



COMPETITIVE ADVANTAGE BASED ON CSR IN SUPPLY CHAINS– SUPPLIERS ABOUT RETAILERS STRATEGY

Magdalena Stefańska

Poznan University of Economics, Poland

The paper concentrates on relations retailers-suppliers in the context of CSR. The aim of the article is to explain why CSR idea sometimes fails in building competitive advantage of the enterprise and to identify barriers in adoption the CSR in supply chains. The theoretical foundations of the paper refer to E. Freeman's theory of stakeholders and socio-economic value chain which was developed by M. Porter and M. Kramer in the context of CSR. First the idea of competitive advantage was explained, then CSR concept in supply chains, expectations and benefits of suppliers in cooperation with retailers in the area of CSR and how CSR works to create competitive advantage. The next step was to show on the basis of qualitative data collected during individual interviews with suppliers about why CSR is not always successful. The research was a part of a project financed by the National Science Centre, based on the decision No.DEC-2011/03/B/HS4/03576.

Keywords: Competitive advantage, CSR, Supply chain, Retailers.

Introduction

Competitive advantage is the subject of abundant scientific research, as well as numerous practical analyses. Issues associated with it fall within the area of strategic management and the Porter's school. It is defined as the achievement of competences which condition success in the company's area of activity and enable it to maintain a high level of effectiveness and harmonious development to a degree higher than competitors do (Stabryła 2000, p. 66). According to Altkorn and Kramer (ed 1997, p. 202), competitive advantage is based on the fact that a company occupies a unique position in the sector, which allows it to achieve outstanding results, and be ahead of competitors. Its character is relative and it is defined in relation to the competitor with the highest position on a given product market or a market segment (Lambin 2001, p. 286). In Prahalad's and Hamel's opinion (2011), sustainable competitive advantage results from a company's ability to generate key competences which allow for developing new products, at a lower cost and more quickly than competitors.

Competitive advantage has its source within the company, or may result from its unique relations with the environment. It can be related to an organization's internal competences connected with the management of tangible and intangible, human and financial resources. Although the company's resources and competences may be the basis of a potential competitive advantage, only some of them will create sustainable advantage over competitors (Hooley, Piercy and Nicouland 2008, p. 303). As Barney points out, first and foremost they must be valuable (create a value), rare, inimitable and well-organized (hence the acronym VRIO – value, rare, inimitable, organization) (Falkenberg and Brunsael 2011, p. 11). Resources with these qualities are limited in number and difficult to obtain. Competitive advantage

resources which fulfill the VRIO rule are, among others: patents, licenses, unique technology, production lines, as well as a company's management style, or its corporate culture. All these factors strengthen a company's competitive potential. For retail trade inimitable resources are: locations of points of sale, own brand of products, chains, as well as the franchise system binding individual entities into a chain. Other competences hard to imitate are: the unique corporate culture (e.g. IKEA, Leroy Merlin, WalMart, Auchan), or relations with suppliers (e.g. Tesco). Also a company's ability to develop and implement technological innovations contributes to its sustainable competitive advantage (e.g. introducing self-service shop registers, the use of QR to facilitate shopping, or solutions used in logistic centers with a view to shortening the time of delivery from producers to shops. (e.g. cross-docking). Unqualified workers belong to the easiest-imitated resources (Stefańska 2014). Competitive advantage built from the outside consists in the use of unique market abilities and outstanding positioning of a company and its offer. In this case, companies' strategy is based on outstanding benefits or attributes of the offer, which does not exclude benefiting from the cost advantage at the same time.

At present, the sources of a company's competitive advantage also include its competence in building a relationship with the society. According to Porter and Kramer, successful corporations need a healthy society. Education, health care, and equal opportunities are essential to a productive workforce (Porter and Kramer 2006, p. 9). They coined a term of economic-social competences for these resources, relying on the idea that a company effectively combines economic and social objectives in the chain of creating value. This creation is a part of Corporate Social Responsibility. Unfortunately, this idea as a source of competitive advantage in the supplier-retailer relations is relatively scarcely described in literature, in comparison with the knowledge about the way in which consumers perceive socially responsible companies (Bhattacharya, Korschun and Swain, 2011; Sen and Bhattacharya 2001). It results from, among others, researchers' limited access to information, which is often treated by supply chain partners as strategic, since it determines the character of relations between them.

