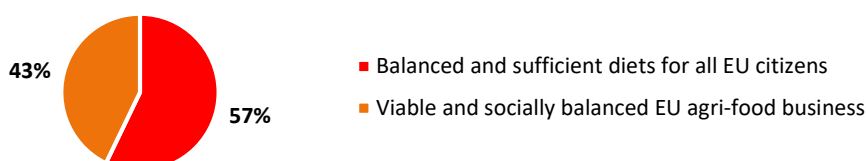


A3.14 Policy actor: Retailers

EU retailing services consist of about 3.6 million active companies, representing 4.5% of value added and accounting for almost 9% of EU jobs (EC, 2018). They play an important role for food and nutrition security, as they occupy a unique position in the lifecycle chain of products and act as intermediates between food producer companies and individual end-consumers, therefore as food policies' **primary targets**.

Since 2000 the retail landscape has undergone a dramatic transformation due to a combination of different factors on both the demand and supply side. On the one hand, consumers have become more demanding in terms of food variety and price. On the other hand, there are big cross-country differences in the share of modern retail in total edible grocery, where large retail chains have been opening stores both inside and outside their domestic market, thus increasing their market share and often creating their own brands or private labels (EC, 2018). Moreover, the rapid development of e-commerce has brought new opportunities and challenges for the sector by creating multi-channel retail that combines offline and online realities, but also posed serious threats to the retail sector.

Proportion of retailer-targeted mapped policies by GOAL



The mapped food policies targeting the retailing sector mainly focus on:

- o promoting **balanced and sufficient diets for all**, e.g. through the reduction of salt content in food products, by restricting the sale of energy drinks and sugary snacks, or improving the provision of fresh food in stores located in deprived areas;
- o making the **agri-food business more viable and socially balanced**, e.g. through market regulation.

Food quality and safety are crucial factors in consumers' purchasing choices and their assessment has strong implications for retailers. *Are they adequately addressed by retailer-targeted policies?*

None of the mapped policies focus on **equitable outcomes and conditions**.

Are remote areas with poor retail access to fresh food properly addressed with specific provisions?

*How do public authorities ensure that retailers enjoy a **fair, integrated, cohesive and easily accessible market**? How should administrative processes for retailers be simplified?*

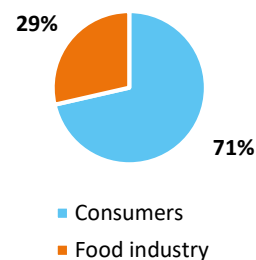
*How could the EU properly address the **concentration of retailers** (e.g. joint-ventures, mergers, acquisitions) to avoid unfair bargaining power imbalances in trade relations?*

None of the mapped policies insist on reducing **environmental impacts**. However, increased consumer awareness is putting pressure on food system' actors – from producers and retailers to consumers themselves – stressing the waste management issue and, in particular, plastic.

*May the retail sector be a strategic policy target to implement strategies to **reduce packaging material**?*

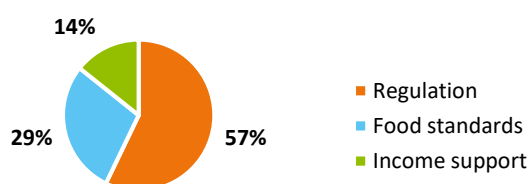
Proportion of retailer-targeted mapped policies by ULTIMATE BENEFICIARY

Consumers considerably benefit from retailing policies (71%) not only due to the fact that European households spend up to one third of their budgets in retail shops (EC, 2018), but also because retailers have access to vast amounts of consumer data to be used to improve their buying experience. The second beneficiary is the **food industry** (29%), provided that retailer-targeted policies are well-designed and not highly restrictive.



SMEs generate about 66% of the retail sector's value added and 70% of its employment (EC, 2017). *Should there be more retailing policies specifically benefitting them and small retailers in general?*

Proportion of retailer-targeted mapped policies by INSTRUMENT



As detected by the policy mapping, the most used instrument to regulate the retailing sector is, indeed, **regulation** (57%) followed by **food standards** (29%). In the EU, Member States are those in charge of creating a more open, integrated and competitive retail market.

In many EU countries, national regulatory frameworks put in place decades ago have not yet been adapted to the **digital age**. *Which kind of regulations should national public authorities introduce to help small retailers adapt to the ongoing transformation of the sector?*

*Could **education measures** in the form of trainings be effective to embrace technological changes?*

*Is **income support** used enough to provide the stores with the support needed to face this transformation?*

*Could **R&I** play a role in analyzing **consumer behaviour and preferences**, so that to allow the retail sector to reflect them throughout their production line? May this strategy help brick-and-mortar stores gain **competitiveness** when confronted with e-commerce?*