue that is not a natural part of the daily activities and the business. One example was the work with integrating sustainability in strategic documents. This creates room for manoeuvre and demonstrates that sustainability activities are approved and supported within the organization. At the same time, managers described how sustainability also needs to be a part of more concrete business plans and activities. For example, sustainability was integrated in the retailer's overall business plan, then mirrored in the countries' business plans. One other example brought up was how sustainability was integrated in the yearly commercial calendar that planned different activities, including commercial campaigns and PR-events.

Another task here was to introduce tangible targets and guidelines for sustainability that are a part of assessing managers and co-workers in different areas of the organization. This was stressed when discussing

how to evaluate suppliers as well as in terms of having Key Performance Indicators (KPIs) that measure and assess sustainability performance throughout the organization. This was seen as a way of creating a sense of urgency and relevance for everyone:

"It [sustainability] is embedded in peoples job descriptions, it's got into, it has clear roles and KPI:s across different functions, different people's jobs. You know it's really clearly articulated as how you define success across the business in different areas. Not just like a couple of nice big goals for everyone but it's like "no these parts deliver these in your particular job links to this KPI and this is your job to do." (Country/Sustainability)

An additional theme was the relation between sustainability and the IKEA culture. One view was that sustainability might undermine the cost consciousness that has been a pillar of the culture. In order to contradict this view, efforts were made to demonstrate that sustainability can be good business. Furthermore, managers argued that sustainability was already a part of the culture if presented the right way:

"We felt always responsible for people, we always took care for resources, it seems that the sustainable way is in our DNA. So we are engaged in sustainability right from the beginning." (Country/Sustainability)

Along this vein, a focus on cutting cost was now regarded as a focus on saving resources and minimizing the impact on the environment.

Sustainability as a long-term process supporting business. It is rather well known that corporate management works with a much longer time perspective than, for example, a store manager. The long-term perspective on sustainability appeared to be particularly difficult to accept for some groups of employees. Therefore, when discussing sustainability, establishing a long-term perspective related to business opportunities seemed particularly central:

"I think you … you have to show how you can be a sustainable business, using recourses sustainability, not exploiting people but actually strengthen people and communities, and being profitable at the same time. And now IKEA also takes a lot of those profits and puts it back into the business and development and all of that and the amount that, even over the last 20 years that has been spent and invested in sustainability in the company has grown exponentially. So, I mean there is also that, but I mean there is this turning profits gives us resources." (Corporate/Sustainability)

The overarching strategy was labelled "People and planet positive" and was associated with different long-term goals and strategies. The long-term perspective was not due only to the process of influencing co-workers' mind set, but also to the fact that the change process following decisions regarding sustainability takes a long time. When the decision was taken to only supply LED-lighting or 100% sustainable cotton in the stores, it took several years to change the whole cycle involving suppliers as well as stores and gaining consumer acceptance.

The sustainability strategy involved three main areas: Energy and resources, People and communities, and More sustainable life at home. The strategy development thus involved building competences and knowledge over time within these three areas, such as, for example, expertise in forestry, energy and solar panels as well as understanding sustainability priorities in the wider society. The sustainability work at corporate level also involved collaboration and knowledge exchange with external parties, such as UNICEF, different Non-Governmental Organizations (NGOs) and government actors. This broad and long-term approach also needed to be anchored internally:

"Part of my journey within my job has been to reposition sustainability, particularly when we start talking about circular economy, as in innovation, as a business development opportunity, as a real growth driver for the business, which it is. Because it's not about, yeah recycling is this much and the rest is much more exciting." (Country/Sustainability)

Sustainability and the positioning of IKEA. Respondents stressed that it was very important to assign IKEA a clear role in the development of sustainability – both externally and internally. Building a strong sustainability position was described as particularly important as the retailer is often associated with low prices and mass consumption. Internally, this was also seen as valuable as it creates pride and commitment among employees. It was argued that IKEA takes much more responsibility than most other retailers, and that it requires a substantial effort to strengthen the sustainability positioning.

"When you're looking at what we're doing compared to other retailers and other businesses. I mean even if you talk about how we support through UNICEF and making sure that we support third world countries, not only third world countries but also through the refugee camps and everything else that we do there from a sustainable perspective right down to building lots of wind farms and working with solar panels, and making sure that our buildings are really as sustainable as they can be." (Country/General)

At the same time, building trust in relation to consumers also requires being able to listen and to respond when things go wrong. This turned out to be a challenge in the UK when media described how plastic straws hurt animals in the sea – straws sold at IKEA. Even if the straws were removed from that market, a lack of trust may remain.

