

# Retailing with purpose: How the pursuit of social responsibility can inspire and sustain retail growth and innovation

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Gwen Morrison

## GWEN MORRISON

is co-CEO, The Store, WPP's Global Retail Practice. Her career has been devoted to brands in the retail space. At The Store, Gwen is responsible for extending WPP's leadership in retail innovation and supporting global resources for WPP group companies across the Americas and Australasia. Gwen is charged with identifying issues and trends most important to retailers and FMCG brands around the world. She promotes best practices throughout the retail marketing community and has contributed to *Harvard Business Review* and *Brand Week*.



Anneliza Humlen

## ANNELIZA HUMLÉN

is President and Founder of SocialVoice LLC. She is a brand strategist, development leader, culture-change catalyst, speaker and writer, with over 15 years' experience creating meaningful brand connections to people, shared purpose and social interests that matter. Anneliza created the SocialVoice (a registered trademark of SocialVoice LLC) programme in 2009, which builds brands through social engagement, corporate culture and mentored development. She is a member of the World Brand Congress Advisory Council and is endorsed by leading industry forums such as the Toronto Sustainability Speakers Series and Sustainable Brands for excellence in corporate social responsibility and social communications.

## Abstract

*This paper is based on a presentation given by the authors at the Sustainable Brands Conference in San Diego, 2012. It builds upon best-practice retailing examples spanning developed markets such as the UK and USA, as well as developing markets such as Brazil, Peru, Turkey, South Africa and China. The authors share their collective experience drawing from their current work and global studies. The paper showcases success stories of retail leadership guided by a conscientious commitment to purpose over profit. The authors present an inspiring range of examples and describe the different ways that 'retailing with purpose' can manifest itself and make a meaningful social difference. From retailers, retail developers, and retailing as a practice, the paper illustrates how concepts such as 'place-making', community and employee culture building and sustainable business practices are essential for the value of retail to evolve beyond price or promotion. Many of the examples in this paper have not only survived the recession, but actually thrived while competitors have competed on price, promotions and cutbacks. Moreover, they sustained growth, made innovative offerings, and grew customer base and loyalty. They are proof that a business strategy driven by purpose over profit can ultimately be the most effective and enduring form of innovation and success at retail.*

## Keywords

*social responsibility, CSR, sustainability, retail with purpose, place-making, retail, social purpose, community, leadership, innovation, civic, marketing*

## INTRODUCTION

Community and consumer strength on a local level is critical not only for sustaining

local business growth, but for fuelling national and global economies. According to the Project for Public Spaces and trends

**Gwen Morrison,**  
The Store — WPP's  
Global Retail Practice,  
233 North Michigan Ave,  
16th Floor,  
Chicago,  
IL 60601,  
USA

Tel: +1 312 596 3201  
E-mail: gmorrison@wpp.com  
Website: wpp.com

**Anneliza Humlen,**  
SocialVoice LLC,  
1 Little West 12th Street,  
New York City,  
NY 10014,  
USA

Tel: +1 917 512 8194  
E-mail: ahumlen@  
socialvoicebranding.com  
Website: socialvoicebranding.com

analysed in Steve Davies' report, 'Think global, buy local',<sup>1</sup> local communities are now the catalysts for regional and national growth, rather than the result of it. Retail on a local level is the first to benefit from the health and prosperity of local communities. Conversely, it is also the first to feel local economic and financial strains.

It is therefore in the best interest of every business to contribute to the social health and wellbeing of the communities it serves. Most local small businesses understand this concept intuitively as they assume the role of both proprietor and local citizen. But when it comes to larger retail formats or retail chains, the connection and sense of duty to the local community does not come naturally. It is no wonder that large, big-box retailers and retail developments are often seen as foreign entities and counter-cultural to local community interests. Despite efforts at cause marketing, local philanthropy support, or adoption of socially responsible business practices, a retailer's good will is often ignored, ineffective, or worse, it is deemed as being disingenuous.

What is the reason for the scepticism or mistrust? The answer lies in the intensity of the emotional commitment by business leaders to pursue purpose over profit.

