

Master Thesis
MSc Strategic Market Creation



**Copenhagen
Business School**
HANDELSHØJSKOLEN

Author: Alberto Cortese
Supervisor: Peter Neergaard

Submission date: 07-01-2018
Pages: 78
Characters: 171.721

STRONGER TOGETHER?

A critical view of how partnerships between corporations and NGOs are reshaping CSR-driven innovations within the food industry on national and international competitive landscapes

Acknowledgments

First and foremost, I would like to thank my supervisor for granting me the opportunity to develop a topic in which I am extremely interested and passionate with his insightful assistance. His recommendations were essential for driving my research towards the delivery of interesting outcomes, within the wide field of corporate social responsibility studies.

Moreover, I want to express my gratitude to my family for giving me the necessary economic and motivational support throughout my studies, to my brother, for being always there when I needed him and to Alessia, for always believing in my choices.

Abstract

Partnerships between non-governmental organizations and corporations have undergone an exponential growth during the last decades. This phenomenon has raised the interest of many academics and researchers, considering the formerly hostile and antagonistic interactions between these two entities in the business world. The diffusion of this type of alliance has several implications on the vast number of stakeholders involved in these interactions, consumers included.

The scope of this thesis is to explore the direction and magnitude of this phenomenon within the food industry, a sector which has recently been shaped by several disrupting dynamics, such as the formation of global complex value chains and the increasing demand of environmentally sustainable products. The thesis will provide direct insights about the phenomenon by analysing three cases who had early pioneered the establishment and implementation of strategic partnerships and managed these collaborations for a long time, setting the industry standards, despite the several challenges they have experienced, and the growing complexities related to the shifting and intertwined dynamics that are shaping and transforming the food industry on a continuous basis.

The central focus of the dissertation is to explore which are the main impacts of partnerships between non-governmental organizations (hereafter NGOs) and companies at different levels. These strategic alliances involve organizations that have decided to share resources and expertise to pursue one or more common goals, which are not considered achievable if working independently.

The thesis is built around the concept of corporate social responsibility, and several essential theories are reviewed and tested, drawing from the broad literature on this topic, to highlight the main important reasons underlying this rising trend and some possible future directions and developments of these strategies. Moreover, interviews with managers of the selected companies, NGOs and other relevant stakeholders are conducted and analysed to gain direct insights of how these peculiar types of alliance are implemented and how the complexity of bringing together actors with such different interests and perspectives is managed to deliver effective results, going beyond mere transactional or superficial benefits.

Table of contents

1 Introduction	1
1.1 Contextualization.....	1
1.2 Overview of the food industry CSR dynamics	3
1.3 Partnerships with NGOs as a new way to implement credible CSR strategies	4
1.4 Thesis structure.....	6
2 Research question.....	7
2.1 Problem formulation.....	7
2.2 Research question	7
2.3 Academic relevance of the phenomenon investigated.....	9
2.4 Motivation	9
3 Methodology.....	11
3.1 Research philosophy.....	11
3.2 Research design	12
3.3 Research process	13
3.4 Case studies	14
3.5 Data collection techniques.....	15
3.5.1 Primary data.....	15
3.5.2 Secondary data	17
3.6 Research reliability and validity	17
3.7 Limitations.....	19
3.8 Delimitations	19
4 Theoretical background.....	20
4.1 Corporate Social Responsibility	20
4.1.1 A debated topic	20
4.1.2 Historical overview of the concept of CSR.....	22
4.1.3 CSR definition.....	24
4.2 Strategic alliances.....	25
4.2.1 Definition.....	25
4.2.2 Types of alliances	25
4.2.3 Reasons behind strategic alliances.....	26
4.2.4 Strategic/cultural fit and trust	26
4.2.5 Measuring economic performances of alliances	27
4.3 Partnerships between firms and NGOs.....	29

4.3.1 Definitions	29
4.3.2 A radical shift: from confrontation to cooperation	30
4.4 Theoretical framework	31
4.4.1 Resource Based View and Resource Dependency Theory	31
4.4.2 Dynamic Capabilities	33
4.4.3 Transaction Cost Theory	34
4.4.4 Stakeholder Theory and Social Network Theory	35
4.4.5 Shared Value and Corporate Global Citizenship	37
4.5 Critical review	39
5 Case studies	43
5.1 Introduction	43
5.2 Case study 1: Eataly and Slow Food	43
5.2.1 Italian food industry	43
5.2.2 Eataly	44
5.2.3 Slow Food	45
5.2.4 The partnership	45
5.3 Case study 2: Dansk Supermarked and WWF Danmark	46
5.3.1 Danish food industry	46
5.3.2 Dansk Supermarked	47
5.3.3 WWF Danmark	47
5.3.4 The partnership	48
5.4 Case study 3 - Nespresso and Rainforest Alliance	49
5.4.1 European food industry	49
5.4.2 Nespresso	49
5.4.3 Rainforest Alliance	50
5.4.4 The partnership	50
5.5 The interviewees	51
6 Analytical framework	52
6.1 Introduction	52
6.2 Corporate incentives to engage in partnerships with NGOs	53
6.2.1 Gain of reputation	54
6.2.2 Access to knowledge and expertise	55
6.2.3 Costs and risks reduction	58
6.2.4 Profitability concerns and stakeholders' engagement	59
6.3 NGOs' roles and reasons behind partnerships with businesses	60

6.4 Challenges of partnerships between corporations and NGOs	63
6.4.1 <i>Measuring partnerships economic outcomes</i>	64
6.4.2 <i>Response biases</i>	65
6.4.3 <i>NGOs' risks</i>	66
6.5 Towards strategic partnerships	68
6.6 Theoretical gaps.....	70
7 Conclusion	73
7.1 Answers to the research sub-questions.....	73
7.2 Answer to the research question	76
7.3 Future research	77
8 Bibliography	78
9 Appendices	95

1 Introduction

1.1 Contextualization

Nowadays, it is not a mystery that consumers are more sensitive to environmental concerns than they were in the past. This sensitivity is reflected in increasing demands of transparency and ethical behaviour on corporations. The profound globalization dynamics and privatization shifts of the last decades have radically shaped and transformed the business environment, weakening national governments' powers and consequently conferring on firms greater accountability for their actions and conducts. The current rising pressure for public scrutiny, exerted by consumers and by a wide range of other stakeholders on companies worldwide, has been highlighted by renowned authors such as Auger et al. (2003), Snider et al. (2003), Sen and Bhattacharya (2001), and more recently by Lehtimäki et al. (2011) and Kosack and Fung (2014).

The phenomenon is far from being new: consumers have started to increase their consumption awareness since the 1960s, when demands for corporate ethical conducts were intertwined with severe political and social protests (Galarraga and Gallastegui, 2002). However, this is the first time in the history where people are extraordinarily connected between each other and where ideas and information can be publicly displayed and spread all over the world in just few seconds, through the power of social media. Corporate misconducts and scandals cannot be hidden anymore as it happened in the past, and a single company's misdeed may rapidly reach a global resonance, in a detrimental escalation that could irreparably harm the organization's image. Internet and social media are driving the formation of global communities of problem-solvers, co-creators, activists and change-makers that span across geographical borders, designing a so-called "*open source society*", in which they can forge new expressions of collective actions, share knowledge and transfer an endless flow of information (Ellis, 2010).

The magnitude of this trend has contributed to the formulation of several definitions of who constitutes an *environmentally friendly consumer*, among which the most compelling is the one provided by Mohr et al. (2001), who stated that an ethical consumer is someone who "*bases his or her acquisition, usage and disposition of products on a desire to minimize or eliminate any harmful effect and maximize the long-run beneficial impact on society*".

However, despite the evidence of the rising importance of ethical considerations and environmental awareness in consumers' consumption and attitudes, the phenomenon is not clear and straightforward as it may seem on its surface. Many surveys and in-depth researches indicated that there is a significant difference between what consumers publicly declare and how they behave in the consumption moment, demonstrating that there are several different, complex and intertwined variables which influence the consumer behaviour, a field that is still in part mysterious and therefore extremely fascinating for the surprises disclosed when researchers try to shed light to its underlying dynamics.

This green wave, briefly described in this introductory section, involves a vast number of players across different industries and sectors. Nevertheless, an increasing number of consumers and other stakeholders are exerting an intense pressure on companies operating within the food industry. There are several reasons why food producers, suppliers and retailers are being faced with growing demands for transparency and ethical behaviours. First, as stated by Hartmann (2011), the food sector is inextricably dependent on natural, human and physical resources and therefore it has a strong impact on the society. In this industry, a relatively small number of firms can potentially affect the lives of millions of people and the natural resources they rely on (Genier et al., 2009). Moreover, since the food value chain is rapidly evolving alongside with its growing complexity, many constraints are arising at different levels of these intricate, fragmented and globally dispersed value chains. More and more people are demanding higher fairness and transparency, driven by concerns related to depletion of natural resources, pollution, animal welfare issues, farmers' labour conditions, retailers' business practices, food safety and food waste management (Maloni and Brown, 2006). Ultimately, food has always been at the centre of human being's history and it has often been attached with additional metaphorical meaning, from the famous quote "*we are what we eat*" by Feuerbach to the millennial emphasis placed on food by several different religions and cultures across the world. Therefore, it is not surprising that nowadays the food industry is challenged by an intense public scrutiny by non-governmental organizations, by groups of activists and by more and more individual consumers on a daily basis.

1.2 Overview of the food industry CSR dynamics

The pressure exerted by media and the several boycott campaigns championed by consumers associations and activists have led managers to consider the adoption of corporate codes and more transparent practices as a strategic move. The Nestlé baby milk scandal and the recent campaign against Coca-Cola in India for alleged water pollution are just two cases on a wide list of similar remonstrances that have hit a huge number of organizations worldwide. Corporate executives must take these campaigns extremely seriously, since they might not only harm the company's image but also threaten the organization's survival, especially in an era where the slightest misconduct has the potential to go viral and therefore to reach millions of people in just few seconds.

Businesses are bestowed with the responsibility of pursuing sustainable development without depleting natural resources, which will be essential to meet the needs of the forthcoming generations. The consequent corporate response to the recent increase of consumers' awareness of environmental and social issues in their consumption behaviour has been a proliferation of disparate and sometimes contradictory initiatives to address the concerns related to business sustainability raised by their consumers around the world. According to a survey released by KPMG (2017), the number of firms within the food industry reporting their corporate responsibility initiatives has steadily increased from 47% in 2008 to almost 75% in 2017 (see appendix 9.1). Many different global institutions have contributed to the development and promulgation of important international standards and guidelines of corporate responsibility, such as the UN Global Compact principles and the Global Report Initiative. However, despite these important references, many companies still attain to their own corporate codes of conduct, often resulting inconsistent and not credible in their communication campaigns. Several authors have emphasized these constraints: as outlined by Alcaniz et al. (2010), consumers tend to prefer socially responsible companies, but they are sometimes reluctant to grant full trust because they assume corporations' social initiatives are driven by egoistic motivations to pursue exclusively their own economic interests. Moreover, the rise of the number of self-certified labels has increased confusion over consumers, as reported by Thøgersen (2000), in a research on environmental labels recognizability. A recent investigation led by Orange (2010) further highlighted that an astonishing 98% of proclaimed environmentally friendly or natural products present in the shelves of the main supermarkets of the United States are likely to contain false or misleading information. Consumers have confidence in the claims made by an eco-label if their authenticity and

enforcement are verified by a third-party organization that is not economically involved in the making or marketing of the product sold (Howard et al., 2010). However, this precondition seems far from being met: a survey undertaken by Enger (1998), and displayed in Thøgersen (2000), revealed that while environmental claims were exhibited by 63% of packaged goods for sale in major supermarkets in Oslo, only 8% of these eco-labelled products were certified by a third-party organization.

It is therefore evident that, despite a growth of corporations' efforts to address sustainability issues and to meet increasing consumers' environmental requirements, the wide inconsistencies of social corporate responsibility initiatives and the lack of third-party certification and assurance the main current challenges that companies are facing in the attempt to gain the desired legitimacy at their consumers' eyes.

1.3 Partnerships with NGOs as a new way to implement credible CSR strategies

As outlined in the previous section, there are several challenges to the corporate social responsibility initiatives undertaken by corporations operating within the food industry. Strategic inconsistencies, failures to adhere to a universally recognized framework to promote sustainability and a general lack of credibility around companies' claims and communications are among the major issues faced by executives and strategists. Furthermore, it is widely acknowledged that the current difficulty to gain legitimacy as a business is due to the presence of contrasting social values and expectations in the fragmented and diversified society in which we live today.

Over the last decade, there has been an increase of partnerships between companies and non-governmental organizations (hereafter NGOs), as an alternative option to implement credible corporate social responsibility strategies (Rondinelli and London, 2003). While leading companies in the private sectors are gradually recognizing the need to address consumers' demands for a deeper commitment to sustainability, on the other side many NGOs are shifting from a confrontational standpoint to a more cooperative and attuned approach to corporations, understanding that they can achieve more widespread and lasting results by exploiting the power of the market (Kourula and Laasonen, 2010). Over time, these forms of collaboration are not only growing in numbers, but also in degrees of sophistication, moving beyond superficial philanthropic meanings towards more

strategic objectives, increasingly aligned with companies' core-businesses and drivers of mutual social and economic value.

Throughout these recent years there have been many successful alliances between large corporations and non-profit organizations. The partnership between Unilever and Oxfam International has delivered outstanding outcomes in improving the livelihoods of smallholder farmers in the developing world, according to the British newspaper *The Guardian*¹ (2012). Another successful example is provided by the long-standing collaboration between Greenpeace and the German firm Foron for the development of a breakthrough technology to produce green refrigerators to comply to the Montreal commitment to eliminate ozone-depleting fluorocarbons. Recently, P&G has partnered with WWF to increase the transparency of its wide and diversified network of suppliers in response to the growing concerns related to the production of palm oil, which has been associated to deforestation and water pollution issues. However, despite the enthusiastic claims on corporate websites, there has been a lot of rhetoric around this theme, as not all the partnerships between firms and NGOs have delivered satisfying results. Many of these collaborations failed for different reasons, such as a strategic unfit between the core business of the companies involved and the goals of the partnerships, or because of communication misalignments between the players engaged in the alliance.

In the partnership, NGOs and firms contribute with complementary capabilities, which can be either intangible assets such as reputation and knowledge, or tangible resources, such as financial resources and facilities. This strategy may enable participating companies to create and deliver value in innovative ways, while minimizing risks and costs. According to the Globe Scan "*Trust in Institutions*" surveys, NGOs display the highest ranks in terms of reputation and legitimacy (Poret, 2014). It is therefore evident that a corporation involved in a partnership with a non-profit organization can immediately rely on an important source of positive reputation, which constitutes a strategic asset that is otherwise extremely hard and time-consuming to achieve by itself. Moreover, NGOs often possess an important market expertise of certain local regions and of specific segments of consumers. On the other hand, non-profit players receive essential financial and managerial resources that are extremely important to pursue their ambitious goals, in an exchange in which both the parties win.

¹ Source: <https://www.theguardian.com/sustainable-business/ngos-collaboration-private-sector>

1.4 Thesis structure

The aim of this thesis is to explore in detail how businesses and NGOs design and implement a strategic partnership, investigating the nature of the value created through this form of collaboration and the challenges related to the management of the partnership. In the next chapter, the research questions underlying the study are highlighted, with a mention of the relevance of this topic with the field of Strategic Market Creation. Chapter 3 contains a comprehensive overview of the methodological approach of the dissertation, with the rationale behind the choice of the organizations studied in the dissertation. In chapter 4 the reader will find a comprehensive review of the theoretical background of the research, drawing from the theories and considerations provided by the most influential authors within the academic field of corporate responsibility. The following chapter 5 displays and analyses the cases selected for the investigation, introduced by a brief overview of the main characteristics and dynamics of the food industry of the area in which the partnership has been consolidated. A discussion of the findings resulting from the interviews and from the material consulted is outlined in chapter 6, through which the reader will find the answers to the research questions of the dissertation. The final chapter 7 summarizes the findings of the research, with a critical review of the main topics touched by the investigation and some possible future directions for the study of the phenomenon of partnerships between corporations and NGOs.

2 Research question

2.1 Problem formulation

The aim of this research is to shed light to a phenomenon that is increasingly gaining the attention of the public opinion as well as of many authors due to its implications on the current business environment dynamics and trends. The World Bank estimated that the number of international NGOs grew from about 6000 in 1990 to 26000 in 1999, which represents a 450% increase in just a decade (Chirico, 2013). Besides, NGOs registered an exponential growth of their revenues, since they are considered the preferred channel for service provisions in deliberate substitution of the state, which role is waning in most of the developed countries (Hall-Jones, 2006). Despite the magnitude of this phenomenon, underlined by these data, the literature on this topic has been discontinuous and fragmented. The lack of a solid background for the study of this trend is related to the wide range of different types of partnerships that are being implemented during these years as well as to an objective difficulty in measuring the outcomes of these forms of cooperation. Moreover, as outlined by Neergaard et al. (2009) in a study of 1900 Danish corporate-NGOs partnerships, less than 1% can be defined *strategic* collaborations. This means that much of the partnerships that are being implemented and loudly advertised do not go beyond a mere philanthropic- or sponsorship-based collaboration. A partnership, to be defined *strategic*, should have significant impacts on the core business or program of activities of both partners (Ashman, 2001). It is evident that further research is needed to better conceptualize this topic and to provide some additional empirical evidences about the reliability of the numerous, and sometimes fuzzy, corporate claims on this topic.

2.2 Research question

The research question conceived to drive this thesis to significant findings has an exploratory and descriptive nature. According to McDaniel and Gates (2001), it represents the most crucial part of the research, as if you do not know what you are looking for precisely, the consequent results will be inconsistent and eventually useless. After several reviews, it has been formulated as following:

“Which is the mutual value created by partnerships between firms and NGOs within the food industry?”

Due to the breadth of the topic, four additional research sub-questions have been envisioned to narrow down the exploration towards some specific insights which will be useful to build a comprehensive portrayal of the research main aspects and outcomes. These supplementary sub-questions are enounced in the following order:

- 1- “How are these partnerships designed and implemented to deliver their intended mutual value?”*
- 2- “Which are the main economic impacts on a firm’s performance caused by the partnership with a NGO within the food industry?”*
- 3- “Which are the main benefits experienced by a NGO by partnering with a corporation within the food industry?”*
- 4- “Which are the main challenges experienced by firms and NGOs in the implementation and management of strategic partnerships within the food industry?”*

The main research question is aimed to disclose the nature of the mutual value created by the joint pursue of strategic objectives by the organizations involved in the partnership. The first sub-question has mainly a descriptive essence as it focuses on the outline of the most important ways in which these peculiar alliances are designed and the recurring dynamics underlying the partnership management. The second sub-question draws the reader’s attention to the economic impacts reported by enterprises by partnering with organizations within the non-profit sector, to shed light to the economic performance measurement systems implemented by companies to assess the trade-off costs-benefits of these strategies. The third sub-question focuses on the outcomes delivered by the partnership from a NGO’s point of view, especially in terms of image, resources and power. Lastly, the fourth sub-question is aimed to unfold the main challenges to overcome in the implementation of a partnership, beyond the rhetoric of the various triumphant claims displayed in corporate websites and NGOs’ reports. All the research questions designed to investigate the topic have a direct reference to the food industry, which represents the sector studied in the empirical research.

2.3 Academic relevance of the phenomenon investigated

There are several academic fields related to the topic of strategic partnerships between corporations and NGOs. As a student of the *Strategic Market Creation* concentration at CBS, my thesis will maintain a strong focus on the partnerships implications on corporate communications, marketing strategies and innovation dynamics. Moreover, the thesis will outline why and how the partnerships between firms and NGOs represent an innovative driver to the identification of new business opportunities. Evidences from the corporate environment suggest that these forms of collaborations are enabling the design of unconventional business models which are changing executives' mindsets and approaches towards corporate social responsibility initiatives. Additionally, the topic of this research is strongly intertwined with the study of brand management, as the consequent positive associations for a company's image and identity constitute the main intangible assets, which are extremely valuable for corporations engaged in partnerships with non-governmental organizations.

Within this framework, corporate marketing strategies need to be continuously updated and adapted in response to emerging trends such as corporate responsibility demands, social media rising power and communities of brand. Hence, marketing managers must not only deal with, but also anticipate new trends and consumers' needs across different industries, to design radically innovative value propositions which satisfy the increasingly complex and demanding customers' requirements and interests, and partnering with a NGO has proven to be a successful way to achieve these ambitious goals.

2.4 Motivation

As mentioned in the previous section, strategic partnerships between corporations and NGOs have the potential to create new markets, with the formulation of appealing value propositions that address and satisfy the needs and requirements of consumers who are increasingly aware of the social and environmental impacts of their consumption decisions. Therefore, it is clear the relevance of the topic within the field of *Strategic Market Creation*, whose purpose is to give students insights about how to deal with the complex and dynamic marketing trends that are shaping the current business environment from a market-oriented perspective. A great amount of creativity and audacity is required to conceive and to implement an alliance between parties which have been fiercely fighting each other for decades. This radical shift in the relationships between businesses and non-profit actors

has been possible due to a revolutionary change in both sides executives' mindsets, who have decided to lay down their arms and to begin a new era of cooperation and mutual efforts towards sustainability.

However, it is widely acknowledged that these collaborations do not always follow a smooth and straightforward path to success: there are challenges that need to be overcome, interests that need to be handed over, communications and goals that need to be aligned. The goal of this investigation is also to uncover the challenges that underline these partnering processes, to highlight how executives manage constraints and solve problems.

The choice of the food industry as the background of this dissertation has not been accidental. The food industry represents one of the most strategic sectors which strongly impacts the livelihoods of billions of people across the world. Nowadays, the food market is being radically shaped by shifting and whirling dynamics, such as the formation of global complex value chains and the emergence of new consumers requirements, both in the developed and in the developing world. Moreover, addressing the sustainability issues that are emerging is not only fundamental for the success of the organizations operating within the industry, but it is essential for the protection of many delicate and increasingly threatened natural ecosystems and for the long-term survival of the world population, that is soaring exponentially at the fastest pace ever experienced in the history of the human being. The partnerships analysed in this multi-case study will give insights on three different contexts: the collaboration between Dansk Supermarked and WWF Danmark will provide insights of the characteristics of the Danish food industry, that is being pressured by increasing demands for ethical practices and sustainable products. The partnership between Eataly and Slow Food will highlight the new directions of the Italian food industry, which is known worldwide for its quality and for its peculiar biodiversity. The last alliance outlined in this thesis, between Nespresso and Rainforest Alliance, will allow the reader to get a comprehensive portrayal of the global dynamics and competitive pressures that are driving the food industry towards the achievement of more sustainable practices.

3 Methodology

3.1 Research philosophy

The overarching term research philosophy “*relates to the development of knowledge and to the nature of that knowledge*” (Saunders et al., 2011). The philosophy of a research unveils the set of fundamental assumptions which underpin the research strategy and methods as part of that strategy, displaying the way in which the researcher views the world (Saunders et al., 2011). In the academic realm, it is possible to distinguish two fundamental worldviews: positivism and interpretivism (Bryman, 2015). These two opposite epistemologies represent a divisive element among researchers, who constantly confront themselves about the underpinning assumptions of their academic speculation, in a conflict that Mujis (2010) has defined a “*paradigm war*” (see appendix 9.2).

The author of this thesis embraces a social constructionist position as the epistemological background of the research, and a subjectivist view as the ontological assumptions of the investigation. Social constructionism presumes that reality is not an objective entity that is waiting to be uncovered by a positivist scientific inquiry, but it is rather constructed through ongoing interactions between and among social agents (Fairhurst and Grant, 2010). The reason for this choice is related to the fact that the field of study of CSR is entangled with abstract concepts like sustainability and social responsibility, which are far from being objective, measurable and interpreted in the same way by every actor involved in these dynamics. The idea itself of CSR can be translated into different versions and policies, that are shaped by several influencing factors such as the cultural, social and economic context in which they are applied (Matten and Moon, 2008). For this reason, despite the numerous contributions by plenty of academics and authors, there is not a single, commonly accepted definition of CSR. The concept is in constant development and it is not possible to define what it represents for most of the researchers and executives worldwide. As Dahlsrud (2008) pointed out, the notion of CSR should be viewed as a social construction as it is not possible to formulate an unbiased definition of it. However, the author of this research will reject the most radical assumptions of this epistemology, for example the belief that there is no correlation between the world and our concepts of the world (Gergen, 1999), otherwise the research would clash with relativistic deviations that would invalidate the whole inquiry. The purpose of this thesis is to shed light to a phenomenon that is increasingly gaining momentum within the corporate world, as an effective response to the rising environmental concerns from consumers worldwide. However, it is important to notice that the

findings of this investigation do not have a general value, as they are highly context- and company-dependent. This lack of generalizability places this research on the opposite side of the positivistic view, that claims the possibility to measure and quantify all the social phenomena in a precise and statistical way. Moreover, another fundamental assumption of the social constructivist position is that reality is historically and culturally dependent (Burr, 2015). Hence, it is generally acknowledged that the concept of CSR has been radically shaped and transformed during its history and according to the context in which it has been applied.

3.2 Research design

Byman (2015) pointed out that the choice of an appropriate research design is essential because it provides the basic framework for the collection and analysis of data. Muijs (2010) further emphasized that, while it is important to use the right data analysis tools, it is even more decisive to select the right research design and data collection instruments, otherwise the results of the investigation, although sophisticated, will not be valid and reliable.

The research will focus on the mutual value created by partnerships between corporations and NGOs, with a special attention on the social and economic impacts on the players involved and on the possible challenges related to the management of this relationship. It is therefore evident that the nature of the study is exploratory and descriptive. An exploratory investigation starts broadly and narrows down the focus, as the research unfolds, and more knowledge is gained and accumulated (Saunders et al., 2011). Due to the recent nature of the phenomenon studied, the ultimate purpose of this thesis is to discover *“what is happening; to seek new insights; to ask questions and to assess phenomena in a new light”* (Robson, 2002).

Additionally, an important decision in the research design is the choice of the most appropriate research strategy, that represents *“the general orientation to the conduct of the social research”*, since it describes from which kind of theory the researcher is drawing and for which purposes data are collected (Bryman, 2015). In methodological terms, while settling the right research strategy, the author of the investigation must decide whether to work deductively or inductively. As stated by Bryman (2015), some authors design their research process in a deductive manner, following a linear approach made of several steps and observations to confirm or confute some pre-existing hypotheses

or theories. Other researchers prefer to proceed inductively, where “*theory is the outcome of research*” (Bryman, 2015).

Since the mainstream theory on CSR is heterogeneous and the goal of this research is to critically review the existing assumptions with empirical insights from the real world, the thesis cannot solely rely on a deductive research approach. On the other side, due to the limited size of the sample of cases studied and due to the impossibility to conduct a relevant quantitative investigation, it has not been possible to follow an exclusively inductive process. Consequently, the research strategy of this thesis is a combination of inductive and deductive approaches, even if the data collection techniques employed rely almost exclusively on qualitative research. When searching the reasons underlying the phenomenon into existing literature and theories, the author is following a deductive process. Conversely, when the author outlines the case studies, collecting expert interviews with managers, he is following an inductive process because he tries to detect new patterns and interesting outcomes from the empirical analysis of new primary and secondary data. Lastly, existing theories and assumptions are compared to identify gaps into the current literature and to draw new conclusions or areas which need further investigation. According to Easterby-Smith et al. (2008), inductive and deductive methods have been constantly employed in research processes where empirical data from induction have been combined with the theoretical insights taken from deductive work. This is in line with Saunders et al. (2007), who stated that not only it is possible to mix inductive and deductive approaches within the same research, but it is even desirable to do so because it allows the study of a larger field.

3.3 Research process

The research process undertaken by the author of this thesis consists of two main parts: a literature review and an empirical qualitative investigation. The initial literature review has been conducted to gain a basic understanding of the main relevant theories and reasons associated with the analysis of the rising phenomenon of partnerships between corporations and NGOs. The second part of the research process comprises a multi-case study of selected partnerships between companies and NGOs within the food industry. For each case study, interviews with corporations’ and non-governmental organizations’ key managers have been collected, as well as secondary data from corporate CSR reports and websites.

The data collection techniques employed in the research process can be classified within the qualitative research methods. In the past, qualitative methods were not considered as reliable and verifiable as quantitative researches (Berg, 2004). However, social studies focus more on behavioural patterns, emotions and experiences that possess a subjective character and therefore they can be hardly measured by quantitative means. Over the last decades, qualitative tools have developed and have increasingly been accepted within the academic community. Qualitative tools have been gaining recognition even in domains traditionally inclined to more positivistic methods (Attride-Stirling, 2001). Overall, qualitative research highlights the importance of words over numbers (Bryman, 2015). Qualitative methods are characterized by some peculiar features, such as the focus on experiences and social relations other than numbers and hard measurements, the active role of the researcher on the interpretation of the data collected and a general inductive approach from empirical observations to general theories.

The concept of CSR is interpreted differently across diverse cultural and social environments, as outlined by the studies of Matten and Moon (2008). Not surprisingly, CSR ideas and policies can be interpreted differently even from firm to firm within the same sector or the same country, as they depend on their executives' mindsets and experiences. Since it is not possible to establish a common framework of the notion of CSR nor it is possible to measure the phenomenon by quantitative means, it is easy to understand the rationale behind the author's choice to ground the research process of this thesis on qualitative methods.

