Explorative study on how retailers use store environment to communicate CSR from corporate level to store level

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Abstract

Purpose: In viewing that consumers are important stakeholders in supporting or opposing retailers' corporate social responsibilities (CSR) activities while existing CSR communication does not address directly to consumers, the paper aims to explore how retailers could use retail store environment to communicate CSR with consumers.

Methodology: This study uses qualitative research method, including documentary studies of retailers' CSR related reports and online critiques regarding retailers' CSR activities, and in-store observations of what store environmental elements are used and what aspects of CSR activities are communicated at retail stores.

Findings: Existing application of store environment on CSR communication is preliminary. The major store environmental elements used are limited to exterior element (exterior display windows), general interior elements (merchandise and lighting), as well as point-of-purchase and decoration elements (point-of-purchase displays). Besides, existing use of store environment mainly covers expressing contents of CSR commitment. CSR impact is left to be only inside CSR reporting while CSR motive and CSR fit are implied in the overall CSR communication. When transforming CSR from corporate level to store level, it is important to demonstrate coherence. Weak coherence among corporate business, CSR objectives at corporate level, and CSR demonstration through store environment may lead to doubts regarding companies' CSR motive.

Still, the paper finds that store environment can be a practical tool to bridge CSR communication with consumers. The paper proposes a conceptual framework to visualise the relationship between corporate level CSR and store level communication and possible components that companies need to consider and work on to improve CSR communication with consumers through store environment.

Original/value: The paper is one of the pioneer studies in researching how store environment could be used to communicate CSR with consumers from corporate level to store level.

Keywords: CSR commitment, CSR impact, CSR motive, CSR fit, CSR communication, retailers, retail store, store environment, store atmospherics

Paper type: Research paper

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1. Introduction

The development of corporate social responsibilities (CSR) can be traced back to 1910s, with initial concern mainly on profits of shareholders to later emphasis of societal interests as a whole (Schwartz, 2011). By understanding the growing importance of CSR, consumers' concern regarding companies' CSR activities, difficulties in communicating CSR with consumers under existing communication methods, and potential application of store environment in CSR communication, it shows that communication with consumers about CSR is not sufficient and store environment could be a useful tool to bridge CSR communication with consumers. Accordingly, the paper aims to explore how CSR communication with consumers is transferred from corporate level to store level through store environment.

CSR is a popular topic to both retailers and consumers. Along with the evolution of CSR concept, companies have been expected to take responsibilities in economic, legal, ethical, and discretionary areas (Carroll, 1979) for the benefits of environment, society, and economy as a whole. Accordingly, increasing numbers of retailers have broadened scope of corporate responsibilities being beyond pure economic benefits and have incorporated CSR as part of corporate strategies. Consumers, on the other hand, are increasingly conscious about environmental and societal issues and have placed growing attentions and expectations on corporate actions.

However, the increased CSR activities and growing expectations also give rise to consumers' concerns regarding corporate real intentions for carrying out CSR actions. Academically, companies are discussed to perform CSR activities due to creating wealth, building social power and position, being obliged to social rules, or just accepting and recognising social responsibilities (Garriga & Mele, 2004). Nevertheless, there is no dominant theory in explaining why companies engage in CSR activities (Carroll, 2008). Without clear clues about why companies take CSR actions, it is not unusual to hear that corporations are frequently accused by consumers of being not genuine in CSR activities or performing CSR activities purely for self-interests, especially when there is inconsistency between CSR commitments and actual business operations or existing corporate behaviour (Cho, Laine, Roberts & Rodrigue, 2015; Boiral, 2013; Du, Bhattacharya & Sen, 2010; Lindgreen & Swaen, 2010; Morsing & Schultz, 2006; Laufer, 2003).

Communication would be one of the most important ways to address consumers' concern. However, it is necessary to stress that existing CSR communication is less direct or less relevant to consumers. Current CSR communication is often built under the pressures and requirements by authorities such as government, stock exchanges, and environmental organisations (Van der Laan, 2009). There is no doubt that such regulatory requirements have encouraged companies to disclose more details about CSR activities to the public.

Nevertheless, the communication, as a result, is primarily made towards authorities rather than consumers. Furthermore, CSR contents in existing communication are frequently included in corporate reports or listed in company websites. Such expression of CSR contents remains at corporate management level and the communication with consumers is indirect and inexplicit. It is hard to imagine that a consumer would actively browse corporate websites or read corporate annual reports in order to understand more about companies' CSR activities. As supported by Reputation Institute (2017), corporate reports and company websites are powerful in expressing CSR impact but are unfortunately limited in reaching potential audiences. Reputation Institute (2017) also suggests that point-of-purchase would be robust both in reaching potential audiences and in communicating CSR impact.

Retail store for retailers is the primary point-of-purchase where retailer can establish rich connections with consumers. Peter, Daphne and David (2007) support this view and discuss that stores are vital to engage consumers with CSR issues and to reinforce brand image and equity as shopping is a daily experience for most people. The authors also point out that companies communicate CSR insufficiently at store level. Similar findings are also noted by Elg and Hultman (2016) in the study of Clas Ohlson case that CSR "does not appear to be a key factor in the store". This may imply low level of companies' commitment to CSR (Peter, Daphne and David, 2007). In this sense, it is important to have retail store to reach out consumers for CSR communication. The paper focuses the study on brick and mortar stores.

In considering of the low likelihood that (i) consumer would be actively enquire CSR related information from sales persons at retail stores, (ii) store staff usually do not take the initiative to communicate CSR to consumers, and (iii) not every store staff has comprehensive CSR related knowledge, the paper does not emphasise the in-store CSR communication from store staff person and exclude in-store staff from the study. Instead, the paper consider store environmental elements (including exterior, general interior, layout and design, and point-of-purchase and decoration categories) can be salient in communicating CSR. Historical researches show that store environmental elements can be managed by retailers and are especially powerful in driving consumers' emotions and hence influencing purchase decisions (Kotler, 1974; Mehrabian & Russell, 1974). Though current researches have not been emphasising using store environmental elements to communicate CSR, corporate practices including using eco-store, eco-label, eco-shopping bags, and in-store recycling, are noticed of utilising store environmental elements in CSR communication by retailers.

Regarding the increasing importance of CSR and difficulties in communicating CSR with consumers under existing communication methods, this paper aims to explore the possibility of using store environment to communicate CSR with consumers. It intends to study (i) what store environmental elements are used by retailers in communicating CSR, (ii) what CSR contents at corporate level are communicated in stores, and (iii) how retailers transfer CSR communication from corporate level to store level.

This paper leads to understanding of communicating CSR with consumers at retail stores, identification of possible store environmental elements feasible for CSR communication, and understanding on how retailers can utilise those elements. It also develops a theoretical model in order to strengthen CSR communication with consumers.

2. Literature review

The research question covers three critical areas, namely CSR at corporate level, communication to consumers, and communication through store environment. In order to bridge these three areas and achieve the research purpose, it is important to (i) understand CSR commitment, impact, motive and fit at corporate level, and consider potential implications on communication, (ii) review prior researches regarding consumers' concerns about CSR activities and communication, as well as (iii) explore available store environmental elements for CSR communication. Literature review is performed accordingly.

2.1 Understanding CSR Communication at Corporate Level

CSR is a type of private business self-regulation (Sheehy, 2015). It starts when an organisation takes initiatives to contribute to a better society and goes beyond its self-interest (Roper & Fill, 2012). Engaging in CSR activities could not only contribute to favourable stakeholder attitudes and better support behaviours such as purchase, hiring caliber employees, and obtaining investment, but also assist building corporate image, strengthening stakeholder relationships, and enhancing stakeholders' advocacy behaviours (Du, Bhattacharya & Sen, 2010). However, there are critical impediments for companies attempting to maximise business benefits from CSR activities. Du, Bhattacharya and Sen (2010) highlight the need for companies to communicate CSR effectively because consumers generally have low awareness of and unfavourable attributions towards companies' CSR activities. In light of these challenges, the scholars discuss four factors that companies could emphasise in CSR communication, including CSR commitment, CSR impact, CSR motives, and CSR fit (Du, Bhattacharya & Sen, 2010). Such factors can be planned at strategic level and can help companies to strengthen overall CSR communication by coping with the critical challenges mentioned above.

(i) CSR commitment

CSR commitment reflects management level's commitment to ethics that shows the extent to which a company values "integrity, fair treatment of others, and 'doing the right thing' for its own sake" (Weaver, Trevino & Cochran, 1999, p. 543). Content-wise, CSR commitment covers fields of economic, environmental, and social concerns (Goldsmith & Goldsmith, 2011; Parguel, Benoît-Moreau & Larceneux, 2011; Fricker, 1998), which are also known as the triple-bottom-line (TBL) for doing business. TBL was coined by Elkington in 1994,

which sets up the goals of sustainability and uses the phrases "people, planet, and profit" to describe the bottom lines (Elkington, 2004).

According to Elkington (1999), "People" is the bottom line of social equity. It relates to fair business practices that benefit the labour force, communities and regions. A TBL company conceives a reciprocal social structure in which the company and its stakeholders' interests are interdependent (Roper & Fill, 2012; Elkington, 1999). "Planet" is the bottom line of environment which refers to sustainable environmental practices. A company that practises TBL would endeavour to reduce and minimise its ecological footprint (Roper & Fill, 2012; Elkington, 1999). Examples would include use of recyclable materials in manufacture and consideration of proper disposal of the product after use. "Profit" refers to the bottom line of economic consideration which cannot simply be interpreted as an accounting figure (Roper & Fill, 2012; Elkington, 1999). It should be measured as the overall economic value created by the organisation to the society after deducting the cost of all inputs which includes the cost of the capital tied up (Roper & Fill, 2012; Elkington, 1999). Hence, profit under the TBL description needs to be seen as the real economic benefit enjoyed by society.

When considering communicating CSR initiatives with consumers, it is necessary to firstly understand what commitment a retailer has made and to what extent such commitment has been implemented. Those understandings may add to clarity in communication, enhance the retailer's transparency and accountability to consumers, and reduce the uncertainty between internal and external assessments of firm CSR and the potential for social impact (Dare, 2016).

(ii) CSR impact

CSR impact refers to the output side (i.e. the societal impact) of a company's CSR efforts (Du, Bhattacharya & Sen, 2010). For example, the social program ('1 Pack = 1 Vaccine') launched by Pampers in partnership with the United Nations Children's Fund (UNICEF) gives tetanus vaccines to expectant women in developing countries, which saves their newborns from a newborn tetanus disease. The program communicates the benefits that consumers' purchases and the company can bring to society. Through communicating CSR impact, it may offer companies the possibility to overcome the above mentioned challenges of consumers' low awareness of and unfavourable attributions towards companies' CSR activities, to enhance consumer trust, and to increase consumer purchase intentions for companies' products. Moreover, it further contributes to consumers' positive interpretation of companies' motivations to engage in CSR.

(iii) CSR motives

CSR motive refers to the reason why companies pursue CSR (Du, Bhattacharya & Sen, 2010). There are a number of motivations that cause companies to engage in CSR. Van Marrewijk (2003) states three main reasons why companies engage in social or environmental causes, including (i) they feel obligated to do it, (ii) they are compelled to do it, or (iii) they want to do it. Similarly, Aguilera, Rupp, Williams and Ganapathi (2007) indicate CSR is mainly driven by three motivations namely (i) instrumental motive (i.e. to

produce favourable business outcomes and wealth maximisation), (ii) relational motive (i.e. to build, maintain, and restore legitimacy) and (iii) moral motive (i.e. to help humanity). Dare (2016) summarises and concludes that companies are pressured by both internal and external stakeholders to engage in CSR for meeting changing expectations about the role of business in society. According to the above researches, companies' rationale for engaging in CSR can be categorised into obligatory, ethical and philanthropic. Obligatory refers to meet certain requirements or to meet society expectation. Ethical refers to accept responsibilities associated with company's business. And philanthropic refers to contribute further to society through working with social cause campaigns and other areas that are not within the scope of company operations. These three categories will be applied when assessing companies' CSR motives in later stage. Regarding various possible rationale for doing CSR activities, a company should also examine its "degrees of CSR seriousness" (Aguilera et. al, 2007) to decide the way to communicate CSR motives, which should be both suitable for its business operation and socially acceptable.

As one of the key challenges in CSR communication is about consumers' negative attributions towards companies' CSR activities, it is essential to take acknowledgement of extrinsic and company-serving motives in company's CSR message into consideration. Studies indicate that a company should emphasise the convergence of social and business interests, and should frankly acknowledge that its CSR endeavours are beneficial to both society and itself (Du, Bhattacharya & Sen, 2010; Porter & Kramer, 2006). Through this way, credibility of CSR communication could be enhanced.

(iv) CSR fit

CSR fit communicates the perceived consistency between a social issue and the company's business (Du, Bhattacharya & Sen, 2010). Typically, companies sponsor social issues that fit or logically associated with core corporate activities such as product dimensions (e.g. protection of rainforests sponsored by herbal products brand), affinity with specific target segments (e.g. Avon fights breast cancer), or corporate image associations created by the brand's past actions in a specific social domain (e.g. environmental protection activities among Ben & Jerry and the Body Shop) (Du, Bhattacharya & Sen, 2010, pp. 12; Menon & Kahn 2003).

This factor is viewed important because it influences stakeholders' CSR attributions. A company with a low CSR fit, due to the lack of logical association between a social issue and a company's core business, may increase consumers' negative cognitive elaboration and thereby may reduce positive responses of stakeholders in relation to a company's CSR activities (Du, Bhattacharya & Sen, 2010). Therefore, a company should put efforts on emphasising CSR fit and consistency between a social issue and the company's core business. By doing so, a company can enjoy greater business returns from its CSR activities and thereby can earn greater credibility in CSR communication (Go & Bortree, 2017; Du, Bhattacharya & Sen, 2010).

2.2 CSR Communication in relation to Consumers

CSR has emerged to a global trend, whereby corporations' social responsibilities have been subject to an increasing number of debates, commentary, scrutiny, media coverage, and academic research (Carroll & Shabana, 2010; Sahlin-Andersson, 2006). Corporations nowadays are increasingly engaging in and communicating about CSR activities, however, the communication of CSR actually is challenging to a large extent (Schmeltz, 2012). On one hand, companies strive to mitigate consumer skepticism concerning company's CSR related messages. On the other hand, companies need to enrich consumers' knowledge about companies' CSR activities, to meet various and continuous changing demands from consumers, and to communicate CSR in a way that is profitable and socially acceptable. Scholars have highlighted several vital elements that need to be taken into consideration to achieve effective CSR communication including stakeholder types (who to communicate), message content (what to communicate) and message channels (where to communicate) (Du, Bhattacharya & Sen, 2010; Lindgreen & Swaen, 2010; Morsing, Schulzt & Nielsen, 2008). Literature regarding those critical elements are reviewed respectively.

2.2.1 Consumers as Important Stakeholders for CSR Communication

Scholars point out that an organisation needs to identify and target a specific stakeholder group for developing an effective CSR communication strategy (Bartlett & Devin, 2011; Du, Bhattacharya & Sen, 2010; Pedersen, 2006; Hockerts & Moir, 2004). This is because different stakeholder groups neither prioritise CSR activities in the same way nor weigh those activities as equally valuable (Morsing & Schultz, 2006; Hockerts & Moir, 2004). Study indicates that consumers are one of the most essential stakeholder groups and are fundamental to the survival of the company (Clarkson, 1995). Those individuals are frequently involved in the consumption process and are the key decision makers in deciding whether to consume and to support companies' CSR activities. Mishra and Suar (2010) also support this idea and state that consumers are especially powerful because they could have impact on an organisation's performance, profitability and favourability by community. For example, when consumers are dissatisfied with a company's products or services, they might boycott the company or spread passive word of mouth (Berman, Wicks, Kotha & Jones, 1999).

Essentially, consumers are highly associated to the success of a company's business. However, they are also the stakeholders that have often been neglected in existing CSR communications (Clarkson, 1995). Regarding the fundamental importance of consumers to a business and the insufficiency in CSR communication to them, this paper finds it is critical to establish consumers as target stakeholder group for CSR communication.

2.2.2 Consumers' Skepticism and Expectation in CSR communication

Effective CSR communication enriches consumers' understanding of retailers' CSR activities and engages consumers to support companies' CSR activities in the future. For a long time, companies communicate CSR activities merely through one-way dialogue or even monologues to the public (Bartlett & Devin, 2011; Noland & Phillips, 2010). Using such communication strategy addressing CSR messages to consumers is neither mature nor sufficient.

Previous researches also show that current CSR communication is highly likely to trigger consumers' suspicion about companies' ulterior motives as CSR messages are more predominantly about social issues than the companies' businesses or products (Du, Bhattacharya & Sen, 2010; Lindgreen and Swaen, 2010; Morsing & Schultz, 2006). Furthermore, the default purpose for most businesses except for those not-for-profit organisations is to pursue economic and self interests over social interests. The disconnection between CSR objectives and business operations is one of the sources causing consumers' doubt over companies' genuinity in CSR activities. Therefore, it is important to take internal coherence between companies' motivations for CSR, exact CSR initiatives and business operations into consideration when planning for CSR communication.

Additionally, some companies make unfounded oral commitments to CSR (Laufer, 2003; Fry & Hock, 1976), and some companies appear to project externally positive images which are however not reflected in internal behaviours regarding environmental issues (Testa, Boiral & Iraldo, 2018). Such conflicting appearance undermines corporate accountabilities toward stakeholders and damages companies' credibility about CSR initiatives (Cho et. al, 2015; Boiral, 2013; Laufer, 2003). It further creates confusion and leads to losses of confidence, which reinforces consumers' skepticism towards companies' CSR actions (Chen & Chang, 2013; Parguel, Benoît-Moreau & Larceneux, 2011). According to Du, Bhattacharya and Sen (2010), companies should continuously monitor corporate behaviour in preventing inconsistency between corporate commitment and corporate performance. Hence, external coherence between CSR initiatives at corporate level and outward behaviour should be put into consideration when designing CSR communication with consumers. In retail store environment and under this research topic, outward behaviour can be indicated through store environmental elements used to communicate CSR. Consequently, external coherence is reflected through the match between CSR activities at corporate level and store environmental elements used for CSR communication.

Besides the above concerns and doubts on companies' CSR, consumers have also expressed their interests in ethical business since the 1990s. Consumers' expectations towards CSR are continuously growing and they view CSR as an influential factor in forming impressions about corporations (Schmeltz, 2012). Prior studies show that consumers tend to have diverse expectations on companies' CSR (Morsing & Schultz, 2006; Dawkins, 2005) including communicating CSR explicitly, consistently and transparently (Kim & Ferguson, 2014; Banytė & Gadeikienė, 2008; Podnar & Golob, 2007), behaving honestly and fairly (Gueterbock, 2004), launching responsible product design (Kusz, 2005), and making positive contribution to environment or community (Harris, 2005). Additionally, some other general

factors are also widely emphasised by scholars, including delivering trustworthy information, being factual, and avoiding impression of "bragging" when communicating with consumers (Chen & Chang, 2013; Du, Bhattacharya & Sen, 2010).

It is important for companies to develop a consumer-oriented CSR communication strategy (Schmeltz, 2012) and it is suggested that a company should communicate in a way that consolidates stakeholders' perspectives (Du, Bhattacharya & Sen, 2010; Menon & Kahn, 2003). As a result, retailers should take the above-mentioned expectations into account for ensuring internal and external coherence when working with CSR communication in order to establish credibility and encourage engagement among consumers.

2.2.3 Channels of CSR Communication

Earlier research suggests various communication channels to disseminate organisation's CSR initiatives, including annual corporate responsibility report, press release, CSR section on the official website, TV commercial, billboard advertisement and product packaging (Du, Bhattacharya & Sen, 2010). In practice, CSR report has gone mainstream. According to KPMG (2017), there have been around 75% of the 4,900 companies surveyed and 78% of G250[1] companies issuing corporate responsibility reports in 2017 while only 44% of G250 companies included CSR data in annual reports in 2011, which shows a remarkable growth in using report to communicate CSR. According to Moravcikova, Stefanikova and Rypakova (2015), CSR report has become a tool of communicating company policy, commitment and performance in relation to organisation's social responsibility. It introduces a systematic approach for managing socially responsible initiatives, identifying future risks and opportunities and thereby contributing to increase the competitiveness of business and to maintain the possibility for long-term business venture (Moravcikova, Stefanikova & Rypakova, 2015). Although the use of CSR report can be beneficial to companies, according to Reputation Institute (2017), corporate annual report has the lowest reach in communicating CSR. As a result, it is not expected that this communication channel would be sufficient to communicate with consumers.

Other than traditional reporting channel, retail store is the primary place where retailers can reach out consumers and utilise store environment to communicate CSR. According to Lehner (2015), retail store is not only a place for physical exchange, but also a place for exchange of information and ideas about sustainability and for collectively defining and redefining sustainable consumption. Elg and Hultman (2016) further discuss that consumers can be influenced by retail store environment. However, as prior researches regarding store environment are not focusing on utilising it for CSR communication, existing understanding and knowledge in this area are limited.

Despite that historical researches regarding store environment are not closely associated with CSR, it is still important to understand the functions of store environment so as to tailor it for CSR communication purpose. Store environment has long been discussed as a marketing tool

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[1] G250, refers to the world's 250 largest companies by revenue based on the Fortune 500 ranking of 2016.

to influence consumers' purchase behaviour. The earliest and most influential research studying store environment include Kotler (1974) and Mehrabian and Russell (1974).

