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In Wine We Trust

A case study of trust and sustainability at Swedish alcohol retail
monopoly Systembolaget

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Abstract

Trust is an important factor for increasing sustainable wine consumption. While focus often is put on consumer-trust, it is also useful to consider trust throughout all steps and relationships in the supply chain. Therefore, this study will take on a stakeholder perspective to gain a broader perspective on trust as a way to positively influence sustainability in the highly regulated wine industry. This thesis aims to explore how Systembolaget, Swedish alcohol retail monopoly, strategically works with trust in relationships with stakeholders with a focus on stakeholder theory and institutional trust. Furthermore, how trust affects sustainability will be addressed. To answer the question, a case study with six interviews were performed with people from different backgrounds and roles at Systembolaget. The findings in the paper propose that an internal belief in the mission and taking responsibility is important to create and maintain trust as well as honest and transparent communication. Further, regulations affect their possibilities to manage relationships in several ways, which Systembolaget tries to use to their advantage in trust building situations. Moreover, trust in Systembolaget could possibly encourage sustainability among stakeholders in the wine industry.

Keywords: trust, stakeholders, relationship, sustainability, institutional trust, wine, customers

Introduction

The wine industry is very powerful in many parts of the world. The amount of land used for vineyard cultivation is immense, making it one of the main agricultural activities (Maicas & Mateo, 2020). Producing wine has a long tradition that spans over more than a thousand years (Szolnoki, 2013) with traditionally bound practices, resulting in no significant changes in resource use and production methods over time (Maicas & Mateo, 2020). The process involves many valuable resources and compared to other food products choice of wine is considered complex for consumers due to its differentiation between producers, quality, grape variety and price (Schäufele & Hamm, 2017). Wine has long been perceived as a natural product which has led to less pressure on production of organic wines (Szolnoki & Hauck, 2020; Maicas & Mateo, 2020). Further, the wine industry has received less attention on sustainability issues compared to other industries with more apparent environmental impact (Gabzdylova, Raffensperger & Castka, 2009). However, Maicas and Mateo (2020) argue that the

importance of sustainability in a wine context is likely to grow due to the growing attention to the matter. According to Schäufele and Hamm (2017), the concept of sustainability is broad and complex. Social, ecological and economic sustainability build the foundation for sustainable development. All dimensions are interconnected where one dimension of sustainability cannot be reached without the fulfilment of the other dimensions (KTH, 2021). This study will mainly address social and ecological aspects of sustainability since they are applicable for this case. Social sustainability focuses on addressing issues which have positive and negative effects on individuals' lives (United Nations, n.d.). Ecological sustainability is related to the environment and its ecosystems; all actions that have a connection to the environment are related to ecological sustainability (KTH, 2021). Due to the complexity of sustainability, Schäufele and Hamm (2017) mean that marketers, producers and retailers could contribute to informing society of the relevant facts on all aspects of sustainability in order to raise knowledge. The authors argue that raised knowledge from information campaigns increases

trust, leading to preferred behaviour among consumers.

Trust in consumer relations are thoroughly examined. Schäufele and Hamm (2017) argue that consumer-trust is important for retailers and that the likelihood of selling organic products increases with trust. Consumers are more likely to trust firms which seem competent, reliable, responsible and where opportunistic behaviour will not occur (Zhang, Liu, Sayogo, Picazo-Vela and Luna-Reyes, 2016). Furthermore, trust takes different forms based on the type of relationship that exists. Legal systems and institutional factors affect how easily consumers increase trust towards firms and their sustainable claims. Information provided with support from institutions and regulations makes it easier to trust firms. Support from the government results in increased trust from consumers and support from NGOs (Non Governmental Organisations) increases trust in labels. However, it is not easy to provide consumers with verified, easily understood information. When consumers purchase sustainable products it is common to consider ecological issues as well as health issues (Zhang et al., 2016). For that purpose certifications and labels are a major communication tool in the wine industry when creating trust, according to Daugbjerg, Smed, Mørch Andersson and Schwartzman (2014). Therefore, generating trust and loyalty through designing bottles and labels are important for companies. According to the authors, consumers trust sustainable claims on products to a larger extent if they are supported by third parties. Third party certifications provided by the state are the certifications that create the highest trust amongst consumers. However, this is most accurate in countries where institutions are highly trusted by its residents.

According to Zhang et al. (2016) it is necessary to find a balance between not providing enough information and providing too much, making it difficult for consumers to process the overflow of information. Providing transparency throughout the supply chain creates increased trust by developing an institutional structure resulting in awareness of the processes. According to Troung, Lang and Conroy (2022), global food systems have complex supply chains resulting in increased gaps between consumers and producers. This has led to a reduction of knowledge and control among consumers regarding the production. It is vital to understand consumers' trust in food from a holistic perspective in order to understand the success of different types of sustainable claims. For consumers to trust retailers' claims in general there is a need for interaction between trust in actors and trust in the supply chain. Further, Troung, Lang and Conroy (2022) argue that trust can be divided into two types; institutional trust and social trust. Institutional trust implies that individuals have trust in systems and regulations provided by institutions or organisations and social trust implies that individuals have trust in other individuals or actors (Troung, Lang & Conroy, 2022). According to Mannemar Sønderskov and Thisted Dinesen (2016), social trust may lead to prosocial behaviour because of the positive view of others. Further, the authors argue that institutional trust leads to increased social trust, thus generating positive collective outcomes.

Successful strategies with sustainability focus must ensure that firms actually enact on the practices they advocate (Bonn, Cronin & Cho, 2016). A move towards more sustainable products will lead to positive outcomes such as first mover advantage, better relations, improved image and avoidance of greenwashing

(Bresciani, Ferraris, Santoro & Nilsen, 2016). The study by Bonn, Cronin and Cho (2016) assesses that the level of trust in suppliers has a strengthening effect on the perceived level of sustainability of organic wine. It has shown that retailers' and producers' sustainable management practices can influence perceptions of sustainable products. Higher levels of trust between sellers and buyers will increase commitment to a certain company's offerings. The results show that the perception of sustainable practices among organic wine retailers as well as behavioural intentions are moderated by trust. The findings show that consumers prefer purchasing organic wine from retailers deemed trustworthy, making trust essential in marketing strategies. Troung, Lang and Conroy (2022) argue that social trust between regulations, society and common opinions are important in the food sector since retailers and other actors interact with each other. The authors have shown that retailers and producers can compensate for lack of trust in labels and systems by increasing social trust. Low levels of trust in the system increases the need for trust towards actors. Thus, trust is related to the entire process from agriculture, packaging, transport, labelling and sales.

Based on the notion that trust is important in the entire supply chain it is interesting to understand how wine retailers work with generating trust towards the stakeholders in their network, from producer to consumer. Institutional trust has shown to affect social trust leading to prosocial behaviour (Mannemar Sønderskov & Thisted Dinesen, 2016). Therefore, this study aims to contribute with a deeper understanding of how trust in relationships may result in prosocial behaviour such as sustainability, including social and environmental aspects, in the wine industry. Furthermore, most research

on the matter has a quantitative approach as well as researchers focusing on a consumer centred perspective (Bonn, Cronin & Cho, 2019; Schäufele & Hamm, 2017). Thus, applying a qualitative perspective may increase understanding for the challenges retailers face as well as their view of trust-building, complementing the studies done on consumers by providing a retailer and stakeholder dimension. Furthermore, Szolnoki (2013) suggests qualitative studies extended to stakeholders as well as governmental and non-governmental organisations in order to increase sustainability in the wine industry. The wine industry is highly regulated, creating a market with certain conditions. Thus, it is interesting to study how trust in stakeholder relationships takes form in such a specific market. Therefore, this study will take on a stakeholder theory approach, including all from producer to end consumer, from a retailer's perspective contributing to a broader discussion within the wine industry. Additionally, institutional trust was chosen as a theoretical framework due to its applicable qualities to a regulated market such as the wine industry when studying trust. This discussion resulted in the study aiming to contribute with a qualitative perspective and a deeper understanding of how wine retailers implement trust in relations, answering the question: *How do wine retailers strategically work with creating and maintaining trust in stakeholder relationships in a highly regulatory retailing context in order to encourage sustainability?*

In order to answer this question a case study of the Swedish alcohol retail monopoly, Systembolaget, was conducted. The Swedish government has given Systembolaget the mission to sell alcohol in a controlled setting and inform consumers about the risks with alcohol.