3.4 Case studies

According to Yin (2003), a case study can be considered as *“an empirical inquiry that investigates a contemporary phenomenon in-depth and within its real-life context, especially when the boundaries between the phenomenon and the context are not clearly evident.”* Consequently, through case studies researchers may investigate contemporary and on-going phenomena in their real-life setting, having the ability to retain the holistic and un-biased characteristics proper of a real-life phenomenon (Yin, 2003). Considering that the topic under investigation in this dissertation is complex and often intertwined with other variables, a multi-case study provides the wherewithal to analyse a problem that includes the actors' perspectives, experiences and actions, providing an exploratory validation to the study (Yin, 2003). The choice of a multi-case study allows the authors to detect recurrent patterns

across the different cases, giving to the findings more consistency and generalizability (Saunders et al., 2007). The multi-case study approach chosen to undertake this investigation relies on different sources of data. Interviews with key managers within companies and non-governmental organizations are conducted to collect primary data. Companies' reports and corporate websites are then reviewed as a source of secondary data. Lastly, specialized agency news and journal publications are considered as well to enrich the set of data available to complete an insightful analysis of the topic researched. The combination of diverse sources of information and research methods is an important process to strengthen the validity and reliability of the case study itself (Johnson and Turner, 2003). This sequential strategy of collecting different types of data from numerous variegated sources allows the author to triangulate different theories drawn from the literature on CSR with data and information collected through the empirical investigations, with the overall aim of studying the phenomenon from diverse angles, to give the research more reliability and to ensure the delivery of consistent findings and logic conclusions (Yin, 2003; Saunders et al., 2007).

According to the classification elaborated by Yin (2003), there are five main types of case study frameworks: the critical case, the extreme (or unique case), the representative case, the revelatory case and the longitudinal case. For this thesis purposes, the author has chosen to conduct a representative case, through which "*the objective is to capture the circumstances and conditions of a commonplace situation*", that exemplifies a broader category of similar cases (Yin, 2003). It is important to underline that the expression *representative case* does not indicate a statistical relevance, but it simply means that the findings reported from the analysis of one case can be reasonably assumed consistent also for other similar cases within the same context, in this case the food industry. Moreover, the multi-case study underlying this thesis contains elements from cross-cultural research, as the companies and NGOs examined are based in different nations and business environments.

3.5 Data collection techniques

3.5.1 Primary data

As stated in the previous sections, interviews with managers within the corporations and non-governmental organizations have been collected as a source of primary data for this investigation. The author has deemed appropriate to design semi-structured interviews, following a draft guide with a set of specific contents but allowing room for the interviewee to emphasize elements of interest for

his experience. Follow-up questions were asked when the author wanted to gain deeper insights about one specific topic relevant for the investigation purposes. The main advantage of a flexible structure when directing interviews is that the interviewee can highlight some specific aspects that might be ignored or not known by the author, which may drive the whole research towards unconceived and potentially interesting horizons. Moreover, in multi-case study researches, it is widely acknowledged that some degree of structure is needed to assure cross-case comparability (Bryman, 2015).

When deciding the types of questions to ask to the interviewees, the author has opted for mostly open-ended questions, which are the most appropriate when dealing with experts and high educated managers, as they maximize the width and depth of the data collected (Aberbach et al., 2002). In the design of the interview structure, the author of the thesis has kept in mind the recommendations made by Kvale (1996), who represents one of the most influential contributors about this topic in the academic world. A preliminary phase of preparation about the topic investigated as well as a detailed review of the organizations' history and recent policies has been undertaken by the author to elicit the elaboration of insightful questions to the interviewee. Moreover, each interview started with a brief explanation of the purpose of the research, to give the respondent an idea about the main topics that the interviewer wanted to cover and why, providing a frame for the interview that can be useful for the extraction of the most relevant data for the investigation goals (Kvale, 1996). After the initial briefing, the author has preferred to start with an open-ended question related to the description of the preliminary phases behind the establishment of a partnership with a NGO (or with a corporation), followed by a mix of follow-up questions, when the researcher needed to further highlight a specific concept outlined by the interviewee, interpreting questions, when a double-check was needed in relation to a complex concept or an argument poorly described, probing questions and direct questions, according to the classification designed by Kvale (1996). Moreover, the author has also considered the guidelines provided by Zuckerman (1972), who argued that the questions should be aimed to gain insights that cannot be found in other written sources and that time is a scarce resource for the experts interviewed, so it is essential that the interviewer possesses a basic knowledge of the topic investigated to avoid time wasted for taken for granted information.

It is important to acknowledge that the organizations' representatives are likely to portray a positive image of the initiatives and policies undertaken by their firms and NGOs, so the author has tried to

maintain a critical approach both during the interviews and during the subsequent analysis of the findings, to avoid a rhetoric circle which could have invalidated the results of the research.

3.5.2 Secondary data

Reports on CSR initiatives provided by the companies and NGOs were examined as well as their websites have been reviewed in the preparation phase before the interviews and afterwards to verify the consistency of the data collected. Moreover, articles from leading business journals and newspapers have been considered to corroborate the analysis of the findings with an external source of validation. There are many advantages in relying on secondary data. As argued by Saunders et al. (2007), they are usually of higher quality than the data that can be reasonably collected by a single researcher with limited resources, and they provide an unobtrusive measure, since the data are not influenced by the researcher's influences and perspectives. However, despite the convenience of secondary sources, it is important to acknowledge that there are some drawbacks in using only secondary data. Firstly, they may have been collected for a purpose that does not match the researcher's goals, as noted by Denscombe (2007). Consequently, the data may be not appropriate to answer the research questions that underlie the investigation. Moreover, no real control can be exerted over companies' claims and reports, and this may affect the general reliability and validity of these secondary sources.

3.6 Research reliability and validity

The validity and reliability of a research are essential criteria to assess the quality of quantitative investigations. Many writers within the academic realm have debated about the significance of these criteria for qualitative studies, and many divergent stances around this theme have emerged (Bryman, 2015). For example, external reliability, that represents a traditional measure to assess quantitative inquiries, is a difficult criterion to meet in qualitative research, since it is impossible to *freeze* the social setting in which the phenomenon takes place to replicate the study (LeCompte and Goetz, 1982). Furthermore, external validity, that refers to the degree to which the findings can be generalized across social settings, is hardly matched by qualitative means due to the presence of unique case studies or small samples, which cannot guarantee a statistical relevance (LeCompte and Goetz, 1982). Consequently, case studies are not considered representatives and the findings associated cannot be applied more generally to other cases. This is particularly true when it comes to

analyse phenomena related with corporate social responsibility initiatives and concepts, as they are declined differently from company to company, depending on their executives' mindsets and on the cultural and business environments in which they operate.

Taking part of an interview is an intrusive process, and there can be many biases involved with this data collection technique. As reported by Saunders et al. (2007), the interviewer bias is extremely common in social researches. It occurs when the comments or the tone of voice of the interviewer somehow influences the answers of the interviewee, especially when the researcher tries to impose his own beliefs and frames of references to the respondent. This bias may also take place when the interviewer interprets the interviewee's responses in a way that confirms his own ideas about the topic investigated, ignoring or even deliberately dismissing any other information considered not in line with his conceptualization of the theme (Easterby-Smith et al., 2008). On the other hand, it is acknowledged that many interviews report response biases. These may be related to the interviewee's lack of trust, or scarce willingness to participate and disclose confidential information. The most common response bias is related to the aspiration of the interviewee to answer the questions in a social desirable way (Saunders et al, 2007), especially when the respondent is publicly exposed and not protected by the typical anonymous questionnaires generally employed in quantitative researches.

The several biases outlined in the previous section seem to unavoidably affect the reliability and validity of a qualitative research. However, throughout the last decades, some writers have started to adopt alternative measures to assess qualitative studies' findings. Guba and Lincoln (1994) proposed two primary criteria to evaluate qualitative researches: trustworthiness and authenticity. Trustworthiness is composed of four additional parameters: credibility, transferability, dependability and confirmability. The credibility of this thesis research has been assured by respondent validation and theory triangulation. The transferability of this investigation has been guaranteed by accurate descriptions of the business and cultural contexts in which the organizations selected for the case studies were operating, to provide other researchers the means to conduct similar analyses that may lead to comparable findings. Lastly, confirmability has been respected acting in good faith and not trying to alter the results of the investigation with the author's views or beliefs.

3.7 Limitations

One first weakness of this research is the lack of interviews from suppliers of all the companies studied, namely the farmers and producers of food. Apart for one case, the impacts of the partnerships between corporations and NGOs on firms' suppliers have been analysed exclusively through secondary data sources. The absence of collection of primary data is due to lack of responses to the interview invitations made by the author of the thesis, combined with the highly fragmented nature of the food industry supply chain, with some small producers that do not even have a website or contact information displayed online. Another main constraint of this investigation refers to the limited analysis of the financial performances registered by the corporations engaged in partnerships with NGOs. Despite the author's attempts to collect data about this topic, all the interviewees have been vague about the topic, while there is scarce availability of publicly disclosed financial data, as their access is usually restrained to internal staff. This confirms the opinion of several authors who have observed that it is extremely difficult to assess the economic impacts of CSR-driven initiatives as the main advantages are related to more general social benefits, not necessarily related to economic advantages. The debate about this specific topic will be further outlined in the next chapter.

3.8 Delimitations

The author of this thesis has focused his attention on the study of three different cases of partnerships within the food industry. The reason behind this narrow focus is that CSR-related concepts are extremely different across various sectors, so the study of companies' initiatives in different industries would not have been insightful for the thesis purposes. Instead, the highlight of the main CSR trends within the food industry allowed some degree of comparison between the cases examined. The choice of studying large and well-known corporations has been a matter of convenience, as it has been easier to collect the needed data for the analysis. Moreover, the geographical scope of the research is limited to the food industry of mainly Western countries, with a specific focus on the Italian and Danish market. The findings of the dissertation and derived considerations about CSR are therefore valid within these borders, and cannot be applied to areas such as Asia and Africa, in which these concepts have a diverse meaning and significance.

4 Theoretical background

4.1 Corporate Social Responsibility

4.1.1 A debated topic

It is widely acknowledged within the business community that there are few concepts as debated and differently interpreted as the idea of CSR. If someone types the expression “*corporate social responsibility*” on Google, he/she will get almost 80 million results in less than one second. This astonishing amount of data and information available on CSR can be partly explained by the fact that the concept is extremely broad, variegated and often inflated. It contains references to many other related disciplines, such as sustainability, business ethics and corporate global citizenship. As Carroll and Buchholtz (2007) pointed out, the paradox is that a growing number of business people have enthusiastically embraced the concept of corporate social responsibility during the last three decades, without even reaching a minimum consensus about the real meaning and implications of the concept itself. These numerous definitions are often biased towards specific interests and thus prevent the development and the conversion of the concept into concrete and consistent corporate initiatives (Van Marrewijk, 2003).

Some authors have tried to unravel the confusion over this concept. One of the most influential contributions in this sense has been provided by Dahlsrud (2008). He recognized the importance of building a common framework for the concept of CSR, since the chaotic mix of divergent definitions may hinder productive engagements by managers and executives. However, he further highlighted that every attempt to develop an unbiased and generally accepted definition of CSR is a challenging task, because there is no methodology to verify whether a definition can be considered indeed unbiased or not. In his paper, he gathered 37 different definitions of CSR through a comprehensive literature review, covering a time span from 1980 to 2003. Afterwards, he conducted a content analysis of these conceptualizations to identify recurring elements and ideas contained in the CSR definitions examined. The conclusion of his investigation led to an interesting outcome: there are 5 common dimensions around which almost all the definitions of CSR are built. These dimensions are: the stakeholder, social, economic, voluntary and environmental dimension (Dahlsrud, 2008).

Matten and Moon (2008) have suggested that the wide range of CSR definitions and conceptualizations may derive from national and cultural differences in interpreting the phenomenon. While in the United States the concept of CSR has been mostly referred to explicit philanthropic meanings, in Europe companies adhere to CSR incorporating socially responsible operations, procedures and goals into their core businesses, complemented by investments in the communities in which they operate (Garriga and Melé, 2004). The European approach to corporate social responsibility has therefore been labelled as “*implicit CSR approach*”, because in this context the corporate engagement to social initiatives is embedded in the national institutional systems of the European context (Matten and Moon, 2008).

Despite the blurred and fragmented nature of the CSR notion, it is possible to observe that most of the existing definitions are related to the idea of sustainability. This term has recently gained attention as an approach to counteract the negative impacts of capitalism, globalization and consumerism on our social and ecological environments. According to the Brundtland Commission, in its landmark publication *Our Common Future* (WCED, 1987), sustainable development can be defined as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*” This definition has been recently embraced by the European Union, which considers sustainability as one of the core themes of its founding treaties and values. The United Nations have contributed in the attempts to elaborate a universally accepted framework to conceptualize the topic of CSR by publishing the UN Global Compact, which contains 10 principles that should lead corporate executives to adopt fair practices while pursuing their businesses goals, with a particular focus on social, labour and environmental concerns. Furthermore, another important international framework has been provided by the OECD Guidelines for Multinational Enterprises, which contains a voluntary set of recommendations for businesses about how to pursue corporate goals in a sustainable manner, with important considerations regarding fair competition and consumer protection. Although appreciated for their merit in increasing citizens’ awareness towards these topics, the international guidelines introduced above have not solved the problem of the absence of a universally accepted definition of corporate social responsibility, leaving room for disparate conceptualizations and inflated claims that often result in mere rhetoric, instead of substantial actions taken by corporations.

4.1.2 Historical overview of the concept of CSR

The current complexity around the topic of CSR can be better understood and disentangled considering the historical development of the concept of CSR, which has seen many shifts and changes in its meaning across the last few decades. The section aims to provide the reader a quick overview of the most important developments of the concept. It is beyond the scope of this thesis to provide a detailed analysis of the most influential authors who contributed to this topic. For a brief chronological scheme and outline of these contributions, which portrays all the shades of this composite phenomenon, see appendix 9.3.

Even if it is possible to find centuries-old references to the concept of social responsibility, the first academic trace of CSR in the modern era dates back to Bowen's conceptualization in 1953 (Carroll, 1999). Bowen's reflections stem from the belief that the largest businesses have the power to affect the lives of many citizens and therefore the public expects them to act in ways that go beyond pure profit maximization. CSR thus referred to "*the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society*" (Carroll, 1999).

The literature of CSR has started to flourish across the 1960s, alongside with a growing awareness of environmental and social concerns supported by an increasing number of people protesting towards the Western economies distortions and rising inequalities. A leading contributor of that time was Davis, who first stated that some socially responsible business decisions have the potential to generate long-term economic gains for the firms engaged in their implementation (Carroll, 1999), leading the forthcoming debate about CSR assumptions and implications towards innovative and unexplored perspectives. However, some authors disagreed with David's view of CSR. Among them, it is important to mention Walton, who argued that firms involved in CSR initiatives must accept the related costs, for which it was not possible to estimate any measurable future economic return (Carroll, 1999).

The breakthrough of the historical development of the concept of CSR was reached when Milton Friedman published his article *The Social Responsibility of Business is to increase its profits* in 1970. As the title suggests, he argued that corporate executives should use the company's resources solely to maximize the value for the shareholders of that business, and not to spend what he defined as

“someone else’s money” to pursue a general social interest, reducing the returns for the stockholders. In Friedman’s vision, business and society are two separate entities and it is therefore impossible to create benefits for both simultaneously. In his narrow view, businesses engaged in CSR initiatives were diverting from their proper function within the social system, as sustainability and social concerns must be addressed solely by governments and by other public institutions.

A fierce opponent of Friedman’s conceptualization of CSR was Freeman, who pioneered the stakeholders view of corporate responsibility. He believed that business managers were not solely responsible to maximize the value of their shareholders, but they must hold accountable for satisfying the requests of a broader network of stakeholders, who are defined as *“any group or individual who can affect or is affected by the organization’s objectives”* (Freeman, 1984). According to Freeman’s perspective, the company is an integrated part of its environment that has the power to affect a wide group of other actors beyond its stockholders, and they are therefore legitimated to be considered when making business decisions.

One of the most recognized frameworks is the Carroll’s pyramid of CSR (see appendix 9.4), in which the author graphically highlighted that the concept of corporate social responsibility is built around four dimensions: economical, legal, ethical and philanthropic responsibilities (Carroll, 1979). The first layer of the model concerns the economic viability of a business, meaning that a company must be profitable by minimizing its costs and maximizing its revenues, to assure economic returns to its shareholders, to pay fair salaries to its employees and to meet customers’ needs of products or services. The legal responsibility requires that businesses abide by the law of the country in which they operate, as simple as that. Ethical responsibilities refer to the public expectations that a society exerts over a business, beyond the formal respect of the law. This ethical dimension implies a broader set of responsibilities that the company should meet in order to gain its license to operate at consumers’ eyes. At the top of his pyramid, Carroll placed philanthropic responsibilities, which deal with corporate active engagements and contributions to improve the society, promoting outstanding initiatives that go beyond the match of people expectations. It is evident that Carroll’s model can be regarded as an extension of the broader view of CSR introduced by the Freeman’s stakeholder theory.

As observed by Vogel (2005), during the 1990s a second wave of CSR conceptualizations emerged in the literature. CSR was increasingly considered a strategic element embedded in the core

businesses of the firms involved in promoting sustainability and responsible practices (Aguilera et al., 2004), leaving behind the former superficial and mostly philanthropical aspect that characterized previous CSR definitions. Many other important authors such as Wettstein (2009) and Porter and Kramer (2006) can be identified as the frontrunners of this relatively recent shift of the CSR perspective, from being considered as a simple marketing tool to foster corporate good reputation to being recognized as a strategic, necessary investment to ensure the long-term competitiveness of a business. These authors acknowledged that throughout the years, CSR initiatives have moved from mere philanthropic actions such as simple donations of money to charity and sponsorships towards more strategic aims. The consistency between the CSR initiatives launched and the corporate core activities is deemed essential to deliver positive outcomes for the businesses and for the whole society. The contemporary debate within the academic and corporate world is still open and vibrant, with the presence of a rising criticism over the popular Porter and Kramer's (2006) idea of *shared value* (Crane et al., 2014). However, it is possible to infer that most of the scholars agree with a more holistic view of the notion of CSR, even if there is still little consensus about the concrete implications of this term.

4.1.3 CSR definition

The author of this thesis has deemed important to choose a definition of corporate social responsibility that can match the purposes of this investigation. Among the many different definitions available in the vast literature on the topic, one of the most completed and clear has been provided by the International Organization for Standardization (ISO) in 2010, where CSR is defined as *“the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, including health and welfare of society, takes into account expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behaviour and is integrated throughout and practiced in an organization's relationships”*.

4.2 Strategic alliances

4.2.1 Definition

Strategic alliances are “*collaborative organizational arrangements that use resources and/or governance structures from more than one existing organization to pursue a set of common goals*” (Inkpen, 2009). The partners decide to share resources, which can be physical assets or intangible resources such as knowledge and data, in order to achieve a common objective. This collaboration involves a certain degree of inter-dependence that leads to shared control and management, which contributes to increase the complexity of the alliance management and to boost the related coordination costs (Inkpen, 2009). Strategic alliances are established to maximize the benefits that can be obtained from combining parts of two value chains to achieve a mutual competitive advantage in chosen markets, when this advantage could not be accomplished by a company alone (Porter and Fuller, 1986).

4.2.2 Types of alliances

There are several criteria to classify the types of strategic alliances between two or more organizations. Some authors rely on a taxonomy which categorizes alliance types according to the partners' position in the value chain. Hence, it is possible to identify vertical alliances, horizontal alliances and inter-sectoral alliances (Pucik, 1988). Other writers prefer to distinguish different typologies of collaboration according to the legal form of engagement agreed by the partners. Following the taxonomy proposed by Child et al. (2005), there are four types of strategic alliance: joint ventures, in which two or more firms create a legally independent organization to share resources and capabilities with the aim of achieving a sustainable competitive advantage; equity strategic alliances, in which the partners own different percentages of the shares of the new company created for the collaboration purposes; non-equity strategic alliances, in which the partners share unique resources through a transactional contractual relationship, without the involvement of corporate equity; global strategic alliances, which consist in partnerships between corporations formed across national boundaries and across different industries.

4.2.3 Reasons behind strategic alliances

While most of the analysts regard strategic alliances as a recent trend, interorganizational linkages have existed since the origins of the concept of firm. Across the last few decades, many researchers have tried to explain the nature of this widespread phenomenon. As noted by Porter and Fuller (1986), one of the main reasons for companies to engage in partnerships is to create value in a way that each partner could not achieve by acting alone. Kogut (1988) pointed out that these common initiatives are aimed at improving the firm's strategic positioning against its direct competitors by reducing transaction costs. Other strategic motives behind the formation of partnerships are: reaping the benefits of economies of scale, which reduce operational costs and risks; the access to a new market, in which one of the partners is an established player that can provide to its counterpart important insights about consumers' needs and behaviours to ease a rapid and successful entry in a new competitive arena; the gain of reputation, which is one of the most important but extremely costly and time-consuming resources to acquire; the access to a new technology, that can lead to a breakthrough in the way a company competes in a certain market; the exploitation of unique learning opportunities; the creation of mutual synergies, especially in industries where the technological change is fast and requires massive investments by companies to stay ahead of the competition. The mentioned reasons are just few of the several motives that underlie the rising phenomenon of partnerships between corporations. Bleeke and Ernst (1993) concisely summarized the generic reasons of firms seeking an alliance as cash, scale, skills, access to resources or their combination. Even if each collaboration presents its context specific reasons and rationales, all of them are characterized by the fact that the partners involved can get access to a complementary set of tangible and intangible resources and capabilities, which would be excessively costly to develop on their own.

4.2.4 Strategic/cultural fit and trust

It is widely acknowledged that firms strive to establish partnerships with other players to accomplish outstanding results which they could not deliver by working independently. However, as Child et al. (2005) pointed out, when deciding whether to initiate a cooperation, the potential partners should assess two important factors: the strategic fit and the cultural fit. The former refers to the potential of the two partners' joint efforts to create a sustainable competitive advantage, made possible by each party's unique contributions. Child et al. (2005) suggested that a good strategic fit can be obtained by partners of similar size with a comparable degree of mutual resources. The latter

concerns the presence of cultural similarities, which are extremely rare between companies, especially if the partnership crosses national and industrial boundaries. The presence of a compatible and consistent cultural footprint between the partners is essential for the survival of a prolific and successful cooperation projected towards a long-term horizon.

Another essential component of a prosper cooperation is the reciprocal trust among partners. Within this context, the term *trust* refers to the “*willingness of one party to relate with another in the belief that the other’s actions will be beneficial rather than detrimental for the first party, even if this cannot be guaranteed*” (Child et al., 2005). In other words, trust means having enough confidence in a partner to commit valuable assets and other sensitive resources in the partnership even at risk that the other partner will opportunistically take advantage of this commitment. The author further outlined that trust is a fragile feeling that can be easily broken (Child et al., 2005). Such collaborations often involve the disclosure of confidential information as well as the sharing of firms’ intellectual properties, so it appears evident why the presence of a high degree of trust among the players represents a fundamental underlying prerequisite to develop a fruitful relationship. Some authors, such as Chiles and McMakin (1996), have observed that there is a positive correlation between high levels of trust amid the partners of an alliance and the economic outcomes related to this cooperative strategy. The reason of this economic benefit depends on the fact that the presence of mutual trust reduces the negative implications of partners’ bounded rationality and opportunistic behaviours. However, how to measure the economic performances associated with inter-organizational alliances is a problematic question that will be further discussed in the next section.

4.2.5 Measuring economic performances of alliances

Cooperative strategies are considered effective to deliver a vast amount of advantages, not only related to the collection of important resources and know-how, but also significant financial benefits for the companies involved in alliances. Nevertheless, the evidence for overwhelming financial or economic success is rather limited and questioned by many researchers. Several studies have pointed out that more than half of cooperative ventures tend to terminate prematurely, suggesting that the alliance outcomes failed to match the performance expectations of one or of all the partners (Child et al., 2005). However, the anticipated end of a cooperation may be related to other reasons, for example

because the organizations have achieved the purposes of the partnership or they had the opportunity to initiate a better strategy with another partner (Child et al., 2005).

Academic researches of alliances' performance suffer from a variety of problems, including questionable measurement criteria, lack of data availability, uncertain or undefined strategic objectives and non-financial goals, which are by nature difficult to quantify. There is also a great deal of ambiguity around the meaning of the term *success* when assessing an alliance overall performance. For this thesis purposes, the partnership is considered successful when the partners achieve their own strategic objectives and recover the financial capital costs committed in the alliance (Bleeke and Ernst, 1993). As a further element of complexity concerning the measure of alliances outcomes, there is the fact that most alliances are asymmetric in their objectives and partners' contributions, which means that the organizations engaged in a collaboration are unlikely to meet their goals to a similar extent (Child et al., 2005). The consequent implication is the paradoxical situation in which one firm might consider successful a partnership, while at the same time the other partner fails to accomplish the desired objectives.

One might reasonably believe that the ultimate goal of cooperating organizations is to increase the value for their shareholders by boosting the firms' profitability. However, although it represents a common measure to assess companies' health and wealth, the profitability of an alliance between corporations may be impossible to estimate, for several different reasons. According to Child et al. (2005), one major challenge is that most of the alliances are made up of contractual or even informal arrangements that are hard to be measured. Moreover, additional complexity is provided by the evidence that many cooperative strategies are undertaken not for the purpose of an immediate market initiative or access, for which profitability might be a relevant measure, but they are implemented to share unique resources, to combine research or marketing efforts, to pre-empt competitors and other similar goals, which provide indirect financial advantages, presumably in the medium or long period, and therefore difficult to assess on a performance evaluation of an alliance between corporations. Evidences from the corporate and academic realms suggest that objective measures are either not available or are of questionable reliability. Over the last decades, many researchers have strived to develop substitutive measures of performance based on subjective and qualitative assumptions, which are gaining more recognition within the academic community, as anticipated in the previous chapter regarding the methodology of this investigation. The problems and challenges related to the measure

of alliances performances are further highlighted in the analytical part of this thesis, with a special attention on cooperative strategies between corporations and NGOs, which represent the primary focus of the analysis undertaken.

4.3 Partnerships between firms and NGOs

4.3.1 Definitions

According to Investopedia, a firm can be defined as a “*business organization that sells goods and/or services to make a profit.*”. In other words, a firm is an organization that employs productive resources to obtain products and/or services offered to consumers in the market, with the final aim to make a profit for the firms’ shareholders. Moreover, it is possible to state that a business organization is a complex social system created by people to cooperate towards the accomplishment of an economic goal, that is the achievement of a substantial competitive advantage. Firms combine and transform various types of resources, such as raw materials, capital assets, physical resources, intellectual capabilities and entrepreneurial ideas, into final products and/or services which are commercialized in markets to consumers who are willing to pay for them.

On the other side, a non-governmental organization (NGO) can be defined as “*any non-profit, voluntary group of citizens which is organized on a local, national or international level. Task-oriented and driven by people with a common interest, NGOs perform a variety of services and humanitarian functions, bring citizens’ concerns to governments, monitor policies and encourage political participation at the community level. They provide analyses and expertise, serve as early warning mechanisms, and help monitor and implement international agreements. Some are organized around specific issues, such as human rights, the environment or health*” (Teegen et al., 2004).

In the organizational literature, it is possible to find several different competing definitions about what constitutes a partnership between firms and NGOs. A broad and comprehensive conceptualization of this type of alliance is provided by Jamaly and Keshishian (2008), who argued that “*a partnership is a sort of collaboration to pursue common goals, while leveraging joint resources and capitalizing on the respective competences and strengths of both partners.*”

4.3.2 A radical shift: from confrontation to cooperation

For several decades, relations between corporations and NGOs were to a large extent antagonistic and confrontational, as they were viewing each other as enemies (Hemphill, 1994). In this cold war setting (Hemphill, 1994), it was not surprising to hear the motto “*sue the bastards*” when talking with representatives from the third-sector, giving a perfect portrayal of the hostile approach taken by NGOs towards large businesses (Stafford and Hartmann, 1996). On the other side, corporations considered non-governmental groups and organizations as utopians, radicals and amateurs (Arts, 2002). However, most of the people in the society used to trust more NGOs rather than businesses, as they considered non-governmental organizations the moral compasses and ethical watchdogs against government abuses and capitalistic forces which seemed to threaten and despoil the planet (Argenti, 2004). The role of businesses has increasingly gained relevance in the current global economic landscape, while the power of the state and the importance of the public sector have started to decline, with few exceptions. Alongside with this increase of corporate power, demands for growing transparency and overall public scrutiny from a wide range of different stakeholders are putting a higher pressure on managers and executives of these companies. As Dean (2010) noted, traditional national power systems are gradually weakening, while international NGOs are taking a stronger lead over global governance mechanisms and dynamics. Businesses are now expected to take additional responsibilities, beyond the pure profit maximization for their shareholders (Heap, 2000). Companies are becoming more and more aware of the role they are playing in this complex global economy and of the risks related to legitimacy and reputational issues. For this reason, corporate executives are showing a growing interest in the implementation of CSR initiatives, and they have acknowledged that one of the most effective ways to pursue sustainable goals is through cooperation, rather than confrontation, with the non-profit sector (Rondinelli and London, 2001). Corporate executives consider partnerships with NGOs a unique opportunity to convert their theoretical adherence to the concepts and principles of CSR into concrete and tangible actions, allowing companies to exploit the mutual benefits created through an alliance with a NGO, which ultimately benefits the whole society (Nelson and Zadek, 2000).

During the 1980s the cold war started to defrost, so did the relationships between corporations and NGOs, because of a change in their leaders and executives’ mindsets (Hemphill, 1994). This radical shift from antagonistic confrontation towards productive cooperation can be partly explained also by the fact that governments have gradually reduced their financial incentives towards NGOs, therefore

non-profit players had to find new ways to finance themselves, and collaborating with corporations proved to be an effective strategy both in pursuing their mission and in getting the necessary revenues to survive (Martinez, 2003). This relatively recent approach, focused on firms' persuasion rather than threat, is proving to be successful, as companies have become more responsive to NGOs concerns (Spar and La Mure, 2003). For an outline of the most common reasons why corporations and non-profit organizations form alliances, see appendix 9.5.

