

FOOD RETAILING AND SUSTAINABLE DEVELOPMENT

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FOOD RETAILING AND SUSTAINABLE DEVELOPMENT: EUROPEAN PERSPECTIVES

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Introduction

Laure Lavorata

This book was conceived at a meeting of researchers from different countries (France, Germany, Poland, Scotland, and Spain) during the EURAM conference in Warsaw in 2015. In proposing, preparing, and delivering a special session on retailing and sustainability, we discovered that there were similarities between countries and retailers. We decided to propose a book exploring this subject and retailing practices. The retailing sector is characterized not only by its large scale in terms of outlets, employees, and customers, but also by its numerous large and small suppliers, on which centralized purchasing systems can impose draconian conditions. Such all-powerful retailing (Wal-Mart has c1.8 m employees) gives rise to extensive criticism, relating primarily to environment and health (Brabet, Lavorata, Maurel, & Morin-Delerm, 2010); criticism linked variously to the transportation of the merchandise sold, the need for customers to drive to stores, the waste generated (redundant packaging, plastic bags, non-recyclable, readily perishable products, etc.), modes of production encouraged by suppliers' management decisions and methods (deforestation, reduction in biodiversity, etc.), among others. In social terms, the sector is criticized for its low wages, poor and sometimes dangerous working conditions, lack of job security and inadequate social welfare cover, restrictions on trades union membership, etc. Retailing and sustainability thus has many dimensions to explore and concepts to consider.

Concepts of Sustainability and Corporate Sustainable Development

Defined by the Brundtland Report (1987) as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs,” sustainable development has been incorporated into company policies, including among retailers. Aggeri, Pezet, Abrassart, and Acquier (2005) emphasize that sustainable development is associated with positive values but “is an elastic concept that everyone can give a different meaning to” (p. 2).

Companies have appropriated this definition, and for them the notion of sustainable development has become “synonymous with durability, or even a management tool” (Capron & Quairel-Lanoizelée, 2004, p. 22). Furthermore, there is often confusion between sustainable development and corporate social responsibility (CSR). For authors such as Hult (2011), there is a difference between the two concepts, because “market-focused sustainability can be a strategic resource” (p. 2) whereas consumers are not included in the CSR framework and consequently are not connected to the organization’s competitive advantage. Other authors, such as van Marrewijk (2003), argue that researchers should abandon the “one solution fits all” definition of CSR, and take into account the impact of the changing contexts and situations that influence organizations. Oberseder, Schlegelmilch, and Gruber (2011) point out that many scholars have tried to pin down the concept of CSR, but a consensual definition is elusive. They quote Devinney (2009) who suggests there are two standpoints on CSR: those with a narrow focus, which perceive financial profitability as the company’s sole concern, and those with a broader view, seeing companies as organizations with a much wider set of obligations.

This latter view is encompassed in the definition given by the European Commission. “CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders, on a voluntary basis” (Green Book, 2001, p. 8). More specifically, CSR could be “the ways companies respond to societal calls in producing strategies and mechanisms for management and change management and methods of monitoring, control, evaluation and reporting incorporating new conceptions of performance” (Capron & Quairel-Lanoizelée, 2009, p. 16).

Other authors, such as McWilliams, Siegel, and Wright (2006), define CSR in terms of situations where the firm goes beyond compliance and engages in “actions that appear to further some social good, beyond the interests of the firm and that which is required by law.” Thus CSR comes to be the concrete expression of sustainable development issues on the part of companies or “the contribution of businesses to sustainable development” (Capron & Quairel-Lanoizelée, 2009).

Retailers and Sustainability: Context and Stakes

Over the last few years, retailers have been implementing various practices that take account of aspects of environmental harm and/or sustainable development such as elimination of single-use plastic bags at checkouts, reduction of CO₂ emissions, internal codes of good conduct (e.g., in relation to child labor), and improvement of employment practices (male/female wage parity, hiring of disabled workers, etc.). In the UK, Tesco among others has a policy of using wood products from certified sources and Sainsbury has committed to combating obesity. In the United States, Wal-Mart has since 2005 published an annual report in regard to its environmental commitments (greenhouse gas emissions reduction, etc.). In France, retailers are engaged in ecological actions of various kinds.

