

CFR Teaching Note #002: Sustainable Shopping Behaviors

Shopper Marketing (NDH112), 2020

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In 2015, the UN agreed upon a new framework for sustainable development: "The 2030 Agenda for Sustainable Development". This agenda outlines 17 Sustainable Development Goals (SDGs) meant to stimulate action in areas of critical importance for humanity and the planet until 2030. For retailers, SDG 12 Responsible Consumption and Production stands out as one of the most central.

In the current note we focus on the consumption part of SDG12. More specifically, we provide a brief overview of what the academic literature has to say about how retailers can foster sustainable consumption in terms of shopping behaviors (for a more general overview of sustainability in retailing please see CFR Teaching Note #001).

What are sustainable shopping behaviors?

Although it could be argued that consumption in and of itself is hardly sustainable (for a brief review of the critique of consumption and the consumer society see Borglund et al 2017), the literature on sustainable shopping behaviors tends to focus on ways in which a retailer can stimulate shopping that reduces the negative impact on humanity (social) and the planet (environmental), while still being profitable (economic).

A key challenge when it comes to understanding and fostering sustainable shopping is a lack of agreement of what sustainability actually means in a shopping context. Naidoo and Gasparatos (2018, p. 127) define sustainable consumption as "the use of services and products that meet basic human needs and promote quality of life while minimizing natural recourses and hazardous material usage, as well as waste and emission generation in the whole product life cycle, so as not to affect the satisfaction of future generations' needs". Similarly, White et al (2019) define sustainable consumer behavior as "actions that result in decreases in adverse environmental impacts as well as decreased utilization of natural resources across the lifecycle of the product, behavior, or service" (p. 24). Both definitions focus on environmental sustainability, which the authors argue can result in both social and economic advances. Other researchers, however, focus more on social aspects of sustainable consumption, sometimes using the term "ethical consumption" to denote consumption choices motivated by political, religious, spiritual, environmental, or social motives and impact (Carrington et al 2014).

The varied concepts used to denote and understand sustainability sometimes stand in the way of efforts to foster sustainable shopping behaviors. From a marketer perspective it is therefore important to clearly define what kind of sustainability a shopper marketing effort sets out to stimulate. It is also important to keep in mind that whereas a traditional accounts

of consumer decision making can be useful to understand and foster sustainable shopping behaviors there is a key difference: traditional shopping decisions tend to focus on maximizing immediate benefits for the self, while sustainable shopping decisions typically involves *longer-term benefits* to *other people and the natural world* (White et al 2019).

Why focus on sustainable shopping behaviors?

In their review of sustainable consumer behaviors, White et al (2019) list three key reasons why companies need to consider sustainability in their marketing efforts: 1) traditional marketing tends to encourage a consumption mind-set that is a key driver of negative environmental impacts and marketers need to take responsibility for changing this, 2) adapting to the (growing and urgent) demand for sustainability will likely lead to strategic benefits and positive long term performance, and 3) socially and environmentally responsible business practices have been found to garner positive consumer perceptions and increases in profitability.

What are (some of) the barriers to sustainable shopping behaviors?

The marketing literature on sustainable shopping behaviors dates back to the 1970's, when focus was primary on environmental issues (Borglund et al 2017). Since then, the literature and its scope has grown, and attention has been paid to barriers to sustainable shopping. These barriers can broadly be categorized as internal or external (Harris et al 2016). Internal barriers are based on individual-level characteristics of consumers in terms of, for example, interest in sustainability (the higher, the more likely to shop sustainably), level of understanding of how one's own decisions affect the environment (the higher, the more likely to shop sustainably), and demographical factors (such as age and education). External barriers are linked to the context in which shopping occurs. Here aspects that the retailer controls such as the assortment offered (the wider the range of sustainable options in store and across stores, the more likely consumers are to shop sustainably), price-levels (sustainable product tend to be priced higher, but the smaller the difference between sustainable and other options, the more likely consumers are to shop sustainably), quality perceptions (quality perceptions of sustainable products tend to be lower, but the more aligned perceptions between sustainable and other options are, the more likely consumers are to shop sustainably), and social and cultural norms are found to be important.

A common finding in both the academic and practitioner literatures on sustainable shopping behaviors is the so called "attitude – behavior gap", meaning that even though many consumers report that sustainability is important (i.e., have positive attitudes towards it) this stated importance is not reflected in actual shopping behaviors. This gap is considered to be a key challenge when it comes to promoting sustainable consumption (White et al 2019) and is often explained using one or more of the internal and external barriers discussed above as explanation. A more elaborate explanation, which combines internal and external factors, is offered by Carrington and colleagues (2016). They argue that the gap can be explained through consumer prioritization of sustainability concerns and its consequences on shopping habits, willingness to make sacrifices, and selection of shopping modes. In any given shopping decision, there are typically different concerns at play, and the degree to which consumers have thought through and prioritized between these concerns will impact the outcome. For consumers who have strong and primary concerns related to sustainably (i.e., they think that sustainability is the most important concern), sustainable shopping is often habitual, more

planned, and seldom forgotten in the store. These consumers are more willing to sacrifice other important shopping aspects such as price and convenience in order to shop in a sustainable manner. Many consumers are, however, not as thought-through when it comes to their prioritization of sustainability. Whereas they think that sustainability is important this concern is secondary and therefore seldom part of habitual shopping behavior or shopping plans. Such secondary concerns are consequently not prioritized to the same extent as shopping aspects such as price and or convenience, which explains why the gap occurs.

