In-store experience quality and perceived credibility: A green retailer context

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A B S T R A C T

Organic and green food is a growing sector globally, including in emerging economies such as India and China. Developing the organic food retail sector in emerging markets requires extensive investment in the credibility of organics and organic retailers. The paper examines the role of Indian consumers' perceptions of green retailers' environmental activities, and three aspects of in-store experience quality, in influencing consumers' perceived credibility of one green retailer. Using a 30-item questionnaire, 356 usable responses were collected from Indian consumers who had purchased goods from one food retailer which positions itself as being green. The data were analysed using factor analysis and structural equation modelling. Results found that consumer perceptions of food retailers' environmental activities had a statistically significant effect on service encounter quality, in-store communication quality and product encounter quality, and consumer perceptions of a green food retailer's credibility. Results also found the effects of service encounter quality, in-store communication quality and product encounter quality positively influenced consumers' perceptions of the credibility of the green food retailer. In addition, the three aspects of in-store experience quality mediated the relationship between consumer perceptions of retailers' environmental activities and perceived credibility of green food retailers. These findings highlight the need for the development of green retailers' strategies that establish positive consumer perceptions for themselves. They also identify that green retailers need to deliver in-store experiences that are aligned with these perceptions, creating an integrated organisational brand, thus enhancing consumers' perceived credibility of green food retailers. Such actions will be important in all markets, but especially in emerging economies where green, organic food retailing is still developing, and where many new consumers have less product category experience and thus are more reliant on their pre-purchase perceptions.

1. Introduction

1.1. Background

Psychological information processing theories (Frank et al., 2014) suggest consumers collect information about the retailer during both pre-purchase and purchase visits. They then use their assessment of the quality of retail interactions to evaluate the retailer's credibility. Consumers' experiences in retail stores through consumer-retailer interactions provide a way for consumers to gain more information, which, in turn, shapes consumer quality assessments of the in-store experience, as well as shaping their shopping behaviours. Retailers expend significant resources creating a distinctive brand identity, which is especially important when their identity focuses around strong values, such as sustainability. This involves creating a clear image in consumers' and

potential consumers' minds as to what the brand stands for (He and Mukherjee, 2009). However, it is critical that a retailer's positioning is consistent with actions, both at the operational and in-store level (Kent and Stone, 2007). While retailers create in-store experiences across dimensions such as product display, providing knowledge, product trials, store layout and store-level special activities, consumers assess the in-store experience based on their motives to visit the store, time available to purchase, mood at the time of visit, and familiarity with the store (Backstrom and Johansson, 2006). The alignment of expectations and in-store experience is, therefore, essential for effective brand positioning, whatever that positioning is (He and Mukherjee, 2009; Khan and Rahman, 2015). The objective of this study is to examine the effects of three types of in-store experience quality and consumers' perceptions of retailers' environmental activities and initiatives on consumers' perceptions of a green food retailer's credibility.

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Corporate social responsibility is becoming focal in many organisations (Soppe et al., 2011) and an increasing number of food retailers are positioning themselves as being green. One major area where this occurs is in the domain of chemical-free organic food where the farming process is designed to be more sustainable than traditional farming (Ngobo and Jean, 2012). Of course, other practices are also used to make retailers' activities green (Bansal and Kilbourne, 2001), such as sourcing local produce, selling environmentally-responsible goods (Björklund et al., 2016; Chkanikova, 2015), designing stores that are more energy efficient, and undertaking waste minimisation programs (Kent and Stone, 2007; Lai et al., 2010; Mourad, 2016). In addition, retailers promote store-level environmental practices (Kessous et al., 2016; Lehner, 2015) including environmental advertising (Raska et al., 2015) and broader social environmental promotional campaigns (Kumar, 2014; Lavorata, 2014). These activities and initiatives assist food retailers in developing environmentally-sustainable food systems (Tjarnemo and Sodahl, 2015). The activities also demonstrate a retailer's commitment to the environment (Kessous et al., 2016) as well as to communities (Jones et al., 2007). However, communicating information about products' environmental attributes is notoriously difficult (Kessous et al., 2016; Jones et al., 2007). In some instances, environmental information is perceived to be misleading or meaningless, and is referred to as "greenwash" (Kangun et al., 1991). Greenwashing creates consumer confusion and reduces the credibility of the products and retailers which make these meaningless claims (Meise et al., 2014; Chen and Chang, 2013). For organic food, the importance of credibility has been found to be critical, as consumers cannot independently assess the underlying claims (Nuttavuthisit and Thøgersen, 2017). Therefore, green retailers often use third-party accreditation or eco-labelling to assist in verifying claims and increasing consumers' perceived credibility of the associated information (Brach et al., 2017; Kumar, 2014). Accreditation is especially important for organic goods where the certifying body independently assesses the production process (Scott et al., 2014).

In retailing contexts, in-store activities also enhance perceptions of credibility, especially when experiences are aligned with consumers' pre-visitation expectations. In-store activities contribute to consumers' shopping experiences, which are designed to resonate with the values and motivations of the targeted consumers (Ko et al., 2013; Yoon, 2013). Thus, alignment and consistency in retail brand values and the underlying retailing activities that support the brand experience, are important. Green retailers facilitate positive in-store consumer interactions at the product level (e.g., product demonstrations and trials), as well as at the service level (e.g., product enquiry and product information collection), and the staff level (e.g., training staff to be able to explain products and the retailer's practices) (Fuentes and Fredriksson, 2016). Importantly, if the interactions are not effectively executed, it is likely to raise consumer confusion, mistrust and negative assessments of retailing encounters. On the other hand, in-store interactions, if executed properly, facilitate higher involvement and provide consumers with direct evidence, as well as more vivid and concrete information (Hoch and Ha, 1986). Retailing interactions and experiences shape consumers' perceptions of retailers' trustworthiness and competence, referred to as consumer perceived credibility of green retailers (Sweeney et al., 2016). The overall service-scape provided communicates the green retailer's environmental image and performance (Kauppinen-Raisanen et al., 2014; Lavorata, 2014). In complex retailing contexts, such as food retailing where retailers offer a wide selection of goods, brands and consumer touchpoints, it is difficult to maintain a consistent green brand (Duncan and Moriarty, 2006). Thus, it is critical that the in-store experience delivers on the image that the retailers promote (Youn et al., 2016). Improving the in-store experience (i.e., aligning branding and actions), therefore, enhances consumers' perceived credibility of retailers (Guyader et al., 2017; Youn et al., 2016), especially in the highly value-laden area of green retailing (Kent and Stone, 2007).