Auchan (a French retailer) recently announced that it will no longer be selling red tuna, a species threatened with extinction, in any of its stores and, since January 2009, has raised customer awareness by in-store tagging.

A number of factors can account for the growth of such sustainable development practices among retailers (Najim, Hoffman, & Marius-Gnanou, 2003). For example, legal constraints in terms of the environment and product quality – retailers are also required to monitor the quality of the products they sell – as well as in terms of information, since the French “new economic regulations” (NRE) law of 2001 requires retailers listed on the stock exchange, such as Carrefour and Casino, to publish a sustainable development report. Pressure from competitors, especially discount stores, also drives such chains to anticipate consumer behavior in order to achieve or maintain a competitive advantage. Furthermore, retailers also face a recurrent image problem, since they often find themselves caught up in the conflict of interest between consumers, to whom they want to offer the widest possible range of products at competitive prices, and producers, who accuse them of endangering their livelihood through their purchasing and pricing policy. Wal-Mart has often been criticized for setting up stores that destabilize local companies as a result of the competitive effects and the reduction in wage rates that this leads to (Dampérat & Dussart, 2007).

This increase in sustainable development practices can be explained by consumer pressure and the rise of consumers’ environmental and social awareness. Consumers thus expect concrete evidence of retailers’ social commitment and, as stakeholders, they can play a major role in the development of retailers’ sustainable development practices. In stakeholder theory, as developed first by Freeman then by Donaldson and Preston (1995), stakeholders “are individuals or groups with legitimate interests” in regard to the company, and companies need to take into account their various demands. But in reality, criteria other than legitimacy play a part, most particularly power and urgency (Mitchell, Agle, & Wood, 1997). In the retail sector, companies must not only legitimate their business in the eyes of consumers, but must also take into account the power of consumers. Consumers put pressure on retailers to define the rules in regard to social practices – trade unions, human rights at work, and banning of child labor – and good governance – transparency of management (Najim et al., 2003), while also demanding products that meet environmental criteria (Capron & Quairel-Lanoizelée, 2004). Consumer associations exercise considerable power because they draw attention to various problems associated with mass retailing, which are amplified by the mass media to a wider public. Examples include Sunday opening hours at shopping malls in France and employees’ working hours, retailers’ relations with suppliers and subcontractors, large scale retailing’s effect on small neighborhood shops and their environmental impact (particularly pollution), among other issues.

Aggeri et al. (2005) show that companies’ discourses and approaches in regard to sustainable development frequently express “a desire to be in compliance with social demands, in the knowledge that such compliance is merely symbolic and has little connection with the company’s real business.” For

example, [Ellen, Webb, and Mohr \(2006\)](#) contend that CSR is a key criterion in gauging corporate reputation and that CSR associations “that reflect the organizational status and activities with respect to its perceived societal obligations” could help them to build trust among consumers. [Pasquero \(2005, p. 22\)](#) points out that “the social positioning of the company and its discourse aims to ensure the company’s legitimacy by establishing the relevance of its business in relation to society’s needs.” Mass retailing needs to find new models, and to focus on its customers and not only its shareholders; the issue for retailers is on the one hand to better satisfy consumers by introducing more fair trade products and on the other setting up local initiatives and building real partnerships with its suppliers.

Taking account of sustainable development can be a means of enhancing the added value of the brand, which can also become a good way of maintaining the credibility of the retailer. It may be necessary and appropriate for a retailer to introduce social and/or environmental dimensions into its advertising. Since 2005, for example, Wal-Mart has positioned itself as a “green and socially responsible company.” This positioning can be understood as a desire to enhance its image, since according to one study, 8% of Wal-Mart customers have stopped recommending the brand because of its poor reputation on significant issues ([Dampérat & Dussart, 2007](#)). In France, Monoprix has since 1998 been enlarging its provision of “sustainable” products (organic products, environmentally friendly products, and fair trade products) and encourages people to change their consumption patterns by purchasing products for their quality-of-life characteristics, including sustainable development in their design ([Aggeri et al., 2005](#)).

