SUSTAINABILITY MARKETING PRACTICES AMONG THE LEADING FOOD RETAILERS IN CROATIA

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ABSTRACT
Sustainability issues are receiving increased attention in marketing literature and practice, and becoming a certain requirement in obtaining marketing efficiency. The aim of this paper is to analyze sustainability considerations in marketing theory with the focus on food retailing industry, and to offer a review of current sustainability marketing practice in Croatian food retail industry. Based on the analysis, it can be concluded that all selected retailers recognize the impact of their business on the environment, economy and society, although considerable variations in the extent of reporting and addressing sustainability agendas exists between analyzed retailers. It also can be noticed that some aspects of sustainability are not properly or not enough implemented by some retailers and there is a still wide range of activities for improvement.

Key words: Sustainable development, Sustainability, Retailing, Croatian retail chains

JEL classification: M39

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INTRODUCTION

In recent years, the topic of sustainability has gained significantly in importance in academic theory and practice as well. One of the reasons are environmental problems that are becoming more severe and consumers that have begun to react more sensitively towards the eco friendliness and ethical aspects of product offerings (Laroche et al., 2001; Newholm and Saw, 2007 in Wiese et al., 2012; Trudel and Cotte, 2009). The United Nations Division for Sustainable Development (2003) argued that “the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries”. The United Nation’s Brundtland Commission has already in 1987 identified a number of challenges that need to be faced with, like population and human resources, food security, species and ecosystems, energy, industrial development and urbanization. Governments are one of the major subjects who can develop strategies and frameworks for sustainable development, but lastly, producers and consumers are those that will mostly determine the level of success of them. Retailers certainly have a pivotal role in this process because of their role of being intermediaries between primary products producers and manufacturers on the one side and customers on the other (Jones et al, 2005). Durieu (2003) recognizes this role by claiming that “they can greatly influence changes in production processes and consumption patterns and are well positioned to exert pressure on producers in favor of more sustainable consumer choices”.

The main goals of this paper are: (1) to provide a basic review of sustainability in general and from the retail industry perspective and (2) to offer some critical review of the sustainability practices in Croatian food retail industry focusing on six leading Croatian food retailers according to total revenue in 2015. The paper will present how selected retailers are currently addressing and performing sustainability.

METHODOLOGY

The research is based on secondary and primary data. In order to explain the topic of sustainable development, sustainability in marketing and especially in retailing, the relevant domestic and foreign literature is used.
The paper begins with a short theoretical background on the concept of sustainable development and the activities that are mostly associated with this concept.

The short overview of the Croatian retailing sector is also presented. Finally, the results of the qualitative research on the sustainability practices among leading Croatian retail chains are discussed.

Six leading food retailers in Croatia according to total revenue in 2015 are selected for analysis. The authors use qualitative approach to research using a secondary and primary data. The empirical material is obtained from the most recent information posted on each retailer corporate website, articles responding to their sustainability activities and the data obtained through the observation method conducted in selected supermarkets of each retail brand. Furthermore, a part of the data are obtained through the observing method that took place in selected supermarkets in Split, Croatia. In order to obtain the relevance of the sample, all six visited shops were similar according to the size and format. The research was conducted during the February and March of 2017.

LITERATURE OVERVIEW

The concept of sustainable development

A variety of definitions and explanations on sustainable development can be found in the relevant literature. Its core purport is mostly linked with the integrated concept of the new form of economic growth that is forceful and at the same time socially and environmentally sustainable. Sustainable development means adopting business strategies and activities that meets the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future“ (International Institute for Sustainable Development, 1992, p.11 in Wiese et al., 2015). Similar to this, Drucker claims that there are three main tasks that management of any company should perform: meet economic objectives, secure the productivity of work and satisfaction of employees, and to manage social impacts. The author points out that free enterprise cannot be justified as being good only for business; it can be justified as being good for society as well. According to Brundlandt Report (1987), an economy is sustainable if it meets the needs of the present without
compromising the ability of the future generations to meet their own needs. Sustainability has oftentimes been associated with a triple bottom line framework, which emphasizes the importance of balancing economic prosperity (i.e. profit), social equity (i.e. people) and environmental quality (i.e. planet) (Elkington, 1997). From the previous definitions, it is evident that three dimensions of sustainability can be isolated: economic, social and environmental dimension (Adams, 2006).

