De Montfort University
MSc International Business and Corporate Social Responsibility (CSR)

‘An evaluation of customer perceptions of coffee manufacturers and their CSR activities- The case of Kenco Coffee and the Rainforest Alliance’

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Abstract

This thesis wishes to look at the relationship between Kenco Coffee and the Rainforest Alliance and judge whether this alliance has had any impact on the reputation of Kenco Coffee. So with these points firmly defined, it will look via surveyed data at the affect the Rainforest Alliance has had on Kenco’s Corporate Reputation and then will summarise the findings through a detailed analysis.

The data for the survey was collected mainly from Red Hill Field Primary School, Narborough, although the author did make use of contacts at De Montfort University within the pilot survey. The author made use of the Cluster Sampling technique with the population being all customers of Kenco Coffee and other beverage related products. This sampling technique was chosen due to the results being sought and because it fitted with this type of research.

The findings of this thesis are that there is reasonable evidence to suggest that there’s a link between the Rainforest Alliance certification of Kenco Coffee and its enhanced Corporate Reputation. This link suggests that the Rainforest Alliance certification with Kenco Coffee has brought around a better and more advantageous relationship for both parties.

Finally, it will conclude that Kenco’s reputation has been improved since their partnership with the Rainforest Alliance and that can be seen in the enhanced perception of Kenco Coffee by its customers.
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Mr. Nicholas Overton, BA (Hons), MSc, PGCert, QTS.
MSc International Business with CSR (IBCSR)
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<th>Full Form</th>
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<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
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<td>CSP</td>
<td>Corporate Social Performance</td>
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<td>DMU</td>
<td>De Montfort University</td>
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<td>EFTA</td>
<td>European Free Trade Association</td>
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<td>e.g.</td>
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<td>Efta</td>
<td>European Fair Trade Association</td>
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<td>et al.</td>
<td>And Others</td>
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<td>FT</td>
<td>Fair Trade</td>
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<td>ICA</td>
<td>International Coffee Agreement</td>
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<td>IHRM</td>
<td>International Human Resource Management</td>
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<td>MRS&lt;sub&gt;1&lt;/sub&gt;</td>
<td>Market Research Society’s Code of Conduct- Qualitative</td>
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<td>Market Research Society’s Code of Conduct- Quantitative</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organisations</td>
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<td>Page / Pages</td>
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<tr>
<td>RHF</td>
<td>Red Hill Field Primary School, Narborough</td>
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<tr>
<td>SCP</td>
<td>Sustainable Coffee Program</td>
</tr>
<tr>
<td>TBL</td>
<td>Triple Bottom Line Accounting</td>
</tr>
<tr>
<td>U.K</td>
<td>United Kingdom</td>
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<tr>
<td>U.S</td>
<td>United States of America</td>
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<tr>
<td>WBCSD</td>
<td>World Business Council for Sustainable Development</td>
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<td>www</td>
<td>World Wide Web</td>
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Introduction

The term Corporate Social Responsibility (CSR) is a concept which academics and businesses find hard to define and quantify (Smith 1996; Jones 1997; Griffin and Mahon, 1997; Waddock and Graves, 1997; Maignan and Ferrell, 2001; Maignan and Ralston 2002, Graafland et al, 2003; Durant 2006. Even though some studies postulated a negative relationship (e.g., Vance 1975) or no relationship (Aupperle et al, 1985) between the Corporate Social Responsibility (CSR) and business performance, more recent studies provided the empirical evidence that there is a positive relationship between those two constructs (Abratt and Sacks 1988, Russo and Fouts 1997, Waddock and Graves 1997). With these two conflicting points in mind the author feels CSR as a concept is constantly moving, developing and evolving. For this reason it is always being redesigned and re-engineered to fit within a suitable business theory which prevails at any particular time as concepts evolve, understanding changes and infant theories become more developed. Crowther and Jatana (2005) confirms this when they comment CSR is in “vogue at the moment but as a concept, it remains vague and means different things to different people”.

CSR for many businesses can be seen as a method of controlling their corporate image and reputation (Porter and Kramer, 2002; 2006) as well as responding to changes in social attitudes of their customers and employees (Donaldson; 1982). Webster (1975) argued that society are aware of potentially disastrous consequences of their consumption and so “uses its purchasing power to bring about social change.”. CSR to the author is about responding to what the stakeholders of the industry desire and trying to provide what they demand of organisations (Porter and Van Der Linde, 1995a).

This thesis aims to investigate the relationship between CSR and reputation but looks at it through the eyes of customers, who are one of the key stakeholders of the business (Porter, 1980; 1985; 1990; 1998). This thesis will explore whether there is an explicit link between customers perception of Kenco Coffee because of its partnership with the Rainforest Alliance. This analysis will be done via a research thesis, which will make use of cluster sampling in the form of a questionnaire survey which will aim to answer the above generic question on reputation management.
Key Words

I. Corporate Social Responsibility (CSR)
II. Sustainability
III. Rainforest Alliance
IV. Coffee Industry
V. Reputation Management
VI. Fair Trade
VII. Kenco Coffee

Research Questions and Hypothesis

Research Questions are said to be the different aspects of the research which the thesis will try and answer. Denscombe (2002, p.39) suggests Research Questions provide the reader with ‘precise details of what is to be investigated, while supporting the research aims’. Blaxter, Hughes and Tight (2006, p.81) also pointed out that Research Questions that are ‘clearly focused and refined’ can, when applied appropriately ‘effectively determine the methods you use to answer them’. This thesis will aim to provide the reader with precise primary evidence with regards to customer perception of the Rainforest Alliance and Kenco Coffee to answer these Research Questions.

The first Research Question which this thesis wishes to address is; “is the reputation of Kenco Coffee enhanced by its partnership with the Rainforest Alliance?” This question is designed to look at the physical evidence to see whether there are any tangible affects on Kenco Coffee’s reputation since their partnership with the Rainforest Alliance in 2005; the Rainforest Alliance’s 10 principles are set out in table 1 above (Pg. 9). This question will be answered by gauging (1) customer’s opinion of Kenco Coffee and (2) what affect the Rainforest Alliance partnership has had on Kenco Coffee’s Corporate Reputation.

Table 1
The Rainforest Alliance
Manifesto:

- Ecosystem conservation
- Wildlife conservation
- Fair treatment and good conditions
- Community relations
- Integrated crop management
- management of waste
- Waste conservation
- Soil conservation
- Planning and monitoring
- Occupational health and safety

Rainforest Alliance, (2009)
The second Research Question which this thesis wishes to address is ‘do customers really consider Sustainability and Social Responsibility before they buy Kenco Coffee or do their buying habits reflect:

- Taste
- Price
- Brand Range
- Brand Reputation
- Brand Loyalty
- Suitability of product
- Personal belief and reservations
- Product familiarity
- Promotion of products (advertising via TV, Radio, word of mouth etc...)
- Packaging of products
- Peer Pressure
- Lack of finance which limits spending power
- Lack of information about the product

This second Research Question investigates the reasons why Kenco Coffee may adopt the strategies they do and will try to rationally justify their decision making processes from the data collected from customers perceptions. This question again will be answered by gauging customer perception/opinion of Kenco Coffee and the decisions they make.

The third and final Research Question which this thesis wishes to address is ‘does the inclusion of the Rainforest Alliance certification of Kenco Coffee affect the buying habits of individuals?’ This is the synoptic question which the author has chosen to help give a clear idea about the companies’ motivations to CSR. It will look at the physical primary data collected via questionnaires and see if there is any correlation between what Kenco Coffee states as their underlying rationale and what their customers’ feedback as their perceived underlying rationale when purchasing Kenco Coffee.

Overall the rationale for these Research Questions is to measure what customers really think of Kenco’s partnership with the multinational Non-Governmental Organisations (NGO) ‘the Rainforest Alliance’ and how they justify it to customers. This enables the researcher to evaluate customer perception of Kenco Coffee on this issue.
Aims and Objectives of this Thesis.

The first research aim of this thesis is to investigate the relationship between customer’s perception of Corporate Social Responsibility (CSR) within the Coffee industry with specific analysis and focus on Kenco Coffee and what Kenco Coffee actually does with regards to Corporate Social Responsibility (CSR). This investigation will be with respect as to whether the link between customers purchasing decisions and Kenco’s CSR policy is explicit within customers’ minds, or whether customers’ purchasing preference is impacted by other quantifiable implicit factors such as; branding, sustainability, familiarity, external pressures and internal pressures. This thesis wishes to point out that certain factors cannot be investigated due to the fact they are too heavily embedded within the organisation and the author cannot access them to conduct the research with the time and resources he has available (Bryman and Bell; 2007).

The second research aim of this thesis is to investigate the link between reputation and the actions of firms. Within this particular attention will be given to companies who have associations with both the Rainforest Alliance and Kenco Coffee. This will be approached from the view of Kenco’s customers’ in particular. This research aim will investigate the perception of these customers and why they believe what they do. This perception will be captured via a questionnaire conducted within randomly selected customers from a selected population sample (see methodology chapter (Ch. 5) for further details on the way the research was conducted).

The third research aim of this thesis is to investigate whether there is a link between buying behaviour and the Rainforest Alliance adding their support to Kenco Coffee through their partnership together. This research aim here is to investigate the rationale behind organisations linking themselves with certain ethical and sustainable brands and why they may try to link what they get out of being socially responsible with their prevailing aims and goals. The aim is to look at what customers believe is the rationale behind the aforementioned alliances. Within this abovementioned factor the thesis will look at the concept of Fair Trade and try and see if the growth in Fair Trade products has had any significant impact on the type, amount and variety of Fair Trade activities being undertaken. This thesis will aim to look at these factors from the perspective of the Kenco Coffee’s customers.

The overall research aims of this thesis is to evaluate customers’ perception and try and link what they believe about organisations reputation management and the partnership between the Rainforest Alliance and Kenco Coffee. The outcomes will be a measure of what customers think
and whether their understanding and comprehension of the Rainforest Alliance/ Kenco Coffee partnership and what affect it has had on their buying behaviour.

**Structure of this Thesis**

The first section of this thesis introduces the two main organisations that will be studied and gives an introduction to Kenco Coffee and the Rainforest Alliance; these are found within Chapter 2. The next part within this first section is the literature review and background on which this thesis will be based. Within the literature review all the key literature surrounding the concept of CSR is critically discussed and a background to the research is presented from the perspective of authors/writers already published. Also within this first section are the background theories and the rationale behind the research. To conclude, within this section the author will indentify the importance of this research and give personal reasons for pursuing this topic. The literature review and theoretical background are discussed within chapter 3 and 4 respectively.

The second section will include the Methodology which discusses how the research is going to be completed and the various issues which need to be addressed when undertaking this research. The Methodology found within Chapter 5 will examine the dynamics of the research and look at the ethical challenges which this thesis could face, as well as looking at the sampling technique that will be utilised. The final part of this chapter will give the practical context on which this thesis is based and indentifies any reservations and concerns that may have to be dealt with. This final section will also include the timeframe in the form of a Gantt chart on which this research is to be completed.

The third section is the findings and results; this is to be found within chapter 6. The results chapter is a critique of the results from the survey and an analysis of what people have said. This thesis will then interpret what the data suggests and will give a conclusion by answering the research questions set out in chapter 2. The interpretation of this data will be in the form of graphs and charts, as well as written critique to link the theories from the literature review in chapter 3 to what the data actually suggests. The information will be conveyed via this method to help interpretation and examination within the next section.

The fourth section is the recommendations and future research chapter; this can be found within Chapter 7. This fourth section will conclude the research and link back to the selected aims which were defined at the beginning in chapter 2. This fourth section will show how the results can
be applied via recommendation to the wider world. The recommendations will be specific to Kenco Coffee and their partnership with the Rainforest Alliance. These recommendations will aim to add to the academic understanding of how and why Kenco’s partnership with the Rainforest Alliance has been successful. By this stage the author would have now answered the original Research Questions and will have achieved the aims and objectives set out within chapter 2. Finally, the future research section will give areas which this research could develop into if external factors allowed and conditions were right.

The fifth and final section of this thesis will include the References, Bibliography and Appendix section; these are placed at the end to aid the understanding of this thesis. These are located within chapter 8 and 9 respectively. This final section will include the additional information which the author believes is important background information to help understanding although not seen as imperative to the impact of this thesis.
The Two Organisations

The Rainforest Alliance

The Rainforest Alliance is an internationally recognised Non-Governmental Organisation (NGO) that specialises in developing sustainable and ethical measures to ecological issues. The Rainforest Alliance is seen as one of the many organisations which are rapidly being grouped under the umbrella term of ‘Fair Trade’. Many people now say that the Rainforest Alliance is the US version of the UK NGO the ‘FairTrade Foundation’. To be included in the Rainforest Alliance manifesto businesses need to incorporate the following criteria within their business strategy and be proactive in the pursuit of this criterion. (*The coffee story- the Rainforest Alliance*, 2007).

- Ecosystem conservation
- Wildlife conservation
- *Fair treatment and good conditions [for the workforce]*
- Community relations
- Integrated crop management
- Integrated management of waste
- Waste conservation
- Soil conservation
- Planning and monitoring
- Occupational health and safety

The Rainforest Alliance has also been active within other multinationals and super-national organisations; an example of another organisation that has signed up to the Rainforest Alliance manifesto is McDonald’s. McDonald’s now source most of their coffee through the Rainforest Alliance and have helped pilot six new initiatives promising that by 2012 McDonald’s will stock 100% sustainable coffee (About McDonald’s, 2009).

McDonald’s has signed up to the commitments of the Rainforest Alliance and have agreed to follow the 10 principles set for compliance in the list above (see table 1, Pg. 9), in doing so McDonald’s has committed to source their coffee through Kraft Food, who are the manufacturers of Kenco Coffee. In February 2008, Kraft Foods and other industry, government and non-
governmental partners joined with the Bill & Melinda Gates Foundation and announced the launch of a comprehensive program that will invest $90m over five years to advance the sustainable production of cocoa and cashews in Africa (Kraft Foods advances its sustainability agenda; 2008). The union of the Rainforest Alliance with the Bill & Melinda Gates Foundation suggests and indicates the ambition of the Rainforest Alliance and gives an indication to customers about its intentions both within the corporation but also its external international plans. The joining of the Bill & Melinda Gates Foundation and the Rainforest Alliance suggests that they predict a growth in the sustainable and ethical sector. If they did not believe people would invest then they would not have been so ready to invest and commit to such a venture so openly. On the other hand it could also be suggested that Bill & Melinda Gates Foundation and the Rainforest Alliance undertook these actions due to philanthropic motives and social pressures (Obalola; 2008, Porter and Kramer; 2006 Sanchez; 2000)

The Rainforest Alliance has been leading the way with sustainable coffee manufacture and ethically sourced beans for quite some time according to Kraft Food website (2009). This reference is from the manufacturers of Kenco Coffee so they will have a certain bias which needs to be factored into any research. Although Kenco coffee has been internationally praised for their transparency so the information provided should be dependable. There has also been a further international development with big multinationals such as McDonald’s agreeing to join the Rainforest Alliance as discussed previously. McDonald’s may have chosen to align with the Rainforest Alliance as they have seen the way consumer choose, seen the change in emphasis occurring towards ethical products and so have agreed that they must be proactive by adopting the Rainforest Alliance certification. To the author, the rationale behind McDonald’s drive to adopt the Rainforest Alliance could be an issue which can be easily correlated to the emphasis of this thesis. The author believes Kenco Coffee and McDonalds will both reflect roughly the same emphasis. Overall the factors behind Kenco’s rationale are bound to be diverse and varied although there may be some commonality.
Kenco Coffee and Kraft Food

Kraft Foods is the world’s second largest food organisation with annual revenues of $42 billion with more than 80 percent of their revenue coming from products in which they hold the No. 1 share position in their respective categories (Kraft food fact sheet; 2008). Furthermore, more than 50 percent of their revenue is driven by categories where their market share is twice the size of the nearest competitor (Kraft food fact sheet; 2008). Kenco Coffee, one of the many brands Kraft Foods owns, first pioneered the Sustainable Coffee Programme (SCP) in 1993, which was targeted at improving Peruvian Coffee quality. Kenco slowly improved their efforts until their partnership with the Rainforest Alliance in 2003. Kenco Coffee launched its first brand using 100% coffee and cocoa from Rainforest Alliance Certified farms in 2005: Jacques Vabre (France), Gevalia Ekologiskt (Sweden), Splendid (Italy) and Kenco Sustainable Development (UK) (Details can be found within Appendix 1).

Kraft Food, who are the holding organisation of Kenco Coffee, also states their purpose as “we have a very simple goal, that’s for you to have a commercially successful and sustainable hot beverage offer that keeps your customers coming back for more”. Kraft states Kenco’s immediate strategy is to become 100% Rainforest Alliance certified by 2010 and become the world leader in internationally sustainable sourced coffee at affordable prices (Kraft Foods Website; 2009). Kraft Foods with about 103,000 employees, has operations in about 75 countries and territories around the world and its products are sold in more than 150 nations. Kenco Coffee is amongst the world renowned products Kraft Food produces at their 168 different manufacturing and processing facilities worldwide and makes them the second largest producer of coffee after Nestle with their Nescafe coffee brand (Mintel, 2008; see Graph 1). Graph 1 below shows a breakdown of market share occupied by Kenco Coffee and their nearest competitors.

Graph 1
Breakdown of coffee industry
Kraft Foods introduced their Kenco Sustainable Development coffee brand in earlier 2005 following their partnership with the Rainforest Alliance in 2003. Kenco’s move to align themselves with the ethos of the Rainforest Alliance over the harder to achieve Fair Trade mark was a very dramatic move. This was a major decision by Kenco’s board and has shaped the future of Kenco Coffee. Kenco’s partnership with the Rainforest Alliance did spark a wide spread debate over the organisation's preference not to choose the Fair Trade mark and the rationale behind their decision. The organisation’s commitment to sustainable development was also questioned at this point in 2005. This is an issue which Kraft Food and Kenco Coffee have defended furiously and an area which will be explored implicitly through the research process.

Therefore to some, Kenco Coffee’s move was seen as an easier and faster route to capitalizing on ethical branding, (Saha and Webb; 2006). This thesis will look at what customers’ think of Kenco’s partnership with the Rainforest Alliance and what thoughts customers have about their underlying reasoning for this partnership. Other sceptics have also hinted that Kenco’s choice of partnership was impacted by the nationality of the organisation. The Rainforest Alliance is very much a US based NGO and some critics have concluded that Kenco’s commitment to them are tied to the fact they are both US based.