This Volume

The aim of this book is to consider how retailers in different countries build sustainable development through their practices and their impact on consumers. The first part analyzes retailers’ sustainable development practices in five different European countries, presenting national case studies that can be considered as retailers’ best practices on this topic (Spain, France, UK, Germany, and Poland). In the second part, this book underlines the stakes involved for European retailers facing up to societal and technological changes. It considers both the business and societal imperatives, but also consumers’ perceptions of such issues and current and potential future practices, as well as the impact on their behavior. As has been discussed by [Sheth, Sethia, and Srinivas \(2011\)](#), a customer centric approach to sustainability is of critical interest for all firms endeavoring to prosper in today’s environment and intending to continue doing so in the future. Consumers’ behavior and their relationships with retailers are thus analyzed to propose directions and solutions for retailers. We hope that this book will help to change the perception of European Food retailers and modify their practices.

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SECTION I
PRACTICES BY EUROPEAN
RETAILERS

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Chapter 1

French Retailers and Sustainable Development

Laure Lavorata

Abstract

This chapter focuses on French food retailers and sustainable development. The food retailing groups can be divided into three types of distributors: integrated groups (Carrefour, Casino, Auchan, and Cora), groups of independent stores (Leclerc, Intermarché, and System U), and hard discounters as (Lidl and Aldi). In addition, in the sphere of more sustainable distribution, there are also specialized retailers such as Biocoop, Naturalia, La Vie Claire, and direct channels. These channels offer an alternative to the dominant model of industrialized and standardized agriculture and supply symbolized by mass distribution. The evolution of the discourse on sustainable development from 2005 to strategies proposing local products, bio products, and private labels shows that mass retailers have understood that taking into account the collective interest of society can be a source of significant differentiation in a fiercely competitive market. A supplementary finding of this chapter is the major strategic role of private labels in the implementation of retailers' sustainable development policy: improving products, rethinking packaging policy, and formulating advice for consumers.

Keywords: France; food retailers; private labels; local products; sustainable development; discourse

Retailers, like all companies, are confronted with the notion of sustainable development. However, more than companies in other sectors, they are often faced by a recurrent image problem linked to their business model. Indeed, they very often find themselves caught up in a conflict between consumers, to whom

Table 1. Ranking of Selected Retailers.

Ranking Forbes 2017	Food Retailer	Country	Sales
17	Wal-Mart Stores	United States	US\$485.3 B
83	Amazon.com	United States	US\$136 B
179	Costco Wholesale	United States	US\$121.2 B
276	Inditex	Spain	US\$25.7 B
330	Royal Ahold Delhaize N.V.	Netherlands	US\$55 B
345	Carrefour	France	US\$87.1 B
587	Tesco	United Kingdom	US\$78.4 B
805	Metro Group	Germany	US\$64.5 B

they want to offer the greatest product diversity at competitive prices, and producers, which they are accused of driving out of business through their sourcing policies. Commitment to sustainable development can make the difference in “a competitive world where commercial battles are won on the terrain of the image” (Lipovetsky, 1992). This seems to be the case for retailing, characterized by a changing corporate environment and fierce competition, where differentiation advantages are increasingly rare. For example, Carrefour launched its “Carrefour Bio” (Carrefour organic) range in 1997, followed by “Pêche responsable” (responsible fishing) in 2005 and “Carrefour Agir” (Carrefour action) in 2006. But Monoprix was the first retail chain to advertise, in 2002, around the topic “development all right, but only if it’s sustainable.” If retailers are becoming aware of the need to include sustainable development or ethics into their strategies, it is because they are judged not only on their financial results but also on their societal performance: since May 2001 (article 116 of law no. 2001-420), the New Economic Regulations require French companies listed on the stock exchange to specify in their annual report the way in which they take into account the social/societal and environmental consequences of their business.