Emotion and excitement, as is well known, can be infectious. This same principle holds true for emotional disconnect. Through collective experience, the authors have found that the driving force behind the most successful retailer-led social responsibility (SR) efforts is a leader's emotional commitment to making a positive difference. The retail leaders in this paper are unique, because unlike most others, they go far beyond being supportive of SR-related issues. Instead, they actively lead such efforts and promote awareness of such issues. The difference they make in the lives of people

and their communities transcends transaction.

A business leader's inherent sense of SR has a direct impact on the way they contribute, see and solve social issues. The emotional drive they embody and inspire in others shapes the mindset and fuels brave new possibilities throughout all aspects of business. In contrast, when SR commitments are made for purely opportunistic reasons, the guiding principles of 'profit first and purpose second' thereby limit perspective and the opportunities for creating meaningful social value. In the words of Henry Ford, 'A business that makes nothing but money is a poor business,'<sup>2</sup>

Retail devoid of a meaningful emotional connection and a satisfying consumer experience, is at best 'commerce'. When retailers lose sight of this distinction, all they can compete on is price and convenience versus customer preference and satisfaction of service. The focus on product sales over meeting the true needs of the people results in a retailer actually losing competitive ground. So if access to the product and price is no longer enough of a competitive difference at retail, how else can people decide which retailers to support and trust?

## ACTIONS SPEAK LOUDER THAN WORDS

'A brand is a living entity — and it is enriched or undermined cumulatively over time, the product of a thousand small gestures' (Michael Eisner, former CEO of Disney)<sup>3</sup>

Retailers must be cognisant of how actions transcend marketed communications and media. This would include a retailer's support for a social cause or commitment to SR business practices.



**Figure 1** Ron Shaich, Panera Chairman and co-CEO

Panera is a great example of industry leadership that is both profitable and purposeful. Over the last decade, under the direction of Ron Shaich, Founder, Chairman and co-CEO (Figure 1), it has become the second-best performing restaurant stock, and the second-best performing consumer stock in the S&P consumer index. Panera has grown into a national chain of nearly 1,600 bakery cafés across 40 states and Canada.

‘For many years, Panera has practiced the principles of conscious capitalism — or what we like to call “enlightened self-interest” — in two ways. First, we regard profit as merely the byproduct of serving society and a broad range of stakeholders. When we deliver value to our customers, employees, vendors, investors and community, profit follows. Second, we focus on a higher purpose, above and beyond short-term results’ (Ron Shaich, Panera Founder, Chairman and co-CEO)<sup>4</sup>

Ron Shaich also serves as President of the Panera Bread Foundation, which is responsible for the launch of the inspiring ‘Panera Cares’ initiative — dedicated to addressing issues related to food insecurity. The Panera corporate dedication to serving a higher social purpose led to the launch of the first Panera Cares community café in May 2010 in Clayton, MO, with additional locations such as Chicago opening subsequently (Figure 2).

The Panera Cares Café has much of the same environment vibe as Panera’s regular cafés. The difference is that upon entrance will you see a menu — but no prices. Upon placing an order you will not be given a bill or receipt; rather customers are served, but not required to pay for the meal. Instead they are asked to pay what they can afford and feel is a fair price for their order.

The Panera Cares Café concept is a brave and bold experiment in human



**Figure 2** The ‘Panera Cares’ community café

nature. It is not intended to be a replacement for social welfare programmes such as soup kitchens, which give away free food to those in need. In Ron Shaich's keynote presentation at Sustainable Brands in 2011, he talked about his visits to soup kitchens and how sad and unmotivating the soup kitchen experience can be. He recalled how little hope there was in the experience from waiting in lines, and the social atmosphere. For most people, the notion of accepting a 'hand-out' weakens their self-confidence and sense of dignity.

The Panera Cares Café allows all, regardless of financial ability, to be treated as a welcomed customer, who feels both valued and respected. For those who cannot pay, there is a barter option offered. This allows them to earn their meal in exchange for the opportunity to help with tasks such as wiping tables or clearing dishes. Once the tasks are completed, the meal voucher is then dropped into the donation bin to signal the exchange of goods and satisfaction of payment. The empathy and care for human dignity is inspiring for employees, customers and community.

