Social Responsibility Practices adopted by different sizes of retail and services Brazilian companies

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ABSTRACT
This book helps spread the social responsibility practices adopted by companies of several sizes, which are part of the retail and services sectors in the city of Piracicaba.

Keywords: services, retail, social entrepreneurship, social responsibility, sustainability
Introduction to Retail

The socio-economic context in the 2010s has shown profound changes, with continual innovations and changes of direction, creating a business environment concerned in reviewing its horizons. With the phenomenon of globalization and technological advancement, the industries were able to provide a wider range of products to the consumer who had a higher amount of information and began to demand a varied mix of products, seeking to meet his particular needs.

The companies are engaged in continuous innovation and changes in orientation due to the dynamic nature of most markets, the complexity and the intensity of competitive business environment. In this context, retailers must understand the changes to refocus the management thought, readapting to the new international competition, to the technological changes, to the decline of products’ life cycles and to the increase of the consumer power.

Technological progress occurs at an overwhelming speed. Products and services, which until recently we could not imagine being possible, become reality and are in full boil in the market available to consumers. A comparison with the final decades of the twentieth century will allow the retail professionals rethink the way they run their business in this new century.

The time of simple competition based on price is over in the Brazilian retail. Retailers must adapt to a model based on the creation of value and benefits for their customers, minimizing costs and transforming their products in “extended products” by offering differentiated services that meet customers’ expectations.

This chapter presents the definition of retail, retail development, new formats, dynamic of the retail and retail life cycle.

It is not the authors’ intention to review the economic history, but only to highlight important points that gave birth to modern retail, and serve as background for understanding the current reality.

The elements presented allow a better understanding of a sector that today is globalized, even where the big consumer-product contact is made within the point of sale, the physical store. The online retail is emerging in terms of organizational innovations, which confirms that it is the most democratic activity of the productive system.

The contribution of this chapter is to provide information that leads retailers to increase intellectual knowledge in their organizations, understanding the current market dynamics, thus contributing to the survival and growth of the retail companies in Brazil.
Social Marketing and Social Responsibility in the Retail

Social Marketing will be the differential for retail organizations, for a promising future can be glimpsed. Considering the challenge of social inclusion and improving income distribution will ensure consumers predisposed to consume.

According to Feldmann (2002), “half of the 50 million Brazilian families do not regularly participate in consumption”. More and more people in society are eager for a social change: changes in their way of living, in economy and in their social systems, in their lifestyle and their beliefs and values. Social Marketing should not be confused with Marketing for Social Causes. In the first one, the main impact will be the transformation of society in which a company or institution operates, in the second the financial returns or image returns will be more apparent and directly focused on the company or institution.

The Social Marketing proposes the evolution of pure and simple philanthropy for initiatives of effective participation in society, it is not a donation policy, but market performance.

The company that is concerned with social issues will certainly have the contribution of the corporate brand image.

A social project leverages not only your products, but also your company brand contributing to define your company as a serious organization, a corporate citizen, a company with content and integrity. Companies will be seen and judged by the same standards that we tend to judge individuals, not from what they do but from who they are. As stated by Stephen Kanitz (2001), “in the stock market, the securities of companies that invest in social projects or projects connected with the environment are seen as more attractive”.

The consumption of socially responsible products and those produced by low-income communities, through projects focused on professional and self sustainability support of its residents, has gained a large number of sympathizers.

SENAC¹ - São Paulo, through its program “Fashion in the Community” (Moda na Comunidade), trained more than 1,500 sewers and workshops sewing monitors from social organizations. The next step will be to sell products made by the students.

We agree with Grayson and Hodgers (2002) as they post, that companies shall make a revolution in the company’s relationship with the community, customers, suppliers and employees.

¹ TRANSLATOR’S NOTE: SENAC established in January 10, 1946 is The National Service of Commercial Apprenticeship, an institution of vocational education, private law, funded by businessmen Sector Trade in Goods, Services and Tourism, which contribute 1% of its payroll.
If the company’s function is to generate wealth, it seems fair that it would be better distributed among all those who help produce it. The concern with health, human rights, cultural diversity, ecology and environment should not be restricted to the agenda of social movements; it shall be present on the agenda of the corporate world. The company that is not getting involved today maybe will be the one not to survive tomorrow. Any company, especially the retail organizations, needs to pay attention to the welfare of the communities giving them profit. Everything that happens with the company matters to the society, therefore, everything that happens in the society should also be of interest to the companies.

Corporate Social Responsibility is a concept whereby companies decide a voluntary basis to contribute to a fairer society and a clean environment.

Based on these principles the retailer cannot only be guided towards the fulfillment of the owners interests, but also by other stakeholders such as employees, customers, and suppliers.

Social Responsibility (SR) refers to the fulfillment of duties and obligations of individuals and companies with the society in general. For Craner et al (2008) the issue has been discussed for a long time, but without a common definition. There are several versions available to conceptualize Social Responsibility.

We will approach the concept from the perspective of Corporate Social Responsibility (CSR), defined as a set of actions taken by companies, which benefit the society and the corporations concerning the economy, education, environment, health, transportation, housing, local activities and government; such actions optimize the creation of social programs.

