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In Starbucks We Trust:

Human Rights and the Illusion of the Ethical Cup of Coffee

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Abstract: Starbucks is renowned globally for its high quality coffee selection and its reputation as a company that cares, and is very generous with its Corporate Social Responsibility (CSR) Initiatives. However, Starbucks only sells a minimal amount of Fairtrade International certified coffee, yet markets its coffee as though it is entirely sustainably sourced.

This work attempts to answer the following, two-part question: In the business world, have human rights become a commodity, just a bi-product of Corporate Social Responsibility (CSR) that is used to sell other products? Specifically, are the human rights of Starbucks farmers being commodified to sell Starbucks coffee?

This work offers a marketing analysis of Starbucks' marketing, as well as the marketing of its competitors. The analysis will be flanked by two literature reviews. The first section will examine literature regarding the evolution of the concept of Fair Trade, and the final section will serve as discussion to examine the philosophical and legal approaches to Fair Trade.

The findings of this analysis prove the following: Firstly, the Fair Trade concept needs to be reinforced with a new, more holistic approach to Fair Trade that encompasses issues such as gender. Secondly, Starbucks evocative imagery of its farmers that is used in its marketing is consequently objectifying these farmers and ensuring that they will always be perceived as part of the global poor, and Fair Trade is misconstrued as charity rather than simply trade. Finally, more work needs to be done on the part of international organizations such as the World Trade Organization (WTO). Organizations such as the WTO need to adopt a more human rights based approach to trade implement more legally binding regulations to ensure the protection of the socio-economic rights of these farmers. There needs to be a consensus that Fair Trade is not a temporary niche market, but rather a permanent solution to 'unfair trade.'¹

¹ Aaronson & Zimmerman, 2006, p.1017.

Introduction:

Business and human rights have some areas of contention, especially in the field of Fair Trade. As much as corporations should be encouraged to make profit and create jobs, they also hold a responsibility to their communities and to the communities of their producers. Companies contribute to their communities and consequently show the public that they care about the world beyond their profit margins. These contributions and initiatives make up a company's Corporate Social Responsibility (CSR).² In their work titled 'Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause,' Philip Kotler and Nancy Lee define CSR as the following: "Corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources."³ Kotler and Lee are careful to reinforce two points from this definition: the fact that the contributions are discretionary and voluntary.⁴ As CSR has evolved from private gift-giving, to more developed and well-thought initiatives that usually reflect the company's values. As a result, the concept has grown to encompass important issues such as the environment and namely human rights.⁵

Herein lies the incompatibility with human rights: corporations are not obligated to do any kind of 'good,' but they are in fact expected to do so by members of the public and their other shareholders. As is the case with Starbucks in the coffee industry. Contrary to the image that Starbucks conveys, Fair Trade coffee (and by default the well-being of the coffee farmers) was not an immediate priority for the company at its founding. The first priority of the founders was to give their customers a high quality cup of coffee. It was not until the non-governmental organization (NGO) Global Exchange⁶ put pressure on the company during a protest outside of their annual shareholders meeting to make Fair Trade certified coffee part of their coffee selection. This strategy of naming and

² Kotler & Lee, 2005, p.3.

³ Idem, p.3.

⁴ Idem, p.3.

⁵ Idem, p.

⁶ Global Exchange, <http://www.globalexchange.org/> (25 June 2015).

shaming by advocacy groups is crucial in today's world, and is discussed in-depth throughout this work.

Although Starbucks was not interested in carrying Fair Trade, the company held its social responsibility to a very high esteem: "Starbucks is known as a company that puts 'people first and profits last.' In fact, the number one principle in Starbucks' mission statement, which guides all of the company's business decisions, is to 'provide a great work environment and treat each other with respect and dignity.'"⁷ This seems contradictory, given the fact that Starbucks boasts such a 'great work environment' and yet the company cannot ensure that their coffee is sustainably sourced.

After much deliberation by a number of Starbucks executives, the company eventually compromised and decided to make Fair Trade coffee a part of their selection,⁸ albeit a minuscule amount in comparison to the 400 million pounds of coffee the company sources annually.⁹

What Starbucks did next was magical; the company extrapolated this small margin of Fair Trade coffee and marketed it exceptionally well, to the point where the consumer was lead to believe to that all of Starbucks coffee was Fair Trade certified. Concurrently, Starbucks also began using their own in-house certification process, the Coffee and Farmer Equity (C.A.F.E.) Practices, to certify the rest of their coffee. Today, Starbucks boasts that 96% of its coffee is sustainably sourced. Starbucks has built its entire brand identity around this principle, that it is a company "that puts 'people first and profits last,'"¹⁰ and that it only serves coffee that is sustainably sourced. At least this is its brand identity, this is merely an illusion.

The coffee industry is one of the fastest growing industries of the world, spanning over several continents and encompassing several moving parts. The following work will shed light on only a small part of the coffee industry and explore the relationship between Starbucks and Fair Trade, tracing the relationship back to the infamous Global Exchange

⁷ Argenti, 2004, p.97.

⁸ Idem, p. 101.

⁹ Starbucks CSR Report 2014, p.3.

¹⁰ Argenti, 2004, p.97.

protest,¹¹ to the C.A.F.E. Practices that Starbucks uses to certify its coffee today.¹² The intent of this work is to understand the conversation between Starbucks and its public by analysing the company's marketing through the vantage point of the average Starbucks customer.

Starbucks conveys an image of an ethical company that cares about the world, its farmers and their communities. However, their business practices show a contradictory message. It is apparent in Starbucks' marketing that the farmers are being objectified and consequently their human rights are being instrumentalised to sell the illusion of an ethical cup of coffee.

This work poses the following questions: In the business world, have human rights become a commodity, just a product of Corporate Social Responsibility (CSR) that is used to sell other products? Specifically, are the human rights of Starbucks farmers being commodified to sell Starbucks coffee? Consistent throughout Starbucks marketing is vivid imagery of farmers labouring in their coffee fields in distant lands, creating an illusion of Fair Trade coffee and sustainability and giving customers the impression that it sells a fairly traded product. The reality is that not all of Starbucks coffee is certified as being fairly traded. Thus, how can Starbucks still communicate an image of being an ethical company, and why do consumers keep buying into this image?

The interest of this thesis for the scholarly world is that there is a lacuna among the literature in terms of how consumers process messages that are relating to human rights. Not in the sense of 'how' human rights are marketed, but rather what effect does marketing have on human rights. After conducting a thorough literature review, it has become apparent that there is a need for more research being conducted on the relationship between marketing and human rights. There is a very real issue at stake when marketing teams are sourcing images of farmers from countries that are considered in the Global South, and in turn using these images to sell products. It becomes an even bigger issue when these products are not sourced fairly and the farmers are not receiving a fair

¹¹ Argenti, 2004, p.96.

¹² Starbucks CSR Report 2014, p.3.

price for their labour. Marketing communicates a message, and when a coffee company's marketing is overrun by images of stereotypes such as the dark-skinned farmer working in his field, this further perpetuates the idea that these farmers are poor and in need of the Western world to save them.

Methodology:

The heart of this work lies in the marketing analysis, which analyses the marketing made available to the consumer by Starbucks and its competitors. This marketing analysis includes a detailed exploration of the company's website, blog pages, social media presence, and CSR report (if available). The Starbucks marketing analysis also includes an in-depth analysis of the company's YouTube channel, which included a plethora of videos relating to Fair Trade and the work Starbucks does with its farmers. The analysis is meant to capture the experience of the Starbucks consumer: how said consumer understands Starbucks' marketing, how they process the confusing messages relating to Fair Trade, and how they understand the work the company does with its farmers and their communities.

The marketing analysis will be flanked by literature reviews in the first and final sections of this work. The first section will provide an in-depth literature review on the topic of Fair Trade and the coffee industry, and will consequently extrapolate important elements of the marketing analysis. In order to provide a clear picture of the Fair Trade movement, this work will begin with a detailed review of the existing literature on the subject, this will provide the groundwork for the marketing analysis. This literature review includes work relating primarily to the evolution of Fair Trade as a concept, and most importantly its relationship with Starbucks and the rest of the coffee industry.

Mirroring the first section, the final section is fleshed out through a literature review of scholarly articles available relating to international organizations and their roles in the Fair Trade movement. This section will serve as a discussion, pulling conclusions from the analysis and pointing to the human rights infringements of the farmers on behalf of the coffee industry.

Outline:

This work will attempt to understand the essence of Starbucks, and how the company portrays itself as a company that cares while engaging in contradictory business acts. In further detail, this work will explore the evolving Fair Trade movement, and how Starbucks markets it as part of its brand identity, and consequently uses it as a marketing tool to sell its coffee to the public.

The first section of this work is dedicated to fleshing out the complex Fair Trade movement, providing a technical,¹³ anthropological¹⁴ and a developmental (or right-based approach)¹⁵ to the concept. These different but complementary vantage points will eventually lead to a proposal for a new, more holistic approach to Fair Trade. This new approach does not reject the principle of Fair Trade, but rather reinforces it and makes it more in favour of the rights of the farmers and their communities. This section will provide a detailed explanation of the relationship between Starbucks and Fair Trade, and notably the company's in-house certification process: The Coffee and Farmer Equity (C.A.F.E.) Practices.¹⁶ Furthermore, this section explores the relationship between the Starbucks head office and the barista, tackling the issues of the predominantly white, male executive board and the primarily female and ethnically diverse baristas.¹⁷ In keeping with the original focus of this work, this section will end with an interpretation of how this confusing message of Fair Trade is being processed by the consumer.

Subsequently, the second section will centre on an analysis the Starbucks' marketing, specifically in relation to how company communicates its ethical based approach to coffee to its consumer. Starbucks has built an empire around the idea of the ethical cup of coffee, meaning that consumers are tricked by the imagery of suntanned farmers and maps of exotic locales into believing that Starbucks coffee has been ethically sourced, but the reality is that much of their coffee selection is not certified Fair Trade, but instead

¹³ Fairtrade International Website, Fairtrade International (FLO), <http://www.fairtrade.net/> (consulted 8 July 2015).

¹⁴ Lyon, 2007, p.242.

¹⁵ Aaronson & Zimmerman, 2006, p. 1017.

¹⁶ Starbucks CSR Report 2014, p.3.

¹⁷ Carter, Simkins and Simpson, 2003, p. 36.

certified according to Starbucks' own in-house standards¹⁸. As such, Part 2 of this work will focus on analyzing Starbucks' in-store experience, website, and social media experience, all from the vantage point of the consumer.

The third section of this work will situate Starbucks among its coffee competition. This work is limited to the North American market, and so consequently Starbucks will be compared against coffee brands that are either based or made available in North America. Each company must have a storefront, in order to be able to compare to Starbucks iconic coffeehouse experience. The coffee companies analysed are as follows: Bridgehead Coffee Company,¹⁹ Tim Hortons Café and Bake Shop,²⁰ Dunkin' Donuts (Dunkin' Brands),²¹ and the Lavazza Coffee Company.²² In order to provide an overall image of the company, the analysis will be based on the following criteria: background (providing a brief history of the company); brand identity, company culture and values; approach to Fair Trade; in-store environment, marketing; CSR initiatives and a brief analysis of the company's CSR report, if available.

The fourth and final section of this work will delve into the principles behind business and human rights, beginning with a philosophical interpretation of what Neo-Marxist philosopher Slavoj Zizek refers to as the ideology of Starbucks.²³ Subsequently, this section will unpack all the layers of the analysis, exploring the concepts of 'Fairwashing'²⁴ and the 'exoticization of farmers.'²⁵ To refocus this work back to the point of view of the consumer, there is a sub-section dedicated to the how the consumer perceives these mixed messages being communicated by Starbucks. Lastly, this section will unpack the legal approach to Fair Trade, outlining the role of international organizations, corporations and advocacy groups. The work will end with a prediction for the future of the Fair Trade movement: Trade Aid,²⁶ a not-for-profit organisation

¹⁸ Starbucks CSR Report 2014, p.3.

¹⁹ Bridgehead Coffee, <http://www.bridgehead.ca/> (consulted 8 July 2015).

²⁰ Tim Hortons, <http://www.timhortons.com/> (consulted 8 July 2015).

²¹ Dunkin' Donuts Website, <http://www.dunkinbrands.com/> (consulted 8 July 2015).

²² Lavazza Website, <http://www.lavazza.com/en/> (consulted 8 July 2015).

²³ Fiennes & Zizek, Film, 2012.

²⁴ Corner & Ho, 2009, p.3.

²⁵ Brown, 2013, p.115.

²⁶ Corner & Ho, 2009, p.3.

based in New Zealand, that helps artisans and coffee farmers bring their products to market in a fair and sustainable manner.

Part 1: From Bean to Barista

1.1- Defining Fair Trade

Fair Trade consumption is becoming mainstream. Consumers today are more aware of their purchases and have better access to resources to trace the supply chain of their favourite brands. With Millennials revolting against the blind consumerism of their boomer parents, this new generation of consumers is constantly hunting for anything “artisanal” or “ethically sourced” or “shade-grown,” and as a result, the concept of fair trade has become amalgamated into the mess of ethical consumption rhetoric.

Although Fair Trade has become part of mainstream culture, the reality is that it encompasses so much more than designer coffee from distant locales. Fair Trade is about human rights, about the right to development, the rights of the poor, and serves as protective buffer between northern multi-national corporations (MNCs) like Starbucks, and small Southern farmers.

1.1.1. Technical Definition

Conceptually, the technical definition of Fair Trade has grown with the changing times and has broadened. However the idea behind it has remained consistent. In order to frame the arguments in this work and to avoid confusion and overlap, the definition will be limited to the current Charter of Fair Trade Principles from Fairtrade International (FLO).

The FLO interpretation is built upon International Labour Organization (ILO) conventions, defining fair trade as a social contract and touting it is not charity, but rather a partnership for change and development through trade. The Fair Trade Principles are defined in the Charter of Fair Trade Principles as follows:

1. Decent Working Conditions as Defined in ILO Conventions²⁷
2. Environmental Stability²⁸
3. Monitoring and Evaluation²⁹

The charter also includes four core principles:

1. Market Access for Marginalised Products;³⁰
2. Sustainable and Equitable Trade Relationships;³¹
3. Capacity Building and Empowerment;³²
4. Consumer Awareness Raising and Advocacy.³³

Products that bear the logo of Fair Trade International must meet all of the aforementioned principles: “Fair Trade products are goods and services that are produced, traded and sold in accordance with these Fair Trade principles and, wherever possible, verified by credible, independent assurance systems such as those operated by FLO (“Fairtrade-Certified”) and WFTO (Sustainable Fair Trade Management System).”³⁴

1.1.2. Anthropological Interpretation

In her work titled ‘Fair Trade Coffee and Human Rights in Guatemala,’ Sarah Lyon focuses on the impact of the US funded projects to encourage rural development in Guatemala, including a 23 million dollar (USD) loan for the development of coffee cooperatives in indigenous highland communities.³⁵ The Fair Trade movement organizes the farmers into grassroots cooperatives and ensures that farmers are not being deprived

²⁷ Charter of Fair Trade Principles, http://fairtrade-advocacy.org/images/Charter_of_Fair_Trade_principles_EN_v1.2.pdf (consulted on 11 June 2015)

²⁸ Idem (consulted on 11 June 2015).

²⁹ Idem (consulted on 11 June 2015)

³⁰ Charter of Fair Trade Principles, http://fairtrade-advocacy.org/images/Charter_of_Fair_Trade_principles_EN_v1.2.pdf (consulted on 12 June 2015)

³¹ Idem (consulted on 12 June 2015).

³² Idem (consulted on 12 June 2015).

³³ Idem (consulted on 12 June 2015).

³⁴ Idem (consulted on 8 June 2015)

³⁵ Lyon, 2007, p. 242.

of their harvest by *coyotes*³⁶ and losing money during the roasting process, and it also ensures that farmers get paid a fair amount for the coffee they produce.³⁷

By focusing her research on these coffee cooperatives Lyon pushes the concept of Fair Trade beyond simply being a mechanism to ensure fair pay for labour, and positions it as a mechanism for elevating rural producer associations and strengthening local group organizations:³⁸ “Unlike other forms of local participation in the global economy (migration, service jobs in the tourist industry, drug trafficking, etc.) which often present alternatives to community based livelihoods, participation in the fair trade coffee market embeds members more deeply in local economic and social spheres since it is contingent upon individual membership within the democratically organized cooperative.”³⁹ Lyon further states that it is not only the cooperative members of the community that benefit, but also the community at large: “The wider community also benefits from development projects initiated by the cooperative and funded with fair trade coffee market proceeds in the areas of environmental conservation, infrastructural improvements, and emergency relief.”⁴⁰ From the anthropological standpoint, Fair Trade is extending to the community level and enhancing the community ties of vulnerable populations.⁴¹

One lacuna that Lyon exposes is that fair trade does not enough in terms of gender equality, and does not put forward any initiatives to empower and elevate the women in the farming community.⁴² This observation on the part of Lyon contributes another reason to adopt a more holistic approach to fair trade.

³⁶ In his work titled *Collaborating with Activists: How Starbucks Works with NGOs*, Argenti defines ‘Coyotes’ in the following context: “Small producers often have difficulties financing their operations throughout the year and sell their crop prior to harvest for a cash advance to middlemen, known as ‘coyotes.’ These middlemen provide small farmers with credit at high interest rates in exchange for bringing their beans to market. As a result, small-scale farmers are often caught in a perpetual cycle of poverty: low production levels limit their access to cash which, in turn, hinders the potential for increasing output.” (Argenti, 2004)

³⁷ Lyon, 2007, p. 251.

³⁸ Idem, p.251.

³⁹ Idem, p. 243.

⁴⁰ Idem, p. 243.

⁴¹ Idem, p.251.

⁴² Lyon, 2007, p. 256.

1.1.3. Developmental (or rights-based approach) Interpretation

There is nothing charitable about Fair Trade, it is in fact *trade* and the farmers should be recognised as important actors. It is by involving and elevating small farmers from developing countries and into the trade process that the Western world will help these countries overcome poverty: “Oxfam would make sure people get the message that ‘poor people are actors in their own right, and not victims or beneficiaries.’”⁴³ In their work titled ‘Fair Trade?: How Oxfam Presented a Systemic Approach to Poverty, Development, Human Rights and Trade,’ Aaronson and Zimmerman trace the incompatibility between business and human rights back to the creation of the World Trade Organization (WTO) and the General Agreement on Tariffs and Trade (GATT), blaming the GATT for being incompatible with the needs of poorer countries.⁴⁴

Aaronson and Zimmerman credit advocacy groups and NGOs such as Oxfam for bringing the limitations of the WTO to the attention of the public.⁴⁵ The authors credit Oxfam’s Strategic plan for a new rights-based approach to development: “Oxfam noted that for people to exercise their rights, ‘opportunities must be created so people can participate in governing their lives and they must have the capacity to organize and take advantage of those opportunities.’”⁴⁶ Rather than rejecting the principle of Fair Trade, Oxfam reinforces the alternative understanding of ‘unfair trade,’ which brings human rights into focus: “To Oxfam, unfair trade means trade that is rigged against developing countries and the world’s poor. These rules, according to Oxfam, must be challenged to achieve fair trade.”⁴⁷

Oxfam does not reject the existing principles of fair trade: “However, Oxfam also defines fair trade as ‘paying poor producers a fair price and helping them gain the necessary skills and knowledge to develop their businesses and work their way out of poverty.’”⁴⁸ This interpretation of ‘unfair trade’⁴⁹ brings to light the fact that farmers are not only being

⁴³ Aaronson & Zimmerman, 2006, p.1012.

⁴⁴ Idem, p. 1001.

⁴⁵ Idem, p.1005.

⁴⁶ Idem, p.1009.

⁴⁷ Idem, p. 1009.

⁴⁸ Aaronson & Zimmerman, 2006, p.1017.

⁴⁹ Idem, p.1017.

taken advantage of with unfair pricing, but that the entire international trade system has been designed against their favour.⁵⁰ This new rights-based approach to fair trade needs to be brought to light and incorporated into a new holistic approach to fair trade.

1.1.4. Towards a More Holistic Approach to Fair Trade

In today's market, the term 'Fair Trade' has become grossly misused. As a result, consumers are becoming more and more confused about what is an ethical purchase.⁵¹ Although fair trade certified products seem to have only recently flooded the market, the principle has been around much longer. It is difficult to pinpoint exactly when the idea of fair trade was born, but scholars place its conception around shortly after World War II, and it initially had a much simpler scheme: "Fair trade was an economic model based on fair labour compensation and mutual respect between producers and consumers."⁵² This simple premise has evolved to encompass many more moving parts of trade, environmental issues and globalisation, in order to ensure the protection of human rights of farmers in the developing world.

Not only has the terminology of Fair Trade been misused, the concept itself is very limited. Corporate leaders, government bodies, consumers and scholars need to agree upon a definition of Fair Trade that is much more holistic and encompasses aspects of coffee production that are overlooked by corporate executives or beyond the scope of business of MNCs. There needs to be room for issues such as community projects, gender and environmental sustainability.

Within this framework, this work proposes a more encompassing definition of Fair Trade. As a result, this section will offer in addition to a technical definition, two other interpretations of the term fair trade: anthropological, and developmental (or rights-based approach). This will offer a more holistic understanding of the inflated concept, and better ground the arguments of this work.

⁵⁰ Aaronson & Zimmerman, 2006, p.1001.

⁵¹ Renard, 2010, p.288.

⁵² Stanley, 2002, p.1.

1.2. The Effects of Fair Trade on the Farmers

Coffee is an in-demand commodity, but with its long, complex supply chain, farmers inherently get only a fraction of what they should get for their beans:⁵³ “For example, in 2001, between 50 and 70 percent of global coffee came from small-scale farmers, which usually do not own the mills necessary to process the product. Some small farms operate as part of cooperatives that collectively own mills, but not all small-scale farmers have this as an option. Often, mills are owned and operated by large farms, and small farmers have little leverage when negotiating prices. As a result, small farmers commonly accept a considerably lower price just to get their coffee to market.”⁵⁴

Furthermore, due to the unstable nature of their business,⁵⁵ and the fact that most of these farmers come from poorer countries, coffee farmers are vulnerable to having their socio-economic rights violated, specifically the failure to ensure a minimum wage sufficient for a decent living (rights at work).⁵⁶ Fairtrade organizations work to prevent these human rights violations, they work to protect the vulnerable farmers from being deprived of their income by ensuring that they are given a fair price for their harvest.

1.3. The Power of NGO Naming and Shaming:⁵⁷ Starbucks Introduces Fair Trade Coffee

Starbucks marketing is filled with imagery of sun-burned farmers working their fields in distant, exotic locales such as Ethiopia or Nicaragua, creating a brand identity of a company that gives back to the communities of its farmers. This imagery is vivid and

⁵³ Argenti, 2004, p.97.