Corporate Social Responsibility (CSR) in a Supply Chain – Theoretical Background

Corporate Social Responsibility is a concept whereby a company accepts economic, legal and ethical accountability for the effects of its operations and also is involved in charity (Carroll 1979, pp. 497-505; Carroll 1999, pp. 268-295). In 2001 the European Commission developed a definition, which defines CSR as a concept which integrates social and environmental issues in companies' business operations as well as their interactions with stakeholders on a voluntary basis (Commission of the European Communities Papers, 2001, p. 6). According to this definition, CSR is "a concept whereby companies integrate social and environmental concerns in their business operations and their interactions with the stakeholders on a voluntary basis." This definition emphasizes the following: social responsibility is not the same as philanthropy; relationships with stakeholders are a key aspect of socially responsible activities; activities relating to social and environmental issues have a significantly greater scope than what is required by law. The new definition, developed in 2011, stressed that CSR refers to corporate actions affecting society and the environment which go beyond legal requirements. Enterprises should be equipped with tools for solving social, environmental and ethical problems, problems concerning human rights, as well as consumer problems which ought to be integrated with its operations and strategy. (European Commission 2011, p. 7). This approach indicates that it is time to operationalise CSR, with CSR having begun to be perceived in a systemic rather than selective way.

A stakeholder-oriented conceptualization of CSR means that it's a firm's commitment to operate in a sustainable manner by considering and balancing the interests of its various stakeholders to create both social and business value (Secchi, 2007, pp. 347-373). As a result, with reference to relations within the supply chain in literature is used the term sustainable supply chain management (SSCM), which includes the social sustainability, economic viability and environmental sustainability of a firm's supply chain, and has important implications for firms' survival and long-term development (Carter and Rogers 2008, pp. 360-387). The supply chain itself is defined as "a set of three or more companies directly linked by one or

more of the upstream and downstream flow of products, services, finances, and information from a source to a customer” (Mentzer et al., 2001, p. 5). Various directions of the CSR research can be observed in literature. One of them is the development of CSR in the MNC group (Chiara and Spena 2011, pp. 60-74; Polonsky and Jevons, 2009, pp. 327-347), or SME (Pedersen 2009, pp. 109-116; Baden, Harwood, Woodward, 2009, pp. 429– 441). Another perspective takes into account initiatives undertaken by companies, which may be related to the natural environment (Kotzab, Munch, deFaultrierand Teller, 2011, pp. 658-681; Ytterhus, Arnestadand Solveig 1999, p. 181) or its own employees or supplier’s employees (Chiara and Spena 2011, pp. 60-74). Regulations introduced by participants with the aim of maintaining high social and ethical standards in the supply chain can be seen as another point of reference. One more field of research on CSR in a supply chain are a supplier’s or a retailer’s CSR areas or tools. For example, the food industry meets various challenges in implementing CSR (Wiese and Toporowski, 2013, pp. 92-107). Following Maloni and Brown (Maloni and Brown 2006, pp. 35-52), eight areas of responsibility have to be considered: animal welfare; biotechnology; environment; fair trade; health and safety; labour and human rights; procurement and community. Another research made by Sari Forsman-Huggat all, 2013, pp. 30-46) revealed seven key food chain CSR dimensions were identified: environment, product safety, nutrition, occupational welfare, animal welfare, economic responsibility and local well-being.

The modern approach to the role of CSR in a supply chain corresponds to the network approach, which distinguishes such elements as: objectives, competences, joint effort, team decision-making, homogenous priorities and plans, common incentive system, as well as collective responsibility, power and trust (Łupicka 2009, p. 65). However, these assumptions are often hard to put into practice, because intense competition between retailers in the countries where consumption takes place prompts them to seek ways to reduce costs, especially in the area of purchasing and logistics. The price pressures which retail companies put on their contractors means that it is increasingly difficult for manufacturers and wholesalers to reconcile their own objectives with the objectives of retailers. Additionally, when looking for ways to reduce costs, both retailers and suppliers may be tempted to be fairly flexible in their attitudes towards the law or ethics. What’s more, the implementation of strategy based on CSR in supply chain is getting more difficult because when deciding whether or not to continue to buy from a particular supplier, purchasers often trade off CSR against price and quality, so that suppliers are often not rewarded for engaging in CSR practices (Hietbrink, Berens and van Rekom, pp. 284–300).

