

## **SOCIALLY RESPONSIBLE INNOVATIONS AND SUSTAINABLE DEVELOPMENT OF RETAIL CHAINS IN POLAND**

Beata REFORMAT

University of Economics in Katowice, Faculty of Management; beata.reformat@ue.katowice.pl,  
ORCID: 0000-0002-4178-9541

**Purpose:** The main aim of this paper is to identify the specificity of socially responsible innovations in retail against the background of sustainable development, and to identify examples of socially responsible innovations implemented by selected retail chains in Poland. In the Author's opinion, they are crucial for the development of a responsible society, but also for a sustainable economy.

**Design/methodology/approach:** The methodology applied in the article refers to the methodological canon of management sciences, including, among others, conceptual-theoretical and empirical research methodology. On their basis a critical analysis of foreign and Polish literature in the field of management science, theory of development and functioning of the retail trade has been carried out. The analyzed cases of retail chains were considered representative due to their strong market position and large contribution to the development of the FMCG market (the so-called "best business practices") – for this purpose, the qualitative research methodology was applied, including a case study.

**Findings:** The analysis conducted in this paper indicates that large retail chains are creating socially responsible innovations, thus having a significant impact on the spread of socially responsible practices. These activities are mainly based on shaping the environmental awareness of employees and customers, increasing the safety and quality of products, reducing carbon dioxide emissions, effective waste management, rational use of natural resources, reducing staff turnover and improving their working conditions.

**Originality/value:** The article presents how the literature on management science describes and explains the essence, specificity, and types of socially responsible innovations against the background of the sustainable development concept. On this solid factual basis, socially responsible innovations implemented by selected retail chains in Poland were identified. This allowed to verify theoretical assumptions related to the development of socially responsible innovations with the actual state of affairs, reflected in the analyzed practices of retail chains.

**Keywords:** socially responsible innovation, sustainable development, retail chains

**Category of the paper:** A literature review, and case study.

## 1. Introduction

The issues discussed in this paper indicate the important role of creating socially responsible innovations by retail chains that respond to the need to implement the assumptions of sustainable development in retail in Poland. In this situation, the ability to create socially responsible innovations by retail entities in Poland, mainly represented by retail chains, becomes crucial.

Introducing socially responsible innovations by retail chains in Poland contributes to building an aware, responsible society, which in terms of sustainable development needs, indicates an extremely important aspect of their market activities. Analyses and observations of the market FMCG (fast moving consumer goods) indicate increasing activity of retail chains in developing socially responsible innovations in retail (Reformat, 2019; Domański, 2020). These innovations concern important social issues related to environmental protection activities, support for local communities, improvement of relations with business environment entities (customers, suppliers, producers, employees) and improvement of the quality of life. (Sztangret, Reformat, 2017; Hadj, 2020).

These issues determine the problematic scope of the paper. whose aims are to: a) recognition the specificity of socially responsible innovations in retail against the background of sustainable development principles; b) identify examples of socially responsible innovations implemented by selected retail chains in Poland.

The article consists of several parts. A short Introduction is followed by a section providing theoretical background on socially responsible innovation and sustainability in retailing. In the next part, the author discusses socially responsible innovations in retail based on the practices of selected retail chains in Poland (leaders of innovative changes). The final part of the article consists of conclusions and references.

## 2. Theoretical Background

Based on the review of scientific literature, the analysis of important concepts for the research area was made. Their problematic scope includes socially responsible innovation and sustainable development, as important retail phenomena.

### 2.1. Socially responsible innovation

In recent years, we can see that the attention of researchers and economic practitioners is gradually shifting from technical and technological innovations, which have so far been the main driver of economic development, to social innovations (Morrar et al., 2017).