Kraft food has also been accused by some of choosing the Rainforest Alliance for financial reasons rather than choosing a brand they truly believe would offer both ethics and sustainability which would aid their drive to be more ethical and sustainable (Clover; 2005). Although this is not a widely held view, with critics suggest this as a way of tarnishing Kenco’s name and damaging their reputation. Kenco Coffee defends their decision and comments on their rationale and decision making process by saying “There are a number of certification schemes available, all of which make a positive contribution to sustainable development. The Rainforest Alliance has a long and successful track record of supporting sustainable agriculture and forestry. It has the local, on-the-ground expertise to help producers improve their farm management and gain lasting benefits for their families, workers, communities and the environment.” (Kenco Coffee; 2009).

Kenco Coffee are now seen by many supermarkets and supply chains as stockists of sustainable coffee and a leading organisation in the search for sustainable coffee manufacturers (Saha and Webb; 2006). For this reason many sceptics now believe Kenco Coffee are pursuing the Rainforest Alliance for the correct reasons and that they are now a credible ethical brand fully engaged with the practises of the Rainforest Alliance. Nick Bunker, Vice President and Managing Director of Kraft Foods UK & Ireland, commented on Kenco Coffee’s partnership with the
Rainforest Alliance as: “The Rainforest Alliance Certified programme is comprehensive and fits seamlessly with our strategy and priorities. We are extremely excited about the expanded partnership and are confident that this move will be welcomed by consumers.” (Kenco; 2009) Tensie Whelan, President at Rainforest Alliance commented on the same partnership as: “Kenco’s commitment to certify sustainable farming practice will deliver positive and lasting changes in coffee growing communities around the world, as well as providing the great quality coffee that Kenco consumers are used to. This agreement with Kraft Foods, the parent company of Kenco, represents a huge win for farmers, farm workers and the environment on which they and we depend as sustainability goes mainstream.” (The Rainforest Alliance; 2009)
The Literature Review

Introduction

The aim of the literature review is to critically appraise the literature surrounding the concepts of Fair Trade, the Coffee industry, the Rainforest Alliance and the impact they have on Reputation Management and Sustainable Development. Due to the author majoring within the field of CSR this thesis will have a social and ethical underpinning which is CSR orientated. Hewitt (1998, p. 5) believes that literature review could be defined as “a self-contained piece of written work that gives a concise summary of previous findings in an area of the research literature. It reflects an author's knowledge and interpretation of the area of interest.”, whereas the National Library of Medicine (2008) comments that a literature review is defined as ‘a summary and interpretation of research findings reported in the literature. May include unstructured qualitative reviews by single authors as well as various systematic and quantitative procedures such as meta-analysis’.

Background to this Thesis

CSR and ethical thinking is not a modern concept, ethical thoughts and thinking can be linked back to before Christ with the teaching of Aristotle (335BC), who taught of social thinking and consideration for all living entitles. Aristotle put to a certain extent a lot of emphasis on sustainability and maintaining present resources. To some academics he was the first sustainability guru. According to Robin and Reidenbach (1987), CSR is related to “the social contract between business and society in which it operates, while business ethics requires organisations to behave in accordance with carefully thought-out rules or moral philosophy”. The modern view as suggested by Keinert (2008, p. 22): “CSR has risen in importance as a legitimate and widely accepted counter-balance for corporate power, influence and potential wrong doing.”. The UK Government indicates CSR is “recognizes that the private sector's wider commercial interests require it to manage its impact on society and the environment in the widest sense. This requires it to establish an Economic appropriate dialogue or partnership with relevant stakeholders, be they employees, customers, investors, suppliers or communities. CSR goes beyond legal obligations, involving voluntary, private sector-led engagement, which reflects the priorities and characteristics of each business, as well as sectoral and local factors. (UK Government;
2001). The background of this thesis is to do with reputation and how firms control and manage their reputations within the ever changing business environment. Within this thesis the emphasis will be on Kenco Coffee and how they manage their reputation after their partnership with the NGO the ‘Rainforest Alliance’ (Rainforest Alliance, 2009). This concept of CSR could be referred to as the ‘Moral philosophy of firms’ within the definition given by Robin and Reidenbach (1987). This implies organisations have a certain responsibility which they cannot shy away from.

**The purpose of this Thesis.**

The purpose of this thesis is to look into the concept of Reputation Management and try to identify links between Kenco Coffee’s commitment and the Rainforest Alliance’s ethos for change. For many organisations reputation is seen as an aspect of business that can either be ‘leveraged’ to their advantage or can be ‘leveraged’ by competitors to their disadvantage (Eccles et al; 2007, Gotsi, M. and Wilson, A; 2001a; 2001b, Porter and van der Linde; 1995a; 1995b, Porter; 1990; 1998). The literature surrounding Reputation Management states that CSR can be viewed as a voluntary assumption (van Marrewijk; 2003) by companies of responsibilities that go beyond purely the economic and legal (Boatright; 1997). This literature by Boatright (1997) also suggests that organisations can choose why and when to adopt CSR, influence the extent to which CSR aspects are adopted, and thus control the influence of these CSR initiatives. So with these aspects in mind Van Marrewijk (2003) defines CSR as ‘In general, corporate sustainability and CSR refer to company activities – voluntary by definition – demonstrating the inclusion of social and environmental concerns in business operations and in interactions with Economic stakeholders’. These same assumptions can be applied to the function of Fair Trade and the literature surrounding Fair Trade. Organisations can choose why and when to adopt Fair Trade and can have complete autonomy when it comes to the extent to which they select their approach and strategic intent. Jones (1980) suggest that ‘CSR is defined as the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law or union contract, indicating that a stake may go beyond mere ownership’ The idea of voluntary commitment/obligation is one which is currently being challenged by many organisations as many now feel they are being compelled to react to large organisations pursuing ethical means of production and manufacture (BBC News; 2009).

Within the current economic climate with organisations and markets reacting in the way they have been some organisations now have no option but to follow what customers demand and interact by marketing both ethical and sustainable products (BBC News; 2009). For some, not
adopting an ethical and sustainable stance cannot be seen as a viable option as the market’s basic entry requirements have been set by customers to a standard that includes ethical and sustainable sourcing mechanisms. An example of a market which reflects this perspective is the banana market; if the bananas are not ethically sourced then customers are more often unlikely to buy them. Also, within the present economic climate there has been an amassing of media attention around the issue of CSR and sustainability, much of it seems negative and quite detrimental towards modern businesses practises from the authors’ perspective. Certain media sources seem to focus on the negative impact the world’s consumerist perspective is having and suggest the lack of sustainability has added and contributed to the current economic recession.

Overall the effect of this media attention has meant companies need to try to be proactive in their product selection and in their method of promotion. The author also believes external pressure is being applied which means some organisations are being internally effected and compelled externally to react.

**Contributing factors to this thesis**

This thesis also wishes to consider that at the present moment with all the media attention which now shadows organisations credited to events such as the Earth Summit (1992), Kyoto Protocol (1997), the World Summit (2005) and IPCC conference (Intergovernmental Panel on Climate Change) in Bali (2007), the pressure is beginning to rise on organisations to act responsibility and think ethically with regard to their actions for continued sustainability. The debate against CSR being a sustainable and ethical issue is put forward by many authors; some of which are: Abratt and Sacks; 1988, DeGeorge; 1993, Friedman; 1961; 1970, Schwartz; 1971, Stark 1993 and Walley and Whitehead; 1994. Many of these theories are based around the concept that businesses only social responsibility is to make a return to shareholders, in other words their primary concern should be to maximise dividend returns (Friedman, 1961, 1970).

So ethical and sustainable sources, which the Rainforest Alliance advocates, may not fall within this category and so are not to be considered if these writers are believed. If these writers’ concepts are considered credible, then this band of literature states that managers are not fully qualified to make such decisions and because they are acting as an agent for the principles who are the owners of the business (Eisenhardt, 1989). The author advocates managers stick to what they are trained and paid to do, which is manage the organisation, but does believe this captures the ideal of CSR. This band of literature (Abratt and Sacks; 1988, DeGeorge; 1993, Friedman; 1961; 1970,
Schwartz; 1971, Stark 1993 and Walley and Whitehead; 1994) states managers should only make decisions which are in the best interest of the shareholders and these decisions should be driven purely by Profit Maximisation. It is also interesting to observe at this point that none of the alternative definitions to Friedman actually defines the social responsibility of business, but rather describe CSR as a phenomenon which happens. This might be the cause of the definitional confusion; it is not so much a confusion of how CSR is defined, as it is about what constitutes the social responsibility of business which is often difficult to define (Crowther and Jatana; 2005).

**Summary of Introduction to the Literature Review**

So in conclusion, the rationale behind this thesis is to look at what Kenco Coffee actually does with regard to CSR and to see what customers actually think of Kenco’s CSR performance after their partnership with the Rainforest Alliance.

The author hopes that this introduction to the Literature Review has provided adequate background to the main companies and organisations being studied and that this section provides an introduction to the rationale behind his choice of topic. He also hopes it has provided a good basis for the following chapters and sections.

The next section will look in more depth at the literature and writing that has influenced the author and many before him. He wishes to look at the main theories within the next section and critique how they can be seen as relevant to this thesis. Although will look at the coffee industry in general first.

**The Coffee Industry**

The coffee industry has suffered substantially since the collapse of the 1983 Coffee Agreement in 1989 and companies now have to consider how as individual firms they are going to manage and control their CSR within the agreed format of the International Coffee Agreement (ICA) (Kolf; 2005). The Coffee Agreement mentioned above was the work of the International Coffee Organization (ICO) which was established in 1963. The first International Coffee Agreement (ICA) entered into force in 1962 for a period of five years, and it has continued to operate under successive Agreements negotiated since then. These have included the ICA of 1968 (with its two extensions), the ICA of 1976 (with one extension), the ICA of 1983 (with its four extensions), the ICA of 1994 (with one extension) and the ICA of 2001 (with its two extensions).
The text of the latest Agreement, the ICA of 2007, was adopted by the Council of the ICA in September 2007 (the outline of the ICA can be found in appendix 2). The problems with the 1983 agreement which lead to its collapse in 1989 was due to the ICA’s attempt to fix the price of coffee which proved impossible to implement (ICO, 2008). The coffee industry rejected the inference by the ICA of fixing price as they could envisage the power shifting to the ICA which they didn’t want to take place.

Firms also now need to consider what customers perceive as CSR and how and what they are going to do to respond to these social changes. Organisations need to be ready to respond to these changes and be bold enough to act when they feel the time is correct to do so. This social change can manifest itself in many forms. For many coffee manufacturers it would be in the form of Fair Trade, a principle already introduced briefly and one which this thesis will look at more closely in the following sections. The big challenge for many coffee manufacturers is deciding when they are going to act and having the dedication and commitment to see the full implementation of their planned strategies. Boatright (1997) suggest the organisation choose when they commit, whereas some writers suggest the customers choose.

**Corporate Social Responsibility (CSR)**

The term Corporate Social Responsibility (CSR) has many different and distinguishing definitions. The broad definition which the author of this thesis implies is having ‘an ethical consideration for all stakeholders and not intentionally causing harm to any stakeholder of the firm’ (the authors view and definition is supported by Andrews, 1971; Bernard; 1938, Bowen, 1953; Buchholz and Rosenthal, 2002; Carroll 1977; 1981; 1983; 1991; 1994; 1999; 2000; 2004, Carroll and Buchholtz, 2003, Crowther; 2000, Crowther 2002, Crowther and Capaldi; 2008, Crowther and Rayman-Bacchus; 2004, Crowther and Zain; 2007, Davis, 1960; 1967; 1973; 1977 Frederick, 1960; Jones, 2005; Moon and Vogel; 2008, Roome; 1992, Sethi, 1971; 1979; WBCSD, 1998; 2000 and World Commission on Environment and Development; 1998). McWilliams and Siegel, (2001) agree with the author’s definition by suggesting CSR is ‘Actions that appear to further some social 10 Voluntariness good, beyond the interests of the firm and Social that which is required by law’. Another definition by the European Commission (2002) says “CSR is a concept whereby companies integrate social and environmental concerns in their business operation and I in their interaction with their stakeholders on a voluntary basis... Every large corporation should be thought of as a social enterprise that is an entity whose existence and decision can be justified insofar as they serve the public and social purpose”. Furthermore, Balabanis, Phillip and Lyall (1998) commented on CSR as
“in the modern commercial area, companies and their managers are subject to well published pressures to play an increasingly active role in the welfare of society”. Carroll, (1979, 1999 & 2000) a leading academic in the field of CSR, discussed the nature of CSR and identified four key principles which encompasses the notion of CSR – (1) Economic, (2) Legal, (3) Ethical and (4) Philanthropic. Carroll (2000; p. 37) defines CSR more closely as comprising of the following; “Being profitable, obeying the law, being ethical, and ‘giving back’ to the society”. Carroll further comments on the four factors that can be included within this definition of CSR, this definition can be seen to have certain drawbacks as some of the terms can be seen to be misleading and may lead to interpretation which does not encompass the true meaning of CSR as he intended.

The first contentious issue which this thesis wishes to discuss is what is the definition of ‘being ethical’ within Carroll’s definition (1979, 1999 & 2000). Due to the diversity of literature on this issue there is really no set definition of business ethics and what it constitutes, so for Carroll to speculate like this gives a misleading definition. Also Carroll’s definition does not clearly indentify ‘society’ so that the extent and boundaries of ‘society’ are not explicit within the definition. ‘Society’ could be a synonym for ‘stakeholder’, because for many businesses the context would be the immediate surroundings and immediate customers which they have contact with on a regular basis; these would normally be seen as the organisation’s key stakeholders. Crowther (2000, 2002a, 2002b; 2002c) has also argued that the availability of the World Wide Web has facilitated the dissemination of information and has enabled more pressure to be brought upon corporations by their various stakeholders and these stakeholder pressures need to be considered. An alterative definition which the author believe could be suggests that CSR is the ‘integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees and the environment are reflected in the company’s policies and actions’ (CSRWire; 2003)

This thesis believes it may also be worth mentioning that there will often be a contradiction if this definition is taken literally, because to act ethically and be fully profitable can be rarely achieved as these two factors are often seen as non-compatible within the business environment due to the external market forces that govern business. For a business to be totally profitable within the current economic model total ethical considerations are not a viable option and the reverse is also true (Aguilera et al; 2006)

Total ethical considerations cannot in reality lead to maximum return for the organisations, so organisations have to try and find an area in the middle ground where both factors meet and satisfy all parties involved. In order to achieve this, a judgement is required which could also be
seen as a possible problem due to misjudgement. Another important factor which links these two factors is Corporate Governance and how corporation govern their CSR activity. The four important elements of Corporate Governance defined by Crowther and Aras (2008a) are:

(1) Transparency,
(2) Accountability,
(3) Responsibility and
(4) Fairness

The link here is that if the four elements indentified above within Corporate Governance are factored in to organisational strategy then the best solution for both ethical and economic considerations can be met and the best overall solution can be sought. The figure below shows how Carroll in his work perceives the role of and structure of these four principles described earlier (Carroll; 1979). The pyramid design shows the way organisations can move up and down the different responsibilities as indentified by Carroll.

The figure below is how Aras and Crowther (2008a) depicts the same diagram as Carroll and how they envisage the same factors that may affect and impact on CSR and the implementation of CSR.
Table 2: Dimensions of CSR (Dahlsrud, 2006, p. 4)

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Dimensions it refers to</th>
<th>Example phrases</th>
</tr>
</thead>
<tbody>
<tr>
<td>The environmental dimension</td>
<td>The natural environment</td>
<td>• A cleaner environment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Environmental stewardship</td>
</tr>
<tr>
<td>The social dimension</td>
<td>The relationship between business and society</td>
<td>• Contribute to a better society</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Integrate social concerns in business operations</td>
</tr>
<tr>
<td>The economic dimension</td>
<td>Socio-economic or financial aspects</td>
<td>• Contribute to economic development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Preserving the profitability</td>
</tr>
<tr>
<td>The stakeholder dimension</td>
<td>Stakeholders or stakeholder groups</td>
<td>• Interaction with stakeholders (employees, suppliers, customers…)</td>
</tr>
<tr>
<td>The voluntariness dimension</td>
<td>Actions not prescribed by law</td>
<td>• Based on ethical values</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Beyond legal obligations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Voluntary</td>
</tr>
</tbody>
</table>

Diagram 2: Crowther and Aras (2008)
The Historic Background to Corporate Social Responsibility (CSR)

One of the first modern academics to comment and write about CSR and its effects on business was Howard. R. Bowen, (1953, p. 6). Bowen (P.6) defined the CSR of businesses as; “The obligations to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of the society.” One of the first academics to write about CSR and use the term CSR was Bernard (1938), who defined CSR as “analyses economic, legal, moral, social and physical aspects of the environment” Frederick (1960), commented on Social Responsibility as the use of societies resources; economic and human, in such a way that the whole society derives maximum benefits beyond the corporate entities and their owners. Whereas Davis (1973) defines Corporate Social Responsibility (CSR) as the voluntary effort by business to achieve a balance of economic goals and societal well being. Davis’s view is echoed by Van Marrewijk (2003) and his suggestion that CSR is a voluntary concept.

So the view of CSR from the early literature suggests that CSR should work within a business so that all actions of the business are performed for the benefit of all stakeholders. Early CSR considered the elements of society and economic performance, developments in understanding and reporting. These considerations lead to the idea of ‘triple-bottom line’ accounting, where all three elements are integrated. (Elkington; 1997; 1999).

The definitions of CSR shows nothing new at a conceptual level, business has always had social, environmental and economic impacts, been concerned with stakeholders, be they the government, customers or owners, and dealt with regulations. However, at an operational level the picture is different. Due to globalization, the context in which business operates is changing at an increasingly rapid pace and businesses need to reflect this change. New stakeholders and different national legislations are putting new expectations on business and altering how the social, environmental and economic impacts should be optimally balanced in decision making. Thus, in such a context, CSR management tools are needed, in addition to the previously established patterns at a conceptual level to aid the development of CSR strategy.
**Modern View of Corporate Social Responsibility (CSR)**

The World Business Council for Sustainable Development (WBCSD, 1998, p. 3) at its first meeting in 1998 proposed CSR as being the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life for the work force and their families as well as of the local community and society at large in which it operates. The WBCSD in its publication "Making Good Business Sense" by Lord Holme and Richard Watts in 2000 define CSR as. "*Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large*" (WBCSD, 2000). To the WBCSD the overall generic definition of CSR should incorporate the following factors; (1) Discretionary Responsibility, (2) Ethical Responsibility, (3) Legal Responsibility and (4) Economic Responsibility. The Commission for European Communities (CEC) suggest CSR as being ‘*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*’. (Commission for European Communities, 2001; 2007)

All these factors should proactively and instrumentally impact the development and interpretation of CSR and CSR policy within organisations. The WBCSD suggest when the four factors above are combined with the notion of Triple Bottom Line (TBL) accounting then a state of CSR can be achieved. The diagram below shows these four factors which the World Business Council for Sustainable Development (WBCSD) identify as key components of CSR. This thesis wishes to point out that the diagram below is very similar to the ‘CSR Pyramid’ introduced by Carroll in a previous section as they both suggest the same factors are important.

