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The Next Frontier of Corporate Social Responsibility:  
Discovering Consumer Expectations

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## Abstract

Corporate Social Responsibility (CSR) is a broad area of management study and practice that has become increasingly important for business practitioners and academics alike. While the majority of authors who have written on the subject, including ourselves, are proponents of CSR in general, there is an emerging viewpoint that it is simply not enough for corporations to singlehandedly address CSR thus it is important that others, such as NGOs and Consumers, play a defined role in CSR as well. Simply stated, demanding that corporations practice CSR is not the magic solution that will address the myriad of social issues that affect the world's diverse population.

In this thesis we will look at CSR from both the corporate and consumer perspective (which will specifically be referred to as C<sub>N</sub>SR once that term is introduced) and present the argument and implications of what it means that these two entities may have very different perspectives of what CSR actually is. To do this we conduct a case study of Starbucks Corporation, a multinational coffee retailer with a global coffee brand, and closely compare its broadcasted CSR initiatives with the voice of individual consumers who have taken the time and effort to publicly state their expectations. We hope that by shedding light on a new aspect of CSR, corporations and academics will further investigate and utilize the insights we have gained from our research to benefit society at large.

**Key words: Corporate social responsibility (CSR), Consumer social responsibility (C<sub>N</sub>SR), attitude-behavior gap, consumer CSR expectations**

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## 1. Introduction

While corporate social responsibility (CSR) is not an emerging concept, it is dynamic enough to be understood and written about from constantly evolving perspectives, contexts and disciplines. It is a concept that lies at the crossroads of various fields of academia and impacts many aspects of business and society thus deserving significant attention from business practitioners and academics alike. Dating back to the 18<sup>th</sup> century, corporations have gone out of their way to ensure employees' wellbeing (den Hond, de Bakker & Neergaard, 2007). Since the mid-1990s, heating public debate has renewed this concept and has made it a significant part of the public agenda causing companies to realize that there is no way to escape the social roles and moral expectations that the public has placed on them (den Hond et al.2007).

### 1.1 The Attitude-Behavior Gap

Anselmsson & Johansson (2007) assert that it is possible to position product brands with CSR in consumers' minds, when other approaches such as price, quality, function, etc. are already saturated. Similarly, as argued by Roper and Fill (2012), organizations that are aware of the strategic importance of CSR have attempted to use it as a corporate reputation capital builder and a point of differentiation over their competitors. In both of these scenarios, corporations are banking on the fact that consumers will value their offerings higher if they are somehow embedded with additional CSR. In order for corporations to actually see the return on investment (in this case the expenses associated with CSR initiatives), consumers must actually pay a premium, and it is not sufficient if consumers simply have the *attitude* that corporations should increase their CSR offerings. However, a socially responsible reputation does not necessarily translate into consumer willingness pay more for the goods a corporation has to offer, even if the goods are legitimately more responsible (Anselmsson & Johansson, 2007;

BBMG, GlobeScan & SustainAbility, 2010; Carrigan and Attala, 2001, Devinney et al.2010). The lack of understanding of how consumers actually perceive the relevance of CSR can be seen by an increasing amount of discussion around what is being called the consumer ‘attitude-behavior gap’.

Carrigan and Attala (2001) point out that with regard to ethical consumerism (a term that will be further discussed in our literature review), there is a clear ‘attitude-behavior gap’ that exists between what consumers tell corporations and how these consumers actually act. Devinney et al. (2010, p.56) tell us that this phenomenon has been “euphemistically coined the ‘attitude–behavior gap’, and it is something of a trademark for the lack of validity of research in this field”. Namely, consumers fail to translate positive intentions of socially responsible products/services and ethical issues into changes in purchasing behavior (Carrigan & Attala, 2001). We contend that this apparent disconnect between consumers’ stated attitudes of CSR and their action is quite important and alarming, especially for corporations that have invested in positioning their products or brands as being differentiated by increased CSR. If this disconnect is not addressed and consumer attitudes towards products embedded with CSR are not fully understood, corporations will have a very difficult time successfully commercializing CSR.

To give our readers a direct understanding of this gap we realize that it might be useful to provide a real world example that shows divergence between what consumers say they are willing to do for the sake of CSR and the actions that they actually take. Devinney et al. (2010) give us a great example by comparing the results of a 2005 Global Market Institute (GMI) poll and resulting corporate action taken by Starbucks, and the resulting consumer action to this corporate response. The poll included respondents from the US, UK, India, Australia, Canada and most of the Countries in the EU and found that 54% of consumers confirmed that they were ready and willing to begin paying more for organic, environmentally friendly products and called out specifically that they would be willing to support “Fair Trade” products (Devinney et al.

2010). Following pressure from NGOs and consumer surveys such as this one, Starbucks initiated a campaign to prominently display Fair Trade coffee (Devinney et al. 2010, we will revisit this specific CSR issue of “Fair Trade Coffee” later in our discussion of empirical findings). Unfortunately for Starbucks, an increase in sales was not seen and “were in fact much lower than expected and demand has remained relatively flat since its introduction in 2001” (Devinney et al. 2010, p.11). They go on further to explain that not only was there not a quantitative increase in sales but that “not a single barista could recall a customer either asking for Fair Trade coffee or complaining that it was not available” (Devinney et al. 2010, p.11).

## **1.2 Attempting to Understand and Close the Gap**

Why does this the gap exist? Borrowing the logic of Devinney et al. (2010), it would seem that since corporations believe that consumers voice their opinions of CSR expectations through the purchases they make, they (corporations) can only “get lucky” time to time when their product offering happens to match a complicated and unclear set of needs. They explain this logic by arguing that “the purchasing context operates to reveal or not reveal the wants, desires, values, constraints, beliefs, and mindset of the individual doing the purchasing” (Devinney et al. 2010, p.2). The issue is that corporations tend to oversimplify intended “ethical consumerism” by “put [ting] considerable faith in the belief that an individual’s vaguely construed intentions say a lot about his/her specific actions and that broad generalizations can be made about specific versus general social stances. This belief is found in the quite considerable number of surveys professing to show that individuals will sacrifice themselves and their wallets to a higher cause and that individuals care about many complex social causes” (Devinney et al. 2010, p.2).

Bearing this in mind, researchers have investigated why this gap exists and have proposed solutions to close it from various perspectives. Anselmsson & Johansson (2007, p.851) conclude that while “the link between consumers’ perception of social

responsibility and their intention of purchase is not very strong” in can be strengthened by more clearly positioning the specific dimensions of CSR. Corporations need to know not only which dimensions of CSR to clearly position (which Anselmsson & Johansson argue is the key to bridging this attitude behavior gap), but also need to go one step further and effectively grasp their targeted consumers’ *expectations* of CSR performance. We believe that only in the synthesis of a rich understanding of consumer expectations with effective corporate communication can the ‘attitude-behavior gap’ be closed, and only then will consumers and corporations simultaneously perceive symmetric value in CSR offerings.

As we have made the argument thus far that the existence of the ‘attitude-behavior gap’ is relevant for businesses at large, it we would also argue that providing clarification and possible solutions to “close the gap” would be important as well. As we have put forth the idea that a deeper understanding of consumer CSR expectations is the key to accomplishing this, we will now look at what research has been done in this regard and what is lacking.

### **1.3 Searching for an Improved Understanding of Consumer Expectations**

BBMG, GlobeScan & SustainAbility (2012, p.2) conducted an in depth study that attempted to bring the “consumer voice into the sustainability conversation and help articulate specific decisions and actions that companies can take to accelerate and grow a more sustainable economy”. They found various barriers and levers that undermine or help consumers make socially responsible purchase decisions (See Appendix 1). While these barriers tell us that consumer expectations are not being met for certain criteria, they do not tell us in the consumers’ own words what their expectations are. We believe that a lack of understanding consumer expectations of CSR can lead to different interpretations of CSR between corporations and consumers. If so, this would be an

extremely important idea since it is only logical that different interpretations of CSR could influence the ‘attitude-behavior gap’, which is undoubtedly of paramount importance to academics and business practitioners alike. Thus, we have arrived at the primary purpose of this study: **to explore the possible different perceptions of CSR between corporations and consumers by walking through each specific CSR category. And secondly, we aim to provide practical suggestions for corporations to strategically initiate more focused and effective CSR activities and hopefully to bridge the ‘attitude-behavior gap’.**

In order to achieve the aforementioned the purposes, the following research question has been developed:

*How do consumer expectations of CSR differ from corporations’ understanding of CSR?*

#### **1.4 Two Paradigms of Social Responsibility**

The strong presence of ‘attitude-behavior gap’ brings Consumer Social Responsibility or “C<sub>N</sub>SR”, which Devinney, Auger, Eckhardt & Birtchnell (2006) coined, into sight. To lay the foundation for the forthcoming deep discussion of CSR and answer our research question, we will split CSR into two distinct paradigms:

The first type of CSR will continue to be called “CSR” but will refer more specifically to the tool that corporations use to bolster their corporate reputation and protect it from exposure to both direct and indirect negative financial impacts (everything ranging from class action lawsuits from injured employees to decreased sales due to media exposés). The second paradigm, namely, C<sub>N</sub>SR, focuses on the CSR expectations that consumers place in corporations. It is important to note while we will borrow this convenient acronym “C<sub>N</sub>SR” to make a distinction between the traditional CSR paradigm and the consumer focused paradigm, our use of the term will not necessarily connote the same level of hippocratism of consumers as Deviney et al. (2006)

occasionally suggest in their work. We believe that it is necessary to frame our discussion on social responsibility in this way, because our research question mainly indicates a corporate-consumer interface.

In the forthcoming sections, we intensively review the relevant literature on CSR and CnSR. The research method is then elaborated followed by data analysis and a presentation of results. This study ends up with a discussion of some intriguing findings and implications both for academia and corporations, and directions of future research in this field.

## **2. Literature Review**

As one of the key aspects of our research question involves understanding specific dimensions of CSR, it is imperative that the readers of this thesis not only have a congruent understanding of this term that the authors have, but be made aware of the various dimensions of CSR that exist in the literature that have influenced our research motives. While it may be possible to jump directly into a discourse on the specific *issues* of CSR (social, environmental, working conditions, etc.), it is necessary to look at the evolution of the role of CSR in Society and Business in order to fully understand dimensionality of CSR. This will be provided in the literature review section titled “Corporate Social Responsibility”.

We have also introduced the idea that social responsibility research can be categorized separated into two divergent paradigms (Corporate vs. Consumer). We believe that social responsibility research conducted with focus on the consumer paradigm is a newer area of study and thus it merits its further discussion as we believe that our thesis lie squarely in this less-researched field. And within consumer social responsibility, ‘attitude-behavior gap’ is an essential aspect to be further

discussed. We have argued that our research question is particularly interesting because it may lead to closing the ‘attitude-behavior gap’, and thus feel it is necessary to strengthen our assumption that consumer expectations are in fact as powerful as we claim.

## 2.1 Corporate Social Responsibility

Since 1953 when Bowen wrote his seminal book called *Social Responsibilities of the Businessman*, there has been a terminological shift from the expression “social responsibility of business” to “Corporate Social Responsibility” or CSR (Garriga & Melé 2004). The second half of the 20<sup>th</sup> century witnessed a great proliferation of CSR theories, approaches and terminologies (Garriga & Melé 2004), yet, there is to date no settled definition of CSR (Carrol, 1979; Carrigan & Attalla, 2001; den Hond et al. 2007). With the ensuing debate bringing forth different conceptualizations of CSR overtime, the term has encompassed a wide range of economic, legal and voluntary activities (Carrol, 1979). This term has been concluded by Votaw (1973) as “a brilliant one; it means something, but not always the same thing, to everybody” (den Hond et al. 2007, p.2). Also as illustrated by den Hond et al. (2007), on the one hand, consensus seems to have been reached regarding the relevance of addressing issues of corporate responsibilities; while on the other hand, at a more specific level, implementing CSR in a concrete context remains poorly addressed and various interpretations of CSR seem to be around.

Inspired by Sethi’s (1975) “three-state schema for classifying corporate behavior” (which are social obligation, social responsibility and social responsiveness), Carrol (1979) believes that corporate social performance requires an assessment of **social responsibilities, an identification of social issues to be addressed and a selection of response philosophy**. We will follow this logic to organize the discussion of corporate social responsibility as we believe it is so far as we believe that it is one of the most comprehensive and inclusive theories in the CSR field.

### **2.1.1 Social responsibility categories**

After listing a summary of some representative views as to what CSR means, Carrol (1979) creates a four-part framework (Figure 1) and then goes on to state the definition of CSR as “the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carrol, 1979, p.500). These four categories are neither mutually exclusive nor are they intended to depict a continuum from economic concerns to social concerns, rather they are simply to suggest us what might be termed their fundamental role in the evolution of importance (Carrol, 1979). The dotted line in Figure 1 implies that all the four responsibilities need to be met simultaneously (Carrol, 1979).

The economic responsibility is an often discussed aspect by Friedman, who believes the only social responsibility of business is to “make as much money as possible while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom” (Friedman, 1970). This has also been voiced by Gaski (1999) from another perspective; he contends that all of the ethical standards in marketing can be reduced conceptually to something that either obeys the law or acts in its own self-interest in the long run (Gaski, 1999). Friedman (1970) admires corporate executive's capability of running a company in terms of producing a product or selling it or financing it, while questions his/her ability to allocate scarce resources to be socially responsible. Moreover, the actions in accord with his/her “social responsibility” would undermine the interests of key stakeholders such as stockholders, customers and employees (Friedman, 1970). To summarize Friedman's perspective of CSR in his own words, “The business of business is business.”

Discretionary Responsibilities	no clear-cut message; left to individual judgment and choice
Ethical Responsibilities	expectations of business over and above legal requirements; among the most difficult for business to deal with.
Legal Responsibilities	“Society expects business to fulfill its economic mission within the framework of legal requirements.”
Economic Responsibilities	The first and foremost social responsibility of business; the responsibility to “produce goods and services that society wants and to sell them at a profit”.

Figure 1 Social Responsibility Categories (Carrol, 1979; Adapted)

Similarly, Garriga and Melé (2004) try to clarify the complex and unclear CSR field, “mapping the territory” by categorizing the CSR theories and related approaches into four groups: instrumental theories, political theories, integrative theories and ethical theories (Figure 2).

Type of theory	Description	Approaches
Instrumental theories	Focusing on achieving economic objectives through social activities	Maximization of shareholder value; strategies for competitive advantages
Political theories	Focusing on a responsible use of business power in the political arena	Cause-related marketing Corporate constitutionalism Integrative social contract theory Corporate/business citizenship
Integrative theories	Focusing on the integration of social demands	Issues management Public responsibility Stakeholder management Corporate social performance
Ethical theories	Focusing on the right thing to achieve a good society	Stakeholder normative theory Universal rights Sustainable development The common good

Figure 2 Corporate Social Responsibility Theories and Related Approaches (Garriga & Melé 2004; Adapted)

Another classification that put forward by den Hond et al. (2007, p.2) includes two seemingly conflicting positions of CSR, namely, (1) “firms do not and should not have any social responsibilities beyond maximizing shareholder value”; (2) “firms do have such responsibilities and should act accordingly”. While at the same time, they argue that companies that meet the expectations of stakeholders and society at large are expected to gain a competitive advantage over other companies, which would mean that a practice of CSR and maximizing stakeholder value can coexist without conflict (den Hond et al. 2007).

In sum, these similar conceptual frameworks discussed above show that the key aspects of CSR have gained prominent position in academic work. As we reflect on the three different CSR paradigms given to us by Carrol (1979), Carrigan & Mele(2004), den Hond et al. (2007), etc., it would seem that while economic considerations continue to influence the CSR discussion, the discussion has also become structured with a degree of legal, ethical and discretionary dimensions. Since

it is not the objective of this thesis to define one coherent framework or definition of CSR it would be quite difficult for us to make any novel summary of CSR discourse. That being said, we realize that due to the daunting amount of literature that contains the acronym “CSR”, it would be very helpful for future contributors to the CSR literature to make an effort to find interconnections between existing CSR dimensions (rather than starting from scratch) in order to lead to more determinate forms of CSR.

