

GREEN RETAILING: ENVIRONMENTAL STRATEGIES OF ORGANIZED RETAILERS AND COMPETITIVE ADVANTAGE

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ABSTRACT

Green Movement is becoming the buzzword of today's business world. Across the world businesses are developing green strategies and thereby are working towards developing a low carbon landscape. Retailing is as old as business, trade and commerce and currently has revolutionized into new forms and formats. As the retail sector is quite energy intensive, retailers are left with no choice but to consider and adopt eco-friendly practices. The retailers serve as strategic touch point between producers and consumers and own the responsibility of offering green products and the greening of consumption. Green Retailing (GR) refers to the management approach that pursues environmental protection to improve the retail value chain through eliminating waste, increasing efficiency and reducing costs. Therefore, it is very important for the retailers to understand the perception and attitude of customers regarding the green image of the retailers. It aims to understand the factors that influence green buying behavior of customers under the green retail settings and how these green cues of store environment can influence consumer behavior as are their non-green counterparts in Indian context.

Keywords: *Green Retailing, Green Buying Behavior, Store Atmosphere, Attitude, Perception*

INTRODUCTION

Green Movement is becoming the buzzword of today's business world. Worldwide, most of the sectors have awakened to the ramifications of the environmentalism boom, resulting in high level public awareness of climate change and energy efficiency. Businesses across the world are developing green strategies and are working towards developing a low carbon landscape and undertaking efforts to optimize the carbon

efficiency of existing products and infrastructure. Retail industry is one of the fastest growing and dynamic industries in the world. After the economic slowdown, global retail industry continues to grow and top 250 retailers reported an increase in retail revenues. According to Deloitte's report, 'Global Powers of Retailing, 2014', nearly 60 percent of the world's top 250 retailers are operating in more than one country; and out of these 147 retailers, 115 are having their presence in more than one sub-region. Because of their increasing economic weight, there has been a shift in the balance of power in favour of the retailers. The consequence of the externalities generated by their activities is impacting society, environment and consumers' lifestyle (McGoldrick, 2002). Sometimes, these retailers are criticized for their socially irresponsible business practices by various stakeholders (Wagner, Bicen and Hall, 2008). In response to this, Deloitte's report, *Feeling the squeeze- Global Powers of Retailing* (Deloitte, 2009) suggests that out of the 250 most powerful global retailers, two-thirds of them have adopted one of the several principles of CSR so as to build positive image in the minds of various stakeholders. Today retailers face challenges of keeping the cost level low, increasing the efficiencies of supply chain, building their brand, reputation and image and greening their operations. Retailers across worldwide are adopting green retailing strategies to improve their environmental performance and retail value chain (Tang, Lai, & Cheng, 6-7 Jan. 2011).

REVIEW OF LITERATURE

Defining Green Retailing

Retailing is as old as business, trade and commerce and currently has revolutionized into new forms and formats. The word Retail is derived from French verb *retailier*, which means "to cut up" and convincing method of selling goods and services. It is a distribution channel function wherein an organization buys in larger quantities and sell in smaller quantities to the last link of channel i.e. customer for their personal use. It involves a direct interface with the customer and the coordination of various business activities that can be divided into front-end and back end operations. Front end operations include all activities that relates to store and people on the shop floor. These front line operations are supported by back end operation which primarily consists of supply chain management. So, the term retailing applies not only to the selling of bread, shampoo and diamonds but includes companies that provide meals, haircuts and aromatherapy sessions. It does not end with the

delivery of product and offerings but also takes care of the post-delivery service to the customer.

Green Retailing (GR) refers to the managing of retail business that care for the environment and takes advantage of environmentally friendly processes. It is a management approach that pursues environmental protection to improve the retail value chain through eliminating waste, increasing efficiency, and reducing costs. It is a multidimensional construct that embraces different practices of processes (means) and objectives (end), and to the key parties involved (Tang, Lai, & Cheng, 6–7 Jan. 2011). There has been an ongoing debate about whether it pays to be green or not. Retailers have recognized the fact that many of their customers are making buying decisions that reflect their concern for the environment. For example, customers may prefer to choose a product that has lean and eco-friendly packing or may choose to shop at a store where the retailing communication highlights about the energy saving drive at their stores. As mediators between producers and consumers, retailing points play an important role in the circulation of green products (Bansal and Kilbourne 2001, Jones et al. 2005c, Sadowski and Buckingham 2007). Hence these retailers play an important role in the value chain between the supply and demand for environmentally responsible products. Today we can walk into the various stores and ask for organic and ecologically responsible fruits, vegetables, milk, coffee, organic apparels from ecologically grown cotton and hybrid cars.

