



‘Radical mainstreaming’ of fair trade: the case of The Day Chocolate

Company

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Abstract

The aim of this paper is to further develop the recent discourse surrounding the mainstreaming of fair trade (FT), particularly the concepts of “Clean-wash” and “the Alternative High Street”. The paper draws on a longitudinal case study of one of the original ‘trail blazers’ for FT in the mainstream, the 100% Fairtrade social enterprise, The Day Chocolate Company (Day). The research seeks to investigate the complexities of mainstreaming Fairtrade products in the concentrated UK retail sector. The significance of the “Alternative High Street” will also be investigated.

The paper will examine how 100% FT companies can strengthen the original transformative message of FT by competing in the mainstream with unique FT brands. Their ability to communicate a more complex deep message to a wider audience should allow FT companies to raise the bar and avoid the dangers of “Clean-wash”. Day provides an example of radical mainstreaming and by its



success shows that actually the original transformative message of FT can be strengthened in the mainstream and not undermined.

Keywords

Fairtrade (FT), The Day Chocolate Company (Day), Divine chocolate, 'Clean wash', 'Fair Trade Lite' and 'the Alternative High Street', Mainstream.

Introduction

Civil society has responded to the predicament of marginalised producers by the rapid emergence of the FT market both within the UK and internationally (Barratt Brown, 1993; Crane and Matten, 2004; Lowe and Davenport 2005a). However according to authors (Golding and Peattie 2005 and Nicholls and Opal 2005) our understanding of marketing FT is limited and requires further research. In fact Hira & Ferrie (2006) call for more in depth studies on successful NGO/activist-public-private partnerships. Overall this paper falls into two sections. In the first, the recent discourse on mainstreaming FT including the concepts of 'clean wash', 'Fair Trade Lite' and 'the Alternative High Street' will be examined. To explain the expansion of FT research on brands, sustainable communication, social marketing, social resources and the 'new dominant logic of marketing will be discussed. Along with explaining the challenges of operating in the mainstream this section will also outline the different modes of entry for FT companies in the mainstream. In the second section the case study of The Day Chocolate Company is investigated, Lowe and Davenport (2005a) propose Day as an example of what they term 'radical mainstreaming'. The paper concludes by arguing that, Day's success in the mainstream shows that an alternative business



model that challenges the conventional international trading system can work. This shows that a successful FT product brand strategy can actually strengthen the original ethical interest of the FT venture and not undermine this as argued by Lowe and Davenport (2005b). A case for 'radical mainstreaming' will be developed, which will be useful to all FT leaders who are interested in strengthening the original transformative message of FT in order to avoid the dangers of 'clean wash' and 'Fair Trade Lite'.

'Clean wash and 'Fair Trade Lite'

Low and Davenport (2005a and 2005b) propose that FT in the mainstream has shifted the message of FT from participation in an international programme of trade reform to individualised shopping for a better world, mainly focused on the dimensions of fair price for producers and product quality. Ransom (2005) argues the availability of FT products provides something practical that almost anyone can do to counteract the current international trading system's injustices. Seyfang (2004) claims that individual ethical consumption lacks a collective focus. There is also a belief that the complex message of FT does not always get across to mainstream consumers, this according to Lowe and Davenport (2005a, 2005b) can lead to "clean wash" which occurs when a company "derives positive benefits from its association with the fair trade movement, however minimal its efforts to "live" the values" (Murray and Raynolds, 2000:68-69).

Murray and Raynolds (2000) argue this allows commercial business's to appropriate and regulate the terrain. Lowe and Davenport (2005a, 2005b) agree and also propose that as a result FT is losing its radical edge. Nestlé's UK launch



of its Fairtrade marked coffee Partners blend in 2005 has brought this issue into sharp focus (Cookson 2005). Nestle still occupies top spot in the Ethical Consumer organisation's list of boycotted brands, largely thanks to its aggressive marketing of baby milk powder in Africa. Campaigners also partly blame Nestle for pushing down coffee-bean prices to unsustainable levels. Nestle makes no secret of the commercial reasons for its decision and aims to target the semi-ethical¹ segment, currently Partners Blend makes up only 0.2% of its coffee range and therefore still buys the remainder of its coffee at the prevailing world market price. However it claims there just isn't enough Fairtrade coffee producers for Nestle to switch production to FT for major lines, even if it wanted to. This claim by Nestle needs to be investigated further; the question should really be how can we work with coffee producers to develop supply chains of FT coffee? FT has been built on building relationships with producers and investing in supply chains to build capacity in producer organisations, this is not a passive process it requires work. The question to Nestle could be what are you going to do about increasing the number of FT coffee producers?

