

CONSUMER'S ATTITUDE TOWARDS SPAR HUNGARY'S SUSTAINABILITY EFFORTS

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Abstract

The research aims to provide insights into a currently popular segment: sustainability in case of SPAR Hungary. The company is investing a lot of energy in its sustainability efforts and the research aims to answer the question of how much of an impact this has on consumer behaviour and perception of the company. Furthermore, the extent to which information on these efforts reaches the target audience, providing SPAR Hungary with relevant information on the success of their communication and feedback on consumer perception. The primary aim of our qualitative research was to lay the groundwork for future quantitative research on the topic. Young adults' attitudes towards sustainability, their aspirations, as well as associations with sustainability and the SPAR chain were explored through 8 focus group interviews in September 2024. The results of the focus group interviews and their relation to the literature were analysed using traditional content analysis. The research explores this new and growing segment, also sustainable companies' importance in our capitalist world, and how sustainability can be a really useful management consideration in business.

Key words: sustainability, consumer behaviour, qualitative research, SPAR, Hungary

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Introduction

Spar is an international grocery retail chain. It is headquartered in Amsterdam, the Netherlands, and sells in Europe, Australia, Africa and Asia. It is one of the largest food retailers in the world. Its large Hungarian subsidiary is headquartered in Bicske (Spar International, 2024).

SPAR Hungary is an international food chain that celebrated 30 years of presence in Hungary in 2021. The company started building its franchise network in the country in 2012, where it is the fifth largest employer with nearly 14.000 employees.

As the first and only food retail chain, it has operated its own Regnum meat plant in Bicske since 2004, and in 2020 it expanded its Regnum meat plant in Perbál. In 2018, it also opened a SPAR enjoy convenience sandwich and salad plant. (SPAR, 2024a)

In Hungary, there are SPAR stores in super and hypermarkets, the hypermarket is called Interspar. Interspar stores are larger and have more products than a SPAR supermarket, and the latter is located in cities, near residential buildings, in order to meet people's daily shopping needs. (SPAR, 2024b)

1 Literature review

1.1 Overview of the company

As a food retailer, the company has several large competitors. The most significant of these are: Tesco, Auchan, Lidl, Aldi and Penny. As the main profile of each of these stores is food, which is FMCG (fast moving consumer goods), it is particularly important to promote the company and its products and to choose the right marketing communication strategy. What differentiates the company from competing discounters (Lidl, Aldi, Penny) is the presence of personal sales (meat counter, deli counter) and a more extensive product range, in which everyone can find the right products for him or her. It also has larger stores (Interspar). What distinguishes it from Auchan is that it sells not only in large stores but also in smaller stores (Spar Express) (Spar International, 2024; SPAR, 2024b).

1.2 SPAR for a sustainable future

SPAR has taken a leading role in addressing issues critical to the planet's future. In autumn 2019, they consolidated these efforts into a unified framework, connecting key areas of sustainable development, including environmental stewardship, promoting healthy lifestyles, ensuring food safety, supporting employees, and fostering social responsibility. Their sustainability objectives are now represented under a new umbrella brand, accompanied by the slogan: 'SPAR – for a sustainable future.' (SPAR, 2024c)

1.3 CSR performance in the life of a firm

Growing evidence points to a strong correlation between Corporate Social Responsibility (CSR) and firm value, positioning it as a critical consideration for companies, investors, policymakers, and scholars alike (Yoon et al., 2018).

Perception plays a key role in shaping consumer buying intentions, especially in cases of greenwashing, where consumer decisions are largely driven by a brand's portrayal of its environmental impact (Brand Finance, 2023).

Corporate Social Responsibility (CSR) is a relatively recent development in Hungary. Due to limited external pressure from civil society, public authorities, and the media, this crucial corporate activity only began to take shape in the early 2000s. However, awareness and implementation of CSR practices have been progressing rapidly since then (Karcagi-Kováts, 2012).

1.4 Young people's attitude to sustainability and decision-making

The young people primarily associate sustainability with environmental concerns, which presents an opportunity to develop educational programs that encourage a more comprehensive understanding of sustainability. (Fabbrizzi et. al., 2016).