4.4 Theoretical framework

4.4.1 Resource Based View and Resource Dependency Theory

The concept of *resource* is far from being an innovative idea in the organizational literature. First references to this term can be found in the seminal work of Penrose (1959), but the idea started to widespread when Andrews (1971) defined the traditional concept of business strategy in terms of the resource position of the firm, identifying its strengths and weaknesses by analysing the resources possessed by the company. Important authors such as Wernefeldt (1984) and Barney (1991) further developed this concept by proposing the Resource Based View of the firm, stating that companies seeking a sustainable competitive advantage must rely on resources that are: valuable, enabling the business to implement strategies aimed at improving its efficiency and effectiveness; rare, or not available to the firms' competitors; inimitable, meaning that the asset is extremely costly to be imitated by other players and non-substitutable, which refers to a difficulty to find resources that can replace the firms' assets with the same outcomes. Therefore, competitive advantage rests on the company's idiosyncratic and difficult-to-imitate resources. Throughout several decades, the RBV theory has been widely used by corporate executives, with the implementation of popular managerial tools such as the VRIO and VRIN frameworks. However, the basic concept of this view remains the same: when trying to achieve a long-lasting competitive advantage, it is more effective to look at firms as portfolios of resources, rather than as portfolios of products, since this broad view gives a richer perspective on the firms growing prospects (Wernefeldt, 1984). Rather than being defined by the external environment in which a firm competes, a business organization's overall strategy is determined and influenced by its set of resources; according to this theoretical perspective, what a firm can accomplish is determined by what it possesses, and not by the competitive environment in which it operates (Das and Teng, 2000). As anticipated in the previous section, there is no doubt that one of the most valuable, rare, inimitable and non-substitutable resources for firms is corporate

reputation. It is therefore clear why a growing number of companies are becoming aware of the potential benefits that can be obtained by cooperating with an established NGO, especially in terms of positive brand associations, reputational gains and legitimacy. Strategic partnerships allow firms and NGOs to access a set of complementary resources, which would be extremely costly or not even possible to acquire through other means. Moreover, partnering with a well-known and trustworthy NGO may grant firms access to a wide network of valuable stakeholders, from new potential customers to reliable and high-quality suppliers, improving the company's strategic position in the market (Klein & Leffler, 1981; Barney, 1991). The resources obtained through the alliance should lead to the creation of a higher value than the value generated by utilizing the in-house resources possessed by an organization or by buying these assets from an external seller (Das and Teng, 2000). According to Eisenhardt and Schoonhoven (1996), the RBV can be considered the theoretical basis for understanding and distinguishing the drivers underlying the logic behind a partnership strategy.

While the RBV is characterized by an in-ward focus on the firm's resources and capabilities, the Resource Dependency Theory is built around an out-ward focus that widens the traditional perspective supported by the proponents of the RBV. According to Pfeffer and Salancik (1978), companies should be considered as *open systems* that are dependent on contingencies in the external environment. In other words, organizations depend on external resources to compete and survive, and these resources represent a valuable source of power. Another fundamental tenet of this theory is that corporations are not autonomous, but rather constrained by a network of mutual interdependencies with other organizations in the social environment in which they are embedded (Hillman et al., 2009). Business executives and strategists strive to take actions to manage external interdependencies, but the high uncertainty and dynamism of the external environment often lead to poor results and the actions implemented might produce new patterns of dependence. One of the most popular strategies to overcome the organization's dependency on the external environment is the formation of partnerships and joint ventures with other players, in order to acquire new resources and therefore to reduce uncertainty and interdependence (Pfeffer and Salancik, 1978). Firms that heavily rely on external resources to survive and succeed in the market tend to enact cooperative strategies to decrease and combat these contingencies. However, as noted by Hillman et al. (2009), the drawback of interorganizational cooperative agreements is that they only provide a partial absorption of the mentioned interdependencies, not solving the problem entirely. Yanacopulos (2005) explicitly linked the Resource Dependence Theory to the rising number of partnerships between corporations and

NGOs, stating that non-governmental organizations depend on external resources such as funds, information and access to key stakeholders, which can be acquired by collaborating with established firms. Aldrich (1979) stated that the resource dependence perspective asserts that the development of organizational interdependency is a direct consequence of sharing and competition over scarce resources.

4.4.2 Dynamic Capabilities

Another accredited theory from the field of strategic management regards the conceptualization of *dynamic capabilities*, a term introduced by Teece et al. (1997) to indicate “*the capability of an organization to integrate, build and reconfigure internal and external competences to address, and possibly shape, rapidly changing environments*” (Teece, Pisano and Shuen, 1997; Teece, 2007, 2010). This notion can be considered as an emergent and integrative approach that departs from the traditional resource-based perspective, briefly outlined in the previous sections of this chapter. While the adjective *dynamic* is used to highlight the organizational capacity to renew and reconfigure its set of resources to assure a certain congruence with the shifting business environment, the term *capabilities* refers to the corporate assets, skills and functional competences that are continuously adapted, integrated, upgraded and traded to increase the firm’s responsiveness to face the frequent external challenges imposed by competitive dynamics and technological breakthroughs (Teece, Pisano and Shuen, 1997). The underlying principle of this conceptualization is represented by the belief that a firm can achieve a sustainable competitive advantage by relying on its firm-specific capabilities and by developing new ones, according to the contextual dynamics of the business environment in which it operates. Dynamic capabilities can be clustered into three different types: *sensing*, that means the scan, identification and early assessment of an opportunity; *seizing*, that refers to the mobilization and coordination of resources to address the seized opportunity; *transforming*, which highlights the continuous reconfiguration of resources needed to adapt to the changing environment (Teece, 2012). The link between the concept of dynamic capabilities and strategic alliances is provided by the research undertaken by Cui and Jiao (2011), who explored how dynamic capabilities can help firms to establish cooperative strategies with their stakeholders to attain a sustainable competitive advantage in the Chinese emerging market. The most important outcome of their investigation is the evidence that firms possessing several dynamic capabilities display a higher propensity to form strategic alliances with key stakeholders, for example with non-profit

organizations or suppliers, than companies relying just on their fixed stock of resources. This finding is confirmed by Zahra et al. (2006), who argued that firms can deploy their dynamic capabilities to form enduring strategic alliances with corporate key stakeholders to accrue a sustainable competitive advantage over other organizations. On the other hand, the daily management of a partnership between firms and NGOs has the potential to stimulate the development of new dynamic capabilities, such as the ability to detect a new market opportunity or the expertise to respond quickly and effectively to unexpected challenges. From a corporate perspective, working with a partner driven by opposite logics and missions might enhance the creation of positive synergies and innovative ideas, contributing to the development of organizational learning processes that guarantee the formation of new corporate capabilities.

4.4.3 Transaction Cost Theory

Another relevant theory behind the formation of firms-NGOs partnerships can be drawn from the Transaction Cost Economics (TCE), which have been first introduced by Coase (1937) and later comprehensively conceptualized by Williamson (1979). As noted in the introduction of this thesis, many companies decide to pursue their corporate social responsibility agendas internally, keeping all the activities aimed to foster their CSR footprint in-house, whereas other organizations prefer to engage in partnerships with direct competitors or other players across different sectors. Williamson (1991) argued that this discrepancy in corporate strategies can be explained referring to transaction cost economics principles. The main hypothesis underlying this theoretical framework is that partners decide to adopt a cooperative strategy to minimize their transaction costs. The author pointed out that these costs include negotiation charges, contracting expenses, governance costs and monitoring efforts, otherwise defined as “*costs for running an economic system*” by Arrow (1969). Markets are often uncertain, due to shifting competitive dynamics, information asymmetry and bounded rationality. As observed by Jobin (2008), transaction costs increase when uncertainty is high: organizations seek to reduce the risks associated by negotiating complex contracts (high ex-ante transaction costs), or by continuously renegotiating terms and conditions to adapt with changing conditions of the business environment (high ex-post transaction costs), with the aim of negotiating comprehensive agreements, although extremely expensive. Therefore, the rationale of partnering with other firms or NGOs is to lower these transaction costs at a minimum. When two or more organizations decide to engage in a collaboration, they tend to bind on long-term contracts, which

implies that negotiation costs are reduced since they are amortized on more years. Moreover, as suggested by Kogut (1988) and Shan (1990), long-term contracts contribute to lower the chances that the partners will display opportunistic behaviours and thus transaction costs ultimately decrease. Furthermore, as highlighted in the previous section, empirical studies reported that firms and NGOs are increasingly engaging in strategic forms of cooperation, rather than in just philanthropic relationships; this evidence suggests that the frequency of interactions between two partners seeking to establish and develop a joint strategic collaboration is higher compared to a situation in which the organizations are involved in a more transactional and superficial partnership. According to Williamson (1991) and Austin (2000), under these circumstances, it is recommended to form an alliance, with a common governance that would lead to reduce and internalize the transaction costs associated. The theorist of TCE further outlined that the more frequent the transactions between two organizations, the more formal or vertically integrated a partnership should be (Williamson, 1985).

4.4.4 Stakeholder Theory and Social Network Theory

The introduction of the Stakeholder Theory in the organizational management literature was pioneered by Freeman in 1984, and it represented a turning point for the theoretical architecture of corporate social responsibility studies and perspectives. The fundamental tenet underlying this theory is that corporate executives and strategists, when planning and making business decisions, must consider not only the impacts of these decisions on the internal stockholders of the company, but also the interests of the organization's external stakeholders, such as its customers, suppliers, competitors, media, local communities, governments and trade unions, just to name a few. As outlined by Freeman and McVea (2001), corporate managers must recognize and understand the complex and intertwined network of relationships between the firm and its stakeholders, addressing their concerns and expectations without compromising the traditional aim of maximizing the value created for its shareholders. The writers further explained that the stakeholder theory constitutes the foundation of a strategic framework that provides useful insights about *"how the firm affects the environment as well as how the environment may affect the firm"* (Freeman and McVea, 2001). Consequently, this wide approach is aimed to provide corporate executives the means to balance, integrate and optimize the different and sometimes contrasting interests of the firm's external stakeholders, to ensure the company to succeed in the current dynamic and shifting business environment, with a long-term horizon. The authors also highlighted that an effective stakeholder management might lead to the

development of integrated business strategies to engage with corporate stakeholders over a long-time span (Freeman and McVea, 2001). This last consideration is particularly useful to understand the theoretical rationale behind cooperative strategies implemented by companies when pursuing their CSR objectives. Partnering with a NGO represents an explicit attempt to gain the license to operate that many organizations strive to attain within the society in which they are embedded, and to internalize the interests and concerns of influent external stakeholders, in this case non-profit organizations, which can effectively exert their authority towards the achievement of a set of goals included in their original mission. Moreover, the development of a cooperative strategy with an established NGO may grant the firm the opportunity to address a wider pool of social concerns denounced by several different corporate stakeholders, for example by local communities or groups of small-sized suppliers. According to the proponents of the stakeholder perspective, the value created through mutual collaboration and initiatives is believed to be ultimately higher and more lasting than the wealth generated through traditional dominant strategies (Freeman, 2010), in which “*the winner takes it all*”, to quote a popular song recorded by an infamous Swedish pop group.

A widespread perspective within the academic realm is the Social Network Theory. It is considered particularly useful to disentangle the complex and vast network of relations and social interactions between the company and its stakeholders. Kilduff and Tsai (2003) developed a comprehensive overview of this theory, in which they started from the study of the relationships between individual employees within a firm to apply the resulting findings to the examination of interorganizational context and dynamics, portrayed as systems of actors. A substantial amount of network research focuses on the analysis of social structures, which are defined as “*patterns of connectivity and cleavage between actors within social systems*” (Wellman, 1988). The study of social structures may help researchers to shed light to the ways in which stakeholder groups cluster together in a social environment, as suggested by Burt (1978). Several authors and academics rely on the Social Network Theory to depict the structure of the whole interacting system of a specific environment, thus helping the understanding of the reasons behind the formation of partnering initiatives between organizations and non-profit actors. More precisely, Kilduff and Tsai (2003) pointed out that maintaining positive relationships with groups of relevant stakeholders contributes to the creation of *social capital*, that is described as the sum of social and economic benefits accrued by the whole society, derived from trustworthy and long-lasting relations between social actors. As outlined in Arya and Salk (2006), social capital might represent a critical factor to enhance organizational learning and the achievement

of a long-term success of cross-sector alliances, because it has a catalytic influence over the type and the strength of the possible synergies generated through the partnership. Organizations that are able to gain a centrally located position in the network will therefore access key resources and engage with certain actors, which might prove to be strategic for the firm's success over competitors (Tsai, 2000).

4.4.5 Shared Value and Corporate Global Citizenship

The rise of partnerships between corporate and non-profit actors can also be explained referring to the concept of *shared value*, introduced by the ground-breaking article written by Porter and Kramer, published by *Harvard Business Review* in 2006. The authors defined the concept of shared value as “*policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates*” (Porter and Kramer, 2011). In other words, creating shared value means to transform social problems into business opportunities, thereby contributing to the social progress while achieving greater profitability (Crane et al., 2014). According to Porter and Kramer (2011), this innovative idea holds the potential to unleash the next wave of global growth, as its focus relies on the connection of economic growth and societal needs. The most important tenet of this theoretical framework is that markets are defined not only by economic logics, but also by societal needs (Porter and Kramer, 2011). Firms are closely intertwined with the communities in which they operate: the health of these social environments has a strong impact on the economic success sought by corporations, since businesses need a thriving demand for their products/services and a flourishing place to find the strategic resources required to defeat the competitors; conversely, local communities need successful companies that provide jobs and opportunities for their citizens (Porter and Kramer, 2011). According to this perspective, there are three different ways to create shared value: by reconceiving products and markets; by redefining productivity in the value chain and by building supportive industry clusters in the community (Porter and Kramer, 2011). Thus, multinational corporations can rely on the expertise and networks of relations possessed by non-profit actors to optimize their complex and widespread value chains, as exemplified by the collaboration between Nespresso and Rainforest Alliance (case presented in this thesis and mentioned in Porter and Kramer's article). Instead of exerting a strong bargaining power that would minimize the margins of small suppliers, global companies are beginning to understand that actions directed at improving their suppliers' welfare,

like providing access to inputs, ensuring fair yields, sharing technology, giving training and co-investing in new infrastructures, will ultimately increment the shared value from which firms can benefit, since they can rely on suppliers that are highly efficient, provide high-quality goods, are environmentally sustainable and contribute to the growth of local communities by ensuring fair salaries and opportunities (Porter and Kramer, 2011). All these initiatives can be undertaken more effectively with the know-how, experience and pool of resources and relationships possessed by renowned NGOs, which are on the frontline to fight environmental and social issues. It is therefore evident that establishing strategic partnerships with reliable NGOs represents one of the most effective ways to reconnect business actors with their communities, and these joint strategies lead to the creation of shared value, which represents a new and more sustainable form of profit that is redefining the business paradigm of several industries worldwide (Porter and Kramer, 2011). Companies that try to tackle societal and environmental issues on their own will inevitably be less successful than firms seeking the support of a partner, as complex modern problems require insights, skills and resources that span profit and non-profit boundaries (Porter and Kramer, 2011).

Nowadays, the power of national governments and sovereign institutions have diminished compared to few decades ago. The reasons behind this political vacuum have been briefly outlined in the introductory chapter of this thesis. As state power has shrunk, global corporations are expected to assume a wide approach to address social and environmental issues, such as climate change, resource depletion, waste management and public health care, which go beyond the traditional profit maximization logics that used to drive business initiatives in the last decades. Schwab (2008) labelled this enlarged business responsibility with the term *global corporate citizenship*, which refers to a firm's role in addressing issues and challenges that have a dramatic impact on the future of the whole planet. If a company wants to commit to global corporate citizenship principles and guidelines, it should get involved in fields in which it can contribute significantly, which means that the initiatives undertaken should be consistent with its core business (Schwab, 2008). As stated by Porter and Kramer (2006), since corporations do not have enough resources nor responsibility to solve all the world's problems, each organization should detect a specific group of social and/or environmental concerns that it is best equipped to address, and from which it can gain the greatest competitive advantage. Schwab (2008) further outlined that an effective strategy to implement consistent initiatives towards the achievement of a positive global corporate citizenship is by partnering with governments or non-profit organizations, which can help corporate executives to identify the right

societal issues to address at a given time and location. Partnerships with NGOs detain the potential to increase the magnitude of corporate initiatives aimed to reduce or solve complex global concerns, helping firms to gain a global citizenship that might inspire other companies and ultimately shape a whole industry towards a more sustainable business paradigm.

4.5 Critical review

Although the theories presented in this chapter have been widely accepted among the academic community throughout several decades, many influential authors and researchers have expressed contrasting opinions towards some of these theoretical frameworks, incrementing a fervent criticism that will be exposed in this section.

One of the most popular critiques against the RBV can be found in the work of Priem and Butler (2001), in which the authors noted that the theory lacks some basic managerial implications which significantly limit its applicability. Moreover, they stated that the RBV perspective is tautological, because only valuable and rare resources can lead to competitive advantages, so the theory does not add anything more than assumptions true by definition. The lack of prescriptive implications is further emphasized by Connor (2002), who also argued that the RBV does not apply to small firms, since their competitive advantage would not be sustainable if based just on their static set of resources. Another weakness of the theory acknowledged by Priem and Butler (2001) is the problem of *equifinality*, which means that since there may be different configurations of resources that could generate the same value for firms, these resources cannot be considered unique sources of sustained competitive advantage. However, it is important to underline the fact that Barney, the author of one of the most popular conceptualizations of the RBV, provided a comprehensive set of counter-arguments to the critiques made by Priem and Butler in 2001, giving birth to a vibrant and open-ended debate among scholars and managers about this theoretical framework, creating the base for further developments and speculations.

Transaction cost economics principles and assumptions have not only been targeted by wide criticism, but they have also been considered as potentially dangerous for corporate managers (Ghoshal and Moran, 1996). The opponents of TCE have outlined several different contrasting views and arguments to criticize the logic behind the transaction cost theory, with a focus on the redefinition

of concepts such as opportunistic behaviour, bounded rationality and the role of organizational hierarchies. Although, over the last decade, transaction cost economics have become an important anchor for the study of important strategic tendencies such as the adoption of peculiar forms of governance and the formation of alliances, Ghoshal and Moran (1996) claimed that the usefulness of this theoretical framework is far more limited than it is believed. Masten (1993) argued that TCE principles, even though logical, does not have a normative value and therefore cannot be applied by executives, because the assumptions around which they are built just approximate reality in a superficial and difficult to quantify way, without considering context-specific factors and other variables. Further criticism of TCE can be found in the words of Child et al. (2005), who claimed that *“transaction costs are in many aspects highly judgmental entities, since they involve such basically unquantifiable costs as loss of proprietary expertise to a partner who subsequently becomes a competitor”*. Thus, TCE cannot be translated in operational prescriptions at managers’ disposal. As noted by Jobin (2008), the transaction cost theory does not specifically address the reasons behind the formation of partnerships between different organizations, but it rather explains the rationale of the choice of one particular governance structure over other alternatives made by the actors involved in the collaboration. Furthermore, a significant argument against the use of this theoretical framework to study strategic alliances has been presented by Sheth and Parvatiyar (1992), who argued that transaction cost analyses do not consider the value of trust in alliances, due to the difficulty of operationalizing and measuring it. While it can be sensible to propose a partnership to minimize transaction costs, if the partners involved are not bound together by high levels of reciprocal trust, the alliance is unlikely to work and ultimately succeed.

Porter and Kramer’s idea of shared value has received tremendous attention and approval among scholars and business executives. However, several authors have extensively criticized this notion with different and consistent arguments, leading to an increasing scepticism around the concept of shared value and its theoretical assumptions. Among the critics of this perspective, Crane et al. (2014) have effectively highlighted the shortcomings of the idea of shared value, gathered in four main problems: first and foremost, they stated that the concept proposed by Porter and Kramer (2006) is anything but new and original, since other authors have referred to the same idea well before their article, calling it with different names but with the same basic assumptions. More precisely, Crane et al. (2014) claimed that the topic of the simultaneous creation of social and economic value for multiple stakeholders have already been widely explored in the CSR literature, for example in the

instrumental stakeholder theory and in the Hart's book *Capitalism at the crossroads* (2005), while Porter and Kramer failed to acknowledge the existing contributions on this field. Secondly, the whole conceptualization of creating shared value relies on the underlying assumption that it is possible to “move beyond” trade-offs, but Crane et al. (2014) noticed that the two authors have simply ignored such trade-offs, creating the evidence for wishful thinking at best, or for deliberate neglect at worst. Although there might be situations in which economic opportunities are aligned with social progress, in many other cases economic and social goals collide, compelling corporate executives to face ethical dilemmas that need to be overcome with tough decisions (Crane et al., 2014). This critical point is further emphasized by Vogel (2005), who argued that there is no evidence about the correlation between a responsible and virtuous behaviour displayed by firms and an increase of their profitability. Another major critical point outlined by Crane et al. (2014) refers to the concept of business compliance to governmental laws and regulations, which is considered as taken for granted by Porter and Kramer (2011), therefore demonstrating a naïve attitude towards a rather challenging topic. Instead, as noted by Matten and Crane (2005) and Scherer and Palazzo (2008), multinational corporations are often criticized because they fail to adhere to local laws and ethical standards, for instance when they elaborate complex stratagems to avoid taxation or in the case of relocation of production facilities in countries with weak regulatory regimes where labour is cheap and frequently exposed to poor working conditions. Hence, business compliance with national laws or ethical standards cannot be simply presumed because evidences collected worldwide suggest that it is hardly a given in the corporate environment. The last critique exposed in Crane et al. (2014) article regards the fact that the idea of creating shared value is based on a superficial understanding of the role of corporations in society. More specifically, while Porter and Kramer's (2011) ambitions are oriented to “reshape capitalism”, they do not properly address any of the deep-rooted issues that are at the base of the current capitalism's legitimacy crisis (Crane et al., 2014). Furthermore, a critical echo of the shared value thesis can be found in influential business newspapers and magazines, stimulating an interesting debate between opposing perspectives. Some authors, such as Dyllick (2014) in the *Financial Times*², had recognized the merit of Porter and Kramer in highlighting the reasons behind the current capitalism's legitimacy crisis and the potential of the idea in incentivizing firms to develop business strategies aimed at pursuing social and environmental ambitious goals, while still seeking a profit from their core business activities. Other authors are more sceptical, like Denning (2011) in

² Source: <https://www.ft.com/content/88013970-b34d-11e3-b09d-00144feabdc0>

*Forbes*³, who labelled the whole notion of shared value as a “*pseudo fix*” to capitalism. An article published by *The Economist*⁴ in 2011, further criticized Porter and Kramer’s conceptualization, questioning its novelty and its managerial implications, beyond the appealing rhetoric of their idea.

³ Source: <https://www.forbes.com/sites/stevedenning/2011/12/20/why-shared-value-cant-fix-capitalism/#4cb9fb7544d1>

⁴ Source: <http://www.economist.com/node/18330445>

5 Case studies

5.1 Introduction

This chapter outlines the case studies presented in this thesis to investigate the nature and the inner characteristics of partnership strategies between corporations and non-profit organizations within the food industry. The author of this research has chosen to focus on three partnership initiatives from three different contexts: the first case presented is revolutionizing the Italian food industry, the second case described is taken from the Danish food market and the last partnership studied spans national boundaries since it involves multi-global organizations that are shaping the food industry worldwide. Each case is exposed in a sub-chapter that contains a brief introduction of the main characteristics and current dynamics of the food industry context in which the organizations analysed operate, a short description of the corporations and of the NGOs studied and a quick outline of the main strategic areas touched by the partnership initiative in which the selected actors are involved. The chapter is closed by a list of the managers interviewed by the author of this thesis, with a reference to their roles and responsibilities within their organizations. In the last case exhibited, the partnership between Nespresso and Rainforest Alliance, the author has deemed important to include in the investigation also the view of one key coffee supplier of Nespresso, due to the impacts and the scale of this transnational partnership.

5.2 Case study 1: Eataly and Slow Food

5.2.1 Italian food industry

Italy is famous all over the world for its food quality. Despite several challenges, such as the economic crisis that has significantly hit Western consumers' wealth, increasingly complex and fragmented value chains and the foreign attempts to copy its trademarks, the Italian food business remains one of the country's most powerful industries. The focus of this investigation is set on the large-scale organized distribution, to understand the impacts that the partnership studied has over the processes behind the transformation of crops from the hands of producers into final products on the consumers' tables. In Italy, the largest segment of the food retail sector is represented by Mom and Pop stores, which consist in small, independent and usually family-owned businesses that have a small number of employees and a limited business volume, typically not franchised and operating in

a single location⁵. Nonetheless, the framework is rapidly changing towards new directions: during the last decade, a few of Italian and foreign distributors have started to expand their network of stores through mergers and acquisitions. These larger food retailers are starting to appeal to those people who are looking for the convenience that one-stop shopping offers, such as the wide range of products and additional services provided by large retailers. Currently, in the Italian food retail context, we can identify six major players: Co-op Italia, Conad, Interdis, Carrefour, Auchan and SPAR. In these supermarkets it is possible to find all kinds of products, starting from food to technological devices like televisions, PCs and mobile phones. Most of the players mentioned import their food products from Europe and from North America through brokers and specialized traders, while their business models rely on costs optimization and scale economies. However, it is important to underline that Italian consumers remain hesitant to buy food at discount stores, even though social changes and economic reasons are increasing the number of potential customers for these giant retailers.

5.2.2 Eataly

Eataly is a large retailer of high-quality food founded in 2003 by the Italian entrepreneur Oscar Farinetti. The name of the brand, *Eataly*, is a combination of the verb *eat* and the name *Italy*, underlining once again the strong relationship between the country and its long-lasting food tradition. Since its first opening, in 2007, Eataly has been able to offer the best artisan products at affordable prices by aggregating many small companies operating in the food and wine sectors, with the task of the creation of a direct relation between producers and distributors, focusing on sustainability, transparency, responsibility, fairness and profit sharing. There you can find every kind of Italian food you would like to taste, from artisan chocolate to cheese, and in addition there are a couple of restaurants, wine bars and even some food museums. The company's offerings have a slightly higher price than its main competitors, but the philosophy underlying Eataly's strategies aims at driving consumers towards a higher awareness in their consuming choices, which requires a premium price to guarantee fair yields and sustainable production practices across the whole value chain. As Farinetti once said, the corporate mantra is "*eat less, eat better*", which is against the common market logic that pushes consumers to buy more and more products, regardless their real needs. At present, the retail sector is going through a phase of bold redefinition of its business formulas. In this framework, Eataly represents an innovative concept because it mixes the exclusivity of high-quality products with

⁵ Source: https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Rome_Italy_12-27-2013.pdf

large stores scale economies, trying to make a wide range of first-class food goods affordable to a larger share of consumers. Eataly also attempts to engage its clients by providing educational trainings, cooking classes and other events, positioning itself well above its standard competitors in this sector.

5.2.3 Slow Food

Slow Food is an international, grass-roots movement founded by Carlo Petrini in 1989 to raise awareness about the environmental and social issues related to the food industry. The mission of this organization is to prevent the disappearance of local products and traditions, which are threatened by mass-production and intensive agricultural and farming systems. Slow Food promotes initiatives to counteract the rise of global superpowers that detain the control of a large share of the food market, which often operate without the minimum respect of the environment as well as of the working conditions of small farmers, leading the food industry towards an unsustainable path that is harming the whole natural ecosystem. One of the key objectives of this movement is to inform the end consumers about the origin of the food they purchase, helping them to make wiser consumption decisions and supporting small producers of excellent goods. Petrini, the founder, claimed that it is time to redefine the logics underlying the modern multi-global value chains, by returning to small scale, handmade and local production and distribution. Nowadays, the organization counts hundreds of thousands of members spread over 160 countries in the world.

5.2.4 The partnership

The partnership between Eataly and Slow Food is peculiar because it started exactly at the moment in which Eataly was born, back in 2003. Farinetti and Petrini, the founders of the two partners, tied with a long-lasting friendship since their childhood, have started this journey together in the name of their shared interest towards the protection of local communities' food traditions and culture. Slow Food's principles and standpoints against multinational exploitative behaviours and environmental defence have forged the first conceptualization of Eataly's idea, influencing its mission and corporate philosophy. Farinetti, in an interview for the website *Wuz.it*⁶ in 2008, said that he has learned from his partner Petrini that food is the only product that we put *in* our body, not *on* our body, and therefore

⁶ Source: <http://www.wuz.it/intervista-libro/2642/oscar-farinetti-eataly-mercante-utopie.html>

it is the most important good that consumers can purchase. In more practical terms, the partnership with Slow Food helped Eataly to gain the necessary expertise to find reliable and sustainable suppliers of high-quality food products, selected according to several criteria that must be met to ensure the sustainability of production practices, the excellence of food products and the growth of local communities. Slow Food can therefore be considered as Eataly's strategic consultant for the screening and selection of first-class suppliers, with a focus on addressing social and environmental concerns on an ongoing basis⁷. All the suppliers of Eataly must have gained the Slow Food certification, which guarantees that they provide high-quality and healthy products through ethical and fair processes, preserving the natural biodiversity and a wise use of resources. Throughout the years, the collaboration has developed towards other joint initiatives, such as the promotion of events, exhibitions and workshops directed to both farmers and consumers, to raise their awareness about the importance of sustainable practices in the food industry and of ethical consumption choices.

5.3 Case study 2: Dansk Supermarked and WWF Danmark

5.3.1 Danish food industry

According to a report published by the Danish Ministry of Foreign Affairs⁸, the Danish food sector represents one of the most vibrant and innovative industries of the country, with many companies considered as pioneers in the field of organic food and in the development of advanced technological systems. Although Denmark has a small population of 5.6 million people, its food industry produces food enough for three times as many, exporting high-quality goods all around the globe. The world-class reputation of the Danish food sector has been confirmed by surveys conducted in The Netherlands and Ireland, in which it scored first in the ranking of the most innovative food industries in the EU. It is not hard to understand why *The Economist* named Denmark as an “*agricultural superpower*” in an article issued in 2014, since it exports its products to more than 100 countries worldwide. The Danish food retail sector is characterized by high market concentration: the three largest grocery chains account for over 90% of total sales in the market⁹. This means that they hold a strong bargaining power over suppliers, creating the potential for unbalanced positions and unfair profit sharing across the value chain. The market leaders are Coop, Dansk Supermarked and Dagrofa,

⁷ Source: <http://content.time.com/time/subscriber/article/0,33009,2133336-2,00.html>

⁸ Source: <http://www.investindk.com/~media/Files/Sheets/Food/The%20Danish%20Food%20Sector.ashx>

⁹ Source: <https://www.en.kfst.dk/media/3328/the-danish-grocery-market-08062011-analyse.pdf>

with a share of 37%, 32,4% and 12,8%, respectively¹⁰. The grocery market is dominated by discounters, followed by big supermarkets, while hypermarkets do not hold a relevant share of consumers. The largest discount store is Netto, a retail concept of Dansk Supermarked, generating a total turnover of 57,5 billion Danish kroner in 2015. The number of independent stores has halved since 1995.