It is also important here to raise a number of issues for the FT movement to debate regarding the FT coffee segment. Not only Nestle but large multiple retailers including Tesco have also recently entered the UK market for FT coffee (Golding and Peattie 2006). The entrance of supermarket own label products into a category usually signifies the maturity of that product category (Blythman 2004), the coffee category in supermarkets is already crowded. What is the strategic

¹ "Semi-ethicals are described as infrequent purchasers of ethical goods who may be persuaded to buy more if the goods were made more attractive or more easily available to them" (Tallontire et al 2001)



objective of the Fairtrade Foundation? The dangers of cannibalisation must be a concern, the practices of category management and the associated 'category captaincy' roles of large multi-nationals (Duffy et al 2003) put smaller suppliers such as Cafedirect at a disadvantage? Category management normally means the rationalisation of brands in each category (Blythman 2004). There is only a finite amount of supermarket shelf- space, have the costs to other licensees of FT coffee been factored into this strategy? It is worth noting here that Nestle holds a dominant position in the UK coffee market with 56% market share (Mintel 2006), by switching 0.2% of its coffee range to FT could be a way of protecting this dominant position.

The Fairtrade Foundation argue Nestlé's move into Fairtrade is a turning point "we have been campaigning for years to persuade Multi- Nationals to convert to Fairtrade" (Personal Communication 2005).

Elaine Jones (2005) Chair of the Fairtrade Non Governmental organisation Twin Trading² argues that FT is much more than a certification process; it strives to address power inequalities in trading relationships. NGO's (Non Governmental Organisations) such as Twin Trading have invested 20-30 years or so in developing innovative alternative models to conventional trading to re-address the disconnect highlighted by authors such as Tiffen (2002). Jones argues that organisations willing to make these commitments should be welcomed but warns of those firms only interested in FT to grow their market share and credibility as a

² Twin Trading established in 1985 is a leading alternative trading company whose approach is based on establishing long term trading relationships with small producers to bring producer organisations and the market closer together.



socially responsible business, she terms this “Fair Trade Lite”. It is worth explaining here, the Fairtrade Mark is awarded to those companies who meet the ethical standards of the Fairtrade supply agreement, such companies are termed licensees by the Fairtrade Foundation. Therefore both Cafedirect and Nestle are licensees and therefore have to meet the FT criteria for each FT marked product. However in the case of multiple supermarkets, it is their own labelled suppliers who are normally the FT licensee and not the supermarket chains themselves. It could be argued this is an example of ‘Fair Trade Lite’, all the positive benefits of association without the responsibility of investing in developing FT supply chains, as one category buyer in one major retailer explained;

“In the minds of the consumer our association with Fairtrade provides us with the ‘halo effect’ (Personal Communication 2005).

The Co-operative Retail Group (CRG) is an exception, they are the licensee for their own label FT chocolate range. This means CRG have signed a contract committing themselves to the FT standards and processes which includes paying a licence fee of 2% for producer support and development. It is also worth noting here that supermarket own labelled suppliers are in the main not public facing organisations, FT is usually only a recent part of their business developed due to supermarket demands.

In relation to the concepts of ‘clean wash’ and “Fair Trade Lite’, Lafferty, Goldsmith and Newell (2002) argue that a growing body of evidence strongly supports the view that positive corporate image is positively correlated to



purchase intention. They propose that consumers discriminate between firms and their brands based on trustworthiness, credibility and expertise. Creyer (1997) agrees and suggests that ethics play an important role in consumer decision making and argue consumers are willing to reward ethical behaviour by paying higher prices. This may explain the desire of multinational companies and international multiple retailers to both stock and develop their own ranges of FT products. Nicholls (2002) suggests that retailers who engage with FT products are trying to enhance their own brand value. Taylor (2006) reports that high street giants such as Tesco, Marks and Spencer's and Virgin are competing with each other for a share of the FT market. Ransom (2005) warns of the dangers from awarding the FT mark to large corporations who may demonstrate inconsistent behaviour. This is a challenge for the Fairtrade Foundation as the Fairtrade Mark is awarded to products that meet the minimum Fairtrade standards and not companies. In contrast the International Federation of Alternative Traders (IFAT) awards its own Fairtrade accreditation to companies. IFAT is a global membership organisation for both FT producer groups in the South and Alternative trade organisations (ATO's) in the North.