Selling alcohol without profit interest is a part of reducing accidents and damages that occur due to alcohol which is the primary goal with the monopoly. Systembolaget controls the price on alcohol, limits accessibility due to specific opening hours and has restricted marketing of alcohol due to regulations (Systembolaget, n.d). Systembolaget has several stakeholders, however, to clarify, this study will mainly address the following stakeholders in Systembolaget's network: consumers, importers, producers, NGOs as well as the state.

Delimitations for the study include not interviewing Systembolagets stakeholders due to time limits. Additionally, the study was delimited by the researchers' position in Sweden, where the wine industry is regulated by being a state owned monopoly. Therefore, the study could only include one case company. Moreover, the study was delimited to the Gothenburg area regarding contact with physical stores.

Initially, the study will present the theoretical framework consisting of stakeholder theory and institutional trust. The methodology presents the chosen qualitative method using a case study as well as collection of data and analysis method. Thereafter, the findings, divided into the four categories emotions, responsibility, representative practices and regulations are presented with an analysis based on stakeholder theory and institutional trust. Followed by a concluding discussion presenting key findings with a discussion based on previous research, stakeholder theory and institutional trust. Lastly, future research is suggested along with implications of the study.

Theoretical Framework

This chapter discusses and explains the theoretical framework consisting of stakeholder theory and institutional trust. Stakeholder theory focuses on the importance of considering all stakeholders and how firms can manage different relationships. Further, institutional trust addresses trust towards organisations and institutions.

Stakeholder Theory

Stakeholder theory arose from strategic management and moved into organisation theory and business ethics. Businesses' focus shifted from business to include social and environmental issues. The reason for the formulation of stakeholder theory was that existing theories could not adapt to the changes in the business climate. As a consequence of increasing global concerns and changing demands in society, a shift in activities was necessary (Laplume, Sonpar & Litz, 2008). From mainly focusing on customers and maximising the value for shareholders, a broader perspective was taken where needs and interests of stakeholders were considered (Polonsky, 1995). Further, Freeman (1984) acknowledged the ongoing environmental shift amongst internal and external stakeholders and noticed the need to consider these stakeholders in decisions. Internal stakeholders refer to individuals directly related to a business such as employees, customers, shareholders and owners as well as suppliers. Further, Freeman (1984), defines external stakeholders as governments, competitors, interest organisations, media and environmental activists. However, there have been discussions about what stakeholder actually means and include. Wagner Mainardes, Alves and Raposo (2011) mean that the concept of stakeholder is unclear and can be defined in several ways. Apart from being a broad concept it has been

seen as problematic that stakeholders are identified as separate actors while in some situations stakeholder relationships are more complex and cannot be identified separately. Despite this debate, this thesis acknowledges Freeman's (1984) definition of stakeholders since it does identify stakeholders as separate actors, however it does not neglect that stakeholder relations could be complex. Marshall, Akoorie, Hamann and Sinha (2010) has, based on Freeman's (1984) definition of stakeholders, identified the most common stakeholders which put environmental pressure on the wine industry. Examples of these stakeholders are regulatory departments, employees, customers and different associations.

The basic guidelines for stakeholder theory is that businesses need to consider all individuals, groups or organisations that can be affected or affect the business and its actions. Stakeholder theory combines business and moral aspects, thus it is important that all who are part of the business receive attention (Laplume, Sonpar & Litz, 2008). Businesses need to identify all stakeholders and their relevance as well as decide on how to meet stakeholders' needs in an effective way and moderate strategies if necessary. This can with advantage be done by communicating with stakeholders directly, or estimating their needs. Further, it is important to monitor stakeholders and adapt to changes in expectations (Polonsky, 1995).

The macro perspective of stakeholder theory has a broad focus beyond customer satisfaction and financial benefits. While these two aspects are important for the firm, this perspective moves to include the greater good and responsibility towards society. Externalities in society should be included in marketing strategies and their effects should be assessed. The common maximisation focus needs to be applied

next to a sustainable perspective, and not exploit social and environmental stakeholders (Laczniak & Murphy, 2012). However, studies show that managers mainly focus on stakeholders which have power to impact their business. Stakeholders can exert power over a firm if they possess valuable resources, are accepted in society and have urgent matters (Laplume, Sonpar & Litz, 2008). Various levels of power contribute to stakeholders influencing others, which creates a hierarchy among stakeholders (Neville & Menguc, 2006). If stakeholders search for impact in a firm it is possible for stakeholder groups to cooperate and face the firm. Stakeholder multiplicity addresses the fact that all stakeholders are dependent on each other, meaning they can be competitive or complementary. Outcomes from stakeholders' collaboration range from changing relationships and maintaining dialogue to gaining power thus affecting firms unitedly (Butterfield, Reed & Lemak, 2004). Greenwood and Van Buren III (2010) further propose political power as a method for pursuing power over an organisation. Political power means that regulations control firms and can sanction specific behaviour. However, governmental legislation does not control all parts of a firm, meaning that the firm is responsible for providing information and records to the stakeholders which contributes to the need to trust the firm.

Heugens, Van Den Bosch and Van Riel (2002) argue that in order to manage stakeholders, firms can build relationships based on trust. One way for firms to manage relationships to individual stakeholders is by using buffering, meaning that firms build a relationship with a representative organisation gathering opinions from several stakeholders. Buffering is useful for managing relationships with indirect

stakeholders; creating networks with a few representatives sharing information instead of interacting with separate stakeholders. Heugens, Van Den Bosch and Van Riel (2002) further explain that managing direct stakeholder relationships can be done by co-optation meaning firms integrate stakeholders and use stakeholders to share information of interest. Stakeholder relationships can be mutual instead of one-way. Mutual learning addresses the common interests among stakeholders and focuses on collaborative processes which covers interests for several stakeholders. Meta-problem solving is another method for solving common problems among stakeholders, which is appropriate when collaborating at a network level.

Stakeholder Networks

Laczniak and Murphy (2012) argue that stakeholder networks are complex and can link customers and stakeholders' values. This moves the focus from being customer- and firm-centrated to a more societal perspective. Thus, changing the view of stakeholders as merely dependent towards being highly important for external development. The authors mean that stakeholders are involved in decision processes through an ongoing dialogue and consideration of opinions. The power of stakeholders is better understood by involving their complexity and contributions in collaborations, instead of observing stakeholders from a distance. Stakeholders have different levels of power in relationships to organisations which determines the need for trust in organisations. Adding stakeholders in networks is effective for realising and implementing competence (Laczniak & Murphy, 2012). Further, stakeholders putting pressure on businesses within the wine industry can result in development of sustainable actions (Gilinsky, Newton & Fuentes Vega, 2016). Another approach to increase sustainable actions in the wine

industry is for businesses to behave sustainably in order to be able to motivate stakeholders to follow and increase their sustainability work (Pucci, Casprini, Galati & Zanni, 2020). According to Greenwood and Van Buren III (2010) the cooperation between a firm and its stakeholder creates a relationship where one part is dependent on the other to accomplish the agreed job. To ensure that the job is performed, there are either external regulations or self regulations. Self regulations means that the stakeholder has to trust the organisation that the deal will be accomplished and that the organisation takes responsibility for the cooperation.

