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Comparing UK Food Retailers' Corporate Responsibility Strategies

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Abstract

Purpose: To examine how socio-economic and institutional factors impact UK food retailers Corporate Responsibility Strategies (CSR) as revealed in corporate communications and product marketing. Building on institutional theory, we empirically examine whether discourse in CSR reports aligns with commercial strategies.

Methods: Employing a mixed method approach we quantify quotes related to key CSR themes in annual reports and claims on new private label products launched in 9 key product categories using information from Mintel's Global New Products Database. These measures are grouped into 8 distinct CSR themes across 7 retailers and 7 years (2006-2012).

Findings: Health & Safety and Environment are the leading themes in both datasets. Animal Welfare, Community and Biotechnology & Novel Foods take the middle ground with differing use across reports and products. Fair Trade, Labor & Human Resources, and Procurement & Purchasing are the least commonly described themes in reports and on products. Retailers focus on different CSR themes in reports and new products, which may be evidence of competitive rather than pre-competitive strategies.

Research implications/limitations: This research shows that UK food retailers CSR strategies between 2006 and 2012 were more competitive than pre-competitive, which is in line with theory that suggests economic pressures decrease incentives to cooperate. However, this research is limited to innovation data and analysis of CSR reports. A more complete analysis would need to consider sales or consumption data, wider sources of corporate communications and independent measures of social, environmental and economic impact. Our findings caution policy makers to be wary of retailers commitments to voluntary agreement pledges, particularly when the competitive environment and economic conditions are more challenging.

Practical implications: Firms are increasingly pressured to contribute to social and environmental domestic and international commitments. Business should enhance coordination between CSR offices and commercial divisions to develop more consistent and effective social responsibility programs.

Originality/value: This is the first attempt to compare the evolution of CSR discourse and marketing strategy over time and across businesses in a key retail market.

Keywords: CSR strategies, Food Retail, Product Innovation, Corporate Communications

Paper type: research paper

Introduction

The food industry, and particularly the retail sector, is increasingly under pressure to contribute to the solution of contemporary social issues such as the persistent growth of obesity, economic inequality and environmental degradation (Cairns et al., 2016). Broadly speaking food businesses are becoming accountable to a broader range of societal agents besides their shareholders or investors (Maloni and Brown, 2006). Some businesses are adapting their corporate social responsibility (CSR) programs to address these concerns. This is particularly evident in the UK, where food retailers have engaged in CSR and subscribed to public-private pledges on health, socio-economic and environmental issues (Knai et al., 2015). These pledges (which span many dimensions of social, economic and environmental topics) often require businesses to adjust product lines, sourcing and procurement practices, community engagement, prices and personnel/training programs to address societal concerns. These efforts are frequently described in integrated marketing communication messages. However, socio-economic and institutional factors may influence the dimensions covered by CSR programs and whether these are integrated in marketing strategies.

Why do businesses develop CSR strategies and respond to these pledges? The dominant economic paradigm in Western societies suggests that private companies are only obliged to create value for shareholders (Reihhart et al., 2006). However, food safety incidents in the late 90's, broader corporate scandals at the turn of the millennium and more recently the financial crisis lead to closer scrutiny of business practices. Campbell (2007) proposes a theory to explain why businesses increasingly develop CSR programs to address societal issues. He suggests that both economic and institutional conditions drive CSR programs. Specifically, Campbell proposes that CSR efforts lead to additional costs (presumably greater than benefits) and therefore, from a pure economic perspective they do not make sense. However, internal and external societal institutions may push firms to become more socially responsible to justify or secure their operations. The interaction between these two forces explains why firms may be more or less committed to CSR.

Building on Campbell's discussion of how economic and institutional conditions might affect CSR strategies, this paper compares how food retailers in the UK integrate CSR discourse within marketing activities over time. Specifically, the goal is to describe which topics, if any, dominate retailers' corporate social responsibility reports and claims on new private label

products launched between 2006 and 2012. During this period there was a shift of both economic (the UK went through a recession between 2008 and 2009) and political conditions (in 2010 a Conservative–Liberal Democrat coalition government came into power) which may have affected the industry and individual business CSR practices.. Comparing discourse and marketing tactics, we contribute to the ongoing discussion of how firms select corporate social responsibility strategies by documenting the relative use across leading UK grocers.

We propose a novel, richer and more nuanced description of UK food retailers' CSR rhetoric and market action. There are a number of reasons why the British food retailing sector is suitable for this type of examination. First, there is high level of market concentration¹, exposing this sector to pressure from both governmental and non-governmental stakeholders (Jones et al., 2005). Second, British retailers have, for many years, used several social responsibility programs focusing on at least one of the key dimensions of environmental and ethical efforts commonly associated with CSR (Maloni and Brown, 2006). Third, the British retail sector has a long history of reporting their social impact (Tate et al., 2010; Jose and Lee, 2006).

The next section reviews the literature on food retailing CSR practices. Then, building on Campbell we develop a rationale to explain why food retailers in the UK may have different commitments to CSR programs. The fourth section briefly reviews integrated marketing communication as applied to CSR reporting. Following we describe the methodology employed for our empirical analysis. Next we present and discuss our findings and finally we conclude and propose future research.

CSR in Food Retailing

In Britain, the concentration of food sales in a small number of national chain retailers and pressure from different stakeholders is leading firms to develop an array of CSR programs (Jones et al., 2005; Souza-Monteiro and Hooker, 2016). Food retailers are in a particularly critical position as their business practices influence activities upstream in supply chains as well as consumer choices (Carrero and Valor, 2012). Grocers have also been developing a portfolio of private label products competing with established national brands in their stores (Salinokva et al., 2015). Aligning CSR strategies with their own product lines may provide food retailers an

¹ In 2012, the four leading food retailers (Tesco, Sainsbury's, ASDA and Morrison's) had a 62% market share of total food and non-alcoholic drinks grocery sales (DEFRA, 2014).

opportunity to shape the future of food markets while also influencing social and policy debates. Moreover, using CSR claims (such as organic or fair trade labels) on private label products may also be a key differentiator from national brands (Salinokva et al., 2015; Tofighi and Bodur, 2015). Of further importance, retailers directly interact with many communities and stakeholders. They are likely to be more sensitive and responsive than “distant” (especially international) food manufacturers who might instead pursue “global” CSR issues over those of “local” importance.

While retailers like Tesco, ASDA, Sainsbury’s and Morrison cater to a general public, Waitrose and Marks & Spencer’s have a more focused strategy and target higher income, urban and better educated customers (Intel/Academic, 2015). For these businesses CSR programs are not necessarily a burden but rather an opportunity to differentiate from rival companies and improve current and future profitability (Bonini, 2012). Consequently, managers develop both integrated corporate communications and marketing strategies to deliver and report CSR goals. Communications may vary by media channel and message tactic (e.g., reporting prior success or future commitments). Strategies can emphasize one or multiple elements of corporate social responsibility. This suggests that a wide range of product and service strategies might be seen in the marketplace (Carrero and Valor, 2012).