Chiagouris (2005) describes two key brand elements that consumers need to see from nonprofit organisations/social enterprises which include a unique selling proposition which often reflects in this case what the brand will do for others and the reason to believe (RTB), this builds the case for high credibility of such social brands. Clifton (2001) agrees and suggests a shift in the criteria of successful brands away from price and value towards moral or ethical dimensions. There is debate about the definition of a brand, the British Brands Group (2001) propose a



brand is a complex set of messages about the attributes and values of a brand. Southgate (1994) defines the brand as a set of intangible values in the mind of consumers. Strong (1997) highlights the development of Fairtrade product brands as crucial to future Fairtrade market growth. Strong (1996) identifies communicating the human element of sustainability as one of the key challenges for FT companies. Chen (2001) argues that brand association is the core asset for building strong brand equity. Aaker (1991) proposed a model for determining brand equity which groups a brand's major assets into five categories: brand loyalty, name awareness, perceived quality, brand association and other assets such as patents and trademarks. Chen (2001) argues that a deeper understanding of brand association is critical when building strong brands. Aaker (1995) places brand associations into eleven types/categories: Product attributes, Intangibles, customer benefits, relative price, use/ application, User/customer, celebrity/person, lifestyle/personality, product class, competitors, and country/geographic area. Fang and Mishra (2002) argue that brand alliances have the capability to help or hurt one of the partners in the brand alliance by changing the brand associations. This has implications for the credibility of the FT certification system particularly in relation to awarding the FT mark to those organisations perhaps with poor CSR reputations. Nicholls and Opal (2005) argue that central to the development of FT in the future is the need for increased consumer education and innovative marketing to build FT brands with a set of values, this could be a way of addressing communication challenge identified by Strong (1997, see above). Surely building this set of values will be more difficult if 100% FT brands such as Cafedirect have been cannibalised and the credibility of the Fairtrade MARK damaged. Pauline Tiffen explains



“Both Cafedirect and Divine Fairtrade Chocolate brands are appealing to consumers because they are the good guys, how does the message work when the bad guys join the side of the good guys? Many current Fairtrade leaders originate from the boycott movements of the seventies and eighties which makes this current situation difficult” (Personal communication 2006)

Fairtrade products can enter the mainstream market via a number of routes including:

- Branded Fairtrade products from 100% Fairtrade companies such as The Day Chocolate Company and Cafedirect. All products from these companies carry the Fairtrade mark
- Branded Fairtrade products from manufacturers who's part of their product portfolio is Fairtrade marked products e.g. Clipper Teas, Green and Blacks Chocolate (owned by Cadbury Schweppes), Percol Coffee Company, Fyffe's (one of the five largest global fresh produce distributors and supply Tesco with own label bananas) and Billingtons (Europe's leading supplier of unrefined cane sugar)
- Multiple Retailer own labelled Fairtrade products supplied by own label supplier. These products sit on shelf with branded Fairtrade products
- Own labelled Fairtrade products from retailers Marks and Spencer and Starbucks Coffee Company who only stock their own labelled products
- Joint labelled Fairtrade products where mainstream retailer and fairtrade company work together on joint brands e.g. Co-op Traidcraft FT wine



The mode of entry to the mainstream has led to misunderstandings in previous research on FT. Davies and Crane (2003) explain that Day and Sainsbury's produced a joint branded FT chocolate bar together when in fact the product was an own labelled Sainsbury's branded product with no Divine branding.

A number of authors (Blythman 2004, Lawrence 2004, Young and Duffy et al 2003) warn of the dangers of dealing as a supplier with mainstream supermarkets. They highlight supermarket practices including:

- Erosion of consumer choice from category management approach
- Request for non-cost-related payments or discounts such as up front request for payment for stocking products, called 'listing fees' (not for own label). Introduction of charges which are deducted from invoices payable without prior agreement with suppliers
- Large lump sum overriding discount payments on total business paid annually in order to maintain business
- Margin maintained promotions when in some cases suppliers have no choice regarding their level of contribution if they wish to continue supplying
- Threat of de-listing products as a method to extract more promotional monies
- Desire by some retailers to drive down suppliers prices to uneconomic levels despite rising supplier costs
- No notice of de-listing of products
- Approach of category management favouring larger suppliers



For new start-up FT companies with mainstream ambitions such Day (case study in this paper) the listed practices above pose many financial threats. Lowe and Davenport (2005b) propose a hierarchy of response by retailers (development of Nicholls 2002 retailer responses to ethical consumerism) to their degree of both acceptance and embeddedness to FT products and principles. The Co-operative Retail Group³ (CRG) is classified as a values –driven business, this appears to be justified by its conversion of its own labelled chocolate and coffee ranges to FT in 2002 and 2003 respectively. CRG has invested over £3m pounds in marketing communications for FT chocolate. Day supplies CRG with its range of FT chocolate bars, CRG as part of the relationship agreed not to cannibalise Day's existing brands of Divine and Dubble Fairtrade chocolate. David Croft (former Head of FT at CRG) explains; "It's important that retailers do not let own label FT products cannibalise sales of existing FT brands" (McAllister 2004).