The CSR activities undertaken by retailers in relation to suppliers can provide a long list of benefits (Bilińska-Reformat and Stefańska 2013, pp. 15-20): they create their positive image in the local environment (particularly in the view of communal decision-makers) which allows them to obtain favourable decisions for the benefit of the network in particular communities, they obtain "access" to local companies that are leaders in particular businesses, they achieve synergy effects resulting from the fact of pursuing cooperation that is profitable for both parties, thanks to CSR, stronger partnership relations are established and this provides the grounds for long-term cooperation, reduction of risk and optimisation of costs.

Basic tools used by retail companies in relations to suppliers are, among others: activities related to ethics (e.g. codes of conduct), society (e.g. philanthropy, local engagement), as well as the natural environment. In practice, the list of CSR initiatives undertaken within the relations between suppliers and retailers contains:

- Following fair play rules in mutual relations,
- Optimization of transport in order to reduce its negative influence on the environment (e.g. pollution reduction, shortening the distance, reducing empty trucks passages,
- Activities related to employees (safety, quality, standards training),
- Investing in energy-saving technologies,
- Cooperation with local suppliers and supporting them in expanding their operations,
- Developing guidelines for workers who have noticed improprieties (illegal or unethical conduct),
- Developing codes of conduct,

- Organizing training courses in ethics,
- Obtaining quality certificates,
- Signing long-term contracts,
- Developing products and packaging which optimize logistic costs,
- Engaging employees in initiatives benefiting those outside the supply chain.

There are many examples of development of the CSR idea in supply chains. It's a part of strategy based on CSR whereby retailers organise meetings for potential suppliers in which they present general terms of cooperation. Good example of this policy is Tesco in Poland, which actively searches for suppliers while organising Open Days for potential suppliers in selected cities in Poland. These are meetings of informational character (Stefańska and Bilińska-Reformat, 2014, pp. 1-10). Swedish IKEA has a program called IWAY - IKEA WAY, whereby a long-term cooperation is reserved for suppliers who 100% fulfil the chain's requirements (Andersen and Skjoett-Larsen 2009, pp. 75-86). As for the French chain Auchan operating in Poland, it has developed three types of documents for its suppliers (<http://www.auchan.pl/download/Gazetki/raport-zrownowazonego-rozwoju-auchan-2011.pdf>). These are::

- Auchan Poland Code of Ethics of Cooperators – the result of two-year workshop of various work groups on various hierarchic levels developed in cooperation with Auchan Ethics Council.
- International Card of Ethics of Auchan Suppliers – that regulates the principles of cooperation between Auchan and its partners on the Group level.
- Auchan Poland Card of Purchase Ethics – that has been signed by every supplier together with commercial contract since 1996.

Pedersen (2009, pp. 109-116) interestingly presents the issue of CSR in relations between the participants of a supply chain. On the basis of research conducted among Danish companies from the SME sector, he arrived at a conclusion that to the most common CSR initiatives belong those directed to workforce and environmental activities. He confirmed that the CSR involvement is more noticeable in the case of bigger companies from the SME sector. Moreover, organizing CSR at the top management level is not necessarily conducive to the success of CSR activities in the supply chain. In contrast, CSR initiatives addressed to employees, with the management setting an example, is more likely to bring success in the implementation of the CSR activities. It is confirmed by research (uzup.). Another interesting conclusion refers to the motivation for introducing CSR to supply chains. The results of Pedersen's survey also indicate that motives do not seem to affect the likelihood of CSR activities in the supply chain. Apparently, CSR in the supply chain can be the result of both deeply held values and narrow self-interest.

Other research conducted by Lee and Kim (2009, pp. 138-148) among Korean companies from the electronics sector shows that "environmental" pressures and standards are widely accepted and implemented for supplier management. They noticed that "social" pressures and standards are still not commonly used. What's more, they are not implemented in the entire supply chain in the industry. As an explanation they noticed, that the main reason for adopting CSR standards is to identify risks and problems in the supply chain, and to avoid or at least reduce the consequences for the final manufacturer. Generally, a lack of integration of social standards in supplier management or requirements creates borders for wide spreading CSR. (Ki-Hoon Lee, Ji-Whan Kim, 2009, pp. 138-148).