5.3.2 Dansk Supermarked

Dansk Supermarked's history dates back more than 100 years. It was founded in 1906 in Aarhus, starting as a textile shop to become a large international retail group. For many years, the company has been owned by The Salling Foundation, related to the founder of the group, and A.P. Møller - Maersk, which provided the necessary funds to drive the firm's international expansion. Recently, the shipping company divested its shares, giving to the foundation the complete ownership of Dansk Supermarked Group. The company holds several different brands, which allows to position itself across many diverse market segments, meeting a wide range of consumers' needs and purchasing powers. The organization runs successfully physical stores such as Netto, Døgn Netto, Føtex and Bilka, and can rely on international franchise partners like the popular coffee shop brand Starbucks and the chain of Carl's Jr. burger restaurants. Dansk Supermarked has also developed a strong portfolio of online activities, with the ambition to become the leading player within e-commerce in Denmark. In the last years, the corporate mission has been oriented towards the achievement of sustainability goals, with the launch of several initiatives directed at improving animal welfare, minimising food waste and promoting ethical trade.

5.3.3 WWF Danmark

The World Wildlife Fund (WWF) is a leading international non-governmental organization in wildlife conservation, fighting for the protection of endangered species and ecosystems. WWF counts over 5 million supporters working in more than 100 countries worldwide, undertaking around 1300 projects aimed at stopping the degradation of the planet's natural environment. Denmark and WWF are tied with a special relationship: back in 2013, the Danish government has been honoured with the *Gift to the Earth* award, issued by WWF, for its zealous commitment in reaching the ambitious targets

¹⁰ Source: <https://www.statista.com/statistics/565747/market-share-of-selected-grocery-retailers-in-denmark/>

of its bold shift towards renewable energy sources¹¹. The Danish arm of the organization, named WWF Danmark, is particularly active in promoting initiatives to protect the Arctic environment from the catastrophic effects caused by climate change, with an office in Nuuk, Greenland's largest city. Due to the breadth of the social and environmental problems that need to be addressed, WWF Danmark believes that it is not possible to achieve outstanding results by working alone. Therefore, the organization has taken an inclusive approach to engage with local institutions, corporations, researchers and other key stakeholders that share a sense of urgency to stop the disastrous effects that some human activities are causing to the natural environment, before it is too late.

5.3.4 The partnership

The partnership between Dansk Supermarked and WWF Danmark aims to increase the sustainability of the seafood supply of Netto, Føtex and Bilka grocery stores before the end of 2019. According to the United Nations, 90% of fish stocks worldwide are being depleted, with irreparable effects also on the other fish species of the fragile submarine food chain. Sea life is also threatened by other concurring problems, such as the rising temperatures of marine waters due to climate change, the consequent slowing down of ocean currents, and the increase of water pollution. It is therefore clear that it is extremely urgent to take initiative to address these issues right now, before passing the point of no return. Dansk Supermarked and WWF Danmark have started this collaboration in 2013, and it has been recently prolonged until 2020, to make sure that the goals set are fully achieved. The large Danish retailer is seeking to change its practices throughout its operations and value chain, to reduce the environmental impacts caused by its activities. WWF Danmark has provided the essential expertise to screen and select sustainable seafood sources, across Dansk Supermarked's entire product portfolio, that counts 45-50 different species. Through the partnership, the Danish retailer also aims to avoid a confrontational approach with its suppliers, trying to foster active engagement and mutual dialogue to drive fishermen towards the adoption of more sustainable practices to source their fish.

¹¹ Source: <http://cphpost.dk/news/international/wwf-to-give-denmark-climate-award.html>

5.4 Case study 3 - Nespresso and Rainforest Alliance

5.4.1 European food industry

According to the European Commission, the food and drink industry is the biggest manufacturing sector in the EU, specifically in terms of jobs and value added. This sector represents a strategic driver for the European economic growth, since food and drinks made in EU countries seem much appreciated overseas and their exports have more than doubled in the last decade. European food products hold a strong reputation worldwide; the consumers of the Old World are known for being extremely sensitive over food health and hygiene, and they exert a great pressure over food producers and retailers to adopt fair, transparent and sustainable practices in their business operations. However, the European food sector is confronted by several challenges, such as the difficulty to track all the imports of food, due to complex and globally dispersed value chains, the lower competitiveness of the sector compared to other non-EU countries, mostly in terms of slower growth in labour productivity and added value, and the inconsistent implementation of European regulations among EU members. Moreover, the European industry of food and beverages must deal with other major global issues such as the huge quantity of food wasted during its processing from farmers to consumers, the need to feed an increasing world population, the divergent opinions of the scientific community about GM crops and the reaction of the market towards innovative food sources such as insects, just to name a few. In Europe, a growing number of corporations operating within the food industry are clustering together with research institutions, universities and NGOs to develop new technology and share knowledge to find new ways to address sustainability challenges and ultimately to stay ahead of competitors.

5.4.2 Nespresso

Nespresso is an important operating unit of the Nestlé Group, based in Lausanne (Switzerland). The company, founded in 1986, is one of the world leaders in coffee machines, coffee and coffee accessories. Its business is built around a simple idea: everyone should be able to make and enjoy a perfect cup of coffee in the comfort of their homes. The Nespresso concept has redefined and shaped the boundaries of the coffee industry, enabling people to consume high-quality coffee at affordable prices. Throughout its history, the organization has introduced several innovations to its business models and value propositions, with a focus on technological development and excellent customer

experience, until it became the iconic global brand that we know today. During the last years, the corporate strategists decided to consolidate the international expansion of Nespresso by adopting high sustainability standards, launching an ambitious set of targets to reach by 2020 in its *The Positive Cup* vision¹², that contains several sustainability goals to achieve in areas such as coffee sourcing, social welfare, local communities' development, aluminium disposal and climate change.

5.4.3 Rainforest Alliance

The Rainforest Alliance is a non-governmental organization founded in 1987 and based in New York City, operating in more than 70 countries throughout North and South America, Africa, Asia and Europe. The purpose of this NGO is the creation of a wide network of farmers, local communities, scientists, corporations and governments to raise awareness towards environmental issues and to promote sustainable practices and consumption choices to facilitate the protection of endangered ecosystems and biodiversity. Rainforest Alliance has launched several different certification programs to tackle issues related to the conservation of forests and wildlife, climate change, development of communities, promotion of sustainable agricultural practices and human rights defence. One of the most important initiatives undertaken by the NGO is its sustainable agriculture program, which includes training and educational sessions for farmers and the certification of farms. To be certified, farms must follow and meet the *Sustainable Agriculture Network* (SAN) standard, which guarantees that the practices adopted in the cultivation of different crops such as bananas, coffee, cinnamon, palm oil, tea and cocoa, are designed to protect the ecosystem, conserve the biodiversity, respect working conditions, reduce water depletion and pollution.

5.4.4 The partnership

The collaboration between Nespresso and Rainforest Alliance is part of the Nespresso's AAA *Sustainable Quality Program*, launched in 2003 and designed to improve the environmental and social performance of coffee farmers. This joint initiative has been developed by mixing the socio-environmental criteria outlined in the Rainforest Alliance's SAN standards and Nespresso's expertise and financial strength, with the final purpose of enabling a sustainable sourcing of high-quality coffee. While Nespresso assists its suppliers by providing funds for investments in technical equipment,

¹² Source: <https://www.nestle-nespresso.com/asset-library/documents/nespresso-positive-cup-csv-report-interactive.pdf>

paying fair yields and co-investing in the building of the infrastructures needed, Rainforest Alliance supports small farmers with training sessions to improve the productivity and sustainability of their operations, ensures the respect of human rights and works and engages with a series of other stakeholders to establish long-term relationships between corporations, governments, research institutions and cooperatives, to strengthen the resilience of local communities beyond farm-level initiatives. The participation of a growing number of farmers in the *AAA Sustainable Quality* has led to outstanding results in terms of increased sustainability of their agricultural techniques, and many of them were even able to meet the criteria to achieve a Rainforest Alliance certification. Nowadays, Nespresso sources more than 80% of its coffee from AAA farms and over 40% from Rainforest Alliance certified producers.

5.5 The interviewees

Nespresso:	Patricia Winkel-Pedersen - Marketing Coordinator (Denmark)
	François de Vevey - Global Communication Manager (Switzerland)
	Susana Robledo - Sustainability Innovation Manager (Switzerland)
Rainforest Alliance:	Lucas Bakker - Senior Manager, Coffee (The Netherlands)
	Mercedes Tallo - Sustainable Value Chains and Sourcing Manager (UK)
Cafexport:	Abelardo Agudelo - General Manager (Colombia)
Eataly:	Silvia Ramella - PR Manager (Italy)
Slow Food:	Pierluigi Piumatti - Board Member Slow Food Promotion (Italy)
Dansk Supermarked:	Jonas Schrøder - Director of Responsibility and Engagement (Denmark)
WWF Danmark:	Christoph Mathiesen - Senior Advisor Food and Fisheries (Denmark)

6 Analytical framework

6.1 Introduction

This chapter contains an analytical framework that includes an elaboration of the primary data collected through the interviews with the managers of the selected organizations, integrated by the information available online in the several CSR reports published by corporations and NGOs. The aim of this part is to enable a transparent and fair discussion over the insights gathered during the research phase of this investigation, to extract and disentangle the most valuable information in the attempt to answer the research questions around which this thesis is built. The analytical framework starts with a comprehensive outline of the reasons behind the establishment of partnerships between the private and the non-profit sectors, considering the answers of corporate executives as well as the responses of NGOs' representatives. These reasons will be compared to the theoretical perspectives explained in the previous chapter by some of the most prominent authors in the corporate social responsibility field, to identify which theories have been confirmed by empirical findings and which ones did not seem so relevant to describe in depth the magnitude and the inner nature of this important phenomenon. Furthermore, the author of this research will try to highlight some common characteristics of the partnerships analysed in this multi-case study, to understand whether it is possible to detect some common trends that can be considered valid for most of the partnership agreements between firms and NGOs in the food industry, or if the dynamics and features identified in the study of the chosen collaborations are too context-specific to have a general value. Moreover, the analysis will focus on the challenges related to the study of this phenomenon, with the description of some response biases experienced during the interviews, and on the critical aspects in the implementation of these cooperative strategies, for example communication flaws between the organizations, different expectations regarding the partnerships' outcomes and poor management of the daily activities to undertake to maintain an effective cooperation, often caused by blurred and sometimes overlapping responsibilities in defining the respective roles. The most frequent bias displayed by the interviewees has been a radical opposite view when answering the question about the challenges experienced during the design and implementation of the partnership initiatives: while corporate executives reported to not see any troubles in the cooperation, NGOs' managers seemed more proactive in indicating some critical points and corrections needed to improve the joint pursue of the partnership's goals. However, it has been unanimously recognized by all the parties involved in these cooperative agreements that the most challenging task refers to the measurement of the

economic impacts that these partnerships exert on corporate performances. Although some tools are being developed and implemented, especially in the case of large partnerships between multinational corporations and global NGOs, it is still not clear how to define and select the right criteria to measure the direct economic outcomes derived by partnerships between corporate and non-profit actors. While the costs associated are relatively easy to quantify, it is extremely challenging to evaluate the financial benefits registered by companies, since most of the reputational gains and positive brand associations often lead to some economic advantages only indirectly and in the medium or even long term. Lastly, the analytical section of this thesis ends with a section dedicated to the outline of the theoretical gaps identified through this investigation, highlighting which theoretical perspectives seem to add no value to the study and implementation of partnering initiatives, with a focus on the food industry, which represented the contextual basis of this investigation. The considerations are developed starting from the answers collected during the interviews, and integrated with some information displayed online by the organizations selected for the case studies and with other theoretical perspectives that seem to have maintained a certain degree of validity after several empirical verifications. All the interview transcripts can be found in appendix 9.6.

6.2 Corporate incentives to engage in partnerships with NGOs

The for-profit and non-profit sectors are driven by quite opposite logics. Hence the reasons to engage in partnerships may considerably differ for each organization involved. The business environment is shaped by market dynamics: organizations operating in the private sector provide goods and services to consumers who are willing to pay for them, therefore pursuing a profit. As noted by Hart and Milstein (2003), corporate executives tend to focus on short-term goals, rather than long-term objectives, as they are constantly pressured by their stockholders for the achievement of immediate economic returns. In the last decades, this narrow view has started to widen, as corporate stockholders have increasingly acknowledged the importance of the social and environmental impacts of business activities. Many scholars share this positive attitude towards CSR initiatives, as testified by the rise of sustainability reports and guidelines published by companies and governmental agencies both in United States and in Europe. This overwhelming optimism around CSR is reflected in generally positive standpoints about partnerships between organizations of the private and the third-sector expressed by industry experts, which may be explained by the presence of numerous benefits associated with these peculiar forms of alliances.

6.2.1 Gain of reputation

Granted, as firms tend to act rationally, one of the most important incentives to start a collaboration with a NGO is the expectation to create economic value. This value can be obtained by achieving a position of advantage over the competitors in a chosen-market. According to the Resource Based View, successful companies rely on resources that are rare, difficult to imitate and non-substitutable. One of the most valuable resources, but complex to build for corporations, is reputation, whereas it is widely acknowledged that most NGOs possess a higher level of reputation at consumers' eyes than companies (Yaziji and Doh, 2009). Many authors have debated about the definition and the nature of the concepts of corporate reputation and legitimacy, with important contributions provided by Suchman (1995). It is evident that legitimacy requires a high level of reputation and represents a vital precondition for the survival of the firm and for the establishment of trustworthy relationships with its stakeholders (Palazzo and Scherer, 2006). Nowadays, corporate self-regulations and sustainability claims are often distrusted by people and labelled as window dressing exercises, as several polls pointed out (Poret, 2014). Moreover, in the era of social media, where the slightest corporate misconduct can escalate into a worldwide scandal with a single tweet, business reputation has become even more fragile and therefore an extremely important resource to acquire and to maintain. Likewise, it is challenging to gain legitimacy since social values and moral expectations may differ, and sometimes contrast, across fragmented groups of people within a society (Ashforth and Gibbs, 1990). By partnering with an established NGO, a company has the possibility to foster its reputation and to entrench a strong legitimization in the society. As Parker and Selsky (2004) pointed out, firms collaborate with non-profit players to demonstrate social responsibility, with the final goal to increase customers' loyalty and to attract new potential consumers and qualified employees.

Even though nearly all the executives and managers interviewed in the research phase of this investigation did not explicitly refer to reputation, it is extremely clear that this is one of the main underlying reasons for companies to engage in partnerships with non-profit organizations. The review of the corporate websites and reports on sustainability showed the presence of significant communication efforts to foster positive associations with the firms' brands and images. However, it is important to underline that the case of Dansk Supermarked and WWF Danmark is slightly different. Although reputation remains an important motive behind the collaboration, the Danish retailer does not seek to communicate and promote this agreement too much; in other words, according to Christoph Mathiesen (WWF Danmark) and Jonas Schrøder (Dansk Supermarked), the management

of the large supermarket chain is more focused on the concrete impacts that the partnership causes on its supply of seafood than on the marketing of this initiative. When asked about why this lack of communication efforts, Mathiesen answered that Dansk Supermarked is pursuing a defensive strategy, to be in the right position in case there will be the need to answer to possible concerns by customers or by the media in the future. Furthermore, as outlined in the previous chapters, consumers are increasingly aware of social and environmental issues, and are demanding more transparency and sustainability to corporate players, especially in the food industry. Dansk Supermarked decided to lead this transition, but in a relatively silent way, without hyperbolic claims that often result in poor concrete actions. Mathiesen added: *“you don’t want to be behind compared to other retailers, when it comes to sustainability”*, further emphasizing that nowadays corporate responsibility is not anymore just a tool to bolster firms’ reputation and to gain a competitive advantage, but it is more a basic precondition that all the businesses must meet in order to avoid negative advertisement and public criticism by consumers, media and regulators.

6.2.2 Access to knowledge and expertise

Besides, another strategic reason for firms to engage in partnerships with NGOs is the access to tacit knowledge, such as market expertise or legal and technological learning. Tacit knowledge is extremely difficult to codify but at the same time it is remarkably valuable, since it allows companies to improve their products or services and to comply with some tight regulations on environmental and social issues that are currently being implemented by several governments (Milne et al., 1996). From a theoretical point of view, corporate managers who seek to engage in cooperative strategies with non-profit organizations expect to gain the necessary expertise to design and implement business operations that are profitable and sustainable at the same time. This knowledge represents a rare, inimitable and extremely difficult to substitute asset, since it takes a lot of time, experience and organizational resources to develop a significant expertise about a specific issue internally. Partnering with a NGO represents a potentially effective and convenient strategy to access this rare and inimitable resource, which will ultimately grant the corporation a sustainable competitive advantage, according to the RBV proponents. Moreover, the firms’ employees and managers have the opportunity to work closely with the members of non-profit organizations, sharing knowledge, efforts and personal opinions. These intense interactions between workers from such different professional and cultural backgrounds may foster the development of positive mutual synergies and the enrichment

of the human capital of both the players involved in the partnership, creating the conditions for the genesis of the dynamic capabilities theorized by Teece (1997), that can help the corporations to face future challenges independently, without the need of an external partner to tackle unexpected issues. Indeed, since the food industry is extremely dynamic and often radically transformed by unpredictable shifts, corporations that can rely on experienced and receptive human capital will likely have the ability to reconfigure their internal and external capabilities to address the challenges related to changing environments before other companies, and therefore maintaining a long-lasting competitive advantage.

The managers interviewed from Nespresso, Eataly and Dansk Supermarked all reported that one of the main drivers behind the formation of partnerships with non-profit organizations is the access of the necessary expertise to improve the sustainability of the corporate operations, especially of the supply chain in the case of the firms selected for this investigation. NGOs are not just called to inflate corporate claims about CSR anymore: they drive and assist businesses to make a real change, to improve their social performance, to have a positive impact for consumers and producers. It is widely acknowledged that globally recognized NGOs, such as Rainforest Alliance, Slow Food and WWF Danmark, possess the knowledge, the experience and the capabilities to provide corporate actors the needed advices and resources required to make some radical innovations over their sourcing models. As stated by François de Vevey from Nespresso, reputation is not the only reason for initiating a collaboration with a NGO. Nespresso's management set a goal, the achievement of a sustainable supply of coffee, with a focus on high quality and on the environmental and social concerns related to the farming of this product. Consequently, the Swiss corporation needed not only a credible and trustworthy non-profit organization to foster its reputation and image across consumers, but it was seeking for a partner with the proper expertise to help it to revolutionize its supply chain model, creating the conditions to establish efficient and effective relationships with local farmers. In this case, Rainforest Alliance was clearly the perfect partner to do so, as it could rely on a long experience in dealing with environmental issues, ecosystems protection and wildlife preservation, and additionally on a network of agronomists and other relevant stakeholders that could give Nespresso some relevant insights to successfully implement the planned changes. Moreover, as argued by Abelardo Agudelo, manager at Caféxport, a coffee supplier based in Colombia, the partnership between Nespresso and Rainforest Alliance is essential for small coffee farmers to develop the knowledge and the technologies required to product high-quality coffee in a sustainable way. The

AAA Program and the Rainforest Alliance certification schemes in which the suppliers are involved through this partnership have almost anything to do with reputational concerns, since their main focus is directed towards the development of advanced technical expertise as well as the creation of shared value for Nespresso and all its vendors of excellent coffee. Similarly, Jonas Schröder from Dansk Supermarked confirmed that the Danish retailer wanted to pursue an ambitious sustainability agenda to meet its consumers' high expectations, but its management did not have the expertise to select autonomously the fisheries that could guarantee a sustainable supply of seafood for their supermarkets. Therefore, they asked WWF Denmark to help them in the selection process to build a network of fisheries and aquaculture firms which were respecting high environmental and social standards, approved by the worldwide recognized Marine Stewardship Council (MSC) certification scheme, which was founded by WWF itself but currently is run independently. The role of WWF radically changed throughout the years: while in the past companies used to contact NGOs only to buy the right to exploit their logos for commercial reasons in their marketing campaigns, even without the implementation of actual changes in their operations, nowadays non-profit organizations such as WWF are considered by businesses as strategic consultants, to help corporate executives in enacting a concrete transformation of the firms' business models towards more transparent and fair paradigms, trying to find a balance between economic and sustainability requirements. Furthermore, this empirical evidence related to the importance of accessing expertise through partnerships to ensure strategic changes in business model operations for companies seeking more responsibility has been confirmed also in the case of Eataly and Slow Food. This example taken from the Italian industry is even more explanatory, since the need of expertise in selecting the most sustainable, traditional and high-quality suppliers of food goods is at the foundation of the Eataly's concept itself. According to the interviewees from the two organizations, the non-profit movement Slow Food has been a strategic consultant of Eataly since the very beginning of the Italian retailer adventure in the market. Slow Food's experts actively contributed in the conceptualization of Eataly's idea and in the design of the initial concrete steps to run a sustainable, and successful, business. The case study of Eataly and Slow Food displayed the fact that in strategic partnerships between corporations and NGOs, the main driver behind this initiative is the access to unique market insights and local expertise, that was and is still crucial to select the right suppliers who can guarantee high-quality products, sustainable practices and community growth, in the protection of local and traditional productions threatened by the logics of intensive farming technologies and systems.

6.2.3 Costs and risks reduction

Accessing complementary resources such as reputation, tacit knowledge and organizational learning is a common argument for the proponents of the RBV theory, but it is not the only rationale behind the formation of partnerships between firms and NGOs. Reducing transaction costs is another major reason for businesses to engage in collaborations with non-profit players. According to Williamson (1981), a transaction cost occurs every time a product or service is transferred from one stage to another, where new resources and technological capabilities are needed to make and to commercialize the product or service. While internal transaction costs include negotiation, contracting, governance and monitoring expenses, the transaction costs associated with the exchange of resources with the external environment are influenced by factors such as opportunistic behaviour, environmental uncertainty, risks and bounded rationality. It is therefore intuitive that collaborating with a partner may lead to a substantial reduction of these transaction costs, especially by internalizing some externalities related with bargaining and contracting and by lowering the likelihood of the partner's opportunistic behaviour (Kogut, 1988; Shan, 1990).

Again, all the managers interviewed pointed out the strategic relevance for their companies of the partnership initiatives undertaken with the respective NGOs. This evidence implies that the interactions between the organizations involved in these cooperative agreements are frequent, numerous and intense, since there are several different activities to carry out, a large pool of resources to exchange and a wide network of stakeholders to manage, like the small and geographically dispersed farmers of our case companies. According to Williamson (1991) and Austin (2000), the best way to manage such frequent and intense interactions is by setting up an integrated alliance, through which the partners share some governance structures and are bounded together by long-term contractual agreements. Nespresso, Dansk Supermarked and Eataly's management seem to follow these theoretical recommendations, since they have sought to establish long-lasting and still ongoing partnerships with Rainforest Alliance (15 years), WWF Danmark (6 years) and Slow Food (11 years) respectively, therefore reducing negotiation costs at a minimum.

Additionally, when considering partnerships between corporations and NGOs, one of the most important benefits reported by businesses is the reduction of risks, as firms protect themselves by the attacks of NGOs by voluntarily complying with their demands and by establishing a constructive cooperation, to attain a level of social stability in a long-term horizon (Lucea, 2010). The main

advantage of adopting such a pre-emptive approach is that the risks associated with aggressive antagonistic campaigns are significantly decreased, as the scrutiny on the corporate operations assumes a continuous and more systematic character within a partnership architecture. Jonas Schrøder, Sustainability Director at Dansk Supermarked, clearly stated that the strategy of the supermarket chain is mostly defensive, confirming what argued by Austin and Reficco (2005), who pointed out that one of the main reasons for firms seeking partnerships with NGOs is risk-management, to minimize the impacts of previously identified risks or to prevent the negative consequences associated, when they occur. Dansk Supermarked complies with high sustainability standards for its supply of food, but the logo of its partner, WWF, is not displayed on the products, to not dilute its image, that has been sometimes misused in greenwashing and window dressing marketing campaigns, especially in the past decades.

6.2.4 Profitability concerns and stakeholders' engagement

The study of the food sector dynamics and the analysis of the cases selected for this thesis showed that a growing number of companies consider NGOs as bridging organizations to reach specific stakeholder groups, which may remain difficult to influence through standard means (Polonsky, 1996; Andreasen, 1996). Additionally, as noted by Scherer and Palazzo (2011), corporations in all industries are asked to gain control over the ethics and sustainability of the operations along the whole supply chain of their products. Given the imperative requirement for businesses to make a profit, it seems to be a legitimate question whether this overstretched accountability of firms might endanger their ability to seek a profit (Scherer and Palazzo, 2011).

The NGOs' representatives interviewed appeared to be perfectly aware of this tension between corporate responsibilities and economic purposes. Mathiesen from WWF Danmark said: *"they [the companies] strive to find a balance between business and sustainability."* The role of NGOs is therefore not limited to ensure that businesses comply with the environmental and social standards set to reach the partnership goals, but also to guarantee that the objectives settled are economically viable. Talking with the managers of Nespresso and Rainforest Alliance was insightful to understand that their alliance is aimed to have an impact along the whole value chain of the coffee production. Patricia Winkel-Pedersen, Marketing Coordinator at Nespresso Denmark, stated: *"it's important that everyone benefits from the partnership, even and especially suppliers, otherwise it [the partnership]*

remains a rhetoric and superficial marketing scheme.” The success of the cooperation between Nespresso and Rainforest Alliance paved the way to reach other strategic stakeholders for the pursue of the Swiss corporation’s CSR agenda. In 2013, Nespresso started a collaboration with Fairtrade International, that is another globally renowned non-governmental organization. Thanks to the positive outcomes of the partnership between Nespresso and Rainforest Alliance, Fairtrade International considered the Swiss company a reliable partner to implement a joint inclusive strategy aimed at promoting fair and transparent trading operations in Colombia, the country where most of Nespresso’s coffee suppliers are located, and at engaging local communities and institutions to improve the welfare of the coffee farmers living in that region. The bridging role of NGOs in reaching other key stakeholders hypothesized by Polonsky (1996) and Andreassen (1996) has been further confirmed by the interest of the academic community in the partnership between Nespresso and Rainforest Alliance. Porter and Kramer (2011) mentioned this case to describe the idea of shared value, in their landmark article published by the prestigious *Harvard Business Review*. Although this concept has raised harsh criticism among other authors and researchers, the partnership between these two organizations has been considered as a successful example within the business community, due to the positive results reported by Nespresso in improving the sustainability of its supply chain by engaging with farmers, providing training sessions, investing in advanced technologies and ensuring fair yields and good working conditions, which in turn guaranteed a higher productivity, sustainability, reduced depletion of natural resources and reliability on volumes delivered. Similarly, Slow Food assisted Eataly not only in building a network of sustainable suppliers of high-quality food products, but also in accessing other strategic stakeholders which could contribute to advance and improve its innovative retail concept. Recently, Eataly started to collaborate with the Foundation for Education and Food Sustainability, called FICO¹³, with the Italian government and with managers of other huge grocery retailers to launch new initiatives aimed at promoting sustainable regional crops, artisan products and traditional recipes.

6.3 NGOs’ roles and reasons behind partnerships with businesses

As stated by Poret (2014), non-governmental organizations can be considered as a solution to market failures. In the academic realm, the term *market failure* refers to a market in which resources are not allocated efficiently. This situation occurs more frequently when there is an information

¹³ Source: https://www.eataly.com/us_en/magazine/eataly-stories/fico-eataly-world/

asymmetry between firms and consumers (Poret, 2014). Three significant phenomena associated with information asymmetry are: free-riding, moral hazard and adverse selection, which have been conceptualized by eminent authors such as Hardin (1968), Arrow (1971) and Akerlof (1970), respectively. Consumers do not always have the possibility to verify corporate claims over products or services sustainability and social performance. Several scandals have revealed that some major business organizations were lying about their CSR engagement, pursuing the associated benefits without complying to their statements, therefore displaying a free-riding behaviour. Similarly, moral hazard is connected to the lack of tools and information that consumers can access to evaluate a company's commitment to its claims to social responsibility. Likewise, adverse selection and moral hazard problems arise when there is an objective difficulty to obtain information about a company's practices, especially in the current economic environment dominated by multinational corporations which rely on global value chains. Partnerships between firms and NGOs can overcome these issues as non-governmental organizations provide an additional and essential source of information and a third-party certification to help consumers to recognize and select the most consistent and trustworthy companies in the market arena.

According to C&E Advisory, a think-tank, the main reason for NGOs in establishing partnerships with businesses is the opportunity to raise financial resources to fund the activities and projects related to their mission¹⁴. As mentioned in the previous section, throughout the last decades governments have progressively reduced their aids to the third-sector, so NGOs started to develop new strategies and ways of fundraising. By partnering with companies across several industries, many NGOs abandoned their traditional confrontational approach towards a more cooperative attitude, which led to a more effective and successful pursuit of their sustainability goals. The interviews collected in the research phase of this thesis have confirmed this empirical evidence: even though this topic has not been properly developed due to confidentiality reasons, the representatives of Rainforest Alliance, Slow Food and WWF Danmark confirmed that one of the key drivers in assisting businesses to implement their CSR policies and agendas is the access to financial resources. According to the type of services provided by the NGO, the collection of funds may be substantially different. Because of the non-profit nature of these organizations, the funds raised are completely reinvested to launch new projects and initiatives aimed at pursuing the NGOs' mission and goals, and to maintain the organizational staff. When asked about the economic rationales behind the formation of partnerships

¹⁴ Source: <http://www.candeadvisory.com/barometer>

with corporate players, Lucas Bakker from Rainforest Alliance frankly stated: *“we are investing in the improvement of the standards, we are investing in more training to farmers and... We have to continue existing.”* According to Mercedes Tallo, also from Rainforest Alliance, the main source of income for the non-governmental organization in question is represented by royalties applied to the certification scheme issued. Interestingly, Pierluigi Piumatti, Board Member at Slow Food Promotion, pointed out that the Italian NGO has implemented a smart diversification of its revenue streams: most of the funds are collected as a remuneration for the strategic consultancy services provided to Eataly in the selection and verification of the most excellent and sustainable food suppliers; moreover, Slow Food raises financial resources through sponsorships, workshops, events, membership fees and, of course, donations. This diversification of the monetary incomes is oriented at diversifying the risks associated with shifting market conditions, especially at a time in which the access to governmental funding is being increasingly reduced worldwide.