Business Social Responsibility (BSR) is characterized by the transparent and ethical way the organization deals with its stakeholders in order to minimize its negative impacts on the environment and community.

In Brazil, SR practices in retail have been developing every year. The Methodist University of Piracicaba - UNIMEP (Universidade Metodista de Piracicaba) - through its Master of Administration, created in conjunction with the “Commercial and Industrial Association of Piracicaba” (ACIPI – Associação Comercial e Industrial de Piracicaba) the “Retail and Services Social Responsibility and Sustainability Award” that annually evaluates the practices of retail and services companies in SR and rewards the top five.

Private companies are increasingly seen to act as agents of development. Besides selling their goods and services, they are concerned to show responsibility for the social and environmental contexts in which they conduct their activities.
**Sustainability in the Retail**

The concept of sustainability is related to continuity of economic, social, cultural and environmental aspects of human society, also known as the triple bottom line.

For an enterprise to be sustainable it must be directed to four basic requirements, namely:

- Environmentally correct;
- Economically viable;
- Socially fair; and
- Culturally acceptable.

Sustainability has also reached the retail which has been preparing itself to incorporate sustainable practices in its day to day.

Now the largest global retailers have already clear policies, and define the positioning of their suppliers for sustainability practices.

In the Mc Millan Doolittle’s study on how sustainability influences the purchase behavior, the following was observed (SERRENTINO, 2010):

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**Chart 1: Sustainability influencing purchase behavior**

Impact of questions related to the environment and “green” products in purchase behavior

Source: Serrentino (2010).
Office Depot is an example of the use of sustainability practices. It has incorporated:

- 5,200 active products with green attributes;
- 66% of paper used in marketing activities is generated by reforestation;
- 20% reduction of CO₂ in delivery and after sales.

Office Depot partnered with suppliers to reuse recovery of transport supplies to environmental benefits results achieving a consumption reduction of about 400,000 liters of fuel per year, and an economic benefit of US$ 2.2 million per year. (Source: adapted by the author based on GS&MD 2009).

A study carried out by Gouvêa de Souza (2010) makes clear how the sustainability influences on the decision about stores with sustainable practices.

% consumers who chose that particular store for products or operations are “greener” than others

![Chart 2: Sustainability starts to influence decisions on stores](source: Serrentino (2010)).
Although the sustainability practices are highly considered among retailers, the perception on the effort the retail is doing towards the sustainability indicates that it is not doing its part yet.

![Perception about the effort that retailers are doing in relation to sustainability](image)

Chart 3: Retailers still does its part
Source: Serrentino (2010).

**Social Networks and the Retail**

Social networks should be thought of as an additional channel of communication with the customer as well as the media, the company’s website, the customer service and others. For Zanco (2010) the main differences are in the volume as 79% of the 70 million Brazilians who access the Internet are using social networks.

The social networks with the highest audience are the most-used and indicated for companies: Twitter, Facebook, MySpace, YouTube, Flickr, Linkedin.

It is important to point out that Orkut is considered the most popular with a younger profile of lower income. Facebook shows a better social economic qualification of its members. There are networks specific to certain markets like By MK which is exclusively for the fashion market.
Social media can be considered as means of communication in which end users take the leading role, quite unlike the mass media, made from one to many.

In social networks, each user is the content creator and receiver, which allows to disseminate opinions and ideas without intermediaries.

According to Gonçalves (2010), Brazil has more than 67.5 million Internet users and is the third country in accessing social networks in the world.

For retailers entering a social network the store starts an interaction channel where it is possible to listen to the opinions and respond quickly to complaints and questions, besides developing more specific and instantaneous actions. It is important to remark that one does not exclude the other it is not traditional media x social networking, but social networking + traditional media.

Social media has engagement and credibility as its main assets, immediate results cannot be expected, the best for retailers is to outline a strategy on multiple platforms, for developing joint actions on where to invest depends largely on the type of business and the target public with which retailers want to interact. The Brazilian is the Internet user who spends more time online in the world: 44 hours per month.

The tendencies that are occurring are affecting the retail at the economic, political and social levels. In order to anticipate changes and identify new opportunities the Brazilian retail industry is required to discover its inner strengths and manages change.

Defining and describing the Brazilian retail sector is a futurology service; among the key challenges for retail we can point out the need to evaluate market opportunities, maintain customer analysis, rethink the business and the technological and consumption behavior changes seeking to adjust the business and the way to exercise effective planning.

**Social Responsibility and Sustainability: Convergences and Management**

The economic logic that prevailed in the twentieth century was characterized by certain principles such as the intense use of technology, which can result in unemployment by cutting work positions; the emphasis in the international market replacing national market; the reorganization in companies with the purpose of increasing productivity rather than production.

This perspective of entrepreneurial action in the social context has produced a series of threats concerning the future, as well as socio-economic problems that require urgent action. The main sources of degradation are in the environmental and social dimensions.
The search for a solution has been sought in the technical plan and technological alternatives that contribute to the reversal of degradation and also the managerial position, especially with regard to the construction of a new organizational image. This could be in a rationality driven by more balanced values in its relation to society in the long term, offering opportunities to practice social responsibility.