Growth through Green Retailing

In the current scenario, retailers play an important role in the distribution channel and have a potential to make changes in the lives of their customers. In the developed economies like US and UK, modern retailing is to the extent of 80-85% whereas in developing economies like India, China and Russia it is 6%, 20% and 33%, respectively. Long back in US in 1955, there were 500 shopping centers which jumped to 50,000 in the year 2006. Before 1965, the suppliers for the US retailers were entirely US firms but later the supplies started coming from outside the USA. (Hamilton & Kao, 2011). In year 1963, large retailers having more than hundred stores were contributing around 20 percent to the US retail sales. Currently they share have gone up to 60 percent (US Bureau of the Census, various year). The ten largest retailers in the world had combined sales of more than US\$ one trillion in 2007(Deloitte 2009:66).

Retail activity in developing countries is setting new heights that and becoming driving forces behind the stimulating global growth in retail

sales and space. As developed economies are showing stagnating growth, developing economies remain important sources of growth. Based on the opportunities available in different countries, A. T. Kearney's Global Retail Development Index (GRDI) helps the global retailers to prioritize which countries to enter for their global expansion strategy in retail. According to 2013 GRDI findings the population of developing markets has increased by 11%, while retail sales per capita has almost doubled, retail space has more than tripled and Internet access grew by nearly 500%. Brazil, Chile, and Uruguay take the top three spots in the Index and BRIC countries (Brazil, Russia, India, and China) remain attractive destination for global retailers due to huge, attractive markets along with their own challenges.

Indian retail sector is highly fragmented and is dominated by unorganized sector. It has around 13 million retail outlets with an average size of one store is 50-100 square feet and account for around 95-96% of the total Indian retail industry. India is known as Nations of shopkeepers where per capita retail space is among the lowest in the world and majority of these stores are located in rural areas. These unorganized retailers serve customers of all income levels and majority of the class belong to low income group. During the last few years, the Indian retail market is experimenting with the modern retailing where many domestic and international players have entered the retail arena. Companies like Reliance, Raheja, Tata, Bharti, Walmart, Metro, Carrefour and Tesco are having ambitious plans to expand in the future years across various verticals, formats, and cities. These retailers are capitalizing on the high consumer spending by the young population (more than 31% of the country is below 14 years) and sharp rise in disposable income. Even small towns and cities are having a footfall that is high on aspirations and are termed as weekend browsers. They are showcasing a shift in consumer lifestyle and preferences, thus making it attractive markets for retailers to expand their presence.

Adoption of green practices by retailers can have a multiplier effect of environmental pressure on consumers and suppliers. Although the overall economic slowdown have a dampening effect on retail sales, yet the growth of retail purchases through e-commerce and growing size and buying power of middle class is giving out a positive outlook. As retailing is bouncing back, the non store retailers are stealing customers from stores, hence a retailer without a significant competitive advantage doesn't stand a chance to survive for a long. Most of the stores are looking for the creative ways to cut operating

expenses and reducing inventory exposure. Many traditional retailers and specialty stores have started offering green product ranges like The Body Shop to Walmart accenting the trend of retail going green (Jones et al. 2005c, Iles 2007, Stern and Ander 2008, Lai et al. 2010, Blombäck and Wigren-Kristoferson 2011). Green products come with a promise of social change where they promote the idea that the environmental problems we are now facing can, at least partly, be solved through sustainable consumption. Green retailing can play a significant role in helping consumers to make their consumption and lifestyles greener and contribute towards the sustainable economy (Sadowski and Buckingham 2007). Retailers are not only expected to procure and offer green products but also offer consumers the opportunity to green the world while they shop. The retailers serve as strategic touch point between producers and consumers and own the responsibility of offering green products and the greening of consumption.

There is a common consensus that companies need to reduce their environmental footprints (Carter and Jennings, 2002). As the retail sector is quite energy intensive, retailers are left with no choice but to consider and adopt eco-friendly practices steered by two main reasons. First of all, consumers are increasingly becoming aware of eco-friendly goods and practices. Secondly, retailers have realized that building a green image would differentiate their offerings from those of competitors in the crowded market. Among other initiatives, environmental issues were among the most commonly reported by retailers, especially the food retailers (Jones et al., 2005). According to Chen (2008), companies which invest in efforts on environmental issue, are able to improve their corporate images and to develop new markets as well as to increase their competitive advantages. In addition, companies that embrace the concept of green environment with environmental-friendly products and packaging can charge relatively high price for their products and hence increase their differentiation advantages of their products (Shrivastava, 1995; Chen, 2008; Porter & van der Linde, 1995). The study by Rahbar and Abdul Wahid (2011) found that consumers trust in eco-label and eco-brand and their perception of eco brand show positive and significant relationship with actual purchase behavior.

