



# From aid to trade

*-Fair Trade as a responsible competitiveness*

---

*Authors:* Theresa Thomasson,  
The Marketing Programme

Kim Hansen,  
The Marketing Programme

*Tutor:* Dr. Martin Amstéus

*Examiner:* Dr. Setayesh Sattari

*Subject:* Strategy

*Level and semester:* Bachelor thesis  
Spring 2013

## **Abstract**

An increased openness and rapidity of the media has resulted in more comprehensive coverage of organizations and their behavior. Additionally increased customer awareness of corporate ethical behavior has led to higher customer demands and expectations resulting in added pressure on companies. Corporate social responsibility has by researchers been identified as the solution to these increased expectations. There are various types of CSR activities and this study focuses on the concept of Fair Trade.

A literature review examining the existing research within the field was performed to identify a research gap that assisted in establishing the purpose of the study. The purpose of this study is to assess how practicing CSR strategies at Coop influence subjective performance, and if these are deliberate or emergent. Three research questions were formulated to answer the purpose. The study tests a research model that has not yet been tested in practice, namely the 3C-SR model.

The study has been conducted through a case study in the form of in-depth interviews and content analysis. The study was carried out through five interviews with employees from the Swedish grocery chain Coop.

Organization-wide needs for well-developed communication, consistency and clear goals regarding CSR and Fair Trade were recognized. Practical managerial implications have been concluded based on these findings. Additionally, a suggestion for developing the existing research model is presented.

The study reveals that Fair Trade is not practiced entirely in accordance with the 3C-SR model. Potentiality was identified concerning the subjective assessment, hence the subjective performance was not ultimate. The study further concluded that despite deliberate features, the corporate strategy was highly emergent.

Key words: CSR, Fair Trade, deliberate strategy, emergent strategy, and subjective performance

## **Acknowledgments**

This study, conducted in spring 2013 was part of our education, the Marketing Program at Linnaeus University in Växjö. The experience of writing the bachelor thesis has broadened our knowledge within several areas such as for example Corporate Social Responsibility and corporate strategy. The qualitative nature of the study has allowed insight into an organization's operations and how the organization works with for example CSR issues. Throughout the process of writing our thesis we have obtained support and aid from several people.

Firstly we would like to thank our examiner Dr. Setayesh Sattari for her commitment and her most valuable support and feedback throughout this semester. Thanks to our tutor Dr. Martin Amstéus who has provided us with his professional opinions and feedback. We would also like to thank Dr. Magnus Hultman for assisting us in pretesting and reviewing sections of the thesis. Moreover we thank our fellow students for giving us feedback during the process of writing the thesis. We are highly grateful towards the interviewees for devoting their valuable time to the study, sharing their professional knowledge and experiences with us. Last but not least we thank the two high school teachers who assisted our work by performing a back translation of our measures.

Linnaeus University

May 2013

Theresa Thomasson & Kim Hansen

# Table of contents

1. Introduction .....	1
1.1 Background.....	1
1.2 Problem Discussion .....	2
1.3 Purpose .....	3
1.4 Delimitations .....	3
1.5 Outline of thesis.....	4
2. Theoretical framework .....	6
2.1 Corporate Social Responsibility (CSR) .....	6
2.2 Similarities and dissimilarities between CSR and Fair Trade .....	7
2.3 Firm performance .....	7
2.4 Subjective performance .....	8
2.5 Strategy.....	9
2.5.1 The deliberate strategy perspective.....	9
2.5.2 The emergent strategy perspective.....	10
2.5.3 A mixed approach .....	11
2.6 CSR and strategy .....	11
2.7 ‘3C-SR model’ .....	12
2.7.1 Commitments.....	13
2.7.2 Connections.....	16
2.7.3 Consistency .....	18
2.8 Research gap.....	20
2.9 Chapter summary.....	20
3. Research questions and Frame of reference .....	21
3.1 Research problem and research discussion .....	21
3.2 Research questions .....	21
3.3 Research model.....	22
3.4 Chapter summary.....	23
4. Methodology .....	24
4.1 Research approach.....	24
4.1.1 Inductive vs. Deductive research .....	24
4.1.2 Qualitative vs. Quantitative research .....	25
4.2 Research design .....	26

4.3 Data sources.....	27
4.4 Research strategy .....	28
4.5 Data collection method .....	29
4.5.1 In-depth Interviews .....	30
4.5.2 Content analysis .....	31
4.6 Data collection instrument.....	32
4.6.1 Operationalization.....	32
4.6.2 Measurement of variables .....	32
4.6.3 Interview guide .....	34
4.6.4 Pretesting.....	34
4.7 Sampling.....	36
4.7.1 Sampling frame and sample selection.....	36
4.7.2 Convenience sampling .....	37
4.7.3 Snowball sampling.....	37
4.8 Data collection procedure .....	38
4.8.1 In-depth interviews .....	38
4.8.2 Content analysis .....	39
4.9 Data analysis method.....	40
4.10 Quality criteria.....	40
4.10.1 Content validity.....	41
4.10.2 Construct validity.....	41
4.10.3 External validity.....	42
4.10.4 Reliability.....	42
4.11 Chapter summary.....	42
5. Empirical data .....	44
5.1 Interviews .....	44
5.1.2 Commitments.....	44
5.1.3 Connections.....	49
5.1.4 Consistency .....	53
5.1.5 Subjective Performance .....	56
5.2 Content analysis.....	56
5.2.1 Commitments.....	56
5.2.2 Connections.....	57

5.2.3 Consistency .....	58
5.2.4 Deliberate or emergent.....	58
5.3 Additional findings .....	58
5.4 Chapter summary.....	61
6 Analysis.....	62
6.1 Data reduction.....	62
6.2 Data display .....	62
6.2.1 Commitments .....	63
6.2.2 Connections.....	67
6.2.3 Consistency .....	71
6.2.4 Subjective performance.....	73
6.3 Interpreting the data display .....	74
6.3.1 Commitments.....	74
6.3.2 Connections.....	79
6.3.3 Consistency .....	83
6.3.4 Subjective performance.....	87
6.3.5 Strategy .....	88
6.4 Chapter summary.....	91
7 Conclusions and contributions .....	92
7.1 Conclusions .....	92
7.1.1 Commitments.....	92
7.1.2 Connections.....	93
7.1.3 Consistency .....	93
7.1.4 The 3C-SR model .....	93
7.2 Theoretical Contributions .....	94
7.3 Managerial Implications .....	95
7.4 Limitations.....	97
7.5 Suggestions for further research .....	98
7.6 Chapter summary.....	98
List of References.....	100

## List of figures

Figure 2.1. A mixed deliberate and emergent strategy approach.....	11
Figure 2.2.The 3C-SR model.....	13
Figure 2.3. The Three-Domain Model of Corporate Social Responsibility.....	15
Figure 3.1. Research model.....	22
Figure 3.2. Conceptualized research model.....	22
Figure 4.1. Deductive and inductive process.....	24
Figure 4.2. Chosen data collection method based on chosen research strategy.....	30
Figure 4.3. Operationalized research model.....	33
Figure 6.1. The Three-Domain Model of Corporate Social Responsibility.....	75
Figure 6.2. An extension to the 3C-SR model.....	88
Figure 6.3. A mixed deliberate and emergent strategy approach.....	89

## List of tables

Table 4.1. Research design.....	26
Table 4.2. Research strategy.....	28
Table 4.3. Summary of research methodology.....	43
Table 6.1. Data display for commitments.....	62
Table 6.2. Data display for connections.....	66
Table 6.3. Data display for consistency.....	70
Table 6.4. Data display for subjective performance.....	72
Table 6.5. Research questions answered and summarized.....	89

## **List of appendices**

Appendix 1. Operationalization of concepts.....	105
Appendix 2. Interview guide.....	109
Appendix 3. Finalized list of words for the content analysis.....	111



# 1. Introduction

*This chapter elaborates the development of Corporate Social Responsibility (CSR) as a strategy in the business society. Additionally it discusses Fair Trade as part of CSR, and the fact that there are multiple strategies available for corporations. It is argued that CSR and strategies may be difficult to incorporate in order to achieve firm performance.*

## 1.1 Background

Nearly 1.3 billion people live below the so called 'extreme poverty line', which means enduring with an income of US \$1.25 or less a day (The World Bank, 2013). Another 2.6 billion people survive with an income less than US \$2 a day (Ibid). Social injustice and environmental issues are said to grow in parallel to globalization, industrialization and market liberalization (Raynolds, 2000). Nonetheless, this is argued to be a driving force for improving social and ecological sustainability (Ibid). Business and ethics, also referred to as strategy and morality, are by some implied to contradict, yet ethics are argued a critical component of a business strategy (Lindgreen and Swaen, 2010). Moreover, successful Corporate Social Responsibility (CSR), involving ethical and sustainable practices, will assure a well-working convergence of the social and economical goals of the business (Ibid). From a business perspective, Dawkins and Lewis (2003) recognize an increased need for corporate social responsibility (CSR) due to increased rapidity of media coverage of corporate behavior and ethics. In recent years competitive implications of engaging in sustainable business practices as part of the corporate strategy has been subject for an increased amount of research (Fowler and Hope, 2007). Fowler and Hope (2007) further argue that there could be a win-win situation with maximized returns for a company that incorporates sustainable business practices into the organization and its strategy. Furthermore research has pointed towards a conclusion that sustainable business practices needs to be incorporated in the strategy for the company to stay competitive (Ibid).

Fair Trade is one of the concepts that falls under the general caption of CSR (Mohan, 2009). Trading has increased dramatically over the past two decades and it is progressively becoming an important aspect in the aspiration of improving conditions in developing countries (Giovannucci and Ponte, 2005; Randall, 2005). Some state that terms of trade have become unfair; i.e. prices of commodities from developing countries are not high enough to provide a fair return for production (Witkowski, 2005). The evolution of Fair Trade is an attempt to address this, to reduce poverty and to contract the widening gap between poor developing

countries and rich developed countries (Hira and Ferrie, 2006). Voluntary Fair Trade standards are adopted as an endeavor to improve standards of trade and conditions for producers in developing countries (Giovannucci and Ponte, 2005; Randall, 2005). As any other topic Fair Trade has been widely studied by multiple researchers, and the expansion of Fair Trade is evident (Nicholls, 2002; Witkowski, 2005; Bezençon and Blili, 2009). Meehan et al. (2006) support Fair Trade as a potential competitive advantage by introducing a framework for practicing CSR particularly in the case of Fair Trade.

## **1.2 Problem Discussion**

CSR is a strategic direction for businesses with the potential to integrate ethical standards to other activities (Russo and Perrini, 2010). Mohan (2009) explains that CSR opens doors for movements such as Fair Trade and provide the opportunity for these to evolve into key aspects of marketing, branding and firms' profitability. The issue exists in that no best practice of CSR strategy has yet been identified (Carroll and Shabana, 2010). Hence CSR may be difficult to engage in, in order to reach superior performance. Due to possible difficulties when implementing CSR, companies may not employ the concept.

According to researchers within the field there has been an increase in the importance of CSR due to an enlarged concern about governance and business ethics (Leonard and McAdam, 2003; Dawkins and Lewis, 2003; Castelló and Lozano, 2009). Firms have regarded ethical activities as charity-actions; although this is changing (Davies and Crane, 2003). Ethical activities, such as CSR practices, are continuously moving towards addressing profit and growth of a company (Ibid). According to Leonard and McAdams (2003), CSR is the solution to an increase in expectations of corporate behavior, i.e. how a business runs its core activities and handles profound social problems. Not practicing CSR may result in a missed opportunity for protecting or enhancing the brand image of the business, or entering ethically oriented consumer markets (Fridell, 2009; Castelló and Lozano, 2009). Randall (2005) further proposes that unethical behavior may be bad for business (in terms of profit, image etc.), which is concluded to result in an advantage for ethical practicing business.

Due to increased customer awareness and media coverage regarding ethical behavior (Nicholls, 2002; Randall, 2005), company competitiveness is argued to depend on the adoption of CSR practices within the business strategy (Fowler and Hope, 2007). Competitiveness is argued to affect subjective performance (Morgan et al., 2009), hence subjective performance may be influenced by CSR practices. Subjective performance is

explained as subjective criteria used to assess performance (Wall et al., 2004). Carroll and Shabana (2010) suggest that CSR is a crucial part of a company's overall strategy, where CSR is developing into a core business function critical to the success of the business. Strategy schools are available in numerous variants (Johnson et al., 2011), which may result in difficulties for businesses regarding appropriate choice of strategic approach in order to assure success. Two commonly debated perspectives of strategy, which are argued to contradict each other, are the deliberate design school and the emergent strategy (Mintzberg and Waters, 1985). Emergent strategy points towards absence of planning and entails that strategy surfaces built on decisions (Ibid). As opposed to the emergent strategy the deliberate strategy focuses on the significance of planning (Ackoff, 1990). Although theories argue for clear and distinct schools and perspectives of strategy, reality may not be equally unostentatious, and in business reality, strategies may overlap. Several systems may be used to approach CSR, however one in particular namely the 3C-SR model, developed by Meehan et al. (2006), has been argued to facilitate competitive advantage for companies practicing CSR activities.

This study has the potential to contribute to the already existent comprehensive research in three ways; (1) through combining the 3C-SR model with the deliberate and emergent strategy perspectives and subjective performance, (2) through addressing the possibility of combining the deliberate and emergent strategy perspectives and (3) through applying the theoretical 3C-SR model to a practical case study at a Fair Trade company in Sweden, namely Coop.

### **1.3 Purpose**

The purpose of this study is to assess how practicing CSR strategies at Coop influence subjective performance, and if these are deliberate or emergent.

### **1.4 Delimitations**

The purpose will be met through conducting a case study at Coop, where the three components of the 3C-SR model are applied. Furthermore it will be investigated if the different components of the 3C-SR model tend to adopt a planned strategy, emergent strategy or a combination of the two.

This paper aims at examining Coop and to review the relationship between Fair Trade and subjective performance, which will be derived through applying the 3C-SR model. There may be other definitions of subjective performance regarding Fair Trade practices; however this

study will not embrace these. Furthermore, there are numerous schools and perspectives of strategy, nevertheless the deliberate and emergent strategy will comprise the focus of this study. Since these two strategies rarely exist to a perfect extent within a company, combinations between these two will be discussed. This study will include the 3S-CR model as presented by Meehan et al. (2006).

## **1.5 Outline of thesis**

The study consists of seven chapters and is structured as follows;

**Chapter 1:** The introduction and problem discussion provide an overview of the key concepts of the thesis. This chapter further discusses the increasing importance of CSR and underlying drivers for this. The discussion briefly identifies a research gap which constitutes the purpose of the study. Finally delimitations for the study are established.

**Chapter 2:** Chapter two is based on a conducted literature review aiming at creating an understanding of the existing literature within the field. It further introduces the theoretical framework starting with CSR, corporate strategy, Fair Trade and finally a research model incorporating all of the above, namely the 3C-SR model. The research gap is discussed in more detail in this chapter.

**Chapter 3:** The literature review revealed a suitable research model for the study and furthermore chapter three presents the chosen research model for the study in addition to research questions formulated to answer to the previously stated purpose.

**Chapter 4:** The methodology chapter discusses how this study has been conducted. A deductive, qualitative approach was chosen along with exploratory research design. Due to the qualitative nature of the research a case study method was suitable. Additionally, in order to assure triangulation, a content analysis was conducted. Based on the theoretical framework derived from the literature review in chapter two, measures for the key concepts were identified in the operationalization.

**Chapter 5:** The empirical chapter presents primary data collected through interviews and content analysis. The interview data is presented and structured according to the components of the research model.

**Chapter 6:** The empirical data from chapter five is compared to the theoretical framework and analyzed in this chapter. The analysis is the base for applying the 3C-SR model in practice.

**Chapter 7:** The final chapter starts with a discussion that answers the previously stated purpose and research questions for this study. Theoretical and managerial implications are then concluded along with set limitations for the study. Finally suggestions for further research are made.

## **2. Theoretical framework**

*This chapter presents the literature review for the study, which initiates with discussing the concept of CSR in connection to Fair Trade, and further on it incorporates performance as well as subjective performance. A debate centering deliberate and emergent strategy follows, and finally the 3C-SR model is deliberated. The literature review was used as a base when identifying the research gap of the study. Furthermore, it enabled the identification of recommendations for further research.*

### **2.1 Corporate Social Responsibility (CSR)**

Leonard and McAdam (2003) provide a definition as follows; “a balanced approach for organizations to address economic, social and environmental issues in a way that aims to benefit people, communities and society” (Leonard and McAdam, 2003, p.27). Dawkins and Lewis (2003) presents this definition of CSR “corporate responsibility entails a company’s recognition of broad responsibilities, that it is part of society with consequent obligations, and that it should be concerned with more than just profit” (Dawkins and Lewis, 2003, p.188). Lindgreen and Swaen (2010) discuss the definition of CSR communication and states the following; “...key CSR communications tactics, such as social and environmental reporting, internationally recognized CSR frameworks, and different means to involve stakeholders in two-way communication processes” (Lindgreen and Swaen, 2010, p.2). Researchers debate whether companies should communicate their social activities or not and if so which communication channels may be superior (Dawkins and Lewis, 2003; Lindgreen and Swaen, 2010). The reason for debate is that communicating social activities sometimes activates shareholders’ skepticism which may detriment the business at issue (Ibid).

There has been an identified increase of the importance of CSR due to higher concern concerning governance and business ethics (Leonard and McAdam, 2003; Dawkins and Lewis, 2003; Castelló and Lozano, 2009). Dawkins and Lewis (2003) identify increased rapidity and openness of media as a key driver behind this. According to Leonard and McAdam (2003) CSR is the solution to an increase in expectations of corporate behavior, i.e. how a business runs its core activities and handles profound social problems. Lindgreen and Swaen (2010) report a trend were companies increasingly communicate CSR activities through their websites and annual reports to position their brand image in the eyes of stakeholders such as customers. Godfrey et al. (2009) investigate the relationship between CSR and corporate financial performance, thus whether CSR benefits the firm’s shareholders

financially. In the findings they present a conclusion stating that managers can use CSR to create insurance-like protection for the business' shareholders (Ibid). Carroll and Shabana (2010) found in their study that benefits of CSR strategy depend on situation specific variables and conditions, hence there is no best practice of CSR strategy.

## **2.2 Similarities and dissimilarities between CSR and Fair Trade**

Mohan (2009) discusses Fair Trade as a type of CSR. Fridell (2009) recognizes a trend of increased sales of Fair Trade by companies. At the same time as integrating it into their CSR programs leading to increased revenue for the Fair Traders while still sustaining the significant dissimilarity of the respective goals of CSR and Fair Trade (Fridell, 2009). The author further exploits the differences and states Fair Trade to be a mission-driven concept while CSR is rather money-driven (Ibid). The main driver of CSR is argued to be the perceived needs of corporate profitability either aiming at protecting a business' brand image or as a means of entering ethically oriented consumer markets (Fridell, 2009; Castelló and Lozano, 2009). Fair Trade however is said to primarily focus on the needs of disadvantaged workers and small-scale farmers or producers in the south, aiming at improving their situations and support sustainable development (Ibid). Mohan argues that Fair Trade is similar to CSR (Mohan, 2009). Nevertheless, he states that consumers' feelings of responsibility towards society result in willingness to pay premium prices for Fair Trade products, while CSR products create brand loyalty which can represent competitive advantages for the firms providing these products (Ibid). Mohan concludes these statements as Fair Trade and CSR responding to a rise in 'social responsibility' and states that differentiation and image building are the key drivers behind this rise (Ibid). CSR is, by Mohan (2009), said to open doors for movements such as Fair Trade and provide the opportunity for these to evolve into key aspects of marketing, branding and firms' profitability (Ibid).

Throughout the paper so far, CSR and Fair Trade have been debated as both similar and dissimilar. In this paper, as in many other studies, Fair Trade will be discussed in the context of CSR.

## **2.3 Firm performance**

“Strategic management (e.g., Dobni and Luffman, 2003; Hult and Ketchen, 2001) and marketing (e.g., Jaworski and Kohli, 1993) researchers posit that a market orientation (MO) provides firms with a source of competitive advantage. A recent meta-analysis supports a positive, significant, and robust link between MO and firm performance (Kirca et al., 2005).”

(Morgan et al., 2009, p. 909). I.e. competitive advantage is connected to firm performance (Morgan et al., 2009). Organizational performance has frequently been taken into account when investigating aspects such as structure, strategy and planning (Dess and Robinson, 1984).

## **2.4 Subjective performance**

Firm performance can be divided into subjective and objective performance (Morgan et al., 2009). Hoffman et al. (1991) discuss the distinction between objective and subjective performance as one of the more common distinctions of performance measures. Subjective performance usually measures overall business performance, while objective performance measures specific indicators (Wall et al., 2004). Subjective performance measures have been argued to be widely used in research (Ibid). It has been used as an equivalent to objective performance, and the study performed by Wall et al. (2004) showed that the association between subjective and objective measures of a company's performance was positive. Many studies rely on objective criteria for assessing company performance, such as productivity, profit, return on asset etc., however there is a large number of studies relying solely on subjective criteria (Ibid). The researchers suggest that it is advantageous to assess performance with subjective measures due to low cost (Ibid). Furthermore, in some cases, there is no viable option than subjective performance measures (Ibid).

Subjective performance measure can be assessed through simply asking about the overall performance ratings or firm success (Dess and Robinson, 1984; Wall et al., 2004). It could also consist of specific indicators for performance, aggregated to create a combined score (Ibid). Furthermore, the overall subjective measures are argued to be equal to specific subjective measures (Ibid). Arendt and Brettel (2010) use the findings from the article written by Dess and Robinson (1984) in order to measure firm performance and subjective performance in the context of CSR. Morgan et al. (2009) propose some items as collectively representing subjective performance. Another feature of the subjective performance measure is that it is typically evaluated through rating the company success in comparison to competitors (Wall et al., 2004). The issue of subjectivity instead of objectivity may not be as extensive as it first appears (Ibid). This might be true since subjective measurements are usually asked about among employees, CEOs, directors or equivalent (Ibid). The financial considerations that most likely dominate the subjective criteria for these will capture the measures that an objective performance measure would assess (Ibid). There are nevertheless



some difficulties with regard to subjective performance measures (Ibid). A threat to validity may prevail where the respondents may not remember figures or numbers about the company, and decide to guess rather than providing accurate information (Ibid). Additionally, the respondents may not want give a truthful answer (Ibid). However, since the researchers do emphasize that validity in fact exists in the context of subjective performance overestimation of firm performance is argued to not be an issue (Ibid).

## **2.5 Strategy**

The definition of strategy has been disputed by many researchers and authors, which has resulted in several different schools and perspectives aiming to define the concept (Johnson et al., 2011). Johnson et al. (2011) shortly defines strategy as the long-term direction of an organization. Carroll (1982) provides a definition of strategy as follows, "... a statement of important actions to be taken to improve relative performance by allocating limited resources, which reflects an understanding of the principal economic forces affecting the business, of the external changes to the business requiring a response, and of the role to be played by competitors" (Carroll, 1982 p. 3). A strategic decision is proposed as one that has an irrevocable effect upon the entire organization, or one performed in expectation of an environmental change creating such a situation, i.e. strategy is a critical aspect of a business (Godet, 2000). Strategy has been argued to involve the evaluation or testing of a particular solution or situation at a company (Rumelt, 1979). There are various strategy perspectives available in the strategic management field, however strategies have been argued to compose the deliberate (planned) and emergent (learned) strategies to different extents (Mintzberg and Waters, 1985). These two have been argued to contradict each other given that the emergent strategy indicates the absence of planning and emphasizes that strategy emerges based on learning while the deliberate design school puts great importance on planning (Ackoff, 1990).

### **2.5.1 The deliberate strategy perspective**

The deliberate design school focus lies in the importance of planning (Ackoff, 1990). Furthermore, there is no single or best practice of strategic planning (Ibid). Godet (2000) further emphasizes the divergence of strategic plans among different firms due to each situation requiring dissimilar tools depending on the issue, context, and availability of information and time at each specific situation. An explicit planning process has been argued superior over chaotic guessing, and planning is suggested as an enhanced manner of approaching development (Miller and Cardinal, 1994). Nevertheless, the implications of strategic planning have been debated and examples of issues are; the implied rigidity and

decreased creativeness of such an approach (Ibid). Furthermore, deciding upon a definite plan in a changing environment may possibly cause more damage than dealing with uncertainty without a plan (Ibid). Yet, strategic planning is alleged as having a positive influence upon company performance (Ibid).

A purely deliberate strategy is argued to exist under three preconditions (Mintzberg and Waters, 1985). (1) Clear and concise intentions need to prevail, and no possibility of misunderstanding these intentions can exist (Ibid). Leaders formulate clear articulations and guidelines, which they monitor in order to ensure correct implementation (Ibid). (2) This means that the intentions must have been commonly formulated or at least accepted among all the actors of the organizations (Ibid). (3) Additionally the intentions must have been realized and implemented exactly according to the plan, which suggests that all potential external influences are completely predictable (Ibid). This suggests that the implementation needs evaluation in order to assess whether it was executed correctly. Ketokivi and Castañer (2004), propose several attributes describing the concept of strategic planning, as follows; goal setting, visions, strategy and plans for the organizations, as well as goal convergence within the organization, i.e. communicating the stated goals and visions to the employees of the organization (Ketokivi and Castañer, 2004). As derived from the study of Albrechts (2004), strategic planning is defined as an outline for action, i.e. a framework for visions, actions and tools for implementation are identified for the purpose of moving from the present condition.

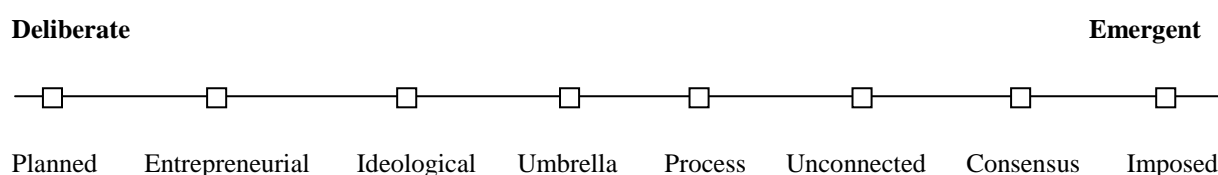
### **2.5.2 The emergent strategy perspective**

Mintzberg and Waters (1985) describe emergent strategy as providing the notion of strategic learning and taking one action at a time, seeking a practical pattern or stability. Emergent strategy indicates the absence of planning and instead implies that strategy emerges based on decisions (Mintzberg and Waters, 1985). The authors emphasize that emergent strategy means unintended order, not chaos and out of control but rather open, flexible and approachable and prepared to learn (Mintzberg and Waters, 1985). Emergent strategy is therefore suitable in unstable environments that might be complex to understand (Ibid). Order is said to exist, however without the actual intention of it (Mintzberg and Waters, 1985). Macbeth (2002) also discusses the importance of strategic change and states that strategic behavior is a phenomenon emerging from an unforeseeable path from the networks of interaction and influence within the organization. The author further states that there are both hindering and supporting forces for change and that emergence is influenced and guided by the organization's needs to find the details for the required change (Ibid). According to the author

this will be based on new rules rather than old and defensive routines (Ibid). In challenging old routines and reinforcing new emergent rules towards a future desired state, Macbeth (2002) states that managing change effectively is crucial.

### 2.5.3 A different type of strategy

Mintzberg and Waters (1985) argue that in reality, strategies are not purely deliberate, nor purely emergent, thus the researchers introduce eight strategies which constitute emergent as well as deliberate features to different extents (Mintzberg and Waters, 1985). *Figure 2.1* was designed to illustrate each strategy, the one farthest to the left as the most deliberate and the one farthest to the right as least deliberate.



*Figure 2.1, A mixed deliberate and emergent strategy approach*

Key characteristics of the strategies are further elaborated by the researchers (Mintzberg and Waters, 1985). The *Consensus strategy* was relevant for this study, and is explained as follows. In this specific strategy there is no actual direction or plan, but people consent to a common direction (Mintzberg and Waters, 1985). It is different from the ideological strategy in the sense that the consensus strategy grows out from mutual adjustment and responses to the environment (Ibid). There are no clear intentions, and the actions emerge from a set of individual decisions which work for the actors realizing strategy (Ibid). Additionally, the *Umbrella strategy* will be elaborated. Within the Umbrella strategy the control is less strict, since the leaders control the other actors only partially (Ibid). Therefore, general frameworks of behavior and boundaries, so called umbrellas, are designed for the organization to fall within and maneuver (Ibid). The overall intention is deliberate, while the details of the plan emerge (Ibid).

## 2.6 CSR and strategy

CSR has been argued a strategic orientation for corporations which have the potential to incorporate ethical standards to their other activities (Russo and Perrini, 2010). Planning has a very positive connection to growth of a firm as well as its profitability, i.e. strategic planning is preferable according to Miller and Cardinal (1994) and Galbreath (2010). Many

organizations are said to actively experiment, test and learn through strategy formulation, however much research points towards rather unplanned processes of emergence (Robertson, 2003; Lowe and Jones, 2004; Galbreath, 2010). Furthermore, whenever planning activities prevail, they are rather informal, and reliance is upon intuition and experience (Galbreath, 2010). On the other hand, strategic planning is found to be formal which effectively directs the path of the organization (Ibid). Strategic planning provides a link to and facilitates CSR activities (Ibid). Despite the prevailing discussion, emergent strategy has presented a favorable approach to sustainable activities, such as CSR practices (Russo and Perrini, 2010). Although theories distinguish between several different schools and perspectives of strategy, reality may vary.