"But then we become the mean people in the middle that go; listen, we've created this whole, we've really worked on integrity of IKEA and actually on our positioning and our integrity and the benefits and we have all these things. But you know what? All of it can just [snaps her fingers] not become anything. Because if we don't listen, we don't listen back to them! Because that's the whole point, that we listen to them so we work with consumers, what do they need, what are they talking about, what are their fears, how can we help them? But then actually if they go "well listen!" you know, "why should I listen to you if you can't even get straws out of your kitchen?" you know, "why?! You're a big company and you can't even get the straws! And what else are you not telling us?" (Country/General)

The challenge to translate messages and adapt the tone and communication to different stakeholders was also highlighted. This required different means of communication and differentiated messages. It also involves being visible in the right places.

"You need to be part of the conversation, so its now taken for granted that we go to, that we're in places like the world economic forum in Davos, or in the UN in New York. Because those are important places for the global agenda *and we met, I think everybody inside, from supervisory board to the shop floor, actually think it's important that IKEA Group's there. Because we have a valid point of view. A leadership point of view on many of these issues.* "(Corporate/Sustainability)

Furthermore, the link between sustainability and the position of the IKEA brand was often highlighted. One main aspect here is that sustainability is something that can support brand trust and credibility. One part regarded as central here was to link IKEA to the main challenges in the society and to show that the company takes a broad responsibility for difficult issues ranging from renewable energy and wind power to supporting people in refugee camps. At the same time, the link between sustainability and the brand needed to be part of the daily communication with customers and around specific products. In addition, the brand values around sustainability were described as an important aspect in order to increase employee engagement:

"A better everyday life for the many people. That's what it's about. And I think that, it is so brilliant to have that as a vision. Because first of all it's what gets us out of bed in the morning. It gets me out of the bed in the morning at least. But second of all, it answers when you're standing there on the floor in the factory and you need to make a decision. It makes it the

decision easy. Because you have the vision and you have our values and you have the testament. And if you just stick to those documents, then you know what to decide." (Corporate/Sustainability)

4.2. Sustainability and the product range

Individual product features. One view stressed by a number of respondents was that sustainability should start from the physical products and their features. The argument was that it will make it much more tangible and credible for customers as well as employees if sustainability is linked to something practical and understandable – it may have to do with energy, materials, working conditions at supplier sites, etc. Linking sustainability to product stories that connect to people was described as a particularly effective approach.

"… so, we can tell a story about sustainable wood, a story about sustainable cotton, that's one kind of story of sustainability for that specific product. And there is a story around the functionality of that products, waste sorting solutions in Ikea, kitchen made from recycled materials … And it's also a social dimension, sometimes some of our products are made in a refugee camp," (Corporate/General)

Nevertheless, a main aspect was to what extent sustainability in itself could be a main selling point or if it is mainly an add-on that is positive but not enough to drive demand for the product. One view was that sustainability aspects are not sufficient and need to be linked to other features that create consumer benefits. One example where this is rather easy is the sale of taps that substantially reduce water consumption. Generally, a frequently expressed opinion was that even if it is great that you can show that a product contributes to sustainability, you also have to present tangible benefits related to functional aspects making life easier, or economic aspects such as low price or saving costs at home.

"… we're saying we made this in an incredibly cost-effective well defined way, and it has some benefits to you! It makes it easier for you to recycle. This is something which now everyone can do. So it's actually an added benefit to the product itself. It doesn't necessarily needs to say anything about if it's sustainable or not sustainable. It needs to say look, it's great really practicable use for you to a great price and it's got this really great story behind it too." (Country/Sustainability)

Additional aspects related to product features are innovation, product development and design. Here, it was argued that sustainable design involves the idea that products should be designed in order to last longer than before.