In the UK, since the 1990s the food industry has operated on the principle of due diligence and developed private standards to mitigate liability associated with food safety (Henson and Caswell, 1999). Moreover, food retailers have collaborated with public agencies (most notably the Food Standards Agency) on the provision of nutrition information to help consumers’ make healthier food choices (Van Camp et al., 2012). So CSR strategies may also be devices across an industry sector to signal cooperation and future commitments in pre-competitive practices, demonstrate consensus among peers or stakeholders, and consequently assuage policy makers and prevent potential costly regulations.

Along with appealing to consumers and appeasing regulators, UK food retailers use CSR strategies to engage third sector organizations, namely environmental NGOs, labor rights activists and consumer advocates. They may also attempt to address the concerns of ethical investors (such as pension fund managers).

Products may be designed to improve market competitiveness through differentiation from the private label assortments of other retailers or food manufacturers or focus on specific and more profitable consumer segments. Of course, in practice, corporate communication and

marketing strategies will blend different CSR goals in nuanced ways. While each firm will likely have its own individual approach to CSR, an emerging debate is whether social responsibility is a competitive or a pre-competitive issue? Some executives in the food industry claim that like food safety, CSR should not be a competitive issue. Yet there may be first mover advantages with leading firms gaining a reputation for championing certain CSR causes. The absence of industry-wide CSR standards may lead to free-riding opportunities. Alternatively, firms not uniformly using CSR practices, pledges or goals may affect the whole industry for instance by leading governments to impose costly regulations (Bareuther, 2015; Moss 2014).

Clearly, there are opportunities for win-win situations when aligning CSR and marketing strategies to meet consumer (Manning, 2013) or other stakeholder (Wiese and Toporowski, 2013) interests. However, we need to better understand which CSR programs are used and how these efforts are described.

Economic and Institutional Determinants of CSR Strategies

Corporate social responsibility has been defined as the need for a firm to be socially, environmentally and ethically accountable to a range of stakeholders that may be affected by its action (Maloni and Brown 2006). In this definition it is not clear which stakeholders firms are economically accountable to. However, the dominant neoclassical economics view as articulated by Milton Friedman (1970), suggests that the social responsibility of businesses is to maximize profits and that firms “can do good – but only at their own expense” (p.4). In other words, the main corporate responsibility is to maximize the profits of shareholders and that this is the ultimate fiduciary duty of managers (Reinhart et al., 2008). But what if businesses are not paying the full cost of their activities? Take the example of watershed pollution. Business often fails to internalize the costs they impose on other businesses or consumers from polluting watersheds. Consequently, they may be transferring to shareholders undue profits at the expense of society. To the extent that acting in a socially responsibility is a way to internalize costs to society and thus avoid costly regulation or losses of reputational goodwill, CSR also makes (longer-run) economic sense. It is beyond the scope of this paper to fully discuss the different economic and business perspectives and arguments for and against CSR². However, the reality is that firms

² For recent reviews of the economics of CSR see for example Kitzmueller and Shimshack (2012), and Schmitz and Schrader (2015) . For a recent review of business studies on CSR see Frynas and Yamahaki (2016).

increasingly do allocate resources to CSR activities. Campbell (2007) proposes an institutional theory explaining why firms act in socially responsible ways. He proposes that CSR behavior of firms depends on economic conditions but is moderated by the institutional environment in which the firm operates. In a sense this theory draws on the economics of institutions and property rights and reconciles the perspective argued by Milton Friedman (1970) with Freeman's (1984) stakeholder theory (which suggests that firms need to attend to both economic and non-economic demands of various stakeholders, namely customers, suppliers and employees). Campbell is not proposing a formal economic theory, rather his contribution is grounded in institutional analysis and in comparative political economy. The main gist of this work is that when internal and external economic conditions (namely financial performance) are favorable and business face moderate levels of competition they will more likely act in socially responsible ways. This behavior is reinforced if business face an institutional environment where: 1) regulations are strong and well enforced, but set through a participatory process; 2) there is "a well-organized and effective industrial self-regulation in place" (p. 956); 3) there are active stakeholders that monitor corporate behavior; 4) corporations are affiliated to trade or industry associations and, finally, 5) they engage in dialogue with their stakeholders.

Campbell's (2007) main argument is that economic conditions are the key driver of CSR strategies but he recognizes that both external and internal institutional factors should be considered. While in a given moment all businesses in an industry and market face identical external conditions, they may have different CSR responses. When industries are moderately competitive more profitable firms may be willing invest in CSR to improve stakeholder goodwill. So, regardless of external economic conditions, it is possible to observe a range of business performance which will be reflected in different commitments to CSR.

While economic performance is the necessary condition to observe CSR activities, the external and internal institutional context of a business will also determine the design of social responsibility programs. Campbell mainly considers the external institutional environment facing a company. However, just as the same external economic conditions may lead to different individual responses from businesses so may internal institutional contexts override external institutional conditions in influencing the array of CSR commitments. For instance the organization's mission and values, shareholder structure, and its customer and stakeholder base may have a larger weight in determining CSR strategies than external influences.

Regarding business values and mission, Vogel (2006) suggests firms have two attitudes about the use of CSR: first there are firms for which CSR makes sense and is core to their strategy. The second attitude is reactive or defensive, where CSR is implemented only after firms have been exposed to public outcry (see Vogel, 2006; Conroy, 2007).

Publically listed companies and private firms tend to place a larger emphasis on returns to their investors and higher profitability. This means that they will be less likely to develop CSR strategies unless there is a compelling argument it will increase returns to shareholders. Thus, it would be expected that these organizations would design CSR programs focusing on food safety or nutrition for which there is a threat of costly regulation or legal action. On the other hand cooperative businesses, owned by either employees or by consumers, are likely more sensitive to the concerns of the society in which they operate and will likely have more active CSR programs. Specifically, these firms may have CSR programs emphasizing support to local communities or local environmental projects. This is because owners are also stakeholders and they are integrated in the communities where the business operates. Thus these organizations will tend to have more institutional, longer term and more committed CSR programs.

When firms are larger in terms of the number of employees and market share, they tend to adopt strategies to maintain their position. Then again, larger organizations tend to be exposed to a greater array of stakeholders, particularly activist stakeholders scrutinizing their operations. Such firms may feel under pressure to respond to these concerns. On one hand firms may use CSR programs as a tactic to secure or expand market share by investing in activities that resonate with their customer base and allowing for differentiation from their competitors. On the other hand they need to design their strategies in a way that guards them against possible antagonist campaigns by activists. The observed CSR programs will depend on which of these two perspectives dominate.