⁵⁴ Idem, p.97.

⁵⁵ Idem, p.97.

⁵⁶ United Nations, Office of the High Commissioner for Human Rights, ‘Key concepts on ESCRs -What are examples of violations of economic, social and cultural rights?’, <http://www.ohchr.org/EN/Issues/ESCR/Pages/WhatareexamplesofviolationsofESCR.aspx> (consulted on 10 June 2015) and United Nations, Office of the High Commissioner for Human Rights, ‘Frequently Asked Questions on Economic, Social and Cultural Rights, Fact Sheet #33,’ <http://www.ohchr.org/Documents/Issues/ESCR/FAQ%20on%20ESCR-en.pdf> (consulted on 10 June 2015).

⁵⁷ Hafner-Burton, 2008, p.690.

evocative, and above else creates a sort of disbelief for many Starbucks devotees when they realize that their favourite coffee company only began offering fair trade coffee in 2000, after pressure by Global Exchange, an NGO notorious for putting pressure on mega-corporations to change their bad business ethics.⁵⁸ In a momentous effort of naming and shaming,⁵⁹ Global Exchange voiced their disapproval of Starbucks' business ethics during the coffee company's annual shareholders meeting in February 2000: "Global Exchange criticized Starbucks for profiting at the coffee farmer's expense by paying low prices and not buying 'Fair Trade' coffee beans. Not only did the activists disrupt the company's annual meeting,⁶⁰ but they also threatened a national boycott of Starbucks if the company refused to sell and promote Fair Trade coffee."⁶¹

Global Exchange can be credited for using this protest as a means to mainstream the Fair Trade coffee issue, especially since their protest specifically targeted Starbucks,⁶² a mega coffee empire with a cult following, and scheduled the protest for the day after a controversial documentary about the inhumane treatment of coffee farmers in Ethiopia aired on a local television station.⁶³ This well-thought out strategy was sure to garner the Fair Trade cause the attention from the media and the stir from the public that the movement needed.

Fair Trade coffee was not even on the radar of the Starbucks founders. From the outset, Starbucks has prided itself on serving the highest quality coffee, and so paid a premium to its farmers and roasters to ensure they were getting the best Arabica beans available.⁶⁴ Starbucks executives have alleged that there was apparently no real need to source certified Fair Trade coffee,⁶⁵ as they had already established relationships with their

⁵⁸ Argenti, 2004, p.91.

⁵⁹ Hafner-Burton, 2008, p.690.

⁶⁰ Argenti, 2004, p.91.

⁶¹ Idem, p.91.

⁶² Idem, p.91.

⁶³ Case Study, 'Starbucks Coffee Company Teaching Note,'

<http://www.awpagesociety.com/images/uploads/Starbucks-Note.pdf> (consulted on 15 June 2015).

⁶⁴ Idem, p.16.

⁶⁵ Argenti, 2004, p.105.

suppliers for years, and they trusted them to deliver a high quality product.⁶⁶ This defense turned out to be not entirely accurate.

1.3.1. The Starbucks Alternative: The Coffee and Farmer Equity (C.A.F.E.) Practices

Since its inception Starbucks has shared its culture of helping its baristas, their communities, as well as the communities from which they source their coffee beans.⁶⁷ In line with that, Starbucks' main line of defence against carrying more Fair Trade certified products is that Fair Trade producers simply cannot keep up with the mega-corporation's demands for quality and quantity,⁶⁸ meaning that the fair trade model just does not fit the mega-corporation's business model.

Fair trade certified coffee has been certified by a third party, ensuring traceability back to a farmer that is being paid a fair wage for his product. The fair trade certification process is complex, and does not allow large producers to be certified.⁶⁹ In their line of defense, Starbucks executives have claimed that Fair Trade is incompatible with their business plan since they cannot be assured of large quantities of high quality coffee beans to fit their demands.⁷⁰

Rather than committing to purchasing Fair Trade, Starbucks in partnership with NGO Conservation International (CI), created its own certification process: the Coffee and Farmer Equity (C.A.F.E.) Practices. According to the company's 2014 Global Responsibility Report, 95.5% of their coffee meets the standards of the C.A.F.E. Practices,⁷¹ with 8.6% of that being certified Fairtrade (by Fairtrade USA),⁷² and 1% being certified organic.⁷³

⁶⁶ Idem, p.17.

⁶⁷ Timmerman, 2013, p.99.

⁶⁸ Argenti, 2004, p. 105.

⁶⁹ Timmerman, 2013, p.99.

⁷⁰ Idem, p.99.

⁷¹ Starbucks CSR Report 2014, p.3.

⁷² Idem, p.3.

⁷³ Starbucks CSR Report 2014, p.3.

The information about the C.A.F.E. Practices that has been made to the public is limited, and definitely not as complete as the information available about Fairtrade International (FLO). In regards to their relationship with Starbucks, the C.A.F.E. Practices website offers the following statement: “C.A.F.E. Practices ensures that Starbucks is sourcing sustainably grown and processed coffee by evaluating the economic, social and environmental aspects of coffee production. These aspects are measured against a defined set of criteria detailed in the C.A.F.E. Practices Generic and Smallholder Scorecards. According to an impact study performed by Conservation International, C.A.F.E. Practices has significantly benefited more than one million workers employed by participating farms.”⁷⁴ Unfortunately, neither the C.A.F.E. Practices website nor the Starbucks website seem to offer any substantive information on the certification process, its standards, or its third-party verifiers.

In her work titled ‘In the Name of Conservation: CAFE Practices and Fair Trade in Mexico,’ Marie-Christine Renard exposes the truth behind the C.A.F.E. Practices in the region of El Triunfo, Mexico.⁷⁵ Renard traces the origins of Starbucks and CI in Mexico, as the company sourced coffee from farmers that had recently formed cooperatives as a form of resistance from the pressure of the Agroindustries of Mexico (AMSA).⁷⁶

Starbucks offered the local farmers an unusually high price for their coffee beans, much higher than the set market price: “To the producers of El Triunfo, the relation with Starbucks seemed too good to be true; the company paid double the market price (US \$138/100 lbs for organic coffee and between US \$109 and US \$115/100 lbs for transition coffee, when the market price was less than US \$80/100 lbs). In this way, two of their most urgent problems were solved, the lack of buyers in the international market and low prices.”⁷⁷

⁷⁴ SCS Global Services Website, <http://www.scsglobalservices.com/starbucks-cafe-practices> (consulted on June 10 2015)

⁷⁵ Renard, 2010, p.290

⁷⁶ Idem, p.290.

⁷⁷ Idem, p.292.

Concurrently, CI and Starbucks were designing an analysis process to assure themselves of the quality of the farmers' coffee beans.⁷⁸ This analysis provided the basis for a matrix that CI would use to measure the farmers' harvest in order to determine which farmer would get paid the highest amount.⁷⁹ The farmers' that were paid the highest were considered 'preferred suppliers,' according to CI.⁸⁰ With this pay structure, farmers could eventually earn more than they would from Fair Trade certifiers: "According to CI, meeting Starbucks standards would provide producers with higher prices than they would get under FT. It also told producers that the OCIA International organic certification represented an unnecessary cost."⁸¹

What Starbucks did was enter a region of Mexico where vulnerable farmers were already being crushed by the pressures of the agro-business, and tempted them with high pay for their crops.⁸² What this resulted in was a competitive points system that eventually left the farmers with less money than they were promised.⁸³ This points system served as a jumping off point for the CI and Starbucks to develop the C.A.F.E. Practices: "In 2003, in their continuous search for high quality coffee as the 'essential component of their business success' and with the results of the pilot plan in hand, CI designed for Starbucks the CAFE Practices programme, which would be launched in 2004."⁸⁴ This further reinforces the fact that the C.A.F.E. Practices were developed with Starbucks business priorities in mind and with little focus on the rights of the farmers.⁸⁵

Renard concludes with the following stern statement in regards to the C.A.F.E. Practices: "Whilst this model is promoted under the banner of 'sustainability', it is primarily directed towards ensuring a steady supply of consistent quality, and it subordinates the interests of the producers it contracts with to the fulfilment of these goals. The NGO which designed and implemented the model, CI, is financed by Starbucks itself. The certifying body involved only evaluates the conformity of the production process to

⁷⁸ Renard, 2010, p. 292.

⁷⁹ Idem, p.292.

⁸⁰ Idem, p.292.

⁸¹ Idem, p.292.

⁸² Idem, p.292.

⁸³ Idem, p.292.

⁸⁴ Renard, 2010, p.292.

⁸⁵ Idem, p.292.

norms established by the buyer itself, offering no real guarantee that the model is ‘sustainable.’”⁸⁶

And herein lies the crux of the problem: Starbucks rejects the Fair Trade principles, blaming the complications of finding suppliers that can meet their quality standards and their quantity demands,⁸⁷ and therefore have opted to implement their own standards of certification, which are unregulated, untraceable and heavily influenced by Starbucks business priorities.⁸⁸

On the heels of the Global Exchange protest, Mary Williams, the Senior Vice President (SVP) of Starbucks voiced the following concern: “As the SVP of Coffee at Starbucks, her major concern was about the quality of the beans. Smith knew it would be much harder the get consistent quality from these smaller cooperatives, but was it impossible? Should Starbucks make a promise to offer fair trade coffee without knowing if the company could deliver?”⁸⁹ This is a valid concern from a for-profit corporation, there needs to be some assurance that the quality of their product will not be compromised, and furthermore with a corporation this size, there needs to be assurance that these farmers can produce enough coffee beans to fulfill the demands of the business.

However, the problem is that Starbucks has seamlessly rejected the advocacy aspect of the Fair Trade certification and has instead created their own through the C.A.F.E. Practices that is better suited for their business needs;⁹⁰ this is counter-productive to the movement of Fair Trade. The result is that Starbucks has weakened the Fair Trade movement, all while giving the company an image of solidarity with their farmers and an essence of fair trade. To reiterate the previous section, there is no apparent access to their standards of certification, and no guarantee of transparency.

⁸⁶ Renard, 2010, p.296.

⁸⁸ Idem, p.296.

⁸⁹ Case Study, ‘Starbucks Coffee Company Teaching Note,’ <http://www.awpagesociety.com/images/uploads/Starbucks-Note.pdf> (consulted on 15 June 2015).

⁹⁰ Renard, 2010, p.296.

Starbucks carries a very small amount of Fair Trade certified coffee, barely 40 million pounds of coffee.⁹¹ This may seem like a high amount of coffee, and it certainly is, in 2008 Global Exchange posted an article on their website announcing the following: “Starbucks, one of the largest buyers of Fair Trade Certified™ coffee, will double its purchases to 40 million pounds in 2009, making the company the largest purchaser of Fair Trade Certified coffee in the world.”⁹² Again, 40 million pounds of coffee may seem like a significantly high number, but not when it is being compared to the 400 million pounds of coffee that Starbucks sources annually. This only amounts to a very small percentage of its offering, and this coffee is rarely brewing in-store⁹³ or available for whole bean purchase.⁹⁴ In his work titled ‘Fair Trade Marketing: An Alternative System for Globalization and Development,’ Terrence H. Witkowski attests to the fact that Starbucks Fair Trade Coffee is rarely made available to the consumer: “In several US stores visited by this writer, Starbucks did not feature fair trade coffee, either brewing or packaged for take home sales. Only the flyers touting Starbucks’ corporate social responsibility mentioned fair trade.”⁹⁵ This is a common observation in the literature relating to Fair Trade, that Starbucks seemingly never misses an opportunity to capitalize on Fair Trade marketing, no matter how small their involvement or their contribution. What has resulted from the relationship between Starbucks and the C.A.F.E. Practices is exactly this: Starbucks has found a way to market itself as a coffee company with 96% of its coffee grown sustainably, while in reality, it is all smoke and mirrors.

1.4. Finding the Disconnect Between Starbucks and Society

Starbucks has had a history of being well-connected to the communities that it serves. Or at the very least, Starbucks’ top leaders have attempted to find mechanisms to involve Starbucks in social currents and issues. Most recently, Starbucks launched its now failed #RaceTogether campaign, in which Starbucks baristas were encouraged to write #RaceTogether on their customers’ cups, with the intention of encouraging discussion

⁹¹ Starbucks CSR Report 2014, p.3.

⁹² Global Exchange Website, <http://www.globalexchange.org/blogs/fairtrade/2008/10/29/starbucks-to-double-fair-trade-certified-coffee-purchases/> (consulted on 14 June 2015).

⁹³ Witkowski, 2005, p.30.

⁹⁴ Idem, p.30.

⁹⁵ Idem, p.30.

with them about the race riots in the US.⁹⁶ John Oliver dedicates a segment in his show to this failed campaign,⁹⁷ featuring his own input in addition to reactions from the public. Oliver referred to a tweet by an African American woman that was shown on an American news channel: “not sure what @Starbucks was thinking. I don’t have time to explain 400 years of oppression to you and still make my train #RaceTogether.”⁹⁸ In addition, ABC News interviewed an African-American man on the street, and he was quoted saying the following: “I’m not sure that systemic change is going to (sic) happen by talking to your barista at Starbucks.”⁹⁹

Starbucks has clearly tried to inject itself into a social issue that has affected the members of its communities, but this social issue is clearly beyond Starbucks depth. By Starbucks trying to inject itself into this particular social issue, it takes away from its importance and minimises the issue from a nation-wide revolt against the policy system to just a casual conversation to be had between two strangers at a coffeehouse.

1.4.1 The White Executive Board and the Minority Barista

This disconnect could be attributed to the disparity between the head office executives and the baristas, since most executives are white and male, while as most baristas come from various ethnic backgrounds and are female.¹⁰⁰ In the Starbucks CSR Global Responsibility Report of 2014, the section on ‘Diversity and Inclusion’¹⁰¹ offers the following statistics: “Currently, about 40% of our U.S. partners are minorities; 65% are women. Of our vice presidents, 48% are women and 15% are minorities. Among our top leaders—defined as senior vice president or higher—18% are minorities and 29% are women.”¹⁰² This lack of diversity at the top is consistent across MNCs in North America, especially because unlike in Europe,¹⁰³ there is very little government involvement to

⁹⁶ Ember, 2015 (consulted on 23 March 2015).

⁹⁷ YouTube, ‘John Oliver, Starbucks Race Together,’ <https://www.youtube.com/watch?v=0eUp5Y6eQew> (consulted on 23 June 2015).

⁹⁸ Idem (consulted on 23 June 2015).

⁹⁹ Idem (consulted on 23 June 2015).

¹⁰⁰ Starbucks CSR Report 2014, p.13.

¹⁰¹ Idem, p.13.

¹⁰² Idem, p.13.

¹⁰³ McCann & Wheeler, p.243.

ensure diversity:¹⁰⁴ “One of the most significant governance issues currently facing the managers, directors, and shareholders of the modern corporation is the gender, racial, and cultural composition of the board of directors.”¹⁰⁵ This disparity and lack of representation of minorities in the executive boardroom could explain why Howard Schultz thought that #RaceTogether initiative might be a success, but in reality he is disconnected from what is really happening in Starbucks community, or what is occurring with the race riots.

It is worth noting that diversity is also an important issue for many human rights organizations.¹⁰⁶ This misrepresentation in the company’s executive body feeds into the idea that Starbucks portrays itself as a good corporation to work for, a company that cares about its community and the world, but rather it lacks crucial gender and racial representation in its executive levels.

1.5. The Effect on the Consumer

With the lack of consistent standards of communication, Fair Trade marketing can be confusing. The fact that there are several different types of certification processes and no clear distinction between them¹⁰⁷ makes for a very difficult analytical experience. The market is now flooded with labels such as organic, natural, single origin, shade-grown, etc. Not to mention the confusion with Fair Trade itself, some companies use the Fair Trade International (FLO) logo, or other brands use the Fair Trade USA logo.¹⁰⁸ Each fair trade label is associated with a different certification process, and not all are linked back the original Fair Trade International (FLO) level of certification and transparency.

¹⁰⁴ Idem, p.243.

¹⁰⁵ Carter, Simkins & Simpson, 2003, p.34.

¹⁰⁶ UN Practitioners’ Portal on Human Rights Based Approaches to Programming, ‘What is the relationship between a human rights-based approach and gender mainstreaming?’ <http://hrbaportal.org/archives/faq/what-is-the-relationship-between-a-human-rights-based-approach-and-gender-mainstreaming> (consulted on 12 July 2015).

¹⁰⁷ Renard, 2010, p.290.

¹⁰⁸ Idem, p.290.

There is proof that consumers want to shop ethically,¹⁰⁹ however they need to have easy access to information to be able to decide on purchases that are the closest aligned to their values. This will be discussed in detail in Part 4 of this work.

It is important to note that Fairtrade USA has recently severed its affiliation with FLO and has adopted new principles that are more aligned with the needs of corporations, namely Starbucks.¹¹⁰ “The mission-driven wing of the fair-trade movement wanted to clarify the differences between Fair Trade USA, which it believes is too closely aligned with large profit-driven corporations such as Starbucks, and themselves. Its criticisms increased significantly in September 2011, when Fair Trade USA decided to end its relationship with FLO.”¹¹¹ This has attributed to the controversy surrounding Fairtrade USA in the Fair Trade certification community.

In his book titled ‘Buying into Fair Trade: Culture, Morality and Consumption,’ Keith R. Brown traces the controversy behind Fairtrade USA as beginning when Fairtrade USA was called Transfair USA, this name change created a lot of backlash in the Fair Trade advocacy community: “Equal Exchange, a seminal organization in the founding of the Fairtrade movement, led a petition drive against the name change that gathered more than nine thousand signatures.”¹¹² Brown goes on to quote Phyllis Robinson, Equal Exchange’s Education and Campaigns Manager: “[Phyllis Robinson] conceded that the name change was a smart marketing strategy for Fair Trade USA but wrote: ‘Fair Trade is a concept, a way of doing business, a value system, an entire movement built through the convictions and hard work of hundreds of thousands of individuals across the globe. Can one organization simply appropriate all that “Fair Trade” signifies, and claim it for itself?’”¹¹³

This information is not made available to the Starbucks customer in the company’s marketing or in the company’s CSR reports. To further contribute to the confusion, FLO

¹⁰⁹ Carrigan and Attala, 2001, p.561.

¹¹⁰ Brown, 2013, p.11.

¹¹¹ Idem, p.11.

¹¹² Idem, p.13.

¹¹³ Idem, p.13.

has decided to keep certifying products in the US,¹¹⁴ and as such consumers in the US are faced with the decision of purchasing products with that are certified by Fairtrade USA or FLO. Each certification process has its own designated label, but since both use the term ‘Fair Trade,’ there could be more confusion on the end of the customer.



Figure 1 Fairtrade International (FLO) Logo, downloaded from the Global Exchange website¹¹⁵



Figure 2: Fairtrade USA Logo, downloaded from the Global Exchange Website¹¹⁶

Starbucks has an image of a good company, a company that cares about its community and about the world. With this brand identity, Starbucks creates a sort of trust with its consumer. With all the confusion around the concept of Fair Trade, should consumers

¹¹⁴ Global Exchange Website, <http://www.globalexchange.org/blogs/fairtrade/2012/04/02/fairtrade-international-sets-up-shop-in-the-u-s/> (consulted on 8 July 2015).

¹¹⁵ Global Exchange Website <http://www.globalexchange.org/blogs/fairtrade/2012/04/02/fairtrade-international-sets-up-shop-in-the-u-s/> (consulted on 15 June 2015).

¹¹⁶ Global Exchange Website <http://www.globalexchange.org/blogs/fairtrade/2012/04/02/fairtrade-international-sets-up-shop-in-the-u-s/> (consulted on 15 June 2015).

just “trust” the brand identity of Starbucks, believing that they are sourcing their coffee beans from reliable sources and they are paying their farmers an adequate wage?

Part 2: Starbucks Brand Identity and Fair Trade Marketing

In his film titled ‘The Pervert’s Guide to Ideology,’¹¹⁷ Marxist philosopher Slavoj Zizek explores the nature of consumerism in capitalist society, and how all purchases harken back to an ideology.¹¹⁸ According to Zizek’s, when we as consumers buy a commodity, we need only buy the commodity itself but we also buy the ideology that is behind it.¹¹⁹ Consumers are constantly bombarded with ideologies, and Zizek points his theory directly at Starbucks: Zizek explains that when a consumer chooses to buy a cup of coffee from Starbucks, they are also purchasing the coffee company’s complicated “do-gooder” ideology.¹²⁰

Zizek narrates that when someone enters a Starbucks coffeehouse, they are bombarded with human rights imagery, and rhetoric such as “buy our coffee, we donate 1% of our profits to Guatemalan school children, or we enable organic coffee farming,”¹²¹ high ideals that show that Starbucks is a company that cares.¹²² Zizek further outlines the essence of consumerism: “people buy things and then they immediately feel guilty, they feel guilty for consuming when there are so many suffering people in the world,”¹²³ but what Starbucks has cleverly done is build a business model around this principle.

According to Zizek, Starbucks has marketed a “commodity with an inflated cost because the cost to offset the guilt that comes with it is build right into the price;”¹²⁴ meaning that Starbucks coffee cost more than the average cup of coffee but the company sells the illusion that it is an ethical cup of coffee, and a portion of its proceeds will go to charity,

¹¹⁷ Fiennes & Zizek, 2012.

¹¹⁸ Fiennes & Zizek, 2012.

¹¹⁹ Fiennes & Zizek, 2012.

¹²⁰ Idem.

¹²¹ Idem.

¹²² Idem.

¹²³ Idem (this quotation has been lightly edited for clarity).

¹²⁴ Idem (this quotation has been lightly edited for clarity).

or that the coffee is sourced from farmers that were paid fairly and that work under fair conditions. In line with CSR becoming more mainstream, many companies will put in place cause-related marketing, meaning the company commits to sell a certain product and attach to it a caveat that with its purchase the company will donate a portion of its proceeds to a certain cause or a certain charity. Starbucks has built an entire empire around this strategy. And herein is where we get to the root of the argument: Starbucks marketing is built around this illusion of an ethical cup of coffee.

Starbucks has crafted its brand identity around this notion that it is a coffee corporation that cares about its community and about its farmers. In this section we will delve into the layers of Starbucks' marketing, in order to better understand how it relates back to the farmers, to their communities, and human rights.

This section will include an analysis of the Starbucks experience, starting with the in-store experience, from the perspective of a consumer. The second part will consist of a marketing analysis of the Starbucks website and social media. Finally, the third part will be an analysis of the company's 2014 CSR report.

In addition to these high level analyses, both parts of this section will lightly touch on some of Starbucks' CSR campaigns: cause promotions, cause-related marketing, and corporate social marketing initiatives such as Project RED and ETHOS water.