Kotler (1974) has been widely credited as the first article for bringing the concept of atmosphere and atmospherics. The author defines atmospherics as specific effort that a company has made in purchasing environments in order to create emotions that induce buying actions. Based on Kotler (1974), store environment is primarily functioned to influence consumers through drawing their attentions, delivering messages to them, and then creating their emotional associations so that consumers are enticed into purchasing at the end. In this sense, such functions are also required in CSR communication so as to catch consumers' attentions to CSR activities, enrich consumers' knowledge about those activities and then gain engagement and support from them afterwards.

On the other hand, Mehrabian and Russell (1974) studies environmental psychology about how physical factors inside an environment create emotions to influence individual's behaviours, which have been confirmed to be applicable in retail environment (Donovan, Rossiter, Marcoolyn & Nesdale, 1994; Donovan & Rossiter, 1982). There are in general two types of behaviours in an environment, which refer to either approach or avoidance behaviours. Approach behaviours demonstrate "willingness or desire to move towards, stay in, explore, interact supportively in, perform well in, and return to the environment" while avoidance behaviours show "deteriorated performance and dissatisfaction; feeling of anxiety or boredom; unfriendliness to others; and a desire to leave the environment and not to return" (Donovan & Rossiter, 1982). These two types of behaviours are caused by emotional states, namely "pleasure, arousal, and dominance", while which are triggered by physical factors inside an environment. Mehrabian and Russell's theory also has great implication on CSR communication. When retailers incorporate CSR elements inside retail stores, it is critical to derive positive emotions from store environments in order to encourage consumers' "approach" behaviours towards CSR related subjects such as buying CSR relevant products.

2.3 Understanding CSR Communication at Store Level

After understanding how store environment could function as a channel for CSR communication, it is important to explore possible store environmental elements that retailers could manage to communicate CSR activities. Literature review regarding possible store environmental elements for CSR communication is divided into two parts. The first part focuses on theoretical framework for environmental elements and the use of those environmental elements based on past researches. The second part conducts preliminary review on current and most well known practices of using store environmental elements by retailers for communicating CSR in store.

2.3.1 Possible Store Environmental Elements for CSR Communication

There have been many studies regarding using store environmental elements. In order to structure the understanding and discussion of store environmental elements, the research paper first reviews different classification for store environmental elements.

Kotler (1974) suggests four types of environmental elements based on physical senses, including (i) visual for colour, brightness, size and shapes; (ii) aural for volume and pitch; (iii) olfactory for scent and freshness; as well as (iv) tactile for softness, smoothness, and temperature. The author also discusses that store environment is not tasted and hence he considers the fifth physical sense of taste is not relevant.

Baker (1986) categorises and introduces three dimensions of environmental elements partially depending on the easiness that consumers may notice different items. The first dimension is "ambient factor", which is about background conditions in the environment and includes air quality, noise, scent, and cleanliness. Consumers may note ambient factors when those factors are used excessively. The second dimension is "design factor", which involves both exterior and interior design and include aesthetic elements (architecture, colour, scale, materials, texture, shape, style, accessories) and functional elements (layout, comfort, signage). The last dimension is "social factor", which represents people components in the environment and involves consideration of number, type and behaviours of both consumers and service personnel.

Turley and Milliman (2000) have reviewed over 30 years literature from 1964 to 1997 about atmospheric effects on shopping behaviour and have discussed an environmental elements framework with five categories of items as appropriate and representative. Those categories include external variables for exterior elements, general interior variables for interior elements, layout and design variables, point-of-purchase and decoration variables, as well as human variables (See Appendix A).

Kotler's classification of environmental elements is straightforward. However, the list of items is preliminary. In the situation of retail stores, the list seems neither complete nor helpful in isolating relevant environmental exterior and interior elements. Baker's categorisation separates ambient and non-ambient factors and identifies human and non-human elements. But the difference between ambient factor and design factor is not clearly evident. Turley and Milliman's framework provides the most comprehensive list of store environmental elements, which covers and integrates elements brought up in Kotler's and Baker's classifications. Therefore, the research paper is inclined to reference to the last store environmental elements framework as a starting point for studying the potential application of store environment into CSR communication.

Turley and Milliman's store environmental elements framework includes people as one of the components. People component is unquestionably an essential part in store environment, service quality from and interaction with sales personnel do influence purchasing decisions. However, in the context of corporate in-store CSR communication, the function of people element may not be very strong. First, the primary intention for companies setting up retail

stores is to carry out sales activities. Having employees actively communicate CSR at retail stores may distort the ultimate purpose for having retail stores. Second, consumers present at a store mainly for purchase related activities. In that case, it is less likely that consumers would be actively seeking for CSR related information directly from employees. Lastly, companies are unable to control how the people elements, especially other consumers, possess professional CSR knowledge and communicate CSR at stores. Regarding these, the research paper considers people element less relevant for the research purpose and excludes from the scope of study.

After identifying a wide range of possible store environment elements for communication, the research paper finds that it is also important to narrow down the scope so that the identified store environmental elements can be more relevant to CSR. The paper discusses the specific range of store environmental elements applicable for CSR communication and related historical researches on those elements as below.

(i) Exterior Elements

Exterior elements are those used in external side of retail stores but form part of the entirety of retail stores, which are the first things consumers experience before entering into stores. However, certain exterior elements are considered least relevant to CSR themes, including height/ size/ colour of building, surrounding stores, lawns and gardens, address and location, architectural style, surrounding area, congestion and traffic, and exterior walls as those have been fixed once locations of retail stores are determined and are less likely to be subject to retailers' further control in order to communicate CSR. While exterior sign, entrance, and exterior display windows can be used to display CSR related contents and availability of parking for electrical cars can be sign for companies' CSR initiatives, those elements are considered more relevant for the research topic.

The number of research on exterior elements is limited at the time, but in general researchers find that exterior elements affect retail consumers' behaviours. No research have been identified in the area of entrance and parking availability, therefore, the following discussions focus on research findings for exterior signs and exterior display windows.

Study shows that exterior sales sign can attract consumers' attention and influence their intentions to enter into a retail store (Lee, Lee, Kim, Kwona, Kang, Hur, Lee, Yoon & Jun, 2015). When sale signs are red and large, consumers' attention to stores is increased while when sale signs are navy and small, it does not motivate consumers' purchase intent but consumers may expect highly about product quality and services. Consumers' intentions to enter into stores would depend on if the stores have caused consumers attention or expectations high enough. In the context of CSR communication, retailers who want to use external CSR signs could reference the findings about the colour and size of exterior sign to consider whether to attract consumers' attention or to raise their expectations on products so that consumers would enter into stores for CSR related products.

Besides exterior sales sign, window display is often used by retailers to gain consumers' attention and to increase sales. Edwards and Shackley (1992 cited in Turley & Milliman,

2000) shows that window display for new products increases sales. Subsequent study further suggest retailers to reflect image, demonstrate matches with target market, show product offerings, be unique and pleasing, integrate themes, as well as decorate with vegetation so as to attract consumers and increase consumers' likeness to store exterior as which would likely to contribute to higher pleasure and arousal inside retail stores (Mower, Kim & Childs, 2012). Based on these research results, for retailers with strong CSR reputation or targeting for CSR conscious consumers, incorporating CSR related themes in exterior elements may increase consumers' likeness to retailers, and hence may benefit retailers by improving consumers' pleasure and arousal inside stores.

(ii) General Interior Elements

The categories of general interior elements cover components used or sensed inside stores, such as colours, sound, scents and temperature. The list of store environmental elements from Turley and Milliman (2000) is comprehensive, but some items appear to be overlapping and can be combined for the research of CSR communication at stores. First, paint and wallpaper is part of decoration made into flooring and carpeting, therefore, it can be combined with flooring and carpeting. Second, compositions of wall and ceiling normally affect brightness and temperature inside a store, therefore, these two items can be considered as part of lighting and temperature in the list. Third, scents and tobacco smoke generally are about smell inside a store, and these two items can be combined to one item as scents. Then, P.A. usage (price advertising) is associated product related information, it could be integrated with merchandise category. Furthermore, some items in the list by Turley and Milliman are more for the purpose of consumers' comfort than communication of CSR, which include width of aisles, temperature, and cleanliness. Those items are hence excluded when considering communication of CSR. As a result, the relevant general interior elements applicable for CSR communication involve: flooring and carpeting, colour schemes, lighting, music, scents, as well as merchandise.

Research on use of flooring and carpeting and merchandise is limited while abundant research have been found in the interior areas of colour, lighting, music and scents.

Colours are discussed to have various impact on consumers, from stimulated purchase, purchase rates, time spent in store, emotions of pleasure and arousal, as well as store and merchandise image (Turley & Milliman, 2010). Previous research shows that warm colours such as red and yellow are likely to attract customers to physically enter into a store when compared with cool colours such as blue and green (Bellizzi, Crowley & Hasty, 1983). However, the same research indicates that warm colours are less pleasant and less favourable than cool colours when consumers make evaluations of purchasing decisions (Bellizzi, Crowley & Hasty, 1983). Further research by Bellizzi and Hite (1992) supports that consumers react more positively to cool colour (blue) and blue colour is found to lead to better purchase rates. Another research suggests warm colours can bring up arousing emotions such as exciting while cold colours are better associated with satisfaction and hence colours can be specifically applied in areas where companies would like to drive consumers' arousal or satisfaction emotions (Roschk, Loureiro & Breitsohl, 2017).

In practice, green is always associated with CSR. Companies carrying out CSR activities are called going green or doing green business, while companies working on CSR not genuinely are criticised to be green washing. Green has become a symbolic word for CSR. Despite its function as cool colour to be related to consumers' satisfaction emotions, it is interesting to explore if companies are using green colour in stores as signs for communicating CSR activities.

Other than colour, lighting is used in store for consumers' sight on merchandises. Mehrabian (1976) indicates that increased levels of lighting would bring pleasure emotions to customers and hence entice consumer purchasing behaviours. Later research also suggest that consumers prefer bright to dark store environment and tend to spend long time to check merchandise under bright lighting (Yolande & Elsa, 2015; Summers & Hebert, 2001; Areni & Kim, 1994). Reynolds-McIlnay, Morrin and Nordfält (2017) further study the contrast in lighting between merchandise and environment and find that products with greater brightness than environment are more preferred by consumers, however such preference would be affected if products appear to be untidy and touched by other consumers. The researchers suggest that retailers can utilise such merchandise-environment lighting contrast to direct consumers' attention on certain products.

It is applicable that the above findings from research on lighting can be applied on emphasising communicating specific CSR themes in retail stores. On the other hand, lighting is also part of components retailers usually emphasise on CSR activities, such as use of LED light bulbs to save energy.

Music is found to largely influence consumers behaviour regarding sales, arousal, time spent in store, traffic flow and how consumers view other store environmental elements. Early research suggests that the louder the music is, the more crowded consumers would expect in the store (Eroglu & Machleit, 1993). Fast music is more likely to speed up consumers' movements than slow music (Goworek & McGoldrick, 2015). Hui and Dube (1997) finds that music at store can influence consumers' mood and hence reduce negative affection from waiting. And in viewing of increased use of nature sounds by food retailers, Spendrup and Isgren (2016) study the relationship between such sound and consumers' willingness to buy sustainable food and mood/connectedness to nature. The research results find that there is no direct effect on consumers' mood or connectedness to nature, but the music does have indirect influence on men's willingness to buy sustainable food. The same authors also point out that the specific effects of particular environmental elements should be considered with caution as more understanding on how those environmental elements work is still needed.

Scents are about odour used inside store. Earlier research show that presence or non-presence of odour, rather than nature of odour, would influence consumers' behaviour (Turley & Milliman, 2000). Some studies show that the scent helps recall scented products or store environment (Krishna, Lwin & Morrin, 2010; Morrin & Ratneshwar, 2003) and influence consumers positively (Parsons, 2009). Such finding is further supported in Roschk, Loureiro and Breitsohl (2017) that there is positive relationship between using of scents and consumers' pleasure, arousal, satisfaction, and behavioural intentions. Retailers could use

scents to help consumers memorise CSR related store scene or products. However, the application of scents on CSR has not been researched at the moment.

General interior elements are subject to retailers' change and control to a large extent. Though previous research are primarily working on how various elements influence consumers in the purchase process, some study researching how interior element (i.e. nature sound) influences consumers' sustainable consumption is also noted. In terms of merchandise element, despite the limited number of research in the area, retailers have devoted a lot of energy on integrating product offerings as part of companies' CSR. More studies would be required on what interior elements and how they are used to communicate CSR activities.

(iii) Layout and Design Elements

Some elements in this category appear to be more relevant to possible CSR communication, which include space design and allocation, placement of merchandise, grouping of merchandise, and waiting areas, as they can either be used to communicate CSR activities or emphasising the importance of companies' CSR by placing CSR associated items obviously or in large proportion.

In general, Iyer (1989) identifies that unplanned purchasing is normally associated with low understanding of store environment and time pressure. And unplanned purchase impacts on consumers' decisions to change brands or the amount of purchase (Park, Iyer & Smith, 1989). Store layout could be used to increase consumers' familiarity or knowledge about store environment and merchandise sold inside stores. For retailers with CSR emphasis on merchandises, planning of store layout to lower possibility attributing to consumers' unplanned purchasing would be important.

(iv) Point-of-Purchase and Decoration Elements

Point-of-purchase usually is the last place consumers visit before leaving stores. Various elements, involving point-of-purchase displays, signs and cards, wall decorations, pictures, product displays, and usage instruction, are possible to communicate companies' CSR.

Historical studies focus research on product display and signs. Turley and Milliman (2000) find that product display and amount of information available on signs influence sales. Consumers turn to choose products with more information when assessing products of similar quality while consumers tend to choose products with limited information regarding quality when considering products with different quality. In CSR communication for sustainable products, where consumers find unclear or uncertain about product quality when compared with traditional goods, retailers could display more information regarding the sustainable products according to the research result.

(v) Summary

Prior studies have shown various elements in store environment and have suggested directions for examining CSR components embedded in store communication. Table 1 is

adapted from the study of Turley & Milliman (2000) based on the above discussions and is used as a starting point for the research purpose.

	Store environmental elements relevant to CSR
Exterior elements	- Exterior sign - Entrance - Exterior display windows - Parking availability
General interior elements	- Flooring and carpeting - Colour schemes - Lighting - Music - Scents - Merchandise
Layout and design elements	- Space design and allocation - Placement of merchandise - Grouping of merchandise - Waiting areas
Point-of-purchase and decoration elements	- Point-of-purchase displays - Signs and cards - Wall decorations - Pictures - Product displays - Usage instruction

Table 1 - Store environmental elements relevant to CSR

Store is one of the most important contact points with customers in retail industry, however, prior researches neglect the potential for using store atmospherics to communicate CSR messages and engage consumers to support companies' CSR initiatives. Such usage is also overseen in the marketing management field. In the in-depth case study of Clas Ohlson's CSR activities and consumer purchasing by Elg and Hultman (2016), similar finding that CSR was not emphasised by store environment is also noted.

2.3.2 Existing CSR Communication Practices at Stores

Besides checking academic researches about the use of store environmental elements, existing CSR communication practices at store level are also reviewed. The common ways that retail companies communicate CSR at store level includes employing eco-store, using eco-label[2] on products, encouraging use of environmentally friendly shopping bags, as well as recycling. However, such in-store CSR communication is still at preliminary stage and no systematic understanding is available.

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[2] Pre-study on companies' CSR practices have been conducted under group assignment of course BUSN37 Business Administration: Research Strategy by Yao Zou, Beiyao Yang and Tanvir Ahmed Shuvo. The thesis has referenced to that pre-study for eco-store and eco-label contents relevant to CSR communication at store level.

(i) Eco-store

Retail store is viewed as a powerful place to promote green message (Beard, 2008). According to Turker and Altuntas (2014), Inditex Group, as one of the largest global fashion retailers, uses motion sensors and climate control systems to automatically adjust its in-store lighting, speed of escalators, air conditioning in order to save energy (Examples of Inditex Group eco-store elements can be referred to Appendix B).

(ii) Eco-label

Eco-label was first seen in food industry and then has later been expanded to use on various products in different industry in United States and Europe (OECD, 1997; Wasik, 1996). It is symbolic in separating eco-products from non-eco-ones and certifying a company's CSR efforts for reducing environmental impacts from produced merchandises. However, the development of eco-label is not mature yet. Eco-label is neither standardised nor authorities certified. Instead, companies such as Lindex and G-Star Raw adopt corporate self certified eco-labels.

(iii) Eco-shopping bags

Plastic bags were given freely to consumers many years ago while they are charged for fees now. Increased environmental concerns over using plastic bags also promote utilising reusable bags or paper bags. Mellgren (2009) argues that the best practices should be motivating consumers to bring their own reusable bags rather than selling plastic or paper bags at prices. While Chida (2011) discusses from corporate perspectives that companies should make reusable bags available in the stores.

(iv) Recycling

Retailers have been criticised for being partially responsible for excessive consumption problems and many of them have launched recycling programmes for cutting down wastes from over consumption. Examples would include Eileen Fisher encourages consumers to bring unwanted products to retail stores or mail to recycling centres, and Apple recycles devices such as iPhone and Macbook (Mazzoni, 2016).

2.4 Integration

This research paper is one of the pioneers in studying the use of store environment to communicate CSR. As there is no prior conceptual framework or model directly available for reference, the paper integrates historical findings on CSR at corporate level, consumers' skepticism and expectations regarding CSR communication, and store environment by extracting relevant parts from literature review and forms preliminary conceptual understanding to continue with the study.

First, CSR at corporate level are strategic and involve the areas of CSR commitment, CSR impact, CSR motives, and CSR fit. By reviewing of consumers' skepticism concerns and expectations about CSR communication, it is noted that that internal coherence between companies' motivations, CSR activities and business operations would be critical. When studying CSR at corporate level, researchers consider it is important to examine the four strategic areas and how companies demonstrate internal coherence in the communication of those areas.

Then, when corporate level CSR is transferred to store level, external coherence between CSR activities at corporate level and store environmental elements used for CSR communication would be important and expected by consumers. The store environment elements include exterior elements, general interior elements, and layout and design elements. When studying CSR at store level, the emphasis are on examining what store environmental elements are used for CSR communication, what CSR contents are communicated at stores, how those store environmental elements are utilised, and how external coherence are reflected in those elements.

3. Methodology

This section describes the research philosophy and research design of what data to collect, how and where to gather data, and how to analyse collected data. The section ends with discussing the quality of research.

3.1 Research Philosophy

Researchers take the view of relativism and the stance of constructionist towards the research question, as the research question would require researchers to be able to understand and interpret multiple possibilities on how store environmental elements are applied for in-store CSR communication.

Study shows that research philosophy is essential for carrying out research as it reveals the way a researcher views the world regarding what is important and what is useful (Saunders, Lewis & Thornhill, 2007). It thereby underpins research strategy and research methods chosen, and influences the way to analyse empirical data and to generate knowledge (Saunders, Lewis & Thornhill, 2007). Relativism is an ontology that allows researchers to see multiple truths and to recognise that findings of facts would depend on researchers' viewpoints (Easterby-Smith, Thorpe & Jackson, 2015). It also allows researcher to take socially constructed and subjective perspectives into consideration (Saunders, Lewis & Thornhill, 2007). Furthermore, the perspective of constructionists would be highly appropriate for business and management research (Saunders, Lewis & Thornhill, 2007).

In this paper, researchers study how store environmental elements are applied and managed in retail business for in-store CSR communication, which is within the field of business and management research and is proper to be studied from constructionists' perspectives. Meanwhile, constructionism allows researchers to have deep understanding and thick interpretation of research results (Saunders, Lewis & Thornhill, 2007), which would enrich the research findings given that the paper is one of the few studying in the area of communicating CSR through store environment. Therefore, the viewpoint of relativism and the stance as constructionists would be helpful for examining the research question.

3.2 Abductive Research Approach

An abductive research approach is adopted in this paper. Researchers start with reviewing literature regarding CSR communication at corporate level and possible ways to communicate CSR at store level in order to identify prior knowledge in the research area, to discover limitations or opportunities in applying those knowledge, as well as to form preliminary conceptual understanding on how corporate level CSR could be communicated with consumers at store level and then to use such conceptual understanding as a guidance for further research. However, as the research is one of the pioneer researches in the area, there is no comprehensive theory available for testing the use of store environment in CSR communication with consumers. Besides referring to the preliminary conceptual understanding on how store environment works on CSR communication, researchers still need to refine preliminary conceptual understanding and to develop theory from empirical data.

Scholars refer to abductive research approach as an alternative approach to deductive and inductive approaches (Bryman & Bell, 2015; Saunders, Lewis & Thornhill, 2012; Dubois & Gadde, 2002). Deductive approach is concerned with formulating hypotheses from current theory and make them testable in the real world. Inductive approach, on the other hand, relies on 'grounded theory' where theory is systematically generated from data. Abductive approach is applied to make logical inferences and to construct theories, which continuously interplays between theory and empirical data (Bryman & Bell, 2015; Saunders, Lewis & Thornhill, 2012; Dubois & Gadde, 2002). It is similar to the 'grounded theory' in the sense that abductive approach concerns generation of new concepts and development of theoretical models rather than confirmation of existing theory (Bryman & Bell, 2015; Saunders, Lewis & Thornhill, 2012; Dubois & Gadde, 2002). Through the use of abductive approach in this paper, it allows researchers to make reference to historical research findings, to apply cognitive reasoning and inferences on empirical data collected, and to find best explanations to the research question.

