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Fair Trade Managerial Practices: Strategy, Organisation and Engagement

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ABSTRACT. The number of distributors selling Fair Trade products is constantly increasing. What are their motivations to distribute Fair Trade products? How do they organise this distribution? Do they apply and communicate the Fair Trade values? This research, based on five case studies in Switzerland, aims at understanding and structuring the strategies and the managerial practices related to Fair Trade product distribution, as well as analysing if they denote an engagement with Fair Trade principles. The results show a high heterogeneity of strategies and engagement. In general, strategies implemented by mainstream actors contribute to increase Fair Trade global sales but do not convey the transformative message of Fair Trade through their engagement. The latter is rather communicated through alternative channels. Problems and potential solutions to this issue are discussed.

KEY WORDS: Fair Trade, strategy, engagement, Fair Trade principles, Fair Trade products, distribution, corporate social responsibility (CSR), case studies, Switzerland

ABBREVIATIONS: ASRO: French-speaking Switzerland World Shops Association; CSR: Corporate social responsibility; MdM: Magasin du Monde; NA: Not applicable

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Introduction

The Tsunami in South-East Asia in late 2004 generated an unprecedented amount of donations from individuals and corporations. Foundations created by companies representing the capitalist ideology are increasingly blossoming throughout the world, giving a concrete meaning to the term corporate philanthropy. Are we facing a new rationality of firms? Could economic concepts such as market, competitiveness, and trade include notions like fairness, solidarity, or justice? The Fair Trade movement might be a sound example of a commercial vision including all these concepts.

Fair Trade is on the European Union and International Trade Centre agenda; Fair Trade is a research topic for a growing number of academics; Fair Trade is present at McDonald's and Nestlé. In a word, Fair Trade is conglomerating. According to FINE, a network of four Fair Trade organisations, ''Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, disadvantaged producers and workers – especially in the South. Fair Trade organisations (backed by consumers) are actively engaged in supporting producers in awareness raising and in campaigning for changes in the rules and practices of conventional international trade'' (Bowen, 2001, p. 24). This frequently cited Fair Trade definition (Bacon, 2005; Jones et al., 2003a; Moore, 2004; Taylor, 2005) shows three essential actors: marginalised producers that are mainly located in the South, organisations that coordinate and promote Fair Trade, and consumers, who regulate the quantity of products sold (supply being in excess) and thus the number of producers able to enter the Fair Trade network. Where are the distributors?[1] Distributors are catching the Fair Trade train and increasingly start selling these 'clean' products (Krier, 2005, p. 9).

Fair Trade products were traditionally traded by organisations totally involved in the movement (Bowen, 2001). However, the movement has gradually organised itself. During the second half of the 1980s (Bowen, 2001), Fair Trade outflanked NGOs, associations and goodwill organisations to reach the mainstream distribution and, eventually, transnational corporations. This new strategic orientation has increased Fair Trade sales drastically (Raynolds, 2000).

The number of sales outlets distributing Fair Trade products reached 78,900 in Europe in 2005 (Krier, 2005, p. 9), showing that the distribution network is not constituted by a few isolated actors. Based on this observation and the growing interest in Fair Trade distribution, two research objectives have been designed:

– To understand the companies' motivations to distribute Fair Trade products.
– To analyse how companies organise the distribution of Fair Trade products.

The description of different strategies related to the Fair Trade product distribution will be derived from the analysis. These issues might be interesting not only for existing Fair Trade distributors as benchmark, but also for firms that plan to distribute Fair Trade products due to their growing success. Moreover, this study is carried out on the Swiss market, which is considered a big Fair Trade success (Krier, 2005, p. 65).

The results related to the aforementioned objectives concern managerial practices and business strategies related to Fair Trade product distribution. They are firm-oriented. The final objective deals with the Fair Trade perspective. Originally, the Fair Trade message was "as much about participating in a transformative programme of action as it was about consuming a product" (Low and Davenport, 2005, p. 505). However, Low and Davenport argue that the mainstreaming of Fair Trade has replaced the transformative message of international trade reform by the "shopping for a better world" message. Thus, the last objective is:

– To evaluate the engagement of the distributors with the Fair Trade principles.

The underlying aim is to analyse whether the Fair Trade values (the transformative message) are still conveyed by the distributors in addition to the Fair Trade products. We will then discuss whether and how the different strategies related to Fair Trade product distribution contribute to reach the Fair Trade objectives. The evaluation of distributor engagement relies on a scale proposed by Low and Davenport (2005) (refer to Figure 1). The five cases analysed in this research characterise the different types presented in the scale. Fair Trade mainstreaming being at the centre of an ideological debate, between proponents of a market-led and an activist-led system (e.g. Renard, 2005; Shreck, 2005; Taylor, 2005), the discussion related to the last objective also aims to increase the comprehension of the contribution that organisations in each system bring to Fair Trade, as well as their limits.

Theoretical framework

Fair trade coordination and market structure

Fair Trade can be considered according to two different perspectives (Raynolds, 2000; Renard, 2003). It can be, on the one hand, a simple extension of conventional trade, including additional rules and standards. On the other hand, it can be considered as a tool to modify the rules and practices of conventional trade. These two perspectives are materialised by two types of distribution (Bezençon and Blili, 2006; Low and Davenport, 2005). Respectively, the first, more pragmatic, exploits mainstream channels to broaden the targeted consumers and consequently open market access to producers. The second, more ideological and corresponding to Fair Trade originally, uses alternative distribution channels totally dedicated to Fair Trade, including distributors such as world shops. In the first case, a label is necessary to distinguish conventional products from Fair Trade ones, whereas in the second, all products originate from Fair Trade and thus, do not necessarily carry a label.

Each distributor must buy a licence from the 'national labelling initiative' to have the right to use the Fair Trade label (FLO, 2006). The most well known are Max Havelaar (e.g. in the Netherlands, Switzerland and France), TransFair (USA,

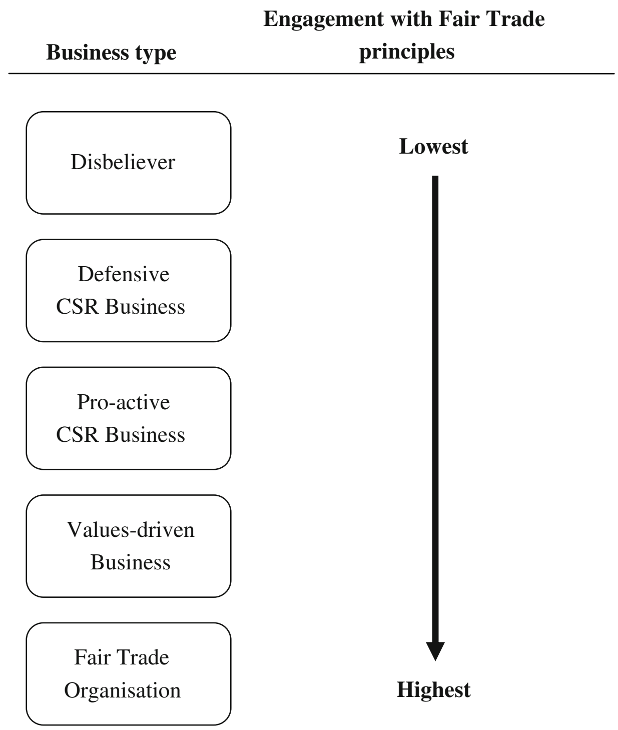

Figure 1. The scale of engagement with Fair Trade principles, adapted from Low and Davenport (2005).