Marketing and Environment

Locke, Smith, and Mill and many others were of the opinion that environmental decline is the result of how humans have mishandled nature. They felt that environmental decline was a problem that needed to be redressed and anticipated increase in the future environmental

problems and the limitations of perpetual growth. The early 1970s observed an increase of interest in the environment and marketing's impact on it and continued into the 1980's. Incident of Chemobyl, Bhopal, Three Mile Island, and Exxon Valdez further revived the interest in the late 1980s towards the environmental decline and remained high on the agenda of many social, political and business discussions. The research of 1970 tried to characterize the environmentally conscious consumer termed as green consumer. Many studies sought to define and describe what constituted green consumers and how they can be considered as a potential market segment where their environmental concern make them amenable to green offerings. These studies attempted to highlight the conceptualizing, operationalizing and measuring "social consciousness and environmental concern. The era of 1980s focused on energy conservation and legislative initiatives such as packaging laws. These studies were at the individual level focusing on specific environmental beliefs, knowledge, and attitudes and their relationship to behavioural intentions. In 1990's, the research agenda for environmental research in marketing began to expand and focused on Recycling, Conservation, and Green Advertising but the level of analysis remained individual. New topics like individual's motivations, perceived consumer effectiveness (Ellen, et al. 1991), cooperative behaviours (Wiener and Doescher, 1994). and strategic alliances (Milne et al., 1996) had emerged. By 1995, it also included more general environmental beliefs (Gnmert-Beckmann and Kilboume. 1997), environmental values (Dembkowski and Hanmer-Lloyd. 1994; Grunert and Juhl, 1995; Thogerson and Grimert-Beckmann, 1996) and institutional factors (van Dam and Apeldoorn. 1996) all of which were infrequently considered in previous research. This paved the way for the shift from micromarketing to macromarketing perspectives in the environmental domain. The era of 2000s saw an interest in environmental issues was responsible for embodying environmental values in governments, organizations, and consumers, who are now, more than ever, conscious of ecological issues (Kaarna et al., 2003; Baker and Sinkula, 2005). In addition, many companies started appreciating environmental problems as potential opportunities to exploit by incorporating into their products and practices genuine environmental attributes and ethical qualities (Curtin, 2007).

Sustainability

The relevance of sustainable practices has increased in recent year with surge in environmental problems (Trudel and Cotte, 2009; Laroche et al., 2001). Therefore, firms look for management approaches that incorporate sustainability considerations; they join ecological initiatives

or emphasize their corporate social responsibility. A survey conducted by Consumer Goods Forum (2011), Top of Mind found out that corporate responsibility (including sustainability) was ranked first by retailers and manufacturers. Sustainability is no longer limited to manufacturing industries and environmental issues are being considered as an integral part of broad framework of sustainability. Thereby, retail sector is also realizing the importance of following eco-friendly practices.

Green or environmental issues are considered as an integral part of broad framework of sustainability. The World Commission on Environment and Development (WCED 1987) defined sustainability as one “that meets the needs of the present without compromising the ability of future generations to meet their own needs”. This proposition was further extended by Kleindorfer et al., (2005) to include the environmental management and the triple-bottom-line thinking (profit, people and the planet) (Pullman et al., 2009; Wu and Pagell, 2010). Some studies have also confirmed that there is a positive relationship between environmental management and financial returns adopting GR practices. Green issues have become the major societal issue that threatens retailers in recent years (Cannon, 1992; Piacentini et al., 2000). Therefore, as per Retail Forum Annual Report (2010), “Environmental sustainability is now at the heart of the modern retail sector”.

Green Products

Retailers play a significant role in making green products available at their stores and other retail sites. These green products refer to those products that will not pollute the earth or deplete natural resources, and they can be recycled or conserved (Shamdasani, Chon-Lin and Richmond, 1993). To promote green products and to make them a part of everyday purchase, retailers need to find and categorize green consumers, develop offerings that will fit this segment and communicate the benefits of the green products effectively. For this, retailers can make use of green integrated marketing communication to motivate the customers for the adaption of green products. The motivation of the customers depends upon the social, cultural and material complexity involved in both the marketing and consumption of green products (Dobers and Strannegård, 2005a, 2005b).