Balancing the product range. When discussing the development of the product range it was often clear that different products have different roles and are expected to communicate different aspects. An area like the kitchen was described as having a high sustainability profile with many products that contribute to this. At the same time, it was stressed that building the product range also required considering other aspects, that might lead to contradictions:

"Looking at sustainability, those products called BTI (breath taking items) … personally I feel that these are wear and tear products and they don't fit my picture of sustainable products very well." (Country/General)

The ideas behind driving a circular economy are also to be reflected in the product range development, which supports sustainability messages. At the same time, the circularity messages delivered by a certain product area need to create other customer benefits as well:

"It might be that we have take back service on sofa textile or whatever and that it's really packaged in a very good circular way. In that case I could add on a story and probably it would come here, not in the big brand story, but it would come into 'ok, lets do a campaign to remind people that we have a take back, yeah. But then it's like always for consumers, what

benefit they have with that. It's like in London 40% don't have cars. If you take back things you're actually giving them a really good service.'." (Country/General)

The role of services in supporting the product range was stressed by many respondents. Another aspect is the purchasing organization that is responsible for building the range. While respondents described how different sustainability issues raised by consumers were communicated to IKEA of Sweden (IOS) – the product organization - it was also stressed that purchasing managers did not always recognize these aspects as particularly critical. Getting sustainability into their agenda was described as an ongoing challenge.

4.3. Sustainability in the store

Impact on the consumer's shopping experience. In the interviews, two distinctly different types of consumers were described. One that is looking for a fun, sometimes full day, shopping experience together with friends or family, and another type that knows exactly what they want, aim directly for this item and is already well-informed about relevant product characteristics. A recurrent theme was the importance of keeping visitors happy. Respondents argued that neither of the two types is very receptive to sustainability communication when they visit the store:

"If you walk through a store you have a potential to see 44,000 messages. But mostly you came to have a funny happening with your family, or you were going to buy something. So you are not really receptive." (Corporate/General)

A main priority is thus not to influence the customers' mood in the wrong way by pushing unwanted messages. From a store perspective, it was several times questioned whether this is really the best place to highlight and push sustainability. It may be in contrast with the fun happening or it may impose aspects that a more rational and goal-oriented customer finds irrelevant for the purchase of the new sofa.

At the same time, the opportunity to create events and entertainment around sustainability was brought up as a way of broadening the customer experience. Examples could be collecting old sofas on the parking lot intended for recycling, arranging a mega-event around sustainability in all the stores where customers were invited to visit different stations promoting different types of messages and insights around sustainability, or arranging a demonstration around LED-lightning technology and its opportunities. Another example was that the IKEA store should have the ambition to be an advisor for consumers regarding how to solve problems and develop a more sustainable life at home.

Role in planning and designing the store environment. A recurrent aspect when it comes to planning the store was to drive sales and to what extent sustainability contributes here. Respondents argued that sustainability is usually not an important aspect in the consumer buying process in the store, and at that time it is also not very effective to bring it up. It is more of a background factor than a sales argument. Furthermore, it was described as difficult to argue for giving sustainable products a visible place in the store if they do not drive sales. This is a natural consequence of the fact that the stores and the different departments are evaluated based upon sales figures as a main criterion.

The store was also described as an arena for balancing a large number of interests and messages that compete for consumer attention.

"I was in a project some years ago where we mapped the number of stakeholders that try to claim their spot in the store. It kind of never ended. And then our job is very much to find a balance." (Country/Sustainability)

The issue then becomes how to make sustainability come through and make an impact. From a store planning point of view, it is then also a matter of finding the right balance and approach for different

departments to avoid information overload. Here it was argued that in certain departments, such as kitchen and bathroom (due to energy saving and efficiency), children (due to care for health and safety) and the restaurant (where the consumer is more relaxed and not in a shopping mode) sustainability could be emphasized more strongly. On the other hand, in other departments there would mainly be information about sustainability on the price tag.

Another aspect was the sustainability of the store itself. This involved issues such as recycling everything, having solar panels on the roof, running on 100% renewable energy. These issues had a more symbolic than sales driving purpose and also influenced employee perceptions on sustainability. It should be noted that attitudes of employees at different levels were stressed as particularly important, since decision making in IKEA is very decentralized:

"We have 52 store managers, what do you think? They are not the same. It always depends on their personal preferences. When they are not interested in sustainability they will not participate. They will then do not more than needed. Luckily we have a lot of store managers who are really keen and really interested." (Country/Sustainability)

Consequently, the dedication of store managers and even department managers is a critical issue for the sustainability impact in the store.