'We were trying to change the corporate-giving mindset which is to write a check and forget about the problem with Panera Cares, we were trying to utilize something that's just as valuable as money: our time, skill, scale and experience. We were also trying to show that all of us are in this together, by enlisting communities in this notion of shared responsibility' (Ron Shaich, Panera Founder, Chairman and co-CEO)<sup>4</sup>

In 2012, Panera Cares cafés will serve nearly 1 million meals. By the end of 2012, there will be a total of five Panera Cares cafés across the USA. Each café is self-sustaining — generating just enough

donations to absorb operating costs. The Panera Cares Café programme gives all citizens of a community the opportunity to contribute. Whether contributions are in the form of currency, time or talent, the programme is a moving example of how retail can make an emotional and social difference, and inspire communities to contribute and care.

## GROWING BY STRENGTHENING OTHERS

'Retailing with a difference. Retailing with a conscience. Retailing is not about maximizing profits. Nor is it about seeing a fantastic opportunity and saying "hey we can make big bucks there". That is not retailing.

Retailing in the emergent world is about growing the communities, engaging with society and trying to maximize the potential of the entire community. We need to use retail as the opportunity to test and grow local resources ... The developed markets have not caught onto this concept yet... We (emergent markets) need to teach the rest of the world how to do retailing with a difference' (Suzanne Ackerman Berman/Pick n Pay, Corporate Transformation Director)<sup>5</sup>

Coca-Cola Retail Research Council (CCRRC)<sup>6</sup> funded a study to learn how retailers in fast-growth markets manage through transitional and often disruptive conditions. During the field work, the team learned that the best-in-class retailers who started businesses before the growth of the middle class, had a deep commitment to serving the communities in which they operate. Given the history of economic and social transitions within their highly dynamic markets, many of the retailers studied in the CCRRC research became highly experienced in serving the

underserved. Furthermore, because these retailers have the additional role of educating their customers about shopping within organised retailing, strategic clarity and consistency was paramount. Retailers in the CCRRC research recognised their potential to directly affect the lives of their customers because often they were the only organised business their customers would deal with on a daily basis.

The level of retailer interaction is a factor of company strategy and openness to the particular society in which they operate. So for example, they may extend credit to consumers who would otherwise be turned down by banks. They may operate in low-income areas, where there can be continual disruption (eg power outages, product shortages, and security issues).

Pick n Pay, a family owned retailer that operates almost 900 company and franchise stores primarily in South Africa and surrounding countries, has a history of advocating social change in a challenging environment (Figure 3). Working in a fragmented retail market where they serve the underserved as well as affluent consumers, Pick n Pay has operated with the goal to serve all. For example, the range of goods

for a higher-income community can be extensive, while at the lower tier much more limited. As the consumer in Soweto may have access through their travels to the larger, upscale stores broader ranges of foods and other goods than the consumer typically shops for. It is important the customer feels their store is a reflection of the chain as a whole. If financial optimisation were the only objective, there might be a third fewer products on the shelf.

While constrained shoppers purchase very few items each week, they are concerned about the environment and also want to see that foods are fresh and local. Pick n Pay offers their stores the ability to source from local farms, even the smallest ones that operate near settlements where informal trade exists side by side with modern stores. This assures shoppers that their communities are part of the economic supply chain as well. Providing store managers with flexibility to source locally is an important capability, and in advance of many of the US retailers.

Franchisees from these communities have proven to be an asset. It opens opportunity at the local level when shoppers know they are doing business



Figure 3 Pick n Pay has a history of advocating social change in a challenging environment

with someone they can trust. From the franchisee perspective, they are helping neighbours cope with daily realities and hardships. Franchisees are motivated to enrich their communities and train others. They are important role models for continuing education. Furthermore, the workers they hire in turn are motivated when they see the potential opportunity.

In developing markets, training and education are embedded into the cultures of the retailers. Therefore, converting a customer is not simply about making a sale. It is about fostering self-confidence and supporting their drive and ambition to succeed in society.

Stores are not just stores or places to buy merchandise. Successful retailers operate stores as centres of community that play an important role in educating the customer about how to function well in a consumer society.

### **BUILDING FOR COMMUNITY FIRST**

When retailers enter a new market, or retail developers construct a new retail centre, they need to incorporate community needs into the actual planning and design of the structures and the environment experience. All across the USA there are far too many carcasses of dead malls, many of which are so generic in design that they actually degrade the visual landscape and local community culture.