Previous studies have explored factors that affect consumer responses to green retailing practices. This includes works that examined the provision of additional information and a wider assortment of eco-friendly products (Guyader et al., 2017; Lavorata, 2014), consumer awareness of the store's environmental activities and environmentally-friendly products, and the reputation of the retailer (Ko et al., 2013). This study builds on these past works by exploring the impact of consumer perceptions and customers' experience with three aspects of in-store retailing practices - product, service and communication - and how these activities impact consumers' perceived credibility of green food retailers. The study also extends the research area by examining green retailing in an Indian context, which is an emerging economy where organic products are becoming increasingly available (Bhosale, 2014). Green food retailers need to develop an effective image in the market (i.e., a positive consumer perception) and then ensure shopping experiences deliver on those perceptions (i.e., alignment). Achieving these aims will be especially challenging in emerging sectors, such as green and organic foods in developing country contexts, where consumers have had limited shopping experience with these types of goods and, thus, assessing the credence value of organic brands will be difficult. Any negative perceptions or shopping experiences could have a negative impact on consumers' perceptions of the retailers and their products' credibility.

The paper is organised as follows: the next section briefly describes the research context, followed by a description of the variables being assessed - perceived credibility of green retailers, consumer perceptions of retailers' environmental activities, and the in-store experience quality literature (namely, service encounter quality, in-store communication quality and product encounter quality). The methodology is then described, followed by the results, discussion and conclusions.

1.2. Research context

This study examines consumer responses to the in-store experience at one Indian green/organic food retailer. Extensive research into consumer behaviour and green/organic food consumption has been undertaken (Rana and Paul, 2017) as well as studies examining organic food consumers in India (e.g., Chakrabarti, 2010; Yadav, 2016). The increased interest in green/organic food in India is attributable to Indian consumers' increased interest in becoming healthy and environmentally conscious (Chakrabarti, 2010). Organic and green are used when referring to products as environmentally friendly. These terms are often used interchangeably (Chakrabarti, 2010), even though conceptually they are very different. Being organic is not necessarily less environmentally harmful, or sustainable. For example, organic cotton grown in Australia may use fewer chemicals, but over-uses limited water supplies and thus is not sustainable. Green food products are produced using farming practices with reduced ecological impacts. Limited and comparatively safe levels or, at times, no chemical or synthetic substances are used during production, and rigorous health standards are followed (Scott et al., 2014). While there are differences between green and organic food products, in this study the terms are used interchangeably.

The Indian government has been actively promoting organic farming through a number of initiatives (https://apeda.gov.in/apedawebsite/organic/organic_contents/national_programme_for_organic_production.htm). Some Indian states, such as Sikkim, are also actively promoting domestic organic food production (https://indiatoday.intoday.in/story/sikkim-becomes-the-first-fully-organic-state-of-india/1/573654.html). National and state governments have imposed a range of policies to support organic food production and purchase, such as, having lower sales taxes on the purchase of organic products. It is estimated that the Indian domestic organic food market will be worth US$1.36 billion by 2020, with an annual growth rate of 25–30% (https://economictimes.indiatimes.com/industry/cons-products/food/organic-food-market-growing-at-25–30-awareness-still-

low-government/articleshow/49379802.cms). As a result, an increasing number of organic food products are being introduced and a growing number of food retailers are focusing on organic goods. Thus, India is an important research context for examining how in-store experiences influence consumer perceptions of green food retailers.

This research examined consumers who regularly shopped at one green Indian food retailer. The targeted retailer was established in 2005 and is a premium food chain that sells local and international organic food products. It had a turnover of US$42.5 million in the 2015/2016 financial year, with year-on-year growth of 30%. At present, it operates 37 stores in five cities in the India (14 in Mumbai, 10 in Bengaluru, 8 in Delhi NCR, 3 in Pune, and 2 in Hyderabad). The company's vision statement includes its commitment to providing a brighter consumer experience and conserving the natural environment. The firm is actively engaged in promoting a sustainable lifestyle, and its environmental initiatives have won national and international awards. Thus, this retailer is seeking to position itself around environmental values and its in-store experience should support this positioning if its branding strategy is truly integrated.

2. Theoretical background

2.1. Perceived credibility of green retailers

Information is communicated directly to customers through the retailer, and indirectly through media and other consumers. For retailers, credibility is an important cue to aid consumers' decision-making (Nilsson et al., 2012; Dawar and Parker, 1994) as it encourages consumers to trust and use retailers' product-related information for their purchase decision-making. Credibility has also been found to be very important when marketing goods with a social image, such as organic food (Kemp and Bui, 2011).

'Perceived credibility of green retailers' is the dependent variable in this study. It is conceptualised in a similar way to corporate credibility, which is 'the extent to which consumers feel that the firm has the knowledge or ability to fulfil its claims and whether the firm can be trusted to tell the truth or not' (Newell and Goldsmith, 2001, p. 235). It is comprised of dimensions of trustworthiness and expertise (Newell and Goldsmith, 2001). Trustworthiness refers to perceiving the information presented by the retailer to be believable, whereas, expertise means consumers perceive retailers to be technically capable and competent of delivering on their promises and claims (Sweeney and Swait, 2008; Newell and Goldsmith, 2001). While some literature has discussed 'attractiveness' as a third component of credibility (Goldsmith et al., 2000), generally, it has not been used in assessing corporate credibility. Keller (1998) suggested that 'likability' could also be used as a third construct in corporate credibility, but others suggest likability is too similar to 'attitudes' (Goldsmith et al., 2000), thus, attractiveness is not included in this study.

Consumer perceived credibility of green retailers is important if consumers are to form positive views of retailers who adopt sustainable practices (Kessous et al., 2016), as would be the case for green or organic food retailers. Consumer perceived credibility of green retailers has been discussed specifically within the service literature, and several variables have been found to increase perceived credibility of retailers. For example, consumer involvement (O'Cass and Griffin, 2006), consumers' past experience (Nilsson et al., 2012), service quality (Jahanzeb et al., 2013), complaint handling (Bougoure et al., 2016), promotion and quality of information (Nilsson et al., 2012; Dutta et al., 2007) and degree of information objectivity (Darley and Smith, 1993), have all been found to increase consumers' perceived credibility of retailers. Aertsens et al. (2009) found that the factors of consumer involvement and their past experience also shape consumer perceptions of organic food retailers. Meeting consumer expectations is, therefore, important for retailers to be perceived as credible, thus retailers need to design retailing strategies that develop a consistent and credible image

(Kessous et al., 2016). Various aspects of the in-store experience (discussed further in Section 2.2) will also influence consumers' assessment of retailers' environmental actions (Ngobo and Jean, 2012), and the degree to which the overall positioning and perceptions of credibility are supported. Therefore, in this study, in-store experience quality is anticipated to positively influence perceived credibility of green retailers.

2.2. In-store experience quality

Signalling theory indicates that the effectiveness of information conveyed by the retailer determines its credibility, including in the green marketing context (Schena et al., 2015), and the in-store experience influences the effectiveness of information (Yoon, 2013; Duncan and Moriarty, 2006). In-store experience is also an important determinant of whether consumers see brands as integrated, that is, whether the store experience delivers on the organisational promise (Khan and Rahman, 2015).