Economic sustainability refers to achievement of growth, efficiency and “fair” distribution of wealth. It assumes that knowledge is the most valuable asset, and the key of competitiveness. The aim is to perform economic goals in the long term while satisfying customer’s needs in a lawful and ethical way. Beside customers, it is also important to create and manage relations with employees and other stakeholders, while keeping track on side effects of performed activities as well (Lindfelt and Törnroos, 2006). An economically sustainable business uses resources in a way which allows the business to operate in a long term while generating profit.

Social sustainability is engaged with protecting human rights and providing equal opportunities for everyone. It involves taking care of employees, their qualifications, keeping active employment policies and promoting the welfare of employees. It also includes participation in decision making process, mobility and cohesion, realization of social identity, institutional development etc. Employees should be treated well and equally regardless of their race, gender or other characteristics (Reutlinger, 2012). The working conditions should be in accordance with health and safety standards. This segment also involves social role through various charity activities, tending a good relationships with local community and realizing various community based programs (Wachol, 2008; Reutlinger, 2012).

Environmental sustainability represents the integrity of various ecosystems, their carrying capacity and protection of natural resources, including biodiversity (Reutlinger, 2012). The focus of business activities should therefore, be conducted in accordance with ecological requirements. Companies should take a proactive role in this process by not only following environmental protection regulations, but also undertaking ecological initiatives to achieve better results. It is also important to have an efficient waste management and recognize potential harmful consequences of undertaken activities (Rudawska and Renko, 2012). Some of the examples of good practice in this segment include the adequate use of the air-conditioning, the choice of heating systems (conventional heating, solar systems),
selection of window frames, electricity management (use of daylight, installation of motion detectors, using energy saving lighting), water use management, waste management etc. (UNEP, 2008 in Rudawska and Renko, 2012). From the previously mentioned, it is clear that the economic sustainability should be grounded on ecological and social sustainability in order to balance between itself and with respect to other areas.

Marketing and sustainable development

Marketing theory and practice has also experienced changes and sustainability became one of the key issues that have emerged in marketing strategy over the time. Growing interest about the sustainability is rapidly transforming the competitive landscape and forcing companies towards incorporating more sustainability issues in their strategies. Sustainability marketing relates to the sustainable development agenda while building and maintaining sustainable relations with customers, social and natural environment (Kumar et al., 2013). Similar to this, Charter et al. (2002) argued that sustainable marketing is concerned with “creating, producing and delivering sustainable solutions with higher net sustainable value whilst continuously satisfying customers and other stakeholders”. As in the modern marketing concept, sustainability marketing analyses customer needs and wants and develops sustainable solutions that provide superior customer value. The level of respond to sustainability will vary between companies depending on the type of industry, size, corporate culture and whether the style of marketing they practice is classically customer led, technology (product) led or communication led (Charter et al., 2002). Advantages of incorporating sustainability issues in business are mostly manifested through gaining competitive advantages (Markley and Davis, 2007 in Wiese et al., 2010; Flint and Golicic, 2009; Reuter et al., 2010), or as cost savings by waste and energy consumption reduction and innovations (Porter and Linde, 1995; Whiting, 2012). Reutlinger (2012) gives a wider overview on these advantages and summarize them in a few categories:

- Cost savings which are achieved through energy, material and waste efficiencies and are often one of the main motivators for companies. Sustainable marketing provides many actions that lead to long-term savings and it is recommended to follow a step by step approach starting with easily implement and low-cost actions before introducing more comprehensive and cost intensive solutions.
• Reputation: Being sustainable can provide a good reputation to a company and trust of their consumers.