Retail space that is thoughtfully designed and conscientiously built with the community ecosystem in-mind can become an enduring source of local pride and fuel local economic growth.

Retailers must embrace the notion that social responsibility on a local level means 'me' becomes 'we'. Consumers are now valued as people. A retailer's interest in their needs and support of their aspirations must endure far beyond a sale.

Yaromir Steiner is the visionary founder of the retail development company, Steiner and Associates. This company has developments throughout the USA, such as The Greene in Dayton and Bayshore in Milwaukee. What makes this privately-owned company and its retail programmes special, are its guiding principles of building for community needs first and retail real estate second. This translates into the use of socially responsible civic planning principles such as walk-able sidewalks, public forums to promote gathering, and green spaces that serve the interests of all ages (Figure 4). The retail centre design strives to enhance and express local community culture and aspirations, instead of imposing only corporate and commercial interests onto the community.

Yaromir believes that every developer has the duty to build something that a community can be proud of, and that can withstand the test of time. To this end, he does not build malls that look like cold and sterile enclosed boxes. Nor does he build power centres or lifestyle centres, sprawling big-box retailers, and parking lots. Instead, he builds open-air, mixed-use properties that incorporate not only retail, but dining and entertainment, hospitality, office and residential use. In other words, he sets the stage for building community dynamics and growth.



**Figure 4** The Greene in Dayton and Bayshore in Milwaukee

Yaromir Steiner, along with The Georgetown Company, formed a partnership with Les Wexner, chairman and CEO of Limited Brands, to bring to life in 1999 the Easton Town Center in Columbus, Ohio. Easton is an award-winning, mixed-use property, considered by many in the retail development industry as the gold standard for retail design and experience excellence.<sup>7</sup> At more than 153,000m<sup>2</sup>, it features a who's who of retail brands such as Louis Vuitton, Tiffany's, Henri Bendel, Nordstrom and American Girl. It is also home to many retailers that began locally such as Homage and Northstar Café. It has also served as the incubator for one-of-a-kind innovative retail concepts such as Celebrate Local that sells only Ohio-produced handmade products from 200-plus local artisans and small local businesses (Figure 5). Celebrate Local was launched through a collaborative effort between the local non-profit for small business ECDI, the Global Gallery and the Easton Community Foundation.

Easton has given this otherwise sprawling suburban community of Columbus a

unifying sense of place. It has become a beacon not only for local residents, but for the entire state of Ohio and beyond, drawing public interest through free summer concerts, outdoor films and yearly traditions such as holiday parades and tree-lighting ceremonies. Unlike most private properties, community use of all green and open space is encouraged. All work is done with local groups to offer access and extend exposure to worthy causes and local talent.

Even before the opening of Easton, the Easton Community Foundation was launched, dedicated to organising philanthropic efforts in support of local citizens and causes. In 2012, Easton once again received the 'Benefactor of the Year' award<sup>8</sup> for local community contributions that were comparable to those made by local Fortune 500 companies such as KPMG and ABBOTT. Giving back to community is literally designed into the Easton experience, where proceeds from their parking meters have gone directly to local charities since the 1999 opening of Easton. Easton has become such a beloved



**Figure 5** Celebrate Local sells only Ohio-produced handmade products

retail brand (even though it is not a store) that its latest Net Promoter Score of 82.5 per cent even surpassed the Apple store at 78 per cent.

It is no wonder that while other malls and mixed-used centres in Ohio struggled to survive during the recession, Easton was not only profitable, but grew to become the top producing retail centre in Ohio, and one of the top three producing retail centres in the Midwest region.

### **ENABLE LOCAL CULTURE AND GROWTH**

A retailer's social sense of purpose and responsibility to a local community should go far beyond a branded cause or local philanthropic sponsorship programme. This involves a different philosophy and mindset altogether regarding the role and purpose of retail within a community. It is a given that retail is essential to a community's economic and social wellbeing. But too often retail is seen to impose itself on the landscape and compromise the quality of life and local culture for the very people it hopes to serve.

One company studied as part of the CCRRC report was Minka Ciudad Comercial del Perú. Located in the port city of Callao, Peru, Minka is unique in purposely mixing organised and informal trades into one location. It is a mall solution aimed at bringing together these two dynamic markets (marketplace vendors and formally trained merchants) so they can effectively attract more customers.