3.3 Research Design

This section elaborates details of what data are required for research purpose, how and where the data are gathered, as well as how the collected data are analysed.

3.3.1 Defining Required Data

This research paper attempts to explore how retailers use store environment to communicate CSR from corporate level to store level with consumers. As such, it is important to obtain understanding of CSR at corporate level regarding companies' overall business operations and CSR initiatives. Meanwhile, understanding what and how store environment is used for

CSR communication with consumers at store level is also fundamental to the research. Combining and connecting these two sides of understanding could help identify relevant CSR contents and store environmental elements for communicating CSR with consumers in a better way. Furthermore, understanding existing critiques regarding companies' CSR initiatives is also critical in considering whether those critiques could potentially reveal any in-store communication problems or whether those critiques are addressed through in-store communication.

Therefore, to achieve the research purpose, this research paper intend to collect relevant information regarding (i) what businesses companies are carrying out, (ii) what CSR initiatives companies are committing, (iii) what critiques exist regarding companies' CSR initiatives, (iv) what store environmental elements are used in association with communicating CSR at retail stores, (v) what CSR contents at corporate level are covered in-store communication, and (vi) what store environmental elements are used consistently or contradictorily with CSR initiatives at corporate level.

3.3.2 Defining Companies to Research

The paper makes reference to Global CSR RepTrak 100 ranking when selecting companies to study the application of store environment on CSR communication. The Global CSR RepTrak 100 is a yearly ranking of the top 100 most socially responsible companies worldwide, which has been carried out by Reputation Institute and has been cited and considered as authentic source by public media such as The Economist, Bloomberg and Wall Street Journal (Reputation Institute, 2018a).

Reputation Institute (2018a) chooses companies for the CSR RepTrak 100 ranking assessment based on the companies' economic presence, reputation in home country and global familiarity by the public. It measures over 7,000 companies each year, across 55 countries and 20 different industries. Therefore, the paper considers the Global CSR RepTrak 100 ranking as a reliable source. Furthermore, this ranking measures CSR reputation by considering and analysing companies' CSR thinking regarding elements such as products, services, and governance; stakeholders' supportive behaviours such as purchase and verbal support; as well as emotion link such as trust in between CSR thinking and supportive behaviours. The assessment criteria considers CSR thinking at corporate level, which appears to be relevant for the study. Hence, the paper considers the Global RepTrak 100 ranking as a proper starting point for selecting companies with strong CSR reputation for studying their store environments in relation to CSR.

Additionally, since the paper researches retail store environment, which requires researchers to carry out physical observations at stores, below criteria are determined in order to select the appropriate companies for study:

• Companies with strong CSR reputation for past five years (companies in top 50 of Global RepTrak 100 lists consecutively from 2014 to 2018);
• Companies with business-to-consumer business;

- Companies with physical presence of brick and mortar retail stores (excluding companies which sell mainly through dealers or online stores)[3]; and
- Companies with strong presence in Nordic countries for the purpose of access.

Based on the above criteria, below companies (Table 2) are identified from the Global CSR RepTrak 100 ranking lists (Reputation Institute, 2018b; Reputation Institute, 2017; Reputation Institute, 2016; Reputation Institute, 2015; Reputation Institute, 2014):

| Company | Rankings in CSR RepTrak 100 | | | | |
	2018	2017	2016	2015	2014
LEGO	2	1	5	6	6
Adidas	7	18	16	13	18
IKEA	46	13	19	32	27

Table 2 - Companies selected for research purpose based on CSR RepTrak 100 ranking

In addition to the above three companies that are involved in industries to manufacture and retail toy, sportswear, and furniture, the paper also intends to include an international fast fashion manufacturer in the study. It is considered that such business involves complicated operation processes from sourcing materials to disposing finished goods, leads to great impact on society and environment, and has strong presence in brick and mortar stores. Therefore, it would be interesting to study how companies operating in fast fashion communicate CSR with consumers at retail stores. In this sense, Hennes & Mauritz AB (H&M) is identified as the fourth company to study due to its strong retail store presence in Nordic countries, has performed multiple CSR activities, and has highly concerned by the public regarding its CSR initiatives.

This paper conducts research based on the four selected companies. Those companies have different product focuses in their respective retail businesses. The primary purpose is to discover and learn valuable in-store CSR communication through store environment, and then also to consider if differences in in-store CSR communication, if any, are caused by differences in businesses and whether those differences would affect general applicability of using store environment to communicate CSR.

The basic information, including country of incorporation, year of establishment and the number of retail stores in Nordic countries, of the selected companies are summarised in Table 3.

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[3] In viewing that store environmental elements for companies selling mainly through dealers may not be at full control of respective companies and hence may limit on how companies would like to communicate in retail store environments, those companies are excluded from this study. Companies which sell primarily online are excluded from this study as the paper focuses study solely on brick and mortar stores.

Company	Country of incorporation	Year of establishment	No. of retail stores in Nordic countries	References
LEGO	Denmark	1932	3	LEGO, 2018
Adidas	Germany	1949	7	Adidas, 2018
IKEA	Sweden	1943	42	IKEA, 2018a
H&M	Sweden	1947	473	H&M, 2018

Table 3 - Basic information about companies selected for research purpose

All companies selected were established around the similar period of time in Europe. Though the number of company owned retail stores available in Nordic countries vary due to differences in the nature of products and the model of business operation, all companies have been running retail stores with relatively long history and experiencing the development regarding consumers' concerns and expectations for CSR, which make the examinations and comparison of different companies' CSR activities and CSR communication through store environment feasible.

3.3.3 Data Gathering Methods

Regarding the required data to gather, documentary study is helpful in understanding (i) what businesses companies are carrying out, (ii) what CSR initiatives companies are committing, and (iii) what critiques exist regarding companies' CSR. While in-store observation can be used to collect data in relation to (iv) what store environmental elements are used for CSR communication, (v) what CSR contents at corporate level are covered at store level, and (vi) what store environmental elements are used consistently or contradictorily with CSR initiatives at corporate level.

(i) Documentary Study

This paper first reviews documents published by selected companies, which are accessible to the public and include CSR related reports such as annual reports, sustainability reports and responsibility reports, in order to obtain research data regarding retailers' businesses and CSR initiatives. To catch up with important events and changes in companies' CSR initiatives in terms of CSR commitment, CSR impact, CSR motive, and CSR fit, a long-range and comprehensive review of retailers' CSR related reports for the past five years are planned. Findings from the documentary review would be recorded in table form for comparison across times. Additionally, this documentary study also covers study of online news/reports about critiques of retailers' CSR activities in order to have comprehensive understanding about potential problems in CSR communication. In this regard, key words such as "XX company CSR scandals", "XX company CSR issues" and "XX company greenwashing" are used in google search.

According to Gaborone (2006), a document is a written text which is produced by individuals and groups in the course of everyday practices and it is considered as visible signs of what happened in some previous time. Study shows that documentary study is a cost effective method and at least the same good as social surveys, in-depth interviews or participant observation (Gaborone, 2006). Documentary study is also described as an appropriate method to study information that researchers want to investigate (Bailey, 1994). In this research, documentary study allows researchers to obtain a comprehensive picture of the companies' businesses, CSR initiatives and intentions, which further guides the way for the following in-store observations about what CSR contents and how those contents are communicated at retail stores.

(ii) In-store Observation

The purpose of the in-store observation is to gather data regarding (iv) what store environmental elements are used in communicating CSR with consumers at retail stores, (v) what CSR contents at corporate level are covered at store level, and (vi) what store environmental elements are used consistently or contradictorily with CSR initiatives at corporate level. To achieve the purpose, the store exterior, general interior, layout and design, as well as point-of-purchase and decoration elements are observed. Researchers use the items listed in Table 1 as an observation checklist to guide through the observation work.

Researchers are concerned that note-taking or video recording behaviours may have unwanted influences or interactions with store staff. Therefore, researchers attempt as much as possible to limit such behaviours by acting as normal consumers and alternatively recording the store observation mainly through photo taking as what normal consumers would do inside a store. Both researchers attend the observations and record the observation promptly by making preliminary notes right after finishing each observation. After that, researchers discuss the preliminary findings of observation to minimise any blind spots missed by individual researcher during the observation and transform the preliminary notes into comprehensive written documents afterwards.

Observational research method is particularly prevalent in social sciences and in marketing researches, which is a social research technique that involves direct observation of phenomena in natural setting (Easterby-Smith, Thorpe & Jackson, 2015). It has been divided into four types depending on researchers' stances namely (i) complete observer, (ii) observer-as-participant, (iii) participant-as-observer and (iv) complete participant (Easterby-Smith, Thorpe & Jackson, 2015). In this paper, researchers assume roles between observers-as-participants and complete observers by observing the use of store environmental elements for CSR communication as consumers and at the same time recording factual notes about observation in order to lower the level of subjectivity in the observation process.

In-store observation allows researchers to capture specific store environmental elements used for CSR communication. Although in-store observation is time consuming, it enables researchers to access to real store situation where questionnaire and interviews are difficult to display the vivid store environment and then hard to collect required research data about the application of store environment in CSR communication. In-store observation also enables

researcher to see the use of same store environmental elements in different ways and to interpret the applicability of CSR related store environment in a more in-depth way, which further contribute to the research transferability.

3.3.4 Sampling Method

Only one retail store of each company is determined to visit. All companies selected have physical presence and operations all over the globe. Products sold by each company appear to be standardised worldwide without material adaptation to local markets. Besides, observations are carried out in retail stores in Nordic countries and business cultures among Nordic countries are relatively similar. The above factors lower the possibility that individual retail store of each company in Nordic countries would vary significantly. In this regard, visiting one retail store for each company is considered appropriate to serve the explorative study purpose of the research.

This paper selects physical retail stores of LEGO, Adidas, IKEA and H&M for in-store observation through convenience sampling strategy. This strategy is adopted due to constraints on time and budget. Hence, ease of access is seen as one of the important criteria to select retail store. Moreover, researchers also intend to select retail store with larger size and being located in commercial shopping areas in order to have all-round in-store observations. Considering Copenhagen and Malmö are the closest cities to researchers and there are large retail shops and flagship stores there, retail stores are chosen from these two cities. Therefore, four stores are selected to observe based on the above criteria (Table 4).

Company	Store under Observation	Date of Observation	Time of Observation
LEGO	Vimmelskaftet 37, Copenhagen 1161, Denmark	9 April 2018 (Monday)	11:00 - 12:00
Adidas	Østergade 52, Copenhagen 1100, Denmark	19 April 2018 (Thursday)	11:10 - 11:50
IKEA	Kulthusgatan 1, Malmö 21586, Sweden	11 April 2018 (Wednesday)	10:30 - 13:30
H&M	Amagertorv 21, Copenhagen 1160, Denmark	9 April 2018 (Monday)	12:00 - 13:00

Table 4 - Observation schedules

Convenience sampling strategy is one of the non-probability sampling designs, which implies the selection of sampling units based on high extent of accessibility (Easterby-Smith, Thorpe & Jackson, 2015). The strategy allows inclusion of accessibility of retail stores into consideration and is compatible with the qualitative research methods planned in this paper (i.e. documentary study and in-store observation). Besides, the purpose of the research is not to have statistical generalisation through large samples. In this regard, it is appropriate to use the convenience sampling.

3.3.5 Data Analysis Method

Content analysis is used to frame the qualitative data obtained from documentary study and in-store observation. It allows organising and analysing qualitative data structured according to CSR communication at corporate level and store level and then drawing conclusions, which can be used for theory building (Easterby-Smith, Thorpe & Jackson, 2015).

The analysis is divided into two parts. The first part analyses CSR communication at corporate level in terms of CSR Commitment, CSR Impact, CSR Motives, and CSR Fit with purposes to identify what the major CSR activities are carried out by selected companies and whether those activities are internally coherent with companies' business operations and CSR objectives. The second part analyses CSR communication at store level regarding the four categories of store environmental elements (namely, exterior, general interior, layout and design, and point-of-purchase decoration elements) with purposes to identify what store environmental elements are used for in-store CSR communication, and what CSR contents and to what extent those themes are communicated at store. Below steps are developed for each part of analysis:

Analysis for CSR Communication at Corporate Level

(i) Summarise CSR communication at corporate level (CSR Commitment, CSR Impact, CSR Motives, and CSR Fit) of all four selected companies based on documentary study;
(ii) Compare and analyse the extent of different categories of CSR activities committed by selected companies; and
(iii) Examine whether CSR activities are internally coherent to companies' CSR objectives and business operations or not.

Analysis for CSR Communication at Store Level

(i) Identify and summarise store environmental elements used for CSR communication based on in-store observation;
(ii) Analyse the reasons for using respective store environmental elements;
(iii) Compare what CSR contents at corporate level are communicated and not communicated inside store among selected companies;
(iv) Analyse possible reasons for selective communication of CSR at store; and
(v) Analyse whether CSR communication at store level is externally coherent to CSR communication at corporate level.

3.4 Research Quality

Trustworthiness has been developed by Lincoln and Guba (1985) as criteria to assess the quality of qualitative research, which incorporates elements of credibility, transferability, dependability, and confirmability. As the paper uses qualitative methods for performing the research, the above four elements are assessed when considering the research quality.

(i) Credibility

Credibility is about how researchers are confident in the validity of the research findings (Lincoln & Guba, 1985). This paper firstly selects four companies that either have high global CSR reputation or are sufficiently involved in various CSR activities. Those companies are strictly monitored by the public and have presented abundant information available for investigation, which increase the level of truthfulness of information used for research. Secondly, the chronic and systematic review of companies' five years CSR related reports for over one thousand five hundred pages helps researchers to obtain comprehensive pictures of those companies' CSR initiatives, which enables researchers to conduct in-store observation for relevant CSR activities subsequently. Thirdly, the in-store observation results are discussed and cross-checked by researchers, which also increases the validity of the paper. Although there is only one retail store selected for each company, the global companies are generally standardised concerning products, services and decoration of retail stores and retail stores in Nordic countries have comparatively similar cultures. Therefore, observation of one store for each company is considered appropriate for the explorative study purpose. Although the chosen convenience sampling design has restrictions, the potential restrictions are lowered due to the standardisation of retail stores of global companies, which reduce possible differences in results from observing different retail stores of selected companies. Additionally, convenience sampling design helps researchers to collect valuable and comprehensive data from larger retail stores with more all-round store environmental elements, which would help contribute to detailed and meaningful research findings. Based on the above, the possible problems that violate the research findings are minimised in the research and the validity of conclusions from the study is warranted.

(ii) Transferability

Transferability concerns whether the research findings can be applicable in other contexts (Lincoln & Guba, 1985). This paper aims for analytical generalisation instead of statistical generalisation. Researchers intend to collect rich data by focusing on documentary studies and in-store observations for four companies and use thick description by discussing sufficient details on the collected data. As supported by (Lincoln & Guba, 1985), thick description is utilised to establish research transferability. Thick description refers to the detailed account of field experiences (Holloway, 1997). In this research, researchers attempt to explicitly and detailedly describe what store environmental elements are used in communicating CSR and how they are used. By describing observations in sufficient detail and through thinking of and reflecting upon documentary studies and in-store observations, researchers believe that the results of the study are transferable and which could be applied to build CSR brand, manage companies' CSR reputation, understand consumers' behaviour and attitude gap, and drive consumers' sustainable consumption behaviours.

(iii) Dependability

Dependability relies on whether the methods of qualitative research can be replicated and whether other researchers could find consistent results by replicating and re-performing the research (Lincoln & Guba, 1985). To achieve the research purpose, documentary study and

in-store observation are designed and employed in carrying out the research. The documentary study is primarily based on corporate published CSR related reports, which are available to the public and are easily accessible. The in-store observation is conducted on any random weekday and without specific notification to related stores, which suggest that the store is less likely to put up specific store environmental elements for observation. As a result, it is uncomplicated to replicate the research methods. Furthermore, no retail stores selected, except for IKEA one, are under renovation. The part of closet products area and showrooms in children products area in IKEA store are under renovation during observation, but the renovation areas are not substantial and there is no material impact on research findings. Therefore, it is reasonable to anticipate that consistent findings can be noted for any researchers who would like to replicate the study.

(iv) Confirmability

Confirmability refers to the extent to which the findings are neutral, meaning that the research is well developed and the research findings are not the results of researchers' bias (Lincoln & Guba, 1985). The qualitative data obtained from documentary study is based on factual findings on what the selected companies have done in the past five years in association with CSR. The qualitative data from in-store observation primarily relies on factual observations of store environmental elements in association with CSR, which is subject to interpretation of data such as whether there is large coverage of CSR contents in retail stores or whether the use of LED light bulbs are excessive. Regarding the content analysis of qualitative data obtained, it is organised according to prior literature about understanding of CSR communication at corporate level and understanding of use of store environmental elements at store level. Therefore, the design of data collection and analysis methods are subject to lower level of researchers' subjective views. Moreover, regarding the in-store observation, both researchers attend all observations at retail stores and record findings separately. The recorded observation findings are further discussed between researchers to mitigate possible blind spots and to lower potential bias from individual researcher. As supported by Denzin (1978) and Patton (1999), using of multiple observers could help see the same observation from different perspectives and cross check the interpretation of data. Finally, researchers do not possess any prior beliefs regarding the conclusion of the research topic. Rather, researchers would like to conduct explorative study in the area of application of store environment in CSR communication, which may help with future research regarding CSR communication to consumers. In this regard, researchers aim to be reflexive in the research process and seek for potential conflicts in findings among documentary study and observation across different stores before reaching any conclusions on the research topic.

4. Results and Analysis regarding CSR Communication at Corporate Level

This section investigates the chosen four companies' businesses and and analyses their CSR at corporate level which takes into consideration of CSR Commitment and critiques, CSR Impact, CSR Motives and CSR Fit. It aims to identify the selected companies' major CSR activities and to see if such activities are internally coherent with their business operations and CSR objectives.

4.1 Company Background

(i) LEGO

LEGO was founded in 1932. It is a private company operating in toys manufacturing and sales industry and held by the Kirk Kristiansen family based in Billund, Denmark. The Company's name comes from Danish words "leg godt", which means "play well" (Mortensen, 2017). Its philosophy is about encouraging children's learning and development through play, and enriching children's lives through providing quality and safe products (Jensen, 2015). LEGO's mission and vision are "inspire and develop the builders of tomorrow" and "investing the future of play" respectively (Jensen, 2012). LEGO brand emphasises six values including imagination, creativity, fun, learning, caring, and quality, which are closely linked to its business philosophy.

(ii) Adidas

Adidas is a multinational corporation founded by Adolf Dassler in Herzogenaurach, Germany. It is specialised in designing and manufacturing sportswear such as shoes, clothing as well as sports equipment and it is the largest sports manufacturer in Europe and the second largest in the world (Adidas, 2017b; Statista, n.d.). The company has more than 60,000 people in over 160 countries, produces more than 850 million product units annually and generate sales of over EUR 21 billion in 2017 (Adidas, 2017b). The company's strategic business plan is "creating the new" with the main focus on speed, cities and open source. It believes that it has the power to change lives through sports and everything it does is rooted in sports (Adidas, 2017c). The company's mission is "to be the best sports company in the world" (Adidas, 2017b).

(iii) IKEA

IKEA business was started in 1943 by Ingvar Kamprad which is now owned by Stichting Ingka Foundation. It is a Swedish founded while Netherlands based company and is famous for its home furnishing business. There are 355 IKEA stores in 29 countries as at 31 August 2017 (IKEA, 2017a). The company operates its business both through running the stores by itself or under franchising agreements with others. In 2017, IKEA has recorded EUR 34.1 billion retail sales and 817 million store visits. The company holds the vision "to create a better everyday life for the many people" and grows its business by offering affordable products at good quality, emphasising on bringing positive impact to both people and planet, as well as growing the talents working at IKEA (IKEA, 2017a).

(iv) H&M

H&M is a Swedish multinational fashion and design company, which was founded in 1947. It is known for its fast-fashion clothing for men, women, children which currently has over 4,700 stores in 69 markets and has more than 171,000 employees from diversified backgrounds and nationalities around the globe (H&M, 2017). The company's philosophy is to be a value-driven, customer-focused, creative and responsible fashion company so as to deliver fashion and quality at the best price to everyone in a sustainable way (H&M, 2017).

4.2 CSR Commitment and Critiques

By reviewing the chosen four companies' CSR related reports for the past five years, all selected retailers have clearly committed CSR to people and planet related areas under TBL while the focuses slightly differ. Profit related commitments are not explicitly stated by retailers. It appears to be reasonable for retailers to do this given that consumers are skeptical about companies' intentions to carry out CSR activities. Even so, it can be seen that the profit related commitments are implied and embedded in existing commitments to people and planet as such commitments potentially help companies to reduce expenses on energy, waste, materials, to encourage employee productivity, and to lower strategic and operational risks. Those benefits are seen by Willard (2012) as contributors to corporate profits. Since the explicitly stated people and planet related CSR commitments already cover the implied profit related commitments, below discussion and analysis focus on those explicit commitments.

(i) LEGO

LEGO defines its corporate responsibilities to include (i) innovation for children, (ii) environmental leadership, as well as (iii) being caring, ethical and transparent (LEGO, 2015b). Innovation for children involves encouraging children to learn through play and ensuring product safety. Environmental leadership covers areas of alleviating climate change problems by ways of emission control, energy efficiency, and resources use efficiency. Caring, ethical and transparent refers to business standards and practices, and also concerns about human and labour rights. Meanwhile, the company has also made promises in relation

to partner, people, planet and play where it would like to co-create values with partners such as consumers, achieve success together with its employees, earn trust and leave positive impacts to the society, as well as encourage children's play for fun, freedom, creativity and imagination (Jensen, 2016).