![Diagram 3 giving the stages the World Business Council for Sustainable Development believes businesses should go through](www.totalqualitymanagement.wordpress.com)
More recently the WBCSD convened a series of global stakeholder dialogues and modified their earlier definition of CSR to include Sustainable Development. These developments co-in sided with Elkington’s (1994; 1997; 2004) concept of ‘Triple-Bottom line’ accounting. With the inclusion of Sustainable Development, the WBCSD has begun to show how times have changed and gives an clear indication as to how businesses have moved from the original concept of CSR, the ethical use of resources (Bernard; 1938 and Bowen; 1962), to the preservation of resources through sustainable methods of development (Elkington 1997; 2004, Crowther and Aras; 2008a; 2008b).

So far this thesis has defined CSR on the basis of ethics and sustainability. However CSR can be viewed from many different angles and this thesis will now explore these. As the author suggested at the beginning some writers suggest CSR is a voluntary concept (Davis; 1973, Van Marrewijk, 2003) whereas some argue that CSR is in “vogue at the moment but as a concept, it remains vague and means different things to different people”, (Crowther and Jatana, 2005). So CSR from the positive perspective of ethics and sustainability can be viewed from different angles. The final definition of CSR which this thesis wishes to present is put forward by Crowther and Aras, they define CSR as “The relationship between corporate goals, governments of countries and individual citizens” (Aras and Crowther, 2008).

So in conclusion, CSR to these writers can be said to mean ‘having ethical considerations for all and everything’. To this extent the author believes the above concepts are correct and that writers such as Carroll et al are correct in their speculation of the CSR function being (1) Economic, (2) Legal, (3) Ethical and (4) Philanthropic/Discretionary.

**Alternative Perspectives or Approaches to be Considered**

On the other side of the CSR spectrum are writers who disagree with the writings of Carroll et al (Drucker; 2001; Friedman; 1970; Porter and Kramer; 2006, 2002; Wright & Ferris; 1997; Walley and Whitehead; 1994). These writers suggest the only socially responsible function of business is to make money for their shareholders and investors in the business. Friedman in his Book *Capitalism and Freedom* (1962) and article ‘the social responsibility of business is to increase its profits’ (1970) comments “The doctrine of social responsibility is frequently a cloak for actions that are justified on other grounds than a reason for those actions.” He then goes on to state, “There is one and only one social responsibility of business to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”. Friedman’s perspective was based on and
evolved around the fact that managers are inexperienced in CSR and therefore not qualified to make decisions on it and that if they do make decisions to try and act socially responsible then they are often not acting in the best interest of shareholders. Recognising shareholder interest is seen as one of the factors which defines Agency Theory discussed later (Eisenhardt, 1989)

In conclusion, Friedman believes maximisation of profits should be the primary motivation for business whereas other authors, such as Carroll et al, believe business should have other concerns that reflect the demands to maintain the environment in which they operate.

Writers such as Walley and Whitehead (1994) in their publication ‘It’s not easy being green’, suggest there can be a ‘win-win’ situation where both profit maximisation and environmental sustainability can be achieved. Although this can only be achieved when the correct conditions and forces being applied are met. Walley and Whitehead (1994) particularly emphasize the cost implications of being ‘green’ and pursuing a ‘green’ image, as these are often not fully catered for and are often not fully explored.

Many firms are now expected to care about the environment, human rights, Sustainable Development and society in general (Idowu; 2005). Ever since Friedman (1970) challenged the legitimacy of corporate executives to engage in beyond compliance social and environmental behaviour, practitioners and academics have continued to grapple with the problem of whether Corporate Social Responsibility (CSR) ‘pays off’ and has any lasting effects on the organisation in question (Burke and Logsdon, 1996; Davis, 1977; Lockett et al., 2006; Porter and Kramer, 2002). This absence of a dependable correlation between a firm’s CSR reputation and consumer reaction reflects a larger issue which needs exploring – the notoriously difficult search for an empirical link between the social performance of an organisation and its financial performance. This topic has been intensely researched in recent years, but the results seem to be mainly inconclusive and when conclusive have been challenged vigorously and often condemned as false and misleading. The outcome of this research suggests that the stock performance of ‘good’ companies, with regard to their CSR reputation, does not exceed that of their ‘inferior’ competitors (Margolis and Walsh, 2003; McWilliams and Siegel, 2000, 2001; Orlitzky et al., 2003; Rubbens and Wessels, 2004). If the impact of CSR reputation for consumers was universal and significant, we would see a clear impact on the bottom line of the ‘good’ companies with a strong CSR performance. For this reason companies may feel compelled to comply with CSR initiatives although they cannot prove empirically that they do or do not supply them with advantages in terms of market share, customer loyalty, customer perception and buyer habits etc.
So in conclusion, CSR is not a straightforward concept and the author wishes to use the models of CSR to try and come to an informed judgement of the extent to which Kenco Coffee is a socially responsible firm. This thesis believes the research suggests that there is no real conclusive evidence either way as to the financial benefits of CSR and so the decision to adopt CSR initiatives cannot be fully justified within a business capacity. Although the author believes businesses still need to consider CSR when operating and responding to demand.

**Fair Trade and the FairTrade Foundation**

The Rainforest Alliance, which is one of the focus organisations within this thesis, provides ethical sourcing and sustainable development in the field of product manufacturing. Fair Trade as a principle fits within this section as it also advocates providing ethical sourcing and sustainable development in the field of product manufacturing. The concept of Fair Trade can be traced to the European Fair Trade Association (Efta) and to the European Free Trade Agreement (EFTA). The European Fair Trade Association (Efta) was founded on the premise of Fair Trade as a means of achieving growth and prosperity amongst its Member States as well as promoting closer economic co-operation between the Western European countries (see appendix 3 for a detailed Venn Diagram). Furthermore, the Efta countries wished to contribute to the expansion of trade in the world at large. Fair Trade is a rapidly growing industry which in recent years has really began to grow and develop into a very prominent and profitable industry. The performance figures for the UK from appendix 4 (Efta: 2007) suggest that sales have improved from 16.7 million US Dollars in 1998 to 712.6 million US Dollars in 2008 with total global sales being in the region of 1.6 billion US Dollars in 2007.

According to European Fair Trade Association (Efta) Fair Trade is “*a trading partnership, based on dialogue, transparency and respect that seek greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers.*”, (2002, p. 24). Fair trade is one of the elements which is implicitly linked throughout the operations of the Rainforest Alliance and is therefore an issue which this thesis wishes to consider and investigate. Fair Trade means making sure all elements of the supply chain get a fair deal with respect to their human rights under common law. Fair Trade as a concept also advocates CSR at all elements of the supply and production chain. The connection between Fair Trade and CSR is an imperative issue for this thesis to consider by understanding how the two work together and are interrelated.
Fair Trade as a principle is about ethics and equality. These are words which are entwined within the current field of CSR and are frequently used with the term ‘Fair Trade’. CSR within Fair Trade demands and advocates paying a fair price for products, with Fair Trade being the function by which this fair price can be delivered and the synonym under which the function is often sought from a campaign perspective.

Fair Trade to many is the umbrella brand which encompasses many small organisations who feel CSR is an important principle within business and that CSR is a factor which needs to be ensued and proactively introduced. Fair Trade as a concept is seen as a positive way of production by most organisations although many organisations are still operating under what the author would term a ‘false’ sense of Fair Trade. The author feels many organisations are good at mentioning it within their vision statement but in practice it becomes a little more difficult.

This thesis would like to mention that fair-trade as a principle has many different variations and forms, the spelling and writing of Fair Trade is very important for this reason. FAIRTRADE when wrote as one word with capital letters is associated and is the registered trademark of the FairTrade Foundation (see figure 1 for more details). The concept which this thesis wishes to consider is the idea of Fair Trade as a means of making the trade between countries fair and equal for all parties involved. This will be written as Fair trade or Fair Trade.

**Principles of Fair Trade**

The European Fair Trade Association (Efta) is an association of eleven Fair Trade importers in nine European countries (Austria, Belgium, France, Germany, Italy, The Netherlands, Spain, Switzerland and the United Kingdom). Efta was established informally in 1987 by some of the oldest and largest Fair Trade importers. It gained formal status in 1990. The ten principles of Fair Trade as proposed by the Efta are below: (2007; see appendix 5 for full details)

- **Creating opportunities for economically disadvantaged producers**
- **Transparency and accountability.**
- **Capacity building.**
- **Promoting Fair Trade**
- Payment of a fair price
- Gender equity
- Working conditions
- Child labour.
- The environment
- Trade relations

**Comparison of Fair Trade and the Rainforest Alliance**

The table below gives the list of the different principles which must be met in order for a product to be either FairTrade certificated or Rainforest Alliance certificated. As you can see from the analysis there are certain factors that are common between the two;

1. **Ecosystem conservation** and **The environment**
2. **Fair treatment and good conditions** and **Working conditions**
3. **Community relations** and **Capacity building**

Table 3: Comparison of Rainforest Alliance and Fair Trade Principles

<table>
<thead>
<tr>
<th>Rainforest Alliance Principles</th>
<th>FairTrade Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecosystem conservation</td>
<td>The environment</td>
</tr>
<tr>
<td>Wildlife conservation</td>
<td>Transparency and accountability</td>
</tr>
<tr>
<td>Fair treatment and good conditions</td>
<td>Working conditions</td>
</tr>
<tr>
<td>Community relations</td>
<td>Capacity building</td>
</tr>
<tr>
<td>Integrated crop management</td>
<td>Payment of a fair price</td>
</tr>
<tr>
<td>Management of waste</td>
<td>Gender equity</td>
</tr>
<tr>
<td>Waste conservation</td>
<td>Promoting Fair Trade</td>
</tr>
<tr>
<td>Soil conservation</td>
<td>Child labour</td>
</tr>
<tr>
<td>Planning and monitoring</td>
<td>Creating opportunities for economically disadvantaged producers</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>Trade relations</td>
</tr>
</tbody>
</table>

The other principles have an underlying link of conservation and preservation of the natural resources being used to create these goods. They also have an underlying imperative that suggests a need to maintain the operation in a manner that reflects this commitment by having
set standards of operation and actively lowering waste creation and thus reducing the amount of waste and destruction. The two principles which are encompassed by these measures are the treatment of workers and the conservation of the environment in which the business operates. Overall in can be seen that both of these requirements by the Rainforest Alliance and for Fair Trade by the Efta are closely linked.

**The FairTrade Foundation**

The FairTrade Foundation is the British member of FLO (Fair Trade Labelling Organisation). The FLO is an organisation which unites 23 Fair Trade producer and labelling initiatives across Europe, Asia, Latin America, North America, Africa, Australia and New Zealand. The Fair Trade Foundation according to its website:

*Is the independent non-profit organization that licenses use of the FAIRTRADE Mark on products in the UK in accordance with internationally agreed FairTrade standards? The Foundation was established in 1992 by CAFOD, Christian Aid, Oxfam, Traidcraft and the World Development Movement, later joined by the National Federation of Women’s Institutes. Member organizations now also include Banana Link, Methodist Relief and Development Fund, Nicaragua Solidarity Campaign, People & Planet, SCIAF, Shared Interest Foundation, Soroptimist International, Tearfund and the United Reformed Church. (FairTrade Foundation; 2009)*

The FairTrade Foundation then comments on their vision as;

“Of a world in which justice and sustainable development are at the heart of trade structures and practices so that everyone, through their work, can maintain a decent and dignified livelihood and develop their full potential. To achieve this vision the FairTrade foundation says “FairTrade seeks to transform trading structures and practices in favour of the poor and disadvantaged. By facilitating trading partnerships based on equity and transparency, FairTrade contributes to sustainable development for marginalized producers, workers and their communities. Through demonstration of alternatives to conventional trade and other forms of advocacy, the FairTrade movement empowers citizens to campaign for an international trade system based on justice and fairness’s” (FairTrade Foundation, 2009).

The FairTrade Foundation describes its mission statement as;

1) **Being a passionate and ambitious development organization committed to tackling poverty and injustice through trade**

2) **Using certification and product labelling, through the FAIRTRADE Mark, as a tool for our development goals**

3) **Bringing together producers and consumers in a citizens’ movement for change**

4) **Being recognized as the UK’s leading authority on Fairtrade**
The FairTrade Foundation website (2009) sets out these four key areas of activity in which they engage:

1) **Providing an independent certification of the trade chain and licensing use of the FAIRTRADE Mark as a consumer guarantee on products.**

2) **Facilitating the market to grow demand for Fairtrade and enabling producers to sell to traders and retailers.**

3) **Working with our partners to support producer organizations and their networks.**

4) **Raising public awareness of the need for Fairtrade and the importance of the FAIRTRADE Mark.**

The FairTrade Foundation is the prominent body for Fair Trade and has been influential in bringing about much of the change that this thesis has introduced. The FairTrade Foundation sets out and operates within the following functions (additional information can be found within appendix 6); (1) Certification, (2) Commercial Relations, (3) Communication, (4) Policy and producer relations and (5) Financial and resources.

**CSR and Fair Trade**

When you look at Fair Trade as a concept there are many factors which can also be seen in the concept of CSR. Fair Trade is predominantly about looking after the welfare of workers and providing a fair deal for them. The concept of CSR has many factors implicitly placed within the theory. Carroll (1977; 1979; 1981; 1983; 1991; 1994; 1999; 2000) identifies the four key factors which CSR can be built around; (1) Economic, (2) Legal, (3) Ethical and (4) Philanthropic. Carroll (2000; p. 37) defines CSR more closely as comprising the following; **“Being profitable, obeying the law, being ethical, and ‘giving back’ to the society”**. So Fair Trade can be seen to fulfil these conditions by providing (1) a profitable concept for the workers involved (2) obeying the law, (3) abiding by the international convention on Human rights which demand a certain standards of living and (4) giving back to society through charitable works. Fair Trade provides money for suppliers to work themselves out of hardship and gives opportunities for customers to make the right choice by choosing products where the safety and security of the workers are guaranteed. With this in mind the author can conclude that the concept of Fair Trade which is defined by the FairTrade Foundation can be linked to the definition of CSR provided by Carroll.
The first factor which runs through all these respective theories is the emphasis on the supplier being given a fair price, the opportunity to better themselves and provide a means of escape from the poverty trap they often find themselves within.

The second factor which runs through all these respective theories is the idea of conservation and caring for the environment in which the product is produced or consumed. This conservation and preservation of the business environment extends to all systems within the supply chain and is an element which both CSR literature and Fair Trade literature defines as an imperative in their definition. They also both express concern about the environmentally friendly disposal of the product or service once it had been used.

**International Human resources Management (IHRM) and Corporate Social Responsibility (CSR)**

The next function which this thesis wishes to discuss is (International) Human Resource Management (IHRM/HRM) and Corporate Social Responsibility (CSR). The rationale behind the introduction of these functions is that there is an explicit link between the four principles put forward by Carroll (1979, 1999 and 2001) and by the four theories put forward by Garriga and Mele (2004). Garriga and Mele discussed the link between CSR and IHRM and for this reason it will be the focus article of this section.

### Table 4: Comparison of Carroll and Garriga and Mele

<table>
<thead>
<tr>
<th>Stage</th>
<th>Carroll’s four theories</th>
<th>Garriga and Mele four factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage One</td>
<td>Economic</td>
<td>Instrumental</td>
</tr>
<tr>
<td>Stage Two</td>
<td>Legal</td>
<td>Political</td>
</tr>
<tr>
<td>Stage Three</td>
<td>Ethical</td>
<td>Integrated</td>
</tr>
<tr>
<td>Stage Four</td>
<td>Philanthropic</td>
<td>Ethical</td>
</tr>
</tbody>
</table>

Garriga and Mele (2004) suggest there are four theories which link CSR and IHRM as does Carroll (1979, 1999 & 2000): (1) Instrumental theories, (2) Political theories, (3) Integrated theories and finally (4) Ethical theories. Garriga and Mele suggest companies can be classed as any of these and that they can move from category to category with their development over time. Carroll (1979; 1999; 2000) also suggests the same; companies can move up and down these scales depending on
the emphasis of the organisation at any particular time. These principles are categories that organisations fall within depending upon the action they adopt with respect to CSR and IHRM.

Stage One

The first theory which Garriga and Mele (2004) discuss is ‘Instrumental theories’. Instrumental theory is closely linked to the Friedman approach (1962; 1970) which states that the only social responsibility of firms is to the shareholders and to the continued creation of wealth through the correct utilization of resources. This approach within Carroll’s pyramids would be the Economic responsibilities approach which is the bottom level. The Instrumental and Economic responsibility theories state that organisation have one commitment and one over-riding goal, which is to maximise returns to the individual who invests within the organisation. In general the CSR literature states that these are often the beginning factors that many businesses consider when they first commence trading, the CSR literature states firms will develop to consider other factors as time goes by and they become more involved in ethics and sustainability. For Kenco Coffee this will mean no partnership with the Rainforest Alliance unless economic gains can be guaranteed as the economic well being of the organisation will be the only concern of the management at this present time. Kenco Coffee stand for economic prosperity as well as ethic and sustainability so the Instrumental theory stage does not currently represent where the author believes Kenco Coffee could be found.

