

CSR Activities and Impacts of the Retail Sector

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Sector profile based on a literature review
developed in the course of the FP7 Project
IMPACT - Impact Measurement and Performance Analysis of CSR

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1. Abstract

The retail sector accounts for one fifth of all non-financial business enterprises in the EU, generating 7.4% EU value added and employing 17,5 million persons. The sector is largely comprised of small and medium-sized enterprises. In retail trade and repair, SMEs account for 56.4 % of value added and 65.1 % of employment.

Some of the most important characteristics of the retail sector influencing competition in this market are maturity, overcapacity, high concentration, and price-driven marketing strategies. Retailers are also struggling to build customers' loyalty and repeat buying behaviour. These are significant success factors, as retaining customers is a much cheaper and more effective strategy than attracting new ones. As customers tend to prefer one-stop-shopping, format competition is also of great importance. Retailers are not as specialised anymore and usually offer a wide range of products to facilitate shopping. Recently, retailers have been showing much concern about on-line shopping, as it shrinks distances and timescale, lowers distribution and transaction costs, provides more information to buyers and sellers, and enlarges customer choice and reach (Ahlert et al., 2010).

Location is a 'traditional' success factor in the retail sector. It has been proven that availability of store locations, next to capital requirements and availability of qualified personnel, was the major entry barrier in this sector.

The most important environmental issues in the retail sector include energy and water consumption, waste, the volume of packaging, land use, and transportation. Of great importance are also indirect impacts such as the use of chemicals by suppliers (e.g. farmers) and offering genetically modified food.

The dominant issue for job quality is wages, which are up to 30% lower than comparable private services. This leads to high turnover and a large proportion of transitional workers and women working part time. Where national law allows, wage dumping is common. Consequently, job stability and security is also a high issue. Paradoxically, this creates a double-edged sword, as many employees do not vitally depend on a particular job and employers struggle to remain staffed. Working hours tend to be irregular, uncontrollable, and inconvenient. This trend increases due to longer opening hours.

Gender discrimination is a "blind spot" within the industry, with no significant dissatisfaction shown, but conditions actually discriminate against women, who tend to accept worse conditions in order to have less work-family life conflict. Part-time workers tend to be discriminated against full-time workers. Social dialogue varies nationally, but tends to be fragmented. Safety, ambient conditions, and intrinsic work quality are of no particular concern.

2. Facts and figures

Retailing is generally described as the final stage of distribution from production to consumers (Eurostat, 2009). The retail sector accounts for one fifth of all non-financial business enterprises according to the latest available data (3.8 mln enterprises; Eurostat, 2009), generating 7.4% EU value added and employing 17,5mln persons - this is 13.5% of the non-financial business economy. The sector is largely comprised of small and medium-sized enterprises. In retail trade and repair, SMEs account for 56.4% of value added and 65.1% of employment (Eurostat, 2009). However, a few of the largest retailers, such as Tesco, Lidl, Sainsbury's, and Asda, are constituting the "rules of the game" in the sector.

The largest subsector in Retail is specialised retail – at least half of the total retail trade turnover is generated in specialised retail stores. Contrary to that, food retail is mostly non-specialized in all Member States. Table 1 below indicates that only 13.2% value added has been created by specialised food retailers (Eurostat, 2009).

NACE: Retail Trade and Repair Division 52	Share of sector employment (2005)	Share of sector value added (2006)
NACE Group 52.1 Non-Specialised in-store retailing (Class 52.12 food beverages and tobacco predominating and Class 52.12 non-food predominating)	35.3%	33.5%
NACE Group 52.2 Specialised in-store food retailing	6.2%	13.2%
NACE Group 52.3 Specialised in-store new goods retailing other than food (pharmaceutical and medical goods, cosmetic and toilet articles)	53.8%	49.0%
NACE Group 52.4 Specialised in-store new goods retailing other than food (Other retail sale of new goods in specialized stores)		
NACE Group 52.5 Retail sale of second-hand goods in stores	0.5%	0.7%
NACE Group 52.6 Retail not in stores	4.5%	5.3%
NACE Group 52.7 Repair of personal and household goods	1.1%	1.5%

Table 1: Retail subsectors (NACE: Retail Trade and Repair Division 52)

Source: Eurostat 2009

As the table above indicates, specialised retailing (other than food: NACE 52.3 and 52.4) all together represent the biggest share of EU value added and employment, and are often accounted as one. However, if these sub-sectors are considered separately, then the non-specialised retailing in supermarkets and hypermarkets is the biggest in terms of both value added and employment (Eurostat, 2009). Figure 1 illustrates that non-specialised retailing is predominant in all EU Member states in terms of the share of generated turnover.

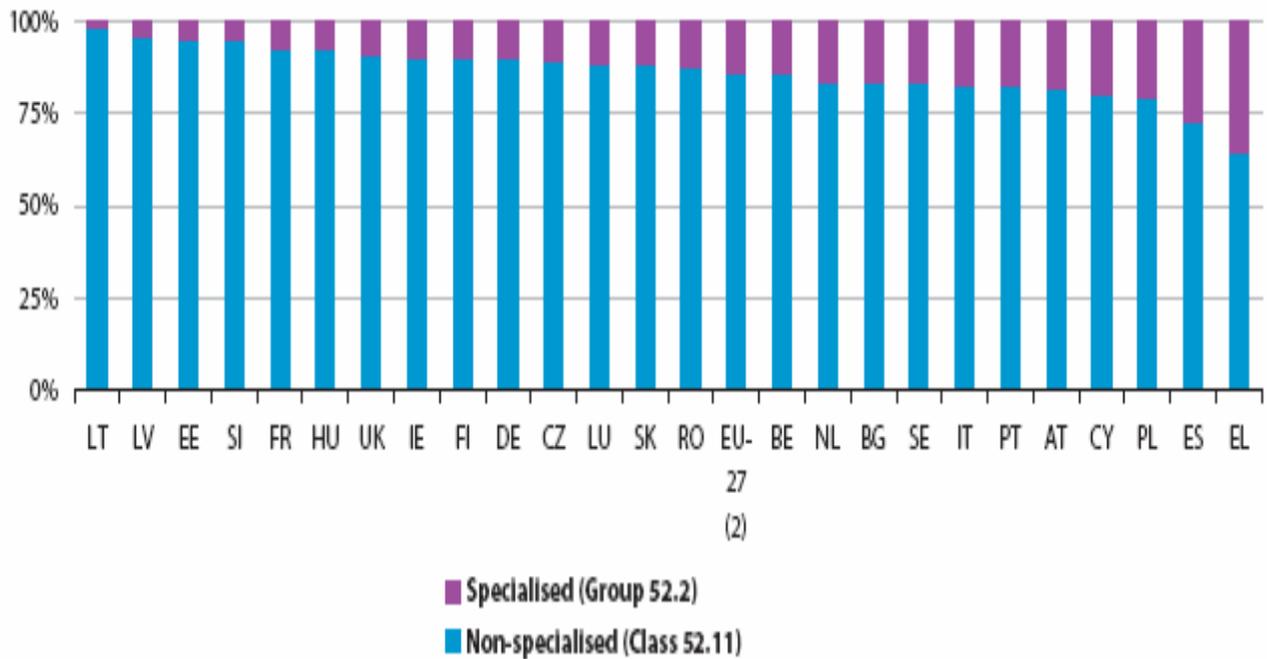


Figure 1: In-store food retailing breakdown in turnover by country.