As far as we know no such assurances have been gained from any other multiple supermarket. The problems with depth of FT offering in supermarkets is well documented (Strong 1997, Nicholls 2002, Nicholls and Opal 2005). The problem of choice is also supported by Byles (2006) who reports on how difficult it is to find FT products in supermarkets despite claims to the contrary. Byles (2006) also explains that supermarket staff have little or no knowledge of Fairtrade.

Lowe and Davenport (2005a, 2005b) also report the positive arguments for being in the mainstream particularly increased sales volume and the opportunity to

³ The Co-operative Retail Group (CRG) is a UK convenience store retailer with 1,713 stores. The CRG also negotiates terms and buys goods on behalf of the wider Co-op retail movement which comprises of an additional 1300 stores throughout the UK.



reach a wider audience with the FT message. This is supported by Teather (2006) who reports that global sales of FT marked goods grew by more than a third to £758m in 2005. Teather (2006) says the involvement of increasing numbers of big name retailers is an important factor in the growth. Strong (1997) also identifies media interest in FT issues as important in the growth of FT. One must also consider the impact of Daily Telegraph supplements and Radio Times advertorials funded by companies such as Nestle which could deliver a critical mass of new FT consumers.

The first report of the Ethical purchasing index (Cowe & Williams 2000) highlighted the existence of the 30:3 gap between opinion surveys about consumer interest in ethical issues such as FT and actual spending behaviour on FT products. Mr Ohemeng-Tinyase (Managing Director, Kuapa Kokoo Ltd) explained “shopping for Fairtrade products is shopping with respect (Day Chocolate 2002) Also interesting to note that in a recent Mori survey on Fairtrade awareness, 43% of those aware of FT were first made aware of the Fairtrade mark and what it stands for whilst shopping (Fairtrade Foundation 2005). Ronchi 2001 reports on the problem of poor availability in mainstream distribution as a barrier to growth of FT brands such as Divine chocolate. Hira & Ferrie (2006) discuss two types of FT, that of alternative trade (working with ATO’s) and the more reformist version which involves working with mainstream retailers. The work of Lowe and Davenport (2005a, 2005b) appears not to acknowledge key campaigns of collective social action in the mainstream such as the Christain Aid “Supermarket till receipt campaign” which pressurised supermarket chains to switch to FT Coffee under the threat of consumers switching supermarket choice.



During this effective campaign representations were made to supermarket store managers demonstrating the power of collective consumption (Christian Aid 1999). This action is in contrast to Seyang's (2004) claim that ethical consumption lacks a collective focus.

Lowe and Davenport (2005a) argue that FT models such as Cafedirect, The Day Chocolate Company and Agrofair⁴ (added by authors of this paper) are examples of alternative approaches to the market where Southern producer organisations are shareholders in these Northern Fairtrade companies. It is interesting to note that Twin Trading part owns both Cafedirect, The Day Chocolate Company and Argofair UK (33%) and played a leading role in their set-up (Stanistreet 2000). Tucker (former MD of Twin Trading) comments in Stanistreet 2000 "our product is our relationship with the farmers based on a relationship between equals". Ransom (2005) argues that FT is not just about the price premium but primarily about changing the relationship between producers and consumers, rather than increased corporate profitability.

In explaining the rise of FT, researchers have proposed a range of theories and have put forward propositions to both stimulate further growth in the FT market and maintain its transformative message. Lowe and Davenport (2005b) deposit the concept of "the Alternative High Street" where social action and consumption are combined together. Thus providing a way to both protect the integrity of FT and continue to develop sales whilst retaining the message of change. Lowe and

⁴ Agrofair is a Fairtrade European fruit company that is co-owned by the farmers (50% farmer shareholding) who grow the fruit that Agrofair imports. The company has a turnover of 60m Euros and sells a range of fruit including Fairtrade bananas under the Oke' brand (Agrofair Annual Report 2005)



Davenport (2005b) propose examples of the alternative high street including Fairtrade Universities.

