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## Article

# Financial and competitive implications of the European Green Seal: Perceptions of retail managers

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## FINANCIAL AND COMPETITIVE IMPLICATIONS OF THE EUROPEAN GREEN DEAL – PERCEPTIONS OF RETAIL MANAGERS

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### Abstract

Tackling climate change is one of the highest challenges which the world economy is currently facing. The European Green Deal, adopted in 2019, sets the European roadmap towards a net-zero greenhouse gas emissions economy. The food system is heavily responsible for greenhouse gas emissions and environmental degradation. Against this backdrop, the aim of the paper is to assess the way retail managers perceive the financial and competitive implications of the Green Deal in the activity of their companies. To achieve this goal, we have conducted qualitative research in the form of in-depth interviews in a sample of managers responsible for sustainability, quality or corporate social responsibility of important food retail companies in the Romanian market. The results of the research revealed different opinions and perceptions, but which converge to emphasize the importance of applying the principles underlying the Green Pact to gain competitive advantage and optimize costs, particularly, by developing solutions to reduce carbon emissions, use clean energy, reduce food waste and educate consumers towards sustainable consumption.

**Keywords:** European Green Deal, greenhouse gas emissions, retail, food system, financial performance, competition.

**JEL Classification:** L10, L25, L81, M10, O13, P18, Q01

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## Introduction

Climate change represents a huge challenge for both the world economy and the population of all over the world. In this context, in 2019, the European Commission adopted the European Green Deal. The aim of the document is to transform the economy of the European Union.

(EU) into an economy with no net emissions of greenhouse gases (GHG) by 2050 and decouple economic growth from resource use. The Green Deal is also an integral part of the strategy "to implement the 2030 Agenda of the United Nations and the goals of sustainable development" (European Commission, 2019). On 14 July 2021, the European Commission adopted a broad set of proposals in order to reduce GHG emissions by 55% by 2030, compared to 1990 levels. Achieving this target "is crucial to Europe becoming the world's first climate-neutral continent by 2050 and making the European Green Deal a reality" (European Commission, 2021).

The EU aim is in line with the Paris Agreement (European Commission, 2020a). Adopted in December 2015 by 196 Parties, this Agreement, "a legally binding international treaty on climate change", sets to limit global warming to below 2 degrees Celsius, compared to preindustrial levels. To reach this goal, participating countries will take actions to reduce their GHG emissions (United Nations Climate Change, 2022).

Crippa et al. (2021) highlight that the food system caused 34% of global GHG emissions in 2015. The authors suggest that between 1990 and 2015, GHG emissions from the retail sector increased both in Europe and the United States, by 4.2 and 3.6 times, respectively. Refrigeration is responsible for consuming most (43%) of the electricity used by supermarkets (Energy Star, 2008).

Therefore, applying the concept of sustainable development in the food system is of paramount importance in achieving the EU objectives to become climate neutral. To this end, the European Commission adopted a Farm to Fork Strategy for a fair, healthy, and environmentally friendly food system that "is at the heart of the Green Deal". To promote sustainable food production, the strategy sets, among others, a reduction in the use of chemical pesticides by 50% and fertilizers by at least 20% by 2030. A key element of this strategy is to promote sustainable food consumption. Building a sustainable labelling framework to reflect different aspects of food products, including those of climate and environmental, is also considered (European Commission, 2020b).

It is worth noting that issues related to sustainability and resilience of the global food system have become even more relevant under the Covid-19 pandemic and, recently, amid the consequences and uncertainties caused by the Russian-Ukrainian conflict. The Covid-19 pandemic has indicated that sustainability in the food chain is important in order to avoid "relevant" food crises in the future (Galanakis, 2020). Both the Russian Federation and Ukraine play a critical role in the global production of cereals and in international trade with agricultural commodities. Between 2016/17 and 2020/21, together, the two countries, on average, accounted for 19, 14 and 4% of global output of barley, wheat, and maize crops. Their contribution is especially high for sunflower seeds (more than half of world output). In 2021, the Russian Federation was the top wheat exporter (18% of the global market) and Ukraine, the fifth largest wheat exporter (10%) (Food and Agriculture Organization of the United Nations, 2022).

An important role in promoting sustainability is played by retail companies that are an "interface between production and consumption" (Riboldazzi, 2016).