Hietbrink, Berens and J. van Rekom defined two dimensions of CSR in relations with the supply chain participants -congruous and incongruous (Hietbrink, Berens and van Rekom, pp. 284-300). Congruency refers to the perceived link that CSR activities have with those activities within the company that add value to the inputs, that is, the company's core business activities. Integration and innovation can be considered congruent activities, whereas philanthropy is an incongruent activity. According to their analysis, buying companies that practice a congruous form of CSR are more likely to choose suppliers that also practice a congruous form of CSR and that buying companies that practice an incongruous form of CSR are significantly less likely to do so. Also the share in the physical contribution of supplier influences CSR expectation of a company toward their supplier. Buying companies that practice a congruous form of CSR are more prone to choose a supplier that practices a congruous form of CSR as well, when the share of that supplier's product in the company's end product is relatively large than when

this product share is relatively small. It is an important message, because it indicates the validity of acting in accordance with CSR, if the coordinator of a given supply chain does so.

In relations between retail chains and suppliers in Poland the CSR idea is interpreted in the context of such aspects of cooperation as: offering suppliers a longer period of cooperation, guaranteeing minimal order volumes, meeting payments, avoiding dishonest practices (e.g. withdrawing goods from the chain under the pretext of a complaint), as well as a straightforward specification of who and to what extent bears the cost of e.g. developing packaging, or launching new products. It is equally significant to create the basis for optimization of costs, reducing risk, improvement of image, or cooperation in developing new products and services (Bilińska-Reformat and Stefańska 2014, p. 5). Apparently, what companies expect most of all is following the principles of fair play and fair treatment.

In spite of numerous initiatives and the wide use of the CSR tools, little is still known about how particular initiatives undertaken by retailers in relations to suppliers are assessed. Therefore, research has been conducted with the purpose of defining the perception of socially responsible retailers as integrators of up-to-date supply chains.

Methodology of Research

In the period between May and July 2013 in-depth interviews were conducted with representatives of selected companies (table 1). Only representatives of companies which cooperate with retail chains in Poland qualified for the research. The selection of suppliers was based on information bulletins published by retail chains, as well as on the websites of these firms. Among the 120 companies selected for the survey, only 15 agreed to take part. The respondents were representatives of top management, owners, or sales and marketing managers.

Table 1. Characteristics of the surveyed suppliers.

Nr	Activity	Description
1	Producer of spirits (1)	Alcohol producer, foreign capital, over 250 employees, operates on the international market. Has its own CSR program
2	Producer of premium alcohol (2)	Alcohol producer, foreign capital, over 250 employees, operates on the international market. Has its own CSR program
3	Tobacco producer	Operates on the domestic market. Represents Polish capital, employs over 250 people. Has its own CSR program
4	Meat producer (1)	Regional producer. Employs up to 249 people. Represents Polish capital. Has its own CSR program
5	Meat processing plant (2)	Producer of meat and meat products, domestic and international sales, over 250 employees. Has its own CSR program
6	Producer of meat and meat products (3)	Employs up to 49 people. Polish capital, operates on the local market.
7	Book publisher (1)	Employs over 250 people, operates on the domestic market. A joint-stock company. No formal CSR program.
8	Book publisher (2)	Employs up to 249 people, offers its publications in retail chains, operates on the domestic market, Polish capital. No CSR program
9	Herb and cosmetics producer (1)	Pharmaceutical industry. Operates in Poland and abroad. Up to 249 employees. Represents Polish capital. Has its own CSR program.
10	Herb producer (2)	Employs up to 249 people, represents Polish capital, operates on the domestic market

11	Confectionary producer	Middle-sized company, with up to 249 employees, operates internationally. Producer of own brands for retail chains. Polish capital
12	Fruit and vegetable processing company	Family firm, employs over 250 people, producer of canned fruit and vegetables. No CSR strategy. Polish capital.
13	Producer of patès canned food and ready-cooked meals	Over 250 employees, domestic sales and export. Limited liability company. Has its own CSR program.
14	Spices, kissel and jelly producer	Production company, operates domestically and abroad. No data about its own CSR program. Over 250 employees. Has its own CSR program. Polish capital.
15	Dairy cooperative	Producer of milk and dairy products, sales in Poland and abroad, over 250 employees. Has its own CSR program. Polish capital.