The young exhibit unique characteristics regarding consumption. Young people, not yet mature but no longer minors, develop sophisticated skills and more critical attitudes to navigate their activities as consumers in the marketplace while using autonomous, self-directed consumption as part of their identity creation. (Ziesemer et.al., 2021). Education for the environment has a significant influence on ecological awareness, adaptation of everyday lifestyle, and modelling of consumer behaviour. (Boca - Saraçlı, 2019). Kirbiš (2023) research explored Slovenian young people's attitudes towards sustainability, and it showed a high level of environmental engagement. Considering high environmental attitudes among teachers, it might be that they, regardless of the educational stage they teach at, provide many educational tasks and encouraging contexts that engage students in discussions about nature, climate change, sustainability and other environmental topics.

2 Research methodology

The research aims to investigate young adults' perceptions of companies' sustainability efforts, to understand how much information is circulating among consumers about these activities and how this influences their decision to choose a supermarket chain.

To achieve this goal, we conducted qualitative research from 17 to 19 September 2024, with 8 groups in the form of focus group interviews. Due to the exploratory nature of the study, semi-structured focus group interviews were used (Olavarria-Key et al., 2021). We looked specifically at respondents who have shopped in a SPAR store in the last month.

We designed questions for a specific age group of young people to understand how this generation perceives this topic, how much information they are aware of, and how much their decision is influenced by the fact that companies have sustainable company policies. Young adults are a particularly valuable target group, as they increasingly take personal responsibility for managing their finances and shaping their consumer behaviour (Dimitrova et al., 2021; Mylonas et al., 2021).

Participants varied in age and place of residence, indicating that a wide range of perspectives were present during the interviews, with the average duration of the interviews ranging from 60 to 90 minutes. A total of 88 people participated in the focus group interview (Tab. 1), 52.3% of subjects were male and 47.7% female, 58.0% of respondents lived in Budapest and 42.0% were in rural areas. Respondents were aged between 19 and 28, with an average age of 21. The average number of participants in each group was 11, which is considered ideal given the nature of the study (Michelini et al., 2020; Soma et al., 2021). The results of the focus group interviews and their correlation with the literature were analysed using traditional content analysis.

Tab. 1: Sample design

ID	Male (N)	Female (N)	Budapest (N)	Other town (N)	Age (year)	Sum (N)
1. Group	8	5	7	6	21.3	13
2. Group	9	5	7	7	21.4	14
3. Group	2	8	6	4	20.4	10
4. Group	1	8	5	4	20.7	9
5. Group	9	4	8	5	20.5	13
6. Group	6	4	6	4	21.8	10
7. Group	8	1	5	4	21.3	9
8. Group	3	7	7	3	21.4	10
Sum (N)	46	42	51	37	88	88
Sum (%)	52.3 %	47.7 %	58.0 %	42.0 %	21.1 year	100%

Source: own table, 2024

Questions included where they shop and at what intervals, whether they collect their rubbish selectively, whether they know of any events with a sustainability motto, whether they participate in fundraising events, whether sustainability is important to them, whether they like to buy from a sustainable company and why it is important for them that a company is sustainable. In this research, when we use the word SPAR, we refer to SPAR and Interspar stores.

3 Results

3.1 Consumer associations

The focus group interview started with an association exercise, where participants had to associate first SPAR and then sustainability to find out how well informed, they are on the subject and what their preliminary views are. SPAR was mainly associated with words like any other supermarket at the beginning, for example food and pastry, but then positive adjectives like saving, cheap, sale appeared. The shopping experience (happiness, experience shopping, self-service payment, queuing), the wide range of products (many different brands, S-budget, organic and nature-friendly products), promotions (saving, coupons, discounts) and high quality were mentioned several times. What contrasts is that both the words cheap and expensive also appear in Fig. 1. Under sustainability, the word environmental protection was the most frequently mentioned, followed by awareness, recycling and plastic, which shows the segment of sustainability that young people know the best and feel the most comfortable with (Fig. 1), which will be also showed later with the focus group questions. Sustainability is important for ensuring a stable future, protecting natural resources and supporting economic resilience. Environmentally friendly practices are considered essential for companies to ensure long-term sustainability.