From this perspective, CSR is a currently prominent theme that stands in the context of organizations. According to Ashley (2002), classical authors in the area of CSR, as Howard Bowen, consider five types of public that benefit from this practice: employees, customers, suppliers, competitors and others with whom the company does business. Another possibility of classification would be the one that encompasses the internal and external publics, besides the investment in environmental preservation.

In conception of the author, CSR is the commitment that an organization owes to society, expressed through acts and attitudes that positively affect it, by doing broadly, or any community, specifically, acting proactively and consistently with respect to its particular role in society and the accountability to it (ASHLEY, 2002).

An organization must manage its social impacts and social responsibilities. No institution exists by itself, because each has its role in society, and only exists in function of this. A company has value not because it is good business but for being good for society. Organizations need to join the main concerns of the community with the qualitative aspects of life, i.e. economic goods and services, concern about quality of life; physical, human and social environments of modern man and modern community (DRUCKER, 1981).

Drucker (1993) broadens the concept of responsibility, especially to the impacts that the organization has on society. For him, unlike Friedman, even if economic performance is a primary function of the company, it is not considered unique.

By contextualizing modern organizations, the author stresses that this debate tends to be amplified, since the repetitive tasks give way to more intellectual activities in which knowledge and information seem to constitute key elements for the development of the organization, as well as the control possibility decreases and the responsibility for individual action is extended. From this perspective, the author articulates the concept of power and responsibility to the extent that the authority and delegation of powers are present in organizations.

However, such terms may indicate, according to Drucker, the death of the company that relies on command and control, which needs to be changed to responsibility because, for the author, power without responsibility is not power, is irresponsibility. Moreover, another ele-
The efficient use of resources, economic performance and handling of social impacts are not able to reconstitute the social whole.

ment inherent in organizations is the contribution that the company can bring to stakeholders.

Melo Neto and Froes (1999) agree with Drucker’s finding that the organizations are responsible for the impacts on society. All organizational action, to some extent, impacts on the social environment as natural resources, financial and technological capitals, ability to work and the organization of the State are kept at its expense. Therefore, we suggest that the organization has an obligation at least to account for the efficiency with which it uses all these resources.

However, when characterizing the materialization of this responsibility, a path different from Drucker’s is outlined, since the authors consider that the efficient use of resources, economic performance and handling of social impacts are not able to reconstitute the social whole, i.e., not always respond to the fulfillment of the systemic effects on the impacts they can produce. Therefore, the authors defend the idea that the organization is responsible for contributing to the maintenance of a healthy society with a mechanism characterized as “compensation for the society’s loss”. For the authors, companies acquire the resources from the society and should return them to society not only through the products and services, but mainly through social actions that could contribute to the possible solution of problems.

With this conception, they mention the following vectors for the social responsibility of a company: support for the development of communities where it operates and conservation of the environment; investment in the wellbeing of employees and their dependents, a healthy pleasant working environment, transparent communications; returns to shareholders; synergy with partners; customers and / or consumers satisfaction (MELO NETO; FROES, 1999).

There is in this sense a distinction between social responsibility and social action. While the former refers to a systemic action of the social dimension in the corporate context, the second relates to specific activities.

The practice of social actions can be developed in two different ways: social projects are projects aimed at finding solutions to social problems that afflict many populations or numerous social groups in high-risk situations, and community actions correspond to the company’s participation in social programs and campaigns undertaken by government, charity entities and communities, or both (MELO NETO; FROES, 2001).

Certainly, the aforementioned conditions are not able to fully represent all initiatives of documents and proposals that directly or indirectly interfered in the current stage of social responsibility.

Social Entrepreneurship

The author Leadbeater concludes that British social security needed radical reforms if it would effectively deal with social demands. A major contribution to this could be done by social innovations – initiatives
Social Entrepreneurship activity is a collective phenomenon, involving community members in a common effort of participation, integration and development, and by generating goods and services to the community, it allows to meet social needs and demands. Its focus is to seek solutions for social problems according to the community needs measured by the performance of its social impact of actions, attitudes and behaviors.

At Sebrae (2006), the rise of Social Entrepreneurship is influenced by business entrepreneurship, with its own characteristics, according to scholars and specialized publications, and by defining itself as “collective, it produces goods and services for the community, focusing on solutions to social problems and aiming to rescue people from social risk and promote them. Its performance measurement is the social impact.”

The theme of Social Entrepreneurship is new in its current configuration, but in essence it has already existed for a long time. Some experts suggest Luther King and Gandhi, among others, as social entrepreneurs, due to leadership ability and innovation regarding the large scale changes in the social field. The finding about the limited bibliography on the subject, both in Brazil and abroad, proves it to be a new subject, still in development, which enables the opportunity for researchers to explore the matter (OLIVEIRA, 2004).