Within this context, the present paper analyses the way food retail managers perceive the European Green Deal, focusing on financial and competitive implications, through qualitative research in the form of a semi-structured in-depth interview. The research intended as main objectives: determining the perceptions, attitudes and opinions of managers on the concept of sustainability and its implications at the level of retail activity; setting out perceptions of how the implementation of the European Green Deal may affect the competitiveness of retailers; highlighting the managers' views on the impact on retail activity of the concerns on climate management at the EU level, as set out in the European Green Deal; measuring the integration of circular economy-specific practices into retail activity; determining the managers' opinions in relation to the issue of consumer education towards sustainable consumption; measuring the extent to which retail companies promote healthy food and encourage producers to apply environmentally friendly techniques; identifying managers' perception on sustainable competitive advantages and adopting the system specific to e-commerce on large-scale as a source of competitiveness. In our research, we have advanced the idea that the application of the principles of the European Green Deal in retail trade has a positive impact on the financial performance of companies, which is also reflected favorably on the market position. Starting from these premises, further, the work is structured as follows: Section 1 is dedicated to the literature review, highlighting (i) the role of retailers in promoting sustainability and (ii) the financial and competitive impact of sustainable development in the retail sector; the research methodology is presented in Section 2; Section 3 contains the research results and discussions; the final part of the article reveals the conclusions and future directions of research.

## **1. Literature review**

### **1.1. The role of retailers in promoting sustainability**

Retailers can promote sustainability by choosing to sell sustainable products, reducing the direct impact on the environment, influencing consumers to opt for green choices (Ministry of Environment of Denmark Environmental Protection Agency, 2022). Carbon dioxide emissions in the retail sector are generated from different sources, mainly, electrical, refrigeration, transport ventilation, heating, and waste. Therefore, their control – through increased use of "green energy", using ecological vehicles, modern heating system, modern refrigeration units, efficient waste treatment, etc. – will improve the performance of retail companies (Lukic, 2017).

The Covid-19 pandemic has strengthened the need for sustainability in the retail sector, with some customers experiencing changes in their preferences and expectations: while 64% of Chinese consumers affirm that they will consider more environmentally friendly products, 61% of UK and German consumers will buy more high-quality items (McKinsey and Company, 2021). The orientation of retailers towards sustainability is also liked by young consumers (members of Generation Z) in Romania (Dabija, Bejan and Pușcaș, 2020). In fact, consumers are becoming more interested in buying green or sustainable products, being loyal to this type of products (Dabija, Bejan and Grant, 2018). These changes in customer preferences are in line with the UNCTAD predictions, which expects that the evolution of world trade in 2022 will be affected, among others, by the increased demand for

environmentally sustainable products. This trend is likely to be supported by policies on the trade of high-carbon products (UNCTAD, 2022).

The carbon impact depends on the consumer's choice of retail channel and shopping location; buying a product in neighboring stores at the expense of a shopping mall could limit the increase in carbon emissions (Seebauer et al., 2016). The pandemic has accelerated the use of new sales channels, consumers around the world, choosing to order online as stores were closed (McKinsey and Company, 2021). Sustainability has become an important topic for a significant part of customers, which is obviously reflected in the increasing impact on the selection of stores (Caro, Kök and Martínez-de-Albéniz, 2019; Pauceanu et al., 2021); therefore, a holistic understanding of sustainability that, at the same time, can also represent a challenge (Touboulis and Walker, 2015).

Pickett- Baker and Ozaki (2008) emphasize the role of marketing in promoting pro-environment products, from a managerial point of view, highlighting, among other implications, the importance of a greater exposure. The cost of organics is between 13% and 30% higher than the cost of regular food products (UNEP, 2005). However, some studies are indicating that consumers are willing to pay a higher price for green products (Drozdenko, Jensen and Coelho, 2011). According to the European Commission (2020b), tax incentives are a way to improve the price of sustainable food. Furthermore, the EU tax system should be designed in order to ensure that the price of foods reflect the real cost, including in terms of GHG emissions.

Research shows that brands have the potential to influence green shopping habits. According to the findings of an experiment conducted by Guyader, Ottosson and Witell (2017), stores can get customers to notice and consider buying sustainable products by directing their visual attention to them (placing them on the right shelves). Furthermore, the green colour was found to have the greatest visual impact on consumers, as it is associated with organic and natural qualities (Kaya and Epps, 2005; Wirth, Stanton and Wiley, 2011).