Source: Eurostat 2009

Table 2 below shows the top five Member states that generate the highest EU value added in the retail sector.

No.	Country	Value added
1.	United Kingdom	20.8%
2.	Germany	18.2%
3.	France	15.7%
4.	Italy	10.4%
5.	Spain	10.1%

Table 2: Highest value added countries

Source: Eurostat 2009

European retailers are amongst the most internationally active of all global regions, on average operating in 11.7 countries. For example, German and French retailers generate approximately 40% of their turnover in foreign operations. Deloitte (2010) also reports that Food has been a dominant focus among the top 250 world retailers.

Sector employment: Between 1998 and 2007, employment in retail trade has been moderately rising at a rate of 1.8% per annum. The largest number of persons employed in the Retail Trade and Repair sector is seen in the same five countries that create the highest value added: United Kingdom, Germany, Italy, Spain and France (See table below).

No.	Country	Largest number of persons employed (2006)
1.	United Kingdom	16.9%
2.	Germany	15.8%
3.	Italy	10.6%
4.	Spain	10.2%
5.	France	10.2%

Table 3: Highest retail employment in EU Member States

Source: Eurostat 2009

Employment in retail is characterised by a majority of female employees – 62.2%, which is second after clothing manufacturing in the EU. A very large proportion of employees work part time. Of all sectors in the EU, retail has the highest share of young persons employed.

In terms of sub-sectors in all EU Member states, Retail in Non-Specialised stores (NACE 52.1) and Specialised in-store new goods retailing other than food (NACE 52.4) accounted for the largest shares of total retail employment by far (Eurofound, 2007).

3. Growth and competitiveness

Sector growth: According to a study published by Deloitte (2010), the landscape for all retailers changed due to the financial crisis. This change is likely to have durable consequences on the retail sector. According to the study, retail did not suffer rigorously in total; however, it is also not likely to grow rapidly during the recovery. Changes are likely to happen within the sector: consumer preferences shift to more value-oriented spending and cut back on non discretionary items.

Sector competitiveness: Market concentration is one of the major trends in retailing. Large companies grow faster than average, often because of consolidation (domestically). But domestic expansion opportunities are limited. Therefore, internationalization is another possibility to grow and become more competitive (Hermann et al., 2010).

In the intensely competitive retail market, sustaining repeat buying behaviour among store customers is one of the most important competition challenges. There are several reasons for that. Food Marketing Institute (2001) found that customers spend on average 78% of their food expenditures at one primary store. Furthermore, obtaining new customers costs five to six times more than retaining current customers (Huddleston et al., 2004). Other benefits resulting from customer loyalty include the likelihood that customers increase their spending over time, and attracting new customers by word-of-mouth marketing (Curasi, Kennedy, 2002). Thus, retail managers perceive customer loyalty and satisfaction as well as customer retention to be the most important goals for sustaining a firm's competitive position (Huddleston et al., 2004). Dick and Basu (1994) defined customer loyalty as the relationship

between relative attitude toward a brand and a repeat patronage. However, Jacoby and Kyner (1973) as well as Jarvis and Wilcox (1977) found that loyalty and repeat purchase are not synonymous, because the latter is not intentional and does not necessarily mean commitment (unlike loyalty). Furthermore, it indicates that simple repeat purchase behaviour is not stable over time and is affected by many factors. Some studies have shown how perceptions of store attributes and customer emotions influence store loyalty. For example Sirohi et al. (1998) found that favorable perceptions of service quality, price, merchandise quality, and value lead to higher loyalty intentions. According to Corstjens and Lal (2000) as well as Ailawadi et al. (2001) availability of store brands results in higher spending on both grocery and non-grocery products. Yoo et al. (1998) concluded that a well-designed, low-congestion store layout stimulates positive emotions among customers. Grewal et al. (1998) and Yoo et al. (1998) found that product assortment and sales assistance play similar role.

Others claim that customers' emotional loyalty to store services and multi-format retailers lead to customer satisfaction. The latter also results in positive word-of-mouth (Yu, Dean, 2001). Hallberg (2004), based on more than 600 000 consumer interviews, concluded that brand loyalty needs to be built on the consumers' emotional loyalty, not just on repeat buying, in order to be successful. Satisfaction concerning customer service (Boulding et al., 1993; Taylor, Baker, 1994), as well as customers' perceptions of salespersons' commitment, was also indicated to be a powerful factor influencing customers' loyalty (Macintosh, Lockshin, 1997). Huddleston et al. (2004) ended up with the conclusion that price, product variety, store environment, and service were the most frequently identified features that attract customers to a shop.

In general, studies by Fredericks (2001) and Rucci et al. (1998) suggested that customer satisfaction and loyalty have a positive impact on financial performance. Findings of Reichheld et al. (2000) proved that customer retention rate is highly and significantly related to a firm's profits. Their work also confirmed that loyalty has an impact on revenues, market shares and costs. Other studies, however, did not confirm these findings (Pritchard, Silvestro, 2005; Silvestro, Cross, 2000). Ziliani and Bellini (2004) discussed the current trends in European loyalty schemes, which became a common marketing tool for retailers in a very short time and are now showing signs of maturity.

Competition in retail changed over the past years. Nowadays, format competition is probably the most important term here. Store formats are defined as competing categories of store types that provide specific benefits to match the needs of different customer types and shopping situations (Gonzalez-Benito et al., 2005). In Europe, discount stores and various supermarket formats dominate the grocery retail market. In addition, niche formats, such as organic food stores or the weekly markets, also exist. Discount stores offer a limited assortment of food products at very low prices. Usually, they offer products with a high inventory turnover, and in the product categories, only a small number of package sizes and brands are available. Supermarkets exist in different sub-formats. Conventional supermarkets are self-service stores offering a wide range of food items. Organic food stores are specialty stores or supermarkets offering an assortment of organic products at a premium price

level. Organic products are produced by environmentally friendly processes, and are free from pesticides and other chemical residues. Public markets are places where small independent vendors sell a variety of goods.

