



## Branding sustainability: Opportunity and risk behind a brand-based approach to sustainable markets<sup>\*</sup>

Matthias Lehner and Sue Vaux Halliday

In this article we discuss the role of brands in the creation of sustainable markets. We focus on the increasing importance of ethical branding and how it might help to overcome some institutional shortcomings inherent in current market settings. We also discuss the increasing influence of brand communities and the seeming potential for a ‘democratisation’ of brand value and values. Brands are in this article described as one practical and effective way forward to develop the market for sustainable products further. We illustrate this from examples of food retailing, showing how companies have already started to follow this logic. At the same time this article raises doubts over the long-term effectiveness of a (purely) brand-focused approach to sustainable market exchange. On the one hand we claim that brands have proven receptive to public top-down (i.e. policy makers) and bottom-up (i.e. social movements) pressure. For intensive public scrutiny has resulted in markets developing in line with public interests. Yet, on the other hand, we raise concerns over brands’ increasing dominance. Dominance, that is, over the exchange process of sustainable products and services; also over the societal discourse in which sustainability is continuously made sense of. We conclude with the attempt to provide a more nuanced view on brands. We acknowledge their effectiveness in ‘bringing sustainable markets to life’, but also stress the risk of brands achieving discursive dominance over the (democratically legitimized) public debate. For this undermines societal efforts to ‘green’ markets.

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## The need for sustainable market exchange

Introducing sustainability as a core value and practice in business is said to be one of society's most promising means for safeguarding natural resources and eco-systems. This has led to much interest in how to integrate sustainability into the market-economic system. This view is expressed in the European Commission's (2008) *Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan*, which aims at combining the benefits of economic activity with the principle of sustainable development. It puts responsibility for sustainable consumption and production (SCP) mostly on the shoulders of the two main actors in the market, the consumer and the firm, an approach that strongly relies on market demand (Seyfang, 2005). The European Commission (2011) depicts Corporate Social Responsibility (CSR) as a key tool to achieve SCP, which, it is hoped, will render the innovative potential and market power of individual firms a tool for more sustainable consumption patterns. The problem with this idea, however, is that firms operate in a market setting that does not encourage this kind of behaviour. Given the existing 'rules of the game' (i.e. the institutional market setup), promoting sustainability might well be anticipated to be tricky and unprofitable for a firm. The question this raises is whether policy makers will have to intervene in the market in order to push it towards desired levels of sustainability, or is there a possibility that market actors themselves can develop towards SCP simply due to the pressing necessity to do so?

In this article we discuss the increasingly important role for brands to act as informal institutional arrangements that allow businesses to engage with sustainability. We look at the example of retail brands and their at least partial success in bringing sustainability to the market. We then discuss how this development entails both opportunity and risk for the overall development of the market. Situating our discussion in the context of notions of value co-creation, we reflect upon how the relationship between brands and sustainability can lead to promising alliances between business and consumers and make consumption more sustainable. We finally note the dilemma this approach entails, which derives from the corporate ownership of brands. In the end, we establish a nuanced view on brands, which we believe helps to understand one possible function of brands as 'carriers of sustainability'.

## Branding sustainability

Brands, Akerlof (1970) notes, are company owned quality assurance schemes, and a means to both reduce information asymmetry and build trust. They therefore possess potential to be the foundation for further market growth for

sustainable products and services, as they offer a way for corporations to ‘harness’ gains from investments in the development of this market in terms of brand value and customer loyalty, and so to internalize some of the positive externalities<sup>2</sup> from market development work. Together with another informal market institution – 3<sup>rd</sup> party labelling – brands have played a prominent role in the successful establishment of a market for sustainable products and services. During the last decade or so, sustainability-oriented brands, supported by 3<sup>rd</sup> party labels, have proliferated. The exchange around these brands, and the stepwise familiarisation of consumers with them, has established a meeting place for consumers interested in sustainable product offerings and firms willing and able to offer these products at a price premium.

This development must be praised for two achievements in respect to the shortcomings of the current setup of formal market institutions. First, the existence of brands, supported by 3<sup>rd</sup> party labels, allows consumers searching for specific sustainable product offerings to make seemingly easy and safe choices (Kooos, 2011). Brands thus help to overcome the information asymmetry Akerlof (1970) blames for the non-existence of markets for certain product qualities (here: sustainability). Second, brands are a tool well-suited for business to engage with sustainability as they allow firms to ‘occupy’ a certain sustainable cause. This results in (some) internalization of the positive externalities a market actor creates when actively promoting the development (both in size and scope) of markets for sustainable products and services.

Brands, one could argue, are not only the prerequisite for SCP as a business-led strategy, but are also among the most practicable approaches to achieve SCP. In a market where institutional shortcomings hinder the development of sustainable products and services, brands offer an alternative institutional arrangement to establish the trust between consumer and producer necessary for the market to thrive. Brands, therefore, can provide an effective tool for market actors to explore new ways to satisfy unmet demand and actively develop the market.