### 2.1.2 Social issues involved

After specifying the nature or categories of social responsibilities, the identification of social issues to which these responsibilities are tied is of great necessity (Carrol, 1979). Again, there is by no means a consensus as to what these issues should be as they evolve over time and differ from industry to industry (Carrol, 1979). For instance, with respect to different involvements of CSR issues in different industries, a manufacturer is significantly more absorbed with environmental issues than a bank or an insurance company (Carrol, 1979). By using content analysis, Aghashahi et al. (2013) indicate that corporations in food & beverage industry were concerned about social and environmental impacts of their business, which can be categorized into six main dimensions: Environmental, Human Rights, Labor Practices and Decent Work, Society, Product Responsibility, and Economic. While Maloni & Brown (2006) develop a comprehensive framework of CSR in the food industry from the supply chain perspective, detailing unique CSR applications in the food supply chain including animal welfare, biotechnology, environment, fair-trade, health and safety, and labor and human rights.

In a 1999 comprehensive summarization in the Socrates database, CSR initiatives of 600 companies based in different industries were collected and then grouped CSR issues into six distinct categories: **community support, diversity, employee support, environment, non-domestic operations and product** (Sen & Bhattacharya, 2001).

In an effort to condense the language surrounding macro CSR issues, Anselmsson & Johansson (2007) argue that human responsibility, product responsibility, and environmental responsibility, are the three dimensions that can capture consumers' CSR perceptions without much loss of explanatory power in a Swedish context (Anselmsson & Johansson, 2007). Carrigan and Attalla (2001) also discuss the broader implications of social responsibility in marketing by arguing that it covers a diverse range of issues such as consumerism, environmentalism, regulation, political and social marketing.

### **2.1.3 Philosophy of social responsiveness**

Social responsiveness is a general used term to address the philosophy, mode or strategy behind managerial response to CSR, which can range on a continuum from no response (do nothing) to a proactive response (do much) (Carrol, 1979). The emergence of corporate social responsiveness means the discussion of CSR has come to the action phrase of management (Carrol, 1979).

Several scholars have provided conceptual schemes describing the responsiveness continuum well (Carrol, 1979, see Figure 3). To help our readers get a tangible understanding of this continuum, we will reflect on the previous Starbucks example provided in the introduction. Starbucks selling Fair Trade coffee can be positioned as “do only what is required” and they got limited rewards from consumers. One example that we can look at where a corporation has been able to go beyond consumers' expectations is the Body Shop's “Trade Not Aid” campaign. Acting as a pioneer in the CSR dimension, the “Trade Not Aid” initiative started around 1990 with the objective of “creating trade to help people in the Third World utilize their resources to meet their own needs” (earthwiseharmony, 2015). Strong (1996) argues that healthy sales growth (16% in 1994 compared to 1993 globally and 12% in the

UK) is directly attributed to positive consumer response and acceptance of the CSR initiative. This “Trade Not Aid” initiative can be positioned as “Lead the industry” or “problem solving”. As Anita Roddick (the founder of the Body Shop) said “for me, campaigning and good business is also about putting forward solutions, not just opposing destructive practices or human rights abuses.” (earthwiseharmony, 2015)

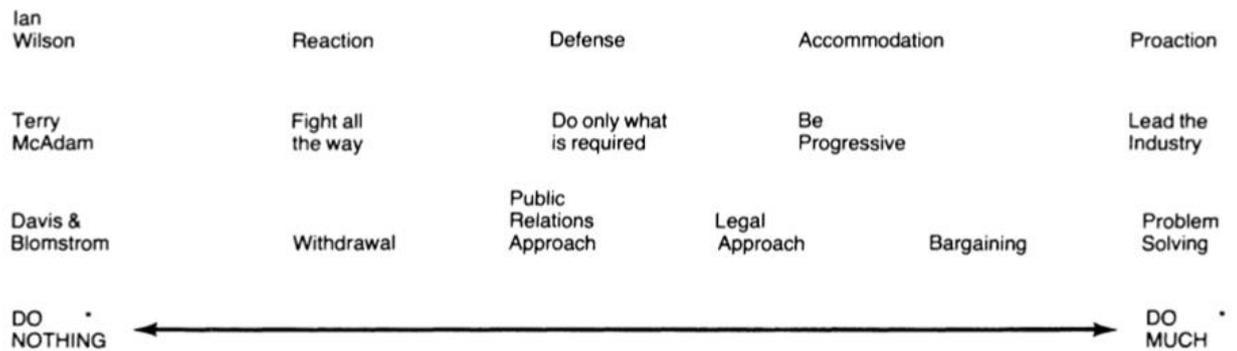


Figure 3 Social Responsiveness Categories (Carroll, 1979)

Porter & Kramer (2006) suggest that corporations can create a corporate social agenda as a way to integrate business and society, and can choose between two types of responsiveness which they call “responsive CSR” and “strategic CSR”. While responsive CSR can give a corporation the appearance of being a good corporate citizen and address social harm that business activities create, strategic CSR is far more selective (Porter & Kramer, 2006). Strategic CSR mounts a small number of initiatives whose social and business benefits are large and distinctive, and also incorporates both inside-out and outside-in dimensions working in tandem (Porter & Kramer, 2006). In conclusion, Porter and Kramer (2006) encourage their prospects for social responsibility using the framework that guides their core business decisions, and proactively choose which social issues to focus on from which it can gain the greatest competitive advantage.

## **2.2 Consumer social responsibility (C<sub>N</sub>SR)**

### **2.2.1 The definition of C<sub>N</sub>SR**

At the corporate-consumer interface, the other CSR: consumer social responsibility (C<sub>N</sub>SR) has emerged corresponding to CSR and is recognized as one of a number of key drivers of CSR, requiring corporations to consider responsibility for the way in which products are brought to market (Caruana & Chatzidakis, 2013). Devinney et al. (2006, p.3) define C<sub>N</sub>SR as “the conscious and deliberate choice to make certain consumption choices based on personal and moral beliefs”. It includes two basic components: (1) an “ethical” component relating to the underlying importance of the non-traditional and social components of a company’s products and business processes; and (2) a “consumerism” component that implies that the preferences and desires of consumer segments are partially responsible for the increasing influence of ethical or social factors (Devinney et al. 2006, p.3). Devinney et al. (2006) strongly contends that for corporations, a rational model C<sub>N</sub>SR is a premise for the moral foundations of CSR and for a better understanding of complex consumer decision-making process.

Devinney et al. (2006) believe that studying C<sub>N</sub>SR rigorously can enable corporations to fill in many of the missing pieces of CSR. Reflecting on the philosophy of social responsiveness we discussed above, Devinney et al. (2006) provide corporations with two models to respond to C<sub>N</sub>SR: a reactive model and a proactive model. For example, Caruana & Crane (2008) take a proactive perspective and explore how the meaning of C<sub>N</sub>SR is “constructed” in the marketplace by corporations (Caruana & Chatzidakis, 2013).

### **2.2.2 Ethical consumerism**

“Ethical” and “consumerism” are two distinct components of C<sub>NSR</sub>, while “ethical consumerism” has evolved over the last three decades (Devinney et al., 2006). Carrigan, Szmigin & Wright (2004) assert that the academic attention on ethical consumerism overtime focuses on ‘green consumerism’ (mainly with environmental issues involved), which is mainly represented by an emphasis of consumption of products with good ethical performance or the boycott of certain types of products with bad ethical performance. However, ethical consumerism carries broader meanings than green consumerism alone for both consumers and companies (Carrigan et al. 2004). For instance, Strong (1996) believes that the ethical consumerism adheres to all the principles concerning environmental and “human” aspects of the manufacture, use and disposal of products.

Despite all of these, Devinney et al. (2010, p.9) critically point out that the label “ethical” consumerism “carries mythological baggage that needs to be discarded”, because it is “too broad in its definition, too loose in its operationalization, and too moralistic in its stance.” Therefore, they suggest the focus should be on what they have coined as C<sub>NSR</sub> instead of ethical consumerism (Devinney et al. 2010).

### **2.2.3 ‘Attitude-behavior Gap’**

Many authors have recognized a clear ‘attitude-behavior gap’ including Roberts (1996), Cone & Roper (1995), Folkes & Kamins (1996), Carrigan & Attalla (2001), which means there is a notable difference that consumers display between supporting ethical products by words and actually executing this ethical support when purchasing (Carrigan & Attalla, 2001). Similarly as Devinney et al. (2010) point out, “survey radicals turn into economic conservatives at the checkout”. There have been plenty of other studies conducted which explore the possible reasons behind this phenomenon and bring up plausible solutions to fill this gap.

Bemporad, Coulter & Lee (2012) feel strongly that corporations should rethink how consumers actually perceive the nature of consumption after reflecting on the aforementioned BBMG, GlobeScan & Sustainability study. In trying to answer ‘why’ a significant gap exists between what consumers say and do, the study found that the majority of people want more sustainable products but are unwilling to compromise on product performance and overall cost (Bemporad et al. 2012). Carrigan & Attalla (2001) reach a conclusion that “price, value, brand image and fashion trends” are the most important factors influencing consumers’ purchasing decisions, and consumers are only willing to be “selectively ethical” as there are always other factors varying in different industries take precedence over ethical criteria. Devinney et al. (2006) reach the similar conclusion by arguing that, consumers will invariably only pay more for products with positive social attributes when the functional attributes of these products meet their needs.

Antonetti & Maklan (2014) examine the ‘attitude-behavior gap’ based on what they call the ‘categorization theory’, which allows a more nuanced understanding of the potential reasons that underpin this inconsistency. By the approaches of grounded theory, they generate four types of responsible purchases that rest on consumers’ construal of two key dimensions: “the relative importance of altruistic and self-interested goals” and “the perception of the context of the behavior as public or private” (Antonetti & Maklan, 2014). They then suggest a more effective marketing strategy according to these dimensions (Figure 4). To summarize the findings of Antonetti & Maklan (2014), marketers should ensure that the categorization process used by their target audience has strong relevance with their promotion and then bridge the ‘attitude-behavior gap’. However, it remains uninvestigated to what extent this process matters in decision making and whether all dimensions equally influence consumer categorization (Antonetti & Maklan, 2014).

On the contrary, Auger & Devinney (2007) argue that part of the ‘attitude-behavior gap’ might result from the nature of the survey instruments (simple rating scales in most cases) used in consumer research which may overstate the importance of ethical issues in consumer purchase decisions. Moreover, they critically argue that traditional survey methods are also very likely to add unwanted variance into the measurement process by clouding the true preferences of consumers with spurious information (Auger & Devinney, 2007). Their findings imply that a more cautious approach should be implemented rather than the survey methods that are traditionally adopted when drawing conclusions about to what extent ethical issues matter for consumers (Auger & Devinney, 2007). It is also important to consider that the level of influence of ethical issues should be evaluated based on a specific situation and context (Auger & Devinney, 2007).

		Construal of the context of the behavior	
		<i>Private</i>	<i>Public</i>
Construal of the target of the decision	Self-interest is predominate	<p><b><u>Socially responsible purchase</u></b>                      Characteristics of the value offered by the pro-social features (PFs):</p> <ul style="list-style-type: none"> <li>● PFs represent predominately an individual benefit of emotional or functional nature</li> <li>● PFs represent cues that reinforce the emotional or functional benefits of the product for the self</li> <li>● PFs weighted in the same way as other features of the offer and do not represent the primary reason for the purchase of the product</li> </ul> <p><b><u>Suggested strategies</u></b>                      Marketers don't need to emphasis on the PFs features, but to maximize the perceived benefits of the offer.</p>	<p><b><u>Conspicuous responsible purchase</u></b>                      Characteristics of the value offered by the pro-social features (PFs):</p> <ul style="list-style-type: none"> <li>● PFs represent a way to signal status and enhance social self-concept</li> <li>● PFs represent cues that reinforce the social benefits and implies a form of status competition</li> <li>● PFs are relatively more important than other features of the offer and represent the primary reason for the purchase of the product</li> </ul> <p><b><u>Suggested strategies</u></b>                      Make the responsible products or services socially visible and distinctive for consumers.</p>
		<p><b><u>Altruistic purchase</u></b> (most typical type)                      Characteristics of the value offered by the pro-social features (PFs):</p> <ul style="list-style-type: none"> <li>● PFs represent predominately an ethical choice aimed at helping others and/or protecting the environment(vicarious benefit)</li> </ul>	<p><b><u>Political purchase</u></b>                      Characteristics of the value offered by the pro-social features (PFs):</p> <ul style="list-style-type: none"> <li>● PFs represent an ethical choice aimed at helping others and/or protecting the environment that is embedded in a pattern of social interactions and/or</li> </ul>

	<p>Altruism is predominate</p>	<ul style="list-style-type: none"> <li>● PFs represent cues that reinforce altruistic goals, activate an empathetic feeling and make personal benefits less salient</li> <li>● PFs are relatively more important than other features of the offer and represent the primary reason for purchase of the product</li> </ul> <p><b><u>Suggested strategies</u></b> Socially responsible or environmentally friendly can be a selling point for them. The gap is caused by the inability of transforming the moral commitment into action, so marketers should come up solutions to fix this “inability”.</p>	<p>offers a possibility for political self-expression</p> <ul style="list-style-type: none"> <li>● PFs represent cues that reinforce altruistic goals and make personal benefits less salient and social reference to the values of the community more important</li> <li>● PFs are relatively more important than other features of the offer and represent the primary reason for the purchase of the product</li> </ul> <p><b><u>Suggested strategies</u></b> The gap can be tackled relying primarily on the role of consumption choices as markers of social and political identity.</p>
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Figure 4 A Motivational Typology of Responsible Purchases (Antonetti & Maklan, 2014; Adapted)

Carrington, Neville and Whitwell (2014) reveal a motivational hierarchy (Figure 5) that guides the selection and enactment of ethical values in consumption decisions through three interconnected levels. The ‘attitude-behavior gap’ can be bridged by moving from the bottom to the top. Specifically, consumers are more likely to construct plans and make commitments/sacrifices based on their primary concerns, and gradually ethically-aligned habits will be developed and become automatic and effortless, leading to premeditated and rapid shopping behaviors and consistent ethically aligned consumption (Carrington et al., 2014). Secondary ethical issues can similarly translate through this hierarchy but may result in misaligned consumption because they are considered less important and thus it is less likely that consumers will deeply research the issues or develop specific plans for consumption (Carrington et al., 2014). This study looks closely at the inner workings of the mind of an ethically conscious consumer and provides an understanding of the translation process from his/her words to actions.

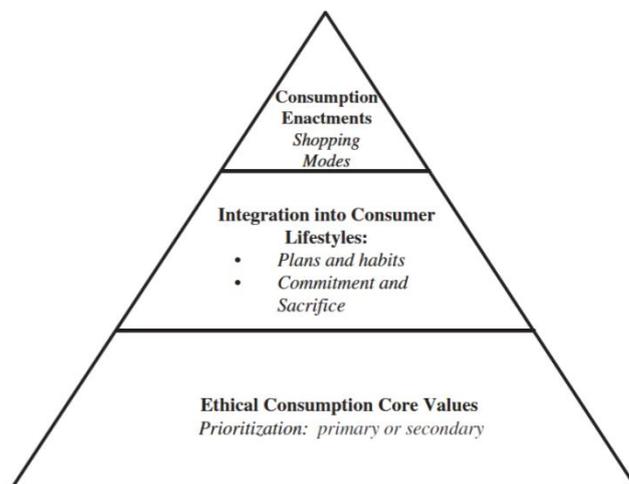


Figure 5 Core Motivational Hierarchy (Carrington et al. 2014)

However, ethical priorities vary significantly from one person to another because there is no universally accepted “guideline: which structures how individuals prioritize the ethical issues that are important to them. Thus, the validity of this model is not impervious to limitations since it relies on the ability of marketing managers to discern ethical priorities of consumers as a cornerstone of this model’s functionality.

### 2.3 Summary

In sum, we feel that it is safe to conclude that CSR and C<sub>N</sub>SR are tightly interconnected, and as such if corporations were to gain deeper and richer C<sub>N</sub>SR insights they may be able to more successfully execute their CSR initiatives.

By employing Carrol’s (1979) three-dimensional framework (which consists of social responsibility categories, social issues involved and social responsiveness) we can effectively construct and understand various theories of CSR at a corporate level. Thanks to the emergence of the academic discourse around C<sub>N</sub>SR, we now have a better understanding of *why* the ‘attitude-behavior gap’ exists. As a general summary to that literature we can say that consumers’ expectations/needs of ethically-attributed offerings haven’t been successfully met by corporations (Bemporad et al. 2012;

Carrigan & Attalla, 2001; Devinney et al. 2006). Some authors have put forth that it is actually possible to bridge the ‘attitude-behavior gap’ from various perspectives, for example, by segmenting and categorizing “ethical consumers” (Antonetti & Maklan, 2014), or by improving the survey instruments (Auger and Devinney, 2007) or by analyzing the inner working in consumers mind (Carrington et al. 2014). To summarize, these authors are providing possible ways to meet the CSR expectations/needs of target consumers, with these new methods of discovering and then meeting consumer expectations that can allow corporations to initiate CSR activities accordingly. By doing so, the ‘attitude-behavior gap’ can be narrowed down to significantly.

