A Framework for Social Responsible Retailing (SRR) Business Practices

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SOCIAL RESPONSIBILITY
A FRAMEWORK FOR SOCIAL RESPONSIBLE RETAILING (SRR) BUSINESS PRACTICES

ESTRUTURA DE VAREJO PARA SOCIAL RESPONSIBLE RETAILING (SSR)

RESUMO
Este trabalho desenvolve um quadro de análise da Responsabilidade Social dos Varejistas (RSV), centrando-se na distribuição das práticas comerciais em toda a cadeia de suprimentos até o consumidor final e entre os stakeholders internos e externos do varejo. O quadro é apresentado como um ponto de partida para desenvolver o conceito de RSV e incide sobre o potente papel que os varejistas têm, desempenhando e coordenando as práticas da responsabilidade social empresarial.

PALAVRAS-CHAVE

ABSTRACT
The role of retailers in the practice of social responsible initiatives has been overlooked in the literature. This paper develops a framework for analysis of Social Responsible Retailing (SRR) by focusing on retailing business practices across the supply chain to the end consumer and among the internal and external stakeholders of the retail landscape. The framework is presented as a starting point to develop the concept of SRR and focuses on the potential role retailers can play in developing and coordinating social responsible business practices.

KEYWORDS
INTRODUCTION

Corporate social responsibility (CSR) has become a very important concept in the global economy and firms are giving considerate attention to their need to become better corporate citizens and community partners (CARROLL, 1979; 1999; DRUMWRIGHT, 1994; MAMIC, 2005; MATTEN; CRANE, 2005). Firms now have to consider the needs of and effects on, their multiple stakeholders when making business decisions. At the same time, business activities external and internal are increasingly affected not only by internal and local issues, but also by environmental and global issues. Recognizing the importance of CSR, a number of researchers across various business disciplines including marketing (e.g., LUO; BHATTACHARYA 2006; LICHTENSTEIN, DRUMWRIGHT; BRIDGETTE 2004; KOTLER; LEE 2004; MENON; MENON VARADARAJAN; MENON 1986), management (COMFORT; HILLER 2005; HOEK 1999; MAIGNAN et al. 2002) supply chain (COLLINS 2003; PIACENTINI, MACFADYEN; EADIE 2000) and finance (AUPPERLE; CARROLL; HATFIELD 1985) have studied the needs and effects of CSR activities by firms.

In a review of more than 50 companies, Kotler and Lee (2004) outline six categories of corporate socially responsible “voluntary” initiatives. They include cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering and social responsible business practices. Although Kotler and Lee (2004) identify six CSR categories, the vast majority of the research on the topic focuses on the first five categories while ignoring socially responsible business practices. According to Carroll (1999) the bulk of work on CSR has focused on four types of responsibilities: 1) economic responsibility to make a profit; 2) the legal responsibility to abide by the laws of society; 3) the ethical responsibility to do what is right, fair, and just; and 4) the philanthropic responsibility to contribute to various kinds of recreation, social, education, and culture dimensions of society. Socially responsible business practices are not a major focus of the literature on CSR. As most socially responsible business practices are internal to the organization, they do not easily benefit from the public relations effects that the external socially responsible activities do. A focus on CSR business practices also requires companies to make fundamental and costly changes in the way that they do business, something that is more difficult to do than donating money or philanthropy. Because of the difficulty associated with the implementing socially responsible business practices and the minimal public relations benefits, it is easy to understand why this area of CSR has been inadequately covered by corporations and under limited scrutiny in the academic literature.

This paper develops a framework for Social Responsible Retailing (SRR) that focuses particularly on socially responsible business practices. We focus on CSR business practices in retailing for the following reasons. First, retailers are gaining a position as a key driving force in the overall landscape of marketing activities, supply chain coordination, and product development (THOMASSEN, LINCOLN; ACONIS (2006). Thus they can play a unique role as key initiators and communicators of important CSR business activities. Likewise, their central role will have multiple effects for all types of retailers, large and small, service and products, as they integrate CSR business practices. Second, current CSR initiatives are overwhelming focused on philanthropy or giving (SAVITZ, 2006) while ignoring other important aspects of social responsibility. Companies primarily report their CSR activities as expenditures or investments in-kind in their annual reports. Therefore, they are using an accounting of donations, cause-related marketing costs, volunteer time, etc., as measures of the investment in CSR initiatives. One limitation of focusing on
such financial efforts in CSR is that they are viewed by many as “window dressing” or “green washing”, serving merely as a public relations veneer to give the impression of sincere socially responsible efforts. These are not trivial investments as reported by Bemer (2005) but are viewed poorly as giving without direct actions. CSR giving initiatives may also be detrimental to companies when they do not have strong business capabilities to that match their CSR expenditures (LUO; BHATTACHARYA, 2006). Savitz (2006) suggests that CSR or sustainability should focus on practices that related to their business and not in areas that do not overlap into their core business or core capabilities. Finally, many CSR frameworks do not reach across the full enterprise and may focus only one type of constituent (e.g., communities, external stakeholders, consumers, etc.). CSR initiatives must expand more broadly into business practices that have visible, sustainable and performance effects. This deeper integration into CSR business practices will help to allay perceptions of the pure public relations motive, while reaching multiple constituents and enhancing business processes which will increase the company’s triple bottom line: economic, social and environmental success (SAVITZ; WEBER, 2006).