### **The prevalent scepticism towards brands**

The proposition that brands are becoming a (or even *the*) major driving force behind SCP and thereby decentre the historically strong social movements rings

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2 With ‘positive market externalities’ we refer to corporate efforts to support the cause of sustainable consumption and production – through information campaigns, product development, supply-chain efforts, etc. – that result in the market at large becoming more sustainable while the company behind this effort can gain no or little individual benefit from this effort.

alarm bells in many SCP advocates' ears (Thompson and Coskuner-Balli, 2007). Marketing is often criticised for being a primary cause of the very overproduction that promotes unsustainability. Marketing is pictured as a tool to brainwash consumers and so having a negative effect both on society and the individual. It has been challenged for its contribution to the deterioration of our natural environment. It is blamed for over-consumption and said to mostly exist to create artificial wants among consumers (Kilbourne, McDonagh and Prothero, 1997). Marketing, in sum, is perceived as the primary driver of over-consumption (van Dam and Apeldoorn, 1996). As Alvesson and Willmott (1996: 21) note, '[f]rom a critical perspective the discourses and practices of marketing ... are seen to be as much a propagator and seducer of consumer desire as they are an articulation of, or response to, human need' It is further claimed that marketing aims to 'encourage the fulfilment of sociocultural needs through consumption of new goods' (Schaefer and Crane, 2005: 88). Kilbourne et al. (1997: 5) describe marketing's main objective as to encourage a development 'from consuming to live into living to consume'. To keep consumption levels rising, marketers primarily work on the commodification of life in which an imperious market absorbs traditionally nonmarket areas of life. Marketing, it is claimed, wrongly equates increasing consumption levels with increasing quality of life and promotes this view to society, while rarely questioning the implications of this ideal. Marketing, seen through this lens, thereby perpetuates the ideology of consumerism and over-consumption, with all its negative environmental and social consequences. Motivated by fear of the direction and power of marketing, the WWF has critiqued advertising and the (negative) potential brands offer for firms to both 'cover' unsustainable behaviour and shape consumer culture to produce ever-higher consumption levels (Alexander, Crompton and Shrubsole, 2011). Alexander et al. (2011) therefore suggest that the only viable solution to this abuse of market power lies in more civil society activity, while marketing needs to be prevented from unleashing its negative impact by curtailing its pervasiveness in society. Moisander, Markkula and Eräranta (2010) argue in a similar manner by stating that the agency of individual consumers in sustainable consumption receives too much attention while, in fact, individuals' choices and actions are shaped to a great extent by business activities. They state that '[m]arketing activities typically involve the exercise of power on consumers through various techniques and practices of *government*' (Moisander et al., 2010: 74; italics in original). By 'structuring [people's] possible field of action to generate sales' (*ibid.*) marketing co-opts the sustainability idea to generate profits. Brands are, in this context, depicted as refinement of this attempt and therefore act to undermine the ideals of sustainability. Holt (2002: 88) states that '[b]rands now cause trouble, not because they dictate tastes, but because they allow companies to dodge civic obligations'. He also claims that many 'brands seem so

disconnected from, and often contrary to, the material actions of the companies that own them' (Holt, 2002: 88).

From this angle the recent trend of corporations making sustainable causes part of their brand identity is criticised for divorcing social movements such as organic agriculture from their original values and meaning and assimilating them into the market economic system (Niggli, 2005; Reuter, 2002; Thompson and Coskuner-Balli, 2007). This undermines societal efforts to promote sustainability. Proponents of sustainability cast in a negative light the development of mainstream brands starting to 'occupy' the previously mostly independently managed niches of sustainable consumption and production (e.g. organic agriculture, Fairtrade, local consumption), whereby sustainable causes turn into a feature of the brand. The price, it is claimed, that a democratic society pays for the finesse and 'buzz' that brands add to acts of sustainable consumption is no less than control over the overall meaning of sustainability.

### **Putting the consumer in charge of brand values**

Despite the above-illustrated scepticism towards corporate marketing and branding it is often claimed that not less, but more business engagement will be necessary to achieve sustainable markets (cf. Ottman, Stafford and Hartman, 2006; Peattie and Crane, 2005). This is a reaction to the puzzling disparity between claimed consumer concern for sustainability and the size of the existing market (Carrington, Neville and Whitwell, 2010; Chatzidakis, Hibbert and Smith, 2007). What has been termed the 'value-action gap' (or: 'attitude-behaviour gap') persists in most markets where sustainable product alternatives are available and sustainability-oriented products and services remain niches (Thøgersen, 2010; Reynolds, 2009). In order to bridge the gap between claimed concern and actual consumer behaviour it is claimed that more not less marketing is required, with brands as the centre-piece of such efforts. These brands need to intimately connect to consumers' lives and thereby find ways to embed sustainability into individuals' consumption in meaningful and seemingly natural ways (Ottman, Stafford and Hartman, 2006). Ideally, brands here become a tool to integrate sustainability into consumption in ways that provide consumers with emotional and social wellbeing and seamlessly fit into the post-modern consumer's identity-creation project (cf. Arvidsson, 2005; 2008).