As we described in the previous section in the UK, there is an institutional environment favoring the adoption of CSR strategies. However, the change of government in 2010 brought in a much more business friendly and liberal policy, which we posit might reduce the pressure on businesses to use CSR to avoid regulation. Additionally, as figure 1 shows, while the British economy has been generally stable in the period of analysis, the recession of 2008 changed the purchase patterns of consumers, many continue to focus on prices and few indulgent foods (Euromonitor International, 2016). While retailers were not much affected during the recession,

the sluggish recovery of the British economy, the raise of discount retailer market share and the growth of online grocery sales have seriously challenged the four leading British grocers in the aftermath of the recession (Euromonitor, 2016). Thus, food retailers are confronted with two conflicting drivers of CSR programs. On one hand several external stakeholders are expecting retailers to contribute to the solution of socio-economic and environmental challenges through their CSR programs, on the other disappointing market and financial performance is making investors and shareholders anxious and pressing managers to focus on core business activities. Following Campbell (2007) we would expect a change in CSR policies during the period of our analysis and, for retailers struggling to maintain market share and financial performance, a disinvestment in CSR activities or a refocus on activities that can aid the business proposition. Therefore we expect to observe differences in the communication and mix of CSR activities between the period of 2006-2009 and thereafter. However, we also expect to observe individual differences, businesses that are less exposed to the stock market, will likely maintain stable CSR programs across the period. Moreover, we expect to see a shift in CSR discourse and practice which may characterize changes in governmental and stakeholder priorities.

Integrated Marketing Communication and CSR Discourse

Firms communicate their CSR activities through reports, corporate communication tools with a main goal to inform stakeholders of the range of activities the business has been involved in. Integrated marketing communication (IMC) theory holds that once a strategic goal is identified a unified approach to discussing this across all channels of communications should be designed and implemented. Raman and Naik (2010) relate this to retail in the 21st century recognizing a broad array of channels and audiences (e.g., social media). Here we focus on the congruency of messaging over two channels – product labels and CSR reports. We accept that these are distinct elements of an IMC portfolio and that the prevalence of discussions of the CSR themes need not be identical across the two channels. Yet the relative use of messages might be used to discern the strategic emphasis of a retailer.

There are several instances where CSR can be seen as part of the firms' marketing tactics. Common approaches include promotion/communication, product innovation, and targeted procurement strategies. Ganesan et al. (2009) claim that “social responsibility perceptions affect the images of brands and firms” (p. 85) and consequently may impact consumer purchases and

loyalty, which in turn may impact financial performance. In other words, investments in CSR can contribute in a competitive way to stakeholders' perceptions of the firm's products and services.

Critical elements of planning within CSR strategies are the identification of key stakeholders and topics. While there are many classifications, the literature focuses on four main groups of stakeholders: 1) shareholders, employees and investors; 2) consumers and suppliers; 3) regulators, and 4) local communities, interest groups and the media (Clarkson, 1995; Henriques and Sadorsky, 1999). Clearly the topics of interest of these stakeholder groups need not coincide (Donaldson and Preston, 1995). Moreover, the benefits sought, and therefore influence, of each group for any particular firm, product or market will not be equal or static. So, managers need to assess the relative power of each stakeholder group over time (Maignan and Ferrell, 2004). As such firms might be expected to vary considerably in their CSR strategies.

Maloni and Brown (2006) provide a good starting point for a classification of key CSR themes of relevance to food supply chains. Figure 2 adapts this to the UK food retail context. The eight CSR themes identified in this figure can be mapped into the narrower sustainability taxonomy of people, planet and prosperity. However, we choose to keep this more disaggregated and balanced approach to identify a range of possible themes that might resonate with different stakeholders, consumers and retailers. Various themes focus on the consumer (e.g., Health & Safety, Biotechnology & Novel Foods), others on broader sets of stakeholders, including non-profit organizations and policy makers (e.g., Community). Certain themes relate to specific *product* attributes (e.g., Animal Welfare, Biotechnology & Novel Foods, Health & Safety) many of these are credence attributes (Fernqvist and Ekelund, 2014) and therefore rely upon trust and transparency. Other themes may describe a set of products or services provided by the retailer – efforts which impact *people*. These themes (e.g., Community, Labor & HR and perhaps Environment) may be linked to few specific product marketing tactics but better aligned to services suggesting they be engrained within the broader CSR strategy (and communications) of a retailer. Such a taxonomy doesn't attempt to be normative – questioning which themes are “better” or “more effective.” Instead, we merely wish to identify the diversity of approaches being used in this dynamic market and check whether there are dominant common themes across business and years.

Specific to food retailing in the UK certain themes align with activities outside of the

store while others include changes within the store (Lang and Hooker, 2013). Take, for example, activities involving a particular stakeholder group – children (Souza-Monteiro and Hooker, 2016). Retailers might impact children via financial or product donations to school wellness/sports programs or via product reformulation. The “people” impacted may be consumers or citizens; the “benefits” of the CSR strategy may be “personal” or consumer-level or “community wide” and more societal. Yet in describing a set of such localized responses for example in a CSR report or on a webpage, a retailer might choose to focus on common issues rather than merely report a series of case studies.

Methodology: Comparing CSR Strategies

Having identified the themes we used a mixed method approach to compare discourse in CSR reports and marketing actions revealed on new product launches. In other words, we evaluated the frequency of *quotes* related to the CSR themes identified by Maloni and Brown (2006) and found in UK grocery retailers CSR reports. We also assessed the number of *claims* related to Maloni and Brown themes on new private label products launched in the UK and listed in the Mintel’s Global New Products Database (GNPD). For our analysis of CSR reports we started collecting all the available UK food retailers’ corporate social responsibility reports from the 7 largest UK food retailers in terms of market share between 2006 to 2012³. We found a total of 43⁴ reports as shown in table 1.

Using Nivo, a qualitative analysis software, we conducted a word frequency analysis of the documents in our corporate social responsibility reports database. This software package is commonly used to evaluate the content of written, audio and/or video files. We also made use of SPSS to conduct a descriptive statistical analysis of the patterns of content we found in the reports. Specifically, we conducted word searches and recorded the frequency of words related to our 8 key themes in each of the 43 reports. For each of these themes we set the search engine to conduct an exact (that is only look for the word searched) and broad context query (returns an observation when the word is found in a radius of 15 words). Each observation of CSR discourse is called a “*quote*.” To be clear, we didn’t examine the content of the quotes, we simply verified

³ In 2006 all listed companies were mandated by the *British Companies Act 2006* to include any relevant social responsibility information in their annual reports.

⁴ Note that given we are tracking 7 firms over 7 years, we expected to find 49 social responsibility reports in total. However, Morrison’s only started reporting in 2007 whereas ASDA first report was issued in 2011.

whether the text containing the search keyword was actually referring to one of our 8 CSR themes. In other words, our analysis is simply based on the number of quotes. This is justified because we are mainly interested in quantifying dominant themes and examining relative frequencies to compare the use of marketing communications targeting broad stakeholder audience(s). The quotes were aggregated by theme, firm and year. While we admit our analysis has limitations and we encourage scholars with expertise in content analysis to complement our research, the approach avoids the well know reliability, objectivity, socially desirable interpretation and related biases of classic content analysis (Kolbe and Burnett, 1991)⁵.

Because we are interested in assessing how economic and institutional conditions may impact retailers CSR strategies, we decided to limit our research to the period 2006 to 2012 to roughly balance before and after both the recession and institutional change. Moreover, most of the retailers changed the structure of their social responsibility reports after 2011, which might have biased our analysis if we checked more recent years. These reports described a range of social marketing and investment programs, along with product, service, social and environmental strategies.