According to Melo Neto and Froes (2002), Social Entrepreneurship activity is a collective phenomenon, involving community members in a common effort of participation, integration and development, and by generating goods and services to the community, it allows to meet social needs and demands. Its focus is to seek solutions for social problems according to the community needs measured by the performance of its social impact of actions, attitudes and behaviors.
Social Entrepreneurship can be defined as the use of corporate behavior for social purposes rather than profit goals, or that the profits are used for the benefit of a particular disadvantaged group (LEADBETTER, 1997).

As to the Social Private Entrepreneurship, recent academic and popular literature suggest that working within the private sector gives to the social entrepreneur an advantage in terms of guidance for planning, benefits and innovation. Commercial enterprises, in order of being socially oriented may use the rich experience in terms of market analysis to lead feasible studies. They are already operating with profit in mind. And, depending on their familiarized market, they recognize the importance of innovation on a continuous basis. So, Social Corporate Enterprises assume greater importance by adopting and adapting the current popular business trends (ROPER; CHENEY, 2005).

The theories and models of Entrepreneurialism in the public sector are largely derived from business economic applications and market models in the public sphere - an effort which began seriously between 1960 and 1970. One of the first papers on the subject considered that the water resource management could benefit from the injection of some business energy. Public organizations have more difficulty adapting to circumstantial variables, not only due to constitutional, executive and legislative innovations, but also to transparent habits. In other words, the private sector enables higher freedom and experiences. The economic, social and political discussions are especially pleasant to entrepreneurship’s symbols and methods. An essential part of this ideology is that there is no inherent alienation between public and private interests.

The Social Entrepreneurship in the Third Sector points out that the organizations with social movements have taken initiatives and have been supported by passion, insight and by the creative work of people who adjusted the contemporary application of the entrepreneur’s idea. Part of the business trend in many non-profit companies has increased the competition for funding resources from private foundations and government agencies. It is observed that non-profit companies have established “to make profit” with activities in urban needy environments. These activities offer specific healthcare and educational resources to incubators of small businesses. Most of these companies involve at least these characteristics: an orientation to the regeneration or expansion of economic activity; collective advancement of the public good rather than exclusive support to private interests; community ownership or control; and participative democratic structures (ROPER; CHENEY, 2005).

According to Bill Drayton, founder of Ashoka, an American non-profit organization, “Social entrepreneurs are people who have a strategic vision, skills and determination, and do not rest until they solve
social problems, not only in their locality, but throughout the system” (SEBRAE, 2006).

According to Ashoka (2006), social entrepreneurs “are people with vision, experience and talent, seeking innovative solutions for social problems in a large scale in the areas of environment, education, human rights, health, citizen participation and economic development. [....] is a visionary, creative, practical and pragmatic person that knows how to overcome obstacles to create significant and systemic social change. They have a truly innovative proposal, conquer results with positive social impact on the region where they operate, and demonstrate practical strategies for the dissemination of the idea, nationally and/or internationally. [....] they must be creative and visionary, both in setting goals and in solving problems that take place in the process of implementing their ideas”.

Shaw (2004) identifies the following characteristics of social entrepreneur: a) creative: finds radical and effective solutions for social problems, b) entrepreneur: presents his projects, negotiates his needs, bids support to his ideas and effective conquers the necessary resources, c) determined: demands that his ideas or proposals make a major difference when successfully implemented, d) ethical: ensures that public money is well used, that ideas are not corrupted by other interests and that his commitment is evaluated by the project.

According to Oliveira (2004), the profile of a social entrepreneur consists of the following categories: a) knowledge: know how to take advantage of the opportunities, how to work in a business way to solve social problems, how to be pragmatic and responsible, have managerial competence; b) skills: know how to negotiate, think and act strategically, know how to work in teams, be agile, creative, critical, balanced, resilient, focused, skillful, innovative, smart, objective, perceptive and attentive to details, take initiative, have a role, have a clear vision; c) skills: know to take calculated risks, know to improvise, know how to integrate various actors around the same goals, know how to interact with different segments and interests of various sectors of society, know how to use latent forces and regain underused strength, know how to be competent, conscious, leader, persistent, sensitive with social problems, visionary, have sense of responsibility, have sense of sympathy; d) attitudes: is passionate about what he does in the social field, committed and loyal, determined, engaged, ethical, discontented and outraged by the injustice and inequality, professional, and transparent.

One can enhance that a social entrepreneur is an entrepreneur person in the organization (intra venture), who develops social activities (intra social entrepreneur or a social internal corporate entrepreneur) in organizations oriented to private, public or third sector, with the purpose of providing growth and innovation in the organization. Therefore,
the intra social entrepreneur or social internal corporate entrepreneur, now called social entrepreneur, can be considered a professional who works performing his duties in a variety of departments and sections of an organization that develops, implements and participates in social activities, being a volunteer or not of such activities.

**Social Responsibility and Sustainability**

Sustainability is a mission of the whole society and the SCR presents itself as a central theme in this discussion (INSTITUTO ETHOS, 2006).

The SCR is a movement driven by the practices of companies that embrace social, environmental and economic responsibilities. In DS the responsibility belongs to the whole society and the changes must also occur at the individual level.

In RSC, the targets are set by managers. In the sustainability movement, the goals are universal and designed by organizations like the United Nations (UN) during conferences, international conventions and protocols.