Moreover, the retail distribution sector has the economic power to play a key role in sustainable development, due to its financial importance, but above all due to the huge number of people it employs and/or involves, as an intermediary between producers and consumers. This increasingly concentrated oligopoly is globally dominated by one giant firm: Wal-Mart. In the Forbes ranking (Table 1), we can see its place among the most powerful companies.

When focusing on Europe, the turnover of food retailers shows the large scale of this sector (Table 2) and the influence of three countries: Germany, France, and the UK.¹

¹<http://www.retail-index.com/Sectors/FoodRetailersinEuropeandworldwide.aspx>

Table 2. Ranking of Food Retailers in Europe.

Ranking 2016	Food Retailer	Country	Sales in Billions (euros)
1	SCHWARZ	Germany	92–94
2	TESCO	United Kingdom	63
3	CARREFOUR	France	56
4	REWE	Germany	55
5	METRO	Germany	54
6	EDEKA	Germany	50
7	ALDI	Germany	49
8	E. LECLERC	France	43.4
9	ITM (Intermarché)	France	40.2
10	AUCHAN	France	38.5

This overview gives us the situation of different retailers and the importance of specific European countries. This chapter will focus on France.

Presentation of French Food Retailers

The French food retailing groups can be divided into three types of distributors: integrated groups (Carrefour, Casino, Auchan, and Cora), groups of independent stores (Leclerc, Intermarché, and System U), and hard discounters such as Lidl and Aldi (Table 3).

When studying sustainable development practices, we have to add specialized retailers such as Biocoop, Naturalia, La Vie Claire, and “short food circuits” (Figure 1). The first organic store in France opened in 1948, as a cooperative, which became *Maison de la vie claire* in 1965 and subsequently *La Vie Claire* in the early 1980s. Today, three organic chains dominate that market. The leader, in both turnover and the number of stores, is Biocoop, followed by Naturalia then La Vie Claire (Vernier & Zaidi-Chtourou, 2016). These specialist stores are currently facing growing competition from traditional retailers, attracted by the steep rise in the consumption of organic products, which are introducing organic product lines (Leclerc’s *Bio Village* products), specialized sections in stores or 100% organic stores (*Carrefour Bio*). A study² indicated that 89% of French consumers bought bio products in 2016 and 15% consume these products every day. In 2003, 46% of French consumers didn’t consume these products, so the

²<http://www.agencebio.org>

Table 3. Market Shares of French Food Retailers^a.

Food Retailers	Market Shares in France in October 2017 (%)
Leclerc	21.5
Carrefour	20.7
Intermarché	14.8
Casino	11.8
Système U	10.4
Auchan	10.2
Lidl	5.1
Cora	3
Aldi	2.2

Notes: ^a<https://www.kantarworldpanel.com/fr>

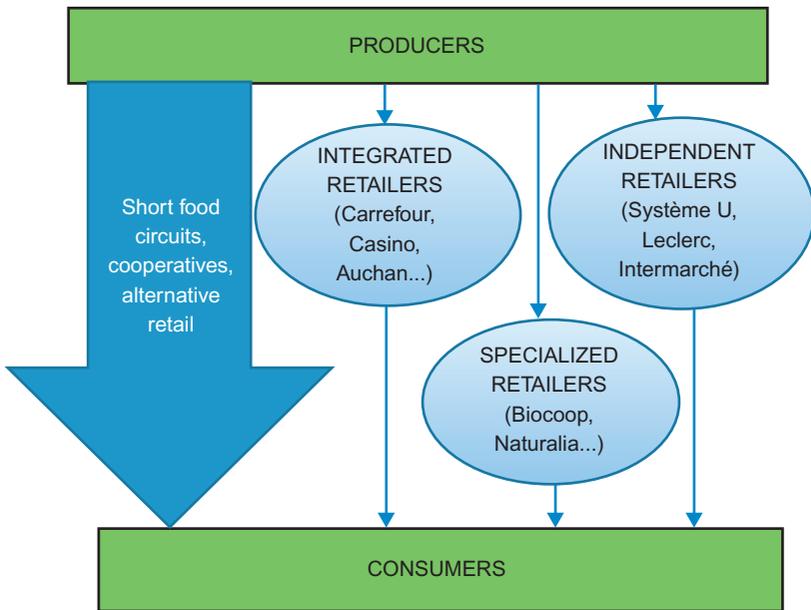


Figure 1. Presentation of French Food Retailers.

evolution is very important. The organic market accounted for €5 billion sales in 2014, or 2.5% of the total French food market. But the market share of traditional specialist organic retailers fell from 40% in 2007 to 36% in 2011, while that of mass-market retail rose to 47% of total sales.