Furthermore, another argument for proponents of partnerships with firms is the access to a wider pool of technical expertise, experiences and networks. Successful corporations are driven by an experienced and talented management, with clear and transparent governance rules and high-quality standards in the whole set of business operations. For a NGO's perspective, working with corporate partners represents a unique opportunity to acquire and develop strategic managerial and leadership skills, which could be useful to overcome future challenges in innovative ways. Indeed, among the partnerships managers in NGOs and the corporate responsibility directors interviewed in the C&E Advisory annual report (see appendix 5), many of them listed innovation as a key reason to begin and develop a joint strategy. The interviews collected and the review of the several reports published by the case corporations and NGOs demonstrated that non-governmental organizations are optimizing their operational processes, adopting business logics and principles, without losing their original focus. Nowadays, managers and executives working for non-profit actors have acknowledged that they can achieve their sustainability goals more effectively by harnessing corporate partners' competencies and non-cash assets. *“Our aim is to make corporate social responsibility mainstreamed”*, said Lucas Bakker from Rainforest Alliance. It is plain to see that this evidence represents a revolution, since NGOs have gained recognition for their confrontational and hostile campaigns against businesses for a long time. Slow Food itself was born in 1986 as a protest movement against the opening of a McDonald's store at the central Spanish Steps in Rome, according

to the NGO's website¹⁵. This means that during the last three decades, there have been significant improvements in the relations between corporate actors and the business world, with a mutual acknowledgment of respect and a growing willingness to cooperate. Furthermore, as outlined by Rainforest Alliance and WWF's representatives, non-profit managers and activists have started to realize that the adoption of a collaborative approach increases the possibility of achieving the goals outlined in the NGOs' missions and in tackling social and environmental issues more effectively, rather than maintaining a confrontational standpoint.

Finally, another major motive behind partnerships is the access to people. To solve a societal or environmental problem, NGOs need to raise citizens awareness of the issue, and partnering with a company may be an effective move to sensitize corporate clientele to a NGO's cause (Poret, 2014). As stated by Selsky and Parker (2005), the association with a business contributes to strengthen the NGO's notoriety and reputation among the consumers, and to increase its political influence.

6.4 Challenges of partnerships between corporations and NGOs

The phenomenon investigated in this thesis is not as clear and straightforward as it may seem at first sight: corporations and NGOs are still driven by quite opposite logics and tensions persist in their relationships. It is not easy to detect the shortcomings of partnership strategies just by relying on secondary data. Corporate claims over corporate social responsibility policies and activities are often exaggerated and diluted by marketing means. Even though it is impossible to deny the fact that corporations, pressured by their consumers' demands, are ways more transparent and accountable for their practices than they were in the past, there is still a marked lack of trust and credibility over their announcements and campaigns, no matter the reality of these corporate communications, even when information are confirmed by an established and renowned NGO partner. The interviews conducted to ground the research behind this investigation have proved to be essential to discover, identify and highlight some of the most recurring, but sometimes hidden, challenges when firms partner with NGOs. In the next paragraphs, the most common challenges highlighted by the interviewees are outlined, in the attempt to understand how to solve these shortcomings that might have a significant impact over the success or failure of partnership initiatives.

¹⁵ Source: <https://www.slowfood.com/about-us/our-history/>

6.4.1 Measuring partnerships economic outcomes

Even though partnerships are increasingly used by corporations to comply to higher sustainability standards, there is still very little evidence of their performance (Feinstein, 2004; Mayne et al., 2003) and few specific frameworks have been designed for evaluating them (Brinkerhoff, 2002). As outlined in the theoretical chapter of this thesis, one major reason why it is difficult to measure the economic performances of cooperative strategies between companies and NGOs is related with a lack of consensus about which are the right criteria and measures to assess whether a partnership can be considered successful or not. This uncertainty is further increased by the fact that corporations and NGOs may evaluate the financial outcomes of a partnership strategy with different means and criteria, adding complexity to this already ambiguous topic. Besides, it is important to notice that some partnerships are not meant to deliver immediate economic benefits, but they can be implemented to pursue other goals, which may have a financial return only indirectly and in the medium or long term.

When asked about how the economic performances of the partnership initiatives were measured, all the managers interviewed from the corporations selected for the multi-case study expressed a certain degree of difficulty in the quantification of the financial returns of the alliances. Some of them even avoided to answer the question or downplayed the importance of the topic. Silvia Ramella, manager at Eataly, minimized the relevance of economic aspects when assessing the success of the partnership undertaken with Slow Food, arguing that: *“this collaboration [with Slow Food] has a scope that is beyond the pursuit of an economic advantage.”* Jonas Schröder (Dansk Supermarked) and Christoph Mathiesen (WWF Denmark) answered mentioning the existing of some figures regarding the number of sales of the products certified by WWF through the MSC certification, in relation to specific campaigns, but they did not further develop the topic, saying that it is not possible to disclose other information due to confidentiality limitations. However, the analysis of the largest partnership studied for this investigation, the one between Nespresso and Rainforest Alliance, offered some interesting outcomes. As anticipated in chapter 5, these two organizations have jointly created and implemented the *AAA Sustainable Quality Program*, through which farmers are trained and helped to achieve high standards in terms of sustainability and coffee quality, thanks to the combined efforts of Nespresso and Rainforest Alliance. The outcomes of this program are verified and quantified by an independent research institute. The managers of the Swiss corporations interviewed, Patricia Winkel-Pedersen, Susana Robledo and François de Vevey, all referred to the CRECE institute, that measured the impacts of the partnership on farmers in Colombia over the period 2009-

2012, reporting positive results on environmental, economic and social indices. Lucas Bakker from Rainforest Alliance further outlined that there are some additional studies carried out by his organization that indicated an increase of the production levels that spans from 5% to 40% for farmers who adhered to the *AAA Program* standards, depending on their starting situation. Merced Tallo, also working at Rainforest Alliance, touched an interesting point, observing that: *“we are a NGO concerned with deforestation, climate and we work with very diverse projects (...) but unless you have a company that actually buys your coffee, that is believing in what you’re doing, then there is no market and no way to achieve our mission.”* This last statement is extremely insightful because it underlines the importance of the existence of a market for the certified and sustainable products sourced through the partnership. The demands of environmentally and socially sustainable coffee is therefore considered a basic prerequisite for the goals that Nespresso and Rainforest Alliance want to achieve through the alliance, and this demand should be constantly nurtured and verified by the corporations’ marketers.

Overall, it is impossible to deny the evidence that the measurement of the economic outcomes delivered by partnership initiatives remains a challenging task. Even though some tools and quantitative criteria are being developed, such as the research undertaken by the external institution CRECE for the partnership between Nespresso and Rainforest Alliance, there is still a high degree of ambiguity in understanding how to measure the impacts of these cooperative strategies on the firms’ profitability and overall economic performance. Moreover, it seems that the importance of quantifying economic results is still not well understood by corporate executives, who often treat collaborations with non-profit actors as a cost, rather than as an investment.

6.4.2 Response biases

One of the most surprising tendency that characterized the research phase of this thesis is the difference between the answers of corporate managers and non-profit representatives, when asked about whether they experienced some challenges in the design and implementation of the respective partnership strategies. Patricia Winkel-Pedersen, Marketing Coordinator at Nespresso Denmark, described the collaboration with Rainforest Alliance as a *win-win* strategy, without any challenge or critical aspect to underline, whereas Lucas Bakker depicted a different situation. Indeed, the Senior Manager of the Coffee Division at Rainforest Alliance, when asked to pinpoint if there are disputes

or concerns in the relationship with Nespresso, said: *“there is always of course a kind of tension. We [Rainforest Alliance] are supposed to be a super party: we are controlling if what they [Nespresso] are doing is indeed worth to get issued from Rainforest Alliance.”* Different perspectives emerged also in the interviews on the partnership between Eataly and Slow Food: while Silvia Ramella denied the presence of any challenge with the partner, Pierluigi Piumatti from Slow Food admitted that: *“when we are talking about a situation in which two entities of such a different nature and scopes, problems are always behind the corner. We can exemplify the relationship like the one between David and Goliath. As you may know, they were in a conflictual relationship, so we do because we need to maintain our role of guardians and third party to ensure that Eataly’s behaviour is in line with their sustainability claims.”* The interviews with representatives from Dansk Supermarked and WWF Danmark did not showed any significant difference in the respondents’ views and perspectives, also because of the short answers provided by the Sustainability Director of the Danish retailer.

6.4.3 NGOs’ risks

After a review of the literature around this topic, it is not difficult to notice that several partnerships between NGOs and firms failed to meet the positive outcomes expected by their proponents. It has been widely acknowledged that NGOs face concrete risks of losing legitimacy when entering a collaboration with a business. As mentioned in the previous sections, credibility and reputation are critical assets for non-governmental organizations. If the corporate partner is involved in a scandal, the loss of legitimacy will inevitably affect also the NGO, as showed by the case of WWF and Coca-Cola¹⁶. Moreover, NGOs are often accused by media and citizens of being too dependent of corporate funds to campaign objectively against businesses. Additionally, some NGOs may be tempted to moderate their requirements to attract new companies, therefore diluting their mission (Poret, 2014). For these reasons, Heap (1998) concluded that non-governmental organizations should not endorse corporations, but they should engage them in a critical manner.

Referring to the case studied in this research, the risky role assumed by non-profit organizations has been emphasized by Lucas Bakker from Rainforest Alliance, who stated that: *“if you are an auditor [namely, a third-party with a supervision role], you are also being put under the loop, and if*

¹⁶ Sources: <https://www.theguardian.com/sustainable-business/wwf-president-business-partnerships-greenwashing> and <https://www.theguardian.com/environment/2008/dec/04/coca-cola-coke-water-neutral>

there is any state in the world where you may think that things can go wrong, then it would resonate in the international media, and then of course you have to react... It's a risky business." During the same interview, he further added: *"who is the controller of the NGOs? This is one of the big questions."* The partnership between Dansk Supermarked and WWF Danmark is built around the aim of creating a sustainable network of seafood suppliers for the Danish retailer, to help it to decrease its negative impacts over the environment, ensuring a responsible sourcing of food. Christoph Mathiesen (WWF Danmark) stated that one reliable and credible certification scheme to assess the sustainability of seafood products is the one issued by the Marine Stewardship Certification (MSC), which sets standards to improve fishing practices whilst reducing their ecological and social impacts. However, a leaked report¹⁷ from WWF cast doubts about the integrity of the program trusted by millions of consumers worldwide. The document, leaked to the English newspaper *The Times* in 2016, revealed that WWF expressed some criticism of the MSC certification scheme, considered tainted by *"troubling systematic flaws"* and by *"questionable practices"* which made easier for less sustainable fisheries to gain the MSC certification anyway. Even though the report has been defined as a draft version of an internal document that has been inappropriately distributed, it means that the credibility and legitimacy of non-governmental organizations may be threatened at any time, with leaks and issues gaining an international resonance through global press and social media within the span of few minutes.

Nevertheless, it is possible to overcome some of these issues while developing some forms of collaborations. As stated above, maintaining independence and a strong standpoint against corporate misconducts are essential core credentials and a sign of legitimacy. A NGO should establish objective evaluation mechanisms with external audits and relationships with other business partners to reduce the financial dependence on a single firm (Poret, 2014). Furthermore, partnerships should be driven by goals and objectives that are coherent with the NGO's overall mission; the consistency of a collaboration is a crucial element for the legitimacy of the NGO at consumers' eyes. Hence, the data provided by C&E Advisory reports displays a growing trend of partnerships which are strategic, involving core activities and having a deep direct impact on business operations, proving to be not only a marketing claim or a superficial sign of commitment that may be labelled as *greenwashing*. This trend will be further outlined in the next sections of the chapter.

¹⁷ Source: <https://www.thetimes.co.uk/article/fishings-blue-tick-benchmark-tainted-by-conflict-of-interest-3qrsr5w0k>

6.5 Towards strategic partnerships

Despite the several differences identified across the partnerships between the firms and NGOs analysed, due to context-specific dynamics and sectorial characteristics related to the diverse national competitive landscapes, it is possible to detect a general trend that is valid for all the three collaborations under investigation for this thesis.

This common tendency consists of partnerships that are increasingly being considered strategic by the partners involved. Patricia Winkel-Pedersen (Nespresso Denmark) stated that: *“our partnership with Rainforest Alliance and our sustainability program is not really a marketing strategy as such, since sustainability is at the bottom [line] of our organization.”* Susana Robledo, Sustainability Innovation Manager at the Nespresso Swiss HQ, underlined the strategic nature of the cooperation with Rainforest Alliance by describing the joint creation of the TASQ tool, which is meant to assist farmers to comply with the sustainable standards required to be part of the *AAA Program* and therefore to be considered eligible to sell their coffee to Nespresso. She further added that more than 350 Nespresso’s agronomists are deployed on the ground, with the help and supervision of Rainforest Alliance, to provide trainings and assistance to the small farmers involved in the program. The set of these initiatives highlights the strategic relevance of the partnership, that has a strong impact on Nespresso’s core business activities and operations, far from being just a marketing strategy with superficial implications. The representatives of Rainforest Alliance interviewed, Lucas Bakker and Mercedes Tallo, both confirmed the evidence of a shift towards strategic and higher value partnerships between companies and NGOs, considering Nespresso as a strategic partner and displaying a certain confidence of the corporate contributions to their non-governmental organization, beyond cash and managerial skills. Similarly, Eataly and Slow Food are bounded together by a very tight relationship, since they jointly promote teaching classes and other projects undertaken to raise the consumers’ awareness and interest towards topics such as sustainable consumption decisions, biodiversity protection, ecosystems defence and intensive farming concerns. As reported by Silvia Ramella, PR Manager at Eataly, the grocery retailer considers Slow Food as a strategic consultant, that actively contributed to the foundation and conceptualization of Eataly itself. Pierluigi Piumatti (Slow Food) clarified the initial stages of this collaboration by saying: *“Eataly’s is born inside the offices of Slow Food, because when Farinetti [Eataly’s founder] came to us to talk about his project, he just had a piece of paper with a drawing on it, representing a kind of visual map of an Eataly’s*

store. He asked us if we were interested in collaborating with him as a strategic consultant because we had the knowledge of farmers and the needed expertise.” Likewise, Dansk Supermarked used the reputation, expertise and network of WWF Denmark to entrench trustworthy and long-lasting strategic relationships with sustainable fisheries, with the aim to improve the overall environmental and social performance of its extended supply chain. The review of the material available online and the interviews carried out with the representatives of the Danish retailer and of the NGO revealed that one major problem of this strategy, aimed at fostering the sustainability of Dansk Supermarked’s supply side, is that the Group is composed by a huge number of semi-independent supermarkets and retailers, so it may be extremely challenging or even impossible to verify whether all the suppliers of every single supermarket are respecting the necessary environmental and labour standards to support their sustainability claims. The function of WWF Denmark is therefore to ease this control process, and to ensure that more and more supermarkets supply their seafood products from responsible fisheries. Hence, WWF Denmark has a direct impact on Dansk Supermarked business operations, while the management of the Danish retailer does not consider important to display the iconic panda logo of WWF because the strategy is considered defensive, more focused on preventing possible criticism rather than for marketing purposes. According to Christoph Mathiesen (WWF Denmark): *“maintaining a responsible sourcing is part of being a modern competitor retailer. It’s about keeping your market (...) I think that this strategy from their point of view is more defensive. That means if they will be accused of not having a responsible sourcing, they can say: well, yeah, we do!”* The choice of displaying the logo of the partner NGO on the products sourced through the partnership has not been univocal between the other companies selected for the study: while Eataly explicitly shows the little snail of the logo on the items sourced by local suppliers affiliated to the Slow Food network of farmers and communities, Nespresso is starting to use the Rainforest Alliance symbol on its coffee only from this year.

The analysis of the selected case partnerships has confirmed that cooperative agreements between corporations and NGOs are moving towards more strategic aims than in the past. This evidence represents a further confirmation of a more general trend outlined by the C&E Advisory Group, a think-tank, that published several annual reports through which they have observed a widespread shift towards strategic partnerships between private and non-profit organizations. As a result, NGOs seem more aware of the role that partnerships with businesses can play in the pursuit of their mission. Moreover, these strategic collaborations involve activities that are consistent with the corporations’

core businesses, and this is an element of strength because this consistency ensures more effectiveness in pursuing the company's sustainability and economic growth. Therefore, corporate managers and strategists decide which environmental and social issues are most adapt to be tackled with their organizations' pool of resources, resulting more effective and efficient in addressing concerns that are consistent with the businesses' core activities. This is in line with the statements articulated by Porter and Kramer (2006), who claimed that each firm should detect a specific group of social or environmental constraints that it is best equipped to solve and from which it can gain the best competitive advantage, because organizations do not possess enough resources to tackle all the problems of this world. While the author of this thesis agrees with the overall principles underlying this theoretical perspective, it is important to specify that businesses should not be considered accountable for all the world's issues, but at least for the ones caused by their activities and operations.

6.6 Theoretical gaps

As anticipated in the final part of chapter 4, dedicated to point out some critical reviews of the most important theoretical perspectives used to explain the rationales behind partnerships between firms and NGOs, the main problem of these theories is that they lack managerial implications to smooth the design and concrete implementation of partnership strategies.

Referring to the partnerships studied, the Resource Based View may be perceived as the most important theoretical framework underlying the motivation to establish partnerships, since corporations are seeking for reputational gains, technical expertise and a license to operate, all representing rare and inimitable resources that can be accessed only through a cooperative agreement with a renowned non-profit organization. However, the managers interviewed did not mention a single operational approach or process somehow inspired by this theory, giving credit to the criticism outlined by Priem and Butler (2001), who stated that the RBV does not hold any managerial implication nor any concrete suggestion to implement a successful partnership. Likewise, the Resource Dependency Theory conceptualized by Pfeffer and Salancik (1978), although interesting to explain some competitive dynamics at the industry level, has no value for executives who are looking for recommendations and assistance in understanding which are the factors that influence the success of a partnership initiative. Another theoretical perspective that has been targeted by harsh criticism refers to the Transaction Cost Economics, which have been considered as one of the major drivers

for the establishment of partnership strategies between businesses and non-profit players. It is impossible to deny the fact that negotiation costs, contracting expenses, governance structures and monitoring efforts are significantly reduced when cooperating with a partner, especially if the collaboration are designed to cover a long-time span. Moreover, as outlined by the respondents of the interviews, partnering with a reliable NGO has the power to decrease the risks associated with opportunistic behaviours of suppliers and information asymmetries of consumers. However, as noted by Child et al. (2005), transaction costs remain arbitrary estimations and therefore impossible to be measured and quantified in a credible manner, and likewise it is not possible to assess the benefits reported by businesses by internalizing these costs. Moreover, as a further element to add complexity to the topic, TCE cannot measure one of the most important pillars of every partnership initiative, namely the presence of mutual trust between the partners.

While the theoretical considerations about the dynamic capabilities proposed by Teece (1997) and the stakeholder theory seem to hold a certain importance when talking about partnerships between private and non-profit organizations, the idea of shared value, enthusiastically supported by Porter and Kramer (2011), does not have the supposed managerial implications that they claim to have. The concept of shared value makes sense when applied to the study of the partnerships under investigation in this research. The training programs and the co-investments initiatives in new technologies and equipment aimed at fostering the growth of small farmers promoted by Nespresso and (in part) by Eataly in partnership with Rainforest Alliance and Slow Food can be considered as strategies that facilitate the creation of shared value. The reason for this claim is simple: multinational corporations that do not exploit their strong bargaining power to incentivize and facilitate the growth and development of their small suppliers are creating a higher value from which everyone could benefit. If firms ensure fair yields to their suppliers and stimulate their businesses by investing with them, the farmers will be able to increase their productivity, deliver reliable volumes and adopt sustainable practices. It is explained why everyone has an advantage from this approach, and thereby how shared value is created. However, Porter and Kramer argued that it is possible and recommendable to pursue economic goals while ensuring the respect of high sustainability standards in terms of social progress and environmental protection, therefore moving beyond trade-offs. As noted by Crane et al. (2014), the authors just ignored the presence of these trade-offs, which should instead be considered simply because they exist. As Christoph Mathiesen (WWF Danmark) said, corporations strive to find a balance between profitability and sustainability, and the role of academics should help managers to

find the right strategy to ensure a certain balance and alignment between opposite goals. By refusing to acknowledge the existence of these trade-offs, researchers and managers will only postpone some tough decisions to an indefinite future time, while conceiving corporate claims about sustainability filled with an empty rhetoric that will ultimately lose its credibility over consumers.

7 Conclusion

The final chapter of this investigation provides the reader an overall summary of the major aspects touched by the thesis, outlined in the answers to the research questions that constituted the basis of the inquiry. Moreover, the chapter contains some considerations about the possible future research needed to develop new forms and scopes of the partnerships between corporations and NGOs, within the food industry.

7.1 Answers to the research sub-questions

“How are these partnerships designed and implemented to deliver their intended mutual value?”

The analysis of the multi-case study undertaken in this research showed that all the partnership initiatives established by the selected corporations and NGOs within the food industry are developed around a strategic consultancy relationship between the two partners involved. While there are some fundamental differences between the cases studied, such as the certification scheme issued by Rainforest Alliance and diverse degrees of engagement for the farmers that supply the companies analysed, it is possible to outline that all the food retailers interviewed consider the partner NGOs as their strategic consultants to increase the sustainability of their supply chains, which is nowadays under a growing public scrutiny by their consumers and the mass media. Moreover, most of the collaborations investigated are designed around a project-basis structure, and each project has a precise set of targets that the partner organizations plan to achieve, within a specific time frame. The cooperation is meant to have a concrete impact over the corporations' core business activities, such as the selection and the training of sustainable farmers, the optimization of logistics processes and the reduction of resources depletion. However, it is important to underline that there are not common governance structures thought to drive the partnerships, as the organizations involved remain ultimately independent and autonomous over their decisions. This means that the partnerships can be successful in delivering the expected outcomes only if the firms and non-profit actors agree to develop some kinds of continuous communication channels, through which they can confront ideas, exchange knowledge and monitor the results of their joint strategy on a daily basis. It is intuitive that a rapid and flawless communication stream can also help in detecting some possible issues related to the

pursuit of the partnership's goals, resulting to be an important early warning mechanism that could help in overcoming challenges before they become too critical to be solved.

“Which are the main economic impacts on a firm's performance caused by the partnership with a NGO within the food industry?”

This second sub-question has been proved to be the trickiest one, due to several reasons. First of all, most of the partnerships studied are not meant to deliver direct and immediate economic returns to the companies that are implementing them. They can rather be seen as an investment that will lead to an economic advantage only in a future time, presumably in the medium or long term. Furthermore, the reputational gains obtained by partnering with a recognized non-governmental organization are not easy to be quantified, and there are not accepted criteria and measure to elaborate a credible evaluation of the economic impacts of this reputational strengthening. Moreover, the topic is covered by confidentiality limitations, and therefore it is not easy to access information related to the financial performances of private companies. However, it is possible to hypothesize that a corporation may be interested at improving its business operations sustainability and overall responsibility to foster its competitive position ahead of other players in the market, meeting the needs of the growing number of consumers who are displaying an increasing interest towards sustainability within the food industry. As the sentiment of consumers is going towards that direction, firms pursuing credible and ambitious CSR agendas, certified by the supervision and strategic cooperation of NGOs, are legitimated to expect some sort of economic gains in the future, although it is not easy to assess when the costs of implementing these partnerships and the other initiatives associated will be totally covered.

“Which are the main benefits experienced by a NGO by partnering with a corporation within the food industry?”

Most non-governmental organizations have started to acknowledge that cooperating with businesses may be more beneficial than confronting them. One of the underlying reason for this different approach is the access to financial resources, that came along a general reduction of governmental aids to non-profit causes. Even though NGOs can rely on different sources of income, such as donations, sponsorships and membership fees, partnering with corporations guarantees an

important and somehow continuous stream of financial resources, which can be invested in pursuing the goals defined by the organizational mission and vision. Moreover, NGOs involved in partnerships with firms can access corporations' managerial skills, capabilities and knowledge, that can be used to develop their own human capital and to increase the organization's overall efficiency. Furthermore, representatives from non-governmental organizations have realized that through strategic partnerships they can directly influence the behaviours of corporate players towards more sustainable practices, with the underlying belief that companies have a fundamental role in the achievement of ambitious environmental and social goals, aimed at making a real change in the future of the world. Businesses are therefore considered as the solution of the problem, rather than its cause.

“Which are the main challenges experienced by firms and NGOs in the implementation and management of strategic partnerships within the food industry?”

That was another question for which it has been difficult to find an answer, because corporate managers and NGOs' representatives expressed divergent opinions and perspectives. When inquired about the challenges in the partnership management, the executives of the case companies either did not see any issue or they did not want to disclose some possible sensitive considerations. On the other side, the interviewees working in the non-profit sector were more open on the discussion over the challenges experienced in the collaboration with firms. For example, Pierluigi Piumatti (Slow Food) admitted the presence of a certain tension regarding specific issues or unmet expectations, comparing the relationship with Eataly as the biblical fight between David and Goliath. Lucas Bakker (Rainforest Alliance) further outlined that the question about who control the controllers represents one major unresolved issue that needs to be soon addressed. Mathiesen (WWF Danmark) moved the focus of the answer towards the economic aspects of the partnership, namely how to make consumers buy the certified products sold on Dansk Supermarked shelves even though they are priced more than other similar, but not sustainable, products. Another relevant challenge for the NGOs studied is the ability to exert an effective control that all the stores owned by the partner retailer are sourcing their products from sustainable suppliers, as it is claimed and certified. This is true especially for large corporations such as Dansk Supermarked, which relies on a wide network of semi-independent retailer to distribute their products.

7.2 Answer to the research question

“Which is the mutual value created by partnerships between firms and NGOs within the food industry?”

The analysis of the partnership initiatives considered for this research demonstrated that the organizations involved in these joint strategies share the common belief that they could achieve more benefits by partnering than it would be possible by working alone. This mutual value can be described as follows: the corporations studied needed NGOs to gain the necessary credibility and expertise to increase the sustainability of their supply side, in order to address consumers' concerns about transparency and responsible business practices. Conversely, the NGOs that partnered with the case companies had the possibility to report significant achievements in the pursuit of the goals defined by their mission, both in terms of gaining the needed financial resources to pursue those goals, and in exerting a direct influence over businesses' behaviours, leading corporate partners towards more sustainable sourcing models. The most relevant remark of this thesis is that corporations of the food industry partner with renowned NGOs to acquire the legitimacy and the competencies to secure more sustainability through their business operations. Nevertheless, this mutual value can be created only if the partnership strategies have an impact over the core activities of the business involved, having therefore a strategic relevance. If the partnership goals are aligned with the corporate values and activities as well as with the NGOs' missions and visions, then both the organizations will be perceived as consistent by their stakeholders, increasing the likelihood of successful cooperative agreements. In order to ensure the achievement of the partnership goals, the partners should be engaged through an honest and continuous dialogue that facilitates the alignment of the management towards the same objectives and the sharing of knowledge. All the corporations and non-governmental organizations studied dedicate specific staff and cross-functional departments to ensure a regular communication between partners. The success of the initiatives outlined is made possible only if the allies are tied by high levels of mutual trust, without the fear of opportunistic behaviours that might damage their propensity of working together. Finally, empirical evidences have suggested that it is easier to create mutual value if partnerships are built around realistic and precisely defined targets, instead of general claims of commitment or implausible goals. The effectiveness of alliances between corporations and NGOs designed to tackle specific issues have also been underlined by the researches undertaken by Rondinelli and London (2001).

7.3 Future research

The research around partnerships between corporations and NGOs is still limited and incomplete, due to the recent nature of this phenomenon. However, there are already some empirical evidences that the strategic integration of these two different actors, driven by opposite logics, has the potential to unleash the creation of substantial mutual value. Therefore, it is reasonable to expect that the number and the scopes of these partnership initiatives will exponentially grow in the future. Further research should be aimed to shed light to the constraints that are still limiting a more widespread implementation of partnering strategies by corporate managers.

First and foremost, academic authors and industry researchers should focus on studying how to develop useful criteria to evaluate the economic outcomes of alliances with NGOs over the business performance. While some promising measures are being developed to quantify the social and environmental repercussions of corporate activities, for example the set of a pricing system for CO₂ emissions studied by some governments to enforce caps to limit air pollution made by companies, it is still not clear how to measure the economic value generated through partnerships between firms and non-governmental organizations. Moreover, further research should be dedicated to the analysis of partnerships that have failed to deliver their intended value and outcomes, in order to understand the reasons why the partners were not able to achieve their proposed goals, with the final aim to elaborate a case history literature that managers could find helpful to review, before engaging in partnership initiatives.

Although partnerships between corporations and NGOs have been mostly formed by two partners, nowadays a new trend is shaping the food industry towards innovative directions: the creation of consortia based partnerships, that are represented by cooperative strategies in which several different organizations are involved. These multi-party agreements have the potential to tackle a wide range of social and environmental issues by exploiting larger scales, sets of resources and expertise than traditional bi-lateral partnerships. However, the complexity of the coordination processes as well as challenges in communication streams and goals alignment may hinder the widespread adoption of this innovative paradigm.

8 Bibliography

Books and articles

Aberbach, J. D., & Rockman, B. A. (2002). Conducting and coding elite interviews. *PS: Political Science & Politics*, 35(4), 673-676.