Canada and Germany), or Fairtrade Foundation (UK). Thus, Fair Trade labels might differ according to the country and, although some labelling initiatives have the same name, they are independent from one another (I7; this notation refers to the corresponding interview listed in Table II). The buyer must respect the standards, namely, pay at least a minimum price fixed for the product, pay the Fair Trade premium, partially pay in advance if the producer group requires it, and finally, sign contracts that allow for long-term planning (FLO, 2008a).

Max Havelaar Switzerland is considered as "one of the big Fair Trade success" (Krier, 2005, p. 65), leading the country to the forefront of Fair Trade distribution. According to Krier, this is mainly due to Migros and Coop, the two main supermarket chains, which hold >75% of the retail market shares and which both started distributing Fair Trade products early. Thus, Switzerland is an interesting place to investigate, because there might be some lessons to draw from the long-time experience in mainstreaming Fair Trade products.

Market opportunity: consumer and distributor alignment

The consumer demand for Fair Trade products is rapidly increasing in many Northern countries; estimated worldwide sales of labelled products grew by 187% from 2004 to 2007 (FLO, 2005, 2008b). Indeed, among the different social, environmental, and organic labels, Fair Trade is one of the most preferred (De Pelsmacker et al., 2005b; Loureiro and Lotade, 2005). In addition, De Pelsmacker et al. (2006) showed that the knowledge and the attitudes of the general public in Belgium globally support the Fair Trade concept. Furthermore, consumers are willing to pay more for Fair Trade labelled products: Belgians are prepared to pay 10% more (De Pelsmacker et al., 2005a), whereas the actual price of the Fair Trade attribute (the marginal value) corresponds to 9% in Italy (Maietta, 2003). Although these findings may be country dependent and may not apply entirely to Switzerland, they show a general growing interest in Fair Trade products.

Strong (1996) sees in Fair Trade an opportunity for distributors to gain strategic competitive advantage, through targeting the ethical consumer market segment. In the same way, Nicholls (2002, p. 6) argues that addressing the Fair Trade market (in the UK) offers retailers ''not only the opportunity to develop their profile in terms of corporate social responsibility (CSR), but also a chance to develop a competitive advantage in a new niche market''. Jones et al. (2003b, p. 84) state that some UK retailers increasingly try to build customer relationships through Fair Trade ''in the belief that this will strike an important chord with a growing number of consumers''. However, while all the major grocery retailers emphasise their broad policy commitment to Fair Trade products, they do not feature prominently in promotional messages. Jones et al. (2003b) also notice that retailers face constraints and problems in sourcing a wider range of products, in maintaining regular and reliable supplies with small and marginal producers, as well as in managing the costs of Fair Trade products.

Thus, due to the growing size of the Fair Trade market, the consumer support and positive attitude towards the concept, the distribution of Fair Trade products might represent an opportunity for companies either as a new niche market or as a means to gain a competitive advantage through the development of their CSR profile. CSR can be defined as the firm's voluntary actions designed to accomplish social and environmental benefits beyond the legal requirements. Using this definition that synthesises a central thread in the literature (e.g. Aguilera et al., 2007; Davis, 1973; Mackey et al., 2007; McWilliams and Siegel, 2001), it is easy to place Fair Trade distribution within the CSR framework as a voluntary firm action aiming to improve social and environmental conditions.

Except for the mentioned difficulties in sourcing a wide range of Fair Trade products, the literature is not prolific about potential managerial problems or threats related to their distribution. Moreover, it states the types of opportunities that Fair Trade offers to firms, but does not specify how the distribution of Fair Trade products can be internally organised. These organisational aspects are explored in this research, through the description and analysis of the distribution strategy of five companies, not in terms of performance but in terms of their engagement with Fair Trade principles.

Engagement with Fair Trade principles

Low and Davenport (2005) proposed a scale of retailer engagement with Fair Trade principles, partly using Nicholls (2002) terminology. The scale consists of five possible business types, from the most to the less engaged: 'Fair Trade Organisation', 'Values-driven Business', 'Pro-active CSR Business', 'Defensive CSR Business' and 'Disbeliever' (refer to Figure 1).

The strategies identified and named in this research are inferred from the objectives and the organisational form of companies with regard to Fair Trade product distribution. They cannot be ordered nor classified on a linear scale because they are complex constructs involving numerous dimensions. On the other hand, the business types defined in Figure 1 are ordered and define a level. Thus, different strategies can lead to the same business type with regard to Low and Davenport's scale, which means the same level of engagement.

Each strategy identified in this research will be classified using this scale in order to assess its engagement with Fair Trade principles. This will show whether the transformative message of Fair Trade (its values) is still conveyed by the firm implementing the strategy and thus, whether there is an alignment between the company's strategy and the Fair Trade objectives.

In order to classify the cases analysed in this research, further explanations on the specificities of each business type defined by Low and Davenport are required. The aim of Fair Trade organisations is to improve producer well-being. They generally sell only Fair Trade goods and participate to the development of the Fair Trade movement through their membership in umbrella organisations. The defining characteristic of values-driven businesses is a high ''degree of embeddedness of ethical principles in their business practices and their willingness (mission) to promote Fair Trade principles'' (Low and Davenport, 2005, p. 501). Although Pro-active CSR businesses have a relatively high degree of engagement with Fair Trade principles, they do not fully embrace the practice of Fair Trade. They ''are likely to stock Fair Trade goods as only one element in their armoury of consumer choice'' (Low and Davenport, 2005, p. 502). Defensive CSR businesses sell Fair Trade goods usually as a response to pressure from campaigning groups and other stakeholders. Social and environmental issues are rather viewed in terms of cost/benefit than in a broader, indirect stakeholder perspective. Almost none of the Fair Trade principles is exhibited by the company's practices. Finally, disbelievers are sceptical about corporate engagement in social or environmental actions and do not stock Fair Trade products. This category is not analysed in this research.