There is a complicated hierarchy of social issues that effects different groups of consumers differently (Carrigan & Attalla, 2001; Carrington et al., 2014), so corporations need to identify which social issues are most important to their target group and prioritize the consumer expectations of CSR that most urgently need to be met. Without improving their understanding of specific expectations of consumers, corporations will never bridge the ‘attitude- behavior gap’ and reap the commercial reward which they expect for investing in CSR.

As we previously mentioned, there are a myriad of different definitions and theories that academics have used to frame previous research. For our own research we shall limit the scope of what we consider relevant to our research question based on the specific dimension of CSR that simultaneously involves both corporations and consumers, which Carrol (1979) defines as the “social issues” dimension. With this dimension of CSR in mind, we modified the six-category framework (namely, **community support, diversity, employee support, environment, non-domestic operations and product**) that was utilized in the Socrates database (1999) (Sen & Bhattacharya, 2001; Anselmsson & Johansson, 2007) which will be explained in detail after we visit the method and results of our research.

### 3 Research method

Given the complexity of social responsibility and the limited number of studies that have looked at the CSR- CNSR interface, we follow Yin's (2014) guidance and use the **case study method** to retain a holistic and real-world perspective and gain in-depth elucidation of this social phenomenon.

Yin (2014) believes that the more the research question seeks to explain some contemporary circumstance (which mostly takes the form of a "how" or "why" question), the more that conducting a case study is relevant. Furthermore, this method is more likely to be used when the relevant behaviors cannot be manipulated, namely, when researchers have no or little control (Yin, 2014). We assert that the case study method is the most appropriate method for this study because we aim to understand **how** corporations communicate their CSR initiatives in the real business world context, and **how** these initiatives are seen from a consumer's mind. Case studies have been critiqued as being explorative. However, we believe that being "explorative" in our area of study is not necessarily a bad thing since it has not been looked at very closely before and thus will merit research beyond the scope of this thesis. It is exploratory nature of a case study that can lay the groundwork for "wide-scale surveys to map out the themes for the subsequent research" (Bryman & Bell, 2011, p.62).

#### 3.1 Selection of case

Yin (2014) suggests when selecting a case, one should consider if the case will best illustrate the research question, and if the data for the potential case is sufficiently accessible. Starbucks Corporation, a global coffee company based in the US with an internationally recognized brand of coffee and retail stores has been selected. However, considering the relevance of our research question, we will only specifically focus on Starbucks CSR performance as a corporation and Starbucks' consumer comments and

ideas about CSR. So to be more precise, this case study can be seen as “a case study of Starbucks CSR-C<sub>N</sub>SR interface”. Our main considerations of the criteria are listed as follows:

### **3.1.1 Country**

This study of the CSR-C<sub>N</sub>SR interface focuses on the U.S. market as it represents a country where social responsibility of corporations has become socially embedded over the past century thanks to the strong institutional frameworks that exist throughout various aspects of society (Matten & Moon, 2008). To start, we can look at the US Government system which has been much less engaged in economic and social welfare than most other developed countries (at least in Europe) thus giving more room for corporations to act at their discretion (Matten & Moon, 2008). As for the financial system, with the stock market being a key financial resource for many corporations, investors require a high degree of transparency and accountability from corporations (Matten & Moon, 2008), thus acting in a socially responsible manner has become a prerequisite to ensure steady financing. Finally, from the cultural perspective, there is a strong American ethic of stewardship and of “giving back” to society (Matten & Moon, 2008). As asserted by Pasquero (2004) and reiterated by Matten & Moon (2008, p.409), CSR in the U.S is rooted in “institutions and culture, particularly in the traditions of individualism, democratic pluralism, moralism, and utilitarianism.”

In sum, the specified arguments above lead us to believe that the US is a compelling context for us to deeply investigate the research question and develop theories.

### **3.1.2 Product/industry**

We choose the food & beverage industry because it has received considerable attention in the realm of sustainability since the 1980s (Aiking & De Boer, 2004), and is

perceived as the human activity with the single largest impact on the environment impact (Smil, 2000; Aiking & De Boer, 2004).

Furthermore, the food & beverage industry “retains substantial visibility since it not only supports a requirement of daily human life but also plays a large role in the national [U.S.] economy as a multi-trillion dollar industry” (Standard & Poor’s, 2005; Maloni & Brown, 2006, p.35). This industry is constantly challenged by critical issues such as energy efficiency, air pollution, waste water, etc. (Aghashahi et al. 2013). Corporations in this industry endeavor to act in a socially and environmentally responsible manner, not only out of economic considerations, but also to gain competitive advantage by being recognized for good CSR performance from the consumer’s perspective (Maloni & Brown, 2006; Aghashahi et al. 2013).

In sum, the food & beverage industry has been a vital driving force of the U.S. economy, whose businesses have learned to appreciate CSR as a core value (Aghashahi et al. 2013). Since we believe it is a representative industry in terms of CSR studies.

### **3.1.3 Corporation size and the CSR presence**

Out of the hundreds of thousands players that exist in the U.S. food & beverage industry, we have selected Starbucks Corporation as our case for further investigation. With the objective to stand as one of the most recognized and respected brands in the world, Starbucks is committed to being a deeply responsible company in the communities where it does business and where it sources its raw material (Starbucks Investor Relations, 2014).

As stated in its annual report, “Global Responsibility strategy and commitments are integral to our overall business strategy. As a result, we believe we deliver benefits to our stakeholders, including employees, business partners, customers, suppliers, shareholders, community members and others” (Starbucks Investor Relations, 2014). Starbucks supplier social responsibility standards were implemented in 2006, and since

then Starbucks has participated in more than 500 factory assessments and continues to devote energy to improving its social and environmental standards (Macleans, 2013). Furthermore, Starbucks has published a CSR report since 2001 in an official website (<http://www.starbucks.com/responsibility>) that serves to communicate CSR, and specifically address issues related to ethical sourcing, the environment and local communities. Starbucks' commitment to social responsibility has not gone unnoticed. The company was ranked 46<sup>th</sup> on the list of "100 Best Corporate citizens" by Business Ethics in 2000 (Argenti, 2004). Likewise, the company also won the first annual Humanitarian Award by the Coffee Quality Institute (May 2002) and the 2002 World Summit Business Award for Sustainable Development Partnerships (Argenti, 2004). And according to Rank a Brand (2014), Starbucks is evaluated as the most sustainable coffee brand in the world, followed by Nespresso and Nescafe. While it is important to note that these rankings or awards are more from CSR professionals perspective, consumers perceptions and understanding still remain less investigated.

Meanwhile, Starbucks is highly dependent on the financial performance of their US market performance as it comprises approximately 73% of consolidated total net revenues in fiscal 2014 (Starbucks Investor Relations, 2014). This is also in line with our selection of the US as our context of study.

### **3.1.4 External engagements with corporations**

Despite receiving numerous accolades and awards for being socially responsible, it seems that Starbucks' visibility in the marketplace has made itself a perpetual target for NGOs, the media and consumers at large (Argenti, 2004). For instance, Global Exchange first focused its spotlight on Starbucks in 2000, challenging it for not buying Fair Trade coffee (Argenti, 2004).

After these initial dealings with NGO criticism, Starbucks embarked on some innovative initiatives to increase stability and predictability at the producer level. It has since shifted from being caught in the crosshairs of NGOs to being an attractive candidate for collaboration (Argenti, 2004). We believe that with a rich history of engaging with external stakeholders and strategically working for being socially responsible, Starbucks is the perfect case with a wealth of information for us to scan.

### 3.2 Collecting case study data

Yin (2014) lists six sources of case study evidence: documents, archival records, interviews, direct observation, participant-observation, and physical artifacts. For this specific study, we mainly collect information from documents. Documents as the source of information in case study is appreciated because it is stable (can be reviewed repeatedly), unobtrusive (not created as a result of the case study), specific (can contain the exact names, references and details of an event), and broad (can cover a long span of time, many events and many settings) (Yin, 2014).

At a corporate level, in order to answer questions such as how Starbucks is practicing CSR, and what kind of social issues are mainly involved, we plan to review Starbucks' **Global Responsibility Report** from 2005-2014, which are all published on their official website <http://www.starbucks.com/responsibility>. It is on this website itself where Starbucks communicates CSR issues and thus will act as another source to corroborate and augment evidence from the reports. We believe these documents play a key role in empirical data collection and we could be immediately aware of how Starbucks interpret CSR after systematically and carefully reviewing them.

In order to consider the consumer side of the social responsibility paradigm, we feel that we should use a research method that gets as close to the actual consumer as possible, which Yin (2014) suggests can come in the form of **electronic data sources**. We believe that being able to conduct research online will free us from the limitations

of traditional ethnographic research, while still being able to benefit from its tenets which require that the researcher become part of the community. Finally, we choose the website **My Starbucks Idea** <http://mystarbucksidea.force.com> as our data source.

My Starbucks Idea is a website specifically for consumers' inputs and ideas about Starbucks business. There are three categories: product ideas, experience ideas and involvement ideas and within involvement ideas, there is a sub-category called "social responsibility". There are more than 11,017 unique posts (the majority of which have threads with multiple comments) in the "social responsibility" section (as of April 19, 2015), and all of them are **randomly** arrayed (not chronologically or by popularity).

Therefore, we choose the first 1,000 ideas (on the day April 19, 2015), approximately accounting for 9% of all the posted ideas. Among the 1,000 comments, 96 were from the year 2008, 54 from 2009, 34 from 2010, 46 from 2011, 159 from 2012, 238 from 2013, 343 from 2014 and 30 from 2015. After browsing through each of these comments, we found that the majority came from actual Starbucks consumers (customers), yet a number of people who stood out not as consumers of Starbucks' coffee or products, but rather consumers of the CSR documents or other information that Starbucks and the media put into the public arena. We would like to note that while there are references throughout our empirical analysis of Starbucks "mediator" comments, these comments were brought into the empirical data in addition to the 1000 comments originally made by actual consumers (non-mediators). We believe this is an extremely valuable resource that will allow us to get first-hand consumer insights and witness consumer to consumer as well as consumer-corporate CSR dialogue.

### **3.3 Application of Grounded Theory to our Research**

With all these documents and online texts collected as our empirical data in hand, we

used **grounded theory** (Bryman & Bell, 2011) to guide our data analysis. As a widely used framework for analyzing qualitative data, grounded theory provides us practical tools like coding, which is recognized as an important first step of generation of theory and allows us to break down, examine, conceptualize and categorize the data we have (Bryman & Bell, 2011).

It is the authors' interpretation that grounded theory is utilized in research where a large amount of data is to be coded; however, exactly how the data should be coded is not entirely clear until the data itself begins to be analyzed. In our research, we utilized a modified version of grounded theory, in that we set out knowing the main general categories of CSR and some of the specific CSR aspects that were part of the below adopted framework (which will be elaborated in the next paragraph), however, we did not know all of the specific aspects and issues that would arise. As our empirical research and analysis began, we began to create new specific aspects and all of the specific issues that were created and categorized arose only after reading the individual comments that we analyzed in our research. In sum, prior to conducting our research we only had a general idea of the topics that we would discuss in our analysis and findings section. It was only upon the coding of our empirical data that we determined the specific aspects and issues that led to our findings.

Based on previous literature review, we adopted the six general CSR categories (**community support, diversity, employee support, environment, non-domestic operations, and product responsibility**) from the Socrates database (Sen & Bhattacharya, 2001; Anselmsson & Johansson, 2007) to name and categorize CSR initiatives in Starbucks reports and C<sub>NSR</sub> ideas posted by consumers. Subsequently, we cited the terminology from the GRI-G3.1 (Global Reporting Initiative) guidelines to further categorize specific CSR aspects within a general CSR category. By providing a trusted and credible framework for sustainability reporting that can be used by organizations of any size, sector, or location, GRI is created to meet the need of globally communicating clearly and openly about sustainability (Global Reporting

Initiative, 2011). Below we outline two samples to respectively show how we coded Starbucks Annual CSR reports to provide the corporate perspective (Figure 6) and consumer comments from the mystarbucksidea.force.com website which provided the consumer perspective (Figure 7).

Data Source	Incident, Quotation, Opinion, etc.	CSR category (Terminology from Socrates database)	Specific CSR aspects (Terminology from GRI-G3.1)
Starbucks Global Responsibility Report(SGRR) 2005-2014	Make Your Mark “A volunteer program to encourage and support their partners to engage in their local communities through volunteerism” (Starbucks, 2005)	Community Support	Generous/innovative giving
SGRR 2005-2007	Partner View Surveys “ Starbucks conducts a Partner View Survey approximately every 18-24 months to solicit anonymous feedback from partners around the globe...” (Starbucks, 2006)	Employee Support	Employee involvement
SGRR 2005-2014	Renewable energy “Invest in renewable energy is our most effective means to offset our emissions”, currently the main replacement is wind power (Starbucks, 2005).	Environment	Energy, Emissions, effluents & waste

Figure 6 Examples of Coding Process at Corporate Level

Data Source	Incident, Quotation, Opinion, etc.	CSR category	Specific CSR aspects
<a href="#">Posted on 1/30/2013 8:28AM by swahab</a>	<a href="#">Offers through social media only???</a> “Pls., don't just limit offers and printing them through social media only ... asa result i am not able to print the "FREE STARBUCKS BLONDE" coupon. Many elderly don't even have computers. I only use my email account.”	Product Responsibility	Marketing communications
<a href="#">Posted on 3/19/2008 5:25PM by cbkroll</a>	<a href="#">sales slump</a> “I heard that you offer employees benefits, Why don't you play that up In this age of anti Wal Mart I would think this would help your image. I don't mind paying a little extra for a good cup of coffee when I know the kid behind the counter has health coverage”	Employee Support	Fair wages
<a href="#">Posted on 2/6/2014 12:36PM by Leggy228</a>	<a href="#">Pink for Breast Cancer Cups!</a> “I think in support of Breast Cancer, Starbucks should do a fundraiser with pink cups!”	Community Support	Disease Awareness
<a href="#">Posted on 2/11/2014</a>	<a href="#">Please provide containers for recycle and one for trash</a> “I just cannot understand why sbux does not recycle	Environment	Recycling

<a href="#">11:40PM</a> <a href="#">by weaser</a>	items thrown into their trash cans. Please work it out.”		
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Figure 7 Examples of Coding Process at Consumers’ Level

When we analyzed data from Starbucks Global Responsibility Report, we created memos (Bryman & Bell, 2011; which will be outlined in Appendices) to serve as reminders about which CSR category and specific CSR aspects are involved regarding certain initiatives.

Similar to Prasad (1993) who noticed that certain “incidents, events, or pieces of conversation related to a particular theme”, we read through each individual comment and notated the comment as relating to a particular CSR aspect and specific issue. Considering that consumers’ ideas on My Starbucks Idea (<http://mystarbucksidea.force.com>) are extensive and fragmented and the fact that we included 1000 unique comments as the sample for our analysis, we created a database with the help of Microsoft Excel to effectively and efficiently categorize and conceptualize each comment. Each comment was represented by its own unique row, which consisted of the comment, the consumer’s “screen name”, the date the comment was made, and finally three unique columns that clearly stated the General CSR category, the Specific CSR aspect and the specific CSR issue. Thanks to the automatic sorting and subtotaling functions of Microsoft Excel, it was a relatively accurate and quick process to generate a summary once the time-consuming work of coding all of the data was completed. The incoming part “results” shows the results of our data analysis by utilizing grounded theory.

### 3.4 Validity and reliability

Validity, reliability and generalizability are often considered as appropriate criteria to evaluate case study method (Yin, 2014; Bryman & Bell, 2011). Validity concerns issues like identifying correct operational measures and defining the domain to which a

study’s findings can be generalized, and reliability demonstrates that the operations of a study can be repeated with the same results (Yin, 2014).

In our research, the empirical data we collected are all from published documents or websites that are accessible for all individuals, so it can be repeated by anyone. Also, we developed a case study database with a format of tabular materials to organize and store all the data for later retrieval.

Furthermore, based on the previous statements of why we choose Starbucks, we believe Starbucks is representative for us to achieve a certain degree of theoretical and practical generalization.