Stage Two

The next theory suggested and discussed by Garriga and Mele (2004) is the ‘Political theories’. The political theories suggest that corporations should have a social responsibility to use their power within society correctly (Ackerman, 1973, Davis; 1960, 1967; Donaldson and Dundee; 1994; 1999; 2000, Donaldson, 1982 Donaldson and Preston; 1995). This theory suggests that businesses should have both ethical and business imperative to act in a way that does not intentionally cause harm to any stakeholder of the business whilst remaining profitable. This political theory advocated by Garriga and Mele (2004) fits well within the authors own personal definition of CSR introduced in Chapter 2 which also fits with the definition used by many other writers (Andrews, 1971; Bowen, 1953; Buchholz and Rosenthal, 2002; Carroll (1977; 1979; 1981; 1983; 1991; 1994; 1999; 2000); Carroll and Buchholtz, 2003, Davis, 1973; Frederick, 1960; Jones, 2005; Sethi, 1971; 1979; WBCSD, 1998; World Commission on Environment and Development; 1998). For Kenco Coffee this would involve sustainable management of their finite
natural resources and the ethical management and maintenance of their employees both at home and abroad. Within their pursuit of sustainable management of their finite natural resources Kenco Coffee would also have to remain profitable as suggested earlier. Kenco Coffee has a social imperative to behave in a certain way because of their partnership with, and commitment to the principles of, the Rainforest Alliance. Although, if Kenco Coffee are to satisfy the requirement for the *Political theories*’ then profitability amongst these ethical and sustainable consideration will take precedence.

Finally, this theory would be the *Legal Responsibility* approach within Carroll’s pyramids; this theory would be one of the middle theories where both economic and ethical elements need to be considered. Within these two guiding elements the economic will take prominence over ethical considerations.

**Stage Three**

The third theory put forward by Garriga and Mele (2004) is the ‘*integrated theories*’. The integrated theories include (1) Issue Management (Sethi, 1971; 1975), (2) managing the principles of the public responsibility (Preston and Post, 1975, 1981), (3) Stakeholder Management (Freeman, 1984; 1994, 1999; Evan and Freeman, 1988, 1994; Freeman and Evan, 1990; Freeman and Phillips, 2002;) and finally (4) Corporate Social Performance (CSP) (Carroll, 1979; 1999; 2000; 2001). Companies that fall within this category are those that have ethical consideration and the pursuit of these factors via CSR at the core of their business, as well as remaining profitable to aid their pursuit of CSR through ethics and sustainability. For Kenco Coffee to be able to claim to be integrated with CSR they need to have CSR embedded in all their business models and need to be proactively demonstrating to all stakeholder their continued commitment to maintain and progress with their pursuit of these principles. Businesses that adopt the ‘*integrated theories*’ approach and have CSR and ethics at the heart of their business operations and are often seen as CSR champions to some writers.

Finally, this would within Carroll’s pyramids be the *Ethical Responsibility* approach and would be one of the middle theories where both economic and ethical elements need to be considered. Within these two guiding elements the ethical will now take prominence over economic considerations. The author would suggest that Kenco’s partnership with the Rainforest Alliance is a good example of an organisation actively adopting a certain strategy that fits within this stage on the
Nicholas Overton P05076134 IBCSR Dissertation
September 2009

Garriga and Mele (2004) continuum, so for this reason the author would place Kenco Coffee’s partnership with the Rainforest Alliance within this stage.

**Stage Four**

The final theory suggested by Garriga and Mele (2004) is ‘Ethical theories’. Garriga and Mele (2004) in their article suggest the following aspects need to be considered within this theory; (1) Normative Stakeholder theory (Freeman, 1984; 1994; 1999), (2) Universal rights (Global Compact Agreement, 1999), (3) Sustainable development (Brundtland report (WBCSD) 1987, Shrivastava, 1995; Stead and Stead, 2000) and finally the (4) ‘common good’ approach (Mele; 2002, Fort, 1996; 1999). ‘Ethical theories’ is when all the activities of the firm are CSR orientated and have sustainability and ethics as core values. The author believes all firms should focus on this as the rewards can outweigh the benefits if approached in the correct manner and implemented correctly, the author also wishes to mention organisations need to remain profitable. So ‘Ethical theories’ to the author constitutes remaining profitable whilst directing all resources to the pursuit of ethics and sustainability in the search of CSR. For Kenco Coffee to be considered as an ethical firm they need to go beyond mere social and environmental compliance and become a true innovator in sustainability making CSR a core underlying principle of their overall business operations.

This approach within Carroll’s pyramids would be the ‘Philanthropic Responsibility’. Within this category a majority of the resources and efforts are utilized into making the organisation both ethical and sustainably focused. An example of an organisation which falls within this stage is Café direct, who are seen as an extremely ethically focused organisation. For Kenco Coffee to fall within this category they would need to focus all their resources on the pursuit of ethical supply chain management and sustainable means within the manufacturing and distribution networks.

To conclude this section the author would say that Kenco Coffee are situated within the third category of Carroll’s Pyramid and Garriga and Mele’s third theory, as they are actively pursuing the ethos of the Rainforest Alliance who are advocates of the different theories identified as critical to the Integrated theories as suggested by Garriga and Mele (2004).

The purpose of this section is to give a international perspective to Kenco Coffee’s partnership with the Rainforest Alliance and to look at where from a theoretical perspective they are categorised. The fact Kenco is seen as pursing ‘integrated theories’ and ‘Ethical Responsibility’
suggests that their priorities are with ethics and sustainability although like many businesses profitability is still an underlying factor.

**Corporate Sustainability**

Corporate Sustainability can be defined as *Integrating economic, ecological, and social aspects in a ‘triple-bottom line’* (Elkington, 1994; 1997; 2004). Today many managers accept Corporate Sustainability as a prerequisite for performing successfully (Hedstrom et al., 1998; Holliday, 2001). Managers now recognise the importance of integrating Corporate Sustainability within their business operations which has given rise to the adoption of Fair Trade and its rapid market expansion. Corporate Sustainability can be seen as going beyond delivering economic outcomes and considering other factors which are often driven by customers (Dawkins and Lewis, 2003) Thus, it may be argued that the expectations of society play a pivotal role in influencing corporations approach to CSR. (Fox, 2004).

This ‘Triple Bottom Line’ (TBL) approach can be seen throughout the principles of the Rainforest Alliance. The ten guiding principles (Table 2, Pg. 9) of the Rainforest Alliance reflect the three main areas being covered within the “triple-bottom line” (Elkington, 1997) approach. This thesis will have to take this into consideration as Diagram 4 below demonstrates. It can be seen that the factors are linked and cannot operate in isolation. Although it is to be commended that managers have accepted their responsibility for environmental and social issues, their interpretation of “business link to sustainable development” (De Simone and Popoff, 1997) is sometimes slightly worrying according to De Simone and Popoff (1997).
Modern business managers are sometimes said to be too quick to react. This can throw doubt over the real reasons for their actions and call into question their validity. In the organisations quest to find “a single concept, perhaps a single word to sum up the business end of sustainable development” (WBCSD, 2000: 1) most so-called ethical organisations have opted for eco-efficiency as their guiding principal; Eco-efficiency is a valuable part of corporate strategies and Corporate Sustainability and is an issue which many organisations make the most of in term of positive publicity. However, as the sole concept it is often insufficient (Welford, 1997; 2007) and Schaltegger and Sturm (1990, 1992, 1998), who were amongst the first to use the term, suggest eco-efficiency is only one of several important Corporate Sustainability criteria which organisations need to embrace to be sustainable.

In addition, Schaltegger and Sturm also suggest some minor pitfalls if organisations solely adopt eco-efficiency as their guiding principal. Firstly, eco-efficiency can sometimes ignore social sustainability issues. Even though it is less well understood, socio-efficiency is a necessary complement with eco-efficiency within the business case for Corporate Sustainability (Gladwin et al., 1995a; 1995b). Secondly, eco-efficiency can “encourage business to search for environmental improvements that yield parallel economic benefits.” (WBCSD, 2000: 4) This focus on win-win solutions (Walley and Whitehead; 1994) obscures an important realization.

According to Schaltegger and Sturm sustainability is not only an issue of efficiency but also of eco- and socio-effectiveness and so for eco-efficiency to be truly effective organisations need to work together to form an ideal partnership. Firms that exceed their social and environmental carrying capacity should be concerned with the absolute effectiveness of their sustainability measures and should look at methods of control, not only their relative efficiency. This is particularly relevant in relation to the so called rebound effect. The rebound effect is the effect an organisation goes through after a new technology or technique is introduced. In general as production becomes more efficient the price of good and services may fall, in turn increasing demand, which will impact results from environmental growth. Finally, firms must also consider their indirect impacts on sustainability. Traditionally ecological equity was part of the political domain. However, since the advent of globalisation organisations have become jointly responsible for issues of resource distribution. If organisations redistribute their resources correctly then sustainability may prevail, if the reallocation of resources are biased then the eco-efficiency of the organisation may suffer (Gladwin et al; 1995a; 1995b).
Overall, Corporate Sustainability is a factor which can have a huge effect on organisations and their operation and with the current trend of sustainability becoming more of must then an option they increasingly have to choose this factor. Firms are now sensing the change in customers’ perception and are becoming aware of their demands in terms of sustainability. So for Kenco Coffee eco-efficiency and sustainability means looking at methods of reallocating their resources to make them appear more Corporately Sustainable. Corporate Sustainability to Kenco Coffee will involve integrating economic, ecological, and social consideration from the Rainforest Alliance certification and implementing them into their corporate strategy.

**Corporate Reputation**

Corporate Reputation as defined by Weiss et al. (1999, p. 75) is “a global perception of the extent to which an organisation is held in high esteem or regard”. Fombrun & Shanley (1990, p. 234) suggest that Corporate Reputation is the aggregation of information “into collective judgments that crystallize into reputational orderings of firms in organisational fields. Some writers (Hart, 1997; Porter and Van der Linde, 1995; Tabbitt, 2009) have observed that companies, which demonstrate environmental performance beyond regulatory requirements, tend to generate more profit as compared to those companies with low environmental commitment. In the same way, critics believe companies use CSR as a tool to give customers the impression that business ethics is a core value of the firm. Hence, the author wishes to investigate what motivates companies to act in a socially responsible manner. To quote McWilliams and Siegel (2001, p. 120): “customers typically assume that the products of a reliable and honest firm will be of high quality.”

Corporate Reputation for Kenco Coffee can be seen as a method by which they can improve and build on their brand and image. This can be one of the defining points that impact upon the consumers’ choice of Kenco Coffee and can be said to be the rationale behind increasing sales for the organisation. Kenco Coffee’s reputation can be said to have been enhanced since their partnership with the Rainforest Alliance and the fact the partnership have lead to better ethical and sustainable considerations have been advantageous to them. This is definitely true when it comes to products which have high volume sales, are reasonably cheap and easily interchangeable within their market. The question that Kenco Coffee needs to address is what causes firms to have a superior and more comprehensive corporate image?

For many years people have thought it was the quality of product/service that defined the level of reputation and consequently the amount of profit that organisations made. This was seen as
the formula for success and the yard-stick by which Corporate Reputation was measured. But times have now changed and Corporate Reputation can now be impacted upon by factors such as CSR and Sustainability. CSR and Sustainability are now becoming major measurable elements of the business environment and are areas which organisations will try to control, mitigate, influence, and thus manage their Corporate Reputation.

Also, with the introduction of ‘Triple Bottom line’ (TBL) accounting (Elkington, 1994; 1997; 2007) many firms now choose to account for Environmental, Economic and Social elements of their operations. Such accounting techniques will have an impact upon the organisations Corporate Reputation Environmentally, society has become more aware of the effect companies are having and they are beginning to demand that firms take a more proactive stance to try and limit the effects they are having on the environment and society at large. Many authors now say that the improvement and maintenance of corporate brands are essential for organisations Corporate Reputation (Ettore, 1996; Kitchen and Schluz, 1999; 2001a; 2001b; Schluz and Kitchen, 2000). Marsden (2001) define CSR as Corporate Social Responsibility (CSR) is about the core behaviour of companies and the responsibility for their total impact on the societies in which they operate. CSR is not an optional add-on nor is it an act of philanthropy. A socially responsible corporation is one that runs a profitable business that takes account of all the positive and negative environmental, social and economic effects it has on society’. So Marsden suggest the behaviour effect the organisations CSR activities and by extension the author would suggest their Corporate Reputation through these CSR activities. A good Corporate Reputation according to Crowther and Jatana (2005) can manifest itself in the following ways:

- Improvement in shareholder value (Morley, 2002, Pg. 13)
- Increased customer loyalty to the products of this organisation
- Forming strategic alliances
- Morale and commitment of staff
- Governmental control
- Protection from blame and criticism (Morley, 2002)

Reputation is something which can change dramatically and is an element which organisations need to keep track of and maintain if they are to remain within business; or at least remain within business and be remotely successful. Table 4 gives the best and worst companies by reputation in 2002 and it is interesting to note that many of the organisations depicted here have since gone bankrupt or now have a negative reputation and are subsequently not performing as well
as their reputation suggests they should have done from the 2002 measures. The reverse can also be said to be true with many of the worst performers now exceeding their reputational status.

Reputation is a factor which can change dramatically and many organisations have hidden behind their positively built reputation. With the economic downturn customers are showing in reality what a positive reputation really stands for. When times become hard and the value of goods begin to be scrutinised more closely, although reputation can enhance and progress a brand there are many more important and influential factors which will now take precedence. Diagram 5 (Page 38) suggests that there are 5 factors which drive and influence corporations CSR reputation; (1) Political, (2) Economic, (3) Social, (4) Technological and (5) Competitive. These 5 factors all form what can be generically called the ‘external environment’; this is the environment in which the organisation operates that is secondary to where the organisation performs most of its operations. The diagram also suggests these internal factors which can influence an organisation Corporate Reputation; (1) Image based on organisation’s behaviour, (2) Image based on organisation’s communication and (3) Image based on organisations’ symbolism.

Overall, a good Corporate Reputation can enable a business to pursue certain strategies and methodologies that would not be possible if the stakeholders did not have confidence in the organisation and were not happy with its overall performance. So for Kenco Coffee building a positive reputation by partnering the Rainforest Alliance is both a risky strategy but could also turn out to be a successful decision if customers perceive it positively. The author would conclude that Kenco Coffee’s partnership with the Rainforest Alliance has been perceives positively from the literature studied.

Table 5
The worst Corporate Reputation according to American press
1. Enron
2. Andersen worldwide
3. World.com
4. Global crossing
5. Tyco International
6. Kmart
7. Merrill Lynch
8. Qwest communications
9. Microsoft
10. Bristol-Myers Squibb

The top 10 Corporate Reputation according to American press
1. NBC
2. General motors
3. Sony
4. Wal-Mart
5. Apple comports
6. Toyota
7. Deli
8. Fox entertainment
9. CBS News
10. Honda Cars

Table 6: Key themes of Literature Review

<table>
<thead>
<tr>
<th>Key Concept</th>
<th>Key Author</th>
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<tr>
<td></td>
<td>Carroll, (1979;1999;2001)</td>
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<td></td>
<td>Crowther and Aras, (2008)</td>
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<td></td>
<td>Crowther, (2000a; 2002a; 2002b)</td>
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<td>Davis, (1973);</td>
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<td>Jones, (2005);</td>
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<td>Sethi, (1979);</td>
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<td>Modern view of CSR</td>
<td>Crowther and Aras, (2008)</td>
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<td>Crowther and Jatana, (2005)</td>
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<td>Alternative CER Perspective</td>
<td>Drucker, (2001)</td>
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<td>Friedman, (1970),</td>
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<td>IHRM and CSR</td>
<td>Carroll, (1979;1999;2001)</td>
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<td>Corporate Sustainability</td>
<td>Elkington, (1997)</td>
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<td>Welford, (1997; 2007)</td>
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<td>Corporate Reputation</td>
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<td>Kitchen and Schluz, (2001a);</td>
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<td>Kitchen and Schluz, (2001b);</td>
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</table>
Summary

Within this third chapter the author has indentified the key literature on which this thesis is based. The author has critiqued and logically ordered the literature contained in this chapter to help the readers understanding and to help follow on from the introduction in chapter 2. The introduction provided a good understanding of CSR and how CSR can be applied to Kenco Coffee’s certification by the Rainforest Alliance. The author hopes by now you understand the key literature which gives the background to this thesis and that this understanding has given you an idea of why such research needs to be conducted.

The next chapter will indentify 2 theoretical themes on which CSR practises can be based and indentify how they can be applied to the partnership between the Rainforest Alliance and Kenco Coffee.
4

Theoretical Themes and Backing

Introduction

Within this chapter this thesis would now like to introduce the two main theoretical themes on which it will be based. The themes are

- Stakeholder Theory
- Agency Theory

Stakeholder Theory

Garriga and Mele (2004) within their work discuss the nature of Stakeholder Theory and the methods in which it can be applied. Stakeholder Theory was an idea first implied by Johnson (1971) in his definition of CSR, where he conceived a socially responsible firm as being one which balances a multiplicity of interests, such that while striving for larger profits for its stockholders, it also takes into account, employees, suppliers, dealers, local communities and the nation. The theory was later developed by Freeman (1984) and thereafter refined by various authors (Bowie, 1991, Freeman, 1994, 1999, Clarkson, 1995, Evan and Freeman, 1988, 1994, Freeman and Evan, 1990, Freeman and Phillips; 2002, McLaren; 2004, Mellahi and wood; 2003.).

The stakeholder approach within the field of CSR is about the directors and managers of the organisation addressing all business decisions from the prospective of the stakeholders who are seen as the key drivers in the business making process. The Stakeholder Theory states that businesses need to be actively seeking methods of business that will satisfy and please most key stakeholders of the organisation. For Kenco Coffee this would involve implementing their partnership with the Rainforest Alliance by considering stakeholders. The author believe Kenco Coffee are actively considering stakeholders within their CSR activities and this is reflected within what the Vice-President and Managing Director of Krafts Food when he comments ‘This is part of our long-term sustainability strategy - at Kraft, sustainability is about doing what’s good for people, the environment and our business. Consumers are increasingly demanding high quality, sustainably sourced products that make a tangible, positive difference to the quality of life for farmers, farm workers, and their families and
communities. Through our partnership with the Rainforest Alliance we are able to provide our customers with quality coffee without any compromise in taste, while helping deepen our relationship with coffee growing communities’ (Krafts Food; 2008).

An example of the Stakeholder Theory in practise would be the CSER (Corporate, Social and Economic Responsibility) Boards of Hewlett Packard. Hewlett Packard has a specialist department composed of 6 people who consider all major decisions before they are sent to the Board of Directors. The CSER Board files a report to the Board of Directors to update them of their findings with regards to CSR and sustainability. The idea of this is that the CSER Board appraises the impact any decision will have on stakeholders’ and the effect it may have on the organisation as a whole before it is considered by the Board of Directors.