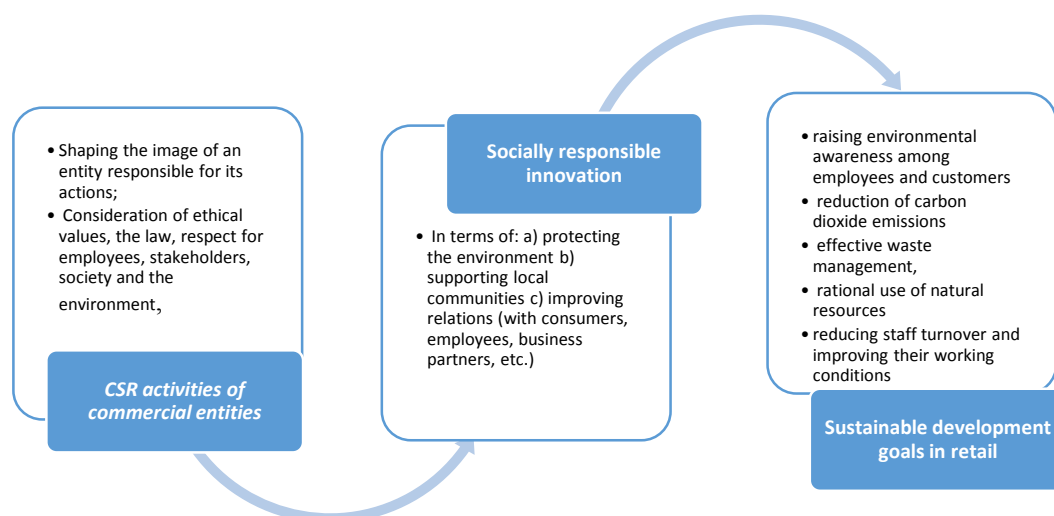
Edwards-Schachter and Wallace (2017), as well as many other authors state that social innovations they imply new solutions in terms of products, services, methods, and processes that respond to social needs and cause a lasting change in the behavior of social groups. According to Fitjar, Benneworth, and Asheim (2019), these innovations require reconciling scientific progress with societal interests, thereby driving economic growth and building a better society. Van der Have and Rubalcaba (2016) emphasize that these innovations serve to solve socially important problems.

Therefore, the term socially responsible innovation is closely related to the concept of corporate social responsibility (CSR), which broadly speaking, means the responsibility of entities for its impact on society (EC, 2012, pp. 2-3) and the sustainable development (SD), in which the environmental, social, and economic areas are intertwined (Anser et al., 2018).

Among innovation researchers, one finds that CSR concepts can be inspire the creation of innovations for the realization of sustainable development principles. The need to study the interrelationship between the concepts of sustainable development and corporate social responsibility (CSR) is emphasized by, among others, Camilleri (2017), Anser et al. (2018), Auer and Jarmai (2018), Meseguer-Sánchez et.al. (2021).

According to Porter and Kramer (2011, p. 6) social responsibility and sustainability can go hand in hand with economic development, creating "shared value", which is based on the premise that both economic and social progress must be considered using the principles of value.

In turn Stawicka (2016) states that social responsibility also occurs as a type of social innovation, as evidenced by the inclusion of business, ecological, and ethical as well as social aspects in the enterprise's activities. Moreover, it is based on cooperation and participation in decisions with employees and local communities, thus contributing to a significant improvement in their quality of life, which is the basis of socially responsible innovation (Lis, Sudolska, 2018). The mechanism for these activities in retail presents Figure 1.



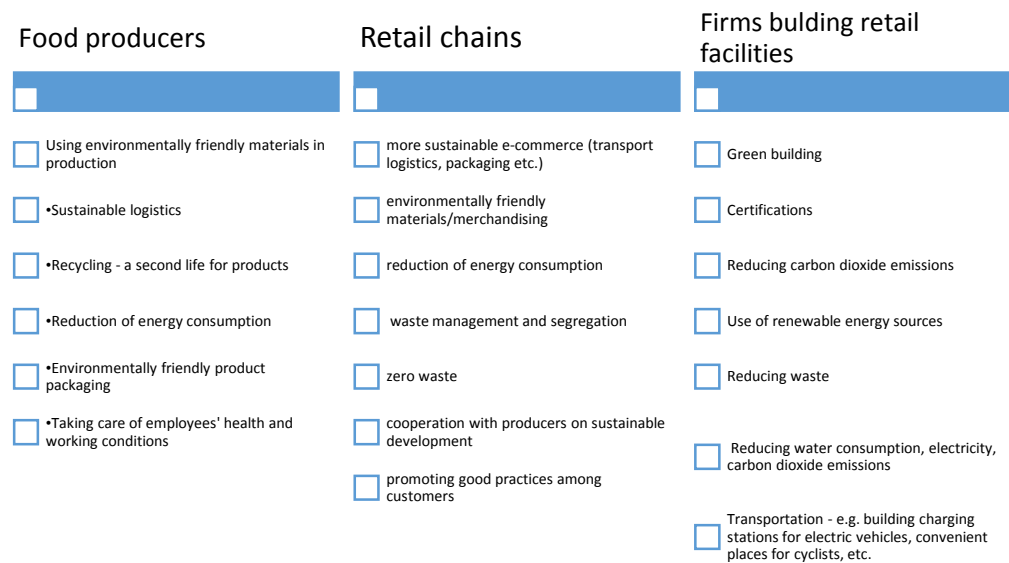
**Figure 1.** The concept of CSR, and socially responsible innovation and sustainability development goals in retail. Source: Prepared by the author based on previous studies.