How can retailers foster sustainable shopping behaviors?

Building on a traditional model of consumer decision making, White et al (2019) argue that sustainable consumption includes behaviors ranging from need recognition (reducing/simplifying one's consumption), information search and evaluation (looking for products with sustainable sourcing/production/features), point of purchase (selecting sustainable options), to product use (conserving energy, water, and products) and disposal (recycling or reuse). To make shopping more sustainable, activities should be designed to lower their environmental and/or social impact throughout the entire shopping cycle, both the pre-purchase stage, the actual purchase stage, and post purchase stage. Shopper marketing efforts thus need to focus on the entire life cycle of the product/service.

A popular term for describing efforts to foster sustainable behaviors is "nudging". Nudging can be described as initiatives to foster desirable behaviors (e.g., environmentally or socially sustainable choices) through different interventions (e.g., the design of the product, service, assortment, or store environment) that steer consumers towards such behaviors without forcing them (Sunstein 2014). The term was popularized by Nobel laureate Richard Thaler (economics) and his colleague Cass Sunstein (law) in 2008. Nudging focuses primarily on the external rather than internal barriers for sustainable behaviors. Another useful framework for fostering sustainable behaviors is the SHIFT-framework developed by White et al (2019). This framework summarizes the most effective ways to shift shopper behaviors to be more sustainable on the basis of a comprehensive review of the academic literature. SHIFT stands for Social Influence, Habit formation, Individual self, Feelings & Cognitions, and Tangibility.

- Social influence: A common driver of sustainable shopping deals with social influence. People are generally affected by the presence, behaviors, and expectations of others and this is also the case when it comes to sustainable shopping behaviors. More specifically social norms ("beliefs about what is socially appropriate and approved of") social identity ("sense of identify stemming from group memberships"), and social desirability ("willingness to act to make a positive impression on others") has been found to have a strong influence on sustainable shopping behaviors.
- Habit formation: Many sustainable shopping behaviors involve repeated actions (e.g., taking shorter showers; picking low CO2 food in the supermarket). For this type of behaviors, habits ("behaviors that persist because they become relatively automatic over time as a result of a regularly encountered contextual cue") are key. Interventions are needed to break bad habits either through changing the context that reinforces the habit or by introducing penalties that decrease the tendency to engage in undesirable behavior. However, sustainability can also be fostered through interventions that enable new habits to form. By stimulating implementation intentions, new behaviors can be encouraged and later reinforced by making them easy to perform or adding prompts, incentives, and feedback that reinforce them.

- Individual Self: Factors linked to the individual self can also impact sustainable shopping behaviors. This means that consumers' self-concept ("desire to maintain a positive self-view"), self-consistency ("desire to be seen as being consistent"), self-interest ("desire to promote oneself"), self-efficacy ("beliefs that the one is able to engage in the required action and that this action will have the intended impact"), and individual differences typically related to personal norms ("beliefs regarding a sense of personal obligation linked to self-standards") can all affect sustainable shopping behaviors.
- Feelings and Cognitions: Consumption behaviors are typically guided by both feelings and cognitions. Whereas much shopper marketing literature focuses on positive emotions, sustainable shopping behaviors and marketing activities linked to them are often linked to negative emotions such as fear, guilt, and sadness. Although fear and guilt can foster sustainable shopping behaviors, they should be used wisely as they can also lead to reactance and inaction. Notably, moderate fear coupled with solution to the issue has been found to be most effective. Information, learning, and knowledge is also vital. Typically, these aspects go together with other factors in the framework. For example, in order for social influence to impact consumers, they must know what the social norms are. Different types of eco-labels and message frames have also been found to have an impact.
- Tangibility: As sustainability actions and outcomes often seem abstract, vague, and distant from the self it is important to try to make the benefits of sustainable shopping behaviors clear to consumers. This could be done by communicating local and proximal impacts (e.g., in Stockholm vs. in cities), and making claims very concrete (i.e., making vivid, using analogies, and narratives). Regarding the actual products offered, another way to deal with this issue is to try to make consumption less about possession and more about experiences, digital products, or services.

A more elaborate account of this framework and how to use it is available here.

Today the opportunities to foster sustainable shopping behaviors are many. Contemporary consumers tend to use both physical and digital retail channels and touchpoint across their customer journey (i.e. omnichannel behaviors). When using these different channels and touchpoints consumers leave digital shopping traces behind. These digital shopping traces can include searches made, clicks, likes, product sites visited, purchase history, and items put in the shopping basket to mention a few. Digital shopping traces can be used by the retailer in order to get a richer view of a consumer and thus increase the possibility to tailor shopper marketing activities towards the consumer along the shopping cycle. Based on digital traces the retailer could get an understanding of the shopper's mindset, and market more sustainable products in line with that, at the right time. This could increase the possibility for a retailer to foster sustainable shopping behaviors and help consumers become more sustainable. Incorporating sustainability in shopper marketing can thus be key in fostering more sustainable shopping behaviors especially since shopper decision-making often is based on habits, what's available in the store, and can be unplanned, hindering consumers to make more sustainable shopping decisions.

References:

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Note: access to reports and regulations are available via hyperlinks in the text

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