In-store experience incorporates all consumer-retailer interactions, covering multiple touch-points within a store, resulting in consumers collecting information to assist them in decision-making (Duncan and Moriarty, 2006). The consumer-retailer interaction is key for consumers' sensemaking of sustainable consumption (Lehner, 2015). Generally, green retailers create direct as well as indirect interactions with consumers in four ways: (i) green product assortment, (ii) green advertisements, (iii) green promotional campaigns (e.g., take-back programs for used products), and (iv) green processes (e.g., eco-designed buildings, eco-friendly carry bags and mobile bills) (Guyader et al., 2017; Fuentes and Fredriksson, 2016; Kumar, 2014). For example, organic-certified foods with green 'flags' could be placed throughout a retail store. Retailers also frequently use staff as points of information for consumers (Aertsens et al., 2009). All of these initiatives facilitate retailer-consumer interactions in organic food stores.

Research has found that in-store experience affects store image and trust, as well as the frequency of consumers' future buying intentions (Ng et al., 2014; Yoon, 2013; Carpenter and Moore, 2006; Donovan and Rossiter, 1982). A consumer's in-store experience is dependent on the individual's characteristics such as consumer values or shopping motives (Carpenter and Moore, 2006), as well as tangible and intangible store attributes (e.g., atmospherics, store design, assortment, pricing and sales personnel) (Yoon, 2013). This study assesses the impact of the quality of three dimensions of the in-store experience: (1) service encounter quality, (2) in-store communication quality, and (3) product encounter quality (see Fig. 1).

2.3. Consumer perceptions of retailers' environmental activities and perceived credibility of green retailers

Consumers gather information about products, companies and retailers from various sources, all of which shape consumers' perceptions. Retailers promoting their environmental values undertake extensive marketing activities to create brands that represent a set of values reflective of the overall offer, and that incorporate functional and non-functional activities (Kent and Stone, 2007). Consumers who are aware of firms' corporate social responsibility values and activities, are more positive towards those firms (Pomering and Dolnicar, 2009). Firms positioning themselves around socially-oriented activities, such as environmental issues, therefore, create consumer expectations as to how these firms will act (Soppe et al., 2011). These perceptions become the lens through which consumers assess service and retailer encounters. For firms positioning themselves on environmental attributes, it is important that the firm creates public awareness of what they do, as well as ensuring that these environmental attributes are built into consumers' experiences and encounters (Kent and Stone, 2007). Delivering on expectations increases a consumer's level of confidence in organisational positioning, thereby increasing a consumer's perceived
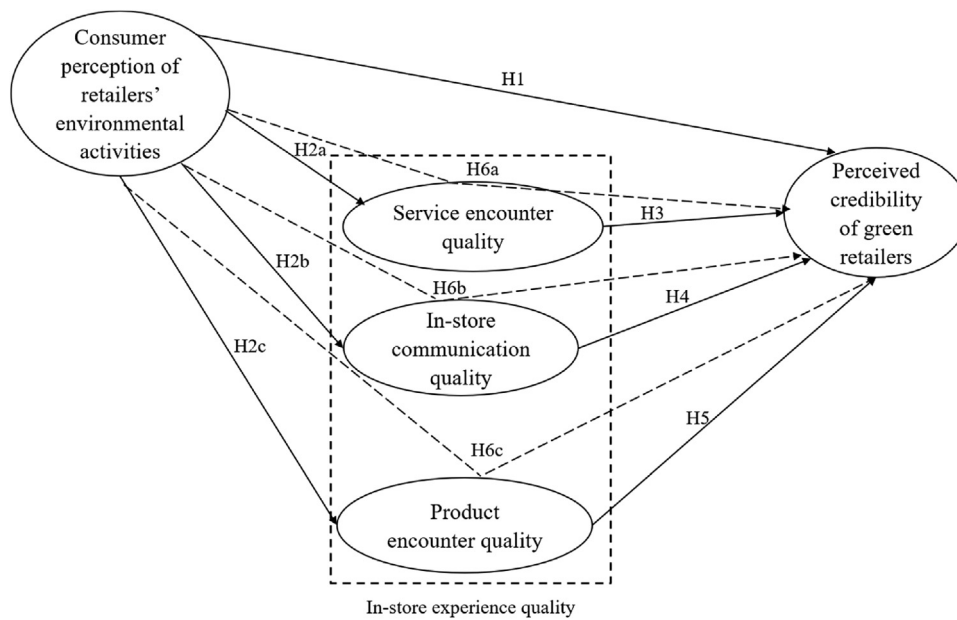
Fig. 1. Conceptual framework.

credibility with the firms' activities and its positioning (Walker and Kent, 2013). The link between satisfaction and other positive consumer outcomes arising from firms delivering on expectations they have created, has long been established within the service and retailing domains (Cronin and Taylor, 1994).

Firms undertake a wide range of marketing activities to create the organisation's position in the market. Consumers gain information about green retailers, their environmental activities and practices, their environmental performance, and their products from different information sources. Retailers' environmental activities include sourcing environmentally-friendly products, environmentally-friendly design of product display units, use of energy-efficient resources (e.g., lighting, air conditioners) in the store, use of environmentally-friendly supporting products (e.g., packaging bags) and practising waste-minimisation retailing processes, as well as the promotion of their environmental credentials (Kumar, 2014, 2016; Lai et al., 2010). Organic food retailers demonstrate their concern for environmental protection and societal well-being by complying with social environmental norms (Kumar and Polonsky, 2017; Wang and Tsai, 2014). Consumers use their perceptions of retailers' activities to evaluate retailers' expertise and the trustworthiness of their offering; in this case, trust in the retailers' environmentally-friendly products and activities (Walker and Kent, 2013). Prior studies have found consumer perceptions of companies' social activities (e.g., social responsibility and donation types) influence consumer trust in a company (Kang and Hustvedt, 2014; Dean, 2004). We posit that consumer perceptions of company activities (the green retailer, in this study) affect both consumers' assessment of the retailers' trustworthiness and expertise. In other words, consumer perceptions of a retailer's environmental activities influence consumers' perceptions about the retailer's ability to deliver green products with suitable environmental attributes, and to explain these goods' environmental benefits. Thus, the proposed hypothesis is:

H1. Consumer perceptions of retailers' environmental activities have a direct positive effect on consumer perceived credibility of green retailers.