5. Bridging the three perspectives

The previous section has illustrated how different issues and priorities have been brought to the fore depending on the level within the retail organization and the issues and priorities stressed there. It showed that the perspectives are complementary but also involve contradictions and barriers to giving sustainability a higher priority. The next question addressed is how the perspectives can be integrated and how the barriers can be reduced. Three important bridges are discussed below. It would be reasonable to argue that leadership, employee involvement and training/knowledge exchange are important aspects. However, their importance is already discussed in previous literature (e.g. Wilson, 2015). They are also discussed in the previous section. We will therefore introduce additional bridges that may, for example, enhance the impact of training, stimulate employee involvement and make leadership more effective in order to support sustainability. They are further discussed below.

5.1. Developing understandable benefits and goals

All three levels highlighted the importance of presenting sustainability in a way that is relevant for IKEA's business, makes it visible and clearly shows how it contributes on different levels. Several respondents argued that the sustainability work was described in a rather abstract way that was difficult to comprehend and less relevant for respondents' daily work. It is thus important that there is a clear link showing how sustainability contributes to different business goals and how employees can benefit in terms of rewards and performance evaluations by giving priority to sustainability. One example is the importance of KPIs that focus upon sustainability and can be used to evaluate teams on the shop floor as well as different departments and more senior managers. They were discussed at the corporate level but not referred to so much at the other two levels.

Furthermore, our study shows that there needs to be specific and clear goals regarding sustainability as such, in order to avoid it becoming a background factor and something that can be disregarded. This concerns, for example, 100% cotton from sustainable sources, renewable material, FSC (Forest Stewardship Council)-certified wood or LED lightning:

"If we set a 100% target then there is no doubt for anyone in the IKEA-organization that this is where we are going. If you put 90% then 10% will think that 'ah it does not concern me' But put 100% and it is crystal clear,

everybody is going there. And then, in most cases', it generates such strength in the organization" (Corporate/Sustainability)

Being clear regarding goals and benefits also includes the consumer dimension. We have already discussed that consumers need to experience clear benefits in relation to sustainability - for example that they can reduce energy costs. Furthermore, employees need to understand what the sustainability benefits are from a consumer perspective, so that this can be stressed in direct consumer interaction or through other channels.

5.2. Finding effective arenas for sustainability

This refers to settings where messages are considered relevant and interactions take place. In other words, it matters where, when and how sustainability is brought up. We have already discussed that certain departments in the store may be more suitable for sustainability messages. Here, the main focus is on interaction between staff and consumers, and to what extent consumers may pay attention to sustainability messages. In addition, there were several examples where IKEA organized specific events around sustainability involving the whole store that were considered engaging for both employees and customers due to the strong focus on different sustainability aspects.

Training and knowledge transfer between the organizational levels was often stressed. However, it matters where and when these activities take place in order for them to be perceived as meaningful. For example, employees mentioned how sustainability messages are ignored during periods when work is stressful or if it is included in a broader training package that puts more emphasis on other things. On the other hand, training that focuses on sustainability more specifically, involving employees from different parts of the organization leading to a more comprehensive and shared understanding of sustainability seemed more effective.

Furthermore, there are a number of arenas, online as well as offline, including product presentations, web pages, newsletters, external media, etc., where different types of sustainability communication may be more or less suitable. It is thus a matter of finding the right mix here, both regarding internal and external communication:

"We have to be careful about the right message in the right place, and at the right time. Now if you're going to be searching online, and you're interested in sustainability, there is more scope there to tell a story. Because you've got somebody who's actively searched for it and they have the time to then explore it. In a store you don't have that. And what you can do is take your attention away from a product or a solution." (Country/General)

External arenas are also a significant part of the mix. For example, participating in committees and high-profile events will also further strengthen the sustainability profile in relation to external stakeholders as well as employees.

5.3. Links to the IKEA legend and history

Finally, it is remarkable how respondents relate sustainability to IKEA's heritage. The previous section discussed how sustainability was described as a part of the retailer's DNA. Highlighting the link between sustainability and the IKEA legend can serve as a way to increase employee dedication to sustainability, because the heritage and culture is highly recognized within all parts of the organization and deeply rooted. For example, the IKEA vision "Creating a better everyday life for the many people" was developed a long time ago, referring to consumers and their home environment. Much later it has been related to different components of sustainability, such as environmental impact, social issues and working conditions at suppliers. A large number of activities related to "better everyday life …" have been implemented in different parts of the world:

"We've used the sort of sustainability approach to create the space for it. So wage approach, living wage, multiple increases on the living wage in the US, in UK, in Japan, equalizing pay and benefits of men and women, and of part-time and full-time co-workers in Japan and a really stands around women's rights and LGBT rights. So we can say now the business is an activist around climate change, an activist on equality and it's been driving huge growth and pride in the business." (Corporate/Sustainability)

Another example relates to founder Ingvar Kamprad's *The Testament of a Furniture Dealer* written in 1976 and primarily intended for IKEA co-workers. Respondents often referred to how well sustainability fits in with this publication, even though written long before sustainability was on the agenda, referring to issues such as minimizing the use of raw materials, building stores to minimize the environmental impact, increasing supply chain efficiency, improving life quality in refugee camps and creating new innovative solutions for saving energy by investing in and selling solar panels.

6. Discussion and conclusions

The insights generated by the empirical study are illustrated in Fig. 1. The overall sustainability strategy is formulated by corporate management, focusing on how sustainability will support the market positioning by, for example, strengthening the corporate brand. It is based on a long-term perspective, where IKEA contributes to economic, social and environmental sustainability. Furthermore, a main ambition was to make sustainability embedded and appreciated in the whole organization. When applying a product perspective, it became a matter of how sustainability can contribute and offer additional values as a product feature, as well as how it may drive and strengthen the product range as a whole and how it should be balanced in relation to other features in the range. From a store management perspective, sustainability was considered in relation to whether it had a positive impact on the customer shopping experience. Another aspect was how to manage the sustainability dimension when creating an attractive store environment for consumers and to what extent it actually drives sales.

We identified some main contradictions between the three perspectives. One concerns *the time dimension*. While a long-term view was relevant from a corporate perspective, the store perspective was described as "here and now", while the product management perspective is longer but still limited to the next generation of products and how they are received by customers. Another matter concerns the focus on different stakeholders. While the corporate view recognizes an extensive *set of stakeholders* that will be salient for IKEA in a broad way when considering the overall strategy and positioning, the product perspective is focused on the value chain whereas the store perspective mainly considers customers. These differences also lead to the different perceptions regarding *sustainability relevance*. From a corporate perspective, the relevance becomes rather clear, whereas it is much less clear from a store perspective and far from given when considering support for the product range.

We also identified three bridges that may serve as integrators that enable a retailer to develop a more shared view on the relevance of sustainability. The first one discussed was the use of benefits and goals that support the importance of sustainability. Putting up explicit goals that relate to sustainability, reward systems and evaluation criteria directed at store employees as well as the development and inclusion of new products are some examples. Furthermore, it is critical to stress consumer benefits related to sustainability. In addition, this study stresses that a retailer should consider where and when it is relevant to highlight sustainability. If it is put forward in an arena expected to stress other aspects, managers and employees are likely to find it less relevant. Here, it seems that certain store departments are more effective in promoting sustainability than others, such as children's department, the restaurant or kitchen – simply because sustainability has a higher
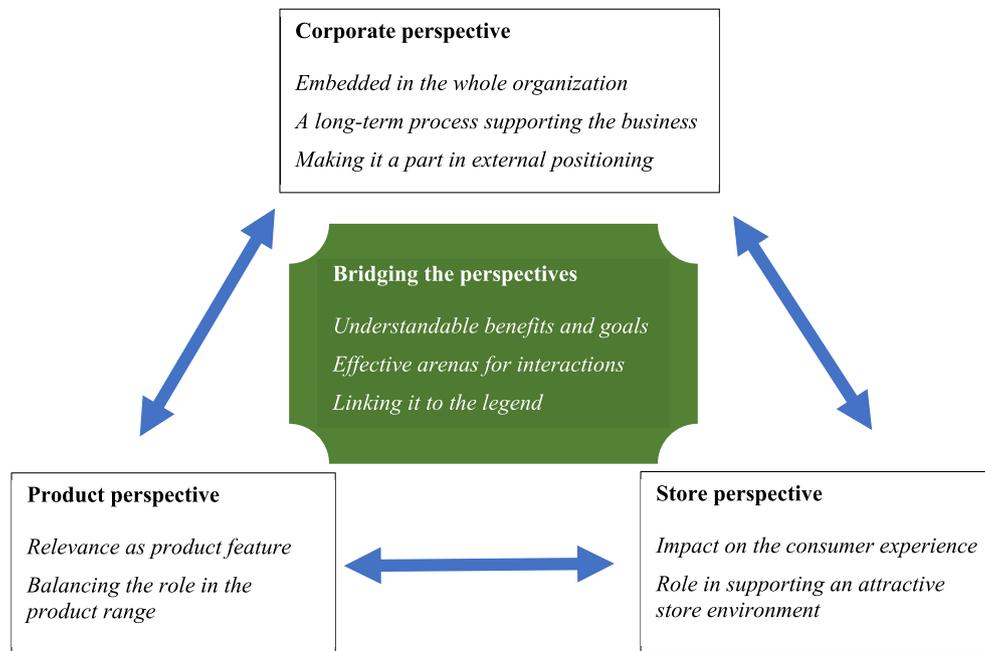
Fig. 1. An integrated retail sustainability framework.