The purpose of this paper is to present a framework for SRR business practices that focus on the demand and supply sides of the marketplace (supply chain and customer), internal stakeholders (workplace and investors) and external stakeholders (community and environment). We include the cause-related marketing, cause-promotion, volunteering, and philanthropic elements to be complete, but focus primarily on business practices. The framework is shown in Figure 1 along with various business practices that companies may use. The remainder of the paper will present more details about the SRR framework. We begin by looking at retail supply chain initiatives. This is followed by workplace initiatives that reflect social responsibility. Next we provide an overview of the external stakeholders and finish with a multiple initiatives that retailers may employ with their customers. The paper ends with a call for more research into the effects of such practices with regard to the triple bottom-line.

**SUPPLY CHAIN FOCUSED INITIATIVES**

Retailers today enjoy increasing power and influence in commodity and supply chains as their size and increasing capabilities to monitor and react to consumer demands increase. Such initiatives as electronic data interchange (O’CALLAGHAN; KAUFMANN; KONSYNSKI, 1992), RFID, efficient consumer response programs (CORSTEN; KUMAR, 2005) and customer relationship management programs have built strong bonds between retailers and their suppliers and customers. Thus the role of retailers in enhancing socially responsible practices across the supply chain covers many potential business practices (e.g., CRAIG; JENNINGS 2004; DRUMWRIGHT, 1994). Likewise, the retailers’ point-of-contact control with customers and knowledge of their customers’ needs and habits, allows them to target specific customers more easily and gain their attention. In both directions in the marketplace, upstream to supply and downstream to customers, retailers are at a key junction to sponsor and support SRR business practices.

Retailers’ socially responsible business practices within the supply chain, offer a breadth of issues where companies can make substantial contributions. The Institute for Supply Management has developed a list of principles that their members should focus on with regard to

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1 http://www.ism.ws
A FRAMEWORK FOR SOCIAL RESPONSIBLE RETAILING (SRR) BUSINESS PRACTICES

Figure 1

social responsible practices including: community, diversity, environment, ethics, financial responsibility, human rights and safety. Many of these issues are intertwined among the business practices we have noted. We look at the supplier and supply chain initiatives as they relate to buying decisions, fair trade practices, supplier diversity, worker safety and environmental impacts.

BUYING DECISIONS

Organizations are wrestling with ways to incorporate socially responsible decisions in their buying processes (DRUMWRIGHT, 1994). One of the ways in which an organization can help spread its socially responsible values and affect social change is by ensuring that its suppliers also exhibit socially responsible behaviors. A firm’s supply chain and logistics managers are in a position where they can influence the socially responsible activities of organizations outside the focal company, particularly their supplier base (CARTER et al., 2005). A retailer can use its purchasing power to require their suppliers’ adherence to socially responsible behaviors. This aspect of social responsibility has been referred to
in the literature as socially responsible organizational buying (SROB) or purchasing socially responsibility (PSR) (CARTER, 2004). SROB refers to efforts by an organization to consider the public consequences of organizational buying or bring about positive social change through their organization’s purchasing activities (DRUMWRIGHT, 1994; PREUSS, 2001).

Socially responsible organizational buying is increasingly becoming a popular topic in the academic literature. Drumwright (1994) examined the concept of socially responsible organizational buying, using a qualitative approach, and examined reasons why organizations engage in socially responsible purchasing. She found that the presence of policy entrepreneurs and favorable organizational contexts are keys to the success of socially responsible buying initiatives.

Carter et al. (2002) also examined social responsibility in supply chain relationships. They looked at the effects of a firm’s socially responsible purchasing activities on its supply chain relationships. They examined the potential impact that socially responsible purchasing has on supply chain relationships and found that it has a direct and positive impact on a supplier’s performance. They also found that socially responsible purchasing had an indirect effect on supplier performance since these activities increase trust and commitment, which in turn directly impact on performance.

Hoek et al. (1999) examined the SROB from a different perspective. Unlike most of the other researchers that study forward supply chains, they examined the reverse supply chain. They argue that firms should not focus on only one aspect of socially responsible purchasing but rather should have a more holistic view of the concept that integrates both reverse and forward logistics activities.

An examination of the literature on SROB, shows that the vast majority of the research in this area focuses on how a firm’s purchasing activities affect the environment, while ignoring other important socially responsible activities. Recognizing this limited view of socially responsible buying, Carter (2004) categorizes purchasing socially responsibility into diversity, environment, human rights, philanthropy/community and safety. Building on these categories, we classify socially responsible supply chain management into: Diversity, environment, fair trade, worker safety, and supply chain relationships.

