

“CHANNELING” SUSTAINABILITY – GREEN PRIVATE BRAND STRATEGIES IN GROCERY RETAILING

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Growing environmental pressures on companies during the 1990s made organizations in different industry sectors define environmental policies aiming for sustainability. As these ambitions were to be turned into actions, companies faced major difficulties. Lack of knowledge and relevant tools, together with the necessity of balancing environmental, social and economical demands challenged the companies. The study of two major Swedish grocery retailing companies' efforts to introduce a green product line provides us with an understanding of problems and opportunities in the change process towards sustainability. Through case studies of green private label strategies, trade-offs between contradicting demands is highlighted and analyzed. These ecological product strategies can be described as learning processes where goals are continuously redefined and new solutions tested and reshaped. Those companies taking proactive actions for the environment at the same time balancing economical and social concerns, actually take a leading role in defining the concept of sustainability. To reach sustainability change has to take place both in the minds and in the actions of organizational actors. The empirical findings indicate that as well cognitive as behavioral change has taken place in the transformation process of the Swedish retailing companies. Distributor own brand strategies have had structural effects on the production and consumption of every-day consumer goods in Sweden, exemplifying ecological product development and product mix vitalization in a conventional industry sector.

The study illustrates how sustainable products represent knowledge and change, acting as symbols for knowledge and values in the companies and in their environments. Sustainable products are more complex than conventional products, because of the need for balancing different values and the demand for a life cycle perspective. During the sustainable product development process more product aspects have to be evaluated, more internal and external actors have to be involved, and ecological, social and economical concerns have to be taken in consideration throughout the distribution chain. The focus of the study is on the processes by which knowledge gets packaged into objects. In this perspective products are not passive instruments in the hands of humans, rather active participants in the production, the translation, and the stabilization of knowledge. Further, retailers' proactive actions can be explained by their position in the distribution channel. The products are carrying sustainable values through the distribution chain and retailers take a key role in translating stakeholder demands and preferences into final products. The company environmental organization thus function as stakeholder manager for sustainable products; identifying ethical, social and

ecological concerns regarding food production and consumption. In the process of translating these values into products retailers are “channeling” sustainability, by influencing as well suppliers as consumers. The private brand strategy is retailers’ possibility to add values to products, beyond conventional product aspects on every-day consumer goods.

Key words: sustainability, grocery retailing, distributor own brands, green product development, process, institutional theory, sense-making and learning.