Various socio-cultural studies of green consumption have revealed that green products are used as symbolic resources in the construction of consumer identities (Cherrier, 2006; Connolly and Prothero, 2008; Cherrier and Murray, 2007), the formation of consumption communities

(Cherrier and Murray, 2002; Jonsson, 2006; Moisander and Pesonen, 2002; Thompson and Coskuner-Balli, 2007a, 2007b) and the production of consumption experiences (e.g. Soper, 2007; Thompson and Coskuner-Balli, 2007a, 2007b). These studies express that green consumption is about much more than individual choice and decision-making. In contrast to mainstream green marketing literature, these studies exhibit that green consumption is highly dependent on the social and cultural aspect of the customers. In these studies, retailers act as mediators of green commodities and should undertake retail marketing and in-store promotions to bring about more sustainable consumption (Prothero and Fitchett, 2000). Many studies have suggested that green products are loaded with symbolic meaning for consumers (e.g. Dobers and Strannegård, 2005a; Schaefer and Crane, 2005; Dolan, 2002). Retailers should make these products meaningful for consumers (Connolly and Prothero, 2003; Prothero and Fitchett, 2000) so that it make sense to consumers and fit into their lives and their practices.

Green as Brand

Retailers are looking to create a positive impression on the consumer's mind about their brand. Environmentally sustainable products can enable organisations to differentiate their offerings from that of competitors (McEachern and McClean, 2002; Dosi and Moretto, 2001). This kind of environmental responsibility can foster a positive corporate image and provide points of differentiation to the organisation (Carlson et al., 1996; Morris et al., 1995). Retailers need to influence the purchase interest and actions of customers towards green products. Hence they require green in-store communication that should be informative and persuasive enough in deriving the desirable targeted business outcomes. The advertising claims such as "eco-friendly" and "biodegradable" are the common terms available in the market but its effectiveness in convincing green purchase action is still insignificant (Peattie, 2001). It is very important that the performance-based environmental claims must be verifiable so that these claims appear to be creditable to customers. For example, disposable diapers may be environmentally friendlier than the cloth alternative in regard to water usage but disposable diapers are more damaging to the environment if production and wastage issues are considered (Clift and Wright, 2000; Paulos, 1998). Greenwash or an act of misleading customers with non-credible environmental claims have made customers suspicious of their environmental claims (Polonsky et al., 2002; Davis, 1993). It is important that communication regarding environmental sustainability clearly canvass the scope and limits of such claims (Kaberger, 2003; Roarty, 1997).

The price of environmentally sustainable products tends to be substantially greater than for comparable products that do not make environmental claims. Higher prices may have negative impact on the demand of these products. Customers are ready to pay premium prices only when they are convinced about the benefits of purchasing environmentally sustainable products and it outweigh the costs of such purchases (Laroche et al., 2001). Consequently, the market for green products is in its infancy and seems to be growing at a slow pace (Paulos, 1998; McEachern and McClean, 2002). Many organizations are going with “wait-and-watch” approach for offering environmentally friendly products as an extension to their traditional range owing to low and uncertain demand. For many organizations like small-to-medium scale enterprises, the introduction, implementation and monitoring of environmentally sustainable standards seems to be difficult and beyond their resource capabilities. For example, the implementation of reverse logistic systems to manage waste streams is often beyond the financial resources of even many large organizations (Beamon, 1999; Clift and Wright, 2000; Peattie, 2001).

Green Supply Chain

The concept of a Green Supply Chain is gaining interest among retailers as it plays an important role in the productivity and profitability of the retailer. This would raise the benchmark for the operating standards, practices and performance across the supply chain. Retailer need to look for a fine balance between upstream and downstream activities by incorporating environmental criteria. They need to have to relook at their purchase policies and integrate the suppliers in convincing them to adopt for the green practices. Hence, in order to transform the supply chain into an environmental or green supply chain, Srivastava (2007) suggests that there is need to integrate environmental thinking into product design, raw material selection, sourcing and supplier selection and the delivery to its end-users as well as into return management. In line with this, Braungart et al. (2007) proposed cradle-to-cradle approach, which is also known as life cycle assessment. This technique assesses each and every impact of all stages of a process from raw materials to materials processing, manufacturing, distribution, repair and maintenance and disposal or recycling (USEPA, 2010). While green initiatives can lead to better supply chain efficiencies, the key to extracting business value lies in establishing a long-term green strategy that is aligned with corporate strategy and approached top-down with strong sponsorship.