The literature review conducted indicates that socially responsible innovation refers to new business solutions that consider ethical values, the law, respect for employees, society, and the environment, and make a specific contribution to sustainable development.

## 2.2. Sustainability development – retail context

Business activities for sustainability are one of the important elements of the strategy of many firms, including retail chains. Their development at the international level was initiated by the global strategy developed by the United Nations in 2015, as part of the 2030 *Agenda for Sustainable Development* initiative, titled: *Sustainable Development Goals* (Rezolucja..., 2015 [Resolution..., 2015]). The strategy formulates 17 goals of paramount strategic importance. Among the many important issues addressed in them were the fight against hunger and poverty, equalizing opportunities between different regions, combating the effects of climate change, protecting natural resources, or equality and education.

The implementation of sustainability goals is also a huge challenge for retail, which at the micro level, concerns the actions of individual retail chains, and food producers, and at the macro level, includes firms building retail facilities (Zrównoważony..., 2021 [Sustainability..., 2021]). The main goals of these entities are presented by Figure 2.

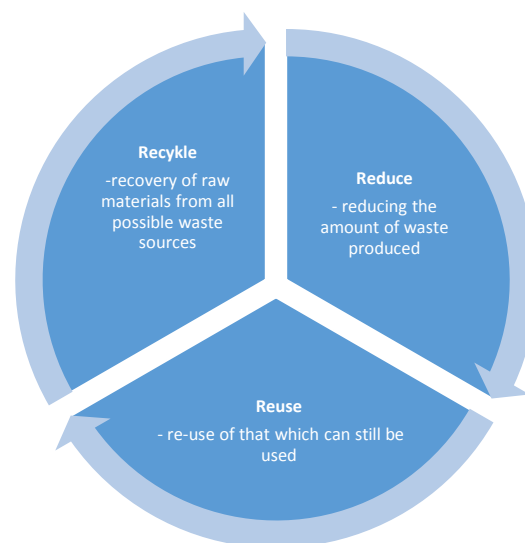


**Figure 2.** Key goals of the sustainability development in the retail sector. Source: created by the author based on (Zrównoważony..., 2021 [Sustainability..., 2021]).

We are currently seeing a re-evaluation of retailers' sustainability efforts in the retail space as a result of the COVID 19 (CORonaVirus Disease 2019) pandemic (Roggeveen, Sethuraman, 2020; Borsellino et al., 2020; Nanda et al., 2021). Its course results, among others, in consumers' increased expectation of greater transparency and responsibility of companies in their business activities. The McKinsey Global Institute's consumer behavior survey results indicate that pandemic consumers have begun to place a much greater emphasis on such elements of life as health, ecology, cleanliness, equality, or environmental care – not only in their personal lives, but also in their relationships with the companies whose products and services they use (Mckinsey, 2020).

Due to increasing consumer expectations of pro-environmental actions the basis for sustainability in retail is now broadly defined as social and environmental education aimed at participants in the shopping process, i.e., consumers (Bywalec, 2017; Nieuwenhuis, 2021). One direction of such activities is to build greater awareness and trust among consumers for certified (BIO/ECO) products, which, as stated Bostan (2016, p. 34) are environmentally safe, contain no conservatives, flavor enhancers, artificial flavors, or colors, and are chemically unprocessed. These advantages have a very positive impact on the health of consumers, so social and environmental education in this area is important. It is an important challenge for retail chains, which through responsible marketing can contribute to changing consumer behavior, shaping in them the attitude of responsible market participants. This attitude as it states Sobocińska (2021, p. 4) in a broader context manifests itself not only in the purchase and consumption of organic products, but also in the economical, rational use of consumer goods and a shift away from ego – rationality to eco- rationality.

