SUSTAINABLE STRATEGIES OF INTERNATIONAL RETAILERS IN ATTRACTING YOUNG CONSUMERS (GENERATION Z)

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Abstract
From the organizations which come into direct contact with consumers, retailers stand out, permanently militating for the implementation of the principles of sustainable development within all the adopted strategies, the processes within the value chain and the carried out activities. The true “professionals” in transposing the principles of sustainability within their own processes are the Do-It-Yourself (DIY) retailers. The DIY field has experienced a strong development especially in the emerging countries, due to the individuals’ desire to build, decorate or repair parts from a lodging without soliciting any professional help in the field, but also due to obtaining some important financial savings. Starting from the generational theory which anticipates the possibility to delimitate consumers according to their birth year, considering the description of the concept and of the dimensions of sustainability, the authors have been examining the sustainable measures and strategies to which the Romanian DIY retailers resort in order to attract, maintain and enhance loyalty.

Keywords
Sustainability; retail; young consumers; Generation Z; triple bottom line

JEL Classification
L81; M30; Q01; Q56

Introduction
During the last years, sustainability has become an ample subject, analysed by specialists in different fields and sectors (Dabija & Băbuț, 2013; Olah et al., 2017a; Bernyte, 2018). The pollution effects have become increasingly visible with the development of the society and the advancement of the manufacturing and processing technologies, as well as with the global population growth. Thus, the concept of sustainability has been developed, which currently includes the organizations’ proactive orientation towards environmental protection, society, namely employees, aspects which constitute “the triple bottom line” (TBL). The concept refers to the “simultaneous pursuit of economic prosperity, environmental quality, and social equity” (Elkington, 1999; Baillie & Jayasinghe, 2017). *Environmental sustainability* is the premise from which all the organizations start, and which governs the activity developed by them (Bekele et al., 2012; Olah et al., 2017a; Olah et al., 2017b). *Social Responsibility* is frequently associated with corporate social responsibility (CSR), representing the link bridge between organization and society. The last dimension, economic sustainability, is analysed not only from the internal situation
perspective of the company, but also from the perspective of the impact carried by the organization on the national economy level (Elkington, 1999).

The DIY retailers’ favourite segment is represented by the youth – the Millennials and the Generation Z, who are at the beginning of the road, seeking to lay out their homes or to build new ones. Compared to their parents and grand-parents, they highlight a pronounced predisposition towards green, nature-friendly products, manufactured in accordance with the principles of sustainable development (Morgan & Birtwistle, 2009). Thus, the DIY retailers are seeking to adapt themselves to the exigencies of this client segment, because, by their early attraction and satisfaction, they can consolidate their relationship, generating their future attachment and winning their loyalty (Dabija & Bejan, 2018; Dabija et al., 2019).

Relying on the generational theory (Williams & Page, 2011), according to which individuals can be divided into homogeneous segments depending on their birth year, the authors approach an emerging marketing within the DIY retail, the strategies, the actions and the sustainability tactics implemented by retailers when they want to approach these target segments. The Romanian Zers are no longer strongly differentiated from the peers from other similar markets, which allows us to focus the research on this emerging market.

Furthermore, the DIY retailer in Romania has experienced a solid and accentuated development within the last years on the considered market (Şerban, 2012), the used strategies being able to represent a benchmarking for also processing other similar markets.

After a presentation of the principles and dimensions of sustainable development in general, and their particularization in retail (in the second section of the article), the authors present, in the third section, the manner in which sustainability represents an important method in the selection of retailers by the Generation Z. The fourth section presents the context of research and the method of selecting the DIY retailers from the considered emerging market, so that the fifth section deals with several actions, tactics and strategies of the DIY retailers in attracting, maintaining and enhancing the loyalty of the sustainable oriented consumers. The present paper concludes with theoretical and managerial implications.