Source: own work based on survey results

Results of Research

The CSR idea, as a determinant of a company's operation strategy, should be reflected in the company's mission and vision, with respect to both the company's key stakeholders and its role in the society. The surveyed businesses pointed to the crucial values which determine their operation strategy. They show an outward-orientation, with customers and employees in the focus. The quality of both the offer and the service are also of considerable significance (table 2.).

Table 2. Key values for the strategy of a researched company – selected responses.

Achievement of business objectives through supplying customers with a good product, combined with an opportunity of self-fulfillment and development for employees
Our priority is high quality of our products and customers' satisfaction
We combine the interests of suppliers and customers. Our philosophy results from experience and is based on two pillars – quality and flexibility of service.
We aim at increasing our market share. We launch new products, better suited to meet our target customers' expectations. We put people first, both employees and customers.
Our objective is to continue sustainable growth based on a very good portfolio of mutually complementary brands, as well as on a motivated and talented team of workers. Our ambition is setting high standards and an innovative approach to our customers' needs, on the basis of the CSR principles.
We are a family company and our main purpose is to guarantee the health safety of our meat and its highest quality.

Source: own work

The researched companies showed their social responsibility, by being oriented towards its employees, local communities and end-users. They also protect the natural environment, e.g. by creating their own sewage treatment plants. In the opinion of nearly all respondents, the initiators of all the CSR activities are the board of directors or the company owners.

With a view to defining the nature of the supplier-retailer relations, respondents were asked to state the positive and negative aspects of their cooperation with retail chains. The main attributes they mentioned were: *“the access to a very big market”* (the meat producer No. 2), *“the regional supplier's status positively perceived by consumers, suppliers' bigger trust”* (meat producer No. 1), as well as

“strengthening the company’s position” (alcohol producer No. 1). Among the negative aspects of this cooperation are: dehumanized relations (a representative of the family firm described it in the following way: “no lenient treatment, no understanding... If you don’t fulfill your obligations, you’re gone. In order to maintain the cooperation we even temporarily operated at a loss, as we didn’t want to lose our customers”). Other barriers to cooperation mentioned by the respondents are: long payment terms and contracts favoring the retail chains (tobacco producer). Two other respondents pointed to the financial aspects of the cooperation with big retail chains, claiming that “there are additional costs – big discounts are a condition of cooperation. What’s more, we have to pay for, e.g. appearance in the promotional bulletins” (meat producer No. 1) as well as „chains put the costs of their operation on the suppliers’ shoulders” (herb producer No. 2). Another problem are conflicts among retailers, who represent different distribution channels. Smaller retailers claim to be discriminated against by producers and have worse purchase terms than big chains. Some respondents put it diplomatically – “we try to have a positive approach to our cooperation or: “we comply with the rules and the requirements – according to the ‘quid pro quo’ principle” (tobacco producer No. 1).

As the research shows, a very important factor in the assessment of the character of the relations is the supplier’s position. A supplier with a strong position said: „We had existed before retail chains appeared. More often than not, we are the ones to call the shots. We have divisions cooperating with key account customers and retailers, each of which having different tools for regulating the cooperation” (premium alcohol producer No. 2). However, a supplier defining their own position as weaker (herb producer No. 1) claims that „the rule is that if you disagree, there will be others to replace you”.

Another important conclusion from the research is the fact that in the assessment of their relations with retail chains, suppliers do not differentiate between discount and supermarket chains they cooperate with. Therefore, the retailers’ price policy is not reflected in the mutual relations. However, an important factor seem to be the scale on which a given retailer operates – local, domestic, or global. According to one of the respondents „it is easier to communicate with smaller chains”.