These discussions about the global scope of sustainability are translated into standards, agreements and recommendations, and drive the conceptual basis for the formulation of ESR guidelines; helping place it as a theme emerging for companies and provide the minimum acceptable in transactions (LOUETTE, 2007).

Thus, CSR emerges from the universal movement to promote sustainability on the planet. Unlike what happens with the definition of CRS, the analysis of several authors who address the issue of sustainability does not vary in concept. The most widespread approach to sustainable development, independent of the target audience, defines the subject as the present use of the resources of the planet, with a guarantee of their usufruct by future generations (YOUNG, 2008; ROSA, 2008, GRAYSON, HODGES, 2003; STOICOV, 2007; MCINTOSH, 2001).

For companies, this concept means to ensure business success in the long term and at the same time contribute to the economic and social development in a healthy environment and a stable society (MANI; THORPE, ZOLLINGER, 2003). From this perspective, the business strategy should take into account the three dimensions to develop business models that are able to fulfill the concept of sustainable development (O DESAFIO..., 2008).

The execution of this concept is possible, according to Almeida (2007) by the eco-efficiency tool used by companies worldwide. This consists in producing and performing activities with the least possible environmental impact, through the minimal consumption of natural resources and minimal generation of waste and byproducts to the environment (O DESAFIO..., 2008).
A study of various companies through the analysis of trading balances concluded that the concept of triple bottom line (economic, social and environmental) applied to eco-efficiency tool, can recover the investment company for sustainability in less than a year. Shorter time than the usual average of two or three years (LOPES, 2008). It was also discovered that by incorporating sustainability into business strategy, large firms can achieve profit up to 38% higher and a small company up to 66% on short and medium term (LOPES, 2008).

The problem is that very few companies in the world can understand and apply the concepts in their daily lives, treating them as real business opportunities, leading to the reduction of costs, risks and increasing revenues (LOPES, 2008).

The issue of sustainability is presented differently from the SCR: in theory there is a certain consensus among authors, however, the practice is almost nonexistent and it consists of a risk for companies.

Almeida (2007), president of Business Council for Sustainable Development (CEBDS - Conselho Empresarial Brasileiro de Desenvolvimento Sustentável) foresees: companies that are unable to adopt sustainability beyond speech, as a business strategy that enables effective results, will be off the market in a maximum of 15 years, no matter the size (O DESAFIO..., 2008).

For businesses, the importance of sustainable development in the long term is related to positive economic and environmental gains in a market whose expectations are an increase in raw materials price and increasingly higher environmental fines.

Most of gains refer to savings from the use of the sustainability concept into business strategy. The benefits range from the attraction and retention of talented professionals, cost reductions in production, expenses and risks, larger access to funding, up to the increase in productivity, revenue and market value (LOPES, 2008). Lopes (2008) states that our obligation is to learn to deal with this new tool and tread the only possible path for the future, which is building a sustainable development model.

Almeida (2007) also addresses the difficulty of companies to implement these concepts. There is a lack of qualified professionals capable of solving crises and manage conflict of interests. He criticizes, though, the current speech about sustainability: the idea of sustainable business is nonsense. What is sustainable is the society. There is no healthy company in a bankrupt society (O DESAFIO..., 2008). It is clear the role and importance of SCR in the context of a sustainable development.

By this move, the society engages in a number of discussions, such as conscious consumer, fair trade, reverse logistics among others that may present threats to companies. For society, sustainability aspires to meet the basic needs of humans, preventing environmental degradation,
maintaining the equilibrium of ecosystems, avoiding waste and social injustice (INSTITUTO ETHOS, 2006).

Companies need to interpret and apply these concepts. The tools and models proposed by SCR show the path. Companies simply have to define what and how they will work.

To Leff (2001), “environmental crisis” raises questions about the rationality and paradigms that guide economic growth, ignoring the consequences brought in environmental issues.

LEFF(2001) stresses that from the questions and criticism regarding the “Cartesian reason” arises the “eco-development strategies” that are ruled by variables based on careful management of resources and analysis of the conditions and potentials of the ecosystems (SACHS, 1982).

According to Georgescu-Roegen (1971), as abstracted from Leff (2001), the economy was ruled by the degradation of energy, i.e., the entire production and consumption process takes as its basis the degradation of energy. Therefore, the whole economic system realized itself immersed in a more comprehensive physical-biological system (PASSET, 1979) that supports sustainability. From this perspective there are new paradigms which lead to an ecological economy focused on the integration of the economic process with the environmental and population dynamics.

Thus, the environment becomes part of the conception of what human development is, which integrates and returns the “values and potential of nature, social externalities, subjugated knowledge, and the complexity of the world denied by mechanistic, simplifying, one-dimensional and fragmentary rationality that lead the modernization process” (LEFF, 2001).

Therefore, to Leff (2001), environmental degradation is manifested as a symptom of a “crisis of civilization” provided by the model of production and specified technological route leading to development if thinking properly or not even thinking about the possible consequences in nature.