This view resonates well with a new stream of ideas on how to view the relationship between companies, the consumer and society at large that has gained popularity in the marketing literature in recent years. It redefines the

predominant idea of how and where value is created (Arvidsson, 2011), and promotes a view in which value-creation has over the last century or so moved from the production line (in the post-Second world war thrift economy), to the marketing department (in the recent needs-creation and consumption-perpetuating overflow economy) to now end up with the consumer (in the global, highly competitive and connected economy of today). The company here turns into a service-provider rather than a seller of goods, with its main objective to facilitate consumers' attempts to create value for themselves and manage to live a good life in an increasingly complex world (Vargo and Lusch, 2004). Competitive advantage for a firm is not so much connected to the control of resources, but the ability to apply skills and knowledge in a way that makes most sense in a consumer's emotional and social life. Central to this idea is the 'value in use' concept, which locates the value creation process not in the production process of a product or the moment of exchange but the moment(s) of usage in a consumer's daily life. As Vargo and Lusch (2004: 7) explain, 'firms can only make value propositions', while the value definition happens in the context of consumption, somewhat detached from the firm's sphere of influence. This is a highly subjective process of value creation with differing outcomes for each consumer. For a firm to successfully adopt this ideal, it is argued that the cultivation of a relationship in which customers participate in the development of customized offers is crucial. To achieve this, the firm has to accept that it does not have total control over its strategy and goals and so be willing to leave it to the consumer to decide the brand meaning for themselves (Vargo and Lusch, 2004). This form of value-creation, which is commonly referred to as 'value co-creation', therefore describes a seemingly chaotic and uncontrolled – one might argue 'postmodern' (cf. Brown, 1993) – process of value-creation which takes place in consumers' daily lives – their buzzing and vibrant social networks – rather than the market as primary site of value definition (Zwick, Bonsu and Darmody, 2008). The value co-creation ideal makes the boundaries of the firm less clearly defined, it is claimed, with customers and their communities having much greater influence on the overall strategy of a firm (Leavy and Moitra, 2006). Value creation more and more becomes the result of processes happening within groups of consumers under the influence of the wider societal discourse. In Zwick et al.'s (2008: 174) words, the company turns into 'a facilitator of social communication and co-operation'. Through the sharing of the firm's superior knowledge and abilities and offering it to the customer for customization within various settings and social networks the final decision how to best use the company's resources to create value is outsourced to the social world of consumers (*ibid.*). Maffesoli (1996) calls these groups 'neo-tribes', which Cova and Cova (2002: 602) describe as 'network of heterogeneous persons ... who are linked by a shared passion or emotion; a tribe is capable of collective action, its

members are not simple consumers, they are also advocates'. 'Value in use' is therefore defined by how well an offering fits the living situation an individual consumer finds herself in, not least influenced by the social communities she is embedded into. The strong relational aspect of value co-creation connects with the fact that valuing, or giving worth, is a community endeavour and based on prior assumptions largely shared in groups (Foxall, Goldsmith and Brown, 1998). People are social beings whose attributes and actions are conditioned by their location within networks.

### **Brands as platforms for collective efforts and social engagement**

'People ... might bowl alone, but they socialize around brands and fan culture', is how Arvidsson (2008: 327) describes the increasingly social and collective nature of brands. Almost 20 years ago Holt (1995) understood that consumption increasingly focuses on brands and today, more than ever, individuals use brands in their self-identification and group identification process (Halliday and Kuenzel, 2008). Brands are increasingly understood as symbols available for individuals to appropriate in constructing their selves 'from a kaleidoscope of social meanings that define the 'who' I can be ... [using] the resources of culture and society' (Anderson and Schoening, 1996: 214). In a consumer culture, the quest for personal meaning has tended to become inseparably linked to brands (Fournier, 1998; Halliday and Kuenzel, 2008; Holt, 1995; McAlexander, Schouten and Koenig, 2002). These connections between consumers and brand messages are, in today's fragmented social order, claimed to be less the result of 'marketer-provoked social manipulation' and more individually owned development of 'differentiated selves' (Arnould, 2007: 102). Consumers are no longer perceived as on the receiving end of the branding process, but rather as 'active agents in the creation of ... linking value' (Cova and Dalli, 2010: 17), and they will more and more 'lock out all but a minuscule subset of the sponsored world' (Holt, 2002: 88). This development is seen as a consequence of the 'increasingly cynical attitude toward all forms of overt marketing and advertising assaults (Frank, 1999; 2000)' (Zwick et al., 2008: 171). Holt (2002: 88) explains that '[the] proliferation of narrowly focused consumption communities, regardless of their particular content, can be understood as a defensive posture toward consumer culture'. Holt (2002), in his dialectical theory of consumers and branding, concludes that '[r]esisting the market's cultural authority in order to enact localized meanings and identities produces a new consumer culture in which identity projects are aligned with acts of consumer sovereignty' (p. 79). Prahalad and Ramaswamy state that:

[d]ialogue is no longer being controlled by corporations. Individual consumers can address and learn about business either on their own or through the collective knowledge of other customers. Consumers can now initiate dialogue. (Prahalad and Ramaswamy, 2000: 80)

According to Holt (2002), we are entering a crisis of meaningless marketing where brands perceived as artificial will find it difficult to remain successful. At the same time, those brands that manage to appear genuine and meaningful will gain unprecedented levels of importance. O'Guinn and Muniz claim that,

[b]rand communities and other social aggregations of empowered consumers are not going away. In fact society's need for trust and security have rarely been more profound. (O'Guinn and Muniz, 2005: 270)

This changes the logic according to which brand-owners have to engage with consumers. Arvidsson (2008: 334) writes that '[t]he basis of power is the ability to create community – making people feel that they belong to something greater, nobler, and more powerful than themselves'. In the future, corporate brands will increasingly have to not only live up to consumer preferences but also give a feeling of societal meaningfulness to succeed.

Shared values between consumers and the firms they trust have a motivational or aspirational role in individual and corporate lives, 'they keep the transactions together as a relationship entity' (De Ruyter et al., 1997: 303). By letting a brand be shaped by the values of its brand community and credibly pursuing these values, it is assumed that lasting relationships can be built for which brand communities are willing to lend their loyalty to the brand. 'The perception of shared values ... may play a role in the development and maintenance of trust by providing a firmer basis for deciding to bestow (or reaffirm) trust' (Halliday and Christy, 2003: 9). The brand then becomes a platform on which common purpose and direction can be formed. Arvidsson (2011: 268) claims 'the most important source of value in brand communities are those practices that are able to install affectively significant relations among members of the community, and between the community and the public at large'. The most valuable brands are those generating 'ethical surplus' for the community or society at large. With ethical surplus he refers to value 'produced by ethics, or by the ability to install affectively significant relations' (Arvidsson, 2011: 273). This ethical surplus is the result of what the members of a community together define as their values.

The future this logic depicts is one of brands capturing communities' concerns and ethical preferences and translating them into market offerings. In a world significantly influenced by discourses about the dangers of climate change, the risk of biodiversity loss and the need for clean water and a cautious use of non-renewable resources, brands should therefore increasingly be influenced by

ideals of sustainability. In such a scenario, ultimately the collective of ethically oriented brands operating successfully in a market will then in its totality represent ever more closely the multitude of societal concerns and find market solutions to the problems raised in respect to sustainability. A prerequisite for this is of course that the societal discourse surrounding sustainability influences consumer attitudes sufficiently to seek brands that help them to incorporate these values into their identity-creation project and connect to others with similar concerns. Despite the above-mentioned lack of consumer action, numerous studies repeatedly pointing at an increasing consumer consciousness concerning sustainability (see, for example, European Commission, 2009, for a collection of survey data; cf. also Prothero, McDonagh and Dobscha, 2010) provide evidence that this scenario is not unreasonable.

This discussion surrounding identity creation through brands, collective value co-creation and the increasing role of sustainability in society clearly counters the fear of marketing in general, and branding in particular, to fool consumers and lead to ever increasing levels of raw-material consumption and waste creation. The fears raised earlier in this paper might therefore be, as Arnould (2007) claims, a backward-looking perspective to the metanarrative of modernity, which fits the 1960s a good deal better than today.

### **Sustainable branding in practice**

Over the last decade, many companies have shown increasing willingness to engage with SCP issues (Hughes, 2006). These efforts have often developed around brands. One prominent and highly visible example of this trend is the food retail industry, and today most major retail chains can point towards actions taken towards increased levels of sustainability on the markets they operate in. Observable efforts from retailers' brand-led sustainability work have been campaigns, product and service innovations, and co-operation with non-commercial (i.e. civil society, government agencies) and commercial partners (i.e. independent certification organisations, producers). Examples are elaborate origin tracing tools (e.g. 'Meet your farmer' at Marks & Spencer<sup>3</sup>), co-operation with NGOs to educate consumers and increase the availability of sustainable products (such as The Co-op UK's work with Fairtrade) or change behaviour (e.g. the 'Love Food, Hate Waste' campaign in the UK). Retailers have also proven willing to support sustainable trends and become a driving force behind a certain cause. In Sweden, Coop Nordic has pioneered a sustainable fish policy. Based on

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3 As one of only few retailers, Marks and Spencer was in early 2013 able to stand out by not being involved in the Europe-wide scandal of illegal horsemeat from drugged old horses finding its way into the food chain in many beef- and pork-labelled products.