Retailers are not as specialized anymore. Companies offer groceries, furniture and electronics at the same store. They have a broader product range in order to facilitate shopping with so-called one-stop shopping places. Customers prefer broad line retail formats. Therefore, formats are blurring. Competition strategy applied by managers depends on the format of the store. Zielke (2010) for example found that in case of discount retailers, the value perception (a trade-off between give and get components) is the most important image dimension for this store format. For supermarkets, both price level and value perception are important. In the case of organic food stores, value is the most important driver for shopping intentions. Zielke (2010) concluded that retailers should not focus exclusively on price level competition, as its importance varies among different shop formats.

Other retail characteristics that are important for competition are maturity, overcapacity, high concentration, and price driven marketing strategies (Wortzel, 1987; Walters, Knee, 1989). These characteristics are mirrored in competition strategies employed by companies.

Retailers' location decisions seem to also be of some importance for their success, as the customers' demand and supply (stores) are spatially constrained. Thus, retailers tend to consider data concerning demographic variables, store data sales, customer transaction data and land-use planning data when making location decisions. (Byrom et al., 2001; Hernandez, 1995). They also consider sales in existing store and number of competitors within the trade area (Hernandez, 2007). Lately, Song and Sohn (2007) found that customers tend to value the retailers located close to their households, but on the other hand, when the retail store is located too close it can diminish positive effects associated with the location. The importance of location decisions were confirmed by Gable et al. (1995) who found that the major entry barriers in retailing were availability of store locations, capital requirements, and availability of qualified personnel.

E-commerce is one of the most quickly developing strategies of retail. It improves the efficiency of economic operations, both at the micro and macro level, due to shrinking distances and timescale, lowering distribution and transaction costs, speeding up product development, providing more information to buyers and sellers, and enlarging customer choice and reach. Cassar et al. (2000) found that in a long term perspective, online retailers are expected to achieve a significant cost advantage over their competitors that run their businesses in a traditional way. This effect will result from lower overhead and infrastructure costs. Brynjolfsson and Smith (2000) empirically examined prices for books and CDs offered by traditional and online retailers and found that the latter sell products that are on average 9-16 % cheaper. Yan and Pei (2009), using a game theoretical model, found that a firm's performance can be significantly improved after opening an online channel competing with the traditional retail channel. On the contrary, Kotha et al. (2004) found that web site usability is not a source of competitive advantage, as it can be easily observable and

imitated. However, they found that customer confidence in web site business and relationship services (such as virtual community building and site personalisation) are positively associated with company's profitability. Burt and Sparks (2003) reviewed publications concerning e-commerce and concluded that especially large retailers are pursuing on-line solutions as they allow them to reduce costs of operation and strengthen their competitive positions. On the other hand, relatively low entry barriers linked with e-commerce, and decreased importance of traditional retail success factors (such as a floor space) raise the level of competition. Xia and Zhang (2010) found that the online sales channel leads to significant improvement in sales, cost, inventory, and return on investment. However, the emergence of e-commerce also caused some issues of an ethical nature. Whysall (2000) named some of them: customers' privacy and confidentiality, tracing customers' e-mail and visited websites, and exclusion of some segments of customers lacking net access.

Porter's idea of competitive advantage through cost leadership or differentiation was also applied and exercised in the retail sector. According to Morschett et al. (2006), retail companies, searching for cost leadership, must exploit all potential sources of cost reduction in their supply chain. Usually, big retailers can achieve cost leadership through economies of scale more easily. Strong bargaining power allows them to secure low procurement prices for acquired goods. Companies focusing on this strategy try to minimize investment in store design and customer service, and they limit their assortments (Ellis, Kelley, 1992). Companies such as Aldi, Lidl, and Wal-Mart implemented such strategies. Some scholars claim that price competition is no longer enough to attract customers. Therefore, companies are also focusing on non-price attributes to distinguish themselves (Walters, Knee, 1989). In the case of retail companies, it means adapting certain store attributes more closely to the specific needs of certain groups of customers. The differentiation opportunities in the retail sector are very heterogeneous. Palmer (1994) offered a typology of British retailers and concluded that retail 'quality' encompasses a wide range of features such as assortment, speed, quality of store personnel, and others. Some researchers analysed a differentiation strategy focusing on enhancing positive emotions (rather than functional attributes) among customers, which can result from a store atmosphere, consumers desires and excitement, and entertainment (Schmitt, 1999; Ailawadi, Keller, 2004). Harris and Ogbonna (2001) concluded that the major retailers try to differentiate themselves from competitors on customer services. Ellis and Kelley (1992) distinguished four types of competitive strategies:

- (1) product (variety in brands and sizes),
- (2) amount of promotion (e.g. advertising and in-store promotions),
- (3) promotion effectiveness and
- (4) customer service.

Conant et al. (1993) ended up with seven generic factors used by retailers to achieve competitive advantage:

- (1) presentation and preparation,
- (2) product variety and depth,
- (3) low price,
- (4) high-priced convenience,
- (5) inventory control and advertising,
- (6) targeted incentives, and
- (7) traditional fashions and service.

However, both Ellis and Kelley (1992) and Conant et al. (1993) concluded that retailers tend to mix various competitive strategies.

Morschett et al. (2006) tried to identify types of competitive advantage within the retail industry. They concluded that there are three such types, based on

- (1) quality of performance, as offered by Porter (1985), but also store atmosphere, service and orderliness.
- (2) convenience, referring to the broad variety of offers that may distinguish a company from its competitors.
- (3) price. However, they concluded that price and quality are independent factors that can be mutually achieved without any trade off between them.

Lal and Matutes (1994; Hermann et al., 2010) studied pricing and advertising strategies of retailers. Authors concluded that when uninformed rational consumers decide where to buy each product, firms advertise prices below marginal cost to attract consumers into the store and to profit from other goods that consumers plan to buy at the store. Incorporating product line decisions indicates that firms do not restrict their product assortment, even when they make a loss on one of the goods. Finally, products with lower reservation prices are shown to be more natural candidates for loss-leader pricing.

McGee and Rubach (1996), basing their research on data on environmental hostility, competitive tactics, and performance of numerous small retailers, examined how the latter responded to increased environmental hostility created by the arrival of WalMart. Authors suggest that pricing tactics are the most effective competitive behaviour for small merchants in hostile environments, together with featuring other competitive factors such as superior service. In benign environments, on the other hand, satisfying selective markets appeared to be the most effective competitive behaviour.