In exploring the CSR reports we could not find any quotes for the category “biotechnology”, however we did find a number of instances with the acronyms “GM/GMO” and the words “novel food”. Since these are often used in discussions of biotechnology, we report the findings of these words as “Biotechnology & Novel Foods”.

Our second source of data, as already mentioned is Mintel’s Global New Products Database (GNPD) which contains branded and private label product innovation data for the leading food manufacturers and the seven grocers. GNPD includes detailed marketing information about key product characteristics and label pictures (see Van Camp et al., 2010 for a related exposition of this data). The resource is generally used for trend analysis, competitor tracking and marketing research. We selected the following 6 food categories; Chocolate Confectionery, Bakery, Processed Fish, Meat & Egg Products, Snacks, White Milk, Coffee, Tea as these span the 8 Maloni and Brown (2006) CSR themes.⁶ The distribution of claims across these categories and years is reported in table 2. These categories were found in a more general study to provide a rich source of private label innovation and marketing claims (Salnikova et al.,

⁵ We thank one of our referees for suggesting this justification of our method.

⁶ See Appendix A for a description of product categories used.

2015). Each product was assessed for each positioning claim described on the label and linked to a CSR theme (see Appendix B) identified in Maloni and Brown (2006). Each observation of a product with a CSR marketing message is called a “*claim*.” The claims were aggregated by theme, firm and year.

Results

Throughout the period of analysis there have been considerable changes in the British grocery industry and market, which inevitably affected each business CSR strategy. Along with a change in economic and political conditions, in this period there was a rapid expansion of hard discount chains, such as Aldi and Lidl, which have gained market share at the expense of Tesco (BBC, 2009). The other Big Four retailers have slightly increased or maintained their market share, while Waitrose increased market share during this period to 5.3% in 2013 (Kantar Worldpanels, 2014). As Campbell (2007) suggests, these external changes inevitably will be reflected in CSR programs which may not only be evolving across time but also across firms, in response to these economic and market dynamics. In this section we report what we found in our analysis of CSR reports and new product launches.

Table 3 similarly presents the pattern of quotes data by retailer and year. As it can be seen there is considerable variability across retailers and years. Notably, Asda has only recently reported CSR activity, but in a relatively long format. Compare this to Sainsbury’s which in 2012 dramatically reduced the level of discourse in its report. The length of the reports will drive the number of quotes in much the same way that the number of products influences claims. Yet in our analyses our primary interest is relative changes, over time, across retailers, and themes and not absolute.

Table 2 similarly presents the pattern of new food and beverage items launched by each of the 7 retailers over the 7 years. Clearly, there are differences in the scale of private label innovation which is important to keep in mind when considering the count-based claims data reported. Further, the number of positioning claims that align with each of the 8 themes is unequal (consider Health & Safety for example, see Appendix B). That said, the number of products (4,754) translates to a larger number of claims (8,288) suggesting each new product contains, on average, two CSR claims. Generally, most retailers reduced the level of innovation 2008-2010 during the recession. Note that the total number of quotes is similar to the total

number of claims, so we have chosen not to standardize these comparisons.

We start exploring the distribution of claims (i.e., CSR messages in new private labeled products launched) and quotes (i.e., references in CSR reports) over the 8 CSR themes (figure 3). Community appears to be an outlier worthy of consideration. Very few product claims can be classified as examples of this social CSR tactic which is in stark contrast to the level of discourse in CSR reports about such engagement. Admittedly, the only positioning claim that aligns with community is “Ethical-Charity” and such messages may report very different scales of community from supporting a national cancer network to sponsoring a local nature refuge. It appears that a more general presentation of such CSR efforts better aligns with the reports rather than a particular product. These are national chain retailers and private label products are generally broadly distributed making product-level claims of “local” community-specific CSR topics particularly difficult. This may suggest an “Act local, Talk Global” approach in the public communications. But the lack of product-level indicators of CSR engagement prevents stakeholders from selecting those foods which encompass their values. A similar pattern emerges for Labor & Human Resources and, perhaps more surprising, Fair Trade. As a CSR tactic fair trade relies on both process and product standards (DiMarcello et al., 2014). In contrast, consider the Animal Welfare results where the number of claims dominates the number of quotes. An individual product might make several positioning claims within this theme (e.g., Ethical-Animal, Hormone free), yet not all 6 product categories are relevant here (Appendix A). Regardless, more than 2,800 claims of CSR efforts protecting dimensions of animal welfare are seen more than double the number of quotes in CSR reports. Claims about Biotechnology & Novel Foods similarly dwarf the level of discourse about these topics in the reports. Given the large number of product CSR strategies, why don’t firms describe these efforts more in the reports? Perhaps this is evidence of common product strategies. If most retailers use similar claims there is less to differentiate across CSR strategies in reports. Similarly, if there is stakeholder consensus there is little to be gained from discourse (Cairns et al., 2016). On a different note, Environment and Health & Safety themes are both leading topics for claims and quotes suggesting closer alignment between product marketing messages and broader stakeholder communications. These may be interpreted as more “mainstream” CSR themes with a broader appeal across various stakeholder groups and closer congruence around normative values for stakeholders and consumers.

The temporal trends in this data are presented in figures 4a and b. The comparison appears clear – claims in each theme have increased over time but the quotes have been more stable. In particular the leading role of Animal Welfare claims is recent (2010-2012) and generally many more CSR messages have appeared on private label food and beverage labels in the UK since 2010. There appears to be some evidence that quotes were muted during the recession, in particular 2009 and 2010. Also there is some evidence of the recent focus on Community and Health & Safety in CSR reports for 2011 and 2012. Along with the findings on the number of CSR related claims in new products, this result is consistent with our expectations above and aligns with the Campbell's theory that economic conditions prevail over external institutional pressures in the design of CSR activities programs.

Next we disaggregate the data to report claims and quotes by retailer (figures 5a & b respectively). Tesco, Marks & Spencer, and ASDA dominate the claims data, in part to be expected as they released over 60% of all private label innovations. Note the similarity in level of Environment claims across all but The Co-op. This may suggest that this one theme presents little product level competitive advantage for retailers. This can be distinguished from the variability in use of Biotechnology & Novel Foods claims – the leading 3 retailers are the major users of these messages. Perhaps the most interesting result in figure 5b is The Co-op taking a leading role in discussing Community and Animal Welfare. Indeed no other retailer came close to this level of CSR discourse. The Co-op is founded on a close model of community and social impact, and it appears that these messages persevere into CSR communications. However, the level of product CSR strategies for The Co-op is very small. Separate of this the other six retailers are remarkable in their similarity in the level and mix of quotes.

Discussion

The food industry in general and grocers in particular have not been immune to the movement towards CSR. Food retailers have the additional tool of selling private label products which can extend strategies beyond that seen in national brands (Salnikova et al., 2015). Perhaps due to the fact that they trade in goods so essential to human life, this industry has been increasingly engaged in a range of CSR discussions and actions. Firms are responding with more sophisticated product and service strategies. In a sense, it seems that the food industry is adopting Porter and Kramer's (2006) mantra that firms should carefully plan and deploy

strategies which create shared value. However, there are instances in both data series where differences emerge over time, themes and firms.