By reviewing LEGO's responsibility reports (see Appendix C) (LEGO, 2017; LEGO, 2016; LEGO, 2015a; LEGO, 2014; LEGO, 2013), it shows that the first area is the primary emphasis of LEGO Group, which has been put at the beginning of each report. The company continuously works with UNICEF for promoting children's rights and incorporate promoting and protecting children's rights such as protection and safety into its business principles. LEGO Group also includes quality education as part of its corporate responsibility. Some of the quality education activities, such as inviting children in Liverpool to build LEGO brick wind turbine, are carried out in LEGO retail stores while others such as building international schools or organising LEGO League competition are happening outside the retail store environments. Further, safety related CSR activities are mainly done outside of retail store environment. Regarding the second area, LEGO Group is striving to use sustainable materials and energy for producing products and to reduce inefficiency in utilising resources and energy. In terms of the last area, ensuring employees' rights, engaging and contributing to society, as well as maintaining high standards of business ethics are the aims of LEGO Group. CSR activities in these two areas are more directly associated with activities outside retail store environments.

(ii) Adidas

Adidas has made commitments concerning shareholders, consumers and employees where the company would respect human rights, contribute to successful lasting economy, act sustainably, and reinforce corporate responsibility across the entire supply chain (Adidas, 2017a). Since 2000, Adidas has published sustainability report annually, highlighting the progress made toward CSR targets established. Originally, the company put its CSR focus on four pillars, which were (i) people, (ii) product, (iii) planet and (iv) partnership (see Appendix D) (Adidas, 2015; Adidas, 2014; Adidas, 2013). Since 2015, by following the entire lifecycle of sport, it has redefined its four strategic initiatives to six new strategic priorities in the sustainability roadmap that are targeted by 2020 (Adidas, 2017a; Adidas, 2016; Adidas, 2015). The entire lifecycle of sport (referred as the "space") represents (i) all the places where products are created, designed, manufactured and shipped, (ii) the way that products are sold such as retail, wholesale, e-commerce, as well as (iii) the way products are played from the indoor court to the outdoor pitch all over the world (Adidas, 2017a; Adidas, 2016; Adidas, 2015). The six strategic priorities are (i) value water, (ii) innovate materials & processes, (iii) conserve energy, (iv) empower people, (v) improve health and (vi) inspire action and are classified into two main categories, namely product and people (Adidas, 2017a; Adidas, 2016; Adidas, 2015). The new sustainable priorities have been developed into detailed actions for the purposes of operationalising Adidas's strategy, learning from its partners as well as monitoring and minimising the company's social and environmental footprint. The company has set three levels, which are in the blocks (starting stage), running and finishing line, to assess its progresses annually (see Appendix E).

However, Adidas had been accused of involving greenwashing behaviour and once had been branded as a "Detox greenwasher" that was hiding behind "paper promises" (Chua, 2013). Since then, Adidas has made public commitments regarding eliminating hazardous chemicals from the supply chain. However, it had failed to acting on such commitments for years and there were high levels of hazardous chemicals found in swimwear produced by Adidas (Brones, 2014). It was reported that Adidas' entanglement in toxic scandals showed no sign of slowing down. Under this circumstance, football fans, parents and fashionistas were all united together and demanded Adidas for a future free of hazardous chemicals (Brodde, 2014). There were thousands of people sending letters and calling Adidas CEO Herbert Hainer to detox football. Meanwhile, there were volunteers with protests in 30 cities around the world and hundreds joined a giant #DetoxWave for change (Brodde, 2014). Ultimately, Adidas listened to the public and got back on the right track by taking steps towards a toxic-free future. The company strives to grow its Detox movement and other sustainable activities through the years. According to the assessment of Detox Catwalk campaign of Greenpeace (2016), Adidas has been committed to Detox and has made progress in implementing its plans, but its actions need to evolve faster to achieve the 2020 Detox goal. In this regards, the Detox scandal has no implication on in-store observation given that no more news concerning similar CSR issues are found in recent years.

(iii) IKEA

IKEA has been a pioneer in driving sustainability in its business and the development of which is guided by its corporate vision. Since 2012, the company has followed sustainability strategy of being "People & Planet Positive" which aims to achieve a series of CSR objectives by 2020 (IKEA, 2012). There are three objectives IKEA intends to achieve under this sustainability strategy. First, IKEA plans to drive people "to live a more sustainable life at home". It strives to provide more products possible to support people's sustainable living. In this process, IKEA tries to design and manufacture products in a more sustainable way and attempts to educate consumers to live sustainably through the sustainable living projects by encouraging co-workers and consumers to try out sustainable products and to share sustainable living experiences. Second, IKEA aims for being "energy and resource independent" by improving energy and resources efficiency and investing and producing renewable energy and resources. The third objective is about contributing to a "better life for the people and communities". It targets for people working in IKEA's supply chain by applying IWAY standards for buying products, materials or services (IKEA, 2017b; IKEA, 2016; IKEA, 2015; IKEA, 2014; IKEA, 2013). IKEA has also been working with FSC (Forest Stewardship Council), BCI (Better Cotton Initiative), UNICEF, as well as WWF (World Wide Fund for Nature) in order to achieve the above objectives (IKEA, 2018b). Overall, IKEA has consistently worked towards those objectives through the past five years and the activities or procedures initiated for reaching each objectives have been continuously improved and become more comprehensive over the years (Appendix F).

Through checking critiques online about IKEA's business, a few areas have been identified, including (i) using political prisoners from former East Germany for manufacturing in 1980s (Kulish & Werdigier, 2012), (ii) over using FSC certification (Godelnik, 2012) or concerns about possibility to be forest positive due to limited amount of woods meeting FSC

certification criteria worldwide (Kelly, 2012), (iii) spying employees in IKEA France (Reuters, 2012), and (iv) potential tax evasion by using complex corporate structure (Rivoira, 2017; Shen, 2016). Except for the last critic, the rest were reported in 2012 and no repetitive critiques were noted for those areas subsequently. For the criticism regarding taxation, it is relevant to IKEA business but is unlikely to indicate areas for investigation in store environment. Therefore, the paper considers that there is no practical implication from the above critiques on IKEA in-store observation.

(iv) H&M

H&M has a long history in terms of sustainability. Its ultimate goals are to ensure sustainable fashion and design be available, attractive and affordable to everyone, and to create a truly sustainable fashion industry that is good for people, communities and the planet (H&M, 2017). Since 2002, H&M has initiated its sustainable communication by publishing CSR reports. H&M has put main emphasises on (i) environment such as the environmental impact assessment and supply chain management, (ii) code of conduct such as child labor and workers' rights as well as (iii) product responsibility such as not using restricted chemicals (H&M, 2002). It continues striving to be more transparent with its social responsibility efforts and has developed and released hefty Conscious Actions Sustainability Reports that outline the company's sustainability goals and action roadmap comprehensively. The company's vision is "to lead the change towards a circular and renewable fashion industry, all while being a fair and equal company (H&M Group, 2017, pp. 10). Meanwhile, its CSR vision and strategy are built on three key ambitions namely (i) 100% leading the change, (ii) 100% circular and renewable and (iii) 100% fair and equal. The company has worked with both internal and external experts, has followed a science-based approach to define targets and actions, and has used measurable standards to assess the progress of sustainability work (H&M, 2017; H&M, 2016; H&M, 2015, H&M, 2014; H&M, 2013) (Appendices G & H).

By reviewing H&M Conscious Actions Sustainability Reports for the past five years, it can be seen that the company is dedicated to continuing making better fashion and design available by having a circular approach and being an innovative, fair and equal company. However, there are different voices in the society regarding H&M's CSR intentions. The company has been criticised that it has employed greenwashing tactics to capitalise on the growing environmentally-conscious consumers. It was reported that H&M lacked product responsibility where the material used contained restricted chemicals that would break down into the toxic nonylphenol (NP). NP are hormone disruptors and can be hazardous even dissolved at very low levels (Greenpeace, 2011). H&M was also said to be environmental irresponsible that hazardous sewage was discharged into the rivers in China (Greenpeace, 2011). Furthermore, H&M has been a member of the Fair Labor Association which aims to improve working conditions at factories. However, there were nearly 300 workers in H&M's partner factories in Cambodia suffering from a series of fainting incidents when producing goods (Prak, 2011). H&M has strived to grow its Detox movement after the scandals in 2011 and has achieved considerable results. According to the assessment of Detox Catwalk campaign of Greenpeace (2016), H&M is one of the Detox committed companies that have taken concrete actions. It is ahead in the field and leads the industry towards a toxic-free future with credible timelines. There is no more news concerning the use and release of

hazardous chemicals from H&M found in recent years, which would be less likely to have implication when conducting in-store observation.

Another criticism is comparatively recent. The company has launched the in-store garment recycling initiative, however the collected garments cannot be fully reused and recycled due to limitations on the existing technology. Danish journalists have revealed that 12 tonnes of clothing collected (which cannot be sold, donated, or recycled) have been burned annually in Denmark alone since 2013 (Brodde, 2017). There is only 5 to 10% of collected clothing being recycled into fibres that are ultimately used to make new clothes due to the immaturity of the current technology (Beeler, 2017). As the media reports regarding H&M's mass burning of collected garments and the immature recycle system are ongoing, such critiques may have a potential implication on losing trust from consumers as H&M publishes lengthy sustainability reports about recycling but fails to act as what it has described in the reports or to disclose full details of its recycling initiative such as the inevitable action of burning tonnes of clothing due to immature technology. In this regard, it may potentially affect consumers' intentions of recycling garments through H&M retail stores, increase the level of consumer skepticism and thereby lead to unsatisfactory in-store communication. When observing H&M retail store, researchers would pay attention to how the garment recycling programme is communicated.

4.3 CSR Impact

Various societal impacts from CSR efforts are communicated by selected retailers. Such impacts include aspects from consumer, employee and supplier, community, environment and product for the purposes of attracting attention in the society, engaging and encouraging consumers to make changes and consume sustainably, encouraging and increasing employee and supplier productivity, reducing expenses on energy, waste, materials, lowering strategic and operational risks, and reducing and minimising ecological footprints.

(i) LEGO

LEGO's primary commitment focuses on rights, learning and safety about children's play which is directly connected with its consumers. LEGO has brought several positive societal impacts by CSR efforts on this commitment. First, it provides quality early learning to children through partnership with UNICEF. The partnership is about a three and half years global program called Children's Rights and Business Principles, especially targeting for those have poor health, under nutrition and poor learning environments around the world (UNICEF, 2016). The program involves various CSR activities such as early childhood development, making in-kind contribution of LEGO play materials, and training practitioners and staff to support play in order to alleviate trauma and stress for over 78,000 conflict-affected children in Ukraine and Iraq (UNICEF, 2016). Furthermore, the company has contributed to celebrate and inspire play and learning through campaigns. It has organised LEGO League and Google Science Fair to support playful learning by LEGO Education, has developed talent through play by LEGO Foundation and has established the international

school of Billund (LEGO, 2017; LEGO, 2016; LEGO, 2015a; LEGO, 2014; LEGO, 2013). LEGO has also helped ensuring that children's rights are respected through the above activities; has increased accountability to children within the LEGO Group; and has allowed sharing best practices with other companies about how and where children's rights are relevant and can be respected and supported by businesses. LEGO's second and third commitments work around the first commitment. The company has been working on bringing positive impact to planet, such as it has invested DKK 1 billion for developing sustainable materials for products (LEGO, 2015a) and has also led to positive society by training 1,200 employees and partners as play agents for community projects with children (LEGO, 2017).

(ii) Adidas

Adidas has performed various CSR activities and contributed to its commitments from "empower people", "improve health", "inspire action", to product related innovation for materials. It has benefited people under TBL and contributed to the first three commitments through providing support for refugees, empowering women, and providing support for activities related to fighting breast cancer, getting kids active by providing free preschool activities. Adidas has also contributed to a better planet by increasingly using recycled materials. One example is that it has launched the Adidas Parley since 2015, which are sneakers and swim apparels made from recycled PET material, used fishing nets and plastic debris intercepted in the ocean through joined forces with environmental initiative Parley for the Ocean (Adidas, 2017a; Adidas, 2015). The Adidas Parley also reflects one of the company's commitments to stop using virgin plastics in its supply chain and to cut out plastics whenever and as much as possible. With plastics estimated to make up almost 80% of the total marine debris in the world's oceans (Danglade & Tóth, 2018), the Adidas Parley collections are making waves in sustainability. Another example to highlight is the non-profit BCI launched since 2005 to achieve switch the use of traditional cotton to sustainable cotton, meaning Adidas will only order cotton from suppliers that use less water and fewer chemicals to meet the standards set by BCI (Adidas, 2017a; Adidas, 2016; Adidas, 2015; Adidas, 2014; Adidas, 2013). In 2017, the better cotton sourced globally has reached 93%, which is a big step towards its goal of sourcing 100% sustainable cotton by 2018. Material innovation is likely the way that Adidas can sell the sustainability story that is truly resonate with consumers. By communicating the impact of the company's CSR efforts through different initiatives, it may encourage consumers to understand seriousness of societal impacts, and be more aware that their purchase behaviours can make big changes to environment.

(iii) IKEA

IKEA has contributed to influencing employees and consumers with sustainability minds and better Planet by performing activities that drive people "to live a more sustainable life at home" and aim for a "better life for the people and communities". For example, it has launched "IWitness Global Citizens" programme where IKEA co-workers can visit programmes (such as "Let's Play for Change", "Brighter Lives for Refugees", and "Soft Toys for Education campaigns") connected to its Good Cause campaigns that are run by IKEA, IKEA Foundation and its partners. Co-workers could share their photos, videos and thoughts on the IWitness blog, where all co-workers and customers can see how IKEA and its partners

work together to help children create better opportunities for themselves and their families (IKEA, 2018c). Another co-workers and consumers involved projects is called "Sustainable Living Project", which calls for a positive change in the environment that starts from consumers' home. It is a movement designed to help consumer make small positive changes at homes in order to save energy, conserve water, recycle and reduce waste, as well as live healthier. Through the running of various projects, it allows consumers to know more about the impact of CSR as well as to be personally involved in CSR initiatives and thereby create community-wide impact eventually. IKEA has also achieved certain milestone in resources and energy independence for a better Planet such as by using solar panels and generating electricity from wind farms for 73% of energy used.

(iv) H&M

H&M's 100% Leading the Change commitment is progressing in finding methods increase recycling possibilities, improve the recycled fiber quality, drive operation transparency and reward sustainable actions. Its 100% Circular & Renewable is mainly about bringing positive impact to Planet. The most worth mentioning action related to these two commitments is the company's garment collecting programme. This programme has helped to reduce wastes, reuse disposed clothes, increase recycling possibilities and reward sustainable actions. H&M creates glossy advertising campaigns to encourage garment recycling which allows consumers drop their textiles off in all H&M stores across the globe, and has a voucher program offering discounts to those who conduct such sustainable action at their stores. By providing rewards, both ethical and less ethical consumers are encouraged to return the unwanted apparel products. In this regard, green retailing has been driven at H&M. In 2017, H&M has collected 17,771 tonnes of textiles through garment collecting initiative for reuse and recycling which is 12% increase than the previous year. Moreover, some textiles and fabrics from the returned garments have been or will be reprocessed and used to create new commercial products for the company. As a result, consumers could not only receive the discount voucher when donating garments at H&M but also contribute to saving natural resource and reduced environmental impact by avoiding textile waste. Additionally, revenue from this initiative is used to fund coupons, donate to local charities, and reinvest in H&M's sustainability initiatives. H&M's third commitment works within the company's operation to drive a better society. The company has been adapting fair wage method, democracy, equality at its supplier factories to achieve 100% fair and equal.

4.4 CSR Motive

CSR motives refers to reasons why a company pursues CSR. The disclosure of motives could enhance credibility of the company's CSR communication (Du, Bhattacharya & Sen, 2010; Porter & Kramer, 2006). However, it is difficult to detect and measure the actual motivation of a company. Moreover, corporate intentions towards CSR activities are more often implied in other CSR communication and then judged by consumers. Among the selected four retailers, no company states explicitly about its corporate motives. Instead, plenty of

information regarding CSR commitments and impacts are communicated, through which corporate motivations for carrying out CSR activities may be understood.

(i) LEGO

Over a long period of time, LEGO has strived to work on its three main corporate responsibilities which are (i) innovation for children, (ii) environmental leadership, as well as (iii) being caring, ethical and transparent (LEGO, 2015b). Facts indicate that the motives of LEGO engaging in social or environmental causes are beyond pure obligations.

First, the company has managed to achieve CSR objective in advance and has attempted to involve parties beyond itself to create greater impacts. For instance, the company has achieved its ambition of balancing 100% of its energy use with energy from renewable sources in 2017, which are three years ahead of scheduled time (LEGO, 2017). Its extended supply chain (from sourcing, producing, and distributing LEGO bricks) has been producing over 90% of CO_2 of its entire manufacturing process each year (Edie, 2017). In this regard, LEGO plans to involve 80% of its suppliers in its Engage-To-Reduce (E2R) program to help them reduce CO_2 footprint through dialogue and cooperation (Edie, 2017; LEGO, 2017). Then, when reviewing of LEGO's responsibility reports for the past five years, it has also been found that the company has followed up with the CSR projects of previous year, has developed and has updated CSR initiatives continuously. Additionally, there is no potential critique about the company found during the research period. All of these indicate LEGO's CSR motivation above just obligations.

(ii) Adidas

Adidas nowadays is a brand not only producing sportswear, but also being associated with different sports, sports activities and communities. Although the company was once entangled in toxic scandals and was considered as a greenwashing company, it has undertaken many changes in company operations under the pressures from governmental authorities, sports fans and consumers. Adidas can now be viewed as a company that strives to grow Detox movement and to be responsible for those who love sports and love the Adidas brand. Furthermore, the company has proactively taken actions to become a socially responsible corporation. Those actions include its business related activities such as saving water, waste and energy in its administrative offices, production facilities and distribution centre, and the progress of the above actions has been tracked annually through its environmental data reporting system for almost ten years (Adidas, 2017a). Meanwhile, it also involves in its non-business related community initiatives with public authorities, external partners and volunteers such as (i) supporting Syrian refugees displaced in Turkey since 2012, (ii) saving children for food security, water, sanitation and hygiene, as well as shelter, education in emergencies and child protection since 2012, and (iii) enabling disabilities to participate in leisure activities and to enjoy learning opportunities since 2010 (Adidas, 2017d). Adidas has embedded its CSR practices concerning the TBL into day-to-day activities, has planned and set proper and attainable short-term and long-term goals, and then has designed measurable strategies to reach those targets. Based on the above, it can be seen that Adidas is not only pursuing profits or legitimacy through business operations but also

aiming for contributing further to society by continuously delivering societal benefits to the public.

(iii) IKEA

IKEA is a Swedish furniture giant that once was associated with different critiques. Under the pressures of both internal and external stakeholders, IKEA has undertaken many activities to put past controversies behind and to further establish it as a CSR reputable company. IKEA's CSR activities go beyond pure economic and legitimate reasons. First, IKEA has shown relevance of CSR activities and corporate business operations by being involved in CSR activities from driving consumers' sustainable living, to investment in renewable energy (wind farms and LED light), waste reduction, use of sustainable materials. It further attempts to regulate suppliers' behaviours and influence suppliers to be socially responsible by adopting IWAY standards. IWAY provides detailed requirements regarding environmental, social and forestry aspects that suppliers need to comply with so as to be eligible to work with IKEA. IWAY also helps ensuring fair labor in suppliers sites, covering areas of working conditions, minimum wages and overtime payments. Those standards also cover issues with special importance for IKEA such as the ban of child labour, discrimination in the workplace and illegal logging. UNICEF now regards IKEA as a typical model case of how to implement regulations in order to avoid the use of child labor (UNICEF, 2014).

(iv) H&M

H&M has spent substantial time and money on sustainability programs and has made significant strides in reduce environmental impact from its business operations. However, it is also undeniable that H&M's fast fashion model is inherently unsustainable in itself, with focus on producing cheap fashion disposable clothing for a world where tastes seem to change over time. A clothing retailer like H&M with such a significant amount of sales, the production of garments is undoubtedly bound to bring enormous pressure on the environment. Specifically, from growing the materials, dyeing those materials with chemicals, manufacturing clothes, to transporting all those commodities, H&M has been put a tremendous strain on the environment and resources. This fact put the company in a very unfavourable position which causes the public to question its CSR initiatives. For a long time, H&M has been questioned whether it is an evil fast fashion corporation to increase its revenue and to avoid culpability by using greenwashing tactics, or whether it is genuinely concerned about its environmental role and labor tragedies. The recent critique about H&M burned collected garments has put H&M into a even worse situation. All the above may have suggested an unfavourable interpretation on H&M's motives.

4.5 CSR Fit

LEGO, Adidas, IKEA and H&M have all sponsored social issues that are tightly and logically associated with their core corporate activities. Although CSR fit is not directly communicated by retailers and is subject to consumers' judgement, it is relatively obvious when examining

companies' CSR activities. The following discussions focus on whether and how CSR would be seen fit by consumers.