SUPPLIER DIVERSITY

Diversity in socially responsible purchasing is concerned with issues regarding purchasing from minority and women-owned business. Research in this area focuses primarily on examining the factors that enable a firm to successfully implement a minority purchasing program. Carter et al. (1999) identified management support, training, collaborative goal setting, and government influence as factors that affect the success of an organization’s minority purchasing projects. Adobor and McMullen (2007) also identified management commitment, a supportive environment, and the availability of “a minority purchasing champion” as factors that lead to the success of minority purchasing programs.

Supplier diversity is mandatory for a firm’s success and as a result it is becoming increasingly common for firms to have supplier diversity programs. A number of retailers have developed minority-based programs as part of their socially responsible purchasing. Target has a Minority and Women Business Development program, aimed at supporting and increasing the number of minority and women business that they purchase from. Kmart also has a supplier diversity department, which focuses on recruiting and managing relationships with minority business
suppliers. Despite the efforts by the government to encourage supplier diversity, there is still a lot of room for improvement and many supplier development efforts have been unsuccessful (SHAH; RAM, 2006).

**ENVIRONMENT**

Environmental issues have been a major focus of retailers due to the increased efforts of governments, customers, and environmental activists to take action regarding their environmental footprints. B&Q, one of the United Kingdom’s largest Do-it-Yourself retailers, has developed a system called QUEST to help manage the environmental impact of their supplier’s activities. Using the Quest system, B&Q rate their supplier on a number of activities including the quality of their supplier’s environmental policies and the environmental friendliness of their supplier’s packaging (GREEN et al., 1998). Home Depot has also launched an ECO Options program aimed at ensuring wood products purchased from their suppliers are certified to come from forests where environmental benefits have been safeguarded.

Menon et al. (1999) suggest that environmentally driven product development includes more than just environmental add-ons that provide no competitive advantage or leverage core competencies of the producers and supply chain. True environmentally responsible sourcing practices include changes in processes related to product development, using environmentally friendly solutions and chemicals in the manufacturing process, and focusing on post-consumption of the product. Retailers may become more involved in the development of products and the processes for return, recovery and reuse of materials. Retailers involvement across the supply chain is very useful in new ideas for designs-for-disassembly, designs-for-inspection, and designs that limit packaging materials. These latter initiatives are linked to other supply chain and logistics functions for a more holistic environmentally responsible initiative.

Among key issues in social responsible environmental initiatives in supply chain and logistics are factors that relate to the fuel consumption and the use of alternative fuels, warehouse and facility location, facility footprints, energy efficiency, packaging, and technology. Organizations are attempting to maximize the efficiency of their supply and logistics for efficient response, order fulfilment and overall costs. At times these factors conflict, but with a strong initiative, environmental effects, costs, and efficiency can each be optimised across the system. Organizations are analysing their transportation methods to minimize not only costs but also externalities from fuel emissions and the energy usage in warehouses and facilities. The location of facilities also has an environmental effect depending on their affect on the physical environment, as well as the communities in which they operate.

**FAIR TRADE**

Fair trade is an approach to the buyer-supplier transaction that aims at equity of the exchange. Nicholls (2002) examined the key drivers behind the successful implementation of a fair trade policy and identifies political, academic, cultural and informational factors as the major factors that drive fair trade. He also identified the key practices that fair trade involves, including direct purchasing from producers, minimum prices that are above market minimums, transparent and long-term trading partnerships, and provision of market information. According to Nicholls, the ultimate goal of fair trade is to give the supplier an equitable return, which is above market price.

Fair trade usually focuses on agricultural products purchased from emerging economies. Also, farmers who participate in Fair Trade are encouraged to implement conservation measures,
such as using organic compost to fertilize their soil instead of chemical based fertilizers. Products like coffee, cocoa, teas, and fruit are usually the types of products that are frequently found in free trade agreements. According to Jones et al. (2003), the major retailers in Britain, ASDA, Safeway, Sainsbury’s and Tesco, sell fair trade products and actively promote the fact that they carry fair trade products in their store. However, their stocks of fair trade products are very limited and lack high promotion in their stores.

**SUPPLIER’S EMPLOYEE SAFETY AND BENEFITS**

Since Nike’s brand was negatively affected by reports of the company’s use of underage workers, suppliers’ worker benefits and safety issues have been a major concern to retailers. Retailers have created programs to ensure the safety of their suppliers’ workers using different processes including developing codes of conduct and monitoring and then training their suppliers. A number of retailers have adopted codes of conduct aimed at influencing the practices of their business partners and also provide a baseline for expected standards Green et al. (1998). Such codes of conduct set guidelines on a range of issues including wages and benefits, working hours, disciplinary issues, child labor, forced labor, and disciplinary practices (MAMIC, 2005).