As businesses design their CSR programs, they need to respond to external and internal institutional and economic conditions (Campbell, 2007). When addressing societal issues such as climate change, waste reduction or childhood obesity, firms can collaborate with governmental authorities by setting and enforcing industry standards or cooperate with non-profit organizations working on a specific CSR theme by committing to a voluntary pledge linked to societal goals. This makes business sense as it may increase goodwill and avoid costly regulation. Alternatively, they can compete by choosing to support specific causes or engage exclusively with a given stakeholder and use CSR strategies and tactics as tools to differentiate from competitors and add value to product lines. For food retailers, private label product portfolios compete with national brands in price and quality space (Bezencon and Etemad-Sajadi, 2015; Salnikova et al., 2015). Therefore, even as businesses face common institutional and socio-economic pressures, it should be expected to observe different, competitive activities even if firms are cooperating in certain CSR themes. At the very least one should anticipate a range of integrated marketing communication strategies through the use of quotes and claims. We find mixed evidence of this.

As described above we adapted Maloni and Brown (2006) CSR themes and searched for evidence of use by the leading UK grocers' in corporate reports and on private label products. Our results show that many CSR strategies are discussed, though Environment and Health & Safety appear most congruent. To the extent that convergence of references to themes covered in reports denote evidence of collaboration or consensus within the industry or clear signals from stakeholders, our results suggest that firms are adopting a range of approaches, some competitive others cooperative. When we look at specific themes, it seems that most retailers are increasing and converging and are collectively addressing pressing social or environmental topics. Still, the results also indicate the competitive use of other CSR strategies and tactics, with each retailer perhaps championing a particular theme or channel. For instance, The Co-op clearly seems to be heavily involved in Community actions as well as leading the number of quotes in six other themes. This is consistent with their wide network of shops and the fact they are owned largely by consumers. However, their consumer facing/product innovation record is less compelling. Perhaps not surprising, despite the fact that only two reports are available and that they are

reporting on all Wal-Mart activities, ASDA has most of the quotes on Health & Safety and Environment, reflecting the global agenda of the parent company.

Based on the results we have prepared a simple classification scheme (Figure 6a) which might be used to group retailers by the level of CSR innovations and communications on products and in reports. Returning to the aggregate counts of claims and quotes, these are plotted in figure 6b. Recall that our interest is in the relative position and trends and we in no way intend to be normative. That said, we suggest firms with a low use of CSR messages in both channels are missing a way of connecting with stakeholders (old-school). Alternatively, a high level of formal CSR communication and product innovation might encourage a more contestable market to evolve or at least a more nuanced development of “greener” food retailing in the UK (CSR champions). It is useful to place the seven retailers in this space (figure 6b). The Co-op emerges as the lone high communicator given its lion share of quotes. Its relatively low level of claims (and innovations more directly) places it in the north-west quadrant “All talk, little action.” Notably, the majority of retailers are grouped into two camps; one with the larger three retailers (Tesco, Asda and Marks & Spencer) taking a (product) leadership role, while the remaining three (Sainsbury’s, Morrisons and Waitrose) with a moderate amount of marketing efforts but similar levels of discourse.

We don’t suggest that this approach has precise discriminatory power to distinguish well between retailers. Indeed, when similar approaches are applied over time or for a single theme particular retailers (with the exception of The Co-op) fluctuate between the two lower quadrants. Recall the earlier discussion that the scale of a retailer is closely linked to the number of new private label products and perhaps the number of quotes. As such it might be expected that the largest 3 (Tesco, Marks & Spencer, Asda) appear to also be leading in the CSR arena. However, where does this leave Sainsbury (which, according to Mintel (2011) and Kantar WorldPanels (2014), had the second largest market share throughout the period) and Waitrose? These firms are often characterized as “first-movers” in product innovation (USDA-FAS, 2012; FDIN, 2012) and are major vendors.

We should acknowledge the limitations of our approach. First, quotes were obtained from word searches of documents and we set the software to look for exact words in a broad context. Thus the number of counts might have been both inflated and limited. Second, we did not check the content of each of the quotes we found. That would enable us to have a much richer picture

of what the firms actually say they are doing and to ascertain to what extent they are competing or cooperating. Further, our sources are likely biased as CSR reports are corporate communication documents and, therefore, carefully edited to convey a positive image of the firm to its stakeholders. Finally, our exploration of the GNPD information is nascent and only focused on a sub-set of product categories and positioning claims. These data only describe new private label products and are not weighted by sales or consumption patterns which would be one way of determining the relative performance of such CSR tactics and which shoppers are most interested in a particular theme.

Concluding Remarks and Future Research

Corporate Social Responsibility strategies are increasingly being used by food businesses to not only improve firms' goodwill and reputation but also as competitive tools. Following Porter and Kramer (2006), CSR strategies and tactics can be seen as instruments used by firms to create shared value. Here we argue that the strategic choices depend on various internal and external factors (Campbell, 2007). Thus CSR communications and marketing mixes may be revealed as both cooperation between firms and stakeholders and competition. Rather than canceling out each other the tension between cooperative and competitive dimensions may be virtuous. This is because while cooperation may allow for a distribution of costs (economic or other) between different parties, competition may prevent firms from being complacent and force them to lead or respond to challenges that may result in efficient and effective solutions to social or environmental problems. Regardless of the level of dispersion of CSR strategies among retailers they still both compete and cooperate with the national brands. Firms respond to common and distinct economic and institutional conditions which have been argued to be dynamic. There also appears to be evidence that these conditions are correlated with the use of both quotes and claims.

This descriptive analysis highlights how external and internal economics conditions affect CSR programs. This raises questions on the government reliance on businesses CSR programs to respond to societal challenges. Future research could investigate how compliance with private-public partnerships or commitments to voluntary pledges is affected by changes in socio-economic and political conditions. A more comprehensive institutional analysis might also be instructive, as it would enable a deeper understanding of why certain businesses consistently

maintain a focused CSR program, while others seem to change strategies or themes. Increasingly CSR programs are evolving to become an element of the sustainability strategy of businesses. Thus we invite researchers to build on our classification scheme and develop metrics to enable a comparison and evaluation of retailers strategies towards sustainability goals, such as those recently proposed by the United Nations development goals.