Fig. 1: Associations with SPAR and sustainability



Source: own figure, 2024

3.2 Shopping habits

Many young Hungarians choose Lidl, Aldi, Tesco, and SPAR for their daily or weekly shopping. This choice is often based on a variety of factors such as location, convenience, familiarity, value for money, promotions, and discounts.

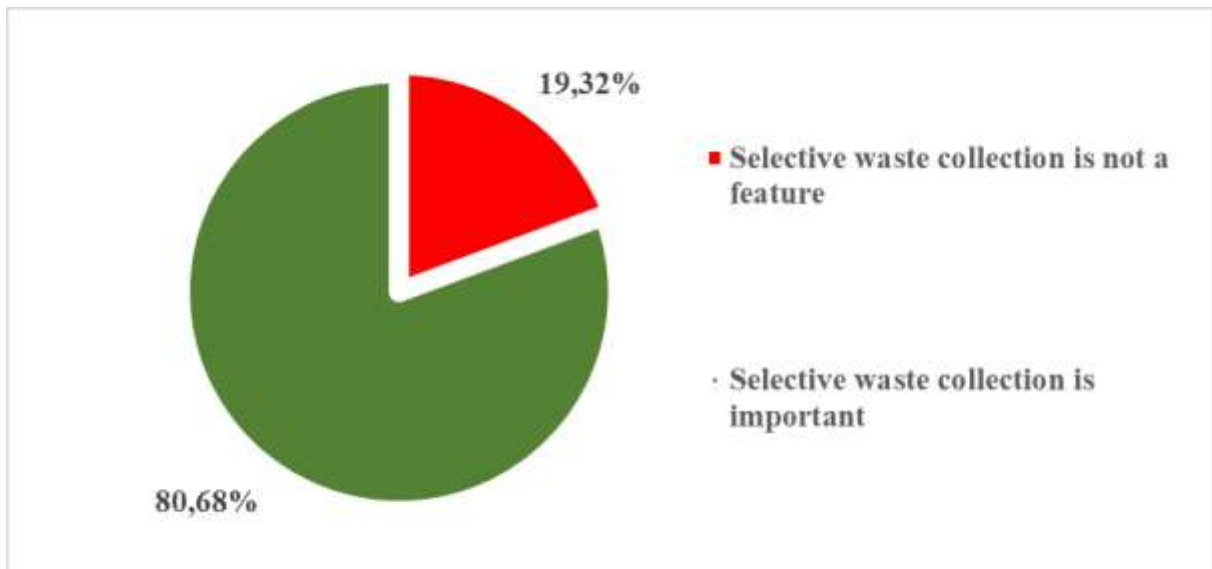
The largest proportion of young people shop at Lidl (40) and Aldi (19), with TESCO also appearing in some responses, but not in a high proportion. Most of them go shopping 1-2 times a week. The answers showed that 26 out of 88 people shop at any of the SPAR stores. Lidl is a popular choice for many young adults because of its wide range, affordability, fresh produce, and affordable own-brand products. Customers often mention the Lidl Plus app, which offers additional coupons and discounts. Aldi is also popular for its cheap but good-quality products. In addition, many shoppers are positive about the cleanliness and fast shopping process. Shoppers at SPAR highlight the quality of product selection and convenience, although many find it more expensive than other stores. However, the location and the wide range of products make the choice easier for many. Tesco attracts shoppers mainly because of its Clubcard loyalty scheme, which offers great discounts.

3.3 Consumer attitudes towards sustainability

For youngsters' overall sustainability is important as majority of them answered, but it varies in what proportion and which part of the topic. Many stick to one segment, for example litter collection, and ignore the rest of their lives. It is rare among young people to pay attention to everything. The word "trying" appeared in many answers, suggesting that respondents are only concerned with the way of sustainable living and are aware of the future consequences of overconsumption and global warming, but are not fully convinced of the exact steps that could be taken to prevent these consequences.

Separate waste collection is now an integral part of most households' lives, so when young people were asked if they collected rubbish separately and most said yes, it was not unexpected, suggesting that the newly introduced regulations and influence is pushing this generation towards selective waste collection, even if they are not informed or interested in sustainability issues. Those who answered no, mainly cited a lack of space or interest, although most homes already have a separate waste collection point (Fig. 2).