Ethical Aspects of Stakeholder Theory

Stakeholder theory is grounded in the idea of including ethical aspects for all parties involved rather than focusing on financial goals. Firms need to be responsible for the negative aspects their actions cause in society (Laczniak & Murphy, 2012). Applying stakeholder theory on marketing is a tool to integrate business and society into a merged relationship. This means including several stakeholders when planning and developing a strategy. Firms strategies should consider all stakeholders, not solely customers and employees but social and environmental aspects as well (Bhattacharaya, 2010). According to Laczniak and Murphy (2012) a large number of firms mainly apply stakeholder perspectives if it is profitable. However, it is useful to focus on important stakeholder relationships since it can contribute to shareholder value in the long run. Previously, businesses' strategic focus has been on financial aspects without considering the value chain from an ethical perspective. Strategies should include justice by addressing how stakeholders are affected differently by marketing activities.

Addressing ethical and legal issues gives an advantage when building trust in relationships with stakeholders (Laczniak & Murphy, 2012). According to Bhattacharya (2010) it is effective to include stakeholders from the beginning as it is an opportunity to create stronger relationships and increase trust. Greenwood and Van Buren III (2010) argue that co-operative relationships include trust based on moral aspects. Relationships based on trust implies that there is an ethical duty for involved parties to behave morally correct. A vulnerable stakeholder needs to trust that they will not be taken advantage of and are a part of the final result. An organisation should be aware of values the stakeholders carry. Moreover, Greenwood and Van Buren III (2010), mean that stakeholders might have social and environmental concerns which are important for the organisation to follow in order to be trustworthy. Therefore, trust involves a moral perspective rather than a rational perspective.

Institutional Trust

Trust is seen as fundamental in all social, political and economic institutions in society. Trust is broadly classified into the categories of institutional trust and social trust, which are said to be the most important types of trust in society (Daskalopoulou, 2019). Institutional trust is defined as trust in a regulatory system while social trust is defined as trust in others (Truong, Lang & Conroy, 2022). Trust in institutions are deemed to be related to economic sacrifices for the benefit of the environment. Additionally, trust in institutions among individuals lead to higher likelihood of compliance towards new regulations and directives (Coulibaly, Du, Diakité, Abban & Kouakou, 2021). Trust and institutions are related in a social context and both social trust and institutional trust are seen to produce high quality, democratic institutions

(Daskalopoulou, 2019). Institutional trust as well as social trust must be present for sustainability to be implemented in the long term (Stupak, Mansoor & Tattersall Smith, 2021). In highly regulated markets, firms experience great pressure on being perceived trustworthy to avoid further regulation or public inspections, especially companies with market power. Trustworthiness in organisations is, according to the authors, likely related to institutional memory, values, corporate culture and leadership (Greenwood & Van Buren III, 2010).

According to Mannemar Sønderskov and Thisted Dinesen (2016), trustworthiness of others is dependent on what rules govern the behaviour of citizens, meaning that the perceptions of the effectiveness and fairness of state institutions rule behaviour among citizens. Therefore, efficient and fair state institutions can build the foundation for trust by signalling untrustworthy behaviour as uncommon. The authors argue that quality at institutional level results in positive experiences at individual level, building institutional trust which influences peoples' social trust. Further, Coulibaly et al. (2021) argue that institutional trust among individuals leads to sustainable behaviour and consideration of the environment. According to Mannemar Sønderskov and Thisted Dinesens' (2016) study institutional trust influences social trust. Further, it suggests that experiences that shape trust in state institutions play an important role in changing social trust over time. Being a trustful individual will, according to the authors, result in pro-social behaviour. It will enable cooperation among people for the common good, thus leading to positive outcomes for society such as sustainability. The authors state that trust will, at an individual level, promote charity donations, tax payment and recycling. On societal levels, it leads

to effective democratic governments, less dishonest behaviour and higher economic growth which all are desirable collective outcomes. This perspective means that social trust can be built through overcoming institutional shortcomings, however it implies that less institutional trust also leads to less social trust. Moreover, there are studies showing a positive relation for social trust affecting institutional trust (Daskalopoulou, 2019). However, the focus of this thesis will have ground in the study by Mannemar Sønderskov and Thisted Dinesen (2016) since it has applicable qualities to the aim of this study meaning that institutional trust affects social trust.

From a viewpoint of policy-makers and others working to improve society, questions arising related to trust are how trust can be built. This implies a need for an understanding of the roots to trust. This area has gotten more attention recently resulting in a number of perspectives (Mannemar Sønderskov & Thisted Dinesen, 2016). The two most influential perspectives according to Mannemar Sønderskov and Thisted Dinesen (2016) are the cultural and experiential perspectives. The cultural perspective views trust as a trait which is learned primarily from parents, early in life. This perspective has a view that the trust an individual has is immune to influence from experiences later in life, contradicting the social view, after its initial formation during childhood. Trust is seen as stable through life and can even be stable across generations. This view leaves little room for changes with ground in policies or other measures to raise the level of trust. The experiential perspective, however, has according to Mannemar Sønderskov and Thisted Dinesen (2016) a view that experiences through life forms trust. Much contradictory to the cultural perspective, the experiential perspective sees trust as

formable. Truong, Lang and Conroy (2022) view trust as a social concept which is affected by social interaction. It is interrelated at different levels of social activities such as individuals, systems and organisations. Since this study focuses on how trust is created and maintained, a view that trust actually can be created through experiences and social interaction is taken.

Methodology

This chapter discusses and motivates how and why the case study was performed. The chapter includes research design, data collection, analysis method and ethical aspects.

Research Design

In order to understand how Systembolaget strategically works with trust in relation to stakeholders as a way to encourage sustainability, a qualitative study with an abductive approach was performed. A qualitative study was seen as the most appropriate approach because of the nature of this thesis being suited for in-depth interviews in order to get a better understanding of the subject.

A qualitative study is characterised by emphasising words rather than quantifications when collecting and analysing data (Bryman & Bell, 2015). The data collection process might be sensitive to social and cultural contexts, thus aiming for a holistic understanding of the studied phenomenon (Eriksson & Kovalainen, 2016). This study aimed to lead to a better understanding of Systembolaget's strategic work related to trust. This aim made it suitable to use a qualitative approach, since these types of studies aim to deeper understand a specific context through opinions, values, and behaviours (Bryman & Bell, 2016). Abduction is defined as the process of moving from meaning and descriptions of

everyday life given by people towards concepts and categories that constitute the ground for explaining or understanding the chosen phenomenon (Eriksson & Kovalainen, 2016). Therefore, an abductive approach was taken since it enables existing theory to be used without limiting the researchers in new findings but rather allows and encourages applying theories on new findings.

Further, the study was designed as a case study. Case studies are useful for gaining in-depth knowledge and understanding of a complex issue. When using a case study, it is necessary to define the case and set boundaries before approaching the case (Eriksson & Kovalainen, 2016). This case study was determined to analyse Systembolaget and their strategic work with trust. Since the study focused on one single case, an intensive case study was applied. Intensive case studies are used to understand the case from the inside and the specific conditions present. This makes it difficult to generalise the results since it only shows aspects of that particular case (Eriksson & Kovalainen, 2016). These conditions might have limited the study, nonetheless using case study was relevant since it helped in gaining a deeper understanding of the specific conditions related to Systembolaget.