Most of the businesses have acknowledged the fact that green supply chain initiatives are very important to their companies' futures. The aim

of having greener supply chains is to achieve a sustainable competitive advantage for all parties involved. The social and political concerns relating to environmental issues have motivated manufacturing firms to “green” their supply chains (Van Hoek, 1999). These green manufacturing firms are trying to create networks of suppliers or subcontractors, who purchase environmentally superior products and adapt to eco-friendly practices like waste reduction and operational efficiencies (Zhu and Cote, 2004). In addition to this, these firms encourage their supply chain partners to develop an environmental management system (EMS) consistent with the ISO 14000 standards and to obtain the ISO 14001 certification so as to have regulatory compliance of their business practices. This leads to value creation by collaborative supply chains benefiting all parties involved (Horvath, 2001).

Green Buildings

The concept of green building builds upon the model of minimal disturbance to landscapes and site condition, use of non-toxic recycled and environmental friendly building materials and renewable energy. In the US, green building accounts approximately about 2% in 2005 of the new non-residential building market, 12% in 2008; and is expected to grow to 28%-35% in 2010. The estimates for green residential buildings are even lesser, at 0.3% of the market. But this trend is likely to grow due to high consumer confidence and a growth in the number of green builders. After the US, Australia and Canada, India has also emerged as the hottest destination for green buildings. According to Indian Green Building Council (IGBC), the concept of green building is gaining momentum in India and has grown at a strong pace where in 2001 there was 1 green building with 20,000 sq. ft. and by 2013 this had grown to about 2,236 green buildings with 1.65 billion sq. ft. depicting swift growth. This kind of growth of green construction is mostly observed in commercial, corporate (Special Economic Zones), and industrial buildings belonging to both public and private sectors.

The benefits of green building are targeted towards the environmental, economic and health and community benefits. The environmental benefits could improve and protect ecosystems and biodiversity. Better design and building practices can help in addressing environmental challenges such as natural resource depletion, air, water, and soil pollution and safeguard natural resources. These buildings use a number of techniques to improve water quality and availability. These techniques can help in reducing water usage and on-site filtering of storm water.

The wastages can be reduced through better product design, recycling, and the re-use of materials. It results in reductions in both raw material usage and associated environmental impacts along with reduced cost to the private sector and local governments in disposing of these materials. The economic benefits can be assessed by reduction in the operating costs, reducing the amount of energy used to light, cool and operate buildings and their appliances, enhancing asset value and profits and optimize life cycle economic performance. The use of advanced energy-saving technologies in buildings can benefit the community in enormous reductions in demand for fossil fuels and emissions of greenhouse gases. Green building can also help achieve gains in human health and prosperity. It can improve upon occupant's comfort and health, minimize strain on local infrastructure and contribute towards the improvement in the quality of life. This trend is widely taking off by the hospitality and retail industries, says McGraw Hill in a new study. According to this study, retail owners of green building are having their projects rose to 38 percent, up from 18 percent in 2011 and expected to expand further to 52 percent by 2015. Retailers are accepting the fact that the energy efficient designs of sustainable constructed buildings have cost-savings potential and are no more very expensive. Along with the architects, store planners and visual merchandisers are also turning to green solutions to satisfy both environmentally aware retailers and their knowledgeable shoppers.

Green Energy

The retail sector is one of the largest consumers of energy and uses ample of energy for lighting, display and merchandising in addition to the cooling and heating of the store that adds to the energy consumption. Green retailer can have first mover advantages by adopting practices of recycling, labeling, store design, energy management and promotion and reward. Many prominent players of retail have started working on these lines. JC Penney was first to attain the Energy Star for a retail store thereby reducing the carbon footprint of its operation. Khol's Department store is also known for the Energy Star for superior energy performance for over 160 stores. Walmart's is also known for its green initiatives. It is experimenting with Green Buildings and Zero Waste Programs across the globe and implementing technologies to reduce its carbon footprint. Currently Toys R Us is going to install Largest Rooftop Solar Power System in North America and estimated to generate 72 percent of its electricity requirement. It has collaborated with Constellation Energy to build, own and maintain the rooftop solar power system and Toys R Us will purchase the electricity generated by the system from Constellation

Energy through a 20-year power purchase agreement. Other tangible benefits include like reducing the energy consumption like US retailer Food Lion has reduced its consumption by over 25 percent and Kroger's greenest store in Ohio has resulted in a reduction of utility costs of around 80 percent.