The 10 principles that Kenco Coffee has to abide by in order to achieve Rainforest Alliance certification can be seen as a typology for the Stakeholder Theory in practise. Within the guiding principles of the Rainforest Alliance are suggestions for theoretically practical ways of working which satisfy or work to satisfy all major stakeholders and thus fall within the umbrella of Stakeholder Theory. Diagram 6 below suggests some of the different elements which need to be considered within the Stakeholder Theory. If you look at the 10 guiding principles of the Rainforest Alliance as discussed in table 2, (Pg. 8) you can see that each principle can be linked to one of the key elements indentified in Diagram 6 below by Donaldson and Preston (1995). The table following the diagram (Table 7) shows this link.
### Table 7

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<tr>
<th>Government</th>
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<td>Suppliers</td>
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<td>Trade associates</td>
<td>Planning and monitoring</td>
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<td>Investors</td>
<td>Ecosystem conservation</td>
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<td>Employees</td>
<td>Fair treatment and good conditions</td>
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<td>Occupational health and safety</td>
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In Conclusion, Kenco Coffee has to provide their customers with a good standard of coffee whilst making sure all their approaches are both profitable to the organisation as well as being ethically and sustainably grounded. Kenco Coffee’s partnership with the Rainforest Alliance in the authors’ opinion has allowed this to happen; Kenco Coffee are now perceived as both a profitable as well as being a ethical and sustainable organisation.
Another key theory which this thesis wishes to consider when looking at CSR is Agency Theory. Agency Theory suggests the existence of a contract between two participants; (Jensen and Meckling, 1976). Jensen and Meckling (1976) use agency theory to demonstrate how following certain managerial interests can lead to higher rewards in terms of financial performance occasionally at the expense of organisational value. Within this contract there are normally two different aspects to consider; Principal and Agent (Eisenhardt, 1989). Within an organisation the Principal will be the shareholders or owners. The Agent will normally represent the workers and executives who are paid to look after the organisation on behalf of the Principal. The theory also mirrors the different attitudes of both the Principal and the Agent to risk, whereby the Principal is risk neutral/risk-seeking, the Agent will normally be risk-averse (Donaldson, 1961, Eisenhardt, 1989; Wiseman and Gomez-Mejia, 1998; Williamson, 1963). This theory of being risk-averse will impact on the CSR policies of the organisation as normally the Agents will try and find safe investment opportunities whereas the Principal will want to maximise returns by using asset to benefit the organisation. An example of Agency Theory would be organisations expenditure on CSR. To a lot of organisations this would be a risky strategy as there are no guarantees of returns and so many may not entertain the idea unless senior management is strong enough to put forward such policies and implement them till fruition.

If a large corporation such as Kenco Coffee is going to fully benefit from events which being CSR driven can deliver then they have to build the benefits of such events into their reporting system and identify ways in which they can express them in a way that is advantageous. The way they express and report on these actions will be the basis of their success or failure with regards to them adapting to the Rainforest Alliance certification principles. Also the reporting of these events is the easiest and fastest method of communicating the intentions of the organisation in regard to its strategic CSR function.

Linked to the way the organisation perceives itself is the concept of Transparency. Transparency is one of three important factors which successful CSR theories are required to have built within their definition (Crowther and Jatana; 2005, Crowther; 2002, Tapscott and Tiscoll; 2003). Transparency for Kenco Coffee is an issue at the present moment because Kenco Coffee states that at least 50-75% of their raw materials are sourced sustainably and that they aim to be 100% sustainably sourced by 2010 (Krafts Food; 2008).0. Kenco Coffee is actively pursuing methods by which they can implement these changes without having a detrimental effect on the
organisation and its profitability. Some writers state that Kenco Coffee is not being truly transparent in its CSR practises, as they use corporate white-wash to deceive the public into believing that they source their products ethically, when in practise, the amount that is actively sourced from ethical and sustainable means of production could be as low as 50%. Kenco Coffee and the Rainforest Alliance can also be accused of trying to persuade buyers of their ethical credentials, when in fact; this may be a little misleading. The author believes that organisations environmental reporting falls within concept of Transparency (Bebbington; 1997, Bebbington et al; 2001, Bebbingto n & Gray; 2001, Elkington; 2004.; Grays and Robs). All these authors comment on the need to integrate all elements of CSR within the reporting structure of the organisation. This involves these reports considering what the Brundtlan report (1987) and Elkington; (1997; 2007) referenced to as ‘Triple-Bottom line’ accounting (the accounting measures that businesses use are determinates such as GRI, AA1000 and other international instruments). The author believes this form of accounting can yield huge rewards if systems are correctly implemented and maintained, and revolves around the concept of Transparency.

In conclusion, The Agency Theory can be seen as one of the many underlying methodologies behind Kenco’s acceptance of the Rainforest Alliance ethos. With application to Kenco Coffee and the Rainforest Alliance, Agency Theory will define the agent as Kenco Coffee and the principle as the Rainforest Alliance as Kenco Coffee has to work for the certification that the Rainforest Alliance offers.

**Table 8: Key authors which theoretically back this thesis**

<table>
<thead>
<tr>
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</table>
Summary

The function of this chapter is to illustrate the theoretical aspects on which this thesis is based and to further develop its terms of relevance and theoretical grounding. Table 8 above summarises the key authors who advocate the two theories; Agency and Stakeholder, on which this thesis is grounded. The author hopes now that you have read this chapter you will have a good and adequate understanding of what this thesis is about. The next chapter talks about the dynamics of the research and gives more specific information about how and why certain methodologies were chosen and gives any reservations or ethical conflicts which the author feels may become an issue as this research develops.
Methodology

Methodology - reasoning

The authors’ particular interest in Kenco Coffee and the Rainforest Alliance is centred on a conversation he had with a colleague within Leicester Business School in early 2009. The author discussed the rationale which compelled the partnership between the Rainforest Alliance and Kenco Coffee and lead to his interest in the coffee industry. Subsequently, the main rationale behind this project being undertaken is the fact that the author has observed the sudden increase in the amount of CSR activity within the coffee industry and would like to see if the cynics and pessimists are right in their interpretation that this activity is ‘Corporate Social White-Wash’. This infers that organisations are doing this purely to confuse and deceive the customer into thinking they are ethically minded and that sustainability as a concept is a core moral belief. These critics suggest a majority of organisation pursue these ethical and socially responsible ways due to the benefits this brings. Some also put forward the notion that organisations pursue this course of action due to the reputational gains that are often being sought (Porter and Van Der Linde; 1995a; 1995b).

The author also wishes to concede that in an industry where “Every day about 2.25 billion cups of coffee are consumed” (Dicum & Luttinger, 1999, p. 9) and ‘13,000 tonnes of beans are consumed a week’ (Krafts Food; 2009) there is an ever increasing imperative to investigate the reasons behind corporate thinking and the social forces that cause them to adopt CSR (Dicum & Luttinger, 1999). Due to the nature of this research the cynics may well use writers such as Porter and Kramer (2002; 2006); Maxwell (1996) and Maxwell et al (1997) to add momentum to their assertions and convince readers that organisations do it only for the related benefits they can gain, such as increased reputation and profits.

This thesis wishes to look at both sides of this diverse argument and try and decide what customers think are the reasons why Kenco Coffee has partnered with the Rainforest Alliance.

This thesis wishes to test this assertion and see whether there is any validity in what is being alleged about the relationship that seems to exist. This thesis also wants to evaluate and contrast
customer perception with Kenco’s stated rationale about their partnership with the Rainforest Alliance.

**Approach of this Thesis**

This Thesis will adopt a mixed method approach (Denscombe, 2007), this means that the project will look at both qualitative research as well as considering the quantitative aspects. An issue explored by Bryman; 1988; 2006a; 2006b, Bryman and Bell; 2003, Morgan; 1998, Tashakkori & Teddlie; 1998. Other leading academics in the field of Social Science define the two varying types of data as:

- **Qualitative data is data in the form of descriptive accounts of observations or data which are classified by type**, (Ghosh and Chopra; 2003)

- **Quantitative data is data which can be expressed numerically or classified by some numerical value.** (Ghosh and Chopra; 2003)

The qualitative data will be in the form of a CSR questionnaire (see appendix 7, 8 and 9 for full details of the questionnaire sent out) and the quantitative data will be in the form of a Kenco’s Coffee’s annual report to add context to the research. This survey will form the basis of this research thesis and will be the Primary data which acts as the grounding for this research.

Crowther and Lancaster (2008) suggest that ‘Primary data does not actually exist until and unless it is generated through the research process as part of the consultancy or dissertation or project’, so the data collected from the survey will serve as the Primary data in this instance. The majority of evidence will come from this survey, (the survey’s results can be seen appendix 10). Although there will be elements of quantitative data collection in the form of Kenco Coffee’s annual reports to give a general introduction and context to this piece of work as already indicated. This information from Kenco Coffee has already been used within the first two chapters of this thesis and in appendix 1, 2 and 3 that accompany these chapters. However the majority of the data will come from the survey of Kenco Coffee’s existing customers. Within this customer base the researcher will try to get a representational sample, although due to research constraints a convenient sample may be sought in some areas to aid completion.
Convenient sampling as defined by Saunders et al (2007) states ‘*non probability sampling procedure in which cases are selected haphazardly on the basis that they are easier to obtain*’. Kervin (1999) and Patton (2002) identify the following issues with convenient sampling when used as part of a research thesis:

- Likelihood of the sample being representative- **Very Low**
- Type of research in which useful- **where very little variation in population**
- Relative cost- **low**
- Control over sample content- **low**

The sample used has been selected from a wide range of sources and has a broad range of different characteristics. These elements have been primary determinants in the selection process (A breakdown of the sampling frame is in Appendix 11).

**Sampling and Sampling Techniques**

Denscombe (2007) suggests that a good sample frame should include the following elements:

- **Relevance**- *it should contain things directly linked to the research topic*
- **Completion**- *it should cover all relevant items*
- **Precision**- *it should exclude all items that are not relevant*
- **Be up-to-date**- *it should incorporate recent additions and changes, and have redundant items cleansed from the list.*

The population for this thesis are all customers of Kenco Coffee and the sample will be selected from them at random. Bell and Bryman (2003, p. 93) defines a sample as ‘*the segment of the population that is selected for investigation. It is a subset of the population.*’ The sample will make use of the ‘Cluster Sampling’ technique as the researcher has access to both a school and a University (the School was called Red Hill Field Primary school, Narborough and the University was De Montfort University, Leicester), and distributed the surveys to the parents of the children at
the school as well as emails to the students at the University. The University respondents formed the pilot survey. Denscombe (2007) and Dillman (2007) suggest that this method of collecting data will be both time and cost effective and for this reason was one of the major factors behind this technique being chosen. Crowther and Lancaster (2008) go on to identify that any research undertaken will include information and that the researcher needs to make sure this information is; (1) Meaningful, (2) Relevant, (3) On-time, (4) Accurate and (5) In the correct format

For all these reasons stated, the ‘Cluster Sampling’ technique has been chosen as it allows the researcher to keep tabs on where the data is coming from and what type of data is being processed. It also allows the use of follow up activities and reminders to ensure that the data arrives on time and is in a correct and accurate format.

Rationale behind this thesis

The author’s motivation for undertaking this thesis comes from the belief that there is a widely held assumption that organisations have an imperative to pursue such issues as social responsibility (Crowther; 2002a) and that this pursuit can benefit both themselves and the society in which they operate (Walley and Whitehead; 1994, Aras and Crowther; 2008a). However this does not always happen in practise and for this reason other opinions need to be considered.

The research within this thesis will be conducted with human respondents thus in the authors opinion making the research project viable. The primary aim of this research thesis is to add to the academic understanding of Kenco Coffee’s CSR and Corporate Reputation and to explore the links between these two variables. This thesis will also try and formulate and explore the notion that there is a specific link between Kenco Coffee’s partnership with the Rainforest Alliance and their rapidly increasing success.

Other Research Projects

When looking into this field the author looked for other reports or studies that may offer grounding into this research thesis by giving an insight into the kind of conclusions and recommendations that other projects have found. Mintel (2008) in their report on Coffee in January 2008 did a survey very much like the one this thesis undertook and the results are shown below:

- Almost one in four consumers are trading up for quality (Mintel, 2008)
Coffee attitudes seem to be affected by affluence, a useful segmentation tool for marketers and helpful in identifying relevant advertising targets (Mintel, 2008).

Coffee shops set taste expectations with some consumers disappointed by the in-home experience (Mintel, 2008).

With these recommendations in mind Mintel produced a diagram to represent the findings of their report (diagram 7; Pg 52)

**Consumer coffee habits and attitudes, September 2007, Base: 1,027**

![Diagram 7: Perceptions of the Coffee Industry, (Mintel; 2008)]

**Rationale behind the Questionnaire**

After undertaking the literature review and examining the results from previous surveys conducted by Mintel a pilot questionnaire was designed. This pilot questionnaire was given to 5 respondents, who for convenience of access were chosen by the researcher from De Montfort University and who were objective on the standard/quality of the questions being asked. The results from this pilot questionnaire were:
The first few questions needed to be better worded to encourage the respondent to continue. The wordings of the questions were also quite discouraging to the readers.

The last question could do with both more organisations being included and a better selection; the organisations could be selected in a manner that allowed for more in-depth analysis and comparison by the researcher. It was also noted the ordering of the questions could be structured better to give the required answers to the original questions posed by this thesis.

The introduction and ending needs to mention the reasons for this research and the fact that all results are anonymous needs to be made more explicit to the respondent thus assuring that they know the reasons for the questionnaire and that their responses are being kept confidential.

**Questionnaire (Reasoning)**

The rationale behind choosing the individual questions within the questionnaire is as follows;

- Questions 1-7 except 4: these are the introductory question to try and get an overview of the type of respondent and their background/education. These questions form the basis of any demographic analysis this thesis will conduct.

- Question 4 is an open ended question to judge whether the respondent understands the concept of Corporate Social Responsibility (CSR) and what their feelings on this issue are. This question will be used to give a valued judgement as to what the respondent believes CSR constitutes. If they understand CSR and define it well then their results could be deemed more trust-worthy. This question has a link to the literature as CSR is defined by some academics’ as in ‘*vogue at the moment but as a concept, it remains vague and means different things to different people*’ (Crowther and Jatana, 2005). So this may also test the statement by Crowther and Jatana.

- Questions 8 to 11 are the main investigatory questions which test what respondents know about CSR, particularly with regards to Kenco Coffee and their partnership with the Rainforest Alliance. Carroll (1977; 1979; 1981; 1983; 1991; 1994; 1999; 2000) identifies the four key principles which encompass the notion of CSR; (1) economic, (2) legal, (3) ethical and (4) philanthropic. Carroll in his 2000 work (p. 37) defines CSR more closely, as comprising the
following; “Being profitable, obeying the law, being ethical, and ‘giving back’ to the society”. The purpose of this question is to test whether respondents are aware of these factors above and to test which of them they believe are the primary motivators in Kenco Coffee’s choice of its CSR activities.

- Question 12 examines Kenco Coffee’s CSR performance in relation to a wide range of other organisations by asking what constitutes a very ethical organisation/very unethical organisation in the view of the respondents and to investigate the reasons behind their decisions.

**Academic Research**

The Academic Research that this thesis will utilise has been derived from

- De Montfort University Library (OPAC),
- Google Books
- Google Scholar websites.

It will also make use of resources from the following;

- Business Source Complete (EBSCO)
- Mintel
- LexisNexis Butterworths
- Emerald
- Academy of Management Review
- Business Ethics Quarterly
- Harvard Business Review
- Journal of Business Ethics
- Social Responsibility Research Network

The aim of this Academic Research is to develop an understanding of Kenco Coffee and their CSR programs with regard to their partnership with the Rainforest Alliance certification. The topic area and related key words used when undertaking research online were:

- ‘Corporate Social Responsibility’ or ‘CSR’,
- ‘Kenco Coffee, ‘Corporate Reputation,'
- ‘Corporate Sustainability’
- ‘Rainforest Alliance’

**Table 9: Key search headings – a sample of hit rates**

<table>
<thead>
<tr>
<th>Source</th>
<th>Search Question</th>
<th>Number of hits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Source Complete</td>
<td>CSR</td>
<td>9,823</td>
</tr>
<tr>
<td>Google</td>
<td>CSR</td>
<td>267,000</td>
</tr>
<tr>
<td>LexisNexis</td>
<td>CSR</td>
<td>8932</td>
</tr>
<tr>
<td>Business Source Complete</td>
<td>Corporate Sustainability</td>
<td>551</td>
</tr>
<tr>
<td>Google</td>
<td>Corporate Sustainability</td>
<td>207,000</td>
</tr>
<tr>
<td>LexisNexis</td>
<td>Corporate Sustainability</td>
<td>485</td>
</tr>
<tr>
<td>Business Source Complete</td>
<td>Kenco Coffee</td>
<td>45</td>
</tr>
<tr>
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<tr>
<td>LexisNexis</td>
<td>Kenco Coffee</td>
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</tr>
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</tr>
<tr>
<td>LexisNexis</td>
<td>Rainforest Alliance</td>
<td>202</td>
</tr>
</tbody>
</table>
Research Ethics

The research conducted by this thesis will be conducted in accordance with the Quantitative Market Research Society’s Code of Conduct (MRS\textsubscript{1}, 1999; 2005) and Qualitative Research Guidelines (MRS\textsubscript{2}, 1999; 2005)). These standards are set out within appendix 12 at the back of this thesis.

These codes dictate that anonymity is maintained for all participants in the survey and that all data collected is recorded and copyrighted to the author of this thesis. All data collected will be secured as the Intellectual Property of the respondents and thus cannot, without their acknowledgement and consent, be used for any other purpose. The author will maintain anonymity by securing the data on a password protected computer and allowing the data to only be accessed by authorised personnel (namely the author and the provider of the data at their request). This thesis will also make all respondents aware of the measures undertaken to secure their anonymity and why this research is being undertaken.

The author of this thesis will inform respondents of these measures via written communication on the covering letter that accompanies the survey. This thesis will adhere to all forms of EU regulations with respect to ethical behaviour and all research conducted will be for the sole use of this report. If any future research is to be conducted the results of this survey will remain anonymous and the data will not be used by others apart from the researcher.