Low & Davenport (2005b) argue the alternative high street exists in both virtual and physical space where individualised collective action complements individual ethical based consumption. They also refer to the literature on the 'new dominant logic of marketing' (Vargo and Lusch 2004) to explain that the alternative high street is another way of thinking about the co-creation of value between producers, retailers and consumers. Doherty and Meehan (2006) argue that while re-constructing the theory of marketing, Vargo and Lusch (2004) still do this within the confines of a managerialist tradition that underemphasis the interest of upstream stakeholder groups such as producers of coffee and cocoa. Vargo and Lusch (2004) observe: "The relative role of operant resources [resources that enable change to be effected in chiefly physical resources – knowledge and processes for example] began to shift in the late twentieth century as humans began to realize that skills, relationships and knowledge were the most important types of resources" (p.2). Doherty and Meehan (2006) propose that intangibles such as company's ethical and social standards can be an appealing foundation for differentiation in increasingly valuable retail segments and an attraction for business partners looking to position themselves on such a basis. They refer to such resources as 'social resources' which are made up of three inter-related components whose simultaneous presence underwrites the credibility of a product/service offer targeted at the 'ethical consumer'. The components are: (1) Ethical and social *commitments*; (2) *Connections* with partners in the value network; and (3) *Consistency* of behaviour over time to build trust.



Golding and Peattie (2005) propose that the social marketing discipline has the potential to promote the principles of FT, in a way that complements the emphasis on brand-building strategies for FT products. Social marketing seeks to utilise the tools, techniques and concepts derived from commercial marketing in pursuit of social goals (Andreasen 1995) with a particular emphasis on overcoming barriers to behavioural change. Golding and Peattie (2005) discuss that FT works on the disconnect identified by Tiffen (2002) by establishing a new relationship between consumers in the North and producers in the South which allows consumers to view the social and environmental impact of their purchases. McDonagh (2002) proposes the combination of societal marketing scrutiny with organisational use of the sustainable communication concept. One key marketing communication output is the use of global labels and marks to stimulate better public issue literacy and FT consumption within groups such as semi-ethical consumers. It is interesting to note here the work of Golding and Peattie (2005) and McDonagh (2002) is focused on FT Coffee. Harrison (2005) proposes the concept of organisations that are classed as 'campaigning traders' who display aspects of both good campaigning and good business performance. According to Harrison (2005) Cafedirect could be described as a successful campaign organisation for human welfare in the global coffee industry.

The paper will now move onto the second section which includes both the research methodology and the Day Chocolate Company case study.



Methodology

Due to the fact that FT mainstreaming is a relatively recent phenomenon a number of key insights can be gained from focusing on specific case studies (Yin 2003, Eisenhardt 1989). The authors due to their experience provide a longitudinal case (1999-2006) of a unique 100% FT business called The Day Chocolate Company which competes in the mainstream.

The case will draw together multiple sources of evidence from a range of data collection methods including both participant and personal observations recorded in a series of research diaries. Plus semi structured interviews (recorded and transcribed to print) resulting from “The Fairtrade Chocolate Monitoring and Evaluation Project” carried out as part of a wider DfID (Department for International Environment) study looking at the impact of The Day Chocolate Company on both the UK confectionery industry and farmer livelihoods in Ghana. In addition stakeholder policies and documents, Day internal documents plus consumer survey studies. Personal reflective diaries have been maintained by both authors to record and reflect with notes from personal and participant observation. Extensive field work is an important strength of this research.

The objective will be to confirm any Interpretations by triangulation from multiple sources of evidence (Bryman, 1988, Robson, 1997). The paper will now move onto explore the unique case of The Day Chocolate Company.



The Day Chocolate Company

The Day Chocolate Company (Day), set-up in 1998, shares with its partners a mission to improve the livelihoods and opportunities for small-scale cocoa farmers in West Africa (Doherty and Tranchell 2005, Tiffen 2002). The cocoa farmers co-operative Kuapa Kokoo (KK) in Ghana are both joint owners in the company with a shareholding of 47% (Butler 2006) and have two seats on the board. Day pays a FT price for all the cocoa purchased from KK (Doherty and Meehan 2006), consequently its branded products Divine and Dubble all carry the Fairtrade mark. Day's social mission means it is recognized as a social enterprise, which are defined as 'businesses with primarily social objectives' (DTI –Strategy for Success 2002).

Day's mainstreaming objectives were clear from the outset and include (Tiffen 1998);

- To take a quality and affordable range of fair trade chocolate bars into the mainstream chocolate market
- To raise awareness of fair trade issues among UK retailers and consumers of all age groups
- To be highly visible and vocal in the chocolate sector and thereby act as a catalyst for change
- To purchase all cocoa used under Fairtrade criteria

Balfour chair of The Day Chocolate Company (2006) says "Our mission in addition to making delicious chocolate is to be highly visible in debates about Fair trade, to act as a bridge between consumers and primary producers, and to act



as passionate advocates for a trading system that brings dignity and respect to all its participants”.