2.1: Starbucks In-Store Experience

Starbucks coffeehouses have a trademark look, feel and smell. Immediately upon entering a Starbucks coffeehouse, no matter where you are in the world, our senses are accosted with the warm, comforting smell of fresh brewed coffee, our eyes dart to the bright, glossy baked goods in the display window, and we are immediately compelled to plunk down in one of the earth toned armchairs, clustered together to incite conversations and laughter among friends.

Customers file into a queue at the glass display, a classic strategy to force customers to take a look at the selection of baked goods, enticing them to grab a pastry or a pretzel to go with their coffee. In addition to the baked goods behind the glass display, there is

usually a cold box below with sandwiches or fruit platters, and a basket full of Starbucks' ETHOS Water,¹²⁵ one of Starbucks' many cause-related marketing initiatives. Someone at the register cheerfully takes your order, and asks for your name to inscribe on the cup. This is meant for when the barista has your order ready at the bar, they can call you by your name rather than by your order,¹²⁶ this will probably help build a better customer-barista rapport and build on the Starbucks' experience and harkens back to the focus that the company has on community.

Starbucks dedicates a video to this initiative on its YouTube channel titled: 'Introduce Yourself to a Free Tall Latte at Starbucks UK,'¹²⁷ in which it claims that this initiative is meant to help the customer feel like more of a person rather just a coffee order.¹²⁸ The video has the following tagline: "Nowadays everything seems a little impersonal. That's why from now on we're going to refer to you as your folks intended -- by your name. So come in and introduce yourself and we'll introduce you to a free Tall latte, Wednesday March 14th, until noon. We'll get to know you and you'll get to know our new latte -- now crafted with an extra shot of espresso."¹²⁹

With its intricate and layered marketing initiatives, Starbucks breathes new life into the principle of the "third place."¹³⁰ Everyone has a first place (their home), a second place (their work) and a third place, one where they can disconnect and unwind.¹³¹ This environment counters with the rest of the environments we face in daily life: people are constantly rushing through the grocery store queue, hurrying at the post office and at the pharmacy, speeding from one errand to another, but at Starbucks customers are always welcomed to have a seat and take a few moments to sip their coffee.

¹²⁵ Starbucks Website, <http://www.starbucks.com/responsibility/community/ethos-water-fund> (consulted on 20 June 2015).

¹²⁶ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=Vtr0c6oVvSM> (consulted on 24 June 2015).

¹²⁷ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=Vtr0c6oVvSM> (consulted on 24 June 2015).

¹²⁸ Idem (consulted on 24 June 2015).

¹²⁹ Idem (consulted on 24 June 2015).

¹³⁰ Oldenburg & Brissett, p.268, 1982.

¹³¹ Idem, p.268.

Should the customer had not noticed the imagery in Starbucks upon entering, they will certainly take notice of it upon sitting down. Starbucks walls are noticeably plastered with images of sunburned farmers, working their fields and hauling straw bags of green coffee beans on their backs. These images are mirrored on the bags of whole bean coffee available for purchase, stacked neatly on shelves scattered around the coffeehouse and branded after their namesake countries such as *Starbucks Burundi Kayanza Coffee Blend*,¹³² which will be further discussed in the social media section below. Many Starbucks coffeehouses even have these bags stacked on shelves that are surrounding the seating areas, creating sort of a partition wall that catches the customer's eye when they have a seat. This imagery is captivating and haunting, it is artistic and intends to provoke thought. Many Starbucks even have maps tapestried on some sections, with bolded names of exotic locales that grow the coveted Starbucks coffee beans: Colombia, Indonesia and Ethiopia to name a few. There are no mention on the walls about what these farmers do when they are not labouring their lands, such as when they are feeding their families, dressing their children for school, or waiting at the post office to be served. The imagery conjures an idea of these farmers as poor peasants, forced to labour under the hot sun to deliver you a cup of coffee. This is all part of the illusion that Starbucks sells its customers, to encourage them to buy their coffee so that Starbucks can support these poor farmers.

This imagery fetishizes the farmers, exoticizes them in a way that hurts them because it hinders their ascent from poverty. In his book titled 'Buying Into Fair Trade: Culture, Morality and Consumption,' Keith R. Brown explores this principle of fetishization of the farmers, and echoes Zizek's theory¹³³: "Showing farmers and artisans living in dire poverty made consumers feel good about buying fair trade. In part, it likely absolved them of the guilt they feel for participating in more exploitive forms of consumption. It allowed them to feel that they could make a difference in the world."¹³⁴

¹³² Starbucks YouTube Channel, 'Starbucks Burundi Kayanza Coffee,' <https://www.youtube.com/watch?v=rzbdqJjdQ9M> (consulted on 2 July 2015).

¹³³ Fiennes & Zizek, 2012.

¹³⁴ Brown, 2013, p.114.

Consumers, whether consciously or subconsciously, seek validation for their purchases, especially the consumers that are willing to pay Starbucks' inflated coffee prices.¹³⁵ In Part 3 we will analyse other coffee companies that form Starbucks' competitors and their consumers. Different consumers seek different types of companies, and Starbucks consumers are typically more current with affairs and are seeking a cup of coffee that is what they consider *ethical* and Starbucks so happens to mirror their values.

The problem with this in fact, what is not made especially public through all this powerful imagery and cause-related marketing is that it may be contradictory and that Starbucks coffee may in fact not be entirely ethical. This will be further analysed below in the Starbucks CSR report analysis.

2.2. Content Analysis of Starbucks Website and Social Media Experience

Starbucks Website: The front page of the Starbucks website is much like the in-store experience, it is inviting and warm, with a smooth interface and consistent branding. The entire website is consistent with the Starbucks branding colours of green, black and white. The front page is dedicated to promoting Starbucks products; the current product on display is the iconic Frappuccino, there is a tab inviting customers to "cast their vote" for their favourite new flavours of Frappuccino, and "the winning flavour will be offered at a special price July 3-6."¹³⁶ The imagery is bright and whimsical, and the Frappuccinos are set against a chalkboard background.

The website is structured into five main sections: Coffee, Menu, Coffeehouse, Responsibility, Card (Starbucks Rewards) and Shop.¹³⁷ The *Coffee* section appears to be the largest, with information about every single coffee that Starbucks brews in-store or carries for sale as a whole bean. Each coffee has its own information card that is easily accessible, and the information card is adorned with a beautiful image. There are options at the top of the Coffee page to help the customer narrow down their choice of coffee, the options are as follows: Format (whole bean, ground), Roast (blonde, medium or dark),

¹³⁵ Faughnder, November 2012, <http://news.nationalpost.com/news/starbucks-introduces-its-most-expensive-coffee-a-7-cup-of-rare-geisha-brew> (consulted on 2 July 2015).

¹³⁶ Starbucks website, <http://www.starbucks.com/> (consulted on 25 June 2015).

¹³⁷ Idem (consulted on 25 June 2015).

Caffeine (regular, decaf), Flavoured, and Where to Buy (whether in a Starbucks store, grocery store, or online).¹³⁸ Noticeably absent is the option for a certification, whether the customer is looking for a fair trade option or an organic option etc. This may lead the customer to just assume that all the coffee is Fair Trade certified.

Upon searching for “Fairtrade” in the search box, five pages of links immediately came up with information on coffee brews and “Starbucks Ethical Sourcing.”¹³⁹ The Starbucks Ethical Sourcing section of the website is dedicated entirely to the Starbucks Coffee and Farmer Equity (C.A.F.E.) Practices: “The cornerstone of our approach is Coffee and Farmer Equity (C.A.F.E.) Practices, one of the coffee industry’s first set of sustainability standards, verified by third-party experts. Developed in collaboration with Conservation International (CI), C.A.F.E. Practices has helped us create a long-term supply of high-quality coffee and positively impact the lives and livelihoods of coffee farmers and their communities.”¹⁴⁰ This section also includes several informative videos and information pages about ethical sourcing.¹⁴¹

The *Menu* section of the website offers an indexical reference to all the drinks and food that Starbucks offers, along with their corresponding nutritional information.¹⁴² The *Coffeehouse* section¹⁴³ includes information about the Starbucks experience in-store, and there is a special section dedicated to Store Design that gives the customer insight into Starbucks coffeehouses sustainable design, with information pages on some of the company’s Leadership in Energy and Environmental Design (LEED™) Certified stores.

After the *Coffee* section, the *Responsibility* section is the second largest part of the website. It includes information about the following subjects: Community, Ethical Sourcing, Environment and a link to download the current Global Responsibility Report Goals and Progress (CSR Report).¹⁴⁴ The *Responsibility* page opens with the following statement: “We have always believed Starbucks can – and should — have a positive

¹³⁸ Starbucks US Website, <http://www.starbucks.com/> (consulted on 11 June 2015).

¹³⁹ Idem (consulted on 11 June 2015).

¹⁴⁰ Starbucks US Website, <http://www.starbucks.com/> (consulted on 11 June 2015).

¹⁴¹ Idem (consulted on 11 June 2015).

¹⁴² Idem (consulted on 11 June 2015).

¹⁴³ Idem (consulted on 11 June 2015).

¹⁴⁴ Idem (consulted on 11 June 2015).

impact on the communities we serve. One person, one cup and one neighbourhood at a time.”¹⁴⁵ Although there is no mention of the company’s social responsibility anywhere on its front page, the Responsibility page is clearly accessible from a tab.¹⁴⁶ Unlike the in-store marketing, the customer does not see any imagery of exotic locales or farmers until they click on the Responsibility section. Noticeably absent is any marketing about Starbucks CSR initiatives such as Project Red¹⁴⁷ or Ethos Water Fund,¹⁴⁸ and the page dedicated to The Starbucks Foundation¹⁴⁹ is sparse. After conducting a search, a page appeared that was dedicated to the Ethos Water Fund with very minimal information.

The *Shop* section of the website redirects the customer to another webpage, and when “fair trade” is entered in the search button, the *Starbucks Italian Roast Fair Trade Certified* and the *Café Estima Blend* came up as the results.

Although the Starbucks website is full of information, it is very streamlined and easy to navigate. It is very user-friendly, and customers have easy access to information about the company’s coffees and its social responsibility.

Starbucks Facebook Page: Starbucks’ company profile reads very true to its corporate image and brand: “Starbucks has an unusually human approach to business. We always figured that putting people before products just made good common sense. Our relationships with farmers yield the highest quality coffees. The connections we make in communities create a loyal following. Our ability to accomplish what we set out to do is based primarily on the people we hire - we call each other "partners." We are always focused on our people.”¹⁵⁰

Starbucks’ Facebook page is loaded with information on everything from new products and developments. One thing that is immediately noticeable is that under each post,

¹⁴⁵ Starbucks US Website, <http://www.starbucks.com/> (consulted on 11 June 2015).

¹⁴⁶ Idem (consulted on 11 June 2015).

¹⁴⁷ Starbucks Website, <http://www.starbucks.com/responsibility/community/starbucks-red> (consulted on 11 June 2015).

¹⁴⁸ Starbucks Website, <http://www.starbucks.com/responsibility/community/ethos-water-fund> (consulted on 11 June 2015).

¹⁴⁹ Starbucks Website, <http://www.starbucks.com/responsibility/community/starbucks-foundation> (consulted on 11 June 2015).

¹⁵⁰ Starbucks Facebook Page, <https://www.facebook.com/Starbucks?fref=ts> (consulted on 1 July 2015).

followers of the page have added countless comments, and Starbucks seemingly manages to reply to each of them. And not just generic, automatically generated messages like “Thank You!” or “Happy to hear that!” but substantive replies that really pay attention to the customer’s comment. For example, on June 12, 2015, Starbucks posted an image of a cold drink and captioned it “It’s Iced Caramel Macchiato Day! #EveryDay,”¹⁵¹ and later on that day a customer commented “Iced Caramel Macchiato is my all-time favourite,”¹⁵² to which Starbucks replied: “It’s perfect on a warm spring afternoon! Or even on a cloudy morning. Or on a porch with your favourite flowers nearby (Smiley face).”¹⁵³ The company’s impeccable attention to detail when it comes to their customers is unparalleled, and this is quite impressive from a company of this stature. Most of their posts are related to new products, or new involvements by their partners.

On May 5, 2015, the company posted a very insightful piece about coffee sustainability with the following caption: “Our goal: To make coffee the most sustainably grown, ethically sourced commodity in the world.”¹⁵⁴ This was one of the only posts in the page’s recent history that was relating to sustainability or to the company’s CSR initiatives.

It is clear that what Starbucks is trying to achieve with their Facebook page is that they are trying to appear approachable to their customer, to let the customer know that they are listening to them and setting the groundwork for them to trust Starbucks. This is a clever public relations strategy, it lays the groundwork and gets the customer to trust them so they believe their messages and take part in their ideologies.

Starbucks YouTube Channel: Noticeably absent on Starbucks’ Facebook page are images of the farmers or of the countries from which Starbucks’ sources its coffee. This is a stark contrast to the company’s YouTube channel, which offers a plethora of information on everything from perfecting your own French press coffee at home, to sourcing Fair Trade Certified coffee from Rwanda. Although there are well over one hundred videos available on the YouTube Channel, eight have been selected for analysis. These selected

¹⁵¹ Starbucks Facebook Page, <https://www.facebook.com/Starbucks?fref=ts> (consulted on 6 July 2015).

¹⁵² Starbucks Facebook Page, <https://www.facebook.com/Starbucks?fref=ts> (consulted on 6 July 2015).

¹⁵³ Idem (consulted on 1 July 2015).

¹⁵⁴ Starbucks Facebook Page, <https://www.facebook.com/Starbucks?fref=ts> (consulted on 6 July 2015).

videos are not limited to the topic sustainability, but they all encompass at least one of Starbucks' values. It is important to note that the quotations from the videos have been lightly edited for content.

1. Title of Video: Starbucks Reserve™ Organic Ethiopia Sidamo

Tagline: “Grown in family gardens, Starbucks Reserve™ Organic Ethiopia Sidamo is a rare coffee rich with history, tradition and an astounding complexity. Learn more:

<http://www.starbucks.com/coffee/reserve>.”¹⁵⁵

Description: This beautiful video opens on Arthur Karuletwa, the Director of Traceability for Starbucks, as he gives the viewer insight into his travels to Ethiopia how the ‘Starbucks Reserve Organic Ethiopia Sidamo’ blend is sourced. Karuletwa reminisces on his memories of his travels, specifically the hums the women would sing as they are working the coffee fields, the video then immediately moves to an Ethiopian woman dressed in traditional garb, picking coffee cherries and humming a song. He says this resonates with him in the cup. Starbucks has travelled with this coffee from the picking of the cherry to the brew in the store. The farmers want the customer to have an element of their pride in each cup, at which point Karuletwa holds up a picture of himself smiling alongside what appears to be a group of farmers and children. Karuletwa also shares how he was a refugee, and he shares the following message: “Being a refugee and growing up in that environment, allows me to get an opportunity to elevate these farmers out of poverty, trading a commodity of this magnitude with a company that actually cares about where it sources its coffee from, gives me hope.”¹⁵⁶

Karuletwa also appears in another video on the channel, a video that is part of the “Coffee Q&A” playlist of videos, titled “What makes a great cup of coffee?”¹⁵⁷ Karuletwa replies that the taste must be experiential, and sensorial. He goes on to describe the experiential aspect as being an experience: “What will take me to Ethiopia for example? Where I can

¹⁵⁵ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=sXHdJw3JhXE> (consulted on 1 July 2015).

¹⁵⁶ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=sXHdJw3JhXE> (consulted on 1 July 2015).

¹⁵⁷ Idem (consulted on 1 July 2015).

taste the food and culture, smell the dirt, envision the beans being picked, that to me teleports me to origin.”¹⁵⁸

Analysis: This video is very impactful, and gives some insight into how involved the Director of Traceability is in this particular brew. It uses the Director’s own images to share his experiences on his travels to Ethiopia, along with smooth music and the clip at the beginning of the woman farmer sets the video apart from the others. The video could have elaborated more on Karuletwa’s story of being a refugee. As for whether Karuletwa was a refugee from Ethiopia, this part is unclear and could appear as though it was inserted to make him seem as though he identifies with the farmers. Although this video elicits many emotions and seems to be giving a fair platform to the coffee farmers, this particularly coffee brew has a controversial and saddening story; it is further explored in the next video’s analysis.

2. Title of Video: “Coffee Q&A: What country grows the best coffee?”

Tagline: “Answering your questions from the Starbucks Reserve Roastery and Tasting Room in Seattle, WA.”¹⁵⁹

Description: In this short 20 second video, Bradley Brys, a Starbucks Barista, gives his opinion as to which country grows the best coffee. In his opinion, Bradley says the following: “I can’t answer that question, I love Guatemalans, I know Andrew over there likes African, typically sun-dried Ethiopians, but there’s no best answer, it’s how you roast it, how you process it...”¹⁶⁰ This video is part of the channel’s playlist titled “Coffee Q&A,” which mostly consist of short videos of baristas or other Starbucks partners answering quick questions regarding coffee and the coffee brewing process.

Analysis: Bradley the Barista is obviously referring to coffee brews when he talks about “Guatemalans” and “sun-dried Ethiopians,” but this could also be misconstrued. It is a way of commodifying these national identities, along with their people.

¹⁵⁸ Idem (consulted on 1 July 2015).

¹⁵⁹ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=38EkA58GAhc> (consulted on 20 June 2015).

¹⁶⁰ Idem (consulted on 20 June 2015).

In 2006, in an attempt to increase its annual export revenue for coffee,¹⁶¹ the Ethiopian government filed an application to trademark the names of its towns that are associated with their world-renowned coffee brews: Sidamo, Harar and Yirgacheffe.¹⁶² Ethiopia ran into serious problems when Starbucks became involved in the process: “But Oxfam said Starbucks, which enjoyed a 22% rise in annual global turnover to \$7.8bn in the year to October, has acted to block Ethiopia's application to the US patent and trademark office. The USPTO has denied Ethiopia's applications for Sidamo and Harar, creating serious obstacles for its project.”¹⁶³

The problem was that Starbucks had already filed a trademark application in 2004, for its Starbucks Reserve Organic Ethiopia Sidamo, and this forced the USPTO to reject Ethiopia's application because the word had already been trademarked by Starbucks.¹⁶⁴ The real issue came soon after: “When Starbucks' application lapsed this June, the US National Coffee Association, of which Starbucks is a leading member, objected to the Ethiopian application. NCA representatives admitted to the Ethiopians and Mr Layton¹⁶⁵ that Starbucks had prompted their opposition.”¹⁶⁶

In the end, the farmers are the ones that are suffering at the hands of Starbucks global dominance of the coffee market: “Tadesse Meskela, head of the Oromia coffee farmers' cooperative union in Ethiopia, was unimpressed, however. ‘Coffee shops can sell Sidamo and Harar coffees for up to £14 a pound because of the beans' specialty status. But Ethiopian coffee farmers only earn between 30p and 59p for their crop, barely enough to cover the cost of production. We sell organic coffee for less than £1 a pound but that pound can make 52 specials in coffee shops selling for £2 each, meaning the retailer is selling it for £104. The people who are producing this in Ethiopia don't have enough food,

¹⁶¹ Feffer, 2008, http://fpif.org/starbucks_v_ethiopia/ (consulted on 2 July 2015).

¹⁶² Seager, 2006, <http://www.theguardian.com/world/2006/oct/26/usa.ethicalliving> (consulted on 2 July 2015).

¹⁶³ Idem (consulted on 2 July 2015).

¹⁶⁴ Idem (consulted on 2 July 2015).

¹⁶⁵ According to this article in the Guardian from which the information regarding this occurrence have been extracted, Mr. Ron Layton is the head of Light Years IP, a Washington-based intellectual property rights organisation that was at the time advising the trademark applicants, the members of the Ethiopian government (Seager, 2006).

¹⁶⁶ Idem (consulted on 2 July 2015).

clean water or health centres. Farmers are losing out while others in the chain are making huge amounts of money. That is hugely unfair.”¹⁶⁷

To return to the video, although this may have been an omission on the part of the barista, it raises concern as to how the Starbucks baristas refer to their brews internally or with their customers. When a barista refers to a coffee as “sun-dried Ethiopians,” it does bring to mind the idea that the actual Ethiopians that are labouring the fields to sell their coffee at a drastically undercut price to Starbucks are in fact being commodified, and this could infringe upon their right to human dignity in addition to the violation of their socio-economic rights because their coffee prices are being undercut.

3. Title of Video: “(STARBUCKS) RED”

Tagline: “Bold lesson: Start Small. (STARBUCKS) RED will be featured March 22-28.”¹⁶⁸

Description: This video is part of a small collection of videos available on the channel that market Starbucks’ “Bold” coffees, such as *Sumatra*, *Caffe Verona* and *Yukon Blend*. The Bold videos have nothing to do with coffee, but are rather intended to promote doing “bold” moves in life, starting with a “Today’s Lesson” at the beginning of the video.

The *Red* video follows the same nuanced tone. In the Starbucks Red video, the “Today’s Lesson” is to “Start Small,” meaning that to achieve big accomplishments, one needs to start by taking small steps. The video gives the examples that to learn how to speak French, one should start by visiting a French restaurant, or to become President, one should start by reading the constitution. This segues to the Starbucks Red campaign, in which “to help fight AIDS in Africa, start with a cup of (STARBUCKS) RED.”¹⁶⁹ This is followed by a brief description of the campaign and Starbucks’ involvement:

¹⁶⁷ Idem (consulted on 2 July 2015).

¹⁶⁸ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=4rXLWa3V8LU> (consulted on 2 July 2015)

¹⁶⁹ Idem (consulted on 2 July 2015).

“Starbucks will make a contribution of 5 cents US to the Global Fund for every cup sold from 3/22 to 3/28”¹⁷⁰ and lastly, “Starbucks is a proud partner of (PRODUCT) RED.”¹⁷¹

This type of cause-related marketing has been a consistent part of Starbucks marketing, but this particular video is special because it is an intersection between Starbucks’ marketing for its involvement with the Product Red campaign and its marketing for its Bold collection of coffees. Above all else, the coffee affiliated with the Product Red campaign is the ‘Starbucks East Africa Blend,’ which is part of the Bold collection of coffees, and is notably not certified as Fair Trade.

Analysis: Not only is Starbucks injecting itself into the monumental fight against AIDS in Africa, but there are many problems with this video. First, it strategically brings grandiose achievements down to a microscopic level; at one point the video suggests that to eventually run a marathon, one should first start by taking a morning walk. This may seem very relatable, however as the video progresses, the achievements become more unusual, such as “To conquer fear of heights, start by jumping off the couch,”¹⁷² or a bit extreme, like the first step to become president is to read the constitution.¹⁷³ The video eventually climaxes with the parallel about eradicating AIDS in Africa: not only is this an extreme stretch, but it also comically reduces the work of scientists, NGO workers, state leaders, government bodies etc. to a minimal action such as buying a cup of coffee.