This thesis will treat all data either private or public with privacy and confidentiality and reference all cases used where appropriate. Crandall and Diener (1978, p. 67) suggest confidentiality means “not disclosing the respondents’ identity when their names can be associated with their data.” The author will ensure ethical procedures are maintained when handling this data and that all aspects of data protection procedure are observed. To comply with other ethical perspectives, the author will take into consideration the political, social and environmental conditions that prevail and consider them with reference to formulating and carrying out this research thesis. Any other ethical issues that may arise will be dealt with to the best of the authors’ knowledge and ability. However, if the author cannot devise an ethical and viable solution to these issues then more senior and experienced assistance will be sought.
Gantt chart

The Gantt chart below gives an indication of the timing of the research for this thesis. It gives an indication of the steps this thesis undertook in order to collect the information for the literature review, the survey and how long the author envisaged all the different elements would take in order to complete this thesis within the given time.

<table>
<thead>
<tr>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
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<tbody>
<tr>
<td>Initial ideas</td>
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<tr>
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<td>Read Literature</td>
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<td>Finalising ideas and Methodology</td>
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<tr>
<td>Write Literature Review based on Methodology</td>
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<tr>
<td>Sending out questionnaire</td>
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<tr>
<td>Table of research</td>
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<tr>
<td>Collecting results and analysing them</td>
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<tr>
<td>Final collation and twinning with theories</td>
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<tr>
<td>Final write up</td>
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<tr>
<td>Check and proof reading</td>
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<tr>
<td>Binding and handing in</td>
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</table>

Diagram 8: Gantt chart of predicted progress.

Summary of Research Methods

The research within this thesis will be conducted using mainly quantitative data to explore and investigate customer perceptions of the partnership between the Rainforest Alliance and Kenco Coffee. The data collection method will involve primary data through the use of a survey and this will be included in an explorative style research thesis.

The results will be recorded and examined in accordance with the Quantitative Market Research Society’s Code of Conduct (MRS1, 1999; 2005) and Qualitative Research Guidelines (MRS2, 1999; 2005)) (MRS1, 1999; 2005, See appendix 12 for details) and the results will be
examined and interpreted in accordance within Leicester Business School’s standards and expected level of ethics.

**Limitation and Reservations of this Research**

Bryman and Bell (2007) suggested that there are many factors which can limit a research paper. They suggest the conflict between the researcher and the person/organisation/phenomenon can lead to miscommunication and misunderstanding which can cause limitations to the research study. This thesis will try to limit the miscommunication and misunderstanding by setting out the work in a logical and ordered fashion.

Saunders et al (2003) comments how respondents and non respondent may have different opinions and that this difference could be reflected in the responses that this questionnaire receives. Respondents may have a strong feeling on particular issues and so the results could influenced by someone purposely wanting to manipulate the results. Also, the people who do respond, may do so because they have a certain agenda that they want to pursue and so influence the outcome of the research thesis.

The author would also indicate that bias may occur when looking at the referenced literature, as many of the authors of these academic articles, publish them from a certain viewpoint and have a certain ethos which they try to pursue within their written work. Huberman and Miles (1994) suggest that within written work bias is a major factor limiting the validity and veracity of the research. The author is aware of this and has to remain critical of any work referenced, but believes this to be a small problem but one which could become potentially significant if not treated objectively.

The Reservations and Limitations that may arise throughout this research thesis are:

- Demographic problems linked to sex, age, income and ethnicity: Because of the design of cluster sampling and the area in which the school is located, this could be seen as a limitation to the lack of variety in the sample. This research needs to consider that the sample may not be fully representative of the coffee drinking population and therefore this could be a problem which needs to be addressed. The author is also aware that as Saunders et al (2003) suggested, the responses that the author receives have to be viewed from the perspective that the respondents may be replying due to their personal beliefs.
Relationship with the respondents (indirect): Due to the researcher being an employee of the school from which the responses were obtained (Red Hill Field Primary School), the researcher recognises that some of these responses could have been influenced by this relationship. By this the author means that some of the research questionnaires for this thesis could have been filled in because the researcher teaches the respondent’s children. Although this may not be a huge influence on the respondents it could be a factor which affects the results and therefore may need to be considered as another limitation.

Limitation of the results from the research questionnaire may also come from the fact that some respondents may give specific replies because they want to be seen as ethical, or more likely, they want to be seen as one of the growing number of people who are now buying ethical and sustainable products. Although this is a non quantifiable aspect it is a consideration which this thesis feels needs to be addressed.

The results may have also been influenced by the fact the questions were chosen by the author and the research was structured in a certain way to try and get the most in terms of research out of the questions. This may mean that some of the questions could be leading and so unduly influence the responses obtained. This could lead to the results not reflecting the actual views of the respondents, but instead reflecting what they thought the researcher would like to see.

A problem linked to the Cluster Sampling technique used in this research thesis is the issue of bias in the respondents completed surveys. To combat any bias indentified within the survey all replies are treated with anonymity and therefore the author does not know who the respondents are and is unable to influence their opinion and perception. Any areas which the author believes may have elements of bias will be heavily scrutinised by external persons to see if they need to be eliminated in the pursuit of fairness.

This thesis will also take into account that any outlying results observed will be addressed, noted as possible bias samples, judged to measure the effect they have on the sample and if deemed necessary, relevant action taken. A research thesis similar to this one has also been done before on a much larger scale (Mintel; 2008, see Pg. 117 for more details). So by comparing the research outcome of this thesis with the one undertaken previously by Mintel (2008) may be a way of identifying the factors that could cause bias within this thesis and therefore being able to eliminate them. (Details of which can be found under the heading other research projects Pg. 116).
Results and Findings

Results

The aim of this chapter is to try to answer the Research Questions set at the beginning of this thesis within chapter 2. These answers will be an interpretation of what the results of the survey suggest together with what the literature and grounding theories imply. The Research Questions are;

1. *Is the reputation of Kenco Coffee enhanced by the inclusion of the Rainforest Alliance?*

2. *Do customers really consider Sustainability and Social Responsibility before they buy Kenco Coffee or do their buying habits reflect?*

3. *Does the inclusion of the Rainforest Alliance certification of Kenco Coffee affect the buying habits of individuals?*

Summary of Survey Results (context analysis)

The results from the survey conducted suggest and support the research aims which this thesis set out to answer in the form of Research Questions above. The results of this survey are based on 79 respondents with 31 being male and 48 being female, this is shown is graph 2 below. Of these 79 respondents the majority (50 respondents or 63% of respondents) were between 25 and 44 years of age. This is shown in graph 3 below. The respondents are also mostly of British nationality (74 of the 79 respondents class themselves as British. This again can be seen in Graph 4 below. The employment status of the respondents is quite mixed with 22 respondents classing themselves as students (full time, part-time or distance students) and 45 respondents stating they are in some kind of work (30 full time workers and 15 part time workers). The remaining 7 respondents identified themselves as retired, self-employed or as househusband/wife.

The results may seem unfair as they are probably not fully representational of the sample population of coffee drinkers. (A breakdown of respondents into different categories can be seen within appendix 10).
Graph 2 - This shows the breakdown of results with gender

Graph 3 - This show a breakdown of results with respect to

Graph 4 - This show the nationality of respondents
Results of Research Questions - Question One

1. *Is the reputation of Kenco Coffee enhanced by the inclusion of the Rainforest Alliance?*

If this thesis was to look at the results from the survey questionnaire they would suggest that there was reasonable evidence that Kenco Coffee’s reputation has been enhanced by its partnership with the Rainforest Alliance and that this partnership has been beneficial in the eyes of customers. This suggestion comes from the fact that in Question 12 of the survey questionnaire, where the question of ethics was asked, Kenco Coffee was deemed a far more ethical organisation than rivals such as Nescafe, although Supermarkets own brands (Tesco, Sainsbury and Asda) were deemed a little more ethical. The suggested enhancement of Kenco Coffee’s reputation could be linked to the answers given within question 11 where customers were asked to what extent they believe Kenco Coffee’s pursuit of Rainforest Alliance certification is for ethical reasons. The response to question 11 suggests that Kenco Coffee are perceived as an ethical organisation but may also suggest that Kenco Coffee are pursuing the Rainforest Alliance certification for economic reasons. The survey also revealed from question 4 that some respondents equate the definition of CSR as an indication of organisations reputation and reputational management, one of the respondents’ comments:

*The way in which business operates to improve their social standing and to improve the standard of living for the people who are involved in this process. CSR is about making sure all people and companies are treated fairly and all given equal opportunity.*

The above definition has a strong trait of reputational management within it and this thesis believes this to be an important finding, as it gives an indication that there are people who believe that the concept of CSR is intended to provide positive benefits for the individual and organisations involved. However this concept of CSR can still be viewed that there are actions taken purely for the gain of the organisation involved and in the case of this respondent they believe it will be in the form of reputational gains.

Another definition of CSR from the survey questionnaire states:

*For companies to look at the best way to serve their customers in an ethical and responsible manner, not always looking at the financial aspect but sometimes looking at the social effects of manufacturing their products.*
The above definition represents what CSR means to the respondent. So according to this respondent to enhance the reputation of an organisation by CSR initiatives suggests acting in a manner which is not solely financially driven but also considers their social effects.

**Question Two**

2. *Do customers really consider Sustainability and Social Responsibility before they buy Kenco Coffee or do their buying habits reflect?*

This second question examines the rationale behind, and the overriding reasons for, customers buying behaviour. This can be answered by the survey results from questions 8 and 10. The results to question 8 (what type of beverage do you buy?) suggest that a considerable number of customers knowingly source their Tea, Coffee and Hot Chocolate from Fair Trade sources (with 23 for Tea and 28 for Coffee and 21 for Hot Chocolate being sourced from what the respondents would deem Fair Trade). Although the known brands are the predominar choice in most cases, with the largest percentage of the results, suggesting respondents buy for different reasons other than Fair Trade. This suggests that customers are now aware of both their actions and the consequences of these actions and many are now switching to Fair Trade for ethical and sustainable reasons (one of the features of Fair Trade indentified by the FairTrade Foundation)

This thesis wishes to also point out that the results within question 11 (where respondents were asked what they thought the motives were for Kenco Coffee’s partnership with the Rainforest Alliance?), showed that a substantial number of respondents agreed that Kenco Coffee was following the current trend of organisation adopting Fair Trade due to the rapid growth in ethical consumerism. The replies to question 11 give an indication that Kenco Coffee, and by extension its customers, are buying Fair Trade as it is seen as a (1) ethical, (2) profitable, (3) sustainable and (4) fashionable concept to adopt. Although, this thesis can therefore also assume that many other similar organisations maybe pursuing Fair Trade for comparable reasons. This assumption is based on the fact that those respondents who said they buy Fair Trade and sustainable products, when asked about their buying habits with regards to the Rainforest Alliance only 3 actually indentified this as a principle reason for purchasing coffee. The respondents when asked to identify what CSR means to them responded by saying:

‘Ethical buying and awareness- the power of the customer in changing society’s choices and ultimately how society runs and changes’
And

‘Where companies source products from growers who they support financially and ethically they pay a fair price for the goods and spend money investing in their growers’

Within this thesis the Rainforest Alliance’s partnership with Kenco Coffee has been explored thoroughly and the fact that only 3 respondents within the Coffee bracket can identify their buying preference by the Rainforest Alliance certification scheme is a good demonstration of how the branding of the Rainforest Alliance may not yet have got through to the British public. The brand name ‘Rainforest Alliance’ is a US trade name and is seen by some as the US version of Fair Trade. For this reason this thesis believes that it has not been widely accepted within the UK.

The results of question 10 also indicate something about the rationale behind the decisions customers make when purchasing Kenco Coffee. Within this question the author asked what influenced the buying behaviour of customers. Although the results show that the promotion of the product is an important factor, the most important factor was a lack of finance. This could be a major factor because of the current economic recession and the fact that many individuals now have to be careful and selective about the amount of money they spend on non-essential purchases such as coffee.

In conclusion it would appear that from the results of the questionnaire although customers are becoming more aware of the impact their purchases are having on the world they are still guided by the overriding principle that they need to try and get the best quality for the lowest price. This does not always mean purchasing the cheapest product as sometime promotions and advertising will make the more expensive products more attractive. The factor which matters the least is peer pressure, although as this thesis has mentioned before, there may be times when peer pressure is being applied but is not recognised due to the nature of the pressure applied. However, this thesis also wishes to point out that if another cross-section of the population was used this factors influence could be significantly different as peer pressure may play a larger or smaller part depending on the demographics of the population used in the survey. This is a limitation already indentified and introduced within the Reservation and Limitation section.
Question Three

3. Does the inclusion of the Rainforest Alliance certification of Kenco Coffee affect the buying habits of individuals?

This question examined the perceptions and rationale behind customers’ choice of Kenco Coffee because of their partnership with the Rainforest Alliance. This was carried out in question 11 where the questionnaire asks ‘thinking of Kenco Coffee to what extent do you think...’ One of the interesting results of this question was the fact that some respondents could not decide whether Kenco Coffee’s partnership with the Rainforest Alliance was voluntary or compulsory. Although, this thesis would suggest that respondents are not sure on this issue of compulsion, many respondents believe that in practise organisations really have little choice but to adopt ethical and sustainable practises or risk losing market share and profitability.

This thesis suggests that the Rainforest Alliance dictates to a certain extent that Kenco Coffee becomes proactive in their approach to ethics and sustainability. So given the growth in ethical consumerism many organisations may be forced to follow suit and undertake these actions in order to remain competitive. Question 11 in the questionnaire identifies via 2 respondents that for all their advertising on the television they strongly disagree that Kenco Coffee can be classed as an ethical organisation and states that they perceive them as a unethical organisation. This thesis also notes that even Café direct, which is 100% Fair Trade and more widely accepted for their Fair Trade credentials, is seen as unethical by some respondents (question 12 gives the customer perception of the different brands). One respondent comment defines CSR within question 4 as:

“*The responsibility of all businesses to ensure that there is minimal negative impact on areas, countries, global etc... On any decision they make I believe they would have to look at the impact on areas relating to any decision that they make*”.

This definition of CSR states that any decision made by organisations should be made with its impact on others in mind. This definition of CSR can be seen in Kenco Coffee’s partnership with the Rainforest Alliance where they have to factor ethical and sustainable principles into their business strategy and that as previously stated The Rainforest Alliance does to a certain extent dictate they are implemented proactively.

Another respondent echoes this when they define CSR as:
“That we are all responsible for ensuring:

A. That all projects we use come from sustainable resources.
B. That workers used in the production and harvesting of goods are treated fairly and honestly and their rights are not infringed in any way.”

The results would suggest that enhancing customer perception of Kenco Coffee’s ethics and sustainability is an important factor in their choosing to purchase Kenco Coffee. The view of respondents in general however also means considering several other different factors such as price, promotion and consumer preference. It suggests that when these factors combine they should do so for the betterment of humanity and should promote equality, fairness and keep the planet safe as stated by this respondent;

“We should all do our best to promote fair standards for all in trade from around the world; therefore we should choose well when we buy our products knowing how providing that product to us will affect the environment and also individuals and communities where items are produced or provided. It is the responsibility of everyone to guarantee equality and keep the planet safe.”

Finally, from the results in question 11 this thesis would suggest that customer perception of Kenco Coffee changes rapidly because of publicity the organisation gathers and this changed customer perception will in turn influence the organisations behaviour. An example of the effect publicity has on organisations is customer perceptions shown within question 12. Question 12 of the questionnaire asks the respondents to comment upon their perception of different brands/organisations. The author of this thesis put two organisations that are perceived to be unethical by some writers to see if respondents to the questionnaire rate them as unethical/ethical. This will be used as the benchmark by which the other responses will be measured.

The questionnaires results within question 12 suggests that 15 and 14 respondents respectively voted for Shell and BP as being ‘very unethical’ where as no-one voted for Kenco Coffee. This to the author suggests that respondents clearly do not see Kenco Coffee as an unethical organisation, but the results to question 12 also suggest that they are neither seen as a very ethical brand (they only have 11 responses). The brand which this survey identified as the most ethical within the coffee industry is Café direct coffee with 28 ‘very ethical’ votes; by comparison Kenco Coffee only received 3 ‘very ethical’ votes. Therefore the author would conclude from this that Kenco Coffee is perceived by respondents to be neither ‘very ethical’ or ‘very unethical’ and so is perceived as being neural in ethical terms (Most of Kenco’s votes where in the middle of the Likert Scale).
The results from questions 8 within the survey suggest that the fact organisations are Rainforest Alliance certified is not a significant factor in customers’ choice of beverages. Although, when asked what they think of Kenco Coffee’s partnership with the Rainforest Alliance there was a significant response which suggested that they are now seen as an ethical and sustainable firm. This could be a key element within the process of Kenco Coffee and the Rainforest Alliance becoming recognised brands for ethics and sustainability.

**Conclusion**

To conclude, this chapter has critically assessed the answers from the questionnaire and used these replies to answer the Research Questions set out within the introduction (Chapter 2). The author hopes the reader has found the findings portrayed in a way which are easily understood. The general conclusion that this thesis would suggest is that Kenco Coffee has benefited from their partnership with the Rainforest Alliance, both in terms of profitability, sustainability and ethics, although, customers still perceive only Kenco Coffee as an average organisation in terms of ethical and sustainable management.
7

Recommendations and Conclusion

This thesis has conducted a comprehensive review of the literature surrounding the partnership between The Rainforest Alliance and Kenco Coffee with a specific focus on Fair Trade and CSR. It has identified from the data collected via the survey questionnaire that Kenco Coffee are being recognised for their efforts with the Rainforest Alliance and can conclude that Kenco Coffee has benefited in terms of profitability, sustainability and overall effectiveness.

This thesis can also conclude that the Rainforest Alliance’s partnership with Kenco Coffee has had positive effects on the Corporate Reputation of Kenco Coffee which can be seen from the enhanced customer perception of Kenco Coffee since they joined with the Rainforest Alliance in 2004/05. This reputational gain has manifested itself in terms of profitability, sustainability and improved ethical considerations.

The overall conclusion from this research thesis is that there is significant evidence to conclude that the Rainforest Alliance’s certification had effected the reputation of Kenco Coffee and that it has brought around positive gains for Kenco Coffee. This thesis can conclude from the data collected from the questionnaire that customers of Kenco Coffee have taken note of its proactive stance on ethics and sustainability and this has been reflected in their buying habits.