2.4. Consumer perceptions of retailers' environmental activities and in-store experience quality

Consumers collect information from multiple interactions with a store (directly or indirectly) over time. This information develops consumers' expectations of the retail offers provided by these firms (Song, 2010). For example, retailers that position themselves as luxury providers create expectations, on the part of consumers, that experiences with these retailers will be of high quality and luxurious (Dion and Arnould, 2011). This occurs in other contexts as well, such as environmentally focused retailers. For example, The Body Shop spends substantial resources in not only creating a green image, but in designing and delivering on all its activities to support this image, including having responsible supply chains and reduced levels of packaging (Kent and Stone, 2007). Grönroos (2007) proposed that within service contexts, expected quality affected the evaluation of the experience quality actually received. Thus, retailers positioning themselves as environmentally-focused (i.e., one form of CSR) will create an expectation by consumers that the offerings and retail encounters will deliver on those expectations (Soppe et al., 2011). In another instance, Oppewal et al. (2006) found that people's perceptions of a shopping centre's CSR actions influenced shoppers' perceptions of the range and quality of merchandise and the quality of the shopping environment. Esbjerg et al. (2012) also posited that consumer perceptions of a store's image impact consumers' shopping expectations which, in turn, influences their shopping experiences.

Creating positive brand images (i.e., positioning or personality) in the market, therefore, is important for green retailers (Kent and Stone, 2007; Soppe et al., 2011). These images shape a consumer's perception of the firms' values and what activities they undertake (Pomering and Dolnicar, 2009). These perceptions, in turn, create consumers' expectations regarding the experiences they will have when visiting these retailers. Consumers then assess their encounters based on those expectations. If organisations deliver on their promise, consumers will evaluate encounter quality positively (Cronin and Taylor, 1994). However, if retailers build up unrealistically high consumer expectations by overpromising, a normally satisfactory service experience (i.e., without overpromising) will be evaluated less positively. Thus, consumer perceptions create expectations that affect their interpretations of service encounters, influencing their retailing experience.

Every time consumers visit a green store and interact with retailers, they use the environmental information obtained through past experiences, the products offered, services delivered and other communications, to shape their perceptions about the retailer (Verhoef et al., 2009). Retailers' environmental information can also include

advertisements (in-store or elsewhere), product trials, or information from staff in-store (Tjarnemo and Sodahl, 2015). Consumers then use their perceptions of the green food retailer's environmental characteristics to assess the in-store experience and evaluate the quality of the retail encounter. For example, if consumers have a perception of a particular store offering environmentally-friendly products, when experiences in the store support this perception, consumers will more positively assess the experience. A number of touch points may reinforce (or be inconsistent with) consumers' perceptions. For example, in green food stores, consumers may enquire about sourcing or manufacturer-related information from staff (Chakrabarti, 2010). The type of information provided will affect how consumers view the retailer's level of service. Similarly, multiple operational issues may also influence consumers' in-store assessment, such as the use of environmentally-friendly carry bags, reduced paper use through digital payment methods, environmentally-designed locations, or integrated waste management practices, such as donating out of date goods to food banks or composting it, rather than disposing of it (Mourad, 2016). These in-store factors when aligned to shape consumers' perceptions of a retailer's environmental activities, shape consumers' assessment of their service encounters. Thus, consumer perceptions of retailers' environmental activities create expectations that, when met, influence in-store experience quality. Hence, if consumers perceive retailers' environmental activities positively, their assessment of service encounters will also be positive, and they are likely to believe the information provided (i.e., have higher trust), which, in turn, makes the retailers' activities more credible. Thus, we posit that positive consumer perceptions of retailers' environmental activities will positively impact the three aspects of in-store experience quality assessed:

H2. Consumer perceptions of retailers' environmental activities have direct positive effects on in-store (a) service encounter quality, (b) communication quality, and (c) product encounter quality.

2.5. In-store experience quality and perceived credibility of green retailers

2.5.1. Service encounter quality

Service encounters in retail contexts include the physical retail environment, the use of advanced retail technologies, and the services offered (Surprenant and Solomon, 1987), which have also been found to be important in organic food shopping contexts (Wang et al., 2009). Service encounters (e.g., ease of product access, comfort in shopping, store-level facilities and post-transaction services) offer consumers opportunities to evaluate retailers and their capabilities, and assist in forming consumer preference towards the store (Raithel et al., 2012; Thang and Tan, 2003). In the physical retail environment, green retailers design the physical setting to signal the extent to which the store is environmentally-friendly (Kumar, 2014; Lavorata, 2014; Bansal and Kilbourne, 2001), therefore, in-store practices are aligned with retailers' market positioning. This includes using self-service technology that reduces resource consumption and consumer effort (Larivière et al., 2017). Organic food retailers have also found the use of in-store mobile services effective, such as the ability to access product/service information, and the self-scanning of product tags providing consumers with more detailed product information (Saarijarvi et al., 2014). Green food retailers might also design stores and processes to utilise minimum energy and redirect waste from landfills (Mourad, 2016). Consumers evaluate all aspects of in-store service encounters, and if they are viewed to be positive, they enhance consumers' emotions towards the retailers (Stauss and Mang, 1999; Surprenant and Solomon, 1987), generate positive consumer associations with retailers (Wang et al., 2009), and increase consumer satisfaction (Jayawardhena et al., 2007), thus enhancing consumers' views of the retailers (Stauss and Mang, 1999). Thus, the following hypothesis is posited:

H3. Service encounter quality has a direct positive effect on perceived

credibility of green retailers.

2.5.2. In-store communication quality

Consumer-retailer interactions and information-sharing in stores define consumers' communication encounters, which is referred to as in-store communication quality (Jones et al., 2007), as consumers need to be aware of greening activities to evaluate them (Pomering and Dolnicar, 2009). The interactions include a number of factors, for example, retailers' advertisements, which in the case of organic products are designed to promote healthy lifestyles and communicate the retailers' commitment to promote organic products (Jones et al., 2007). In addition, consumer-staff interactions (Liao and Chuang, 2004) and other consumer-touchpoint interactions that incorporate both formal and informal information sharing, should ideally occur in credible and meaningful ways (Moore et al., 2005; Ngobo and Jean, 2012). For organic food products, the retail staff's knowledge related to product quality and supplier-related information has also been found to build trust among consumers (Hamzaoui-Essoussi et al., 2013). Providing believable information to consumers and responding to consumer enquiries will positively influence the consumer-retailer relationship (Lages et al., 2005). The accuracy, relevance and timeliness of information also contribute to the consumers' retailing experience (Kumar, 2014; Yoon, 2013), thus, in-store communication quality is an important evaluative characteristic.

Consumers' evaluation of all these interactions helps form positive consumer perceptions and evaluations (Harman, 1990). More positive interactions and effective communication build trust in retailers' claims about their abilities (expertise), and enhance consumer-perceived credibility of the retailers (Eberle et al., 2013), as in green food retailing. Thus, the following hypothesis is posited:

H4. In-store communication quality has a direct positive effect on perceived credibility of green retailers.