The case study of Wigley and Moore (2007) highlighted that there are three components crucial to international fashion retailer success: coherent international brand management, disciplined distribution control, and retail presentation consistent with the marketing image. All of these three factors may be achieved via centralised control structures or via effective management of relationships with foreign agents. The retailer must own a compelling brand that can be coherently expressed across

international markets and substantiated with products of an appropriate quality and appeal. The products must be distributed in accordance with brand positioning, maintaining exclusivity where necessary by restricting supply and brand, and products should be represented by stores and people who conform to the brand imagery.

Parrish (2010) investigated how fashion retailers use private labelling to differentiate their products and to gain competitive advantage. The author concluded that this type of competitive strategy results in increased profits and market share.

In a world of mega-retailers dominating the retail market, small entities are struggling to survive “in the shadow of the retail giants” (Cotton, Cachon, 2007, p. 135). Therefore, small retailers are looking for a way to differentiate themselves from big ones to attract customers. A study carried out by Cotton and Cachon (2007) found that small retailers have some advantages over big ones in the areas of store cleanliness, value for the customer, products’ quality and store layout. While the majority of small retailers suffered lower sales resulting from the arrival of mega-retailers, about one third of them managed to boost their sales growth by 21%. The core aspects of their success were differentiation and niche marketing, e.g. some of them decided to refuse to carry any brands available at mega stores and refuse to service such brands, and they inform customers about this.

Bowd et al. (2006) examined a stakeholder and management perspectives of CSR in retail. The major findings were: the symmetry between management and stakeholders’ views of CSR (the core importance of obeying the laws and regulations of government, ethical conduct, community involvement, philanthropy, human rights, health & safety), limited awareness of CSR activities by stakeholders, and assessment of the benefits resulting from CSR communication (e.g. corporate reputation).

Table 4 below summarises literature on the critical success factors in retail industry.

Success factors issues - retail sector	Authors and year
Coherent international brand management, disciplined distribution control, and retail presentation consistent with the marketing image	Wigley, Moore, 2007
Differentiation, niche marketing	Palmer, 1994; Harris, Ogbonna, 2001; Ailawadi, Keller, 2004; Cotton, Cachon, 2007; Parrish, 2010
Pricing, customer service, customization, differentiation	McGee, Rubach, 1997; Ailawadi et al., 2001
Better services in store, shopping ambience, advertising, temporary price reductions	Lal, Matutes, 1994
Productivity led differentiation, pricing, customer service, unique market positioning, strong customer franchise, location advantage, cost effective customer service packages	Walters, Knee, 1989

Green and sustainable business practices as a means to reducing costs. Also, personalised offerings, differentiation via service, realignment of offerings with changing consumer values, reduced costs and investment.	Sand, Ferraro, 2010
Quality of performance, convenience and price	Morschett et al., 2006
Loyalty, repeat purchase behaviour, customers' emotions and satisfaction	Jacoby, Kyner, 1973; Jarvis, Wilcox, 1977; Boulding et al., 1993; Taylor, Baker, 1994; Macintosh, Lockshin, 1997; Grewal et al., 1998; Rucci et al., 1998; Yoo et al., 1998; Sirohi et al., 1998; Corstjens, Lal, 2000; Reichheld et al., 2000; Silvestro, Cross, 2000; Ailawadi et al., 2001; Yu, Dean, 2001; Fredericks, 2001; Curasi, Kennedy, 2002; Hallberg, 2004; Huddleston et al., 2004; Pritchard, Silvestro, 2005; Ziliani, Bellini, 2004
Location	Gable et al., 1995; Hernandez, 1995; Byrom et al., 2001; Hernandez, 2007; Song, Sohn, 2007;
E-commerce	Brynjolfsson, Smith, 2000; Cassar et al., 2000; Gunasekaran et al., 2002; Burt, Sparks, 2003; Kotha et al., 2004; Yan, Pei, 2009; Xia, Zhang, 2010
Communicating CSR, improved reputation	Bowd et al., 2006
Pricing	Lal, Matutes, 1994; McGee, Rubach, 1996; Hermann et al., 2010
Format competition	Gonzalez-Benito et al., 2005; Zielke, 2010
Corporate social performance	Meijer, Schuyt, 2005
Environmental performance and marketing	Miles, Covin, 2000
Private label brands	Parrish, 2010

Table 4: Retail sector: literature on success factors.

In very recent studies, Sands and Ferraro (2010) interviewed Australian and New Zealand retailers to explore if there are growth opportunities during economic downturn. The study revealed that large retailers see this as an opportunity to invest in green and sustainable business practices as a means to aid in the recovery of the recession, in terms of reducing costs and beyond. Other strategies include personalised offerings, differentiation via service, realignment of offerings with changing consumer values, and reduced costs and investment.

Some authors claim that consumers are unwilling to purchase products due to low corporate social performance of producers (Meijer, Schuyt, 2005). According to this study, social performance had to reach some certain minimum level to be accepted by the consumers. CSR, in this case, is believed to be of indispensable value to consider purchasing a given product over a differentiator. This might also be important information for future positioning in a competitive market. Meijer and Schuyt (2005) also found that having a left-wing political orientation, a higher level of education, being female, and being older are consumer characteristics that all have a positive influence on sensitivity to corporate social performance.

Retail companies tend to present their CSR initiatives in the field of energy consumption reduction and material input. When the entire supply chain is considered, huge cost savings may be reached, and thus significant CSR reached by the companies. According to a report by Miles and Covin (2000), continuous improvements, low potential litigation expenditures, lower insurance, and lower energy costs belong to the main investment routes of companies aiming to cut their environmental impact.

4. Environmental issues

Environmental issues in the retail sector not only include direct impacts such as energy and water consumption, waste, the volume of packaging, land use, and transportation, but also indirect impacts such as the use of chemicals by suppliers (e.g. farmers) and offering genetically modified food. Jones et al. (2005) presented some examples of UK retailers such as Marks & Spencer who took a great effort to eliminate chemicals that are used for manufacturing of products offered in its stores. The company has focused mainly on pesticides, polyvinyl chloride, and dyeing.

Robinson (2007) highlighted that there are numerous possible modes of action for retailers in the field of sustainability. Water and energy use, materials, transport, cleaning, finding out what their resource consumption is, looking at how water is metered, looking for leaky pipes, determining types of lighting, thermal insulation, solar orientation, modes of recycling, plan construction site before retail shop appears – such actions help retailers to get green.