Mamic (2005) explored ways in which companies used codes of conduct to manage their suppliers’ work practices. She created a framework to help firms implement codes of conduct and identified a firm’s ability, level of integration, improvement, and feedback as factors that affect a firm’s ability to implement an effective socially responsible supply chain. According to Mamic (2005), the main determinant of a supplier’s decision to adopt a socially responsible code of conduct is pressure from its business or individual customers.

JC Penney requires its suppliers to participate in their factory legal compliance survey program that inspects factories for violations of their compliance code of conduct. Violators are given 30 days to correct their deficiencies and failure to do so can lead to suppliers being suspended or dropped as a JC Penney supplier. Wal-Mart has an ethical standards team that verifies that their suppliers comply with their standards. Those standards cover compliance with compensation, regulations, underage labor, hours of labor, freedom of association, forced/prison labor, collective bargaining, and health and safety. In 2005, Wal-Mart permanently banned 141 factories from doing business with them, primarily because of underage labor violations.

Although the socially responsible activities discussed in this section are important, there are other areas of social responsibility that are also essential, but have been mainly ignored by practitioners and academics. One such important area is retailers’ treatment of their suppliers. Retailers request their suppliers to sign codes of conduct to ensure that they treat their employees and second tier suppliers well. However, there are increasing reports of how poorly these retailers actually treat their suppliers. They have free trade agreements with a few suppliers, yet the retailers have been known to squeeze their other suppliers and insist on extremely low prices that have led to some suppliers going out of business. Some retailers impose harsh financial penalties on their suppliers for any minor infringement of their contracts. They mandate their suppliers to adopt technologies without providing their supplier with the support to effectively adopt those technologies.

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The inter-firm literature shows that treating ones suppliers well and developing strong relationships with them can help firms improve their performance (MORGAN; HUNT 1994). It is therefore important for retailers to take a more comprehensive view of their relationship with their suppliers to help them build longer term relationships.

WORKPLACE FOCUSED INITIATIVES

We are dedicated to creating a workplace in which the rights, needs and unique contributions of every employee are consistently respected. Just as we hold approved garment manufacturers accountable for complying with all applicable laws and treating workers with dignity and respect, we hold ourselves accountable as well, and our policies reflect that.

THE GAP

Human resource literature identifies a firm’s employees as one of the most crucial success factors for an organization (GREEN et al., 2006; LOPEZ et al., 2006), the socially responsible literature focuses primarily on a firm’s effect on its external environment while ignoring the relationship between a firm and its own employees. Since employees are part of the society, it is also important for employee relations to be considered as part of a comprehensive socially responsible framework.

A variety of literature has focused on the internal climates of organizations and the effect of those climates and the internal organizational activities as they reflect the nature of the organization such as ethical climates (VARDI, 2001; BABIN; BOLES; ROBIN, 2000), safety climate (HOFMANN; MORGESON; GERRAS, 2003), as well as leadership and justice climates (EHRHART, 2004). Similarly, internal dynamics of organizations spill over into the external relationships of organizations. For example, organizational justice among employees has been seen to cross the organizational boundary and become practice among the customers of the organization (BOWEN; GILLILAND; FOLGER, 1999).

There are both legislative and free market approaches to the social responsible initiatives with employees. A number of laws have been passed regarding the treatment of employees. In 1970, the occupational safety and health act (OSHA) was passed to guarantee American workers a safe and healthy work environment (PAO; KLEINER 2001). Similarly, a workplace relations act was passed in Australia to govern relationships between organizations and their employees (FORSYTH, 2006) and the US Government passed a equal employment opportunity law aimed at eliminating discrimination in the workplace based on race, gender, sexual orientation, and other discriminatory factors (HAMILTON, 1990). Although these laws have been passed to protect employees, there are frequent reports of poor employee treatment. We focus on social responsible initiatives regarding the relationship between retailers and their employees including: equal opportunity, wages and health and safety, organizational citizenship, work and family policies, and higher local workers.

EQUAL OPPORTUNITIES

Recognizing the value of creating equal opportunities for their employees, a number of retailers have worked towards creating more diverse and family friendly environments. Lowe’s provides diversity training for all their new corporate and retail store managers. The company also actively recruits from traditionally minority colleges and universities. In 2004, Target was named one

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5 Lowes.com.
of the top 100 companies to work for in working mother magazine. Although some retailers have been working to create environments that are favorable for minorities, others have also faced challenges managing their relationships with their employees. In 2004, over one and a half million current and former female employees of Wal-Mart filed a discrimination class action lawsuit against the company (JOHNSON, 2005). Equal opportunities also extend into effects on the communities around retail establishments. Retailers may take initiatives to hire community members and act as a positive force economically for their local customers and stakeholders. The retailer's role as an economic engine enhances the quality of life and economic opportunities of the community's workforce.