Key management factors

In order to analyse the organisation of companies with regard to Fair Trade products, we will first identify the important variables, the key management factors, which intervene in the distribution of those products. This identification allows to position the companies in relation to these factors and to define their strategy.

According to our understanding, key management factors are practices and aspects of purchasing, merchandising, marketing, and coordination of the organisation that prove to be critical with the aim of mastering its value chain dedicated to Fair Trade products. Relying on the general contingency theory (e.g. Burns and Stalker, 1961; Lawrence and Lorsch, 1967; Mintzberg, 1979) specifying that the organisational structure and the strategy are influenced through diverse internal and external variables, we postulate that those factors must be put into perspective and interpreted according to the attributes of each human, historic, and situational environment.

Key management factors can be identified using an instrument of companies' global strategic analysis. Filion (1994) presented an appropriate instrument because it covers the different functions and activities of a company highlighting its diverse strategic variables. These latter variables have been adapted and contextualised to the distribution of Fair Trade products, producing the key management factors presented in Table I, with their definitions. Some of the adapted factors, such as 'supply chain management' or 'pricing' are deliberately presented in a general manner, in order to have a global perspective on the company's strategy concerning those factors.

This research does not have an ambition to determine, for each key management factor, what is the best strategy. It aims at analysing the position of each surveyed company against the key management factors of the Fair Trade product distribution.

Methods

The lack of research focussing on the organisation of distributors with regard to Fair Trade gives this research an exploratory orientation. Consequently, we use multiple-case study design, choosing exemplary cases in Switzerland according to Yin (2003) method, which induces to choose a theoretical sampling rather than a random sampling (Eisenhardt and Graebner, 2007). The aim is not to generalise, but to explore the managerial practices, identify the related strategies, and then propose a theoretical link between each strategy and the engagement with the Fair Trade principles. Thus, the companies selected for analysis, namely, Coop, Switcher, La Semeuse, McDonald's Switzerland, and the Magasin du Monde (MdM) have been chosen because they are very different in their size and economic activity and therefore have more chance to differ in their organisation of Fair Trade product distribution. Using this method, the range of strategies stemming from the analysis is more likely to be complete and interesting. Among the five companies selected, MdM is the only one belonging to the alternative distribution of Fair Trade, which involves actors trading exclusively Fair Trade products.

For each case, the first step consisted in the content analysis of different information sources on the company, such as the corporate management report, the CSR report, and the company's website in order to derive the position of the company with regard to the key management factors defined previously. Then, these data were supplemented with different interviews with the person responsible for managing Fair Trade or social and environmental products within the company or, if such a position did not exist, with the closest person to that position. In the case of a small company having <50 employees, we asked for an interview with the managing director. A second round of interaction, either by phone or by e-mail, was carried out afterwards. The interview guide draws on the instrument of Filion (1994) contextualised to the Fair Trade product distribution. The guide was

TABLE I

Key management factors adapted to the distribution of Fair Trade products

Factors	Definition/Explanation
Economic activity	According to the General classification of economic activities issued by the Swiss Federal Office of Statistics (OFS, 2002)
Size (employees)	Size of the company in number of employees
Turnover in US$ (2005)	Turnover of the company in US dollars in 2005
Distribution date	Date of the beginning of Fair Trade product distribution
Fair Trade product selection	Describes the different Fair Trade products sold by the company
Fair Trade specific department	Does the company handle Fair Trade products separately, within a dedicated department? This department could have a broader aim, grouping different social/environmental products
Department size (employees)	Number of employees working in the department specific to Fair Trade, if such a department exists
Employees' personal interest in Fair Trade	This variable defines if the employees working in the specific department or if some other employees are personally involved in Fair Trade, if they know the related issues and adhere to the ideology
Main CSR policy	This variable synthesises the company's strategic orientation concerning CSR
Supply chain management	Describes how Fair Trade products purchasing is performed, by comparing it with conventional products
Personal relations with producer groups	Variable describing whether the company knows the producers of raw material, whether it has regular contacts with them and whether so, the relation's type that they maintain
Motivations	Describes the strategic reasons of the introduction of Fair Trade products in the company's selection
Pricing	Describes the pricing strategy concerning Fair Trade products. How are prices established? Is there an increase compared to corresponding conventional products and why?
Loss leader strategy on Fair Trade products	Are Fair Trade products used as loss leader strategy where the final price is inferior to its cost, in order to attract clients to buy other products with high margin?
Type of distribution for Fair Trade products	Describes the type of distribution channels used by the company to sell Fair Trade products
Fair Trade Communication/advertisement	Describes how Fair Trade is communicated to the clients; is it a communication associating the company's name or brands with Fair Trade?

pre-tested on 10 people and adapted based on their comprehension and feedbacks. Interviews were recorded and transcribed in order to be analysed. Table II presents the complete data gathered for the analysis of the cases.

Each case study presented in the next section is implicitly composed of two parts:

1. The synthesis of the company's organisation with regard to the key management factors elaborated in the previous section.
2. Based on this analysis, a generic strategy is identified, given a name (due to the theoretical sampling used for the case selection, the five companies analysed have different strategies regarding the distribution of Fair Trade products), and linked to Low and Davenport's scale of engagement with Fair Trade principles.

Coop

According to the Annual Report (Coop, 2006b), retail trade is Coop's core business, by means of supermarkets and specialised chain stores. Coop also provides further services, such as hotel, restaurant,

TABLE II

Data sources used in the case analyses

Case	Interviews[a]				Other data sources
	Interviewee Position	Length	Date	Ref[b]	
Coop	Project coordinator Naturaplan and Max Havelaar	40′	Jan 2006	I1	Annual report 2005 (Coop, 2006b), Sustainability report 2005 (Coop, 2006a), Facts and Figs 2005 (Coop, 2006c)
McDonald's Switzerland	Supply chain director	30′	Jan 2006	I2	CSR report 2005 (McDonald's 2006), environmental report 2004 (McDonald's, 2005), websites (http://www.mcdonalds.ch and http://www.environment.mcdonalds.ch)
	Customer care Additional e-mail interaction		Nov 2007	I12	
Switcher	Compliance & integrity officer	1h 10	Jan 2006	I3	Switcher social management report 2005 (Switcher, 2006), CSR report 2003–2004 (Switcher, 2004), website (http://www.switcher.ch), a case study on the company's supply chain (Cestre, 2001)
	Ibid, additional e-mail interactions		Sept 2006, Jan 2007	I6	
La Semeuse	Owner–manager	55′	Jan 2006	I4	Website (http://www.lasemeuse.ch), directories of companies (http://www.kompass.ch and http://www.swissfirms.ch)
	Ibid, additional phone interview		Jan 2007	I9	
Magasin du Monde	Four different world shop managers	1h 15–2h 15 each	Dec 2005–Jan 2006	I10	Website (http://www.mdm.ch), accounting data like balance sheets, profit and loss accounts, and other internal documents
	Coordinator of the world shop association	1h	Oct 2005	I11	
Other key informants used in case analyses	Director of producer relations, Claro Fair Trade	1h	Jan 2005	I5	Moreover, all case studies contain other secondary data sources cited in the text
	Project manager communications Max Havelaar	1h 20	Jan 2005	I7	
	Director Engagement (ethical labels), Migros, e-mail questionnaire		Jan 2006	I8	