Retailers have a challenge to lessen the amount of carbon they create. Generally grocery retailers consume large amounts of energy, are large space users, and have opportunity to develop "green" products. The next major group has been the department store sector. They are also large space users, but are not generally as energy intensive as the grocery sector. Other big box stores have followed. The home improvement segment has a particularly large role to play since the products influence consumer buying decisions and the ability to reduce their personal footprint in their own homes. It has been found that many retailers are pursuing environmental sustainability programs as it has been ingrained in the culture of the company and the philosophies of the founders. For example, Wal-Mart's CEO, Lee Scott, became convinced that adopting sustainable practices was the socially responsible thing to do, as well as an outstanding opportunity to reduce operating costs and increase Wal-Mart's competitive edge. Many retailers are using various Standards and Certification as a guide for environmental practices. Some of International or National Standards include Carbon Trust, United Nations Global Compact, Kyoto Credits, Ethical Stock Indices, ISO 14000, SA8000 and may more. It is not easy to convert conventional stores to eco-friendly stores. Building an eco-friendly brand also does not happen overnight. Huge investments are required for setting up renewable options in addition to time and efforts. Apart from this, in-store staff needs to be made conscious of wastage reduction and recycling options. Successful implementation of green practices requires a holistic approach and collaboration at all stakeholders along the retail value chain.

Green Atmospheric

The retail store atmospherics is a display of tangible elements with intangible dispositions interwoven into a web of meanings (Markin, Lillis, and Narayanan, 1976) that impacts the footfall of the store and influence on consumer buying decision. It refers to aesthetics and ambience of the store like color, décor, music, light, fragrance, displays and store front that reflect the store atmosphere and play an important role in shoppers' perception and evaluation of the store (Dabija, Băbuț, 2012: 168). In other words, it is a combination of all physical designs,

social ambience (Grewal and Baker, 1994), emotional cues, olfactory and tactile characteristics (Spangenberg, Gorhamm, and Sprott, 2005) that influences the consumers' subjective interaction with the environmental stimuli. Many studies have examined the atmospheric effect on shopping behavior (Kotler, 1973; Areni, Kim, 1994; Herrington, Capella 1996; Turley, Milliman, 2000) and have suggested that the stores that have pleasant and moderately arousing atmospheres are likely to contribute positively to the overall favorableness of the store and affect buyer behavior (Chebat, Sirgy, 2010). Gardner and Siomkos (1990) suggested that store atmospherics such as lighting, layout, displays, colors, textures, sounds, fixtures and fragrance affect consumer product perception. The environmental cues not only help in crafting positive store image but also speak about the identity of the store's clientele and act as signals of quality and value to other customers (Sirgy, Grewal, and Manglebury, 2000).

Ambient scent and product class have significant impact on store image (Mitchell et al. 2000). The tactile factors can potentially alter emotional experiences that may be stimulus seeking such as anxiety, lack of interest, foul mood and uneasiness in a public place (Grossbart et al., 1990). Green retailers can make use of green cues of their respective environments to influence consumer behavior, as are their non-green counterparts. Many manufacturers have realized the fact that customers place greater value on the manufacturer's green claims and patronize those retailers who support these green initiatives into their business strategies. Customers often complain about the lack of knowledge about the green products, their authenticity, and their availability at retail stores. Retailers should allocate their funds into areas where they believe their customers will appreciate green attributes and also in green communication. Also the retailer should invest in green interior environment that helps the customers to answer their queries like whether the product is certified through a third-party, is it sustainable or can it be recycled or biodegradable.

Green Consumer Buying Behavior

Understanding of green consumer behavior is important for environmental and business reasons. Green purchase behaviour is one of the pro-environmental behaviours that refers to the purchasing and consuming products that have minimal impacts on environment (Mainieri, Barnett, Valdero, Unipan and Oskamp, 1997). Consumers green buying behavior can influence the policymaking process on

environmental matters. Environmental behavior might be different from other types of consumer behaviors in terms of the underlying motivations (McCarty and Shrum 2001; Thøgersen 1996). Borden and Schettino (1979) pioneered the study of environmental responsible behavior by assessing the relationship between attitude and behavior. Axelrod and Lehman (1993) examined the attributes that guide individual action and defined environmentally concern behavior as individuals engaging in environmental conservation efforts. Moreover, Kollmuss and Agyeman (2002) regarded pro-environmental behavior as individuals acting to minimize environmental impact. Additionally, Stern (2000) developed the concept of environmentally significant behavior, which refers to individuals acting to improve the environment.