• New markets: When company is renowned for being sustainable, new markets and customers can be open up. This can also be a point of differentiation from that can also arise some new products that will attract new customers who otherwise might not buy the company’s products.

• Reduced risk: Switching to alternative energy sources, or becoming more resource efficient decreases the need of using possible scarce resources whose price will rise in a future and supply might become uncertain.

• Attracting and retaining employees: Working for sustainable company can enhance current employees’ innovativeness, motivation and productivity.

• Leadership: Leadership can be gained or maintained through the sustainable marketing, and the company can enhance their image and achieve a competitive advantage.

Sustainability in retailing

“Retailing is... a very visible form of economic activity which exerts a major influence over the lives of consumers” (McGoldrick, 2002 in Jones et al., 2005). Retailers have an important role in the value chain as they represent a mediator between producers and consumers. This role also makes retailers responsible for activities in this chain (Wiese et al., 2015). Retailers are aware of the impacts their business have on environment and society and they have realized the importance of implementing these issues in their strategies and daily operations. Under the influence of variety factors, including increasing consumer awareness, government measures, trade unions and investor, new legislation, developments in information and communication technologies and media attention, many retailers have started to put more intention on the environmental, economic and social impact of their activities (Jones et al., 2005). Retailers can influence social and environmental sustainability in many ways: (1) improving the sustainability of their products and processes (transports, packaging, assortment); (2) influencing the behavior of their supply chain partners and (3) education and information of their customers (United Nations Environment Programme, 2003; Durieu, 2003 in Wiese et al., 2015; Kotzab et al., 2011). Retailers are trying to address a wide range of environmental issues in sustainability of products and processes like: energy consumption and emissions, raw material usage, water consumption, waste, the volume of
packaging, environmentally friendly packaging, recycling, refrigerant use, food safety concerns, land use, logistics etc. (Jones et al., 2005; Renko et al., 2010).

Considering that intensity of energy usage is relatively high in retail industry, there are substantial opportunities for energy efficiency improvements. For example, it is possible to implement management systems for energy/water conservation, waste management, logistics, recycling programs, etc. (Jones et al., 2005). Some of the sources of improvement can be made in refrigeration (considering that retailers are among largest users of refrigerants and cooling systems), lighting and heating as they are main sources of energy consumption in retail industry, building sustainable stores regarding to building materials, waste management, energy efficiency and social issues (Renko et al., 2010; Wiese et al., 2015). The main types of waste created in retail industry are food waste and packaging materials (corrugated cardboard, paper, plastics, steel, aluminium, glass, wood) that makes a significant proportion of overall municipal waste (Davies and Konisky, 2000). Therefore, this becomes the challenge of waste management, reuse and recycling and proper stocking (Renko et al., 2008). Furthermore, food safety problems are concerned with various types of contamination during production process and retail operations. Majority of this issues are deal by implementing various safety systems i.e. HACCP – Hazard Analysis and Critical Control Point) which reduces the possibility of food induced illness (Renko et al., 2010). It is also important to point out the importance of organic products assortment, the problems of genetically modified foods and the use of chemicals, respecting animal rights etc. (Jones et al., 2005; Renko et al., 2008).

Large retailers often have a significant level of control in supply chains (Hingley, 2005), which enables them to affect sustainability considerably (Erol et al., 2008). This significant power on their supply chain can be performed by selection of suppliers, supply chain management and sales processes determining terms in supply contracts, defining production conditions, operating distribution systems, shaping packaging choices etc. (Iles, 2005 in Erol et al., 2008; Jones et al., 2005). For instance, retailers can influence their suppliers to produce in a more sustainable way and stimulate them to develop ecofriendly products. Retailers can also encourage their customers to behave more sustainable by changing their travel behavior (choosing more sustainable modes of transportation, combining shopping trips), investing in online channel, offering more sustainable and healthy product choices, household waste reduction, recycling, motivating consumers
to purchase eco-friendly products and provide them advices about using and disposing the products. Furthermore, they can offer facilities and services that can improve sustainable practices like take-back systems for batteries, reusable bags etc. (Renko et al, 2010; Wiese et al., 2015).