Leff (2001) alerts to the ambivalence of the sustainability speech that comes from the “multiple meanings of the term sustainability, which incorporates two meanings: one, translated into Castilian as “Sustentable”, which implies the internalization of ecological conditions to support the economic process, and another that adds the durability from economic process itself”. Therefore, to Leff (2001), ecological sustainability is a precondition for the sustainability of the economic process.

**Sustainability in Retail and Services**

The problem is that very few companies in the world can understand and apply the concepts in their daily lives, treating them as real
business opportunities that may open the way to reducing costs, risks and increasing revenues (HERZOG, 2004).

For Gelman and Parente (2008), retailers have been operating at about one million stores with annual sales exceeding 200 billion dollars. Given these numbers, we can see that the Brazilian retailers are an enormous part of the country’s economy.

A large part of the retail is discovering its social role and has been engaging in projects that aim to build a fairer and more balanced society. The direct contact with the consumer and the local community put the retailer as a potential articulator for social actions. Since most of its clients reside in regions next to the store, when the retailer participates in projects that help improve the life quality of the inhabitants of its area of influence, he will benefit the public that honors its trade (GELMAN; PARENTE, 2008). Realizing the socially responsible performance of the retailer, consumers naturally offer their retribution, not just developing a sense of goodwill and sympathy towards it, but often feeling encouraged to participate as volunteers in the projects.

There is a tendency that companies that do not fit the concepts and visions in these fields are bound to leave the market in the medium and long term. Therefore, there is no talk about sustainability without including CSR (Corporate Social Responsibility) and without the business, state and nonprofit organizations as partners in pursuit for a better reality, either for the people that are included in the social processes, or to those aside the processes. The shares of the retail and services sectors, through class entities or not, can contribute substantially for the dissemination of sustainability actions and consciousness of the entire population to the role of each one in search of a more active and fair society.

According the Global Reporting Initiative (GRI) (2006) sustainability report, the number of companies that have adopted those CSR guidelines has increased from 20 to 1.5 thousand. It is noticed that organizations are concerned in developing even more elaborated sustainability reports so that they can support the decision making process and serve as a source for investors, consumers, nongovernmental organizations and a large network of stakeholders. From this perspective, it was created the Retail and Services Social Responsibility and Sustainability Award, an initiative of the Professional Master Course in Administration of the Faculty of Business and Management in partnership with the ACIPI (Commercial and Industrial Association of Piracicaba), developed by Retail and Services Marketing research groups and Social Responsibility group.

Mission of the Award

The objective of the Retail Social Responsibility and Sustainability Award is to provide continuity to the development, mobilization, trai-
ning and recognition of social responsibility and sustainability initiatives and actions of retail and services organizations in Piracicaba.

**The role of ACIPI**

The role of ACIPI – Associação Comercial e Industrial de Piracicaba is to collaborate in the training, mobilization and recognition process of the retail and services businesses in Piracicaba, besides facilitating the access of members to sustainability and social responsibility actions in the area aiming to stimulate other actions and other businesses to think about the possibility of taking responsively action with respect to stakeholders.

**How to participate in the Award**

Retail and Services companies and organizations that are developing or have developed Social Responsibility and Sustainability initiatives can participate in the Award – companies of any size or nature, and exclusively from Piracicaba and surrounding region.

Companies sponsoring the event can participate, but such sponsorship does not imply any kind of benefit at the time of judging the project. It is understood by retail and service companies those engaged in commercial activities oriented primarily to the end consumer.

- Below are the businesses classified as retail and services:
- Organizations that serve the end consumer.
- Transportation Companies.
- Financial Institutions: Banks and Insurance Companies.
- Institutions in the health field.
- Retail sectoral institutions.
- Confederations, federations and trade associations.
- Board of Retail Managers (CDLs - Câmara de Dirigentes Lojistas).
- Retail Trade Unions.

Companies that cannot participate:

- Colleges, Universities and Educational Institutions.
- Third Sector Organizations (NGOs, churches, charity entities and foundations).
- Telephonomy Dealers.
- Public Services Concessionaries.

**Registration on line**

The company or organization accesses the site of the award http://www.premiovarejoresponsavel.com.br/ and clicks the link “registration” (inscrição), completes all fields correctly with the company and
responsible information, when this first step is complete; a “login” and a “password” (senha) are created and sent directly to the email account registered. After that, it is necessary to revisit the site and enter the “login” and “password” previously provided to validate the registration, and list the social responsibility and sustainability initiatives in the corresponding form.

The structure of the form is the following:

a) Header
   • Name of company or organization
   • Date of foundation
   • Retail Sector
   • Number of employees
   • Annual turnover
     ( ) 0 to 240,000.00 ( ) 240,000.00 to 2,400,000.00 ( ) more 2,400,000.00
   • Location (address, city, phone, email)

b) Introduction
   How did the idea of social responsibility initiative and / or sustainability arise?
   • Why did this idea appear?
   • What are the key activities developed?
   • What is the purpose of this initiative?