Scherhauer et al. (2018) underscore the importance of food waste prevention. In terms of environmental impact, the study findings reveal that 186 Mt of CO<sub>2</sub>-eq are the result of food waste in Europe, representing 15% of the overall impact of the entire food supply chain. Although most of all impacts related to food waste are attributed to the production stage, greenhouse gas emissions from retail and distribution contribute 7%. Gustavo et al. (2021) distinguishes some green marketing actions to reduce food waste of short shelf life products in retail stores. These actions include arranging the products according to the brand of retailers and the brand of suppliers and the dynamism of the prices. The place inside the store where these products are offered can also contribute to maximizing sales. Another interesting line of research, which envisages sustainable practices within retail activity, consists of the use of artificial intelligence to better analyse consumer behaviour or to offer more efficient ways to improve the consumption experience (Dinu, 2021).

As a result, in a world where consumers are increasingly seeking quality socially responsible behavior, retailers must address this important issue in the business strategies they develop (Dabija și Băbuț, 2019).

## **1.2. The impact of sustainable development on financial performance and competitive position in the retail sector**

Analyzing the relationship between corporate social responsibility (CSR) and corporate financial performance represents an area of interest for both academia and business. Ye et al. (2021), following a meta-analysis of 270 articles, highlight the link between CSR and the ability of companies to achieve better financial results. Patten and Zhao (2014) suggest that standalone CSR reporting by retail companies in the US has a positive impact on perceptions of company reputation, which may lead to increased interest of socially responsible investors in company stocks. Similarly, focusing on Italian large-scale retail companies, Riboldazzi (2016) reveals that the orientation of companies toward sustainable development has a positive influence on the future of companies. Lavorata (2018) explores the issue of sustainable development within French food retailers. The study emphasizes that, taking into account "the collective interest of society", through strategies including bio-products offer, mass retailers can significantly differentiate themselves as compared to their competitors.

In recent decades, the advantages associated with green buildings have been highly debated. Researchers and experts in the sector investigated the topic, which became increasingly attractive as the international community became aware of the need to protect the environment. The report issued by the World Green Building Council (2013) highlights the benefits of green buildings in several respects, among which are operating costs, asset value, and workplace productivity. Based on solid evidence, the report reveals that these buildings directly reduce operating costs through reduced energy and water use, and indirectly, by lower costs for refurbishment and space reconfiguration. Moreover, green buildings do not necessarily involve additional costs, compared to conventional buildings. Green buildings tend to generate higher rents and sale prices and can also improve worker productivity, with a positive impact on the company (World Green Building Council, 2013).

Supermarkets are among the most electricity-intensive type of commercial building; therefore, energy savings are reflected in increased profitability (10 percent reduction in energy costs can increase net profit by 16 percent) (Energy Star, 2008). Within this context, Heschong et al. (2003) highlight that the presence of daylight in stores has a positive impact on retail sales. The findings are based on the study of 73 stores within a major retailer in California from 1999 to 2001. Moreover, the results of a previous study, Heschong Mahone Group (1999), including 108 stores of a chain retailer, indicate a very high impact of skylighting on sales performance. More precisely, stores that use skylight have 40% higher sales than stores without skylight.

The specific topic related to the impact of carbon dioxide emissions reduction on performance in the retail sector is addressed by Sullivan and Gouldson (2016). They conducted a comparative assessment of the actions of UK and US retailers on climate change and emission reduction targets. The authors underline that both the UK and the US retailers are focused on energy efficiency because the retail sector is a "highly cost competitive sector, where marginal changes in the sales price" of products can have an important influence on profitability. The study suggests that by attributing a high price to greenhouse gas emissions, companies will continue to focus on reducing greenhouse gas emissions.

## 2. Research methodology

The research related to the article is part of the qualitative research category, the method of collecting data being the in-depth interview. In particular, the in-depth interview method is appropriate when the research is exploratory and the bearers of the information fall into the category of professionals, or decision-makers – managers at various levels. The objective of the investigation was to analyze the perceptions, opinions, and attitudes of managers in the retail chains present on the Romanian market regarding the implementation and implications of the European Green Pact, mainly from a financial and competitive point of view. In the second place, the objective was to identify the means to promote the content of the European Green Deal at the level of relevant economic decision makers and to outline an optimal framework for future discussion topics adapted to the specific realities of retail in Romania.

In line with the purpose of the research, a series of objectives were defined that formed the basis for the creation of the semi-structured interview guide addressed to the interviewed managers, each objective being covered within the topics approached according to the specific methodology of qualitative researches of in-depth interview type.

The in-depth interview method has a number of advantages when it comes to obtaining sensitive information about the perceptions or attitudes of people who are decision makers. Particularly, in the present research, the research method and the application of the interview are opportune, considering its purpose, directly related to obtaining information on the competitive advantages of the retail chains present on the Romanian market, derived from the implementation of the content of the European Green Deal.