Lai et al. (2010) analysed some of the world's largest retailers and concluded that they have a great potential to improve their environmental performance in a "traditional" way by improving their operations (transportation, packaging, air conditioning etc.), but also by setting products standards, educating customers, and getting involved in green procurement practices.

Thompson (2007) researched the environmental friendliness of the retail space itself. Every retailer underlines its green credentials, its healthy eating range, its policies to combat carbon emissions and reduce waste, and the ethical producers it uses. Big retailers are trying to make their operations carbon neutral using a number of different strategies like applying green energy sources for lightning, cooling/heating,

and operational purposes. Without massive investment, retailers can reduce their carbon footprint by relatively mundane and simple changes in behaviour.

The report prepared by European Commission (2009) revealed that retailers tend to mainly focus on their environmental impacts (store operations and logistics) as the indirect effects (resulting from the products they sell) are much more complex and require cooperation with external stakeholders. Another report identified problems impeding the transition towards a more sustainable retail sector (European Commission, 2010):

- High energy consumption, considerable levels of waste, significant contribution to commercial traffic flows, and congestion in urban areas,
- Insufficient consideration of environmental costs in the retail supply chain (logistics, energy efficiency of shops, marketing and communications, etc.), in particular where sufficient incentives are not made available,
- lack of a common life-cycle methodology for evaluating the environmental impact of products and services sold.

Table 5 below summarises environmental issues in retail industry.

Environmental issues - retail sector	Authors & Year
Energy and water use, accessibility by private transport only due to location, use of sustainable materials	Robinson, 2007
Packaging, waste management, energy use	Thompson, 2007
Space occupation and increased traffic	Guy, 1998
Green retailing	Lai et al., 2010
Sustainable fashion supply chain	De Brito et al., 2008
Use of energy, use of input material, product, packaging, transport, consumption, waste	Kotzab et al., 2011

Table 5: Retail sector: literature on environmental issues

De Brito et al. (2008) discussed the role of the retail sector in supporting the development of a sustainable fashion supply chain. The main challenges they stressed were: intense use of chemical products and natural resources to produce clothes, fair labour conditions, and discrimination and gender issues.

Guy (1998) named space occupation and increased traffic as two of the most noticeable environmental impacts of the retail sector.

Kotzab et al. (2011) analysed the environmental supply chain management initiatives of the "Global Powers of Retailing" (according to Deloitte, 2010) published on websites, annual reports, and corporate social responsibility reports. The activities (concerning fundamental environmental attitude, use of energy, use of input material, product, packaging, transport, consumption, and waste) are characterised as very operational and short term oriented.

5. Quality of jobs issues

The retail sector faces strong competition from within. Emerging discounters exert cost pressure to all market participants. Combined with deregulation of opening hours, companies have to balance three factors: labour quality (skills and performance of employees) and quantity (availability) and cost (wages). How and within which limits this balance is accomplished has considerable national differences due to labour market regulation and institutions (Jany-Catrice/Lehndorff 2002). Conditions tend to be worse in eastern versus western Europe (Oponowicz, Chmielecka, 2008).

Table 6 below summarises Quality of jobs issues in retail industry.

Quality of Jobs issues - retail sector	Authors & year
Role ambiguity, role conflict, and family–work conflict, competitive climate	Arnold et.al., 2009; Zeytinoglu et.al., 2004; Roberts, 2003
Part-time work, wages, casual work, reducing hours of work, elimination of rest/meal breaks, introduction of split-shifts, lack of quality training	Zeytinoglu et.al., 2004; Lynch, 2005
irregular, uncontrollable and inconvenient working hours, stress, social dialogue, and trade union structure	Jany-Catrice, Lehndorff 2002; Baret, 1999
High employee rotation, chronic physical exhaustion, long sequences of working days, length of shifts and time off in between them, bullying, stress caused by reduction in staffing levels	Oponowicz, Chmielecka, 2008; Forcier, 2008; Arnold, 2009
Turnover and its reasons, job instability	Esbjerg et al., 2010; Hendrie, 2004
Gender discrimination	Broadbridge, 2007, 2008; Foster, 2007; Lynch, 2005
Stress, health (muscoskeletal deseases)	Arnold et al., 2009; Jany-Catrice, Lehndorff 2002; Focier, 2008a
Wages, interest representation	Hendrie, 2004; Jany-Catrice, Lehndorff, 2002; Omar, 2005
Work-life balance	Broadbridge, 2009
High turnover due to lack of career progression and low payment	Hendrie, 2004; Esbjerg et al., 2010
Job satisfaction, pay level satisfaction	Eurofound, 1999; Eurofound, 2002; Omar, 2005; Shittu, 2008

Table 6: Retail sector: literature on Quality of Jobs issues

The following issues can be observed:

Intrinsic job quality has a mixed picture: Whereas job demands are seen as favourable and job control has an insignificant influence on job satisfaction, low task flexibility is seen as unfavourable (Eurofound, 2002).

Skills and employability: Training is low due to the structure of the workforce: A large proportion of employees consists of unskilled workers (employability does not depend on skills) and women working part time. Turnover is very high (80-150% per year in Denmark; Esbjerg et al., 2010). Large corporations with value-added products tend to have more formal training schemes than food retailers and discounters. Intensive training efforts can be observed on the management level. Missing skills are therefore seen as quite unfavourable in job satisfaction surveys (Eurofound, 2002). This trend tends to be reinforced: lack of career advancement is the second largest reason for high turnover in the UK (Hendrie, 2004).

Equal treatment shows a heterogeneous picture: Whereas job satisfaction data shows discrimination as not a significant issue (Eurofound, 2002), objective indicators show the contrary: there is a strong vertical gender employment gap with a male domination of mostly female workplaces (Broadbridge, 2007) with limits to career development for women (Foster, 2007; Broadbridge, 2008). The horizontal employment gap is high (majority women, with payment way below average private services wages), and horizontal pay gap shows women's wages between 75% (Portugal) and 92% (Sweden) of their male counterparts. Part time workers tend to be discriminated against full time workers, as Lynch (2005) showed in an empirical study on UK retail jobs.

Health and working conditions are dominated by irregular, uncontrollable, and inconvenient working hours, and short and split shifts (Zeytinoglu et al., 2004), although the picture varies between countries due to formal regulations (Jany-Catrice, Lehndorff, 2002; Baret, 1999). Who is on the "flexible" and who on the "flexibilized" side is a mix, but generally the company is more flexible in deciding working time (Jany-Catrice, Lehndorff, 2002). Job satisfaction surveys see this as a slightly negative influence on job satisfaction (Eurofound, 2002). Although reports on musculoskeletal problems can be observed (Forcier, 2008a), ergonomics and ambient conditions are not issues and data is even seen as favourable compared to other sectors (Eurofound, 2002). Stress due to reduction of staffing levels is mentioned by several researchers (Arnold et al., 2009; Jany-Catrice, Lehndorff, 2002; Esbjerg et al., 2010), but not clearly confirmed in job satisfaction surveys (Eurofound, 2002).