WAGES AND EMPLOYEE BENEFITS

Since retailers are beginning to promote fair trade policies in which they pay their suppliers above market prices, they should also promote fair wages in which they pay their employees more than the minimum or market wage. In addition to providing fair and competitive wages, retailers should also focus on the benefits that they provide their employees. While retailers provide their full-time employees with the basic benefits like medical and dental, many do not provide similar benefits to part-time employees. Since the retail industry has a very large number of part-time employees, it is an important issue. Concerns about Wal-Mart not providing its employees with adequate health benefits, prompted the Maryland legislature to vote to pass a law requiring large firms to provide their employees with health benefits.

Other benefits that are socially responsible initiatives are programs, which help to alleviate the spillover between work and family life, work-family-conflict and family-work-conflict (FRONE; RUSSELL; COOPER, 1992; BABIN; BOLES, 1998; NETEMEYER; BRASHEAR; BOLES, 2004). Netemeyer, Maxham and Pullig (2005) found those employees' levels of work family conflict and stress had direct and indirect effects on customers purchasing intention. Thus, internal initiatives do have positive economic effects for retailers. Good, Gentry and Sisler (1990) found that retailer training programs help reduce these types of stressors. A reassessment of working practices and retail initiatives that include flexible working agreements, providing quality time off from work, and a realistic assessment of job are suggested as means to reducing the tensions between home and work (BROADBRIDGE, 1999).

The work environment that retailers create can have both positive and negative effects on employee's behaviors. Stressful conditions lead to lower levels of work attitudes, performance and citizenship behaviors (OCBs). Podsakoff and MacKenzie (1994) showed that civic virtue and sportsmanship had a positive impact on performance, but helping had a negative effect. However, in a later study Podsakoff and colleagues determined that helping behavior and sportsmanship had a significant impact on performance, while civic virtue was not significant. Netemeyer et al. (1996) found that OCBs affect satisfaction. Citizenship behaviors also create social capital in companies (BOLINO; TURNLEY; BLOODGOOD, 2002), which will create a climate within the organization that may lead to overall institutional change from within the corporation (SCOTT, 1995) and extend beyond corporate boundaries.

HEALTH AND SAFETY

On average, over 55,000 workers are killed each year and nearly 7 million are injured as a result of workplace injuries (PAO; KLEINER, 2001). Although OSHA has reduced the number of workplace injuries, a large number of workers are still frequently hurt and exposed to hazardous working conditions. Creating work environments that are safe and healthy should therefore be a concern of all employers, including retailers (PAO;
KLEINER, 2001). Retailers should also ensure that their employees are well trained in the use of potentially dangerous equipment. Providing employees with training can help minimize potential workplace injuries. Training also includes other benefits, since frequent training for employees can be beneficial in the long run to the organization (LOPEZ et al., 2006).

EXTERNAL STAKEHOLDER FOCUSED INITIATIVES

External stakeholders cover three overlapping tiers: the immediate community, the global community, and the environment. A wide variety of factors including attention from the media, increased consumer awareness, and pressures from the government have forced many retailers to examine the social and environmental impact of their operations and turn to practices of social responsible initiatives. Outlined below are a number of philanthropic acts, as well other social and environmental practices that can be integrated in the everyday function of the retailer.

PHILANTHROPY

Acts of philanthropy are perhaps some of the easiest actions a retailer can take and are usually expressed in the form of donations, community service, or cause-related marketing sponsorship. Empirical research has shown that firms with philanthropic and community involvement are given higher company evaluations by consumers, which is positively related to product evaluation (BROWN; DACIN, 1997; MURRAY; VOGEL, 1997). While these actions are important, they do not offer long term solutions and skeptical consumers may view these efforts as “window dressing,” an attempt to create an attractive exterior to cover many questionable internal practices. For instance, the Ronald McDonald House Charity focuses on helping children in need, yet McDonald’s restaurants have been criticized for poor internal practices, such as marketing high fat food items to children (STORY; FRENCH, 2004). Philanthropic acts commonly receive some form of media coverage or other publicity. Three types of philanthropic acts, gifts and donations, cause-related marketing sponsorship and community service, are outlined below.

Gifts and donations: Retailers can give donations to local charities and organizations, offer scholarships to students in the local community, along with other forms of monetary or product donations. Retail giant Wal-Mart is known for its donations to causes like the Hurricane Katrina Relief Fund and Children’s Miracle Network, along with numerous educational scholarships.

Community service: Retailers may support community service projects and encourage their staff to partake in such events. These acts affect both external and internal stakeholders as these efforts benefit the community while simultaneously raising employee job satisfaction. The company and its employees donate time, often creating an immediate impact. For example, Wal-Mart’s Volunteerism Always Pays Program (VAP) encourages employees to take part in charitable organizations in their communities by making donations on their behalf for the time they spend as a volunteer.