2.5.3. Product encounter quality

Consumers visit retail stores to search for suitable products, evaluate product alternatives, purchase products, and to make post-purchase enquiries. Each of these activities involves multiple touchpoints that provide consumers with information about products and facilitate consumer-product interactions in the store (Stein and Ramaseshan, 2016). Product encounters occur directly when consumers assess a product during a trial or product demonstration and, indirectly, when consumers discuss their product-related experiences with each other (Stein and Ramaseshan, 2016). Thus, consumers gather information to evaluate product alternatives (Ert et al., 2016). At organic food retailers, consumers compare products based on the completeness of the information on the products available in the store (Meise et al., 2014). Based on their assessment of the information, consumers form evaluations of the product quality as well as the trustworthiness of the products and retailers (Rana and Paul, 2017; Wang and Tsai, 2014).

Consumers also prefer a retailer to have a rich assortment of products and alternatives, which allows them to compare both the products (Menon and Kahn, 1995) and the retail stores. Consumers tend to develop favourable responses towards a retail store when it has products that meet their expectations. Positive product encounters in retailers enhance consumers' trust in the retailers (trustworthiness) and their evaluations of retailers' abilities (expertise) (Ngobo and Jean, 2012; Jones et al., 2007). Thus, the following hypothesis is posited:

H5. Product encounter quality has a direct positive effect on perceived credibility of green retailers.

2.6. Mediating role of in-store experience quality

Consumer perceptions of companies' activities and the effects of

perceptions on consumer trust have been widely studied. For example, Kang and Hustvedt (2014) found that consumer perceptions of a company's transparency and social responsibility influenced consumer trust. Dean (2004) found different types of corporate donation affect consumers' assessment of the firm's social reputation and consumers' perceptions of why companies made the donations. In the case of shopping, we argue that the perception-trust relationship is not straightforward. For example, Ha and Stoel (2009) found that e-shopping quality affects consumer trust towards using new shopping technologies. Similarly, in the context of tourism services, website user experience and satisfaction affected their trust of the website (Filieri et al., 2015). Kim et al. (2007) also found that consumer perceptions of an online store affect their online shopping experience, which ultimately affected their desire to remain with a given online store. Combining findings from these studies, we anticipate that as consumers evaluate companies' in-store environmental activities (Kang and Hustvedt, 2014; Dean, 2004), they also assess retailers' broader environmental practices and positioning. We propose that the effect of consumer perceptions of environmental activities on the perceived credibility of retailers is, therefore, mediated by consumers' in-store experience. We posit that in-store experience affects the perceptions of retailers' environmental activities and the credibility of green retailers. That is, when consumers visit retail stores with positive perceptions about the retailers' environmental activities, they will positively assess their in-store experience, which, in turn, positively affects their perception of the credibility of the green retailer. Hence, we posit the following hypothesis:

H6. In-store (a) service encounter quality, (b) communication quality, and (c) product encounter quality, each mediate the relationship between consumer perceptions of retailers' environmental activities and the perceived credibility of green retailers.

3. Methodology

3.1. Questionnaire design

To test the hypothesised relationships in Fig. 1, a 30-item questionnaire covering five constructs was developed based on the literature. The items were assessed using a five-point Likert-type scale (with end-points: 1 strongly disagree, and 5 strongly agree). Seven items were used to measure consumer perceptions of retailers' environmental activities (Salmones et al., 2005; Menon and Kahn, 2003). Nine items were used for in-store communication quality (Menon et al., 1999; Gudum and Kavas, 1996), six items were used for perceived service encounter quality (Jayawardhena et al., 2007), and three items were used for product encounter quality (Keillor et al., 2007). To measure perceived credibility of green retailers, Newell and Goldsmith's (2001) eight-item corporate credibility scale was adapted to the green retailing context. This scale used trustworthiness and expertise as second-order constructs (Alcaniz et al., 2010). The survey also included items capturing respondents' demographic characteristics - gender, age, academic qualifications, professional status and sector of employment. Table 3 lists the items associated with each of the constructs included in the survey.

The scales were validated using a two-step process. First, a panel of four academics and three corporate experts, with an average of 10 years' experience working on environmental issues and green products, was asked to provide comments on the draft questionnaire, and assess whether the items were easy to understand and had distinctive meaning. Second, the questionnaire was pre-tested using 42 respondents who were regular shoppers at the targeted green food chain (see Section 3.2 for sampling method). The pre-test respondents were also provided with space after each item to provide their comments on the items. A reliability test was undertaken on the pre-test data. All constructs were found to have acceptable reliability (i.e., alpha values) – 0.891 for perceived credibility of green retailers, 0.792 for consumer

Table 1
Demographic characteristics of the sample.

Gender (n = 356)	Frequency
Male	178 (50.0%)
Female	178 (50.0%)
Age (n = 356)	
20–25	71 (19.9%)
26–30	82 (23.0%)
31–35	85 (23.9%)
36–40	83 (23.3%)
> 40	35 (9.8%)
Academic qualification (n = 356)	
Bachelor	93 (26.1%)
Postgraduate	174 (48.9%)
Above postgraduate	89 (25.0%)
Professional status (n = 356)	
Student	54 (15.2%)
Self-employed	114 (32.0%)
Employed	188 (52.8%)
Sector of employment (n = 356)	
Public	90 (25.3%)
Private	266 (74.7%)

Table 2
Purchase characteristics of the sample.

Number of consumers who bought different product categories[a] (n = 356)	
Indian Grocery	344 (96.6%)
Breakfast, Dairy and Bakery	320 (89.9%)
Snacks and Beverages	304 (85.4%)
Fruit and Vegetables	298 (83.7%)
Delicatessen and Cheese	291 (81.7%)
International Cuisine	288 (80.9%)
Health	259 (72.8%)
Confectionery and Patisserie	244 (68.5%)
Instant Meals	214 (60.1%)
Meats, Seafood and Eggs	211 (59.3%)

[a] Total sum is more than 100 because consumers bought products in more than one product category.

perception of environmental activities, 0.842 for product encounter quality, 0.876 for service encounter quality, and 0.819 for in-store communication quality. All results were above 0.7, the recommended level for scale reliability (Nunnally, 1978).

3.2. Study data collection process and analysis

The sample is comprised of consumers who regularly purchase food products at one green retailer in 14 of their stores in Mumbai, India (see Section 1.2 for more detail). Data were collected between January and August 2015. An intercept survey method was used, whereby consumers walking out of each of the 14 stores of the one retailer in Mumbai were approached. To be eligible to complete the survey, consumers needed to regularly purchase at least three products from the store at least once a week. This ensured the respondents had an understanding of the store and its positioning. Overall, 988 consumers were approached and 356 valid responses obtained, giving a 36% response rate. The data were analysed using exploratory and confirmatory factor analyses to identify and validate the constructs. Structural equation modelling was then used to test the hypotheses for direct relationships.