The actions taken in this area, the positions adopted by retailers, the programs aimed at the provisions of the Deal, such as reducing carbon emissions, using renewable energy, recycling packaging, reducing food waste, etc., are captured in a dynamic way, from the perspective of perceptions, opinions, and attitudes of managers directly involved in the corporate social responsibility policy, or in the quality and sustainability of the companies subject to research.

Qualitative research, in particular when using the interview method, involves an exploratory approach managing small-scale samples, a direct consequence of both the degree of saturation of the content of each topic and the possible number of topics identified as relevant to the purpose of research (Silverman, 2020).

The tool used to collect data is represented by the semi-structured interview guide, which is built on 10 topics of discussion, adapted to the research objectives, which allow results to be obtained in the form of primary data. The choice of the semi structured interview guide was based on the need for a balance between the rigor of the structure of predefined topic information and the flexibility that the researcher may experience during the interview process with regard to the introduction of new questions or the modification of the predefined questions as appropriate, to ensure smooth communication and highlight any particular issues in the speech of the interviewees (Kalu and Bwalya, 2017).

The research sample was extracted in a manner specific to the qualitative research conducted in the form of in-depth interviews – quotas method guided sampling (Miles, Huberman and Saldana, 2018).

As the projected statistical population is considerably small – the Romanian market being dominated by several food retail chains, the actual size of the sample of managers surveyed

was limited to 10 managers within important companies at the level of the domestic retail market. The managers were recruited on the basis of a recruitment questionnaire specific to the methodology of qualitative research of this kind. The managers' recruitment questionnaire focused mainly on inclusion in the sample exclusively of managers who at the corporate level have competencies and attributions directly related to sustainability, quality policy, environmental policy, or corporate social responsibility. In this way, the essential condition of the validity of the data collected as relevant to the purpose and objectives of the investigation was ensured. In addition to other research based on the same principles, specific to the in-depth interview, this research focused on identifying opinions and perceptions related to a distinct European document, with highly specialized content. This undoubtedly contributes to the small sample size and the specificity of the expressed.

The structure of the sample took into account managers who predominantly have a level of education equivalent to the post-graduate studies or even hold a Ph.D. (two of them). Additionally, from the perspective of the position within the organization, the preponderance of those who hold the position of CSR Manager can be noticed, followed by the position of Sustainability Manager or Sustainable Development Policy Manager. Experience in positions or jobs involving management ranged from 1-5 years to more than 20 years, especially interviewing managers with experience of 6 to 10 years. The seniority in the field of retail trade was at least of 4 years, which contributed to the validation of the opinion/s or perceptions objectivity expressed in relation to the specifics of the analyzed activity.

The interview guide was administered within the interviews that were conducted through the Google Meet and Zoom platforms in March 2022, depending on the availability of the respondents. The interviews were recorded audio-video with the consent of the participants, being guaranteed, based on a protocol, the confidentiality of personal data and sensitive information resulting from the dialogues carried out. The content of the recordings was later transcribed, and the resulting transcripts were processed with the help of the software specialized in qualitative data analysis, ATLAS.Ti, version 7.5.7. Based on the data resulting from the processing of the contents of the transcripts with the help of the specific extension Network Views within the ATLAS.Ti software, the network of links between the codes defined by different categories was also obtained (see Figure no. 1).

### **3. Results and discussions**

The first topic of discussion addressed in the semi-structured interview guide referred to a topic of general nature that contributed to unblocking the dialog and incited respondents to focus the discussion on the following topics. Thus, the perception of managers towards the very concept of sustainability was tested and characterized, respectively.

The responses showed well-defined opinions with perceptions firmly anchored in the retail reality, starting from the idea that "...waste is equivalent to unprogrammed consumption – a completely unsustainable approach" until the idea that sustainability represents "...the main business pillar of the company – structured in turn on three major strands of action – the sustainable range area, the area of energy, climate and resources, and the area corresponding to the idea of employee and society". Opinions were also highlighted, with particular emphasis on the dimension of a sustainable future and, respectively, the management of sustainability within the community.



On the same topic, there are perceptions that show the real interest of large retailers in the issue of sustainability, and not only in the development of an organization that reduces waste. Sustainability is even embodied in the long-term vision and business model of companies. A relevant detail could be observed, namely the sharp position adopted by those respondents whose general manager, or board of directors, also had an extremely well-defined position on the approach to sustainability.