The authors (Doherty and Tranchell 2005) highlight a number of key factors leading to Day’s success in the mainstream including; affordable pricing, good taste profile and impressive media coverage based on Day’s story of farmer ownership. Day from initial set-up have always managed their public relations profile in house and not via agencies. In addition early research showed the central brand proposition of farmer ownership made Day Chocolate attractive to partners such as Comic Relief and The Co-operative Retail Group.

This paper will explore the market drivers, challenges and opportunities of competing in the mainstream.

Why the Mainstream

Day’s first brand Divine milk chocolate was launched in October 1998. The key driver’s behind mainstreaming FT chocolate are numerous. Firstly to build a viable Fairtrade chocolate business in the UK chocolate industry, the authors would argue it is necessary to compete in the mainstream. Mintel (1999) reported that 43% of all chocolate confectionery sold in the UK is purchased via multiple supermarkets and was likely to increase. By 2006 (Mintel 2006) this percentage share had risen to 50%. Being able to provide a list of major supermarkets where Divine was available to purchase was an important criteria for journalists, campaigners and consumers. Bruce Crowther (Fairtrade Campaigner from Garstang Lancashire, previously head of Oxfam campaigns in Garstang and now



Fairtrade Foundation's Fairtrade Towns Co-ordinator)) commented; "Being able to tell young people and adults that Divine and Dubble Fairtrade Chocolate were available in the local supermarkets was a huge advantage in ensuring our fairtrade campaign was practical and credible" (personal communication 2005.).

Penny Newman the Managing Director of Cafedirect (CD) proposes that; "the Fairtrade movement must become a mainstream movement, not viewed as a charitable exercise by the minority, but as an everyday consumer choice made and understood by the majority "(CD AR 1999). Charlotte Borger Head of Public Relations at Day is convinced that "without competing in the mainstream, gaining press coverage would have been a real challenge" (personal communication 2005).

By competing in the mainstream Day has managed to secure mainstream media coverage including:

- GMTV morning coverage with Lorraine Kelly (TV Presenter) in both 2003 and 2006. In 2003 the daughter of a cocoa farmer Rigayatu Razak and in 2006 Kuapa Kokoo member and village recorder Comfort Kwasebei.
- Daily Express feature on Kuapa Kokoo (25th March 2005)
- Radio Two coverage on Jeremy Vine programme (11th March 2005)
- Sainsbury's and Waitrose Magazines
- Sugar Magazine feature on Rijiyato Razak (February 2002)
- Observer Food Monthly magazine 9 page feature (9th November 2003)



The above media features focus on Day's unique farmer ownership model and the 'bean to bar' story. It is also worth noting here that Day does not limit itself to the mainstream press and also targets ethical (Ethical Consumer), political (New Statesmen), religious (Church Times), social enterprise (Big Issue), local and regional titles, Youth (Sugar Magazine) and African titles such as The African Times. Strong (1997) commented that media interest is key in developing FT brands. This media coverage allows Day to speak to a wider audience in greater depth to build the Divine and Dubble brands, according to Charlotte Borger (personal communication 2005) "journalists would often go out and shop in supermarkets to see if they could find Divine before covering the story". Liz Fullelove (Head of Ethical Trade at Sainsbury's during 2000) commented "there is an opportunity in the mainstream for Fairtrade companies to communicate further to potential and current customers about the values of Fairtrade" (personal communication 2000).

Diary notes show that when speaking at public events to raise the awareness of FT and Divine chocolate a frequently asked question was, *in which supermarkets can we buy Divine?*. From company records there is a significant number of e-mails logged from Divine supporters demonstrating frustration with poor availability of Divine in supermarkets. To achieve Day's objectives of raising awareness and being a catalyst for change within the UK confectionery industry it is clear a stronger presence in the mainstream would be advantageous. According to the Chair of Day, "Having Fairtrade brands in the mainstream allows you to talk to more people in greater depth about FT. Our brand puts farmer ownership at the centre of our values, being in the mainstream allows you to



develop the message and protect from pretenders. The fact you are competing in the mainstream also attracts mainstream partners such as the UK charity Comic Relief . Our partnership with Comic Relief has delivered a TV advertising campaign on Nickelodean TV and a schools education pack on FT for 15,000 schools in the UK” (Personal communication 2006).