Preacher and Hayes (2004) approach was then followed to examine the mediating effects of perceived credibility of green retailers (i.e., H6). This approach has statistical advantages such as the independent assumption of normality and a reduced number of inferential tests (Sivanathan and Pettit, 2010). Correlations between constructs (see Table 4) suggested a potential mediation relationship between

Table 3
Rotated component matrix.

Factors and their items	Factor loadings
F1. Perceived credibility of green retailers (*ά = 0.899; AVE = 0.76; CR = 0.954*)	
1.1 The retailer has a great amount of experience	0.890
1.2 The retailer is skilled in what it does	0.885
1.3 The retailer has great expertise	0.884
1.4 The retailer does not have much experience	0.863
1.5 I trust the retailer	0.758
1.6 The retailer makes truthful claims	0.744
1.7 The retailer is honest	0.686
1.8 I do not believe what the retailer tells me	0.685
F2. Consumer perception of environmental activities (*ά = 0.799; AVE = 0.65; CR = 0.721*)	
2.1 The retailer tries to improve its environmental performance	0.826
2.2 The retailer respects the environmental norms defined in the law when carrying out its activities	0.786
2.3 The retailer prioritises environmental principles over achieving superior economic performance	0.775
2.4 The retailer is concerned to respect and protect natural environment	0.744
2.5 The retailer actively sponsors or finances environmental events	0.739
2.6 The retailer sources many products from rural and economically less-developed areas	0.691
2.7 The retailer is concerned to improve general well-being of society	0.654
F3. Product encounter quality (*ά = 0.854; AVE = 0.77; CR = 0.771*)	
3.1 The retailer has excellent products	0.936
3.2 The retailer has an excellent variety of products	0.912
3.3 The retailer's products are among the best	0.814
F4. Service encounter quality (*ά = 0.883; AVE = 0.56; CR = 0.645*)	
4.1 The retailer was coherent in communication during service encounters	0.901
4.2 The retailer was courteous in interactions during service encounters	0.867
4.3 The retailer showed familiarity to me during service encounters	0.821
4.4 I found retailer built a friendly relationship with me during service encounters	0.819
4.5 I found retailer informative during my interactions	0.798
4.6 The retailer possesses necessary qualifications for conducting services required by me	0.585
F5. In-store communication quality (*ά = 0.912; AVE = 0.54; CR = 0.613*)	
5.1 The retailer does not hesitate to explain the pros and cons of green products	0.913
5.2 The retailer does not hesitate to give me as much information as I like to have	0.878
5.3 The retailer explains green products in meaningful ways	0.827
5.4 The retailer cannot provide adequate technical information to consumers	0.813
5.5 The retailer handles consumer complaints rapidly	0.575
5.6 The retailer informs me about important developments in technology and products	0.522

Table 4
Mean scores, standard deviations, and correlations (**p < 0.01).

Constructs	Mean (Std)	1	2	3	4	5
1. PCGR	3.9 (0.91)	1.00				
2. CPREA	4.1 (0.83)	0.35**	1.00			
3. PEQ	3.7 (0.87)	0.29**	0.14**	1.00		
4. SEQ	3.3 (0.94)	0.41**	0.33**	0.23**	1.00	
5. ICQ	3.6 (0.89)	0.44**	0.19**	0.42**	0.51**	1.00

consumer perceptions of retailers' environmental activities on in-store experience quality and perceived credibility of green retailers. To assess this relationship, we used the Process model to evaluate the indirect mediation model with bootstrapping (Preacher and Hayes, 2004) in SPSS. An estimate of the indirect effect using the standard error and 95% confidence intervals was calculated from 5000 bootstrapped samples.

4. Analyses and findings

4.1. Sample profile

The sample profile is provided in Table 1. The sample was gender-balanced, well-educated and covered a cross-section of age groups, although there were fewer older consumers. While this composition is not reflective of the wider Indian community, it does appear to be reflective of Indian consumers who buy organic and/or green goods (Jain and Kaur, 2006) and is also generally reflective of the demographics of organic consumers elsewhere (Dimitri and Dettmann, 2012).

Table 2 reports on the products purchased by consumers from the retail store (although they may not have purchased all goods on each

occasion). The results identify that within the sample consumers purchased a wide range of goods from this retailer, with consumers purchasing 7.79 product categories on average.

4.2. Exploratory factor analysis

An exploratory factor analysis was undertaken using SPSS 20 and principal component analysis with a Varimax rotation. The Bartlett's test of sphericity was significant at p-value < 0.05, and KMO was 0.727, indicating data suitable for factor analysis. The results in Table 3 report on items with a factor loading of more than 0.4; two items with loadings below 0.4 were eliminated – "The store prioritises environmental principles over achieving superior economic performance", and, "The store is concerned to improve general well-being of society".

As reported in Table 3, these five factors also had an Eigen value greater than 1.0, and accounted for 85.6% of the total variance explained in the data. The Cronbach's Alpha value for constructs ranged between 0.799 (consumer perceptions of retailers' environmental activities (CPREA)) to 0.912 (in-store communication quality (ICQ)).

Table 4 presents the mean and standard deviation for the composite measures along with the correlation between constructs.

4.3. Confirmatory factor analysis

Multi-factor confirmatory factor analysis, using AMOS 20, was employed on the 30 items to test the measurement model, using the Maximum Likelihood method. The model fit was assessed to be appropriate, and the five-factor model had the best overall fit to the data with a $\chi2/df$ of 1.2 ($\chi2 = 584.454$, df = 475); CFI as 0.960; GFI as 0.922; AGFI as 0.901; and RMSEA as 0.078. Further, discriminant validity was checked by ensuring all average variance extracted (AVE)
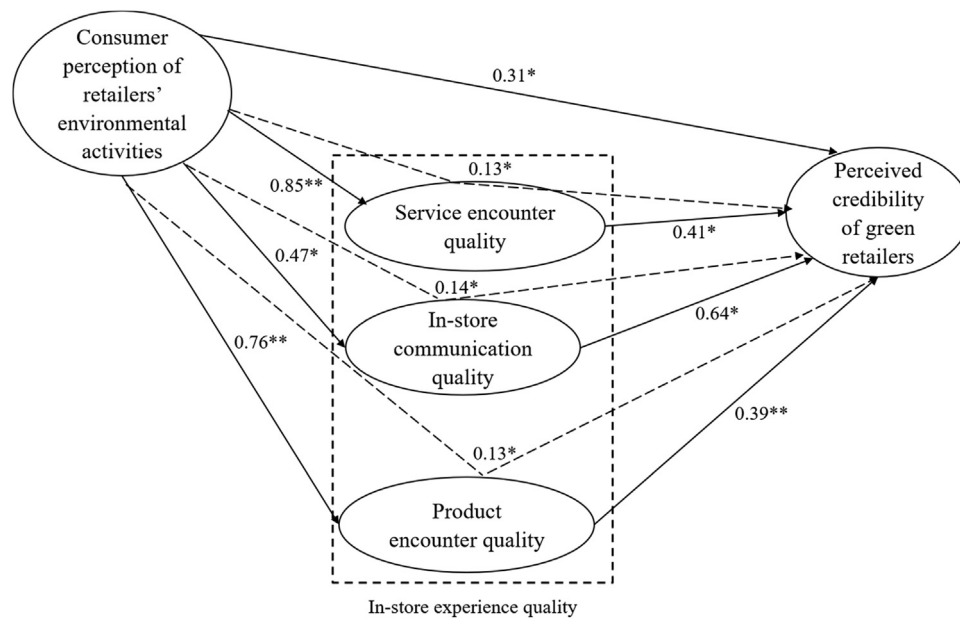
Fig. 2. Results of structural model. $*p < 0.05$; $**p < 0.01$.