## 2.7 '3C-SR model'

A growth of the Fair Trade movement has been noticed (Nicholls, 2002). Hence, the suggestion concerning the opportunity for companies to exploit benefits from the movement may be accurate (Randall, 2005; Ozcaglar-Toulouse et al., 2006). The potential business opportunity due to the increased consumer demand among Northern countries for Fair Trade products has been recognized (Shaw et al., 2000; Redfern and Snedker, 2002; Bezençon and Blili, 2009; Andersen and Skjoett-Larsen, 2009). As discussed previously CSR has been suggested to involve profit and competitive advantage, while the concept of Fair Trade is not as developed.

The Fair Trade label is by Renard (2003) concluded to correspond to the values of justice and fairness, and companies adopting the practices of Fair Trade are in the position to appeal to consumers valuing these attributes. Consumers are moving towards appreciating 'real values', i.e. ethical elements are argued more important than price benefits (Nicholls, 2002; Randall, 2005). Targeting ethical consumers is considered an opportunity to develop strategic competitive advantage in a niche market (Davies and Crane, 2003; Randall, 2005; Ozcaglar-Toulouse et al., 2006; Bezençon and Blili, 2009). Randall (2005) emphasizes that Fair Trade companies may not fully exploit this opportunity. Another research suggesting the utilization of Fair Trade in order to reach competitive advantage is the one of Meehan et al. (2006), which is supported by Randall (2005). Meehan et al. (2006) developed the *3C-SR model* which includes *commitments*, *consistency* and *connections* as essential aspects to consider in order to accurately utilize Fair Trade practices. The model is illustrated in *Figure 2.2* (Ibid).

The 3C-SR model supports a view where the three components need to be present in order to be able to build competitive strategies and competitive advantage around social resources (Meehan et al., 2006). A well-developed understanding of the 3C-SR model and its components is argued by the authors to provide guidelines for managers on how to connect with the growing number of ethically aware consumers (Ibid). A detailed description of each component of the 3C-SR model is presented as follows.

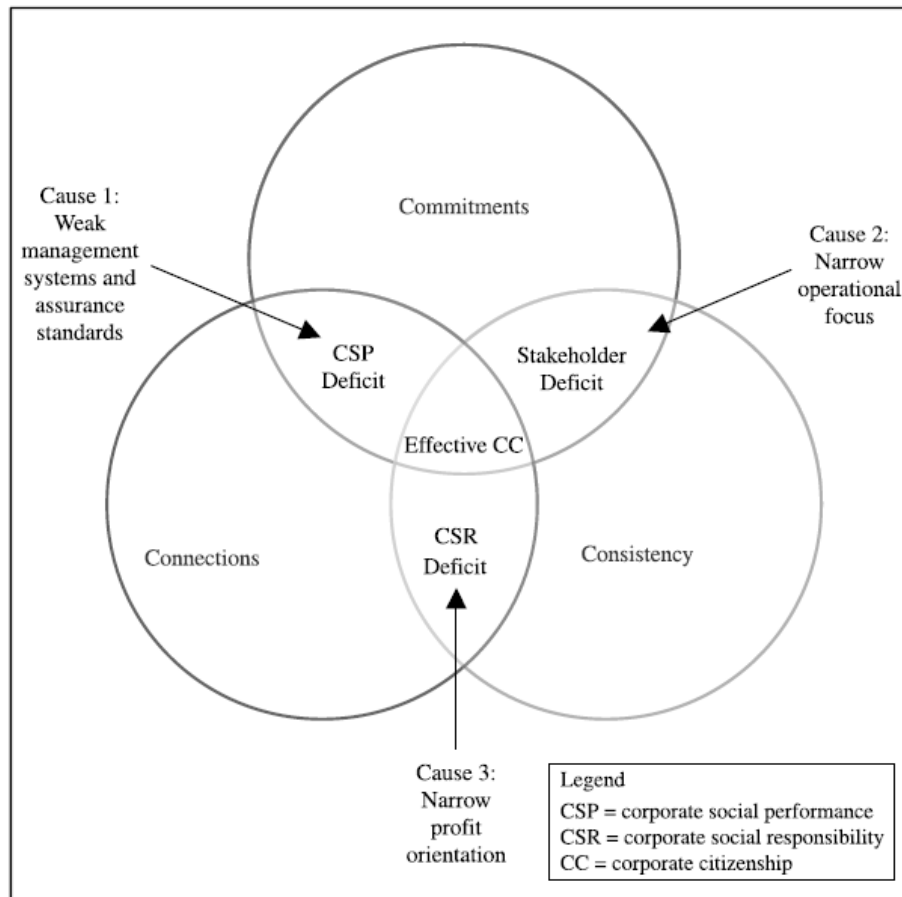


Figure 2.2, The 3C-SR model (Meehan et al., 2006)

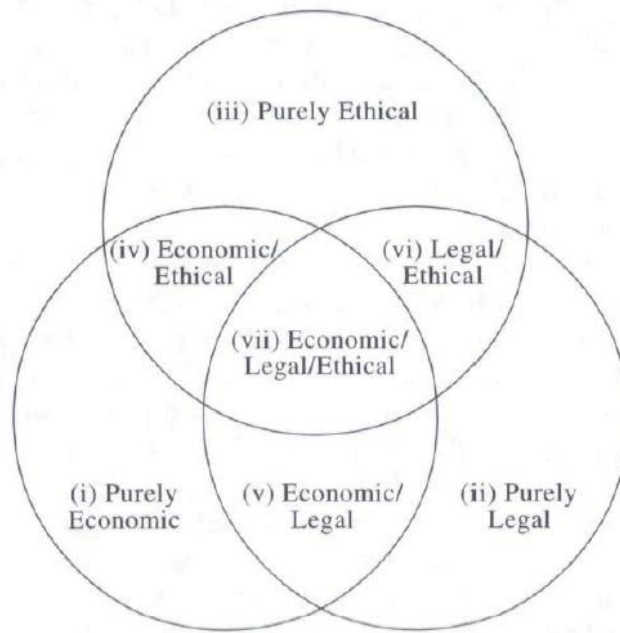
### 2.7.1 Commitments

Due to the increased interest by consumers in Fair Trade products as a result of the perception of increased quality, companies committing to an ethical strategy such as Fair Trade might have an advantage (Randall, 2005; Ozcaglar-Toulouse et al., 2006). It is proposed that this would contribute to developing a business profile of Corporate Social Responsibility, since the consumers are argued to appreciate the ethical values (CSR) (Bezençon and Blili, 2009).

Fair Trade companies are said to have an ethical mission to improve the production and trade standards for producers in developing countries in order to reduce poverty (Davies and Crane, 2003). Corporate responsibility (CR) incorporates corporate social responsibility (CSR) and Fair Trade in the sense of including them as a verification source in the commitment component of the 3C-SR model (Meehan et al., 2006).

### **CSR and commitments**

Maignan and Ferrell (2000) discuss the four aspects that influences corporate citizenship, i.e. the outcome of utilization of the 3C-SR model, mentioned above; economic citizenship, legal citizenship, ethical citizenship, and discretionary citizenship (Maignan and Ferrell, 2000). Carroll's *Pyramid of Corporate Social Responsibility*, which incorporates an additional level; the discretionary, or philanthropic level (Schwartz and Carroll, 2003). Jamali (2008) discusses these four dimensions, and the pyramid has been applied by numerous researchers; however Schwartz and Carroll (2003) propose an alternative approach to the pyramid, namely the 'Three Domain Model of CSR'. Schwartz and Carroll (2003) suggest that ethical commitments should incorporate the three dimensions of economic, legal, and ethical responsibility areas. These three dimensions constitute the three-domain model presented by the authors, *see figure 2.3* (Ibid). Each dimension carries equal significance (Schwartz and Carroll, 2003), and they are considered as follows. The economic domain involves activities that have a positive effect on the firm's economic performance, directly or indirectly (Ibid). Examples of such activities are; improving the employee morale and enhancing the company image, in both cases with the motivation to increase profit or share value (Ibid). The majority of company decisions are said to fall within the economic domain, nevertheless if the criteria for this sphere are contradicted, they will shift to another domain (Ibid). The legal dimension deals with decisions taken in response to legal expectations mandated by society (Ibid). Fair Trade actions motivated by legal aspects are also mentioned by Randall (2005). Examples of such activities are; compliance to legal minimum, anticipating changes in law, and avoid future or current negligent conducts which could possibly result in civil litigation (Schwartz and Carroll, 2003). The ethical domain comprises activities to oblige to domestic and global ethical standards, and activities not classified as ethical are the decisions taken where either unawareness and/or indifference exists, or when the action is performed despite the consciousness of the prevailing immoral (Ibid).



*Figure 2.3, The Three-Domain Model of Corporate Social Responsibility (Schwartz and Carroll, 2003)*

As illustrated in the figure, there are several combinations for achieving CSR status due to that the domains overlap (Schwartz and Carroll, 2003). The authors do however underline several issues with the model, such as the assumption of that there is a clear distinction between the domains, and it may be very problematic to distinguish between the three concepts (Ibid).

Andersen and Skjoett-Larsen (2009) state that even though a large number of organizations make efforts to take on CSR-activities and initiatives in their supply chains, gaps often exist between actual supplier conditions and set ethical standards. The authors further argue that only a few organizations manage to fully commit to CSR in their supply chains (Ibid). The researchers indicate that awareness of the corporate history and initiatives of CSR activities could enhance the implementation and utilization of the particular CSR activities (Ibid). Additionally, engagement in CSR activities could be indicated through assessing whether the number of employees involved in the CSR actions as well as the resources allocated to the CSR activities has developed during the years (Ibid). Another feature affecting this could be the integration of the CSR activity within the organization (Ibid).

## 2.7.2 Connections

### Stakeholder theory

As debated earlier, CSR involves Fair Trade practices. In order to assure success, it is argued that stakeholder engagement and stakeholder dialogue is essential (Blowfield and Frynas, 2005; Andersen and Skjoett-Larsen, 2009). Although there are several issues identified with company engagement, such as language, cultural and distance differences, stakeholder engagement has been argued to improve legitimacy (Ibid), which has been discussed crucial for the practices of Fair Trade (Renard, 2003). An additional issue is the fact that supervision of stakeholders is complicated (Ibid). The CSR theory has been reasoned inadequate in the context of businesses and their relationships with stakeholders (Blowfield and Frynas, 2005). Hence, it may be relevant to further address a theory comprising this specific topic, namely the *stakeholder theory/stakeholder approach*.

It is alleged that businesses today exist in a stakeholder society (Maak and Pless, 2006). Maak and Pless (2006) argue that the stakeholder society has evolved to signify company responsibility for their environmental, economic, and societal impact (Ibid). Hemingway and MacLagan (2004) point out the significance of mutual cooperation and trust between stakeholders and the firm. According to Maak and Pless (2006), the stakeholder theory involves the definition and communication of company objectives and purpose to their stakeholders. This is further elaborated by Phillips (1997), where consultation with stakeholders is argued essential. A multi-stakeholder-initiative is presented by Utting (2005) integrating activities such as standard settings, reporting, dialogue between stakeholders, monitoring and certifications. Integrating their stakeholders, as suggested by the researchers above, is proposed as part of the stakeholder model by Donaldson and Preston (1995). Andersen and Skjoett-Larsen (2009) discuss codes of conduct and state that these are connected to values with which the organization wishes to be associated. Codes of conduct are documents listing principles and standards for environmental and social matters that suppliers are expected to fulfill (Ibid). Hence, the codes of conduct may work as supplier selection criteria (Ibid). Jamali (2008) proposes activities that are incorporated in CSR in connection to the stakeholder theory. Examples of such are employee security and working conditions, communication with employees and consumers, and involving the community in CSR activities (Ibid). The table can be viewed in *appendix 1*. It is difficult to provide a convergent stakeholder theory due to its subjectivity (Friedman and Miles, 2002). This is



further emphasized by Phillips et al. (2003), where a framework of day-to-day actions may be difficult to display, hence an instrumental differentiation among studies featuring stakeholder theory exist.

## **Stakeholders**

The research performed by Berman et al. (1999) depicts key stakeholders with the capacity to affect the financial performance of businesses. Key stakeholders have been identified by several researchers (Berman et al., 1999; Jamali, 2008). Stakeholders are argued to involve employees, customers and suppliers, but also parties not directly connected to the firm (Matten and Crane, 2005). Furthermore, the concept of a stakeholder corporation, where firms need to regard the external social and natural environment, is presented (Maak and Pless, 2006). The concept of the stakeholder corporation will be further elaborated under the heading 'Consistency'.

## **Issues for businesses and stakeholders**

As realized through this discussion, there are multiple stakeholder relationships involved in the business society today, consequently resulting in issues arising (Maak and Pless, 2006). Such problems include ethical challenges, i.e. how to approach and manage the diverse number of stakeholders holding different values guiding their way of dealing with ethical dilemmas (Ibid). Despite these issues, it is argued essential to reflect upon stakeholders such as customers, employees, suppliers, government and the public; since these are groups that have the power of affecting the business (Belal, 2002; Russo and Perrini, 2010). Furthermore, there is a mutual influence between the business and its stakeholders; hence the business should be held accountable for its stakeholders (Donaldson and Preston, 1995; Belal, 2002; Matten and Crane, 2005). When a company within a stakeholder group conduces to immoral behavior, consumers and other interested parties may fail to separate the individual stakeholders; consequently all stakeholders will carry the same reputation (Freeman, 2004). The increased availability of information in present society has enabled media coverage and exposure to unethical behavior conducted by business (Nicholls, 2002; Randall, 2005).

Ethical behavior within a company may be problematic, and the two issues identified are; *whom* the organization (Davies and Crane, 2003; Andersen and Skjoett-Larsen, 2009) should do business with and *how* to manage the different stakeholders and partners (Davies and Crane, 2003). The importance of considering partners and stakeholders is also emphasized by Meehan et al. (2006) through the 3C-SR model which discusses commitments as a crucial part

for utilizing Fair Trade. This is also suggested by Russo and Perrini (2010). The ability to establish sustainable relationships where both parties are content is essential when achieving competitive advantage (Andersen and Skjoett-Larsen, 2009). In order to create long-term relationships with suppliers, dialogue with the supplier is inevitable (Ibid). Selecting suitable partners and treating them appropriately is central according to Davies and Crane (2003). Increasing transparency of the process between producer and consumer is said to increase the willingness of consumers to pay for Fair Trade products (Nicholls, 2002). Additionally, plans of CSR activities could be beneficial to appraise (Andersen and Skjoett-Larsen, 2009).

### **2.7.3 Consistency**

#### **Credibility of Fair Trade practices**

A firm may be able to assure a positive company image by practicing Fair Trade. This is motivated through the fact that consumer culture has shifted to so called 'real values', which address moral and ethic aspects (Raynolds, 2000; Nicholls, 2002; Moore, 2004; Randall, 2005). Russo and Perrini (2010) imply that the practices of Fair Trade need to be upheld and proved in order to assure consumer reliance of this guarantee through suggesting that ethical behavior requires transparency, goodwill and good citizenship. Within the management of quality labels, the issue of authenticity of the label when delivering promised benefits and quality is emphasized (Renard, 2003; Giovannucci and Ponte, 2005). Through the consistency part of the 3C-SR model the essence of consistent behavior according to Fair Trade principles is emphasized (Meehan et al., 2006). Kakabadse et al. (2009) mention the consistency of applying CSR as part of CSR adoption within the business. Moreover, supervision of supply chain interactions is emphasized by Russo and Perrini (2010). Andersen and Skjoett-Larsen (2009) state that "Practising CSR in supply chains requires that CSR is embedded within the entire organisation, including subsidiaries abroad and offshore suppliers" (Andersen and Skjoett-Larsen, 2009, p. 75). Practicing CSR consistently includes training of employees, experience sharing, key personnel training at suppliers, the accurate equipment for the employees to perform their tasks and continuous evaluation of supplier performance (Ibid). Simultaneously, Fair Trade and companies utilizing the Fair Trade notion is gaining media coverage and its labels are progressively used in marketing (Dickson and Eckman, 2008). Due to an increased availability to information about living-, labor-, and production conditions in developing countries has facilitated consumers to grasp and comprehend the social issues of the world (Ibid), it may be argued essential to uphold authenticity of Fair Trade activities, otherwise companies may appear to operate unethically (Nicholls, 2002; Randall, 2005).

### **Consistent behavior in business**

There is a ranging area of literature discussing ethical decision-making in business (Davies and Crane, 2003). Davies and Crane (2003) further underline the impact of the stated ethical mission and management as influential on employee decisions. In this particular research there were no specific codes of practice for ethical decisions making in day-to-day activities, and instead precedents were used and followed as guidelines for decisions (Ibid). Furthermore, it is argued that a verification system where continuous follow-up and reviewing of the supply chain partners is critical (Clarke, 1998) when assessing transparency, accountability and credibility of upholding the claims in sustainable standards (Giovannucci and Ponte, 2005). Moreover, it is suggested advantageous to monitor that employees uphold Fair Trade standards (Ibid). Andersen and Skjoett-Larsen (2009) state that even though all organizations implement their own method of systematizing CSR activities in their supply chains, a large number of research findings identify corporate codes of conduct as the most practical factor in the CSR approach. The researchers also emphasize the importance of assuring consistency and improvement of suppliers' CSR activities (Ibid). It is argued that even subsequent to acquiring labels, the standards attached to the labels need to be consistently realized and monitored, otherwise the CSR image may be proven unsuccessful (Meehan et al., 2006).

As a stakeholder corporation, business activities entail such actions as; evaluating the impacts of business actions, treating their business partners with respect and communicating through dialogue, and making sure that supply partners are performing practices according to settled standards (Maak and Pless, 2006). Additionally, they engage in society development passively through charity and actively through encouraging public engagement for the well-being of the community through e.g. establishing foundations (Ibid). Other activities for such corporations include education and training of their employees of how to pursue appropriate behavior in accordance to imposed standards of how to build sustainable stakeholder partnerships, as well as providing the opportunity for employees to engage in voluntary activities (Ibid). What is more, Hemingway and MacLagan (2004) suggest that disclosure and reporting is advantageous, although it is implied that these activities only prevail due to the aim of maintaining a socially responsible corporate image.

## **2.8 Research gap**

Some topics are more emphasized than others, for example definitions of Fair Trade, the growth of Fair Trade, consumers of Fair Trade, and much research is only applicable to certain sample groups and products (such as coffee), which restricts the overall applicability of the findings and conclusions. A deficiency of research concerning organizations applying Fair Trade is proposed. The 3C-SR model provides a guide of how companies should practice Fair Trade in order to assure competitive advantage, yet it has not been applied in practice. This is a possibility for further research. Additionally, as detected through the reviewing of the selected literature, much research corresponds to the components of the 3C-SR model introduced by Meehan et al. (2006). Although they have not been explicitly connected and incorporated into the model. Since much research relates to the model without further elaboration of this realization, it may be argued to be relevant to advance the research comprising the 3C-SR model. Fair Trade practices, argued as a feature of the CSR, have not been determined to be a planned or emergent activity. Hence, examining whether each component of the 3C-SR model is suggested to present results which may contribute to the research concerning Fair Trade and strategic decisions.

## **2.9 Chapter summary**

This chapter has constituted a literature review identifying a research gap which is the base for the purpose of this study. The literature review focused on CSR, Fair Trade, subjective performance and corporate strategy. The literature review also revealed a suitable research model, namely the 3C-SR model, which will be used in this study. The model consists of three components; commitments, connections, and consistency. Each component was elaborated to involve several aspects as derived from the extensive literature review. The results from the literature review also found an opportunity where different organizational components could be further examined in the context of corporate strategy and Fair Trade.

### **3. Research questions and Frame of reference**

*This chapter presents a discussion of the research problem which results in research questions for the study. The chapter continues with applying a slightly changed research model as adopted from the study of Meehan et al. (2006), where the competitive advantage is replaced with subjective performance. The conceptualized research model elaborates the relationship between strategy, CSR and subjective performance, and displays how the research questions were derived.*

#### **3.1 Research problem and research discussion**

As stated previously, the purpose of this study is to assess how practicing CSR strategies influence subjective performance, and if these are deliberate or emergent. The 3C-SR model is proposed as a framework to guide practices of Fair Trade in order to achieve positive performance. Three parts require management to accomplish this; commitments of Fair Trade, connections related to Fair Trade, and consistency of Fair Trade practices throughout the business. Correct behavior within each part is proposed to be connected to if deliberate strategy, emergent strategy, or a mix of these two strategies is applied. Hence the chosen strategy could affect if Fair Trade is contributing to subjective performance or not.

In order to assure that performance is achieved all three parts need to be practiced correctly. Therefore the strategy for each feature of the 3C-SR model, as well as the behavior within each part of the model, will provide a guide to if and how competitive advantage has been achieved. Hence, it is relevant to examine the three components at the chosen company, as well as what strategy the company has applied for each of the three constituents.

#### **3.2 Research questions**

The research questions have been derived from the purpose of the study and combined with the research model. The objective of this study is to understand which strategy is applied to Fair Trade practices in regard to the 3C-SR model, and if the performance of each part of the model could be connected to the strategy applied.

- **RQ1:** Does the company practice CSR according to the 3C-SR model?
- **RQ2:** Is the subjective performance influenced by the practices of CSR according to the 3C-SR model?

- **RQ3:** How is the 3C-SR model approached strategically, i.e. are commitments/connections/consistency deliberate, emergent or is there a mixture of features from them both?

### 3.3 Research model

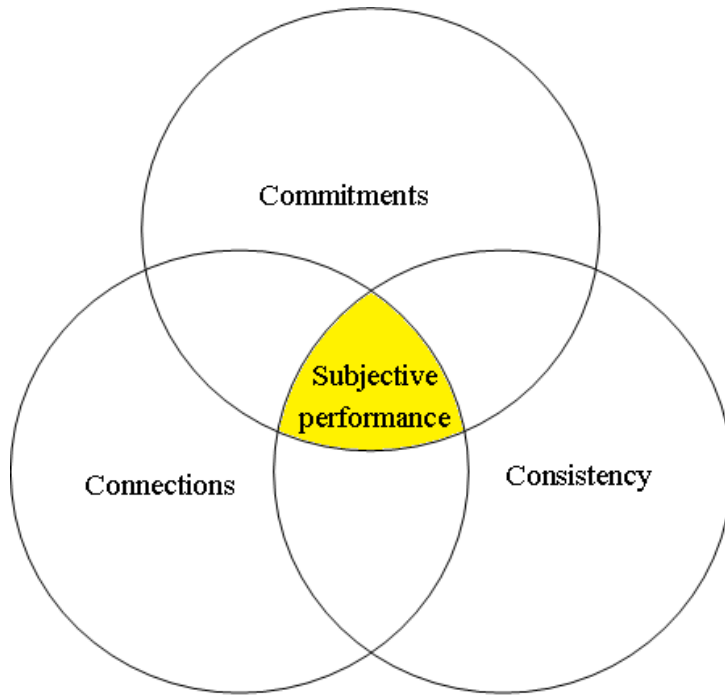


Figure 3.1, Research model, Meehan et al. (2006)

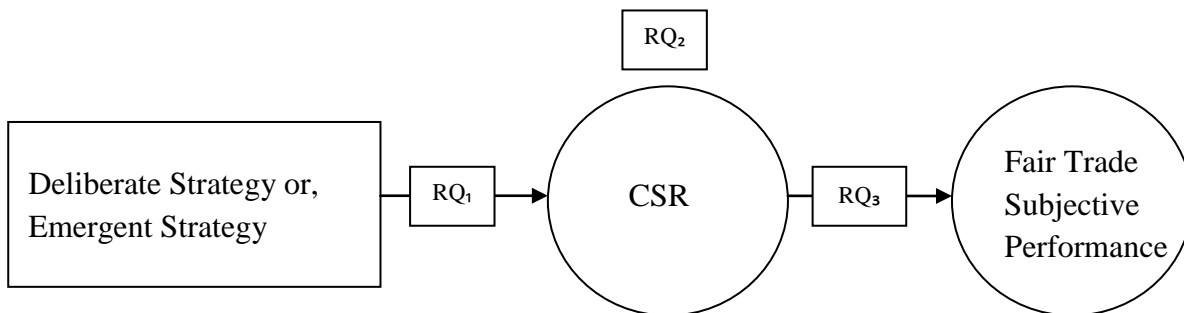


Figure 3.2, Conceptualized research model

This chapter further developed the findings from the conducted literature review by presenting the chosen research model for this study see *figure 3.1*. This research model adjusted for the purpose of developing the research questions, see *figure 3.2*.

### **3.4 Chapter summary**

This chapter has developed three research questions aiming to answer to the purpose stated in the first chapter of this study. These research questions were based on the research model and theoretical framework from chapter two. The chapter will be the base for the operationalization and interview guide.

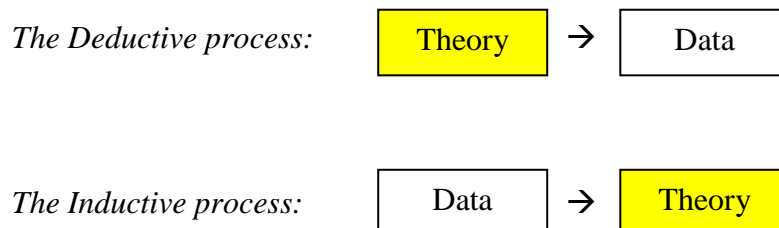
## 4. Methodology

*This chapter will explain the methodology behind this study by briefly introducing different research approaches available within the research field. This is followed by the research design, data sources used for this study, the chosen research strategy, data collection method, data collection instrument which entails developing the operationalization and interview guide. Following was the sampling for the study, the data collection procedure, developing the method for data analysis, and finally assuring validity and reliability for the study. Each subchapter includes justifications of the chosen approaches.*

### 4.1 Research approach

#### 4.1.1 Inductive vs. Deductive research

Bryman and Bell (2011) provide this brief definition of the deductive and inductive processes, see figure 4.1;



*Figure 4.1, Deductive and inductive process, as adopted by Bryman and Bell (2011)*

The deductive approach is by Bryman and Bell (2011) said to be the most frequent view of the relationship between research and theory. When using a deductive approach the researcher deduces/tests a hypothesis or hypotheses based on existing knowledge of a specific area and theoretical concepts related to this area (Hyde, 2000). The hypothesis or hypotheses are then subject to empirical analysis (Bryman and Bell, 2011). Concepts that need to be translated into researchable elements are incorporated into the hypotheses, hence the researcher must not only deduce hypotheses but also be able to translate these into operational terms (Ibid). Haider and Birley (1999) explain deduction as identifying how data can be gathered in connection to a theoretical framework resulting in accepting or rejecting the specific. Induction on the other hand is a process of developing a theory based on observations at several instances (Haider and Birley, 1999; Hyde, 2000). This process aims at establishing generalization about a specific phenomenon (Ibid). The results are incorporated into the theory and the findings of the research associated with a specific area of issue (Bryman and Bell, 2011).



A deductive approach is the preferred choice for this study due to that the study is built on an already existing research model that has not yet been applied. An additional justification of the deductive nature of the study is based on that it will not result in generalization of a particular phenomenon. However, the study will yield findings that could possibly contribute to developing the existing model, thus this study will briefly contain the inductive characteristics. The operationalization and required data for the study is solely based on this model along with the other theoretical concepts chosen for the study.

#### **4.1.2 Qualitative vs. Quantitative research**

Qualitative research has been argued to contain words rather than numbers, is focused on providing a deep knowledge, where the question ‘why’ frequently arises, about a certain topic, and argued relatively flexible (Marshall 1996; Bryman and Bell, 2007). Marshall (1996) further argues that a qualitative approach is especially suitable when researching complex psychosocial issues. Hyde (2000) states that a qualitative research approach concerns narrative data, and that such an approach usually implements an inductive process. Commonly addressed issues of this research approach are the difficulty to replicate the research and the difficulty to generalize the findings (Bryman and Bell, 2007). It contains several methods, and the main ones are described as follows; Participant observation/ethnography, qualitative interviewing, focus groups, and collection and analysis of documents and texts (Ibid). Qualitative research is rather subjective; some argue too subjective (Ibid).

Quantitative is described as comprising the collection of numerical data, where emphasis is on a large sample size and variables are few (Hyde 2000; Bryman and Bell, 2007). According to Hyde (2000) a quantitative approach usually adopts a deductive process. Quantitative research requires much preparation and is rather strict; however the analysis of data is quite straightforward (Ibid). Criticism of quantitative research is connected to the standardization of each answer and disregard to peoples’ everyday life through reliance on instruments and procedures, i.e. it is too objective (Ibid).

Baxter and Jack (2008) discuss qualitative research in the form of case studies and argue that it provides the researcher with the opportunity to explore or describe simple or complex phenomena in context, using multiple sources of data. Doz (2011) argues that qualitative research potentially contributes to theory testing. The author states that various theories can be tested and compared in the context of the extent and nature of the insights the theories

provide (Ibid). The theory testing provides the possibility to test and compare the theory validity or set up boundaries for the theory's applicability (Ibid). Furthermore, defining a theory's applicability will not only help test it but also build and communicate it (Ibid). Based on this, a qualitative research approach is suitable for this study considering the 3C-SR model has not yet been applied and tested.

## 4.2 Research design

Yin (2007) states that all types of research need a 'plan', also called a research design. Research design is by Bryman and Bell (2011) said to present guidelines for gathering and analyzing data. The research design is also stated to identify prioritized elements of the research such as; generalizing beyond the investigated individuals, investigating causal connection between variables, understanding behavior in a social specific context and exploring over time apprehension interconnections with social phenomena (Ibid). The research design basically connects the empirical data with the research questions and finally the conclusions of the study (Yin, 2007). The collection and analysis of the data are important steps of this process (Ibid). The research design can also be seen as a 'drawing' for the research presenting what questions to be studied, what data is relevant, what data to be gathered and how to analyze the results from the research (Ibid). The research design can be either descriptive, explanatory or exploratory (Saunders et al., 2009), *see table 4.1*.