[a]Interview quotations in the text have been freely translated from French.
[b]This notation is used in the text when citing the corresponding interview.

telephony, and banking services. Supermarkets, employing 44,916 people, account for 64% of the total turnover of $13.2 billion.[2] Considering its turnover, Coop occupies the second place in the Swiss retail market.

The sustainability report (Coop, 2006a) indicates that Coop has several labels for environmentally and socially responsible products. Fair Trade products have been introduced to develop and diversify those labels. There are many Fair Trade labelled products and some of them, such as the banana in 2004 and the rose since 2005 have totally replaced their conventional counterparts. Thanks to its strategy oriented towards the labels and particularly towards Fair Trade, Coop is the largest distributor worldwide for this type of product in spite of the small size of the Swiss market (Coop, 2006a, p. 39).

A specific department handles the development of labelled products, which is done jointly with Max Havelaar in the case of Fair Trade. It acts also an interface with the purchase department and a support to the main management with regard to the ethical labels strategy (Coop, 2006a, p. 18).

Concerning its purchases, Coop ''tries not to change producers because of the time and effort needed to establish good commercial relations, which differ from conventional relations that are more efficient'' (I1). At times, if a problem arises with high-volume producers, the directors of the group are invited for a meeting or persons from Coop's department will go onto the field, in order to discuss and find solutions together. Therefore, a kind of trustworthy relationship is established. Although Max Havelaar is responsible for seeing that the social standards of Fair Trade are respected by the producers, the respect of these standards is also very important to Coop when it comes to large producers. Failure to respect these standards would mean the loss of the certification for that group of producers. Should this happen, Coop would have to find other producers, which is very demanding (I1).

Coop maintains the same profit margin on Fair Trade products as on conventional ones using a similar pricing procedure. Final prices of Max Havelaar products are thus higher than their conventional equivalent since costs are also higher. Loss leader strategy is not applied to Fair Trade products except in the case of specific promotions; these products are profitable directly through the sales that they generate and indirectly through the positive effects that they have on the corporate image (I1).

Communication is based on two axes: product quality as well as social and ecological responsibility of the company. Ethical labels were developed to contribute to the latter communication axis. These labels play an increasing role in the turnover, in the communication as well as in the company's identity. In its communication strategy, Coop combines the concepts of Fair Trade, sustainable development, development aid, and ecology, in order to create a harmonious image of a responsible citizen. Fair Trade fits into a coherent multi-label strategy that aims at ''associating Coop with products that respect the environment and with a certain social ethics in people perception'' (I1). The message given is hence 'Coop sells Fair Trade products, therefore Coop is fair'. Moreover, Migros, the leader of retail trade in Switzerland, is also structured around a similar multi-label strategy (I8).

It is possible to conclude that Fair Trade products add a value of *diversification* to the company without deeply modifying the business processes linked to the labels' management, as they already existed for the other ethical labels. Coop's strategy regarding Fair Trade products is thus based on the diversification of its ethical labels in order to foster the communication of a socially and ecologically responsible company.

Concerning Low and Davenport's scale (2005), this strategy requires being very active towards Fair Trade and its communication. The company is however not values-driven, because Fair Trade and 'ethical' products are just one category in its total selection. The Fair Trade values are not dispersed within the company's processes, hence a pro-active CSR business.

McDonald's Switzerland

The turnover of the Swiss entity of McDonald's increased rapidly during the 1990s, due to the proliferation of restaurants; however, since 2002, it has stabilised due to the ''strategy of world expansion, focussing more on quality than quantity'', consolidating at $472.4 million for 2005 (McDonald's, 2006, p. 2).

McDonald's is often perceived, especially by the alter-globalization movement, more as a symbol of predatory capitalism than a good student among socially responsible companies, as can be seen in a number of press articles, documentaries, or analyses of the company (e.g. Fantasia, 2000; Gilbert, 2006; Royle, 2000; Spurlock, 2004; The Economist, 1990). Therefore, it may come as a surprise that McDonald's has included Fair Trade coffee in its selection since 2003. Even though McDonald's only sells this type of coffee in Switzerland as well as in certain regions of the USA (I2, http://www.transfairusa.org) and that this product targets only a small segment of its clientele (I2), this nonetheless contrasts with the generally accepted perception of the company.

The first explanation to this strategy comes from the product policy based on quality and local origin when possible (I2). Approximately 80% of food products are purchased in Switzerland, whereas the other 20% come mainly from European countries. Coffee is a mandatory exception. An increasing part of products purchased are certified by IP-Suisse (McDonald's, 2005), an independent organisation which labels agricultural products according to environmental and quality standards that are higher than the minimum required by the Swiss law. Coffee being an imported product, McDonald's was looking for an organisation, which set similar environmental and quality standards as IP-Suisse. Max Havelaar satisfied these requirements and had the necessary experience in the management and development of Fair Trade coffee (I2).

The coffee is supplied by Caferos AG, a joint venture between McDonald's and a private investor which owns the brand Aroma (I2). There is no noted difference in the relations between McDonald's and its Fair Trade coffee supplier and that which McDonald's has with its conventional product suppliers. There is no additional business process specific to Fair Trade except those concerning the relation with Max Havelaar.

McDonald's Fair Trade and conventional products are subject to the same profitability and management rules. The introduction of Fair Trade coffee did not increase the price of the cup. The additional cost generated by Fair Trade coffee was absorbed by McDonald's and was therefore not passed on to the consumer (I2). This is in part justified by the fact that the major part of the cup of coffee's price is due to the service, not to the coffee itself. The reduction of McDonald's profit margin is therefore limited.