Of course, Starbucks is intending to make customers feel as though they could make an impact on the cure for AIDS, and it is simple, they just have to buy a cup of coffee. This is a classic business strategy to help sell product, but Starbucks manipulates its customer into thinking that they could be part of the cure by simply buying a cup of coffee.

The reality is that the 0.05 USD will make a minute difference in the fight against AIDS in Africa, but it will provide the customer with the validation they need for buying an overpriced cup of coffee from Starbucks. One could even say that by Starbucks attaching

¹⁷⁰ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=4rXLWa3V8LU> (consulted on 2 July 2015)

¹⁷¹ Idem (consulted on 2 July 2015).

¹⁷² Starbucks YouTube Channel, <https://www.youtube.com/watch?v=4rXLWa3V8LU> (consulted on 2 July 2015)

¹⁷³ Idem (consulted on 2 July 2015).

their East Africa Blend to the Product Red campaign, the customers could even overlook the fact that this coffee is not even Fair Trade certified.

4. Title of Video: “Starbucks and Fair Trade in Rwanda”

Tagline: “A video recap of our recent trip to Kigali, Rwanda to open our latest Farmer Support Center, meet with our farmers, and affirm our commitment to the Rwandan government.”¹⁷⁴

Description: This video is narrated entirely by Ayuub Kasasa, a local Rwandan reporter, as he documents Starbucks’ visit to Kigali and the opening of the Farmer Support Center. This video is beautiful, filled with beautiful traditional Rwandan music and dance, evocative scenery, and the narration by a local Rwandan gives the video an authentic feel. Kasasa gives insight into the coffee industry in Rwanda, before introducing the relationship between Starbucks and Fair Trade in Rwanda, improving the coffee production and supporting farmers. There are plenty of scenes of the farmers setting out the beans to dry in the sun, along with scenes of Howard Shultz, donning the iconic Starbucks green apron, and mixing with local farmers. There is a scene with Harriet Lamb speaking to the farmers about the importance of Fair Trade coffee (“buy Fair Trade coffee, because it helps the farmers”)¹⁷⁵ as she strategically holds a bag of Rwandan coffee adorned with the Fair Trade logo. Noticeably, the farmers are not speaking, this is an ongoing theme throughout most of Starbucks videos, in which the farmers are barely noticeable and silent throughout most of the scenes. There is plenty of imagery of Lamb speaking candidly with farmers and children.

Howard Shultz gives a speech to a group of Rwandan farmers and members of their community and stated that since Starbucks started purchasing coffee beans from Rwanda, the company has seen the quality and the quantity of the beans significantly grow. Shultz goes on to say the following: “I think I realized personally more than ever, especially

¹⁷⁴ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=uay1StoWyoY> (consulted on 2 July 2015).

¹⁷⁵ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=uay1StoWyoY> (consulted on 2 July 2015). (consulted on 2 July 2015).

looking at all of you, the deep responsibility that Starbucks Coffee Company has in ensuring the fact that you get the fair price that you deserve.”¹⁷⁶

The narrator takes the viewer into the makeshift Farmers Support Centre, and shares that many of the farmers have never tried the coffee that has been produced from their beans.¹⁷⁷ He also shares that at the Support Centre, there will be a team that will teach the farmers how to improve the quality and the volume of their harvest.¹⁷⁸

The narrator ends the video at the Rwandan Business Forum Meeting, in which Starbucks is a participant.¹⁷⁹ Starbucks becomes involved in a discussion about gender when one farmer brings attention to supporting women farmers, as they make up 75% of the farm workers.¹⁸⁰ The farmer goes on to say that when we elevate women in the community, we elevate their families and the rest of the community.¹⁸¹

One woman present at the meeting, Janet Kubana, part of the Gahaya Links Basket Weaving Network¹⁸² shares the following message to the camera: “Starbucks is providing a sustainable income for rural communities, I think this is going to be one of the role models that one can talk about changing lives.”¹⁸³

Analysis: One element that really stands out is that the video has a very homemade and low-budget feel, which is unlike the rest of the company’s videos on its channel. The film is narrated and directed by Rwandans, which is a nice touch on behalf of Starbucks. Rather than bringing in their own team of photographers, the company utilized local workers to help create this video. It is interesting how the video brings attention to gender issues in the coffee industry, this is often overlooked in the fair trade certification process.

¹⁷⁶ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=uay1StoWyoY> (consulted on 2 July 2015). (consulted on 2 July 2015).

¹⁷⁷ Idem (consulted on 2 July 2015).

¹⁷⁸ Idem (consulted on 2 July 2015).

¹⁷⁹ Idem (consulted on 2 July 2015).

¹⁸⁰ Idem (consulted on 2 July 2015).

¹⁸¹ Idem (consulted on 2 July 2015).

¹⁸² Idem (consulted on 2 July 2015).

¹⁸³ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=uay1StoWyoY> (consulted on 2 July 2015).

What is noticeable is that the farmers are given very little opportunity to speak to the camera, this further contributes to this notion of objectifying the farmers for the sake of marketing the coffee. As the video progresses, it becomes apparent that aside from the narration, most of the speaking is being done by Starbucks representatives, as they are preaching messages of Starbucks efforts and Fair Trade coffee.

This video is very effective at exploiting this one particular Starbucks success story, or apparent success story, and brings attention to this one particular Fairtrade certified coffee brew. But what about the other coffee blends that Starbucks offers?

5. Title of Video: “Starbucks and Fairtrade present Small Changes”

Tagline: “From Farmers, For Farmers: Starbucks is featuring Café Estima Blend® Fair Trade Certified Coffee from April 12-18 as their bold pick of the week. Look for the new orange bag!”¹⁸⁴

Description: This particular video has not been posted by Starbucks and is not part of their YouTube channel. It is a joint effort between Starbucks and Fairtrade USA, and is very conducive to this analysis. The video is a very clean montage, flanked at the beginning and the end with the Starbucks logo and the Fairtrade USA logos side by side. With this setup, the entire video is acted out by Starbucks iconic cups interacting on the screen, against simple monochromatic backgrounds. It is very obvious that the wording of the video is the central focus, the writing goes as follows:

“Have you heard...how little choices grow tall, if you water them each day...how choosing...fair trade...sends kids to school, not to work. And small farmers to compete in big global economies...so communities with less have a chance at more...and green practices protect...our little planet. Yeah. Starbucks is big. Actually the biggest buyer of Fairtrade coffee in the world. 40 million pounds big...and 230 000 lives made better. For farmers and their families. It’s new schools built...it’s a single mother with a business loan...and healthcare...for her

¹⁸⁴ Fairtrade USA YouTube Channel, <https://www.youtube.com/watch?v=6MLhSCZq1XY> (consulted on 2 July 2015).

kids. A farmer using pesticides less...and recycling more...so April 12-18 go big with your little cup...or bag. Buy 100% Fairtrade certified coffee...like Café Estima...It's partnership with purpose...Buy Café Estima Fairtrade Certified Coffee...At your favourite Starbucks anywhere in the US from April 12-18...as a brewed cup of coffee or in a bag for home."¹⁸⁵

Analysis: Across Starbucks' social media, there seems to be a consensus by Starbucks fans that Starbucks only sells Fair Trade certified coffee. This is untrue and Starbucks is very honest about this in their CSR report.¹⁸⁶ However, Starbucks' marketing tells a different story, and this video is part of the confusion. At first view, it seems as though this video is communicating beyond the message of cause-related marketing, that all the coffee for sale at Starbucks is Fair Trade certified.

Upon closer review, it becomes more apparent that *Starbucks Café Estima* is Fairtrade certified,¹⁸⁷ and this does not necessarily apply for all the coffees available at Starbucks. In the company's CSR report there is a clear statement that Starbucks' Fairtrade USA certified coffee makes up 8% of its total coffee purchases.¹⁸⁸ Given Starbucks stature and the amount of coffee the company actually buys, this could very well make it "the biggest buyer of Fairtrade coffee in the world."¹⁸⁹ However, one important element to note is that this video is created in partnership with Fairtrade USA, and although Fairtrade USA uses Fair Trade certification, it has recently severed ties with Fairtrade International (FLO) and has become more aligned with the needs of MNCs.¹⁹⁰ This, coupled with the tricky use of wording that leads the consumer to believe all Starbucks coffee is Fair Trade certified, just contributes to the confusion of the consumer.

6. Title of Video: "Experience Costa Rica through the Eyes of Starbucks Partners"

¹⁸⁵ Fairtrade USA YouTube Channel, <https://www.youtube.com/watch?v=6MLhSCZq1XY> (consulted on 2 July 2015).

¹⁸⁶ Starbucks CSR Report 2014, p.3.

¹⁸⁷ Fairtrade USA YouTube Channel, <https://www.youtube.com/watch?v=6MLhSCZq1XY> (consulted on 2 July 2015).

¹⁸⁸ Idem, p.3.

¹⁸⁹ Global Exchange, Blog, <http://www.globalexchange.org/blogs/fairtrade/2008/10/29/starbucks-to-double-fair-trade-certified-coffee-purchases/> (consulted on 30 June 2015).

¹⁹⁰ Brown, 2013, p.11.

Tagline: “In February 2010, a group of Starbucks partners participated in an in-depth coffee origin experience in Costa Rica. Melinda Altamirano, a district manager from southern Oregon, was one of those partners. What she saw gave her a new perspective in coffee farming -- the hard work, passion and pride that goes into every pound, every cup. ‘I’ve never been more proud to work for an organization, nor have I ever felt a greater responsibility to so many people,’ Melinda said after her journey. ‘I can make a difference, and I can do it through Starbucks.’”¹⁹¹

(NB: Due to the length of this video, parts of the analysis will be embedded into the video’s description. To provide for a smooth reading and understanding, the analysis portions will be italicized. Also, it is important to note that Starbucks refers to its non-executive employees as ‘partners’)

Description: This video follows a group of Starbucks partners on their visit to Costa Rica to visit a coffee farm or a ‘finca,’ as it is referred to in Latin America. The video opens with bluesy music and a scene of the partners on the airplane bound for Costa Rica, one of the partners shares her excitement about this upcoming adventure.¹⁹² The scene quickly changes to show the beautiful scenery and foliage of Costa Rica, with close up shots of the coffee bean plants, and the music has changed to uplifting Latin salsa music.

The partners have now landed in Costa Rica and are visiting the coffee farm, the narration is done entirely by Melinda Altamirano, the district manager from Oregon. Altamirano shares that one of the farm workers took them into the field and showed them how to pick the cherries off the plants.¹⁹³ After having tried their hand at picking the cherries themselves, the partners were shocked at how difficult it is to pick the cherries rapidly, and Altamirano lamented that the “farmers do it much faster,”¹⁹⁴ and that apparently, this

¹⁹¹ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=HorGxYZwbok> (consulted on 2 July 2015).

¹⁹² Idem (consulted on 2 July 2015).

¹⁹³ Idem (consulted on 2 July 2015).

¹⁹⁴ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=HorGxYZwbok> (consulted on 2 July 2015).

has “put into perspective for her how hard they (the farmers) work. It is so hard to pick those beans.”¹⁹⁵

Further on in the video, we see the partners walking along a mountainous path and marvelling at how “amazing and breathtaking”¹⁹⁶ everything is; the partners are now on their way to do pruning. In the coffee fields with a farmer, Altamirano takes this opportunity to have a private conversation with one of the farmers, telling him the following, in somewhat broken Spanish: “The passion you put into every plant, every cherry...means so much to us. I didn’t (sic) realize until I came here,”¹⁹⁷ to which the farmer nods his head and replies with a slow “Siiii.” Altamirano narrates her perspective on the conversation: “I think he started to realize the amount of lives he touched with every cherry he picks, and the impact that he has by the care he takes for every plant, and I didn’t expect that, at all.”¹⁹⁸

It may seem a bit self-righteous for a person coming from the US as a Starbucks representative to tell a farmer that she is impressed with how hard they work to pick coffee beans. No matter how authentic or genuine this praise may be, it still appears to be patronizing. Furthermore, this is the farmer’s trade, and should be understood as so; by referring to his ‘passion,’ the Starbucks representative is reinforcing this notion that Fair Trade coffee is a niche market, that it is somewhat artisanal. To move forward with the Fair Trade movement, there needs to be a reassurance that Fair Trade is in fact trade, not a romantic illusion of passion.

One element that stands out is that although the video is very high quality, with professional filming and editing. The consistent narration of Altamirano adds an element of familiarity and her folksy, approachable language makes her relatable and helps the viewer identify with her and her experience. Noticeably absent is humour, there is no element of lightheartedness or joviality, the entire video has a very serious, melodramatic approach. This gives the video an awkward tone, as if Altamirano is taking her role far

¹⁹⁵ Idem (consulted on 2 July 2015).

¹⁹⁶ Idem (consulted on 2 July 2015).

¹⁹⁷ Idem (consulted on 2 July 2015).

¹⁹⁸ Idem (consulted on 2 July 2015).

too seriously. Rather than just a personal approach it seems as though Altamirano is on a serious, sombre quest to shed light on the farmers.

The scene ends with Altamirano, along with another partner, hugging and saying goodbye to the farmer with a ‘thank you’ for “el trabajo duro,”¹⁹⁹ meaning the hard work. Altamirano concludes her narration for this scene with: “that is a story I will never forget.”²⁰⁰

Cliff Burrows, the President of US Operations shared the following message: “When partners go back, I hope they’ll take with them, this amazing experience, and be able to share about the passion, of the people who are working daily, to deliver the finest coffee, they’ll have an understanding of the hard work that goes into every single pound of that coffee, and indeed how we share responsibility with the 25 million people whose livelihoods depend on coffee.”²⁰¹

“Passion” seems to be a common theme during this visit, and it could be misconstrued as taking away from the actual ‘work’ element of farming and honing back on ‘artisanal passion,’ almost as if the farmers are just passionate about the coffee beans, they are not really labouring the fields, they are enjoying their work. In reality, these farmers are working hard, in the sun, and get paid less than a fair wage.

The video ends at a conference of a group of partners, at which Altamirano is giving a presentation about her experience in Costa Rica. The viewer can notice that the room is filled with people that may be Starbucks baristas, and several of them are in tears; this continues with the video’s theme of melodrama and seriousness. Altamirano says during the closing scene that she feels that she “can make a difference through Starbucks.”²⁰²

Final Analysis: Although this video may appear as if it is meant to give a glimpse into the life of the farmers, it is really just objectifying the farmers. The video is obviously centered on the experience of the Starbucks partners and has little to do with the actual

¹⁹⁹ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=HorGxYZwbok> (consulted on 2 July 2015).

²⁰⁰ Idem (consulted on 2 July 2015).

²⁰¹ Idem (consulted on 2 July 2015).

²⁰² Idem (consulted on 2 July 2015).

farmers. The farmers are barely given the opportunity to speak about their lives or their experiences, and rather they are used as accessories for the partner's monologues about their experience on the farm. This is most apparent when the viewer realizes that the farmers are given minimal time in front of the camera, and when they do finally appear it is either as stills where they are not speaking, or when they are on the receiving end of a crafted message by one of the partners.

This mirrors with the controversy surrounding privileged youth and young adults who leave their home countries to travel to the developing world to do volunteer work for a few weeks, although it may appear sincere at first, it is really just a way for the person to validate themselves and better their own image, at the expense of the people they are supposedly helping. In this video, Altamirano travels to Costa Rica to experience what it is like to work on a coffee farm, but her short stay only gives her a small glimpse of the work the farmers do. In turn, Altamirano has an authentic story to share with her peers and she feels as though she has immersed herself in an exciting, authentic experience. Consequently, Starbucks further pushes its brand identity as being a company that connects with its farmers, a company that cares.

This video is severely lacking, it offers a very limited view of the farmers' lives and further perpetuates this stereotypical image we have of coffee bean farmers. The fact that the farmers are given very little opportunity to speak throughout the video further reinforces the fact that they are being objectified and fetishized by Starbucks marketing.

To revisit Brown's book titled "Buying Into Fair Trade: Culture, Morality and Consumption,"²⁰³ Brown associates this objectification to the old imagery of the Juan Valdez Coffee Company advertisements, in which we see a dark-skinned mustachioed man, fashioned with an apron, a scarf and a hat walking through his coffee fields in Colombia, with his *burro* in tow delicately picking coffee cherries.²⁰⁴ Noticeably, the viewer never hears Juan Valdez speak throughout the entire commercial.²⁰⁵ This video

²⁰³ Brown, 2013, p.113.

²⁰⁴ Brown, 2013, p.113.

²⁰⁵ YouTube, 'Classic Juan Valdez Colombia Coffee (1982),' https://www.youtube.com/watch?v=m_INwKKJJK4 (consulted on 25 June 2015).

created by Starbucks harkens back to this cartoon image of a coffee farmer,²⁰⁶ and further perpetuates the stereotype of coffee farmers.

7. Title of Video: “Starbucks Burundi Kayanza Coffee”

Tagline: “Juicy with herbal blackberry notes and tea-like flavors, this is a coffee unlike any African single-origin offering we’ve (sic) ever tasted. The microclimate of Burundis (sic) rugged Kayanza Ridge is an ideal setting for farmers to grow this amazing coffee. Each farmer tends a small patch of just 50 to 250 coffee trees, making this a truly rare and special bean.”²⁰⁷

Description: This short video is minimalistic but incredibly beautiful, with evocative imagery and beautiful filming. The video captures a group of Burundians dressed in traditional garb, dancing, chanting and playing traditional instruments. The video also shows a few clips of farmers working in the field, washing cherries and laying the beans out to sun dry. Most of the film is centered on the dance, but it does include plenty of views of the scenery in Burundi.

Analysis: The most crucial point of this video is at the very end, exactly ten seconds before the finish to be precise. At this point the viewer sees the beautiful dancers from the beginning of the video turn into what appears to be a cartoon or a vividly coloured drawing, and then this drawing becomes the wrapping for the Starbucks Burundi Kayanza Coffee whole bean bag,²⁰⁸ to be sold in Starbucks stores and online.

This contributes to the pattern of objectifying the members of the communities from which Starbucks sources its coffee beans. It does not elevate the communities but rather turns them into a sort of niche brand. This is not artistic nor tasteful, and it merely perpetuates exoticism. This bag will contribute to the imagery that the Starbucks customer will be accosted with as their entire their local Starbucks store, and rather than elevate the members of the community, this will only feed into the customers need for

²⁰⁶ Brown, p.114, 2013.

²⁰⁷ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=rzbdqJjdQ9M> (consulted on 3 July 2015).

²⁰⁸ Idem (consulted on 3 July 2015).

validation: the customer will see this image and think that by buying this coffee they are contributing to the greater good of a community in a distant land. However this coffee is not even Fair Trade certified.

8. Title of Video: ‘Meet me at Starbucks’²⁰⁹

Tagline: “Filmed in 28 countries. In one day. <http://meetme.starbucks.com>”²¹⁰

Description: Meant to serve as a promotion for Starbucks Meet Ups; this video is part of a playlist of videos giving insight into the nature of some of the groups that “Meet Up” at Starbucks.²¹¹ For example, one group’s video is titled “Open Road” with the following tagline: “Scooter Queers Riding Everywhere And More (S.Q.R.E.A.M.) isn’t your average biker gang. No matter where their journey ends, their ride always begins at Starbucks.”²¹²

Analysis: These videos promote Starbucks’ value for the community and bringing members together in the hub of Starbucks. They are short and varied, and reach a broad audience. One video is centered on a woman who met a group of friends at a Starbucks Meet Up for the hearing impaired, another video is centered on two business partners that are rebuilding a textile company in the US and have most of their business meetings with clients at Starbucks. It seems as though this is building on the fact that Starbucks is trying to inject itself in all aspects of its customers (or potential customers) lives. Starbucks uses YouTube as a platform to communicate its values to its customers, to let them know that they celebrate diversity, that Starbucks is a good company, and to make them feel as though Starbucks Partners are just like them. This is another step for Starbucks to make its customers trust its brand, to make them feel secure at their local Starbucks coffeehouses: “come meet your group at Starbucks, this is a safe place.”²¹³

²⁰⁹ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=LZVCLVGymmo> (consulted on 25 July 2015).

²¹⁰ Idem (consulted on 25 June 2015).

²¹¹ Idem (consulted on 25 June 2015).

²¹² Idem (consulted on 25 June 2015).

²¹³ Starbucks YouTube Channel, <https://www.youtube.com/watch?v=LZVCLVGymmo> (consulted 25 June 2015).

2.3. Starbucks CSR Report Content Analysis

The Starbucks 2014 Global Responsibility Report is Starbucks' 14th annual CSR report. It should be noted that the 14th CSR report is available in the following languages: Chinese, Dutch, French, German, Japanese, Portuguese, South Korean and Spanish.²¹⁴ Also, Starbucks makes all of its reports since 2001 available for download on its website.

Introductory Message: Starbucks CEO Howard Schultz pens a short message to introduce the report and to flesh out a brief answer to his question: "What is the Role and Responsibility of a For-Profit Public Company?"²¹⁵ Schultz cleverly situates social responsibility in the past, present and future of the company: he explains that he asked this very question at his shareholders meeting last year, that he is very enthusiastic to share the company's accomplishments in this report, and that looking to the future, the company is setting very ambitious goals for social responsibility.²¹⁶

Schultz also aligns the financial success of the company along with its sustainability: "I am proud that Starbucks not only achieved another year of record financial performance in 2014, but we did so while doing more for our people and the communities we serve than at any time in our history."²¹⁷ Schultz is noticeably cautious about how he words the company's "ambitious goals,"²¹⁸ and forewarns that the company may not achieve all of its goals.²¹⁹ He curtails this pragmatic approach with a brave statement that puts the onus of serving society on the MNCs: "But I strongly believe that today, more than ever, companies such as Starbucks must lead, using their platforms and resources to create opportunities for their people, as well as for the communities they serve."²²⁰

Shultz' message is not personal or warm, it seems very high-level and business focused. It is filled with rhetoric most commonly associated with American political speeches, his message is evocative and persuasive.

²¹⁴ Starbucks US Website, <http://www.starbucks.com/> (4 July 2015).

²¹⁵ Starbucks CSR Report 2014, p.1.

²¹⁶ *Idem*, p.1.

²¹⁷ Starbucks CSR Report 2014, p.1.

²¹⁸ *Idem*, p.1.

²¹⁹ *Idem*, p.1.

²²⁰ *Idem*, p.1.

Ambitions and Goals: The next four pages of the report are dedicated to the very broad and high-level goals Starbucks has set for the coming years. The first page is a photo of a female farmer, captioned with “A Woman Picking Coffee Cherries in Rwanda.”²²¹ This is a great example of how Starbucks floods their marketing with general images of farmers working in the coffee bean fields in distant countries, this does not empower the farmers it contributes to the stereotypes of exoticism.