Cause-related marketing sponsorship: Similar to gifts and other donations, cause-related marketing involves supporting a cause in which the for-profit business aligns itself with a non-profit business. Aligning with a cause creates a link between the cause and the firm’s identity, thus producing a positive association between the firm and the cause (MOHR; WEBB 2005). Ideally a retailer will align itself with a cause that is congruent; a sports equipment retailer would benefit by supporting an organization like the Special Olympics, versus an unrelated cause like fighting illiteracy, unless it can communicate to the consumer how the two are related (SIMMONS;
Often a retailer will donate a percentage of their profits to the aligned cause. Unlike philanthropic donations, the amount of proceeds is dependent on sales. Empirical research has shown that a firm’s support of a cause is a primary reason for purchase among many consumers (ROSS; PATTERSON; STUTTS, 1990-1991) and that the cause increased purchase intentions (ROSS; STUTTS, 1992). For example, Starbucks contributes a portion of sales from its CARE coffee sampler toward CARE projects in coffee-producing countries, such as an educational magazine for school children in Kenya. The brownies in Ben and Jerry’s Ice Cream Chocolate Fudge Brownie flavor are purchased from a Yonkers, NY, bakery whose mission is to create jobs for the poor and the company offers an entire line of social campaign flavors whose proceeds support a variety of causes including water preservation and global warming. Build-A-Bear Workshops sell a series of co-branded stuffed animals in conjunction with the World Wildlife Fund (WWF), donating a portion of each sale to help preserve endangered species.

SUPPORTING THE LOCAL ECONOMY

A retailer can support the local economy by selling locally made products, which in turn stimulates job growth in the community. Casino, a major food retailer in the UK, hosts policies that are committed to support the economic development of its host neighborhoods, many of which are disadvantaged areas, by helping local residents secure employment and combating discrimination (JONES; COMFORT; HILLIER, 2005). Whole Foods supermarkets demonstrate this by carrying an array of locally grown produce, therefore supporting local area farms.

Environmentally safe practices: As consumers become increasingly aware of threats to the environment that production and consumption processes bring, there is an increased demand for companies to engage in environmentally safe practices (DRUMWRIGHT, 1984). There are a myriad of ways that a retailer can actively participate in environmentally friendly initiatives (JONES; COMFORT; HILLIER; EASTWOOD, 2005) including reducing energy consumption and emissions, reducing raw material usage, minimizing water consumption, decreasing package volume, selling organic and chemical free foods, and increasing recycling. Some of these are outlined below.

RECYCLABLE MATERIALS AND PACKAGING

Retailers can choose to sell goods made from recyclable materials and packaging. Efforts can also be made to reduce the amount of packaging. For example, Wal-Mart recently switched from petroleum-based plastic (PBC) packaging to corn-based polyactic acid (PLA) for some of its fruit and herb containers. PLA is an annually renewable resource and can be composted and cuts back on the use of fossil fuels and emissions. Also, Wal-Mart has stopped using wax coating on many of its corrugated cardboard boxes, thus making the cardboard biodegradable. Ben and Jerry’s Ice Cream has been developing eco-pint containers that are chlorine free and fully biodegradable.

Offering recycling in store: Although many consumer goods have recyclable packaging, an outlet for recycling may not be readily available to consumers. Retailers can offer in store recycling centers, especially for goods that may be an environmental hazard if not properly disposed. Best Buy offers in store recycling of some e-waste (appliances and consumer electronics). Wal-Mart’s Kids Recycle Challenge program promotes plastic bag recycling by donating money to participating schools.

Incentives to participate in recycling programs: While selling recyclable goods and offering in store recycling centers are powerful steps, many customers may need an extra initiative
in order to participate. Retailers can offer incentives to customers like discounts and store raffles. Staples office supply store offers a discount on new printer ink cartridges when empty ones are recycled the store. Whole Foods supermarkets offer a small discount to customers who supply their own bags. Similarly, customers who supply their own bags at Trader Joe’s grocery stores are entered into a monthly gift certificate drawing.

ENERGY CONSERVATION

Retailers can choose to sell products that are manufactured with energy conservation in mind, or reduce the amount of energy consumption within the retail store itself. This can be accomplished through acts as simple as reducing electricity consumption and replacing lighting with energy efficient bulbs, to more complex means such as installing alternative energy sources such as solar panels. Retailers like Target, Macy’s, Kohl’s, and Staples, among others, have installed solar panels on several stores and distribution centers. A number of Wal-Mart stores in California and Hawaii have begun purchasing solar energy. Wal-Mart has also constructed three fully operational Environmental Demonstration Stores that utilize energy saving features and recycled products.

SELLING ORGANIC FOOD ITEMS

Organic foods are grown without the use of synthetic chemicals (such as pesticides or artificial fertilizers), which can cause soil and water pollution. The use of genetically modified (GM) components or exposing food to irradiation is forbidden. With the rapid increase of demand for organic products, many fear that standards will be lowered in order to meet the demand. For instance, Wal-Mart is the nation’s largest seller of organic milk and the biggest buyer of organic cotton in the world. Ben and Jerry’s Ice Cream recently began offering an organic line with the slogan “the Earth will thank you, your body with thank you, your belly will thank you.”