The remainder of the market consists of direct sales (markets, AMAP, and producers). Local provision has developed through alternative routes, better known as “short food circuits.” These offer an alternative to the dominant model of industrialized and standardized agriculture symbolized by mass distribution (Beaudouin & Robert-Demontrond, 2016). The distribution method of short circuits (local system) does not in itself constitute a new system, since it was dominant for centuries, up until the emergence of mass distribution. Yet this system, which had almost disappeared, has experienced a real renaissance marked by a renewal of its methods (Dufeu & Ferrandi, 2013); its economic importance has grown exponentially. According to the agricultural census of 2011,³ 21%, or more than one out of every five farmers, sell their products through these short circuits, or local routes. Among the new forms of local short circuits, the *Association pour le Maintien d'une Agriculture Paysanne* (AMAP), based on a local fair trade approach, is attracting an increasing number of farmers.

In the following parts, we will focus on integrated and independent retailers because they represent more than 80% of the market share.

A Discourse Analysis of Integrated Retailers’ Sustainable Reports (Lavorata, Morin-Delerm, & Pierre, 2009)

Our first study was carried out in 2005. This enables us to compare with current practices. We studied the sustainable development reports (for the 2005 financial year) of three French distributors (Carrefour, Casino, and Auchan). The introduction to the 2005 sustainable development reports, drafted by the managements of Auchan, Carrefour, and Casino, emphasized the policy of integrating sustainable development in the management of these organizations. For example, P. Baroukh and A. Mulliez, the top executives at Auchan, stated in 2005: “We are aware of the various expectations of all our stakeholders that we should be actively involved in the birth of sustainable economic and social development. It is our sincere concern to work on this.” J.-L. Duran and L. Vandeveld, the top managers of Carrefour at that time, made the following statement: “Sustainable development is increasingly impacting our strategies, working methods, and product design. It should not be considered a constraint, but should become a component in our marketing approach and product offering.” They also said: “2005 marked a turning point in the group’s strategy with a return to growth. To maintain growth in the long term, it must be accompanied by the recognition of all our economic, social and environmental responsibilities, making people the focal point of our strategy.” Finally, J.-V. Naouri, CEO of Casino, claimed: “We are more than ever convinced that economic development, social responsibility, and environmentally-friendly operations can

³<http://agriculture.gouv.fr/recensement-agricole-1-producteur-sur-5-vend-en-circuit-court>

go hand-in-hand and are pursuing our efforts to ensure constant improvement of our performance on these three aspects of sustainable development.” The general theme is that CSR promises the harmonious coexistence of business imperatives and social responsibility.

In all these reports, the retailers present indicators that are used to assess the progress made in comparison with the previous year’s report, some of which are inspired by the Global Reporting Initiative (GRI). The term Triple Bottom Line distinguishes three aspects of sustainable development – economic (“profit”), social (“people”), and environmental (“planet”); many companies use it in their sustainable development reports and press releases (Shell, Dow Chemicals, Carrefour, Auchan, etc.). According to the Triple Bottom Line terminology, a number of indicators are provided around the three pillars of sustainable development: economic (products, etc.), social (professional training, male-female parity, etc.), and environmental (reduction of packaging, reduction of CO₂ emissions, etc.). Organizations such as the GRI promote this tool, which provides “a sustainable development reporting reference system that is as credible as financial reporting, that is, founded on principles of comparability, rigor and verifiability” (Aggeri, Pezet, Abrassart, & Acquier, 2005). Created in 1997 by CERES, the GRI offers a set of social, environmental, and societal indicators on which companies are required to report. Accordingly, we set out to establish which indicators were present in the sustainable development reports of various French retail chains. While the GRI centrally provides sustainable development representation standards that are laid down for companies, we can still ask to what extent these are used by retailers. We looked at each indicator and compared them by retailer (see Table 4).