Fig. 2: Selective waste collection (%)



Source: own figure, 2024

3.4 Consumer attitudes towards sustainable companies

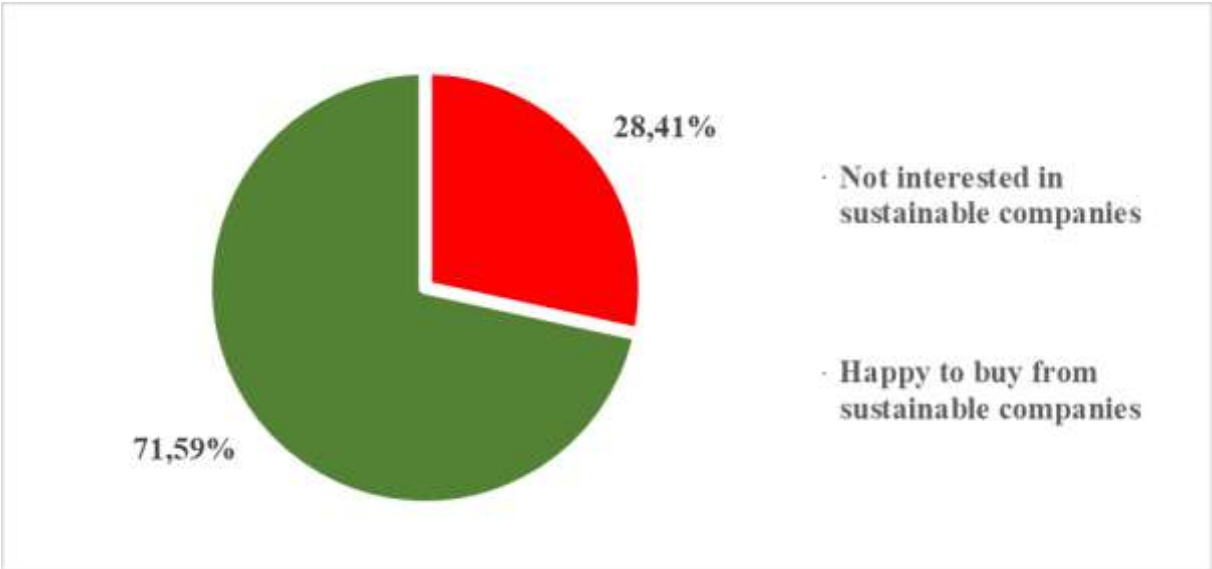
There is a broad convergence in the way young people think about sustainability. They support the efforts of companies, they are aware of its importance and are willing to take small steps towards it, but they are not aware of all the information, so almost all respondents consider it important for a company to be sustainable. They pointed out that they are aware of today's trends and the fact that the world is increasingly moving in this direction, and that sustainability should be an important aspect for companies and that they are supported in this.

Young people who spend a lot of time online know mainly US companies as sustainable companies so 17 respondents mentioned SPAR, which is a good proportion considering that the other answers were mostly about large US companies, and more than a quarter of the people could not name such a company.

Sustainability motto events are getting more noticed but there is still a long way to go. For many companies it is just part of their marketing strategy, for others it is company philosophy. A quarter of respondents know of any such events, so it is not surprising that only very small proportion of respondents (11 people) have ever attended such an event, which is a negligible proportion, suggests that there is room for improvement from a marketing point of view for companies in terms of how they communicate information to their customers, or the other option is to target a different age group, because often these events are targeted at adults who are already on fixed incomes and can donate more easily, while most young people live day to day and fundraising is not a priority for them.

Nowadays, although the market for sustainable brands is growing, because they use quality and ethical materials, and therefore their prices are much higher, consumer behaviour shows that people are not prepared to pay much higher prices for certain products in favour of sustainability, and young people are no differently concerned about this, although they are happy to see new sustainable brands, often perceived as a plus rather than a necessity. Most contestants (63) are happy to buy from sustainable companies, but many respondents said that as long as it is not at the expense of quality, or the purchase price does not increase dramatically (Fig. 3). Those who answered no said that this was not their first consideration when buying. Several responses also indicated that when young people are faced with a choice between two options, they prefer sustainable ones but often find them difficult to find, and many have not even come across such shops.