With regard to its communication strategy, McDonald's does not advertise its Fair Trade coffee but rather informs people, for example, through a household flyer, containing a page dedicated to Max Havelaar coffee. There is no specific communication plan on the subject with the possible exception of a Max Havelaar logo printed on the coffee cups (I2). The fact that Max Havelaar is hardly visible to the clients whereas 100% of the coffee is Fair Trade-certified could indicate that the strategy with regard to Fair Trade is not directed towards consumers but to other stakeholders.

Since the end of the 1990s, under the pressures of ecologist groups, McDonald's has made a major effort to appear as an environmentally friendly company (The Economist, 1990). In particular, as of 1998, an environmental report has been published every 2 years (McDonald's, 2005) and a website has been dedicated entirely to the environment (environment.mcdonalds.ch). The various criticisms received on the company's social responsibility at the global level (Gilbert, 2006; Royle, 2000) could have a similar impact. The environmental report 2004, which includes a social dimension notably with the help of Fair Trade and, in 2005, the report totally dedicated to McDonald's social responsibility are elements corroborating this hypothesis. This new orientation could become an absolving strategy, as the environmental efforts and the promoting of an ecologically responsible company responded to various related criticisms.

Fair Trade could thus integrate into a *contrast* strategy that would be more of an alibi directed at pressure groups than of a message targeting its clients. The paucity of information and advertising related to Fair Trade intended for consumers tends to confirm that they are not the primary target of the strategy.

Companies implementing this strategy are clearly not pro-active in the Fair Trade product distribution. Thus, regarding Low and Davenport's scale (2005), they can be classified as defensive CSR businesses.

Switcher

With a turnover of $70.9 million and 160 employees (I6), Switcher is, according to its own declaration, "the Swiss market leader in the sale of T-shirts, sweat-shirts, leisure-time clothes and accessories" (Switcher, 2006, p. 3). The company positions itself as a family brand with average prices for above average quality.

Switcher has a 'Compliance & Integrity' department, which handles the application of CSR in the company and its suppliers (I3). Switcher is very active in developing or participating in CSR-related projects and this orientation seems to be strongly affected by the ethical values of its managing director, owner, and founder. Concrete examples are the participation in the 'Clean Clothes Campaign', a pilot project that aims at auditing textile suppliers (Switcher, 2006); the independent audit of ISCOM (http://www.is-com.org and I6), which aims at verifying that codes of conduct are effectively applied; the commercialisation of Fair Trade clothing, or the development of the website http://www.respect-inside.org which enables consumers to know the exact path followed by the purchased product (weaving, dyeing, etc.) including the different production sites and raw material origins (I3). The various awards received by Switcher as well as the case study of Cestre (2001) corroborate its innovative CSR management.

Switcher is in fact one of the initiators of the project of cotton commercialisation under the Fair Trade label. In 2003, the company signed a pilot project with Max Havelaar in order to assess the applicability of Fair Trade standards to the textile industry (Switcher, 2004). The Max Havelaar collection consists only of a few items. However, the other products follow the same manufacturing process; they are as 'clean' as Max Havelaar products but are simply not labelled (I3). The Max Havelaar project fosters the way that the company managed its CSR practices. According to the social management report (Switcher, 2006, p. 13), "with this labelling procedure, Switcher uses an instrument tried and tested in other agricultural domains in order to control its supply chain even better. [...] Max Havelaar brings the consumer additional credit to the transparency of Switcher's social approach".

There are only a few cooperatives that produce cotton for Switcher, which allows closer relations and more efficient verification of standards compliance (I3). Fair Trade certification required few modifications in the business processes or work organisation of the cooperatives, because from the beginning of the commercial relationship, Switcher always required good labour conditions for the employees and paid a responsible price for the product (I3). As for the manufacturers, each of them has one or several 'Social Compliance Officers', with whom Switcher maintains constant relations with the aim of developing conduct plans with corrective actions in order to comply with Switcher's code of conduct in factories (I3).

At the time of its launch, Max Havelaar clothes had a slightly higher final price to cover the cost of the distribution licence and to highlight a price difference with Switcher's quality equivalent products. This pricing strategy is no longer in effect because the company does not want that the non-labelled products be considered as less "clean" (I3).

Although Switcher has been very active in CSR, it had some difficulties in communicating its different actions to its target segments. The company was sometimes called paternalistic because it built schools or brought drinkable water to citizens near the factory (I3). Following those criticisms, communication on CSR has been rare until the Max Havelaar project. Now, the Fair Trade label lends Switcher's way of working with its suppliers additional credibility. According to Switcher, the label allows the use of the Fair Trade image that is well accepted by consumers and is an easy and secure manner of reinforcing its corporate identity. Switcher communicates almost exclusively through the sponsorship of events that suit the image that the company wants to give (I3).

We define Switcher's strategy with regard to Fair Trade product distribution as *corporate culture*. Indeed, the introduction of Fair Trade products is only an additional stage in the management practices of the company and integrates easily into the product, purchasing and communication strategy. However, the Fair Trade values were already integral to Switcher before Fair Trade came into the textile industry. The Fair Trade labelling project has been developed to give additional credibility to the company and authenticate its vertical CSR policy using a recognised label.

The corporate culture strategy involves more than being pro-active. Values are spread within all the activities of the company, hence a values-driven business according to Low and Davenport's hierarchy.

La Semeuse

La Semeuse is a coffee roasting family company, which employs about 25 people (http://www.swissfirms.ch and http://www.kompass.ch) with a turnover of $5.3 million (http://www.swissfirms.ch). Its two main activities are roasting and distribution of coffee. The business strategy is based on differentiation through the quality of the coffee roasting. Even though it is a small actor in the Swiss roasting market, it is well placed in the high quality coffee segment (I4).

The owner–manager is aware of the coffee producers' difficulties but feels a certain helplessness regarding the reality of the market. "The grower is not able to sustain himself, to possess the necessary infrastructures, he cannot provide for his family whereas all the others help themselves in the chain" (I4). Thus, he feels a problem of conscience, almost guilt, because these same growers allow him to earn his living. However, he also wants to generate profit and be able to give his employees a reasonable salary. He is thus torn between his conscience and his position of company manager. Fair Trade is a way to combine pragmatism with respect for his values. He finds the Max Havelaar initiative excellent and was the first roaster to distribute labelled coffee in Switzerland.

La Semeuse has two Fair Trade coffee products which represent about 5% of the processed volume. The limited number of certified producers complicates the creation of blends (the Fair Trade label does not allow conventional and Fair Trade coffee blends), in particular when quality is essential. The fact that the company processes small volumes makes these choices even more complex (I4).

Coffee distribution is carried out through three channels (I4): catering companies, independent retailers, and direct sales. Catering amounts for about 50% of sales for conventional coffee, whereas retailing is more important for Fair Trade coffee, because restaurants see little benefit in selling this type of coffee.