*Table 4.1, Research design as adopted from Saunders et al. (2009)*

Research design	Description
<b>Descriptive</b>	Aims at establishing an understanding of situations, persons or events (Saunders et al., 2009). The authors explain that it is crucial to establish an understanding of the research topic before collecting the required data (Ibid).
<b>Explanatory</b>	Explanatory research design is said to find causal relationships between variables (Ibid). In order to identify the relationships between variables an issue or a condition is studied (Ibid).
<b>Exploratory</b>	Involves obtaining new understandings through identifying what is happening and asking questions (Ibid). This research design is specifically suitable when researching complex issues (Ibid). Saunders et al. (2009) identify three major exploratory research paths; (1) a search of the literature, (2) interviewing 'experts' of

	the topic and (3) focus group interviewing.
--	---

Bryman and Bell (2011) identify five main research designs; experimental and related designs, cross-sectional design, longitudinal design, case study design and comparative design. This study aims at conducting an in-depth analysis of one firm hence, a case study design is the most suitable alternative for the research design selection.

This research will be based on a descriptive design due to the qualitative nature of the study. In order to acquire knowledge about the chosen topic of this study, an exploratory research was conducted as a preliminary phase of the investigation. The exploratory research involved a search of literature within the field. The main research design was of descriptive nature due to the qualitative nature of the study. After an understanding of the field was achieved, data was collected.

### **4.3 Data sources**

Data sources consist of primary data and secondary data (Armstrong et al., 2009). Primary data entails collecting new data for the purpose of the specific study at hand (Ibid), collected directly from an organization for example (Venkatraman and Ramanujam, 1986). Secondary data on the other hand, already exists (Armstrong et al., 2009). This data has been collected for the purpose of another particular case (Ibid). It is argued that researchers usually start with gathering secondary data through multiple publicly available records (Venkatraman and Ramanujam, 1986) such as media, government data, market intelligent agencies and professional bodies, industry bodies and pressure groups, and Internet data (Armstrong et al., 2009). The advantages of secondary data are that it usually can be obtained relatively quicker and at lower costs than secondary data (Sørensen et al., 1996). Nevertheless the wide amount of available data may be overwhelming (Armstrong et al., 2009). Furthermore, since the data has been collected for other purposes (Saunders et al., 2009); hence the information needed may not exist or a search among many multiple sources may be required (Giuliano et al., 2010). Secondary data may not be relevant to the project needs, current, impartial, i.e. objectively collected and reported, or accurate (Sørensen et al., 1996; Armstrong et al., 2009). Primary data can be collected either through observational research, survey research or experiment research (Armstrong et al., 2009).

Primary data will be used as the main data source due to its precise nature of applicability to the purpose of study. Although, some secondary data was collected. This was done through an extensive literature review in order to acquire knowledge about the chosen area of research. However this was argued insufficient for the purpose of this study; hence it was combined with primary data. The primary data will be collected with the aim to be able to respond to the research questions developed based on the theoretical framework (a deductive approach).

#### 4.4 Research strategy

When deciding on a research strategy Yin (2007) identifies three key questions that need to be taken into consideration; (1) what type of research questions have been formulated for the study, (2) to what extent control is required over behavioral events and (3) whether focus lies on contemporary events or not. See *table 4.2* for further clarification.

*Table 4.2, Research strategy as adopted from Yin (2007) p. 22*

Research Strategy	Research question	Requires control over behavioral events	Focuses on contemporary events
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how many, how much	No	Yes
Archival analysis	Who, what, where, how many, how much	No	Yes / No
History	How, why	No	No
Case study	How, why	No	Yes

Benbasat et al. (1987) argue that using two or more research strategies will contribute to support the research findings. As concluded in *table 4.2* the chosen data collection methods for this study are archival analysis and a case study.

➤ *Experiments* as data collection methods aim at finding causal relationships between variables, i.e. whether an independent variable can generate a change in another variable that is dependent (Saunders et al., 2009). Experiments are explained as a type of research strategy that involve identifying a theoretical hypothesis, selecting a sample group from a known population, allocating the sample group to an experimental condition with a planned variation on one of the variables and measuring a limited number of the variables while controlling the rest (Saunders et al., 2009; Bryman and Bell, 2011). Experiments are

often used in exploratory and explanatory research in order to answer why and how questions (Ibid).

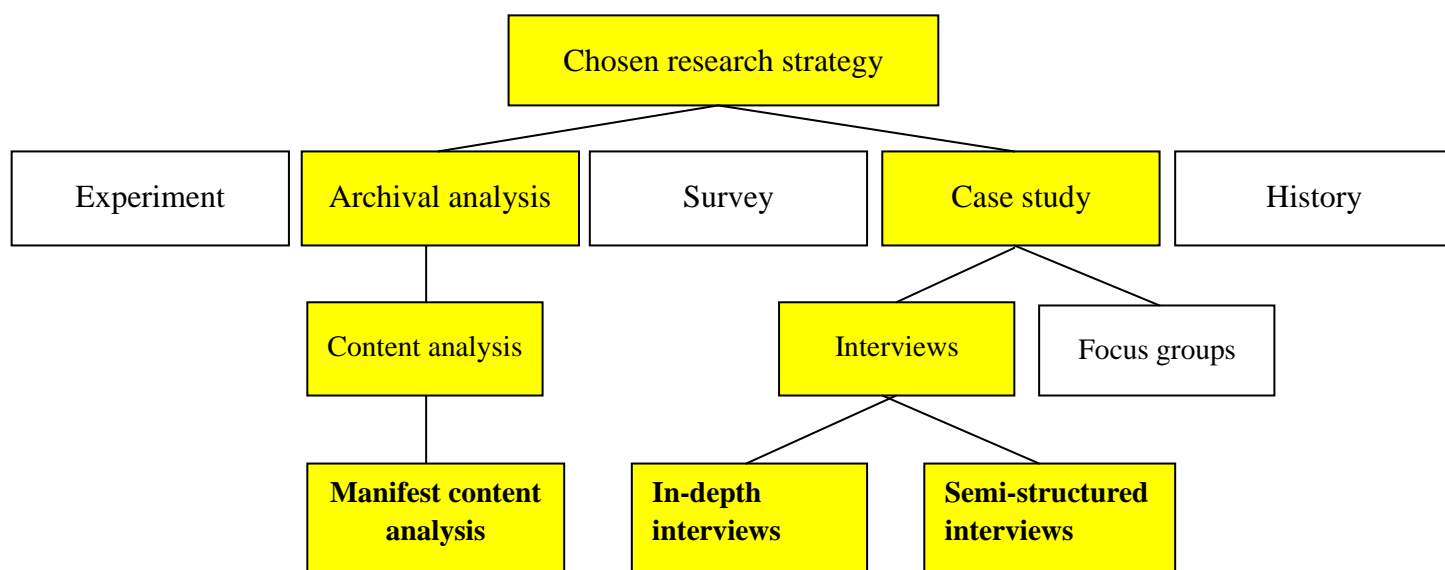
- *Surveys* are by Bryman and Bell (2011) identified as quantitative or qualitative data primarily collected through conducted self-completion questionnaires or structured interviews on various respondents. Surveys are commonly associated with a deductive research approach and aim at answering who, what, where, how much and how many questions (Saunders et al., 2009). This data collection method is widely used in business and management research according to Saunders et al. (2009) and leans towards descriptive and exploratory research.
- *Archival analysis* involves primarily relying on administrative reports and documents when collecting data for analysis (Ibid). This is a research strategy when the data is a product of day-to-day activities (Ibid). Bryman and Bell (2011) categorize archival material as; statistics such as historical records, mass media and diaries gathered by non-governmental and governmental organizations. Benbasat et al. (1987) state that archival records include organization charts, service, personnel or financial records.
- *History* as a research strategy is by Bryman and Bell (2011) argued to involve documents, and other objects that can assist the researcher when conducting a study on the history of an organization or an industry.
- *Case study* involves an in-depth and detailed analysis of a case, company or event, sometimes expanded with more than one single case for comparative purposes (Bryman and Bell, 2011). A case study is suitable when conducting complex research and is widely used within business and management (Ibid). The data collection techniques employed in a case study research tend to be used in a combination i.e. multiple sources of evidence (Saunders et al., 2009).

This study will be built on a case study due to the complex nature of the project analyzing an organization from the different perspectives of strategy and the components of the 3C-SR model. Furthermore, in order to achieve triangulation, the case study will be combined with an archival analysis.

#### **4.5 Data collection method**

The chosen data collection method depends on the selected research strategy (Bryman and Bell, 2007). The research method explains how the data will be collected, and there are

several available tools for data collection (Ibid). The data collection method for this study will be based on the research strategy in focus, i.e. case study and archival analysis, *see figure 4.2*. Within case study strategy there are in-depth interviews, either unstructured or semi-structured, and focus groups, and within archival analysis there is content analysis (Bryman and Bell, 2007), *see figure 4.2*. The chosen data collection methods are in-depth interviews as well as content analysis.



*Figure 4.2, Chosen data collection method based on chosen research strategy*

#### **4.5.1 In-depth Interviews**

Interviewing is the most common method for collecting data (DiCicco-Bloom and Crabtree, 2006). The duration of the in-depth interviews are relatively long and involve a face-to-face interaction between the interviewer and interviewee (Gubrium and Holstein, 2002). Interviews can be divided into unstructured and semi-structured interviews (DiCicco-Bloom and Crabtree, 2006). In-depth and semi-structured interviews involve the opportunity to probe answers, i.e. where the researcher has the opportunity of asking the interviewees to develop and explain their answers (DiCicco-Bloom and Crabtree, 2006; Saunders et al., 2009). The opportunity to probe answers might add depth and significance to the obtained answers and could also lead the conversation into areas not previously predicted by the researcher, may be of importance to the study (Ibid). Saunders et al. (2009) argue that the interview method is especially suitable for circumstances such as; when there are numerous questions that need

answers, questions that are open-ended or complex and where the questions' logic and order might be in need of variation (Ibid).

#### **4.5.2 Content analysis**

Content analysis is a means of utilizing secondary data (Saunders et al., 2009) and is by Bryman and Bell (2011) explained as objectively categorizing and predetermining characteristics intended for analysis of communication material such as documents and texts in a systematic and replicable way. In other words, content analysis involves for example the analysis of a website with the aim of identifying the frequency of specified communicated concepts. Content analysis can be either quantitative or qualitative (Mayring, 2000). Qualitative content analysis involves all sort of recorded communication such as transcripts of interviews, discourses, protocols of observations, documents, websites etc. (Ibid). According to Hsieh and Shannon (2005), there are three approaches to qualitative content analysis; the conventional content analysis, the directed content analysis, and the summative content analysis. Conventional content analysis is commonly used when the aim of the study is to describe a specific phenomenon (Ibid). Directed content analysis is rather focused at extending or validating a theory or a theoretical framework (Ibid). Summative content analysis intends to, first identify certain words, and then to explore the usage, rather than the meaning, of these words (Ibid). Examining the appearance of a word within a written communication is referred to as manifest content analysis, however if the research stops at this point, it is viewed as quantitative (Ibid). Taking the manifest content analysis one step further, to achieve the status of summative content analysis, is to include the latent content analysis (Ibid). Latent content analysis includes interpretation of the underlying meaning of the specified words (Ibid).

Interviewing was chosen as the primary data collection method due to the numerous and complex questions to be answered. In order to generate specific and relevant knowledge as well as allow probing, in-depth interviews were conducted. According to Noor (2008), when interviewing is the primary data collection method, semi-structured interviews are recommended in order to cover the purpose of the study. Since this study had an aim and purpose, semi-structured interviews were applied. A semi-structured approach also allowed for further probing in order to develop issues and answers. Due to accessibility one research subject was interviewed through a face-to-face interview while the three were interviewed over phone interviews, and one through an e-mail interview. Additionally, in order to ensure triangulation, a content analysis was performed. The content analysis structure chosen was the

one of manifest nature due to that the purpose of the content analysis of this study was to examine the usage rather than the meaning of the specified words. Although manifest content analysis is of quantitative nature, it is merely a supplement, again with the purpose of achieving triangulation, to the main data collection method, i.e. the in-depth semi-structured interviews. The content analysis discovered whether the answers of the in-depth interviews corresponded to the information gathered through the content analysis.

#### **4.6 Data collection instrument**

The primary data collection instrument for this study was in-depth semi-structured interviews. According to Mayring (2000), content analysis is a good way of assuring that the information gathered is correct due to the achievement of triangulation. Hence, content analysis was also selected as an instrument of data collection.

Due to the complexity of the research model, resulting to multifaceted concepts of investigation, a case study was applied. Consequently, no more than four interviews were necessary to accomplish the purpose of this study. The material used for the content analysis was selected based on the concepts of the research model.

##### **4.6.1 Operationalization**

This section will describe the structure of the operationalization process applied in this study. Operationalization is a way of combining theory with reality (Bryman and Bell, 2007). Concepts are very intangible with regards to practical business research and the definitions and understandings of a concept may differ (Ibid). Saunders et al. (2009) define operationalization as ‘the translation of concepts into tangible indicators...’ (Saunders et al., 2009, p.597). Thus, characterizing concepts for the practical application of the investigation is crucial (Saunders et al., 2009). As previously established, a deductive approach of research has been selected. When applying a deductive research operationalization is argued essential in order to provide measurable concepts (Ibid).

##### **4.6.2 Measurement of variables**

Since there are multiple concepts to define, a systematic approach to operationalization has been applied in order to increase transparency and clarity of the process. It has been argued that there are no general steps for how the operationalization process should be designed, however some steps are discussed as essential when assuring an appropriate structure and construct validity of the study (Amo and Cousins, 2007). According to the authors, the process should include four steps, namely; (1) defining the concepts of investigation based on



identified literature, (2) defining the concept in relation to the study at hand (3) defining related constructs and concepts (4) develop measures for the particular concepts (Ibid). These steps are also discussed by Svensson (2001) who mentions the theoretical framework to define the concepts (step 1 and 2), the development of operational definitions (step 3), and the identification of measures of the concepts (step 4).

The concepts relevant for the operationalization have been derived from the literature elaborated in the ‘theoretical framework’ chapter and these are based on the research model displayed in chapter 3. Strategy has been derived into *deliberate strategy*, *emergent strategy* or a mixture between these two. CSR has been translated into Fair Trade, which has further been divided into *commitments* to Fair Trade, *consistency* of Fair Trade practices, and *connections* of Fair Trade according to the 3C-SR model by Meehan et al. (2006) see figure 4.3.

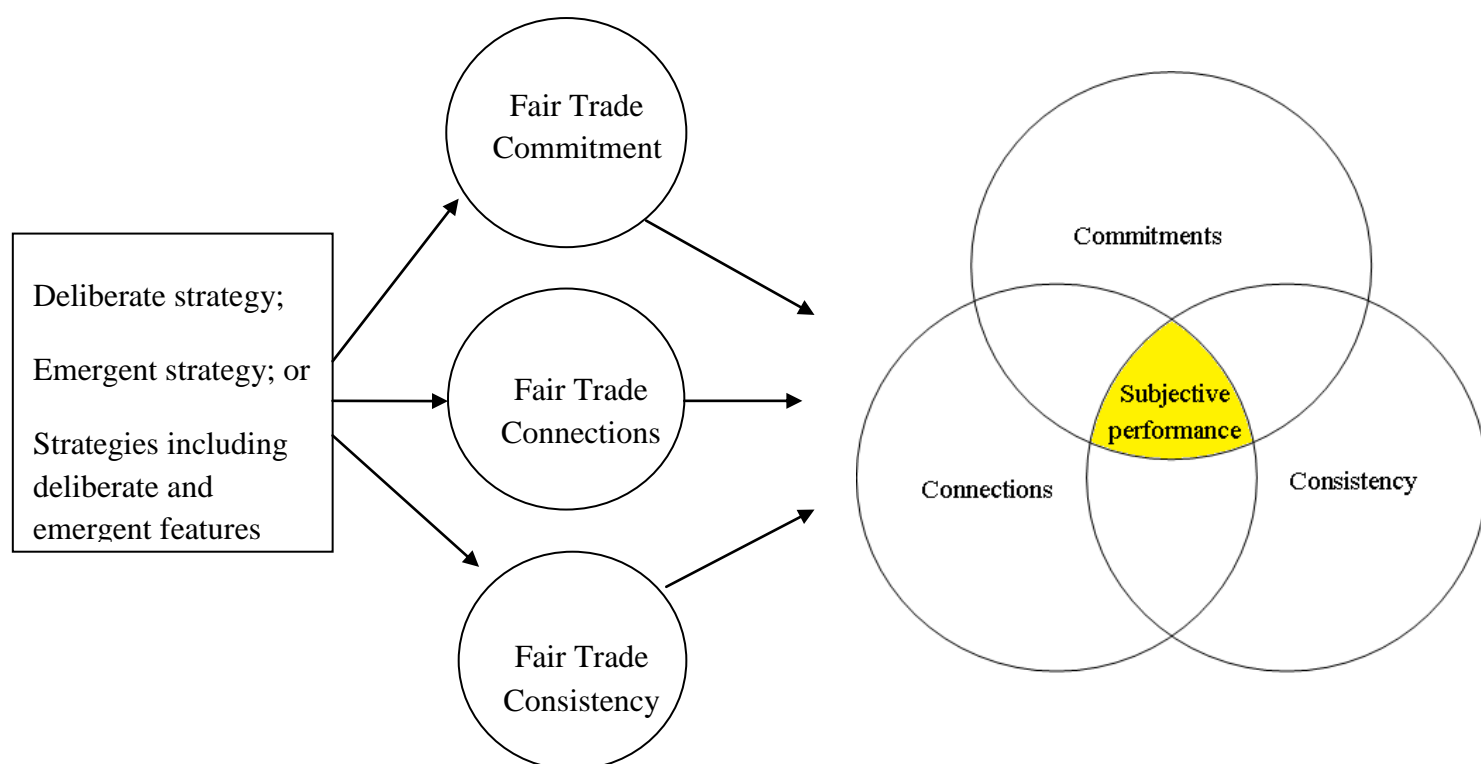


Figure 4.3, Operationalized research model (Meehan et al., 2006)

The operationalization table is displayed in *appendix 1*. Since this study involves six already identified concepts related to each other step three of the process was completed previous to step one. Step three can be viewed as the name of the concepts in column one in the operationalization table. Step one is displayed in the second column in the table (concept, and

conceptual definition). Step two is presented in the third column (operational definition). Step three is displayed in the fourth column (measure). The fourth column displays which question each measure corresponds to. This was performed in order to increase clarity for the reader as well as transparency of the study.

The measures for emergent strategy were taken from the deliberate strategy and simply reversed to the opposite.

#### **4.6.3 Interview guide**

The interview guide, *see appendix 2*, was based on already developed interview guide questions in previously conducted studies. This was done with the purpose of ensuring validity and reliability of the questions asked, which consequently has already been tested in the previous studies.

- Questions for *commitment* were derived from the study of Maignan and Ferrell (2000). These questions were combined with the study of Davies (2007) and Andersen and Skjoett-Larsen (2009).
- Questions for *connections* were derived from the study of Jamali (2008) combined with the study of Davies and Crane (2003), Hemingway and MacLagan (2004), Maak and Pless (2006), Utting (2005) and Andersen and Skjoett-Larsen (2009).
- Questions for *consistency* were derived from the study of Andersen and Skjoett-Larsen (2009). These questions were combined with the study of Giovannucci and Ponte (2005), Maak and Pless (2006) and Jamali (2008).
- Questions for the *deliberate strategy* were derived from the study of Mintzberg and Waters (1985), Miller and Cardinal (1994), Ketokivi and Castañer (2004), and Grant (2003). Since the measures of the *emergent strategy* corresponded to the measures of the deliberate strategy in the operationalization, the questions for the deliberate strategy will cover the emergent strategy as well.
- Questions for the *subjective performance* were derived from the study of Mogan et al. (2009), Wall et al. (2004) and Dess and Robinson (1984).

#### **4.6.4 Pretesting**

In order to estimate whether the measure equals the questions developed in the interview guide (Bowden et al., 2002), a pre-test of the interview guide was conducted. A pre-test is argued a superior tool when assessing the correctness of the questions before it is too late

(Ibid). Pre-testing refines and improves the interview guide, which is a well-developed technique for preparing the study for the actual data collection (Yin, 2007).

Prior to the development of the interview guide, a pre-test of the operationalization was conducted. This was carried out with the aim of increasing the relevance of the selected measures for each concept. The pre-testing of the operationalization was performed with professors at Linnaeus University. The professors were chosen based on their area of expertise, either with a marketing focus or CSR focus.

- Martin Amsteus, Business Marketing Linnaeus University
- Setayesh Sattari, Business, Marketing, Linnaeus University
- Viktorija Kalonaityte, Social Science, (teaches CSR), Linnaeus University
- Pär Strandberg, Business, Linnaeus University

The feedback pointed towards a well-developed operationalization with measures which corresponded well to the concepts of the study. One pre-tester suggested evaluation and follow-ups should be added to the deliberate strategy. Since this measure was one mentioned by several researchers in the literature, it was considered relevant to adjust the operationalization according to the feedback. Furthermore, another pre-tester suggested that the conceptualized definition must be straightforward with no misinterpretations. This pre-tester also indicated that the subjective performance was not enough linked to the concept of CSR and Fair Trade, hence the operationalization was revised to improve the linkage. Additionally, the large number of measures was observed. Nevertheless, since the study will consist of in-depth interviews, this was not considered a major concern. However, in order to ensure that solely relevant measures were applied, the measures were looked over several times.

Based on the revised operationalization, an interview guide was developed. In order to ensure that the questions corresponded to the measures, and ultimately the concepts, another four pre-tests were conducted on the interview guide. Due to the large number of questions developed, it was established that if some questions were not answered by the interviewees, other questions would be able to cover the topic. Furthermore, it was advantageous to connect the questions to the measures in the operationalization, since this increased transparency of the developed questions. Both the pre-testers and the researchers could eliminate unnecessary questions in the interview guide. The pre-test was again conducted with professors on the

Linnaeus University in Växjö. The professors' focus of expertise was either on marketing or CSR.

## **4.7 Sampling**

### **4.7.1 Sampling frame and sample selection**

This study will focus on the interview of five managers from Coop. Due to the time and resource constraints of this study a sample population is preferred over a census sample. There are several sampling strategies available; random sampling, non-probability sampling, convenience sampling, judgment sampling and theoretical sampling (Marshall, 1996). Since the study is performed in a qualitative nature, random sampling or probability sampling is not preferable (Ibid). Therefore, the chosen sample strategy is non-probability sampling. Non-probability sampling has not been selected through random sampling (Bryman and Bell, 2011). Accordingly, this means that some population units are more likely for selection than others (Ibid). For qualitative research, non-probability sampling is beneficial since it entails the collection of deep knowledge from a small sample; hence it is more productive to gather information from informants with 'richer' knowledge (Marshall, 1996). The sample strategy chosen is judgment sampling. This involves seeking the person with the most knowledge of the topic; the respondent that will generate the deepest knowledge for the study (Ibid). The sample size for qualitative may progress during the course of collection, since the recommended number of respondents is as many as necessary in order to answer the research questions (Ibid).

Sampling is proposed to be based on the developed research questions for a specific study (Altmann, 1974). In this study the sampling was conducted in three stages, including definition of the study population, identifying the sampling frame and lastly selecting the sample.

**Step 1:** Defined population; Fair Trade companies in Sweden due to accessibility. Furthermore, the employees of the chosen company comprise the sample population.

**Step 2:** The sample population has been narrowed down according to which cities are Fair Trade certified which was derived from the different municipalities' websites.

**Step 3:** Coop was chosen due to its location and the fact that they are a company selling Fair Trade products. Due to the qualitative nature of the study, and the complexity of the concepts, only one company was chosen. Managers within the company were chosen as the

interviewees. It is argued that the direction and actions of a company are highly influenced by managers and their opinions (Hemingway and MacLagan, 2004). This could imply that managers do have an impact on the adoption of Fair Trade Practices, as well as how the consistent behavior is upheld, and furthermore that employees have the ability to influence its business practices (Ibid). Managers are implied to be the driver and originator of the moral environment in which the company and its employees operate in (Ibid). The reality, as argued by the researchers, is that managers' values influence the course of events and actions taken by the company, i.e. an unethical manager will most likely perform activities not complying with ethical standards (Ibid). In order to reach external validity and reliability, three managers will be interviewed.

#### **4.7.2 Convenience sampling**

Bryman and Bell (2011) and Saunders et al. (2009) explain convenience sampling as a type of non-probability sampling where the researcher simply chooses a sample due to its accessibility. Teddlie and Yu (2007) argue that convenience sampling involves targeting not only the most accessible sample but the one that is willing to participate and get involved in the research. Convenience sampling is argued to be the least rigorous sampling technique, entailing a selection process aiming to find the most accessible research subjects (Marshall, 1996). However this sampling technique is also the least costly and time consuming and frequently used in qualitative research (Ibid). This technique has been argued not to be credible when used as a sole sampling technique but it can be a good complement to other sampling methods (Ibid).

Due to restricted time and resources of this research convenience sampling will be used in conjunction with snowball sampling.

#### **4.7.3 Snowball sampling**

Snowball sampling, also referred to as chain-referral sampling is a common approach when locating, accessing and engaging individuals from unambiguous sample groups in conditions under which forming a sample group can be difficult (Cohen and Arieli, 2011). Snowball sampling is a non-probability sampling method where the researcher uses a small group of research subjects and then builds the sample group on contacts derived from this original group of contacts (Atkinson and Flint, 2001; Saunders et al., 2009; Bryman and Bell, 2011). This sampling strategy is argued to be a link-tracing methodology that overcomes the problem of sampling obscured populations (Atkinson and Flint, 2001; Cohen and Arieli, 2011). Snowball sampling assumes there is a connection or link between the original sample and

further samples within the intended sample group (Ibid). When studying obscured or difficult to access sample groups, the research sample is usually small, hence snowball sampling is more frequently used for qualitative studies (Cohen and Arieli, 2011).

Snowball sampling was a suitable approach for this research since the initial contacts with members of the sample group entailed a high probability of further possibilities to contact with other individuals within the intended sample group.

## **4.8 Data collection procedure**

The data collection procedure consisted of two parts. One was the content analysis which was conducted by the researchers on material received from the interviewees. The other part consisted of four in-depth interviews conducted with managers at the company. Conducting both a content analysis in parallel to in-depth interviews was done with the purpose of achieving triangulation.

### **4.8.1 In-depth interviews**

The in-depth interviews were designed to be semi-structured due to that they were conducted with a specific purpose in mind. Due to the semi-structured nature of the interviews, an interview guide was considered necessary in order to keep on track and reach the aim of the collection of data. The questions were very comprehensive and covered a wide area; however this was regarded essential due to the in-depth design of the interviews. The large number of questions allowed for some questions be left unanswered, since these were answered through other questions of the interview guide. The freedom that semi-structured interviews involve allowed probing of questions needing more in-depth information, while some answers were straightforward. Since all interviewees were natively Swedish, the interview guide was translated into Swedish. This was done with back translation, which is a technique used by many researchers, e.g. Nusbaum et al. (2001). Back translation is argued to be the most highly recommended process for validating a collection method (Chapman and Carter, 1979; Grisay, 2003; Chen and Boore, 2010). This procedure incorporates the translation of the interview guide, questionnaire etc. to a second language (Ibid). This translation is then interpreted and rendered back to the first language by another person who did not view the first draft of the instrument of translation (Ibid). If there are obvious differences between the first draft and the second as derived from the back translation, modifications are carried out, and a second back translation is performed (Chapman and Carter, 1979). In this study, two students studying at Linnaeus University performed the back translation of the interview guide. The fact that both

translators are fluent in both languages is essential (Cull et al., 2002; Grisey, 2003; Chen and Boore, 2010). Furthermore, Cull et al. (2002) emphasize the importance of the independency of both translators when translating the text. The first translator performed the translation by herself with no influence. The second translator carried out the translation independently as well, and had no access to the first draft of the English interview guide. This back translation was performed in order to assure that the interview guide in both languages corresponds to each other, and that the questions are understood by people not related to the research. After the back translation had been performed, the interview guides in English were compared. Chen and Boore (2010) emphasize that back translation should be performed until the target of translation makes sense in both languages. Hence, since the back translation did not yield any major discrepancies, a second or third back translation was not regarded necessary.

#### **4.8.2 Content analysis**

The content analysis was carried out in two steps. The first step entailed the identification of words related to the concept of Fair Trade were identified. This was done separately by both researchers. Thereafter the words were compared between the researchers, and the ones mentioned by both were kept, while the others were excluded, *see appendix 3 for list of words for the content analysis*. After a list of finalized words was accomplished, these words were matched with communication material received from the interviewees. The material used was their internet websites, employee documents (e.g. guidelines etc.), annual reports and stakeholder documents.

When carrying out the content analysis on the website of Coop the content of the website was taken from three sub headings. I.e. first the text from the front page was assessed, thereafter the main sub headings were reviewed, and thereafter each main sub heading of the former sub heading was analyzed. However, since the website was communicated in Swedish, while the words were developed in English, it was necessary to conduct a back translation, as described previously. Hence, a professor in English, natively Swedish, was requested to translate the words to Swedish. In order to assure transparency and accuracy of the translation, another professor in English, also natively Swedish and who had not viewed the English words beforehand, translated the Swedish words back to English. Both professors chose to remain anonymous.