c) Description of the Initiative
   A text describing the initiative should be prepared. We suggest the following items:
   1. What is the name of the project?
   2. What are the objectives of the project?
   3. What is the period (day, month, year) and place of implementation of the project? (neighborhood, city, community)
   4. What is the target audience of the project (employees, community, consumers, suppliers, etc.)? And how many people have been benefited by it?
   5. How does the project work? (Describe in detail)
   6. Are there partners in the project? If yes, which? (NGOs, governmental organizations, schools, etc.).
   7. If there partners, what is the role of the partner (s) in the project?
   8. Did the project count on volunteers for its completion?
   9. Who were they? (Staff, community residents, consumers, associates, etc.).
   10. What is the affinity between the project and the company’s business? Describe.
   11. What are the results of the project?
      a) What is the benefit to the target audience?
      b) What is the benefit to the corporation or entity? (image enhancement, cost reduction, employee involvement, etc.)
c) What were the quantitative indicators (for example: % increase in sales)


d) Could the project be adopted by other companies or organizations?

e) What advices/hints can be given?

The projects to be awarded are:

Participation in Projects, Partnerships and Responsible Attitudes

a) Participation in projects developed in partnership with sectoral entities and society.

b) Projects developed in collaboration with suppliers.

c) Responsibly commercialization (e.g. not to sell cigarettes, alcoholic beverages, fireworks, erotic or pornographic material to minors, non-prescription drugs).

d) Incentive to conscious consumption (such as reducing the use of packaging, offering organic products, nutritional education, and conscious use of credit).

e) Communication of social responsibility and sustainability products and initiatives at the point of sale through signs, posters, displays, among others.

f) Programs of Excellency in customer service and customer satisfaction.

g) Participation in Governmental Social Projects (immunization campaigns, the fight against “dengue” fever, citizens’ task forces, etc.).

h) Anti-corruption and anti-bribery practices.

i) Promotion of political consciousness, citizenship practice and conscientious vote.

Relationship with the Community

a) Donations to assistance entities.

b) Volunteering encouragement.

c) Social and Environmental actions directed to the community.

d) Participation in community councils and neighborhood associations.

e) Use of the store as a collect station or space for community interaction.

f) Actions related to the environment: packaging and waste recycling programs, water waste treatment and everything related to environmental conservation through conservation projects and environmental education.

g) Sustainable Shops which both in its construction and in daily activities have thought about the environment.

h) Paper energy and water consumption savings.

i) Adoption of alternative packaging.

Responsible Management

a) Economic, social, cultural sustainability activities.
b) Publication of a Social Balance or a Sustainability Report.
c) Implementation of the Code of Ethics.
d) Responsible behavior facing layoffs.
e) Professional development of employees.
f) Profit sharing and decision-making processes participation policies.
g) Non-employment of child labor policy (under 16).
h) Publication and dissemination of social responsibility, sustainability and consumer awareness concepts for employees.
i) Enhancement of diversity in the workplace (opportunities for the disabled, Negros, women, elders, apprentices, former prisoners, etc.).
j) The adoption of social-environment criteria in the purchase process.
k) Support development and business opportunity for small suppliers, local producers, cooperatives and small farmers.
l) Promotion of sustainability in the supply chain.

**Evaluation Criteria**

The evaluation group consists of representatives of several private and public companies that evaluate the projects previously and get together in order to rank the winners. The following requirements are considered:

a) Scope: number of people and / or entities that were benefited by the project;
b) Benefit generated for the target audience;
c) Benefit generated for the company or entity;
d) Innovation and creativity;
e) Regularity - frequency and continuity of the initiative;
f) Replication of practice - possibility of using the ideas of the initiative by other companies or entities;
g) Ability to mobilize employees, suppliers, consumers, associates, tenants, communities and NGOs;
h) Integration of the initiative with the company’s or entity business;
i) Management Quality of the initiative;
j) Scores are assigned from 0 to 10 for each item and the final score is the arithmetic average of scores assigned by each evaluator for each item.

**Business Categories**

Firms when signing up will be guided in the categories and descriptions in Table I:
Table I: Categories and Descriptions

<table>
<thead>
<tr>
<th>CATEGORIES</th>
<th>DESCRIPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Company</td>
<td>(up to 20 employees)</td>
</tr>
<tr>
<td>Small Company</td>
<td>(21-100 employees)</td>
</tr>
<tr>
<td>Medium Company</td>
<td>(101-500 employees)</td>
</tr>
<tr>
<td>Large Company</td>
<td>(from 501 employees)</td>
</tr>
<tr>
<td>Shopping mall</td>
<td></td>
</tr>
<tr>
<td>Retailers Organizations</td>
<td></td>
</tr>
</tbody>
</table>

Source: Elaborated by the Authors

Each organization can participate in the Award registering only two projects.

**Dissemination of the Award**

The Award is presented at an event held by the ACIPI in combination with the Professional Master in Business Administration - UNIMEP.

The list of the prequalified projects is forwarded to the Technical Award Committee to attribute scores. There is a meeting with the Committee to organize the list of winners, which is published in the Award website.

The Organizing Committee is responsible to contact all the finalists and winners.

**Final Considerations**

The Brazilian retail sector, which accounts for 10% of GDP - Gross Domestic Product, and is responsible for three million direct jobs, has demonstrated to be a sector that has suffered too much interference in global context.