Another factor that is important to environmental research is an individual's concern for the environment (Hines et al. 1987). This phenomenon refers to an individual's general orientation toward the environment and an individual's concern level as to environmental issues has been found to be a useful predictor of environmentally conscious behavior ranging from recycling behavior (Arbuthnot and Ligg 1975; Kellgren and Wood 1986; Simmons and Widmar 1990) to green buying behavior (Chan 1996; Donaton and Fitzgerald 1992; Kerr 1990; Ottman 1993; Schlossberg 1992). Generally, the purchase of a particular product or service is driven by an assessment of the benefits that would accrue directly and immediately to the individual or household, relative to the assessment of costs. Unlike most consumer behaviors, however, the benefits that accrue from environmental behavior (e.g. cleaner environment) are future-oriented and unlikely to belong to only the person performing the behavior. Even the behavior often entails additional sacrifices. Therefore, it is likely that basic value orientations consumers hold with respect to interactions with others will influence environmentally conscious behaviors (McCarty and Shrum 2001).

Kahle (1996) claimed that values are shaped by means of people's experiences and learning process. People who behave in environmentally responsible they express their value of respect towards nature by maintaining a positive outlook towards buying ecological products, recycling and taking part in activities for the environmental protection. Some researchers have found positive relationships between values and lifestyles and ecological behaviour. There is lot of research done on non-consumption and post consumption behaviors such as recycling and energy conservation (Follows and Jobber, 2000; Lee, 2009). This kind of self restrain is called curtailment behaviors that has furthered

given a scope to understand green consumer behavior. People often view and pay attention to the environmental problems and to explore the new “attitudinal goals” associated with the environment (Dunlap et al.,2000). Theory of Reasoned Action (Fishbein and Ajzen, 1975) discusses the attitude-behaviour relationship whereas Ajzen (1991) extended the theory of Reasoned Action and proposed the Theory of Planned Behaviour by adding the construct of perceived behavioural control to explain the behavioural intention and actual behaviour. Both these theories have been used extensively in environmental behavioural studies. Factors like altruism, empathy, and pro-social behavior are other important parameters for analyzing pro-environmental behavior. Environmental attitude is also another important parameter that is defined as “the collection of beliefs, affect, and behavioural intentions a person holds regarding environmentally related activities or issues”. The terms of environmental attitude and environmental concern have been used interchangeably in many studies (Dunlap and Jones, 2002). However, some of the studies have differentiated them (Stern and Dietz, 1994; Schultz et al., 2004). Perceived Consumer Effectiveness (PCE) was first described by Kinnear as a measure of an individual belief that he or she can have an effect on environmental issues and was named as locus of control in some studies. Among the top 10 predictors of environmentally conscious behavior, PCE was found to be the best to predict ecological attitude (Kinnear et al., 1974) and resulted in ecologically conscious consumption and ecological responsible consumption patterns such as energy saving and purchase of non-polluting products (Tan,2011).

IMPLICATIONS

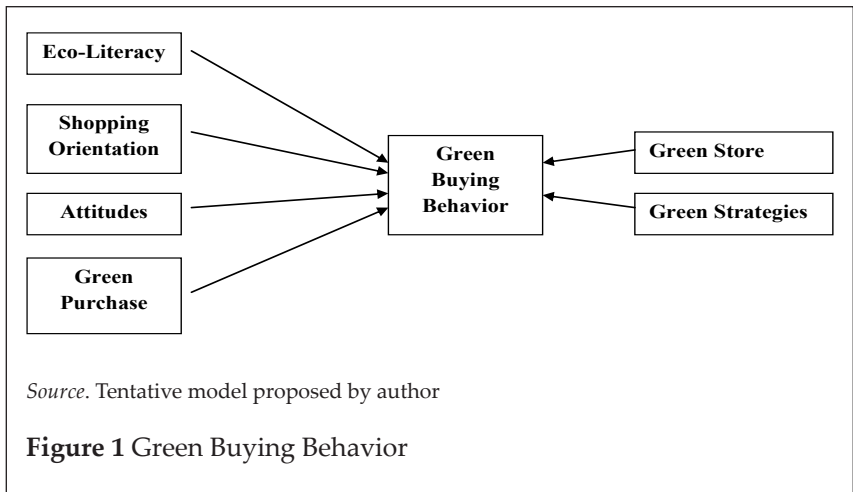
Retail industry plays an important role in leading production, promoting consumption and enlarging employment to promote the economic and social development. It is an activity that brings demand and supply together and links the production in the upstream to consumption in the downstream. With growing environmental commitment among customers, people are becoming fond of nature, adopting new habits and customs that stress on ecological aspects and respect towards the environment. They are showing their concern for the environment that is influencing their buying decisions. This trend is putting considerable onus on retailers to identify expected environmental behavior of producers, customers and governments that are required for environmental management. This would help them in formulating strategies for the promotion of green growth and showcasing their green image. Green

growth at retailer's end can be achieved through enhancing productivity, reducing waste and energy consumption, being open for innovations, creating new products by stimulating demand for green technologies, goods, and services.