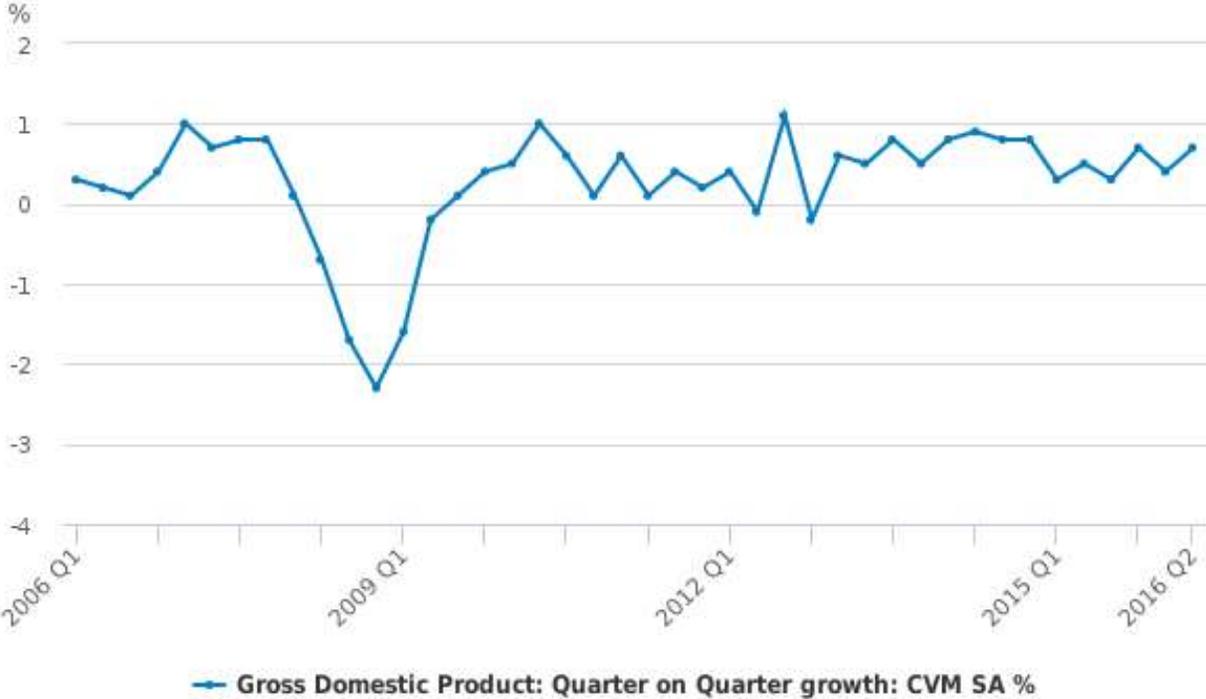
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Figure 1. UK Gross Domestic Product: quarterly growth, 2006-2016.



Source: ONS, 2016

Figure 2. Corporate Social Responsibility Themes Facing Food Retailers



Based on Maloni and Brown (2006)

Figure 3. Claims and Quotes by Theme

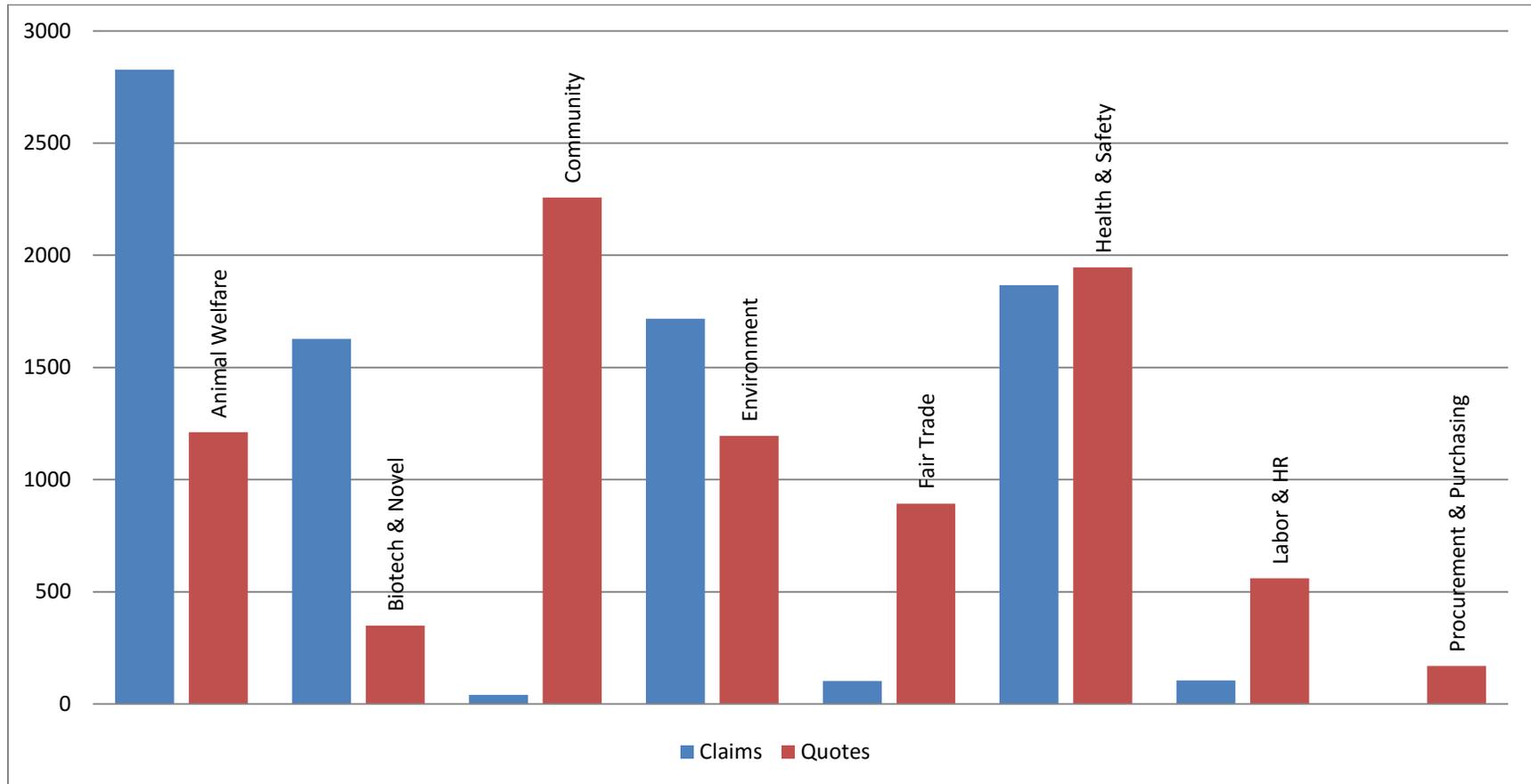
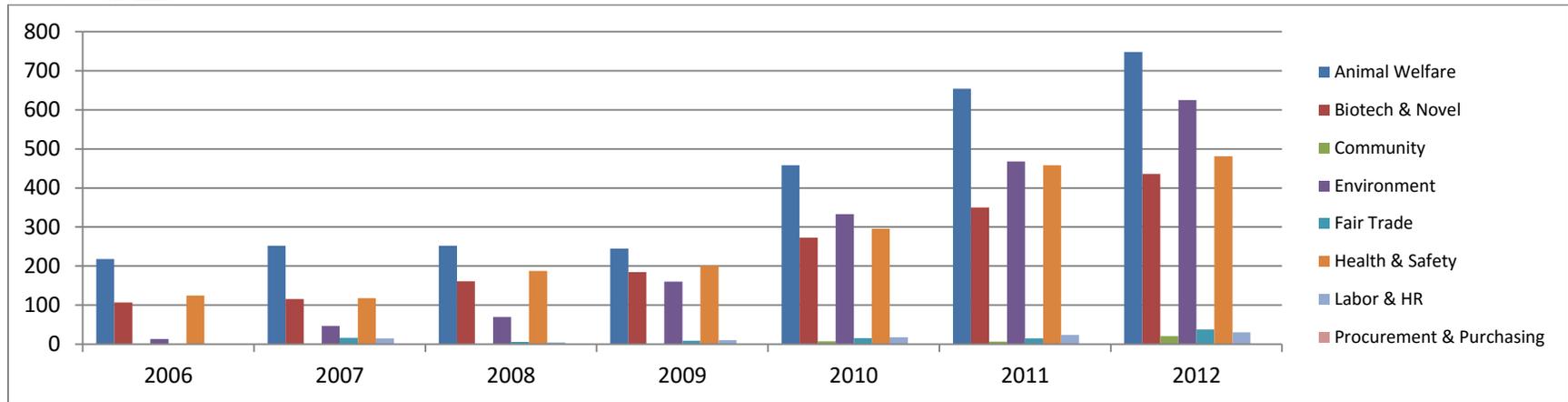