Only five indicators (in bold in the table) are used by the three retailers: apart from the indicators that are mandatory under the French New Economic Regulations law, the retailers choose their own evaluation criteria. On the other hand, it seems that although the three dimensions of sustainable development (economic, social, and environmental) appear among these indicators, there is a difference: the social dimension is given more weight than the environmental and economic dimensions. Moreover, other indicators occur (such as the extent of communication with shareholders or social audits of suppliers) that are not easily classifiable within these categories. Furthermore, these GRI indicators are to a large extent used as window dressing. Companies select those on which they intend reporting, for it is certainly easier for them to cut back on waste or CO₂ emissions since such reductions also enable them to make savings. On the other hand, it is probably more difficult and costly for them to set up genuine partnerships with their suppliers. As a consequence, some researchers would like to see the GRI indicators become mandatory and the information provided by the retailers to be certified by an independent body, so as to create a real sustainable development policy (Aggeri et al., 2005). In addition, although sustainable development reports are in principle addressed to all stakeholders, it seems unlikely that consumers are aware of this predominantly corporate means of communication. The main targets of these reports are shareholders and institutional actors rather than consumers.

Table 4. Sustainable Development Indicators Used by the Three Retailers.

Type of Indicators	Carrefour	Casino	Auchan	GRI Classification
Number of indicators	20	33	22	
Checkout bags	X		X	Environment (ENV)
CO ₂ emissions	X		X	ENV
Sorting of waste	X	X	X	ENV
Energy and water consumption	X	X	X	ENV
Quality/hygiene audits, store certification	X	X	X	Economic
Retailer brand packaging reduction			X	ENV
Internal promotion rates		X	X	Social
Vocational training/trainees taken on			X	Social
Training	X	X	X	Social
Job stability (fixed term contracts, shift from fixed term contracts to open-ended contracts)		X	X	Social
Absenteeism/work-related accidents	X	X		Social
Employees with disabilities	X	X		Social
Women in management	X	X		Social
Fair trade products	X		X	Economic
Organic products	X			Economic
Low price items	X			Economic
Products labeled in Braille			X	Economic
Donations/foundations		X	X	Sponsorship
Local initiatives			X	Local development
Partnership with SMEs			X	Suppliers
Social audits of suppliers	X	X	X	Supplier
Level of information	X			Communication
Level of dialog	X			Communication
Operational maturity of logistics	X			Logistics
Product quality	X			Economic

French distributors – whose sustainable development departments are still very modest in size – devoted most of their energy to communication activities. Within each company, they raise the awareness of the *Business Units* and functional departments of their social responsibility/sustainable development approach by encouraging them to take (often symbolic) actions, on issues that have been relatively poorly analyzed. However, their work consists mainly of organizing and coordinating feedback in order to identify “best practices” and collect data on the indicators that will enable them to demonstrate that progress has been achieved. These indicators are generally selected following extensive benchmarking, *followed up by a team appointed to choose those that are most relevant for the business and add a few more*. All or some of the information collected is then used to prepare reports: sustainable development reports, questionnaires for social rating agencies, corporate communication (in the media, at conferences, with NGOs, etc.). But 10+ years later, what are the changes in this approach and sector in France?

Sustainable Development Practices among French Distributors

Our study analyzes and compares the strategies of independent and integrated distributors (Lavorata, Mugel, Croizean, & Allano, 2016). Secondary and primary information sources were used to data triangulate so as to increase the validity of the research construct (Hlady-Rispal, 2002). Secondary data, including sustainable development reports from 2001 to 2013, retailers’ websites for 2014, and press reviews, allowed us to examine the various discourses on the topic and the actions carried out by distributors. For the primary data, interviews were conducted between 2013 and 2015 with personnel from the different retailers, both at the institutional level, with six sustainable development managers, and at the operational level with 25 store managers and/or owners located in the Paris region, Brittany, the central region, and Nord-Pas-de-Calais. All interviews were fully transcribed and then subjected to a thematic content analysis. The verbatim comments were classified by retailer, then compared by type of distribution (integrated and independent). In addition, over the period from 2013 to 2014, observations were made in several stores of differing sizes (hypermarkets, supermarkets, and express-style stores) to study the positioning of products (private label, organic products, fair trade, and local products) and store facilities (refrigerated display cases, sustainable development signage, lighting, etc.).