Minka opened in 1999 and was intended to be an experimental alternative to the more traditional central markets where lower-income groups would normally shop. The name comes from the Quechua and Aymara languages of Peru, referring to

cooperative work. Currently, Minka is a contained compound of 108,000m<sup>2</sup>, with fragmented trade. It averages 1.5 million shoppers per month, although during seasonal events the number of shoppers often jumps to 1.8 million.

Minka provides a secure space, marketing, business standards, and quality product for both its customers and retailers. It also works with the government to highlight locally-produced products for sale. In addition, through a successful public-private partnership, Minka stewarded the expansion of local mass transport for the merchants and customers. By investing in local infrastructure, Minka made safe, affordable mass transport possible for the millions of shoppers who live outside the city in the more remote areas.

### **LEADER VERSUS PARTICIPANT**

In the USA, there are widespread SR-related efforts at retail such as support for 'green' and environmentally-friendly practices. Especially during the holidays, cause marketing and charitable giving efforts seem to be omnipresent within the point-of-sale experience. All efforts to promote social good are commendable. However, if such programmes lose effectiveness because of a retailer's inability to inspire support, then the commitment and shared value become insignificant.

It is only through actions, policies and stewardship of positive social change that a retail brand can create an emotional connection and influence behaviour change far beyond any marketed word or campaign. As more and more retailers adopt SR business practices, participation and marketed support of causes will no longer be enough to prove a retailer's commitment to SR. Presence, participation and support of a cause seem passive and detached when compared with the more bold and courageous efforts of



retailers such as Panera, Patagonia and Marks and Spencer.

Promoting sustainability principles at retail is also a very challenging topic not only to communicate, but also to enforce and live by. Promoting the purchase of new products and enticing shoppers to buy more, more, more is in direct conflict with the principles of reduce, recycle and reuse. If guided purely by logic and profit, a retailer would think twice before proclaiming its support and belief in sustainability. The lack of a credible track record may only raise criticisms of hypocrisy and 'greenwashing'.

## Patagonia

Patagonia's Common Threads Initiative is a great example of retail bravery and integrity. Patagonia leveraged a very aggressive marketing campaign — but this time it was to urge consumers to 'not buy' their products, and instead curb their unsustainable purchase habits (Figure 6). For those who are unfamiliar with the brand, such a plea may seem disingenuous, or a deliberate act in the hope of generating PR and buzz. However, Patagonia's ethos and respect for the environment runs deep into the core of its business. Since day one, it has guided the company's business strategy, product development/design and social responsibility commitments.

'We design and sell things made to last and be useful. But we ask our customers not to buy from us what you don't need or can't really use. Everything we make — everything anyone makes — costs the planet more than it gives back.'<sup>9</sup>

By pursuing a socially responsible approach to retail and consumer consumption, Patagonia has earned not only the trust and loyalty of its existing customers, but in



**Figure 6** Patagonia's 'Don't Buy' campaign

addition, has also attracted the interest of new customers to the brand.

Patagonia's product is known to be of the highest quality. The excellence and integrity of the manufacturing and lifetime warranty allows the company to charge premium prices. Patagonia's commitment to quality and SR is evident in the way it sources, designs and constructs its products. Such noteworthy detail helps to justify the premium price that so many consumers are willing to pay — all of this despite its plea of 'Don't buy this jacket'.

Given Patagonia's strong performance year after year of US\$400m-plus in revenue, it is clear that its customers place great value in its attention and commitment to such SR details.

Patagonia has partnered with eBay for the sell/re-sell of used Patagonia clothing. Through this approach, Patagonia is able to extend its customer base via eBay as

people try to sell their used clothing/gear. The irony is that usually the sellers will turn right around and use the earned money to purchase more (new) Patagonia gear. In more ways than one, such redistribution reinforces the principles of sustainability whether directly or indirectly.