A literature review is important to get a deeper understanding of the chosen research topic. This method includes reading a large amount of literature to gain information about what has been written and discussed previously about the topic (Eriksson & Kovalainen, 2016). Broad categories of literature such as relationship marketing and green marketing led to the smaller topic of trust which became the focus of this thesis. A qualitative study and a case study also includes theoretical frameworks. For this thesis, we chose early in the process to focus on stakeholder

theory and institutional trust. Focus on theoretical frameworks early in a study is according to Eriksson and Kovalainen (2016) a theory-driven research approach where theoretical frameworks are considered before the data is collected. For a case study, Eriksson and Kovalainen (2016) argue for the importance of having an on-going mutuality between theory and collected data. During the study, a continuous checking for an intersection between theory and empirical data was done in order to adapt if necessary.

Data Collection

Primary data is new data which is collected by the researchers (Eriksson & Kovalainen, 2016). Semi-structured interviews were conducted in order to collect primary data. The choice of semi-structured interviews was made because of its allowance for the researchers to keep an open mind during the process, leading to theories and concepts emerging from the data. Semi-structured interviews are typically defined as a series of open questions, where the interviewer has the possibility to ask emerging questions during the interview when needed (Bell, Bryman & Harley, 2019). The interviews were conducted with employees at Systembolaget at different departments and positions at the firm, in order to get a broad picture of the phenomenon in line with stakeholder theory and institutional trust. The interviews were held both physically and digitally. The digital interviews were used as participants were located in different cities thus video interviews were effective. Although digital solutions were necessary it limited the research by excluding body language and the natural flow in conversations, moreover to sound were in some cases problematic leading to difficulties in perceiving nuances in the language. However, to overcome these problems,

follow up questions were asked in unclear situations. The interviews were between 30-60 minutes which made it possible to

get well-developed answers. The different interviewees and their roles can be found in table I.

Table I Table of Respondents

Name	Position	Date of interview	Execution
Åsa Hessel	Communicator, Communication department.	11/3-22	Digital interview
Fredrik Arenander	Head of Purchasing, Purchasing department.	11/3-22	Digital interview
Hanna Helgesdotter	Head of Sustainability, Assortment and purchasing department.	17/3-22	Digital interview
Isabella Karlsson	Store manager, Kungstorget, Göteborg	14/3-22	Physical interview
Respondent 5	Store manager	21/3 - 22	Physical interview
Respondent 6	Store salesperson	14/3-22	Physical interview

Analysis Method

For this study a thematic analysis method was conducted. This is a useful method when analysing data from a case study (Eriksson & Kovalainen, 2016). The main idea with this analysis method is to identify codes emerging into sub themes and central themes summarised in a coding schedule. Themes are described as recurring concepts in the text which can be applied to the collected data (Bryman & Bell, 2015). It is common to apply the found patterns and themes from the data to the theoretical framework (Eriksson & Kovalainen, 2016). Moreover, themes relate to the focus of the research as well as provide the researchers with theoretical understanding for the data, which, in turn, can give contribution to the related literature provided in the research (Bryman & Bell, 2015).

For this study, the data was collected and activities such as listening, reading and taking notes of the material were done to get a better understanding of the data before starting with the coding. The data were transcribed when needed. The coding was done simultaneously by both authors in order to enable discussions and understand the data properly. It could have been an option to do the coding separately in order

to gain different perspectives, however we believed discussing the data to be more valuable. The codes emerged by finding recurring words, concepts and themes in the respondents' answers. The collected data was coded into colours in order to make the process clear and easy to follow. After listing the codes, meanings and context for the detected codes were discussed which resulted in categories. For example, public health and neutrality were both marked with the same colour, *responsibility*, as the essence of the concepts were similar in this context. This resulted in the codes being divided into groups, later forming sub-themes and central themes. The central categories that were detected are *emotions*, *responsibility*, *representative practices* and *regulations*. Some parts of the result were highlighted in form of quotes when found especially interesting and fruitful. The results of the data were the starting point for the analysis. The data was analysed by connecting the theoretical framework to relevant data, which resulted in stakeholder theory and institutional trust being scattered throughout the findings.

Ethical Aspects and Validity

Business ethics are highly important when conducting research, ethical principles are divided into four categories: avoidance of harm, informed consent, privacy and deception. Avoidance of harm includes physical and psychological aspects. Psychological harm can be aspects such as effect on career and self-confidence (Bell, Bryman & Harley, 2019). The interviews were conducted with interviewees who voluntarily participated. Informed consent is important to ensure that the interviewees receive as much information as possible about the research (Bell, Bryman & Harley, 2019). When contacting possible participants, we ensured to inform them of the purpose of the study, why we study this subject, and what the results will be used for. Before the interviews, permission was asked to record the interviews. Privacy is the third ethical principle highly related to informed consent. Deciding and accepting to participate in the interview offers an opportunity to discuss levels of privacy (Bell, Bryman & Harley, 2019). Before the interviews the respondents were asked if they wanted to be confidential. Two participants preferred not being presented by name. Preventing deception is the fourth ethical principle. It is important that the purpose of research is presented correctly (Bell, Bryman & Harley, 2019). This ethical principle was fulfilled as the research was presented for what it actually was. Furthermore, validity is important to ensure that the results are true, certain, and accurate, as well as that empirical data are being described correctly (Eriksson & Kovalainen, 2016). These aspects were ensured by only presenting and analysing results from the interviews.

Findings

This part presents the findings from the research as well as analyses the results with basis in stakeholder theory and institutional trust. Coding of the data resulted in four

categories: emotions, responsibility, representative practices, and regulations, which represent how the results are presented.

Trust Building through Emotions

Trust building through emotions will address values, caring aspects as well as openness, which all are ways in which Systembolaget believes they work with creating trust. This paragraph focuses on the feelings that Systembolaget puts great effort into spreading both internally and externally.

Systembolagets official values and purpose is clearly important and acknowledged in the company. According to Greenwood and Van Buren III (2010) trustworthiness in an organisation is related to values and corporate culture. The official values, knowledge, inspiration, and consideration, is deeply grounded at Systembolaget, and making sure these values are implemented at stores and throughout the organisation is of high importance. The internal work at Systembolaget is important in spreading the values and culture to consumers. The values at Systembolaget permeate the business internally which is believed to be seen from the consumers perspective, creating a welcoming feeling and a place where consumers can get valuable information.

“These three values are deeply rooted and you could ask anyone in the organisation and you would get the same answer. Everyone knows them because the values are alive”

Åsa Hessel, Communicator

To create a welcoming feeling, Systembolaget ensures that coworkers have the correct knowledge and awareness of alcohol's consequences. Consideration and knowledge means that the core is to understand and care for consumer needs as

well as treating everyone equally by ensuring fair competition. The caring aspect also expands to individuals who are affected by Systembolaget without purchasing products from stores, addressing social sustainability. This aligns with Laczniaak and Murphy's (2012) discussion on taking responsibility for negative aspects caused by firms in society. Social sustainability is important to decrease negative impact on people in society, especially when working in a potentially damaging business. Systembolaget focuses on having clear objectives regarding caring about individuals and taking responsibility for damages caused by wine.

"I believe that this with caring and protecting public health is our whole mission and the only reason for why we are allowed to exist in the shape that we are."

Hanna Helgesdotter, Head of Sustainability

Empathy and being there for consumers are considered valuable. Working for a good cause and a great mission makes the respondents proud of what they can achieve. Working at Systembolaget results in becoming aware of problems with wine consumption in society, creating a feeling of responsibility towards consumers.

Moreover, working with emotions at both external and internal stakeholder level, by having an open and welcoming approach towards collaborations in the wine industry is something that Systembolaget value when creating trust. The respondents deem it important that wine importers and producers have confidence in their work in order to facilitate trusting collaborations. Taking responsibility for the organisation in a self-regulating way will, according to Greenwood and Van Buren III (2010), lead to trust from internal stakeholders (importers) and external stakeholders (producers). Levels of power determine the

amount of trust needed in dependent relationships. Systembolaget are aware of their position on the market and consider this when creating trusting relationships. Valuing consideration and caring aspects highly is what makes Systembolaget open and welcoming toward external stakeholders.