Governance and Organization of These Retailers

The integrated distributors (Carrefour, Auchan, and Casino) depend on centralized headquarters with management focused more on international retail, while the independent distributors (Leclerc, Intermarché, and System U) form cooperatives of shopkeepers. These independent distributors are “owners of sales outlets, and have joined forces within a group of merchants to pool their resources and develop common policies.” They have a pyramidal system of

governance, with decisions emanating from headquarters and leaving little room for decision-making by store managers, whereas the independent distributors are based on a horizontal system of governance, in which each store manager is independent and has greater decision-making autonomy. This is an important sector since these six groups account for 79% of the retail market share and are among the largest employers in France, thus playing a major role in the country's economy. The positioning of most of these companies is based on low prices, in order to compete with German hard discount retailers such as Aldi or Lidl as well as multi-store retailers, in particular by selling their products under different brands alongside their own private label. Thus, from premium brands through to best price brands (for example, *Sélection Carrefour* in premium and *Produits blancs* for best price products in the case of Carrefour), this system enables the retailer to target consumers more broadly and to win back market share both from high-end stores and from hard and soft discounters for the low-end ranges.

Mass retail has been able to make the adjustments needed for continuing success. Thus in recent years, the hypermarket format has been losing momentum due to competition from food stores and the development of specialized businesses that increasingly appeal to consumers who prefer shopping in the local neighborhood. Such proximity constitutes a safe haven for consumers who want to prioritize their food purchases in smaller, human-sized stores. In order to remedy the decline of hypermarkets, food retailers have sought to differentiate their organizations by creating smaller stores that meet this demand, and by positioning their brands from the level of the hypermarket down to that of the mini-market (for example, Hyper U, Super U, U Express, and Utile). These tactics have helped create to a network of stores of varying sizes covering both rural and urban spaces.

Similarly, since 2011, distributors have emphasized distance and cross-channel selling through the development of the click-and-drive concept, which offers an additional service to consumers while limiting time in stores. The number of click-and-drive units is currently estimated at 3,525 in France (Drive Insights, 2015), with the independent retailers (Intermarché, System U, and Leclerc) accounting for most of them – 1,024, 631 and 580, respectively. Click-and-drive sales have risen since 2011 (with a 20% increase from January 2015 to June 2015 – Nielsen). Leclerc is the market leader in this segment with more than 40% of market share in 2014. Distributors are expanding their services and offering various types of outlet under the same roof. Auchan offers *Auchan Traiteur* (catering), *Auchan Voyages* (travel), *Auchan Fioul* (heating oil), *Auchan Colis* (parcel service), etc., and Leclerc is enlarging its offering with *Brico Leclerc* (DIY), *Location Leclerc* (vehicle hire), *Espace Culturel Leclerc* (video games, music, books, etc.), *Optique Leclerc* (optician), *ParaPharmacie Leclerc* (parapharmacy), etc. The distributor is thus transformed into a service platform that aims to meet all the needs of the consumer. Territorial integration is also very much emphasized, with stores in close contact with customers and local institutions (town hall, prefecture, and charitable associations). While the global strategies of the mass retail sector in response to changes of various kinds

(changes in consumer behavior, competition, etc.) may seem homogeneous, in terms of sustainable development they vary considerably.

Retailers' Strategies for Sustainable Development

The private label strategies used by the retailers studied are consistent with the branding strategies highlighted by Diallo (2014), who distinguishes the store brand that bears the name of the retailer from the own-brand that is a brand in its own right. Carrefour, Casino, Auchan, and System U make the name of their brand coexist with organic signage, while Intermarché and Leclerc affix this label to all their own brands (see Table 5). The readability in terms of private labels then becomes less apparent to the consumer.