Divine is now stocked in most mainstream supermarkets which must be advantageous bearing in mind that 43% of the public hear of FT while shopping (Fairtrade Foundation 2005). This provides Day with an opportunity to develop both brand awareness and brand association (Aaker 1991, Chen 2001). Despite the concentration of sales in the supermarket sector a high value of chocolate sales, 23% (Mintel 2002) was still represented by the independent sector such as newsagents and convenience stores. However Day experienced little success with Divine in the early stages within this sector. Both newsagents and convenience stores are supplied in the main from either wholesalers or ‘cash and carry’ warehouses. Persuading this channel to stock FT chocolate was difficult, one large national wholesaler commented “the product looks good and the taste is excellent, however I have too much to lose from stocking this brand ” Asked what you mean by that, the buyer replied “I do not want to upset the major suppliers and jeopardise any override payments” (personal communication 2000). The independent channel comprises of a number of channel members, therefore the margin is spread and it can be more difficult to gain commitment from the entire channel.

Key alternative distribution channels at the time namely Oxfam (alternative high street retailer) and Traidcraft (mail order catalogue and wholesaler) were reluctant to



stock Divine chocolate. Both companies were pursuing an own brand route in FT chocolate to maximise their own brand equity. This paper will now explore the experience of Day competing in the mainstream.

Day Chocolate in the Mainstream

First real breakthrough in the mainstream came through collective action and not individual ethical consumerism. In November 1999 Day Chocolate launched a campaign with Christian Aid supporters which involved a special feature in the Christian Aid Action mailing accompanied by both a 'stock the choc card' a 20p price reduction coupon only redeemable in Sainsbury's stores. This resulted in both an unusually high redemption rate of 6.2% combined with the return of many 'stock the choc' campaign cards to Sainsbury's. This persuaded Sainsbury's to increase the distribution of Divine from 70 stores to 343 stores. This shows the power of collective action in the mainstream.

Gaining distribution in the mainstream is a significant challenge for any new small supplier (Doherty and Tranchell 2005). A product listing can be terminated by the supermarket buyer without the supplier being informed. Competition for finite shelf-space is fierce, hence criteria for product performance is often focused on sales rate and profit margin. However brand loyalty was also identified as important during a recent interview with a category buyer for a leading supermarket retailer who explained; "Divine chocolate has a high composite ranking score which takes into account both rate of sale and loyalty of the people who buy the product. Divine has a very loyal customer base" (Personal communication 2006).



This finding is also supported by market intelligence (Dunnhumby 2005) collated from store card data which shows the Divine consumer to be strongly loyal. Brand loyalty is identified by Aaker (1991) as one of brands major assets. The authors invite future research to investigate this aspect of brand loyalty to Divine. There are also concerns regarding the costs entailed in fulfilling the requirements of mainstream retailers such as high promotional costs, buy back clauses etc. The authors were requested by a confectionery Department store retailer to pay £10,000 in advance for the listing of the Dubble chocolate bar. Also despite increases in Day's costs, mainstream retailers are very reluctant to accept legitimate price increases.

Despite some of the obvious challenges for FT companies in the mainstream it can provide the opportunity to influence retailers and create real change. The CRG decided to make a significant strategic move in FT by switching its entire own label block chocolate range to 100% FT sourced. The CRG chose to partner with Day due to an existing relationship, Day's credibility and its co-operative links with KK in Ghana. This bold move led to a documentary screened in November 2002 on BBC News 24 about Fairtrade Chocolate, the Co-op produced a campaign document in 2002 called 'The Chocolate Report' which discusses in depth the inequalities in the world trading system and how both Fairtrade consumption and lobbying the large multinationals to convert to Fairtrade can make a difference. Day organised a trip for commercial representatives from the Co-op to visit Kuapa Kokoo in Ghana and view the impact of Fairtrade and discuss with producers their own challenges. Brad Hill (Co-op FT Marketing



Manager) who visited Ghana explains why the partnership with Day Chocolate works, “Day has strong credibility that you can trust and the links back to the producers are strong, from our point of view, the links back to the producers have always been a very strong part of our strategic message on Fairtrade” (personal communication 2005).

The Co-op Fairtrade Chocolate bars contained on the wrappers stories of Fairtrade producers. It appears this is an example of developing issue literacy in Co-op consumers. Sales of the new Co-op Fairtrade Chocolate range outperformed the previous own label range by over 30% and is regarded as a key success. According to the Co-op, the success of this mainstream venture resulted in the move to switch the entire Co-op own label range of coffee to Fairtrade (Co-op 2003). Due to its distribution via the mainstream retailers Day has been in a position to carry out Supermarket staff training and leverage space in supermarket staff magazines and therefore addressing some of the concerns of Byles (2006). It is interesting to note here that despite the success of the Co-op Fairtrade Chocolate venture some larger companies such as Tesco and Sainsbury’s have attempted to imitate Fairtrade chocolate companies with launches of own label FT chocolate but these products have failed at an early stage.