"It depends on them trusting us and that we have a strong enough collaboration for them to be able to agree to it, so I would say that [them trusting us] is important. (...) If you are big, you have to be kind (...) and I think that applies in our relationships with our importers and producers, but in the end it is a business relationship."

Hanna Helgesdotter, Head of Sustainability

Caring for and considering stakeholders at different levels have an indirect connection to sustainability. Therefore, managing relationships could be important for future discussions regarding sustainability. The wine industry is undergoing many changes towards a more ecologically and socially sustainable business where collaborations in the supply chain are necessary. Thus, creating caring emotions in trusting-relationships should be of importance for the possibility to integrate future changes effectively.

Responsibility as a Means to Build Trust

Responsibility as a means to build trust addresses responsible actions such as neutrality in marketing and taking responsibility for individuals. Further it will discuss public health issues as well as the delicate mission Systembolaget has been assigned and taking the lead on sustainability.

Selling alcohol responsibly is the core that has to be incorporated in all of Systembolaget's actions. As is ensuring that customers trust these actions. Meeting the consumer in store settings is the most important opportunity to create trust in

consumer relations by showing responsible actions in delicate situations. This finding aligns with Truong, Lang and Conroy's (2022) study, claiming that trust is created by social interaction. For example, controlling age, not allowing additional sales, neutral communication by only using general terms and not distinguishing certain wine products as well as denying people the right to buy alcohol when noticeably intoxicated are some of the actions when interacting with consumers, possibly, increasing trust. These actions are performed to take responsibility and care about individuals, an important part in social sustainability, something that can be found in Systembolagets everyday actions.

Another aspect of responsibility concerning trust in consumer relations is public health issues, another important aspect of social sustainability. Systembolagets existence and exclusive right to sell alcohol and wine is grounded in contributing to public health. Having less profit-focus and being regulated by the state makes it essential for Systembolaget to enact on securing public health. This focus in Systembolaget's mission and decision making processes ensures that decisions do not lead to increased consumption which, in turn, might lead to negative effects on public health. These ideas align with Laplume, Sonpar and Litzes' (2008) ideas on including all individuals affected by the firm. The responsibility implies interest in customer needs while trying to ensure consumer health. It is common that consumers consider health as important when consuming sustainable products (Zhang et al., 2016). However, environmental sustainability is not the deciding factor in this discussion but rather the social sustainability, which is decreasing wine consumption. The perception of health issues related to ecologic wine is not irrelevant for the bigger picture, but regarding this mission it

is not the main focus. Thus, informing personnel about the social responsibilities towards internal stakeholders are important when mediating a feeling of social responsibilities to consumers. Greenwood and Van Buren III (2010) argue that relationships with basis in trust implies an obligation and ethical duty for all involved to morally behave, which Systembolaget strives for by integrating responsibility regarding public health throughout the organisation.

The respondents mean that the responsibility to face certain ecological sustainability challenges, such as land and water use, must be put on the producer. Drawing on Lacznia and Murphys' (2012) study, responsibility towards society is a part of the macro perspective in stakeholder theory. Taste and sustainability in wine does sometimes conflict with each other. The respondents explained that it might be challenging for producers to change their processes. For example, France has a traditional view on wine production, making it difficult for them to adapt to changes regarding certifications including packaging and sustainable material. Therefore, some producers, especially smaller ones with less resources, find the pressure on them to be greater than on other producers. Thus, it is important to be aware that all producers have different possibilities of managing changes. Due to the differences of Systembolaget's stakeholders it is important to consider needs and interests, in line with Polonsky's (1995) arguments that a broad perspective moves focus from customers and value maximisation to the stakeholder's interests. For example, traditional wine production may work in a contradictory way towards sustainability and stakeholder inclusion due to having conservative mindsets and regulations as in the France example. Traditions require bottles being manufactured in particular ways resulting

in difficulties regarding implementing sustainable materials or lighter bottles using less material.

Further, it is important for Systembolaget to push the wine producers and importers in front of them, as being at the forefront of sustainable development could lead to producers automatically doing more. Heugens, Van Den Bosch and Van Riel (2002) explains that trust-based relationships can gain from mutual learning as a way to address interests for several stakeholders in the wine industry, as Systembolaget does when taking lead on sustainability issues. Using mutual learning by taking the lead on sustainability issues can result in pushing importers and producers forward, by teaching and communicating knowledge, in order to increase sustainability focus. However, Systembolaget must ensure the trustworthiness of importers and producers to deliver the agreed products, which is not always the case:

“... Since we do not have a label on natural wines it is the producer who is stating it, and we are often a little bit questioning if it is like that. We know that some are, but there are several wines that are very cheap and when looking at what producers and importers write about it on their wines it does not always say that it is natural wine so it is important to be critical.”

Isabella Karlsson, Store Manager

Trustworthiness of importers and producers is challenging to ensure. Even though Systembolaget is working on building trusting relations this must be a mutual objective by all involved. Uncertainties in relations with importers and producers could affect trust in relations with consumers negatively which could result in accusations of greenwashing, if false information is provided by Systembolaget. Systembolaget is dependent on what

importers provide regarding sustainable wine products and must therefore keep a balance between being critical and trusting. Because of the market position, Systembolaget must be considerate when demanding changes. Too much control may result in backlashes where importers and producers dissociate and oppose adapting to sustainable changes. Mannemar Sønderskov and Thisted Dinesen (2016) mean that trustworthiness is dependent on perceptions of state institutions effectiveness. Implying that the market position is not the sole reason for trust in Systembolaget's sustainability work. Suggesting that their market dominance is not the sole reason for being able to affect sustainability work among importers and producers.

Finding a balance between being critical and trusting may be affected by Systembolaget's market position. Having market power and being a state owned organisation results according to Greenwood and Van Buren III (2010) in pressure on being trustworthy. Many respondents mentioned that trust in Systembolaget has its ground in them being responsible. Carefully considering not to act in ways which conflict with their mission is important. Being in a trust-business, means that they have to manage gained trust responsibly. Since Systembolaget is state owned the existing trust is in the institution and system rather than general trust in individuals (Truong, Lang & Conroy, 2022).

“A lot of the trust comes from who we are instead of how we exactly communicate a specific question”

Fredrik Arenander, Head of Purchasing

Building Trust through Representative Practices

Building trust through representative practices addresses practical actions

Systembolaget takes in order to increase and maintain trust. Communication, transparency, education and great leadership are practical examples of how Systembolagets work with gaining trust.

Communication takes place on many levels. For example, meetings, dialogue, and informal meetings are crucial for proper communication. Internal communication is the starting point which ensures that coworkers have the right tools to feel safe in customer meetings. All respondents agree on the importance of education since customers have a considerable amount of knowledge and questions are getting harder to answer. Consumers can be considered a powerful stakeholder which Laplume, Sonpar and Litz (2008) argue is the reason for focusing on issues consumers indicate as relevant, which Systembolaget does by implementing education in those areas. Further, knowledge about taste, food and wine combinations, risks, sustainability and damages with alcohol are examples of what knowledge is needed to be provided to consumers. As an example, when Systembolaget released their latest label *Sustainable choice* it was necessary to educate all employees, which was done through digital education.

“We also have our own portal where there are education on sustainability, safety, such things and hopefully this shines through so that customers have confidence in us taking care of what we are supposed to take care of”

Respondent 6, Store Salesperson

Further, Systembolaget provides wine importers with education related to sustainability issues. Their code of conduct includes follow-up and education of importers when necessary, again an example of mutual learning (Heugens, Van Den Bosch & Van Riel, 2002). For example, the requirements in

Systembolaget's code of conduct provide Systembolaget with unique knowledge from importers and producers regarding origin and production. Using the code of conduct as a representative practice is helpful for Systembolaget when pushing their sustainability work forward together with importers and producers.