## 4 Results

### 4.1 Starbucks-Corporate level

After reviewing and analyzing Starbucks Global Responsibility Reports in the past ten years, we have created a CSR Category Framework (Figure 8), which incorporates all six CSR categories and specific CSR aspects in each category that present in these reports.

CSR Category	Specific aspects	Clarification
1. Community support	1.1 Support of arts and health programs 1.2 Educational & housing initiatives 1.3 Generous/innovative giving	The “community” means where Starbucks operates (in this research, the U.S. only), and the raw material growing communities.
2. Diversity	2.1 Sex-diversity 2.2 Race-diversity 2.3 Family-diversity 2.4 Sexual orientation-diversity 2.5 disability based diversity record and initiatives	
3. Employee support	3.1 Concern for health & safety	

	3.2 Training & education 3.3 Employee involvement 3.4 Profit sharing	
4. Environment	4.1 Material 4.2 Energy 4.3 Water 4.4 Biodiversity 4.5 Emissions, effluents & waste	
5. Non-domestic operations	5.1 Investment & procurement practices 5.2 Overseas labor practices	This category mainly indicates how Starbucks engages with the stakeholders at starting point of supply chain, such as farmers.
6. Product responsibility	6.1 Product safety 6.2 3 <sup>rd</sup> -party verification/certification (Product/service labeling) 6.3 Marketing communications 6.4 Compliance	“Product” here means the products sold in stores to the end consumers.

Figure 8 CSR Category Framework (From Starbucks Perspective)

In the following paragraphs, we will conduct an in depth analysis of Starbucks’ CSR initiatives category by category. We expect that this analysis will give us and the readers a holistic understanding of Starbucks’ mission to be socially responsible and better understand how they prioritize issues, and how they allocate time, money or other limited resources to CSR issues.

#### **4.1.1 Community support**

Starbucks’ Chief Community Officer, Blair Taylor (2012), has been quoted as saying that “each Starbucks is part of the fabric of the neighborhood it serves”. This interdependence between Starbucks and the communities they do business is at the heart of their mission: “to inspire and nurture the human spirit-one person, one cup and one neighborhood at a time” (Schultz, 2011). We believe “community support” is one of the top priorities of Starbucks’ CSR work, and where Starbucks success in established and developing markets hinges on.

By reviewing the Starbucks Global Responsibility Reports from 2005-2014, we have gathered a list of CSR initiatives relating to community support that Starbucks has launched (Appendix 2) over the past 10 years. Starbucks has endeavored to gain a high level of community engagement in order to make positive contributions to communities where they operate and where their raw materials are grown, through several various channels and initiatives. They systematically manage existing initiatives by measuring and monitoring the process, and seek new possibilities each year. To be more specific, internally, Starbucks encourages and supports their partners (employees) to positively engage in local communities. Externally, Starbucks collaborates with like-minded organizations to address a specific issue like water shortage (for instance, the initiative “Ethos Water Fund”) or illiteracy among children by investing in related projects or generous giving (for instance, the initiative “Giving Voice”).

#### **4.1.2 Diversity**

“Embrace diversity as an essential component in the way we do business” is one of the guiding principles and core values of Starbucks, compelling it to prioritize and institutionalize diversity, inclusion and accessibility throughout their global business (Starbucks, 2007). Diversity is a category in which Starbucks has put forth great effort from 2005-2008, touching upon aspects such as sex-diversity, race-diversity, sex-orientation diversity when selecting suppliers, employees or other business partners. Diversity had a strong presence in its annual Global Responsibility Report, but has since 2008 faded and has become less important at a strategic level (Appendix 3).

### **4.1.3 Employee support**

Starbucks always calls their employees “partners” and believes they are the key to their success (Starbucks, 2005). “Provide a great work environment and treat each other with respect and dignity” is one of Starbucks Guiding Principles, and they strive to create a workplace that both values and recognizes each partner’s contribution as a way to fulfill their commitment to this principle (Starbucks, 2005).

Similar with Diversity, Employee Support category was an independent and significant in the previous reports, especially with a focus on employee involvement and engagement by launching various CSR campaigns, but since 2008, Starbucks seemed to shift their focus to other categories (See Appendix 4).

### **4.1.4 Environment**

Starbucks is committed to positively contributing to the environment and instills environmental responsibility as a corporate value (Starbucks, 2005). Since Starbucks’ Environment Mission Statement was established in 1992, Starbucks has continuously evolved its definition of environmental responsibility within the context of its business (Starbucks, 2005).

Environmental discourse is an essential part of Global Responsibility Report every year and clearly addressing environmental issues is one of its top priorities. Internally, Starbucks regularly shares its environmental information with its partners (employees) and ensures they have a good understanding of how their actions contribute to Starbucks environmental performance (Starbucks, 2005). Externally, Starbucks constantly engages with various organizations to address the specific challenge of climate change in a unified and collaborative approach (Starbucks, 2005). There are approximately ten big CSR initiatives consistently being launched every year to address critical environmental issues like energy conservation, water conservation,

waste and emissions (See Appendix 5).

#### **4.1.5 Non-domestic operations**

Starbucks' Guiding Principle compels the corporation to "apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee" (Starbucks, 2005). In this Non-domestic Operations category, we mainly investigate how Starbucks engages with coffee farmers, or other raw material growers (See Appendix 6). In the previous Community Support category, we have touched upon Starbucks' engagements in the coffee and tea growing communities, so in this category we will only focus on farmer support. In this context, Starbucks claims that "the success of the farmers with whom we do business is intrinsically linked to the sustainability of our business" (Starbucks, 2005), they show support to farmers by paying premium prices, offering them access to credit and so on.

#### **4.1.6 Product Responsibility**

Finally, as stated in the Guiding Principles, Starbucks "appl(ies) the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee" (Starbucks, 2005). Multiple approaches have been taken to ensure the high quality and sustainability of Starbucks' products. We will take a holistic point of view to track Starbucks products from the raw material from farmers to the finished products for end consumers (See Appendix 7), and the most important initiative is called **Ethical Sourcing** by Starbucks, including wining certification and verification by Fair Trade and other similar organizations such as Conservation International.

#### **4.1.7 Conclusion**

Based on the analysis above, Starbucks acts most consistently and strategically in

terms of **Community Support**, **Environment**, and **Product Responsibility** (mainly **Ethical Sourcing**) thus it can be said that these three categories can be considered Starbucks top three CSR priorities.

From 2005 to 2008, Starbucks summarized their CSR annual CSR performance in 80-100 page report, touching upon each CSR category and the specific initiatives taken. However, from 2009 on this report has been condensed to approximately 20 pages mainly focusing on Community Support, the Environment, and Ethical Sourcing. We believe it's safe to conclude that these aspects have been rooted into Starbucks Guiding principles and core business values.

## 4.2 Consumer level

As this study aims to investigate if there are different interpretations of CSR between corporations and consumers, or do CSR and C<sub>NSR</sub> address the same social issues. So in the coding process at consumers' level, we use the same terminologies (See previous Figure 8) with the analysis at the corporate level to categorize their comments and ideas when they fit the characteristics of that terminology, while there were issues that we found that did not fit neatly into pre-established CSR Aspects, hence our needing to create new ones, and therefore we added new aspects in this framework according to consumers' insights, as Figure 9 outlined, the new added categories and CSR aspects are highlighted in grey. So comparing Figure 8 and Figure 9, the readers could get a basic impression of the differences among the understanding of CSR between corporations and consumers.

We have subtotaled the 1000 unique comments by descriptor, allowing us to count the number of comments made in reference to a general CSR category, the CSR Aspect, and have even been able to count the number of comments made to a specific issue within each CSR aspect. There were a total of 10 unique descriptors that were considered part of the "CSR category" as per our framework. The next level of

subtotaling led us to a list of 47 unique descriptors that were considered to be “CSR Aspects”. Furthermore, thanks to the sorting capabilities of Microsoft Excel, we have been able to sort each of the specific issues within each CSR aspect. There are more than 150 specific issues emerging and the list of the top 20 specific issues that consumers discussed is available for review in Appendix 8.

CSR Category	Count	Specific Aspects	Count
1. Community support	134	1.1 Support of arts and health programs	7
		1.2 Educational & housing initiatives	9
		1.3 Generous/innovative giving	96
		1.4 CSR Community	13
		1.5 Disease Awareness	8
		1.6 Personal safety	1
2. Diversity	25	2.1 Sex-diversity	NA
		2.2 Race-diversity	2
		2.3 Family-diversity	3
		2.4 Sexual orientation-diversity	3
		2.5 disability based diversity record and initiatives	4
		2.6 Freedom of expression	7
		2.7 Religious-diversity	5
		2.8 Age-diversity	1
3. Employee support	36	3.1 Concern for health & safety	5
		3.2 Training & education	7
		3.3 Employee involvement	4
		3.4 Profit sharing	2
		3.5 Fair Wages	8
		3.6 Fair Working Hours	8
		3.7 Employee Appreciation	2
4. Environment	507	4.1 Material	1
		4.2 Energy	7
		4.3 Water	11
		4.4 Biodiversity	2
		4.5 Emissions, effluents & waste	42
		4.6 Recycling	431
		4.7 Transportation impacts	8
		4.8 Chemical use	5
5. Non-domestic	30	5.1 Investment & procurement practices	25

operations		5.2 Overseas labor practices	NA
		5.3 Overseas Charity	5
6. Product responsibility	188	6.1 Product safety	18
		6.2 3 <sup>rd</sup> -party verification/certification (Product/service labeling)	76
		6.3 Marketing communications	18
		6.4 Compliance	11
		6.5 Dietary Concerns	44
		6.6 Animal Welfare	18
		6.7 Research and Development /innovation	3
7. Non-CSR	69		
8. Non-USA	7		
9. General Cynicism	2		
10. General Praise	2		

Figure 9 The CSR Category Framework (From Consumers' perspective)

While it is possible that each individual comment of the 1000 comments reviewed has some unique, specific insight into what consumers are thinking, it is obviously not feasible for the writers to go to this level of depth, thus after the process of coding, we believe that it is rational to limit our analysis of the issues to specific categories and aspects that have barely been discussed at a corporate level previously, and have led us to particularly interesting findings. Below you will see a brief outline to the issues that will be discussed (Figure 10), and we have organized them according to ranking of popularity among consumers of each category and each specific CSR issues within that category.

CSR Category	CSR aspects	Specific issues within this aspect
Environment	Recycling	Reusable supplies
		In store recycling
		Recyclable packaging
	Emissions, Effluence and Waste	Zero landfill
		Carbon footprint
Transportation Impact	NA	
Product Responsibility	3 <sup>rd</sup> -party verification/certification	Fair Trade
		Organic and Non-GMO
	Dietary Concerns	NA
Community Support	Generous/Innovative Giving	Discounts for Seniors/Veterans/Military
		Local donations
	CSR Community	NA
Employee Support	Fair Wages	NA
	Fair Working Hours	NA
Non-domestic Operations	Investment and Procurement Practices	Made in USA
	Overseas Charities	NA
Diversity	Race Diversity	NA
Non-CSR Related Comments	NA	NA

Figure 10 Content of CSR Issues in the Following Discussion

#### 4.2.1 Environment

More than 50% of the comments posted on the Starbucks website were in relation to the environment. Of the 507 specific comments on the environment that we reviewed, 431 had to do with recycling in some capacity.

##### ○ Recycling

While the existing frameworks we were looking at had “emissions effluence and waste” (EEW) as its own CSR aspect, we felt that due to the amount of comments about recycling that it deserved to be considered its own CSR aspect. This aspect was broken down into three specific issues: reusable suppliers, in store recycling, and

recyclable packaging. While at a first glance it may appear that all three of these issues might be quite similar, they are in actuality quite different and say different things about consumers' recycling expectations. We have found that it seems that consumers are more concerned with what they see in the stores, and not with what is happening in the rest of the world, or throughout Starbucks supply chain. More details of this finding will be explained later in the summary of the environmental section.

- Reusable supplies

The single most popular comment made of the 1000 comments reviewed had to do with **reusable coffee cups** for consumers to use at Starbucks locations. 194 consumers made a point to take time out of their day and express their concerns/expectations about the current situation of reusable cups at Starbucks. It is clear that some time ago Starbucks realized the need for a reusable cup, or at least facilitate the use of consumers bringing in their own cups and this itself is not the issue. What seems to be the issue is that consumers do not feel that they are being properly rewarded for bringing their own cups, or that Starbucks should go further and charge consumers more for not bringing their own cups.

Explanation of why a 10c refund is simply not enough of a reward for using a reusable cup:

*Bigger discount for Starbucks mugs*  
*Posted on 1/29/2015 10:32 AM by volkswalker54*

*Starbucks offering a 10 cent discount for bringing our own mug is worthless. I don't even walk out to my car to retrieve a forgotten mug for that. Discounts should be 50 cents (\$0.50) for customers who bring a Starbucks mug back to be refilled, and 25 cents (\$0.25) for non-Starbucks mugs. This would be worth walking back to your car for the forgotten mug. And if forgotten at home, purchasing another for say ten dollars would pay for itself in just 20 visits, a totally doable and foreseeable result. Results for Starbucks would include selling more mugs, selling more coffee, having less trash, and really being a responsible community minded eco-friendly business, not one that just pays lip-service to these ideas.*

Second comment reinforcing need for larger discount for reusable cup:

*Bigger discount for reusable cups*

Posted on 11/23/2013 7:25 AM by 65E89A6C-C8FE-4CB0-B975-08783EEBAB19

*10 cents just won't motivate many people. Give a bigger discount to get people really get people into reusable cups.*

Comment highlighting the need to charge customer more if they are using a non-reusable cup:

*Too Much Recycle, Too Little Reduce & Re-Use*

Posted on 4/7/2014 6:22 PM by fandango52

*You guys are focusing too much energy on recycling and not enough on reducing and re-using. Why not charge customer's using your paper cups more and charge customers bringing in their own mugs less. All those paper cups must cost you something. Why is your price the same when I bring my own mug? I want to pay a little less for going to the trouble of bringing and remembering to bring my own mug.*

While it is not the intention of the authors to advise Starbucks or other companies what the adequate discount should be for consumers using re-usable cups we find it interesting that despite a this national campaign (a 10c discount) that Starbucks has put forth, Starbucks CSR performance in this regard still falls short of consumers' expectations. Perhaps there is no adequate amount of money that can be given to the consumer to make him/her feel that his/her environmental expectation is being met.

The next specific issue that will be discussed, In Store Recycling, leads us to believe that consumers have a much bigger problem with the lack of recycling that they physically see in stores. We feel that Starbucks has an opportunity to address both the issue of reusable packaging and in store recycling by finding a solution to this problem.

- In Store Recycling

Roughly 16% of all of the consumer comments made (and 39% within the specific recycling category) took the form of consumers criticizing Starbucks for doing far too little about the environment by not implementing store level recycling. These comments were made by individual consumers who shared these thoughts after physically visiting their local store and realizing that their expectation of recycling

was not being met. Some consumers expressed their concern in a mild manner, while others voiced extreme dissatisfaction and frustration in some instances calling Starbucks hypocritical. One example of a consumer calling Starbucks hypocritical juxtaposes Starbucks well known position on ethical sourcing with its lack of action in in-store recycling:

*Really??? Starbucks doesn't recycle?*

*Posted on 9/20/2012 7:09 AM by stevensnewyork*

*Why is it that Starbucks is so big on fair trade and everything that they do is about creating a third place, etc... but there is STILL not a recycling option in every store. My corner market in NYC does it. What the heck? I have wondered this for years and can't believe that with all of the requests here Starbucks continues to ignore the issue. Please tell me that something is in the works to change this? Where is the disconnect if not?*

There are many consumers who made comments that show frustration that Starbucks has a global social responsibility agenda but simply doesn't recycle in its stores. An example of such comment is below:

*Recycle*

*Posted on 4/28/2008 8:52 AM by IsmailiH*

*Starbucks global responsibility, community involvement, yet they do not recycle. Everyday thousands of recyclable items are thrown away by the Baristas. Milk jugs, glass bottles, syrup bottle, all of these have a huge impact on our environment. By recycling these items, not only can you keep these out of landfills but can help save our valuable resources. Recycling is an obvious for Starbucks and I am surprised that you do not already do it.*

While Starbucks has not addressed each and every individual post with a reply, they have planted strategic comments from their moderators throughout the forum. One example of a moderator objectively and clearly explaining the situation can be found below.