La Semeuse is the roaster for Claro Fair Trade AG, for which it provides coffee under private label (the brand is thus Claro) (I4). Claro Fair Trade is a Swiss company that imports and distributes only Fair Trade products. The trust given to La Semeuse by this company, one of the founding members of Max Havelaar in Switzerland (I5), gives additional credibility to the roaster vis-à-vis its involvement in Fair Trade.

The ratio for calculating the margin is the same for Fair Trade coffee as for conventional coffee. However, the additional time necessary to manage the products separately, the time spent carrying out the audit for Max Havelaar, and the costs of purchasing the Max Havelaar licence are not taken into account in calculating the margin. Indeed, volumes are too small to use a different margin calculation. Return is thus lower for Fair Trade coffee (I4).

As a rule, communication focusses on the products' quality and therefore, on the association of the brand La Semeuse with quality (I4). La Semeuse occasionally makes specific communications concerning its Fair Trade blends in certain media or through tastings and representations in fairs. Advertising in the media focusses first on the fact that the coffee carries the Max Havelaar label and, second, on the quality of the Fair Trade coffee (I4). Communication about Fair Trade is centred on the product and not on the brand; there is no attempt to associate the brand La Semeuse with Fair Trade.

The creation of Fair Trade blends together with their distribution can be seen as the will to foster and adhere to the Fair Trade movement in order to reconcile the market-oriented company with the *individual ideology* of its owner–manager. However, there is no integration into a well-defined business strategy.

The individual ideology strategy is not implemented by a value-driven business, because the latter means a total integration of the values within the company. The individual ideology means that the owners adhere to the Fair Trade concept, but are not ready to transform their company into a values-driven one. It is more about 'doing something for Fair Trade'. On the contrary, it is not a defensive CSR business because it shows neither a reaction to pressure nor is the company a follower of the movement (the company was one of the first to distribute Fair Trade coffee in Switzerland). Thus, this strategy is considered as a pro-active CSR business.

Magasin du Monde

Magasin du Monde (MdM) is a non-profit network of 40 world shops coordinated by the French-speaking Switzerland World Shops Association (ASRO) and generating a turnover of \$2.8 million (in 2004).[3] The main activities of MdM are the distribution of Fair Trade products and Fair Trade promotion. However, MdM is also a political instrument to raise consumer awareness about the inequity in the economic exchanges between rich and marginalised areas in the world (http://www.mdm.ch). The whole movement of world shops is present within 13 countries of Europe and has more than 2,800 shops (Krier, 2005, p. 28).

MdM sells foodstuffs, crafts, and cosmetic products under Fair Trade conditions, although not all carry the Max Havelaar label. For consumers, these products have intangible values, beyond their intrinsic utility. They buy solidarity, equity, and the feeling that they did a good deed. The clientele consists mainly of regular customers that know MdM and adhere to Fair Trade (I10).

Each world shop is independent to one another and receives guidelines from the ASRO (I11), in way that is similar to the franchise model. All the employees, mostly retired people or housewives are volunteers except a few shop managers who receive a salary in return for their involvement. MdM could not survive without volunteering; however, although volunteers are driven by their ideology and support for Fair Trade, they are also a source of problems. Most positions are occupied by people who do not have management skills or experience. Volunteers usually do not have a contract of employment and as such, requesting rigour, accountability, and responsibility from them is a difficult task (I10).

Suppliers are organisations that only import Fair Trade products, such as Claro Fair Trade AG, Fairness Caritas, or Oxfam. World shops have to buy 90% of products from suppliers authorised by the ASRO. Ten percent can come from direct collaboration projects with southern producers or with other suppliers. With respect to products from the authorised suppliers, prices are set by the ASRO (I11). Due to lack of professionalism, operation management is disorganised. Information technology is hardly used and accountancy as well as stock management is mostly performed on paper (there is a resistance to information technologies due to the average age of employees).

As a general rule, neither the ASRO nor the world shops do any advertising. Only information is proposed, for example, through a newsletter or a small magazine edited by the ASRO in order to raise consumer awareness (I11). There is no coherent communication carried out by the world shops themselves. Each of them performs its own actions such as having a presence in different fairs and events or providing information leaflets to their loyal customers (I10).

The values of Fair Trade are omnipresent in the activities of the organisation. However, there is a lack of efficiency in the management of the different business processes. Three broad factors can be the cause of this chaotic organisation. There is a lack of financial resources; the not-for-profit aim removes pressure on efficiency; and finally, working with volunteers reduces the accountability of shop managers and employees who work mostly for free. Fair Trade being the essence of MdM, the distribution of those products is not part of a wider business strategy. The strategy regarding Fair Trade is to distribute products as a means of spreading Fair Trade values among consumers. We define this Fair Trade values-centred strategy as *devotion*.

Concerning Low and Davenport's scale (2005), companies implanting a devotion strategy are obviously Fair Trade organisations, because their unique objective is the development of Fair Trade through consumer education and political activism.

Table III synthesises the positioning of the companies analysed in the five case studies with regard to the key management factors defined in the theoretical framework. The last two rows show the firm's classification according to Low and Davenport's scale of engagement together with the indicators supporting this classification.