2. Sustainability: dimensions and relevance

The implementation of the principles of sustainable development in the activities performed by organizations can be owed to some endogenous factors (leadership style, productive processes, employees etc.), but also to exogenous ones (legislation in force, stakeholders, local community, etc.). Irrespective of the determinant driving force, it is relatively difficult to predict the organization’s preferred method in the implementation of a sustainability strategy, as well as the level, namely the depth to which the organization will resort in pursuing it (Kallmuenzer et al., 2018). Sustainability is considered to be the process or the activities through which the needs of the current generations are being satisfied, without compromising the access of the future generations to the same resources, namely to the possibility of satisfying one’s own needs in similar conditions (WCED, 1987; Dabija & Băbuț, 2013). Thus, sustainability is applied to all organizations, regardless of sector and/or the field of activity. Ever since the occurrence of this report, the specialists (WCED, 1987) considered that the effectiveness of solutions and their global success in combating pollution can be guaranteed via international cooperation, which allows for and even secures an economic and ecological interdependence. A first step in the practical transposition of this objective is represented by the trust of the companies and individuals in international institutions, specialized in the application and implementation of these principles. Even if, at the beginning, the sustainability principles were applied by a reduced number of organizations, with the time, their number and, mostly, their importance have increased, nowadays (Sharma & Sharma, 2011) being almost inconceivable for an organization to not appeal to at least one measure or action which can be circumscribed to sustainability.
The organizations’ implementation of the principles of sustainable development which urge not only to moderation concerning the consumption of resources, but also to their as efficient as possible use, with substantial savings (Nevado-Peña et al., 2015), is becoming less and less feasible, due to the global economy tendency towards the acceleration of resource consumption and even towards overconsumption (Cobbing & Vicaire, 2017). In fact, in 2018, the annually regenerated resources of the planet had been fully consumed at the beginning of August, and from that moment to the end of 2018, humankind has been living on debt. It is estimated that in 2018, humankind would have needed 1.7 planets to exist (Global Footprint Network, 2019). In these conditions, due to the organizational behaviour, but also to the individuals’ attitude, resource consumption, pollution and its negative effects have become increasingly visible, their consequences affecting the society in an increasingly powerful manner. When adopting an active behaviour concerning the control of pollution, the principles of sustainability are found in the vision and the general business strategies adopted by organizations, being often transposed into the implemented activities and the provided deliverables. On the other hand, consumers become more and more aware of the global distress menacing their existence and which will mostly affect their followers, thus determining them to change their behaviour, to orient themselves towards sustainable consumption and/or to prefer green products, even if they have to pay for a premium price in order to possess and/or to use them (Young et al., 2010; Dabija et al., 2018). Understanding consumers’ expectations and claims, adapting to them via the provided services and products, the organizations delight and satisfy their clients, enhancing their loyalty in the long run (Dabija & Bejan, 2018). When they have to choose between the retailer who will provide them the most suitable deliverables, accomplished on similar principles with their beliefs and desires, namely the one who has deceived their expectations, has used deceitful advertising or has just claimed the sustainable orientation without also transposing it into the intra-organizational processes, the clients will prefer those who truly do as they promise (Dabija & Bejan, 2017; Dabija, 2018).

Within the general business strategies, retailers more and more frequently resort to measurers which envisage the sustainable behaviour and the responsible use of resources. The necessity of this behaviour resides from the fact that, during the last 100 years, companies have exponentially diversified the provided deliverables, using larger and larger quantities of resources within the productive processes, which necessitates the responsibilization of their consumption (WCED, 1987). For example, in fashion, clients purchase with 60% more clothing articles as compared to year 2000, their usage time being halved (Cobbing & Vicaire, 2017). Until 2030, it is predicted that the number of the purchased clothing articles will have risen by 63%, reaching about 102 million tons as compared to 62 million tons/annually at present (Seara et al., 2017).

Thus, sustainability does not represent only a simple means to obtain the clients’ loyalty, the implementation of sustainable principles within the retailers’ business strategies being considered not only a means to obtain a competitive advantage, but also to influence society, contributing to the enhancement of the individual care addressing the environment (Ruiz-Real et al., 2018; Wiese et al., 2015). Retailers more and more frequently select suppliers and other partners according to the sustainability degree of implementation and to the environmental reporting degree within processes (Dabija & Bejan, 2018). Via the provided products and the information exposed on the packing, alongside social responsibility campaigns, retailers also inform and convince consumers to rally to the socially responsible consumption, environmental protection, to modify their consumption habits, adopting a green attitude towards nature and becoming involved in its protection (Durieu, 2003).