*Touche, Urbanvoy!*

*sbx\_mack 10/23/2008 12:58 PM*

*I'm lucky to sit in the same row of cubes with some of our die-hard environmentalists.*

*One is a self-proclaimed "trash queen". While her day job is focused on managing trash contracts, her purpose in life (at work and at home) is to spread the message far and wide about "reduce, recycle, reuse". I've spoke with her at length about this topic over the years.*

*We have strong documented evidence that municipal intervention & enforcement is the number one enabler of changing behavior (amongst both customers and businesses). This is especially evident when we look at what other countries outside the US have done - and Starbucks is thrilled to be a part of that effort in those countries.*

*To make recycling truly effective, people need to "put stuff in the right bucket". In countries where the "buckets" are standardized, there is a high compliance level. Here in the US, we're still operating in the world of a gazillion different kinds of buckets, which makes it hard to make sure cross-contamination doesn't undermine the whole recycling program. National standardization of what's accepted and what's not (okay, how about just state-level standardization) would go a long way to help!*

*What has Starbucks done in that environment? We've focused on the big recycling opportunities with people we can hold accountable - our store partners recycle boxes, glass and plastic behind the counter, which accounts for about 80-90% of our waste. Of course, we can only do that where there is a recycling program...which brings me back to my original comment. **HELP US LOBBY FOR RECYCLING IN ALL COMMUNITIES.***

*Last year in the US, 73% of our stores had some form of recycling. And that amounts to 100% of stores where there was a program to participate in (that we knew of).*

It seems that Starbucks is truly limited in its ability of recycling waste/supplies at the store level due to factors completely outside of its control. Of the more than 170 comments made that took a position against Starbucks, we found only one consumer comment that took a similar position to the moderator (sbux\_mack). That comment is below:

*Recycle in stores*

*Posted by DadCooks on 2/5/2011*

*For a business to participate in a recycling program is not as easy as you might think.*

- First, the city/town must offer it.*
- Second, landlord for the store must allow it.*
- Third, people need to follow instructions and put the only correct recycleable in the*

*correct recepticle*

*Recycling starts as a personal responsibility.*

*Be sure you are doing your part with personal cups and doing your own recycling.*

*Do not depend on (or require) others to do your recycling for you.*

- **Recyclable Packaging**

65 comments were made that pointed to recycling as a general concern but went further to specify that the packaging material itself be made to be recyclable. Comments in this category included specific ideas on how to change existing product forms to make them more reusable, and how to cut down on the use of packaging supplies. These comments differ from the comments that are made about in store recycling, as they refer to the issue when a consumer can't even recycle when they have left the in-store environment. An example of such scenario is provided below:

*PLEASE sell iced drinks in cups that can be recycled!*

*Posted on 10/7/2014 10:12 AM by dogpiledogs*

*I see that several people have asked for these, but in Richmond, VA, they are still not available, if they are anywhere. I have one of the re-usable cups and bring it regularly, but use it mostly for hot drinks. The plastic iced drinks have to go right into my regular trash, not my recycle bin - shame on you, Starbucks!*

The consumer in the previous example did not particularly help Starbucks understand how their packaging can be improved, as they simply claim that the cups for cold drinks are “unrecyclable”. We saw that some consumers had a much more articulate way of explaining their expectation of recyclability.

*Change iced beverage containers and caps from plastic #5 to plastic #1*

*Posted on 11/23/2012 7:23 PM by tjohnson1978*

*I see that this has been posted before, but i think it bears repeating. I'm an avid recycler, but in my town they unfortunately do not recycle any other plastics but #1 and #2. This is the case in most cities in the U.S. aside from major markets. Your hot beverage caps and iced beverage cups and caps are made of #5 plastic. It would be a great help to your customers who prefer to recycle as well as the environment in*

*general if you would consider changing your plastics to #1. Panera Bread uses #1 plastic for their beverage containers and the strength of the cups is indistinguishable from your #5's. Please consider this change. Thank you for your consideration, A loyal customer*

We will come back to our general conclusions and findings regarding recycling when we conclude the overall environmental category.

- Emissions, Effluence and Waste (EEW)

While recycling was the most popular aspect within the Environment CSR category that was discussed in the forum, the EEW aspect is closely related and ranked 2<sup>nd</sup> in this CSR category. In fact, it was quite difficult to separate comments between this aspect and the recycling aspect because in many cases the issues are quite related. What ultimately allowed us to differentiate these comments from the general recycling comments is that the motivation for the EEW consumer for making a comment stemmed from an environmental cause other than recycling in of itself. Specific issues that were addressed in these comments include carbon footprint, reducing total packaging use, reducing waste, increasing the presence of trashcans (to cut down on litter), and landfill use avoidance.

- Zero Landfill

We highlighted one specific comment made due to the use of the term “zero landfill”.

*Zero-Landfill Plan*

*Posted on 9/3/2009 4:13 PM by GMichaelG*

*Everything sent/used at Starbucks store should be recycled. Corrugated, plastics, paper, even food waste. Vendors would be required to send products in the appropriate packaging materials/sizes etc. A very simple multiple station compactor for each class of waste could easily take care of the volumes involved. Post the store with the "Zero Landfill" status of the store. Sorting stations in the store would allow customers to help with the process...employees could transport from these stations to the compactor for crushing. A vendor could easily be found to pick up materials in exchange for the value of the waste. This would employ someone while at the same time recycling the waste.*

While Starbucks does not have the means to achieve the above consumer expectation for each of its individual stores, it has made a great effort to have its major distribution facility operate according to this stringent “zero landfill” standard. The below summarizes this effort:

*While our stores account for the majority of our direct environmental footprint, we are also working to improve performance in our manufacturing facilities. In 2014, our York, Pennsylvania, roasting plant and distribution center was certified as 100% Landfill Diversion by Underwriters Laboratories.*

<http://www.starbucks.com/responsibility/environment/recycling>

- Carbon Footprint:

In the following comment, the consumer is stating their expectation that Starbucks cut down on its total waste by increasing its use of recyclable or reusable materials, but their motivation for writing the comment lie in their expectation of Starbucks to reduce carbon footprint:

*environmental impact of new La Boulange pastries*  
*Posted on 9/8/2013 11:07 AM by jacshoag*

*I am so disappointed in the packaging and waste of paper being used with the new pastry line. Each pastry comes individually wrapped in plastic. When it is served it is warmed on a brown piece of paper that is immediately thrown away. I went in to get my morning coffee and was disgusted with the sight of overflowing brown paper and plastic wrappers. There must be a better and more environmentally friendly way for these pastures especially for a company who prides themselves and has a webpage devoted to being concerned about the environment and wanting to reduce their carbon footprint.*

We found the below comment to be particularly interesting as it points not to the packaging or store-level Environmental management to reduce Starbucks’ carbon footprint but rather by analyzing the actual ingredients of the product being offered itself:

*Offer Carbon-Neutral Drinks*  
*Posted on 3/20/2008 3:28 PM by hedgehog*

*Offer certain drinks which are carbon-neutral, based on a supply chain analysis of all carbon impacts related to coffee production and processing.*

There were some comments that seemed to be rooted in consumers' expectations of addressing carbon footprint while simultaneously expressing an expectation to see improvements made in transportation impact. The following comment is an example of a consumer that finds the drive-through option as a barrier to meeting a carbon footprint expectation:

*Stop wasting oil while pushing poison into the air  
Posted on 7/13/2013 12:04 PM by COEURDELION*

*I recently was at a Starbucks I frequented. I saw in line to the drive up window not 1, not 2, not 3 but 4 cars idling waiting. And 3 of them were SUV's. I no longer go to that Starbucks. I live in the greater Los Angeles Basin where the air quality is not good. A fact for me is going to a Starbucks and talking with the other people and barristas is community developing experience. I think it would be a good idea to close all drive through windows. The hit to profits wouldn't even be noticeable.*

We will now look at the comments made that more specifically express consumers' expectation of improving its transportation impact.

- Transportation Impact

Many Starbucks customers make going to Starbucks a part of their regular daily routine. Thus it is logical that environmentally conscious consumers take into consideration the incremental transportation impact they have on their local community by making their regular trips to/from Starbucks. We feel that this consumer expectation stood out as a unique CSR aspect and decided not to lump it with the EEW aspect as consumers who made comments in this context seemed to be willing to take part in the CSR effort (whereas the consumers who commented in the EEW aspect simply stated their expectations of Starbucks actions). Rather than simply expressing one sided expectations about what Starbucks should do in order to reduce

overall environmental footprint, these consumers seem to have a willingness to “do their part” by either walking, riding a bike or driving an electric car to their Starbucks, and are have more reciprocal expectations.

Secure Bicycle Racks

Posted on 3/20/2008 8:55 PM by MrKimB

*I enjoy riding my bicycle to the store at Ashlan Park in Fresno, CA. The bicycle rack there is portable i.e. anyone with a truck could just lift the rack and my bicycle at the same time and make off with it. To be fair, the rack might not even be Starbucks' but I think it would be a great thing to do, to have all Starbucks store "bicycle friendly"*

#### **4.2.2 Product Responsibility**

As we began to assign comments into the “Product Responsibility” CSR category, we noticed that it was difficult to discern between Starbucks customers who were expressing their expectations of Starbucks product Responsibility, and consumers (who may not necessarily be Starbucks customers) of Starbucks CSR texts/documents/reports, the majority of whom directed their comments to Ethical Sourcing Issues. However, what we found in common between these seemingly distinct consumer groups is that they all positioned their expectations based on some external (3<sup>rd</sup> party) source of information. Thus, the following CSR Aspect which we call “3<sup>rd</sup> Party Certification/verification” is quite large and diverse. Furthermore, we believe that the findings within this specific CSR category are potentially the most interesting within our research question and the CSR-CNSR interface.

##### ○ 3<sup>rd</sup> Party Verification/Certification

We realize that some of the issues discussed in the following paragraphs could also be categorized as non-domestic operation issues. However, since Starbucks is not *directly* involved in the farming or manufacturing of coffee, we do not consider “coffee-related” consumer comments a reflection on consumer perception of Starbucks non-domestic operations. That being said, comments that were made in

relation to non-coffee products available for purchase in stores will be discussed in the non-domestic operation section which is forthcoming.

- Fair Trade

A significant amount of comments were made that expressed disappointment in Starbucks commitment to sourcing “Fair Trade Coffee”. Some consumers were frustrated because Starbucks did not source *only* Fair Trade Coffee, while others were disappointed simply because they did not see Fair Trade Coffee in their local stores. Before we look at Starbucks targeted response, we will look at some specific comments.

*Converting to only Fair Trade Coffee*

*Posted on 2/5/2009 2:18 PM by kalee\_sue*

*I would love to see Starbucks convert to selling only Fair Trade Coffee, or at least, mainly Fair Trade. I know that you do sell and brew Fair Trade now, which is wonderful, don't get me wrong, but I think that you should have more Starbucks products be Fair Trade items. I went to my local Starbucks yesterday looking for Fair Trade Coffee and much to my dismay I found only ONE bag of Fair Trade Coffee. I asked the lady if there was anymore anywhere and she said no. And also there was the same type of coffee right next to it but it wasn't fair trade and there were about 7 bags of that coffee. I think that selling only Fair Trade would be an amazing move for Starbucks to make and I know that I would, along with others, pay the extra money for Fair Trade.*

*More Fair Trade.*

*Posted on 11/21/2013 8:34 PM by schoenfs*

*Actaully, it should all be fair trade. Take a stand. Do you know what SBs going fair trade only would do to the market place? Wonders! It will make it the norm if a purchasing powerhouse demands it. It's like if WalMart started demanding quality goods at costs that supported fair wages for their own employees AND their vendors.*

Now we will look at the official mediator comment which is echoed on Starbucks corporate website. In summary, Starbucks is in fact committed to working with the

Fair Trade organization and has done everything in its power to source as much of this certified coffee as possible (see original mediator comment below).

*Fairtrade Coffee!!!*

*Posted by sbx\_Hoot on 7/29/2008*

*twen\_01 - thanks for your post. I appreciate the opportunity to dialogue about ethical coffee sourcing. My name is Cindy, and I work in the Global Responsibility dept.*

*Many people don't realize that Starbucks is the largest purchaser of Fair Trade Certified coffee in North America. Last year, we purchased 20 million pounds which is appx 32% of what was imported into the U.S.*

*While Starbucks does share the same goals and philosophy as Fair Trade, we found that many of the farmers in our supply chain are not able to participate in the Fair Trade system. The Fair Trade system allows only smallholder farmers who belong to democratically run coffee cooperatives to participate. Starbucks buys coffee from family farms of all sizes. Fair Trade coffee represents about 4% of the world's coffee production.*

*We had to ask ourselves if it was socially responsible to cut farmers out of our coffee supply chain because they were not able to get Fair Trade Certified due to their size even if they had the same socially and environmentally responsible practices. We didn't think so.*

*But we do believe in the principles and goals of Fair Trade so we designed Coffee and Farmer Equity (C.A.F.E.) Practices in partnership with Conservation International. C.A.F.E. Practices is focused on four areas: product quality; economic transparency (what the farmer is actually getting); social responsibility; and environmental leadership. Scientific Certification Systems oversees the independent third-party verification process. [www.scscertified.com/starbucks](http://www.scscertified.com/starbucks)*

*So just because a coffee is not Fair Trade Certified doesn't mean it is not responsibly grown or ethically traded. There are different models for ethical coffee sourcing - Direct Trade, Relationship Coffee, Rainforest Alliance Certified, etc. And they are all important and essential for the 25 million producers in the coffee industry.*

*Feel free to check out our new CSR Report online and let's continue the dialogue. [www.starbucks.com/csr](http://www.starbucks.com/csr)*

The above has led us to the following question:

Why is it that consumers continue to critique Starbucks for its poor CSR performance in regards to Ethical Sourcing in light of the apparent reality of the situation? One possible answer is that some consumers believe that Starbucks should go out into deep levels of the supply chain in developing countries and actually force change to the industry landscape to allow more growers to be able to grow “certified fair trade coffee”.

If we run with this answer to the hypothetical question, is that a realistic expectation? We believe it is not. Answering these types of questions requires a deep understanding of the technical standards of the Fair Trade Coffee certification scheme and the challenges of growing coffee in developing countries. It is not very easy to expect that the average coffee consumer would have this level of knowledge. While it is not possible to verify the level of technical expertise of the consumers that made these comments, we believe that it is safe to assume that these comments were not made by CSR or coffee industry specialists. It seems that these consumers have established a very clear set of Social responsibility expectations in the global coffee supply chain. While we believe the above comment from the Starbucks mediator objectively clarifies the situation and should quell the concern of an “ethically concerned” consumer, it seems that the communication of such information does not weigh as heavily as the preconceived notions that the commentators projected their opinions on the forum. Thus, we conclude that since NGOs such as Fair Trade International (FTI) play a critical role in shaping consumer expectations of CSR, they can also be considered part of the reason for the gap in corporate vs. consumer understanding of CSR issues.

If we bring this conclusion back into our earlier discussion of the ‘attitude-behavior gap’ we can begin to understand that consumers are forced to choose between conflicting depictions of reality. The perceived reality of the situation from a consumer whose education on the subject has come only from FTI in this case may

believe that Starbucks is falling short of its social responsibility if the products that it offers to not bear the well-known “Fair Trade International” certification (which in stores will be either called out by name or with placement of the eco-label/logo). However, we believe that if a consumer were to fully grasp the information provided by sbux\_hoot in the above example, he/she would begin to understand the undistorted reality in which coffee farmers and Starbucks stores actually operate, which makes it very difficult to have 100% of product offerings due to specific nuances of the certification process that FTI currently has in place. If the consumer were to take a step back and think about his/her own underlying CSR-expectation he/she may realize that what is truly most important is that the coffee being offered was farmed/produced according to certain environmentally and socially responsible standards. The key message being delivered by sbux\_hoot is that the Starbucks has embraced the standards that FTI happens to have as part of its certification scheme, and has found an alternative 3<sup>rd</sup> party (in this case Conservation International) to provide certifications that should ensure consumers that these standards are being met, even if the product cannot bear the proprietary Fair-Trade “eco-label”. In summary, Starbucks is not failing to meet the consumer expectation of coffee growing standards, they are failing to communicate (as sbux\_hoot so perfectly does) to consumers at large the intricacies of the environmentally/socially responsible certification process.

- Organic vs. Non-GMO Labeling

There were a total of 47 comments that touched on the issue of Organic and Non-GMO (Genetically Modified Organism) products. The majority of the posts had to do with organic/Non-GMO dairy products and thus we will limit the discussion to dairy.