Some examples of the good sustainability practice in retailing industry according to the each aspect of sustainability are (Jones et al., 2005; Andorfer and Liebe, 2012):

**Environmental aspects**

- focusing attention on pesticides, polyvinyl chloride and dyeing (using the zero or minimum amounts of pesticides that customer and society trust and working to eliminate the residues)
- setting goals on fresh fruit, vegetables, potatoes and salads
- concentrating the sourcing policy on illegal free operations and practices
- reducing energy consumption and emissions of greenhouse gases using energy saving schemes
- committing to robust recycling programmes
- redesigning and simplifying packaging to reduce costs and packaging waste
- introducing biodegradable plastic carrier bags in their stores

**Society aspects**

- training and staff development
- health and safety and inclusivity issues for customers
- charitable initiatives within the community
- promoting a good work life balance including part-time working, term-time and dual store contracts, job share, paid maternity leave and career break schemes
- providing healthy lifestyle alternatives for their customers (reduced fat, sugar or salt in products)
- being a “good neighbor” within the local community
- fair trade products, products from suppliers caring for working conditions and child labor issues.
Economy aspects

• giving the employment opportunities
• paying dividends to their shareholders
• paying taxes to the government
• urban regeneration (through developing the new stores design to serve the local communities by working with public services, local employers, and community groups)
• sourcing the local foods
• ethical trading

Croatian retail industry

Trade in general and especially retail, is one of the most important generators of the Croatian economy. According to the criteria of share in the total number of registered business entities, 28.1% of business entities operates in trade. This sector employs approximately 22.1% of total employment. The share of total trade in Croatian GDP is around 10%. In December 2016, real turnover in the retail trade was 5.8% higher than in December 2015 according to the adjusted calendar data. This growth continues the trend of annual growth that continuously runs from September 2014. The upward trend in annual retail turnover is partly a result of improved consumer confidence, which is recorded from October 2014 to June 2016, when this indicator begins to show slight deterioration. In July and August, continuing the negative trend, and from September to the end of the year again recorded improvement. This upward trend (October 2014) was recorded almost simultaneously with announcements of a new (more favorable) tax, which started in practice in early 2015. The upward trend also started in parallel with the growth of economic activity in Croatia, and came after 12 quarters of continuous annual decline in GDP. Although revenues in retail are increasing from year to year, they have still not achieve the level of those in 2008.

It is interesting to take a look at trend in the retail trade under G47U which includes retail shops, mainly food. First eleven months of 2016 the retail turnover of the EU (G47) was on average, according to calendar adjusted data, 2.8% (in Croatia 1.2%) higher compared to the same period in 2015, or 5% higher (lower in Croatia 7.6%) in the same period of 2008.
The top six leading retail chains, according to the total revenues in 2015, in the Republic of Croatia were in order: Konzum, Plodine, Lidl, Kaufland, Spar and Tommy (Brkanić, 2016). These retailers were selected for further analysis about their sustainability issues. Major retailers who disappeared from the Croatian market in the last years were Getro, Kerum and Mercator Croatia. First, Mercator bought Getro, and then in 2014 entered the package portfolio of Konzum, while Tommy bought largest number of Kerum retail stores.

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RESULTS AND DISCUSSION

Sustainability marketing practices among the leading food retailers in Croatia

With a goal of reviewing the degree of the Croatian’s leading food retailers commitment to sustainability, the top six Croatian food retailers ranked by the value of total revenue in 2015 were selected for this study. Although most of them offer a products and services which extends beyond food, their assortment is dominated with food and other products of daily consumption.