Since the majority of words translated into English did equal the first English words, there was no need to change these. Some words did however not equally correspond, although, the

words were synonymous to the first English words. Since the professors did not have any particular knowledge within the area of Fair Trade however, the words that the researchers derived from the beginning were kept. The second stage of the content analysis entailed the matching of the words with the material of communication.

#### **4.9 Data analysis method**

This study will be conducted through a qualitative case study approach. Sandelowski (2000) states that qualitative descriptive studies require a data analysis approach referred to as qualitative content analysis. Qualitative content analysis involves analyzing and summarizing visual and verbal data (Ibid). Qualitative research tends to generate a large amount of data (Bryman and Bell, 2011). This data collection method involves richness in information but also the difficulty of analyzing the collected data (Ibid). Thus, when conducting qualitative research data reduction becomes part of the process along with data display and drawing and verifying conclusions (Saunders et al., 2009).

*Data reduction* involves the process of simplifying and summarizing and/or focusing on parts of the collected data (Saunders et al., 2009).

*Data display* includes structuring and accumulating the collected data into visual displays (Ibid). Two frequently used data display techniques are networks and matrices (Ibid). Data displays provide the researcher with the possibility to make comparisons between the elements of the data and identify any relationships, trends, patterns or key themes (Ibid).

*Drawing and verifying conclusions* along with recognizing relationships and patterns in the collected data is facilitated by the previously mentioned data displays.

The analysis will start with a transcription of the data obtained from the interviews and the conducted content analysis. In order to be able to reduce and visualize the relevant data it will be color coded in relation to the concepts from the theory. The data from the interviews will be presented in tables showing the different respondents' answers and how they relate to the concepts. The content analysis data will be presented in tables and figures to present the frequency of the concepts in a clear manner. Lastly, the analysis, with the help of the data displays, will identify any patterns or trends in the collected data.

#### **4.10 Quality criteria**

Research design involves different criteria that are considered when assessing research (Bryman and Bell, 2011). The criteria are listed as follows; reliability, replication, and validity



(Ibid). Validity is sometimes referred to as the most important criteria and incorporates several sub criteria (Ibid). The quality criteria are important in order to assure a rigorous study (Gibbert et al., 2008).

#### **4.10.1 Content validity**

Also called face validity, content validity refers to if the measure in fact reflects the content of the concepts used in the study (Bryman and Bell, 2007). In order to assure content validity, people external to the study could be asked whether they believe that the measures actually represent the concepts (Ibid). This is part of the operationalization where pre-testing is performed in order to assure that the derived measures capture the content of the operationalized concepts. In order to assure that the operationalized measures are valid, developed tables of definitions of the different concepts were utilized. The 16 criteria required for organizations intending to operate as Fair Trade organizations, summarized in a research conducted by Moore et al. (2009), were used. Moreover, the activities for stakeholders from Clarke (1998) were applied.

#### **4.10.2 Construct validity**

Saunders et al. (2009) define validity as the extent to which the data collection instrument or methods actually measure what they are intended to and whether the results actually present what they appear to. Construct validity is said to show whether the measurement questions succeed in measuring what they are intended to measure (Ibid). The issues emphasized concerning construct validity are that either the deduction of the theory may be misguided, or that the measure of the concepts may be invalid (Bryman and Bell, 2007). An interview guide presenting how the questions was derived, as well as allowing key informants to assess whether the information was captured and understood correctly (Gibbert et al., 2008). This was carried out in order to assure construct validity through establishing a clear evidence of chain in terms of proper referencing by presenting where the concepts have derived from (Ibid). In order to assure construct validity for this research, references used for developing measures of the concept were taken from highly ranked journals according to the Academic Journal Quality Guide, ABS the Association of Business Schools (Harvey et al., 2010). Furthermore, an interview guide was developed, see *appendix 2*. Additionally, to assure that the right information was conveyed from the interviewees, the transcripts of the interviews were sent to the interviewees for review.

#### **4.10.3 External validity**

External validity is by Bryman and Bell (2011) explained as the extent to which the research findings can be generalized beyond its specific context in which the study was conducted. Methodologists differ between statistical generalization and analytical generalization (Gibbert et al., 2008). Analytical generalization refers to the generalization from empirical data to theory rather than to a population (Ibid). The authors argue that external validity can only exist in the present of content and construct validity (Ibid). In order to assure external validity multiple interviews will be conducted. Additionally, an analytical generalization will be adopted, and the strive of the research will be to support or dismiss the chosen model to the theory and the specific case of the research.

#### **4.10.4 Reliability**

Reliability depends on whether the research findings are repeatable or not and also whether they are consistent (Bryman and Bell, 2011). Reliability is also concerned with the stability of a concept measurement (Ibid). Saunders et al. (2009) explains reliability to present the extent to which the procedure of analysis and data collection instruments will obtain consistent findings. This criterion is especially an issue for quantitative research (Bryman and Bell, 2011). Saunders et al. (2009) present three key questions that can assist in determining whether the study is reliable; (1) will the measures result in the same findings on other occasions? (2) will other observers reach similar observations? and (3) is the process from raw data to findings transparent?. Replication is closely related to reliability and is sometimes used when researchers replicate an existing research because the existing findings do not match other evidence relevant to the area at issue (Ibid). For research to be replicable the researcher must have explained his/her research process in a detailed manner (Ibid). In order to reach reliability, a protocol of the study should be kept, as well as keeping a research data base including study notes, study documents, and narratives of the study (Gibbert et al., 2008). All the documents of the research were during the process of the study stored in a between the researchers shared folder in dropbox.se.

#### **4.11 Chapter summary**

This chapter has presented the methods to be used in order to meet the purpose and research questions of the study. The justifications exist for the purpose of determining the superior course of action in order to assure validity and reliability of the study. To summarize, a deductive qualitative approach was selected. Furthermore, the initial part of the study, i.e. the literature review, was performed in an exploratory design, whereas the chosen data collection

method implied a descriptive design. During the literature review, some secondary data was collected, however the main information was collected from primary data sources. The data collection methods, i.e. in-depth interviews and content analysis, were based on the research strategy, i.e. case study and archival analysis. The operationalization was performed to yield interview questions for the interview guide. This was considered necessary due to that the chosen interview approach was semi-structured. After the data was collected, it was analyzed in a qualitative way. *Table 4.3* displays a summary of the data methodology discussed throughout this chapter.

*Table 4.3, Summary of research methodology*

<b>Research methodology</b>	
Research approach	Deductive research Qualitative research
Research design	(Exploratory research) Descriptive research
Data sources	(Primary sources) Secondary sources
Research strategy	Case study Archival analysis
Data collection method	In-depth semi-structured interviews Content analysis
Sampling	Fair Trade companies in Sweden, Three interviewees (managers)
Data analysis method	Data reduction, data display, Drawing and verifying conclusions
Quality criteria	Content validity, construct validity, external validity, reliability

## 5. Empirical data

*This chapter presents the empirical data collected from the interviews and content analysis. The chapter structure is divided based on the components of the 3C-SR model, i.e. commitments, connections and consistency. Each subchapter is further divided into categories based on the answers. Each subchapter ends with the data collected regarding the strategy for each component. After each component is discussed, the data collected regarding the subjective performance for each component and for Coop in general is presented. The information gathered from the content analysis is displayed in the end of the empirical chapter.*

### 5.1 Interviews

The interview subjects consisted of four interviewees from the Swedish grocery chain Coop. When conducting the interviews it became evident that some issues were handled centrally by Coop rather than on store level, hence the interviewees had difficulties providing answers to some of the interview questions. A manager at Coop located at the head office was asked to provide the missing information. When referring to the interviewees, these involve the four interviewees; Interviewee 1, Interviewee 2, Interviewee 3 and Interviewee 4. Interviewee 1 is the sales manager for the region of Småland, while the other three interviewees are store managers in the region. Coop is divided into different consumer unions. All of the interviewees are part of a consumer union called KF Göta (Coop, 2013). KF Göta consists of 47 supermarkets spread across Småland, Skåne, Öland and Östgötaland (Ibid). *Coop Butiker & Stormarknader AB* is a subsidiary company of the KF corporate group. The affiliate manages five different chain stores; Coop Nära, Coop Konsum, Coop Extra, Coop Forum and Coop Bygg, as well as the store Daglivs and the online store Cooponline.se (Ibid).

#### 5.1.2 Commitments

##### **Economical goals**

Although Fair Trade is partly commercial where profit is expected, Interviewee 1, emphasizes that Fair Trade is exploited because it is aligned with the values of the organization. Interviewee 2 coincides with this, stating that due to that Fair Trade includes other important values where the economical aspect is not central, it is possible to lower the margin of profit. Interviewee 3 clarifies that costs need to be covered; nevertheless, Fair Trade is seen as a competitive advantage due to its values and meaning. Interviewee 4 also suggests that the economical aspect is not central, however she explains that they try to work with products

with a beneficial margin of profit. Interviewee 1 further states that Coop aims at utilizing Fair Trade in a good way since humanitarian aspects are important for the organization. According to Interviewee 2, Coop wants to be perceived positively and Fair Trade contributes to reaching this goal. Interviewee 1 states that the economical aspect is not fully exploited but it is part of a strategy to promote the Fair Trade products, if the margin of profit would be the same for all products Fair Trade products would not be able to compete. Interviewee 1 explains that sometimes the margin of profit is lowered to almost nothing in order to promote the Fair Trade products over others.

### **Product range**

Interviewee 1 estimates that there is approximately 150 different Fair Trade products in Coop's product range. Interviewee 1 adds that the organization has nearly all existing Fair Trade products available in the market. Interviewee 2, Interviewee 3 and Interviewee 4 agree to that Coop has a wide range of Fair Trade products. Although the share of ecological products is larger, many products are labeled both ecological and Fair Trade. Despite the already broad product range, Interviewee 4 expresses a desire to expand the number of Fair Trade products.

### **Suppliers**

All the interviewees describe that the purchase department located in Stockholm assures that claimed Fair Trade products live up to the Fair Trade standards and follow set rules since Fair Trade products are purchased centrally by the head office. The interviewees do not receive feedback on how the suppliers live up to standards or follow set rules for Fair Trade. Interviewee 1 and Interviewee 2 think that suppliers, partners, competitors and customers perceive Coop as a trustworthy and serious company. Interviewee 1 believes that their stakeholders recognize that Coop has a good range of Fair Trade products. Interviewee 3 and Interviewee 4 consent and state that Fair Trade and ecological products are part of Coop's strengths. Interviewee 1 states that several customer surveys regarding attitudes towards ecology, sustainability and Fair Trade, show positive customer attitudes towards Coop and their operations. Interviewee 2 tries to engage in activities such as informing the public about Fair Trade, and hopes that this results in Coop being perceived as a serious company.

### **Employees**

If any misconducts at Coop would occur regarding Fair Trade, employees would discuss the matter with the store managers directly. The store managers would then investigate it further.

Interviewee 3 says that they have written forms and policies to manage misconduct at the workplace. Misconduct concerning Fair Trade has not taken place while Interviewee 1 has been working for the company, and Interviewee 2 says that Coop follows all set rules.

The interviewees agree that Fair Trade is good for the general morale as well as for the employee morale. Interviewee 3 believes that this is true since the employees may feel proud of working for a company that offers Fair Trade products. Interviewee 4 says that the employee morale improves due to that Fair Trade supports the progress in developing countries. She further elaborates that the values of Fair Trade align with the values of the organization thus the employees have a positive attitude towards Fair Trade.

The engagement of Fair Trade differs to a large extent between the 47 different stores of KF Göta, according to Interviewee 1. Interviewee 1 recognizes a higher engagement in Fair Trade in the bigger cities such as Jönköping, Kalmar and Växjö. Interviewee 1 and Interviewee 2 state that since Fair Trade is part of the common product range, Fair Trade products are managed by all of the store staff.

### **Fair Trade within Coop**

The interviewees inform that a comprehensive code of conduct exists, covering how to behave in the store in general and how to manage customers, however no code of conduct specifically for Fair Trade was mentioned. However, according to Interviewee 3, this aspect is connected to the code of conduct for general behavior, and pursuant to Interviewee 4 the rules for Fair Trade behavior correspond to the rules of ecological products. Interviewee 2 has not taken part of any code of conduct, since it according to him exists at the head office rather than on store level. Fair Trade is consistent throughout the organization according to Interviewee 1, however Interviewee 3 does not concur to this. Interviewee 4 does not know how integrated Fair Trade activities are throughout the organization. Interviewee 2 explains that Fair Trade is re-occurring but during special weeks there is an increase in promoting Fair Trade products.

Since Fair Trade has been present at Coop during the whole employment of Interviewee 1, he is unaware of the initial reason behind incorporating Fair Trade into the organization. Interviewee 2 does not know why Fair Trade was initially implemented, however he believes that Fair Trade is an opportunity to make the world a better place. Interviewee 3 says that human rights, social and environmental responsibility has always been part of Coop's values, therefore the implementing Fair Trade is a rather natural step. Interviewee 4 states that Fair

Trade is a natural step for Coop to take since Coop is involved in 'Utan Gränser', a charity organization raising money for developing countries, and also 'Vi Skogen', which is an organization, planting trees where needed. Interviewee 4 has worked for Coop since 2000, and believes that Fair Trade has been existent since she was first employed by the company.

Interviewee 2, Interviewee 3 and Interviewee 4 consider Fair Trade as positively affecting the corporate image of Coop. Interviewee 1 thinks that the concept of Fair Trade provides a very positive image, however he does not think it affects the company image due to that the sales of Fair Trade products amounts to 0,6 % of the company's total sales. He expresses a desire to increase the share of Fair Trade within the future. Interviewee 3 says that a company providing Fair Trade products could be perceived as more trustworthy and that Fair Trade products provide the opportunity to be socially responsible. Interviewee 4 emphasizes that since Coop is a co-operative society they are not as profit driven as other companies. Hence, Fair Trade might provide the right image of Coop, since Fair Trade is not solely a profit driven concept.

None of the interviewees has resources allocated specifically to Fair Trade activities, but all employees agree that they have the authority to impact how much to invest in Fair Trade. Interviewee 1 recognizes that Fair Trade is more and more frequently advertized and promoted by Coop. Interviewee 3 says that when they have Fair Trade activities such as offering Fair Trade chocolate and coffee in the store, the resources have been distributed by the head office.

### **Communicating Fair Trade**

When communicating with customers Coop uses specific information material made available by Fair Trade Sverige according to Interviewee 1. He explains that Fair Trade products are promoted in weekly advertisement leaflets, and Interviewee 2 states that this is managed by the head office. Interviewee 3 says that Coop centrally is responsible for managing that truthful and correct information is communicated to the customers. Although, Interviewee 3 is the one in charge of assuring that the information communicated by employees at store level is correct. Interviewee 4 states that it lies within everyone's responsibility to assure that the communicated information is correct, clear and distinctive. She further elaborates that honesty is part of Coop's written values. Interviewee 1 explains that the shelves are marked with the Fair Trade label and so are the Fair Trade products. In order to educate customers of what Fair Trade actually means, activities such as offering Fair Trade coffee and chocolate to the

customers while informing them about the concept has been carried out in the stores. These activities have been carried out by all interviewees. Interviewee 2 says that the only communication performed locally is through activities in the store. Interviewee 2 explains that they sometimes cooperate with Svenska Kyrkan and Naturskyddsföreningen. These organizations are invited to participate during events in the store, where customers are informed about the Fair Trade concept. Additionally, Interviewee 2 has visited Svenska Kyrkan to provide information about Fair Trade from a perspective of commerce and trade. Interviewee 3 explains that he has organized for a woman who is very involved in the topic of Fair Trade to come to the store and inform customers about Fair Trade. She will emphasize the advantages of Fair Trade products, along with explaining why it is important to purchase Fair Trade products. Interviewee 3 believes that the marketing could be improved where more emphasis should be on the Fair Trade label rather than the product with the label. Interviewee 4 explains that they have had certain Fair Trade weeks, for example in October and sometime in spring, where Fair Trade products are advertised more. In connection to this, Coop was cooperating with a Fair Trade organization in Sweden, and together they organized some competitions in connection to Fair Trade. Interviewee 4 raises the importance of promoting Fair Trade products.

### **Subjective performance**

According to Interviewee 1 the most important goal of Fair Trade commitments is contributing to improving conditions for humans, nature and animals since these align with the values of Coop. He states that Coop achieves these goals well. Interviewee 1 adds that there is always room for improvement. Interviewee 2 perceives the most important goals of Fair Trade commitments to be humanity and other values that Fair Trade includes. He states that such values make him more loyal to Coop since the company values other aspects than just making profit. He perceives that Coop achieves these goals properly, however there is room for improvement since the performance is not perfect. Interviewee 3 believes that the most important goal of Fair Trade commitments is to increase the sales share of Fair Trade as well as the exposure of the products. He believes that these goals have not yet been achieved, although they are continuously working towards accomplishing the goals. Interviewee 4 considers the most important goals with Fair Trade commitments to be to acquire a broader product range as well as to improve the exposure of Fair Trade products through marketing. She argues that they are working towards accomplishing these goals as well as they can.

### **Deliberate or emergent strategy**



Interviewee 1 and Interviewee 3 state that there are no established strategies for the economical aspect of Fair Trade. Interviewee 4 states that she is not aware of such strategies. Interviewee 1 explains that there are at the moment no direct goals of what to achieve regarding Fair Trade but from 2013 and on Fair Trade will be a concept on the meeting agendas. Long-term strategies concerning Fair Trade and the economical aspect are not developed at store level; this is managed by the head office according to Interviewee 2. The sole evaluation performed is on the sales share of Fair Trade. These measures show that there is no pattern of increase according to the interviewees. Interviewee 1 states that if they would agree on a goal higher than the current 0,6 % there would not be a change in the resources provided to Interviewee 1 for working with Fair Trade. Interviewee 2 receives evaluation information from Interviewee 1 containing the sales share of Fair Trade and other products, and he fully relies on these. Interviewee 3 states that evaluation on store level is performed through calculating the share of Fair Trade sales. Interviewee 4 states that there are no evaluations of Fair Trade initiatives apart from evaluating the sales share of Fair Trade products. Interviewee 4 explains that the evaluations of Fair Trade shows that the store has the largest sales share of Fair Trade within KF Göta. Since there are no clear goals concerning Fair Trade making evaluations and follow-ups is rather difficult and Interviewee 1 identifies a need for clearer goals in the future. The head office is also in charge of assuring that products and suppliers live up to Fair Trade rules and laws. Interviewee 2 and Interviewee 3 state that they do not have any developed guidelines on store level concerning that rules and laws are followed. Interviewee 1 says that evaluations of whether the suppliers live up to the criteria stated in the code of conduct.

### **5.1.3 Connections**

#### **Suppliers**

Interviewee 1 lists Coop's stakeholders as follows; the owners of Coop (members), customers, suppliers and employees.

The code of conduct works as supplier selection criteria for Coop and if suppliers do not follow these, they will have to make changes or the cooperation will be ended according to Interviewee 1. Interviewee 2 lists examples of what the criteria include; the existence of emergency exits, working conditions, salaries, the prohibition of child labor etc. All four interviewees perceived the balance of power between Coop and its suppliers to be good, and that Coop's suppliers are pleased with the relationship. In general the interviewees believe that Coop is perceived as a strong, serious and good business partner. Interviewee 1 explains

that Coop has guidelines of how the company should act towards suppliers hence these are known to the employees of the organization. However, the other interviewees did not know about such goals. Further on, none of the interviewees manage reporting concerning Fair Trade suppliers. The manager at Coop's head office stated that Fair Trade suppliers and other suppliers are handled equally by Coop.

## **Employees**

The interviewees explain that when employing new personnel, Fair Trade is not covered as a determining factor. However, Interviewee 1 and Interviewee 2 say that if the applicant is interested or knowledgeable within the subject that could be an advantage.

Communication with employees and the other stores within KF Göta is carried out through a weekly information letter which contains the most important information according to Interviewee 1. Fair Trade has been communicated in these letters but it is not a central aspect. Interviewee 2 states that the values of Fair Trade are well communicated within Coop. Interviewee 3 explains that he communicates information concerning Fair Trade in a weekly information letter to employees, although Fair Trade is not mentioned each week. Interviewee 4 states that she is trying to push towards selling more Fair Trade products and communicates these ambitions. All interviewees perceive the communication within Coop to be open and flexible.

The interviewees do not know how the Fair Trade suppliers' personnel is managed. However they do conduce to responsible personnel management through following rules, laws and gender equality. The company carries out a personnel survey about the employee's role in the company, the relationship to the manager as well as other employees.

## **Consumers**

Interviewee 1 says that Coop's customers are primarily the owners/members of the organization. All of the interviewees explain that the range of customers varies from store to store, however the customer base in each of their stores seem to reflect the population of the area. Interviewee 4 says the store has many environmentally conscious customers. She also states that many customers come to their store due to their broad range of Fair Trade products. According to the others Fair Trade does not determine whether a customer chooses Coop over a competitor.

Fair Trade communication is carried out through information sheets in the stores and labels on the shelves as well as through the advertisement leaflets, according to Interviewee 1. In order to assure that information is truthful and transparent the advertisement leaflets are thoroughly controlled. Interviewee 2 states that Coop does not communicate through leaflets, this is managed by the head office. However, Interviewee 2 believes that this is managed properly, and has full faith in the head office of Coop. Interviewee 3 says that there are brochures in the store containing information about Fair Trade. Furthermore the employees, including Interviewee 3, can assist customers by answering their questions regarding Fair Trade. In addition to this, Interviewee 3 explains that there will be a person informing customers about the aspects of Fair Trade in the store during an event in the near future. Interviewee 3 states that assuring correct and truthful information communicated by employees in the store is his responsibility. However, the weekly advertisement leaflet to customers is the head office's responsibility. Interviewee 4 explains that they are trying to market Fair Trade products by using material regarding the Fair Trade handling. Additionally, the store has a Fair Trade diploma visible for the customers in the store.

No encouragement to engage in Fair Trade activities is performed by Coop according to Interviewee 1. Interviewee 2 says that some encouragement of customer involvement concerning Fair Trade activities does exist through developing activities in cooperation with Svenska Kyrkan and Naturskyddsföreningen. Interviewee 3 and Interviewee 4 state that they are not directly encouraging customer engagement in Fair Trade activities, apart from providing the opportunity to purchase Fair Trade products in the store.

### **Subjective performance**

Interviewee 1 considers the most important goals of Fair Trade connections to be to store Fair Trade products in large volumes in order to avoid deficits of Fair Trade products. At the moment there are no deficits of Fair Trade products thus these goals have been achieved. Interviewee 1 adds that there is still room for improvement. He says that Coop has most of the existing Fair Trade products in the market, however they could improve their exposure of these products through marketing activities. Interviewee 2 considers the most important goals of Fair Trade connections to be to maintain the sales share of Fair Trade products, and possibly increase this share. He states that they try to incorporate Fair Trade as much as possible. Interviewee 3 says that the most important goal of Fair Trade connections is to reach out with information about why it is important to purchase Fair Trade products. Interviewee 3 states that they have not yet reached this goal, but they are working towards this goal through

Fair Trade arrangements and activities mentioned earlier. Interviewee 4 considers the most important goals with Fair Trade commitments to be to acquire a broader product range and to continue working in the same manner. She feels that these goals have been fully accomplished.

### **Deliberate or emergent strategy**

The interviewees are not aware of any Fair Trade goals common for entire Coop. Hence, this cannot be communicated with the employees. If goals are developed in the future, these will be communicated to everyone in the organization according to Interviewee 1. Interviewee 2 states that Coop operates for long-term motives, thus good relationships are crucial, however he says that they try to engage in Fair Trade since it has positive added values. Interviewee 2 says that he has the opportunity to control to what extent Fair Trade is part of the store. Interviewee 3 states that he has a goal where he wishes to increase the Fair Trade share with about 20% in the store. In order to achieve this goal, they have to improve the promotion of the Fair Trade products in the store. Interviewee 4 states that future plans of Fair Trade is to develop it, get a broader product range and work towards increasing the attention of Fair Trade.

There is no evaluation or follow-up regarding whether the communicated Fair Trade information is understood and received correctly by the employees. However, this becomes evident to the store managers if the personnel do not follow instructions through co-worker meetings, control questions and board groups monitoring. Interviewee 1 says that there is no customer evaluation made solely concerning Fair Trade. Interviewee 2, Interviewee 3 and Interviewee 4e state that no evaluation of customers is performed locally. However, Interviewee 2 says that evaluation of customers is performed across Sweden through the member panel, which indicates how Coop is performing.

According to Interviewee 1, Interviewee 2 and Interviewee 4 Coop, has guidelines of how to select, manage and evaluate suppliers. This is described in the code of conduct, which acts as a criteria base for selecting suppliers. This is according to Interviewee 1 known by the employees of Coop. The interviewees are not in charge of selecting Fair Trade suppliers; this is managed by the head office in Stockholm, hence they do not receive feedback from Fair Trade suppliers. Interviewee 3 states that he is not aware of whether supplier selection, management and evaluation criteria exist. Interviewee 2 says that concerning campaigns,

stores are responsible to some extent to perform evaluation. Interviewee 4e states that Coop has the goal of being perceived as a strong partner.

#### **5.1.4 Consistency**

##### **Suppliers**

Interviewee 1 explains that the management of suppliers and partners concerning safety and working conditions is performed by Fair Trade Sverige and not by Coop. Interviewee 2, Interviewee 3 and Interviewee 4e state that aspects, such as working conditions for suppliers' employees, are managed by the head office of Coop. The interviewees say that Coop has developed criteria for how to select and manage suppliers.

If a supplier or partner would engage in voluntary activities, Interviewee 1' task is to assist them, since Coop is well developed concerning voluntary activities. Interviewee 2 says that his task in relation to suppliers is to maintain good relationships. If a relationship is not working, Interviewee 2 reports this to his manager. Interviewee 3 says that his task regarding the relationships with the local suppliers is to maintain a positive work environment. Interviewee 4 states that her task in relation to the suppliers is to demand more Fair Trade products. She adds that it is important to lift the Fair Trade products when possible, however this is dependent on the engagement of the management.

The interviewees have not received information regarding suppliers' improvement of social behavior, however the head office obtains this information. Interviewee 2 thinks it would be interesting to know more about this. Interviewee 3 explains that in order to become a supplier for Coop, the supplier has to implement and follow a collective labor agreement. Thus, he says that he can imagine that some of the suppliers have been forced to make changes so that they follow the agreements, in order to become a supplier of Coop. Interviewee 4 does not know how suppliers have improved their social responsibility after cooperating with Coop. Interviewee 1 says he does not obtain feedback about suppliers' behavior concerning Fair Trade. Interviewee 2 does not know whether Coop has received feedback concerning the code of conduct. Interviewee 3 says that most of the suppliers perceive Coop as a good partner and that they have received positive feedback from suppliers. Interviewee 4 says that if something is not working correctly concerning the dialogue with suppliers, this is brought up and discusses.

##### **Employees**

Interviewee 1 says that there are computerized educational programs for the staff of Coop on accurate behavior where the concepts of ecology and Fair Trade are incorporated. Interviewee 2 says that the store carries out an introduction course centering aspects such as how to manage relations to customers and between employees, however the education differs from store to store. Interviewee 3 explains that Fair Trade is not included in the material handed out to new employees, however ethical behavior is incorporated. He does not know whether Coop has educational programs for employees which include Fair Trade aspects. Interviewee 4 states that Coop engages in education and training of their employees regarding ethical behavior and sustainable relations with stakeholders through web-based educations and verbal information. The manager at Coop's head office explains that Fair Trade is included in Coop's general sustainability education. Furthermore ambassadors are educated and there is also some education of staff in the stores.

Interviewee 1 did not receive any specific training or education related to Fair Trade. Interviewee 1 and Interviewee 2 have engaged in self-education by reading about the Fair Trade concept. Interviewee 2 says that he has received information during a meeting some years ago, however he has not received any specific training or education regarding Fair Trade. Interviewee 3 states that there are guidelines for how to perform his working tasks related to Fair Trade, however he has not received any specific education or training. Interviewee 4 states that she chooses to work a lot with the fair Trade products, however this is somewhat due to being a personal interest of hers.

Interviewee 1 does not acquire specific support from the management concerning Fair Trade. Interviewee 2 perceives the support from the management regarding Fair Trade as good. Interviewee 3 says that he receives good support from the management, especially from KF Göta, but also from Coop centrally. Interviewee 4 considers the support from the management, i.e. KF Göta, to be good concerning Fair Trade aspects.

Interviewee 1 states that Coop engages in voluntary activities such as providing consumers with Fair Trade products in the stores, and cooperating with organizations external to Coop.

### **Subjective performance**

Interviewee 1 elaborates the most important goal regarding Fair Trade consistency as being the leading grocery store of Fair Trade in Sweden. Although Coop is working well towards these goals, Interviewee 1 emphasizes that there is room for improvement. Interviewee 3 perceives the most important goals regarding consistency of Fair Trade as being a trustworthy

company, and being able to stand for what Coop represents. Interviewee 3 believes that Coop achieves these goals, and that customers regard Coop as trustworthy. Interviewee 2 and Interviewee 4 could not answer the question regarding Fair Trade consistency concerning subjective performance.

### **Deliberate or emergent strategy**

As described previously, evaluation concerning Fair Trade initiatives is conducted through measuring the sales share of Fair Trade and not the number of Fair Trade products. Interviewee 2 receives information from Interviewee 1 concerning the sales share of Fair Trade. Interviewee 3 evaluates Fair Trade on store level through calculating the share of Fair Trade sales, and so does Interviewee 4. Interviewee 1 explains that investigating if the suppliers are not conducting to misconduct, i.e. not complying to the standards of Fair Trade, is performed by certified organizations. The other interviewees say that management and evaluation of suppliers is performed by the head office. Fair Trade is part of Coop's sustainability work and this is reported in Coop's sustainability report according to the manager at Coop's head office.