(i) LEGO

LEGO's principle business is to manufacture and sell LEGO toys and its commitments are highly relevant to its business operations. Innovation for children is considered as the strongest fit to LEGO's principle business given that the major users of LEGO toys are children and consumers are directly involved in the commitment. Although environmental leadership is the least visible commitment to consumers, it is highly relevant to the company's manufacturing process and supply chain management. Being caring, ethical and transparent is also comparatively indirect to consumers as the witness of such commitment would depend on interaction between consumers and employees or following up with LEGO news regarding its community projects. However, those community projects link the company's employees and products to the society, which establish corresponding CSR fit with business as well.

(ii) Adidas

Adidas's business principle is to manufacture and sell sports-related merchandise and its CSR commitments are consistent to its business operations. Its commitment of "inspiring actions" is particularly relevant to consumers, especially for those who are passionate about sports. For instance, the partnership with 2014 FIFA World Cup Brazil helps getting more consumers to be involved in the football field and with Adidas brand. The commitments of "empower people" and "improve health" match with Adidas's actions of treating suppliers and employees fairly, protecting their rights as well as encouraging them execute a series of environmental actions. The commitments of "value water", "conserve energy" and "innovate materials and processes" are matched with the actions taken by its administrative offices, suppliers site and distribution centre but those are least visible toward consumers as such activities are more embedded in the company's operation or its supply chain management process.

(iii) IKEA

IKEA's principal business is about manufacturing and selling home furnishing products. The above commitments are closely associated with IKEA's business idea. The first commitment is particularly relevant to consumers, especially for those who are keen to have sustainable living. It is also a great match with IKEA's business concept, namely "to create a better everyday life for many people". Making more products enabling sustainable living available and producing products with sustainable materials and energy are consistent with IKEA's idea for enabling "better everyday life". The second commitment is less visible to consumers as the related activities are embedded inside how IKEA's business is operated. While the third commitment can be indirectly influencing consumers through interaction with IKEA employees and people in the community.

(iv) H&M

H&M's business principal is about manufacturing and sales of fashion clothing in a sustainable way. There are logical associations between the above mentioned commitments and H&M's core corporate activities. The first commitment is particularly relevant and connected to the consumers, including initiatives in relation to "100% Leading the Change" such as the capsule organic cotton line in 2007 (Jill, 2007), the recycled fabric commitment in 2009 (Dufault, 2009), the eco-fibre Garden Collection in 2010 (Brones, 2010), and the garment collecting service in 2013. Besides, the second and third commitments are embedded inside H&M's business and influence H&M's operations, which are considered highly relevant to the company.

4.6 Summary

Table 5 summarises the chosen four companies' CSR communication at corporate level which takes into consideration of CSR Commitment, CSR Impact, CSR Motives and CSR Fit.

Table 5 - Summary of CSR Communication at Corporate Level				
	LEGO	**Adidas**	**IKEA**	**H&M**
CSR Commitment	**People related**			
	• Consumer (rights to play, quality education & safety)	• Consumer (sports education, sports values and experience sharing, product sustainability)	• Consumer (product sustainability & quality & sustainable living education)	• Consumer (product sustainability and innovation, rewear, reuse and recycle & reward sustainable actions)
	• Employees & Suppliers (mental health, safety, equity, diversity, fair labor, satisfaction, workplace conditions, supplier education)	• Employees & Suppliers (fair, health and safe workplace condition, diversity, leadership mindset, skill training programmes)	• Employees & Suppliers (fair pay, working conditions, equality, continuous development, supplier education)	• Employees & Suppliers (fair pay, equality, democracy, supplier transparency)
	• Community (refugee, children rights, in-kind contribution, quality early learning, train practitioners)	• Community (refugees, disabilities, women, children, sports)	• Community (job creation, refugee, children rights)	• Community (in-kind/funds contribution)
	Planet related			
	• Environment (renewable resources and energy, energy/resources efficiency, reduce emissions)	• Environment (conserve energy, chemical management, water saving, waste reduction, paper reduction & carbon emissions reduction)	• Environment (renewable sources, energy efficiency & waste reduction)	• Environment (water efficient, recycling system, renewable electricity & efficiency, reduce emissions)
	• Product (quality, sustainable materials)	• Product (sustainable materials)	• Product (product sustainability, quality, consumers conscious on sustainability)	• Product (sustainable materials, consumers conscious on sustainability)
CSR Impact	**People related**			
	• Consumer (children's rights, learning and safety)	• Consumer (green spirit of sports)	• Consumer (live more sustainably)	• Consumer (sustainable & innovative fashion)
	• Employees & Suppliers (happy, positive and environment-minded)	• Employees & Suppliers (positive workplace condition & environment-minded)	• Employees & Suppliers (happy, positive and environment-minded)	• Employees & Suppliers (transparent and environment-minded)
	• Community (alleviating society problems)	• Community (alleviating society problems & inspire actions)	• Community (alleviating society problems)	• Community (financial & in-kind contribution)

Table 5 – Summary of findings on CSR communication at corporate level

	LEGO	Adidas	IKEA	H&M
	Planet related			
	• Environment (energy independent and self-sustained; resources saving & less pollution)	• Environment (chemical conscious, resources saving & less pollution)	• Environment (energy independent and self-sustained; resources saving & less pollution)	• Environment (recycling, resources saving & less pollution)
	• Product (more offering of sustainable products)	• Product (packaging, more offering of sustainable products)	• Product (more offering of sustainable products)	• Product (more offering of conscious products)
Critiques	-	• Toxic scandal (2013)	• Use political prisoners (1980s) • Overuse FSC certification (2012) • Spying employees (2012) • Potential tax evasion (2016)	• Toxic scandal (2011) • Sewage discharge scandal (2011) • Fainting incident (2011) • Garment burning scandal (2013 - 2017) • Immature recycling technology (2017)
CSR Motive	• Philanthropic	• Ethical towards Philanthropic	• Ethical towards Philanthropic	• Between Obligatory and Ethical
CSR Fit	• High relevance	• High relevance	• High relevance	• Medium to high relevance
Internal Coherency	• Strong	• Strong	• Strong	• Semi-strong

Table 5 – Summary of findings on CSR communication at corporate level (Continued)

Companies' CSR Commitment and Impact Focus

As mentioned above, all selected retailers have clearly stated people and planet related commitments and impacts while with different focus areas. The similarities and differences in CSR commitments and impacts are summarised below:

(i) Consumer related CSR Commitment and Impact Focus

LEGO	Play environment creation through own business operations
Adidas/IKEA/H&M	(i) Sustainable product offerings, (ii) Consumer education

Different from LEGO, all other three companies have been focusing on innovating and offering sustainable products to consumers and influence their consumption behaviours. Adidas, IKEA, and H&M all have broader product categories than LEGO. Those products are made with different materials (such as cottons and polyesters) and offer diversified functions to consumers (such as energy and resource saving) while LEGO's products are mainly for children's fun, which may explain why the CSR focus for consumer is different for the four selected companies.

(ii) Employee & supplier related CSR Commitment and Impact Focus

LEGO	(i) Human rights, (ii) Supplier education
Adidas	(i) Human rights, (ii) Talent development
IKEA	(i) Human rights, (ii) Talent development, (iii) Supplier education
H&M	Human rights

Employees and suppliers are important parts for companies' CSR activities. Fundamentally, all of the four retailers have considered human rights as the essence of their CSR works from basic security (e.g. fair labor and safety), to physical needs (e.g. health and salary), to society and mental level (e.g. privacy, equity, satisfaction and employee education). On top of this, LEGO and IKEA has further emphasised on supplier education to drive sustainability actions from suppliers side while Adidas and IKEA has committed to talent development for having motivated employees.

(iii) Community related CSR Commitment and Impact Focus

LEGO	Business related community projects
Adidas/IKEA	(i) Business related community projects; (ii) Non-business related good causes
H&M	(i) Limited business related community projects; (ii) Non-business related good causes

LEGO, Adidas and IKEA have been actively participating in business related community projects by involving its employees and partners in the process beyond pure corporate donations. H&M's community projects are mainly about funds donations and clothing donations from its garment collecting programme to charities, it is however viewed as only limited association with its businesses.

(iv) Environment related CSR Commitment and Impact Focus

LEGO/IKEA	(i) Renewable resources and energy, (ii) Resources and energy efficiency
Adidas/H&M	Resources and energy efficiency

All retailers have been aiming to benefit the planet through a focus on resources and energy efficiency. LEGO and IKEA have taken one step further which is to consider renewable resources and energy. Both companies have achieved energy independence and self-sustenance to stay committed to the environment.

(v) Product related CSR Commitment and Impact Focus

LEGO	(i) Use of sustainable materials, (ii) Quality
Adidas	(i) Use of sustainable materials, (ii) Packaging
IKEA	(i) Use of sustainable materials, (ii) Quality, (iii) Consumer education
H&M	(i) Use of sustainable materials, (ii) Packaging, (iii) Consumer education

Other than focus on sustainable materials, quality or packaging of products, IKEA and H&M also intend to educate consumers to either live or consume sustainably by supplementing the information such as how to sort wastes and why to recycle.

Companies' CSR Motives, Fit and Internal Coherence

LEGO appears to be with strongest CSR motives while H&M is with the weakest motives. The considerations involve (i) whether there are any recent critiques about selected retailers, (ii) how closely CSR activities are related to business, (iii) whether companies have performed CSR beyond own operations, and (iv) how fast companies are achieving CSR objectives. It is worthy noting that H&M is the only company with recent critiques on its corporate behaviours against its CSR recycling objectives while the company has not taken corresponding actions about the critiques. LEGO is strong in CSR motive as it has no prior critique on CSR activities, is speeding in achieving CSR objectives and also tries to help with supply chain side to achieve sustainability.

LEGO, Adidas, IKEA and H&M have all sponsored social issues. H&M's fund and clothing donation to charity appear not to strongly link with its businesses, therefore, it is considered of reduced CSR fit when compared with other companies.

Overall, LEGO, Adidas, IKEA and H&M have demonstrated certain extent of consistency among companies' motivations for carrying out CSR activities, exact CSR initiatives, and business operations. However, H&M is relatively weaker in such consistency when compared with other companies mainly due to its weaker stances on CSR motives and CSR fit.

5. Results and Analysis regarding CSR Communication at Store Level

This section is divided into two parts. It first summarises the results from in-store observation and analyses reasons for the use of store environmental elements for CSR communication. The second part then compares CSR themes communicated and not communicated by retailers at store, then analyses possible reasons for selectively communicating CSR themes at store and finally discusses whether in-store communication is externally coherent with corporate level CSR.

5.1 Store Environmental Elements for CSR Communication

Table 6 summarises the extent of store environmental elements used for communicating CSR. The extent of CSR communication through store environment is indicated with "high/ medium/low" based on the findings and comparison across the four stores observed while "-" is used for indicating that no such store environmental element has been used by stores. In general, all of them mainly incorporate CSR with general interior elements, especially on lighting and products. Some of them communicate CSR by using elements related to exterior, layout and design, and point-of-purchase and decoration elements. Detailed results and analysis are discussed below. Since not all store environmental elements are used by retailers, the discussion for each category of store environmental elements is organised by prioritising the elements used most frequently first.

	LEGO	Adidas	IKEA	H&M
Exterior elements				
- Exterior sign	-	-	-	-
- Entrance	-	-	-	-
- Exterior display windows	**Low**	-	**Low**	**Medium**
- Parking availability	-	-	-	-
General interior elements				
- Flooring and carpeting	-	-	-	-
- Colour schemes	**Low**	-	-	**High**
- Lighting	**Low**	**Low**	**Low**	**Low**
- Music	-	-	**Low**	-
- Scents	-	-	-	-
- Merchandise	**Low**	**Low**	**High**	**High**
Layout and design elements				
- Space design and allocation	-	-	-	-
- Placement of merchandise	-	-	-	-
- Grouping of merchandise	-	-	-	-
- Waiting areas	-	-	**Medium**	-
Point-of-purchase and decoration elements				
- Point-of-purchase displays	**Low**	**Low**	**Low**	**High**
- Signs and cards	-	-	**Low**	**Medium**
- Wall decorations	-	-	-	-
- Pictures	-	-	-	-
- Product displays	**Low**	-	-	-
- Usage instruction	-	-	-	-

Table 6 - Summary of the extent of CSR communication through store environment

5.1.1 Exterior Elements

In general, the use of exterior elements in CSR communicating is relatively limited. Several reasons are possibly causing such situation. First, the selected retailers are selling products globally and consumers are familiar with the range of product offerings. It is not necessary for those retailers to use CSR as an additional tool to get consumers into retail stores. Second, the primary function of retail store is the place for sales. Retailers have to balance the need

for communicating CSR and promoting sales. Therefore, retailers may be more inclined to use exterior elements for sales related purposes. Thirdly, selected retailers have been directing CSR activities into the process of manufacturing products offerings such as using more sustainable materials and energy. Instead of having separate exterior elements to promote CSR, it may be easier for the retailers to just show related products. Last, showing CSR theme at exterior may appear to be over exaggerated and worsen consumers' concern about corporate genuinity regarding CSR.

(i) Exterior Display Windows

All selected retail stores (except Adidas) have been using open-back windows. Open-back windows are often used by companies for utilising nature light and lowering the need for artificial light inside stores so as to achieve the purpose of energy saving. It is not surprising to note that all selected retail stores (except Adidas) are using open-back windows as all of them have been emphasising energy saving in their CSR objectives.

The visited LEGO store is located in the centre of Copenhagen city, which is close to the main shopping street Strøget. There are six floor-to-ceiling and open-back windows at the entrance of the store with LEGO toys as windows display (Picture 1). On the side of the LEGO store, only closed-back windows are used (Picture 2). The use of open-back windows at entrance and use of closed-back windows by the sides indicate that lower artificial lighting is required at the front side of the store while more artificial lighting is needed for inner side of the store.

Picture 1 - LEGO Open-back windows (entrance)   **Picture 2 - LEGO Closed-back windows (side)**

The visited Adidas store is located on the third floor in a department store ILLUM which is situated perfectly in the heart of Copenhagen where the pedestrian streets Strøget and Købmagergade meet. The store is built with its separate shopping area in the shopping mall. Due to the limitation on the location of the store, no window areas are available.

The visited IKEA store is located in Malmö, which is not close to city centre but can be easily accessed by train or bus. The store uses yellow and blue as exterior colours, which symbolise the nation of Sweden. The size of store is the largest among all stores visited and there are three floors there. The first floor is used for car parking and the second and third floors are for retail store with large areas of window glasses (Picture 3). Some of the window glasses are open-back while others are closed-back. However, no obvious window displays are noted of using by the IKEA store.

Picture 3 - IKEA store front windows

The visited H&M store is located in central Copenhagen by the main pedestrian shopping street Strøget. There are four sections integrated into this physical retail store, which are men, women, kids and home respectively. The size of the H&M retail store is the second largest among all stores visited, which occupies half of the Amagertorv street. The exterior store is built with floor-to-ceiling and open-back windows where windows display shows clothes of the new season (Picture 4). There is also a fully transparent ceiling glass window in the

Picture 4 - H&M store open-back windows

escalator area (Picture 5), but which can only be seen inside the store during the escalator ride. The use of open-back windows in the shop front and the use of transparent ceiling glass window allow great enjoyment of nature light inside the store.

Picture 5 - H&M store glass ceilings

(ii) Others

No entrance, exterior sign or parking availability are noted associating with CSR. The IKEA store is the only store with large parking areas while the other stores are located in Copenhagen city centre and no retailer owned parking areas are noted. However, no parking lots for electrical cars are noted in the IKEA store visited. Additionally, the IKEA store has used solar panels to generate renewable energy. Nevertheless, as the solar panels are located on the rooftop, it is not directly visible to consumers and hence not considered one of the elements for communicating CSR with consumers.

5.1.2 General Interior Elements

The application of general interior elements is mainly restricted to colour schemes, lighting, music, and merchandise. General interior elements appear to be emphasised by retailers to communicate CSR with consumers, especially in the use of products associated information. The most important offerings from retailers to consumers are products and all selected retailers have invested substantial fund and energy in improving sustainability of respective products. And communication through products related information benefits retailers in several ways, including enriching consumers' understanding of CSR activities and the value of money spent on buying those products, promoting sales of products while balancing the needs to communicate CSR with consumers, differentiating product offerings from competitors', as well as building consumers' engagement and support of CSR activities.

(i) Merchandise

At corporate level, all four selected retailers have presented that companies are working with suppliers to integrate sustainable materials into the processes of manufacturing products. The communication of CSR regarding products is mainly demonstrated through labels, packaging, posters, information boards or video.

LEGO toys are mainly made of plastics and packaged with paper boxes. At corporate level, LEGO has committed to make its products and packaging with sustainable resources. In the store, there is no specific communication regarding the materials used on producing products. However, core LEGO toy products are packaged with FSC certified labels (Picture 6), which is consistent with the CSR aims and contents described in LEGO's responsibility reports.

Picture 6 - FSC labeled LEGO Toy Package

The visited Adidas store sells the classic Adidas three stripes sportswear and the products collaborated with the top English fashion designer Stella McCartney. Some products in the store are labelled with sustainable hangtag. Products produced under the partnership with the Better Cotton Initiative (BCI) to improve cotton farming globally are labelled with green hangtags "BCI", and products produced with recycled materials are labelled with hangtags such as "Recycled Nylon" and "Recycled Polyester". Moreover, all the product tags are labelled with an inspire sentence such as "Sports is not just the game I play. Sports is who I am, why I am. It's every second on the clock, every moment I live - Gameday or any day" (Picture 7), which reflects Adidas's idea of improving people's health by teaching values of sports to consumers.

Picture 7 - Adidas product labels

The IKEA store uses more diversified means (labels, information board, poster, video, ready-to-assemble packaging) in communicating CSR related information about products. This may be because one of IKEA's CSR ambitions is to drive people's sustainable life at home. First, various energy efficiency labels have been noted using on electronic appliances. Examples would include dishwashers, ovens, refrigerators, and LED light bulbs (Picture 8). Then, in the


Picture 8 - Various electric appliances with energy efficiency labels at IKEA store

showrooms for kitchen related products, garbage sorting element is incorporated in the design of kitchen area. In the section for selling of rubbish bins, information board regarding needing help from consumers to separate different garbages is also shown (Picture 9). In the area for water taps, information board regarding water saving by using those taps is also available to consumers (Picture 10). In the section for bed clothing, there is poster showing

Picture 9 - Garbage sorting related demonstration and information at IKEA store
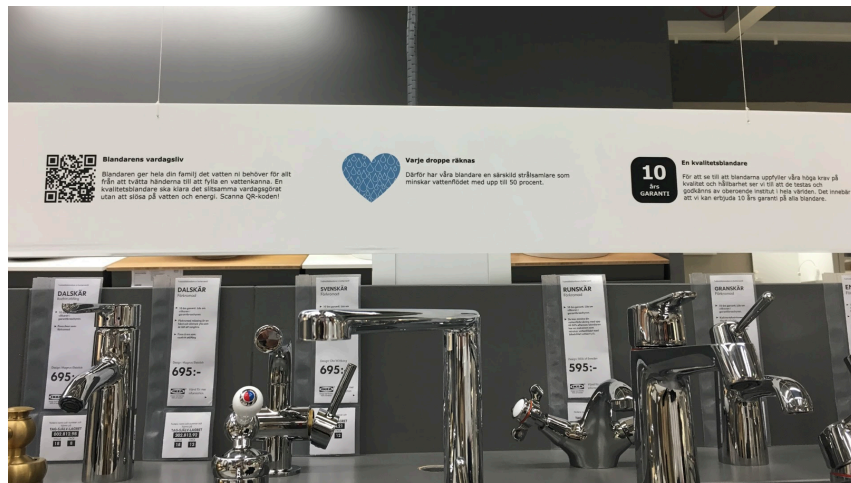
Picture 10 - Information of water saving from using the water taps at IKEA store

Picture 11 - Poster showing IKEA's collaboration with social entrepreneur and sustainable cotton

that IKEA has been working with social entrepreneur since 2013 in order to create work opportunities for women and to enable them to have better everyday life (Picture 11). In the same area, there are labels on cotton products showing that IKEA uses sustainable cotton which are planted with less water and less pollution to the environment, and more profits to farmers (Picture 11). In the section for child toys, a poster has been noted on the wall, mentioning that "Children do not think about safety when they play - so we do[4]" (Picture 12).

Picture 12 - Poster about child right for safety in IKEA store

This shows that IKEA concerns about children's rights for safety, which is also part of the CSR objectives IKEA intend to achieve. In the section for carpet, a video is on screen showing that IKEA's suppliers has been positive to work under IKEA's IWAY standards to

Picture 13 - Video about suppliers being positive about working under IWAY standards

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[4] Original sentence in Swedish is "Barn tänker inte på säkerhet när de leker - så det gör vi".

produce and supply products. And IKEA uses the photos and the video under the title "handmade with love and care[5]" to show consumers what carpets they have been making (Picture 13). However, the sound of the video is kept at very low volume during observation date, which is not easy to hear what suppliers are talking in the video. Finally, before the exit of IKEA store, the store has warehouse area for consumers to pick up ready-to-assemble furnitures. Such packaging of furnitures helps IKEA to lower offering prices of products to consumers and enable optimisation of vehicle spaces for delivery or transportation so as to enable more consumers to enjoy products supporting sustainability and saving energy in the delivery or transportation of furnitures, which is consistent with IKEA's objective of driving "a more sustainable life at home".