Another particularly important sustainability issue in retail is recycling and responsible waste management (Sztangret, Reformat, 2020). The reuse of waste, i.e., the processing of the secondary raw materials obtained from it, is a key element of waste prevention. Therefore, this area is an important part of the operation of retail chains, due to the huge amount of paper, cardboard, plastic (PET bottles), metal (aluminum cans), or glass packaging generated as part of their retail operations. Efficient recycling and waste management is helped by the universal ecological principle known as the "3 R's" (*Reduce, Reuse, Recycle*) – Figure 3.



**Figure 3.** The elements of the 3 R's principle. Source: created by the author based on Ioannidis et al., 2021.

It should be emphasized that recycling and waste management in retail bring economic benefits for the environment as well as for the image of retailers.

The above-mentioned activities should be considered the most desirable from the point of view of sustainable development goals in retailing. In their area, various types of socially responsible innovations appear, created by large retail chains that are leaders of innovative

changes in commerce (Newman, et.al., 2018). Their examples are included in the next section of the study.

### 3. Examples of socially responsible innovations introduced by selected retail chains in Poland (leaders of innovative changes) – discussion

In the practice of retail chains in Poland, one may notice increasing activity in the field of creating socially responsible innovations. They combine a business approach with a pro-ecological one, which makes them a difficult strategic challenge for these market entities. Due to their scale of operations, financial potential and transaction power, these entities have a significant impact on shaping social awareness. Thanks to that they exert significant influence on the promotion of socially responsible practices throughout the whole supply chain of retail chains (Nieuwenhuis, 2021).

At the core of these innovations are raising environmental awareness among employees and customers, increasing product safety and quality, reducing carbon emissions, effective waste management, rational use of natural resources, reducing staff turnover and improving their working conditions (Furmańska-Maruszak, Sudolska, 2016; Sokołowska-Durkalec, 2019). Selected practices of retail chains' efforts to create socially responsible innovation presents Table 1.

**Table 1.**

*Selected examples of socially responsible innovations introduced by retail chains in Poland*

Area of innovative activities	Name of a retail chain and an example of a socially responsible innovations	Objectives of the innovations introduced
Environment protection	<b>Kaufland retail chain:</b> - conscious energy management to recover heat from the chillers reducing carbon dioxide emissions and energy consumption. The waste heat from the central refrigeration plant is used by underfloor heating. At high temperatures, the system is used to cool stores - development of electric vehicle charging stations available at Kaufland stores	- waste heat recovery - control of energy installations according to the store's needs thanks to quality sensors - the ability to charge an electric vehicle for free while making in-store purchases
	<b>Lidl retail chain:</b> - replacement in the composition of textile products of the raw material viscose, a more ecological variety of this material LENZING™ ECOVERO™.	- manufacturing eco-friendly, environmentally friendly textile products signed with the chain's own brand, to eliminate socially harmful viscose as a raw material - at the core of production is the purchase of sustainably sourced wood and the responsible use of chemicals.

Cont. table 1.