Green growth strategies look forward to greener behavior by firms and consumers, still many companies are debating whether it pays to be green or not. The initiatives of reduced packaging or shrinking detergent bottles may help in cutting costs for packaging and reduce fuel costs. But all these efforts require substantial initial investments and sometimes even changes in manufacturing processes by suppliers. It can improve margins but at the cost of huge investment where ROI is long term. Sometimes, companies find it difficult to link the benefit of socially responsible policies to the bottom line of company. So they are unable to account this social goodwill on the balance sheet. With such background, can environmental sustainability be the top priority for the modern retail sector? Retailers need to decide on whether they can exploit environmental issues as potential opportunities for offering green products and building green image in the minds of customers. Is it possible for retailers to serve as strategic touch points to offer green products and thereby help in greening consumption? Is it possible for the retailer to leverage its green image in differentiating their offerings from those of competitors? So, retailers need to find and categorize green consumers, develop offerings that cater to the demand of this segment and communicate the benefits of green approach effectively. Most of time green products are used as symbolic resources in the construct of consumer identities, consumption communities and consumption experiences. Hence environmentally sustainable products can demand for premium pricing and green retailers can influence the purchase interest and actions of consumers towards the green products. Successful implementation of green practices requires a holistic approach and collaboration of all the stakeholders along the value chain of retailing. Building an eco-friendly brand also does not happen overnight and it is not easy to convert conventional stores to eco-friendly stores. Huge investments are required for setting renewable options in addition to time efforts. There is also a need to sensitize the in-store staff to be conscious of wastage reduction and recycling options. Green retailers can make use of green cues of their respective environments to influence consumer behavior, as are their non-green counterparts. They have realized the fact that customers place greater value on the manufacturer's green claims and patronage those retailers who support these green initiatives into their business strategies.

FRAMEWORK FOR GREEN BUYING BEHAVIOR IN RETAIL SETTINGS

There is a need to find the determinants of green purchase behavior under the retail settings so that the retailers can develop effective communication messages that can derive green purchase commitments from the customers. The impact and effects of environmental knowledge, environmental threat and perceived consumer effectiveness in motivating and engaging in pro-environmental behavior have been explored in the past, but they have not been tested together in the context of green purchase behavior in India and that too with the retail settings. There is lack of literature that explores the impact of green atmospheric on consumer buying behavior and how the green initiatives taken up by the retailers are been perceived by various consumer segments. So to fill this gap, following model has been proposed by author to ascertain the impact of green store image of the retailers on green buying of customers along with the eco-literacy, shopping orientation, and attitude and purchase intention.



The impact and effects of environmental knowledge, environmental threat and perceived consumer effectiveness, environmental concern, feeling the sense of responsibility for the environment, perception on eco-labels, eco-brand and green advertising, role of perceived effectiveness and environmental dynamism add to the eco-literacy of the customers. Shopping orientations involves customer activities, interests, and opinions about the shopping process. It includes values, subjective norm, past experience, willingness to pay more for green products which has

important impact towards the green buying behavior. Environmental attitudes discusses about the set of beliefs, interests or rules that influence pro-environmental action. It depends upon the environmental attitude, recycling, prosocial and altruistic attitude. The green purchase intention of the customer depends upon motivation, perception, knowledge, belief, and confidence, cognitive and affective. Along with customer parameters, store environment has great influence over the buying behavior. Various studies have confirmed that most of the brands get substituted inside the store. So, the green image of the retailers depends upon the green environmental cues, green communication, green promotion and In-store communication.

CONCLUSION

The current rapid growth in the economy and the patterns of consumers' consumption and behavior worldwide are the main cause of environmental deterioration. As the environment continues to worsen, it has become a persistent public concern in the developed countries and is percolating to developing countries. Hence it is important to understand the relationship between attitude towards the environment and green products from the customers as well as retailers point of view. With an objective of promoting green products, these products should be made easily available at the convenient location of the retail sites. Also, they need to undertake green integrated marketing communication to motivate the customers for the adoption of green products. The role of green in-store communication is very important and it should be informative and persuasive enough in deriving the desirable targeted business outcomes. Green retailer can have first mover advantages by adopting practices of recycling, labeling, store design, energy management and promotion and reward. Indian retailers should take advantage of the changing trends in the retail industry and with the adoption of best greener practices can face the challenges of an increasingly globalized and competitive marketplace (Prasad, Tapsall, & Simla, 2014).

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