TABLE III

Synthesis of the five case studies filtered by the key management factors

Factors	Coop (Diversification)	McDonald's Switzerland (Contrast)	Switcher (Corporate culture)	La Semeuse (Individual ideology)	Magasin du Monde (Devotion)
Economic activity	Retail trade	Hotels and restaurants (fast-food industry)	Clothing industry (ready-to-wear)	Manufacture of food products and beverages (coffee roasting and distribution)	Retail trade
Size (employees)	44,916	6,500	160	~25	~1000
Turnover in US$ (2005)	13.2 billion	472.4 million	70.9 million	5.3 million	2.8 million (2004)
Distribution date	1993	2003	2003, first comer	1992, first comer	1974, first comer
Fair Trade product selection	70 products (Fruits, coffee, flowers, honey, rice, sugar, tea, etc.)	Cup of coffee	Clothing	Two roasted coffee blends	1500 products (foodstuffs, crafts, cosmetic products)
Fair Trade specific department	Yes	No	Yes	No	Not applicable (NA) because the whole company is Fair Trade oriented
Department size (employees)	4	NA	2	NA	NA
Employees' personal interest in Fair Trade	In the department, Coop tries to hire people that are interested in Fair Trade (the interviewee wrote her high school dissertation on Max Havelaar)	No particular interest	Switcher tries to hire people that adhere a minimum to its values	Employees are not directly concerned by Fair Trade. The owner–manager knows it very well and adheres to its values	Commitment to Fair Trade is one of the criteria when hiring people. Volunteers have an obvious personal interest in Fair Trade
Main CSR policy	Ethical products distribution; important to build up the corporate identity	Respect of the environment and national origin of products	CSR integrated in all its activities as well as in those of its suppliers	Owner aware of producers' problems, but too small to implement a CSR strategy	To apply the Fair Trade principles and values to all its products
Supply chain management	The four companies use their usual purchasing department. The Fair Trade product purchasing process does not differ from the conventional product purchasing process				Import from traders fully involved in Fair Trade
Personal relations with producer groups	Personal relations with cooperatives that supply a large volume	No	Close relations with clothes manufactures and indirectly with producers (not commercially)	No, but the owner–manager visited Fair Trade certified cooperatives several times	Some of the world shops have direct relations (not more than 10% of products imported directly)
Motivations	Development of a socially and ecologically responsible corporate image through the association with labels	Quality standards, ecological standards and *a priori* answer to criticisms concerning sourcing	Authenticate Switcher's credibility in CSR. Ideologically, Fair Trade suits the company well	Interest and support of the owner–manager to the Fair Trade's concept	Political claims and consumer education. Sell Fair Trade products as a means to campaign for a solidarity-based economy
Pricing	Same margin applied to Fair Trade products. They are thus more expensive than the conventional ones	No price difference since Fair Trade coffee introduction. The additional cost is absorbed by McDonald's	At the launching, prices higher for Fair Trade clothes. Now, no price difference anymore	Same margin applied to Fair Trade products. They are thus more expensive than the conventional ones	Fixed by the ASRO in order to have a margin on each product (world shops cannot change the prices)
Loss leader strategy on Fair Trade products	By means of special offers, but also because people may come to Coop to buy Fair Trade products and at the same time buy other conventional products	No	No	No	NA
Type of distribution for Fair Trade products	Sales through its 1,433 outlets in Switzerland	Network of franchises (144 restaurants)	Switcher shops, retailers, catalogue, e-commerce and printing professionals	Restaurants, retailers and direct sales	Network of 40 world shops

TABLE III

Synthesis of the five case studies filtered by the key management factors

Factors	Coop (Diversification)	McDonald's Switzerland (Contrast)	Switcher (Corporate culture)	La Semeuse (Individual ideology)	Magasin du Monde (Devotion)
Fair Trade Communication/ advertisement	Coherent communication through the different labels in all media. Association Coop – responsible company	No advertising. Communication is done through different reports or informative household flyers	The Fair Trade product distribution is a tool to communicate its values. Otherwise, sponsoring of events corresponding to its image	Tastings, fairs and advertising in the media on the fact that two of its blends are labelled and on their quality	Information through a magazine, a newsletter and leaflets with the aim of raising consumer awareness
Engagement with Fair Trade Indicators leading to engagement classification	Pro-active CSR Business Large selection, early distribution, specific department with Fair Trade skilled people, and clear CSR strategy, but business practices are not Fair Trade-oriented (many non-Fair Trade products)	Defensive CSR Business Late distribution, pressures received, little consumer information, no indication of engagement beyond the sole distribution of Fair Trade coffee cups	Values-driven Business First comer and initiator, dedicated department, tight relations with suppliers, same process for the whole selection, Fair Trade values within all managerial practices	Pro-active CSR Business First comer, owner–manager personally involved, close relations with Fair Trade organisations, but large selection of non-Fair Trade products	Fair Trade Organisation Actively involved in the Fair Trade movement, first organised distributors, only distribute Fair Trade products, non-profit, consumer education and campaigning objectives

Discussion

Low and Davenport (2005) said that the engagement of Fair Trade product distributors were very diverse, which has been demonstrated by the case studies presented in this research. Several factors might explain the variety of approaches to Fair Trade distribution. First, the rising consumer demand for Fair Trade products has created a niche market which offers a direct business opportunity. In addition, the positive attitude of the general public towards Fair Trade provides a convenient possibility to build an image of a socially and ecologically responsible company, which might indirectly increase the sales of other products. Then, the alternative trading organisations from which the Fair trade movement originates are still active on the market, somehow competing with mainstream actors. Finally, the range of products carrying a Fair Trade label is constantly expanding, which branches out Fair Trade into new sectors. For example, flowers were introduced in Switzerland in 2001 (Max Havelaar, 2002) and cotton-based products in 2005 (Max Havelaar, 2006). These factors explain the diversity of companies' motivations, organisational forms, and strategies with regard to Fair Trade product distribution, which in turn cause various types of engagement with Fair Trade principles.

Table IV synthesises the different strategies identified in this study, presenting their name, a short description, and the corresponding engagement with the Fair Trade principles. Each strategy exemplifies one of the business types defined in the scale of Low and Davenport. The cases summarised in the table also show that totally different strategies with regard to Fair Trade product distribution can lead to the same type of Fair Trade engagement (e.g. Diversification and Individual ideology both characterise pro-active CSR businesses).

From a management perspective, we cannot define an optimal strategy (and this article does not intend to measure performance), because it depends on contingency factors, which, according to Mintzberg (1979), can be classified by age and size of the company, its technical system, its environment and the factors related to power. Thus, we assume *a priori* that there exist multiple equally effective strategies with regard to the distribution of Fair Trade products, which is the equifinality

TABLE IV

Synthesis of the strategies identified in the case studies

Strategy name	Strategy description	Low and Davenport's scale (2005)
Diversification (ex: Coop)	The company has several environmentally friendly or socially responsible products and wants to diversify its selection. Fair Trade fosters a coherent communication and extends the offer to the firm's clients	Pro-active CSR Business
Contrast (ex: McDonald's)	Absolving policy addressed to pressure groups rather than communication strategy aimed at its clients	Defensive CSR Business
Corporate culture (ex: Switcher)	The company is suffused with Fair Trade values before it comes into the organisation. Fair Trade products add additional credibility and are a simple communication tool	Values-driven Business
Individual ideology (ex: La Semeuse)	The distribution of Fair Trade products is grounded in the ideology of its owner–manager. It is not primarily intended to integrate into a business strategy.	Pro-active CSR Business
Devotion (ex: Magasin du Monde)	The company is working for the cause of Fair Trade. Selling Fair Trade products is a means of educating consumers and raising awareness about international trade problems	Fair Trade Organisation

assumption (Doty et al., 1993; Van de Ven and Drazin, 1985).