Also, on this topic, a very interesting perspective offered by the managers who analyzed the position of the CSR (Corporate Social Responsibility) department in the organizational structure of the companies was highlighted. Its direct connection with marketing certifies the perception of managers that, for many companies, concerns about CSR and sustainability are the preserve of some marketing tools. These opinions draw serious warning that such an approach might prevent the development of genuine sustainable practices at the retail level, and it also reveals the high degree of maturity which managers in this area have in terms of objectively analysing sustainability issues.

The second topic of discussion corresponding to the interview guide has taken into account managers' perception upon the concept, the content of the European Green Deal, and, respectively, the degree to which it may affect the competitiveness of retailers. The responses show a relatively diffuse perception of the Deal's existence, with most managers hearing of its existence but not knowing precisely what its content refers to. However, within the topic, once the main areas of application of the Deal were presented in the interview process, managers naturally reacted, showing a high degree of familiarity with each of the areas addressed. According to managers' opinions, the concerns of retail businesses in the food area about the implementation of concrete activities subscribing to the areas addressed by the deal represent real sources of competitiveness in terms of both reduced operational costs and consumer perception.

Within this topic of discussion, opinions toward the importance of the areas addressed by the Deal have expressed both unique views highlighting the issues of clean energy or carbon reduction, and views that believe all areas of action of the Deal are important and should be considered as a "one-size-all package" of measures and actions.

The topic of discussion referring to the impact that climate management concerns at the EU level may have on retail activity has highlighted the content of retailers' activities in terms of concerns about reducing carbon emissions.

Thus, the interviews revealed that the range of actions is diverse and a number of elements can be highlighted, such as: most managers take the challenge of reducing carbon emissions as a priority in the whole of their businesses' concerns; some retailers have set concrete targets for carbon footprint reduction – (by 40% by 2030); most retailers have invested in low-pollution transport or alternative sources; reducing carbon emissions represents an integral part of the business models of firms.

In terms of profitability of actions involving the reduction of carbon emissions, we notice that there are managers who consider such actions to be profitable on the long term "...with a view to imposing the 2026 carbon price" or to joining the EU's 55% reduction plan for greenhouse gas emissions by 2030, "Fit for 55".

Similarly, opinions could also be observed that consider actions to reduce emissions as a source of competitive advantage, embedded in the business model promoted by retailers.

These positions are also supported by concrete, far-reaching actions, such as the full exchange of lighting sources in stores with led bulbs or the full fitting of fresh product showcases with doors specifically designed to reduce energy use.

Another topic in the interview guide, considered extremely important topic in the managers' perception, is the one considering the circular economy and its impact on the environment, which, in the retailers' vision, is materialized in three major directions of action – package recycling, product labelling, and reduction of food waste.

The first direction of action, recycling materials and packaging, is a priority that all participants in the interview are aware of, without exception. The specific practices of companies in this area are among the most diverse: containers for each waste category, recycling of used oil in the form of biofuel, collecting textiles and donating them or pre-recycling them, active recycling of sheets packaging pallets, plastic or polystyrene boxes, recycling of document archives, etc. Recycling is considered, without exception, to be a source of competitive advantage and a concrete and practical way of making work more efficient.

The second direction of action, product labelling and the inclusion of environmental impact information on labels, is a nuanced issue addressed by the managers interviewed. Labels that comply with European requirements on consumer information legislation are implemented, European Regulation 11.69, "green dot" labels, and specific signs on labels for each category of packaging that is recycled. There is also the perception that starts from the premise that "...the label is the best interface for communicating with the consumer we have in general...", the respective manager being also concerned about the possibility of educating consumers starting from the content of the labels.

The third direction of action, food waste, represents one of the most important issues that managers consider to contribute to the implementation of the circular economy. Here, the range of approaches and activities is also diverse: products that are functional, but have various defects (skewed labels, packaging not vacuumed accordingly) are redirected to employees, the company's canteen, or retirement homes; development and application of software solutions that automate processes and facilitate the operational process at the store level; using artificial intelligence to optimize the discounts offered to customers, making them an economically advantageous offer for both customers and stores. Also, the use of AI to optimize orders for fresh products; concerted action with producers and suppliers, at the level of the entire supply chain; therefore, the combination of actions that are aimed at "food loss", not just "food waste"; the widespread use of the accelerated sales system, with the implementation of differentiated discounts depending on the number of days left until the product expires on the shelf; extensive collaboration with organizations and associations in the structure of food banks to make donations of products that are approaching the deadline or are defective; conversion of fruit and vegetables into biogas.