### Marks and Spencer

Marks and Spencer (M&S) is another retailer whose bold commitment to the environment and SR business practices inspires new possibilities for sustainability at retail. The company has been a strong voice for combating climate change and waste, while supporting sustainable raw materials, health and fair-trade partnerships. Based in the UK, M&S made public its goal to be the world's most sustainable retailer. Its Plan A corporate social

responsibility (CSR) programme was launched in 2007 with 100 commitments to achieve in five years. It was so effective in its efforts that it increased its commitments to 180 by 2015. What is refreshing to see in their execution is the personality, wit and even humour put into the company's communication efforts. The campaign is clear: 'Plan A — we believe it's the only way to do business — because there is no Plan B'.

Last year, M&S introduced Joanna Lumley, the iconic actress and television personality, as the ambassador for 'M&S Shwopping' (Figure 7), an effort to raise awareness about the impact of wasteful attitudes about clothes. The goal is to reduce the 1 billion items being dumped into UK landfills each year by encouraging shoppers to drop off their unwanted clothes at M&S for recycling or resale by

**Oxfam**

M&S is starting a fashion revolution. It's called shwopping.

We think that old clothes shouldn't just be thrown out, they should have a future.

So next time you pop in store to buy something new, drop an old item of clothing (even if it's not from M&S) into one of our Shwop Drops.

Then we'll work with Oxfam to resell, reuse or recycle it, and help support people living in poverty.

Our ultimate aim is to collect as many clothes as we sell and change the way we all shop forever.

Come on, let's go shwopping.

*Only at*  
**YOUR M&S**

Scan the code to hear more about Shwopping

Find out more  
**marksandspencer**

**Figure 7** M&S 'Shwopping', an effort to raise awareness about the impact of wasteful attitudes about clothes

Oxfam. M&S is introducing new ways to connect unsustainable consumer habits with positive behaviour change.

## RETURN ON COMMUNITY

A community should feel enriched and strengthened by the local presence of retail — not left to feel empty. When retailers establish themselves in new markets, what role (if any) do they assume within their communities? Do they see themselves as a citizen or corporation? Is there even an interest in assimilating themselves into the existing community?

All too often, businesses fail to integrate themselves physically, emotionally and socially into their local communities. This deliberate disconnect is evident in how their physical presence *vis-à-vis* retail locations, corporate headquarters and corporate campuses is structured and designed into a community. For most, they conform to pre-existing building structures (whether retail or office), where their corporate culture thrives and grows from within. For many businesses, whether in the form of office or retail, bigger is perceived as better, given the visual presence and implied strength of business. But at the same time, when there is a deliberate effort to stand out, it can also be a reminder to local citizens that ‘Yes, we are different and will remain separate from the rest of you’.

It is usually cheaper and faster to build new stores or offices from the ground up than it is to retrofit existing structures to meet custom needs and current building codes. This explains the continued build-up of remote corporate parks, isolated corporate campuses and retail centres.

Not only are such building practices unsustainable. They also reinforce emotional disconnect between business/retailers and the local citizens.<sup>10</sup> This philosophical

approach to business as a distant neighbour promotes a ‘them versus us’ mentality, transient community vibe and way of life. In this context, it is no wonder that retailers are often seen as the enemy of Main Street and a threat to urban cities. They often face opposition by communities and have a difficult time building local relationships and civic support.

But not all retailers and business leaders subscribe to this philosophy. Tony Hsieh, CEO and founder of Zappos, began Zappos in 1999 as an online shoe retailer. Today it is the number one online retailer for shoes with steadily growing market share in other clothing areas. Despite the breadth of product, with over 1,000 brands and 7,000 affiliate partners, Zappos considers itself a ‘service company that also happens to sell shoes, handbags etc’.<sup>11</sup>

In 2011, Tony Hsieh brought his leadership philosophy of ‘culture is everything’ to new levels of business and urban reality. He committed US\$350m towards the revitalisation of downtown Las Vegas, the home of Zappos. His goal is to build ‘The most community focused large city in the world’ — and to do so within five years. This commitment to the revitalisation of Las Vegas is called The Downtown Project. Although it is not a Zappos-led or funded initiative, Zappos plays a central role as catalyst for the revitalisation of the city and the movement to build critical urban mass.

Loren Becker, who is in charge of the Zappos Downtown Project, has been with the company since it moved from a suburban corporate park in California to downtown Las Vegas. Although he now considers Las Vegas to be his home base, he remembers the years of weekend commutes between Vegas and California, and the emotional disconnect he recognised in himself at the time.