Figure 4. Observations by Year

a. Claims



b. Quotes

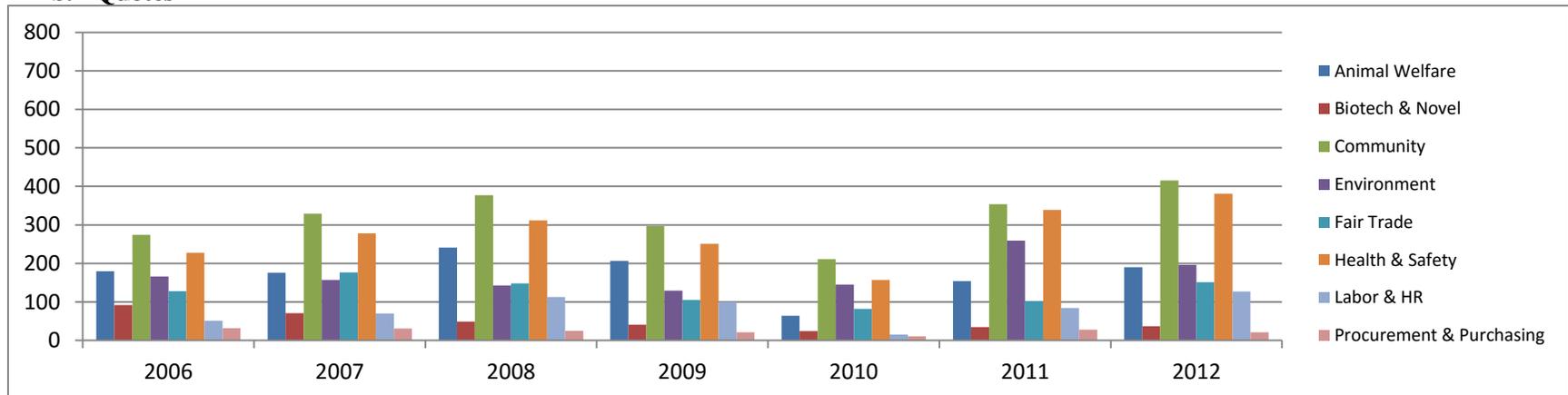
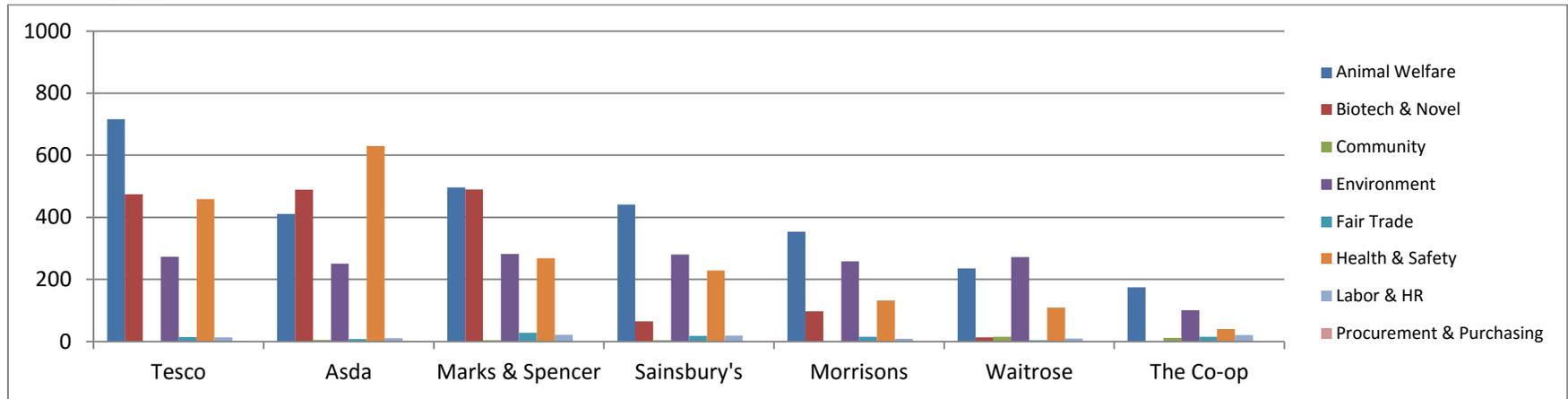


Figure 5. Observations by Retailer

a. Claims



b. Quotes

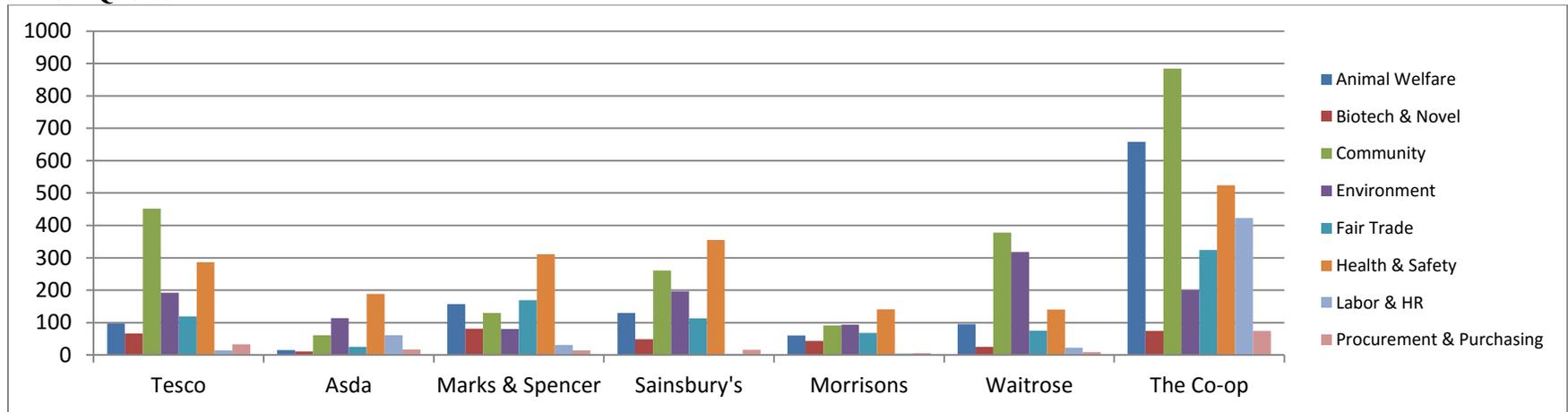


Figure 6. Placing Retailers in a Strategy Space
a. Conceptual

High	All talk, little action	CSR champions
Communications		
Low	Old-school	Quiet leaders
	Low	Innovations
		High