Aguilera, R. V., & Cuervo-Cazurra, A. (2004). Codes of good governance worldwide: what is the trigger?. *Organization Studies*, 25(3), 415-443.

Akerlof, G. A. (1970). The market for" lemons": Quality uncertainty and the market mechanism. *The quarterly journal of economics*, 488-500.

Alcañiz, E. B., Cáceres, R. C., & Pérez, R. C. (2010). Alliances between brands and social causes: The influence of company credibility on social responsibility image. *Journal of business ethics*, 96(2), 169-186.

Aldrich, H. E. (1979). 1979 Organizations and environments. Englewood Cliffs, NJ: Prentice-Hall.

Andreasen, A. R. (1996). Profits for nonprofits: Find a corporate partner. *Harvard business review*, 74(6), 47-50.

Annan, K. (1999, January). UN Global Compact. In *World Economic Forum in Davos, Switzerland. UN Press Release*.

Argenti, P. A. (2004). Collaborating with activists: How Starbucks works with NGOs. *California Management Review*, 47(1), 91-116.

Arrow, K. J. (1969). The organization of economic activity: issues pertinent to the choice of market versus nonmarket allocation. *The analysis and evaluation of public expenditure: the PPB system*, 1, 59-73.

Arrow, K. J. (1971). The theory of risk aversion. *Essays in the theory of risk-bearing*, 90-120.

Arts, B. (2002). 'Green alliances' of business and NGOs. New styles of self-regulation or 'dead-end roads'? *Corporate Social Responsibility and Environmental Management*, 9(1), 26-36.

Arya, B., & Salk, J. E. (2006). Cross-sector alliance learning and effectiveness of voluntary codes of corporate social responsibility. *Business Ethics Quarterly*, 16(2), 211-234.

Ashforth, B. E., & Gibbs, B. W. (1990). The double-edge of organizational legitimation. *Organization science*, 1(2), 177-194.

Ashman, D. (2011). Civil society collaboration with business: bringing empowerment back in. *World Development*, 29(7), 1097-1113.

Attride-Stirling, J. (2001). Thematic networks: an analytic tool for qualitative research. *Qualitative research*, 1(3), 385-405.

Auger, P., Burke, P., Devinney, T. M., & Louviere, J. J. (2003). What will consumers pay for social product features? *Journal of business ethics*, 42(3), 281-304.

Austin, J., & Reficco, E. (2005). Forest Stewardship Council. *Cambridge, MA: Harvard Business School Publishing*.

Austin, J. E. (2000). Strategic collaboration between nonprofits and businesses. *Nonprofit and voluntary sector quarterly*, 29(1_suppl), 69-97.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.

Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of management*, 27(6), 643-650.

Berg, B. L. (2004). *Methods for the social sciences*. Pearson Education Inc, United States of America.

Bleeke, J., & Ernst, D. (1993). Collaborate to compete. *Using Strategic Alliances and Acquisitions in the Global Marketplace*, New York.

Blumberg, B., Cooper, D. R., & Schindler, P. (2011). *Business Research Models*.

Brinkerhoff, J. (2002) 'Assessing and Improving Partnership Relationships and Outcomes: A Proposed Framework', *Evaluation and Program Planning* 25: 215–31.

Bryman, A. (2015). *Social research methods*. Oxford university press.

Burr, V. (2015). *Social constructionism*. Routledge.

Burt, R. S. (1978). Applied network analysis: An overview. *Sociological Methods & Research*, 7(2), 123-130.

Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business & society*, 38(3), 268-295.

Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business horizons*, 34(4), 39-48.

Carroll, A.B. and Buchholtz, A.K. (1999), *Business and Society: Ethics and Stakeholder Management*, South-Western College Publishing, Cincinnati, OH.

Child, J., Faulkner, D., & Tallman, S. B. (2005). *Cooperative strategy*. Oxford University Press, USA.

Chiles, T. H., & McMackin, J. F. (1996). Integrating variable risk preferences, trust, and transaction cost economics. *Academy of management review*, 21(1), 73-99.

Chirico, J. (2013). *Globalization: prospects and problems*. Sage Publications.

Connor, T. (2002). The resource-based view of strategy and its value to practising managers. *Strategic change*, 11(6), 307-316.

Crane, A., Palazzo, G., Spence, L. J., & Matten, D. (2014). Contesting the value of “creating shared value”. *California management review*, 56(2), 130-153.

Cui, Y., & Jiao, H. (2011). Dynamic capabilities, strategic stakeholder alliances and sustainable competitive advantage: evidence from China. *Corporate Governance: The international journal of business in society*, 11(4), 386-398.

Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate social responsibility and environmental management*, 15(1), 1-13.

Das, T. K., & Teng, B. S. (2000). A resource-based theory of strategic alliances. *Journal of management*, 26(1), 31-61.

Dean, M. (2010). *Governmentality: Power and rule in modern society*. Sage publications.

Denscombe, M. (2014). *The good research guide: for small-scale social research projects*. McGraw-Hill Education (UK).

Easterby-Smith, M., Golden-Biddle, K., & Locke, K. (2008). Working with pluralism: Determining quality in qualitative research. *Organizational Research Methods*, 11(3), 419-429.

Eisenhardt, K.M. & C.B. Schoonhoven (1996), Resource-based View of Strategic Alliance Formation: Strategic and Social Effects in Entrepreneurial Firms. *Organization Science*, Vol. 7, No. 2.

Ellis, T. (2010). *The New Pioneers: Sustainable business success through social innovation and social entrepreneurship*. John Wiley & Sons.

- Fairhurst, G. T., & Grant, D. (2010). The social construction of leadership: A sailing guide. *Management Communication Quarterly*, 24(2), 171-210.
- Farinetti, O., & Renzi, M. (2008). mercante di utopie. *La storia di Oscar Farinetti, l'inventore di Eataly*, Sperling & Kupfer, Milano.
- Feinstein, O. (2004). Evaluation and development. The partnership dimension. *From policies to results*, 218.
- Freeman, R. E., & McVea, J. (2001). A stakeholder approach to strategic management.
- Freeman, R. E. (2010). *Strategic management: A stakeholder approach*. Cambridge university press.
- Friedman, M. (2007). The social responsibility of business is to increase its profits. *Corporate ethics and corporate governance*, 173-178.
- Fuller, M. B., & Porter, M. E. (1986). Coalitions and Global Strategy from. Competition in global industries, 315, 344.
- Galarraga Gallastegui, I. (2002). The use of eco-labels: A review of the literature. *Environmental Policy and Governance*, 12(6), 316-331.
- Garriga, E., & Melé, D. (2004). Corporate social responsibility theories: Mapping the territory. *Journal of business ethics*, 53(1), 51-71.
- Genier, C., Stamp, M., & Pfitzer, M. (2009). Corporate social responsibility for agro-industries development,[in:] *Agro-industries for Development*, eds. C. Da Silva, D. Baker, A. Shepherd, C. Jenane, S. Miranda-da-Cruz, CABI, Oxford.
- Gergen, K. J. (1999). *An invitation to social construction*. Sage.

Ghoshal, S., & Moran, P. (1996). Bad for practice: A critique of the transaction cost theory. *Academy of management Review*, 21(1), 13-47.

Guba, E. G., & Lincoln, Y. S. (1994). Competing paradigms in qualitative research. *Handbook of qualitative research*, 2(163-194), 105.

Hall-Jones, P. (2006). The rise and rise of NGOs. *Public Services International*.

Hardin, G. (2009). The Tragedy of the Commons*. *Journal of Natural Resources Policy Research*, 1(3), 243-253.

Hart, S. L., & Milstein, M. B. (2003). Creating sustainable value. *The Academy of Management Executive*, 17(2), 56-67.

Hartmann, M. (2011). Corporate social responsibility in the food sector. *European Review of Agricultural Economics*, 38(3), 297-324.

Hathaway, R. S. (1995). Assumptions underlying quantitative and qualitative research: Implications for institutional research. *Research in higher education*, 36(5), 535-562.

Heap, S. (1998). *NGOs and the private sector: Potential for partnerships?*. Oxford: Intrac.

Heap, S. (2000). *NGOs engaging with business: A world of difference and a difference to the world*. Oxford: Intrac.

Hemphill, T. A. (1994). Strange bedfellows cozy up for a clean environment. *BUSINESS AND SOCIETY REVIEW-BOSTON AND NEW YORK-*, 38-38.

Inkpen, A. C. (2009). Strategic alliances. In *The Oxford Handbook of International Business* (2 ed.). Oxford University Press.

- Jamali, D., & Keshishian, T. (2009). Uneasy alliances: Lessons learned from partnerships between businesses and NGOs in the context of CSR. *Journal of business Ethics*, 84(2), 277-295.
- Jobin, D. (2008). A transaction cost-based approach to partnership performance evaluation. *Evaluation*, 14(4), 437-465.
- Johnson, B., & Turner, L. A. (2003). Data collection strategies in mixed methods research. *Handbook of mixed methods in social and behavioral research*, 297-319.
- Hillman, A. J., Withers, M. C., & Collins, B. J. (2009). Resource dependence theory: A review. *Journal of management*, 35(6), 1404-1427.
- Howard, P. H., & Allen, P. (2010). Beyond organic and fair trade? An analysis of ecolabel preferences in the United States. *Rural Sociology*, 75(2), 244-269.
- Keeble, B. R. (1988). The Brundtland report: 'Our common future'. *Medicine and War*, 4(1), 17-25.
- Kilduff, M., & Tsai, W. (2003). *Social networks and organizations*. Sage.
- Klein, B., & Leffler, K. B. (1981). The role of market forces in assuring contractual performance. *Journal of political Economy*, 89(4), 615-641.
- Kogut, B. (1988). Joint ventures: Theoretical and empirical perspectives. *Strategic management journal*, 9(4), 319-332.
- Kosack, S., & Fung, A. (2014). Does transparency improve governance?. *Annual Review of Political Science*, 17, 65-87.
- Kourula, A., & Laasonen, S. (2010). Nongovernmental organizations in business and society, management, and international business research: Review and implications from 1998 to 2007. *Business & Society*, 49(1), 35-67.

KPMG, T. (2011). KPMG International survey of corporate responsibility reporting 2011. *Amsterdam, The Netherlands: KPMG.*

KPMG, T. (2017). KPMG International survey of corporate responsibility reporting 2017. *Amsterdam, The Netherlands: KPMG.*

Kramer, M. R., & Porter, M. E. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard business review*, 84(12), 78-92.

Kvale, S. (1996). *InterViews. An introduction to qualitative research writing. Thousand Oaks, CA: Sage.* J., Dalton, M., Ernst, C., & Dea global context. Greensboro, NC: Center for Creative Leadership., MK, & Whitney, DJ (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86, 114-121.

LeCompte, M. D., & Goetz, J. P. (1982). Ethnographic data collection in evaluation research. *Educational evaluation and policy analysis*, 4(3), 387-400.

Lehtimäki, H., Kujala, J., & Heikkinen, A. (2011). Corporate responsibility in communication: Empirical analysis of press releases in a conflict. *Business Communication Quarterly*, 74(4), 432-449.

Lucea, R. (2010). How we see them versus how they see themselves: A cognitive perspective of firm—NGO relationships. *Business & Society*, 49(1), 116-139.

Maloni, M. J., & Brown, M. E. (2006). Corporate social responsibility in the supply chain: an application in the food industry. *Journal of business ethics*, 68(1), 35-52.

Martínez, C. V. (2003). Social alliance for fundraising: How Spanish nonprofits are hedging the Risks. *Journal of Business Ethics*, 47(3), 209-222.

Masten, S. E. (1993). Transaction costs, mistakes, and performance: Assessing the importance of governance. *Managerial and decision economics*, 14(2), 119-129.

- Matten, D., & Crane, A. (2005). Corporate citizenship: Toward an extended theoretical conceptualization. *Academy of Management review*, 30(1), 166-179.
- Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of management Review*, 33(2), 404-424.
- Mayne, J., Wileman, T., & Leeuw, F. (2003). Networks and partnering arrangements: New challenges for evaluation and auditing. *Collaboration in Public Services: The Challenge for Evaluation*. New Brunswick, 29-51.
- McDaniel, C., & Gates, R. (2012). *Marketing research essentials*. Wiley Global Education.
- Milne, G. R., Iyer, E. S., and Gooding-Williams, S. (1996). Environmental organization alliance relationships within and across nonprofit, business, and government sectors. *Journal of Public Policy & Marketing*, 15:203–215.
- Mohr, L. A., Webb, D. J., & Harris, K. E. (2001). Do consumers expect companies to be socially responsible? The impact of corporate social responsibility on buying behavior. *Journal of Consumer affairs*, 35(1), 45-72.
- Muijs, D. (2010). *Doing quantitative research in education with SPSS*. Sage.
- Nelson, J., & Zadek, S. (2000). *Partnership Alchemy: New social partnerships for Europe*. Copenhagen Centre/BLF.
- Neergaard, P., Jensen, E. C., & Pedersen, J. T. (2009). Barriers and success factors in the establishment and continuous development of NGO-business partnerships in Denmark. *CBS Center for Corporate Social Responsibility*.
- Neergaard, P., Jensen, E. C., & Pedersen, J. T. (2009). Partnerskaber mellem virksomheder og frivillige organisationer: En analyse af omfang, typer, muligheder og faldgruber i partnerskaber.

Orange, E., & Cohen, A. M. (2010). From eco-friendly to eco-intelligent. *The Futurist*, 44(5), 28.

ORGANIZATION FOR ECONOMIC CO OPERATION AND. DEVELOPMENT. (1976). *OECD Guidelines for Multinational Enterprises*. Organization for economic.

Palazzo, G., & Scherer, A. G. (2006). Corporate legitimacy as deliberation: A communicative framework. *Journal of business ethics*, 66(1), 71-88.

Parker, B., & Selsky, J. W. (2004). Interface dynamics in cause-based partnerships: An exploration of emergent culture. *Nonprofit and Voluntary Sector Quarterly*, 33(3), 458-488.

Pfeffer, J., & Salancik, G. R. (1978). The external control of organizations: A resource dependence approach. NY: *Harper and Row Publishers*.

Poret, S. (2014). Corporate-NGO partnerships in CSR activities: why and how?.

Porter, M. E., & Kramer, M. R. (2011). The big idea: Creating shared value.

Priem, R. L., & Butler, J. E. (2001). Is the resource-based “view” a useful perspective for strategic management research?. *Academy of management review*, 26(1), 22-40.

Pucik, V. (1988). Strategic alliances, organizational learning, and competitive advantage: The HRM agenda. *Human Resource Management*, 27(1), 77-93.

Remenyi, D., & Williams, B. (1998). *Doing research in business and management: an introduction to process and method*. Sage.

Robson, C., & McCartan, K. (2016). *Real world research*. John Wiley & Sons.

Rondinelli, D. A., & London, T. (2001). Partnering for sustainability: Managing nonprofit organization-corporate environmental alliances. *Washington, DC: Aspen Institute*.

- Rondinelli, D. A., & London, T. (2003). How corporations and environmental groups cooperate: Assessing cross-sector alliances and collaborations. *The Academy of Management Executive*, 17(1), 61-76.
- Saunders, M. N., & Lewis, P. (2012). *Doing research in business & management: An essential guide to planning your project*. Pearson.
- Saunders, M. N. (2011). *Research methods for business students*, 5/e. Pearson Education India.
- Scherer, A. G., & Palazzo, G. (2008). Globalization and corporate social responsibility.
- Scherer, A. G., & Palazzo, G. (2011). The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. *Journal of management studies*, 48(4), 899-931.
- Schwab, K. (2008). Global corporate citizenship: working with governments and civil society. *Foreign Affairs*, 107-118.
- Selsky, J. W., & Parker, B. (2005). Cross-sector partnerships to address social issues: Challenges to theory and practice. *Journal of management*, 31(6), 849-873.
- Sen, S., & Bhattacharya, C. B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of marketing Research*, 38(2), 225-243.
- Shan, W. (1990). An empirical analysis of organizational strategies by entrepreneurial high-technology firms. *Strategic management journal*, 11(2), 129-139.
- Sheth, J. N., & Parvatiyar, A. (1992). Towards a theory of business alliance formation. *Scandinavian International Business Review*, 1(3), 71-87.
- Snider, J., Hill, R. P., & Martin, D. (2003). Corporate social responsibility in the 21st century: A view from the world's most successful firms. *Journal of Business ethics*, 48(2), 175-187.

Spar, D. L., & La Mure, L. T. (2003). The power of activism: Assessing the impact of NGOs on global business. *California Management Review*, 45(3), 78-101.

Stafford, E. R., Polonsky, M. J., & Hartman, C. L. (2000). Environmental NGO-business collaboration and strategic bridging: A case analysis of the Greenpeace-Foron alliance. *Business Strategy and the environment*, 9(2), 122.

Stafford, E. R., & Hartman, C. L. (1996). Green alliances: Strategic relations between businesses and environmental groups. *Business Horizons*, 39(2), 50-59.

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of management review*, 20(3), 571-610.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic management journal*, 509-533.

Teece, D. J. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic management journal*, 28(13), 1319-1350.

Teece, D. J. (2010). Business models, business strategy and innovation. *Long range planning*, 43(2), 172-194.

Teece, D. J. (2012). Dynamic capabilities: Routines versus entrepreneurial action. *Journal of Management Studies*, 49(8), 1395-1401.

Teegen, H., Doh, J. P., & Vachani, S. (2004). The importance of nongovernmental organizations (NGOs) in global governance and value creation: An international business research agenda. *Journal of international business studies*, 35(6), 463-483.

Thøgersen, J. (2000). Psychological determinants of paying attention to eco-labels in purchase decisions: Model development and multinational validation. *Journal of Consumer Policy*, 23(3), 285-313.

- Tsai, W. (2000). Social capital, strategic relatedness and the formation of intraorganizational linkages. *Strategic management journal*, 925-939.
- Van Marrewijk, M. (2003). Concepts and definitions of CSR and corporate sustainability: Between agency and communion. *Journal of business ethics*, 44(2), 95-105.
- Vogel, D. J. (2005). Is there a market for virtue? The business case for corporate social responsibility. *California management review*, 47(4), 19-45.
- Wellman, B., & Berkowitz, S. D. (Eds.). (1988). *Social structures: A network approach* (Vol. 2). CUP Archive.
- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171-180.
- Wettstein, F. (2009). Beyond voluntariness, beyond CSR: Making a case for human rights and justice. *Business and Society Review*, 114(1), 125-152.
- Williamson, O. E. (1979). Transaction-cost economics: the governance of contractual relations. *The journal of Law and Economics*, 22(2), 233-261.
- Williamson, O. E. (1985). *The economic institutions of capitalism*. Simon and Schuster.
- Williamson, O. E. (1991). Comparative economic organization: The analysis of discrete structural alternatives. *Administrative science quarterly*, 269-296.
- Yanacopulos, H. (2005). The strategies that bind: NGO coalitions and their influence. *Global Networks*, 5(1), 93-110.
- Yaziji, M., & Doh, J. (2009). *NGOs and corporations: Conflict and collaboration*. Cambridge University Press.

Yin, R. K. (2003). *Designing case studies*.

Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management studies*, 43(4), 917-955.

Zuckerman, H. (1972). Interviewing an ultra-elite. *Public Opinion Quarterly*, 36(2), 159-175.

Websites

Article of Forbes online - '*Why shared value can't fix capitalism*', 20/12/2011 [accessed on 06/07/2017] - <https://www.forbes.com/sites/stevedenning/2011/12/20/why-shared-value-cant-fix-capitalism/#4cb9fb7544d1>

Article of The Economist online - '*Oh, Mr Porter*', 10/03/2011 [accessed on 06/07/2017] - <http://www.economist.com/node/18330445>

Article of The Financial Times online - '*The opposing perspectives on creating shared value*', 24/04/2014 [accessed on 02/07/2017] - <https://www.ft.com/content/88013970-b34d-11e3-b09d-00144feabdc0>

Article of The Guardian online - '*More NGOs finding fruitful collaborations with the private sector*', 07/08/2012 [accessed on 03/07/2017] - <https://www.theguardian.com/sustainable-business/ngos-collaboration-private-sector>

Article of The Guardian online - '*WWF president on business partnerships and greenwashing*', 15/10/2013 [accessed on 15/09/2013] - <https://www.theguardian.com/sustainable-business/wwf-president-business-partnerships-greenwashing>

Article of The Guardian online - '*Greenwash: Are Coke's green claims the real thing?*', 04/12/2008 [accessed on 16/09/2017] - <https://www.theguardian.com/environment/2008/dec/04/coca-cola-coke-water-neutral>

Article of The Times online - '*Italy, Fast & Slow: Behind the Unlikely Rise of Eataly*', 21/01/2013 [accessed on 05/09/2013] - <http://content.time.com/time/subscriber/article/0,33009,2133336-2,00.html>

Article of The Times online - '*Fishing blue tick benchmark tainted by conflict of interest*', 26/11/2016 [accessed on 19/09/2017] - <https://www.thetimes.co.uk/article/fishings-blue-tick-benchmark-tainted-by-conflict-of-interest-3qrsr5w0k>

C&E Advisory corporate website, [accessed on 09/07/2017] - <http://www.candeadvisory.com/barometer>

Dansk Supermarked corporate website, [accessed on 03/06/2017] - <https://dansksupermarked.com/>

Eataly corporate website [accessed on 10/06/2017] - https://d1qkbvpvihpfr5.cloudfront.net/downloads/wwf_corporate_partnerships_report_2016.pdf

European Commission report - '*Food and drink industry*', [accessed on 11/07/2017] - https://ec.europa.eu/growth/sectors/food_en

International Organization for Standardization website - '*Guidance on social responsibility*', 2010 [accessed on 09/08/2017] - <https://www.iso.org/obp/ui/#iso:std:iso:26000:ed-1:v1:en>

Investopedia website - '*Terms, definition of firm*', [accessed on 09/08/2017] - <https://www.investopedia.com/terms/f/firm.asp>

Governmental report about the Italian food retail and distributor sector, 2013 [accessed on 06/07/2017] - https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Retail%20Foods_Rome_Italy_12-27-2013.pdf

Ministry of Economic Development of Italy report about food retail industry and consumers behaviour trends - '*Consumi agro-alimentari in Italia e nuove tecnologie*', 2013 [accessed on 08/07/2017] - http://www.dps.tesoro.it/documentazione/uval/consumi%20e%20innovazioni%20marzo_rev.pdf

Ministry of Foreign Affairs of Denmark report - '*The Danish Food Sector*', [accessed on 10/07/2017] - <http://www.investindk.com/~media/Files/Sheets/Food/The%20Danish%20Food%20Sector.ashx>

Nespresso corporate website [accessed on 16/06/2017] - <https://www.nespresso.com/it/en/>

Nespresso online report - '*The Positive Cup, Creating Shared Value*' [accessed on 16/06/2017] - <https://www.nestle-nespresso.com/asset-library/documents/nespresso-positive-cup-csv-report-interactive.pdf>

Rainforest Alliance website, [accessed on 11/06/2017] - <https://www.rainforest-alliance.org/>

Slow Food website, [accessed on 10/06/2017] - <https://www.slowfood.com/>

Statistical Portal online - '*Market share of selected grocery retailers in Denmark in 2016*', 2016 [accessed on 10/07/2017] - <https://www.statista.com/statistics/565747/market-share-of-selected-grocery-retailers-in-denmark/>

Wuz.it website - '*Intervista a Oscar Farinetti, il mercante di utopie*', 03/12/2008 [accessed on 05/06/2017] - <http://www.wuz.it/intervista-libro/2642/oscar-farinetti-eataly-mercante-utopie.html>

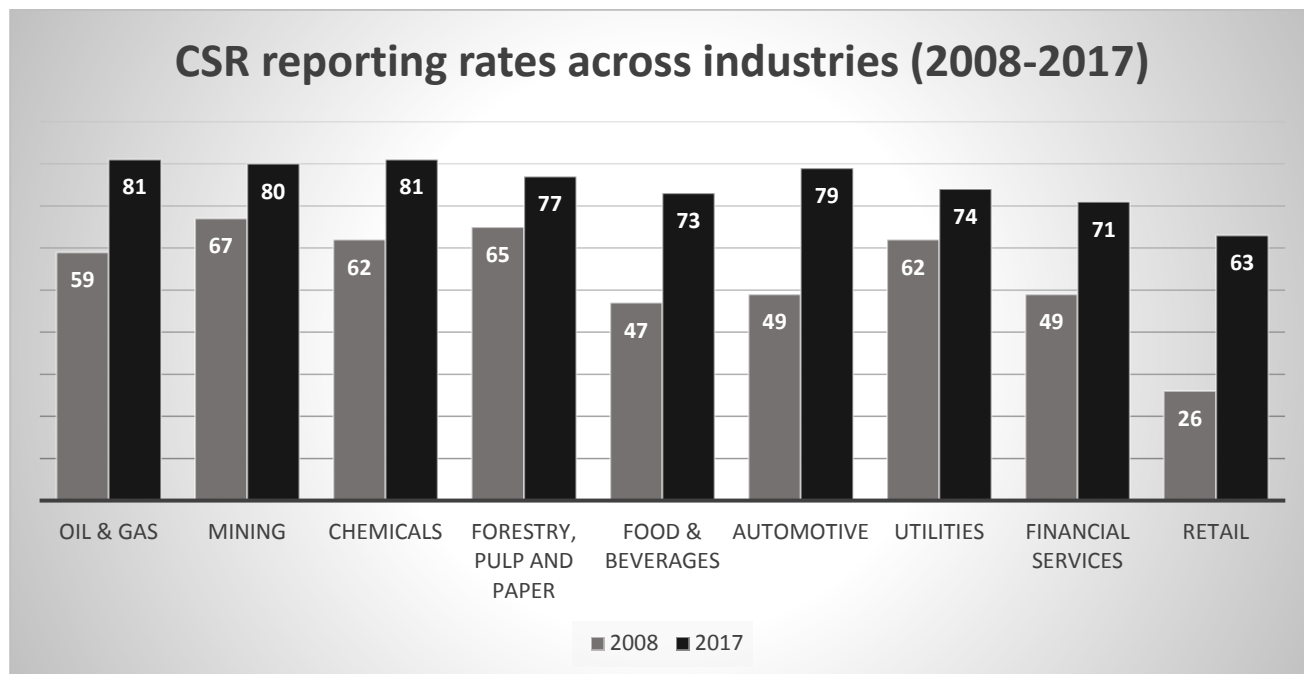
WWF corporate website [accessed on 03/06/2017] - <https://www.wwf.dk/>

WWF online report - '*Corporate partnerships report*', 2016 [accessed on 05/06/2017] - https://d1qkbvpvihpfr5.cloudfront.net/downloads/wwf_corporate_partnerships_report_2016.pdf

WWF article about the collaboration with P&G over the supply of palm oil, 2016 [accessed on 05/07/2017] - <https://www.worldwildlife.org/blogs/on-balance/posts/increasing-transparency-in-malaysia-s-palm-oil-sector>

9 Appendices

9.1 CSR reporting rates by sector (time span 2008-2017)



Source: KPMG Survey of Corporate Responsibility Reporting 2011 & 2017

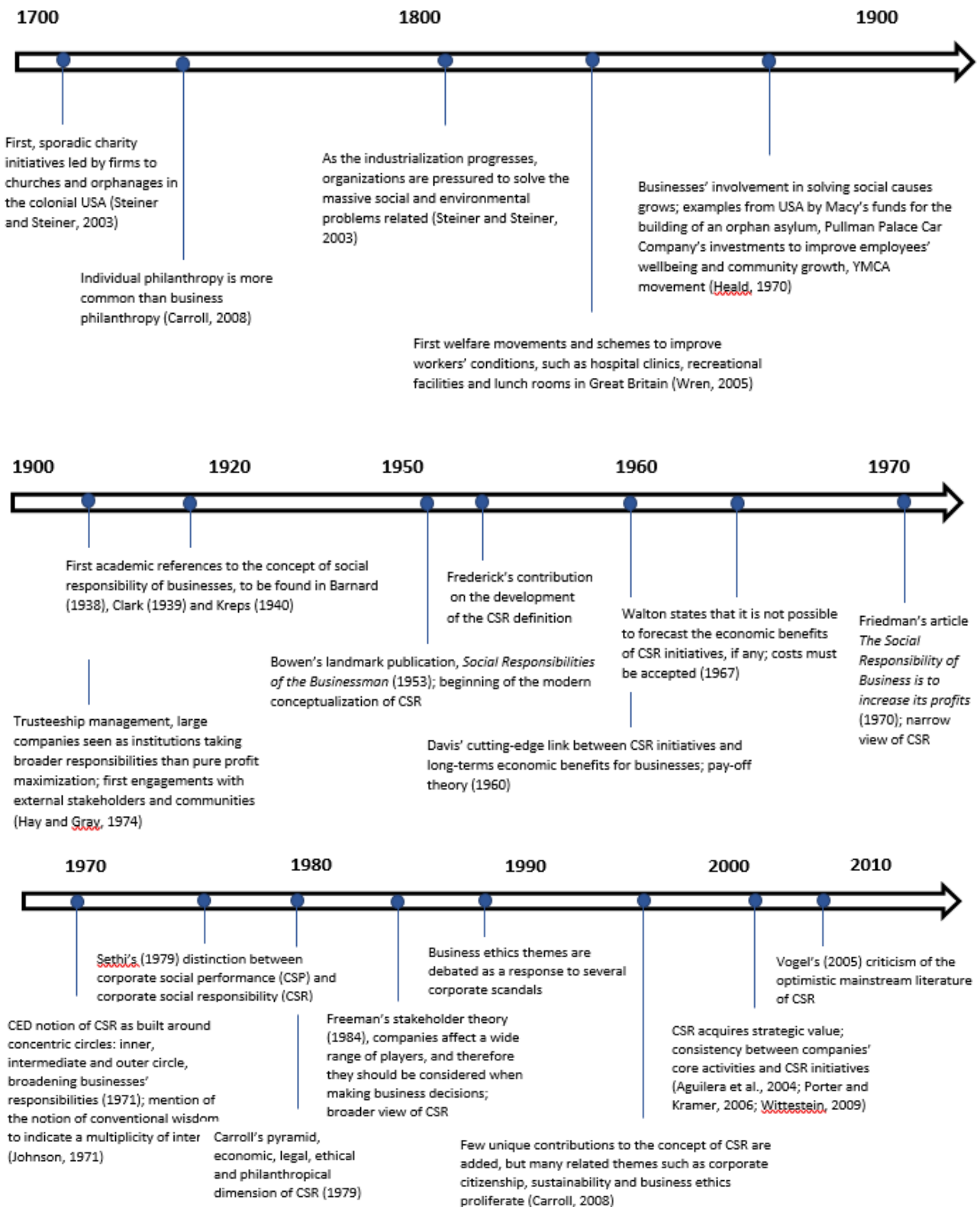
9.2 The paradigm war

Positivists believe that there is an objective reality, and the main role of a researcher is to uncover this pre-existing reality. Hence, the researcher needs to be as detached as possible from the research subject, using methods that maximize objectivity and minimize his involvement in the topic studied (Mujis, 2004). The main beliefs of positivists are that the research is value-free, and that the researcher is both objective and independent (Blumberg, Cooper and Schindler, 2011). Remenyi et al. (1998) defined the researcher as “*an objective analyst and interpreter of a tangible social reality*”. The consequent implication of this epistemology is a strong preference of quantitative research methods, as they are considered the most appropriate to disclosure and measure the fixed mechanisms of cause and effect that underlie all the phenomena of the reality.