	<p><b>Auchan retail chain:</b> - innovation: climate exhibition, which is a stage of an educational project of the Auchan chain dedicated to promoting a model of responsible consumption, showing how to counteract global warming</p>	- sensitize local communities, especially children, to environmental challenges related to ecology (e.g., climate change, access to clean water, renewable and affordable energy, biodiversity, and agriculture)
	<p><b>Biedronka retail chain:</b> - internal procedure of waste segregation collected by specialized companies, thanks to which 99% of them is recycled, processed, or recovered.</p>	- recycling, processing, or reclaiming a product (e.g., fruits and vegetables are made into biogas for energy and heat production, and bread goes to a distillery as a raw material for alcohol production);
Supporting local Communities	<p><b>Carrefour retail chain:</b> - annual "Neighbor's Day" action - „Senior citizen" card</p>	- the aim of the activities is to make the customers' everyday shopping more pleasant and to enable them to spend their time in an attractive way, close to their place of residence - supporting those in need over 60 with shopping discounts
	<p><b>Biedronka retail chain:</b> - introducing books as a permanent element of its store offer</p>	- combating the reading deficit. - promoting reading among children. - promoting culture and art;
Improving relationships with business environment stakeholders (customers, suppliers, manufacturers, employees)	<p><b>Żabka retail chain:</b> - innovation in the form of: a) the "Product Creators" program within which, teams of students develop ideas for innovative products under the auspices of Żabka; b) open workshops for students conducted by Żabka managers at the University of Economics; c) dual degree program at the School of Logistics in Poznan, whose idea is to combine theoretical knowledge with practical skills gained during a paid internship at the Żabka Polska Logistics Center;</p>	- cooperation with higher education institutions, including, among others, the University of Economics, and the Poznań School of Logistics, to support them. As part of the Partner Club, the network undertakes a few activities that directly engage and influence the development of students;
	<p><b>Kaufland retail chain:</b> - cross-sector collaboration on the use of plastics and creating a closed circle economy - cooperation with local and regional producers and suppliers, for whom the chain created a special portal "Regional Kaufland".</p>	- reducing plastics 20% of plastic by 2025 and to introduce recyclable packaging across all own brands - support to domestic food producers and suppliers and promotion of local and regional products
Responsible consumption	<p><b>Kaufland retail chain:</b> - "Conscious Nutrition Zones": , where special products dedicated to specific nutritional needs are available - „Eco since childhood" campaign</p>	- possibility to purchase healthy food products easily and quickly, such as vegan, vegetarian, with less sugar, gluten-free or for people leading an active lifestyle - environmental education to build customer awareness from an early age
	<p><b>Aldi retail chain:</b> - product innovation as the chain's response to the changing environment and pro-health customer expectations: (a) launching Fairtrade-labelled private label products; (b) developing new BIO categories and vegan products;</p>	- sustainable assortment development based on environmental and social criteria, in the interest of healthy eating habits of its customers;

Cont. table 1.

	<b>Netto, Lidl, Aldi, Biedronka, Kauchland, Carrefour, as well as other major chains:</b> - donating unsold food products to needy organizations (Caritas, Food Banks, charitable institutions, etc.)	- reducing food waste
--	--	-----------------------

Source: Prepared by the author based on previous studies.

The presented examples of socially responsible innovations show that large retail chains consciously take up the challenge of creating socially responsible innovations, resulting from the need of sustainable development. Within them, some general regularities may be noticed, explaining the goal and application of a given innovation (e.g., depending on the area of innovation activities).

The analyzed innovations are located in four areas, which are the main pillars of sustainable development, and which are implemented at the interface of three important spheres: social, economic and environmental. Their key element is undoubtedly the environmental protection. Socially responsible innovations related to environmental protection activities indicate that the presented retail chains implement the 3R concept (reduce, reuse, recycle) that consists in minimizing the negative environmental impact and sustainable waste management. Moreover, they try to rationalize their own waste production by increasing the percentage of recycled materials sent for recycling. At the same time, it is worth noting that each year there is a growing public awareness of the need to reduce the consumption of electricity, water, gas, and fuel.

In other areas of innovative activities (i.e., supporting local communities, improving relations with business environment entities, and responsible consumption) – we can see the willingness of large retail chains to engage in activities aimed at improving the quality of life of local communities, creating new models of relations, creating new platforms for cooperation, and responsibility for food waste.

Introducing socially responsible innovations by retail chains in Poland contributes to building an aware, responsible society, which in terms of sustainable development needs, indicates an extremely important aspect of their long-term market activities. The analyses and market observations show that the surveyed entities are increasingly active in developing socially responsible innovations in retail.

#### 4. Conclusions

The purpose of this article was to recognition the specificity of socially responsible innovations in retail against the background of sustainable development, and to identify examples of socially responsible innovations implemented by selected retail chains in Poland. It was determined that socially responsible innovations are characteristic, first of all, for the activities of large retail chains. Their specificity is created by thematic areas that



accompany the CSR concept, and the concept of sustainable development, while their structure is filled by various types of innovations. These include:

- a) socially responsible innovations responding to social needs of various groups and organizations/institutions of public use (clients of the network, local communities, suppliers, employees, charities, etc.),
- b) socially responsible innovations focused on sustainable development (social, economic, and environmental dimension),
- c) socially responsible innovations focused on organizational changes in relations between different institutions and their stakeholder groups.