Additionally to external and internal communication and knowledge, internal leadership is important. The respondents found actions such as regular morning meetings as one example of practices related to leadership, resulting in a thorough internal structure and clear routines. There are guidelines regarding everyday work such as how to report incidents and routine check-ins on age control. Great leadership within the organisation is vital. As an example, one store manager argues for the importance of ensuring that employees have access to crucial information and knowledge. This finding aligns with what Greenwood and Van Buren III (2010) discuss regarding the effects from leadership and corporate culture creates trust towards the organisation. Other examples of this leadership approach are challenges regarding informing consumers about sustainability, internal meetings with discussions and presentations and wine tastings of sustainable products. The employees perceive the internal encouragement as useful and integrate it in everyday work.

“It really is a balancing act in how to sell sustainability, every meeting is unique there. But one thing we do quite a lot, or I at least is that when someone has already chosen a sustainable product and I sit at the checkout, I try to encourage it and then usually others hear”

Respondent 6, Store Salesperson

Systembolaget works with the internal leadership which is found helpful among

employees when providing reliable information. Firms have responsibilities in the process of providing information (Greenwood & Van Buren III, 2010), which can, when done properly, contribute to trust in the firm. Drawing on this, transparency was deemed important for all respondents related to information regarding sustainability. All Systembolagets actions related to providing information could risk being taken as selling when in fact it is information. Systembolaget is restricted by regulated marketing, meaning that if the information is perceived as biased it could affect the institutional trust by perceptions of misuse of power, not following their mission and greenwashing. The challenge is to ensure that customers understand that information about the mission and risks associated with alcohol and wine are the main focus in their communication. The perception of the effectiveness and fairness of state institutions can, as Mannemar Sønderskov and Thisted Dinesen (2016) argue, build the foundation for trust. Communication regarding sustainability must therefore be true and comprehensive. Gaining trust by being transparent and communicating positive and negative aspects as well as informing about sustainability challenges in the wine industry is important. Trust is built both ways, and if Systembolaget is honest and transparent, it can inspire stakeholders to discuss challenges and follow their lead in line with Pucci, Casprini, Galati and Zanni's (2020) ideas regarding firms being able to motivate stakeholders.

“When it comes to sustainability in the supply chain I would definitely say that it [transparency] is something we have as a guideline when working (...) my experience of stakeholder collaboration (...) is that you always gain from being transparent and maybe even being quite straightforward in what you communicate (...) with sustainability it is easy to wanting to show off what goes well and avoiding receiving critique in media (...) but it probably means

that you can improve something and it often pushes the work forward”

Hanna Helgesdotter, Head of Sustainability

Being transparent and not embellishing anything is important to gain trust among stakeholders. Therefore, communication is important to create understanding and knowledge. Bhattacharya (2010) means that including stakeholders early on in processes creates trust. For this purpose Systembolaget has a portal for wine importers where they communicate, provide, and receive information, which is useful to inform and show importers how Systembolaget works with sustainability.

“...since we purchase from Swedish importers and do not have so much direct contact with foreign producers we are dependent on our importers to communicate what we want. If a producer visits and notices that we are doing things that their importer has not told them about and maybe sees a label they have not been informed about it could be more interesting for them to work with us and provide products they see that we are demanding”

Fredrik Arenander, Head of Purchasing

Openness and communication lead to effective and long term relationships. It does not matter what kind of relationship it is: longer collaborations are believed to lead to a deeper understanding for Systembolaget. Collaboration with stakeholders in the wine industry can make dialogues better and result in effective relations. Butterfield, Reed and Lemak (2004) discusses how collaborations can lead to changed relationships as well as have direct impact on firms. One example of this is discussions regarding social sustainability issues such as minimum wages. When this is discussed, Systembolaget works closely with trade unions in conversations with other actors such as NGOs because of their strong values and opinions on the matter. This

finding aligns with what Butterfield, Reed and Lemak (2004) says about complementary relationships as well as dependency between stakeholders.

Furthermore, there are issues that are not relevant to communicate and discuss with stakeholders. For example, sustainability issues are important in all relations but take different forms and are communicated differently depending on the area or employment. Adapting to changes in expectations from stakeholders is important according to Polonsky (1995), but determining stakeholders relevance should be done when formulating strategies on how to meet them effectively. Stakeholders have different levels of interest in sustainability, some are genuinely interested and others see the possibility of increasing profitability. If Systembolaget succeeds with changes that have effect on consumers' demand, stakeholders will often follow their lead. Systembolaget's market dominance aligns with the discussion Neville and Menguc (2006) have about hierarchies amongst stakeholders. This dominance may lead to effective changes where Systembolaget can take the lead towards sustainability.

Regulations Affecting Trust Building

Regulations affecting trust building address work related to Systembolaget being on a highly regulated market. It focuses on the role of state institutions, being a monopolist, limitations in relations and internal guidelines.

People generally have high confidence in Swedish businesses, especially regarding the Swedish state, institutions and authorities. This can be seen through confidence measurements where state owned and Swedish companies are rated high. Even though the knowledge about how Systembolaget works is low, the confidence in them is high. Much of the

confidence the respondents believe comes from people knowing Systembolaget's mission and the reason for their existence. This indicates high institutional trust (Truong, Lang & Conroy, 2022). Being a state owned company on a highly regulated market gives Systembolaget great responsibility in selling trustworthy. Mannemar Sønderskov and Thisted Dinesen (2016) mean that trust in state institutions play an important part in enabling cooperation and positive outcomes for society, addressing social sustainability. Customers might perceive Systembolaget as being able to make any decision but in fact, it is still important to create a comprehensive trust for how Systembolaget is working with social and ecological sustainability. Further, Systembolaget cannot solely choose cooperation with stakeholders who are in line with their values because of conflicts in responsibilities in different areas, such as equal treatment or sustainability, but needs to consider all stakeholders in the wine industry. This finding aligns with Greenwood and Van Buren III's (2010) arguments that it is important to consider stakeholder values. Considering all stakeholders are important for Systembolaget but can sometimes conflict with their own values regarding sustainability issues. Nevertheless, different values cannot be the sole reason for excluding stakeholders from cooperation. Systembolaget have the right to terminate relationships if issues occur but not opt out stakeholders from the beginning.

Being a monopolist on a highly regulated market does not interfere but rather empowers Systembolaget's business as a force with expectations. There are clear visions and priorities from the owner resulting in this force being easy to use. When Systembolaget puts off hard work and effort it is effectful, once again aligning with Neville and Menguc's (2006)

statement regarding hierarchies. Due to Systembolagets market dominance they could be considered as highly ranked in hierarchies. For example, when implementing sustainability in the wine industry the dominance may facilitate these processes.

“But the advantage of that is (...) when we then roll that out and tense the muscles, yes then it has an effect. So look, for example, at what we are doing now with sustainable choice (...), it is a work that has been going on for two years, but we have talked about this with producers and importers even longer.”

Hanna Helgesdotter, Head of Sustainability

The regulations that apply to being a monopolist makes Systembolaget limited in their actions which result in equal treatment and ensuring fair competition, of all stakeholders regardless of differences in values. Treating everyone equally means that processes are sometimes slowed down. Thus, the requirement of treating all importers and producers equally could in some cases limit trust building in relations since conflicting values could create disagreements and conflicts. New ideas and processes must be carefully considered before engaging with stakeholders in the wine industry. Laczniaak and Murphy (2012) argue that involving stakeholders early opens up for understanding and using stakeholders contributions. One example of this is when formulating criterias for *Sustainable choice*, ongoing dialogue and opinions from stakeholders were part of the process since the label requires wine producers participation for it to be possible to implement.