There is no explicit evaluation of the influence of retailers’ competition strategy on their relations with suppliers. Some respondents claim that the retailer’s price strategy does not affect their mutual relations. In their opinion, every retailer wants to buy as cheap as possible (“each negotiation is about prices” – the tobacco producer points out.) However, one of the interviewees, the producer of herb products, who uses seasonal raw materials, remarked that “it complicates the price correction if production costs rise due to inflation”. Another respondent, a book publisher (No. 1), stressed the necessity of reducing production costs, even though it negatively affects the final product quality. A representative of an alcohol producer made a point that “retailers’ low costs adversely influence working conditions, so it is difficult for them to hire specialists, which hinders negotiations”. However, when it comes to the assessment of retailers implementing strategies based on non-price determinants, suppliers notice that “the cooperation is more formalized and negotiations are carried out at a different level” (the opinion of the respondent No. 1, representing a meat producer). Another interviewee claims that everything depends on the people working for a given chain (the tobacco producer’s opinion).

The presented results confirmed a few facts. Firstly, suppliers’ value system includes the stakeholders, as well as the main areas of focus: products, safety and innovation and also competitive advantage. Secondly, supplier-retailer relations are shaped by the traditional negotiable factors, such as: price, payments, or volumes of orders. Thirdly, the retailer’s competitive strategy is irrelevant for mutual relations. What influences these relations, are: the people the supplier cooperates with and the retailer’s bargaining power, resulting from its share in the producer’s sales.

At this stage, suppliers did not point to the presence of the CSR tools in developing mutual relations. Therefore, at the next stage they were asked questions directly connected with the retailer’s CSR. In spite of their cooperation with retail chains, suppliers were not aware that their strategies were determined by the CSR concept. Two of the respondents (the alcohol producer No. 1 and the meat producer No. 3) admitted that they knew about the chains’ CSR activities, because “chains like to boast about it, use such arguments in negotiations”, and “in fact I didn’t know what it was called, but they brag about it”. Nevertheless, more detailed questions revealed that they do notice some of the retailers’ initiatives,

though they rarely associate them with CSR. One of such initiatives is supporting local suppliers. One of the respondents said, „ *we are marked as regional suppliers, with special, well-exposed places in shops. Our terms of cooperation are relatively beneficial in comparison with the all-Poland suppliers from our industry*” (the meat producer No. 1). However, another interviewee complains, „*we do not feel supported in any way (...). Such programs as CSR may exist, but suppliers are too happy to be able to sell their products to a chain to have any requirements*” (the tobacco producer No. 1).

The next conclusion is as follows: suppliers do not have the sufficient knowledge about retailers' CSR initiatives and even if they participate in such initiatives, they do not associate them with social responsibility. In general, suppliers do not appreciate the benefits from CSR – they see it as pure theory, or action for appearance's sake. Consequently, further questions about the transposition of the retailers' CSR initiatives on the suppliers, with the aim of tightening their cooperation through the inclusion of social objectives (e.g. joint initiatives with the retailers, such as training of employees, environmental programs, common charity projects, etc.), confirmed the fact that this dimension is not present in their relations. Therefore, it can be concluded that neither suppliers nor retailers fully exploit the potential of the socially responsible operation. Retailers' initiatives are viewed selectively, as parts of their strategies rather than in the dimension of social responsibility, taking into account the stakeholders' interests.

Managerial Implications

The research results presented here indicate a few significant aspects, which should be taken into account by both suppliers and retailers, if CSR is to strengthen the competitive advantage of the whole supply chain. Firstly, an important barrier to the development of this dimension of their mutual relations is, on the one hand, suppliers' lack of interest and, on the other, retailers' poor communication. In order to increase the suppliers' interest, retailers should provide them with more information about initiatives of this type and the way they can benefit from them. At the same time, suppliers should be informed about the boundary purchase conditions, in order to avoid future problems with maintaining the continuity of supply and to ensure that chains receive sufficient deliveries of products. Another barrier to tightening the relations through creating a social value are employees, who excessively focus on the economic objectives. As a result, suppliers receive a message that what matters most are terms, prices and volumes, not the qualitative aspects of cooperation. Another issue is retailers' stronger involvement in creating the social value besides the economic one, through mutual relations. It is the social value that determines the life quality of all stakeholders. A wide group of beneficiaries is a group of satisfied business partners and end-users. Unfortunately, the social aspects of a supply chain are still underestimated. The exceptions are, as the research shows, programs addressed to local suppliers, although in this case the source of these initiatives is rather the ethnocentric attitude of consumers, who prefer products from local suppliers, especially food products. From the point of view of managers, supporting local producers is important for a few reasons. Firstly, their products are well recognized on their own market. Secondly, in this way they help create workplaces for their own customers. Thirdly, a retailer can reduce logistic costs and assign lower “carbon print” to selected products, as the transport distance from the production place to the consumption place is much shorter.