## References

1. Anser, M.K., Zhang, Z., Kanwal, L. (2018). Moderating effect of innovation on corporate social responsibility and firm performance in realm of sustainable development. *Corporate Social Responsibility and Environmental Management*, Vol. 25, No. 5, pp. 799-806, doi: 10.1002/csr.1495.
2. Auer, A., Jarmai, K. (2018). Implementing responsible research and innovation practices in SMEs: Insights into drivers and barriers from the Austrian medical device sector. *Sustainability*, Vol. 10, No. 1, 17, doi:10.3390/su10010017.
3. Borsellino, V., Kaliji, S.A., Schimmenti, E. (2020). COVID-19 Drives Consumer Behaviour and Agro-Food Markets towards Healthier and More Sustainable Patterns. *Sustainability*, Vol. 12, No. 20, 8366, doi: 10.3390/su12208366.
4. Bostan, I. (2016). An Analysis of the “BIO”/“ECO” Products Market. *CES Working Papers*, Vol. 8, Iss. 1, 33.
5. Bywalec, Cz. (2017). *Gospodarstwo domowe. Ekonomika. Finanse. Konsumpcja [Household. Economics. Finance. Consumption]*. Cracow: University of Economics.
6. Camilleri, M.A. (2017). Corporate sustainability and responsibility: creating value for business, society, and the environment. *Asian Journal of Sustainability and Social Responsibility*, Vol. 2, Iss.1, pp. 59-74, doi:10.13140/RG.2.2.10640.61440.
7. Domański, T. (2020). Strategie dużych sieci handlowych – nowe wyzwania dla menedżerów oraz badaczy marketingu [Strategies of large retail chains – new challenges for managers and marketing researchers]. In: T. Domański (Ed.), *Strategie budowania marki i rozwoju handlu [Branding and trade development strategies]* (pp. 148-181). Warsaw: PWE & Lodz: Wydawnictwo Uniwersytetu Łódzkiego [University of Lodz Publishing House].
8. EC Communication (2012). *A renewed EU strategy 2011-2014 for Corporate Social Responsibility*. Retrieved from <http://www.eurocoop.coop>, 02.02.2019.

9. Edwards-Schachter, M., Wallace, M.L. (2017). Shaken, but not stirred': Sixty years of defining social innovation. *Technological Forecasting and Social Change*, Vol. 119, Iss. C, pp. 64-79, doi: 0.1016/j.techfore.2017.03.012.
10. Fitjar, R.D., Benneworth, P., Asheim, B.T. (2019). Towards regional responsible research and innovation? Integrating RRI and RIS3 in European innovation policy. *Science and Public Policy*, Vol. 46, Iss. 5, pp. 772-783, doi:10.1093/scipol/scz029.
11. Furmańska-Maruszak, A., Sudolska, A. (2016). Social Innovations in Companies and in Social Economy Enterprises. *Comparative Economic Research*, Vol. 19, pp. 169-19, doi: 10.1515/cer-2016-0026.
12. Hadj, T.B. (2020). Effects of corporate social responsibility towards stakeholders and environmental management on responsible innovation and competitiveness. *Journal of Cleaner Production*, Vol. 250, pp. 119490, doi: 10.1016/j.techfore.2020.120355.
13. Ioannidis, A. et al. (2021). Applying the reduce, reuse, and recycle principle in the hospitality sector: Its antecedents and performance implications. *Business Strategy and the Environment*, Vol. 30, No. 7, pp. 1-17, doi:10.1002/bse.2809.
14. Lis, A., Sudolska, A. (2018). W poszukiwaniu typologii innowacji społecznie odpowiedzialnych: mapowanie pola badawczego [In search of a typology of socially responsible innovation: mapping the research field]. *Studia i Prace Wydziału Nauk Ekonomicznych i Zarządzania Uniwersytetu Szczecińskiego [Studies and Papers of the Faculty of Economic Sciences and Management of the University of Szczecin]*, No. 52/2, pp. 115-125.
15. Mckinsey (2020). *Global surveys of consumer sentiment during the coronavirus crisis*. Retrieved from <http://https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/global-surveys-of-consumer-sentiment-during-the-coronavirus-crisis>, 12.04.2022.
16. Meseguer-Sánchez, V. et al. (2021). Corporate Social Responsibility and Sustainability. A Bibliometric Analysis of Their Interrelations. *Sustainability*, No. 13(4), pp. 1636, doi: 10.3390/su13041636.
17. Morrar, R. et al. (2017). The Fourth Industrial Revolution (Industry 4.0): A Social Innovation Perspective. *Technology Innovation Management Review*, Vol. 7, Iss. 11, pp. 12-20, doi:10.22215/timreview/1117.
18. Nanda, A., Xu, Y., Zhang, F. (2021). How would the COVID-19 pandemic reshape retail real estate and high streets through acceleration of E-commerce and digitalization? *Journal of Urban Management*, Vol. 10, Iss. 2, pp. 110-124, doi: 10.1016/j.jum.2021.04.001.
19. Newman, C. et al. (2018). The transmission of socially responsible behaviour through international trade. *European Economic Review*, Vol. 101, pp. 250-267, doi: 10.1016/j.eurocorev.2017.10.013.
20. Nieuwenhuis, P., Newman, D., Touboulic, A. (2021). *Sustainable Consumption, Production and Supply Chain Management*. Great Britain: Edward Elgar Publishing.