Becker likens the migration of a company with over 2,000 employees to a

pilgrimage: not only is the company moving offices, but many of its employees are also moving out of suburbia and adopting an urban way of life.

This relocation effort was born out of the need for the company to expand physically due to its growth. What began several years ago as a plan for an isolated campus in the middle of the desert has now evolved into an open campus design (Figure 8).

The Zappos corporate campus follows the integration philosophy used by many urban universities, such as NYU in New York City and University of Pennsylvania in Philadelphia, whereby learning happens throughout the city, and is not centralised within proprietary buildings. This approach allows for the pursuit of a unifying concept that Zappos refers to as 'the Un-office'. This approach promotes the values of adaptability, accelerated serendipity, enhanced mobility and above all, a community-oriented culture. There are ten ways in which Tony Hsieh plans to build the city of the future:<sup>12</sup>

- (1) *City centre HQ*: Instead of moving to a business park, renovate iconic structures such as City Hall (Figure 9) for use as corporate headquarters.
- (2) *Shipping container retail park*: Shipping containers enable creation of new

space and immediate access. As they are moveable, they can be reused and repurposed throughout the life of the project.

- (3) *Investing in locals to build better businesses*: Support local small business and the entrepreneurial efforts of those who are passionately pursuing their dreams. This applies not only to local citizens, but also Zappos employees.
- (4) *Reimagining the original architecture*: Some things are just not what they seem, eg the medical centre holds a coffee shop and artists' community. As with local cultures, local architecture should be celebrated and protected.
- (5) *Creating events for locals*: 'First Friday' has been an event held at the start of every month in Las Vegas. Hsieh saw that the locals needed a place to mix and connect, so he bought the rights to the evening event and brought in his own team to manage it. Now it is booming, with traders, artists, food-carts and entertainment — even a skateboard park and DJ set.
- (6) *Investing in start-ups that invest in the city*: Hsieh has a fund to encourage entrepreneurs to live and work in the city. One of the clauses is that the

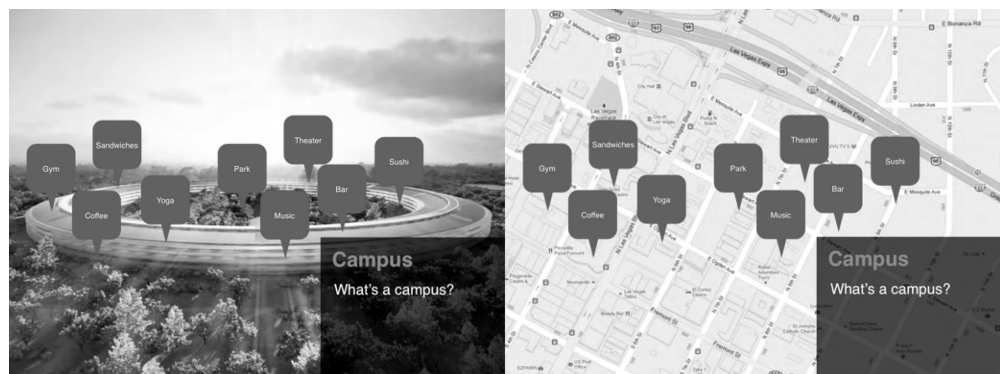


Figure 8 The Zappos 'open campus' design in Las Vegas



**Figure 9** Zappos has renovated iconic structures such as City Hall for use as corporate headquarters

business should be designed to hire locals and take them on an upwardly mobile career. Start-ups such as Rumgr and Romotive gained their start in this way.

- (7) *Embedding the idea:* Hsieh has rented the top four floors of serviced apartments in a building called the Ogden and gives staff open access so they can have a place to stay while they help rebuild the neighbourhood. He also offers them to people visiting town in hope that they will get to know his plans better and help spread the word.
- (8) *Getting creatives to fall in love:* Encourage like-minded people to come and experience a new kind of community and way of life, relocate and build their local roots.
- (9) *Getting all the people involved:* Open-sourced planning and integration of ideas are constantly incorporated.
- (10) *An education space for technology, entertainment and design:* Create a space where ideas can flourish and inspire audiences both near and far.