Job stability and security are far worse than average in every country, although turnover varies due to national labour market regulation and institutions. But turnover is a double-edged sword. On the one hand, employers recruit and dismiss, and on the other hand, a large proportion of employees are transitional (they do the job until they find another one) or have their main concerns elsewhere (with the family), so stability is not an issue. In Denmark, the stable workforce is only a small fraction of all employees (Esbjerg et al., 2010).

Inclusion and access to the labour market is not researched, but is presumably not an important issue, as turnover is high and large layoffs are uncommon.

Work-life balance varies. Most employees are women working part time. Considerable conflicts occur due to tendencies to increase shop opening hours, causing inconvenient working hours (Zeytinoglu, 2004). This causes conflicts of interest with customers, which – due to their increasing flexible working hours – increasingly need extended shop openings (Eurofound, 1999). In countries with rather strong labour legislation, this tends to be a two-way-dependency, where managers are dependent on employees doing the job, and employees on having it. Child-care facilities are scarce. In sum, pressure is high to accept unfavourable conditions (lower payment) to reduce work-family conflict, and women are more likely to be affected than men (Broadbridge, 2009). Nearly 1/3 of Britain's retail workers would like to get a better balance, but fear that their career would suffer (Roberts, 2003).

Social dialogue and worker involvement is varying among countries both in trade union membership and coverage of collective bargaining. As a general trend, trade unions are faced with highly fragmented and unstable staffs, which are difficult to address, represent and organise (Jany-Catrice, Lehdorff, 2002).

Wages and inclusion are a major issue, as retail is one of the rock bottom sectors concerning wages. Retail wages are 70-80% below average private services. Provided that national legislation allows it, wage dumping with pupils and students is abundant, and working arrangements below minimum standards are on the rise (Jany-Catrice, Lehdorff, 2002). Low payment is the primary reason for high turnover (Hendrie, 2004), and causes stress and absenteeism (Zetinoglu, 2004). 70% of all UK retail employees are dissatisfied with their income (Omar, 2005). Employees in discount stores are less satisfied compared to those in supermarkets (Shittu, 2008).

Human rights are not an issue in this sector.

6. CSR issues

Anselmsson and Johansson (2007) pointed out that there are three general attitude-based dimensions for CSR positioning - human responsibility, product responsibility, and environmental responsibility. Human responsibility means that the company deals with suppliers who adhere to principles of natural and good breeding and farming of animals, and also maintains fair and positive working conditions and work-place environments for their own employees. The dimension of environmental responsibility means that a company is perceived to produce environmental-friendly, ecological, and non-harmful products. It implies that a clear regiment of environmental policies exists and that product packaging is recyclable. Product responsibility means that all products come with a full and complete list of content, that country of origin is stated, that the company will uphold its declarations of intent and assume liability for its products. According to the authors, a firm's positive image resulting from engagement

in CSR has an impact on consumers' intention to purchase goods from CSR-oriented enterprises.

Lee et al. (2009) studied CSR attitudes of 100 retailers in the USA. Authors suggest that not enough retail firms are involved in communicating their beliefs in social responsibility to society. Retail corporations seem to feel that the primary audience consists of investors and stakeholders of the financial community. As a result, economic principles would be of most interest. Highlighting philanthropic principles might appeal more to the customer base and contribute to the organization's social responsibility image. In US, retailers' social programs were followed by environmental programs and then educational ones and included community support such as sponsorship of local charities and projects and environmental aspects that revolved around health.

Supply chains in the retail sector are vast and they often reach to very distant regions of the world. Further down the supply chain, there is a bigger risk of child labour or poor health and working conditions. There is also a threat that mega-retailers will take advantage of their strong bargaining power and will abuse local farmers, producers, and the natural environment. Therefore, companies engage in initiatives such as Ethical Trading Initiative or "Fair Trade" to prevent different kind of negative phenomena (Jones et al., 2005).

Jones et al. (2005, 2007) came to the conclusion that environmental issues are the earliest and most commonly reported CSR agendas among top retailers. They include: energy and water consumption and emission, raw material usage, waste and packaging volume, recycling, GMOs, application of chemicals, access for disabled customers, and promoting local production of goods. Retailers also seem to recognise ethics in business and urban regeneration as predominant incentives in conducting their businesses. Operational business imperatives, economic viability, and CSR assure long-term growth and financial safety for stakeholders. Study of Hughes et al. (2007) confirmed these conclusions.

Wagner et al. (2008) tried to identify which business practices lead to perceptions of corporate social irresponsibility from the customers' perspective. Based on quantitative data from a paper-based and on line survey, they named 14 factors that stand for corporate social irresponsibility in the retail sector. Among others, they were: natural environment, local businesses, societal rules, employee benefits and wages, and sales practices.

Jones et al. (2010) studied the sustainability reports of the worlds' leading retailers. They found some evident contradictions were being communicated to the public and are resulting from everyday operations. E.g. retailers need to assess the environmental costs of importing fresh fruits, vegetables, and flowers from developing countries, and the social benefits for customers. The authors also questioned the way large retailers define sustainability, as they tend to "squeeze" many goals into the sustainability agenda while in fact they are part of companies' competitiveness and growth commitments. They also tend to construct the sustainability agenda in order to encourage consumption and to further pursue growth, which is in clear

contradiction with sustainability. Furthermore, Jones et al. (2011) concluded that at best, UK's retailers promote the weak approach to sustainability, and that the way they communicate sustainability aims mainly at stimulating consumption.

Guercini and Runfola (2009) presented the concept of traceability, which refers to the generation and sharing of information about the product and production processes along the supply chain, from the B2B relations up to the customers in the final market. Authors found two approaches to the traceability: (a) some companies treat it as a tool for strengthening organisational control and are not willing to share information with customers, and (b) other companies treat traceability as a market tool, which enables customers to acquire knowledge about the origin of the products and the conditions under which they have been manufactured.

Table 7 below summarises **literature on CSR issues in retail industry**.