At the heart of the company’s ambitions is its approach to sustainable certification, outlining “Our Journey to 100% Ethically Sourced.”²²² The first part that jumps off the page is the following statement, from Dr. M. Sanjayan, the Executive Vice President and Senior Scientist of Conservation International:²²³ “When we started working with Starbucks in 1998, they certified 30 or 40 million pounds of coffee. Today, almost 400 million pounds—or approximately 96% of Starbucks purchases—are grown sustainably, in a way that protects nature and improves farmers’ livelihoods. That’s extraordinary, and it is fundamentally changing the industry.”²²⁴ This message is confusing, it appears as though all Starbucks coffee is Fair Trade certified, but in reality it is just measured as being sustainable against the measurements put on by the C.A.F.E. practices, which are Starbucks’ own in-house certification process. This could be misleading for the consumer.

To reiterate on the background of the C.A.F.E. Practices, these practices were developed by Starbucks in partnership with Conservation International (CI),²²⁵ and Starbucks has a significant involvement in the certification process.²²⁶ As a result much of the certification process is in favour of Starbucks business needs, rather than the wellbeing of the farmers.²²⁷

The report goes on to state the following: “Over the past 15 years, we have pioneered a new approach to ethical sourcing with an aim to ensure a long-term supply of high quality

²²¹ Starbucks CSR Report 2014, p.2.

²²² *Idem*, p.3.

²²³ *Idem*, p.3

²²⁴ *Idem*, p.3.

²²⁵ Starbucks CSR Report 2014, p.3.

²²⁶ Renard, 2010, p.292.

²²⁷ *Idem*, p.292.

coffee for our customer and positively impact the lives and livelihoods of coffee farmers and their communities.”²²⁸ Starbucks situates the inception of its ethical sourcing at around the same point that Global Exchange pressured the company to start including Fairtrade certified coffee in their selection;²²⁹ this is a clever spin on the part of Starbucks’ report writers.

Furthermore, this statement resonates with Starbucks’ main reason to not carry Fair Trade certified coffee: that Fair Trade coffee does not carry the same high standards for quality as their counterparts,²³⁰ and as a result Starbucks cannot be assured of Fair Trade coffee’s quality and quantity.²³¹ By creating the C.A.F.E. Practices, Starbucks has developed its own certification process that is fine-tuned to their business needs, but that is noticeably lacking the transparency of its counterparts such as FLO. Thus the message being conveyed to their customer is that unlike FLO, their certification process prioritises their business over their coffee farmers and their communities.

The report strategically places a statement in smaller font to clarify the aforementioned statement about Starbucks’ coffee being approximately 96% sustainable: “Starbucks ethical sourcing program continued to grow, and 2008 we set a goal that by 2015, 100% of Starbucks coffee would be ethically sourced through C.A.F.E. Practices, Fairtrade, or another externally audited system. In 2014, 96% (400+ million pounds) of our coffee met this standard, with 95.5% C.A.F.E. Practices, 8.6% Fairtrade, and 1% organic (some coffees receive multiple verifications or certifications).”²³² Because Starbucks states that the C.A.F.E. Practices are verified by third party experts,²³³ the CSR report writer can evidently group Fairtrade USA certification with the C.A.F.E. Practices certified coffee.

²²⁸ Starbucks CSR Report 2014, p.3.

²²⁹ Argenti, 2004, p.92.

²³⁰ Idem, p.92.

²³¹ Stanley, 2002, p.17.

²³² Starbucks 2014 CSR Report, p.3.

²³³ Starbucks 2014 CSR Report, p.3.

In addition to the lofty ethical sourcing goal, Starbucks has also set the following objectives:

‘Building a Resilient Supply Chain through Partnerships’²³⁴ This is Starbucks’ only real mention of its supply chain management, and the report points once again to Starbucks’ relationship with CI and the role of the C.A.F.E. Practices, “Starbucks has incorporated agricultural methods into C.A.F.E. Practices that help reduce emissions, improve carbon storage through shade and conservation areas, and proactively manage climate risks from pests and disease.”²³⁵

‘Collaborating with Coffee Farmers through Open Source Agronomy’²³⁶ What Starbucks means by this is joining their teams of agronomists and quality experts with farmers and the other members of their cooperatives “to help them improve coffee quality and farm productivity, and reduce production costs, while striving to raise living standards.”²³⁷ This will further help Starbucks improve its C.A.F.E. Practices.

The report also states the following: “In 2014, we released a limited-time offering coffee that demonstrates the benefits of our approach. Starbucks Reserve Costa Rica Geisha La Ines, was a special coffee that resulted from a six-year collaboration between our agronomy team and a local cooperative to grow a coffee varietal that is more disease resistant and has exceptional quality.”²³⁸ This demonstrates that Starbucks takes every opportunity to exploit its CSR initiatives; although the company may claim that this coffee is meant to showcase their new approach to sustainability, it is all profit driven. It should be noted that this coffee costs approximately 7 USD per cup,²³⁹ which is exorbitant even for Starbucks price points because a cup of Starbucks coffee costs approximately 3 USD. In the end, Starbucks treats its CSR initiatives just like any other aspect of its business, as an investment that will turn a profit.

²³⁴ Idem, p.4.

²³⁵ Idem, p.4

²³⁶ Idem, p.4

²³⁷ Idem, p.4.

²³⁸ Starbucks CSR Report 2014, p.4.

²³⁹ Faughnder, 2012.

‘Creating Impact through Farmer Loans and Community Investments’²⁴⁰ Starbucks understands that most of the coffee beans it sources come from the developing world, and therefore it has partnered with the non-profit organization Root Capital²⁴¹ to give farmers loans to grow their production. The report states the following: “Providing access to credit at reasonable terms is another important component of our farmer support model. By investing in farmer loans, we are helping cooperatives manage risk and strengthen their businesses.”²⁴² Starbucks is initiating good business practice by investing in their farmers, but there is still no assurance that these farmers are being paid a fair price for their beans.

Approach to Fair Trade: At first glance, it appears as though Starbucks’ coffee is 98% certified as Fair Trade, however upon closer inspection, it becomes apparent that Starbucks only carries about 8% Fairtrade USA certified coffee,²⁴³ the rest is certified by the company’s own certifiers, the C.A.F.E. practices.²⁴⁴

In an article by Kelly Goodejohn, the Director of Ethical Sourcing at Starbucks, the C.A.F.E. practices are defined as the following: “C.A.F.E. Practices verification not only confirms sustainable agronomy practices were used—but also ensures coffee farmers, their families, and communities are cared for and supported as well. This is for us, the meaning of ethically sourced, a verification program, built on the notion of continuous improvement.”²⁴⁵

This message mirrors the message of Fairtrade International (FLO) to some extent, but as the article reads on, some parts become problematic. The message turns from sustainability and supporting communities to a sort of business competition: “Several months ago I was in Guatemala. There were two brothers who had coffee farms literally right next to each other. You could just walk from one farm to the next. The proof of C.A.F.E. Practices couldn’t have been clearer. One brother was operating under C.A.F.E.

²⁴⁰ Starbucks CSR Report 2014, p.5.

²⁴¹ Root Capital Website, <http://www.rootcapital.org/about-us> (consulted on 6 July 2015).

²⁴² Starbucks CSR Report 2014, p.5.

²⁴³ Idem, p.3.

²⁴⁴ Idem, p.3.

²⁴⁵ Medium (The Starbucks Collection) Website, <https://medium.com/the-starbucks-collection/betting-the-farm-on-the-farm-73b957d9c4ac> (consulted on 6 July 2015).

guidance—beautiful lush coffee trees. The other was not, and sadly all the leaves on his trees had died.”²⁴⁶ Rather than emphasizing the needs of the farmer, Goodejohn is attempting to sell the C.A.F.E. Practices as the better option for farmers because it produces better quality trees; this creates a sort of competitiveness among the farmers, as though they are encouraging the farmers to join the C.A.F.E. Practices or else they will suffer with a bad crop. This supports the principle that the C.A.F.E. Practices are designed with business needs and coffee quality in mind rather than the wellbeing of the farmer and their community.

Although Starbucks mainly uses the C.A.F.E. Practices to certify their coffee beans, the report includes the following statement: “We also continued to work with Fairtrade and other organizations to purchase certified coffee that helps protect the environment and the livelihoods of farmers in coffee-growing regions.”²⁴⁷

Philanthropy: The report dedicates a minuscule section to the Starbucks Foundation, which is “a separate 501(c) (3) charitable organization that receives funding primarily from Starbucks Corporation and private donations.”²⁴⁸ The report mentions a grant of 4.2 million USD “in social development grants in coffee-growing communities.”²⁴⁹ There are no other indications as to what these social development grants entailed.

There is also a small mention of the Starbucks Red²⁵⁰ initiative under the small section for corporate giving: “Corporate giving included funding for community-building programs...our partnership with (RED) through which Starbucks and our customers have generated more than 12 million USD since 2008 for the Global Fund to help eradicate HIV/AIDS in Africa.”²⁵¹ As with the Starbucks Foundation, no other details were provided as to where these funds went specifically.

²⁴⁶ Medium (The Starbucks Collection) Website, <https://medium.com/the-starbucks-collection/betting-the-farm-on-the-farm-73b957d9c4ac> (consulted on 6 July 2015).

²⁴⁷ Starbucks CSR Report 2014, p.3.

²⁴⁸ Starbucks CSR Report 2014, p.13.

²⁴⁹ Idem, p.13.

²⁵⁰ Starbucks Website, ‘Project Red’ <http://www.starbucks.com/responsibility/community/starbucks-red> (consulted on 11 June 2015).

²⁵¹ Starbucks CSR Report 2014, p.13.

Benchmark Setting: Starbucks has seemingly tabulated most of its CSR report into neat charts with measurable benchmarks.²⁵² There are nine charts in total, with a handy “2014 Goal Charts Goal Summary”²⁵³ included at the end. The report includes benchmarks set for all goals ranging from ethical sourcing, to reducing energy consumption, and even serving 5 percent of the company’s beverages in stores in personal tumblers by 2015.²⁵⁴

Overall Structure and Feel of Report: For a company like Starbucks that puts its apparent social responsibility at the forefront of everything it does or promotes, the company’s CSR report is bare and incomplete. It seems as though the company is only providing its customer with the bare minimum, and not offering any additional insight into where its coffee comes from or what happens to the funds of its several cause-related marketing initiatives. The report is almost flimsy in comparison to its competitor Lavazza, and only a bit more in-depth than its other American competitor, Dunkin’ Donuts (both companies will be analyzed in the next chapter.)

What is seemingly noticeable throughout the CSR report is the lack of emphasis on the company’s social responsibility. Given the importance that Starbucks puts on its social responsibility in its marketing and in its coffeehouses, it is a bit disengaging that the company noticeably falls short on giving its customers a clear picture on its social responsibility and the information they need to make an educated purchase.

Marketing Analysis Concluding Remarks:

Starbucks promotes an ideology,²⁵⁵ and with every ideology comes a great deal of propaganda. Unfortunately, as is the case with Starbucks, their propaganda is effective, beautiful, and very, very good. As this analysis demonstrates, Starbucks has been very strategic and successful at exploiting the small margin of Fairtrade USA certified coffee that it purchases; there seems to be a lot of attention focused on these few brews in its marketing.

²⁵² Starbucks CSR Report 2014, p.18.

²⁵³ Idem, p.18.

²⁵⁴ Idem, p.18.

²⁵⁵ Zizek and Fiennes, 2012.

By fetishizing the farmers in its marketing,²⁵⁶ Starbucks is depriving these farmers of their own identity beyond being recognized as being part of the global poor, they are limiting their capacities with their own global dominance. This is only made all the more obvious with their choice of branding the coffee brews with the names of the countries, and going so far as to trademark these names and blocking these countries from capitalizing from the names themselves.²⁵⁷

By trademarking the names of these countries, Starbucks has commodified its own supplying farmers, and paid them off with pennies for their harvest. This constitutes not only as an infringement upon the farmers socioeconomic rights,²⁵⁸ but also a violation of their human right to dignity, in accordance with the European Convention on Human Rights.²⁵⁹ In the end, all of Starbucks' operations are just good business strategies. And herein lies the problem, Starbucks is commodifying human rights for business purposes.

To revisit the interpretation of Fair Trade from Part 1, by fetishizing the farmers and constantly keeping them as mere accessories in coffee marketing, this further perpetuates their stereotype as poor, uneducated peasants. This defeats the purpose of Fair Trade and this will never elevate the farmers out of poverty.

Starbucks has an impeccable marketing team that ensures that those small coffee brews that are certified by Fairtrade USA are at the forefront of the coffee company's marketing.

²⁵⁶ Brown, 2013, p.114.

²⁵⁷ Feffer, 2008 (consulted on 2 July 2015).

²⁵⁸ United Nations, Office of the High Commissioner for Human Rights, 'Key concepts on ESCRs -What are examples of violations of economic, social and cultural rights?,' <http://www.ohchr.org/EN/Issues/ESCR/Pages/WhatareexamplesofviolationsofESCR.aspx> (consulted on 10 June 2015)

²⁵⁹ European Convention on Human Rights, 2010, http://www.echr.coe.int/Documents/Convention_ENG.pdf (consulted on 12 July 2015).

Part 3: Situating Starbucks

In order to better understand how Starbucks crafts its brand identity and benefits from its Fair Trade marketing, it is important to understand how other brands market their products and what are the parallels we can draw from these comparisons. In this section we will attempt to situate Starbucks among its competitors. Each company will be analysed in terms of their company's values, their marketing, and their CSR initiatives.

Keeping with the original voice of this work, which is to analyse the marketing through the eyes of the consumer, this analysis will be limited to the marketing tools that are made available to consumers. These tools include the company website, social media, print marketing, and general in-store environment.

The following companies will be analysed: Bridgehead Coffee Company, Tim Hortons Café and Bake Shop (Tim Hortons Inc.), Dunkin' Donuts, the Lavazza Coffee Company. They will be analysed under the following criteria: background; brand identity, company culture and values; approach to Fair Trade; in-store environment; marketing; CSR initiatives and their CSR report. Each company will subsequently be compared and contrasted to Starbucks, in order to draw parallels.

It is not the intention of this work to critique each company's marketing strategies or CSR initiatives, rather it is to provide a window into the booming coffee market in North America and the messages it is transmitting to the average consumer. Furthermore, this analysis is meant to give this work a much more substantive glimpse into the world of coffee and its production, and how the business of selling coffee operates and sells to consumers.

3.1. Bridgehead Coffee Company

Background: Bridgehead Coffee Company is a Canadian coffee chain founded in 1981 in Toronto, Ontario, by two United church ministers and two social activists.²⁶⁰ The social activists were interested in the oppression of the small-scale coffee farmers in

²⁶⁰ Bridgehead Coffee Website, <http://www.bridgehead.ca/> (consulted on 8 July 2015).

Nicaragua that were suffering during the civil war and the restrictions of the US trade embargo at the time.²⁶¹ Bridgehead is proud to promote that it was a pioneer in the Fair Trade coffee movement in Canada, being the first company in Canada to offer consumers coffee that was 100% fairly traded.²⁶²

First sold in church basements by volunteers to members of the community, Bridgehead soon gained popularity and a customer following, and the company was eventually acquired by Oxfam-Canada.²⁶³ Oxfam, in an earnest attempt to bring more Fair Trade products to the Canadian market, took advantage of Bridgehead's growing popularity and broadened its product line to include handicrafts made by artisans from the developing countries, this was a failed attempt.²⁶⁴ After some restructuring, the company was eventually sold to Tracey Clark, who would later bring Bridgehead back to its roots as a fairly traded tea and coffee company.²⁶⁵

On June 17, 2000, Bridgehead Inc. opened its first flagship coffeehouse in Ottawa, Ontario.²⁶⁶ As of yet, Bridgehead coffeehouses can only be found in Ottawa, but Bridgehead Inc. delivers whole coffee beans to a variety of wholesale customers, and online on their website all across Canada.²⁶⁷

In June 2012, Bridgehead Inc. successfully opened its on roastery and now roasts all of its coffee in-house.²⁶⁸ The roastery imports green beans from co-ops all over the world and roasts about 6000 lbs of fairly traded, organic coffee every week.²⁶⁹ This helps to minimize the company's supply chain and gives them better control of the coffee production process, an additional guarantee of its fair trade certification.

Brand Identity, Company Culture and Values: Bridgehead's values harken back to the company's activist roots, but is still current with its business priorities. There is a strong

²⁶¹ Bridgehead Coffee Website, <http://www.bridgehead.ca/> (consulted on 8 July 2015).

²⁶² Bridgehead Coffee Website, <http://www.bridgehead.ca/> (consulted on 8 July 2015).

²⁶³ Idem (consulted on 8 July 2015).

²⁶⁴ Idem (consulted on 8 July 2015).

²⁶⁵ Idem (consulted on 8 July 2015).

²⁶⁶ Idem (consulted on 8 July 2015).

²⁶⁷ Idem (consulted on 8 July 2015).

²⁶⁸ Idem (consulted on 8 July 2015).

²⁶⁹ Idem (consulted on 8 July 2015).

focus on the farmers that deliver their products, while bringing emphasis to their guarantee of quality. This helps to demystify the association consumers may have with fairly traded or organic coffee that it is of low quality. Bridgehead offers a video on their Facebook page that gives a glimpse into the workings of their baristas, outlining the company's values when it comes to crafting a cup of coffee:

“Our coffee craft: Source seasonally fresh, distinct green coffees; Roast to unlock their potential as great coffees; Devote time and energy to prepare every drink with skill.”²⁷⁰

“We try to live our founding values in everything we do. We strive to improve continually the quality of our coffee, tea, and baked and savoury food. We respect the effort it takes on the part of our grower partners in many countries and at local farms. We do our best to continue their commitment to quality by bringing out the very best in raw, quality ingredients. And we do this consciously with a view to how we can minimize our impact on the environment.”²⁷¹

The Bridgehead website outlines the company's three major commitments: to the environment, to small-scale farmers and to certifications.²⁷² These commitments will be further outlined in the CSR section below.²⁷³

Approach to Fair Trade: Bridgehead takes a very activism-centered approach to fair trade, in the sense that the company takes great care to educate its consumers on the benefits of fair trade and how important it is to be informed on where the products you purchase come from.²⁷⁴ This is very apparent on their website, in their coffeehouses, and in the rest of their marketing. The company also funds visits for the store managers to their various coffee co-ops, in order to give their employees a connection to small-scale farmers, and a pride and connection to the product.

Furthermore, Bridgehead also provides a list of all the cooperatives they have sourced from since opening their roastery, and assures their consumers that they source coffee

²⁷⁰ Bridgehead Coffee Website, <http://www.bridgehead.ca/> (consulted on 8 July 2015).

²⁷¹ Idem (consulted 25 June 2015).

²⁷² Idem (consulted 25 June 2015).

²⁷³ Idem (consulted 25 June 2015).

²⁷⁴ Idem (consulted 25 June 2015).

exclusively from cooperatives of land owning small-producers: “Typically, each farmer owns between 1-4 hectares of land, sufficient to produce several thousand pounds of coffee annually.”²⁷⁵

In-Store Environment: Much like Starbucks, Bridgehead coffeehouses are open and airy spaces with plenty of comfortable couches and tables for customers to sit and enjoy their coffees. In most Bridgehead coffeehouses there are framed pictures of farmers and exotic locales visible on the walls.

Marketing: The Bridgehead website is incredibly complete, providing most of the details in this analysis. Although the website has a very strong focus on activism, there is also a lot of marketing geared toward the quality of the products they sell and how carefully the baristas craft each drink they serve.²⁷⁶ There are videos dedicated to the coffee crafting process as well as Bridgehead’s involvement in the local community and the community of its farmers.²⁷⁷ In sum, Bridgehead’s marketing provides a very holistic view into fair trade specialty coffee.

CSR: Bridgehead frames its CSR around the following three commitments: environment, small-scale farmers, and certifications.²⁷⁸

Environment: Bridgehead commits to only purchasing “coffee grown in harmony with the environment, meaning diverse coffee varieties grown within a rich biodiversity, under shade trees, actively managed using methods which are organic, conserve water, and rely on very little outside inputs.”²⁷⁹ There is also a blog entry on the website dedicated to explaining how the company sources its coffee seasonally: “A delicious new coffee season has begun in Ottawa as fresh coffees from South America and Central Africa have arrived to replace those coffees from Central American and Ethiopia that are going out of season.”²⁸⁰

²⁷⁵ Bridgehead Coffee Website, <http://www.bridgehead.ca/> (consulted on 8 July 2015).

²⁷⁶ Idem (consulted on 8 July 2015).

²⁷⁷ Idem (consulted on 8 July 2015).

²⁷⁸ Idem (consulted on 8 July 2015).

²⁷⁹ Idem (consulted 25 June 2015).

²⁸⁰ Idem (consulted 25 June 2015).

In addition to making an active effort to reduce its environmental footprint in the production process, Bridgehead is consistently implementing initiatives throughout all of its business aspects, especially at the store level to help the environment.²⁸¹ Some of the initiatives are as follows:

- Offering porcelain and glassware to their consumers for service in coffeehouses, while ensuring that all takeout containers and cups are compostable;²⁸²
- Rather than offering customers disposable stir sticks (as is the case with most coffeehouses), Bridgehead offers its customers flatware which the staff wash;²⁸³
- Implementing recycling and composting in each coffeehouse;²⁸⁴
- Investing in reusable shipping containers for transporting coffee and kitchen supplies to coffeehouses;²⁸⁵
- Sourcing from local companies for staples such as milk, cream, vegetables, beef, eggs and honey;²⁸⁶
- And offering coffee grounds to their consumers to use as compost in their home gardens.²⁸⁷

The last initiative is of particular importance because it helps to build ties to the community, by encouraging consumers to ask their baristas for coffee grounds to use as compost, it shows the consumer that the coffee company cares about the community beyond its profit margins.

Small-Scale Farmers: Not only does Bridgehead exclusively purchase and sell fair trade coffee,²⁸⁸ but the company commits “to only work with small-scale farmers, to only purchase their best coffees, and at prices that recognize the farmer’s skill and effort.”²⁸⁹ Again, it is important to note that Bridgehead does not just disclose that their coffee is

²⁸¹ Bridgehead Coffee, <http://www.bridgehead.ca/> (consulted 25 June 2015).

²⁸² Idem (consulted on 25 June 2015).

²⁸³ Idem (consulted on 25 June 2015).

²⁸⁴ Idem (consulted on 25 June 2015).

²⁸⁵ Idem (consulted on 25 June 2015).

²⁸⁶ Idem (consulted on 25 June 2015).

²⁸⁷ Idem (consulted on 25 June 2015).

²⁸⁸ Idem (consulted on 25 June 2015).