values were greater than 0.5, and the smallest item test statistic was greater than 1.96 ($\alpha = 0.001$) (Anderson and Gerbing, 1988; Fornell and Larcker, 1981). Composite reliability (CR) for each factor ranged between 0.613 and 0.954 (reported in Table 3), which exceeded the recommended level of 0.6 (Hu and Bentler, 1999).

The hypotheses for direct relationships (i.e., solid lines in Fig. 2) were assessed using a structural model in AMOS 20 (see Fig. 2 and Table 5). All path coefficients in the model were found to be significant and all hypotheses were supported, with an overall model PCGR R^2 = 0.73, meaning the four independent variables, namely, SEQ, PEQ, ICQ and CPREA, explained 73 per cent of the variance of perceived credibility of green retailers.

4.4. Mediating effects of in-store experience components

Preacher and Hayes' (2004) mediation analyses tested the effect of consumer perceptions of retailers' environmental activities on perceived credibility of green retailers through the three types of in-store quality. The bootstrapped indirect effect (i.e., dashed lines in Fig. 2) were statistically significant for all three types of in-store experience (Table 5). For service encounter quality, the indirect effect ($c' = 0.1293$, 95% CI = (0.08–0.18)) was significant, which accounted for 14.43% of the variance in the relationship between consumer perceptions of retailers' environmental activities and perceived credibility of

Table 5
Results for the direct and indirect effects.

(a) Direct effects			
Direct relationships tested	B	S.E.	P
H1. CPREA → PCGR	0.31	0.08	0.029
H2a. CPREA → SEQ	0.85	0.09	0.003
H2b. CPREA → ICQ	0.47	0.11	0.032
H2c. CPREA → PEQ	0.76	0.05	0.003
H3. SEQ → PCGR	0.41	0.05	0.012
H4. ICQ → PCGR	0.64	0.07	0.019
H5. PEQ → PCGR	0.39	0.08	0.004
(b) Mediating effects			
Indirect relationships tested (using Bootstrapping approach)			
H6a. CPREA → SEQ → PCGR	0.13	0.08	0.01
H6b. CPREA → ICQ → PCGR	0.14	0.10	0.02
H6c. CPREA → PEQ → PCGR	0.13	0.07	0.01

H2a,b,c and H6a,b,c are only mentioned in this Table.

green retailers. For communication quality, the indirect effect ($c' = 0.1388$, 95% CI = (0.05–0.12)) was also significant, accounting for 15.19% of the variance in the relationship between consumer perceptions of retailers' environmental activities and perceived credibility of green retailer. Finally, for product encounter quality, the indirect effect ($c' = 0.1281$, 95% CI = (0.07–0.16)) was significant, accounting for 16.56% of the variance in the relationship between consumer perceptions of retailers' environmental activities and perceived credibility of green retailers.

5. Discussion and conclusions

This study tests the relationships between consumers' perceptions of retailers' environmental activities, in-store experience quality (service encounter quality, in-store communication quality and product encounter quality), and consumers' perceived credibility of a green retailer. The results of the study supported all the proposed hypotheses. Overall, this study makes two contributions advancing the literature on consumer perceived credibility of green food retailers and in-store experience quality, within the environmental context.

5.1. Discussion of results

First, the research highlights the importance of consumers' in-store experience in shaping perceived credibility of green food retailers, building on the value of in-store retailer-consumer interactions. As identified in this study, all types of in-store experience quality possess the potential to influence the perceived credibility of retailers. This is consistent with the literature suggesting service encounter quality influences the perceived credibility of service providers (Liao and Chuang, 2004; Thang and Tan, 2003; Surprenant and Solomon, 1987). Similarly, the result for effect of communication quality on perceived credibility supports prior results linking communication quality and consumer perceptions (Eberle et al., 2013; Moore et al., 2005) and service provider performance (Lages et al., 2005). Also, the result for the effect of product encounter quality on perceived credibility was similar to the empirical findings of prior studies for the effect of consumers' in-store product experience and consumer preferences towards retailers (Ert et al., 2016; Wang and Tsai, 2014; Ngobo and Jean, 2012). Thus, this study presents an extended replication of established experience-credibility relationships. Replication studies with extensions

(Hubbard and Armstrong, 1994) are important to identify the generalisation of experience-credibility relationships, both within an Indian population, and in the context of green retailing.

The results of this study regarding the effects of consumers' in-store experience quality on perceived credibility of green food retailers indicate that when consumers read environmental information about green products within the store, they are likely to react positively towards the information (Chakrabarti, 2010) and, hence, they trust the retailer because they were able to communicate information appropriately. This trust and the retailers' communication ability (also referred to as expertise) constitute perceived credibility of green retailers, in this study. This relationship also occurs, when service quality and product quality are aligned with consumers' expectations of a green retailer. These actions create positive in-store experiences and, thus, consumers tend to believe the retailer for its truthfulness and expertise (i.e., increasing perceptions of credibility). For example, this might occur when consumers encounter energy-efficient in-store processes and the stores have a wide range of environmentally-focused products. Thus, the role of in-store experience is important in establishing the consumer-perceived credibility of green food retailers. This shows experiences need to be effectively designed, supporting retailers' positioning. Such co-ordination is, potentially, harder in retailing contexts where there are multiple products and touchpoints to manage. For example, research has pointed to the difficulties of ensuring that employees support the organisational brand messaging (Henkel et al., 2007), which may be harder when discussing complex issues associated with the goods' environmental impact. The complexity of developing and delivering on a green retailing brand is echoed in earlier research, which highlighted the difficulties of managing all the environmental aspects of complex retailing activities (Lavorata, 2014; Bansal and Kilbourne, 2001). In markets such as India, where green and organic sectors are just emerging, any negative information or publicity within the sector more widely will certainly taint retailers' brands. Unfortunately, such negative information may be outside the retailers' control.