“Then all of a sudden an entire industry is on its toes and wondering okay how do I solve this? How do I get there? And it's pretty cool.”

Hanna Helgesdotter, Head of Sustainability

Systembolaget is the only wine retailer in Sweden, resulting in Swedish beverage importers working and cooperating with Systembolaget despite conflicting interests. Further, relationships with wine importers are complicated. Their goal is to maximise sales while Systembolaget's goal is to sell responsibly. Laplume, Sonpar and Litz (2008) argue that possessing valuable resources is a reason for stakeholders to find interests in organisations, such as Systembolaget with great market power. Systembolaget are distinct and formal in their policies and strategies related to sustainability which is important when making legal demands. Providing written material makes it easier for stakeholders to understand the overall perspective and give feedback, making changes which increase trust in business relations. Additionally, Systembolaget has demands on sustainability which can be costly for some. Systembolaget provides stakeholders with documents and policies which naturally integrate sustainability into business relations. These results align with Greenwood and Van Buren III's (2010) argument regarding dependent relationships and power relations.

Apart from external relations and regulations, it is important to set internal guidelines, ensuring awareness among employees of restrictions and regulations, to ensure that customers receive the best service. Systembolaget consider themselves as having a flat organisation leading to a sustainable corporate culture with good communication which is shown by internal relations. Systembolaget has monthly meetings with information from the headquarters as well as the possibility of having daily dialogue on an internal platform.

“...sometimes it is important to just meet someone, it is not always necessary to ask a question but knowing that you have seen the person before makes it easier to call”

Isabella Karlsson, Store Manager

Greenwood and Van Buren III (2010) mean that corporate culture and leadership are important factors for trustworthiness in organisations. Internal guidelines help employees in understanding their sustainability work, regulations as well as their mission. Ensuring employees have the best tools in consumer meetings, being able to mediate to consumers how and why the regulations are necessary. The headquarters provide guidelines on how to manage consumers, but in the end it is the store personnel who are the ones that face the consumer and need to create trust when informing about sustainability related to the products. If guidelines and information would be missing, it is possible for personnel to put demand on the headquarters to provide further directions.

“It comes from the top like, it's the same as if it is shit at the top, it is shit at the bottom and exactly the same thing in the other direction. There are nice good things from the top that we have to work with but we need to have it in the back in some way.”

Respondent 5, Store Manager

Concluding Discussion

This research aimed to understand how wine retailers work with creating trust in relationships with stakeholders and how that can contribute to encourage sustainability. The findings provided by the case study of Systembolaget show how they work with creating trust. Key findings suggest that an internal belief among employees in the mission or the business is important, and that being genuine and honest is the key to building trust with all stakeholders. In order to mediate beliefs to internal and external stakeholders,

transparency, open and honest communication are strategic tools, which contribute to a trusting and healthy relationship. However, being highly regulated could strengthen and limit possibilities in creating trust among stakeholders. Further, trust in relationships with important stakeholders may lead to increased interest and commitment to sustainability. Being on a regulated market could result in possibilities regarding influencing others in taking on a sustainable perspective.

Four categories of themes representing strategic work with trust were detected. The first, emotions, focus on the caring aspects as well as values. It is argued that values are important when building institutional trust (Greenwood & Van Buren III, 2010). Values and beliefs are considered important, which is shown by how it is mediated to stakeholders. The urge to inform and share values can therefore indicate success with building institutional trust. Focus on caring and positively contributing to society, as well as reminding customers of the purpose with the business, is likely a way to gain trust (Zhang, Liu, Sayogo, Picazo-Vela & Luna-Reyes, 2016). This focus could be reached by showing reliability and focus on other aspects such as social sustainability rather than sales and profit. Living and believing in values and the reason for businesses existence results in an impression of being genuine, which is important when implementing a successful strategy, especially regarding sustainability (Bonn, Cronin & Cho, 2016). If a firm does not live as they learn, there is a risk of being perceived as contributing to greenwashing (Bresciani, Ferraris, Santoro & Nilsen, 2016), something that is possible to avoid by showing values and by being genuine. However, too much communication of good deeds may lead to

suspicion among stakeholders regarding exaggerations and false claims.

The core mission of Systembolaget, to decrease negative effects of alcohol in society, is important at all levels in the business. This fact leads to the second category of strategic work, namely responsibility. Being responsible is represented by neutral marketing, considering public health and putting pressure on importers as well as leading by example. These aspects have shown the importance of considering all individuals that are affected by the business (Laplume, Sonpar & Litz, 2008) and not solely consumers purchasing alcohol. The damages of alcohol have effects on social sustainability aspects, such as addiction and children being exposed to alcohol, and environmental sustainability aspects, such as resource and land use (Maicas & Mateo, 2020). Therefore, both environmental and social sustainability are considered when discussing values and responsibilities. Just as environmental and social aspects are considered, actors and stakeholders in all stages of the supply chain must be recognised when building trust (Truong, Lang & Conroy, 2022). For example done by putting great interest in importers and customers as well as NGOs and trade unions in processes such as decision making, negotiations and new ideas. It is important that the interest and engagement in stakeholder relations are mutual. If an organisation on a highly regulated market cannot trust the stakeholders to follow agreements it could have negative effects on other stakeholder relationships. Meaning that one stakeholder's actions may affect how the retailer's actions are perceived, further affecting trust in other stakeholder relations, making it important to continuously work on trust in relationships. Being dedicated to including stakeholders in all stages of the supply chain is a way to show responsibility towards the society,

which is vital when creating trust in relationships. Organisations in highly regulated markets have responsibility towards all stakeholder in considering their demands and ideas. Meaning that the pressure on being trustworthy, which Greenwood and Van Buren III (2010) argue state owned organisations feel, arises from several stakeholder relations such as consumer, producers, the state or the organisation establishing the regulations.

The third category, representative practices, addresses how to work with reaching out to society. Communication is an important part in reaching out, which is important to put great effort into. Sharing knowledge is necessary to create an understanding and possibly change purchase behaviours (Schäufele & Hamm, 2017). Receiving information from stakeholders is one example of how firms and stakeholders can share information with each other. However, it is important to be aware of the fact that the information received is not necessarily correct. It is possible that stakeholders exaggerate or hide specific actions to be able to meet regulations and policies. Open communication in all relationships shows dedication regarding values and contributes to sharing knowledge. Being open to stakeholders and transparent about actions, ideas, and purpose is key for a positive collaboration and increased trust in relations. Although Systembolaget works with their communication with stakeholders, this provides one view of the situation and how the communication is perceived within the receiver is unclear. However, including stakeholder opinions and ideas in collaboration are considered important when increasing trust in relationships (Bhattacharaya, 2010). An example is the work Systembolaget has done with *Sustainable choice* where stakeholders were included early in discussions. Thus, involving stakeholders in their work and

honest information can make stakeholders feel important and valuable, which in turn creates trust both ways. Including stakeholders is particularly important now that consumers and producers are detached, resulting in little knowledge of sustainability in the supply chain among consumers (Truong, Lang & Conroy, 2022) leading to pressure on transparency. Therefore, wine retailers can work as an intermediary who can control information and knowledge flows. Thus, trust in producers and importers for consumers is important in order to minimise or make the information gap regarding sustainability less problematic.

Lastly, regulations represent the regulatory side of the wine industry. Being highly regulated is core in wine retailer's businesses, and what they are allowed to do. The regulations can in some situations facilitate cooperation with stakeholders. Due to the distinct and clear conditions; it is easy to explain what to expect from businesses on regulated markets. As a state owned company, it could be easier to gain trust from consumers due to being supported by the government (Zhang et al., 2016), which has been shown through confidence measurements to be the case for Systembolaget. The monopoly is seen by the coworkers to empower Systembolaget. The clear vision and mission from owners lead to hard work, equal treatment and effectful changes in social and environmental sustainability. However, this belief limits their possibilities for certain actions, such as avoiding wine producers with different values. Lack of limitations could result in making other priorities and choices of stakeholders, better aligned with their values, than the existing. Wine retailers are regulated in many decisions. Therefore one could argue that the limitations due to the regulations are not solely beneficial. Being a monopolist means to possess great market power.