²⁸⁹ Idem (consulted on 25 June 2015).

fair trade, but that it is of the highest quality, thus rejecting the principle that Fair Trade and organic coffee is of lower grade: “We only work with quality oriented farmers.”²⁹⁰

Certifications: Bridgehead takes certification very seriously, and this is apparent at all levels of its business. The company states on its website that all their coffees are certified as organic, by the non-profit organization Organic Crop Improvement Association (OCIA), as well as Fair Trade Certified by Fair Trade Canada.²⁹¹ It is important to stress that Fair Trade Canada works directly with Fair Trade International (FLO), while as Fair Trade USA which certifies Starbucks’ coffee has recently severed ties with FLO.

Furthermore, Bridgehead’s coffee roastery has also been certified by OCIA.²⁹² In addition to all this information provided on its certification standards, Bridgehead has dedicated a page on its website to the concept of Fair Trade, making it easy for their consumer to understand the fundamentals of the movement.²⁹³

In addition to participating in local community events, Bridgehead also organizes its own community projects that are reflective of its values such as its Growing Up Organic Program, an endeavour which is committed to teaching schoolchildren about the importance of organic farming.²⁹⁴ Bridgehead also works closely with other members of the community, such as the Boys and Girls Club of Ottawa.²⁹⁵

In addition to helping the Ottawa community, Bridgehead supports the members of its farmers’ communities with projects, especially through fundraising and philanthropy.²⁹⁶ After a devastating earthquake in Nicaragua in August 2010, Bridgehead donated 10 000 CDN to the farmers of that particular region.²⁹⁷ In a separate fundraising effort, Bridgehead dedicated a coffee blend to the Nicaraguan farmers: “The Nicaraguan Grower’s Blend was a fundraiser blend that raised money for two great projects for our

²⁹⁰ Bridgehead Coffee, <http://www.bridgehead.ca/> (consulted 25 June 2015).

²⁹¹ Idem (consulted on 25 June 2015).

²⁹² Idem (consulted on 25 June 2015).

²⁹³ Idem (consulted on 25 June 2015).

²⁹⁴ Idem (consulted on 25 June 2015).

²⁹⁵ Idem (consulted on 25 June 2015).

²⁹⁶ Idem (Consulted on 25 June 2015).

²⁹⁷ Idem (consulted on 25 June 2015).

Nicaraguan growing co-ops. These projects will continue to grow and develop throughout the coming years.”²⁹⁸ The projects’ descriptions as well as their progress are very well documented on the Bridgehead blog.²⁹⁹ Bridgehead also supports local farm suppliers to fulfill their business needs.³⁰⁰ They work with several suppliers in the area.³⁰¹

CSR Reporting: Bridgehead’s website does not offer a CSR report. This may be because it is such a small company. However, the website is detailed enough to provide enough insight into the company’s CSR initiatives.

Compare and Contrast with Starbucks:

Points of Difference: Bridgehead is rooted in activism and centered on fair trade as a movement rather than just an afterthought. Where Starbucks was pressured into serving fair trade coffee, Bridgehead was founded upon this principle. Bridgehead is also a small, locally owned coffee company, while as Starbucks is a Multi-National Corporation (MNC) with shareholders and an extensive customer following. Bridgehead exemplifies the image that Starbucks tries to achieve: a coffeehouse with a strong tie to the community, serving high quality specialty coffee that is environmentally sustainable and fairly traded.

Similarities: Starbucks and Bridgehead both serve high quality specialty coffee, both companies train their baristas very well in the coffee trade. Their demographics are quite similar and it appears as though they share the same target audience.

²⁹⁸ Bridgehead Coffee, <http://www.bridgehead.ca/> (consulted 25 June 2015).

²⁹⁹ Idem (consulted on 25 June 2015).

³⁰⁰ Idem (consulted on 25 June 2015).

³⁰¹ Idem (consulted on 25 June 2015).

3.2. Tim Hortons Café and Bake Shop

Background: Tim Hortons is a Canadian quick service restaurant chain with a focus on high quality coffee and donuts.³⁰² The company was founded in 1964 in Hamilton, Ontario, by Tim Horton and Ron Joyce.³⁰³

Brand Identity, Company Culture and Values: Tim Hortons states on its website the following mission statement: “Our guiding mission is to deliver superior quality products and services for our guests and communities through leadership, innovation and partnerships.”³⁰⁴ Tim Hortons has gained popularity among the Canadian public for its well-known coffee and for its affordable prices. The company is very much present in the community, notably at local events and fundraisers. Tim Hortons has a special focus on children’s issues, particularly through the Tim Horton Children’s Foundation.

Approach to Fair Trade: There is no mention of fair trade in any of Tim Hortons marketing or on the company’s website. However, as part of The Tim Hortons Coffee Partnership, the company states that it has researched current certification processes and has rejected them, opting instead to implement their own certification.³⁰⁵ The company stresses that they use a third party verifier, and farmers that are part of the initiative are not required to pay a fee to have their coffee certified, claiming that “certification costs can be up to USD\$3,000 to the farmer.”³⁰⁶ These fees are often a significant barrier to farmers with limited incomes.³⁰⁷ The Tim Hortons Coffee Partnership will be further detailed in the CSR section of this analysis.

In-Store Environment: Tim Hortons’ coffeehouses are typically geared for fast service, with no couches or lounge areas inviting customers to stay for long periods of time as is the case with Starbucks and Bridgehead. There is typically no imagery or storytelling of exotic locales or of farmers; a significant amount of the marketing is around the brand’s history in Canada. Most of the coffeehouses have tables and

³⁰² Tim Hortons Website, <http://www.timhortons.com/> (consulted 25 June 2015).

³⁰³ Idem (consulted 25 June 2015).

³⁰⁴ Idem (consulted 26 June 2015).

³⁰⁵ Tim Hortons Website, <http://www.timhortons.com/> (consulted 26 June 2015).

³⁰⁶ Idem (consulted 26 June 2015).

³⁰⁷ Idem (consulted 26 June 2015).

chairs for customers to sit, but many locations are part of food courts of airports, and as such do not provide a designated atmosphere.

Marketing: Most of Tim Hortons' marketing is focused around its brand identity, being a local coffee and donut shop with strong ties to the community. The company's website is focused on the products offered in stores, bringing attention to new seasonal products.³⁰⁸ There is one section on the company's website that is dedicated to sustainability marketing. The section is very comprehensive and easy to navigate, and offers a very thoughtful video that shows Tim Hortons involvement in the lives and communities of its farmers.³⁰⁹ Unlike Bridgehead and Starbucks, in which their CSR and Fair Trade marketing is very upfront and integrated in most aspects of their business, Tim Hortons CSR initiatives are explained in detail in a designated section of their website.

CSR: In 2005 Tim Hortons launched the Tim Hortons Coffee Partnership in order "to improve the business and lives of coffee farmers in the regions where we source our coffee."³¹⁰ The company claims to "have worked with over 3400 farmers and have influenced the lives of over 17 000 people in our project companies located in four countries: Brazil, Colombia, Guatemala and Honduras."³¹¹

It is important to note that it is in the CSR section of the website where consumers begin to see imagery of farmers that produce the coffee beans, as well as local NGO workers talking to members of the community.

The Tim Hortons Coffee Partnership works with local NGOs and exporters to enable farmers to produce better quality coffee, which will in turn improve their lives as well as the lives of the members of their communities: "By working with exporters, non-governmental organizations and most importantly, the farmers themselves, the Tim Hortons Coffee Partnership provides the skills and tools they need to survive in times of

³⁰⁸ Idem (consulted 26 June 2015).

³⁰⁹ Idem (consulted 26 June 2015).

³¹⁰ Tim Hortons Website, <http://www.timhortons.com/> (consulted 26 June 2015).

³¹¹ Idem (consulted 26 June 2015).

poor markets and thrive in good ones. We do this sustainably, by improving the **economic, social and environmental** aspects of the farmer's own business.”³¹²

The Tim Hortons Coffee Partnership claims that alternative certification processes are incomplete,³¹³ while as their process offers a much more balanced approach by encompassing several other aspects that contribute to improving the farmers lives and their communities.³¹⁴ The Tim Hortons Coffee Partnership helps farmers in the following ways:

- By helping farmers increase productivity in an environmentally sustainable manner, in order to improve the quality of their beans which they can in turn sell at a higher price point;³¹⁵
- By providing technical assistance, giving farmers tools “to run a successful and sustainable business.” This is a point of difference with other certification processes, this process provides individual farmers with resources, while as other certification processes opt to support cooperatives;³¹⁶
- By encouraging farmers to gather into cooperatives;³¹⁷
- By allowing farmers to make their own decisions regarding the distribution of their coffee beans. This is another point of difference with other corporations who require that farmers dedicate all their beans to their particular company;³¹⁸
- By supporting the social well-being of farmers and their communities;³¹⁹
- By eliminating the costly certification fee, another point of difference with other certifiers.³²⁰

³¹² Tim Hortons Website, <http://www.timhortons.com/> (consulted 26 June 2015).

³¹³ Idem (consulted 26 June 2015).

³¹⁴ Idem (consulted 26 June 2015).

³¹⁵ Idem (consulted 26 June 2015).

³¹⁶ Idem (consulted 26 June 2015).

³¹⁷ Idem (consulted 26 June 2015).

³¹⁸ Idem (consulted 26 June 2015).

³¹⁹ Idem (consulted 26 June 2015).

³²⁰ Idem (consulted 26 June 2015).

It is important to note once again that like Bridgehead, Tim Hortons also employs third party verification, working with ‘Control Union Certifications’ as their third party verifier.”³²¹

Tim Hortons is very active in the community, the company participates in several community events, and organizes its own initiatives to bring together members of the community.³²² The company’s website outlines an extensive list of community initiatives, including the Litter Awareness Program,³²³ in which the company partners with local community organizations to host local Community Clean-up Programs,³²⁴ and the most well-known and recognized initiative, the Timbits Minor Sports Program: “The Timbits Minor Sports Program is a community-oriented sponsorship program for children four to eight years old who participate in local house league sports teams. The program’s philosophy is not based on winning or losing - but on learning a new sport, making new friends, and just taking time out to be a kid.”³²⁵

The Tim Hortons Children’s Foundation organizes programs for children that come from “economically disadvantaged homes,”³²⁶ notably summer camps and leadership programs.³²⁷

CSR Report: Tim Hortons provides a brief Sustainability and Responsibility Report on its website. The report captures a bird’s eye view overall impression of the company’s various initiatives at store level, in the community, and across its supply chain.³²⁸ However, it is incomplete as it barely offers any insight into The Tim Hortons Partnership,³²⁹ and only gives a small glimpse into its work through the Tim Horton Children’s Foundation.³³⁰

³²¹ Tim Hortons Website, <http://www.timhortons.com/> (consulted 26 June 2015).

³²² Idem (consulted on 26 June 2015).

³²³ Idem (consulted on 26 June 2015).

³²⁴ Idem (consulted on 26 June 2015).

³²⁵ Tim Hortons Website, <http://www.timhortons.com/> (consulted 26 June 2015).

³²⁶ Idem (consulted 26 June 2015).

³²⁷ Idem (consulted 26 June 2015).

³²⁸ Tim Hortons CSR Report 2014, p. 4.

³²⁹ Idem, p.4.

³³⁰ Idem, p.3.

Interestingly, the report dedicates a small section to aboriginal relations, which is a very important issue in Canada, stating that: “We continue to work on implementing a meaningful, structured and long-term partnership with Aboriginal communities.”³³¹ The section only has two bullet points, one is a statistic showcasing that the Tim Horton Children’s Foundation has hosted 5029 Aboriginal children and youth at the Foundation’s camps since 2012, and the other is that Tim Hortons has “opened eight Aboriginal-owned restaurants or self-serve kiosks on Aboriginal lands since 2012. We anticipate two additional locations will be opened in 2015.”³³²

Overall, the Tim Hortons CSR report gives the consumer a very broad overview of all the initiatives that Tim Hortons has developed, but fails to give the reader any substantive information on the Tim Hortons Coffee Partnership. As a coffee company, it would be expected that Tim Hortons make information about its coffee certification process a bit more apparent, especially when delivering material relating to its sustainability and CSR.

Compare and Contrast with Starbucks:

Points of Difference: Tim Hortons differs in a number of ways from Starbucks in the way that it is a quick service food chain, and it lacks the ambience of a traditional coffeehouse, as with Starbucks and Bridgehead. Although Tim Hortons has its own coffee certification process, this is not at the forefront of its marketing. Tim Hortons also contributes to the community in many ways, especially for causes relating to children. Starbucks is a specialty coffee company with luxury furnishings and eclectic music playing in its coffeehouses, while as Tim Hortons is more of a folksy, casual budget option for quality coffee. Also, Starbucks is a very centralized company with its head office still located in San Francisco, while as Tim Hortons Coffee Shops are franchised and owned by local members of each community.

Similarities: Both companies are coffee companies, but Starbucks is part of the upper crust of specialty coffee companies. Tim Hortons, in response to the demand of its

³³¹ Idem, p. 3.

³³² Idem, p.2.

consumers, has recently released a dark roast coffee, and is currently testing the market for a trendy single-origin coffee.³³³

3.3. Dunkin' Donuts (Dunkin Brands)

Background: Dunkin' Donuts was founded in 1950 in Quincy, Massachusetts. It is an American coffee and donut shop, and claims to be “America's favorite all-day, everyday stop for coffee and baked goods.”³³⁴ Although the company has steep competition, Dunkin' Donuts is the self-proclaimed “market leader in the hot regular/decaf/flavored coffee, iced coffee, donut, bagel and muffin categories.”³³⁵ Dunkin Donuts has a huge presence, not only in the US and Canada, but the company has more than 11,300 restaurants in 36 countries across the world.³³⁶ With it being the market leader in coffee drinks, and with its huge global presence, Dunkin' Donuts is an important competitor for Starbucks. Dunkin' Donuts is part of the Dunkin' Brands Group, Inc., which also includes another big US brand, Baskin' Robbins.

Brand Identity, Company Culture and Values: There is no real mention of Dunkin' Donuts brand identity, company culture or values on their website. The “About Us” section is dedicated to a broad overview of the company and statistics demonstrating the above statement of how Dunkin' Donuts of industry recognition. The company does state in its CSR report that although the franchisees are allowed to customize the offerings of their own restaurants, the look and feel of each restaurant is consistent, and they must offer what the company considers to be “core items,” meaning: “Internationally, our franchisee and licensee partners must offer core menu items – like coffee and donuts in Dunkin' Donuts restaurants, and hard ice cream and ice cream cakes in Baskin-Robbins restaurants – so that our guests know that wherever they go in the world, they can get a great cup of Dunkin' Donuts coffee or a scoop of Baskin-Robbins Cookies ‘n Cream™ ice cream.”³³⁷

³³³ Tim Hortons Website, <http://www.timhortons.com/> (consulted 26 June 2015).

³³⁴ Dunkin' Donuts Website, <http://www.dunkinbrands.com/> (consulted 26 June 2015).

³³⁵ Idem (consulted 26 June 2015).

³³⁶ Idem (consulted 26 June 2015).

³³⁷ Dunkin' Donuts CSR Report 2014, p.17.

Approach to Fair Trade: Dunkin’ Donuts dedicates a small section in its Sustainable Sourcing section for fair trade and certifications. In addition to having a commitment to reduce palm oil use to prevent deforestation, and a commitment to animal welfare, the company includes this disclaimer: “Dunkin’ Brands believes working with organizations like the Rainforest Alliance and Fairtrade USA helps ensure we are sourcing sustainably throughout our global supply chain – especially when it comes to our most important commodities, like coffee – and having a positive impact on farming communities worldwide.”³³⁸

To further push this statement, the company also included this message: “By supporting projects designed to help protect some of the last remaining wild Arabica coffee forests and make new volumes of certified coffees available, we are working to ensure the long-term sustainability of our coffee supply chain.”³³⁹ This refocuses the priority on the business aspect of fair trade, that it serves the company to preserve its supply of coffee beans and so it may be beneficial to pay closer attention to its sourcing.

Furthermore, much like Tim Hortons, Dunkin’ Donuts has released its own dark roast coffee, its “30% Rainforest Alliance Certified™ Dark Roast coffee, our first national launch of a certified coffee since the launch of our Fair Trade Certified™ espresso in 2004.”³⁴⁰ As with Tim Hortons,³⁴¹ this may be due its new demographic of millennials growing away from their parents basic cup of coffee and demanding a higher quality, specialty brew.

In addition to its Fair Trade Certified espresso and Rainforest Alliance Certified Dark Roast coffee, Dunkin’ Donuts also offers its 30% Rainforest Alliance Certified™ Iced Green Tea to its US consumers only, and only in limited markets.³⁴² For a limited time only, Dunkin’ Donuts offers the following products:

³³⁸ Dunkin’ Donuts CSR Report 2014, p.37.

³³⁹ *Idem*, p.37.

³⁴⁰ Dunkin’ Donuts CSR Report 2014, p.38.

³⁴¹ Tim Hortons Website, <http://www.timhortons.com/> (consulted 25 June 2015).

³⁴² Dunkin’ Donuts CSR Report 2014, p.38.

- 30% Rainforest Alliance Certified™ 100% Colombian Packaged Coffee (U.S. only)³⁴³
- Fair Trade Certified™ Coffee Coffee Chip Ice Cream (international only)³⁴⁴
- 50% Rainforest Alliance Certified™ Raspberry Black Tea Sorbet (international only)³⁴⁵
- 50% Rainforest Alliance Certified™ Lemon Black Tea Sorbet (international only)³⁴⁶

Fair trade or any other type of certification does not seem to be a high priority on the agenda of Dunkin' Donuts or the Dunkin' Brands in general. Furthermore, there is no mention of the farmers from which the company is sourcing its coffee, or anything being done to support them or their communities.

In-Store Environment: Much like Tim Hortons, or any other quick service restaurant chain type, the environment in the coffeehouses is not meant to entice customers to stay for long with their coffees and discuss with their friends. The restaurants are bright and attractive, filled with colours and marketing that visually entices their customers. There are usually tables and chairs, but many restaurants are also designed around a drive-through window, which is very common in North American chain restaurants. This takes away from the experience of visiting a coffeehouse, but it is very convenient for customers that are just looking for a quick cup coffee and a donut.

Marketing: Dunkin' Donuts' marketing is very much focused on selling their actual products, there is no real storytelling or illusions. Most of the website is dedicated to introducing new products. For example, there website is currently inviting customers to come and "Celebrate National Iced Tea Day with Dunkin' Donuts' 99-Cent Iced Tea Mobile Offer,"³⁴⁷ although the marketing is very colourful and lively, it does not push a message beyond selling the product.

³⁴³ Dunkin' Donuts CSR Report 2014, p.38

³⁴⁴ Idem, p.38.

³⁴⁵ Idem, p.38.

³⁴⁶ Idem, p.38.

³⁴⁷ Dunkin' Donuts Website, <http://www.dunkinbrands.com/> (consulted 25 June 2015).

CSR: In addition to the work being by the DDBRCF, Dunkin' Donuts commits company resources and funding to the following initiatives:

- To its guests (meaning customers) by improving the nutritional value of the food they serve and its food safety, and by paying attention their guests' feedback;³⁴⁸
- To the planet with a commitment to further develop sustainable packaging, buildings, energy and climate and sustainable sourcing;³⁴⁹
- To its people (meaning its employees) by focusing on diversity and inclusion, life and culture and training;³⁵⁰
- And to governance and ethics.³⁵¹

Although Dunkin' Donuts CSR is sound, it seems a bit generic in comparison to the CSR or its competitors, especially Starbucks. Tim Hortons has initiatives dedicated to its farmers, as well as Lavazza which is the company that will be analysed next. In comparison, Dunkin' Donuts CSR initiatives seem minimal at best.

The company also brings attention to the work done in the US by the Dunkin' Donuts and Baskin-Robbins Community Foundation (DDBRCF): "In the U.S., through The Dunkin' Donuts & Baskin-Robbins Community Foundation (DDBRCF), we provide grants to national and local organizations that promote hunger relief, children's health and safer neighborhoods. In 2014, The DDBRCF held its first-ever national Week of Service, during which nearly 2,000 crew members and employees volunteered in communities around the country."³⁵² There is a section dedicated to the Foundation's achievements in the CSR report, filed under "Our Neighborhoods." The Foundation outlines its involvement in the following commitments:

- Partnering with local food banks to help with hunger needs in communities;
- Partnering with children's hospitals and organizations to improve children's health;

³⁴⁸ Dunkin' Donuts CSR Report 2014, p.12.

³⁴⁹ Idem, p.12.

³⁵⁰ Idem, p.12.

³⁵¹ Idem, p.12.

³⁵² Dunkin' Donuts CSR Report 2014, p.12

- And partnering with organizations that support firefighters, public safety officers and troops to ensure safety of neighbourhoods.³⁵³

CSR Report: Dunkin' Donuts 2014 CSR report is its 3rd CSR report and it is quite extensive. The report comes in at 56 pages and it covers everything from the environment to sourcing to food safety. After having critically analysed the report, it seems as though many of the pages are filled with goals and projections and there is very little being said into what the company has achieved in terms of CSR.

Granted that this could be attributed to the fact that this is Dunkin' Donuts 3rd CSR report, however the company itself is not new and should have already established a much better CSR commitment. One cannot help but overlook the fact that there are no initiatives on the farmers from which their coffee beans are being sourced, even in the section devoted to "Sustainable Sourcing."

Compare and Contrast to Starbucks:

Points of Difference: It is clear that Starbucks and Dunkin' Donuts cater to their different types of customers. While Starbucks may cater to a consumer that is looking for what appears to be a more ethical cup of coffee, handcrafted by an attentive and savvy barista, and maybe this consumer is looking to sit and chat with their friends on plush couches while listening to trendy music, the Dunkin' Donuts consumer may just be looking for a quick cup of coffee and a hot breakfast on their way to work and may be inclined to just pop through the drive through window as opposed to coming in to the restaurant. Dunkin' Donuts and Starbucks are selling very similar products but with very differing messages. In terms of differences, Starbucks has pioneered the principle of "selling a coffee experience"³⁵⁴ while as Dunkin' Donuts sells quality hot coffee in a convenient and efficient manner. Everything about these two companies, aside from the hot and cold coffee drinks, is completely different.

³⁵³ Dunkin' Donuts CSR Report 2014, p.15.

³⁵⁴ Starbucks Website, <http://www.starbucks.co.uk/> (consulted 25 June 2015).

Similarities: As mentioned above, both Starbucks and Dunkin' Donuts sell similar products with different messages. This further contributes to the idea that each coffee company caters to a different type of customer.