Individuals have the tendency to purchase those articles which best fit their self-image shaped by them, appreciating their contribution to enhancing the prestige and/or the personal reputation among fellowmen and peers (Solomon, 2017). Thus, the inclination
towards a sustainable behaviour is mostly reflected via articles included by the individual in his/her shopping basket. The consumers’ demand for sustainable products compels the retailers to get seriously involved in conceiving attractive and well-targeted offers, and also in social responsibility campaigns. Individuals appreciate the sustainable character of the entire activity performed by organizations. Understanding the relevance of these aspects on a managerial level, numerous DIY retailers (for e.g.: IKEA, Jisk, Brico Dépôt, etc.) have created a “Code of Conduct”, regulating the relationships between company and stakeholders. Concerning the suppliers, the origin of the materials or the forms in which the raw materials used in the production processes are cultivated or sampled, are usually mentioned. Concurrently, this can establish the rights and responsibilities of the employees, highlighting the work conditions which must be fulfilled (IKEA, 2010). Many retailers adopt codes of conduct which forbid the employees’ exploitation or child labour in manufacturing goods, but also any type of ethnic, religious or gender discrimination, etc. (IKEA, 2010).

3. Sustainable orientation of young people
Changing consumer preferences and individual habits is reflected in their demands not only towards the producers, but also towards the retailers, as a consequence of their work involvement and of enhancing the purchasing power. Specialized literature divides the consumers according to their birth year during different generations, relying on the fact that people who have grown up in similar social, cultural, economic and environmental conditions will highlight, in their adult years, close behaviours, preferring the organizations in compliance with those values which are representative for them (Viswanathan & Jain, 2013; Valentine & Powers, 2013; Dabija et al., 2018). Among the generations of young consumers, there can be distinguished the Millennials or the Generation Y and the Generation Z (Young, 2015; Dabija et al., 2019).

The Generation Y, the Millennials or the Echo Boomers are individuals born between 1980 and 1994 (Williams & Page, 2011), their existence happening in an age characterized by technological development, and in which the access to products was unlimited regardless of the country of provenance, the geographical boundaries being overcome. For companies, the Millennials represent a market with a high approach potential, due to the fact that, on a global level, the number of people who fall into this segment is very high (Viswanathan & Jain, 2013; Young, 2015; Dabija et al., 2018). Globally speaking, it is estimated that their annual purchasing power is over $ 170 billion (Cheung et al., 2008; Loroz & Helgeson, 2013; Young, 2015). The Millennials are willing to pay a higher price for the green products, due to their desire to reduce the effects of pollution and to make a positive contribution to the protection of nature (Dabija et al., 2018).

The members of the Generation Z (iGeneration, Echo Bloomers) are born between 1994 and 2010 (Williams & Page, 2011), continuing to represent a challenge for the marketing specialists. Compared to the Millennials, the iGeneration has a much higher potential purchasing power, due to the fact that, globally speaking, they are more numerous than their predecessors, and also, to the fact that, since teen age, they have got used to purchasing different goods, services and brands (Saha & Darnton, 2005). Unlike the Millennials, the Echo Boomers are actively involved in social life, appreciating companies which help the communities and organize social responsibility campaigns (Dabija et al., 2019). Their behaviour is a proactive one and they are permanently analysing the consequences of their actions. Similarly, the Millennials and the Zers are willing to pay premium prices for green products, thus estimating that they can bring a favourable contribution to the mitigation of impact and negative consequences to which the environment is being subjected (Wellner, 2000).
The involvement of the Millennials and the Zers in the social responsibility campaigns and the adoption of habits which are subordinated to the principles of sustainability determine the retailers to become aware of the fact that they represent the target segments to which they ought to address. Concurrently, the purchasing power of this target segment, as well as their very significant physical number, represent vectors which inspire the DIY retailers to conceive special offers and to address them in a very targeted manner.

Methodology of research
In order to highlight the measure in which the DIY retailers apply the sustainability principles in the implemented general business strategies, namely in conceiving a deliverables offer addressing the younger generations, it has been necessary to study the information posted by them on their web pages, namely the ones available in different specialized journals. There have been selected the DIY retailers with relevant activities in Romania (Dabija & Bejan, 2018): Leroy Merlin; IKEA, Jysk, Hornbac, etc.

Results
The implementation of the sustainability principles within their business strategies plays an important role for many DIY retailers. Leroy Merlin, part of the ADEO group, present in over 12 countries, grants special attention, within the sustainability strategy, to the personal and professional development of employees (social orientation), and their satisfaction throughout the collaboration represents a vital element in obtaining success (ADEO.com, 2017). In Spain, the company has made increased efforts to prevent the employees’ fluctuation, periodically organizing events dedicated to this aspect (ADEO.com, 2017).