Of these 47 comments made, very few of the comments were from consumers who simply wanted the option to be able to consume organic products for themselves. The majority of these of the comments took the form of consumers expressing their concern for others consuming GMO products and the problems that are caused by the

existence of GMO (non-organic) dairy industry. There were also a significant number of comments that came from consumers who vehemently opposed Starbucks position on specific Non-GMO labeling legislation (some of whom stated that they would no longer be customers due to the issue).

Comment from a consumer who simply wanted to enjoy Organic products:

*Offer organic milk*

*Posted on 5/24/2012 2:33 PM by ceeyore*

*I would like to see organic milk and half & half offered at the fixings bar.*

Comment from a consumer who is concerned with the GMO Industry:

*Use Organic Milk*

*Posted on 7/9/2014 3:17 PM by Twyla*

*Please stop supporting the abusive and unhealthy practices of big dairy. SWITCH TO ORGANIC MILK. Thank you. The world appreciate it! :)*

Comment from a consumer who has voiced strong political views in regards to Non-GMO labeling:

*Starbucks supporting Monsanto AGAINST GMO labeling.*

*Posted on 11/19/2014 9:00 AM by RMRusso4*

*I will no longer be doing business with Starbucks until they change this policy. They are joining Monsanto to sue the state of Vermont and stop the labeling! Please watch GMO Roulette to fully understand how horrible a company Monsanto foods is. I hope Starbucks understands teaming up with a company like that will only hurt business in the long term. I will keep posting and getting people on board like Neil Young is doing now and telling everyone to boycott Starbucks! We have the right to know!!! They are putting pesticides in our food no wonder why every one is getting cancer!! Watch GMO roulette on utube you will be horrified! GMO and Monsanto are a horrible disgusting thing and Starbucks is supporting them! STARBUCKS...you'd better figure out who your customers are...*

- Dietary Concerns

While it may be possible to categorize comments regarding Organic and Non-GMO products as part of the Dietary Concern aspect, we found that there was a difference in the expectations of consumers who felt that certain products should be offered due to physical health and safety concerns, rather than the more grandiose long term implications of organic vs. GMO.

As opposed to the previous section where the minority of posts came from consumers who were more concerned about the broader implications of Product Responsibility, the majority of comments in this specific category came from consumers who were calling out for product attributes that can actually cause bodily harm due to allergies or other conditions.

For example, a consumer expressing the need for gluten-free products:

*GLUTEN-FREE Food options!*  
*Posted on 1/30/2014 10:20 AM by rissaoli2008*

*I love Starbucks, but I have had to move on to more local coffee shops that have gluten free options. Starbucks has ZERO gluten free food options and a lot of their drinks contain gluten as well. Starbucks, you're falling behind the rest of society! As more and more of the millions of Americans go gluten-free (or are celiac as in my case), you will lose so many customers by not having gluten free options.*

One specific issue that came up with some frequency in the context of dietary concerns had to do with charging customers for Soy-Milk. Apparently, when Starbucks originally began to offer the option for consumers to have soy-milk added to their drinks rather than regular dairy, there was no extra charge. However, as the option became a regular menu offering Starbucks began to charge more for this option to represent the actual higher cost of soy milk. There were various consumers who expressed their expectation that Starbucks should take it upon itself to cover this extra cost since being lactose-intolerance is not a choice. The following consumer dialogue does a great job to portray the complication of the issue. While it is not in the scope of this thesis to confirm which is more expensive (dairy or soy milk), the authors believe that this lack of consumer understanding of the issue **due to supply chain**

**complexities and an constantly changing global food supply chain play a role in the gap that exists between consumer understanding of CSR issues and the reality in which industry operates:**

*Stop discrimination against people with lactase deficiency.*

*Posted by KulturVultur on 4/2/2014*

*As a lactose intolerant person, I must either drink black coffee or pay a soy upcharge fee. I CAN drink soy, almond, rice, coconut, Lactaid (brand) lactose-free milk, and even goat milk, for that matter. I think gold card members should be able to able to get free soy upgrade, or Starbucks should at least provide a lactose-free option without an upcharge for any customer who does not carry the lactase mutation. I would happily give up my free drink reward for this option.*

*Response by RedHead0186 on 4/2/2014*

*Stop using words that you don't really know/understand what they mean. Starbucks is not treating you unjustly or differently. Soy milk costs more, so if you order it they're passing that cost on to you. Same thing if you ask for syrup in a drink (that doesn't come with syrup), you're going to pay extra for it. If they refused to serve you because you were lactose intolerant, now that might be discrimination. But asking you to pay an upcharge for something that actually costs more, that's not discrimination.*

After lactose intolerance (which is the disorder that inhibits the digestion of dairy), diabetes seemed to be the next most important dietary

concern which was captured in comments requesting sugar-free products:

*Reduced Sugar Bakery Items*

*Posted on 8/9/2011 10:57 AM by Sewanee7*

*It's about time that every SBUX location offers at least one sugar free or no sugar added bakery item on its menu. This doesn't seem like a lot to ask. Diabetics like sweetened things too, we just can't ingest sugar or high fructose corn syrup. I find that I am more often frequenting other coffee shops where I can get a sugar free muffin or reduced sugar sweet roll with my coffee. On behalf of the nearly 90 million (and growing) diabetics in this country we are your customers too. I am also a stockholder.*

### 4.2.3 Community Support

This CSR Category saw the third most total comments out of the entire 1000 that were reviewed, after Environment and Product Responsibility.

#### ○ Generous/Innovative Giving

Generous/Innovative giving ranked higher than any other specific CSR Aspect other than the Recycling. The majority of the comments made within the Generous/Innovative giving Aspect served the purpose of explaining a consumer expectation of **the types of people in need deserve additional support from Starbucks**. Of this majority, we were able to segregate the expectations into specific issues such as Senior Discounts, Military/Veteran Discounts, and Police/Paramedic/Firemen discounts. Additionally, there was the separate category of consumer comments that could only be categorized as general local donations.

#### ▪ Discounts for Seniors/Veterans/Military

There were a few people who categorized Veterans/Military and Seniors all into one needy category, but the majority of responses separated Veterans/Military from Seniors. The majority of comments that were about Seniors seemed to come from seniors expecting discounts for themselves, while the military/veteran category came from other people that simply felt that they were a part of the population that needed attention (some of which came from people who claimed to be close to Veterans/Military).

Example of Senior Citizen expressing expectation of discount for themselves:

*Posted on 8/6/2012 8:45 PM by betty jo*

*Senior discount would be nice*

*I was thinking a discount for fixed income denizens would be ideal. Since the economy is on the run... anyways it would be nice. I speak for many retirees (we are NOT in great number) that do not have a great sum of money.*

Example of general consumer stating their expectation that Military/Veterans be looked after by Starbucks:

*Discount for soliders!!*

*Posted on 11/6/2010 9:59 AM by klagirl*

*I think that soliders are the most important hero because they go out and fight on a volanter basis and if they didnt volanter we wouldnt have any one to fight for us and they come home with scares and horrible memories and missing body parts so therefore they should deserve a discount or something to honor them and if you dont think this is a good idea then you shouldnt be apart of our country!!*

Example of a consumer close to Military/Veteran expressing need for Military/Veteran CSR:

*discount for Military*

*Posted on 10/27/2014 12:35 PM by afw111*

*I am a Father of a son who has served lately in the worst conditions. To come home in uniform and/or have a Military ID card and not have some sort of small appreciation is a sad event. As a Starbucks stockholder I have been approached to sell my stock because of this. I realize articles say you send products to troops but a local type of thank you is in order.*

While the absolute number of 45 comments made about Military/Veterans/Senior may seem low compared to the 431 comments made about recycling, this number still represents 5% of the total sample of 1000 comments. It is surprising to see absolutely no mention of this specific category of Starbucks formal CSR agenda.

- Local Donations

Another popular specific issue within the CSR Category Community Support was categorized as “Local Donations”. This was a descriptor assigned to any comment that was made in reference to a very specific/unique/local charity cause. Due to the multitude of different charities/causes that exist it would not really make sense or be of any specific value to try and organize them in any specific manner which is why we came up with the term “local donations” to describe the type of giving that certain consumers expect to see that has a specific impact on something close to them

personally or in their community. Below we provide examples that portray a sample of the range of specific causes that consumers seek to address.

*offer a fundraiser program for local schools and non-profit organizations*

*Posted on 9/25/2010 11:15 AM by ateacherinneed*

*It would be great if Starbucks could offer some type of fundraiser to local schools and non-profit organizations. It would be great if organizations could sell bagged coffee and then Starbucks give them a percentage of the profits. Or some other cool ideas would be great. Our school is in a community where the closest Starbucks is 25 miles away so it's not like anyone in our county drives by a Starbucks on a daily basis.*

*Please donate some coffee to the Buffalo Field campaign*

*Posted on 4/25/2013 9:19 PM by purplebuff*

*Please donate some coffee to the people at The Buffalo Field Campaign in Montana, near Yellowstone. They work hard to try and save the buffalo from being slaughtered. It's cold there and they are desperate for some coffee. I love Starbucks where one can always get a perfect coffee, just the way you like it.*

## ○ CSR Community

The Aspect titled “CSR Community” was assigned to comments that appeared to be aimed at the mechanisms surrounding the CSR dialogue Starbucks is in general. These comments mainly highlighted the expectation that Starbucks be more responsive to the individual posts on the forum and proactively reward consumers for putting forth socially responsible ideas that Starbucks actually implements. One representative example is outlined below.

*Different lid colors for different awareness months of the year*

*Posted on 1/4/2013 7:31 PM by musiclov3r*

*I think it would be a great idea to have different color lids to match up with different awareness months and possibly have facts about them for customers to learn a little more about each awareness. Since Starbucks is such a great company, it could spread its awareness and its knowledge out to the consumers. Instead of being unaware of what surrounds us, different little facts on each cup could be a great way of connecting*

*customers with knowledge that they may not know.*

#### **4.2.4 Employee Support**

We categorized any comments that touched on issues related to consumer perceptions of fair wages, working hours, employee benefits or any other issues related to employee environment into the CSR Category titled Employee Support. The aspects that were most discussed were fair wages and employee working hours.

##### ○ Fair Wages

Many of the comments that we categorized into the fair wages aspect had to do with tipping employees. It seems that many consumers feel that baristas should earn more than minimum wage, but they don't expect to be the ones making up the difference by actually being the force pushing their wages over the minimum wage threshold. This appears to be an occurrence of consumers participating in a self-aware 'attitude-behavior gap':

*Paying baristas what their worth*

*Posted on 11/26/2014 2:35 PM by stuarthaile*

*Baristas deserve a starting wage of \$20 an hour, and you can get rid of the tip jars.*

*Get rid of TIP jars - Donate to charity*

*Posted on 5/15/2008 1:41 PM by GeeMoney*

*I do not want to feel obligated to tip. Starbucks is corporate not a franchise. I know of a fast food restaurant where you can donate to a childrens hospital. That way you feel good about helping the community and Starbucks can somehow figure out a way to bonus employees who go above and beyond. I always tip at independent coffee shops.*

One consumer put forth a particularly interesting idea that looks at the tipping issue as a way of moving beyond barista wages but potentially a way to tip the farmers themselves:

*Tip Farmers Via the App*

*Posted on 11/21/2014 2:46 PM by Chekeichan*

*This idea came up in a discussion in my anthropology class about globalization and the coffee trade. One of my students said that he wished technology was available for coffee consumers to pay the coffee farmers directly. I told him that the Starbucks app already lets someone tip their store electronically, so the technology is actually already here for what he proposed! I think an additional feature in the app to tip the coffee growers would be a great way for socially-conscious coffee drinkers to do something directly themselves to improve the coffee trade. A common theme in my class discussion was that there was little they could do individually to affect the coffee trade themselves. This idea would give us an easier way to do what we think is fair.*

○ Fair Working Hours

One consumer comment that we came across that seemed to go against the spirit of the majority of consumer comments in the “Employee Support” shows the compromise that corporations face when balancing customer service and respect for employees to take vacation/holiday hours. The following comment shows that consumer expectations themselves have the ability to be completely contrary to generally accepted good CSR practices:

*Christmas hours*

*Posted on 12/26/2013 4:46 PM by javachipkris*

*I wanted to vent!! I stop in at Starbucks almost everyday. I work at a Hospital as well as many other dedicated people . Along with Police officers and other professions that work ear around 24/7. all I wanted was my starbucks on Christmas morning and I couldn't find one open. I had such a migraine just from frustration and loss of my perfect cup of coffee. Please find someone to sell Starbucks even on a holiday. I really missed my favorite cup of coffee when I had to work and it was crappy weather too. Thanks for opening back up Thursday:(*

The other side of this perspective is shown in the following comment:

*Closing Thanksgiving Day and Christmas Day*

*Posted on 10/23/2012 1:37 PM by lizzy12*

*After reading the other comments it comes down to making more money. What about*

*values?? I'm talking family values, not value for the buck. When our daughter started working for Starbucks 3 years ago, our family values and traditions went out the window. We have had to "wait" until the store closed "early" before we could have our Thanksgiving dinner, or "wait" or change times we attend mass until she got off, or wait until she got off to open presents with the whole family.*

#### **4.2.5 Non-domestic Operations**

As discussed earlier, “Non-domestic Operations” CSR category would have had a larger representation of comments assigned to it if we included all of the comments that touched on the ethical sourcing of coffee. As such, the comments that were assigned to this CSR category mainly had to do with the durable goods (non-coffee/food related) sold in the stores and farmer support. All consumer comments in this CSR category were broken down into two CSR aspects: Investment and procurement practices (all of which addressed the specific issue which we have titled “Made in the USA”) and the specific category of Overseas Charities.

- Investment and Procurement Practices
  - Made in USA

OF the 22 comments that we put in this category, the majority could be described as vehement disapproval of Starbucks sourcing coffee cups and other items sold in stores from manufacturing sites outside of the USA. See the following example:

##### *Create Jobs USA*

*Posted on 1/15/2013 9:18 PM by Forked Tongue*

*How much money did customers raise with your Create Jobs for USA? I guess that was only meant for the fools who contributed. It certainly is not responsible to ask your customers to fork over the dollar while YOU bring out you new reusable plastic cup and lid MADE IN CHINA? Starbucks could have easily had the cup molded by a US injection molder and for well under the \$1 price you want the customer to pay! But then of course, you wouldn't make more money off of us - the fool customer who donated to Create Jobs! Just how many jobs could Starbucks have created in the USA vs China if as a corporation YOU had chosen to Create Jobs in the USA.*

While reviewing the “Made in USA” issue, we came across a very blatant “miss” on Starbucks part in attempting to address a clear consumer expectation. As can be seen in the below two comments, a consumer expectation of local sourcing of Coffee mugs was created by the purchase of a factory in the US but then failed to adequately continue the broadcast of its success.

*Made in USA mugs!*

*Posted on 6/11/2012 10:33 PM by Jimpu*

*I just read the NY Times article about Starbucks having new mugs made in East Liverpool, Ohio. This is tremendous! I grew up in East Liverpool in the '50s & '60s. The town was thriving then but the steady decline of manufacturing jobs resulting from overseas competition caused the town to lose most of its good jobs. It's great to hear that Starbucks is helping to put some of the good people of East Liverpool to work making high quality American Made coffee mugs. They should sell very well. I can't wait to buy one. Thanks and keep up the good work.*

*Utilize the ceramic factory you purchased in Ohio to produce American Made Mugs*

*Posted on 4/4/2014 5:08 AM by Hightide*

*Starbucks made headlines two years ago with the purchase of a shuttered ceramic Ohio factory, described as an action to put Americans back to work and produce American made mugs. What happened to this strategy? This was an exciting opportunity for Starbucks to take lead in producing USA made mugs, while putting Americans to work...what a great story...what happened?*

The obviously ironic finding that should be apparent to the reader at this point is that consumers expect domestically manufactured coffee cups, yet don't seem to express a specific expectation that the coffee itself (which is what Starbucks is ultimately selling) come from the US.

- Overseas Charities

The total amount of consumers who expressed an expectation that Starbucks donate part of its proceeds to overseas charities paled in comparison to the amount of consumers who expressed concern for local charity needs. We find this interesting as

it is not correlated with the amount of attention that Starbucks' gets in its ethical sourcing.