3.4. Lavazza Coffee Company

Background: The Luigi S.p.a Lavazza Coffee Company was founded by Luigi Lavazza in Turin, Italy in 1895, with the opening of the first Lavazza grocery store.³⁵⁵ As an Italian coffee company, everything about Lavazza from the packaging to the description of the fragrance of the beans, draws a beautiful image of coffee, almost as if it was an art form. The company's history starts with Luigi's personal history and his attachment to coffee.³⁵⁶

The story begins with Luigi Lavazza's first trip to Brazil and his eternal quest to craft the perfect cup of coffee.³⁵⁷ The website includes ample vintage photos of the Lavazza family, tracing the history of the company and of the country, as well as serving as a sort of personal history book of the family. Lavazza also pays special attention to note that two of its founders were women.³⁵⁸

Brand Identity, Company Culture and Values: Lavazza is a fourth generation family run company, with a strong dedication to producing high quality coffee.³⁵⁹ The Lavazza team has strict standards and control procedures for every step of the coffee-making process, from selecting the beans to designing the espresso systems.³⁶⁰ This system allows the company to have better traceability for their beans, which is crucial to certify whether it was sustainably sourced. The company is very proud of its family history as well as its roots in Italian culture, and the art of coffee is apparent in every part of the process.³⁶¹ Lavazza has a very romantic approach to coffee in the sense that it is very sensual and constantly striving to be the best in the business.

³⁵⁵ Lavazza Website, <http://www.lavazza.com/en/> (consulted 25 June 2015).

³⁵⁶ Idem (consulted 25 June 2015).

³⁵⁷ Idem (consulted 25 June 2015).

³⁵⁸ Lavazza Website, <http://www.lavazza.com/en/> (consulted 25 June 2015).

³⁵⁹ Idem (consulted 25 June 2015).

³⁶⁰ Idem (consulted 25 June 2015).

³⁶¹ Idem (consulted 25 June 2015).

Approach to Fair Trade: There is no real mention of Fair Trade in any of the company's marketing, although there is a section in the company's CSR report that implies that the company's coffee is UTZ certified. This is an alternative form of certification that is loosely aligned with the Fair Trade principles.³⁶² The company is actively engaged in CSR initiatives that benefit the lives and communities of its farmers' countries, the initiatives also benefit farmers from which the company does not necessarily source its beans.

In-Store Environment: Each Lavazza store is modernly decorated with streamlined furniture, with the iconic blue branding. There is a lot of glass and a post-modernist feel.

Marketing: The Lavazza website is beautifully designed, and the narrative of the brand's history is littered with hashtags (#) to serve as a sort of Easter egg-hunt for the reader, with the following tags: #alltimes,³⁶³ #ideas,³⁶⁴ #innovation³⁶⁵ and #socialresponsibility.³⁶⁶ This is an extremely effective way to communicate key messages to your consumers in an interactive way, but also encouraging them to partake in social media with the company's hashtags and handles. For example, there is a signpost on the website for 1971 to mark the economic crisis in Italy, when coffee consumption dropped: "Coffee consumption also dropped. It is precisely during crisis periods that innovation is needed."³⁶⁷ This text bubble was cleverly accompanied with the hashtag "#innovation."³⁶⁸

The website traces the history of its coffee alongside the history of Italy. The narrative situates the reader in 1957, when "Italy was experiencing a full economic boom,"³⁶⁹ and parallel to this boom Lavazza was erecting its roasting plant: "In the Corso Novara headquarters, Lavazza built its great roasting plant. The innovative and more efficient

³⁶² UTZ Certified Website, <https://www.utzcertified.org/> (consulted 26 June 2015).

³⁶³ Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁶⁴ Idem (consulted 26 June 2015).

³⁶⁵ Idem (consulted 26 June 2015).

³⁶⁶ Idem (consulted 26 June 2015).

³⁶⁷ Idem (consulted 26 June 2015).

³⁶⁸ Idem (consulted 26 June 2015).

³⁶⁹ Idem (consulted 26 June 2015).

vertical processing system made it possible to handle over 40,000 kg of coffee a day: this was an absolute innovation for Italy.”³⁷⁰ This type of narrative is very effective storytelling for the reader, showcasing how close their cup of coffee is to Italian history.

Lavazza marketing has always been creative, artistic and very much out-of-the box, starting with the iconic Paradiso television commercials: “Similarly, in Italy, we are still identified today by the series of ‘Paradiso Lavazza’ TV commercials, which have their roots in the first ‘Lavazza Paradiso in Tazza’ (‘Lavazza coffee, heaven in a cup’) 1950 advertising slogan.”³⁷¹ The website has an entire section dedicated to videos of all the iconic television advertisements in the company’s history. The company clearly takes great pride in the artistic and thoughtful marketing it produces.

Another beautifully creative part of the company’s marketing are the Lavazza stickers and calendars: “Let’s take a step back in our history, and return to the Forties, when Beppe Lavazza was attending the artistic association Circolo degli Artisti in Turin. It was here where he got to know the artists whom he asked to design the famous collections of Lavazza stickers.”³⁷² These stickers were pieces of art that consumers could take home and display, emblazoned with the recognizable Lavazza logo. The current 2015 Lavazza calendar features the farmers that are part of Lavazza’s CSR initiative, *The Earth Defenders*.³⁷³

³⁷⁰ Idem (consulted 26 June 2015).

³⁷¹ Idem (consulted 26 June 2015).

³⁷² Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁷³ Idem (consulted 26 June 2015).

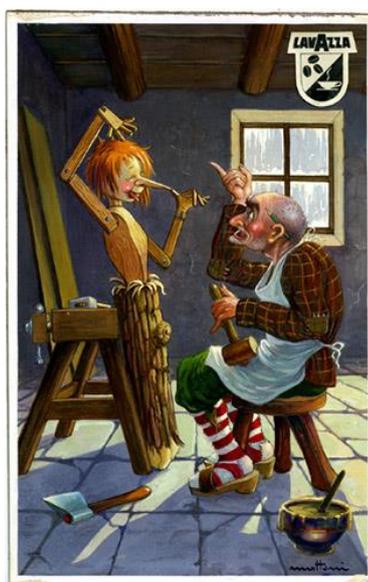


Figure 3 Example of Lavazza Sticker

The Lavazza marketing is a superbly creative way of honouring Italian culture while creating a brand identity: “The result is a successful coexistence between two completely different genres: traditional Italian comedy as represented in the *Paradiso* campaign, and the international reach of the stylish *Calendar* campaigns.”³⁷⁴

It is not until the website’s historical narrative opens to the 2004 signpost and the introduction of CSR that the consumer sees pictures of the farmers that produce the coffee beans.³⁷⁵ The images are diverse, showing in addition to farmers labouring in the field, images of women and children.³⁷⁶ In line with the rest of the company marketing, the photos are beautiful and artistic.

CSR: The website’s narrative scheme dedicates the 2004 sign post to CSR: “We give a contemporary name to what the Lavazza family has always tried to do privately: social responsibility projects.”³⁷⁷ This is an interesting way to introduce CSR into the history of the company, as though it is something that the company has always been doing, only behind closed doors. This is consistent with the history of CSR, as before the new age

³⁷⁴ Lavazza UK Website, <http://www.lavazza.co.uk/uk/> (consulted 26 June 2015).

³⁷⁵ Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁷⁶ Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁷⁷ *Idem* (consulted 26 June 2015).

of media a lot of the company's philanthropy was done privately and with very little involvement by members of the company that were not at the executive level.³⁷⁸

In line with the hashtag Easter egg-hunt, the page has a text bubble that reads: "2004 saw the opening of the Giuseppe and Pericle Lavazza Foundation, a non-profit organisation that seeks to improve people's living conditions in coffee-growing countries."³⁷⁹ This accompanied by the hashtag #CSR³⁸⁰ is clever because it gets the consumer accustomed to the business lingo used to describe corporate philanthropy.

Further along the page, the consumer is given an introduction to the company's most important CSR initiative, the "Tierra!"³⁸¹ project: "Thanks to the ¡Tierra! project we have permanently improved, in eight countries, the living conditions of more than 3,000 caficultores, boosting economic growth, improving their lifestyle and introducing new, more ecological and profitable agricultural techniques."³⁸²

Lavazza has an interesting approach to its supply chain, in the sense that the company oversees every step of the coffee production process:³⁸³ "For Lavazza, sustainability and innovation are interdependent. The environmental performance of our products is assessed using a 'cradle to grave' approach: from green coffee, to processing in the countries of origin and at production plants in Italy, to packaging, coffee machines, transportation of green coffee and finished products, through to the disposal of the product."³⁸⁴ This sort of control reverberates throughout the entire report, and it echoes back to the company's founding father's original business plan: "Sustainability must be shared along the entire supply chain, from green coffee to the end product. Lavazza has operated according to these principles since its origins. It is a cultural shift, a leap into the future."³⁸⁵

³⁷⁸ Kotler & Lee, 2005, p.4.

³⁷⁹ Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁸⁰ Idem (consulted 26 June 2015).

³⁸¹ Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁸² Idem (consulted 26 June 2015).

³⁸³ Idem (consulted 26 June 2015).

³⁸⁴ Lavazza CSR Report 2014, p.36.

³⁸⁵ Lavazza CSR Report 2014, p.36.

In the second section of the company's CSR report, the Giuseppe and Pericle Lavazza Foundation (herein referred to as the "Foundation") is fleshed out in great detail; established in 2004 and operating as a non-profit organisation,³⁸⁶ its work is framed around supporting "charitable initiatives in the fields of health and social care and protection of the environment, both in Italy and abroad."³⁸⁷ The Foundation's work is extensive and spans over 10 years, but its aims are neatly summarized in the report as follows (NB, the notes been lightly edited for conciseness):

- Promoting, developing and coordinating initiatives to improve living and working conditions for communities and individuals in distress, particularly in coffee-producing countries;³⁸⁸
- Promoting, developing and coordinating studies, research and other activities aimed at the protection of the environment, with a particular focus on the promotion, dissemination and implementation of new methodologies to introduce the concept of environmental, economic and social sustainability in the coffee growing and processing industry;³⁸⁹
- Financing and delivering annual scholarships and awards to students/young people of all nationalities for excellence in study and research;³⁹⁰
- Delivering social assistance and medical care to communities and/or individuals in special cases of exceptional severity and emergency.³⁹¹

The report also breaks down the Foundation's approach to project management, which is centered on empowering farmers and small producers.³⁹² The projects involve several partners working in synergy with the 'twofold objective'³⁹³ to: "develop productivity

³⁸⁶ Lavazza Website, <http://www.lavazza.com/en/> (consulted 26 June 2015).

³⁸⁷ Lavazza CSR Report 2014, p.43.

³⁸⁸ Idem, p.43.

³⁸⁹ Idem, p.43.

³⁹⁰ Idem, p.43.

³⁹¹ Lavazza CSR Report 2014, p.43.

³⁹² Idem, p.44.

³⁹³ Lavazza Website, <http://www.lavazza.com/en/> (consulted 25 June 2015).

through the dissemination of good agricultural practices, and promote entrepreneurship, irrespective of whether or not the producers are part of the Lavazza supply chain.”³⁹⁴

In addition to this broad objective, several other aims come into effect, notably the issue of gender: “Some projects have additional components such as: gender equality, equality for both genders in family relations; food security, the commitment to ensuring everyone has access to adequate nutrition; reforestation; minimisation of the environmental impact of coffee production.”³⁹⁵

To revisit the anthropological interpretation of Fair Trade from Part 1, according to Lyon, one area of contention of the Fair Trade certification process is the fact that there is really no substantial work being doing in terms of gender issues.³⁹⁶ Conversely Oxfam Italy and Lavazza have partnered together on a project to support farmers in the Dominican Republic and Haiti and one of their main priorities is gender issues:³⁹⁷ “Particular attention is paid to gender dynamics, to empower women by involving them in key decision processes, both within households and within the community of coffee producers.”³⁹⁸

CSR Report: The 2014 Sustainability Report is the company’s first ever CSR report, and the company’s CEO, Antonio Baravalle, describes it as the following: “This Sustainability Report is a crucial instrument to provide all stakeholders with a transparent picture of our social, environmental and economic performances.”³⁹⁹ Much like the Lavazza website, the CSR report is chock-full of family photos and there is a constant focus on the fact that Lavazza is a family run business.⁴⁰⁰

This report is framed around the company’s values: “This document is a further concrete and pragmatic step in reaffirming the values which are at the basis of our work:

³⁹⁴ Lavazza CSR Report, p.44.

³⁹⁵ Lavazza CSR Report, p.44.

³⁹⁶ Lyon, 2006, p.256.

³⁹⁷ Lavazza CSR Report 2014, p.52.

³⁹⁸ Idem, p.52.

³⁹⁹ Lavazza CSR Report 2014, p.9.

⁴⁰⁰ Idem, p.9.

ethical and economic sustainability, sensibility, commitment, integrity and responsibility.”⁴⁰¹

The report aligns the company’s origins with its sustainability plan, beginning with Luigi Lavazza’s first trip to South America⁴⁰²: “He wanted to see for himself where green coffee came from, the people who grew it and the way they lived. During the trip, he saw entire unsold coffee harvests destroyed before his eyes.”⁴⁰³

There is also a very helpful matrix that describes the company’s corporate governance structure, along with a detailed section on the company’s business values and code of ethics, which are very much aligned with the company’s culture and outlook.⁴⁰⁴

In addition to several business graphs, there is also a world map with a breakdown of the Foundation’s work in each country.⁴⁰⁵ This is helpful to a reader in order to understand the global effects of the company’s CSR.

Although the report is quite dense, it is of very high caliber and aesthetically pleasing. In line with the rest of the company’s marketing and branding, the report is filled with beautiful imagery, and even the graphics and business graphs are smooth and eye-pleasing. The report is very easy to read and thus would appeal to any consumer, even the text-heavy pages have the most important words bolded; the entire report reads almost like a high fashion magazine.

Compare/Contrast with Starbucks:

Points of Difference: Lavazza has only introduced CSR into its business model with a foundation in 2004, while Starbucks was pressured into incorporating fair trade coffee into its selection in 2000.⁴⁰⁶ Also, Lavazza has released its first CSR report for 2014, while Starbucks has been producing one annually since 2000.

⁴⁰¹ Lavazza CSR Report 2014, p. 1.

⁴⁰² Idem, p.1.

⁴⁰³ Idem, p. 28.

⁴⁰⁴ Idem, p. 28.

⁴⁰⁵ Lavazza CSR Report 2014, p.57.

⁴⁰⁶ Argenti, 2004, p. 104.

Similarities: Much like Starbucks, Lavazza trains its baristas exceptionally well at the company's Espresso School.⁴⁰⁷ This school is also open to members of the public interested in the coffee crafting process.⁴⁰⁸ In addition to barista training, Lavazza is also dedicated to sourcing the highest quality coffee beans.⁴⁰⁹ However, unlike Starbucks, Lavazza implements control measures at every level of its supply chain.⁴¹⁰ In its CSR report, Lavazza dedicates an entire section to its supply chain quality management, this is a point of contention for Starbucks because when probed, the company could not identify each part of its supply chain in order to prove that the beans were sourced ethically.⁴¹¹

Concluding Remarks

With this in-depth analysis, the following conclusions can be drawn about the coffee industry in general: that the Fair Trade model may be incompatible with the business models of MNCs, and that coffee companies differ in their marketing styles and business approaches because they cater to different types of customers.

This is clearly demonstrated with the CSR initiatives of Bridgehead, Tim Hortons, and especially Lavazza. Each company has minimized the importance or rejected entirely the Fair Trade certification process and has focused rather on their own CSR initiatives, which are much more effective for business. The companies claim that their initiatives are also beneficial for their farmers.

From the vantage point of the consumer, coffee companies cater to different types of customers. Coffee is not a staple of a diet such as milk or eggs, but it is still considered a common commodity in most countries. This is where marketing comes in; coffee companies market their coffees differently in accordance with the image they are projecting, the type of coffee they are selling, and to the type of consumer they are hoping to reach.

⁴⁰⁷ Lavazza Website, <http://www.lavazza.com/en/> (consulted 25 June 2015).

⁴⁰⁸ Idem (consulted 25 June 2015).

⁴⁰⁹ Idem (consulted 25 June 2015).

⁴¹⁰ Idem (consulted 25 June 2015).

⁴¹¹ Argenti, 2004, p. 110.

Bridgehead sells specialty coffee in a cozy, community oriented atmosphere. With its activist roots,⁴¹² the company is a favourite among critical consumers that are looking for an ethical cup of coffee. Conversely, the Tim Hortons customer and the Dunkin' Donuts customer may just be looking for a quick cup of coffee and a donut on their way to work, and they may not be entirely invested in how the coffee was sourced.

Starbucks customers flock to Starbucks coffee houses because they are looking to buy an experience,⁴¹³ not just a cup of coffee: "Our coffeehouses have become a beacon for coffee lovers everywhere. Why do they insist on Starbucks? Because they know they can count on genuine service, an inviting atmosphere and a superb cup of expertly roasted and richly brewed coffee every time."⁴¹⁴ The same could be said for Lavazza, when a customer buys a cup of Lavazza coffee, they may be expecting to be carried away on an Italian experience.

In sum, with every cup of coffee there is a different message or experience being sold, and each coffee company requires a different marketing strategy. Starbucks pushes a principle that their coffee costs a bit more than another coffee because you are partaking in the "Starbucks experience," and your cup of coffee is benefitting farmers in an impoverished country far away. As we have seen through this analysis, as well as the Starbucks Marketing analysis, this message being sold is not entirely true.

⁴¹² Bridgehead Website, <http://www.bridgehead.ca/> (consulted 25 June 2015).

⁴¹³ Starbucks UK Website, <http://www.starbucks.co.uk/> (consulted 25 June 2015).

⁴¹⁴ Idem (consulted 25 June 2015).

Part 4: The Business of Human Rights

On the heels of the Global Exchange demonstration that eventually led to Starbucks incorporating Fair Trade certified products into their business, Wanda Herndon, the SVP of Worldwide Public Affairs of Starbucks⁴¹⁵ voiced her concerns as the following: "...her major concern was the message Starbucks would send to customer, investors, supply sources, and activist groups. Smith knew that although Starbucks' central message was that the customer came first, this demand was coming from an activist group and not from Starbucks customers. Would it appear as if Starbucks were 'giving in' to activist groups if they offered fair trade coffee? And what would happen the next time another group came to Starbucks with a demand?"⁴¹⁶ Inherently, corporations do not like to show weakness.

What happens when companies 'do good' is that they have usually been pressured into it, either by shareholders, the public, or advocacy groups, as was the case with Starbucks and the Global Exchange protest.⁴¹⁷ Starbucks responded by doing the bare minimum to appease the NGOs and the watchdogs. What Starbucks did after that was magical: they took this turn of events and opportunistically used it to improve their image, the cement their brand identity. Starbucks became the coffee company that cared about its farmers, about the countries in the Global South, about their communities and their families.

4.1. The Starbucks Ideology and the Illusion of the Ethical Cup of Coffee

In accordance with Zizek's theory, Starbucks not only sells its customers coffee, but also an ideology.⁴¹⁸ Consequently, the Starbucks ideology has commodified human rights and used it to sell coffee, specifically an illusion of the ethical cup of coffee. This is evident in the company's marketing, in which the farmers are often seen as silent objects, meant to enhance the authentic experience that the consumer is having whether in-store or online. What is dangerous about this is not only the fact that Starbucks is objectifying

⁴¹⁵ Case Study, 'Starbucks Coffee Company Teaching Note,' <http://www.awpagesociety.com/images/uploads/Starbucks-Note.pdf> (consulted on 15 June 2015).

⁴¹⁶ Idem, p.17.

⁴¹⁷ Argenti, 2004, p.91.

⁴¹⁸ Fiennes & Zizek, 2012.

the farmers to turn a profit, but also consequently ensuring that this division between the mega-corporation and the global poor will always remain intact. The poor will never be elevated to participate in a global economy if they are continuously being portrayed as desolate farmers with sun bleached straw hats pushing donkeys along their fields. In a capitalist society, there will inherently always be an imbalance between the rich and the poor, as is the case with Starbucks, business is negating the human rights of the poor for profit. This imbalance may serve a purpose to the corporations, as long as there is a global poor, there will always be a cause to support and a consequently, an opportunity to appear altruistic.

4.1.1. Fairwashing⁴¹⁹ and Branding Confusion

As one can observe from Starbucks' marketing, the company is attempting to sell its consumers (and any prospective consumers) their ideology that their coffee is a superior quality coffee that contributes to the greater good of the world. Their imagery of the farmers from exotic locales, coupled with the storytelling on their YouTube channel sells their consumers the ideology that Starbucks is involved in the lives of its farmers and their roasters. This only creates an illusion that they are involved, but in reality they are more focused on the quality of the harvest than of the well-being of their farmers and their communities. To reiterate the literary piece of Renard on the C.A.F.E. Practices from Part 1, Starbucks' involvement in Mexico did more harm to the farmers than it did good: "It is clear that for Starbucks, the rating system of its CAFE Practices programme primarily seeks to guarantee the supply of quality coffee required by its coffee outlets, and places this imperative over the socio-economic development of the producer cooperatives. Other doubts arise as far as the harmonization of the criteria: the CAFE Practices place more emphasis on questions of conservation and employ lax criteria, this in contrast to the stricter FT criteria which are oriented more towards social issues."⁴²⁰

⁴¹⁹ Corner & Ho, 2009, p.3.

⁴²⁰ Renard, 2010, p.297.

Whatever small margin of Fair Trade coffee that Starbucks buys, or whatever small initiative they develop, the company's exceptional marketing team extrapolates that little bit of success and blows it up in full view of the consumer's vision. Renard alludes to this in her work, referring to a training centre that Starbucks had erected in one of the cooperatives in Triunfo, claiming that "Photographs of this centre would appear in their public relations materials."⁴²¹ What is noticeably absent from the public materials is that Starbucks and CI virtually took advantage of the farmers of these cooperatives with their points system, and as a result left them with less money than they were promised.⁴²² This strategy of using marketing to extrapolate a small sliver of Fair Trade involvement into a culture spanning the entire corporation is a newer principle termed "Fair washing,"⁴²³ it is coming off the heels of the equally trendy "Green washing."⁴²⁴ MNCs like Starbucks have huge marketing budgets and are able to market their CSR and their Fair Trade certification to an extent that makes it practically impossible for the consumer to ignore. The result is that a large part of the public believes that Starbucks only sells Fair Trade certified coffee, when in reality it is only as small portion of their coffee selection.

This also leads to the Fair Trade certification process itself, and how it is marketed to consumers. Starbucks attests in its CSR report that 98% of its coffee is certified as sustainably grown, but only 8% of it is Fairtrade certified, the rest is certified by Starbucks C.A.F.E. Practices.⁴²⁵ As explained in the previous section, C.A.F.E. practices can hardly be considered impartial, as Starbucks has a hand in the process.⁴²⁶ And so with that, we can reject this portion of Starbucks' coffee as being certified Fair Trade. This small margin of Fair Trade certified coffee is certified by Fairtrade USA, which has recently severed its ties with FLO and has now adopted principles that are more closely aligned with the needs of corporations.⁴²⁷

⁴²¹ Renard, 2010, p.296.