21. Porter, M.E., Kramer, M. (2011). *The Big Idea: Creating Shared Value*. Harvard Business Review. Retrieved from <http://hbr.org/2011/01/the-big-idea-creating-shared-value>, 21.04.2022.
27. Reformat, B., Sztangret, I. (2017). ECO-innowacyjny model biznesu firm handlowych w świetle koncepcji zrównoważonego rozwoju, [ECO-innovative business model of trade companies in the light of the concept of sustainable development]. In: D. Kisperska -Moroń, K. Niestrój, M. Światała (Eds.), *Budowanie łańcuchów dostaw jutra – w świetle teorii i wyników badań* [Building tomorrow's supply chains – in light of theory and research findings] (pp. 214-226). Katowice: University of Economics.
28. Rezolucja przyjęta przez Zgromadzenie Ogólne w dniu 25 września 2015 r. [Resolution adopted by the General Assembly on September 25, 2015]. *Przekształcamy świat. Agenda na rzecz zrównoważonego rozwoju 2030* [Transforming the World. The 2030 Agenda for Sustainable Development]. UN General Assembly, October 21, 2015.
29. Roggeveen, L., Sethuraman, R. (2020). How the COVID Pandemic May Change the World of Retailing. *Journal of Retailing, Vol 96(2)*, pp. 169-171, doi: 10.1016/j.jretai.2020.04.002.
30. Sobocińska, M. (2021). Zachowania polskich konsumentów a kultura odpowiedzialność [Behaviour of Polish consumers and the culture of responsibility]. *Zeszyty Naukowe Wyższej Szkoły Humanitas Zarządzanie* [Scientific Journals of the Higher School of Humanitas Management] vol. 22(4), pp. 101-114, doi:10.5604/01.3001.0015.6942.
31. Sokołowska-Durkalec, A. (2019). Social Responsibility Management in a Small Enterprise: Selected Problems and Good Practices In: A. Długopolska-Mikonowicz et al. (Eds.), *Corporate Social Responsibility in Poland* (pp. 135-147). Springer, doi: 10.1007/978-3-030-00440-8\_10.
32. Stawicka, E. (2016). Innowacje społeczne w kontekście zarządzania kapitałem ludzkim w środowisku pracy [Social innovation in the context of human capital management in the work environment]. *Studia i Prace Uniwersytetu Ekonomicznego w Szczecinie, nr 44* [Studies and Papers of the University of Economics in Szczecin, No. 44], Szczecin, pp. 315-329.
33. Sztangret, I., Reformat, B. (2020). Re-Value of Municipal Waste – Garbology in Trade Sector. *Zeszyty Naukowe Politechniki Śląskiej, seria: Organizacja i Zarządzanie, nr 144* [Scientific issues Silesian University of Technology, series: Organization and Management, no. 144], pp. 507-521, doi: 10.29119/1641-3466.2020.144.42.
34. Van der Have, R.P., Rubalcaba, L. (2016). Social innovation research: An emerging area of innovation studies? *Research Policy, Vol. 45, Iss. 9*, pp. 1923-1935, doi: 10.1016/j.respol.2016.06.010.
35. Zrównoważony handel w Polsce i na świecie [Sustainable trade in Poland and worldwide] (2021) In: *Raport z badania ilościowego: Zrównoważony rozwój z handlu i zachowania konsumentów* [Report of a quantitative study: Trade sustainability and consumer behavior]. Inquiry Market Research.