#### 4.2.6 Diversity

##### ○ Race Diversity

To our surprise, our sample of comments did not yield many consumer comments that touched on the diversity category of CSR. We expected to see a lot of dialogue on this CSR aspect due to the recent "Race Together" campaign Starbucks corporate has recently implemented. However, of the 25 total comments that were diversity related, only two touched on this particular CSR initiative:

*We're In This Together*

*Posted by Tony232 3/20/2015*

*I have been a customer of Starbucks for years. I am beginning to understand what CEO Howard Shultz is doing with this Race Together campaign. Great idea, however wrong wording. I may be a guy from Southwest Virginia, however I know what's best for Starbucks when it comes to addressing issues such as race. I feel that CEO Shultz needs to go with another concept. A concept that both can address and also demonstrate that the Starbucks community (customers, employees, corporate management) can and will be there for communities whether its dealing with race, bullying, feeding the hungry, reading to a child, building a home, planting a garden for the hungry. I feel that this Race Together campaign should be renamed "Starbucks, We're In This Together" campaign and that the Starbucks community needs fill the needs of everyone using both actions and words. That's how things progress if "we're in this together!"*

*Philosophic comments on how to live*

*Posted on 7/24/2014 1:18 PM by philo3*

*You did this 7 years ago including your liberal philosophies on life. Now Oprah? The last time you did this the business shrank. Many God fearing customers of Starbucks will be offended. Be careful*

We believe that due to the fact that this campaign is still underway, researchers who focus only on the most recent comments posted by Starbucks consumers may find more comments in regards to this specific topic.

#### 4.2.7 Non-CSR Related Comments

As can be expected from the review of 1000 unique comments that are made from consumers who are free to write about what they choose, it is inevitable that some comments will be related to specific consumption experiences that fall completely outside the realm of CSR as it is being discussed in this paper. As a case in point, we will provide one example of such comment that was reviewed and categorized as irrelevant:

*Starbucks could benefit by rethinking their presence in Sarasota, Fl.  
Posted on 5/7/2014 1:05 PM by eugenie s*

*Starbucks is extremely popular in Sarasota as you know from your sales. However, The First Street shop is hard to find for the tourists, it is way too small - all seats inside and outside are usually taken - and the inside is dark and crowded. A move to Main Street between 5 Points and Lemon in a far bigger store would pay off - like maybe the first floor of the Kress building. When Nick Wallenda was walking the tight rope over Sarasota there were over 1,000 people downtown watching and lots looking for a Starbucks. Same for the annual Motorcycle Festival with the teddy bears for children, the different parades, and the boat shows. Many other events take place on or near Main Street and people flock to that area. The Midtown Shopping Center Starbucks is excellent - very lighted - but ...*

## 5 Discussion

The primary purpose of this study was to investigate how corporations and consumers understand CSR in different ways, as we assume this is a key influencer of consumers 'attitude-behavior gap'. After analyzing both sides, we believe that **corporations and consumers not only understand CSR differently, but also focus on different CSR**

**aspects, and prioritize the importance of specific issues differently;** we list our key findings and implications below.

## **5.1 Summary of Findings**

Prior to conducting our research we felt that our findings would likely answer our research question. Below we have summarized how interpretations of CSR differ between Starbucks and the consumers based on consumer comments of Starbucks CSR performance of general CSR categories, specific CSR aspects, and specific CSR issues.

### **1. The CSR categories that Corporations feel are most important differ from those that consumers feel are most important.**

In terms of general CSR categories, Starbucks takes “Community Support”, “Environment” and “Ethical Sourcing” (which belongs to the ‘product responsibility’ category) as its top three CSR categories, and considers them to some extent equally important. Based on the consumer comments we analyzed, we find that there is no doubt that being “Environmentally” responsible should play a dominant role in Starbucks’ CSR performance, followed by “Product Responsibility” and “Community Support”. Thus, Starbucks has succeeded in the sense that it addresses the main CSR categories that its consumers feel relevant; however, it can do more by emphasizing its focus on the Environmental category to match the strong voice of consumers that have voiced their expectations.

### **2. In the “Environment” category of CSR, Starbucks has failed to adequately address the specific CSR aspect which consumers feel is most important: recycling.**

In the “Environment” category, Starbucks has touched upon energy, water, material, waste, etc. to reduce their environmental footprints, but for consumers, it seems that the spotlight has been constantly on one point: recycling. Based on

consumer comments, this mainly includes store-level recycling, reusable supplies and reusable packaging. Starbucks has responded to some specific issues, for example, the 10 cent discount for the use of reusable mugs, yet as our earlier depiction of consumer response to this activity shows it has failed at meeting the expectation. Similarly, Starbucks has failed at meeting consumer expectations of in-store recycling despite of significant steps it has taken to go above and beyond environmental legal requirements in its out-of-store operations. This has led us to a particularly interesting finding about communication of environmental activity. We believe that because Starbucks has publicized its out-of-store recycling activities, consumers feel that Starbucks is projecting the image of a company that is socially responsible in regards to recycling. This projection is **juxtaposed** against their individual consumer experiences when they go into stores where they see very little if any recycling happening. Since the average consumer does not take the time to understand or have the ability to understand the complicated and technical waste-management and recycling environment in which Starbucks actually operates, expectations exceed perceived actions.

**3. Supply train transparency is a double-edged sword: the divergent consumer understanding of ethical sourcing.**

Generally speaking, Starbucks tends to claim that it is socially responsible along the whole supply chain, with a focus on highlighting its efforts to ensure that the raw material growing outside the U.S. is being ethically sourced. While end consumers voiced some concerns about ethical sourcing certifications more attention is placed on the physical environment that they can see and feel in stores. This observation has led us to a particularly interesting finding that there is a divergence in US consumer expectations in regards to ethical sourcing. To elaborate on this finding we must clearly separate these two “diverging” groups of consumers into their own categories. First, we have the consumers whose comments were mainly “made in USA” comments. Then, we have the consumers whose comments were made about “Fair Trade” or other comments that were

made in the spirit of ensuring the wellbeing of persons affected by Starbucks operations outside of the USA. It seems that the consumers in the first category expect that it is the responsibility of corporations in the US to operate their business in a way that maximizes the total possible beneficial impact on people exclusively living or working in the US. The consumers in this first group acknowledge that sourcing products from developing countries is advantageous to the corporation thanks to the utilization of cheap labor. Interestingly enough they do NOT feel that it is socially un-responsible to utilize the cheap labor based on the impacts or quality of life of the laborers in developing countries but feel instead that it is socially un-responsible to source production in this manner because the labor should be given to Americans living and working on US Soil. On the flip side of this situation we have the consumers in the second category who are more concerned with those affected abroad. These consumers express their expectation that corporations should go above and beyond the legal requirements of the developing countries where they employ people or source products and *elevate* the quality of life and/or working standards to that of the environment of developed nations (in this case the USA). It would seem that these two types of consumers have very different expectations, and thus would likely have many disagreements about how a corporation such as Starbucks should develop its CSR initiatives. We believe that it is virtually impossible for Starbucks to adapt a strategy that simultaneously meets the expectations of these two types of consumers, as they are in essence divergent and thus their manifestations of an ideal scenario would be completely different.

**4. Community support should be more evenly distributed, so society can “give back” to all of those who have “given to society”.**

In the “community support” category, Starbucks has been constantly engaged with youth by launching initiatives like Youth Action Grants. This is an example of how Starbucks tends to segment the community groups which it targets to support by age. However, it seems that Starbucks has “forgotten” about one age group,

seniors, who clearly expressed their expectation that store-level discounts should be offered for seniors. Many comments were made by consumers who felt that people in service-dedicated careers such as those in the police force, fire department, ambulance services or Military (and Veterans) also receive discounts. The majority of the consumer comments in this context were quite superficial in that they were simply expressing an expectation of individual discounts. While there is some minor economic benefit to the individual who may receive a discount based on their age/profession, there was little mention of Starbucks *giving* to organizations that support seniors or those in the aforementioned professions. This observation has led us to an interesting question that is not specific to CSR, but to charity/donations in general. Is it better to give small sums directly to those who are affected by adversity? Or is it better to coordinate larger donations in the form of corporate sponsorship, foundations, etc. between the management of a corporation and the organizations that support the individuals affected by adversity? While answering that question is outside of the scope of this study, we believe that many of the consumer comments that were made in this section would have had their “expectations met” if Starbucks simply had a clear statement (at store level possibly) of what it does to address each of the aforementioned categories of people.

**5. Thanks for the free books, how about a living wage and enough time off to study?**

In the “employee support” category, Starbucks emphasizes that it is highly engaged with employees via various educational efforts; while consumers express that their expectations in this CSR category are focused on the more tangible aspects/issues such as wages and working hours. Starbucks, along with any corporation will always face the challenge of balancing consumer expectations of this CSR aspect and consumer expectations of customer service. The example mentioned in the earlier analysis regarding Starbucks remaining open on holidays embodies this challenge. As long as there are consumers with varying levels of

CSR expectations in regards to Employee Support, corporations will be forced to choose between meeting CSR expectations or customer service expectations.

**6. A potentially new evolving (and self-serving) aspect of CSR; “Consumer satisfaction.”**

As shown in the framework, there were 69 comments made by consumers that had absolutely no bearing on Corporate Social responsibility, but were rather consumer complaints about individual purchase/service experiences. While it is not possible to confirm the actual reason for consumers “misplacing” this comment, it is very well possible that some consumers do in fact consider their customer satisfaction as an aspect of CSR.

**7. The emergence of a new driving force of influence on corporate/consumer understanding of CSR: NGOs.**

Our earlier analysis of the consumer expectations of sustainable certifications for the coffee that Starbucks sells has lead us to believe that Starbucks would benefit from strengthening the broadcast of its efforts and achievement in ethical sourcing. While this finding is specifically related to FTI and Starbucks’ ethical sourcing of coffee, we believe that the issue of consumer misunderstanding of CSR issues as a result of conflicting sources of information exists in many other industries and is of tremendous importance for academics, CSR professionals and businesses. In this specific example with Starbucks, we are able to clearly see a gap between consumers’ expectations and consumers’ actions. Fortunately, we are able to understand consumer expectations because Starbucks is fortunate to have a website that has attracted thousands of consumers to electronically communicate these expectations. In other industries and contexts, business can only glean consumer expectations based on the purchasing decisions they make. Starbucks has an opportunity to “close the gap” by reducing the amount of conflicting information that customers and consumers of CSR “consume”. If it were to objectively explain the role of each of the NGOs that stand behind their specific

certification scheme and collaborate with the NGOs to send a unified message to consumers, it may be able to reduce the perceived shortcoming that consumers have of Starbucks actions. While Starbucks may be interested in this sort of engagement with NGOs, it is a very different question whether or not the NGOs will continue to broadcast their own self-serving message to promote their certification scheme or standards over the certifications or standards the other established NGOs in the industry. We feel that this finding is possibly the most interesting as it puts forth the following idea that we have not found anywhere in the existing CSR literature:

Consumer expectations of CSR are not only sought after by corporations trying to close ‘attitude-behavior gap’, **but also represents an intangible yet valuable market for which NGOs compete for influence.**

## **5.2 Theoretical contributions**

It would seem that the six-category framework (**community support, diversity, employee support, environment, non-domestic operations and product**) summarized by Socrates database (Sen & Bhattacharya, 2001; Anselmsson & Johansson, 2007) which was used to construct our data analysis is extremely inclusive and quite comprehensive as we found that each CSR initiative that Starbucks launched can find a position somewhere within this framework. However, on the other hand, the boundaries between each category in this framework are sometimes not explicit; namely, we find that there might be some overlap between specific issues/aspects. An example of this sort of theoretical contribution can be found in our analysis of the CSR Category “Product Responsibility”, specifically within the 3<sup>rd</sup> Party Certification aspect. One could categorize a consumer comment about “Fair Trade coffee” as something belonging to the Non-Domestic Operations Category, considering that the scope of ethical sourcing can start at a point in the supply chain that is outside of the U.S. However, we categorized these comments as related to the

Product Responsibility Category, because ethical sourcing is a highly concerning issue for some consumers and reflect this in their expectations of the products themselves. Another similar example could be the financial support for raw material growing farmers, which could either be categorized in the category Non-domestic Operations or the category Community Support. These are two distinct categories it becomes apparent that some CSR issues might fit into both of them. Our study strengthens that this six-category framework has been well established and a helpful tool in CSR field, and it also allows some extent of flexibility when applied in each specific study.

Secondly, we cited the terminology from the GRI-G3.1 (Global Reporting Initiative) guidelines to further categorize specific CSR aspects within a general CSR category as stated in Chapter 3.3. As a globally shared framework of concepts, consistent language, and metrics, GRI has relied on a multi-stakeholder approach in consensus-seeking consultations (Global Reporting Initiative, 2011). By analyzing important stakeholder-consumers' insights, we generated some possible new CSR aspects (See Figure 9) that could be added in the next generation of GRI framework. For instance, disease awareness, personal safety, freedom of expression, age-diversity, fair wages, fair working hours, animal welfare, etc. could all be considered as new CSR aspects and be absorbed by GRI framework to better communicate and evaluate sustainability and CSR globally.

While the discussion of the 'attitude-behavior gap' was not the main topic that we focused on as part of our research, we feel that we have framed it within CSR in a way that previous authors have not previously done. We do not argue whether it is good or bad, or whether it exists or not. We acknowledge that it exists as a result of the pressures that modern society exerts on corporations colliding with the fact that consumers still maintain autonomy to do what they choose to do, independent of how they project themselves to the outside world or how society projects certain values with which they should identify. We believe that this is an extremely relevant

consideration in any future CSR research that touches on the ‘attitude-behavior gap’.

### 5.3 Managerial implications

**Corporate communication** plays an essential role in corporations’ CSR performance. Corporate communication mainly involves presenting an organization and shaping the perceptions from their stakeholders in ways that are important to them (Roper & Fill, 2012). Plenty of examples show that Starbucks has already launched corresponding initiatives regarding to a specific CSR issues, yet consumers are not aware of this and still complain about their underperformances. By reviewing Starbucks Global Responsibility Report, we had a chance to learn that they run many socially responsible programs every year but it seems that they only broadcast this information in their own reports, which are visible only to consumers who go to their website to seek the information. Starbucks is representative of a “do much” organization regarding CSR while to some extent failed to communicate through their consumers about their successfully launched CSR initiatives. If we go beyond Starbucks, many other socially responsible companies should bear in mind that launching actual CSR activities to benefit the society does matter, but more importantly, the corresponding CSR communication should not fall behind, as it is a powerful tool not only to build a better brand reputation and develop a competitive advantage, but also to educate consumer to gain better understanding of their CSR activities. All in all, we believe it is of great necessity to communicate CSR initiatives and express consistent information via different channels to gain more awareness and recognition among consumers, or as Roper & Fill (2012, p.217) stated, communicating CSR issues generally “focus on seeking agreement, acceptance and the development of relationships”.

Furthermore, international corporations like Starbucks can easily fall into the spotlight of NGOs. We have emphasized several times throughout this text the subtle and complex relationship that exists between corporations and NGOs by the example of “Fair Trade”, making corporate communications even more important. Our discussion

moved to assert that while eco-labels like “Fair Trade” play an important role in educating consumers about the supply chain of certain industries, the friction between NGOs and industry can arise when a deep understanding of the supply chain is not understood by various parties. Another great example outside of Starbucks case that shows us where an eco-label has caused major friction in industry can be found in the Alaskan Salmon Fishery in late 2012. Since the MSC became a popular eco-label for Wild-Caught Seafood, the majority of the Alaskan Salmon industry had financial supported and participated in full scale MSC certification (Gtcert.com, 2012). In late 2012 the majority of the industry pulled out of the certification scheme the reason being that according to various Alaskan industry/political figures the State of Alaska has its own means to regulate/police its fisheries, and that 3<sup>rd</sup> party verification of its own legal system was redundant (Gtcert.com, 2012). Ironically, the MSC was able to convince the Wal-Mart sourcing team that it should only procure MSC certified product which led to Wal-Mart to only be able to use salmon that was processed in China and harvested from Russia, since virtually no MSC salmon was available from Alaska (David, 2013). We have seen in the case of Starbucks that that just because coffee does not bear the Fair Trade label does not mean that it was not ethically sourced. Starbucks has argued that it can ensure traceability and sustainably in the supply chain through it and Conservations Internationals C.A.F.E initiative. In the case of the Salmon Industry, Alaska felt that its own internal laws and regulations supersede the need for a third party verification. In sum, while eco-labels and NGOs play an extremely important role in society at large, they are not perfect and can have adverse implications on the industries they claim to support. The managerial implication is that corporation such as Starbucks cannot only communicate their CSR initiatives through their normal corporation communication channels, they need to go a step further and have their voices be heard as loud, if not louder, in all of the channels that NGOs utilize to broadcast their agendas.