co-operation with the WWF, Coop has delisted all red-listed fish, which has helped to change the entire retail industry with all major Swedish retailers following Coop's example. In Austria, Rewe International has started to use its well-known 'Ja! Natürlich' ('Yes! Naturally'; own translation) brand of organic food products to promote home gardening with the launch of organic seed and other gardening products, TV and radio spots, a blog, and the launch of (urban) gardening workshops. The 'Ja! Natürlich' brand is also used to create a positive image of organic farming in general, promotes holidays on organic farms and showcases Austria's national parks. In another example from Austria, the discounter Aldi in 2006 launched the 'Zurück zum Ursprung' brand ('Back to the origins'; own translation), which not only lives up to the legal standard for organic agriculture, but also exceeds it and establishes its very own higher brand-related standards. All 'Zurück zum Ursprung' product ingredients are exclusively sourced and processed in Austria (with elaborate source tracking possibilities for each product), the contracted farmers use 'traditional farming techniques' (e.g. only grass feed for milk cows, sour dough for bread production, no use of additives and no use of genetically modified organisms), and the brand supports small scale farming in alpine regions by providing better-than-average contract conditions for participating farmers including long-term co-operation and price premiums above normal (Lindenthal et al., 2010). The brand further invests considerable efforts into consumer education about the 'ecological footprint' concept, with every product containing information about its CO<sub>2</sub>, water, and biodiversity performance. With the 'Zurück zum Ursprung' brand, Aldi Austria reaches out to schools (education material about the ecological footprint is available for free) and concerned consumers (via social media). Some retailers have even engaged in political debates, informing the public and pushing politicians to take action. In the UK, The Co-op has long been a vocal supporter of the Fairtrade movement, engaging in the public debate for fair trade-practices between the rich and the poor world. In Austria, as a response to the pesticide and bee-protection debate in the EU and the Austrian government's initial decision to vote against the ban of the blamed 'nionicotinoids', the two retail giants Rewe (in Austria: Billa) and Aldi (in Austria: Hofer) joined the chorus of critics and outspokenly demanded more efforts to protect bee colonies. Billa aired a TV commercial vilifying the sellers of these pesticides and started to promote bee-friendly gardening. A similar 'brave' act had been performed by Coop Nordic in Sweden in 2002, who aired a TV commercial vilifying pesticides in general and arguing for the superiority of organic food. However, back then Coop Nordic was taken to court for this advertisement, which was eventually banned.

Many of these retailers have also developed their own sustainable 'super brands' to cover their activities under one brand name ('Pro Planet' at Rewe, 'Änglamark' 'Angels' land'; own translation at Coop Nordic) or created specific brands for a

specific cause (as witnessed in Austria, where the German retail chain Rewe has managed to make its own organic brand 'Ja! Natürlich' a synonym for organic agriculture (Vogl and Darnhofer, 2004)).

Many of these examples have received much public attention and are praised for their commitment and effectiveness. In England, Marks & Spencer was awarded 'Responsible Retailer of the Year 2011'<sup>4</sup> for its ambitious 'Plan A'<sup>5</sup> to make the company 'the world's most sustainable retailer'<sup>6</sup>. In Scandinavia, Coop Nordic has strongly linked its brand name with organic agriculture and been named 'Sweden's most sustainable brand' in both 2011 and 2012 by the Sustainable Brands survey (which surveyed 3000 Swedish households)<sup>7</sup>. The German retail giant Rewe was, in 2010, awarded the 'German Sustainability Award' in the categories 'most sustainable initiative' and 'most recycling-friendly company'<sup>8</sup>. In 2009, Aldi Austria was awarded the 'Austrian Climate Care Award' for the 'Zurück zum Ursprung' brand.<sup>9</sup> The Finnish market leader Kesko boasts of having been one of the 'Global 100 Most Sustainable Corporations in the World' since the index was initiated in 2005 (thus for eight consecutive years)<sup>10</sup>.

All these cases can be said to be examples of business using their brand names to pick up on, operationalize and internalize into the market societal concerns aired through the broader public debate (or small but dedicated groups of citizens promoting specific sustainable causes) and thus contributing to the overall societal goal of SCP. Further, these empirical observations illustrate the theoretical claim that branding possesses the potential to fulfil two essential aspects necessary for the success of SCP. First, it provides an informal institutional solution to the information asymmetry caused by existing formal institutional settings of the market. The trust brands are able to build between consumers and firms regarding the reliability of sustainable claims and therefore the justification of price premiums provides the basis for a market for sustainable products. Second, due to the property rights assigned to brands, they offer a means for firms to internalise positive externalities connected to the active development of the market for sustainable products, thereby encouraging them

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4 Oracle World Retail Awards

5 Marks & Spencer advertises this bold commitment with the slogan 'There is no Plan B'.

6 <http://plana.marksandspencer.com/about>

7 <http://www.sb-insight.com/companies-in-sustainable-brands-2013/ranking-2013/>

8 <http://www.rewe.de/nachhaltigkeit/listing/nachhaltigkeitspreis.html>

9 <http://www.klimaschutzpreis.at/start.asp?b=68&vid=95&id=79>

10 <http://www.kesko.fi/en/Responsibility/Topical/Kesko-on-The-Global-100-Most-Sustainable-Corporations-in-the-World-list/>.

to take the societally demanded active role in the promotion of SCP. This, one could argue, is an early sign of postmodern marketing dreams of co-creational and co-operational value-creation coming true, where private business (meditated through brands) picks up on societal concerns and develops market solutions. This supports the claim that markets indeed will be able to create answers to the sustainability debate without necessitating external interference (i.e. rules and regulations).