Most managers categorize measures to reduce food waste as cost-effective, representing timely actions to reduce financial losses resulting from operational activities. There are also interesting singular opinions that consider the issue of food waste as a "goal at a national level" that should be introduced as a legal requirement. In addition, it is considered appropriate to have "cross-control at producers and retailers", in order to ensure real involvement in combating this waste. Efforts to transform fruits and vegetables into biogas are unique actions, with a low degree of generalization in the market, as they are consumers

of considerable financial resources, due to the high prices on the Romanian market practiced by companies that produce biogas.

Within the same discussion topic, a very important aspect raised by several managers refers to the need for this food waste problem to be dealt with not only in the operational business of retailers but also upstream, at the supplying and producing level, as well as downstream, at the consumer level.

Another topic of discussion within the semi structured interview guide concerned the managers' opinions regarding the profile of the sustainable consumer and education in the direction of a sustainable consumption of the Romanian consumer. On this occasion, the managers interviewed expressed rather strong perceptions around the basic idea that, at least at the moment, there is an extremely small part of the population that is aware of what sustainable consumption means and that shows such purchasing and consumption behaviour. However, a large proportion of managers affirmed that there has been a slight improvement in consumer attention in recent years toward the consumption of green and sustainable products. From the point of view of the age segments of consumers, there have been very interesting opinions, starting from the premise that the older generations are more concerned about sustainability in general and more willing to adopt more sustainable consumption behaviours, along with younger generations who seem to be more and more interested in organic and green products. In the opinion of managers, the same cannot be said about "intermediate-age" generations that do not show the same availability for sustainable behaviour.

Also, within the same topic of discussion, most managers indicated the existence of concrete programs and concerns for educating consumers, engaging them in promotion or loyalty programs which focus on sustainable consumption and reducing food waste in individual consumption, food waste collection, packaging collection, etc. Last but not least, there are some opinions that have highlighted the need for the simultaneous education of retail employees and consumers in the direction of sustainable consumption. It is considered natural to have the possibility of a "transfer" of responsibility in terms of sustainability, from the employee to the final consumer, both in terms of buying behaviour in the store and the actual consumption of products.

From this perspective, some of the managers indicated the efforts made with the training of employees on the topic of sustainability, being made nuanced training on different decision-making levels, management, respectively employees.

Another interesting topic of discussion, presented in the interview guide, was the one on the degree to which healthy foods were promoted through the supply of organic products and producers were encouraged with offers of this type. Managers' perceptions about the issue of ecological products are nuanced: opinions in this respect were reported that strongly expressed the idea that the completely ecological product is a utopia, or at most a 'beautifully packaged marketing story', those managers being convinced that the production of completely environmentally friendly fruit or vegetables would be made at exorbitant production prices, because the soil has been already polluted, in most cases, and the costs of depolluting it are very high.

On the other hand, most managers agreed with the fact that, in recent years, the interest of Romanian consumers in Bio and Eco products has increased, which has also led to an additional concern for shelf supply of such products, and, therefore, to favoring contracts

with producers offering such products. The profitability of these actions is closely linked to the demand for consumption, as managers believe that the increased interest of consumers also justifies the attention paid to these producers in the future.

From the point of view of the incentives that can be granted for the promotion of products with low impact on the environment, the managers considered appropriate actions such as: financial incentives from the state for small producers delivering such products; subsidizing the prices of Bio or Eco products, both at the level of producers and retailers; training programs for young entrepreneurs to sensitize them in the direction of investment in Bio products as well; programs with European funds for greening production.

The topic of discussion on identifying managers' perception of sustainable competitive advantages and adopting the specific system of e-Commerce on a large scale as a source of competitiveness revealed the extent to which retailers have promoted the shortening of supply chains, against the background of the COVID-19 pandemic. There have been several situations in which managers said the move was implemented prior to the pandemic as a means of reducing the company's carbon footprint in the life cycle and transport of products. Changes in the structure of orders have been reported, which, in the context of the pandemic, favored products packed in smaller quantities.

The adoption of e-commerce on a large scale, which comes as a direct result of the pandemic conditions, represents a constant for all large retailers, although several managers pointed out that this online distribution system was already established before the pandemic, of course, at a much lower level.