CONSUMER FOCUSED INITIATIVES

The focus of a socially responsible retailer is to minimize the negative side effects associated with the production and consumption of goods, therefore enhancing the consumer’s wellbeing (SIRGY; LEE 1996). The relationship of a socially responsible retailer with the marketplace parallels that of a family, where customers are seen as close relatives (ROBIN; REIDENBACH, 1987). In this view, the retailer should make an effort of caring for their customers that goes beyond simply not causing them direct harm (ROBIN; REIDENBACH, 1987).

Consumer consciousness is an important element in social responsible retailing, which includes offering affordable goods, commitments to quality and safety, promoting healthy living, services for the disabled, and listening to consumers’ needs (JONES; COMFORT; HILLIER; EASTWOOD, 2005). Such actions are essential for increasing customer satisfaction and thus creating strong and lasting relationships, which may lead to financial gains (LUO; BHATTACHARYA, 2006). Establishing long-term relationships through customer satisfaction is the best strategy for cultivating brand loyalty and repeat purchases (SIRGY, LEE, 1996). Considering that consumer orientation underlies marketing, consumer consciousness practices ideally should be in practice by many retailers. A few of such practices are outlined below.

Promotional policies: Being a socially responsible retailer includes the use of ethical promotion policies and objectives. In order to fulfill the wellbeing of consumers, retailers should avoid...
questionable practices such as using deceptive or misleading claims (PRESTON; RICHARD, 1986), direct advertising to children (ROEDDER; STERNTHAL; CALDER, 1986), misusing products in demonstrations, misleading price promotions, reinforcing stereotypic images of groups, and the overuse of celebrity or expert testimonials.

Ethical treatment of animals / animal testing: Many consumers have moral or religious needs that include strict guidelines on the ethical treatment of animals or forbid the consumption of animal ingredients. A socially responsible retailer must be conscious of these needs and carry products for this growing segment of consumers. Empirical work has shown that consumers are willing to pay more for ethically produced goods like soap that is free of animal ingredients (AUGER; BURKE; DEVINNEY; LOUVIERE, 2003). For instance, since 1990 Body Shop has operated under strict regulations that ensure that suppliers have not tested their ingredients on animals. All ingredients in the Body Shop’s cosmetics are also free of animal products.

Product quality and safety: Consumer safety is paramount, thus social responsible retailers should stock products that are of the highest quality and safety. A retailer should honor product warranties and offer hassle free returns for goods that do not meet perceived quality. If unexpected external reactions arise, including consumers’ misuse of a product, a retailer should act responsibly and attempt to remedy the situation via effective communication to consumers and offer a flexible policy for returns and exchanges. European food retailers like Casino and The Group emphasize product safety in a number of ways (JONES; COMFORT; HILLIER, 2005). The Group’s products are monitored for safety requirements by both internal and external laboratories. Casino attempts to monitor food safety at all stages of production by creating their own label and choosing suppliers based on strict qualification standards. Both the Group and Casino have highly responsive monitoring and tracing systems that allow rapid identification for recalling tainted items. Information and advice on food safety are produced and distributed by both retailers.

Safe and accessible store environment: Creating a safe and inviting store environment is another component of social responsibility. A retailer can organize the layout of the store so that it safe and accessibility to those shopping with children or disabled persons. Doorways and aisles should be wide enough to accommodate customers with baby strollers and wheel chairs. The sales force can be trained to assist consumers in need by offering services like assistance from the store to the customer’s vehicle.

Promoting healthy food alternatives: Over the last decade there has been a surge in demand for healthy food alternatives, including organic and non-genetically modified foods (WILLIAMS; HAMMITT, 2000), and foods that are generally part of a healthier diet, such as those that are low in fat or sodium. Many fast food retailers, like McDonalds, who have long been criticized for their unhealthy menu, have added healthier alternatives to their menus including salads and fresh fruits. McDonalds has partnered with Green Mountain Coffee and Newman’s Own brand to offer organic coffee at select locations. Due to increased pressure from consumer groups, parents and the government, many food retail stores in the UK have removed confectionaries from checkout areas or have added healthier alternative snacks to these areas, despite the high return on confectionaries (PIACENTINI; MACFADYEN; EADIE, 2000).

Price policies: An area that has been commonly overlooked in socially responsible retailing is pricing. Price affordability is equally important as offering a healthy product. If the retailer offers a healthy product, but is sold at an unaffordable price, then the purpose is utterly diluted (SIRGY; LEE, 1996). Pricing is an important part of a consumer’s wellbeing and a retailer should avoid the use of price gouging tactics, price fixing
and other questionable pricing strategies (ORTMEYER, 1993). Wal-Mart provides an example of ethical pricing practices with their increased line of organic products that aim to bring healthy alternatives to consumers at affordable prices.