## Sustainable brands and public scrutiny

We have argued above that the food industry is showing signs of adopting a value co-creational approach to accommodate societal demands for more pro-active corporate behaviour and that brands have become retailers' favoured tool to introduce sustainable consumption into their customer interaction. We illustrated this claim with examples of big food retail brands that have invested considerable efforts into positioning their brands within the sustainability discourse.

These developments must of course be ascribed partly to the attention of civil society and policy-makers to the retailer role in the food supply-chain, and the resulting pressure. Because retailing has an increasingly central role in the food supply chain it has increasing power to change production and consumption patterns (Dobson and Waterson, 1999; Harris and Ogbonna, 2001; Ogle, Hyllegard and Dunbar, 2004). Retailers have for some time now been in the focus of the discussion on how to implement SCP in the food supply-chain (Jones, Hillier and Comfort, 2011; Anselmsson and Johansson, 2007)<sup>11</sup>. This has led retailers to develop sustainability, and particularly the biggest among retailers have managed to not only comply with public demands, but to exceed them (Havas Media, 2010). The fact that brands are both valuable and very fragile constructs dependent on credibility is believed to effectively prevent empty claims and fraud (Klein and Leffler, 1981). A brand is an investment in marketing communication, increasing customer loyalty and what is being termed customer equity (Kotler and Armstrong, 2004), and the opportunity cost for a firm caught cheating would be high. For not only would trust in sustainable product offerings be undermined, but revenues would reduce, as would the (expensively built) brand value to the firm. Societal pressure cannot be claimed to be the only motivator for retailers to develop a pro-active approach to SCP – cost savings,

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11 Several governments and other stakeholders across Europe have initiated attempts to influence retail practices; i.e.: The EU's 'Retail Forum', the Nordic Council's 'Retail Forum on Sustainable Consumption and Production', or the 'Visioning sustainable retail' workshops in the UK.

resource scarcity or internal moral hazards, to name but a few, can be other drivers. However, the continuous efforts to build sustainable brands despite often-disappointing market demand (retailers sometimes seem to act almost against better knowledge of what the market demands<sup>12</sup>) point towards the powerful role of societal debate and public expectations in the willingness to invest in sustainability and use brands as tools to convince the market of the advantages of sustainable products and services. This claim is in line with Arnould (2007: 105), who finds that ‘because markets are an institutional apparatus that can be put to many social ends, they also provide space for progressive political action’. This claim is further supported by Neill, Stovall and Jinkerson’s (2005) study of stakeholder pressure and its positive impact on CSR activity. Retailers, we therefore argue, increasingly use privately owned brands to follow the societal discourse. Continuous discussions and the resulting expectations make them focus their efforts on finding solutions for many of today’s most pressing environmental and social problems. The use of brands to introduce sustainability into their interaction with customers and fine-tune it to various customers’ preferences increases the success of such efforts. In this respect retailers can therefore be described as a partner for society to identify and develop solutions for the challenges subsumed under the term sustainability. Retail brands can be seen as useful tools to implement these solutions.

### Defining sustainability

Sustainability has from the day it was coined by the Brundtland commission in 1987 been an only vaguely defined term, open to much interpretation. Historically, the term was given meaning by scientists, policy makers and – not least – civil society. The ideas and ideals sustainability-oriented brands build upon thus come from outside the brand-owners’ sphere of immediate influence. Without a history, Holt (2004) claims, a brand is not a brand. For sustainability-oriented brands to be successful they have to closely align with the societal ideas that make up consumers’ understanding of sustainability. Sustainable brands need to make sense historically and give meaning and thus resonate with consumers. They need to live up to the ethical standards of the society they are embedded into. As Arvidsson (2008) argues, consumers are prone to only pay attention to those brands that provide them with a feeling of meaningfulness, of shared values and of social ties and connectedness with others. To Arvidsson

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12 British Sainsbury’s, for example, has recently launched a new milk packaging system, which saves 75% of packaging compared to a milk carton but requires consumers to adopt new behavioural routines. This is despite Waitrose’s 2010-decision to stop selling a similar packaging system (introduced in 2007) due to insufficient customer-uptake.