At the end of the interview guide, the topic which highlighted the need for additional funding for the better implementation of any type of initiative related to the European Green Deal highlighted the fact that the best support could be provided by the implementation of public-private partnerships, involving the pooling of various resources, not just of financial nature. A faster movement of funds and a reduction in the volume of documents for accessing them are also seen as viable solutions. An important part of the managers expressed their opinions according to which it is necessary to promote a common framework for implementing sustainability, producer, distributor, retailer, consumer, which should specify and highlight the role of each actor. In this direction, the managers in question exemplified with their own strategy that involves selecting suppliers by requesting them an eco-value certification, in order to create together a strategy that will have as a result: "... to become more sustainable at 360° ..."

In addition to the synthetic presentation of the main ideas structured on the most important topics of discussion of the interview guide, we considered it appropriate to carry out an analysis with the help of ATLAS Ti 7.5.7 software, based on transcripts, an analysis that revealed an apart situation referring to key ideas and expressions conveyed by the interview participants, graphically represented using the Network Views application (Figure 1).

The figure presents, in the form of a category 1 link network between codes defined by various categories, a graphical representation in which one can observe the relationships between the codes and their meaning. At the heart of the network there is the code on the provisions of the European Green Pact, visible the direct relations with the other codes regarding the topics within the interview, such as: defining sustainability, energy efficiency of buildings, clean circular economy, climate management, clean energy.

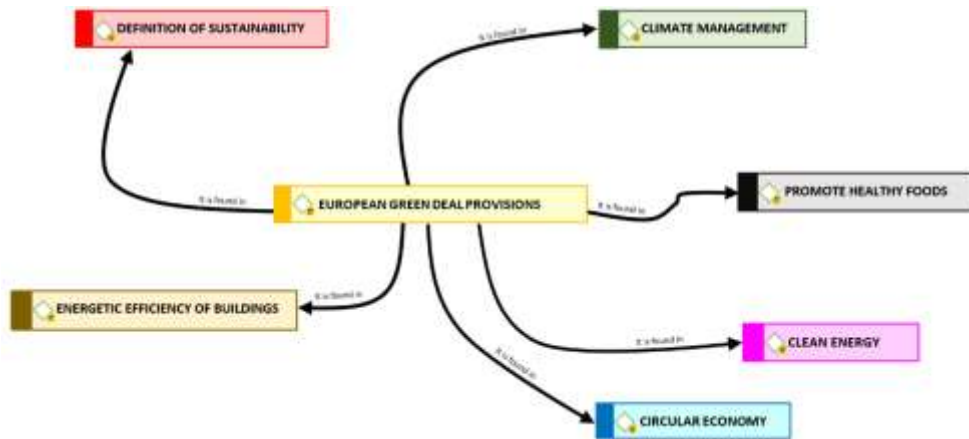


Figure no. 1 Visual representation of network connections

Source: own research, data processing with ATLAS Ti 7.5.7., Network Views application

Within the analysis, the nodes of the network, consisting of the codes defined above, are also analyzed from the perspective of the particular links with the different categories of codes which are relevant for each node. Thus, Table no. 1 presents the categories of secondary codes and their relationship with the main ones.

Table no. 1. Secondary codes and their relation to the main codes

Secondary codes (relevant issues for each topic)	The type of relationship	Main codes (guide discussion topics)
<ul style="list-style-type: none"> <li>Return</li> <li>Competitive advantages</li> </ul>	It is associated with...	Provisions of the European Pact
<ul style="list-style-type: none"> <li>Educating customers for sustainable consumption</li> <li>Sustainable assortments</li> <li>Low resource consumption</li> <li>Elimination of unjustified losses</li> <li>Care for employees and society</li> </ul>	It is associated with...	Definition of sustainability
<ul style="list-style-type: none"> <li>Smart warehouses</li> <li>Reduced consumed energy</li> </ul>	It is associated with...	Energetic efficiency of buildings
<ul style="list-style-type: none"> <li>Carbon emissions reduction</li> <li>Car park with ecological vehicles</li> </ul>	It is associated with...	Climate management
<ul style="list-style-type: none"> <li>Incentives for organic producers</li> <li>Shortening the supply chain</li> <li>Placing organic products on the shelf</li> </ul>	It is associated with...	Promote healthy foods
<ul style="list-style-type: none"> <li>Preparatory measures</li> <li>Partnerships</li> </ul>	It is associated with...	Clean energy

Secondary codes (relevant issues for each topic)	The type of relationship	Main codes (guide discussion topics)
<ul style="list-style-type: none"> <li>• Accelerated sale</li> <li>• Artificial intelligence</li> <li>• Eco-labeling of products</li> <li>• Donations for Food Bank</li> <li>• Waste oil collection for biofuel</li> <li>• Recycling of materials and packaging</li> </ul>	<p>It is associated with...</p>	<p>Circular economy</p>

Among the secondary codes it can be highlighted the situation of the two important codes for the finality of the research approach (profitability of retail companies and competitive advantages), and the "determines" type of relationship between them and the corresponding codes for each node (relevant aspects that emerged at each topic of discussion).