In the 2010s, the Brazilian retail market has evolved significantly, as a result of factors such as the entry of international groups, increased competitiveness, economic stability and the incorporation of global best practices.

The reality of retail in Brazil is that we have a well prepared sector, but that needs to pursue continuous improvement of its performance, with great importance in the value chain of the industry.

Based on information in this book, it is possible to, after consideration of the Brazilian retail, evaluate and identify the main challenges to be faced. It is also possible to propose to the managers to reinterpret the changes in the retail sector. The authors’ main concern was to try to understand the reality and evoke a reflection about the near future, helping reinvent the retail sector in Brazil guided by Social Responsibility and Sustainability.
From this perspective, the Social Responsibility is now a prominent and important theme in context of the organizations. A retail organization should manage its social impacts and social responsibilities, there is no institution for itself, because each one has its role in the society, and only exists because of the society. A company has value not for being good at business, but for being good for society.

Through this move, the companies engage in discussions such as a conscious consumer, fair trade, and reverse logistics among others, which may represent a threat to businesses.

For society, sustainability aspiration is to meet the basic needs of the human beings; prevent environmental degradation and maintain the ecosystems’ equilibrium; avoid waste and social injustice (INSTITUTO ETHOS, 2006).

Companies need to interpret and apply these concepts. The tools and models offered by Social Responsibility represent the path. The companies have just to define what to do and how.

The proximity with the consumer and the retailer’s local community makes the retailer a potential articulator of social actions, since many of their customers are located in the trade and service companies surrounding areas. Thus, when participating in projects that help improve the life quality of residents belonging to their area of influence, the retailers are benefited.

Noticing the socially responsible performance of a company, the consumers, naturally, offer their retribution, not just developing feelings of goodwill and sympathy for the retailer, but often feeling encouraged to participate as volunteers in the projects.

However, the company must not replace the actions of the State. The companies end up complementing the actions, which are of the State’s responsibility.

The concept of sustainability and social responsibility has been increasingly spreading among the corporate environment, as well as the engagement of companies in environmental and social issues.

Companies should maintain a relationship with all interested parties (stakeholders), in an ethical and transparent manner, developing partnerships among all, considering the interests of the parties so they all gain profit and can develop themselves strengthening competitiveness. And companies that do not suit the visions in these fields tend to leave the market in the medium and long terms.

Thus, there is no way talking about sustainability without including CSR (Corporate Social Responsibility), and without thinking in business state and nonprofit organizations as partners in the pursuit for a better reality, not only for people who are included in social processes, but also to those who are aside.
The actions of the retail and service sectors, through professional associations or not, can contribute substantially to the dissemination of sustainability activities and the awareness of the stakeholders in order to help one another to understand and to assume their role in search for a more active and fair company.

From this perspective, the Retail and Services Social Responsibility and Sustainability Award was created, as the result of the partnership between the Professional Master in Business Administration, Faculty for Business and Management - UNIMEP and ACIPI - Associação Comercial e Industrial de Piracicaba, allowing the society to highlight companies that already use Social Responsibility and Sustainability practices.

Currently, companies need to conciliate the economical and social benefits, and yet ensure its survival, i.e., its sustainability. The retail is closely linked to the customer, and it is the sector that can most spread these activities, because its work is focused on consumer awareness.

To the retail it is important to evaluate its business performance, and the accordance between the Corporate Social Responsibility management, the discourse practiced, and the mobilization of the retail sector to incorporate these criteria as competitiveness’ indicators.

On the other hand, while the consumer can push the manufacturer and change its product over a non adaptation to the environment, the retail, by creating a socially responsible market, can contribute for changes in consumer buying.

The Projects of the finalists or winners, in their categories, confirm the engagement of the retail in solving social and environmental problems that jeopardize the survival of future generations.

The evolution of the concepts presented in this book demonstrate an increasing importance that academic and business organizations, more specifically in this case, ACIPI, are giving to this management way. Firms are deploying and using the social responsibility practices, regardless its size, whether micro, small, medium or large. These are companies that are already incorporating these concepts and values.

The goals established by the UN pointed out that all institutions should become involved in the movement to eradicate poverty, provide basic education to all, promote gender equality, reduce child mortality, improve maternal health, combat diseases, and ensure the environmental sustainability by focusing on the development.

The enhancement of Corporate Social Responsibility is taking place and providing an increased competitive advantage of companies and values generation for its stakeholders.

We believe that soon we will see Corporate Social Responsibility and Sustainability embedded in the culture, strategy and business management. It was with this objective that the Award was created and now in a book form, delivers knowledge to the whole society, through
the lived experiences of the companies chosen in the first two years of its implementation, i.e., 2008 and 2009.

References


We believe that soon we will see corporate social responsibility and sustainability embedded in the culture, strategy and business management.

The goals established by the UN pointed out that all institutions should become involved in the movement to eradicate poverty.


Webgraphy

www.acnielsen.com.br – Instituto AC Nielsen Brasil


www.gaybrasil.com.br

www.ibge.gov.br – Estatísticas populacionais, sociais, políticas e culturais

www.portaldofranchising.com.br – ABF - Associação Brasileira de Franchising

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