relevance in relation to certain product areas in the eyes of staff as well as consumers. Furthermore, the study shows that promoting sustainability is not limited to internal arenas. On the contrary, employees seem to become motivated when, for example, the CEO gives a speech highlighting sustainability at an external, high-profile event. Finally, our research shows the importance of being able to relate the sustainability matter to the history and culture of the organization. It especially shows how IKEA strived to link the concern for sustainability to the legend of the founder, and how his views and personality have shaped the retailer. For other retailers, as well as for other firms, the most relevant link may not be to a particular person, but we still argue that it is very significant to link sustainability to the culture, critical events or well-established success factors that are usually referred to within the organization.

7. Contributions and future research

Earlier studies discuss sustainability in relation to corporate strategy, reputation and business models (e.g. Bilińska-Reformat et al., 2019; Park, 2019), as well as product features and supply chain management (Hultman and Elg, 2018; Nilssen et al., 2019) and managing the store environment and customer interactions (e.g. Fuentes and Fredriksson, 2016). While the corporate sustainability strategy has been linked to store development (Anselmsson and Johansson, 2007; Gupta and Pirsch, 2008) and to employee perceptions (Frostenson et al., 2012; Lavorata, 2014; Lee et al., 2018), this is one of the first studies to simultaneously consider three different levels for a specific retailer in order to uncover different sustainability perspectives and priorities. This has enabled us to show the contrasting views that exist within a large retail organization, potential conflicting priorities but also factors that may bridge the different perspectives and create a shared understanding of the relevance of sustainability.

Earlier research has also showed that there is a gap between consumer attitudes to sustainability and their purchase behaviour (Elg and Hultman, 2016; Öberseder et al., 2011). Mediators that may influence consumer behaviour, such as trust, have also been suggested (Dang et al., 2020) In addition, this paper suggests that there may be a discrepancy between messages developed and communicated to consumers from the corporate level, for example by means of TV commercials and statements on their web page, and the actions from front line

staff when interacting with consumers, since their perception of sustainability is not in line with the corporate messages. This may cause confusion among consumers and influence their buying decisions in the store. In order to avoid a negative impact on the brand, it is thus essential that front line staff are aligned with the retailer's overall sustainability approach, and that this approach has relevance when applying other perspectives (c.f. Zhang et al., 2020).

Overall, sustainability is a critical challenge for managers (Davies et al., 2020). From their perspective, it is important to acknowledge the different sustainability perceptions that exist at different levels within the retail organization. It has been argued that top managers have a central role in supporting sustainability in order to ensure employee commitment (Hahn et al., 2015). While this may be essential, it may, however, not be sufficient. This study stresses the importance of also having clear goals and reward systems for employees that promote sustainability considerations. This is also implied by Wilson (2015) when stressing the importance of clear goals and measurable criteria related to CSR. Furthermore, managers need to identify the most effective arenas for communicating and discussing different types of sustainability issues. They can be internal as well as external, and physical as well as virtual. It is also critical for managers to consider how sustainability can be linked to the culture and heritage of the organization in order to demonstrate that it is a part of the identity.

This has been a qualitative in-depth study of a single retail organization. Future studies need to cover a broader set of organizations. Within retailing, it is possible that the perceptions may vary due to product areas. For example, the opinions of a retailer working with Fast Moving Consumer Goods may be based on some different sustainability perceptions compared to furnishing or electronics. Furthermore, it is relevant to investigate how effective are the three bridges identified here in various types of organizations, and how they affect different sustainability perceptions more specifically. This knowledge would be useful in order to understand when and how they can be used. These aspects can be investigated in further qualitative research, but later also through a more quantitatively orientated approach involving a broad set of firms.

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