Limitations

As it is the case with every qualitative research, its results cannot be extrapolated to the whole population. They can only signal some selected determinants of the use of CSR in building supplier-retailer relations and strengthening the whole supply chain. It seems justified to undertake a more in-depth research into the CSR communication within a supply chain in view of the fact that, as the research shows, it is the barrier to the diffusion of CSR to other participants of the supply chain. A serious cognitive obstacle is the limited access to information – respondents refuse to describe the difficult aspects of their cooperation with retailers, because they are afraid to antagonize good customers. It can be concluded that suppliers'

assessment of their cooperation with retail chains is also determined by their own competence in managing relations with these customers. Lack of experience and confrontation with the systemic solutions of big retailers may cause frustration among the negotiators and, as a result, they may overlook other positive aspects of cooperation with attractive customers.

Conclusions

If the social-economic potential of a supply chain is to be properly used, its participants must redefine the character of their relations and set common goals, along with the strategy for their achievement, but first of all accept the fact that they depend on each other and need a close cooperation. To achieve this purpose, the participants' role must be precisely defined, with their rights and obligations and also their efforts should be coordinated. The role of CSR would consist in indicating opportunities in strategies, as well as providing the tools for developing of social competences and managing them in accordance with the market situation. The CSR concept is definitely close to the partnership and chain approach, because it is associated with, among others, transparency of decisions and actions, counteracting corruption, complying with legal regulations and respect for stakeholders and their expectations.

Undoubtedly, retailers' requirements are more easily fulfilled by suppliers with a strong market position, adding to their bargaining power. Local suppliers are in a more difficult situation. Their competitive advantage is often built on the basis of their better knowledge of the local society. Also the ethnocentric attitude of consumers supports them, because customers often, especially in the case of food, prefer local products. But at the same time local producers don't have experience in cooperation with global retailers and their knowledge about their procedures and systems is poor. Nevertheless, it is exactly the imbalance of power that is the reason why retailers should develop their own programs of social responsibility, addressed to suppliers. As for the equal suppliers, they may benefit from cooperation and developing common CSR programs, as a way to achieve the synergy effect.

References

1. Altkorn J., Kramer T. (red.), 1997, *Leksykon marketingu*, PWE, Warszawa.
2. Andersen M., Skjoett-Larsen T., 2009, Corporate social responsibility in global supply chains, *Supply Chain Management: An International Journal*, 14/2
3. Baden D.A., Harwood I.A., Woodward D.G., 2009, The effect of buyer pressure on suppliers in SMEs to demonstrate CSR practices: An added incentive or counter productive? *European Management Journal* 27.
4. Bilińska-Reformat K., Stefańska M., Cooperation of commercial chains with suppliers in the context of CSR concept, *Visnik. Logistika* 2013 nr 762 - LvivskajaPolitechnika,
5. Bilińska-Reformat K., Stefańska M., 2014, Shared value as the determinant of tightening cooperation based on social values between suppliers and retail chains-the case of CSR implementation by global retailers, *The Proceedings of 13th International Conference Marketing Trends, Paris-Venice*, ed. J-C. Andreani, U.Collesei, Paris-Venice: Marketing Trends Association, www.marketing-trends-conference.com,
6. Carroll A. B., 1979, A Three-Dimensional Conceptual Model of Corporate Social Performance, *Academy of Management Review*, no. 4.
7. Carroll A., 1999, Corporate Social Responsibility. Evolution of a Definitional Construct, *Business and Society*, no. 38
8. Carter, C. R., Rogers D. S., 2008, A Framework of Sustainable Supply Chain Management: Moving Toward New Theory, *International Journal of Physical Distribution & Logistics Management* 38 (5).
9. Chiara A., Spena T. R., 2011, CSR strategy in multinational firms: focus on human resources,
10. suppliers and community, *Journal of Global Responsibility*, Vol. 2 No. 1.
11. Commission of the European Communities Papers, 2001, No. 366.