Interestingly, Starbucks has also been criticized as being “overly” social responsible, the latest example of such initiative is the “Race Together” initiative that Starbucks

has recently developed. Consumers believe that Starbucks should shift their focus from CSR to its core offering: products and services. But also at the same time, there are quite amount of consumers' comments on various aspects and specific issues of CSR that show that they highly expect Starbucks to pay special attention to. Thus, we believe corporations should work hard to find the perfect balance point between being socially responsible and being “too” socially responsible.

It is also critical for corporations to allocate limited resources to a diverse range of CSR categories, and remember that visibility counts. It seems that if the CSR actions took place in places that consumers can see during their consumption, the corporations' will receive more rewarding results and praise.

## **6 Future research and limitations**

This study only focuses on two important stakeholders regarding CSR issues: corporations and the interface with consumers. This opens up intriguing avenues for future research. Firstly, NGOs, as mentioned so many times in our study, play a significant part of CSR communication and interactions. With NGOs getting involved, it becomes more difficult for corporations to plan and publicize their long term CSR strategies as they have to worry more about being thrown into the spotlight in addition to looking after the wellbeing of all of their stakeholders. Secondly, are there other stakeholders whose role should be more closely studied, such as the media? What kind of dynamics exist within the role it plays in CSR?

Another point we find out that is interesting to further study is the definition of “consumer”. As previously discussed, corporations not only provide products and services for their customers, but also “produce” texts like annual reports thanks to the growing trend of transparency and accountability. Accordingly, we suppose “consumers” can be considered as people who not only consume products or services,

but also those who are reading the texts and interact with corporations based on CSR merits. Thus, more research needs to be conducted to fully understand the many definitions/types of consumers that exist in modern society.

When we set out to write this thesis, we operated with the assumption that CSR does not equal to CNSR, and might be one reason behind consumers' 'attitude-behavior gap'. We ended up with a conclusion that CSR and CNSR do differ and corporations fall short to consumers' expectation in many ways, and we believe that this has led to consumers' unwillingness to buy ethical products in practice. However, the link between the gap of CSR and CNSR and 'attitude-behavior' gap remains unproven, and this might be one promising direction for future research.

The main limitation of our study is that we use the method of case study and chose Starbucks as a representative, so our findings might be more suitable for the food and beverage industry compared to other industries, as such, future research should extend the scope and look into consumers' expectations for other industries to see if they better understand consumers' CSR needs. In regards to the empirical data sources, we did not use multiple sources of data as our financial resources allowed us only to use publicly available information. For gathering information from corporations, we concentrated on Starbucks annual Global Responsibility Report; for gathering consumer information, we limited our data to the My Starbucks Idea website. Thus, we believe that our results and findings could have been more compelling if we had the ability to collect richer data from multiple sources.

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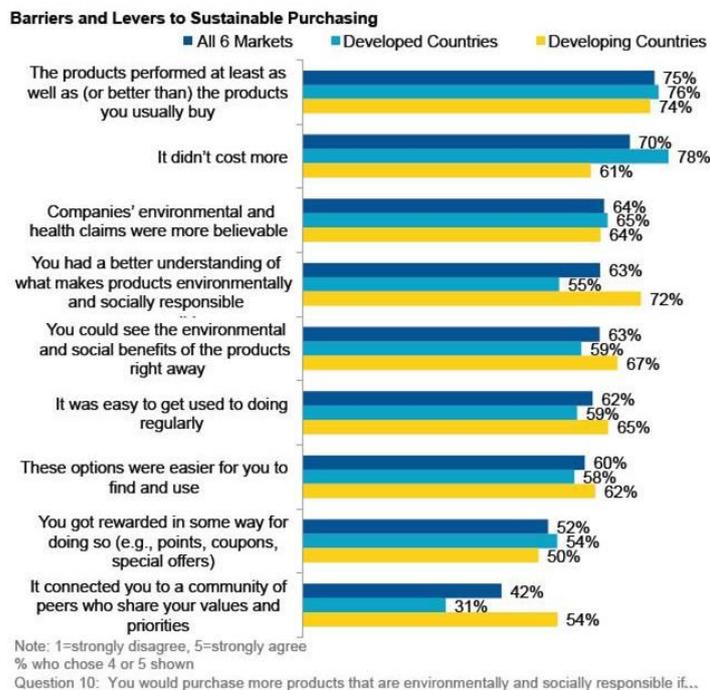
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## 8 Appendices



Appendix 1 Barriers and Levers to Sustainable Purchasing

The Next Frontier of Corporate Social Responsibility: Discovering Consumer Expectations

CSR initiatives	Description	Aspects	Year
Emergency relief efforts	Responded in a significant way to natural disasters (like Hurricanes Katrina and Rita in the U.S, 2005). “Ensure the safety of our partners in the affected areas and help address their need for basic necessities” (Starbucks, 2005).	1.3	2005 2006
Make Your Mark	A volunteer program to encourage and support their partners to engage in their local communities through volunteerism (Starbucks, 2005).	1.3	2005 -2014
Save the Children	To bring education programs to remote coffee-producing villages in the highlands of Guatemala, and also to improve health and nutrition for coffee-farming families in Guatemala’s Huehuetenango region (Starbucks, 2005; Starbucks, 2011).	1.2,1. 3	2005 2011-2014
Ethos Water Fund	“Embark on a multi-year effort to fight the world water crisis and to help children and communities around the world get access to clean drinking water”. (Starbucks, 2005)	1.3	2005-2007
Giving Voice	“A regional program that funds organizations that serve youth, ages 6–18, through programming that integrates literacy with personal and civic action in the communities where they live”. (Starbucks, 2005)	1.1,1. 2,1.3	2005-2007
Key partnerships	Collaborate with like-minded organizations to make positive contributions to local communities. (Starbucks, 2005)	1.3	2005-2014
NAACP Strategic Alliance	“Both cash and in-kind donations to the National Association for the Advancement of Colored People (NAACP). support programs and activities reflecting our shared commitment to social and economic equality” (Starbucks, 2005)	1.3	2005 -2010
Gift matching program	“Encourage their partners to make their own charitable gifts to organizations they care about” (Starbucks, 2005).	1.3	2005-2007
The COAST Fund	“COAST Fund grants are awarded to community-based, grass roots organizations that are directly involved in the recovery efforts.” (Starbucks, 2007)	1.3	2007
Youth Action Grants	“Inspire innovation so they create positive solutions to real local needs they see in their neighborhoods” (Starbucks, 2009).	1.1,1. 2,1.3	2009-2014
Community stores	“Serve as the hub of community service and training programs that promote leadership and job and life-skill development” (Starbucks, 2012).	1.1, 1.2	2012-2014
Farming communities	Invests in programs designed to strengthen local economic and social development, work collaboratively with nongovernmental organizations that have experience and expertise in working with farming communities (Starbucks, 2012 ).	1.1,1. 2	2012-2014

Appendix 2 Starbucks CSR Initiatives in Community Support

The Next Frontier of Corporate Social Responsibility: Discovering Consumer Expectations

CSR initiative	Description	Aspects	Year
Supplier Diversity Program	A diverse supplier is defined by Starbucks as “a business that is certified by an independent third party to be at least 51 percent owned, operated and managed by women, minorities, or individuals who are socially or economically disadvantaged” (Starbucks, 2005).	2.1, 2.2, 2.5	2005-2008
Diversity & inclusion initiatives	Diverse workforce including men and women of various ages, races, national origin, religious affiliations, sexual orientation, physical and mental attributes, and differing levels of education, skills and experiences (Starbucks, 2005).	2.1,2.2, 2.4	2005-2008
Urban Coffee Opportunities	Bring Starbucks stores to diverse communities, serve as an economic stimulus with the creation of new jobs, use of local suppliers, our support for community-based organizations, and by attracting other retailers to the area (Starbucks, 2007).	2.1,2.2,2.3, 2.4,2.5	2007
Race together	Encourage baristas to randomly write “Race Together” on a coffee cup and encourage the customer to have a conversation about race (Becker, 2015), being wildly criticized with the complaining that the company was overstepping its boundaries with a campaign on sensitive cultural topics that had no place in the coffee shop's lines (CNBC, 2015).	2.2	2015

Appendix 3 Starbucks CSR Initiatives in Diversity

The Next Frontier of Corporate Social Responsibility: Discovering Consumer Expectations

CSR initiative	Description	Aspects	Year
Partner View Surveys	“Starbucks conducts a Partner View Survey approximately every 18-24 months to solicit anonymous feedback from partners around the globe. The survey touches on many facets of the partner experience, including development, communication, senior leadership, coffee knowledge and work/life effectiveness.” (Starbucks, 2006)	3.3	2005-2007
Mission Review	“Mission Review was established in 1991 to allow partners a way to voice concerns when they believe the company is not operating in a manner consistent with Starbucks Guiding Principles”(Starbucks, 2005).	3.3	2005-2007
Business Ethics and Compliance	“Business Ethics and Compliance (BEC) program develops and distributes Standards of Business Conduct, facilitates legal compliance and ethics training, investigates sensitive issues such as potential conflicts of interest, and provides additional channels for partners to voice concerns.” (Starbucks,2005)	3.1, 3.3	2005-2007
Starbucks Total Pay package	“includes competitive base pay, bonuses, a comprehensive health plan, paid time-off plans, stock options, a savings program and partner perks.”(Starbucks, 2005)	3.1,3.4	2005-2007
Thrive Wellness Initiative	“Combines education, communication and participation to help our partners live healthy lives.”(Starbucks, 2005)	3.1,3.2,3.3	2005-2007
Partner Training and Career Development	“Starbucks continually invests in our training programs and career development initiatives, which help our partners advance their careers at Starbucks.” (Starbucks, 2005)	3.2	2005-2007
The CUP Fund	“The CUP (Caring Unites Partners) Fund has assisted partners with financial support as a result of an unexpected event such as an illness, fire or natural disaster.” (Starbucks, 2005)	3.1	2005-2007
Slip-resistant Shoe Program	“The program resulted in reductions in both the numbers of mat-related injury claims and the severity of those related injuries compared to the previous year.” (Starbucks, 2005)	3.1	2005

Appendix 4 Starbucks CSR Initiatives in Employee Support

The Next Frontier of Corporate Social Responsibility: Discovering Consumer Expectations

CSR initiative	Description	Aspects	Year
Renewable energy	“Invest in renewable energy is our most effective means to offset our emissions”, currently the main replacement is wind power (Starbucks, 2005).	4.2, 4.5	2005-2014
Energy conservation	Keep upgrading to energy-efficient systems (Starbucks, 2005).	4.2	2005-2014
Recycling	Various local recycling programs, including recycling of cardboard, paper, milk jugs, etc. (Starbucks, 2005).	4.5	2005-2014
Reusable mugs	Encourage customers to bring their own commuter mugs, which earns them a 10-cent discount, and by requesting that their beverages be served in ceramic mugs when it’s a “for-here” order (Starbucks, 2005).	4.1	2005-2014
Waste reduction	Various waste reduction programs according to different waste that local stores generated. For example, Grounds for Your Garden, a program that offers complimentary five-pound (2.27-kilogram) bags of used coffee grounds to customers and local parks to add to their soil(Starbucks, 2005).	4.5	2005-2014
Paper Working Group	Starbucks is working collaboratively with Paper Working Group (PWG) to develop and implement a procurement tool to help paper buyers evaluate the environmental performance of paper (beyond recycled and unbleached content, Starbucks, 2005)	4.1	2005
Earthwatch Expeditions	Work with the Earthwatch Institute to “promote environmental responsibility to our partners and customers” (Starbucks, 2005).	4.4	2005-2007
Sustainable Packaging Design	Exploring more sustainable alternatives to conventional packaging and also methods for analyzing material choices (Starbucks, 2005).	4.1	2005-2014
Greening the cup	Use new hot cups with 10 percent post-consumer recycled fiber (Starbucks, 2005).	4.1	2005-2014
Greening the store (building)	Green the design and operations of the stores to minimize their environmental impact, work hard to meet the standards of Leadership in Energy and Environmental Design (LEED) (Starbucks, 2005).	4.1 4.2 4.3 4.4	2006-2014

Appendix 5 Starbucks CSR Initiatives in Environment

The Next Frontier of Corporate Social Responsibility: Discovering Consumer Expectations

CSR initiative	Description	Aspects	Year
Paying Premium Prices	Help to stimulate the production of high-quality coffee, and help farmers increase their incomes, reinvest in their farms and plan for their futures (Starbucks, 2005).	5.1, 5.2	2005 -2014
Access to Credit	It's common for farmers to experience a cash shortage during the growing and harvest cycles. Starbucks work works with several organizations to make credit available to coffee growers, which enables them to postpone selling their crops until the price is favorable (Starbucks, 2005).	5.1, 5.2	2005
Kenya Heartland Coffee Project	Aimed at helping farmers improve the quality and quantity of Kenyan coffee, introducing sustainable growing and processing best practices, as well as supporting wildlife and biodiversity conservation (Starbucks, 2005).	5.1, 5.2, 4.4	2005 -2007
Small Farmer Sustainability Initiative (SFSI)	Fairtrade farmer cooperatives are eligible to apply for loans from the funds supported by Starbucks through SFSI (Starbucks, 2009).	5.2	2009 -2011
Black Apron Exclusives® program	Was designed to recognize some of the most extraordinary and unique coffees in the world. Typically limited in quantity, these coffees are often discovered in small, remote areas of Africa, Latin America and Asia Pacific (Starbucks, 2007).	5.1	2007
Forest Carbon Program	Help coffee-growing regions to improve coffee production, conserve and restore natural habitat, and explore opportunities to facilitate farmer access to forest carbon markets (Starbucks, 2010).	5.1, 5.2, 4.4	2010 -2014

Appendix 6 Starbucks CSR Initiatives in Non-domestic Operations

The Next Frontier of Corporate Social Responsibility: Discovering Consumer Expectations

CSR initiative	Description	Aspects	Year
Farmer and Coffee Equity (C.A.F.E.) Practices	Was designed to assure high-quality coffee is grown and processed with environmental sensitivity and social equity throughout our coffee supply chain (Starbucks, 2005).	6.1 6.2 6.4	2005 -2014
Fair Trade Certified™ coffee	To help ensure that farmers receive a fair price for their coffee and strengthen their farms for the future (Starbucks, 2005)	6.1, 6.2 6.4	2005 -2014
Certified Organic and Conservation (Shade Grown) Coffees	Support the company's larger effort to preserve the natural environment and/or promote economic stability (Starbucks, 2005).	6.1 6.2 6.4	2005 -2014
Supplier Code of Conduct (Manufactured Goods)	A segment of Starbucks revenues comes from manufactured products and merchandise that range from mugs to coffee brewing machines. So the code and standards include provisions for social conditions, treatment of workers and environmental responsibility (Starbucks, 2005).	6.1 6.2 6.4	2005 -2014
Ethos Water	For each bottle sold, Starbucks contributes five cents toward integrated and sustainable programs that bring clean water to children and their communities around the world (Starbucks, 2005).	6.3 6.4	2005 -2014
Hear Music	Is dedicated to creating a new and convenient way for consumers to discover, experience and acquire all genres of great music through its unique curatorial voice, CD compilations, music programming for Starbucks retail stores worldwide and its innovative collaborations with artists and music labels to produce, market and distribute great music (Starbucks, 2005).	6.3	2005 -2014

Appendix 7 Starbucks CSR Initiatives in Product Responsibility

<b>Specific Issue</b>	<b>In which CSR Aspect</b>	<b>Count</b>
Reusable Supplies	4.6 Recycling	196
Store Level Recycling	4.6 Recycling	170
Non-CSR	NA	69
Recyclable Packaging	4.6 Recycling	65
Organic	6.2 3rd-party verification/certification	29
Discount for Military/Veterans	1.3 Generous/innovative giving	26
Made in USA	5.1 Investment & procurement practices	22
Reduce Total packaging	4.5 Emissions, effluents & waste	20
local donations	1.3 Generous/innovative giving	17
Fair-Trade Coffee	6.2 3rd-party verification/certification	16
Non-GMO	6.2 3rd-party verification/certification	16
Senior Discount	1.3Generous/innovative giving	16
Ethical Promotions	6.3 Marketing communications	15
Food Safety/Sanitation	6.1 Product safety	15
Sugar Free	6.5 Dietary Concerns	13
Soy Milk pricing	6.5 Dietary Concerns	11
Water Conservation	4.3 Water	11
Reducing Waste	4.5 Emissions, effluents & waste	10
Transparency	6.1 Product safety	10
Local Disaster Relief	1.3Generous/innovative giving	8

Appendix 8 Top 20 Specific issues