A variety of methods can be used to report about sustainability (product labels, packaging, press/media relations, newsletters, issue related events, reports, posters, flyers, leaflets, brochures, websites, advertisements, word of mouth (Euro-
pean Commision Directorate-General for Enterprise, 2005, p.5 in Jones et al., 2015)), but one of the most popular and most accessible reporting mechanism is publication on corporate websites (Morhardt, 2010). The authors undertook a digital search of each of the selected retail companies’ corporate websites looking for sustainability topics. The authors also used a Google search using the key words “sustainability”, sustainable development” together with the name of each retailer, to find a further information about sustainability activities of each retailer. Some authors have also employed content analysis to inquire corporate websites like Bowen, 2003 and Jones et al., 2015. The main goal was to select and group sustainability issues identified on the retailers’ corporate websites and Internet. Furthermore, the authors visited selected shops (one supermarket from each brand) and made an observation process of shop interior and exterior in order to obtain a more precious information about sustainability practices of each retailer. Majority of selected food retailers are aware of their impact on the environment, communities and economies in which they operate their business. According to this, they are (in a more or less intensity) integrating sustainability into their business.

Environmental dimension

Taking into consideration environmental dimension, wide issues can be addressed including energy and water consumption, climate changes, pollution, waste management, preserving natural resources... For instance, Konzum has certified the environment management system according the ISO 14001:2004 norm, and became the first Croatian retailer with this international certificate. Some of the good practices in their company refers to using a floor cleaning machines that uses only clean water, without chemicals, which reduced the use of water for 70%. All refrigerating facilities that contained harmful substances R-12 and R-22 were replaced with new ones, which do not contain harmful substances. They also offer the plastic bags made of recycled material, and ecological cloth bags as well. Most of the retailers give a contribution in decreasing amount of waste by redemption of packaging or enabling an adequate waste disposal. Konzum is the largest Croatian buyer of the packaging operating on 260 locations. Furthermore, while buying the new electronic devices, customers have an opportunity to dispose their old device, and dispose a variety of other products like halogen, fluorescent and other types of saving light bulbs. Lidl is also known for its social response waste management. Employees in Lidl stores classify different types of packaging: packaging feedback compensation, packaging without feedback compensation, cardboard boxes and
foil. In this way, employees of Lidl each day responsibly protect the environment. Spar also pay great attention to environmental protection. According to the Regulations of the management of waste electrical and electronic equipment, they provide an opportunity for disposal of EE waste generated from EE equipment. Their employees daily recycle office supplies and various other debris. In 2009, Spar received the award from CROPAK contest for the best eco packaging. Kaufland is also collecting various materials like cardboard, paper, foil, wood, styrofoam, bio waste and other waste in order to prepare it for reuse. They also have a large assortment of products with reusable packaging. During the transportation of fruit, vegetable, meat and similar products inside the company, the reusable packaging is used as well. Kaufland and Konzum publish their catalogs on a recycled paper, which contributes to the preservation of forests. Some of the retailers have initiated or taken a part in many ecological initiatives. For instance, Konzum became a part of an initiative called Green City with a purpose of supporting public ecological awareness.

Regarding to the energy use, companies give contributions by implementing various energy efficiency programs with a goal of decreasing usage of energy. Konzum has implemented a certificated system of energy management according to international ISO 50001 norm that will enable continuous improvements of energy effectiveness. This system includes all retail and logistic facilities obtaining the whole business processes. They also introduced the Vehicle Fleet Management Systems for Optimized Routing, which decreased the fuel usage and CO2 emission. Konzum also supports acquiring energy efficient products and services that will improve energy performance. They also recognize the potential of using renewable sources of energy, so they installed photocells on the roof of selected facilities, and the generated energy will finally contribute in decreasing energy costs for each store. In Lidl, particular attention is given to the concept of low energy consumption and environmental standards. The goal is to keep up with technical innovations, especially in the field of heating, cooling and ventilation. Kaufland also make various efforts in order to save energy. Besides using a modern and energy efficient technologies, they developed their own conception of “energy saving” shop. One of the positive examples is usage of renewable energy. Instead of heating using conventional boiler, space is heated through so called cooling air system. This way, the objects are mostly heated using the waste heat from the cooling racks. The waste heat from the cooling devices is connected with industrial floor heating which is installed under the floor across all object. This system decreases an amount of CO2 emission and saves energy as well.
Many retailers put a special attention on creating sustainable assortment of products. Kaufland for instance, plead a lot effort for obtaining quality and safety of products like clothes, textiles and shoes. Their goal is to eliminate using harmful chemicals in a production of products branded by Kaufland, and also those imported. Workers from the supply department and suppliers are continuously educated for this purpose. In order to obtain these goals, Kaufland joined Detox campaign provided by international organization Greenpeace. Taking into consideration preserving natural resources, there are various kind of activities. Kaufland supports a certificated UTZ program that encourages responsible and sustainable cultivation of cocoa. They also promotes responsible exploitation of woods including various private label products with FSC label (Forest Stewardship Council). Besides preserving woods, Kaufland also promotes the practice of sustainable fishing using MSC label, which points that fish and other seafood is from sustainable and environmental friendly origin. As a partner of “Healthy seas” initiative, Kaufland actively contributes to the sea preservation and the welfare of future generations. Spar is also supporting sustainable way of fishing. They promote the importance of sustainable sourcing and encourage customers to support sustainable way of fishing by purchasing fish in their fish markets.