Therefore, it is important to be perceived as trustworthy to avoid public inspections (Greenwood & Van Buren III, 2010) avoiding accusations of greenwashing. It is clear that trust is highly important for Systembolaget. If consumers do not trust the form Systembolaget exists in, they would no longer have support and possibly stop existing. Systembolaget's position and exclusive right to sell alcohol in Sweden means they have a position of dependence from stakeholders (Laplume, Sonpar & Litz, 2008). In turn, this dependence means that stakeholders need to collaborate to reach the Swedish market. Having a power position makes it important not to misuse this position and treat stakeholders in a respectful manner. On the other hand, wine retailers are equally dependent on stakeholders to satisfy consumer needs. Wine retailers are dependent on importers' and producers' to deliver desired products that the consumer demands. Thus, it is important to create trusting relationships in order to create the best conditions for the business. Power should be used respectfully and wisely. Creating an understanding for the business among stakeholders, rather than using coercive measures, may result in positive reactions regarding new ideas and demands, which powerful wine retailers have the ability to influence.

Furthermore, this study aimed to provide an understanding on how trust can encourage sustainability. The two most outstanding aspects of sustainability were social and environmental. The reason for economic sustainability to have less importance may be due to Systembolaget's goal to sell responsibly, not solely focusing on profit. However, economic objectives cannot be excluded from having impact on other objectives within the firm. Social sustainability permeates all the parts in the findings. *Emotions* have strong connections with social sustainability regarding caring aspects, equal treatment and values.

Responsibility was found to address both social and environmental sustainability due to including responsibility for individuals as well as taking responsibility for the environment. *Representative practices* and *regulations* were clearly connected to environmental sustainability since they represent tools on how to work with addressing issues within sustainability.

Research has shown that certifications and labels have more trust if they are provided by state institutions, in states where trust for institutions are high (Daugbjerg et al., 2014). As mentioned, Swedish companies as well as state owned companies experience high levels of trust by the people in Sweden, whereby this idea should apply to Systembolaget as well. Involving NGOs and trade unions in discussions, has shown to strengthen trust (Zhang et al., 2016). Systembolaget's new label *Sustainable choice* will probably be able to indicate if this is reasonable to believe. However, the label was released during this study resulting in difficulties with drawing conclusions. Ensuring that all employees receive education related to new changes can be seen as a sustainable practice (Bonn, Cronin & Cho, 2016), which can be helpful to gain customer trust. If employees have knowledge related to the changes, they can be perceived as trustworthy, which, in turn, can have positive effects on consumers' intentions to purchase organic wine (Schäufele & Hamm, 2017).

Trust in wine retailers may, as argued by Mannemar Sønderskov and Thisted Dinesen (2016), lead to prosocial behaviour due to the fact that institutional trust leads to sustainable outcomes for the collective. Gaining institutional trust however, has its ground in values and corporate culture and how others perceive these. Values permeating the business, results in a culture where values are the building block for everything done. Therefore, being

transparent is an obvious choice for organisations trying to build trust. Providing transparency regarding processes and the supply chain may lead to increased trust in the institutional structure (Zhang et al., 2016), in turn resulting in prosocial behaviour.

Working with sustainability means that it is important to ensure that producers are willing to adjust since wine retailers are dependent on what producers deliver. Since wine producers have specific ways of production (Maicas & Mateo, 2020), it can in some cases be difficult to implement changes. However, meeting consumer demands is crucial and needs to be considered when approaching producers. Leading by example could be a way for firms to inspire and increase interest in sustainable practices amongst producers. This possibility to inspire could be facilitated by ensuring that there is a high degree of trust in relations, which could make the transition to sustainable practices easier. In other words, wine retailers could work as a role model to inspire others (Pucci, Casprini, Galati & Zanni, 2020). Putting demands related to sustainability on producers which is one way of taking the lead. However, it is important to have in mind that all producers do not have the same conditions to adapt to sustainable practices. Although Systembolaget aims to treat producers equally, and fairness is a foundation for trust according to Mannemar Sønderskov and Thisted Dinesen (2016), it could be problematic to require the same from all producers since they have different initial conditions. However, pushing on having a long term perspective for smaller businesses may be beneficial since these changes will probably be necessary at some point. Treating everyone equally is not necessarily equivalent with fairness.

To conclude, the four categories composed, emotions, responsibility, representative

practices and regulations all play a part in the strategic work of building trust. This study found emotions and responsibility to represent the ground for trust building where values and beliefs permeate the entire organisation. Being genuine, mediating emotions and a sense of responsibility towards society is fundamental for the two categories. Representative practices and regulations represent practical ways for how wine retailers could try to mediate these values in order to build trust. This study shows that thorough communication is an important tool to create trust in all relations, both internal and external. To reach transparency, which is important when creating and managing trust, openness and communication has proven to be key. Relations are dependent on the regulations that monitor the highly regulated market. These regulations affect how wine retailers can behave in their relations and in general. However, it is still important to create trust in order to have positive long term relationships. Therefore, ensuring that purpose and values are clear could help when creating deeper relations. Determining what action is most valuable when creating trust cannot be done in this study. However, this study shows, in this specific case, that these actions are beneficial. Thus, continuing the strategic work is important as long as actions are perceived to result in having positive outcomes, the perception among the coworkers are important for internal values, corporate culture and believing in the work. Moreover, trust in relationships could possibly lead to more sustainability. Sustainable initiative from wine retailers may inspire others to partake when a substantial trust is present, since trust in institutions lead to prosocial behaviour.

Limitations and Future Research

Previous research has mainly focused on a customer perspective, therefore the aim of

this study was to broaden the perspective and include stakeholders in the wine industry. While this study contributes to a deeper insight on stakeholder perspectives it is a narrow and limited contribution and further studies need to explore this more thoroughly. To gain a deeper understanding on trust in relations and how it affects sustainability it is necessary to look further into specific stakeholder relationships such as importers, purchasers or producers. This could lead to more concrete results on how firms create trustful relationships. Future research could develop the results of this study as well as research the concrete effects of trust on sustainability actions by including stakeholders in the research in order to broaden the view even further. Moreover, future studies could broaden the perspective and address wine retailers which are not monopolists, reflecting on reality since there are a limited number of alcohol monopolies. Comparing wine retailers to the monopoly form could be of interest in learning how trust is created in different settings, however one must have in mind that trust towards the government plays an important part. Therefore, it would also be of relevance to deepen the research on alcohol monopolies in other countries. Furthermore, looking into other wine retailers would make it possible to address other perspectives of trust depending on the type of retailer. Since this case study has shown one example of strategic work with trust, future research needs to look into more examples where multiple case studies could be of relevance when possible.

Implications

The study implies several strategic ways to work with creating trust in stakeholder relationships, however under specific circumstances. Furthermore, there are implications that emotions, representative practice, responsibility and regulations create trust in combination with institutional trust. Furthermore, the study

implies that including stakeholders when creating trust may be beneficial. Even though the case study has specific terms the research implies ways for wine retailers to create trust which could have positive outcomes for wine retailers on free markets as well. Managerial implications indicate that wine retailers preferably should be genuine and possibly create emotions both

internally and externally. Transparency and communication are other ways which could apply to all wine retailers when creating trust in relationships. The research has focused on stakeholder theory and institutional trust which has strengthened these implications by drawing on and adding to existing literature.

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