There are no specific guidelines for day-to-day behavior in the context of Fair Trade however there are working schedules in the stores listing all the daily activities for each employee. Fair Trade is part of the common product range hence all employees handle the Fair Trade products. It is the store manager's role to make sure these guides are followed. Interviewee 3 further says that he follows up whether the guidelines are followed through his presence in the store. Interviewee 4 explains that the daily guidelines along with control questions of the employees work as a daily control of how everything is working. However Fair Trade is not particularly emphasized.

Interviewee 1 further states that there are no written procedures or written values for Fair Trade in the stores but this might exist in the head office. Interviewee 2 and Interviewee 3 do not know whether Coop has any written values concerning Fair Trade centrally, but no written values of Fair Trade exist locally. Interviewee 2 thinks that a clear legal framework is positive. Interviewee 3 says that Coop has written values regarding social responsibility and protection of the environment, animals and people. Interviewee 4 says that Coop relies partly on written procedures and that the written values of Coop include both ecological and Fair Trade issues.

### **5.1.5 Subjective Performance**

#### **General performance**

Interviewee 1 considers Coop's general performance as good in regard to the range of products that Coop offers. Still, the marketing of the products could be improved. Generally in comparison to competitors Interviewee 1 thinks that Coop is well-developed concerning Fair Trade aspects. Interviewee 2 feels that the general performance of Fair Trade is respectable considering their position. He also thinks that locally, the store is performing better than its competitors. Interviewee 3 perceives the general performance of Fair Trade to be good, but it could be better. However in comparison to competitors Coop is superior. According to Interviewee 4, the most important goals of incorporating Fair Trade are to get a broader product range and advertise Fair Trade products more. She states that there are no direct goals, however she perceives that they do their best in the work towards reaching the goals. Interviewee 4 says that there is always room for improvement regarding the general performance of Coop. However in comparison to competitors, she believes Coop performs much better.

## **5.2 Content analysis**

The content analysis was carried out on written material collected from Coop. Each communicated material was looked through and the result is presented in the empirical chapter. All of the analyzed material is available on the website and is namely; 'Coop's policy for sustainable development', 'Coop's policy for sustainability' 'Coop's general value and policies -'Tillsammans kan vi'', 'Coop's code of conduct for suppliers', 'Coop's annual report', and Coop's website. Additionally the material was categorized based on the concepts of the study. When analyzing the content analysis, it is essential to consider the fact that some material, such as the website, consisted of a larger amount of words. Hence the number of times a concept was mentioned may depend on the number of pages of the material.

### **5.2.1 Commitments**

'Sustainability' was heavily emphasized, and the concept was mentioned in the context of 'sustainable development' in each communicated material. The material covered many aspects of sustainable behavior, ranging from 'consumer consumption' and 'employee actions' to reports regarding 'sustainability'. 'Responsibility' was also a widely covered in all examined material except for the annual report of Coop. The concept of 'responsibility' was brought up in the context of 'ethical', 'environmental' and 'social' issues a number of times. 'Corporate social responsibility' and 'social responsibility' did not exist in the annual report



or on the website. Although it exists in the other documents, it is not as widely highlighted as ‘responsibility’ and ‘sustainability’. The words ‘Fair Trade’ and ‘Fair’ existed in Coop’s general values and policies ‘Tillsammans kan vi’, the website, and ‘Fair’ did also exist in the annual report. However, it was not as heavily emphasized as ‘responsibility’ and ‘sustainability’. ‘Commit’ was only mentioned once in connection to ‘commitment for safe products’ in Coop’s general values and policies ‘Tillsammans kan vi’. ‘Free trade’ did not exist in any of the examined material.

### **5.2.2 Connections**

The concept which was mostly emphasized within connections was ‘suppliers’. The website mainly mentioned the word ‘supplier’, however ‘sustainable suppliers’, ‘supplier relations’ and ‘revision of suppliers’ were brought up several times on the website and throughout the other material. ‘Cooperation’ was mentioned in all material except for Coop’s policy for sustainable development, and Coop’s policy for sustainability. ‘Cooperation’ was mentioned in the context of other organizations, such as ‘companies’, ‘schools’, ‘Utan Gränser’ and ‘Vi Skogen’. Although the concept existed in the material, it was not heavily emphasized. ‘Standards’ was mentioned in all documents apart from the annual report. ‘Standards’ was mentioned in the context of ‘requirements’ in regard to ‘suppliers’, ‘products’, ‘price’, ‘follow-up’, ‘environmental and social considerations’. However in regard to other concepts, it was not extensively emphasized. ‘Working conditions’ did exist in all material except for the website and the annual report, yet again it was not a highly stressed word. The concept was covered in connection to aspects such as ‘work hours’, ‘health’ and ‘safety’, ‘prohibitions’ against ‘force labor’, ‘penal labor’ and ‘child labor’ and to refrain from ‘corruption and bribes’. ‘Transparency’ was not mentioned on the website, Coop’s policy for sustainable development or Coop’s policy for sustainability. In the remaining material, it was brought up in the context of ‘clear and distinct information’ regarding ‘salaries’, ‘benefits’, ‘rules’, ‘marketing communications’, and ‘company objectives’. It was not a heavily emphasized word. The concept of ‘stakeholders’ was not mentioned in the code of conduct for suppliers, Coop’s general values and policies ‘Tillsammans kan vi’, or in their policy for sustainable development. ‘Stakeholders’ were mentioned in the context of an ‘open and flexible dialogue with stakeholders’ and ‘cooperation with important stakeholders’. Nevertheless, it was not vastly emphasized. ‘Authentic production’ was only mentioned once on the website. The concepts of ‘developing countries’, ‘trustworthy’, ‘credibility’, ‘fair price’ and ‘southern producers (i.e. producers in developing countries)’ were not mentioned.

### **5.2.3 Consistency**

‘Employee training’ was not mentioned at all. However, ‘education’ did exist in Coop’s policy for sustainability in the context of ‘increasing the understanding and knowledge about environmental impact’. In Coop’s code of conduct for suppliers, ‘education’ was mentioned in the context of ‘health and safety’.

The consistency of the concepts investigated in the content analysis for commitments and connections was also examined by comparing the frequency of the words in each material. Concerning the consistency emphasized in commitments to Fair Trade by Coop, ‘Fair’ only occurred in three documents. ‘Fair Trade’ occurred in two documents. ‘Free Trade’ was absent in all material. The word ‘commit’ was only identified in one document. ‘Sustainability’ was found in all documents and very frequently. ‘Social responsibility’ was mentioned a few times in four of the documents, as was ‘CSR’. ‘Responsibility’ was mentioned in all material but the annual report. It was mentioned very frequently in the website in comparison to other documents.

In regard to consistency of Fair Trade connections communicated through Coop’s material, ‘developing countries’ and ‘benefiting producers’ were only mentioned once. ‘Stakeholders’ occurred in three documents. ‘Fair Price’, ‘credibility’, ‘trustworthy’ and ‘southern producers’ were absent in all material. ‘Working conditions’ was mentioned in four documents and so was ‘cooperation’. ‘Suppliers’ was mentioned consistently in all material however the frequency of the word was much higher in the website material. ‘Standards’ existed in all material except for Coop’s annual report. ‘Transparency’ existed in four of the documents and ‘authentic’ in only one of the documents.

### **5.2.4 Deliberate or emergent**

Guidelines were only mentioned once in ‘Coop’s code of conduct for suppliers’ referring to OECD’s guidelines (Organization for Economic Co-operation and Development) for multinational companies and ILO’s conventions (International Labor Organization).

## **5.3 Additional findings**

### **Suppliers**

Interviewee 1 explains that Coop has a developed code of conduct stating how a supplier must act in order to become a supplier for the organization. Interviewee 1 himself does not select any suppliers, these tasks are handled by the head office in Stockholm. He says that he has

confidence in that the suppliers are chosen according to the code of conduct and standards of Fair Trade. Examples of what the code of conduct constitutes are fair working hours, safety at work, gender equality and no child labor. No interviewee is in direct contact with Fair Trade suppliers, however they are working with local producers. Interviewee 1 states that there are guidelines for what information to share and what not to share, such as for example information concerning a company's competitors. The interviewees state that they engage in dialogue with local suppliers. The dialogue mostly contains discussions of how to promote the supplier's products and increase sales of the products. They share information with suppliers, however not information that could be sensitive, such as information about competitors or aspects of Coop's own financial situation. Interviewee 1 says that when managing small producers it is of even greater importance to behave righteously, while larger suppliers may have the power to dictate the terms and conditions over Coop. Interviewee 1, Interviewee 2 and Interviewee 3 explained that suppliers report to Coop, however some suppliers are superior regarding reporting and reports back more frequently than others. They further explained that Coop does not report back to suppliers, Interviewee 1 elaborates that this is handled by an external organization providing suppliers with information such as how well their products are selling. Coop reports back to suppliers in the event of joint campaigns according to Interviewee 2 and Interviewee 3. The frequency of the reporting differs according to Interviewee 3, depending on how often Coop purchases its products from the supplier. Interviewee 4 says that there is a mutual reporting system between Coop and its suppliers. Interviewee 3 says that he relies both on written guidelines and common sense when involved in dialogue with suppliers. Interviewee 3 further states that evaluation and follow-up of suppliers is managed by the head office, and this is not performed on store level. Coop works with evaluation and follow up of suppliers continuously, which is managed by the head office according to Interviewee 4. She further states that Coop has the goal of being perceived as a strong partner.

## **Employees**

Interviewee 2 perceives that Coop has a responsible management of personnel issues, since they follow all set of rules applicable in Sweden. Interviewee 3 says that Coop engages in responsible management of personnel issues through co-worker meetings and dialogue covering issues regarding leadership and relations to other employees. Additionally Coop follows the collective labor agreement and KF Göta and Coop have developed guidelines for personnel management. Interviewee 3 perceives the work climate to be good and open, where

all employees can share their opinions and concerns. Interviewee 4 says that she believes that Coop has well developed responsible management of personnel issues. She says that Coop follow the set regulations concerning personnel security etc. No specific employees are responsible for Fair Trade hence the number of employees involved in Fair Trade has not changed over the years according to Interviewee 1. Interviewee 2 explains that he and another employee at the store are mainly responsible for tasks related to Fair Trade, however all of the store staff handle Fair Trade products as part of their work tasks. Interviewee 3 answers that he has only worked for Coop for two years, thus he cannot answer whether the number of employees involved in Fair Trade has evolved during the past years, and neither can Interviewee 4. Interviewee 2 says that he does not evaluate or follow up whether the communicated information has been received correctly by the employees. However he says that he follows up by listening. He also states that he has a board group that controls whether the personnel performs activities according to instructions. Interviewee 3 explains that this becomes evident during co-worker meetings as well as continuously in the daily work. Interviewee 4 explains that she uses control questions to test whether the employees receives and understands the communicated information correctly. All personnel of Coop participate in education which incorporates how to act towards other people.

### **Voluntary activities**

Voluntary activities are performed by Coop through giving the customers the opportunity to donate the money they obtain when depositing their empty cans for recycling, the possibility of rounding up their payments and giving the surplus to charity when purchasing something and the possibility to purchase a paper bag in the stores where some of the money goes to charity. Interviewee 2 states that employees have the possibility to engage in voluntary work through 'Utan Gränser', one of Coop's partners. He does not know how much support the employees receive from Coop when involving in these activities. Coop also engages in voluntary activities by providing customers with the possibility of donating money from depositing empty cans for recycling. Interviewee 3 says that Coop is involved in voluntary activities such as 'Utan Gränser' and 'Vi Skogen', where Coop assists in planting trees in vulnerable areas. Interviewee 4 explains that there is an opportunity for employees to become involved in 'Utan Gränser', however she states that Coop has not provided any information

regarding this. Interviewee 4 mentions that Coop received an award for changing all of its deliveries to railway delivery, which is considered a big environmental issue.

The manager at Coop's head office explains that it is important to emphasize that all labels within the sustainability area are parts of Coop's sustainability work. The challenge lies within that there is no label that embodies all of the customer's demands. Having such a label would facilitate making sustainable choices for customers. In the long-run this is what Coop has to achieve.

## **5.4 Chapter summary**

Chapter five has presented the gathered interview data along with the data derived from the content analysis. The data was structured according to the three components of the research model, subjective performance and corporate strategy. Furthermore, data reduction was conducted in order to display and focus solely on data relevant for this study.

## 6 Analysis

*This chapter presents the three steps of analysis conducted in this study. The first step entails the data reduction, i.e. eliminating data irrelevant for the purpose of the study. The second step involves displaying the data based on the subchapters and categories of the empirical chapter. The data display was performed in order to facilitate analyzing the comprehensive amount of data collected in the study, as well as increasing transparency of similarities, dissimilarities and patterns of the responses. The third step, i.e. writing the analysis in fluent text was based on the data display, and was connected to the theoretical framework as well as the purpose and research questions of the study.*

### 6.1 Data reduction

When analyzing the interview data it became evident that some information could not contribute to answering the research questions or purpose of this study. Data concerning suppliers was removed due to that the interviewees of the study were not in direct contact with Fair Trade suppliers since this was handled centrally by the head office. This resulted in that the interviewees were unaware of procedures concerning such suppliers and therefore the data was removed. Regarding employees data was removed due to that no specific employees were assigned Fair Trade tasks since the concept was part of all staff's daily work. In addition no follow-up or evaluation concerning Fair Trade behavior was conducted and the education of employees did not specifically include Fair Trade. Voluntary activities by Coop appeared to be present however not in connection to Fair Trade, hence this data was not relevant for the purpose. The next step consists of the data display.

### 6.2 Data display

The data display for commitments is depicted in *table 6.1*. The data display for connections can be viewed in *table 6.2*. The data display for consistency is displayed in *table 6.3*. The data display for subjective performance is presented in *table 6.4*.

## 6.2.1 Commitments

Table 6.1, Data display for commitments

Aspects of Commitments	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4
<b>Economical goals</b>	Partly economical, mostly Fair Trade is implemented due to its values and humanitarian aspects.	Profit is not central, Fair Trade includes other non-financial values.	Costs need to be covered, Fair Trade is a competitive advantage due to its values.	Profit is not central, however they try to work with products with a beneficial margin of profit.
	Margin of profit is generally lower on Fair Trade products.	Margin of profit is generally lower on Fair Trade products.	Margin of profit is generally lower on Fair Trade products.	Margin of profit is generally lower on Fair Trade products.
<b>Product range</b>	At the present Interviewee 1 estimates that there are approximately 150 products. He believes they have a wide product range.	Coop has a wide range of fair Trade products.	Coop has a wide range of fair Trade products.	Coop has a wide range of fair Trade products, although she wishes to extend it further.
<b>Suppliers</b>	The purchase department is in charge of making sure suppliers follow standards and rules of Fair Trade.	The purchase department is in charge of making sure suppliers follow standards and rules of Fair Trade. Fair Trade products are purchased centrally by the head office.	The purchase department is in charge of making sure suppliers follow standards and rules of Fair Trade.	The purchase department is in charge of making sure suppliers follow standards and rules of Fair Trade.
	Suppliers are managed centrally by the head office. Interviewee 1 does not receive feedback concerning supplier behavior.	Suppliers are managed centrally by the head office. Interviewee 2 does not receive feedback concerning supplier behavior.	Suppliers are managed centrally by the head office. Interviewee 3 does not receive feedback concerning supplier behavior.	Suppliers are managed centrally by the head office. Interviewee 4 does not receive feedback concerning supplier behavior.
	The code of conduct covers how to select and manage suppliers as well as how to assure safety at work, no child labor etc. He has confidence in that suppliers are selected and managed properly.	Interviewee 2 has not taken part of any code of conduct, however he believes that it covers how to approach customers in the store.	There is no code of conduct specifically for Fair Trade. The existent one covers management of customers. He believes that this code of conduct covers Fair Trade.	There is no code of conduct specifically for Fair Trade. The existent one covers management of customers. She states that rules of Fair Trade correspond to rules of ecological products.

	Stakeholders perceive Coop as a trustworthy company. Stakeholders recognize that Coop has a wide range of Fair Trade products. Customer surveys show a positive attitude towards Coop.	Stakeholders perceive Coop as a trustworthy company. By involving in Fair Trade activities, Interviewee 2 hopes this is appreciated by consumers.	Fair Trade and ecological products are recognized by stakeholders to be Coop's strengths.	Fair Trade and ecological products are recognized by stakeholders to be Coop's strengths.
<b>Employees</b>	Misconduct is managed by Interviewee 1 directly. No misconduct concerning Fair Trade has occurred.	Misconduct is managed by Interviewee 2 directly. Coop follows all rules.	Misconduct is managed by Interviewee 3 directly. Written policies regarding misconduct exist.	Misconduct is managed by Interviewee 4 directly.
	Fair Trade has a positive impact on the morale within Coop.	Fair Trade has a positive impact on the morale within Coop.	Fair Trade has a positive impact on the morale within Coop, due to that employees feel proud to offer Fair Trade products.	Fair Trade has a positive impact on the morale within Coop, due to that Fair Trade support progress in developing countries.
	The engagement in Fair Trade differs across the stores within the KF Göta corporate group; in larger cities it is usually higher.			
	Fair Trade is incorporated in all of the employees' work tasks, since Fair Trade is part of the product range. Hence the number of employees involved in fair Trade has not changed.	Fair Trade is incorporated in all of the employees' work tasks, since Fair Trade is part of the product range. Hence the number of employees involved in fair Trade has not changed.	Interviewee 3 does not know whether the number of employees involved in Fair Trade has changed over the years.	Interviewee 4 does not know whether the number of employees involved in Fair Trade has changed over the years.
<b>Fair Trade and the business</b>	Interviewee 1 is unaware of the reason for implementing Fair Trade.	Interviewee 2 does not know why Fair Trade was implemented, however it is an opportunity to make the world a better place.	Interviewee 3 says that human rights, social and environmental responsibility has always been Coops values. Therefore implementing Fair trade was a natural step.	Interviewee 4 says that since Coop cooperates with organizations such as 'Utan Gränsar' and 'Vi Skogen', Fair Trade was a natural step. Interviewee 4 believes that Fair Trade has existed in



				Coop since at least the year of 2000.
	The concept of Fair Trade provides a positive image, however he does not believe that Fair Trade affects Coop's image due to that Fair Trade only amounts to 0.6% of the total sales. He wants to increase this share in the future.	Fair Trade has positively affected the image of Coop.	Fair Trade has positively affected the image of Coop. A company offering Fair Trade is possibly more trustworthy, and takes social responsibility.	Fair Trade has positively affected the image of Coop. Fair Trade gives the correct image of what kind of company Coop is since Coop is not as profit driven as other companies.
	No resources are allocated to fair Trade activities specifically, but Interviewee 1 has the right to decide how to invest in Fair Trade. Fair Trade is more frequently advertised. No extra resources would be assigned to him if he would increase the share of fair Trade.	No resources are allocated to fair Trade activities specifically, but Interviewee 2 has the right to decide how to invest in Fair Trade.	No resources are allocated to fair Trade activities specifically, but Interviewee 3 has the right to decide how to invest in Fair Trade. When offering Fair Trade to consumers in the store, Coop's head office sent free products.	No resources are allocated to fair Trade activities specifically, but Interviewee 4 has the right to decide how to invest in Fair Trade.
<b>Communication of Fair Trade</b>	Coop uses information material made available by Fair Trade Sverige when communicating with customers. Fair Trade products are promoted in weekly advertisement leaflets.	Communication with customers through advertisement leaflets is managed by the head office.	Coop centrally is responsible for assuring that truthful and correct information is communicated to consumers. Information communicated at store-level is Interviewee 3's responsibility. Coop activates Fair Trade products through direct advertisement.	To assure that the communicated information is correct, clear and distinctive is everyone's responsibility. Honesty is part of Coop's written values.
	Both Fair Trade products and shelves are marked with the Fair Trade label.	Interviewee 2 says that the values of Fair Trade are communicated to the employees.	The communication within Coop regarding Fair Trade is good.	Interviewee 4 tries to push towards increased sales of Fair Trade products and communicates these ambitions.

	Customers are being informed about Fair Trade in the store, simultaneously as they are given the opportunity to try Fair Trade products.	Customers are being informed about Fair Trade in the store, simultaneously as they are given the opportunity to try Fair Trade products. Further activities involving Fair Trade are performed in cooperation with Svenska Kyrkan and Naturskyddsförening en.	Customers are being informed about Fair Trade in the store, simultaneously as they are given the opportunity to try Fair Trade products. Additionally, a women knowledgeable within Fair Trade has been invited to the store to inform customers. The marketing of Fair Trade products could be improved, with more emphasis on the label rather than the product.	Customers are being informed about Fair Trade in the store, simultaneously as they are given the opportunity to try Fair Trade products. There are certain Fair Trade weeks where Fair Trade products are advertised more. It is important to promote Fair Trade products.
	Fair Trade is consistent throughout Coop.	Fair Trade is re-occurring. During certain weeks, Fair Trade is more visible.	Fair Trade is not consistent throughout Coop.	Interviewee 4 does not know whether she thinks Fair Trade is consistent throughout Coop.
<b>Deliberate or emergent strategy</b>	There are no established strategies concerning the economical aspects of Fair Trade. Fair Trade constitutes 0.6% of the total sales.	Long-term strategies are managed by the head office.	He is not aware of long-term strategies concerning the economical aspect Fair Trade.	She is not aware of long-term strategies concerning the economical aspect Fair Trade.
	There are no direct goals of what to achieve concerning Fair Trade, but from 2013, Fair Trade will be a concept on the meetings. Clearer goals would facilitate follow up, evaluation and the work with Fair Trade.			
	There is a stable development of Fair Trade.	Interviewee 2 relies on numbers he receives from Interviewee 1.	There is a stable development of Fair Trade.	There is a stable development of Fair Trade, a small increase.

	Evaluation of Fair Trade initiatives are measures through the sales share of Fair Trade products.	Evaluation of Fair Trade initiatives are measures through the sales share of Fair Trade products.	Evaluation of Fair Trade initiatives are measures through the sales share of Fair Trade products.	Evaluation of Fair Trade initiatives are measures through the sales share of Fair Trade products. This store is said to have the largest Fair Trade share in KF Göta.
	The head office is in charge or assuring that suppliers follow laws and rules of Fair Trade.	The head office is in charge or assuring that suppliers follow laws and rules of Fair Trade.	The head office is in charge or assuring that suppliers follow laws and rules of Fair Trade.	The head office is in charge or assuring that suppliers follow laws and rules of Fair Trade.
<b>Subjective performance</b>	The most important goal is to contribute to improve the conditions of humans and the environment. Coop achieves these goals well, however there is always room for improvement.	The most important goal is to implement the values of Fair Trade. Coop achieves these goals properly, although not perfectly.	The most important goal is to increase the sales share of Fair Trade and the exposure of the product. These goals have not yet been achieved.	The most important goal is to acquire a broader product range as well as improve the exposure of Fair Trade products through marketing. They are working towards accomplishing the goals as well as they can.
<b>Content analysis</b>	Sustainability and responsibility were emphasized to a large extent and mentioned in all of the communicated material. CSR was mentioned in the written material apart from the website and the annual report. However it was not given as much emphasis as sustainability and responsibility. Not a lot of emphasis was given to Fair Trade, it was only mentioned in Coop's general values and policies 'Tillsammans kan vi' and the website.			

## 6.2.2 Connections

Table 6.2, Data display for connections

Aspects of Connections	Interviewee 1	Interviewee 2	Interviewee 3	Interviewee 4
<b>Suppliers</b>	Stakeholders are consumers, suppliers, employees and the environment.			
	Supplier selection is based on the code of conduct. If suppliers do not follow the code of conduct, their behavior must change. Evaluating suppliers is carried out by organizations external to Coop. If there is a Fair Trade supplier that	Examples of what criteria suppliers are selected based on are working conditions. The head office is in charge of whether suppliers follow rules and laws of Fair Trade. He is convinced that this is managed well.	The head office is in charge of selecting, managing and evaluating suppliers.	The head office is in charge of developing criteria for selecting suppliers.

	Coop does not cooperate with, Fair Trade Sverige will let Coop know.			
	Interviewee 1 is not in direct contact to Fair Trade suppliers.	Interviewee 2 is not in direct contact to Fair Trade suppliers.	Interviewee 3 is not in direct contact to Fair Trade suppliers.	Interviewee 4 is not in direct contact to Fair Trade suppliers.
<b>Supplier relationships</b>	The balance of power between Coop and its suppliers is good. It is of great importance to behave righteously especially to small suppliers.	The balance of power between Coop and its suppliers is good.	The balance of power between Coop and its suppliers is good.	The balance of power between Coop and its suppliers is good.
	Coop is perceived as a serious and good business partner. There are guidelines of how Coop should act towards their suppliers, which are also known by the organization.	Interviewee 2 believes that the relationship to suppliers is good. There are no communicated goals for how Coop wants to be perceived.	Since suppliers are managed by the head office, Interviewee 3 is not aware of any guidelines for how Coop wants to be perceived by suppliers.	Coop has the goal of being perceived as a strong partner.
<b>Employees</b>	There are no specific requirements when hiring new personnel. However, knowledge within the area could be beneficial.	There are no specific requirements when hiring new personnel. However, knowledge within the area could be beneficial.	There are no specific requirements when hiring new personnel.	There are no specific requirements when hiring new personnel.
	The communication within Coop is open and flexible. Communication with employees and other stores within KF Göta is carried out through weekly information letters. Some weeks Fair Trade is brought up.	The communication within Coop is open and flexible.	The communication within Coop is open and flexible.	The communication within Coop is open and flexible. Interviewee 4 try to push towards selling more Fair Trade products.
	Coop engages in responsible management of employees. The human resource department takes care of personnel issues. Coop wants to be a good employer. They carry out a survey to evaluate the relationships to management and employees.	Coop engages in responsible management of employees. Interviewee 2 says that they follow all rules concerning personnel management in Sweden.	Coop engages in responsible management of employees. Co-worker meetings and dialogue cover issues regarding leadership and relationships among co-workers. KF Göta and Coop have developed their own guidelines additionally to following the collective labor	Coop engages in responsible management of employees. Interviewee 4 says that they follow all rules concerning personnel management in Sweden.

			agreement.	
<b>Consumers</b>	The population in each town tend to reflect the customer base of the store in respective area. The customers are primarily the owners/members of Coop. Fair Trade does not determine if customers choose Coop over competitors.	The population in each town tend to reflect the customer base of the store in respective area.	The population in each town tend to reflect the customer base of the store in respective area.	The population in each town tend to reflect the customer base of the store in respective area. Environmental aware customers choose the Coop due to its wide range of Fair Trade products.
	Fair Trade is communicated through labels on the shelves, and information sheets in the stores. Advertisement leaflets are thoroughly controlled to assure truthful information.	Advertisement communication is managed centrally. He has full faith in that this is managed properly.	Advertisement communication is managed centrally. Brochures are handed out in the store, and a Fair Trade knowledgeable women will inform customers about the concept. Truthful information handed out in the store is Interviewee 3's responsibility.	Promoting Fair Trade products is carried out through using existing material regarding Fair Trade. Their diploma is also visible in the store.
	No encouragement to engage in Fair Trade activities is carried out for customers.	Some encouragement to engage in Fair Trade activities for customers exists during activities in the store in cooperation with Svenska Kyrkan and Naturskyddsförening en.	No direct encouragement to engage in Fair Trade activities is carried out for customers.	No direct encouragement to engage in Fair Trade activities is carried out for customers.
<b>Deliberate or emergent strategy</b>	Since there are no specific goals for Fair Trade, these cannot be communicated to employees. If goals are developed in the future, these will be communicated.	There are no communicated goals for Fair Trade. Long-term relationships are important to Coop. Interviewee 2 is not aware of any future plans of Fair Trade. Interviewee 2 has control of to what extent Fair Trade is part of the store.	Interviewee 3 expresses the desire to increase the Fair Trade sales share with about 20% in the store. This would be achieved through promoting Fair Trade products in the store.	The future plans of Interviewee 4 are to acquire a broader Fair Trade product range, and to work towards increase attention of Fair Trade.

	There is no evaluation of follow-up regarding whether employees have understood communicated information regarding Fair Trade. This becomes evident in the daily work.	There is no evaluation of follow-up regarding whether employees have understood communicated information regarding Fair Trade. This becomes evident through listening and a controlling board group.	There is no evaluation of follow-up regarding whether employees have understood communicated information regarding Fair Trade. This becomes evident through co-worker meetings and the daily work.	There is no evaluation of follow-up regarding whether employees have understood communicated information regarding Fair Trade. This becomes evident through for example control questions.
	No customer evaluation is made solely concerning Fair Trade.	No customer evaluation is performed locally. However an evaluation across the country is made to assess how Coop is doing.	No customer evaluation or follow-up is made on store level.	No customer evaluation or follow-up is made on store level.
	The category lead in Stockholm engages in dialogue with supplier and reoccurring measuring of performance, however the dialogue is not evaluated. Guidelines of how to select, manage and how to communicate with suppliers is described in the code of conduct, which is handles by the head office.	Coop has guidelines of how to select and manage suppliers, although this is handled centrally. Evaluation and follow-up is carried out centrally, however concerning campaigns stores are responsible to some extent.	Selection and management of suppliers is managed by the head office of Coop, hence Interviewee 3 is not aware of how this is performed. He is not aware of if guidelines of how to manage and evaluate suppliers, this is performed by the head office. Interviewee 3 relies on written guidelines when involved in dialogue with suppliers.	Selection and management of suppliers is managed by the head office of Coop. Evaluation and follow up is performed by the head office.
<b>Subjective performance</b>	The most important goal is to store Fair Trade products in large volumes in order to avoid deficits. Due to no deficits at the present, these goals have been achieved. There is still room for improvement since Coop has most of the Fair Trade products available, but the exposure of these could be improved.	The most important goal is to maintain, and possibly increase the sales share of Fair Trade products. They try to incorporate Fair Trade as much as possible, but it could be improved.	The most important goal is to reach out with information regarding why it is important to purchase Fair Trade products. They have not yet reached this goal, however they are actively working towards accomplishing the goal.	The most important goal is to acquire a broader product range and to continue working in the same manner. The goals have been fully accomplished.