Organic production without using harmful agents is also one of important sustainability issues. In Spar, they are aware of their consumers’ needs for healthier food, organic production and environmental protection. They offer SPAR Natur * pur line of BIO products that are manufactured exclusively for SPAR and meet the highest standards of quality. All SPAR Natur * pur products are undergoing the strongest controls and does not contain genetically manipulated ingredients and synthetic pesticides. Kaufland also has their own bio private label K-bio, which suits to all standards of ecological production, but are at the same time, very affordable. During the visit to the each retailer, it was possible to find assortment of organic products in all visited shops, but only Kaufland and Spar have their own bio private label. In Lidl, great importance is given to the concept of freshness. Freshness is an integral and important element of the sales concept of Lidl and one of the basic principles of operation and success of the company. Lidl daily offers fresh fruit, vegetables, bread and pastries as well as milk and meat products. Tommy is also dedicated to obtaining daily fresh products like fruit and vegetables, meat and fish and bakery products.
Social dimension

In addressing the social dimensions, various themes are identified, like commitment to employees and other stakeholders, training and development processes, health and safety conditions at work, company integration with local community and giving charities and donations. Kaufland emphasizes the importance of keeping long-term and sustainable relationships with their suppliers. Following the European initiative of supply chain, Kaufland has voluntary commit to keep ten principles of fair business practice in a food supply chain. Considering the importance of keeping good relationships with employees, Kaufland received a reward called “Certificate employer partner” for an excellence in human resource management. As a responsible employer Interspar also pay special attention to their employees. In addition to trying their employees to do the job adequately according to their education, experience and preferences as well as for being adequately paid, they pay special attention to their training and education. Employees are attending seminars, educational programs or learning foreign languages. Each new employee passes complete training within the organization where it becomes familiar with the work of each department, and colleagues with whom to cooperate. Konzum has implemented an international norm OHSAS 18001 for healthcare and safety on work with a goal of carrying out all legal regulations and improving safety of workers at work. The special attention is given to some factors like organization of work and work procedures, work conditions and work environment, communication and subjective factors. They also have regular workouts about safety on work including lectures, movies, demonstrations, practices etc.

Some of the retailers gives particular attention to customers who either have health problems related to food, or just want to eat healthier. For instance, Spar have different product lines intended to solve a dilemma of customers related to a healthy diet: SPAR Natur, SPAR free from and Spar Veggie. SPAR free from line includes products for special dietary needs. The line of products are gluten-free and lactose-free for people with celiac disease or gluten intolerance and people who cannot digest lactose because of the lack of activity of the enzyme lactase. Given that an increasing number of customers prefer products without animal ingredients, Spar and Kaufland introduced the veggie private label. SPAR have Veggie line of vegetarian products that are certified by the European Society of vegetarians, which means a guarantee that the products are 100% stored without meat. Kaufland also have their own K-take it veggie private label with a wide assortment of high quality vegetarian and vegan products at affordable prices. In
addition, most of the products of both labels are organically grown and contain ecological character. All other retailers also (more or less) do have some gluten free, lactose free and vegan/vegetarian products in their assortment, but do not have their own private label.