The H&M store has labelled its products with CSR themes as "Conscious" collection, which are easily separated from other products by product labels. The "Conscious" collection are seen within all the sections in store, men, women, kids, home and skin care, which consist of products made from sustainable materials such as organic cotton and recycled polyester, and produced under water and energy saving process. Those products are all labelled with the H&M's dark green Conscious choice hangtag (Picture 14). In the home products section,

Picture 14 - Conscious collection products at H&M Store

Conscious collection of bed cover sheets and pillowcases are packaged with cotton bags while the non-Conscious collections are wrapped with plastic packages. Furthermore, H&M's Conscious concept also encourages consumers using cotton bags. In-store cotton bags are also belonged to the Conscious collection, and which are available for purchase near cashier

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[5] Original sentence in Swedish is "Handgjort med kärlek och omsorg".

or on top of garment recycle bins with a slogan of "great fashion should never go waste" (Picture 14).

(ii) Lighting

LED lighting is the main CSR lighting emphasis inside retail store. All four retail stores have been noted of using LED lighting for in-store brightness. LED lighting are mild inside stores in general except that H&M appear to be using excessive LED light bulbs (Picture 15). This is probably caused by historical use of lighting to highlight products in fashion industry in order to promote sales of those products (Yolande & Elsa, 2015; Summers & Hebert, 2001; Areni & Kim, 1994). However, the excessive use of LED light appears to be slightly contradictory to the purpose of having LED light bulbs for energy saving.

Picture 15 - LED lighting at H&M Store

(iii) Colour scheme

Except for LEGO and H&M stores, no other stores are noticed of using colour scheme in highlighting CSR themes. The whole LEGO store (including wall, ceiling and floor) is mainly decorated with the typical LEGO yellow colour (Picture 16). LEGO's yellow colour

Picture 16 - Store interior colour scheme at LEGO Store

is not only part of its brand colour, it also carries meanings of happiness, positivity, energy, intellect and joy (Bourn, 2011). LEGO is distinctive in decorating the store with yellow colour, which strengthen demonstrating its CSR commitment to children. On the contrary, LEGO's use of yellow colour can also be interpreted as promoting recognition of the brand since the brand logo and shop has been decorated in yellow for long history. For H&M, dark green has been used to symbolise Conscious collection. The colour has been widely used in the store, which make Conscious collection products largely distinguishable from normal products.

(iv) Music

IKEA is the only store using natural sound inside store during observations. Near the entrance of the store for showroom areas, music of nature birds sound is played automatically when sensor senses consumers walking into the showroom areas, which simulates natural environment. However, other than this music in showroom, there is no other aural application noted inside the store.

(v) Others

No use of flooring, carpeting or scents have been noted for CSR related communication. This may be due to that flooring, carpeting or scent are largely used to direct consumers shopping around stores or being comfortable inside store environment. And those elements are less associated with the CSR themes retailers would like to communicate.

5.1.3 Layout and Design Elements

Layout inside a retail store can be used to organise and separate products associated with CSR themes and those not related to CSR activities. However, layout and design elements are not frequently seen in CSR communication. Depending on the size of stores, retailers may only have limited space to communicate CSR related information. Among the four stores visited, only IKEA store has sufficiently large space in waiting areas for communicating CSR contents. Furthermore, retailers observed do not specifically separate sustainable products from non-sustainable ones may be due to the reason that traditional products still form substantial portion of overall products or retailers intend to blend both sustainable and non-sustainable products so that consumers can see and know CSR related information from every corner of stores. H&M store has the most substantial portion of sustainable products while those products are also placed together with normal products. Therefore, it is more inclined to consider retailers are intentionally to blend sustainable and non-sustainable products together. In this sense, layout and design elements may weigh lower importance in CSR communication.

(i) Waiting areas

Compared to other retail stores, IKEA store has more waiting areas benefiting from its large store size. CSR related communication has been noted in those areas. In the third floor

Picture 17 - Posters in second floor restaurant at IKEA store

restaurant, reusable plates, forks, spoons, knives, glasses and cups are used to serve food. No disposable utensils are noted using in the restaurant. In the second floor restaurant near exit, there are several easily visible posters showing that IKEA has been sourcing from sustainable organisations for coco and coffee to make relevant products, and IKEA encourages consumers to sort the food residues and reduce waste (Picture 17). Near the exit of IKEA store, there are poster and a sewing workshop showing IKEA's community project for working with social entrepreneur Yalla Trappan, where foreign-born women wanting to enter into labour market can have opportunities there (Picture 18).

Picture 18 - Poster and workshop showing cooperation with social entrepreneur at IKEA store

5.1.4 Point-of-purchase and Decoration Elements

This part of observation focuses on CSR communication around point-of-purchase or decoration items other than those have been discussed above. And the major elements used

for CSR communication are about point-of-purchase displays, signs and cards, as well as product display. Point-of-purchase and decoration can serve as reminders to consumers about CSR activities. For CSR initiatives that are not directly associated with products for sale but are of great importance to retailers, point-of-purchase could be an effective place to communicate such initiatives with consumers. Example in the stores observed would be that H&M's garment collection programme is communicated at point-of-purchase as it is not directly associated with products for sale but weighs heavy in H&M's CSR objectives. Product displays could also be effective in enriching consumers' knowledge about companies' CSR activities, while the function appears to be similar as merchandise under general interior category. No CSR communication is noted through using wall decorations, pictures (non-merchandise related), or usage instruction, which may be due to concerns of time and costs spending on changing decorations or distracting consumers from consuming products.

(i) Point-of-purchase displays

H&M is the only store seen obviously communicating CSR at the point of purchase. The communication at point-of-purchase (cashiers) is about the company's major CSR objective, garment recycling. There are eight cashiers available in the store which are located in both upstairs and downstairs in the section of men, women, kids and home respectively. Each cash register is decorated with a LED light box promoting the garment recycling program, in which three ways to deal with collected garments are listed: (i) Re-wear (clothing that can be worn again is sold as second-hand goods worldwide); (ii) Reuse (textiles that are no longer suitable to wear are converted into other products, such as cleaning cloths); and (iii) Recycle (textiles that cannot be reused are turned into textile fibres or used to manufacture products such as insulating materials for the auto industry). The flyer for detailed information can be found by the cashier (Picture 19).
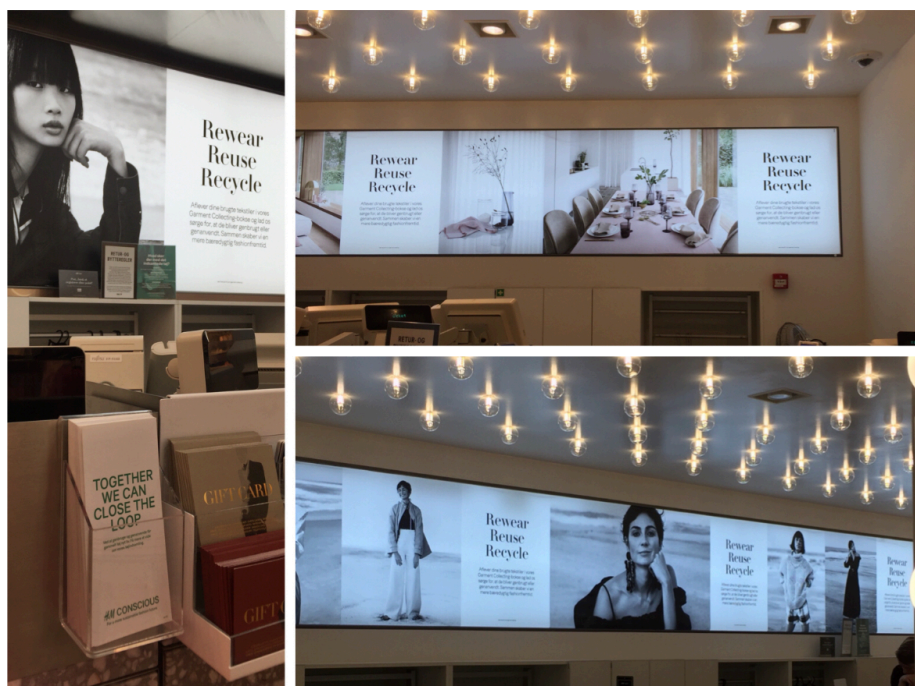
Picture 19 - Garment recycle communication at H&M store cashiers

Other than the above recycling programme, all stores are noted of asking consumers paying extra fees for buying plastic bags and encouraging consumers to buy or use reusable bags.
(ii) Signs and cards

Besides the above CSR communication near cashier counters, H&M is also noted of using signs inside store to call for consumers' recycle actions of clothes by showing "Recycle Here" or "Let's Close the Loop". Since 2013, the garment recycling program allows consumers to donate unwanted or old apparel products (all clothing, whether or not it originated from H&M) to the H&M stores. The recycle bins are situated near cash registers, and in return, consumers can get a 15% off coupon from the cashier for their next purchase. Clothing pieces will be recycled by H&M's partner, I:Collect, a global recycling company (Picture 20). However, regarding the critique about H&M's garment recycling program, there

Picture 20 - Signs on recycle bins at H&M Store

is no particular information shown in the store about how collected clothing may be handled such as being burned. While one bag containing old clothing donated by consumers has been found by one of the recycle bins. Given that the critique is comparatively recent, consumers may not be aware of or may not care about how H&M handles the collected garment. The impact from the critique on how H&M will communicate the recycling programme at store level in the future is uncertain.

Limited sign for communicating CSR theme is also noted in IKEA store. In one of the showroom, decoration with symbol of "Go Green" has been shown on a LED light box (Picture 21), which is consistent with IKEA's intention to drive people's sustainable living at home.

Other than the above, no other signs or cards are noted using in other stores for CSR communication.

Picture 21 - Showroom with "Go Green" sign on LED screen at IKEA store

(iii) Product displays

The LEGO store is noted of using product display for CSR related themes. Two interactive devices are placed in the store. One of the device about LEGO's NinjaGo toys is near the entrance of the store, where children could spin NinjaGo spirals for circulating, knocking down items or jumping (Picture 22). The other device about LEGO StarWars toys, where child could place right hand on the device and then the device will detect which StarWars character the child represents (Picture 23). On the observation date, parents and children have been noted to have fun to play these two devices together, which support LEGO's CSR objective of securing children rights for play. On the other hand, it can also serve the purpose of driving sales for LEGO.

Picture 22 - LEGO NiniaGo theme device

Picture 23 - LEGO StarWars theme device

5.1.5 Summary

Based on the above discussion, Table 7 summarises store environmental elements used by respective retailers as below. The table shows that LEGO, IKEA, and H&M have been using various kinds of store environmental elements in communicating CSR while Adidas uses the least elements. All stores are similar in emphasising communication through general interior elements, especially in terms of merchandise related information and lighting. Common communication through other categories of elements, including exterior (exterior display windows) and point-of-purchase and decoration (point-of-purchase displays), are also noted.

Retailers commonly use those elements due to the natural associations among CSR activities, CSR objectives and store environmental elements. In particular, LED light, exterior display windows, and reusable packaging at point-of-purchase can be easily used and linked with retailers' CSR objectives for energy and resources saving. Merchandise related information can show retailers' significant efforts and investments on making sustainable products and also help with sales of those products. Among all the commonly used elements, merchandise related information is strong in communicating CSR inside store as it is more obvious to consumers and easier to catch consumers' attentions than other elements.

Additionally, retailers are noted of using different elements in expressing CSR at stores. Such choices may depend on the nature of business and characteristics of CSR initiatives. IKEA store is unique in using nature bird sound in showrooms, which is consistent with IKEA's home furnishing business nature and can be embedded in showrooms in a natural way to call for consumers' CSR awareness. LEGO store is also specific in using interactive LEGO toy devices, which matches its specified CSR objective of ensuring children's play rights.

It is also noted that IKEA and H&M have been using more diversified means in communicating CSR, such as label, poster, video, and flyer. This could be due to different sizes of retail stores. IKEA store is the largest, H&M store is in the middle while LEGO and Adidas stores are the smallest and about to have the same size. It is considered different store size allows different levels of flexibilities for in-store CSR communication as retail stores are primarily for sales activities. The larger a retail store is, the more diversified means it can use to communicate CSR. For example, among all stores observed, IKEA is the only one using restaurant waiting areas for communicating CSR.

		LEGO	Adidas	IKEA	H&M
	Exterior elements				
- Exterior display windows		• Open-back windows	-	• Open-back windows	• Open-back windows • Transparent ceiling for elevator area
	General interior elements				
- Colour schemes		• Yellow	-	-	• Dark green
- Lighting		• LED lighting	• LED lighting	• LED lighting	• LED lighting
- Music		-	-	• Nature bird sounding	-
- Merchandise		• Label (FSC certified packaging)	• Label (sustainable cotton and recycled materials)	• Label (Energy efficiency & sustainable cotton) • Posters (cooperation with social entrepreneur) • Information board (water saving information and trash bins for sorting waste) • Video (supplier working under IWAY) • Packaging (ready-to-assemble)	• Label (Conscious collection) • Packaging (cotton bags for Conscious home products, Conscious cotton bags for sale)
	Layout and design elements				
- Waiting areas		-	-	• Posters (food sourcing, waste sorting) • Workshop (cooperation with social entrepreneur	-
	Point-of-purchase and decoration elements				
- Point-of-purchase displays		• Plastic bag fee	• Plastic bag fee	• Plastic bag fee	• Plastic bag fee • LED light box at cashier for garment recycling programme • Flyer for recycling
- Signs and cards		-	-	• LED light box for "Go Green"	• Garment recycling box
- Product displays		• Interactive LEGO toy devices	-	-	-

Table 7 - Summary of the store environmental elements used for CSR communication

Lastly, different extent of CSR communication is identified in each store (Table 6). First, the extent of CSR communication in retail stores depends on the nature of business or corporate

strategies. IKEA and H&M's businesses have strong presence in physical retail stores. As shown in Table 3, IKEA and H&M have much more retail stores than LEGO and Adidas, which indicate that retail store for these two companies would be a key channel for communicating with consumers. While LEGO partially depends on dealers for sales and Adidas has been gradually emphasising sales through digital platforms, which may explain the comparatively lower extent of CSR communication inside retail stores. Second, the level of obviousness in CSR communication does not depend on the number of store atmospherics used in store communication. Even though H&M uses primarily merchandise and point-of-purchase related elements for in-store communication of CSR, it is the most obvious one to catch consumers' attention. Therefore, the use of multi-store atmospheric areas may not be necessary for catching consumers' attention towards companies' CSR activities. Rather, the coverage of CSR themes inside stores would be important.

5.2 CSR Areas Covered and not Covered in Store Communication

By cross comparing contents discussed in Section 4 and Section 5.1, it is noted that retailers are mainly focusing on communicating CSR commitment inside store environment while CSR impact, CSR motive, and CSR fit are not formally covered by store environmental elements.

Table 8 further summarises major business operations, CSR commitments (in association with categories discussed in Table 5), and the extent of CSR communication on respective CSR commitments at selected stores. The discussion regarding how individual company's CSR commitments are covered and how external coherence is shown are presented as follows.

	Business Operation	CSR Commitment	Categorisation according to Table 5	Extent of CSR communication at store
LEGO	Manufacturing and sales of toys	• Innovation for children • Environmental leadership • Caring, ethical and transparent	• Consumer & Product • Environment • Employee, Supplier & Community	• Medium • Low • Not covered
Adidas	Manufacturing and sales of sportswear	• Product • People	• Consumer, Product & Environment • Employee, Supplier & Community	• Low • Not covered
IKEA	Manufacturing and sales of home furnishing products	• A more sustainable life at home • Resource and energy independence • Better life for people and communities	• Consumer & Product • Environment • Employee, Supplier & Community	• High • Low • Medium
H&M	Manufacturing and sales of fashion clothing	• 100% leading the change • 100% circular and renewable • 100% fair and equal	• Consumer, Product & Environment • Consumer, Product & Environment • Employee, Supplier & Community	• High • High • Not covered

Table 8 - Summary of companies' business operations and CSR commitments

(i) LEGO

The CSR communication at store is mainly focused on LEGO's commitment of "innovation for children". It reflects the company's CSR commitments regarding consumers and products by creating in-store environment that enables and encourages children's play. Since LEGO's major business is about selling toys, creating fun in the store environment becomes a natural connection in realising such CSR commitment and also in supporting its business. Creating fun at store environment becomes a good match to both LEGO's CSR commitments and business operation. However, such communication model would not be applicable to other selected stores.

The CSR communication for "Environmental leadership" is limited at store with the only indication is the use of LED lighting. The limited communication at store may be caused by the difficulty in demonstrating use of renewable energy such as power generated by wind farm at stores. The last CSR commitment "Caring, ethical, and transparent" is about employees, suppliers and community in general. There is no particular store environment elements noted of communicating this. Nevertheless, it is interesting to note that, in the review CSR communication at corporate level, other LEGO stores have been inviting children to co-build wind turbine so as to create environmental conscious at younger generation's mind. Such activity could be used to demonstrate LEGO's third commitment to certain extent. While such in-store activity is normally held temporarily and in a short period of time, it may have limited reach out to consumers.

(ii) Adidas

Adidas store uses fewest element to communicate CSR. Not all products have used such eco-labels and the ones with those labels are not easily identified as the labels are hidden and mixed with other general product information labels. Consumers need to check labels specifically to be able to see them. Therefore, only limited coverage on CSR commitments related to product is noted. While for CSR commitment related to people, it is considered more relevant to corporate internal operations and no demonstration of such CSR commitment is observed at store.

(iii) IKEA

IKEA is the only store attempting to communicate all round of CSR commitments it has been working on. The in-store CSR communication incorporates multiple store environmental elements, from promoting sustainable products directly associated with consumers' everyday home life to introducing the CSR community projects IKEA has been working with social entrepreneur. Such communication integrates closely with CSR commitments at corporate level. Though IKEA does not have substantive coverage of sustainability themes in every corner of the store given the size of its store, it does place CSR related and easily visible CSR information in every product section.

Furthermore, IKEA does not only show that its products are sustainable but also calls for consumers' actions for sorting garbages and food residues for a better planet, which strengthens the communication and the link between retail store and its first commitment for driving "a more sustainable life at home".

(iv) H&M

H&M in-store communication has demonstrated CSR areas in "100% leading the change" and "100% circular and renewable" through using store environmental elements for Conscious labels and in-store recycling. The coverage for these two commitments are particularly substantial due to highly obvious CSR communication inside store. H&M consistently uses dark green to show its Conscious collection of sustainable products, ranging from lingerie, kids clothes, adult clothes, home furnishing products to cosmetics. Although conscious collection products are not arranged in the same areas inside the store, they are highly recognisable in respective sections due to the distinctive dark green labels used. And those labels are not mixed with or hidden under other labels. Other products manufactured with non-sustainable materials are with labels of white or other colours. In each cashier counter, there is eye-catching LED light box reminding consumers to rewear, reuse and recycle clothes. The garment collection boxes decorated with dark green colour are also very obvious inside the store. However, the LED lighting in H&M is excessively used when compared with other observed stores and how recycled clothes are handled such as through burning is not communicated at store. Other than these, no significant contradiction with its CSR commitment is noted in its in-store environment. While no particular coverage on "100% fair and equal" is noted in the store which may be because such CSR theme is more related to internal operations.

(v) Summary

Store environmental elements are used by the four chosen retailers to directly communicate CSR commitments while the coverage and ease of communicating different types of CSR commitments appears to be different. Consumer and product related CSR information is the easiest to communicate benefiting from the strong link between CSR objectives and business operation. Environment related CSR commitments are communicated within limited extent as companies' environment (energy and resources) projects normally cover more than store areas and it would be difficult to demonstrate the whole environment initiatives with limited space in retail stores. Employee, supplier or community related CSR information is least communicated inside stores. It may be due to those areas of CSR commitments are embedded in the entire business operations and are not just limited to retail store environment. Except for IKEA, no other retail stores observed are noticed of communicating community CSR projects through store environment. However, most selected companies have been spending a lot of money, resources and energy on community projects. It is considered that this part of communication should not be ignored at store level.

Furthermore, compared to CSR communication at corporate level, it is noted that CSR impact is not emphasised in communication through store environment. It is possibly due to the fact that CSR impact is not constant. If retailers choose to communicate CSR impact through store environment, they may require to commit resources and time on changing and updating CSR impact for in-store communication periodically.

Regarding CSR motive and CSR fit, they are not explicitly communicated through store environmental elements. However, these two have been partially implied in the communication of CSR commitment, such as presenting using sustainable cottons for manufacturing products on merchandise labels indicating that the CSR activities match with corporate business operations. This observation is consistent as the documentary study at corporate level that CSR motives and CSR fit are typically implicit rather than explicit.

Based on the above discussion, it appears that retailers are using store environments to demonstrate corporate level CSR commitments and prove external coherence. Although the extent of coverage on CSR commitments varies in observed stores, all selected retail stores appear to be externally coherent with corporate level CSR objects except that in the areas where H&M retail store shows extensive use of LED light and presents no information regarding potential treatment (including burning) of recycled garments.

6. Discussion and Conclusion

The paper initially introduces preliminary conceptual understanding regarding the research question based on literature review and then presents the results and analysis from documentary study and in-store observation work. Based on research findings, this section further discusses the function of store environment and updates on preliminary conceptual understanding around research question. Contributions, limitations and future study from this research are presented afterwards.

6.1 Discussion

(i) Function of Store Environment in CSR Communication

Retail store is the place where retailers and consumers can be connected. Historical studies in the area of store environment have been based on theories from Kotler (1974) and Mehrabian and Russell (1974) and have focused on using store environment to influence consumers' purchase behaviour. This paper shows a new use of store environment in addition to traditional function for driving sales that store environment is strategically fit to demonstrate coherence in CSR between corporate level and store level CSR, which is not directly sales oriented.