<b>Content analysis</b>	The most mentioned concept concerning connections was suppliers. Cooperation was mentioned in Coop's general value and policies, Coop's code of conduct for suppliers and the annual report. Standards was written in all of the documents except the annual report however it was not largely emphasized. Working conditions was emphasized in all of the documents except for the website and the annual report. Transparency was mentioned in Coop's general value and policies, Coop's code of conduct for suppliers and the annual report.
-------------------------	---

### 6.2.3 Consistency

*Table 6.3, Data display for consistency*

<b>Aspects of Consistency</b>	<b>Interviewee 1</b>	<b>Interviewee 2</b>	<b>Interviewee 3</b>	<b>Interviewee 4</b>
<b>Suppliers</b>	The management of suppliers and partners is carried out by an organization external to Coop.	The management of suppliers and partners is carried out by Coop centrally. Coop has developed criteria of how to select and manage suppliers.	KF Göta manages smaller suppliers, while Coop centrally handles large suppliers.	Suppliers are managed centrally. Interviewee 4 believes that this is working well, but she does not know how the safety and well being of employees of suppliers to Coop is evaluated.
	If a supplier or partner would engage in voluntary activities, we would assist them, since we are well developed concerning voluntary activities.	The task in relation to suppliers is to maintain good relationships.	The task in relation to local suppliers is to maintain a positive working environment.	The task in relation to suppliers is to demand more Fair Trade product. She stressed the importance of lifting Fair Trade product when possible.
	No information has been communicated regarding suppliers' improvement of social behavior directly to Interviewee 1, however this is performed at the head office.	No information has been communicated regarding whether suppliers have improved their social activities after becoming partners with Coop. Interviewee 2 feels that this would be interesting to know.	In order to become a supplier of Cop, the supplier must follow the collective working agreement, which might have forced some suppliers to make changes. However no information regarding this has been communicated.	No specific feedback has been received other than information that suppliers are content with the Fair Trade purchases of Coop.
<b>Employees</b>	Computerized educational programs regarding how to behave where ecological and Fair Trade aspects are incorporated exist.	The store carries out an introduction course, although this includes how to manage customers and relations to co-workers.	Fair Trade is not included in the material handed out to the employees. However ethical behavior is. Interviewee 3 is not aware whether Coop has educational programs for employees which	Coop engages in education and training for employees regarding ethical behavior and sustainable relations with stakeholders through web-based education and verbal communication.

			include Fair Trade aspects.	
	Interviewee 1 did not receive any specific training or education regarding Fair Trade.	Interviewee 2 says that he has received information during a meeting, however no specific Fair Trade education or training has been carried out.	There are guidelines for how to carry out working tasks related to Fair Trade. However he has not received specific education.	Interviewee 4 chooses to work a lot with Fair Trade products, although this is somewhat due to that it is a personal interest of hers.
	There is not specific support from the head office concerning Fair Trade.	The support from management regarding Fair Trade is good.	The support from management regarding Fair Trade is good, especially from KF Göta, but also from Coop's head office.	The support from KF Göta regarding Fair Trade is good.
<b>Consumers</b>	Coop engages in voluntary activities, and Interviewee 1 brings up some examples of these activities as mentioned in the empirical chapter.	Employees have the possibility to engage in voluntary work through 'Utan Gränser'. Coop engages in voluntary activities.	Employees have the possibility to engage in voluntary work through 'Utan Gränser' and 'Vi Skogen'.	Employees have the possibility to engage in voluntary work through 'Utan Gränser' and 'Vi Skogen'. Additionally Coop received an award for changing to railway deliveries.
<b>Deliberate or emergent strategy</b>	Evaluation concerning Fair Trade initiatives is performed through measuring the sales share of Fair Trade products.	Evaluation concerning Fair Trade initiatives is performed through measuring the sales share of Fair Trade products, which Interviewee 2 receives information about from Interviewee 1.	Evaluation concerning Fair Trade initiatives is performed through measuring the sales share of Fair Trade products.	Evaluation concerning Fair Trade initiatives is performed through measuring the sales share of Fair Trade products.
	Supplier management and evaluation is performed by the head office.	Supplier management and evaluation is performed by the head office.	Supplier management and evaluation is performed by the head office.	Supplier management and evaluation is performed by the head office.
	There are no specific guidelines for day-to-day behavior in the context of Fair Trade. However there are working schedules for working activities in the store. Since Fair Trade is a part of the product range, they	There are no specific guidelines for day-to-day behavior in the context of Fair Trade. However there are working schedules for working activities in the store. Since Fair Trade is a part of the product range, they	There are no specific guidelines for day-to-day behavior in the context of Fair Trade. However there are working schedules for working activities in the store. Since Fair Trade is a part of the product range, they are included in the	There are no specific guidelines for day-to-day behavior in the context of Fair Trade. However there are working schedules for working activities in the store. Since Fair Trade is a part of the product range, they



	are included in the common employee tasks.	are included in the common employee tasks.	common employee tasks.	are included in the common employee tasks.
	Coop has written values and procedures, however no specific ones for Fair Trade on store level.	Coop has written values and procedures, however no specific ones for Fair Trade on store level.	Coop has written values and procedures, however no specific ones for Fair Trade on store level.	Coop has written values and procedures, however no specific ones for Fair Trade on store level.
<b>Subjective performance</b>	The most important goal is to be the leading grocery store of Fair Trade in Sweden. Coop is working well towards this goal, however there is room for improvement.	Interviewee 2 could not answer this question.	The most important goal is to be a trustworthy company. Coop achieves these goals.	Interviewee 4 could not answer this question.
<b>Content analysis</b>	Coop's policy for sustainability and Coop's code of conduct for suppliers mentioned education once.			

#### 6.2.4 Subjective performance

*Table 6.4, Data display for subjective performance*

<b>Subjective performance</b>	<b>Interviewee 1</b>	<b>Interviewee 2</b>	<b>Interviewee 3</b>	<b>Interviewee 4</b>
<b>General performance</b>	The general performance is good in regard to the range of products that Coop offers. Still the marketing of the products could be improved.	The general performance is respectable.	The general performance of Fair Trade is good, however it could be improved.	Interviewee 4 believes that they are doing their best to reach the goals of Fair Trade. However there is also room for improvement.
<b>Performance in relation to competitors</b>	Coop is well developed concerning Fair Trade aspects in relation to competitors.	Locally the store is performing better than its competitors.	In comparison to Coop's competitors, Coop is superior.	In comparison to competitors, she believes that Coop's performance is much better.

## **6.3 Interpreting the data display**

### **6.3.1 Commitments**

The following subsections elaborate the commitment to Fair Trade in order to answer research question 1.

#### **Economical, legal and ethical domain**

Evaluation of Fair Trade initiatives is solely carried out regarding the sales share of Fair Trade products. This might seem to contradict the statement where profit is argued not central. However, since the margin of profit is relatively low on these products the profit from increased sales of Fair Trade products is primarily benefiting the Fair Trade suppliers aiming at improving the situation of disadvantaged workers and producers. I.e. Coop would make a higher profit on increasing the sales share of other products. Since Fair Trade has been argued not to be profit driven, and rather constitute values such as justice and fairness according to Castelló and Lozano (2009) and Fridell (2009) the commitment to Fair Trade by Coop can be viewed to conform to the primary focus of Fair Trade. The values of Fair Trade align with Coop's core values which can be connected to that Coop is a cooperative society and might differ from other profit driven companies. Since there has been an identified trend of consumers valuing ethical elements rather than price benefits (Nicholls, 2002; Randall, 2005) Coop would benefit from promoting that Fair Trade values are in line with Coop's values. Examples of activities within the economic domain are improving the company image (Schwartz and Carroll, 2003). All the research subjects agreed that Fair Trade composes a positive image and the three store managers believe that Coop benefits from incorporating this concept. Hence, it may be true that the economic domain exists for Fair Trade within Coop. Interviewee 1 states that since Fair Trade constitutes solely 0,6 % of the total sales of Coop, the image may not be affected by Fair Trade. Considering this, the economic aspect may not be of great importance, and it may be argued that the economic domain is not present at Coop. Schwartz and Carroll (2003) discuss the importance of the presence of the economical dimension in CSR activities. Since Fair Trade provides a positive image it might be advantageous to increase commitment to Fair Trade, which may have been observed by the interviewees since increased marketing exposure of the products was emphasized.

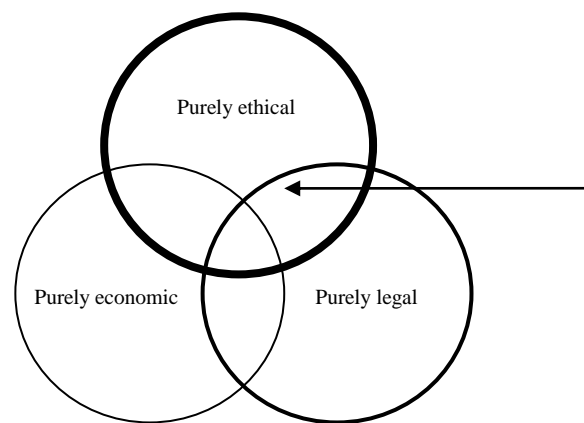
The employee morale is positively affected by Fair Trade according to the interviewees. A reason for this was that employees are proud of working for an employer providing Fair Trade products. This might be due to that Fair Trade products incorporate non-financial values,

hence these products provide the opportunity to commit to social responsible practices. This could also indicate that soft values incorporated in Coop increase commitment from the employees. An example of this is the store manager, Interviewee 2, stating that Coop's values and commitments to Fair Trade constitute an added advantage of working for the company. Since values evidently are important for employees at Coop, the enhancement of employee morale may not be motivated by increasing the profit or sales share (Schwartz and Carroll, 2003). This again indicates that the economical domain is not of main significance in regard to Fair Trade for Coop.

The interviewees concurred that legal aspects of Fair Trade were followed within Coop, while they were not aware of how compliance to Fair Trade standards were upheld among Fair Trade suppliers. This suggests that the legal domain elaborated by Schwartz and Carroll (2003) may be present, however this is not communicated throughout the organization. The respondents expressed faith in that activities carried out centrally by Coop were managed correctly.

The respondents were aware that a code of conduct in relation to managing suppliers existed yet the store managers had not taken part of any code of conduct specifically for Fair Trade. This indicates a lack of commitment or communication regarding Fair Trade. Fair Trade is argued to be a positive commitment since the interviewees all perceived Coop as trustworthy and strong in the areas of ecological and Fair Trade products. This is supported by the fact that customer surveys show positive attitudes towards Coop in regard to the Fair Trade concept. This further shows that stakeholders have an optimistic view towards Fair Trade commitments. Since suppliers are managed by the head office there might not be a need for guidelines and procedures concerning Fair Trade work tasks on store level. This is further supported by that no misconducts regarding Fair Trade were known to the interviewees. Coop centrally is responsible for informing consumers about Fair Trade through developing advertisement leaflets. However each store manager has to assure that information communicated individually by the store is truthful and honest. It was emphasized by the interviewees that inaccurate information does not occur since honesty is a central aspect of Coop's written values and this is known to the employees of Coop. It can be argued that Coop commits well to communicate truthful information concerning Fair Trade to consumers, based on the responses of the interviews. The communication within Coop is however not sufficient since no information about supplier management or legal compliance is performed. However, the employees were aware of the values included in Fair Trade, indicating that the employees'

perception of open and flexible communication exists. Since no code of conduct specifically for Fair Trade exists, the ethical domain debated by Schwartz and Carroll (2003) might not exist. Contradicting this is the fact that the interviewees believe that Coop is perceived as trustworthy and capable of practicing Fair Trade, that no misconduct within Coop in regard to Fair Trade has occurred, truthful information is a crucial aspect of the organization, and that the employee morale has improved due to the values that Fair Trade include. Thus, the ethical aspect is most presumably highly present within Coop.



The analysis indicates that Coop's commitment to Fair Trade is largely ethical. However, it is to some extent legal, and even less economical. Hence, Coop would position itself around this area.

*Figure 6.1, The Three-Domain Model of Corporate Social Responsibility as adopted from Schwartz and Carroll (2003)*

### **Products and suppliers**

Coop may be argued to have a high commitment to Fair Trade in regard to that the interviewees perceive the product range to be wide, including most Fair Trade products available in the market. The desire to expand the Fair Trade product range may indicate a high commitment from the interviewed store managers. Although, concerning suppliers the commitment to Fair Trade is said to be lower since the suppliers are managed and evaluated centrally. Information is not communicated directly to the managers, rather reports and campaigns are made available according to the manager at Coop's head office. This indicates a lack of communicated information regarding Fair Trade suppliers. Due to that Coop is a large company and the fact that the Fair Trade suppliers are very distant from the store managers of Coop it is not surprising that activities involving Fair Trade suppliers is managed by Coop centrally. Yet, it would be advantageous if each store manager committed to the task of demanding more Fair Trade products at all times from the head office.

## **Communication**

Since Fair Trade improves the employee morale, this demonstrates that the employees are likely to be well-aware of what Fair Trade involves. In turn this might signal that Fair Trade is well-communicated throughout the organization, i.e. good communication and commitment from the management. Andersen and Skjoett-Larsen (2009) emphasize that knowledge about the history of CSR is beneficial for the practicing of CSR activities. Since the interviewees did not know the history of Fair Trade, Fair Trade activities may not be fully utilized or implemented. The lack of knowledge regarding the Fair Trade history may also indicate gaps in communication. Communication of Fair Trade values is argued advantageous since employees appreciate these. Knowledge about all aspects would possibly increase commitment to Fair Trade by management and employees within Coop. Since managers have the power to, to a large extent, influence the presence of Fair Trade within the store, higher involvement would positively affect the practices of Fair Trade. Additionally, employee interest in Fair Trade in the store becomes evident, which could result in higher customer awareness concerning Fair Trade. Information tools could enhance the communication within Coop, due to that possibilities of improvement are said to exist. Nevertheless, since the interviewees perceive Fair Trade as a natural step for Coop to take due to its aligning values it shows that the employees are well-aware of Coop's core values and how the different concepts connect.

## **Fair Trade activities**

The interviews showed that no specific staff is assigned to Fair Trade tasks which evidently results in no change of the number of employees working solely with Fair Trade. None of the respondents were assigned financial resources allocated especially for Fair Trade activities. Andersen and Skjoett-Larsen (2009) explain that assigning personnel or resources to CSR activities indicate whether the organization commits to CSR, which points towards that Coop is not fully committed to Fair Trade. However it could also indicate that Fair Trade commitments do not involve assigning resources to such activities. Since the store managers have the ability to decide how to allocate resources in their stores the commitment to Fair Trade is dependent on the commitment from the individual store manager. However, some activities were performed, e.g. all the stores carried out the activity of providing customers with the possibility to try Fair Trade products in the store while being informed of the concept of Fair Trade. Additionally, the stores of interviewees 2 and 3 cooperate with organizations and people in order to promote Fair Trade products. Increasing the number of Fair Trade

activities for the employees, customers, and community could increase the knowledge and engagement in the concept of Fair Trade, possibly resulting in increased commitment to purchasing and promoting such products. Additionally, the researchers emphasize the importance of integrating CSR within the whole organization. It was not clear to the interviewees to what extent social issues such as Fair Trade were integrated within Coop. This indicates a need for improved communication of commitments to Fair Trade in this regard. It further indicates that Coop does not fully commit to Fair Trade, or that the literature does not correspond to reality.

### **Content analysis**

The content analysis further supports the statement where Fair Trade commitments could be communicated more within the organization. The results show that Fair Trade was not given a lot of emphasis in the written material of Coop and was only mentioned in Coop's general values and policies 'Tillsammans kan vi' and the website. CSR was mentioned to some extent in the material, apart from the website and the annual report. On the other hand, responsibility and sustainability were mentioned in all of the material and was largely emphasized. Committing to Fair Trade is said to have motives other than financial, hence greater emphasis could be put on CSR and Fair Trade in the communicated material since these incorporate non-financial values. Non-financial values were by the interviewees said to be important for Coop.

### **Performance of Fair Trade commitments**

This subsection elaborates the subjective performance of Fair Trade commitments in order to answer the second research question. The interviewees mentioned the most important goals concerning Fair Trade commitments to be to contribute to improvement of conditions for disadvantaged workers by implementing Fair Trade. A broader product range, increased sales share and exposure of Fair Trade products were mentioned as steps to achieve these goals. The goals have not yet been achieved according to the interviewees, however they are actively working towards achieving these and they are content with their performances at the present, however they acknowledge room for improvement. It might be argued that there is room for improvement in regard to clearer goals of how to increase sales share. Since there are several aspects indicating shortcomings of Fair Trade commitments, the commitment of Fair Trade is not practiced according to 3C-SR. Thus there might be a lack of utilization and commitment to Fair Trade practices according to the 3C-SR model. This may have influenced that the subjective assessment of Fair Trade performance at Coop includes room for improvement.

### **Strategy for Fair Trade commitments**

This subsection elaborates the strategy for Fair Trade commitments in order to answer the third research question of the study. The interviewees were not aware of any long-term strategies concerning Fair Trade. Either such strategies do not exist, or they have not been communicated. This indicates that communication of commitments and clearer long-term strategies might not be superior. As mentioned by the interviewee 1, it is easier to work towards and evaluate clear and distinct goals. The interviewees had several examples of Fair Trade activities, however none had goals of what to achieve with these activities. Furthermore, nothing other than the sales share was evaluated, which indicates that the activities are not followed-up. Hence, it may be difficult to work towards achieving the goals, since no suggestions for improvements can be made. The evaluation of Fair Trade on store level solely includes measures of the sales share. The development of Fair Trade within Coop is rather constant and no distinct increase prevails. The lack of success of increasing the sales share of Fair Trade products could be due to non-existing goals. There may have been an overall intention of implementing Fair Trade, nevertheless this intention was not communicated, and no guidelines of implementation exist. According to Mintzberg and Waters (1985), this indicates that the strategy of committing to Fair Trade was rather emergent. Additionally Ketokivi and Castañer (2004) emphasize goal setting, visions, strategy, plans, and goal convergence within the organization as part of strategic planning which did not exist at Coop. Hence, the deliberate strategy does not prevail on store level within Coop. Although a code of conduct with guidelines of how to manage suppliers exists, there is no code of conduct specifically for Fair Trade. There might be some features of the deliberate strategy of commitment at top management level, nevertheless, at district and store level, commitment is emergent. This is also supported by the content analysis, where the results show that no communicated guidelines and plans were identified in the analyzed communicated material.

### **6.3.2 Connections**

The following subsections elaborate the commitment to Fair Trade in order to answer research question 1.

#### **Code of conduct for suppliers**

The code of conduct works as criteria for Coop when selecting, managing and evaluating suppliers, which supports the research of Andersen and Skjoett-Larsen (2009). However, the researchers list social issues as part of the code of conduct, and Fair Trade was not

incorporated in it at Coop. Additionally, it is important that the code of conduct incorporates values of how the organization wants to be associated. Fair Trade was not included in the document, which could imply that Coop does not value Fair Trade in the sense of being associated with the concept. Contradicting this is the statement that the employees are well aware of the values included in Fair Trade. The criteria and supplier related activities are managed by the head office, however as stated by the manager at Coop's head office, there is no specific system for Fair Trade suppliers in particular. Rather, these follow the same system developed for other suppliers. Due to that the code of conduct, as well as the system of selecting and managing suppliers, did not embrace the Fair Trade concept in particular, it is argued that Fair Trade is not well integrated within connections of Coop. This is further supported by the fact that the interviewees did not receive information regarding whether Fair Trade was incorporated in the selection, management or evaluation of Fair Trade suppliers.

### **Supplier management**

Since the head office handles issues concerning suppliers none of the interviewees were in contact with the suppliers. Maak and Pless (2006) recognize issues with managing stakeholders, such as ethical challenges. These challenges may be a reason why Fair Trade suppliers are managed by the head office, since top management may be most capable of approaching such suppliers. Additionally, the researchers emphasize that there are multiple stakeholder relationships to manage, which may result in excessive work for store managers. This indicates that the system of managing Fair Trade suppliers through the head office is well developed. On the contrary, Freeman (2004) emphasizes that when suppliers conduct immoral behavior, the company is associated to this behavior. Hence, if Coop's Fair Trade suppliers do not follow standards, this would induce a negative reputation on Coop. According to Jamali (2008) a way of connecting CSR to the stakeholder theory is to assure employee security, good working conditions, no child labor etc. Since Coop itself engages in responsible management of employees through following the Swedish labor agreement, they could be argued to implement CSR well within the stakeholder theory. However, since the interviewees are not in direct contact with Fair Trade suppliers they are not aware of how the suppliers' employees are handled. The stakeholder theory, in connection to Fair Trade, is not clearly present at district or store level. Evidently, it may be advantageous if all managers were aware of the activities of Fair Trade suppliers to some extent, since this would increase the involvement of Coop's connections in Fair Trade. However, as argued by Davies and Crane (2003) and Andersen and Skjoett-Larsen (2009), difficulties of selecting and managing



suppliers exist, hence the head office of Coop might be appropriate to handle such tasks. The interviewees did believe that Coop was perceived as a good business partner. This could imply that the system of managing suppliers is well developed, although, as mentioned previously communication could be improved. It could also indicate that there is trust and mutual cooperation and communication between Coop and its suppliers, which is stated to be part of the stakeholder theory by Hemingway and MacLagan (2004).

### **Employee requirements**

Coop has no specific requirements regarding Fair Trade when hiring personnel. Knowledge or interest of Fair Trade was mentioned as a possible advantage however it was not determining. Increasing the presence of Fair Trade among employees may improve if Fair Trade was identified as a qualification when selecting employees. The communication among employees concerning Fair Trade is said to be open and work well, and as argued earlier, employees seem well aware of the values that Fair Trade incorporates. This indicates that Fair Trade as a requirement when hiring at Coop may not be necessary. The communication of Fair Trade is said to be crucial for integrating the concept among connections according to Jamali (2008). Fair Trade is more emphasized during some weeks through information letters to employees, which indicates that Coop attempts to inform already employed personnel about the concept. Hence, this suggests that Coop has integrated Fair Trade well concerning connections.

### **Consumers**

The customer base of the stores is said to depend on the population of the area while Fair Trade is not an influencing aspect. However, one of the store managers identified a trend where customers choose Coop due to its wide range of Fair Trade products. The store is said to have superior performance of Fair Trade within KF Göta. This indicates the importance of distinguishing the store based on Fair Trade and the need to promote these products. Higher customer awareness could possibly lead to customers choosing Coop due to Fair Trade. The importance of communication is emphasized by Jamali (2008). Managing communication procedures towards customers centrally may present an advantage since it is likely to decrease the risk of inaccurate information if it is reviewed and controlled by someone who has special skills for such activities. According to Jamali (2008) this is crucial when communicating Fair Trade information to consumers. Although, it seems advantageous to involve in local activities such as informing about Fair Trade and cooperation with external organizations. This would contribute to tailoring Fair Trade communication to each city.

No or very little encouragement of customer engagement in Fair Trade activities apart from offering Fair Trade products is performed by the stores according to the interviewees. This contradicts the study of Jamali (2008). If Coop would encourage customers to engage in Fair Trade activities to some extent, this might result in higher customer awareness of Fair Trade and increased sales of the Fair Trade products. This could also contribute to customers choosing Coop over its competitors for its Fair Trade connections.

### **Content analysis**

Regarding connections, 'suppliers' was the most emphasized concept according to the content analysis result. 'Cooperation', 'working conditions' and 'standards' were mentioned in most of the documents. These results show that connections are more consistently communicated than the previously discussed commitments. However, 'transparency' was only mentioned in three of the documents. Since some aspects of connection, e.g. the system of supplier management and truthful communication to consumers, the consistency of connections derived from the content analysis support the data derived from the interviews.

### **Performance of Fair Trade connections**

This subsection elaborates the subjective performance of Fair Trade connections in order to answer the second research question. Important goals expressed by the interviewees concerning Fair Trade connections are as follows; to avoid deficits by storing Fair Trade products, maintain and increase the sales share of Fair Trade products, reach out with information regarding why it is important to purchase Fair Trade and to acquire a broader product range. The interviewees stated that they are working well to achieve these goals, however there is always room for improvement. In order to avoid deficits good relationships to Fair Trade suppliers should be maintained, and a well working relationship with the head office who manages Fair Trade suppliers should prevail. Hence, managers at all levels should to some extent be involved in Fair Trade suppliers. A wider product range and larger sales share entail expanding the supplier base with new supplier connections. In order to improve the exposure of Fair Trade it might be of importance to develop the involvement of the employees in increasing the customer awareness of Fair Trade. Additionally, Fair Trade could be more frequently communicated through written information to employees as well as customers. Fair Trade connections are not utilized based on the 3C-SR model, which is motivated based on that some aspects are performed well, as opposed to some that need improvement. Since room for improvement of Fair Trade performance prevailed, it is argued

that the lack of utilization of Fair Trade connections may have affected the subjective performance.

### **Strategy for Fair Trade connections**

This subsection elaborates the strategy for Fair Trade connection in order to answer the third research question of the study. Mintzberg and Waters (1985) discuss intentions, communication of these through guidelines and implementation exactly according to the plans as part of the deliberate strategy. The code of conduct acts as a guideline of how to select and manage suppliers, however, it is not specified for Fair Trade in particular. This indicates that deliberate aspects exist, although the emergent strategy is more present for connections of Fair Trade supporting the literature of Russo and Perrini (2010). Interviewee 1 states that there are guidelines of how Coop's employees should act towards suppliers in order to be perceived as a good business partner, and that this is known to all of the employees within Coop. Nevertheless, the store managers state that they were not aware of such guidelines which might indicate a lack of communication of goals concerning connections. This suggests that there are intentions from top management of how to be perceived, although these are not communicated throughout the entire organization. According to Ketokivi and Castañer (2004), this points to an absence of deliberate strategy regarding connections. This is further supported by the fact that the interviewees are not aware of specific goals (Ketokivi and Castañer, 2004) for Fair Trade in relation to connections. In order to develop Fair Trade evaluations could assess how to proceed to reach goals. However, they all express a desire to increase the sales share of Fair Trade. Reasons for why this has not yet been achieved are possibly the lack of customer evaluations concerning Fair Trade, formulated goals for the entire organization, absence of guidelines and tools for accomplishment of activities. In other words, Coop has to work with Fair Trade connections to increase Fair Trade sales. There might be a need for clearer goals and planning (Galbreath, 2010) within the organization, in order to facilitate the work in the context of Fair Trade. As mentioned previously, some planning may prevail, however it seems it is rather informal, which is elaborated by Galbreath (2010).

### **6.3.3 Consistency**

The following subsections elaborate the commitment to Fair Trade in order to answer research question 1.

## **Suppliers**

One interviewee stated that her responsibility, in relation to suppliers, is to demand more Fair Trade products. The other respondents did not express any tasks in relation to Fair Trade suppliers since the head office is responsible for this. In order to expand the Fair Trade product range, it should lie in every store manager's task to demand Fair Trade products from the head office. This might push towards acquiring a broader range of products that is indirectly helping Fair Trade suppliers. If every manager considered it their responsibility to demand a broader Fair Trade range or increasing sales share, it would increase the consistency of commitment to Fair Trade among connections. This is supported by the research of Andersen and Skjoett-Larsen (2009). The interviewees state that they do not receive feedback regarding the suppliers' operations since this is all managed centrally. However, it was expressed that such information would be interesting to receive. This indicates that consistency regarding Fair Trade suppliers within Coop could be enhanced through improved communication. Andersen and Skjoett-Larsen (2009) emphasize the significance of influencing suppliers to engage in CSR activities. Since the interviewees were not aware of such efforts they may not exist or a lack of communications of these prevails. Both scenarios indicate a lack of consistency. Fair Trade suppliers are managed and evaluated by the head office. It is argued superior to supervise Fair Trade suppliers centrally and not on all levels in order to maintain consistent operations. Consistent verification systems does also, according to Giovannucci and Ponte (2005), contribute to transparency and credibility of Fair Trade activities. Several supply chain activities such as dialogue and evaluation of suppliers is also argued important by Andersen and Skjoett-Larsen (2009).

## **Employee education**

The manager at Coop's head office suggested that Fair Trade was included in the general education for Coop's employees. This was also mentioned by interviewee 1. Additionally, none of the interviewees received training or education regarding Fair Trade. Fair Trade education is a crucial part of consistency within a firm according to Andersen and Skjoett-Larsen (2009). The education at Coop is clearly not consistent since none of the interviewees had received such training, and the three store managers were not aware of Fair Trade education provided by Coop. The store managers should be given the opportunity to acquire some education regarding Fair Trade in order to be able to inform their store staff and assure that the values of Fair Trade are upheld and consistent. Monitoring that employees uphold Fair Trade standards is argued beneficial by Giovannucci and Ponte (2005). This could

possibly also lead to improved Fair Trade communication to consumers and assist in assuring that the communicated information is correct.

### **Fair Trade within Coop**

Andersen and Skjoett-Larsen (2009) argue that support from management at any level is essential. The interviewed store managers perceived the support from the management of KF Göta to be good for Fair Trade. However, interviewee 1 stated that he did not receive any specific support regarding Fair Trade from the head office. In order to improve consistency of Fair Trade across the organization and make sure operations are carried out in accordance with the head office's Fair Trade expectations it is argued important that the management is involved and supportive.