Fig. 3: Buying from sustainable companies (%)



Source: own figure, 2024

Several people mentioned during some of the questions that they regretted that they were not well informed on the subject and that they would pay more attention to these issues in the future, which suggests that the focus group interview was successful in raising young people's awareness of the importance of sustainability and that we got all the information we needed from the responses.

3.5 Consumer attitudes towards SPAR

SPAR is clearly identified by consumers as a sustainable company. According to the respondents, the consumption of products bought in SPAR support a conscious, healthy and environmentally friendly lifestyle. SPAR offers a wide range of products, with a large assortment of both international and domestic (Hungarian) products. SPAR's own-brand products (SPAR-BUDGET or S-BUDGET) are very popular. The products are perceived by consumers as fresh, natural and of high quality. The popularity of the "meat counter" and "green counter" is outstanding.

SPAR is an ideal choice for those who want to live a zero-waste lifestyle, supported by the nature of the products (products with a low price: close expiry date bakery products, ugly vegetables and fruits), the product range (eco products, bamboo cutlery), the packaging options (packaging-free products, eco packaging, biodegradable packaging), ESG policy, the company's efforts to reduce food waste (cooperation with Munch, educating customers), also events in the name of sustainability (SPAR run). Munch Market aims to reduce food waste, while offering a low-cost food ordering option with home delivery in Hungary. In partnership with SPAR and others (Penny Market, Starbucks, Lipóti Bakery), they save products that would be lost in the traditional retail chain (Munch Market, 2024).

Recycling is specifically mentioned by the respondents in relation to SPAR, for example: reusable product packaging (glass), recycled packaging materials, paper packaging, textile bags, paper bags, vegetable packaging, eco packaging, also plastic bottles. Consumer redemption has become a hot topic in Hungary (REpont, 2024), as of 1 January 2024, almost all ready-to-drink or concentrated beverage products packaged in plastic, metal or glass and with a capacity of 0.1 to 3.0 litres will be subject to a mandatory return fee: 50 HUF = 0.12 EUR (MNB, 2024). This has significantly increased the spendings of young people, so they always try to return the bottles. REpoints take place at retail outlets (e.g., SPAR), and cause a lot of inconvenience for consumers: more effort, more time, stress over dirty return containers, also malfunctioning REpoints and mobile app.

Conclusion

The qualitative research provided a deeper insight into the habits and thoughts of SPAR's young customers about sustainability and the environmental activities that play a role in their daily lives. The research focused on young people's access to information and their attitudes, so that the answers and conclusions can only be applied to a specific age group. As primary research in the future we would like to conduct a questionnaire with SPAR costumers in all age range, according to our qualitative results.

The main reasons for choosing SPAR stores include the wide range of products, location, reliable quality and loyalty programmes and promotions. Customers also value the shopping experience and the commitment to sustainability. All these factors contribute to the fact that SPAR stores have a stable consumer base in Hungary and are a competitive alternative to discount chains.

The research showed that although SPAR is not the most popular shopping destination among young people, many responses indicated that. Also, the majority of young people do not often or not at all participate in events on sustainability issues, yet SPAR's participation in such events appeared in the responses, suggesting that information is successfully reaching some groups of young people, even if the rate could be increased further. As far as the company is concerned, the most successful part of the survey is clearly the list of sustainable companies, with 16 mentions of SPAR by young people, showing that the company has a sustainable name in the eyes of young people and is successful in getting information across to consumers. The research showed that SPAR's sustainability activities are multifaceted and that the company invests a lot of resources in this segment.

Young people are a generation that is already on the path to sustainability. A lot of information is being passed on to them and they have their own opinions on it all. The responses showed that they consider the issue important and almost all of them are taking small steps to address it. Their purchasing decisions also reflect their attention to the sustainable efforts of companies, as they prefer to choose an environmentally friendly brand, but price is still their primary concern. Most of them are open to taking further steps to protect the environment in the future because they know how important it is, even if it is not always the most convenient choice.

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