Second, this study found that consumers' perceptions of environmental activities have both direct and mediated effects on credibility through in-store experience quality. A similar direct effect was observed by Badrinarayanan and Becerra (2019) when researching the link between store prestige and store attachment, as well as in prior studies in the corporate social responsibility context (Kang and Hustvedt, 2014; Dean, 2004). A similar indirect effect was identified by Esbjerg et al. (2012) when researching the effect of store image on customer satisfaction, which they found was mediated by confirmation/disconfirmation of their shopping trip, expectations. This is similar to our results where perceptions of environmental activities are consistent with experience quality of in-store activities. Our results are also consistent with Kim et al. (2007) who found that the effect of store perception on e-store visit duration was mediated by shopping enjoyment/involvement. The results of the direct and indirect effects in our research highlight the importance of consumer perceptions, and show that retailers need to create perceptions or brand images prior to consumers having in-store experiences. This research examined existing customers, however, creating pre-purchase perceptions may be especially important when dealing with new consumers.

Consumer perceptions are shaped from various sources when they obtain information about retailers' environmental activities, including from print and social media advertisements, word-of-mouth from existing customers, or personal visits to the store. If consumers' perceptions about the retailer's environmental activities are favourable, consumers engage in their store visits more positively and interact with products, services and staff with positive intentions. The consumers with positive perceptions about the retailer's environmental activities search for products that serve their needs (e.g., in the form of environmental features or quality), the services that fulfil their requirements and intend to positively accept information provided by the staff.

However, if, for example, a consumer encounters a negative aspect within the store (e.g., inadequate product information), they may not completely blame the retailer, nor doubt the product's environmental claims, but rather would approach a staff member in the store to ask for the information and clarify the doubts. If the consumer feels positive about the information, they would trust the retailer and believe the retailers' ability to provide the information. For such consumers, their positive perceptions about the retailers' environmental activities may lead to a positive in-store experience and, hence, positive perceived credibility. This can also be understood as affecting the way consumers assess the components of in-store experience quality to confirm their perceptions about green retailers, thereby reinforcing the perceived credibility of green food retailers. This highlights the need to ensure there is consistency in the image and lived experience, which is essential for all retailing and branding activities. However, the direct, positive effect of consumer perceptions of retailers' environmental activities on perceived credibility of green retailers indicates that consumers' assessment of credibility is affected by their pre-existing perceptions. Thus, in-store experiences are not the sole determinant of credibility. In other words, organic food retailers need to shape consumers' perceptions about retailers' environmental activities, even among the consumers who are not visitors to their stores.

5.2. Implications for food retailers

The findings of this study have important implications for 'green' food retailers. The results indicate that if consumers' expectations are consistent with their in-store experience, perceptions of the retailers' credibility are increased. Green food retailers should offer in-store experience quality aligned with how they position themselves (Lai et al., 2010). When retailers position themselves as environmentally-friendly, they should ensure they convey similar messages at all customer touchpoints. They should also communicate their positioning effectively and in alignment with India's green food consumers' expectations (Chakrabarti, 2010; Jain and Kaur, 2006), so that consumers with positive perceptions of retailers' practices have a positive in-store experience. Thus, having an integrated set of offerings that support one another is essential, ensuring that brand images are integrated through all activities, in external communication and in-store encounters.

As consumer perceptions of retailers' environmental activities have a direct effect on the perceived credibility of organic food retailers, retailers may focus on developing pre-purchase consumer perceptions of retailers' environmental activities, which will be useful in attracting new consumers. However, marketing efforts focusing on image development are insufficient if there are not resources allocated to making the brand positioning a reality. Such co-ordination requires substantial resources and continuous managerial effort. For organic food retailers, establishing credibility is critical because buyers place extensive trust in producers and suppliers, as the consumers themselves cannot assess the veracity of product claims or environmental impacts. Given the nature and importance of food products to consumers, any failure to deliver on promises may be devastating to a green food retailer's credibility and, thus, to sales (Lavorata, 2014).

5.3. Limitations and directions for future research

As with any research, there are several limitations, which also suggest avenues for future research. The first limitation of this study is that the respondent sample was recruited from one specific green retailer. However, the selected retailer is the market leader in the sector and thus the retailer's activities would be reflective of best practices within India. Choosing a green food retailer was intentional as food purchases are more frequent and, therefore, their credibility is based on frequent consumer interactions with the retailer. Future research could examine other green food retailers, as well as other CSR-related retailing areas. For example, clothing and fashion goods might be

examined, as a number of them are positioned around environmental social values (e.g., Patagonia).

Secondly, we looked only at regular customers of this one retailer and the results may not be generalizable to new consumers who have limited in-store experiences. The benefit of using respondents who are actual green retailer customers and had previous in-store experiences, has the advantage that the established segment of green food consumers is reflected. Using existing customers leaving a store also enabled an assessment of real visits rather than hypothetical encounters, or asking people to recollect past experiences, which can be a problem with much survey research (e.g., Ko et al., 2013). Future research should also explore people who have not used the store before (i.e., non-consumers and novice consumers), as they may assess issues differently. Additionally, there may be consumers who have used the store in the past and have stopped, thus, understanding these consumers' views of the firm's green retailing practices would also be valuable. Examining regular shoppers could have biased the sample, as repeated or regular consumers are more likely to have positive perceptions of the store activities, and their past in-store experiences are more likely to meet their expectations (otherwise they would not revisit). Thus, any positive bias in the sample may have contributed to the statistically-significant relationships. However, prior studies (Hunneman et al., 2017; Hino and Levy, 2016; Sloot et al., 2005) have found that some of the shoppers may be regular to a store for other reasons than preference or satisfaction, such as store proximity and the nature of the purchase (e.g., an urgent purchase). Thus, we suggest relationships are not simply an artefact of looking at existing customers.

A third limitation of this study is that the focus was on consumers in a single developing country; it is important to look at other countries as well. While India is one of the world's most populous nations, green food retailing is a higher-end product and, thus, is a narrow segment of the market. Developed countries especially may have a broader customer base and the relationships could differ. Examining these relationships in other developing country contexts is also important and might allow for an examination of green retailing in markets where this is an equally new retailing phenomenon. Early in the development of this market, the expectations and experiences may differ, compared to when markets are more established. Future research, therefore, should also examine green food retailing in other developing country contexts.

As building credibility is a continuous process that needs to be established, reinforced and improved, a longitudinal study may offer useful insights, as well as identifying how changes in retailer actions affect consumers. The role of alternative aspects of the in-store environment could be further examined in more detail, for example, or opportunities to deepen engagement through additional technologies might be available (Larivière et al., 2017). Future research could also examine the impact of a wider range of consumer characteristics, such as product involvement, consumers' environmental orientation or consumer scepticism, which have been found to influence consumer purchases, and may influence the development of credibility in the retailing context. In exploring other variables within the model, it might be possible to examine alternative types of relationships (i.e., moderation) as well.

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