b. Data-driven

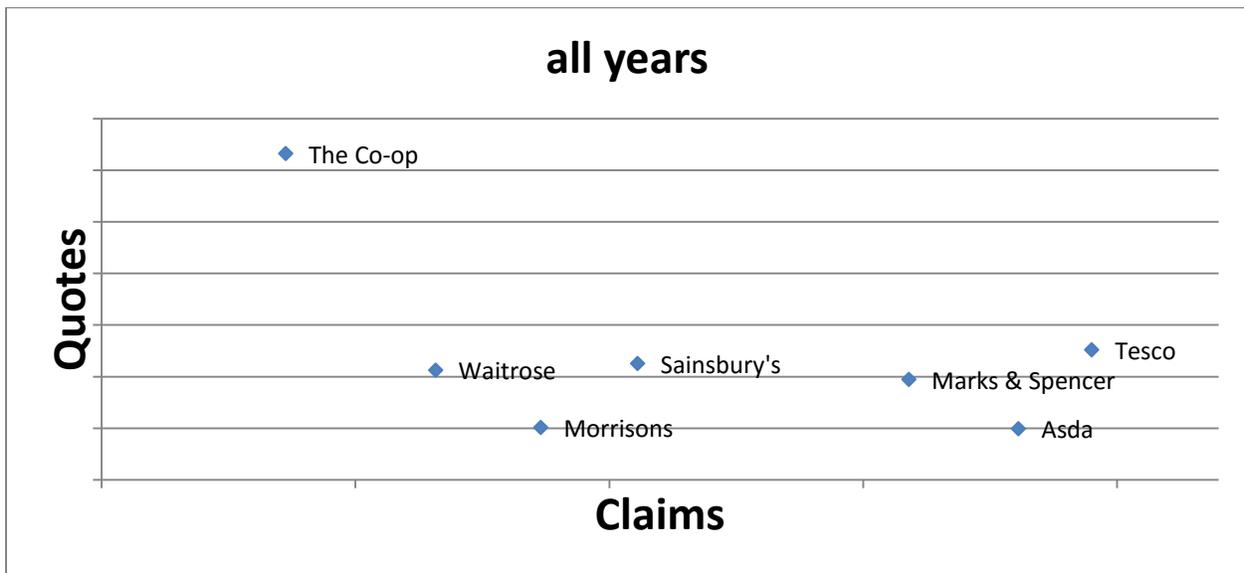


Table 1. Corporate Social Responsibility Reports by Firm and Year (number of pages per report)

Grocer	2006	2007	2008	2009	2010	2011	2012
Asda*						✓ (108)	✓ (126)
Marks & Spencer	✓ (32)	✓ (40)	✓ (48)	✓ (48)	✓ (52)	✓ (56)	✓ (56)
Morrisons		✓ (24)	✓ (40)	✓ (14)	✓ (24)	✓ (28)	✓ (60)
Sainsbury's	✓ (62)	✓ (60)	✓ (116)	✓ (42)	✓ (93)	✓ (97)	✓ (30)
Tesco	✓ (75)	✓ (84)	✓ (56)	✓ (58)	✓ (62)	✓ (70)	✓ (19)
The Co-operative	✓ (116)	✓ (140)	✓ (138)	✓ (61)	✓ (128)	✓ (44)	✓ (44)
Waitrose **	✓ (111)	✓ (23)	✓ (44)	✓ (40)	✓ (42)	✓ (42)	✓ (81)

* Wal-Mart global corporate social responsibility report which include ASDA as UK affiliate.

** In 2010, The Co-Op changed its reporting period to mid-year. The 2010/2011 report is included as 2011.

*** Reports refer to all activities of the John Lewis Partnership which owns the Waitrose brand.

Table 2. Number of Private Label Innovations by Firm and Year

Grocer	Number of Innovations							Total
	2006	2007	2008	2009	2010	2011	2012	
Asda	108	62	65	74	116	142	156	723
Marks & Spencer	135	125	130	71	91	125	149	826
Morrisons	19	27	25	33	77	143	200	524
Sainsbury's	92	61	55	74	123	160	120	685
Tesco	106	122	118	176	211	234	344	1311
The Co-operative	0	1	0	4	32	68	81	186
Waitrose	41	23	64	74	88	96	113	499
Total	501	421	457	506	738	968	1163	4754

Appendix A. GNPD Product Categories and Sub-Categories

Categories and Sub-Categories	
Bakery	Processed Fish, Meat, and Egg Products
Baking Ingredients & Mixes	Eggs & Egg Products
Bread & Bread Products	Fish Products
Cakes, Pastries & Sweet Goods	Meat Products
Savoury Biscuits/Crackers	Meat Substitutes
Sweet Biscuits/Cookies	Poultry Products
Chocolate Confectionery	Snacks
Chocolate Tablets	Bean Based Snacks
Chocolate Countlines	Cassava & Other Root Based Snacks
Individually Wrapped Chocolate Pieces	Corn Based Snacks
Non-Individually Wrapped Chocolate Pieces	Fruit Snacks
Other Chocolate Confectionery	Hors d'oeuvres/Canapés
Seasonal Chocolate	Meat Snacks
Dairy	Nuts
White Milk	Popcorn
Non-Alcoholic Beverages	Other Snacks
Coffee	Potato Snacks
Tea	Rice Snacks
	Snack Mixes
	Snack/Cereal/Energy Bars
	Vegetable Snacks
	Wheat & Other Grain Based Snacks

Appendix B. GNPD Claims Linked to Sustainability Themes

Positioning Claims	Theme
Ethical – Animal Hormone Free No Animal Ingredients Vegan Vegetarian	Animal Welfare
GMO-Free No Additives/Preservatives	Biotechnology & Novel Foods
Ethical – Charity	Community
Carbon Neutral Ethical - Environmentally Friendly Package Ethical - Environmentally Friendly Product Organic	Environment
Fair Trade	Fair Trade
All-Natural Product Antioxidant Calorie Claims Functional Functional – Cardiovascular Functional – Digestive Functional – Immune System Functional - Other Gluten-Free High Protein High/Added Fiber Sliming Total allergen claims Total Cholesterol claims Total Fat Claim Total Lactose claims Total Saturated Fat Total Sodium Claims Total Sugar claims Total Trans fat claims Vitamin/Mineral Fortified Weight Control Wholegrain	Health & Safety
Ethical – Human	Labor & Human Resources
Kosher Halal	Procurement & Purchasing