The interviewees said they did not engage in voluntary Fair Trade activities which has been debated important by Maak and Pless (2006). However, the interviewees mentioned offering Fair Trade products to consumers in the store, along with other activities carried out with the purpose to inform about Fair Trade. These could possibly classify as voluntary Fair Trade activities. Additionally, they engage in other voluntary activities. As mentioned previously an increased awareness and engagement of Fair Trade could assist in increasing the sales share and this could be achieved through involving the community in voluntary Fair Trade activities. Increasing consistency of Fair Trade could be achieved through emphasizing the concept during other voluntary activities. Incorporating these would also increase the consistency within the organization. Moreover, a lack of consistency prevails due to that the interviewees do not perceive themselves as involved in passive or active voluntary activities regarding Fair Trade. Hence, in order to maintain the actually performed activities, as well as increase the number of these, management support is essential through overall goals for example. Additionally, management should provide resources such as finances and personnel as well as tools for implementation. Additionally, employees were not provided with specific opportunities to engage in voluntary Fair Trade activities, which might increase the lack of consistency, as suggested by Maak and Pless (2006).

### **Importance of consistency**

Raynolds (2000), Nicholls (2002), Moore (2004) and Randall (2005) emphasize consistency as essential in order to attract the ethically aware consumers, i.e. consumers appraising real values such as the ones incorporating Fair Trade. The analysis indicates that room for improvement regarding Fair Trade consistency within Coop exists. This points to that the

sales share could be increased, since there may be a large number of consumers that have not yet been reached due to lack of consistency. Additionally, the authenticity of Fair Trade activities is essential as explained by Dickson and Eckman (2008) due to the increased media coverage of unethical behavior.

### **Content analysis**

The commitment to Fair Trade was not evident in the analyzed material. There was an apparent commitment to responsible practices and sustainability was highly emphasized. However, Fair Trade was absent in almost all material, which indicates a lack in commitment to Fair Trade in particular. This is true for CSR as well. This indicates that Fair Trade is not consistently committed through the communicated material of Coop. This supports the previous findings of the recognized lack of consistency of Fair Trade practices within Coop. This is true for Fair Trade connections as well, where 'suppliers' was the word most frequently accentuated word, however a lack of consistency among the other words was recognized.

### **Performance of Fair Trade consistency**

This subsection elaborates the subjective performance of Fair Trade consistency in order to answer the second research question. The interviewees list the most important goals concerning Fair Trade consistency as follows; to be the leading grocery chain of Fair Trade in Sweden and to be perceived as a trustworthy company. In order to achieve being the leading grocery chain, consistency across the organizations and among Coop's customers needs to improve. This would also contribute to Coop being perceived as a trustworthy company since correct information would be communicated. Two of the respondents could not state what the most important goals for Fair Trade consistency were. Yet again, the performance and accomplishment of goals among the interviewees could improve. Even though Russo and Perrini (2010) suggest that emergent strategy is superior concerning CSR activities, i.e. Fair Trade, it may be true that some extent of deliberant strategy would be preferable (Galbreath, 2010) in order to enhance consistency. There is a lack of utilization of consistency according to the 3C-SR model. Since the interviewees indicated room for improvement regarding Fair Trade consistency, an enhanced accomplishment of Fair Trade consistency within Coop could result in superior performance.

### **Strategy for Fair Trade consistency**

This subsection will discuss the strategy for consistency of Fair Trade within Coop in order to answer the third research question. No education regarding Fair Trade exists, and none of the interviewees have obtained education or training of Fair Trade behavior. This suggests that if any intentions or goals of Fair Trade exist, these are not properly communicated from top management. A deliberate strategy is said to involve aspects such as goals and planning according to Mintzberg and Waters (1985) and Ketokivi and Castañer (2004). In order to assure consistent behavior of Fair Trade within Coop, it would be beneficial to communicate goals and develop guidelines of how to practice Fair Trade which could be done through e.g. Fair Trade education. Russo and Perrini (2010) suggest emergent strategy to be positive concerning Fair Trade activities, although, this is disputed by Galbreath (2010). As mentioned earlier having clearer goals and evaluations may facilitate the work and present a clearer picture of the Fair Trade performance in general. This would also improve the consistency of how Fair Trade is performed and not be limited to the economical aspects. Since no more than one evaluation of Fair Trade is performed, the emergent strategy is said to prevail. This is further supported by the fact that no goals for these evaluations exist. There are no specific day-to-day guidelines in the context of Fair Trade behavior. Since Fair Trade is part of Coop's product range and no misconduct concerning Fair Trade has occurred this might not be an issue since there are guidelines for general behavior. However, it might increase consistency of Fair Trade behavior and communicated Fair Trade information if guidelines of how to behave and what information to provide customers with. Coop has written values and procedures, however none exist specifically for Fair Trade. This is connected to the issue of a lack of communicated goals for Fair Trade. Written values and procedures for Fair Trade would facilitate that consistent information is communicated to customers and employees of Coop. The lack of written values and procedures along with no day-to-day guidelines further indicate the absence of deliberate strategy regarding consistency of Fair Trade.

### **6.3.4 Subjective performance**

This subsection elaborates the subjective performance of Fair Trade in general in order to answer the second research question. All the interviewees state that the general performance regarding Fair Trade within Coop is good however, there is room for improvement.

As derived from the analysis the overall subjectively perceived goals stated by the interviewees have differed to a large extent and concerning Fair Trade consistency two of the interviewees could not respond what the most important goals were. This indicated that an

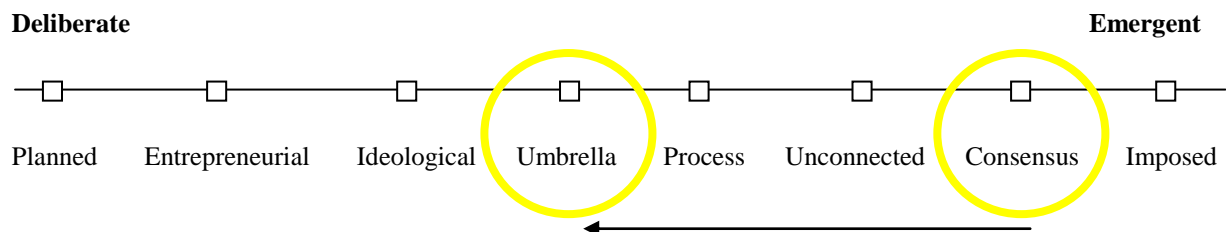
improved consistency of goals in regard to the components of the 3C-SR model across Coop is essential. Although the overall performance of Coop individually as well as in comparison to competitors was estimated as well developed, the goals of commitments-, connections- and consistency of Fair Trade have thus far not been achieved. Randall (2005) suggested that the Fair Trade opportunity is not entirely exploited by businesses and according to Andersen and Skjoett-Larsen (2009), companies may not fully commit to CSR activities. As the analysis suggests, there are shortcomings within commitments, connections and consistency of Fair Trade within Coop. Hence, to answer the first research question, the 3C-SR model is not practiced accordingly. According to Meehan et al. (2006), shortcomings considering the three components result in that Fair Trade cannot be viewed as a competitive advantage, which indicates that the performance of Fair Trade is not optimal. This was supported since all of the interviewees stated that there was room for improvement when asked for their subjective opinions regarding Coop's performance of Fair Trade. However, the interviewees consent to that Coop's performance is superior to the ones of competitors. Thus, it may be true that it is not necessary to practice the 3C-SR model exactly accordingly. Nevertheless, the practices of the 3C-SR model are argued to some extent influence subjective performance of Fair Trade.

### **6.3.5 Strategy**

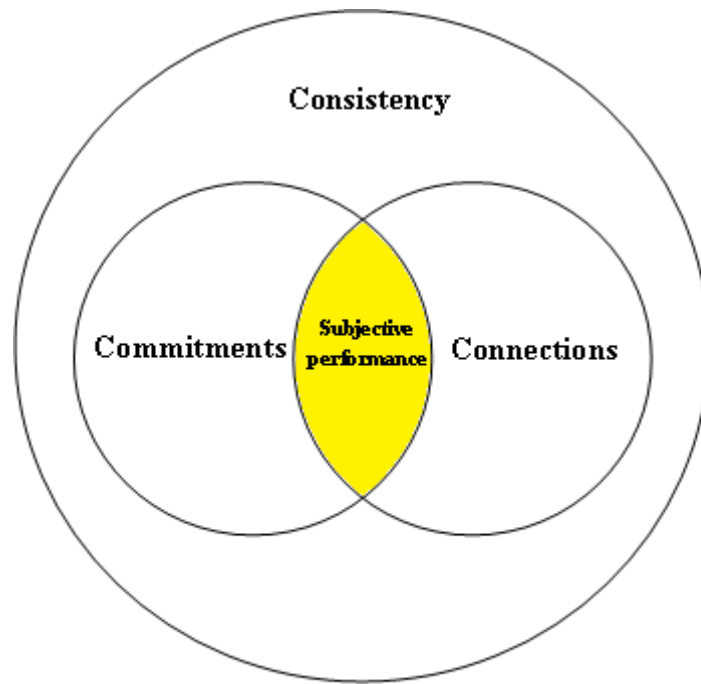
As derived from the analysis, commitments, connections and consistency were to a large extent emergent within Coop. The content analysis yielded that 'guidelines' were only mentioned in Coop's code of conduct for suppliers once. Hence, the emergent nature of this study is supported based on the findings of the content analysis. The presence of emergent strategy means that an intention concerning Fair Trade existed to some degree at the head office of Coop. However, there were no communicated goals of how to practice and implement this intention, except for offering Fair Trade products in the store which seemed to be consistent across the organization. In order to achieve the goals of the components of the 3C-SR model, and in turn enhance Fair Trade practices, it may be advantageous to increase the presence of the deliberate strategy within Coop concerning Fair Trade. Due to the presence of the emergent nature in the sense of lack of intentions for practicing, plans or directions of Fair Trade within Coop, the Consensus Strategy (Mintzberg and Waters, 1985) is said to exist within Coop. The interviewees were not aware of why Fair Trade was implemented, i.e. no communicated intention. However, they believe Fair Trade aligns with the values of Coop, i.e. there is a common consent of incorporating Fair Trade. Even though no specific goals have been communicated for commitments, connections, consistency of Fair



Trade overall, the interviewees have engaged in activities in connection to Fair Trade, such as cooperating with external organizations and people knowledgeable within the Fair Trade area. Moreover, actions are said to emerge from individual initiatives. Additionally, there is no direction, plans or guidelines communicated by top management or on district and store level within Coop. However, as argued previously both by the interviewees and through the analysis, there is room for improvement. Hence, it may be advantageous to change strategy to some extent. The Umbrella Strategy (Mintzberg and Waters, 1985) proposes that management developed guidelines, so called umbrellas that sub-units fall within. Thus, the head office of Coop could develop guidelines for several Fair Trade activities and actions, in order to ensure that the true intention of implementing Fair Trade is upheld. This would result in goal convergence, where the whole organization would work towards the same goals. It could also facilitate reaching the goals as well as evaluation of Fair Trade initiatives. It is argued advantageous to develop goals for all three components of the 3C-SR model since this would enhance practicing Fair Trade concerning several aspects. I.e. there should be an overall intention of what to achieve, however the details of the plan could emerge. Although Galbreath (2010) expresses planning as facilitating CSR activities, Russo and Perrini (2010) explain the emergent strategy as a favorable approach in the context of CSR activities. However, since the interviewees expressed several goals they wish to achieve concerning Fair Trade, it may be advantageous to establish goals and communicate these throughout each store. If Fair Trade is to be included in the path of Coop, it may be beneficial to include Fair Trade in the plan. Developing goals for Fair Trade could further improve the work towards enhancing Fair Trade commitment, since the employees suggest that there is room for improvement.



*Figure 6.2, A mixed deliberate and emergent strategy approach*



*Figure 6.3, An extension to the 3C-SR model*

The 3C-SR model provides a good framework for how Fair Trade can be practiced. However throughout this research, it was found that consistency is present within the two other components, i.e. commitments and connections. Consistency of information regarding each component was discussed as crucial in order to ensure consistent behavior and achieve subjective performance. Aspects such as suppliers and their behavior, the code of conduct, information to consumers, communication within Coop, Fair Trade activities and goals and plans have been emphasized to increase consistency of Fair Trade practices. Thus, an additional model is proposed, where consistency is further emphasized. Consistency is present in all components as can be viewed in *figure 6.3*. Additionally, competitive advantage was replaced by subjective performance. This was performed since this study yielded results indicating that commitments, connection and consistency are highly influenced and practiced by the employees of the organization. Consequently, it may be relevant to assess performance based on the employees' subjective opinion.

*Table 6.5, Research questions answered and summarized*

Research question	Commitments	Connections	Consistency
<b>RQ 1: Does the company practice CSR according to the 3C-SR model?</b>	Fair Trade is not committed to pursuant to the 3C-SR	Fair Trade connections are not managed in	Fair Trade was not practiced in a consistent manner

	model since shortcomings appeared in the analysis.	accordance to the 3C-SR model since some aspects were practiced well while others needed improvement.	according to the 3C-SR model.
<b>RQ 2: Is the subjective performance influenced by the practices of CSR according to the 3C-SR model?</b>	Not committing to Fair Trade entirely according to the 3C-SR model may have influenced the subjective assessment towards a notion of room for improvements.	The subjective assessment may have been affected due to that Fair Trade connections were not fully practiced pursuant to the 3C-SR model	The subjective assessments revealed that there was room for improvement regarding Fair Trade consistency.
<b>RQ 3: How is the 3C-SR model approached strategically, i.e. are commitments/connections/consistency deliberate, emergent or is there a mixture of features from them both?</b>	Features of a deliberate strategy might prevail on top management level however not on store or district level hence the commitment to Fair Trade can be said to be emergent.	Deliberate aspects exist, however the emergent strategy is more present.	The strategy tends to be more emergent than deliberate.

When displaying the analysis in *table 6.5*, it becomes evident that (1) Fair Trade is not practiced entirely pursuant to the three components of the 3C-SR model, (2) the subjective assessment of performance revealed that all of the interviewees identified potentiality or room for improvements and (3) despite features of a deliberate strategy, an emergent strategy approach was more present at Coop. This contradicts Mintzberg and Water's (1985) argument that a strategy is either deliberate or emergent since there is evidently a mix of the two strategies at Coop at the present.

## 6.4 Chapter summary

This chapter has analyzed and compared the empirical data to the theoretical framework and the research model in order to answer the research questions and purpose. In order to facilitate the data analysis data display was performed. This chapter will also constitute the base for the conclusion and suggestions for further research.

## 7 Conclusions and contributions

*This chapter presents the conclusions based on the analysis conducted in the previous chapter. The first part of the chapter focuses on the three components of the 3C-SR model in connection to the deliberate and emergent strategy. The subjective performance is incorporated in this discussion. Following, centers a discussion regarding theoretical contributions, managerial implications, limitations of this study, and suggestions for further research based on the conducted study.*

### 7.1 Conclusions

Based on the literature concerning Fair Trade, corporate strategy and subjective performance, the following research questions were developed constituting the aim of this study:

- **RQ1:** Does the company practice CSR according to the 3C-SR model?
- **RQ2:** Is the subjective performance influenced by the practices of CSR according to the 3C-SR model?
- **RQ3:** How is the 3C-SR model approached strategically, i.e. are commitments/connections/consistency deliberate, emergent or is there a mixture of features from them both?

Subchapters 7.1.1-7.1.4 contain further discussions aiming at answering the research questions.

#### 7.1.1 Commitments

The economical domain is not largely present, which could be viewed both positively and negatively. The legal domain has been argued to prevail within Coop, although this is not properly communicated. A positive aspect is the high presence of the ethical domain. Since Fair Trade is said to aim at benefiting producers in developing countries rather than focusing on economical gain, Fair Trade can be argued to be successfully incorporated in Coop. Although, the mere presence of the ethical dimension is argued insufficient in order to assure full commitment.

There are possibilities for improvements regarding commitments. Enhanced communication within Coop is needed in regard to legal aspects, information concerning suppliers, the code of conduct, Fair Trade activities, and goals. Although, some aspects are well developed, some could be improved. Furthermore, it was argued advantageous to allocate resources to Fair Trade activities especially in order to increase commitment from stakeholders, which

eventually could increase the sales share. Improving the sales share would possibly give Coop an image corresponding to the Fair Trade values, which could result in a larger customer base.

### **7.1.2 Connections**

Involvement of all stakeholders has been argued essential since information and involvement may increase Fair Trade engagement. The system of managing Fair Trade suppliers at the head office is argued positive. Further on, the communication among employees regarding Fair Trade is well performed to some extent. Consumer involvement is argued to be well performed since information is consistent and truthful. Guidelines and resources allocated specifically for tailored Fair Trade activities on store level could further increase connections' engagement in Fair Trade. Additionally, the code of conduct could be exploited as a means for communicating Fair Trade to stakeholders. Enhanced communication regarding Fair Trade suppliers would be advantageous in order to involve suppliers, employees and consumers in assuring that moral behavior is conducted to at all times. An additional aspect which should be considered is the encouragement of community and customer engagement in Fair Trade activities.

### **7.1.3 Consistency**

There are some aspects which could be improved. The system of managing suppliers at the head office is beneficial for the consistency of Fair Trade within Coop. However, store managers consistently demanding Fair Trade products could be beneficial. Further on, education as well as monitoring employees' behavior in regard to Fair Trade would be advantageous. In order to enable activities such as education, support from top management needs to be improved. Voluntary Fair Trade activities at store level would benefit from support in terms of allocating resources and developing guidelines for how to carry out the Fair Trade activities consistently. Furthermore, there is a need to improve the encouragement of employee involvement in Fair Trade, since higher engagement in Fair Trade would enhance consistent commitment.

### **7.1.4 The 3C-SR model**

There are several aspects, as elaborated above, which are not practiced according to the 3C-SR model, i.e. answering the first research question. The results from the content analysis supported that some lack of commitment, connections and consistency prevailed. This is said to increase the credibility of the answers of the interviewees. Answering the second research

questions, all interviewees agreed upon that there is room for improvement considering the three components, as well as in regard to the general performance of Fair Trade. This could have been influenced by the lack of utilization of the 3C-SR model. However, the subjective performance was argued superior in comparison to competitors. This indicates that it may not be necessary to practice Fair Trade perfectly in accordance to the 3C-SR model in order to achieve superior performance. This implies that literature may state best practices for Fair Trade, however reality may be more ambiguous and perhaps not as complex. Nevertheless, the performance was not excellent and the Fair Trade share was not large. Additionally, the interviewees were very interested in the concept of Fair Trade, which indicates a desire for improved implementation of the concept. Additionally, Fair Trade was argued to involve economical aspects to a low extent. Since there is an opportunity to attract ethically aware customers when utilizing Fair Trade, the possibility to incorporate economical gain to the concept exists. If Fair Trade would be practiced to a larger extent in order to capture this possibility, the practice may increase in complexity. This implies that when attempting to utilize Fair Trade, the 3C-SR model would be a valuable and helpful model to follow. The third research question referred to the strategy for each component of the 3C-SR model. Although some deliberate aspects exist, the employed strategy approach of Coop concerning all components of Fair Trade is of emergent nature. This has proven to be a beneficial strategy, since the subjective performance is argued acceptable. The analysis pointed towards that visions existed on store level, while no overall goals were identified. Due to that performance was said to entail room for improvement the emergent nature of Coop's strategy in the present could benefit from deliberate aspects with an increased need for goals and tools for implementation. Additionally, goals and guidelines would assure a consistent work throughout the organization and facilitate the evaluation of plans and goals. Hence, it may be beneficial to incorporate deliberate aspects to some extent. This would possibly increase involvement of Fair Trade connections which in turn could result in enhanced promotion of Fair Trade, which was argued essential. This study proposes an Umbrella strategy as superior to the Consensus strategy that is currently employed at Coop, which could enhance the practices of Fair Trade at Coop according to the 3C-SR model.

## **7.2 Theoretical Contributions**

The purpose of this study is to assess how practicing CSR strategies at Coop influence subjective performance, and if these are deliberate or emergent. The study was based on a literature review, where already conducted research was examined. A research gap was

identified in form of a research model, i.e. the 3C-SR model, which had not yet been tested in practice.

Additionally, in order to apply the research model to a case study, the three components of the model were transformed into measures through operationalization. The 3C-SR model had not been tested prior to this study; hence the measures contribute to further research centering the specific research model.

The 3C-SR model was studied through applying it to a company practicing Fair Trade. Furthermore, the model was combined with the deliberate and emergent strategy in order to assess whether subjective performance is affected by the applied strategy as well as utilization of the three components of the model. Since the existing measures were not initially developed for the purpose of this study, they were tailored to answer the established research questions. The developed interview questions measured Fair Trade, subjective performance and deliberate and emergent strategy aspects. Thus, this study contributes to the development of the theory of the 3C-SR model, where future studies could use the measures developed in the study when investigating Fair Trade practices.

An additional theoretical contribution was made through developing the existing research model, see *figure 6.3*.

### **7.3 Managerial Implications**

This study revealed complexities of practicing Fair Trade at a company. Hence the study exposed several managerial recommendations for grocery chains within Sweden. The findings of the study propose several features for improving the practicing of Fair Trade at Coop. Applying the research model could be a useful tool for assessing how Fair Trade is managed at a grocery chain, in order to identify aspects of improvements, and to improve decision making concerning Fair Trade.

- We propose the essence of communicating Fair Trade throughout the organization in order to ensure consistency of practices of Fair Trade at all levels. Communication could depict itself through providing districts and stores with information leaflets in order to ensure consistent and correct information. Information could also involve education of how to practice Fair Trade at all levels. This may enhance performance of Fair Trade, and make sure that the application of Fair Trade is done correctly. Moreover, it would possibly enhance engagement in Fair Trade at all levels.

- In order to increase Fair Trade activities at district level and store level, resources and personnel could be assigned to Fair Trade specifically. This could possibly result in increased community and employee involvement in Fair Trade, and consequently enlarge the attachment to the Fair Trade concept. This is a possibility which finally could lead to higher commitment, facilitated promotion of Fair Trade products and increased sales.
  
- Managing Fair Trade suppliers at the head office appears advantageous due to that these tasks could involve complex situations and issues. However, in order to enhance the involvement in Fair Trade by the whole organization it could be beneficial to notify managers about information regarding the company's Fair Trade suppliers. Additionally it could lie within the managers' tasks at all levels to demand more Fair Trade products, which could possibly increase the sales share and number of Fair Trade products.
  
- As mentioned previously, the code of conduct involves values that a company wants to be associated with. Therefore all concepts included in a company's core values, e.g. Fair Trade, should be incorporated into these. The code of conduct should also be known to all employees and could act as a communication tool concerning Fair Trade. Communicating Fair Trade values to employees as well as to consumers, is perceived as positive since it has been argued to enhance the company image and employee morale.
  
- Another feature improving the sales share of Fair Trade products could be to develop common goals for the organization which would facilitate the work towards reaching these goals. Guidelines and plans for each district and store to follow would provide a common direction and motivation to work towards, as well as facilitating the commencement of evaluating Fair Trade practices. In order to assist the accomplishment of set goals, the head office could provide support through assigning specific resources and personnel to tasks for developing Fair Trade activities. Developing goals would involve a movement towards a deliberate strategy approach.



- Since managers control resources in their stores the presence of Fair Trade products depend on them. More information and involvement from managers may increase Fair Trade engagement by connections, i.e. employees and customers. Higher engagement could be achieved through marketing the existing Fair Trade products to customers more frequently, demand more Fair Trade products from suppliers and involve employees further regarding Fair Trade issues.

## **7.4 Limitations**

The main limitations of this study relate to the qualitative nature of it, which limits the ability to generalize the study to a large extent. The lack of resources and the relatively short time frame restricted the number of interviewees for this study. If circumstances were different, the sample number could have been larger, i.e. enhancing the possibility to generalize. Moreover, the interviewees could not answer several questions due to lack of knowledge within certain areas. The limited time and accessibility to interviewees with the possibility to answer such questions restricted the study to acquire answers to certain questions which could have enriched the findings of this study. Additionally, it was not possible to conduct three of the interviews face-to-face, which might have affected the answers.

The literature available for the concepts used in connection to Fair Trade was not comprehensive. Much literature covered the history and other aspects of Fair Trade. Nevertheless, the review of literature concerning Fair Trade in connection to the 3C-SR model, strategy, and subjective performance yielded a lack of information for the purpose of developing measures for the study. This may be due to that the 3C-SR model had not been tested in practice previous to this study, which is also considered a limitation. In order to resolve this issue, the measures and questions were developed based on articles centering each topic and component of the 3C-SR model, but tailored to apply to Fair Trade.

In order to compensate for the lack of ability to generalize the result for every company in Sweden, the study aims at providing existing literature with depth. The study can be applied to Coop due to the in-depth interviews with the respondents. Additionally, grocery chains with similar structure to Coop could benefit from this study.

## **7.5 Suggestions for further research**

- Considering the limitations of this study such as restrictions regarding time and resources it would be recommendable to conduct a similar study using a larger sample population or conducting a multiple case study instead of a single case study. Examples of this could be to replicate the study in another country or within a different industry. Doing so could possibly lead to the ability to generalize and increased accuracy of the study.
- Due to the qualitative nature of this study it would be recommendable to establish hypotheses and test this through a quantitative research. Rejecting or supporting such hypotheses may possibly provide the study potential to generalize the findings. Investigating the components of the 3C-SR model by handing out a questionnaire among employees of an organization would be an interesting addition to this study.
- Furthermore this study focused on store managers, thus only their managerial views were portrayed. Investigating the views on different levels of an organization is likely to result in different findings, hence switching the focus to for example employees at another level, stakeholders, or customers could be an interesting suggestion for further research. Since the aim of this study was to investigate subjective performance it might be interesting to study the objective perspective instead. An example could be financial performance of a company in connection to CSR aspects.
- Fair Trade is said to be a type of CSR (Mohan, 2009) hence this study has been restricted to view only one aspect of CSR. Conducting further research investigating other aspects of CSR would present an additional view point of the research.

## **7.6 Chapter summary**

This chapter has summarized the findings of the study and conclusions have been drawn based on the analysis. The chapter elaborated on the three concepts of the 3C-SR model, i.e. commitments, connections, and consistency, and whether these were utilized. Subsequently, this was connected to the subjective performance as well as the strategy at hand. After the three subchapters, a summarizing chapter followed, providing a clear explanation of the

overall conclusions. Following were discussions centering theoretical contributions, managerial implications, limitations of the study, and suggestions for further research.

## List of References

- Ackoff, R.L., 1990. Redesigning the future: Strategy. *Systems practice*, 3(6), pp. 521-524.
- Albrechts, L., 2004. Strategic (spatial) planning reexamined. *Environment and Planning B*, 31, pp. 743-758.
- Altmann, J., 1974. Observational study of behavior: sampling methods. *Behaviour*, 49(3-4), pp. 227-267.
- Amo, C., and Cousins, J. B., 2007. Going through the process: An examination of the operationalization of process use in empirical research on evaluation. *New Directions for Evaluation*, 2007, 2007(116), pp. 5-26.
- Andersen, M., and Skjoett-Larsen, T., 2009. Corporate social responsibility in global supply chains. *Supply Chain Management: An International Journal*, 14(2), pp. 75-86.
- Arendt, S., and Brettel, M., 2010. Understanding the influence of corporate social responsibility on corporate identity, image, and firm performance. *Management Decision*, 48(10), pp. 1469-1492.
- Armstrong, G., Harker, M., Kotler, P., and Brennan, R., 2009. *Marketing an introduction*. Pearson Education.
- Atkinson, R., and Flint, J., 2001. Accessing hidden and hard-to-reach populations: Snowball research strategies. *Social research update*, 33(1), pp. 1-4.
- Baxter, P., and Jack, S., 2008. Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), pp. 544-559.
- Belal, A. R., 2002. Stakeholder accountability or stakeholder management: a review of UK firms' social and ethical accounting, auditing and reporting (SEAAR) practices. *Corporate Social Responsibility and Environmental Management*, 9(1), pp. 8-25.
- Benbasat, I., Goldstein, D. K., and Mead, M., 1987. The case research strategy in studies of information systems. *MIS quarterly*, pp. 369-386.
- Berman, S. L., Wicks, A. C., Kotha, S., and Jones, T. M., 1999. Does Stakeholder Orientation Matter? The Relationship between Stakeholder Management Models and Firm Financial Performance. *The academy of Management Journal*, 42(5)pp. 488-506.
- Bezençon, V., and Blili, S., 2009. Fair trade managerial practices: strategy, organisation and engagement. *Journal of business ethics*, 90(1), pp.95-113.
- Blowfield, M., and Frynas, J. G., 2005. Setting new agendas: critical perspectives on Corporate Social Responsibility in the developing world. *International Affairs*, 81(3), pp.499-513.

Bowden, A., Fox-Rushby, J. A., Nyandieka, L., and Wanjau, J., 2002. Methods for pre-testing and piloting survey questions: illustrations from the KENQOL survey of health-related quality of life. *Health policy and planning*, 17(3), pp. 322-330.

Bryman, A., and Bell, E., 2007. *Business research methods*. Oxford University Press, USA.

Bryman, A., and Bell, E., 2011. *Business research methods*. Oxford University Press, USA.

Carroll, A. B., and Shabana, K. M., 2010. The business case for corporate social responsibility: a review of concepts, research and practice. *International Journal of Management Reviews*, 12(1), pp. 85-105.