Thus, it is easy to observe the influences that denote a certain model of thinking of the interviewed managers, a real "perceptual map" on the addressed issue, to what extent the particular elements defined in the content of the European Green Pact that are already implemented by retail companies within the Romanian food trade influence their profitability and competitive capacity. The complexity of the linking network represented denotes the interdependence between the activities carried out by traders and the purpose of these actions. Within the network, those relationships were extracted from the analysis that bring an extra knowledge from the perspective of the research purpose, the codes used being fully connected to the two dimensions stated above, financial profitability and competitive advantages.

**Conclusions**

The research revealed a number of key aspects that outline the way the content of the European Green Deal is found at the level of important companies in the food-retailing trade on the Romanian market. Individuals occupying management positions responsible for sustainability, quality, or corporate social responsibility show obvious maturity when discussing sustainability and concrete ways of implementing it in business models. Likewise, it is important to emphasize the proactive attitude of senior management and board of directors who have a full agenda in terms of sustainability.

The European Green Deal does not have a clear image among food-retailing managers, at least formally, which reveals poor communication on the subject. Most of the areas of work established in the Pact have found echoes in the concrete activity of the interviewed managers, highlighting, above all, some topics that are present not only on the work agenda of managers, but also in the history of concrete actions which many retailers have already implemented – promoting measures to help develop the circular economy, reduce food waste, smart labelling, educate consumers on sustainable consumption, use clean energy, reduce carbon emissions, recycle packaging and of materials in the circuit of stores, promotion of healthy food, shortening of supply chains in the context of the COVID-19 pandemic, etc.

Figure no. 1 reveals the complexity of the relationships that can be established between the different aspects of the Pact and the issue of financial profitability and competitive advantages. In this respect, the codes present within the link network revealed direct relations

between the aspects of each node of the network and the corresponding codes for financial profitability and competitive advantages. Thus, the existence of a consensus among managers is noted regarding the fact that most of the actions aimed at the above topics have a positive impact on the financial profitability, while representing, at the same time, sources of competitive advantages. Particular attention should be paid from this point of view to reducing carbon emissions and food waste, activities that most of the managers interviewed considered to be important ways of increasing financial profitability.

Although the present research is exploratory in nature, it still represents an approach with certain scientific value, being the first of its kind to treat the perception of managers in Romanian food retail at the level of qualitative data. The results of the research come to accomplish those of some others who tackle the issue of the Green Deal from different perspectives. Thus, we can note that the managers' opinions on the sustainable behavior of food consumers, highlighted in our interviews, are confirmed by the results of quantitative research conducted on a sample of 689 Romanian consumers.

This research has shown that the relationship between current ecological behavior and the intention to buy ecological products in the future is mediated by the willingness to buy ecological products, the environmentally oriented lifestyle, and the willingness to pay more for these products (Cuc et al., 2022). Additionally, the general positive perception of managers toward the potential of the provisions of the Green Pact to stimulate retail organization profitability is similar to that of representatives of Romanian agri-food businesses, in terms of the opportunity to implement the measures of the Green Pact, perception that has been highlighted within a previous qualitative research, which targeted a sample of 26 managers, administrators or owners of agri-food businesses in Romania.

The conclusions of the research also have practical value, being able to be relevant to the decision makers in the field of commercial policies or retail companies, by outlining some eloquent opinions on the degree to which the different aspects discussed, directly related to the issue of sustainability, are reflected in the activity of traders. Many of the initiatives on display can be considered best practice, thus adding value to the information presented.

As limits of the research, those typical for qualitative research can be highlighted, namely the provision of information relevant to perceptions and thinking patterns, attitudes or opinion formation, but which cannot be statistically generalized at the level of a particular statistical population.

Another limit is the selection of participants only in the food retail trade. The approach to the issue of the Green Deal should also be studied at the level of other industries, which can have a major impact on environmental policies, such as fuel manufacturers and distributors, or service provision, in order to fully and coherently identify the real impact that the implementation of the Deal can deliver on the economy as a whole. From this perspective, it is justified as future research directions to carry out quantitative surveys in the form of field investigations based on a questionnaire, targeting representative samples of managers from several industries or other relevant stakeholders (consumers, NGOs, local or central administration, etc.).

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