## BECOMING SOCIALLY RESPONSIBLE

Retail brands need more than marketing strategies, media budgets and effective communication/creative to ignite movements of positive social change. The transformation from activity and tactics to belief and emotional commitment begins in the heart and transforms the mind. The intensity of a brand's commitment to a social cause can fuel new realms of creative thinking and thereby reveal new opportunities for business growth.

WPP collected perspectives regarding social responsibility from Fortune's top 50 World's Most Admired Companies in 2011.<sup>13</sup> Here are some of the interview highlights shared in the report:

*McDonald's:* 'We want to tie our CSR activities into our brand more. Our brand isn't defined today by the consumer as a brand that connects and cares with society. We hope that you'll see some evolution in that.'

*Target:* 'Our overarching reputation goal is to transform the admirers to advocates.'

*Dell:* 'I see sustainability almost the way quality was three years ago. It was a process where you inspect quality at the end of the line but then this Deming guy came along and said, "No, no, you build quality at every step of your process." No matter what you do, you have a responsibility for quality.'

*Microsoft:* 'Citizenship needs to be aligned with corporate strategy. It must be communicated with investors.'

The research also delved into understanding in greater detail the steps that were taken by these corporations to help improve social and environmental issues in the course of doing business.

Social responsibility was no longer seen as a compliance initiative or separate function of 'doing good' but rather, an emotional sense of purpose. It became more meaningful and thereby inspiring for employees. As social responsibility became recognised as core to the business, it became integrated into its every strategy, and required employees to integrate into formal structures, processes and measures.

The study highlights the seven principles of corporate stewardship that can make social responsibility actionable and enable corporations to see new business advantages and opportunities:

- *See social responsibility through a business lens*
  - The fundamental shift toward SR concerns, among other things, emerging markets, new opportunities, new ideas, new products, downstream long-term benefits and the organisation of the corporate structure. It is also a habit of mind that should become reflexive.
- *Make a difference from your position of strength*
  - Simply put, figure out what you do best, what you produce, 'where you

play' – and then fashion your SR initiatives in that domain.

- *Winning with 'thick value'*
  - Simultaneously creating social good and business good results in what is termed thick value, a by-product beneficial for all. New ideas and opportunities arise from such value creation.
- *Walk then talk*
  - Design and implement your programme first. Get it right. If you want to blow your own horn afterward, do so carefully, for scepticism about motives has sharpened in the internet age.
- *Every employee should live and breathe it first*
  - Make a genuine commitment to making a difference in the world. Communicate this to your employees, motivate them to set further goals. This not only enhances the chance of success, it serves as a powerful recruitment and retention tool for the best talent out there.
- *Partner for real breakthroughs*
  - Welcome competitors to work with you. The goal is the creation of a greater social good, which in turn will open new business opportunities. Think big, not territorially.
- *Innovate permanently*
  - SR is a journey, not a destination. Business needs to be flexible and creative — and tolerant of uncertainty. It may be unsettling at first, but it can only be invigorating in the long run. There is a brand new energy at work in the business world. It is time to tap into it.

The companies interviewed indicated that change came when they stopped treating 'doing good' as a separate function of their business, and instead integrated it into every part of business. Each employee needs to be responsible with the structure, processes and measures.

## CONCLUSION

Retail is by definition a business entity designed to be profitable through sales of goods and services. However, when a retailer defines their social reason for being as profit first, social purpose second, there is a noticeable difference in a retailer's actions, priorities and depth of commitment. Beyond price value or new innovative offerings, a retail brand's 'values', and thereby their actions, can be the most authentic and emotionally engaging form of brand communication.

To compete for consumer preference, retail must give people more reasons to connect emotionally to their business and brand versus another. When retailers see themselves not solely as a business entity, but as a locally engaged citizen, 'retail' can naturally evolve towards a role that genuinely transcends commercial interests. By adopting a more humanised and socially-responsible way of building relationships with people and their communities, retailers can engender loyalty even during the most difficult economic times.

The examples shared in this paper are inspiring reminders of how potent human will can be in bringing a leader's purpose-driven vision into a meaningful reality. Given the ever-growing examples of SR at retail, social responsibility may very well prove to be the most powerful catalyst for innovation, enduring brand loyalty and sustainable business success.

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