These marketing strategies focused on the development of organic products are a vector of organizational change, because the retailers develop more responsible manufacturing processes that situate them within a deliberate ecological strategy combined with the creation of their own product labeling. Supplier partnerships introduce a local dimension into the retailer's overall strategy. Finally, although some initiatives are controlled by the group, with the creation of a label specific to the distributor, they very much come from the individual stores. Carrefour, for example, strongly defends the fishing port near one of its stores and lobbies the prefecture. Casino promotes the local supplier of organic eggs located a few meters from a particular store. In both cases, their local footprint is enhanced. Independent distributors, however, seem better organized in this area and favor direct supplier-store agreements such as *Alliances locales* (Leclerc) or create regional private labels (System U).

Private labels are a fundamental lever for all retailers when it comes to putting into practice the company's sustainable development policy, as their manufacture is the concrete expression of the retailers' desire to pursue a proactive strategy. These strategic and deliberate decisions are made by the headquarters marketing departments for integrated distributors, and at group level for independent distributors. These private label strategies are organized around two axes: that of ingredients and labeling (eco-product strategy) and that of eco-design (eco-friendly strategy), thus following either a utilitarian or a sustainable logic. The nutritional aspect forms part of the first axis and lies within a utilitarian and defensive perspective: independent distributors comply with the regulatory injunctions of the French healthy nutrition plan (PNNS – Plan National Nutrition Santé) and use it to differentiate themselves from their competitors. Similarly, environmental labeling reflects distributors' desire to better inform their consumers, but they take a risk in combining their brand and environmental elements on a single product. With the withdrawal of certain controversial substances, distributors also conform to consumer expectations and become a force for the introduction of new ideas.

The second axis is expressed through changes in packaging and thinking about the eco-design of products (new manufacturing processes, possibly new suppliers, and new form of communication) and forms part of the company's eco-friendly strategy, going beyond simply a utilitarian logic. Mass retail here

Table 5. Presentation of Store Brands with Sustainable Development.

	Store Brands Bio	Store Brands Fair Trade	Store Brands Local Products
LECLERC	Repère Bio Village	Repère Entr'aide	Alliances locales
INTERMARCHE	Pâturages, Chabrior, Paquito, Regain and some labels bio on these brands	Label max Havelaar on their store brands	Itinéraires des saveurs
SYSTÈME U	U Bio	U équitable	U de[...]
AUCHAN	Auchan Bio Mieux Vivre	Auchan Bio Mieux Vivre + apposition label Max Havelaar	
CARREFOUR	Carrefour Bio	Carrefour Solidair	Reflets de France (terroir) Filière Qualité Carrefour
CASINO	Casino Bio	Casino Avenir	Le meilleur d'ici (terroir)

plays a lead role both for the food industry and its customers by proposing new solutions which can modify in depth the value chain and relationships with suppliers. Indeed, current thinking is concerned with new North/North fair trade that will have impacts on the organization and involvement of distributors, with a view to attaining the local/ecological design goal.

Conclusions

This study of French distribution shows that it is possible for retailers to alter their practices. The evolution from discourse on sustainable development in 2005 to strategies proposing local products, bio products, and private labels shows that retailers have understood that taking into account the collective interest of society can be a source of significant differentiation in a fiercely competitive market. The results show that the local axis is well suited to position itself around sustainable development, and System U, as a cooperative of traders, is better able to adapt to the changing reality of the market. The second implication is the major strategic role of private labels in the implementation of retailers' sustainable development policy: improving products, rethinking packaging policy, and formulating advice for consumers. Given this situation, it seems that one of the solutions both for integrated distributors and for independents is to advance sustainable development through national brands and their organic and fair trade labels. These strategies have the advantage of being able to bring together all the internal stakeholders (management, shareholders, employees, and customers) and to gradually integrate a logic of sustainable development through the manufacture of products (from their ingredients through to their packaging), while allowing short-term profitability targets to be met. In this way, the companies concerned can respond both to new forms of consumer demand and to competition from short food circuits.

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