12. Commission of the European Communities Papers, 2011, No. 681.
13. Falkenberg J., Brunsael P., 2011, Corporate Social Responsibility: A Strategic Advantage or a Strategic Necessity, *Journal of Business Ethics*, no. 99
14. Garriga E., Melé D., 2004, Corporate Social Responsibilities Theories: Mapping the Territory, *Journal of Business Ethics*, no. 53
15. Hietbrink J.J. C., Berens G., vanRekom J., 2010, Corporate Social Responsibility in a Business Purchasing Context: The Role of CSR Type and Supplier Product Share Size, *Corporate Reputation Review*, Vol. 13, No. 4.
16. Hooley G., Piercy N. F., Nicoulaud B., 2008, *Marketing Strategy and Competitive Positioning*, Prentice Hall, Harlow
17. Ki-Hoon Lee, Ji-Whan Kim, 2009, Current status of CSR in the realm of supply management: the case of the Korean electronics industry, *Supply Chain Management: An International Journal*, no 14/2.
18. Korschun D., Bhattacharya C.B., Swain S.D., 2011, When and How Does Corporate Social Responsibility Encourage Customer Orientation?, *ESMT Working Paper*, Berlin
19. Kotzab H., Munch H. M., deFaultrier B., Teller C., 2011, Environmental retail supply chains: when global Goliaths become environmental Davids, *International Journal of Retail & Distribution Management* Vol. 39 No. 9.
20. Lambin J. J., 2001, *Strategiczne zarządzanie marketingowe*, PWN, Warszawa
21. Łupicka A., 2009, *Formy koordynacji rynkowej w łańcuchach dostaw*, Wyd UE Poznań.
22. Maloni, M.J., Brown, M.E., 2006, "Corporate social responsibility in the supply chain: an application in the food industry", *Journal of Business Ethics*, Vol. 68 No. 1.
23. Mentzer, J.T., DeWitt, W., Keebler, J.S., Min, S., Nix, N.W., Smith, C.D. and Zacharia, Z.G. (2001), Defining supply chain management, *Journal of Business Logistics*, Vol. 22, No. 2.
24. Pedersen R., 2009, The many and the few: rounding up the SMEs that manage CSR in the supply chain, *Supply Chain Management: An International Journal* 14/2.
25. Pierścionek Z., 2003, *Strategie konkurencji i rozwoju przedsiębiorstwa*, PWE, Warszawa.
26. Polonsky M. , Jevons C., 2009, Global branding and strategic CSR: an overview of three types of complexity, *International Marketing Review*, Vol. 26 No. 3.
27. Porter M. E., 1992, *Strategia konkurencji. Metody analizy sektorów i konkurentów*, PWE, Warszawa
28. Porter M. E., Kramer M.R., 2006, Redefining Corporate Social Responsibility, *Harvard Business Review*, grudzień
29. Prahalad C. K., Hamel G., 2011, Kluczowe kompetencje korporacji, w: *O fundamentach zarządzania*, Harvard Business Review Polska, Warszawa
30. Forsman-Hugg S. at all., 2013, Key CSR dimensions for the food chain, *British Food Journal*, Vol. 115 No. 1.
31. Secchi, D. 2007, Utilitarian, managerial and relational theories of corporate social responsibility, *International Journal of Management Reviews*, Vol. 9 No. 4.
32. Sen S., Bhattacharya C.B., 2001, Does Doing Good Always Lead to Doing Better? Consumer Reactions to Corporate Social Responsibility, *Journal of Marketing Research*, vol. 38
33. Stabryła A., 2000, *Zarządzanie strategiczne w teorii i praktyce*, Kraków PWN, Warszawa.
34. Stefańska M. 2014, *Rola społecznej odpowiedzialności w tworzeniu przewagi konkurencyjnej przedsiębiorstw handlu detalicznego*, Wydawnictwo UEP, Poznań .
35. Wiese A., Toporowski W., 2013, CSR failures in food supply chains – an agency perspective, *British Food Journal*, Vol. 115 No. 1.
36. Ytterhus B. E, Arnestad P., Solveig L., 1999, Environmental initiatives in the retailing sector: an analysis of supply chain pressures and partnership, *Eco - Management and Auditing*, vol. 6, no. 4