All companies are active participants in a various charity actions. For instance, Konzum supported an initiative called “50 days of biodiversity” where they donated a certain amount for project according to the number of collected rebounding packaging. They also initiated a charity project called “Getting back children to playgrounds” with an initiative of promoting importance of children’s stay in the outdoor, sports and socializing with parents and peers. In the last few years, they renovated 31 children playgrounds. Keeping in mind the importance of knowledge and education, Konzum is continuously donating computer equipment to primary schools. They also give charities for sports, protection of cultural heritage, ecology, the most vulnerable segments of society etc. In relation to non-profit organizations, Interspar also share donations to help various organizations. They are mostly oriented to organizations and institutions that deal with education and helping children, especially children with special needs. They also support families with many members. Humanitarian character have a special significance for Lidl. In recent years, they organized many humanitarian actions. One of them is “Let’s help by purchase!” action in which Lidl, together with customers collected more than 2 million and donated even 103 Croatian associations. Together with Caritas of Zagreb, Lidl started a unique charity project “Social basket - a division of help in kind”. The goal of the project was to help fellow citizens and make their life easier and happier. They donated food and other products from its range, of which the employees and volunteers of Caritas prepared daily packages and share them to families and individuals who needed it the most. Through the “social basket” Lidl regularly donates food for the needs of even 2,700 users of the Caritas. Another joint actions of Lidl and Croatian Caritas was the humanitarian action “Helping is easy.” This was an action aimed at providing help to the most vulnerable families and individuals from our environment, so that citizens could leave products bought in Lidl at the designated places inside the store, and Caritas would distributed them to those who need it the most. Konzum and Plodine are one of the companies that cooperate with Croatian bank of food. This institution represents a central place of collecting food for associations and organizations that take care for needy. Tommy also supports a numerous of projects and humanitarian actions, sports clubs and events, thus contributing to the development of community in which it operates. They support organizations that help poor and helpless, physically...
or mentally disabled persons, children and young adults without parental care, homeless and young people with behavioral disorders. They also supported an action “Red noses clowns doctors”.

**Economic dimension**

Economic issues are generally less represent and are mainly related to employment contributions, creating shareholder value, strengthening relationships between them and finally fulfilling customers’ needs and wants. Plodine emphasizes importance of having a good cooperation with suppliers for a successful business. As result of these relationships, it is possible to offer lower prices for final consumers. Furthermore, Plodine accents their practice of supporting local suppliers that is 70:30 on behalf of local ones, thus supporting the local production. This year, Plodine won an award Superbrands Croatia that represents a proof of high quality, diversity, reliability and positive emotional response delivered to their customers. Kaufland emphasizes the customer satisfaction as a key value of their business. They attach importance to positive working environment based on fairness and respect towards customers, employees and partners. In relation to customers, the goal of Spar is to give them wide selection, prices and quality of service that will exceed their expectations. Spar also encourage the production of domestic manufacturers whose products are marked under the S-budget or Spar Premium brands. The basic principle and the key to success of Lidl is simplicity. The main goal is to offer customers top quality products for everyday use at the best prices. In its product range, Lidl offers an equal relationship of domestic and foreign products that daily undergo through the most demanding control process of quality and freshness. “Freshness, quality, choice and special actions arouses emotions of customers who recognize and feel the value of Lidl principles - More for you.” Konzum strives to build their success on quality, responsiveness, reliability, innovativeness and understanding customer needs. Their mission is to obtain the best value for money for customer delivering superior service and shopping enjoyment. They consider their employees as the most valuable part of the company. Tommy puts a special attention to an optimal assortment of products adjusted to the needs and habits of customers. They offer a wide selection of carefully sorted Croatian and international brands. They also encourage cooperation with local producers, thus supporting domestic economy and obtaining fresh products for customers.
Table 2: Sustainability marketing practices among the leading food retailers in Croatia

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<td>reduce costs and packaging waste</td>
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<td>bags in their stores</td>
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<tr>
<td><strong>Society aspects</strong></td>
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<td>for customers</td>
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### continued Table 2.