(2011) the ability to create economic value and ethical values coincide. The food retail industry, as we have shown above, is an example of this emerging ethics-based value co-creation approach in which brands turn into a platform on which to integrate all kinds of ethical concerns and moral values into the creation of new products and markets. In the example of Aldi Austria's sustainable brand 'Zurück zum Ursprung', the values it builds upon are clearly emerging from the Austrian culture (regional food, fairness towards farmers, traditional production methods) and the dominant scientific and political debate (climate change, biodiversity, water consumption).

Here we also find the biggest risk with the increasing role of brands as tools to introduce sustainability into markets. This risk lies in brands becoming not only the main stage for sustainable action, but even gaining predominance within the sustainability discourse. Arvidsson (2011) tells us that the expansion of the 'ethical economy' can only work if business accepts that consumers do not provide their co-creational potential for free. What they demand is a 'sense of meaning and purpose to their participation' (p. 270). He does not discuss, though, the importance of where this meaning and purpose derives from. Earlier in this article we discussed the scepticism that meets the brand-led development from some scholars and civil society organisations. This scepticism is largely based on the claimed ability of marketing in general and brands in particular to not only inform but influence consumers' preferences and desires. With the market share of sustainability-oriented products increasing, there is the distinctive risk that business will use the discursive power offered by a well-established brand to influence consumers' sense of meaningfulness and purpose. This increases the risk that ideas about sustainability end up being significantly influenced by the 'marketing laboratories' of brand-owners. Moisander et al. (2010) criticise business for its role in shaping the dominant view on the consumer today, which they judge to be all too individualistic. This has given rise to the idea of the citizen-consumer, who reacts to her declining power as citizen (due to reduced power of nation states in a globalized and market-dominated world (Cova, 1997; Micheletti, Follesdal and Stolle, 2006)) and adapts to this reality by using purchasing power as 'vote' to shape society. Though, as Soron (2010: 179) points out, functioning ethical consumption would mean that consumers have to analyse all aspects of their life and change their behaviour in dozens and dozens of ways: a highly unrealistic prospect. Zwick et al. (2008) argue that the development in marketing towards 'value co-creation' increases corporate power over consumers. For under the cover of working for the freedom of the consumer, value co-creation really only serves to strengthen corporate power and gain discursive dominance over the sustainability debate. They also claim that value co-creation undermines non-market action to handle the sustainability challenge.

Under normal circumstances it would appear that the interplay between dominant and resisting discourses results in the emergence of new ways to dominate and, therefore, new ways to resist (Hall, 1996). Under the specter of co-creation however, even collective ideological resistance becomes creative mass collaboration that is then often seamlessly incorporated into the product itself. (Zwick et al., 2008: 185)

They conclude,

Management and marketing thinkers celebrate the new logic of collaborative value creation as a moment of consumer empowerment and transfiguration of marketing to a model of equal, satisfying, and mutually beneficial relationships between producers and consumers. Yet, the crux of value co-creation, to paraphrase Deleuze (1992), is to provide the surest way of delivering the customer over to the corporation. (Zwick et al., 2008: 186)

That this risk is real was demonstrated by Caruana and Crane (2008) in their study of commercialising 'green holidays'. They find that consumer responsibility is 'constructed in the discursive domain of corporate communications about responsible tourism' (p. 1514). Caruana and Crane describe the 'contested discourse about what it means to be a "responsible" consumer' (p. 1495) as increasingly dominated by corporate communication. They state that their findings 'suggest that the organization of objects, subjects and concepts [by the corporation] provides a morally meaningful category for consumers to identify with' (p. 1496). Their study thus exemplifies the risk of discursive dominance by business and the central role brands play in it.

### **Opportunity and risk behind a brand-based approach to sustainable markets**

Building on the insight that sustainable markets will most likely not be the outcome of informed consumer choices alone, one can anticipate two effective approaches to SCP. One necessitates the redefinition of the institutions that have led to the flawed market settings discussed in this article – a process that will most certainly require major society-wide efforts and bear considerable risk for failure. The second is where business makes use of brands to capitalize on the sustainability debate by integrating it into their (brand-) equity and thereby creating incentives for companies to become a more active force in the promotion of sustainable consumption. This second approach could be a much quicker, more stable and controllable process and therefore appears as a more practical solution to the problem.

Following this latter approach, brands are in this article described as a practical way to develop the market for sustainable products. They aid in overcoming two

institutional shortcomings of the current market institutions, 1) the information asymmetry with which consumers are confronted when choosing sustainable products, and 2) the fact that market development in sustainability results in potentially large positive market externalities but little profit to be captured by the individual firm. Brands address these issues for every individual market participant, and enable individual firms to engage in the promotion of more sustainable market transactions. Property rights connected to brands also provide a disincentive for companies to undermine market expectations and allow companies to capture part of the created positive value for society emerging from higher levels of sustainable consumption, while they nevertheless create positive externalities that lead to improvements for society overall. Thus, adding brands to the equation considerably increases the chances for a single market actor to act as a positive force for SCP.