Final thoughts

Finally, the author believes this thesis demonstrates with some certainty that the Rainforest Alliance has affected Kenco Coffee positively by building both ethical and sustainable principles into their corporate business strategy. The thesis set out to answer the three Research Questions at the beginning within chapter 2 and the author believes that through the development of this thesis he can say with some certainty that Kenco’s reputation has benefited from their certification though their partnership with the Rainforest Alliance and that future developments into sustainable and ethical products will most probably reap similar rewards. Finally, the author would conclude that this thesis has met the criteria set out at the beginning and has achieved its aims and objectives.
Research Constraints

This thesis set out to make use of the Cluster Sampling technique as identified within the Methodology, as it fitted the type of research undertaken and seemed the most logical choice. This thesis had to change sampling technique due to unforeseen circumstances after the results of the pilot survey and lack of respondents. It has now made use of the Convenient Sampling technique due to constraint indentified previously within chapter 5 (Methodology chapter). Stake (1995) states Convenient Sampling as: ‘our time and access for field work are almost always limited. If we can, we need to pick cases which are easy to get to and hospitable to our enquiry’ (Stake, 1995; pg 4). Furthermore, Convenient Sampling as defined by Saunders et al (2007) states ‘non probability sampling procedure in which cases are selected haphazardly on the basis that they are easier to obtain’. Kervin (1999) and Patton (2002) indentify the following issues with Convenient Sampling when used as part of a research thesis:

- Likelihood of the sample being representative- Very Low
- Type of research in which useful- where very little variation in population
- Relative cost-low
- Control over sample content- low

The rationale behind this choice of sampling technique is the fact that the population of coffee drinkers was so vast that given the time and financial constraints it was deemed, in the author opinion, the best course of action to secure the most appropriate results.

Future Research

The aim of this section is to investigate other areas in which research into Kenco Coffee’s partnership with the Rainforest Alliance could be developed and also other areas in which the author sees research about CSR within the coffee industry developing. The main future research areas are:

- This thesis could be extended by inclusion of another coffee manufacturer and this data could be used to turn this research thesis into a comparative research thesis. This new comparative research thesis would look at the rationale behind the different coffee manufacturers’ stance on CSR
and see if the type, size and branding of the manufacturer has any impact on its reputation. It could also be extended to investigate whether customers are more understanding of certain brands and certain types of ethical and sustainable coffee. It could also set out to prove whether it is the organisations commitment to sustainable sourcing or the fact that the brand is recognisable that affects the buying habits of consumers and so impacts on profitability, sustainability and ethics.

- Further research could also be extended by having more respondents which will add to the overall impact of this research thesis by having a better and more comprehensive and representative sampling frame. Considering more respondents then the amount of respondents that this thesis has utilized (utilisation of the convenient sampling technique) should increase the accuracy of the results obtained and by obtaining a more comprehensive and representative sample base a more precise conclusion should be obtained.

- Further research could also be conducted if more time and resources were available. This research thesis could not look into every possible area of study that it wanted to and had limited resources. So, with more time and better resources available a more in-depth study could be conducted and a more comprehensive and representative outcome could be delivered. Linked to better resources, a more comprehensive survey could be conducted which would incorporate what respondents thought of Kenco Coffee before 2004/05 when they entered into their partnership with the Rainforest Alliance. This improved thesis could also look at the perception of respondents to Kenco Coffee’s CSR strategy relating to ethics and sustainability and how these perceptions have changed due to this partnership.

- The research could also be extended to fully consider the point which is briefly discussed earlier; the issue of nationality. This thesis suggests that Kenco Coffee partnered themselves with the Rainforest Alliance due to the US origins they share, for similar reasons UK firms will become FairTrade Foundation aligned within the UK. Therefore it can be seen that organisation may have a tendency to partner with NGO’s sharing similar national identity. Although this could be a hard area to investigate it could also be an area which proves vital and sheds some light on the rationale behind the reasoning for organisations choice of NGO’s to partner with.
Final Comments

Finally the author would like to conclude that this research thesis set out to answer questions he himself had and questions which he believed could be answered in the time available. The author believed he would be able to deliver a good set of results which could add to the understanding of organisations reputation and Reputational Management within the coffee industry. The author further believes this thesis has met these objective set out above and that he has successfully completed the assignment brief. He hopes that this thesis has had enough of a factual base to provide the reader with sufficient information to answer any questions they may have had. Overall the author hopes this thesis has been engaging and that it as has provided a satisfactory answer to the initial question posed;

“An evaluation of customer perceptions of coffee manufacturers and their CSR activities- The case of Kenco Coffee and the Rainforest Alliance’
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Appendix One

Kraft has pioneered the sustainable production of coffee and cocoa beans for use mainstream brands

1993 Pioneered the first coffee sustainability programme, targeted at improving Peruvian Coffee quality

2000 Formed a public-private partnership in Vietnam supporting 2,000 farmers

2003 Launched our collaboration with the Rainforest Alliance

2005 Launched our first brands using 100% coffee and cocoa from Rainforest Alliance Certified™ farms: Jacques Vabre (France), Gevalia Ekologiskt (Sweden) Splendid (Italy) and Kenco Sustainable Development (UK)

2005 Set up a public-private partnership in Ecuador for sustainably produced Cocoa from Rainforest Alliance Certified™ farms, supporting 2300 cocoa farmers

2006 Yuban launched a full line of coffees using beans from Rainforest Alliance Certified™ farms

2006 Bought the first Ethiopian coffee from Rainforest Alliance Certified™ farms, blending it into EU coffees

2006 Formed a public-private partnership in the Côte d’Ivoire for sustainably produced cocoa from Rainforest Alliance Certified™ farms, supporting more than 350 cocoa farmers.

2006 Jacobs Milea, made using 100% coffee from Rainforest Alliance Certified™ farms, launched in Germany

2006 McDonald’s Europe signed agreement to launch Kraft-branded coffees sourced from Rainforest Alliance Certified™ farms.

2007 Saimaza band in Spain launched new coffee using only beans from Rainforest Alliance Certified™ farms.

2007 Jacobs Nachhaltige Entwicklung, made only with beans from Rainforest Alliance Certified™ farms, launched in Germany

2007 First crops of sustainably grown cocoa beans available and blended into our chocolate products

2008 Jacobs Espresso coffee beans, made only with beans from Rainforest Alliance Certified™ farms, launched in Greece

2008 Kenco announced that it will convert its entire freeze-dried coffee range to beans from Rainforest Alliance Certified™ farms by 2010

Appendix 2

The objective of this Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector, by:

- promoting international cooperation on coffee matters;
- providing a forum for consultations on coffee matters among governments, and with the private sector;
- encouraging Members to develop a sustainable coffee sector in economic, social and environmental terms;
- providing a forum for consultations seeking understanding with regard to the structural conditions in international markets and long-term trends in production and consumption that balance supply and demand, and result in prices fair both to consumers and to producers;
- facilitating the expansion and transparency of international trade in all types and forms of coffee, and promoting the elimination of trade barriers;
- collecting, disseminating and publishing economic, technical and scientific information, statistics and studies, as well as the results of research and development in coffee matters;
- promoting the development of consumption and markets for all types and forms of coffee, including in coffee producing countries;
- developing, evaluating and seeking finance for projects that benefit Members and the world coffee economy;
- promoting coffee quality with a view to enhancing consumer satisfaction and benefits to producers;
- encouraging Members to develop appropriate food safety procedures in the coffee sector;
### Appendix 4

**Sales of Fair Trade certified products in the UK**

Estimated UK retail sales by value 1998-2008 (£ million)

<table>
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<td>34.3</td>
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<td>10.9</td>
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<td>6.1</td>
<td>3.4</td>
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<td>24.3</td>
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<td>65.6</td>
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<td>n/a</td>
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<td>5.7</td>
<td>14.0</td>
<td>24.0</td>
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<td>30.3</td>
<td>45.7</td>
<td>100.8</td>
<td>172.6</td>
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<td>TOTAL</td>
<td>16.7</td>
<td>21.8</td>
<td>32.9</td>
<td>50.5</td>
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</table>

*following review, some of the 2007 figures have been amended but the total remains the same

globally, consumers worldwide spent £1.6bn on Fair Trade certified products in 2007. This is a 47% increase on the previous year directly benefiting over 7 million people - farmers, workers and their families in 58 developing countries. See the press release on global sales in 2007 for more information
Appendix 5

1. Creating opportunities for economically disadvantaged producers

Fair Trade is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers who have been economically disadvantaged or marginalized by the conventional trading system.

2. Transparency and accountability

Fair Trade involves transparent management and commercial relations to deal fairly and respectfully with trading partners.

3. Capacity building

Fair Trade is a means to develop producers’ independence. Fair Trade relationships provide continuity, during which producers and their marketing organizations can improve their management skills and their access to new markets.

4. Promoting Fair Trade

Fair Trade Organizations raise awareness of Fair Trade and the possibility of greater justice in world trade. They provide their customers with information about the organization, the products, and in what conditions they are made. They use honest advertising and marketing techniques and aim for the highest standards in product quality and packing.

5. Payment of a fair price

A fair price in the regional or local context is one that has been agreed upon through dialogue and participation. It covers not only the costs of production but enables production which is socially just and environmentally sound. It provides fair pay to the producers and takes into account the principle of equal pay for equal work by women and men. Fair Traders ensure prompt payment to their partners and, whenever possible, help producers with access to pre-harvest or pre-production financing.

6. Gender equity

Fair Trade means that women’s work is properly valued and rewarded. Women are always paid for their contribution to the production process and are empowered in their organizations.

7. Working conditions

Fair Trade means a safe and healthy working environment for producers. The participation of children (if any) does not adversely affect their well-being, educational requirements and need for play and conforms to the UN Convention on the Rights of the Child, as well as the laws and norms in the local context.

8. Child labour

Fair Trade Organizations respect the UN Convention on the Rights of the Child, as well as local laws and social norms in order to ensure that the participation of children in production processes of fairly traded articles (if any) does not adversely affect their well-being, security, educational requirements and need for play. Organizations working directly with informally organized producers disclose the involvement of children in production.

9. The environment
Fair Trade actively encourages sound environmental practices and the application of responsible methods of production.

10. **Trade relations**

Fair Trade Organizations trade with concern for the social, economic, and environmental well-being of marginalized small producers and do not maximize profit at their expense. They maintain long-term relationships based on solidarity, trust, and mutual respect that contribute to the promotion and growth of Fair Trade. An interest free pre-payment of at least 50% is made if requested.

Appendix 6

The FairTrade Foundation’s staffs work in five distinct teams:

- **Certification:** The FAIRTRADE Mark is a registered certification mark which the Foundation licenses to companies to use on products which comply with international FairTrade standards and contractual requirements. The Certification Department ensures such compliance by setting up a licence agreement with each company specifying the product(s) which may carry the Mark, approving every separate use of the Mark and text referring to FairTrade, and auditing each licensee’s FairTrade activities.

- **Commercial Relations:** Covering both food and non-food products the Commercial Relations department is responsible for building business engagement with FairTrade. They are responsible for working with commercial operators to grow their sales of FairTrade certified products, with integrity, through deepening commitment to existing product categories, greater product visibility and through the introduction of new product areas.

- **Communications:** The Communications department at the FairTrade Foundation aims to build public awareness and consumer demand for FairTrade. Its programmes and campaigns include the annual FairTrade Fortnight, promotional marketing initiatives and events, local campaigning development (including FairTrade campaigns in towns, universities, schools and faith networks), media relations and PR, publications, website and supporter relations.

- **Policy & Producer Relations:** the team provides a focal point in the Foundation for the development of existing and new standards, communications with and support for producer organisations, facilitating the sourcing of products that underpin the growth of the UK FairTrade market, and research and policy development to continually improve our understanding and delivery of work in support of poverty reduction through trade.

- **Finance and Resources:** The team provides central support to the four operational teams in the Foundation and looks after finance, information technology, human resources, fundraising and office management for the organisation. The team is also responsible for the running of the governance function of the Foundation through the Annual General Meeting and meetings of the Board of Trustees.

**FairTrade Foundation Senior Management Team**

- **Executive Director:** Harriet Lamb
- **Head of Certification:** Ron Hinsley
- **Head of Commercial Relations:** Martin Hill
- **Head of Communications:** Barbara Crowther
- **Head of Finance and Resources:** Tim Gutteridge
- **Head of Policy and Producer Relations:** Chris Davis
Appendix 7- Questionnaire covering letter

Dear Respondent,

Please find attached a questionnaire headed ‘CSR Questionnaire’. CSR is the abbreviation for ‘Corporate Social Responsibility’.

This questionnaire is an investigatory study into customer’s perception of CSR. The purpose of this piece of research is to investigate the perception of consumers for different products and the extent to which customers recognise the Rainforest Alliance Coffee initiative. For this analysis to be undertaken this research will look at:

1. Customer perception to FairTrade goods.
2. Customer perception to ethical goods.
3. Customer perception to social and environmentally responsible goods.
4. Customer perception to Kenco Coffee and their coalition with the Rainforest Alliance.

The research is conducted by Mr. Nicholas Overton, who is on the MSc International Business course specialising in CSR at De Montfort University, Leicester. The author would like to assure that all data provided will be used solely in his dissertation. The author would like to assure you that all data provided will be used solely in his dissertation and solely for the expansion of understanding with reference to the research questions.

In order to answer these questions you are invited to complete the following questionnaire.

The author thanks you for reading this and asks that you take 10-15 minutes to complete the questionnaire that follows this introductory piece. Please return all completed questionnaires to the school office for the attention of Mr. Overton.

Please feel free to contact me if any questions seem unclear

The author would like to point out this questionnaire has no direct links to Red Hill Field Primary School and does not reflect the ethos of the school or reflect on any of the staff within the school apart from the researcher

Many thanks

Mr. Nick Overton
(MSc International Business Student at De Montfort University).
Appendix 8 - Questionnaire

What gender are you?

- Male
- Female
- wish not to comment

Age?

- 0-11
- 12-17
- 18-24
- 25-44
- 45-64
- 65+
- wish not to comment

What nationality would you class yourself as?

................................................................................................................................................................

What does Corporate Social Responsibility (CSR) mean to the respondent?

................................................................................................................................................................
................................................................................................................................................................
................................................................................................................................................................
................................................................................................................................................................
................................................................................................................................................................
................................................................................................................................................................
................................................................................................................................................................
What occupation are you?

- Full time Student
- Part time Student
- Distance Student
- Full time work
- Part time work
- Househusband
- Housewife
- Retired
- Self-employed
- Graduate
- Unemployed
- Other (please specify)

Which field do you work within?

- Administration
- Advertising, marketing and PR
- Animal and plant resources
- Charity and voluntary work
- Construction and property
- Creative arts and design
- Education
- Engineering, manufacturing and production
- Environment
- Financial management and accountancy
- Media and broadcasting
- Mining and land surveying
- Performing arts
- Publishing and journalism
- Health care
- Hospitality and events management
- Human resources and employment
- Information services
- Information technology
- Insurance and pensions
- Law enforcement and protection
- Legal profession
- Leisure, sport and tourism
- Management and statistics
- Retailing, buying and selling
- Scientific services
- Social care and guidance work
- Transport, logistics and distribution
Which of the following best describes your study area?

<table>
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<th>Studies Area</th>
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<th>Postgraduate (MSc/MA/PhD etc)</th>
<th>Staff</th>
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What type of beverage (hot drink) do you buy?

<table>
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<tr>
<th>Beverage</th>
<th>Cheapest (i.e., Tesco Value, etc...)</th>
<th>Fair Trade (i.e., Café direct, etc...)</th>
<th>Known brand (i.e., PG Tips, etc...)</th>
<th>Types with the Rainforest Alliance logo.</th>
<th>Recommended type</th>
<th>Style influenced choice</th>
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<tr>
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<tr>
<td>Hot Chocolate</td>
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<tr>
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<td>Fruit Tea</td>
<td></td>
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<tr>
<td>Green Tea</td>
<td></td>
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<tr>
<td>Other</td>
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To what extent do you think:

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<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>N/A</th>
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<tr>
<td>Fair Trade is a reasonable concept</td>
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<td>companies should act in an environmentally responsible way</td>
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<tr>
<td>companies should act in a socially responsible way</td>
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<td>consumers should buy Environmentally responsible products</td>
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<td>you understand Fair Trade</td>
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<tr>
<td>you understand Corporate Social Responsibility (CSR)</td>
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<td>you understand green consumerism</td>
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<tr>
<td>you understand ethical sourcing</td>
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<tr>
<td>Socially Responsible products provide better quality in comparison to ordinary goods</td>
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<td>Socially Responsible products are at a reasonable price</td>
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Which of these factors would influence your buying behaviour- Please rate on a scale of 1 to 7, 1 being not important and 7 being most important?

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<th>Two</th>
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Thinking of Kenco to what extent do you think they:

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<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
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<td>are pursuing the Rainforest Alliance ethos for ethical reason</td>
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<td>are seen as an environmentally responsible company</td>
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<td>are forced to adopt an alliance with the Rainforest Alliance</td>
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## What is your perception of the following brands?

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<td>Body shop products</td>
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<td>Nescafe</td>
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<td>Douwe Egberts</td>
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<td>Café direct</td>
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<td>Lavazza</td>
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<td>British Airways</td>
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</table>
Appendix 9- Questionnaire- End Letter

The author of this survey would like to thank you for participating in this research and would again like to assure you that all data provided will be used solely in his dissertation and solely for the expansion of understanding with reference to the research question outlined within the introduction.

As introduced at the beginning in the introduction letter the data will be used to judge yours and others perceptions of on a range of Corporate Social Responsibility (CSR) issues. The data will be used as part of a Master’s dissertation in accordance with De Montfort University Research Outline Procedure.

Please could all completed questionnaires be submitted to the school office for the attention of Mr Overton.

The author would again like to thank you,

Kind Regards,

Mr. Nicholas Overton
Master student on IBCSR course

Contact Detail and return address.

F.A.O Mr Overton
Red Hill Field Primary School,
Copt Oak Road,
Narborough,
Leicester,
Leicestershire
LE19 3EF

E- Mail: p05076134@learner.dmu.ac.uk
Appendix 10 results

Questions One- What gender are you?

<table>
<thead>
<tr>
<th>Gender</th>
<th>Count</th>
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<tbody>
<tr>
<td>Male</td>
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<tr>
<td>Female</td>
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Question Two- Age?

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<td>18-24</td>
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<td>65+</td>
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Question Three- What nationality would you class yourself?

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<td>Thai</td>
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<td>Zambian</td>
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<td>Greek</td>
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<td>Czech</td>
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<td>Welsh</td>
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<tr>
<td>Irish</td>
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</table>

Question Four- What does Corporate Social Responsibility (CSR) Mean to the Respondent?