<table>
<thead>
<tr>
<th>Category</th>
<th>Interspar</th>
<th>Kaufland</th>
<th>Konzum</th>
<th>Lidl</th>
<th>Plodine</th>
<th>Tommy</th>
</tr>
</thead>
<tbody>
<tr>
<td>promoting a good work life balance including part-time working, term time and dual store contracts, job share, paid maternity leave and career break schemes</td>
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<td>providing healthy lifestyle alternatives for their customers (reduced fat, sugar or salt in products)</td>
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<td>being a “good neighbor” within the local community</td>
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<td>paying dividends to their shareholders</td>
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<td>paying taxes to the government</td>
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<td>urban regeneration (through developing the new stores design to serve the local communities by working with public services, local employers, and community groups)</td>
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CONCLUSION

This paper provides added value for retail research by linking sustainability considerations with retail research theory and practice, and furthermore, offers a review of how the Croatian food retailers are currently addressing the challenge of sustainability. Based on the analysis, it can be concluded that all selected retailers recognize the impact of their business on the environment, economy and society, although considerable variations in the extent of their reporting and addressing sustainability agendas exist. Konzum, Interspar, Kaufland and Lidl offer detailed information about sustainability, while Plodine and Tommy offer much less information in relation to previously mentioned retailers. Also it can be noticed (see Table 2) that some aspects of sustainability are not properly implemented by some retailers like zero tolerance for pesticides, providing fresh and organic vegetables and fruit, using local organic suppliers, paying more attention to the needs of employees, their training and job development. More attention needs to be paid to health and safety issues for the costumers. Most of the retailers need to pay more attention to redesigning and simplifying packaging of their products in order to reduce costs and packaging waste. Much more attention should be paid to electricity, water use and waste management. Considering that level of awareness and an amount of knowledge about sustainability is significantly evolving, Croatian retailers should continuously and intensively be involved in playing the pivotal role in realizing sustainable development in practice. Croatian food retailers have a significant role within the economy, and enjoy a very powerful position in a supply chain. This role enables them to have a huge potential of promoting sustainability towards both directions, suppliers and consumers. This paper has its limitations.

<table>
<thead>
<tr>
<th></th>
<th>Interspar</th>
<th>Kaufland</th>
<th>Konzum</th>
<th>Lidl</th>
<th>Plodine</th>
<th>Tommy</th>
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<tr>
<td>sourcing the local food</td>
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<tr>
<td>Final score by retailer</td>
<td>66</td>
<td>60</td>
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</table>

Source: authors
The empirical material is for the most part obtained from the information posted on corporate websites and Internet, therefore, it is not entirely certain that all these activities are consistently implemented in the practice. On the other side, there is a possibility that some retailers might be more involved in sustainability, but are not sufficiently accurate in posting data. This paper can represent a first step for some more extensive research that could more precisely analyze the importance of implementing sustainability issues. Further research should contact or even better visit directly these retailers for checking data and find out their policy and strategies. Also, it should operationalize the concept of sustainability in detail and measure the level of sustainability implementation across various retailers. Furthermore, the intensity of addressing sustainability issues can be put in relationship with various indicators of efficacy, brand perceptions and similar. For example, it would be interesting to analyze the industrial concentration through different indicators and trends of those indicators which one could be put in relationship with the intensity of addressing sustainability issues for obtaining the correlation. Finally, it can be assumed that the further studying of sustainability evolution and its more intensive application and measurement of its effects, can contribute to increasing the company effectiveness and also to transition to a more sustainable future.

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Wąchol, J. (2008), Nadzór korporacyjny w warunkach globalizacji a kodeks dobrych praktyk w aspekcie tworzenia wartości przedsiębiorstwa, Zarządzanie wartością przedsiębiorstwa w warunkach zakłóceń na rynkach finansowych, pp. 359-363.