On the other side of the fence, there are the interpretivists. Interpretivism includes the views of authors who contrast the idea that the scientific model used to study natural phenomena can be applied

to the study of the social world (Bryman, 2015). The advocates of this epistemology argue that the social world is constructed by the people who live within it, who are responsible to give meaning to the numerous social dynamics and interactions that constitute the basis of the social world. Furthermore, a fundamental belief of this philosophical perspective is that the researcher cannot be detached from the subject of his research, as he is part of it (Bryman, 2015). The researcher tries to understand the problem investigated by immersing himself and therefore becoming part of the phenomena studied (Hathaway, 1995). The natural implication derived from this epistemology is a radical reliance on qualitative research methods.

9.3 Historical overview of CSR



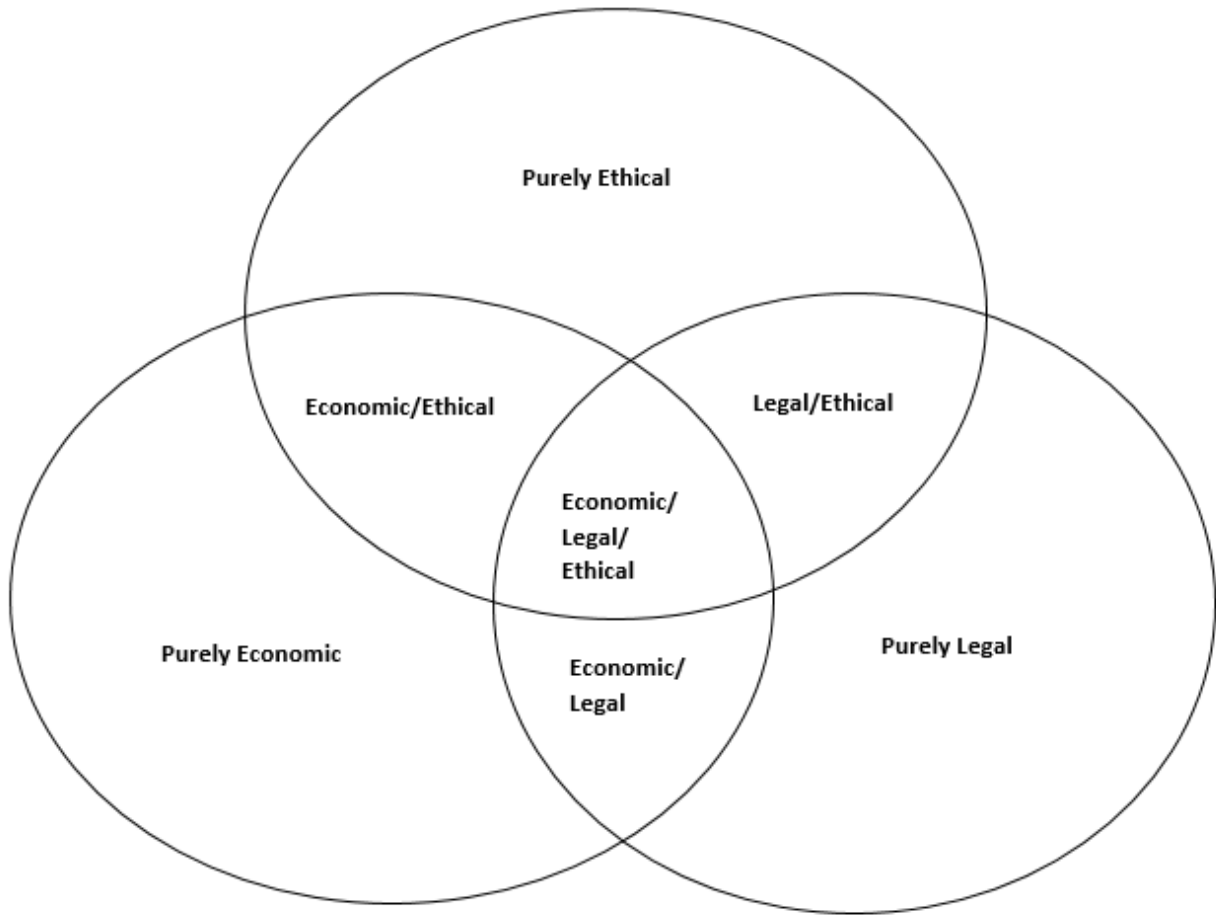
Framework of CSR eras (Murphy, 1978)

- * **Up to the 1950s: philanthropic era:** companies used to donate to charities and other associations to relieve communities from social issues such as poverty, poor hygienic conditions, diseases, etc.;
- * **1953-1967: awareness era:** increasing recognition of the social responsibilities of corporations within the communities and environments in which they operated;
- * **1968-1973: issue era:** organizations started to focus on specific problems related to their businesses, such as pollution concerns, urban decay and racial discrimination issues;
- * **1974-1978: responsiveness era:** corporations began to take concrete actions to address the issues of a broader set of stakeholders, other than the companies' shareholders.

9.4 Carroll's pyramid

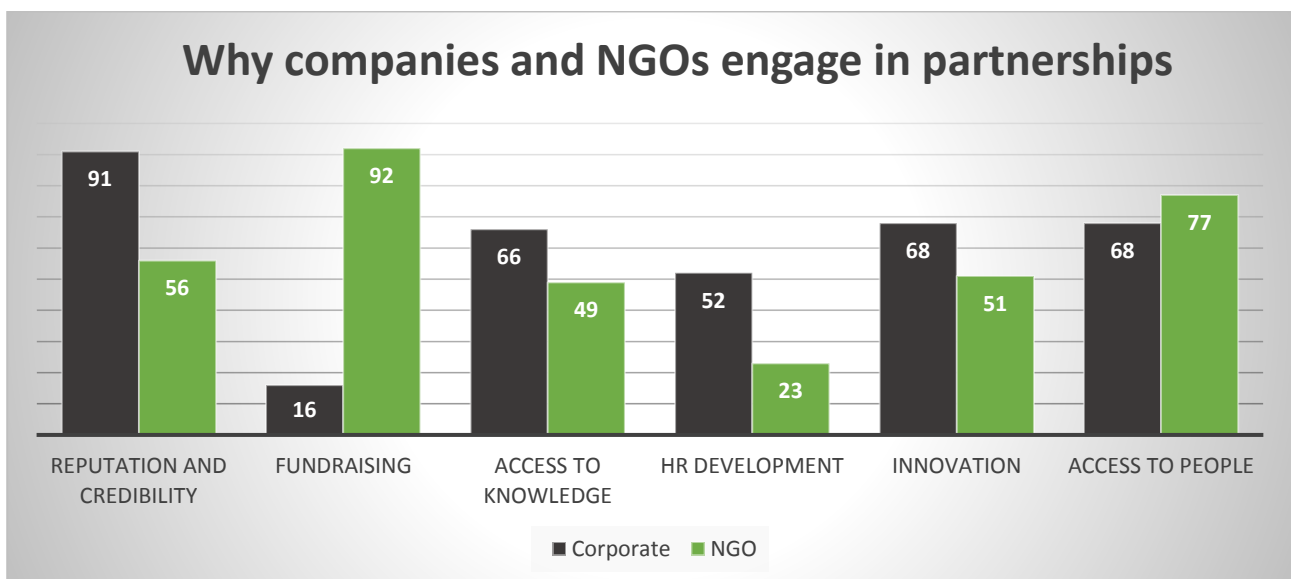


Source: A. B. Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders," *Business Horizons* (July-August 1991): 39-48

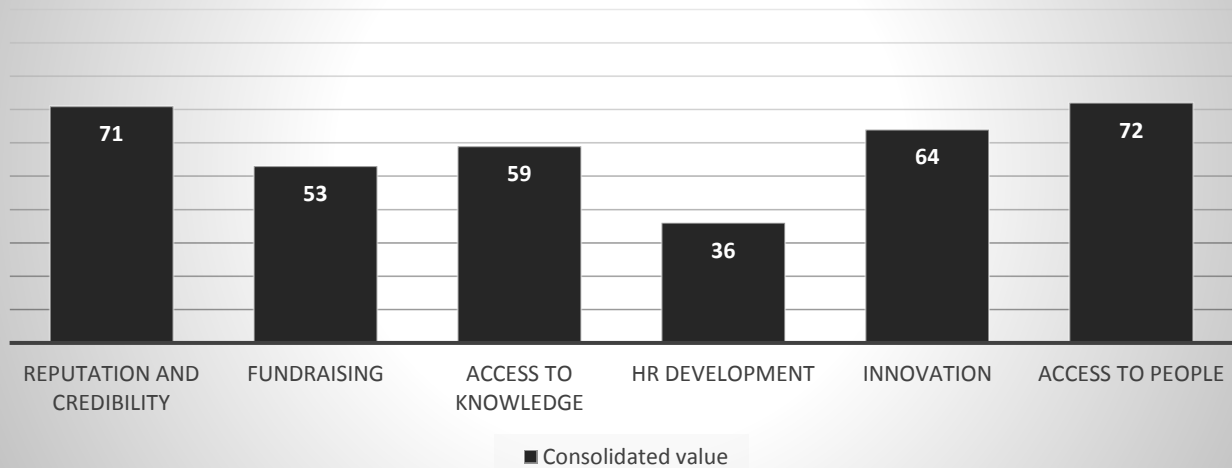


Source: Schwartz, M., & Carroll, A. (2003). Corporate Social Responsibility: A Three-Domain Approach. *Business Ethics Quarterly*, 13(4), 503-530

9.5 Reasons behind partnerships between corporations and NGOs



Reasons to engage in partnerships firms-NGOs (consolidated value)



Source: Corporate-NGO Partnerships Barometer, 2016 report. Data elaborated after interviews conducted with directors of corporate responsibility, partnerships managers, fundraising executives and communication managers from companies and non-governmental organizations.

9.6 Interviews transcript

Nespresso and Rainforest Alliance case study

Interview with Patricia Winkel-Pedersen, Marketing Coordinator at Nespresso (Denmark)
20/07/2017

Initial greetings

Alberto: “Ok, so basically, as I mentioned in the mail, what I wanted to know and what I’m investigating in my research is the theme of the partnerships between NGOs and companies, even though I’m aware that I should narrow down the topic to the different local markets. So, my first question is: what are the main characteristics of the Danish customers within the coffee industry? More precisely, are they particularly sensitive to sustainability concerns or not?”

Patricia: “Well, you can say that in Denmark in general we have a broad coffee drinking culture and within the recent years we have seen also a great increase in the awareness of coffee quality and overall here in the Nordic regions we are very interested in

sustainability and it is one of the main factors for some consumers' coffee habits, and you can definitely say the Danish consumers are interested in sustainability, and that doesn't only go for coffee but also for other consumer goods."

Alberto: "Ok, thank you. In the [Nespresso] website and other sustainability reports, I read that the overall strategy of Nespresso about sustainability is constituted by three main elements: the coffee supply side, the recycling of the capsules and the reduction of the carbon emissions of the overall operations. My question is: how the partnership with Rainforest Alliance is translated in [Nespresso] marketing communication here in Denmark? Is there any reference to this partnership or is it something that regards the overall corporate strategy?"

Patricia: "Well, first of all our partnership with Rainforest Alliance and our sustainability program is not really a marketing strategy as such since sustainability is at the bottom of our whole organization, because we are sourcing these high-quality coffees in order to even exist for Nespresso. We need to make sure that we have the highest quality coffee for a long time and that's why in 2003 we had the launch of the AAA Sustainability Quality Program, so it's more the way we source our coffee, and it's something that goes into consideration when we communicate about our coffee, but it's not something that we as such are mentioning but we will be getting Rainforest Alliance certifications of our coffee here in the beginning of October."

Alberto: "Ah ok, so is it in the future, like in few months, you will have like a brand certification by Rainforest Alliance."

Patricia: "Yes. And we might want to communicate more about that but in Denmark in general we can say that the Rainforest Alliance is not as well-known as other certifications."

Alberto: "Ok, so why did you decide, you as a company of course, to present this certification in few months even if it's not really well-known? Is it to increase consumers' awareness or is it part of another strategy?"

Patricia: "The introduction of the certification is done on a global level, so that's not something that we decide, but of course it is something we would like that Danish consumers to be more aware of, and this AAA Program has been here for a long time and is part of what we communicate to our customers when we communicate about our coffee quality."

Alberto: "Ok, thank you. That's really interesting. I have another question about the program of

recycling the capsule, that is increasing in these years. Are you collaborating with some other organizations or is it something done only within Nespresso?”

Patricia: “We are just talking for Denmark here or?”

Alberto: “Yes, yes. I’m mentioning Denmark.”

Patricia: “In Denmark, we had to set up our own recycling scheme and we actually had to change the law in 2014 in order to make it legal for private companies to collect products for recycling in a private scheme, and we worked together with Stena Recycling for Denmark, they manage the capsules for us. We also just did a partnership with Post Nord, so the Danish post company, so that they also help us returning the capsules.”

Alberto: “Ok, in order to make it easier for consumers to give the capsules back.”

Patricia: “Yes, exactly.”

Alberto: “My other question is about the sourcing of Nespresso. Do you have any supplier here in Denmark or is it just in the South America region where there are the coffee farmers?”

Patricia: “Well, we source over 80% of our coffee through the AAA Sustainable Quality Program and that’s the direct relationship that we have with more than 70000 farmers, so we source directly from them to Switzerland where the coffee is done and produced.”

Alberto: “Ok. Now I have the last two or three minutes of questions about the partnership with Rainforest Alliance, of course if you have the information, otherwise it’s fine anyway. Can you tell me something about the initial stages [of the partnership], back in 2003? I mean how Nespresso chose the partner and which were the selection criteria to decide with which NGO to collaborate?”

Patricia: “I have something about it. Well, the background is that we could see that, because of climate change and several other factors, the production of high-quality coffee was threatened, and we did not see any existing sustainability schemes with the same focus on high quality coffee. The Rainforest Alliance was the choice because they had their own sustainable sourcing model and they also had this high expertise with farming practices.”

Alberto: “Ok. That’s really interesting because there are so many NGOs in this field but it’s true that Rainforest has a strong expertise and also a strong brand, especially in Northern American and Southern American countries. The last question, the last two actually, are: do you know how, and if there is a system to measure the economic performances of these partnerships, like consumers’ turnaround, pricing strategies or something similar?”

Patricia: “Well, we have... First, I’ll just say that we don’t only work together with Rainforest Alliance. We actually work together with a lot of partners around the world in order to secure the high quality of our coffee and a sustainable path, so we have a lot of initiatives around the world where we source our coffee from, so Rainforest Alliance is one of our main partners but it’s not the only one we work together with. About the question you just asked, we are also working together with research institutes. I don’t know if you have seen that we have just released a report about our sustainability approach here in 2017.”

Alberto: “Yeah, I think that I’ve read it.”

Patricia: “Yeah, the CSV report. The research institute called CRECE did some studies between 2009 and 2012, and they showed that the AAA Program delivered positive impacts versus conventional coffee farming on social, environmental and economic indices.”

Alberto: “Ok. That’s interesting because it’s a really debated topic if sustainability programs at the end deliver or not positive economic outcomes.”

Patricia: “Yes. And they do that especially on the farmers level. That’s what is the most important for us, that the farmers’ we work together with also have a positive outcome from the partnership.”

Alberto: “Cool. Ok. And the very last that... Are there any challenges and difficulties in managing this kind of partnership, with, mainly with Rainforest Alliance or with also other partners? I don’t know how to express better this concept but are there troubles sometimes in communications or alignment of objectives?”

Patricia: “Well, I’m not sure if I can answer that because it is not something we work with on a local market level but to my understanding we have a very positive relationship both with Rainforest Alliance and our other partners because this is a win-win situation for the company, for the NGO and also for the environment. So it’s something that we all esteem very much.”

Alberto: “Ok, so it was really strategic to find the right partner at the beginning, back in 2003, and then after having chosen the right partner you could say that it has been a win-win situation in the sense that there were not particular challenges afterwards.”

Patricia: “Well, it’s of course a very very complex set up and working at a farm level is very complex, so it definitely requires a lot of work, a lot of effort from both parties but to my knowledge it’s a very positive partnership that we have.”

Final greetings and salutation

**Interview with François de Vevey - Global Communication Manager at Nespresso
(Switzerland) and Susana Robledo - Sustainability Innovation Manager at Nespresso
(Switzerland)
16/10/2017**

Initial greetings

Alberto: “The scope of my investigation is to explore the dynamics behind partnerships between corporations and NGOs, especially within the food industry. With these regards, I’ve found really interesting the longstanding collaboration with Rainforest Alliance and I would like to know something more about it, especially to outline the points that I’ve sent you in the Word document. So, my very first question is if you could provide me a really brief description of the initial phases of this alliance. I know that it dates back to 2003 but I wanted to know who had the initial idea to establish this collaboration and why with Rainforest Alliance and not with other partners.”

Susana: “So, I’m working in sustainability here at Nespresso. Basically I work in coffee and now I work in coffee plus on all the pillars of our sustainability strategy, which are aluminium, climate and the company itself. So yes, the relationship with Rainforest Alliance started in 2003, basically because Nespresso was looking for a partner in sustainability. At that time we were experts on quality coffee but we did not have enough experience on sustainability, so we looked in the market who was there in terms of potential partners and the profile of Rainforest Alliance was very advanced in terms of environmental production of coffee and that’s the reason why we chose to work with them, also because they were the biggest certification standard in terms of hectares. At that time they basically started to enforce three certifications and that made them grow really fast. Basically, that’s the reason.”

Alberto: “Ok, and another question is: what are the main activities to carry out in the daily management of this partnership now? Because I don’t have any idea about how this works in practice. Do you need to provide them some kind of information on a daily

basis? Some reporting? How does it work?”

Susana: “So, basically just to give a bit of context, we work with them to develop a tool that has both the sustainability criteria but also our quality criteria mixed together, that we call the TASQ, which is basically a list of things that farmers should follow when they get certified or when they want to sell their coffee to Nespresso. On a daily basis we have Nespresso’s agronomies on the ground, we have 350 agronomies visiting the farmers with checklists and helping them to improve in their sustainability. The role of Rainforest Alliance is to verify what they are doing on the ground. Once per year they will choose a sample of farms and verify the farms or certify in case the farmers want to get certified by Rainforest Alliance.

Alberto: “Ok, and right now the quantity of sourced through this program is 82% right? That is according to the report The Positive Cup.”

Susana: “Yeah.”

Alberto: “And the goal is to implement it for the whole supply?”

Susana: “Exactly. By 2020 we want to have 100% of the coffee supplies from the AAA Program.”

Alberto: “Ok. Another question regards the economic impacts registered and forecast. Is there any study that reports the economic impacts of this partnership on suppliers and on Nespresso’s profitability?”

Susana: “So, if you consider the relation between Nespresso and Rainforest Alliance, together we have built the AAA Program, that encompasses both their standards and our standards, and then when farmers enter the Program we are going to pay them high margins, high premiums for their coffee. So if you consider the partnership, the AAA Program, then yes, we have a study by CRECE, which is the research centre for coffee in Colombia and they did controls on AAA farms and they realized that around the 46% of, that the AAA farms were better off in terms of economic profit at around the 46% on top of the controlled farms.”

Alberto: “Ok.”

Susana: “But I would say that you really need to have a partnership because the certification alone is probably not the only tool that will give you the economic benefit for the farmers. So you really need the certification plus us buying the coffee.”

Alberto: “I was talking in another interview with a marketing manager of Nespresso here in

Denmark, and she was telling that the symbol of the brand of Rainforest Alliance was appearing in the [Nespresso] product. Does it apply globally? Are there other countries in which the symbol of Rainforest Alliance appears in the Nespresso products or is it only in Denmark?”

Susana: “No, Rainforest Alliance is a global label that we are using on our things. We have started to use it only this year. It took us a long time because initially we showed the AAA Program online but we were not sure that other people or consumers know necessarily the AAA Program, or perhaps not any better the certification tiers.”

Alberto: “So starting from this year, it will appear globally.”

Susana: “Exactly.”

Alberto: “Ok, interesting. And one of the last questions is about if you had experience with any kind of challenge in the management of this partnership, [for example] if there were some communication problems or... I don’t know, if you didn’t meet any goal?”

Susana: “Perhaps maybe... I could I say that... A small story when we were attacked in 2009, by NGOs here in Switzerland who were asking us why we were not working with Fairtrade. At that time, we were not working with Fairtrade. And then with the [Rainforest] Alliance we were just working on the certification side, because we had only one partner. Because of many people and consumers have different expectations. After 2013 we started to work both with Fairtrade and Rainforest Alliance to make sure that we are complying with both and that people feel reassured that what we are doing is really true. It’s also true that having a lot of certifications in the market makes it difficult for consumers to know which one is the best one but it also makes it difficult for farmers as well. So what we are trying to do is to create only one place to gather everything together, otherwise it could be really complicated to choose what is better and to understand what they need to do to make sure that they are sustainable.”

Alberto: “Ok. But aren’t these two certifications kind of overlapping? The one with Rainforest Alliance and with Fairtrade? Don’t they regard more or less the same of the suppliers’ social benefits?”

Susana: “I would say that in the beginning the certification of Rainforest Alliance was more an environmental certification while Fairtrade was more a social welfare certification, but of course they have advanced quite a lot and they have also taken elements of other certifications, and today, I will not saying that they are equal, there are many aspects

that change of course, but every time more and more they are approaching towards the same criteria, but for example the structure of the frameworks they use is really different. Fairtrade pays a premium directly to a group, to a cooperative and then the cooperative decides how to distribute the premiums, and Rainforest Alliance will accept to pay the premiums directly to the farmers, so each farmer will decide. So they are not totally different but they have different systems between them, yeah.”

Alberto: “Ok. And the very last question: this partnership involves suppliers starting from South America and is going to be implemented also in Africa right?”

Susana: “It already includes South America, Central America, Africa and Asia as well.”

Alberto: “Ah ok. So it applies globally.”

Susana: “Yes.”

Final greetings and salutation

Interview with Lucas Bakker - Senior Manager for Coffee at Rainforest Alliance (The Netherlands)

28/07/2017

Initial greetings

Alberto: “In my first question I would like to get a brief description of how and why Rainforest Alliance decided to partner with Nespresso and which are the selection criteria for the NGO Rainforest Alliance to choose its partners around the world.”

Lucas: “Well, I think that the answer is quite simple. Rainforest Alliance is focused on getting producers, suppliers and consumers where on the need to do something, to create better circumstances to conserve the globe. That is more or less our mission. A group of environmentalists, you say, started Rainforest Alliance in 1997, if I’m not wrong, in Central America, and it started with coffee actually in reaction against the fact that a number of circumstances in the production of many agriculture crops, in our particular case of coffee because it was particularly popular on that area.”

Alberto: “Ah ok. So Rainforest Alliance started its mission with coffee, precisely?”

Lucas: “Yes, as far as I can trace yes. And it was a reaction on the ongoing deforestation in

Central America. Coffee is a very important commodity in Central America, but we are also working with bananas nowadays because the bananas sector was a little bit a different sector from the coffee sector. In the coffee sector you find biggest threats, small farmers, and it is important to see that the expansion of the interest in coffee is a growing market. Coffee is also the most important commodity in agriculture commodities in the world, it is the second commodity in the world after petroleum so, this may indicate how important it is as a crop. That has led to... In a certain moment to... Ok, if you want to address the improvement of coffee at a producers level you have to make sure that the ones who buy the coffee are included in the discussion and that the consumers of coffee also are becoming aware, so you work along the whole value chain. It was an earlier initiative, more or less in line with the Fairtrade initiative, that focused more on a better price for farmers, a better and fair price and conditions to producers to get a better income out of that. The Rainforest Alliance concept is based on a broader concept, also more from an angle of environmental aspect, but now that includes environmental criteria, social and economic criteria and it also focuses on aspects of personal health, so that includes labour rights, that includes fair incomes for farmers, it includes protection against the use of pesticides, because now there are evidences that they might have negative effects on health, then it includes the use of clothing, masks and of course the use of appropriate instruments, equipment and of course also the prohibition of a number of pesticides, that are on the black list.”

Alberto: “Ok. I read in the report that you linked me, The Positive Cup, that the sourcing of Nespresso from farmers within the AAA Program is the 82%. Is it going to be implemented on 100% of suppliers as it is written or do you face some...?”

Lucas: “Let me first outline, as you asked first, how we came to Nespresso.”

Alberto: “Yes, yes.”

Lucas: “What do you do then? You find of course what is the... Who has to finance it, that’s the [issue] number one, eh? So you see that there is a certain amount of growing of consumer demand for sustainable production. That is something we have to try to influence, not only we. There are many organizations, I may mention, for example Oxfam, that made campaigns for improving conditions, etc. and not only on agriculture production, but also for the garment industry, and they make sure that buyers will pay a little bit more their suppliers and make sure their conditions are better. That was a little

bit the idea. So, who pays for that? In the first place, of course the consumers, but we have to find the way how the consumers do pay that. Focusing on the big companies that are sourcing coffee, one of the biggest in the world is Nestlé. So, for the time being, the interest was mostly on coffee, that is of high quality, because in that segment of market people are mostly aware of what they are drinking, if it's of high quality, but also they are susceptible and critical about what they are drinking. They are also able to pay something extra, 2 cents per cup: if you are already paying 36 cents of euro for one cup of Nespresso, you don't really mind if there is a cent extra for sustainability. So we started talking with Nespresso, there was a delegation of Rainforest Alliance and it took place around 14-15 years ago. The negotiation process started to cover this is what we are able to cover, this is our model of function of how you can produce in a sustainable way your coffee, and then Nespresso has its own model. So that was our own plan and let's have a look about how these two plans fit, how we can make things into one system, and Nespresso was a couple of steps ahead of us, and they say that if we can have our systems developed, then we also have the aluminium system of recycling at consumer side. So, that was also included but that's not part of Rainforest Alliance but it's part of Nespresso. So they were looking for a compliance program to convince the consumers and we were trying to push them to go for good conditions at the production side."

Alberto: "Ah ok, so the aluminium program of recycling is not done in partnership with Rainforest Alliance but we can say that it was kind of suggested by your organization?"

Lucas: "Yeah, I do not know what was going on 14 years ago, I was not part of the negotiations, but it is an independent initiative by Nespresso, it's not part of Rainforest Alliance collaboration. But that would be of course interesting since there is a lot of turmoil about the use of aluminium cups, that is sustainable or not etc, I think that it would be interesting if Nespresso tries to get for example a CREDO certification label, that would imply another course, I don't know if they would be interested..."

Alberto: "I think that here in Denmark they are kind of some steps ahead because they partnered with the postal services, Post Nord, and they come door to door to take your wasted cups, and then there is a system that has going... That has been implemented in these last few years for getting the recycling close to 100%. But I think that it's only in Denmark right now."

Lucas: “No, no. It is not. In The Netherlands they are being collected too. You just need to get your bag ready and then it would be collected. In Belgium there is even a more progressive system: there are bicycles collecting them. It’s a great service that you can usually get when ordering new Nespresso cups that are being sent to your home and then they would handle your used cups. But then of course all the process starts: what are you doing with these cups, if there is coffee in them, if there is aluminium and if there is of course a little bit of dirty, etc., so how do you separate those things? What do you do with the coffee rest, what do you do with aluminium rest? In Germany, there is an interesting system by the way, or it’s being introduced at the moment. It is of course Impossible to make sure that 100% of the cups are being collected, but what Nespresso is trying to promote is that, together with the waste industry, the recycling industry, is that the machines that are being introduced are able to do the separation of aluminium and the waste, that is technically a complicated system because, if you compare to iron, iron you can separate by using a magnet, but aluminium not, aluminium doesn’t react to certain electrical propulsions so they can’t separate it. But there is one new procedure that is just starting, there is only one machine, as far as I know, that in Germany is doing it, it’s near to Dortmund, but yeah, that pulls me that in the future there is not need to collect all those cups in a separate way anymore, there’s a machine that is able to separate. Just put the cups into the recyclable waste back, and then other aluminium would be also separated.”

Alberto: “That’s interesting!”

Lucas: “Well, these developments are also being promoted by Nespresso last year, in a promotion session towards industrial sectors, and Nespresso is trying to really push those kinds of things. They are a very progressive enterprise, actually. But it is part of the Nestlé ah? So with them we have also started to negotiate about Nescafé. You don’t see it in the Nescafé label, there is hardly any writing about this so far because actually what we are doing is not going towards the Rainforest certification but we try to make sure that small farmers enforce Nescafé program and are also being trained about sustainability aspects. Hello?”

Alberto: “Yes, I was just taking notes. It’s interesting to observe that the approach towards sustainability of Nespresso in partnership with Rainforest Alliance is really holistic, like it’s trying to cover all the aspects of production of both the coffee, the aluminium, the

address of the climate change... It was interesting to note this.”