Fundamentally, the paper sees that retail store is powerful in carrying CSR messages, which is similar to the discussion of eco-store by Beard (2008). The four selected retail stores have integrated CSR messages into retail stores through store environment. Other than that, the paper also views retail store as the channel for externalising corporate level CSR and make it visible to consumers. And store environment is the means in this externalisation process. The externalisation is no longer stopped at the level of carrying CSR messages, it further shows management philosophy and demonstrates strategic coherence among business nature, CSR objectives, and corporate behaviours.

Through studying selected retailers' CSR reports for the past five years, it also appears that some retailer has put more efforts at retail stores for CSR communication. In 2017, IKEA has opened sustainable store in Germany and has planned to open one leading sustainable store in each market it is operating (IKEA, 2017b). Such sustainable store is partially powered by renewable energy generated from solar panels and is installed with large windows in order to utilise natural light. In-store lighting is all LED and controlled by motion sensors. Heating and cooling system is enabled by energy generated from solar collectors and biogas. Rainwater is also collected to flush the toilets in the store. Electric vehicle charging stations are available at the store place with 100% renewable electricity. In the rooftop cafe, there is

exhibition space demonstrating the use of sustainable materials. Besides the continuous efforts in externalising corporate level CSR strategies through store environment and in demonstrating coherence, the plan for increasing sustainable stores also indicates a trend in using store environment to further advance retailers' CSR communication in reality.

(ii) Store Environmental Elements Used for CSR Communication

The range of store environmental elements used for in-store CSR communication is narrower than the initial considerations from literature review (see Tables 1 and 6). Among all stores observed, only a few store environmental elements are commonly used for communicating CSR, including exterior element (exterior display windows), general interior elements (merchandise and lighting), as well as point-of-purchase and decoration elements (point-of-purchase displays). Compared with the other store environmental elements, these elements are either closer link with corporate level CSR objectives or are able to connect business and store with CSR.

Among all the commonly used store environmental elements, general interior element, especially product related information, is the focus of retailers. Regarding prior literature on general interior element, the emphasis has been put on music, odour, and colour (Turley & Milliman, 2000). However, those areas are relatively hard to apply on CSR communication. Nature sounds may communicate a company's CSR initiatives, nevertheless, how to link such sounds with business could be difficult. This is also discussed by Spendrup and Isgren (2016) that the effect of nature sounds is not clear at the moment. No odour element (except for the scent of product itself) has been used by any observed retailers. This may be due to the fact that the link between scent and CSR has not been established in the history of business operation or CSR development. Colour element has been used by LEGO and H&M. Though green is associated with CSR, except H&M, no other selected companies have been actively and substantially using green to indicate CSR activities. Limited use of green on product labels are noted for retailers but which are not the main colour tone inside retail stores and the colour is embedded through product related information.

Other than the general interior elements commonly researched in the past, merchandise related information seems a better choice for retailers to communicate CSR. This may be because it could function best in serving and balancing the needs between communicating CSR efforts and increasing consumers' intentions to pay for those sustainably manufactured products.

The use of other categories of store environmental elements is relative limited or subject to the match with characteristics of business, store and CSR activities. The application of exterior elements is restricted to use of open-back windows to increase the utilisation of nature light inside stores. Historical research on exterior area is also limited (Turley & Milliman, 2000). This may be due to the limitation on possible changes could be made to exteriors. Regarding layout and design elements, IKEA store is the only store noted of using this category of store environment to communicate CSR. Though store layout could be used to reduce consumers' unplanned purchase and increase consumers' familiarity with retailers and stores (Iyer, 1989; Park, Iyer & Smith, 1989), the general application on CSR

communication is limited, which is probably affected by the size of store. H&M store is the most successful in using point-of-purchase to promote communication of recycling CSR objective at store. However, such communication is appropriate largely due to the special business characteristic and CSR initiative by H&M.

Historical researches about store environment based on Kotler (1974) and Mehrabian and Russell (1974) have been focusing on the impact of using store environmental elements. However, the understanding regarding what store environmental elements to use and what criteria to be based on when choosing store environmental elements are not sufficient. The paper considers that the choice of store environmental elements would be influenced by the characteristics of business, store, and CSR activities based on the examination of four selected retail stores. However, it is considered that the application of store environment on CSR communication is still preliminary, more researches and practices would be needed to examine what and how store environmental elements can or cannot be applied to communicate CSR. Additionally, the extent of CSR communication varies among observed retail stores. It is unknown currently about the optimum level of CSR communication at store level so that consumers can be encouraged to engage with and support retailers' CSR activities and be less suspicious about corporate intentions for carrying out CSR activities.

(iii) Link CSR from Corporate Level to Store Level by Store Environment

In this research paper, the primary understanding of corporate level CSR is based on reviewing companies' CSR reports and analysing its corporate level CSR communication. Du, Bhattacharya and Sen (2010) suggest that CSR communication should cover the areas of CSR commitment, CSR impact, CSR motives, and CSR fit. However, retailers address the communication of those areas with different priorities. It is noted that retailers have been actively communicated at corporate level especially about what companies have been committing to CSR and what impact companies have been achieving through carrying out different CSR activities. The communication at corporate level does not directly or heavily address corporate motives to carrying out CSR activities. Those motives are either indirectly communicated or are implied under corporate values, vision and mission statements of companies. Lastly regarding the CSR fit, retailers do not explicitly emphasise whether CSR commitments match with corporate business operations as it may be the case that by showing what companies have committed to it is obvious enough for demonstrating the CSR fit. This shows that CSR commitment and CSR impact are explicit contents in CSR communication while CSR motive and CSR fit are implicit ones at corporate level.

Furthermore, the judgment of implicit contents (CSR motive and CSR fit) are largely subject to how consumers think about retailers' businesses and CSR activities and how they fill in the gap by themselves. The internal coherence in CSR communication depends on how CSR motives and CSR fit are viewed by consumers while companies can imply those contents through communicating CSR commitment and impact. Accordingly, the research paper considers it is more important to address the communication of CSR commitment and CSR impact and to let consumers have sufficient information about CSR commitment and CSR impact so as to generate positive interpretation on CSR motive and CSR fit.

When it comes to CSR communication at store level, store environmental elements link corporate level and store level CSR by communicating CSR commitments. The communication of CSR impact, CSR motives, and CSR fit is less seen inside store. This could be due to the fact that there is only limited space inside store for communicating CSR. Retailers need to balance the communication for business operation and CSR purposes. Also, CSR motive and CSR impact are more implied contents as discussed above. Nevertheless, it is considered that CSR impact may be brought up at store environment so that consumers would be aware of what positive influences a retailers has brought to society. In this way, it makes the retailer possible to catch consumers' attention about the positive influences that companies could have and how consumers could engage and support companies' future CSR activities.

When referring to the CSR commitments communicated at store environment specifically, IKEA store is the only one communicating all-round CSR commitments while all other stores primarily communicate CSR commitment that is more associated with consumers and products. Though TBL concept has been emphasising CSR commitments with equal importance in terms of people, planet, and profit (Goldsmith & Goldsmith, 2011; Parguel, Benoît-Moreau & Larceneux, 2011; Fricker, 1998), the communication of those commitments especially when it is inside store environment may have different priorities. CSR commitment about consumers and products is the easiest to communicate and to be embedded with store environmental elements while CSR commitments about environment , employees, suppliers and community are comparatively difficult to communicate. However, retailers at corporate level have been substantially disclosing companies' involvement in supply chain and community through CSR initiatives, it is viewed that store environment should also put emphasis on communicating CSR commitments in those areas through store environment. Another consideration from the research is that the communication regarding CSR initiatives about renewable energy and resources may be of less weight at current moment given that it is hard to demonstrate or be visible inside store environment and more research would be needed to see if other store environmental elements such as information display could help to demonstrate environment CSR commitment.

(iv) In Communicating CSR through Store Environment

Retailers studied have in general shown coherence in transferring and communicating corporate level CSR to stores except some discrepancies are noted in H&M's store communication. H&M has been using excessive artificial lighting in retail stores, which appears to contradict with its energy saving CSR initiative. Furthermore, H&M is currently criticised by journalists for burning garments collected from consumers (Brodde, 2017). The action of burning is different from what the company has described in its CSR initiatives to rewear, reuse, and recycle the collected garments. And how the collected garments may be handled is not actually communicated at H&M store.

The discrepancy at retail store may indicate some problem in using store environmental in communicating CSR. Since it would take time for retailers to prepare CSR communication through store environment, retailers appear to be slow and static in responding to incidents happened in reality. Such discrepancy between companies' CSR objectives and in-store
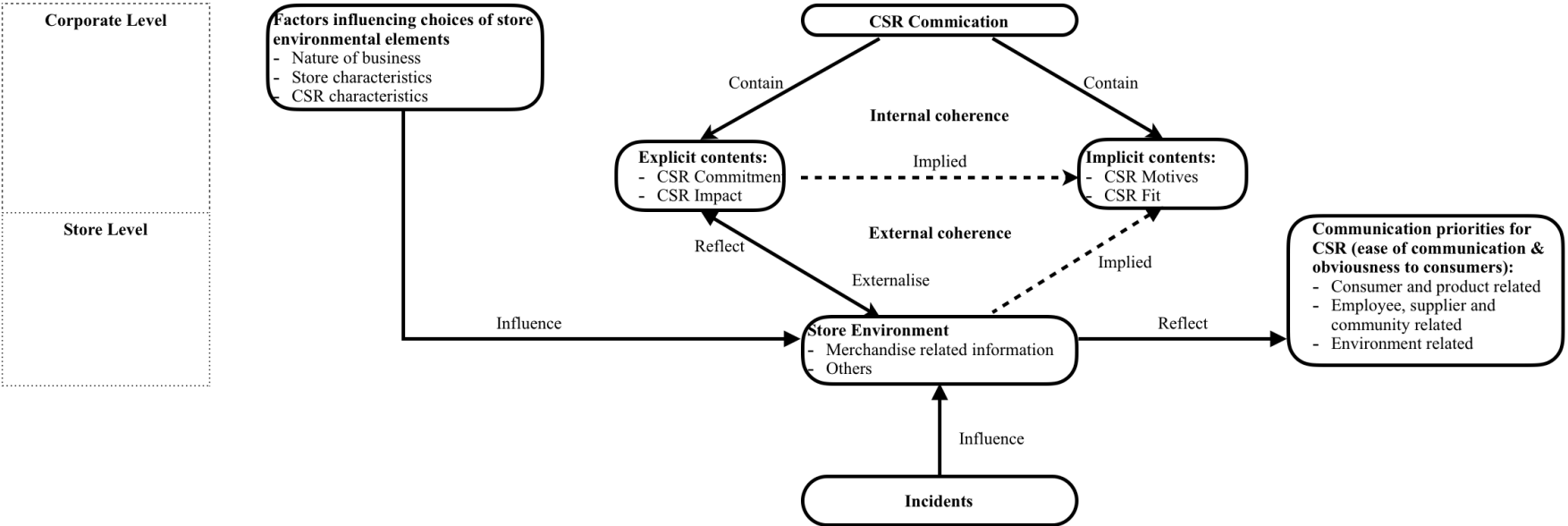
reflection may worsen consumers' concerns and skepticism (Chen & Chang, 2013; Parguel, Benoît-Moreau & Larceneux, 2011). In this regard, companies need to be prepared to monitor CSR coherence between corporate level and store level and be alert to issues and critiques about CSR activities and to take actions and changes about store environment quickly.

(v) Summary

Based on the above discussion, a conceptual framework has been proposed to show the key discussions above and how retailers could use store environment to communicate CSR (Figure 1). The framework provides understanding on how store environment could bridge CSR communication from corporate level to store level. It is different from previous research by (i) isolating explicit and implicit contents in CSR communication, (ii) proposing factors that influences choices of store environmental elements, (iii) emphasising the use of merchandise related information for CSR communication, and (iv) prioritising CSR contents for expression in store environment.

In addition to the core findings about existing use of store environment to communicate CSR by retailers, the paper also note that current general environment does not motivate retailers to communicate CSR with consumers. Existing CSR reporting framework and CSR ratings have not taken the potential coverage and reach of CSR communication into consideration while consumers are actually the end parties to pay, to engage, to support or to oppose corporate actions. In this regard, how authorities could work to drive companies increasing CSR communication reach and coverage could be a concern for future research.

Figure 1 – Conceptual framework for CSR communication with consumers through store environment

Corporate Level

Store Level

Factors influencing choices of store environmental elements
- Nature of business
- Store characteristics
- CSR characteristics

CSR Commication

Contain

Contain

Internal coherence

Explicit contents:
- CSR Commitmen
- CSR Impact

Implied

Implicit contents:
- CSR Motives
- CSR Fit

External coherence

Reflect

Externalise

Implied

Communication priorities for CSR (ease of communication & obviousness to consumers):
- Consumer and product related
- Employee, supplier and community related
- Environment related

Influence

Store Environment
- Merchandise related information
- Others

Reflect

Influence

Incidents

6.2 Contribution

This research paper explores how retailers use store environment to communicate CSR with consumers. The major contributions from this paper can be classified into theoretical level and managerial level.

(i) Theoretical contribution

When examining CSR communication at corporate level, previous research suggests a strategy to communicate CSR by covering contents of CSR commitment, CSR impact, CSR motive, and CSR fit (Du, Bhattacharya & Sen, 2010). This paper separates such CSR communication strategy into explicit and implicit contents based on the research results that in reality CSR commitment and CSR impact are often directly communicated by companies while CSR motive and CSR fit are more implied in those communicated texts. As a result, it attaches clarity to importance and function of the communication elements.

Furthermore, existing studies show CSR communication is generic in covering stakeholders in general and is unable to attract consumers' engagement and support in CSR activities (Clarkson, 1995). The traditional means of communicating CSR was through reporting and company websites (KPMG, 2017; Moravcikova, Stefanikova & Rypakova, 2015; Du, Bhattacharya & Sen, 2010). This paper discusses and expands the conventional CSR communication method, and proposes factors that may influence choices of store environment elements and sheds light on possible ways to communicate CSR with consumers through the use of various environment elements. This may help to reconnect companies with consumers in the area of CSR communication.

Meanwhile, based on the previous study concerning possible store environmental elements for CSR communication including exterior elements, general interior elements, layout and design elements, point-of-purchase and decoration elements (Turley & Milliman, 2000; Baker, 1986; Kotler, 1974), the paper finds that merchandise related information, rather than traditionally referred music, odour, and colour in store environment theories (Turley & Milliman, 2000), is the most frequently used store environment element for CSR communication. As such, customers could intuitively link CSR with merchandises and corporate business operations, and thereby achieve coherence in CSR communication.

In view that historical research emphasises equal importance in people, planet, and profit in business operation (Goldsmith & Goldsmith, 2011; Parguel, Benoît-Moreau & Larceneux, 2011; Elkington, 2004; Fricker, 1998), the paper stresses that companies would need to consider priorities in communicating CSR at retail stores in viewing that there is usually limited store space for CSR communication.

Lastly, this paper proposes a conceptual framework to guide retailers to understand how corporate level CSR could be linked with store level CSR communication and how store environment could work on CSR communication with consumers. Such framework is flexible to adapt and can also offer an opportunity to understand and solve problems in other

fields such as building strong CSR brand and managing companies' CSR reputation through reinforcing communication with consumers, understanding consumers' behaviour-attitude gap regarding sustainable consumptions caused by discrepancies in companies' internal and external CSR philosophy, communication and behaviour, and driving consumers' sustainable consumption behaviour by encouraging engagement and support for CSR activities.

(ii) Managerial implication

The conceptual framework in Figure 1 implies how retail store managers, especially for those who want to bridge CSR communication gap with consumers from corporate level to store level, can act.

First of all, when communicating CSR initiatives with consumers, a retailer should be familiar with what CSR commitments it has made, what the CSR strategic focuses are, and how much the company has been achieving in the CSR milestones. In this way, the retailer could identify relevant CSR commitments and impact and purposefully communicate those with consumers afterwards.

Moreover, a retailer also needs to understand characteristics of its business, stores and CSR activities in order to determine what store environmental elements to use and how to integrate CSR communication into daily store operation. In this way, CSR commitments and impacts can be properly externalised and CSR motives and CSR fit can be genuinely implied and demonstrated. Examples of such understandings would include (i) the association between CSR initiatives and store environmental elements such as whether CSR activities are about products and can those CSR activities be demonstrated, for example, through the use of merchandise labels; (ii) the connection with consumers such as whether the use of store environmental elements can easily catch consumers' attention, enrich their understanding, and influence their purchase decisions or engagement and support with companies' CSR activities; (iii) the reflection of CSR commitment and impact such as whether the use of store environmental elements can communicate the most critical CSR commitments and impacts that companies have been engaged in so as to achieve the communication purpose and reflect external coherence in companies' CSR activities; and (iv) the size of retail store and the availability of space to communicate with CSR.

Additionally, a retailer should monitor every incident happened outside store environment, which may potentially influence how CSR is communicated in-store. The retailer should be prepared to timely respond to such incident and promptly adapt in-store environmental elements especially when there is any incident showing contractions among companies' CSR objectives, companies' CSR activities and in-store CSR communication.

When there is limited space inside retail stores, a retailer can prioritise its CSR communication and utilisation of store environmental elements by considering importance of CSR commitments, ease of communication and obviousness to consumers. Since merchandises are most directly related to consumers, the related CSR commitments can be communicated first. Given that companies usually put lots of efforts on employee, supplier and community related CSR commitments, those contents may be communicated. While

communication of environment related CSR commitments is put at last due to the fact that such commitments are usually cover operations outside retail stores and there may be difficulties in demonstration such commitments within retail stores.

6.3 Limitations

Although this paper provides meaningful research results, several aspects limit the current research. To start with, visiting only one retail store of each chosen company would be one of the limitations. Researchers have taken this into consideration and have chosen retailers with global presence and standardised products so that the differences among different retail stores could be minimised. However, there are still possibilities where characteristics of retail stores in different countries or locations may vary. This is because some stores may be operated independently from headquarter management where store manager has greater control on how to decorate store individually. Meanwhile, store's interior design and CSR communication might be subject to specific considerations such as culture factors. Consequently, there are still chances that observation results might differ if different stores are visited. Secondly, data have been collected from four different companies that are involved in specific industries from manufacturing and retailing toy, sportswear, furniture to fast fashion apparel. Issues faced by each company are unique and different from one another. There may be specific reasons causing the differences in CSR communication at corporate and store levels, which are restricted from further investigation in this research. Another limitation would be the use of in-store observation method as the process of data collection would depend on researchers' identification and interpretation of items found in stores. Researchers are aware of this limitation and both researchers have attended in-store observations in order to mitigate blind spots and bias. Fourthly, CSR communication through in-store staff are excluded as consumers and staff usually do not actively discussing CSR inside stores, and not all of them have CSR related knowledge. Accordingly, researchers interview neither in-store staff nor consumers in this research. However, it is undeniable that researchers may therefore miss some interesting insights that could potentially contribute to the results of the research paper. Lastly, the paper does not discuss the CSR communication practices for online stores. Such online selling environments concern more about user-friendly platform design, clear and attractive interface design, overall operability and product accessibility. Store environmental elements used for online CSR communication would be different from the ones used in physical store environment. As such, the implication derived from the study would only be applicable for CSR communication in brick and mortar retail stores.

6.4 Future Research

The paper has explored existing application of store environment on CSR communication with consumers at retail stores. Further research work is still needed in this area. First,

besides the commonly used store environmental elements discussed in this paper, there are still many others elements available for further exploration about whether those elements can be used for CSR communication at store. Such study, for example, could be performed by examining retail stores located in different regions and with different cultures. Second, historical studies have revealed correlations between store environment and consumers' emotion and purchase intention. However, the area of how CSR communication through store environment would affect consumers remains unknown. The study of consumers' reaction could be performed by involving consumers in research process. As suggested by Donovan and Rossiter (1982), the best situation to study consumers' reactions to store environment would be "as close as possible in time and place to the shopping behaviour". Therefore, the future study could consider studying consumers' reaction regarding in-store CSR communication right after their shopping in stores. Third, stores communicate CSR to different extent. It would be interesting to examine the optimum extent of CSR communication at store level in correspondence to CSR at corporate level for business management purpose. Fourth, whether and how in-store staff could help with CSR communication at store level may supplement findings of using static store environmental elements. Also, with the increasing introduction of online store, it is important to explore how online store environment could work to communicate CSR. Lastly, as stressed through the paper that existing CSR communication to consumers is not sufficient and not mature, besides studying how companies could use store environment to communicate CSR. It would also be important to learn how companies could be motivated to make more communication with consumers regarding CSR, such as through motivations pushed by authorities or CSR rating agencies.

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Appendix A - Store Environmental Elements (Turley and Milliman, 2000)

	Store environmental elements
External variables	- Exterior signs - Entrances - Exterior display windows - Height of building - Size of building - Colour of building - Surrounding stores - Lawns and gardens - Address and location - Architectural style - Surrounding area - Parking availability - Congestion and traffic - Exterior walls
General interior variables	- Flooring and carpeting - Colour schemes - Lighting - Music - P.A. usage - Scents - Tobacco smoke - Width of aisles - Wall composition - Paint and wall paper - Ceiling composition - Merchandise - Temperature - Cleanliness
Layout and design variables	- Space design and allocation - Placement of merchandise - Grouping of merchandise - Work station placement - Placement of equipment - Placement of cash registers - Waiting areas - Waiting rooms - Department locations - Traffic flow - Racks and cases - Waiting queues - Furniture - Dead areas
Point-of-purchase and decoration variables	- Point-of-purchase displays - Signs and cards - Wall decorations - Degrees and certificates - Pictures - Artwork - Product displays - Teletext

Store environmental elements	
Human variables	- Employee characteristics - Employee uniforms - Crowing - Customer characteristics - Privacy

Appendix B - Examples of Inditex Group Eco-store Elements (Inditex, n.d.)