⁴²² Idem, p.294.

⁴²³ Idem, p.3.

⁴²⁴ Idem, p.3.

⁴²⁵ Starbucks CSR Report 2014, p.3.

⁴²⁶ Idem, p.3.

⁴²⁷ Brown, 2013, p.11.

4.1.2. The ‘Exoticization of Farmers’⁴²⁸

By depicting their farmers in their exotic locales, Starbucks has objectified their farmers and made them less than farmers or coffee producers, but instead just a part of the overall Starbucks imagery, and has built its brand identity around this ideology.

Brown presents this idea through the framework of a conversation with a representative from Global Exchange, the NGO that first persuaded Starbucks to carry Fair Trade coffee. Brown quotes the representative as saying the following: “‘From the very beginning, all the way back in the eighties [actually the 1960s], they had this 100 percent Colombian coffee brought to you by Juan Valdez. And there’s this man with a mule and two sacks of coffee. And he looked kind of poor, right? It wasn’t like he was in a suit, right? And that was just Colombian coffee doing some advertising for coffee that was in the grocery stores on the shelves next to Folgers. So that’s something that’s been pervasive since the beginning.’”⁴²⁹ Starbucks was not the first company to objectify farmers in their marketing, this strategy can be traced back to the 1960s. The representative pushes this concept even further, by questioning how the company places this imagery and how consumer ultimately processes it: “‘And it’s a question of whether you treat that as a marketing tool or whether you treat that as a valid story of where your coffee comes from. So clearly Juan Valdez was a caricature of the person who comes through with your coffee. Is it more offensive to do that than it is to say, ‘This is don Francisco from El Roblar in Nicaragua, and he’d like you to know that your coffee helped his children go to school last year?’”⁴³⁰ Is it less offensive to objectify the farmers if it is for the sake of telling the consumer how meaningful their purchase is to them and their families? Is Fair Trade marketing inherently less bad than just using a ‘caricature’ of the farmers? In either case, the farmers appear as lesser than workers, or tradespersons, or equals. They appear in this marketing as though they are poor and vulnerable, and this in turn encourages consumers to buy their products in order to support them. This minimises the concept of Fair Trade to a simple act of charity, thus weakening the movement entirely.

⁴²⁸ Brown, 2013, p.115.

⁴²⁹ Idem, p.115.

⁴³⁰ Brown, 2013, p.115.

Starbucks pushed its brand identity further, from just a company that is good to its community, to a company that's good for the whole world. They capitalised on their minimal good deeds, and with clever marketing including storytelling techniques and fetishizing the farmers from exotic locales, they capitalized on the confusion around fair trade, and they turned human rights into a brand that can be sold, a commodity that can be consumed with scones amongst friends on a plush couch while listening to Nora Jones, or taken home as a bag of whole beans to be shared at brunch with friends. Starbucks is sending an important message to its consumer, that they can purchase a cup of human rights for someone working their land in a remote country that they may have never even heard of, all for about 2 USD.

Starbucks' brand identity is dependent on these farmers. As long as these farmers are poor, Starbucks can make their consumers feel good about buying their coffee and supporting them to help send their children to school or put food on their tables. In this capitalistic viewpoint, the perpetual cycle of poverty will never be eradicated. There needs to be mechanisms put in place to control the amount of marketing that corporations can use in relation to their fair trade certified coffee. There need to be measures that limit how corporations use language and to what extent they are allowed to use the Fairtrade (FLO) or Fair Trade USA logo.

There is nothing charitable about Fair Trade, it is in fact trade and needs to be treated that way. Existing Fairtrade model is failing, and it is taking the attention away from the bigger problems relating to human rights: "For today, political consumerism is probably best understood as a partial solution to human rights problems and as a movement that attempts to fill responsibility vacuums brought on by lack of governmental action."⁴³¹ Ideally we need to work away from certifying some coffees as Fair Trade and move toward making all trade fair.

Fair Trade is a movement, and as such its principles could conflict with the dominating forces of the ideology that Starbucks is selling its consumers. For a movement such as Fair Trade to be successful, it needs to have its own groundings and roots to grow on.

⁴³¹ Brown, 2013, p.175.

The result with Starbucks and their Fairwashing techniques is that the Fair Trade movement is being suffocated by the behemoth ideology of Starbucks' ethical consumption.

There is a danger to mainstreaming Fair Trade. There is a point when fair trade could become so well marketed that it loses all the power of its ideology: "Thus, ideological consciousness-raising loses out to consumer product information and marketing."⁴³² Fair Trade is not yet a trend, consumers are becoming more aware of the power they hold in their purchasing, and as such fair trade is on the cusp of becoming a trend, and when it does it will lose its ideological value and it will be replaced by the Starbucks ideology: "The success of certification threatens to commodify fair trade. Mainstreaming transforms it from the ideological alternative trade movement whose goal is promotion of human rights and poverty alleviation, through local empowerment of Southern farming and producer communities, to a market project based on capitalist market competition."⁴³³

4.1.3. The Confused Starbucks Consumer

The consumer, whom is already completely saturated with information, is only really seeing what Starbucks wants them to see: their illusion of the ethical cup of coffee. Even the most critical of consumers is left confused by this, or just simply passive.

Consumers trust Starbucks, they read the company's blog entries touting the work the company does in coffee growing countries, and they watch the YouTube videos that show Starbucks baristas visiting coffee farmers and giving them a pat on the back. Consumers trust that Starbucks coffeehouses as being a safe environment where they will feel validated for buying overpriced coffee. With this trust, Starbucks creates a brand loyalty from its customers, and in turn, these customers have a harder time believing that Starbucks has done anything wrong: "The second bias depends on the involvement with a product or a brand. Consumers strongly committed to a brand show greater resistance to negative information and have difficulties remembering ethical attributes."⁴³⁴

⁴³² Michelletti, and Follesdal, 2007, p.171.

⁴³³ Michelletti, and Follesdal, 2007, p.171.

⁴³⁴ Valor, 2008, p.318.

Consumers need to educate themselves on the different labeling standards in order to make a choice that closely reflects their personal values. However, the onus is not entirely on the consumer: “Consumers are not heroes; at most, they are good citizens. Consumers cannot be expected to gather the necessary information to punish companies, process it, recall it, and choose responsibly all kind of products, from salt to travel agencies.”⁴³⁵ There need to be mechanisms put in place to ensure that Fairtrade branding is limited and is in respect with actual fair trade standards. Starbucks is purposefully confusing their customer with their C.A.F.E. Practices marketing in order to distract them and blur the fact that their coffee is not entirely fair trade.

In order to help consumers better understand a company’s CSR, mechanisms need to be put in place to ensure that all MNCs provide proper reporting on their CSR initiatives and these reports are transparent and provide detailed information on the corporation’s supply chain: “Mandatory reporting is necessary, since it is the way to ensure that all companies disclose their social and environmental performance. Reports could be used by third parties to provide consumers with more suitable information formats (e.g., tests) for guiding their purchasing. Any framework for this mandatory reporting should ensure that the information is relevant, reporting what consumers demand; comparable across sectors, companies, and countries; reliable, that is, it must include some form of assurance or independent verification; and accessible to the public.”⁴³⁶

However, CSR reporting brings on a whole slew of problems. Although MNCs should provide their consumers with a detailed CSR report, there is a lack of organization behind this premise. MNCs are not given a consistent template to craft their reports,⁴³⁷ and as such their reports are a mishmash of information that is usually strategically crafted to bring attention to the corporation’s good initiatives and cast a shadow over their missteps: “However, as there is no established framework—only guidelines—for how to communicate consistently about CSR, many organizations are somewhat unprepared for the task. The lack of a common understanding and terminology in the area of CSR has

⁴³⁵ Idem, p.323.

⁴³⁶ Valor, 2008, p.323.

⁴³⁷ Nielsen and Thomsen, 2007, p.25.

made it difficult for organizations to develop consistent strategies for reporting on CSR in terms of genres, media, rhetorical strategies, etc. This, coupled with the jungle of discourses, which reign in the domain of CSR, have caused the communication from many organizations to be rather inconsistent."⁴³⁸

There needs to be consistency in reporting across all MNCs; this will ensure transparency on behalf of the corporation, and consequently minimise the confusion on the consumer's end. Consumers need to be able to easily access information made available in reports in order to make an educated purchase.

Customers want to buy ethically, but the reality is that it is time-consuming and draining. Labeling saves them time and energy: "Shopping for human rights is a wallet-based and knowledge-intensive activity. Consumers need financial and informational resources beyond a threshold if they are to use the market as an arena for politics and to turn themselves into moral shoppers. For them, fair trade labelling schemes are an important mechanism that lowers these knowledge and financial threshold. Labels reduce the costs involved with information searching, create trustworthiness, and help lower the economic cost of fair traded goods by increasing their market share and mainstreaming them into the more conventional consumer marketplace."⁴³⁹ Labeling is meant to ease the shopping process and allow consumers to quickly identify the products that are aligned with their values. The current system of labeling is counter-productive and extremely confusing for the consumer.

Again, the onus should not be entirely on the consumer, because better educated consumers do not necessarily lead to ethical consumption: "What seems to be emerging is that although consumers express willingness to make ethical purchases linked to good reputation, the reality is that social responsibility is not the most dominant criteria in their purchase decision."⁴⁴⁰ Simply purchasing Fair Trade products is not enough, there still needs to be room for advocacy groups and action on behalf of state governments and international organizations: "Of importance for this special issue is his conclusion that

⁴³⁸ Nielsen and Thomsen, 2007, p.25.

⁴³⁹ Michelletti and Follesdal, 2007, p.170.

⁴⁴⁰ Carrigan and Attala, 2001, p.564.

shopping for human rights cannot solve the general problems of development and social inclusion. Political advocacy that targets government and corporations is also necessary.⁴⁴¹ This movement will require a combined effort.

4.2. The Legal Approach to Fair Trade

Fair trade helps farmers in a number of ways; fair trade organizes the farmers into grassroots cooperatives and ensures that farmers do not get taken advantage of by middlemen and losing money to the roasting process, and it ensures that farmers get paid a fair amount for the coffee they produce. Due to the natural fluctuations in the coffee harvest, Fair Trade organizations help to ensure that farmers are protected from the unstable nature of coffee bean harvests.

However, the reality is that the existing model of Fair Trade is failing. Corporations, advocacy groups, state governments and supranational organizations need to move forward to a new more holistic approach to fair trade. To revisit the holistic approach to fair trade from Part 1, the approach needs to include a more anthropological approach with a focus on community building and gender,⁴⁴² and a rights based approach as presented through the Oxfam Strategic Plan,⁴⁴³ which puts the human rights of the farmers at the forefront of trade deals.

4.2.1. The Role of International Organizations

Amidst all of this legal chaos, there needs to be an assertion on the fair aspect of Fair Trade. As discussed in Part 1 of this work, the WTO and the GATT were designed with the priorities of developed countries, leaving poor countries in the shadows.⁴⁴⁴ As a result there is virtually no human rights involved in the trade process.⁴⁴⁵ There needs to be a more rights based approach to fair trade, as encompassed in the holistic approach to fair trade. Fair Trade as a concept should not be rejected, rather it should be reinforced and strengthened to play a more central role in trade from North to South. There needs

⁴⁴¹ Michelletti and Folesdal, 2007, p.171.

⁴⁴² Lyon, 2007, p. 256.

⁴⁴³ Aaronson & Zimmerman, 2006, p. 1001.

⁴⁴⁴ Idem, p. 1001.

⁴⁴⁵ Idem, p. 1017.

to be a mediating force between MNCs and coffee farmers to ensure that the farmers are not being subjected to human rights violations.

There needs to also be a reorganization with the exorbitant costs associated with fair trade certification. There needs to be some mechanisms put in place by the WTO that assist the farmers with covering the costs associated with certification. In line with the rights-based approach to Fair Trade, this will help to empower farmers and allow them to better contribute to global trade.

International organizations such as The World Trade Organization (WTO) and the International Labour Organization (ILO) play an important role in ensuring that MNCs adhere to regulations of international trade. The Guiding Principles put forth by the Secretary General of the United Nations (UNSG) Professor John Ruggie play a pivotal role in how MNCs carry out their business affairs by ensuring that these large corporations take on the responsibility of respect and ensuring the respect of human rights.

In her work titled 'Hoisted On Their Own Petard,' Janice R. Ballace praises the UNSG's Guiding Principles for changing the way that corporations understand CSR: "The adoption of the UN Guiding Principles on Business and Human Rights in 2011 has changed the CSR landscape, from one where the company decides on the parameters of its social responsibility obligations to one where society places responsibility on the company to act in regard to workers in accordance with internationally recognized human rights and, in particular, the ILO's eight core conventions."⁴⁴⁶ However, there is still much work to be done on the part of MNCs.

In his work titled 'Beyond Ruggie's Guiding Principles on Business and Human Rights,' Robert C. Blitt mirrors the progress of the Ruggie Principles to the evolution of human rights, meaning that human rights have emerged from soft-law treaties to customary or hard law, as will eventually become the case with the soft law surrounding business and human rights.⁴⁴⁷ Blitt frames his work around the principle that Ruggie's Guiding

⁴⁴⁶ Bellace, 2014, p.454.

⁴⁴⁷ Blitt, 2012, p.41.

Principles are a good jumping off point for MNCs, but corporations looking to make a real effect on human rights need to adopt a more rigorous approach.⁴⁴⁸ To be precise, Blitt states the following: "(The Ruggie Report) while heralded as a milestone, is only a departure point for the simple reason that it underestimates the rapidity in which the human rights environment for businesses is unfolding. Human rights advocates have already expressed concern that the SRSG's Guiding Principles do not go far enough.' In fact, the principles set a minimal-expectation bar for businesses, promulgating a series of non-binding "lowest common denominator" recommendations that arguably neglect a more complex reality."⁴⁴⁹

In many ways, the Guiding Principles serve as a great introductory steps into human rights for MNCs, but for experts in the human rights field, it is apparent that something is severely lacking. Blitt goes on to put the onus onto the corporations, claiming that they need to take initiative to ensure that human rights are being respected, he comes to the following conclusions: "...that corporations get in front of what, by all indications, is a moving target and take an embracive approach to human rights compliance. In practical terms, this means instead of observing select "lowest common denominator" human rights principles as envisioned by the SRSG, corporations should seek out higher ground by complying with all applicable human rights treaty norms."⁴⁵⁰ Blitt is in some way compelling corporations to not limit themselves to the Guiding Principles, but rather to interpret them as a prediction for the future, that a human rights approach to business is the way of the future.

It is interesting to observe the progression of international organizations mirroring the effects of globalization, as the world becomes more and more connected, the needs from MNCs evolve: "By 1990, the focus of attention had moved from the behaviour of multinational companies towards their own workers to the impact of increasing globalization on workers in developing countries."⁴⁵¹ Scholars can also trace an evolution in the corporate language, noticing a shift from 'labour standards' to 'human rights,' and

⁴⁴⁸ Blitt, 2012, p.41.

⁴⁴⁹ Idem, p.35.

⁴⁵⁰ Blitt, 2012, p.60.

⁴⁵¹ Bellace, 2014, p.443.

as a result, a misstep on the part of the corporation could mean a much more impactful hit to the company's image: "A company that fails to comply with labour standards is seen as committing a technical violation, whereas a company that violates HRs is seen as committing a grave offence."⁴⁵²

4.2.2. The Role of Corporations

Corporations are very strong and powerful entities, and this could be a double edged sword. MNCs can and should be encouraged to develop CSR initiatives that are reflective of their company's values, but consequently there should be measures enacted to prevent human rights violations that may occur as a repercussion of their work. This could be as simple as pushing the Guiding Principles further to include a section on education, educating corporations on negative effects of their initiatives. In a speech given at the "2048: Drafting the Future of Human Rights" conference at UC Berkeley School of Law in 2009, Robert Haas, the Chairman of Levi Strauss and company shared his insights on the important obligations that corporations have towards human rights and advocacy: "In its advocacy, business should affirm its commitment to social responsibility by demonstrating a willingness to hold itself accountable. This may include advocating for legal or regulatory frameworks that could involve a cost to the business. In advocating for the passage of trade agreements, including the World Trade Organization, private sector leaders should insist on the inclusion of labor, environmental and other provisions that protect human rights along with related enforcement mechanisms."⁴⁵³ Haas is compelling his fellow business leaders to utilize their power and their resources to change the relationship between business and human rights. He also goes on to reinforce the fact that companies must include CSR in their business plans with the same vigor they approach any other endeavour: "Among the lessons we've learned over the years is that to be successful and enduring, corporate responsibility programs must be embedded in the business. They must be measured and managed in the same way that revenue-producing business units are managed."⁴⁵⁴

⁴⁵² Idem, p.444.

⁴⁵³ Haas, 2008, p.408.

⁴⁵⁴ Idem, p.406.

4.2.3. The Role of Advocacy Groups

On the part of advocacy groups, there also needs to be more naming and shaming.⁴⁵⁵ As was the case with Global Exchange and Starbucks, clearly it proved to be fruitful, and will hopefully set a precedence. There is also credit to be given to Oxfam, for bringing the lacunas of the WTO to the attention of the public.⁴⁵⁶ To reiterate, in Aaronson and Zimmerman's work, the authors highlight the work done by Oxfam to expose the fact that the WTO and the GATT were designed by developed, democratic countries with no real concern for human rights violations, therefore the needs of developing countries were ignored from the outset.⁴⁵⁷ Although the initiative proved unsuccessful,⁴⁵⁸ Oxfam still succeeded at putting pressure on the WTO to adopt a more human rights approach to trade, and consequently the public was made more aware of the shortcomings of the WTO.

4.3. The Intersection: The Way of the Future

There is a need for advocacy groups to balance out the relationship between business and human rights. Trade Aid is a not-for-profit organization based in Christchurch, New Zealand, with advocacy roots that works with coffee producers and artisans from developing countries to bring their products for sale in New Zealand. Rooted in a very simple goal: "The goal always was to generate a living wage for these collectives which Trade Aid called trading partners. Imported products were distributed mainly through a nationwide network of 32 retail shops. Retail shops were owned by local community charitable trusts whose annually elected members volunteered their time in support of fair trade."⁴⁵⁹ What truly sets Trade Aid apart from other Fair Trade organizations is that the company executives treat their suppliers as partners, rather than charity cases. This is the key to Fair Trade, there needs to be an elevation of farmers and suppliers to be recognized as equal actors in trade. Trade Aid showcases that there can be success if advocacy is

⁴⁵⁵ Hafner-Burton, 2008, p.690.

⁴⁵⁶ Aaronson & Zimmerman, 2006, p.1020.

⁴⁵⁷ Idem, p.1020.

⁴⁵⁸ Idem, p.1020.

⁴⁵⁹ Corner & Ho, 2008, p.1.

supplemented with business skills, and this may be the possible solution to bring forth a new, more permanent approach to Fair Trade.

Conclusion

There is little to be said about the contribution of Starbucks to the Fair Trade movement, other than it perpetuates the contention between business and human rights. This is not to say that business and human rights are fundamentally incompatible, but that Starbucks has driven the wedge between them a bit further by putting the needs of its business and its profit before the human rights of the farmers from whom they source their coffee. Starbucks has fulfilled the minimum requirements as a coffee company by sourcing a minuscule amount of coffee from Fair Trade certifiers, conversely through Fairwashing Starbucks has managed to craft its brand identity around this small margin of Fair Trade coffee. Not only has Starbucks deceived its consumers, but the company has also weakened the Fair Trade movement by associating its C.A.F.E. Practices alongside the Fair Trade principles.

Fair Trade Certification model is good and sound in principle, but could be counter-productive. The model will not eradicate poverty, and does nothing to improve gender issues.⁴⁶⁰ It should not be rejected, rather it should be improved upon. We need a more holistic approach to fair trade that encompasses an anthropological interpretation⁴⁶¹ and a rights based approach⁴⁶² to trade. Also, there is a lot of confusion around the Fair Trade certification process, there should be more regulation by the government bodies to prevent companies from misusing this branding, and there needs to be one universal logo. In order to make more informed purchases, consumers need to be given proper tools to educate themselves on the ethics of corporations. This includes better standards on Fair Trade branding and labelling, and consistency in CSR reporting.

On this note, it is a common theme in the Fair Trade literature to put the onus on the consumer, citing that it is the consumer's responsibility to consume from companies that

⁴⁶⁰ Lyon, 2007, p.251.

⁴⁶¹ Idem, p.251.

⁴⁶² Aaronson & Zimmerman, 2006, p.1012

are ethical. This is partly untrue.⁴⁶³ The consumer should not be apathetic or relinquish their values for the sake of consumption, but realistically there is much work that needs to be done on the end of international organizations to regulate the activities of MNCs on international trade. This is especially important when the trade is involving vulnerable actors from poor countries that form the Global South. There is also some responsibility on the part of advocacy groups, beyond naming and shaming⁴⁶⁴ there are other initiatives that can be put into effect. As is the case with Trade Aid, where advocacy and business have joined forces to elevate farmers and artisans from the developing world.

It is equally important to recognize that the existing Fair Trade model does not fit the business plan of MNCs because they cannot be assured of quantity and quality of the harvest.⁴⁶⁵ Rather than giving the MNCs the leeway to enact their own third-party certification process, there needs to be a solution for how to fit Fair Trade coffee into MNCs. By elevating Fair Trade, it will become more competitive and more marketable. This is a risky endeavour, as by further incorporating the Fair Trade model into the business model, it may weaken the movement's principles. As such, this is an endeavour that would be best addressed as a joint effort between advocacy groups and corporations.

Consequently, the WTO needs to adopt a more human rights based approach to Fair Trade, as advocated in the work of Aaronson and Zimmerman. Although often heralded as the future of business and human rights, the Guiding Principles is not the end of the line. The Guiding Principles serve as a jumping off point, in the sense that they put the responsibility on the business leaders, but there needs to be more binding regulations and more of a reinforcement on the human rights of the farmers.

This is the way of the future, there needs to be a collected effort on the part of the consumer, corporations, international organisations, and advocacy groups to bring to light the fact that Fair Trade is in fact trade, and farmers need to be elevated and respected as

⁴⁶³ Valor, 2008, p.318.

⁴⁶⁴ Hafner-Burton, 2008, p.290.

⁴⁶⁵ Argenti, 2004, p.101.

important actors. There needs to be a movement from Fair Trade understood as simply a 'niche market,' to Fair Trade understood as a permanent solution to "unfair trade."⁴⁶⁶

⁴⁶⁶ Aaronson & Zimmerman, 2006, p.1017.

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