1. Having a social conscience about where and at what price and cost to the earth, good and services are sourced and what sort of profit margins companies make.
2. An organisation ensuring that the business addresses issues ethically.
3. Businesses taking responsibility for the actions, both internally and externally.
4. For companies to look at the best way to serve their customers in an ethical and responsible manner, not always looking at the financial aspect but sometimes looking at the social effects of manufacturing their products.
5. The businesses policies towards ethical and social issues.
6. A company should do as much as possible to look after our planet and to care for the workers etc.
7. Ethics and responsibility of corporate entities towards the masses.
8. That the relevant company has and is committed to a responsibility to the environment and society when conducting their businesses.

9. Ethical buying and awareness- the power of the customer in changing society choices and ultimately how society runs and changes

10. The responsibility corporate business has in engaging and encouraging social and moral issues to be raised.

11. I have not heard of the acronym CSR until reading this survey. However I do believe I agree with the principles of CSR.

12. Where companies source products from growers who they support financially and ethically they pay a fair price for the goods and spend money investing in their growers.

13. At a guess the responsibility of large companies to the native people of the country where they manufacture or harvest the product. Also to that region itself i.e. if timber is being harvested replacing the tree when they are used. Treating the workers fairly and to a minimum wage at least. Being aware of their impact on the environment.

14. He companies have responsibility to pay a fair wage and conditions to people involved in the product.

15. Business practise for the pursuit of profits without damaging the environment or exploiting humans or animals

16. Companies/ Industry have a moral and social responsibility to the environment and society in general.

17. Big organisation taking actions to ensure the safety and health of the general public. Through product design, publicity and service and employment.

18. The responsibility of all businesses to ensure that there is minimal negative impact on areas, countries, global etc... On any decision they make I believe they would have to look at the impact on areas relating to any decision that they make.

19. That we are all responsible for ensuring
   a. That all projects we use comes from sustainable resources.
   b. That worker used the production and harvesting of goods is treated fairly and honestly of their right are not infringed in any way.

20. We should all do our best to promote fair standard fall all in trade from around the world; therefore we should chose well when we buy out products knowing how providing that product to us. Will affect the environment and also individuals and communicates where items are product or provided. It is the responsibility of evidence to guarantee equality and keeps the planet safe.

21. To act in a way that protects and preserves the environment.

22. I think it is about the big wigs being more responsible for the products that they are making and the effect they are having on the earth and rather people putting the planet and workers and people first.
23. The way in which business operates to improve their social standing and to improve the standard of living for the people who are involved in this process. CSR is about making sure all people and companies are treated fairly and all given equal opportunity.

Question Five - What occupation are you?

<table>
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<th>Occupation</th>
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<td>Distant Student</td>
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Question Six - Which field do you work within?

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<td>Animal and plant resources</td>
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<td>Charity and voluntary work</td>
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<td>Construction and property</td>
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<td>Law enforcement and protection</td>
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<td>Leisure, sport and tourism</td>
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<td>Management and statistics</td>
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<td>Media and broadcasting</td>
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<td>Mining and land surveying</td>
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<td>Performing arts</td>
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</tr>
<tr>
<td>Publishing and journalism</td>
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</tr>
<tr>
<td>Retailing, buying and selling</td>
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</tr>
<tr>
<td>Scientific services</td>
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</tr>
<tr>
<td>Social care and guidance work</td>
<td>0</td>
</tr>
<tr>
<td>Transport, logistics and distribution</td>
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<tr>
<td>Childcare</td>
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<td>Holistic therapist</td>
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**Question Seven** - **What area best describes your study area**

<table>
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<th>Area</th>
<th>undergraduate</th>
<th>Postgraduate</th>
<th>Staff</th>
<th>Other</th>
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<tr>
<td>Art and Design</td>
<td>1</td>
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<td></td>
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<td>Business—accounting</td>
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<td>9</td>
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<tr>
<td>Business—marketing</td>
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<td></td>
<td>1</td>
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<tr>
<td>Business—public policy</td>
<td>2</td>
<td></td>
<td></td>
<td>1</td>
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<tr>
<td>Business strategy</td>
<td>1</td>
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<tr>
<td>Education</td>
<td>2</td>
<td>1</td>
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<tr>
<td>Geography</td>
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<tr>
<td>Health and social science</td>
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<td>History</td>
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<td>Law</td>
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<td>Performing arts</td>
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<td>Science</td>
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</tbody>
</table>
### Questions 8- What type of beverage (hot drink) do you buy?

<table>
<thead>
<tr>
<th></th>
<th>cheapest</th>
<th>Fair Trade</th>
<th>known brand</th>
<th>Rainforest Alliance</th>
<th>Recommended</th>
<th>style</th>
<th>other</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>tea</td>
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<td>23</td>
<td>31</td>
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<td>4</td>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td>coffee</td>
<td>10</td>
<td>28</td>
<td>26</td>
<td>2</td>
<td>8</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>hot chocolate</td>
<td>10</td>
<td>21</td>
<td>29</td>
<td>4</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
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<td>cocoa</td>
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<td>17</td>
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<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>fruit drink</td>
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<td>15</td>
<td>1</td>
<td>2</td>
<td></td>
<td>4</td>
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<tr>
<td>green tea</td>
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<td>1</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td></td>
<td>5</td>
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</tr>
</tbody>
</table>

### Question Nine- To what extent do you think?

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>agree</th>
<th>neutral</th>
<th>disagree</th>
<th>strongly disagree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Trade is a reasonable concept</td>
<td>24</td>
<td>18</td>
<td>14</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>companies should act in a Environmentally Responsibly way</td>
<td>31</td>
<td>17</td>
<td>11</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>companies should act in a Socially Responsibility way</td>
<td>31</td>
<td>18</td>
<td>13</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>consumers should buy Environmentally Responsibly products</td>
<td>14</td>
<td>21</td>
<td>11</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>consumers should buy Socially Responsibility products</td>
<td>15</td>
<td>29</td>
<td>18</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>consumers should buy Ethically sources products</td>
<td>4</td>
<td>28</td>
<td>24</td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>you understand Fair Trade</td>
<td>14</td>
<td>27</td>
<td>12</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>you understand Corporate Social Responsibility (CSR)</td>
<td>16</td>
<td>22</td>
<td>18</td>
<td>7</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>you understand Green Consumerism</td>
<td>8</td>
<td>27</td>
<td>21</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>you understand Ethical sourcing</td>
<td>7</td>
<td>35</td>
<td>16</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Socially Responsible product provide better quality in comparison to ordinary goods</td>
<td>3</td>
<td>14</td>
<td>29</td>
<td>13</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Socially Responsible product are at a reasonable price</td>
<td>3</td>
<td>13</td>
<td>27</td>
<td>12</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

Comments to go with questionnaire
1. Don’t know so cannot comment.
Question Ten: *Which of these factors would influence your buying behaviour? Please rate on a scale of 1 to 7, 1 being not important and 7 being to most important aspects?*

<table>
<thead>
<tr>
<th>Factor</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five</th>
<th>Six</th>
<th>Seven</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>1</td>
<td>1</td>
<td>16</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Range</td>
<td>3</td>
<td>2</td>
<td>17</td>
<td>9</td>
<td>6</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>Brand reputation</td>
<td></td>
<td></td>
<td>16</td>
<td>3</td>
<td>15</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Loyalty to other brands</td>
<td>13</td>
<td>9</td>
<td>15</td>
<td>6</td>
<td>8</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Peer pressure</td>
<td>29</td>
<td>10</td>
<td>18</td>
<td>11</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presentation of product</td>
<td>12</td>
<td>10</td>
<td>20</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Lack of information about the</td>
<td>8</td>
<td>4</td>
<td>29</td>
<td>12</td>
<td>9</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>5</td>
<td>3</td>
<td>26</td>
<td>6</td>
<td>32</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Packaging</td>
<td>7</td>
<td>9</td>
<td>16</td>
<td>15</td>
<td>7</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Personal beliefs</td>
<td>2</td>
<td>6</td>
<td>14</td>
<td>7</td>
<td>12</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Lack of finance</td>
<td>1</td>
<td>2</td>
<td>17</td>
<td>6</td>
<td>11</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Other pressure</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other pressures listed:
1. Time constraint when shopping
2. Personal taste
3. Personnel flavour
4. Children’s fads
5. Friend’s taste when entertaining.
**Question 11- Thinking of Kenco to what extent do you think they?**

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>are pursuing the Rainforest Alliance ethos for Ethical reason</td>
<td></td>
<td>32</td>
<td>25</td>
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<td>7</td>
<td>5</td>
</tr>
<tr>
<td>are pursuing the Rainforest Alliance ethos for Financial reason</td>
<td></td>
<td>19</td>
<td>32</td>
<td>7</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>are pursuing the Rainforest Alliance ethos for Reputational reason</td>
<td>11</td>
<td>26</td>
<td>25</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>are pursuing the Rainforest Alliance ethos for Social reasons</td>
<td></td>
<td>22</td>
<td>32</td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>are pursuing the Rainforest Alliance ethos for Legal reason</td>
<td></td>
<td>17</td>
<td>25</td>
<td>9</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>are pursuing the Rainforest Alliance ethos due to Voluntary measures</td>
<td></td>
<td>23</td>
<td>42</td>
<td>5</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>are following a trend by joining the Rainforest Alliance</td>
<td></td>
<td>8</td>
<td>25</td>
<td>30</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>are following a growth of FairTrade by joining the Rainforest Alliance</td>
<td></td>
<td>7</td>
<td>53</td>
<td>19</td>
<td>5</td>
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<td>are following a growth in ethical consumerism by joining the Rainforest Alliance</td>
<td></td>
<td>8</td>
<td>25</td>
<td>17</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Are following competition by joining the Rainforest Alliance</td>
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<td>7</td>
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<td>14</td>
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<td>6</td>
</tr>
<tr>
<td>are following market opportunities by joining the Rainforest Alliance</td>
<td></td>
<td>10</td>
<td>19</td>
<td>27</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>are seen as an Ethical company</td>
<td></td>
<td>5</td>
<td>21</td>
<td>23</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>are seen as a Socially Responsible company</td>
<td></td>
<td>4</td>
<td>25</td>
<td>21</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>are seen as a Environmentally Responsible company</td>
<td></td>
<td>2</td>
<td>21</td>
<td>23</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>are forced to adopt an alliance with the Rainforest Alliance</td>
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<td>9</td>
<td>30</td>
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<td>9</td>
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</table>
**Question 12 - What is your perception of the following brands?**

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<tr>
<th>Brand</th>
<th>Very Ethical</th>
<th>Ethical</th>
<th>Neutral</th>
<th>Unethical</th>
<th>Very Unethical</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG Tips</td>
<td>2</td>
<td>12</td>
<td>35</td>
<td>1</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Body shop products</td>
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<td>25</td>
<td>9</td>
<td>3</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Nestle chocolate drink</td>
<td></td>
<td>12</td>
<td>27</td>
<td>18</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Kenco Coffee</td>
<td>3</td>
<td>11</td>
<td>14</td>
<td>1</td>
<td></td>
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</tr>
<tr>
<td>Nescafe</td>
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<td>10</td>
<td>32</td>
<td>13</td>
<td>2</td>
<td>4</td>
</tr>
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<td>Tesco own brand Coffee</td>
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<td>35</td>
<td>6</td>
<td>1</td>
<td>5</td>
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<td>Sainsbury's own brand coffee</td>
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<td>6</td>
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<td>Asda own brand Coffee</td>
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<td>43</td>
<td>6</td>
<td></td>
<td>6</td>
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<tr>
<td>Co-Op own brand Coffee</td>
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<td>24</td>
<td>4</td>
<td></td>
<td>7</td>
</tr>
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<td>4</td>
</tr>
<tr>
<td>Café direct</td>
<td>28</td>
<td>4</td>
<td>33</td>
<td>5</td>
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<td>4</td>
</tr>
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<td>Lavazza</td>
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<td>4</td>
</tr>
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<td>British Airways</td>
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<td>5</td>
<td>31</td>
<td>26</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Virgin company</td>
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<td>26</td>
<td>21</td>
<td>14</td>
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</tr>
<tr>
<td>Shell</td>
<td>1</td>
<td>1</td>
<td>29</td>
<td>17</td>
<td>15</td>
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<tr>
<td>BP</td>
<td>1</td>
<td></td>
<td>21</td>
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<td>14</td>
<td>6</td>
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</tbody>
</table>
Appendix 11

Sampling Frame

<table>
<thead>
<tr>
<th>De Montfort University</th>
<th>Approximately 85 Postgraduates.</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Montfort University</td>
<td>Approximately 250 Undergraduates.</td>
</tr>
<tr>
<td>De Montfort University</td>
<td>15 Staff</td>
</tr>
<tr>
<td>Red Hill Field Primary School</td>
<td>286 Parents</td>
</tr>
<tr>
<td>Make Poverty History e-mail network</td>
<td>115 Respondents</td>
</tr>
</tbody>
</table>

Actual sampling frame

Pilot sample
5 from the 250+85+15 at De Montfort University

Survey
All 286 Parents (215 survey sent out due to parents having more than I child at Red Hill Field Primary School).
Appendix 12

The principles of the Code:

These are the core principles of the MRS Code of Conduct which are based upon the ESOMAR principles (visit www.esomar.org for more details):

1. Market researchers will conform to all relevant national and international laws.
2. Market researchers will behave ethically and will not do anything which might damage the reputation of market research.
3. Market researchers will take special care when carrying out research among children and other vulnerable groups of the population.
4. Respondents’ cooperation is voluntary and must be based on adequate, and not misleading, information about the general purpose and nature of the project when their agreement to participate is being obtained and all such statements must be honoured.
5. The rights of respondents as private individuals will be respected by market researchers and they will not be harmed or disadvantaged as the result of cooperating in a market research project.
6. Market researchers will never allow personal data they collect in a market research project to be used for any purpose other than market research.
7. Market researchers will ensure that projects and activities are designed, carried out, reported and documented accurately, transparently, objectively and to appropriate quality.
8. Market researchers will conform to the accepted principles of fair competition.

The structure of the Code:

Section A of the Code sets out general rules of professional conduct.

Section B of the Code sets out more specific rules of professional conduct as they apply in different aspects of research.

The Appendix sets out the ICC/ESOMAR International Code of Marketing and Social Research Practice.

All MRS Members must adhere to the rules in Sections A and B of the Code.

MRS Guidelines and Regulations

A full list of guidelines, which provide additional best practice guidance, appear on the Society’s website www.mrs.org.uk. Unless otherwise stated these guidelines are not binding. Binding guidelines currently in force are as follows:

1. MRS guidance on data protection (which has been written and agreed with the regulator, the Information Commissioner’s Office) is binding on Members (except those that are published as consultative drafts).
2. MRS Guidance Note on Prize Draws which is based on other self-regulatory rules.

MRS regulations, including those for using research techniques for non-research purposes (which are detailed in a separate document), are binding on Members.

MRS Disciplinary Regulations

Under the MRS Disciplinary Regulations, membership may be withdrawn or other disciplinary action taken, if a Member is deemed guilty of unprofessional conduct. This is defined as a Member:

a) being guilty of any act or conduct which, in the opinion of a body appointed by Council, might bring discredit on the profession, the professional body or its Members; or
b) being found by a body appointed by Council to be guilty of any breach of the rules set out in Sections A and/or B of this Code of Conduct; or
c) being found by a body appointed by Council to be guilty of any breach of the provisions set out in any MRS binding guideline laid down from time-to-time by the Council; or

d) being found by a body appointed by Council to be guilty of any breach of any other regulations laid down from time-to-time by Council; or

e) failing without good reason to assist the professional body in the investigation of a complaint; or

f) in the absence of mitigating circumstances having become bankrupt or having made any arrangement or composition with his/her creditors; or

g) being found to be in breach of the Data Protection Act 1998 or other comparable legislation applicable outside the UK. Or being found, by a body appointed by Council, to have infringed any of the 8 data protection principles set out in the Act or similar provisions set out in comparable legislation outside the UK.

Note that where more than one MRS Member is involved in a matter under complaint, whilst the MRS reserves the right to proceed with an investigation and other relevant processes against all such Members under its Disciplinary Regulations, it will usually apply its discretion to proceed only against the most senior MRS Member(s) involved.
Personal Statement

This second semester the author has thoroughly enjoyed his studies at DeMontfort University, Leicester, and has enjoyed finally getting to the Dissertation stage of this his MSc in International Business. The author did not undertake a dissertation within his undergraduate degree and has looked forward to doing a dissertation within this specialist subject. The title of his thesis; An evaluation of customer perceptions of coffee manufacturers and their CSR activities - The case of Kenco Coffee and the Rainforest Alliance, reflected the personal interest of the author, this was also an area which as an undergraduate student he was interested in. The project evolved around the Coffee industry and in particular Kenco Coffee. The author believes coffee is now one of the most commonly brought sustainable product and the author wanted to try and understand from a business perspective what the rationale for their decision making was. The purpose of this research was to try to see what customers’ perception of the actions are and why the huge coffee making manufactures would align themselves with NGO’s such as the Rainforest Alliance.

The project was completed between May 2009 and September 2009 and the author has thoroughly enjoyed the journey this piece of research has taken him on. In particular the author has enjoyed the results and analysing part of his thesis as it was a real pleasure to see the whole of the work coming together and be put together. The author also enjoyed the fact the research outcomes were met, this was another positive the author enjoyed. The author thirdly enjoyed the fact for his first research thesis the outcome were credible and he believes the findings of this research can actually added to the academic understanding of the subject, and if not it has definitely answered some of the question the researcher had when he set out in September 2008 with this MSc Degree. The project as a whole has not been without difficulties but the author believes it has challenged him positively has brought out and helped developed skills and qualities which will be of huge and significant importance later in life.

The author believes this has been beneficial as it has allowed him to experience what a research thesis entails and it has provided him with an insight into the world of research and has spurred him on to want to remain within Education and has provided an opening with which the author would like to continue this research in the form of a PhD. The author has since left the University to undertake a PGCE (Post Graduate Certificate of Education) in Primary education although would like to return after this to complete the further research in the form of his PhD study.
The author also feels this has lead to a fuller and more comprehensive understanding of CSR and the world of ethics and sustainability.

Overall, the author feels this semester has been beneficial to his development both on a personal level with the development to my interpersonal skills and to my management potential, but also on an academic level with significant increases in his understanding of academic practice and how to write and publish successful research thesis. The author also feels he have had the opportunity to really apply skills he have and a real time to express the future potential he feels he has within an academic environment

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