CSR Initiative	2017	2016	2015	2014	2013
(i) Innovation for children					
Rights to play	• Partnership with UNICEF to promote children's rights to play • Putting children's rights and business principles at the centre	• Partnership with UNICEF to promote children's rights to play • Putting children's rights and business principles at the centre	• Partnership with UNICEF to promote children's rights to play • Putting children's rights and business principles at the centre	• Partnership with UNICEF to promote children's rights to play • Putting children's rights and business principles at the centre	• Putting children's rights and business principles at the centre • Improving consumers' play experience
Quality education	• Supporting playful learning (e.g. inviting children in Liverpool to build LEGO brick wind turbine at LEGO retail stores)	• Supporting playful learning by LEGO Education (e.g. organising LEGO League and Google Science Fair)	• Supporting playful learning by LEGO Education (e.g. playful learning experiences to classrooms)	• Supporting playful learning by LEGO Education • Motivating learning by LEGO Foundation	• Develop talent through play by LEGO Foundation • Establish the international school of Billund
Safety	• Industry-first Digital Child Safety Policy	• Zero product recalls • Safety assessment • Working with consumer feedback • Responsible communication (e.g. industry-first Digital Child Safety Policy) • No form of child labour in supply chain	• Zero product recalls • Safety assessment • Working with consumer feedback • Responsible communication	• Zero product recalls • Safety assessment • Working with consumer feedback • Responsible communication	• Zero product recalls • Safety assessment • Working with consumer feedback • Leading regulatory standards • Responsible communication
(ii) Environmental leadership					
Renewable resources	• Core products and packaging to be made from sustainable materials by 2030 • Responsible supply chain management	• Reducing overall consumption • Reusing as much as possible • Recycling what cannot be used • Working towards zero waste	• Searching for more sustainable materials (e.g. DKK 1 billion investment in sustainable materials centre) • Reducing overall consumption • Reusing as much as possible • Recycling what cannot be used	• Searching for more sustainable materials (e.g. aim for use 100% Forest Stewardship Council (FSC) certified paper and packaging) • Reducing waste volumes • Reusing reground bricks in production • Recycling	• Searching for more sustainable materials (find and implement sustainable alternatives to raw materials) • Understanding design choices • Limiting the impact of packaging

CSR Initiative	2017	2016	2015	2014	2013
Renewable energy	• Partnership with WWF (World Wildlife Fund) to lower CO2 emissions • Balanced 100% of energy used to make LEGO bricks with energy from renewable sources • Raise children's awareness of renewable energy by building LEGO brick wind turbine	• Partnership with WWF to lower CO2 emissions • Investing in renewable energy • Reducing supply chain emissions • Balance energy consumption with renewable energy by 2020	• Investing in renewable energy (e.g. opening wind farm) • Balance energy consumption with renewable energy by 2020 • Reducing supply chain emissions	• Partnership with WWF to lower CO2 emissions • Investing in renewable energy (e.g. Wind farm in Germany)	• Partnership with WWF to lower CO2 emissions
Energy/ resources efficiency	N/A	• Energy management (e.g. 0.2% improvement in efficiency) • LEGO Build Better framework to reduce environmental impact by buildings	• Energy management (e.g. 5% improvement in efficiency)	• Energy management (e.g. target for 10% reduction in energy use & collaborate for energy efficiency in supply chain) • Improving energy efficiency at production sites	• Energy management • Improving energy efficiency at production sites • Zero waste ambition

(iii) Caring, ethical and transparent

CSR Initiative	2017	2016	2015	2014	2013
Employees	• Empowering employees • Mental health • Safety	• Motivation • Satisfaction • Diversity • Safety	• Care for employees • Motivation • Satisfaction • Safety • Gender balanced leadership	• Motivation • Satisfaction • Safety • Gender balanced leadership	• Empowering employees (e.g. for safety and motivation) • Staying open to diversity (e.g. female promotion)
Local communities	• Engage and contribute to community (e.g. 1,200 employees and partners trained as play agents)	• Engage and contribute to community	• Engage and contribute to community	• Engage and contribute to community	• Supporting communities (e.g. building tomorrow project in Enfield, US to establish working relationship with schools)
Business conduct	• Supply chain management (e.g. apply code of conduct to suppliers, lower CO2 emission)	• Commitment to UN Sustainable Development Goals • Integrity • Supplier Code of Conduct	• Commitment to UN Sustainable Development Goals • Integrating human rights and corporate policies into work • Collaborating with supply chain • Incorporating human rights in value chain	• Initiatives to combat corruption and bribery	• Integrating human rights and corporate policies into work • Setting supply chain standards • Strengthening corporate governance (e.g. training directors in business integrity)

CSR Initiative	2015	2014	2013
People	• Improve suppliers performance • Enhance the worker grievance system • Ensure fair, healthy and safe workplace conditions • Supply chain management • Embed leadership mindset in daily life • Talent and performance management • Establish system supported HR processes to create efficiency • Create foundation for open, innovative and collaborative learning solutions	• Improve suppliers performance • Enhance the worker grievance system • Ensure fair, healthy and safe workplace conditions • Supply chain management • Embed leadership mindset in daily life • Talent and performance management • Establish system supported HR processes to create efficiency • Create foundation for open, innovative and collaborative learning solutions	• Improve suppliers performance • Enhance the workers grievance system • Ensure fair, healthy and safe workplace conditions • Activate and install leadership excellence • Talent and performance management • Supply chain management • Create foundation for open, innovative and collaborative learning solutions • Create centralised above-market service solutions
Product	• Conduct virtualisation project to drive reduction in samples • Optimise packaging solutions • Reduce colours used to increase product sustainability • Establish full traceability of more sustainable materials • Ensure the use of sustainable materials and sustainable manufacturing processes • Use of cotton • Increase sourcing volume from highly rated suppliers • Support SAC to further develop the creation of the HIGG index	• Conduct virtualisation project to drive reduction in samples • Optimise packaging solutions • Reduce colours used to increase product sustainability • Establish full traceability of more sustainable materials • Ensure the use of sustainable materials and sustainable manufacturing processes • Use of cotton • Increase sourcing volume from highly rated suppliers • Support SAC to further develop the creation of the HIGG index	• Optimise packaging solutions • Virtualise product design process • Reduce colours used to increase product sustainability • Establish full traceability of more sustainable materials • Ensure the use of sustainable materials and sustainable manufacturing processes • Use of cotton • Increase sourcing volume from highly rated suppliers • Support the Sustainable Apparel Coalition (SAC) to further develop the creation of the HIGG index
Planet	• Drive solutions for sound chemical management • Implement Green Design requirements for new buildings at suppliers • Green Company Initiative (water saving, waste reduction, paper reduction, carbon emissions reduction) • Reduce environmental footprint of IT • Extend environmental assessments for supplier selection • Reduce energy consumption	• Reduce energy consumption • Drive solutions for sound chemical management • Implement Green Design requirements for new buildings at suppliers • Green Company Initiative (water saving, waste reduction, paper reduction, carbon emissions reduction) • Reduce environmental footprint of IT	• Reduce energy consumption • Drive solutions for sound chemical management • Implement Green Design requirements for new buildings at suppliers • Green Company Initiative (water saving, waste reduction, paper reduction, carbon emissions reduction) • Reduce environmental footprint of IT
Partnership	• Ensure indirect suppliers comply with the Workplace Standards • Engagement with licensees to develop a strategic compliance plan and report card process • Involve in refugee initiatives with public authorities, external partners and volunteers • Work with local factory to improve safety standards for workers in Bangladesh	• Partnership with good chemistry • Involve in SAC to develop HIGG index • 15 years of partnership with Fair Labor Association • Work with Institute of Public and Environmental Affairs (IPE) in China to improve supply chain performance • Sign Bangladesh Fire Safety Accord • Create strategic compliance plans (SCPs) for licensees • Reebok Foundation awards $1,000 to schools to help implementing the BOKS program • Ginga Social program	• Create an industry-wide audit tool together with other brands • Support the African based non-profit organisation SCORE • Partnership with 2014 FIFA World Cup Brazil • Partnership with the Brazilian NGO to create 'Ginga Social' a sport-based after-school program

CSR Initiative	Action	2017	2016
	(i) Product		
Value Water	• Water saving at suppliers site and own sites	• Running	• Running
	• Expand the use of waterless technologies	• Running	• In the blocks
	• Continuous development of water cleaning program	• In the blocks	• In the blocks
Innovate Materials & Processes	• 20% waste reduction at strategic supplier site	• Running	• Running
	• 50% waste diversion for owned operations to minimise landfill	• Running	• In the blocks
	• 75% paper reduction per employee at own site	• Running	• Running
	• Replacing conventional cotton to achieve 100% sustainable cotton in 2018	• Running	• Running
	• Phasing out the use of virgin plastic	• Running	• Running
	• Increase the use of sustainable designs and materials in stores	• Running	• Running
	• Rolling out a global product take-back programme	• Running	• In the blocks
	• Investing in materials, processes and innovative machinery to upcycle materials into products and reduce waste	• Running	• Running
	• Achieving 100% sustainable input chemistry; Phasing out hazardous chemicals; provide strategic suppliers with a list of positive chemistry	• Running	• Running
Conserve Energy	• 20% energy savings at strategic suppliers	• Running	• Running
	• 3% annual reduction in Scope 1 and Scope 2 CO2 emissions at own sites	• Running	• Running
	• Expansion of ISO 14001 to key sites globally at own operations	• Running	• Running
	• LEED certification for new corporate construction key projects (such as new offices at headquarters and new flagship stores)	• Running	• Running
	• Reduce the environmental footprint of consumer events	• Running	• In the blocks

CSR Initiative	Action	2017	2016
	(ii) People		
Empower People	• Empower supply chain workers by expanding and refining grievance systems and skill training programmes	• Running	• Running
	• Achieve sustainable leadership at our suppliers and licensees	• Running	• Running
	• Foster cross-functional and cross-cultural careers and experiences for employees	• Running	• Running
	• Champion diversity – regardless of gender, nationality, ethnic origin, religion, world view, age, sexual orientation or gender identity	• Running	• Running
Improve Health	• Introduce education and upskilling measures on health and work-life balance topics for employees	• Running	• Running
	• Develop a global Health Management strategy for employees (based their existing foundation in Herzogenaurach, Portland and Canton)	• Running	• Running
	• Utilise sport as a tool to teach values and boost young people's academic and physical performance	• Not applicable	• Running
	• Reach 22 million talent football students through joint efforts with China's Ministry of Education (MoE)	• Not applicable	• Running
Inspire Action	• Rewarding employees' commitment and contributions to company's purpose, strategy and success	• Running	• Running
	• Encouraging and supporting employee volunteering	• Not applicable	• Running
	• Engaging with creators and influencers and driving innovative collaborations	• Running	• Running
	• Inspiring consumers, key partners, brand assets and others to join the company	• Running	• Running
	• Sharing experiences and boosting the value of sports passion, determination, teamwork, helping others and being active	• Running	• Running

CSR Initiative	2017	2016	2015	2014	2013
	(i) A more sustainable life at home				
Products for enabling sustainable living	• Increase sales in sustainable products Energy-efficient products: • LED lightbulbs and TRÅDFRI smart lighting (with motion sensors) for energy saving • LADDA rechargeable batteries • Pressure-compensating kitchen taps to reduce water use • Solar battery storage in UK • Solar sales in Poland Waste less products: • Waste sorting bins	• Increase sales in sustainable products Energy-efficient products: • LED lightbulbs • Water efficient taps • Indoor gardening equipment • Bike Waste less products: • VARIERA bins enable sorting waste • Long-lasting products	• Increase sales in sustainable products Energy-efficient products: • LED lightbulbs • Cookers • Dishwashers • Fridges • Oven hoods • Washing machine	• Increase sales in sustainable products Energy-efficient products: • LED lightbulbs • Solar panels • Water tap	• Increase sales in sustainable products Energy-efficient products: • LED lightbulbs • Electric hobs • Fridges • Ovens • Dishwashers • Washing machines • Waste sorting products
Product sustainability	• 77% wood from more sustainable sources • 100% cotton from more sustainable sources • 98% IWAY approval of home furnishing suppliers • 100% IKEA branded coffee from sustainable resources	• 61% of wood from more sustainable resources • 100% cotton from more sustainable sources • 96% of palm oil (for candle products) from more sustainable sources • 24% of material in plastic products are renewable and/or recycled	• 50% of wood from more sustainable resources • 94.5% cotton from more sustainable sources • 87% of palm oil (for candle products) from more sustainable sources • 98% of home furnishing materials and packaging were either renewable, recyclable or recycled • 23% of material in plastic products are renewable and/or recycled	• 41% of wood from more sustainable resources • 75% cotton from more sustainable sources	• 33% of wood from more sustainable resources • 67% cotton from more sustainable sources
Healthy and sustainable food	• Urban farming	• Source food ingredients at store responsibly	• Healthier and more sustainable food	N/A	N/A
Recycling	• Mattresses (US) • Textiles (UK) • Buy-back service of used furniture(Japan)	• Furniture take-back	N/A	N/A	N/A
Sustainable living projects	• Sustainable living apps to share the everyday sustainable actions • IKEA family mega events for consumers to participate in sustainable living activities	• Engage co-workers and consumers to try sustainable products	• Engage co-workers and consumers to try sustainable products	• Co-worker ambassadors	N/A

CSR Initiative	2017	2016	2015	2014	2013
(ii) Resource and energy independence					
Renewable energy	• Solar panels on IKEA buildings • Investment in wind farms • Produce renewable energy	• Investment in wind and solar power generation equipment • Produce renewable energy	• Invest in wind farms • Produce renewable energy	• Invest in renewable energy • Produce renewable energy	• Invest in renewable energy • Produce renewable energy
Energy efficiency	• LED lighting • Energy control systems in kitchens • Energy efficient cooling systems • Heat recuperation • Sustainable stores	• More energy efficient from operations • Software to manage ventilation, lighting, power and security • LED lighting • Power quality optimisation • Use bio-waste for energy	• Improve energy efficiency	• Improve energy efficiency	• Improve energy efficiency (buildings and transport)
Reduce pollution and waste	• Reduce carbon emissions from delivery and travel • Use electric trucks (China) • Recover damaged products • Updated forecast to prepare food	• Reduce carbon emissions from operations, delivery • Recycle waste	• Reduce carbon emissions from operations, delivery • Recycle waste	• Reduce carbon emissions from operations, delivery	• Reduce carbon emissions from operations, delivery • Strive to zero waste to landfill
Responsible sourcing and procurement	• Ensure suppliers' compliance with supplier IWAY code of conduct • Save materials • Increase sharing renewable, recyclable or recycled materials	• IWAY • Improve product design for using of woods (making more from less) • FSC certification	• Direct energy efficiency at supply chain • Reduce carbon emission at supply chain	• IWAY	• IWAY • Improve supplier energy efficiency •
(iii) Better life for people and communities					
Better lives for co-workers	• Fair wages • Decent working conditions • Health and wellbeing in the workplace • Equality • Talent development	• Equality • Talent development • Diversity • Health and safety	• Diversity • Talent development • Equality	• Diversity • Talent development • Equality	• Diversity • Talent development • Equality
Better lives for workers in supply chain	• IWAY approved suppliers • Human rights support	• IWAY approved suppliers • Human rights support	• IWAY approved suppliers • Human rights support	• IWAY approved suppliers • Human rights support	• IWAY approved suppliers • Human rights support
Being part of communities	• Engage community (e.g. support refugees) • Work with social entrepreneurs	• Engage community (e.g. mapping migrant workers) • Work with social entrepreneurs • Partnership with local communities	• Recruit migrant workers • Work with social entrepreneurs • Support schools	• Work with social entrepreneurs	• Work with social entrepreneurs
Good cause campaigns	• Grants for creating safe place for children • Fund renewable energy source for refugees	• Good cause campaign for children's right	• Good cause campaign for refugees	• Good cause campaign for children and families	• Soft toy for education

CSR Initiative	2017	2016	2015	2014	2013
	(i) 100% Leading the Change				
Promote and scale innovation	• Partnership with re:newcel, Worn Again, Treetotextile, Thread and Sellpy to increase recycling possibilities and improve the recycled fibre quality • New brand launching: ARKET (transparency & sustainability as core) • Corporation with HKRITA innovation to find technology to recycle clothes made from blended textiles	• Collaboration with Cradle-to-Cradle Products Innovation Institute to help support industry-wide demand and supply of sustainable materials • Provided Global Change Award winners with knowledge about the fashion industry and the supply chain to further strengthen their innovation ideas • Donated 50% of the proceeds of the garment collecting initiative to the H&M Foundation for circular innovation that benefits the whole industry	• Invest in closed-loop innovation • Partnership with the Ellen MacArthur Foundation to further develop strategy and fuel collaboration across industries • Increase use of more sustainable materials • Place first volume orders for shoes made with vegan, water-based PU	• Increase use of more sustainable materials • Innovations in washing as well as dyeing processes • Test water-based Polyurethane alternatives • First investment in closed-loop innovation	• Introduce the first closed-loop products • Launching garment collecting service • Increase use of more sustainable materials • Replace solvent-based polyurethane with water-based alternatives • Expand criteria for "Conscious" labelled products to include environmentally-preferable production processes
Drive transparency	• Update supplier information list customer-facing (working on publicity of the tier 3 Yarn spinning suppliers) • Using brand module of the Higg Index internally to accurately measure and score product's sustainability performance • New layer for Conscious Exclusive Collection on hm.com to allow consumer to see detail information regarding to the production of the garments	• Update suppliers information list to include the 1&2 tier factories (Garment & Fabric production) • Collaboration with SAC to build and adopt Higg Index tool to measure sustainability performance • Participation in EU initiative to create a methodology for consumers to compare sustainability performance on the product level • Cooperated with Control Union on a successful pilot traceability system for organic cotton and viscose	• Update suppliers information list to include the 1&2 tier factories (Garment & fabric production) • Developing Sustainable Impact Partnership Programme (SIPP) to assess and support suppliers' sustainability performance	• Expand the suppliers information list to include the 1&2 tier factories (Garment & fabric production) • Develop purchasing practices to further support suppliers in paying a fair living wage and reducing overtime • Strengthening data measurements and management to increase transparency of wastewater data amongst suppliers and across industry	• Publish supplier factory list to cover 100% of 1st tier supplier factories (Garment production) • Detect violations of code of the ethics • Achieve that all of the strategic suppliers in the global south with wet processes report their discharge data on 11 priority chemical groups preferable via the iPE platform
Reward sustainable actions	• H&M Foundation's Global Change Award: Solar textiles, content thread, denim-dyed denim, manure couture • Rewarding environmental responsible business partners with more orders, training opportunities and long-term contracts • Rewarding customers for garment collection	• Following up a process to create accountability, integrating sustainability into management evaluation process • Rewarding customers for garment collection • Rewarding partners who maintain good sustainability performance with more orders and long-term commitment	• First Launch of H&M Foundation's Global Change Award: competitions to protect the earth's natural resources (providing grants of one million euro annually) • Choose and reward responsible partners to improve their social and environmental performance	• Not applicable	• Not applicable

CSR Initiative & KPI	2017	2016	2015	2014	2013	Goal
(ii) 100% Circular & Renewable						
% of cotton from sustainable resources (certified organic, recycled or Better Cotton)	59%	43%	34%	22%	15.80%	100% by 2020
Tonnes of garments collected through garment collecting initiative	17,771t	15,888t	12,341t	7,684t	3.047t	25,000t per year by 2020
% of stores with recycling systems for main types of store waste	64%	71%	61%	58%	56%	100%
% of facilities in own operations with water-efficient equipment	51%	51%	37%	24%	19%	100%by 2020
% business partner factories in compliance with wastewater quality requirements as defined by BSR	84%	82%	75%	71%	N/A	100%
% of renewable electricity in own operations	96%	96%	78%	27%	18%	100%
% change in CO2 emissions from own operations (scope 1 + 2) compared with previous year	-21%	-47%	-56%	-4%	-14%	Climate positive by 2040
% change in electricity intensity (kwh/m2 per opening hour compared with 2016)	-2.70%	Not applicable	Not applicable	Not applicable	Not applicable	-25% by 2030
(iii) 100% Fair & Equal						
No. of supplier factories using Fair Wage Method (% of product volume covered)	227 (40%)	140 (29%)	69	3	Not applicable	50% of product volume by 2018
No. of supplier factories that have implemented democratically-elected worker representation (% of product volume covered)	458 (52%)	290 (42%)	132	-	Not applicable	50% of product volume by 2018
% of business partners regarding H&M group as a fair business partner	94%	83%	84%	76%	Not applicable	90% by 2018
% of employees agreeing with the statement "People here (at H&M group) are treated fairly regardless of age, ethnicity, sex, sexual orientation and disabilities"	90%	90%	90%	89%	Not applicable	Continuously increase
% of remediated issues (defined by the Bangladesh Accord)	90%	81%	61%	-	Not applicable	100%