Carroll, P. J., 1982. The link between performance and strategy. *Journal of Business Strategy*, 2(4), pp. 3-20.

Castelló, I., and Lozano, J., 2009. From risk management to citizenship corporate social responsibility: analysis of strategic drivers of change. *Corporate Governance*, 9(4), pp. 373-385.

Chapman, D. W., and Carter, J. F., 1979. Translation procedures for the cross cultural use of measurement instruments. *Educational Evaluation and Policy Analysis*, 1(3), pp. 71-76.

Chen, H. Y., and Boore, J. R., (2010). Translation and back-translation in qualitative nursing research: methodological review. *Journal of clinical nursing*, 19(1-2), pp. 234-239.

Clarke, T., 1998. The stakeholder corporation: A business philosophy for the information age. *Long Range Planning*, 31(2), pp. 182-194.

Cohen, N., and Arieli, T., 2011. Field research in conflict environments: Methodological challenges and snowball sampling. *Journal of Peace Research*, 48(4), pp. 423-435.

Coop, 2013. Available at: < [https://www.coop.se/Globala-sidor/om\\_coop/Foretagsinformation/Coop-butiker-och-stormarknader/](https://www.coop.se/Globala-sidor/om_coop/Foretagsinformation/Coop-butiker-och-stormarknader/)> Access date: 2013-05-01

Cull, A., Sprangers M., Bjordal, K., Aaronson, N., West, K., and Bottomley, A., 2002. *EORTC quality of life group translation procedure*, pp. 3-15. Brussels: EORTC.

Davies, I. A., 2007. The eras and participants of fair trade: an industry structure/stakeholder perspective on the growth of the fair trade industry. *Emerald Group Publishing Limited*, 7(4), pp. 455-470.

Davies, I. A., and Crane, A., 2003. Ethical decision making in fair trade companies. *Journal of Business Ethics*, 45(1), pp. 79-92.

Dawkins, J., and Lewis, S., 2003. CSR in Stakeholder Expectations: And Their Implication for Company Strategy. *Journal of Business Ethics*, 44(2), pp. 185-193.

- Dess, G. G., and Robinson, R. B., 1984. Measuring organizational performance in the absence of objective measures: the case of the privately-held firm and conglomerate business unit. *Strategic management journal*, 5(3), pp. 265-273.
- DiCicco-Bloom, B., and Crabtree, B. F., 2006. The qualitative research interview. *Medical education*, 40(4), pp. 314-321.
- Dickson, M. A., and Eckman, M., 2008. Media portrayal of voluntary public reporting about corporate social responsibility performance: does coverage encourage or discourage ethical management? *Journal of Business Ethics*, 83(4), pp. 725-743.
- Dobni, C. B., and Luffman, G., 2003. Determining the scope and impact of market orientation profiles on strategy implementation and performance. *Strategic Management Journal*, 24(6), pp. 577-585
- Donaldson, T., and Preston, L. E., 1995. The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *The Academy of Management Review*, 20(1), pp. 65-91.
- Doz, Y., 2011. Qualitative research for international business. *Journal of International Business Studies*, 42(5), pp. 582-590.
- Fowler, S. J., and Hope, C., 2007. A critical review of sustainable business indices and their impact. *Journal of Business Ethics*, 76(3), pp. 243-252.
- Freeman, R. E., 2004. The stakeholder approach revisited. *Zeitschrift für Wirtschafts-und Unternehmensethik*, 5(3), pp. 228-241.
- Fridell, G., 2009. The co-operative and the corporation: competing visions of the future of Fair Trade. *Journal of business ethics*, 86(1), pp. 81-95.
- Friedman, A. L., and Miles, S., 2002. Developing stakeholder theory. *Journal of Management studies*, 39(1), pp. 1-21.
- Galbreath, J., 2010. Drivers of Corporate Social Responsibility: The Role of Formal Strategic Planning and Firm Culture. *British Journal of Management*, 21(2), pp. 511-525.
- Gibbert, M., Ruigrok, W., and Wicki, B., 2008. What passes as a rigorous case study? *Strategic Management Journal*, 29(13), pp. 1465-1474.
- Giovannucci, D., and Ponte, S., 2005. Standards as a new form of social contract? Sustainability initiatives in the coffee industry. *Food Policy*, 30(3), pp. 284-301.
- Giuliano, G., Gordon, P., Pan, Q., Park, J., and Wang, L., 2010. Estimating freight flows for metropolitan area highway networks using secondary data sources. *Networks and Spatial Economics*, 10(1), pp. 73-91.
- Godet, M., 2000. The art of scenarios and strategic planning: tools and pitfalls. *Technological forecasting and social change*, 65(1), pp. 3-22.

- Godfrey, P. C., Merrill, C. B., and Hansen, J. M., 2009. The relationship between corporate social responsibility and shareholder value: an empirical test of the risk management hypothesis. *Strategic Management Journal*, 30(4), pp. 425-445.
- Grisay, A., 2003. Translation procedures in OECD/PISA 2000 international assessment. *Language Testing*, 20(2), pp. 225-240.
- Gubrium, J. F., and Holstein, J. A., 2002. *Handbook of interview research: Context and method*. SAGE Publications, Incorporated.
- Haider, A., and Birley, S., 1999. Integrating deductive and inductive approaches in a study of new ventures and customer perceived risk. *Qualitative market research: An international journal*, 2(2), pp. 103-110.
- Harvey, C., Kelly, A., Morris, H., and Rowlinson, M., 2010. Academic journal quality guide. *The Association of Business School*, [www.the-abs.org.uk](http://www.the-abs.org.uk).
- Hemingway, C. A., and MacLagan, P. W., 2004. Managers' Personal Values as Drivers of Corporate Social Responsibility. *Journal of Business Ethics*, 50(1), pp. 33-44.
- Hira, A., and Ferrie, J., 2006. Fair trade: Three key challenges for reaching the mainstream. *Journal of Business Ethics*, 63(2), pp. 107-118.
- Hoffman, C. C., Nathan, B. R., and Holden, L. M., 1991. A comparison of validation criteria: objective versus subjective performance measures and self-versus supervisor ratings. *Personnel Psychology*, 44(3), pp. 601-618.
- Hsieh, H. F., and Shannon, S. E., 2005. Three approaches to qualitative content analysis. *Qualitative health research*, 15(9), pp. 1277-1288.
- Hult, G. T. M., and Ketchen, D. J., 2001. Does market orientation matter?: A test of the relationship between positional advantage and performance. *Strategic management journal*, 22(9), pp. 899-906.
- Hyde, K. F., 2000. Recognising deductive processes in qualitative research. *Qualitative market research: An international journal*, 3(2), pp. 82-90.
- Jamali, D., 2008. A Stakeholder Approach to Corporate Social Responsibility: A Fresh Perspective into Theory and Practice. *Journal of Business Ethics*, 82(1), pp. 213-231.
- Johnson, G., Whittington, R., Scholes, K., and Pyle, S., 2011. *Exploring strategy: text & cases*. Financial Times Prentice Hall.
- Kakabadse, N. K., Kakabadse, A. P., and Lee-Davies, L., 2009. CSR leaders road-map. *Corporate Governance*, 9(1), pp. 50-57.
- Ketokivi, M., and Castañer, X., 2004. Strategic Planning as an Integrative Device. *Administrative Science Quarterly*, 49(3), pp. 337-365.

- Kirca, A. H., Jayachandran, S., and Bearden, W. O., 2005. Market orientation: a meta-analytic review and assessment of its antecedents and impact on performance. *Journal of marketing*, pp. 24-41.
- Leonard, D., and McAdam, R., 2003. Corporate social responsibility. *Quality progress*, 36(10), pp. 27-33.
- Lindgreen, A., and Swaen, V., 2010. Corporate social responsibility. *International Journal of Management Reviews*, 12(1), pp. 1-7.
- Lowe, A., and Jones, A., 2004. Emergent strategy and the measurement of performance: The formulation of performance indicators at the microlevel. *Organization studies*, 25(8), pp. 1313-1337.
- Maak, T., and Pless, N. M., 2006. Responsible Leadership in a Stakeholder Society – A Relational Perspective. *Journal of Business Ethics*, 66(1), pp. 99-115.
- Macbeth, D. K., 2002. Emergent strategy in managing cooperative supply chain change. *International Journal of Operations & Production Management*, 22(7), pp. 728-740.
- Maignan, I., and Ferrell, O. C., 2000. Measuring corporate citizenship in two countries: The case of the United States and France. *Journal of Business Ethics*, 23(3), pp. 283-297.
- Marshall, M. N., 1996. Sampling for qualitative research. Oxford University Press: *Family practice*, 13(6), pp. 522-526.
- Matten, D., and Crane, A., 2005. Corporate Citizenship: Toward an extended theoretical conceptualization. *Academy of Management Review*, 30(1), pp. 166-179.
- Mayring, P., 2000. Qualitative content analysis. In *Forum qualitative sozialforschung/forum: qualitative social research*, 1(2).
- Meehan, J., Meehan, K., and Interviewee 3s, A., 2006. Corporate social responsibility: the 3C-SR model. *International Journal of Social Economics*, 33(5/6) pp. 386-398.
- Miller, C. C., and Cardinal, L. B., 1994. Strategic Planning and Firm Performance: A Synthesis of More than Two Decades of Research. *The Academy of Management Journal*, 37(6), pp. 1649-1665.
- Mintzberg, H., and Waters, J. A., 1985. Of Strategies, Deliberate and Emergent. *Strategic Management Journal*, 6(3), pp. 257-272.
- Mohan, S., 2009. Fair Trade and corporate social responsibility. *Economic Affairs*, 29(4), pp. 22-28.



- Moore, G., 2004. The Fair Trade movement: parameters, issues and future research. *Journal of Business Ethics*, 53(1), pp. 73-86.
- Moore, G., Slack, R., and Gibbon, J., 2009. Criteria for responsible business practice in SMEs: An exploratory case of UK Fair Trade Organisations. *Journal of business ethics*, 89(2), pp. 173-188.
- Morgan, N. A., Vorhies, D. W., and Mason, C. H., 2009. Market orientation, marketing capabilities, and firm performance. *Strategic Management Journal*, 30(8), pp. 909-920.
- Nicholls, A. J., 2002. Strategic options in fair trade retailing. *International Journal of Retail & Distribution Management*, 30(1), pp. 6-17.
- Noor, K. B. M., 2008. Case study: a strategic research methodology. *American Journal of Applied Sciences*, 5(11), pp. 1602-1604.
- Nusbaum, L., Natour, J., Ferraz, M. B., and Goldenberg, J., 2001. Translation, adaptation and validation of the Roland-Morris questionnaire-Brazil Roland-Morris. *Brazilian Journal of Medical and Biological Research*, 34(2), pp. 203-210.
- Ozcaglar-Toulouse, N., Shiu, E., and Shaw, D., 2006. In search of fair trade: ethical consumer decision making in France. *International Journal of Consumer Studies*, 30(5), pp. 502-514.
- Phillips, R. A., 1997. Stakeholder theory and a principle of fairness. *Business Ethics Quarterly*, 7(1), pp. 51-66.
- Phillips, R., Freeman, E. R., and Wicks, A. C., 2003. What stakeholder theory is not. *Business Ethics Quarterly*, 13(4), pp. 479-502.
- Randall, D. C., 2005. An Exploration of Opportunities for the Growth of the Fair Trade Market: Three Cases of Craft Organisations. *Journal of Business Ethics*, 56(1), pp. 55-67.
- Raynolds, L. T., 2000. Re-embedding global agriculture: The international organic and fair trade movements. *Agriculture and human values*, 17(3), pp. 297-309.
- Redfern, A., and Snedker, P., 2002. Creating market opportunities for small enterprises: experiences of the fair trade movement [pdf]. Geneva: International Labour Office. Available at: < <http://www.coopcoffees.com/resources/fair-trade/resources/research-papers/creating-market-opurtunities.pdf> > Access date: 4 February 2013.
- Renard, M. C., 2003. Fair trade: quality, market and conventions. *Journal of rural studies*, 19(1), pp. 87-96.
- Robertson, D. A., 2003. Agent-based models of a banking network as an example of a turbulent environment: the deliberate vs. emergent strategy debate revisited. *Emergence*, 5(2), pp. 56-71.

- Rumelt, R. P., 1979. Evaluation of strategy: Theory and models. *Strategic management: A new view of business policy and planning*, pp. 196-212.
- Russo, A., and Perrini, F., 2010. Investigating Stakeholder Theory and Social Capital: CSR in Large Firms and SMEs. *Journal of Business Ethics*, 91(2), pp. 207-221.
- Sandelowski, M. 2000. Focus on Research Methods-Whatever Happened to Qualitative Description? *Research in nursing and health*, 23(4), pp. 334-340.
- Saunders, M., Lewis, P., and Thornhill, A., 2009. *Research methods for business students*, 5th ed. Essex: Pearson Education Limited.
- Schwartz, M. S., and Carroll, A. B., 2003. Corporate social responsibility: a three-domain approach. *Business Ethics Quarterly*, 13(4), pp. 503-530.
- Shaw, D., Shiu, E., and Clarke, I., 2000. The contribution of ethical obligation and self-identity to the theory of planned behaviour: an exploration of ethical consumers. *Journal of Marketing Management*, 16(8), pp. 879-894.
- Svensson, E., 2001. Guidelines to statistical evaluation of data from rating scales and questionnaires. *Journal of Rehabilitation Medicine*, 33(1), pp. 47-48.
- Sørensen, H. T., Sabroe, S., and Olsen, J., 1996. A framework for evaluation of secondary data sources for epidemiological research. *International Journal of Epidemiology*, 25(2), pp. 435-442.
- Teddlie, C., and Yu, F., 2007. Mixed methods sampling a typology with examples. *Journal of mixed methods research*, 1(1), pp. 77-100.
- The World Bank, 2013. Available at: <<http://www.worldbank.org/en/topic/poverty/overview>> Access date: 2013-03-03
- Utting, P., 2005. Corporate responsibility and the movement of business, *Development in practice*, 15(3-4), pp. 375-388.
- Venkatraman, N., and Ramanujam, V., 1986. Measurement of business performance in strategy research: a comparison of approaches. *Academy of management review*, 11(4), pp. 801-814.
- Wall, T. D., Michie, J., Patterson, M., Wood, S. J., Sheehan, M., Clegg, C. W., and West, M., 2004. On the validity of subjective measures of company performance. *Personnel Psychology*, 57(1), pp. 95-118.
- Witkowski, T. H., 2005. Fair trade marketing: An alternative system for globalization and development. *Journal of Marketing theory and practice*, 13(4), pp. 22-33.
- Yin, R. K., 2007. *Fallstudier: design och genomförande*, Liber AB: Malmö

## Appendix 1, Operationalization of concepts

Concept	Conceptual definition	Operational definition	Measure	Question number
<b>Commitments</b>	Ethical commitments should incorporate the three dimensions of economic, legal, and ethical responsibility areas (Schwartz and Carroll, 2003; Maignan and Ferrell, 2000).	A measure that reflects commitments in the context of Fair Trade companies.	<ul style="list-style-type: none"> <li>Economic citizenship (Maignan and Ferrell, 2000)</li> <li>Legal citizenship (Ibid)</li> <li>Ethical citizenship (Ibid)</li> <li>Products with the Fair Trade label (Davies, 2007)</li> <li>Reasons for adopting Fair Trade (Ibid)</li> <li>CSR initiatives/activities (Andersen and Skjoett-Larsen, 2009)</li> <li>Employee involvement in CSR (Ibid)</li> <li>CSR in various business functions (Ibid)</li> <li>Resources allocated to CSR (Ibid)</li> </ul>	1.1, 1.2, 1.12, 1.13 1.4, 1.5 1.6, 1.7, 1.8, 1.9 1.10 1.11 1.14 1.15 1.16 1.17
<b>Connections</b>	Who the organization should do business with and how to manage the different stakeholders and partners is essential (Davies and Crane, 2003). Key stakeholders are recognized as; employees, clients and customers, and business partners (Maak and Pless, 2006).	A measure that reflects connections in the context of Fair Trade companies.	<ul style="list-style-type: none"> <li>Supplier selection criteria (Andersen and Skjoett-Larsen, 2009)</li> <li>Supplier relationship from supplier's perspective (Ibid)</li> <li>Stakeholder dialogue about CSR work (Ibid)</li> <li>Future plans for CSR (Ibid)</li> <li>Guides of how to manage stakeholders (Davies and Crane, 2003)</li> <li>Mutual trust and cooperation (Hemingway and Maclagan, 2004).</li> <li>Communicating company purpose and objectives to stakeholders (Maak and Pless, 2006)</li> <li>Standard setting (Utting, 2005)</li> <li>Reporting (Ibid)</li> <li>Assuring employee security, health and fair working</li> </ul>	2.1, 2.2 2.9 2.5, 2.6, 2.7, 2.10, 2.11, 2.13 2.14 2.3, 2.5 2.6, 2.7, 2.8 2.7 2.10, 2.11 2.11 2.18, 2.19

			<p>conditions (Jamali, 2008)</p> <ul style="list-style-type: none"> <li>Engages in open and flexible communication with employees (Ibid)</li> <li>Provides information that is transparent, truthful, honest and useful (Avoids false and misleading advertising) (Ibid)</li> <li>Encourages employee participation in community projects (Ibid)</li> </ul>	<p>2.16, 2.17</p> <p>2.22, 2.23</p> <p>2.24</p>
<b>Consistency</b>	Consistent and sustainable implementation of CSR communication across the organization (Kakabadse et al., 2009).	A measure that reflects consistency in the context of CSR and Fair Trade companies.	<ul style="list-style-type: none"> <li>Supervision of supply chain partners; Verification system with continuous follow-ups (Giovannucci and Ponte, 2005).</li> <li>Monitoring that employees maintain business practices according to stated systems (Ibid).</li> <li>Engage in society development through passive and actively encouraging public engagement; e.g. charity establishing foundations (Maak and Pless, 2006).</li> <li>Providing the opportunity for employees to engage in voluntary activities (Ibid).</li> <li>Training to ensure ethical behavior (Jamali, 2008)</li> <li>Codes of practices/conduct for day-to-day activities (Andersen and Skjoett-Larsen, 2009).</li> <li>Evaluating impacts of business actions (improvements of suppliers' social performance etc) (Ibid).</li> <li>Education and training of their employees of how to pursue appropriate behavior and build sustainable stakeholder partnerships (Ibid)</li> <li>Feedback from suppliers</li> <li>Written procedures, policies, values etc. (Ibid).</li> <li>Employee tasks and relations to</li> </ul>	<p>3.1</p> <p>3.3, 3.7</p> <p>3.10</p> <p>3.9</p> <p>3.5, 3.13</p> <p>3.6</p> <p>3.16, 3.8, 3.17</p> <p>3.5, 3.13</p> <p>3.15</p> <p>3.18, 3.19, 3.14</p> <p>3.11, 3.12</p>

			suppliers (Ibid)	
<b>Subjective performance</b>	Subjective performance measures overall business performance evaluated through rating the company success in comparison to competitors, however also consist of specific indicators for performance, aggregated to create a combined score (Wall et al., 2004).	A measure that reflects how subjective performance can be measured in connection to CSR activities.	<ul style="list-style-type: none"> <li>How successful the company is in comparison to other companies in the same line of industry and of about the same size (Mogan et al., 2009)</li> <li>To what extent the organization has achieved its most important goals (Wall et al., 2004)</li> <li>Overall firm performance/success (Dess and Robinson, 1984)</li> </ul>	4.2  1.19, 2.25, 3.20  4.1
<b>Deliberate strategy</b>	Overall intentions resulting in a plan, which leads to clear communication of guidelines (Mintzberg and Waters, 1985). These are monitored for implementation exactly according to the plan (Ibid).	A measure that reflects if deliberate strategy, or some characteristics of it, is existent in the context of commitments-, connections-, and/or consistency of CSR practices.	<ul style="list-style-type: none"> <li>Clear and formal intentions behind the plan (Mintzberg and Waters, 1985)</li> <li>Planning process (Miller and Cardinal, 1994)</li> <li>Develop goals and visions (Ketokivi and Castañer, 2004)</li> <li>Develop long-term and short-term plans/guidelines (Ibid)</li> <li>Exact “day-to-day guides” (Mintzberg and Waters, 1985)</li> <li>Monitor the plan and guidelines, implementation exactly to plan (Ibid)</li> <li>Evaluation and follow-ups (Grant, 2003)</li> </ul>	1.12, 1.13, 2.14  1.11, 2.14, 3.18  2.14  1.3, 1.4, 2.1, 2.3, 2.6, 2.14, 2.15, 3.18, 3.19  2.3, 3.6, 3.13, 3.18, 3.19  1.8, 1.10, 1.18, 3.7  1.18, 2.4, 2.12, 2.20, 2.19, 2.24, 3.4, 3.8, 3.15
<b>Emergent strategy</b>	The emergent strategy is open, flexible and approachable and encouraging towards learning (Mintzberg and Waters, 1985).	A measure that reflects if emergent strategy, or some characteristics of it, is existent in the context of commitments-, connections-, and/or consistency of CSR practices.	<ul style="list-style-type: none"> <li>No or informal intentions behind the plan (Mintzberg and Waters, 1985)</li> <li>No planning process (Miller and Cardinal, 1994)</li> <li>No goals or visions (Ketokivi and Castañer, 2004)</li> <li>No long-term or short-term plans/guidelines (Ibid)</li> <li>No “day-to-day guides” (Mintzberg and Waters, 1985)</li> <li>No monitoring of the plan and</li> </ul>	1.12, 1.13, 2.14  1.11, 2.14, 3.18  2.14  1.3, 1.4, 2.1, 2.3, 2.6, 2.14, 2.15, 3.18, 3.19  2.3, 3.6, 3.13, 3.18, 3.19  1.8, 1.10, 1.18,

			<p>guidelines, and not implementation exactly according to plan (Ibid)</p> <ul style="list-style-type: none"> <li>• No evaluation or follow-up (Grant, 2003)</li> </ul>	<p>3.7</p> <p>1.18, 2.4, 2.12, 2.20, 2.19, 2.24, 3.4, 3.8, 3.15</p>
--	--	--	---	---

## Appendix 2, Interview guide

Part 1	
Commitments	<p>1.1 What do you strive for in terms of Fair Trade? Economic gain?</p> <p>1.2 How do you work towards economic gain?</p> <p>1.3 Have you established long-term strategies concerning economic aspects of CSR? How?</p> <p>1.4 How do you ensure that you comply to the law concerning Fair Trade standards? Have you developed any guidelines?</p> <p>1.5 How do you ensure that your suppliers comply to the laws of Fair Trade? I.e. hiring and employee benefits, diversity of workforce, employee compensation and promotion. Do you have any joint guidelines for this?</p> <p>1.6 Do you have a code of conduct? What does it include?</p> <p>1.7 How do you believe that competitors, suppliers/partners, and consumers perceive you? Trustworthy?</p> <p>1.8 How do you ensure that employees report any misconduct at work?</p> <p>1.9 How do you ensure that accurate information is communicated to consumers?</p> <p>1.10 Which products do you have with a Fair Trade label?</p> <p>1.11 Why did you incorporate Fair Trade into the corporate strategy? How was the implementation communicated within the organization? Was there a plan to implement it in the whole organization? How was the plan executed?</p> <p>1.12 After adopting Fair Trade, has the employee morale changed, and in that case how? Was there any intention for this change and was this change performed according to the plan?</p> <p>1.13 After adopting Fair Trade, has the company image changed, and in that case how? Was there any intention for this change and was this change performed according to the plan?</p> <p>1.14 What type of Fair Trade initiatives/activities has Coop been engaged in over the years?</p> <p>1.15 Have the number of employees engaged in these Fair Trade issues developed over the years? How/why?</p> <p>1.16 Has the amount of (financial) resources allocated to Fair Trade issues developed over the years? How? Why?</p> <p>1.17 To what extent are social issues integrated into the various functions within the organization? Are there set guidelines for this?</p> <p>1.18 Have you done any evaluation or follow-up on whether Fair Trade has been performed according to plans? What was the result?</p> <p>1.19. What were the most important goals with committing to Fair Trade? And to what extent the organization has achieved these goals?</p>
Part 2	
Connections	<p>2.1 According to what criteria do you select suppliers/partners?</p> <p>2.2 Which type of suppliers does Coop use?</p> <p>2.3 Do you have guidelines of how to do business/manage suppliers/partners?</p> <p>2.4 Have you done any evaluation or follow-up concerning the selection process and how you manage your suppliers?</p> <p>2.5 Do you engage in supplier/partner dialogue? How?</p> <p>2.6 Do you feel that you can share information with your suppliers/partners? Are there any set guidelines for what kind of information you can share?</p> <p>2.7 What kind of information do you feel you can communicate with your stakeholders? (Have you communicated the company purpose and objectives to your suppliers/partners?)</p> <p>2.8 How is the balance of power between Coop and the suppliers?</p> <p>2.9 How do you think the suppliers view the relation to Coop? Do you have a clear and communicated vision of how you want to be perceived?</p> <p>2.10 How do you set standards of business with your suppliers? Do you involve your suppliers in this activity? Can they influence the set standards?</p> <p>2.11 Do your suppliers/partners report back to you? Do you report to your suppliers/partners?</p> <p>2.12 Have you done any evaluation or follow-up concerning supplier dialogue and standards of business among suppliers?</p> <p>2.13 To what extent is Coop in dialogue with its stakeholders about its work on supply-chain CSR?</p> <p>2.14 What are the future plans regarding the CSR work?</p> <p>2.15 How do you select employees? That is, do you have any specific requirements (in the context of Fair Trade) when hiring?</p>

	<p>2.16 Do you communicate your Fair Trade objective to your employees, and in that case how do you do that?</p> <p>2.17 Do you engage in open and flexible communication with your employees?</p> <p>2.18 Do you engage in responsible personnel management and in that case how?</p> <p>2.19 How do you ensure safety and fair working conditions for your employees?</p> <p>2.20 Have you done any evaluation or follow-up on that the communicated information is received and understood accurately by employees?</p> <p>2.21 Who are your customers?</p> <p>2.22 What kind of information concerning Fair Trade do you communicate to your consumers?</p> <p>2.23 How do you ensure that the information communicated to consumers is transparent, truthful and honest?</p> <p>2.24 Do you encourage customer involvement in any aspect concerning Fair Trade? Do you have any kind of consumer evaluation?</p> <p>2.25 What are your most important goals when it comes to connections (stakeholders) in the context of Fair Trade? And to what extent the organization has achieved these goals?</p>
<b>Part 3</b>	
<b>Consistency</b>	<p>3.1 How do you manage your supply chain partners, i.e. making sure that supply chain partners live up to Fair Trade standards?</p> <p>3.2 How do you assure employee security, wellbeing and satisfaction at partners' companies?</p> <p>3.3 How do you assure that supply partners are performing practices according to settled standards?</p> <p>3.4 Do you evaluate and follow-up suppliers' actions so they live up to settled standards?</p> <p>3.5 Do you engage in education and training of employees of how to pursue ethical behavior and how to build sustainable stakeholder partnerships, and in that case how?</p> <p>3.6 Do you have codes of practices for day-to-day activities for your employees?</p> <p>3.7 Do you monitor that standards and business practices are maintained by employees?</p> <p>3.8 Do you evaluate your Fair Trade actions? E.g. number of Fair Trade products, Fair Trade education etc.</p> <p>3.9 Do you provide the opportunity for employees to engage in voluntary activities?</p> <p>3.10 Do you engage in society development through passively and actively encouraging public engagement; e.g. charity establishing foundations?</p> <p>3.11 What is your job in relation to the suppliers?</p> <p>3.12 How is this work related to your other tasks?</p> <p>3.13 Have you received training?</p> <p>3.14 How is the support/involvement of top management in the code of conduct work?</p> <p>3.15 What kind of feedback has Coop received from the suppliers concerning the code of conduct work?</p> <p>3.16 Can you give me any examples of how suppliers have improved their social performance?</p> <p>3.17 Which type of initiative did the supplier implement, and what was Coop's role in this implementation?</p> <p>3.18 Does the organization rely much on written procedures, policies etc?</p> <p>3.19 Does Coop have a written set of values? Do you know what these values are? Do these values have an influence on your daily work? How?</p> <p>3.20 What are your most important goals when it comes to consistency of Fair Trade? And to what extent the organization has achieved these goals?</p>
<b>Part 4</b>	
<b>Subjective performance</b>	<p>4.1 What is your overall performance of practicing Fair Trade?</p> <p>4.2 What is your overall performance of practicing Fair Trade in comparison to competitors?</p>



**Appendix 3, *Finalized list of words for the content analysis***

<b>Identified words corresponding to Fair Trade</b>
Fair
Fair Trade
Free trade
Commit
Sustainable
Developing countries
Stakeholders
Social responsibility
Corporate social responsibility
Fair price
Southern producers
Benefiting producers
Working conditions
Cooperation
Credibility
Responsibility
Employee training
Guidelines
Reviewing supplier
Standards
Transparent
Trustworthy
Authentic



## Linnaeus University a firm focus on quality and Competence

On 1 January 2010 Växjö University and the University of Kalmar merged to form Linnaeus University. This new university is the product of a will to improve the quality, enhance the appeal and boost the development potential of teaching and research, at the same time as it plays a prominent role in working closely together with local society. Linnaeus University offers an attractive knowledge environment characterised by high quality and a competitive portfolio of skills.

Linnaeus University is a modern, international university with the emphasis on the desire for knowledge, creative thinking and practical innovations. For us, the focus is on proximity to our students, but also on the world around us and the future ahead.

Linnaeus University

SE-391 82 Kalmar/SE-351 95 Växjö

Telephone +46 772-28 80 00

**Linnaeus University**  
School of Business and Economics