The analysis shows that mainstream actors can present a real engagement with Fair Trade principles, even though they are for-profit and are competing with actors that do not distribute Fair Trade products. However, this constitutes an exception. For example, the corporate culture strategy is implemented by a values-driven business, and is not limited to the Fair Trade niche market (contrary to Fair Trade organisations). On the other hand, the contrast strategy implies little engagement, because Fair Trade is used as an alibi rather than a new form of trade with which it is possible to do business. These two contrasting examples show that mainstream actors distributing Fair Trade products present very heterogeneous strategies leading to contrasting engagement with Fair Trade principles. Although one strategy implemented by a mainstream actor conveys the transformative message of Fair Trade by spreading the values within its management practices, the others mostly take advantage of Fair Trade to reach unrelated objectives (e.g. be absolved of pressure groups).

Low and Davenport (2005) suggested that the process of mainstreaming had led, in many instances, to the separation of the medium (the Fair Trade products) from the transformative message. We have discussed the message conveyed by the distributors through the engagement with Fair Trade principles. It is now interesting to discuss the medium through the amount of Fair Trade sales generated by each strategy. Although the case studies information is insufficient to conclude that one strategy generates more sales than another, it gives an indication of their potential. For example, in 2005, Coop (diversification) sold \$111 million of Fair Trade products (Coop, 2006c, p. 6), whereas MdM (Fair Trade organisation) sold for \$2.8 million.[3] In the same period, La Semeuse sold for about \$266,000[4] of roasted coffee, whereas McDonald's purchased for \$542,000 (I12) of roasted coffee (in this case, purchases need to be compared, because the product purchased by McDonald's is similar the product sold by La Semeuse). These figures show that the impact of Coop on the global Fair Trade sales is enormous even though it is not fully engaged with Fair Trade principles. In addition, if McDonald's decides to sell Fair Trade coffee worldwide, the impact will be tremendous in terms of producer inclusion in the system, even if the strategy used (contrast) corresponds to a CSR defensive business in terms of engagement with Fair Trade principles. Consequently, if both the medium (Fair Trade sales) and the message (engagement with Fair Trade principles) are considered, it is very complex to evaluate objectively which strategy contributes most to reach the Fair Trade objectives.

Is it possible that Fair Trade continues its development while conveying a transformative message? Currently, Max Havelaar does not set any requirement on general business practices of northern actors or on a potential level of engagement with Fair Trade principles. McDonald's contrast strategy involving little engagement with Fair Trade principles is thus totally legitimate. We see three potential outcomes to this problem. First, standard-setting organisations could set some conditions to obtain a distribution licence relating to the firms' engagement with Fair Trade principles. This measure would likely make Fair Trade sales drop as most licencees would not agree to change their global practices. Second, Fair Trade stakeholders could agree on a less ambitious Fair Trade definition which would not encompass the objective of trade reform and limit its scope to poverty reduction and producer empowerment. In this case, the support and political activism of NGOs and Fair Trade organisations would probably be reduced, threatening the movement of being 'reabsorbed' and diluted by the market as mentioned by Renard (2003). Finally, mainstream channels can continue selling the products without the message (except for values-driven businesses) and the alternative channels selling the message and to a lower extent the products. Sales are thus likely to keep on rising, but the ambiguity of the trade reform objective is likely to increase as well. This last direction seems to be the most appropriate, because it causes the fewest collateral effects. However, if Fair Trade sales keep on growing in mainstream channels, the transformative message generated by the Fair Trade organisations and values-driven businesses should be reinforced in order for Fair Trade to pursue its objectives without being corrupted by the market.

Conclusion

The first Fair Trade label, Max Havelaar, which appeared in 1988 in the Netherlands (Bowen, 2001), marks a turning point in Fair Trade history because it has offered retailers and distributors the opportunity to sell Fair Trade products without being a Fair Trade organisation. This opportunity has been seized by firms presenting various motivations. The diversity of strategies with regard to the distribution of Fair Trade products and the relating organisational forms lead to different types of engagements with Fair Trade principles, which have been characterised in this research through five case studies.

From a managerial perspective, these five case studies show that the companies' objectives differ by their decision to distribute Fair Trade products as well as by their approach to managing the relating processes. Coop (diversification strategy) integrated Fair Trade products very early because they blended in well with the existing multi-label strategy. Thus, there is a coherent communication based on ecological and social labels which aims at associating Coop with a responsible company. On the one hand, McDonald's (contrast strategy) wanted to source coffee that was congruent to its local purchasing policy and quality standards. On the other hand, the Fair Trade coffee distribution allows McDonald's to be perfectly irreproachable on the production conditions of the products. It can thus respond *a priori* to possible criticisms. As for Switcher (corporate culture strategy), its products were already manufactured and purchased according to standards similar to those of Fair Trade before being labelled; therefore, the company uses Fair Trade as a means of legitimizing and facilitating the communication of its CSR policy. Fair Trade coffee distribution at La Semeuse (individual ideology strategy) originated from the ideological stance of its owner–manager. Fair Trade permits him to satisfy his moral values as well as his function of company manager in a pragmatic way. Finally, the MdM (devotion strategy) uses the distribution of Fair Trade products as a political instrument to educate and raise consumer awareness. These strategies and the relating organisational forms can be used as benchmark for companies distributing Fair Trade products or as possible models for companies planning to do so.

The classification of the identified strategies according to Low and Davenport's scale (2005) allows to link them to their engagement with Fair Trade principles. This level of engagement indicates if the transformative message of trade reform is sold in addition to the Fair Trade products. Among the mainstream distributors, the main conclusion is that the transformative message is not conveyed (except for the corporate culture strategy), as the firms' global business practices do not share the Fair Trade values and principles. This analysis can fuel future discussions among Fair Trade stakeholders to define if requirements on the firms' engagement should be set to receive a distribution licence, to determine if a less ambitious definition of Fair Trade should be agreed on with regard to its transformative objectives, or to maintain the same structure with mainstream channels selling the products and alternative channels selling the message.

Measuring the engagement of firms with Fair Trade principles is a rather pragmatic approach. A more ideological stance would assess whether the distribution of Fair Trade products is eventually profit-oriented (demand-driven) or if it originates from the values of the firm (supply-driven). In the latter case, the company would continue selling those products even if it was rationally senseless. This issue is relevant for any CSR action. Is the firm designing and implementing its CSR policy in order to appear good or is it doing it because it is good? This question, even though scientifically delicate to answer, is very topical in terms of business ethics, since Fair Trade is sometimes used as an instrument to improve customer perception of the firm's behaviour.

Notes

[1] As distributors, all companies having a direct commercial relation with end consumers are considered.
[2] At the rate CHF 1 = US$ 0.8861 (same rate for all conversions in this article).
[3] MdM profit and loss account, internal document.
[4] About 5% of the turnover (I4).

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