Leroy Merlin respects the employees’ rights, offering proper labour conditions for them and periodically organizing training courses (Top-Employers Institute, 2017), namely facilitating the experience exchanges between the employees from different states. For HORNBACH, the employees are the main resource which contributes to acquiring market success. Even if employees come from different countries, they are provided with an internal code of conduct, through which competence, team spirit and desire to learn are being promoted (HORNBACH, 2015). Since 2008, through “The Diversity Charter” or the employees’ code of conduct, they are guaranteed the proper work environment, according to the regulations in force. This presupposes avoiding the employees’ discrimination and forbids any kind of differentiation on ethnic, religious or disability criteria (HORNBACH, 2015).

Laying the emphasis on the employees’ personal life, and starting from the desire to ease their daily responsibilities, IKEA founded in Japan a childcare centre during work hours (IKEA.com, 2011). Encouraging involvement actions and measures in the local communities and in the social and environmental protection, IKEA has joined GSCP (Global Social Compliance Programme), which promotes the application of the sustainability principles in relation to all stakeholders (IKEA.com, 2010).

The Swedish retailer IKEA lays an increased emphasis on the importance of used raw materials, building its market success on the desire to offer deliverables to its consumers at attractive prices, thus enhancing the clients’ satisfaction (IKEA.com, 2015). IKEA grants increased attention to suppliers, seeking to maintain high standards of implementation of the sustainability principles and of social responsibility within the value chain, from the production of different materials and parts, to selling articles via their own stores (IKEA.com, 2011). The IWAY code of conduct for suppliers implies that all IKEA collaborators guarantee decent conditions to employees, overtime payment, job security, elimination of discrimination, processing raw materials in order to mitigate their impact on the environment (IKEA.com, 2010).
The Jysk Group pays enhanced attention to the environment, and implicitly, to the social responsibility campaigns. Thus, they want an active involvement on behalf of the raw material suppliers. Since 2006, the Jysk group has joined the BSCI initiative (Business Social Compliance Initiative), which establishes an organizational code of conduct for suppliers in compliance with the sustainability principles (BSCI.org, 2015). The company also uses its ethical standard DIEH (The Danish Ethical Trading Initiative), via which the citizens’ rights are encouraged, the companies developing sustainable businesses (DIEH, 2015). The raw material for the products sold by Jysk come from the FSC-certified woods (Jysk.com, 2016), which guarantees the fact that there have been cut down only trees which can be naturally replaced, without destroying the animal habitat (Jysk.com, 2016).

Most retailers only create a differentiation in offers, according to the organizational consumers, namely the individual ones. Only few of the DIY retailers effectively segment the market according to socio-demographic characteristics, such as age or gender. For example, due to the desire to enhance the attractiveness of offers among consumers, Leroy Merlin has been practising lower prices for retired persons, as well as for persons coming from the socially disadvantaged categories (Licu, 2014). IKEA addresses not only individual clients, but also organizational ones, a favourite segment being represented by families, for whom there is a varied offer of products. Young people can subscribe to the newsletter, namely they can download the products catalogue from the retailer’s web page (IKEA, 2016; Jysk, 2016; Dedeman, 2016).

Conclusions
Following and implementing the sustainability principles within the business strategies represents nowadays a desideratum which retailers cannot any longer abandon, if they wish to attract, and mostly, keep their clients. The orientation towards local communities, satisfying their needs, concluding partnerships with stakeholders based on rigorous standards concerning the environmental protection, imposing some codes of conduct on suppliers, but also on employees, the concern for the workers’ rights, but also the involvement in social responsibility campaigns, represent relevant strategic vectors in building long-term relationships with the clients. The youth and the members of the generation Z are much more inclined towards the green values, the preservation of resources and the mitigation of consumption, practically wishing to bring their contribution to keeping the integrity of the society to which they belong. Without explicitly communicating to each generation, in part, all the performed sustainability efforts, the DIY retailers highlight an increased care for building a lasting organizational image among the target segments, through social, environmental, but also economic actions, each individual receiving, from his/her preferred retailer, those signals which are relevant and important for him/her. The clients’ segmentation efforts, according to the generation to which they belong, are still at the beginning, the Romanian DIY retailers are already developing such a strategy.

Among the limits of research can be mentioned the fact that the actions and tactics of all DIY retailers from the analysed region have not been taken into consideration, as well as the fact that the presented measures refer sometimes to the whole group, not being able to obtain information concerning the specific actions in Romania. Future research could propose a detailed analysis of the DIY retailers’ actions for the local market in connection with the international one, as well as building a scoring type of model for highlighting the most important such measures, in accordance with the spent budget, the involvement of the organization and/or the used resources.

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References