Another example of Day Chocolate influencing mainstream practice is in the case of a leading high street coffee chain who commented; “Working with Day on Fairtrade chocolate has provided us with access to the Fairtrade Community’ which is a diverse group of individuals, NGO's, companies and opinion formers.



Being a part of this broad group is healthy and provides us with the opportunity to understand and contribute to the debate”. (Personal communication December 2005).

Day driven by its mission to effect change in the international trading system has also concentrated its effort on leading politicians. During UK Fairtrade campaign tours organised by Day, farmers from Kuapa Kokoo have met with Prime Minister Tony Blair (in 2002) and Gordon Brown (Chancellor of the Exchequer) in March 2004 to explain the benefits of Day’s business model . Recently in June 2006 a delegation led by two boys from Kuapa Kokoo cocoa farming families along with three UK school children handed the “Chocolate Challenge “manifesto to Hilary Benn MP, Minister for International Development (Department for International Development 2006). The manifesto outlined the views of over 400 UK school children who had attended Fairtrade cocoa summits in 2006. According to Jonathan Smith from Comic Relief (Head of Education Communications) “Day’s mainstream clout combined with its unique business model ensures it is better positioned to effect real change in the international trading system demonstrated by its ability to access leading politicians” (Personal; Communication 2006).

Another example of Day Chocolates campaigning style was illustrated in the lead up to the G8 Summit in Glen Eagles Scotland June 2005 when Day ran a national advertising programme in colour print in the Guardian UK Newspaper , reading ‘Eat Poverty History’ . The advertising campaign featured women from the Kuapa Kokoo community in Ghanaian settings, challenging consumers to try Divine. According to Borger (2006); “This national; campaign successfully subverts the



traditional chocolate add and we believe some pre-conceptions about Fairtrade” (personal communication 2006).

Also during the G8 Summit each delegate found a Divine Gift in their bedrooms and thousands of members of the world media also received a Divine package with an information pack. It is clear that Day has not limited itself to the price and quality message which Lowe and Davenport (2005b) argue is a danger of being in the mainstream. The activity of Day shows how companies can leverage their social resources in the mainstream and perhaps provides another example of Harrison's (2005) classification of 'campaign trader'.

Day Chocolate and 'The Alternative High Street'

Low & Davenport (2005b) propose the 'Alternative High Street' where you see the merging of consumption with social action to both stimulate further FT growth and maintain its transformative message. Day since start-up has recognised the strategic importance of creating innovative approaches to bring consumers and producers together to initiate change, a few examples include;

- A Fairtrade fan club called 'Dubble Agents' was set-up in 2001 which now has over 50,000 members who have signed up via the Dubble website (www.dubble.co.uk) to 'change the world. Being a Dubble Agent gives young people the opportunity to access information and downloadable tools to undertake FT 'Missions', for example, lobbying local shops to 'Stock the Fairtrade Choc'



- 'Choc-Shop' set-up via a partnership between Day and Christian Aid (CA) campaigners would set-up 'Choc-Shops' using a campaign pack and chocolate supplied by Day.
- Day's work in schools with CR to develop consumer citizens (see forthcoming paper from Doherty and Taplin 2006) by launching the Papapaa education pack.

Alternative Trading Organisations (ATO's) account for 35% of Divine and Dubble branded chocolate sales. Day's turnover for 2004-2005 financial year stands at £7,673,298 showing a significant growth of 35%. Sales through multiple supermarkets increased by 30%, with sales through the ATO's or the alternative high street showing substantial growth, 60% increase in the whole food sector and 80% year on year growth via Oxfam Shops (Day Chocolate 2006). After Oxfam's strategic review in 2000/2001 a decision was taken to withdraw from developing Oxfam branded FT products, this was not as reported by some as indifference to ethical concerns (Golding and Peattie 2005) but firmly a recognition that Oxfam's strengths lie in both campaigning and retailing and those with strengths in supply chain management and brands were both Cafedirect and Day. Oxfam shops stock the entire Divine range, in the mainstream only Tesco, Waitrose, Sainsbury's and Co-op stock more than one Divine flavour. Hence Oxfam shops provide a very useful test market for Day's products, after a successful pilot of Day's recent new product Divine After Dinner Mints (DADM) in 2005 both Tesco and Asda have agreed to stock this product for Christmas 2006. This increased volume has meant that the mint fondant can now include Fairtrade sugar (minimum batch orders of 10 tonnes). These findings show that Day has a