**Initiatives for Disadvantaged/Vulnerable Consumers:** Andreasen (1975) addressed the issue of the disadvantaged consumer by focusing on the poor and the racial minorities primarily but also included with much less emphasis, children and the elderly. Subsequently, Andreasen (1993) noticed that the category of disadvantaged consumers had broadened to include handicapped, ethnic minorities, including recent immigrants. Recent work has looked at functionally illiterate consumers (VISWANATHAN; ROSA; HARRIS, 2005; RINGOLD, 2005). Ringold calls these consumers vulnerable consumers because they typically fail to understand their own preferences and/or have a low level of knowledge and skills, or the freedom to act on their preferences. This broadened definition should spawn a range of new concerns and populations to investigate. In recent years, several authors have drawn attention to low income markets or the “bottom of the pyramid” as these markets have been referred to (PRAHALAD; HAMMOND, 2002; PRAHALAD, 2005). Prahalad and Hammond (2002) suggest that global businesses have failed to properly address consumers at the bottom of the pyramid (BOP).

Woodliffe (2007) reports that consumer disadvantage, concerned with inequality in the market place, is a topic that has attracted waves of interest for over 30 years. Although research exists, there seems however to be a research gap between earlier works regarding consumption behavior of low-income consumers and the role of retailing in addressing their needs (CAPLOVITZ, 1968; GOODMAN, 1968; LAMBERT, 1972; ANDREASEN, 1975; KELLEY, 1981) and the present interest in BOP consumers. Social responsible business practices include locations of retailing establishments. Many disadvantaged consumers are victims of retail redlining (R’ROZARIO; WILLIAMS, 2005) and lack adequate opportunity to buy the products or services that they need (RINGOLD, 2006). Williams (2003) investigated the use of alternative retail channels by low income and vulnerable consumers and found a high degree of usage of parallel markets (blackmarkets) and second hand markets. In turn, the continued lack of opportunities gives consumers’ perceptions of powerlessness, which leads to consumer stigmatization (HENRY; CALDWELL, 2006).

Social responsible initiatives by retailers toward the disadvantaged and vulnerable consumers will enhance the consumers’ quality of life, their self-perceptions and also increase a feeling of inclusion in the marketplace. Companies such as Casas Bahia in Brazil (PRAHALAD, 2004) have made many inroads in to developing relationships with disadvantaged consumers including the poor, unemployed, and semi-literate consumers, offering inventive credit issuance, product support and other elements that are needed among these clients. In essence, socially responsible retailers must create initiatives and considerate effort to develop locations, information, support and access to products and services to the disadvantaged and vulnerable consumers.

**CONCLUSION**

In this paper we have proposed a framework that looks at Social Responsible Retailing (SRR) by integrating various business initiatives into a broader more cohesive framework. To date the concept of SRR is not apparent in the literature although many of the practices are seen. We have developed this framework in the retailing context based on the key role retailers now play in controlling supply chains, linking to consumers and their presences and role in many communities. The framework we present allows retailers to formulate and synchronize initiatives that are beyond the realm of donations, philanthropy and event sponsorship.
We believe they are important roles in the SRR program but the focusing on business practices in the marketplace for suppliers and consumers and to the many stakeholders both internal and external, these initiatives have much longer and far reaching effects. To that end, we note that our framework of supply, consumer, external and internal is not mutually exclusive categories or collective exhaustive of the universe of existing initiatives or concepts. We note that many functions such as supplier development and fair trade affect both the supplier firms but also the communities in which they operate. Similarly, internal actions such as citizenship climates and family friendly work policies cross the organizational boundary and have positive effects on consumers (e.g., NETEMEYER; MAXHAM; PULLIG, 2005; BOWEN; GILLILAND; FOLGER, 1999). Such practices enhance the employees, the customers and get to the goals of triple bottom line performance. We also note that we have not exhausted the array of business practices or concepts that could be included. We note that consumer fairness concepts related to prices and accessibility (e.g., BLODGETT; HILL; TAX, 1997) could be included as well as and workplace fairness (BRASHEAR; BROOKS; BOLES, 2004; BETTENCOURT; BROWN, 1997). Therefore our framework is a starting point to build on the concept of SRR.

Finally, we have presented one of the first frameworks of SRR and believe that the role of the retailer is essential in building a more sustainable supply chain, retail environment, introducing completely new products and enhancing the work and social environment. The first step has been presented and we suggest one additional focus for future research, the development of comprehensive SRR scorecard to evaluate the various SRR business practices that retailers employ. Such a scorecard could use our categories or expand into broader dimensions and categories. One such approach could be the categorization as presented by the supply chain organization ISM mentioned previously or a version similar to ours by PriceWaterhouseCoopers (2006), which includes workplace, marketplace, environment and community categories. Regardless of the categories or dimensions, any scorecard should focus on the various stakeholders and players that interact in the retail sector and provide a framework for development and enforcement of social responsible retailing business practices.

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