We illustrated this with examples of food retailing, showing how companies have already started to follow this logic. Food retailers have invested considerable efforts into the branding of their products and operations as sustainable. This has led to initiatives and efforts (undertaken by retailers) that would be difficult to imagine without the use of brands. Unless society decides to institutionalize SCP by regulatory means, brands must therefore be seen as a welcome 'ingredient' into the market equation. The re-branding of existing strong brands and the creation of new sustainability-focused brands to integrate sustainability issues should, according to this logic, be welcomed as fuel for engagement and innovation, with positive effects for firms, consumers and sustainability alike. It should lead to the creation of 'ethical surplus' for brand communities and society at large (cf. Arvidsson, 2011) and result in corporate competitive advantage. In this article we therefore argue that brands bear considerable potential to positively add to the societal quest for SCP.

At the same time this article raises doubts over the long-term effectiveness of a (purely) brand-focussed approach to sustainable markets. We claim that, indeed, business has proven receptive to public top-down (i.e. policy makers) and bottom-up (i.e. social movements) pressure, and that intensive public scrutiny has resulted in markets developing in line with public interests. However, we raise concerns about increasing corporate dominance not only over the exchange process connected to SCP, but also over the societal discourse in which SCP is continuously made sense of. This dominance we identify as the most significant risk with the commercialisation of the sustainability discourse and stress the potential negative effects this poses for the long-term effectiveness of markets to bring about more sustainable production and consumption. This risk is aggravated by the fact that it establishes itself over time, and it is this somewhat insidious stepwise process of brands gaining discursive power within the

sustainability discourse that can render the process invisible to brand communities' and the public's attention. We argue that societal discourse provides the foundation for how brands operationalize sustainability, and its co-option by economic short-term interests undermines society's ability to achieve a system of sustainable market exchange (whatever this may ultimately look like). For the future of sustainable brands to look as Arvidsson (2011: 269) describes ('a disparate array of practices that are beyond the organisation itself') the understanding of the meaning of sustainability has to continue to emerge not from marketing departments but from within consumer communities and society at large. The biggest risk we see in a brand-focussed approach to SCP is therefore the possibility that the corporate world could come to dominate the sustainability discourse itself. Should this become the case then those 'shared' values that are the foundation for consumer trust in sustainability brands would actually only emerge from within corporations. At this point there would be a real risk of the sustainability ideal being twisted towards economic short-term profitability rather than the creation of Arvidsson's (2011) 'ethical surplus'.

Whether or not this risk is likely to materialize depends upon the outcome of a discursive struggle between civil society and corporate marketing within the sustainability debate. This risk, we believe, is limited as long as societal interest in sustainability is high and civil interest groups show enough enthusiasm to engage in the sustainability debate and fight for their values and concerns being heard, or – if ignored – engage in the creation of new ethical consumption niches (such as described by Thompson and Coskuner-Balli (2007) for the case of corporate co-option of organic agriculture and the consequent creation of 'community supported agriculture'). Once sustainable brands achieve a status of 'generally trustworthy' to act in the best interest of the consumer communities they 'serve' (as may already be the case for some of the most successful sustainability-oriented food brands in Austria, Sweden or the UK) this balancing counterpart might disappear, though. (In a world where brands are considered both more effective and trustworthier than civil society to achieve sustainability there is no need for alternatives.) At this point the danger of brands giving in to the strong incentive that exists for them to gradually redefine consumers' understanding of the cause their brand serves, in order to better fit their business interest becomes real, with potential negative effects for society and the environment.

### **Directions for future research**

The exploratory nature of the argument promoted in this article must be stressed at this point. Whether market incentives for business to invest in SCP, as one of

many stakeholders, are strong enough is uncertain, just as the exact role of civil society as ‘watchdog’ for brands remains unknown. We therefore suggest the need for more case study research on the functioning of sustainability-oriented brands and their interaction with both consumers and civil society and other stakeholders. The crucial question here is to what extent sustainable branding draws from the wider societal debate and under which circumstances it turns into a (negative) force that re-frames the debate away from sustainability and towards consumption.

We propose the following research questions:

- How are the values on which sustainable brands are built defined and operationalized?
- How persistent is brand-led commitment to sustainable causes over time?
- Which are the prerequisites for Arvidsson’s (2011) ‘ethical surplus’ to materialize in brand-based CSR?

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## the authors

Matthias Lehner is PhD candidate at the International Institute for Industrial Environmental Economics, Lund University. He has an interdisciplinary background with a strong focus on sustainable agriculture, food systems and marketing. For his PhD he studies the store-customer relationship in food retailing.

E-mail: matthias.lehner@iiee.lu.se

Professor Sue Halliday, MA (Cambridge), MBA (London Business School), PhD (University of Bradford), is Professor of Marketing at the University of Hertfordshire. She teaches and researches relational marketing focusing on trust, shared values, branding and innovation/entrepreneurship.

E-mail: s.halliday2@herts.ac.uk