CSR issues - retail sector	Authors & Year
Local food producers, fairtrade, fitness, healthy living, healthy eating, organic produce, sustainability, employment policies, charitable giving, support for local communities	Jones et al., 2007
Philanthropy, educational, environmental and social programmes	Lee et.al., 2009
Protection of natural environment, effects on local business and local employment, corruption, employee wages, working conditions, employee discrimination, foreign labour, sales practices,	Wagner et.al., 2008
Ethicality, Support to community, respect for diversity, employee support, abolishing child labour, animal welfare, pesticide use, responsibility in non-domestic operations, product safety	Anselmsson, Johansson, 2007
Ethical trading	Hughes et.al., 2007
Energy use and waste reduction, upon good working environments and conditions, health and safety at work, training.	Jones et.al., 2005,

Table 7: Retail sector: literature on CSR issues

7. Trends and Future Prospects

General or global studies regarding retail futures are scarce, especially because the retail industry in a global or even just a European respect is widely varied, constantly changing, and therefore unpredictable. However, according to Mike Watkins (2002), Senior Manager Retailer Services for Nielsen Business Media, there are certain European patterns in terms of consumer trends and retailer consolidation to be noted. Furthermore Doherty (2010) also suggests setting more focus on understanding of the cultural characteristics of international retail organizations.

Due to the proliferation of new brands, retail offers, and manufacturer innovations, the future is about increasingly informed choices, but also increasingly planned store patronage. Convenience and Accessibility remain factors of major importance within the context of retailing. (Doherty, 2010)

New store formats are being developed, as well as the phenomena of out-of-town grocers. Resulting from a rise in consumerism, new forms of large-scale retailing, and a decreasing accessibility of many city centers, certain entrepreneurs locate their business at the urban fringe. This development caused major concerns about negative effects on existing business in the city or town center. (Watkins, 2002)

In 2009, van Leeuwen carried out a study to analyze the diverse effects of future retail developments on the local economy, and to show that households would change their choice of shopping location if new out-of town retail locations were to be developed. Within the research two scenarios were built: firstly, the development of a retail center in the centre of Nunspeet, Elburg (medium town in the hinterland) and additionally, a so-called out-of –town development - a retail center just outside Nunspeet or Elburg. The results demonstrated that out-of-town retailing can indeed cause significant losses for the retailers in the traditional town-centers. However, most of the losses of the Nunspeet economy affect local producers, not local households.

Yet food retailing within the context of e-commerce is a controversial issue in future studies. Mike Watkins (2002) claims that a fully informed channel choice in the future has to involve e-commerce. His study indicates that Belgian consumers hold a rather negative attitude towards online shopping, especially for fresh food products. The development of online food retailing is still dependent on consumers' demands for accessibility, assortment, price policy, store size, store design, prices, and services. In fact, there is little evidence of major paradigm shifts of a "retail revolution" in terms of the online food business.

However, consumers' lives are very diverse and their needs and interests shift easily and quickly. To assure retailer consolidation, it is though necessary to be aware of consumer trends and to be flexible in redefining trading categories. To tackle legal, physical, and operational barriers to a more substantive regional or global consolidation, it might be essential for the future of retail development to focus on partnerships between retailers and suppliers, as well as between retailers and other retailers. (Geuens et.al., 2003)

Nevertheless, according to Watkins (2002) the future of own brand is expected to be country-led, and thus company-led. He also claims that there are still too many national regulatory, lifestyle, competitive and cultural barriers acting to prevent convergence of brand experience across Europe, especially in food retailing.

It is suggested that companies develop category plans based upon customer needs that differ country- by- country, such as Ahold's "best-in-breed" approach to developing a family of companies. Furthermore, future research studies should focus more on a concept for international retail data for a more comprehensive information service, and to reflect more precisely the emerging pattern of consumer demand and retailing supply across Europe. (Doherty, 2010).

Trends and Future Prospects – Retail Sector	Authors	Year
Research agenda for the future for international retailing, retail management, marketing, research work	Alexander, Doherty	2010
Retail industry related to food industry, trends and changes in grocery shopping and food retailing	Geuens, Brengman, S'Jegers	2003
Development of Retail Industry, consolidation and merger of corporations, futures in terms of consumer trends	Mike Watkins	2002
Retail development, shopping behavior, consumerism, human behavior models	van Leeuwen	2009

Table 8: Retail Sector: literature on future trends

8. Literature

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9. Annex

The following table shows the retail sub-sectors according to NACE 1.1 version

Sector	NACE 1.1	Sub-sector
Retail	G52	Retail sale in non-specialized stores
	G52.11	Retail sale in non-specialized stores with food, beverages, or tobacco predominating
	G52.12	Other retail sale in non-specialized stores
	G52.2	Retail sale of food, beverages, and tobacco in specialized stores
	G52.21	Retail sale of fruit and vegetables
	G52.22	Retail sale of meat and meat products
	G52.23	Retail sale of fish, crustaceans, and molluscs
	G52.24	Retail sale of bread, cakes, flour confectionery, and sugar confectionery
	G52.25	Retail sale of alcoholic and other beverages
	G52.26	Retail sale of tobacco products
	G52.27	Other retail sale of food, beverages, and tobacco in specialized stores
	G52.3	Retail sale of pharmaceutical and medical goods, cosmetic, and toilet articles
	G52.31	Dispensing chemists
	G52.32	Retail sale of medical and orthopaedic goods
	G52.33	Retail sale of cosmetic and toilet articles
	G52.4	Other retail sale of new goods in specialized stores
	G52.41	Retail sale of textiles
	G52.42	Retail sale of clothing
	G52.43	Retail sale of footwear and leather goods
	G52.44	Retail sale of furniture, lighting equipment, and household articles n.e.c.
	G52.45	Retail sale of electrical household appliances and radio and television goods
	G52.46	Retail sale of hardware, paints and glass
	G52.47	Retail sale of books, newspapers and stationery
	G52.48	Other retail sale in specialized stores
	G52.5	Retail sale of second-hand goods in stores
	G52.50	Retail sale of second-hand goods in stores
	G52.6	Retail sale not in stores
	G52.61	Retail sale via mail order houses
	G52.62	Retail sale via stalls and markets
	G52.63	Other non-store retail sale
	G52.7	Repair of personal and household goods
	G52.71	Repair of boots, shoes, and other articles of leather
	G52.72	Repair of electrical household goods
	G52.73	Repair of watches, clocks, and jewellery
G52.74	Repair n.e.c.	

The following table shows the retail sub-sectors according to NACE 2.0 version

Sector	NACE 2.0	Sub-sector
Retail	G47	Retail trade, except of motor vehicles and motorcycles
	G47.1	Retail trade in non-specialised stores
	G47.1.1	Retail sale in non-specialised stores with food, beverages or tobacco predominating
	G47.1.9	Other retail sale in non-specialised stores
	G47.2	Retail sale of food, beverages, and tobacco in specialised stores
	G47.2.1	Retail sale of fruit and vegetables in specialised stores
	G47.2.2	Retail sale of meat and meat products in specialised stores
	G47.2.3	Retail sale of fish, crustaceans, and molluscs in specialised stores
	G47.2.4	Retail sale of bread, cakes, flour confectionery, and sugar confectionery in specialised stores
	G47.2.5	Retail sale of beverages in specialised stores
	G47.2.6	Retail sale of tobacco products in specialised stores
	G47.2.9	Other retail sale of food in specialised stores
	G47.3	Retail sale of automotive fuel in specialised stores
	G47.3.0	Retail sale of automotive fuel in specialised stores
	G47.4	Retail sale of information and communication equipment in specialised stores
	G47.4.1	Retail sale of computers, peripheral units, and software in specialised stores
	G47.4.2	Retail sale of telecommunications equipment in specialised stores
	G47.4.3	Retail sale of audio and video equipment in specialised stores
	G47.5	Retail sale of other household equipment in specialised stores
	G47.5.1	Retail sale of textiles in specialised stores
	G47.5.2	Retail sale of hardware, paints, and glass in specialised stores
	G47.5.3	Retail sale of carpets, rugs, wall, and floor coverings in specialised stores
	G47.5.4	Retail sale of electrical household appliances in specialised stores
	G47.5.9	Retail sale of furniture, lighting equipment, and other household articles in specialised stores
	G47.6	Retail sale of cultural and recreation goods in specialised stores
	G47.6.1	Retail sale of books in specialised stores
	G47.6.2	Retail sale of newspapers and stationery in specialised stores
	G47.6.3	Retail sale of music and video recordings in specialised stores
	G47.6.4	Retail sale of sporting equipment in specialised stores
	G47.6.5	Retail sale of games and toys in specialised stores
	G47.7	Retail sale of other goods in specialised stores
G47.7.1	Retail sale of clothing in specialised stores	

G47.7.2	Retail sale of footwear and leather goods in specialised stores
G47.7.3	Dispensing chemist in specialised stores
G47.7.4	Retail sale of medical and orthopaedic goods in specialised stores
G47.7.5	Retail sale of cosmetic and toilet articles in specialised stores
G47.7.6	Retail sale of flowers, plants, seeds, fertilisers, pet animals, and pet food in specialised stores
G47.7.7	Retail sale of watches and jewellery in specialised stores
G47.7.8	Other retail sale of new goods in specialised stores
G47.7.9	Retail sale of second-hand goods in stores
G47.8	Retail sale via stalls and markets
G47.8.1	Retail sale via stalls and markets of food, beverages and tobacco products
G47.8.2	Retail sale via stalls and markets of textiles, clothing, and footwear
G47.8.9	Retail sale via stalls and markets of other goods
G47.9	Retail trade not in stores, stalls, or markets
G47.9.1	Retail sale via mail order houses or via Internet
G47.9.9	Other retail sale not in stores, stalls, or markets

The EU biggest retailers in 2009

	Company name	Country	NACE 2.0 code
1.	TESCO PLC	GB	4711
2.	TESCO STORES LIMITED	GB	4711
3.	LIDL STIFTUNG & CO. KG	DE	4711
4.	KONINKLIJKE AHOLD N.V.	NL	4720
5.	SAINSBURY'S SUPERMARKETS LTD	GB	4711
6.	J SAINSBURY PLC	GB	4711
7.	ASDA STORES LIMITED	GB	4719
8.	REWE DEUTSCHER SUPERMARKT KOMMANDITGESELLSCHAFT AUF AKTIEN	DE	4711
9.	CELESIO AG	DE	4773
10.	DELHAIZE BROTHERS AND CO THE LION (DELHAIZE GROUP)	BE	4711
11.	WM MORRISON SUPERMARKETS P L C	GB	4711
12.	CARREFOUR HYPERMARCHES SAS	FR	4711
13.	EL CORTE INGLES S.A.	ES	4719
14.	MERCADONA SA	ES	4711
15.	CSF FRANCE	FR	4711
16.	KINGFISHER PLC	GB	4752
17.	OTTO (GMBH & CO KG)	DE	4791
18.	MARKS AND SPENCER GROUP P.L.C.	GB	4719
19.	MARKS AND SPENCER P.L.C.	GB	4719
20.	SAFEWAY LIMITED	GB	4711
21.	SAFEWAY STORES LIMITED	GB	4711
22.	DIXONS RETAIL PLC	GB	4743
23.	DISTRIBUTION CASINO FRANCE	FR	4711
24.	CENTROS COMERCIALES CARREFOUR SA	ES	4711
25.	JOHN LEWIS PARTNERSHIP PLC	GB	4719
26.	JOHN LEWIS PLC	GB	4719
27.	DANSK SUPERMARKED A/S	DK	4719
28.	BOOTS UK LIMITED	GB	4773
29.	ETABLISSEMENTS FR. COLRUYT - ETABLISSEMENTEN FR. COLRUYT	BE	4711
30.	TESCO PLC	GB	4711

Source: Amadeus data base

Sectoral Institutions and Initiatives

- European Retail Round Table (www.errt.org),
- Packaging Recovery Organisation Europe (www.pro-e.org),
- The Sectoral Dialogue on Commerce (UNI-Europa and Eurocommerce) (www.ec.europa.eu/social/main.jsp?catId=480&langId=en&intPageId=21),

Major European legal frameworks relevant to the sector

EU legislation affecting environmental issues

- Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH),

EU legislation affecting quality of work

- Directive 91/533/EEC on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship,
- Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term,
- Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work,
- Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work,
- Directives aimed at improving health and safety at work: 89/391 (Framework), 89/654 (Workplaces), 89/655 (Work Equipment), 89/656 (Personal Protective Equipment), 90/269 (Manual Handling of Loads) and 90/270 (Display Screen Equipment), Directive 91/383/EEC,
- Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work,
- Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time,
- Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services,
- Directive 2008/94/EC of the European Parliament and of the Council of 22 October 2008 on the protection of employees in the event of the insolvency of their employer,
- Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses,
- The Framework on Information and Consultation (Directive 2002/14/EC) grants basic principles, definitions and arrangements for information of employees at the enterprise level,
- Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies.

Databases relevant in the sector

5 major European databases exist on job satisfaction, which meet the restrictive criteria: European in scope, periodically updated and statistically representative. They are not sector specific.

- European Labour Force Survey (ELFS),
- European Working Conditions Survey (EWCS),
- European Survey on Income and Living Conditions (EU-SILC),
- European Structure of Earnings Survey (ESES),
- International Social Survey Programme (ISSP).