Lucas: “Yeah. One of the things we did with Nespresso was developing the TASQ, that is a tool for the application of sustainability and quality prospects and there is also a kind of, how do you call it... Checklist with a number of criteria towards which farmers have to comply if they want to be in our AAA. There are AA and AAA Programs. The AA [Program] refers to the great of coffee, that is gourmet quality coffee, that is qualified in Kenya, while the AAA is referring to extra quality and then also to sustainability. If farmers want to stay within the AAA Program, they have to comply to a set of standards, called TASQ standards, and then Nespresso has to make completely sure that they are linked to the Rainforest Alliance standards. So the criteria that you find in the AAA standards are criteria that prepare, step by step, in a year by year progress program, farmers to the Rainforest Alliance certification. If a farmer wants, and that has a cost because the certification is expensive, the verification that Nespresso is applying for the AAA [Program] is something that Nespresso pays for, certification is a more intensive process and if farmers want, they can apply for that, they have to pay for the certification for themselves, or that is done by the farmers’ group or however they do that, and then they get some extra bonus from Nespresso if they have certified coffee. But the big trick is of course in how much of the coffee Nespresso buys from the farmer, because Nespresso only buys the best quality, so if they buy only the 30% from a farmer then the certification is not really interesting for him because then the farmer only can sell the certified coffee to Nespresso. If that is the 100% then of course it would be a quite interesting business, but it’s never the case that the 100% of the coffee [from one farmer] complies with all the quality criteria that Nespresso has.

Alberto: “That’s interesting to see how this industry works, because I didn’t have idea of the technical aspects of this business, even if I’ve tried to do some research.”

Lucas: “Yeah. Nespresso cannot be considered as a simple commodity anymore. The coffee that they buy is coffee where there is so much quality criteria into it, you can say that there is an added value into it. So you cannot compare the quality of the coffee that Nespresso is buying versus general coffee, and that is also what makes it a speciality coffee with a particular taste, the high quality of Nespresso.”

Alberto: “Ok. I have a question that regards the economic impacts registered from the

partnership. I read in the [Positive Cup] report that the economic benefit outlined by an independent study done by CRECE, I don't know if my pronunciation is right..."

Lucas: "Do you have a Spanish background or...?"

Alberto: "I'm Italian, so..."

Lucas: "Oh Italian? It's CRECE. That is an organization from Colombia. Yeah, they have looked into the economic impacts on farmers in Colombia and they came into some quite interesting conclusions... There are some additional studies also from Rainforest to see what happens if farmers go for full certification, so if they comply to higher standards than the AAA Program, and then we have found that in some areas there is an economic impacts from the increased production of more than 40%. In other areas it's only 5% or 10%, it depends from where you depart. If you are already at a very high production level that goes for the AAA Program then the production would not increase or the quality would not improve anymore if you are already at the top. In some areas, for example in Santander in Colombia, through the application of agroforestry systems and a number of other measures they managed to increase the profit sector profitability and again in that area where there is the longest tradition of coffee in the world."

Alberto: "But what about the sources of revenues for Rainforest Alliance. I'm aware that it is a non-profit [organization] so the net revenues are reinvested in other projects and so on, but does it take money from Nespresso or how does it work the sourcing of [financial resources]?"

Lucas: "Rainforest Alliance is a non-profit organization. We have different types of income: the training program that has been done in partnership with Nespresso has been financed by Nespresso, so that came straight from the company. Only since a short time Nespresso is paying what we call royalties for every kilo of coffee they are selling as Rainforest Alliance certified. For every kilo of coffee that is sold in the consumer market and that is certified, they pay a royalty, and that money is being reinvested... Yeah, in the maintenance of the organization. We have to continue existing, and we are investing in the improvement of the standards, we are investing in more training to farmers, and things like that, and then of course in more kind of research because we have to prove that what we are promoting is successful, and you do that through research, and you know that if you are an auditor, yourself is also being put under the loop, and if there is any state in the world where you may think that things can go wrong, then it would

resonate to the international media... And then of course you have to react... it's a risky business!"

Alberto: "Yeah, especially now with the [social] media where even the slightest scandal can have really worldwide implications."

Lucas: "Yeah, it is good that we have being captured the lesson because there is control in that sense, and then who is the controller of the NGOs? This is one of the big questions."

Alberto: "The last question about the economic part: does the Rainforest Alliance have also some [financial] sourcing from some governments or other [public] institutions or just from private [entities]?"

Lucas: "We are not working for certification of farms. The certification process is something that is quite linked to the corporate sector. Our aim is to get sustainability mainstreamed. So we actually don't want to make exceptions as Fairtrade does, to say that there is a guaranteed minimum price for the coffee, we say no, there should be just a good price for the coffee and then the market should be helping. That means that farmers should have a good productivity, they should be careful with the environment, etc., and we think that this is possible and this is what we are trying to prove with our model, ehm... How did I come there?"

Alberto: "Ehm... The question was about if you have some sources from [public] institutions or from governments."

Lucas: "Yeah. So our main income is through certifications, to fulfil a number of objectives that we have. Those objectives that we have are in the social, environmental and economic sphere. But you can do that of course in other ways as well. We have done that very often: I've already referred to Nescafé. Nescafé is not really the type of coffee for which the consumers are willing to pay a lot of extra, maybe in the Nordic countries you can see Soya glass, that is a brand of Nescafé that has Rainforest Alliance certified coffee in the shelves of the supermarkets. But if we talk about Nescafé coffee in Africa, then consumers are not really willing to pay an extra for sustainability, so the sustainability is at a more basic level, so more difficult to organize, because we are talking about the less educated farmers, poor farmers, who live in poor conditions, cannot comply with all the requirements that high-tech sustainability farming is demanding etc., so in this case we have another system that is called the 4 Cs system. It's not our system, that is something that has been established by governments and

industries or sectors and the standards together and that is kind of, let's say the minimum, so if farmers do not comply even with these criteria then we should not purchase coffee from them, as simple as that. And the corporate sector has agreed to that, but this doesn't mean that there is no coffee available [in the market] under that level. We are working towards getting as many farmers as possible at that level, but there are some companies that are not interested in sustainability, they just want to earn money, and they can be operating locally. Now we are trying to turn that into to a more positive attitude towards that, there is a minimum level of sustainability [that should be acknowledge by everyone]. How do we do that? That is partly doing by financing from companies, but there are also companies that are not able to finance big projects, and there are also a number of government programs, among others there is one that is called ADH, that is getting government's subsidies from Denmark, based in The Netherlands it is the initiative for sustainable trade, that is how it is translated in English since it's a Dutch term, and they co-finance projects, so that means that somebody from the corporate sector will say I would like to do this for climate change for farmers, or I would like to do this for gender relations in agriculture in the farm, or we would like to bring back the pesticides to a minimum level on go on. Then there is a possibility to get co-financed by ADH. We can say that it's a pretty mixed font: there is corporate sector money in it, and there is government sector money in it linked to the global coffee platform, a network where all the coffee sector stakeholders come together. There are also direct government programs, where they are financing a number of programs, and there is also of course the charity sector, and that also requires some money, and there are foundations which are linked to industries, so you have for example foundations based in Germany and Us, like the Bill Gates Foundation, the Mastercard Foundation, the Ikea Foundation..."

Alberto: "Yeah. Many of big corporations have their own foundations backing charity initiatives... There are quite many."

Lucas: "Yeah, exactly."

Alberto: "My very last question relates to if there are any challenges, apart from the complexity related to dealing with a big organization, if there are some more concrete challenges related to the management of this partnership with Nespresso, if any of course."

Lucas: "There is always of course a kind of tension. We are supposed to be a super party: we are

controlling if what they are doing is indeed worth to get issued from Rainforest Alliance or to use the name of Rainforest Alliance. Then we have to distinguish a couple of things: on the one hand we are linked to certification bodies, to all the teams of the organization, which are autonomous, and then you have Rainforest Alliance that is actually the organization that has established the standard, but that has been done together with a number of NGOs, and it is responsible for the content. We say ok sustainability should look like this and then we end up over our certification bodies which check if there has been compliance. We try to make sure that organizations are interested in getting the certification and that they are prepared for that, so we organize trainings, etc., but in the case of Nespresso we have the interesting case that not all the coffee has been certified but they have label AAA and they want to claim that it is all in compliance with Rainforest Alliance criteria, or at least to a large extent, so they want to use our name also in that case. So in that case we say that ok, if you want to use it, we need to make sure that there is a certification of that [coffee], so then you organize a system of verification, that is part of a monitoring activity that we are at the moment developing, with some kind of sample testing, about how much, to what extent the different farms are indeed in compliance with our sustainability criteria. So there is an ongoing discussion on how do we organize that, how do we improve, etc., and especially for us they are a very very important partner; [Nespresso] is maybe at a market level not really the biggest company, if you compare to Nescafé... Nestlé is the biggest. But anyhow it is pioneering in its sector and this is important of course also for us. Together with Nespresso we have developed many new initiatives. Nespresso came a couple of years ago with The Positive Cup, with the aim to get a positive footprint in ecological terms. It is something that we encourage very much, and they don't do that only with us, they have a number of other partners. We acknowledge that in certain cases other partners are better prepared than us to address some issues, while in other cases we think that we might be better than others and then we start negotiating the terms. It depends also on which country we are talking about, I mean we are in... We do not have representation in all the countries. Sometimes you have to contact the consultants because we have of course less control on the quality of the coffee, while if you have your own team in a country you can make sure that farmers are well trained, well equipped, etc..”

Alberto: “Ok. It was interesting to hear that, because I have also interviewed the marketing manager of Nespresso here in Denmark, and she told me that they were going to display the Rainforest logo [on Nespresso products] from this October onwards because before it was not displayed in the packaging because it was not really well-known here in Denmark, but now the Alliance is getting kind of known and they are displaying the logo as well.”

Lucas: “Oh, yeah, that is interesting because that is not only that they decided to not display it in Denmark, that is a company-wide decision, and the reason why that was not displayed is that Nespresso has been working with what you said 82% [of AAA farmers], but their aim is to arrive to 100% AAA sourcing and about 50% of that Rainforest Alliance certified. That is more or less roughly the aim. Nespresso is really precise, they don't want to overdue or to underestimate it because it is of course commercially sensitive but the use of the label is it possible only if they have achieved a certain percentage of certified coffee. With Nespresso it's difficult because they blend the coffee, to obtain the quality they want to reach, for example they might mix Brazilian coffee and Colombian coffee, and you might not have sufficient Colombian certified coffee with that particular taste. With Nespresso we have agreed that they can make use of the logo if they have at least 40% of certified coffee, with a AAA or Rainforest Alliance certification.”

Final greetings and salutation

Interview with Mercedes Tallo - Sustainable Value Chains and Global Sourcing Manager at Rainforest Alliance (UK)

10/08/2017

Initial greetings

Alberto: “As written in the document that I forwarded you, I was interested in this topic, partnerships between corporations and NGOs, especially within the food industry. I wanted to present the case of Rainforest Alliance and Nespresso because it represents one of the most interesting cases with a lot of implications about this topic. So...”

Mercedes: “Is it something that you are studying or what? Because I know that there are a few case studies on Nespresso about their sustainability [strategy], but how did you come about the partnership? Did you research or...?”

Alberto: “Yes, I’ve researched online. I’m presenting few case studies and while researching online I got into the report The Positive Cup and then... I read it and I thought that it was really interesting to focus on this case for my master thesis, so that’s why.”

Mercedes: “Ok.”

Alberto: “I’m aware that most of information are already online but I need some qualitative interviews with some managers to ground my research, as a methodological requirement. So my first question is about a brief description of the initial phases of the collaboration, more precisely how and when the partnership started and the criteria to decide the partner applied by Rainforest Alliance.”

Mercedes: “Well, I’m gonna say that about what I tell you, there might be some written document. There is a lot of stuff that has been written about this collaboration. But I think... I don’t know if you come across Chris Willy, who was the chief of agriculture in Rainforest Alliance for many years, he actually founded the agriculture program of Rainforest Alliance.”

Alberto: “Not yet, I’ve talked with Mr. Bakker, from The Netherlands.”

Mercedes: “Yes, yes, yes, ok. Luca Bakker. Oh you spoke with Lucas!”

Alberto: “Yeah, I’m collecting two interviews per each organization and he was really available and interesting in his interview.”

Mercedes: “That’s good. So at the beginning... I wasn’t here at the beginning. I’ve joined a couple of years when the relationship was ready but it was Chris Willy, and also a team of people from Rainforest Alliance also named Ria Stout, within Rainforest Alliance and based in Guatemala, that really had, you know... Nespresso was seeking an implementation partner for their sustainability program and basically they wanted,... We designed it together, and I don’t know how much of this you already know but, they wanted to program it integrating sustainability and quality, they designed this checklist called TASQ, and that is the first sustainability program that is including quality, and they based that on the Sustainable Agriculture Network, the SAN, and that’s where the Rainforest Alliance works towards it.”

Alberto: “Yeah, yes.”

Mercedes: “Did you know about that?”

Alberto: “Yes, but it’s always interesting to have another source because then you can triangulate [your information] and then maybe get something that I’ve missed in the first interview.”

Mercedes: “I must say that it wasn’t a certification program at that time, it was more a training program and verification, but it was based on the same principles of a certification program to add quality aspects there, so we together we designed this TASQ module and whatever the AAA Program was designed and the TASQ was the implementation tool.”

Alberto: “The usual way of working of Rainforest Alliance is to provide certifications, right?”

Mercedes: “Well, we work in different ways, but Rainforest Alliance only got in the certification level later on, but yes in agriculture we have been very very successful with certifications and with the standards. But you know, we are a NGO concerned with deforestation, climate and we work with very diverse projects. We have got a lot of fields working on the ground, on forestry conservation projects. These ones were funded by the United Nations and by several donors from different places. But then the agriculture program created with the certification scheme in order to engage the businesses that were working on the lands where deforestation was most important and where there were issues, social issues, and environmental issues, but you can choose by yourself projects and train farmers in coffee practices for example, but unless you have a company that actually buys that coffee, that is believing in what you’re doing, then there is no market, that’s our mission and the way that Rainforest Alliance works.”

Alberto: “That’s interesting. About the partnership with Nespresso, which are the main activities to undertake on a daily basis with them? It’s about the supplier control, the quality program?”

Mercedes: “No there is several aspects to the partnership, and I don’t know how much Lucas shared with you, but he is a lot closer than me to the field side of the partnership. They have got this sustainability advisory board, Nespresso, that’s kind of the advisory board on sustainability of the Nespresso Program, the AAA of course. So they say the objectives and they say the standards and in this advisory board there are all the NGOs’ representatives as well as Nespresso’s team, etc, but the part in

which the Rainforest Alliance is involved is in three or four streams: one is training farmers and implementing programs on the ground, not for the certification but for AAA Program, so that's what we've been doing since the beginning, training and capacity building, and we call it the landscape and the livelihood arm of Rainforest Alliance, so that's one big piece; the other big piece is, and this is you know what every company is doing, and what we were focusing on the last few years, is measuring the impacts of the interventions, so you have trained and helped people to get certified, or they may not get certified even though you have trained [them], but then you have to measure the impacts of that training, so there is a huge aspect on what become monetary evaluation, and that's a different team in Rainforest Alliance but we are really really closely linked with Nespresso. That's another project side, another arm of the relationship. So we have field, we have monetary evaluation and then it goes into marketing, but before you get to marketing and before you take a product to marketing, it's basically the strategic design of The Positive Cup and how... What part... You know what function of Rainforest Alliance fits in that Positive Cup strategy, that's why they call it."

Alberto: "So about the economic impacts, I know that there were some research institutes that certified like the economic impacts of the suppliers. I read about this research called CRECE, if I'm not wrong with the spelling, that was assessing the economic benefits the farmers involved in this program. But about the economic impacts on Rainforest Alliance, could you tell me something about that?"

At this moment the call has been interrupted by a problem of connectivity. Please see below the following call

Mercedes: "Hold on, I haven't finished telling you the day to day stuff, but anyways..."

Alberto: "Oh, no no. You can go ahead with that one because that's really interesting!"

Mercedes: "Ok, but I'll be really brief. So, there are the training, there is the monetary evaluation which creates this kind of report that the CR sees, and then there is the marketing team and the integration of the strategy team within the marketing team, and then there is the monetary of volumes whenever they buy some certified volumes [of coffee], so there is an interaction and reporting and then there is you

know the typical genre of custody, but that is another thing. But then on the economic impacts, you see we have that CRECE report. I think that all there is really, everything is in black and white, but they wanted to actually see that you know they have the social index, the environmental index and an economic index for farmers and they actually show that the interventions are actually really producing benefits, and that's the beginning of, you know, you don't need just to design the sustainability program and do it, you have to make sure that what you're doing is actually right and this is how they did. We are working very closely with them in the day to day collection of data, the monetary evaluation of data from the farmers, so you have the M&E team, the monetary and evaluation team, that is with Nespresso, but then they may hire independent party like this CRECE team. They did just do the number crunching and analysis, there is not a conflict of interest, they're not a party that trains and collects the data, they're actually a party that studies and report. So I think that for Nespresso is really important, you know, they always say that their biggest partner is the farmer and the coffee grower, and for them, of course, their strategy is quality and basically maintaining and growing the market, but it's not just... I think that any sustainability strategy is concerned with the future of coffee and how climate change affects that coffee and how that may ultimately affect their coffee supply or availability, and that's why they are really focusing on this. But of course you would not have a sustainable program until you find farmers actually making money and having benefits of the training they are receiving, so that's why they are measuring it and it's proving to be very very positive so far. The productivity is a key aspect of their intervention and their work on sustainable productivity because you can, because if you're just increasing the productivity but at the same time depleting the farmers' land, in the long term you will not get sustainable production."

Alberto: "Ok. What about the economic impacts for Rainforest Alliance? Is it paid by Nespresso for the certification? How does it work?"

Mercedes: "It's very simple, I mean, Rainforest Alliance gets paid, you know, if there is a project on training, monetary and evaluation, so there is a project stream, we are not for profit so that will cost the project and then Nespresso will fund the project itself. At sometimes we are part of many partners, sometimes we have to lead projects we subcontract with all the trainers in different countries, with the other members of the

Rainforest Alliance in different countries, Imaflora in Brazil for example, is one of the implementation partner, anyway, so every field project or monetary and evaluation project will have a... Will be costed and then agreed, there is a budget, that is paid. I'm pretty sure you can see the total amount on an annual report, so you just look for Nespresso on the financial pieces, and there is another source of income, ever since than Nespresso started to buy certified coffee, so there is a royalty charge for all coffee sold as Rainforest Alliance certified, and then we charge, let me think... 35 dollars a ton, so if you Google... If you look into Rainforest Alliance's website on participation royalty, you'll see the exact amount, but that's only the second income stream that we make from Nespresso. All together I think it about three quarters of a million a year in revenues and then since it's not for profit you'll get that stream reinvested. And then you may see Nespresso as a donor to our annual gala, I think is a sponsor of that. So all the income is published in the annual income."

Alberto: "But are you in partnership with other companies within the food industry that have a global span?"

Mercedes: "Yeah, we are the king and queen of partnerships here. So yes, we work with few thousands companies. Anyone from Nestlé, then you know Nespresso, then we work with Nescafé, to Unilever, to all companies within global beverages and then, you named it, we've got a lot of global partnerships. Again, there's some of them in the website, but there're a lot, we do partner. We call it partnership when we have a field implementation side and a marketing aspect of it, but there are many companies that are since few years in the business so they just buy certified coffee, and our interaction with them will be just to approve it with our trademark but then we probably wouldn't have a relationship that is much closer as we have with Nespresso and Unilever."

Alberto: "Interesting, thank you. The last question is about the presence of challenges and complexities in the relationship with Nespresso. I mean, since the two companies have such different missions, one is of course for business and the other one is a non-profit, I wanted to ask if there are any challenges in this reciprocal relationship with them or if everything is smooth and straightforward as it seems."

Mercedes: "Well no, there're the challenges of a daily relationship but I wouldn't see that as a challenge but as an opportunity. I think Nespresso realized that they cannot solve the

challenges of the complex coffee supply chain by themselves. They needed this partnership and they just partnered with us, they partnered with Fairtrade, they partnered with TechnoServe, they partnered with a lot of other organizations, but basically realizing that they couldn't deal with these [issues] by themselves, and then for them, you know, it's the... It's getting those coffee supplies that are in the future in a sustainable manner, and getting the coffee farmers to be entrepreneurs and make money out of coffee, and keeping climate change at bay, and you know all the diseases that come with climate change, or the lack of water you know, tackling these but then they cannot do it by themselves and I think that, because we are working with so many farmers, I think the biggest challenge is reaching out to the plate of the supply chain to the producers, either directly or training the farmers through the traders that are part of the implementation, so basically the size and the scope of the project."

Final greetings and salutation

Interview with Abelardo Agudelo - General Manager at Cafexport (Colombia)

25/10/2017

Initial greetings

Alberto: "So, as I was saying in my quick introduction by mail, I'm a student in Copenhagen here and I was studying the topic of partnerships between corporations and NGOs, within the food industry and I was really interested in the partnership between Nespresso, for the coffee, and Rainforest Alliance, so, in order to take a wider picture of this phenomenon I wanted to include also coffee suppliers in order to understand their point of view. So, I would like to ask you something about this AAA Sustainability Program, and more precisely, how is the relationship with both Nespresso and Rainforest Alliance, and which are the main benefits that you, as a coffee exporter, benefits from this relationship."

Abelardo: "Ok, so the first thing I'm really sure that is really good for the relationship of the relationship about Rainforest Alliance and Nespresso is back when Nespresso wanted

to launch the AAA Program, let's say wanted to launch a sustainable program, of course they needed an organization that was credible, that was strong and with a lot of experience in really strong, let's say, sustainability standards. So the first thing I would say it's important for the relationship would be to build the AAA Program, because with Rainforest Alliance's joint venture with Nespresso, they got able to create the AAA Program and the standard was really strong and really, let's say, credible, and thick enough in sustainable, in sustainability quality and productivity for the producers, so that's, I would say, the first point. The next one is that with this alliance between them we asked further, we were able also to find with the support of the Rainforest Alliance people to implement those codes, and then we created with Nespresso the set up for the team and all the feeling basement that Nespresso is doing to run the AAA Program, to manage the... Let's say to get able to have the results and with the support of both Rainforest and Nespresso."

Alberto: "Ok. In the report that I read online, The Positive Cup, there were mentioned some specific benefits that producers gain from this relationship, in particular technical assistance and then suggestions of agricultural practices and co-financing of infrastructures to improve the production of coffee. Can you tell something about these, for example, training sessions, private guidance, etc.?"

Abelardo: "Yeah, of course. So, the first thing is that, you know, when Nespresso made this alliance with Rainforest, they decided to work together. Nespresso decided to implement not only the AAA Program, but also Rainforest Alliance standards in some of the farms, so Nespresso did a huge investment on those farms in order to get them to the required Rainforest performance, so the first thing was that, when we started implementing the Rainforest Alliance standards, Nespresso invested a lot of money in the farm, in infrastructures... We also have private orders, we have also joint ventures with the F&C and the coffee grower's cooperatives here in our region, so we created a project where the main... Let's say the main founding was provided by Nespresso, but we also put some money and some work in order to take these farms and get the Rainforest Alliance certification for them. There is a lot of investment there in terms of wider training systems and the domiciliary wasted water treatment and then of course you know the technical assistance on quality so far. That's talking specifically about the Rainforest Alliance certification standards. Talking about the AAA Program,

Nespresso is also investing nearly a lot of money in the farms by providing technical assistance, training for the farmers, you know, activities, group activities, verification strategies and of course a lot of dedicated agronomists for those farms, and besides that, Nespresso pays a AAA premium, that is a really good thing for the farmers because they sell their coffee at a higher price with Nespresso, so that's the reward besides the technical assistance and all the training, that's another really big, let's say, premium that they receive, because of the commitment in implementing these agricultural practices both in the AAA and Rainforest Alliance standards, so when a farm has the certification of Rainforest they also receive a second premium. So that means that these farms that are AAA certified and Rainforest Alliance certified receive a AAA premium and a Rainforest Alliance premium, so that means that they sell at a even higher [price] their coffee to us, and all this effort is made by Nespresso."

Alberto: "Ok, and in exchange they are required to have of course a high-quality standard and to respect several demanding criteria about human rights, improving working conditions, community engagement. I guess that this is the exchange... I mean, there is a lot of assistance from Nespresso, a lot of investments in infrastructure and training, [fair] economic yields and margins, but then in exchange they require high quality so high standards and these kinds of things."

Abelardo: "Yeah, exactly. That's exactly how it works."

Alberto: "Ok. Can you tell me something about the AAA farmers award? Is an award that takes place every year or how does it work?"

Abelardo: "Yeah, what I know and understand it's every single year and what we do is. We made a... You know Nespresso worldwide has clusters in each country, so in our case in Colombia has the major income from here. I believe it has six clusters here in Colombia, so what are we doing is that we present a farmer and an agronomist, it was from Nespresso the agronomist, which they call them AAA ambassadors of the program, and you know the relationship between the agronomist and the farmers is really tight so, all the results from the farms and from the farmers, we measure them, so every single agronomist has the responsibility to implement those practices on those farms that are, let's say in our case."

Alberto: "Is the... Sorry, is the agronomist independent or is it... is he working for one of the...?"

Abelardo: “He works for us. We’ve hired them. Nespresso give us the resources to hire them and we manage them, so at the end we are at the order of AAA managers of our cluster, so we are responsible for all our cluster’s results, so in this case what we are doing is that we made an internal leader contest to decide who... Which is the best couple of agronomist and farmer, and then Nespresso decides from each country who is the winner, depending on a lot of, you know, technical, relationship, and communication, let’s say all the criteria that are decided internally and this year we vote again.”

Alberto: “Ok, interesting. How is the selection process of these farmers and suppliers? Were they already working for Nespresso?”

Abelardo: “Well, I think that this question should be more for Nespresso but what I see from my perspective is that everything begins with a taste. You know, Nespresso is really committed... Is really aimed to get this spectacular cup profiles, so what they do is that they go to a lot of regions, they try a lot of coffee, of course we become a source of some samples and they say yeah, we may use this coffee, it’s really good so then, if they decided to start up a new cluster, then we go... We do all the evaluation of the farm, we say yeah, we can create a cluster, this cup profile, this performance, this number of farms, they provide this kind of volume and then, that’s how it started. I don’t think that they are working with a supplier and then decide to make a cluster, it’s more like they go really deep in the... They seek for this really nice cup profile to be included and then from that point we started to create a cluster if they are willing to do it.”

Alberto: “And I guess that the creation of these relationships are aimed at the long term, since they involve a lot of investments, so we are talking about long-standing contracts.”

Abelardo: “Yes, of course. From our side, we have been working with Nespresso since 2002.”

Alberto: “Ah ok, so just one year before the launch of the AAA Program.”

Abelardo: “Yes exactly, and they have been you know, in the beginning they grew exponentially with the volumes and the investments, so right now we have a really specific volume, a really specific number of farms, and we have been growing substantially year by year to try to provide the best coffee in our region to deliver. Of course, the relationship with Nespresso is a long-term relationship, based on a lot of trust, knowledge and transparency, as we work at the same side of the table together with Nespresso.”

Alberto: “I have just the last question and it’s about if there are any challenges from your point of view, in complying with these standards? Is there a case in which the producer was not able to meet the criteria or something like this, or if it was everything fine?”

Abelardo: “Well, let’s say of course the AAA Program from our point of view is among the deepest ones about sustainability and productivity. It’s not easy to accomplish the 100% of the criteria, but I think that with the investments that Nespresso is doing and they are managing that we learn from our cluster of the AAA Program and we are doing great. If you’re asking about challenges, I would say that of course these specific criteria are challenging because of course sometimes it’s not easy to put a lot of money for farmers, that would be the main one. The other one it’s our, let’s say, local law, you know, our requirements from the Colombian law, in our case. Because Nespresso has a standard but Nespresso also respects all the regional and local laws. So in Colombia there is a lot of regulation on let’s say on the social side, on the insurance side, on the child labour side, so sometimes it can be really difficult to accomplish all the laws. I would say that there is a third one of these challenges, and it’s about to move towards the prosperity of these farmers, in terms of make the farmers profitable and efficient.”

Final greetings and salutation

Eataly and Slow Food case study

Interview with Silvia Ramella - PR Manager at Eataly (Italy)

04/08/2017

The interview has been translated from Italian to English. The original recorded version is in Italian.

Initial greetings

Alberto: “Right now for my thesis I’m studying several cases of partnerships between companies and NGOs within the food industry, at three different levels: the Italian context, the Danish context and then a case with a wider focus that spans over Europe and the Americas talking about Nespresso and Rainforest Alliance. I wanted to present the example of Eataly and Slow Food as a successful case in the Italian market to describe

how it revolutionized the concept of the grocery retail sector in my country. My first question is: how is this collaboration born? Could you tell me something about the initial phases of this partnership between Eataly and Slow Food?”

Silvia: “The collaboration was born in a very informal way, since the friendship between the founder of Eataly, Farinetti, and the founder of Slow Food, Petrini, as stated in the document that I have sent you already. I suggest you to read the book *Il mercante di utopie* because it explains precisely how this collaboration started, the underlying values and the basic philosophy behind this joint strategy.”

Alberto: “So, it is possible to say that Eataly was born together with Slow Food. At the beginning I thought that Eataly was born as an independent company, but then, after the interview with a representative of Slow Food, Pierluigi Piumatti, I understood its role of this NGO in the genesis of the whole concept of Eataly. We could say that Eataly was born also thanks to Slow Food values and principles.”

Silvia: “Exactly, indeed if you read the book *Il mercante di utopie* you will understand the process behind the ideation and the formation of this partnership.”

Alberto: “Ok. My second question is pretty general and regards the main activities carried out by Eataly in partnership with Slow Food, in particular what is their focus and if they are undertaken on a continuous basis or if they have a project basis.”

Silvia: “Well, there are some common scopes that are shared by Slow Food and Eataly, for example the promotion of the right to consume high-quality and fair food, the defence of biodiversity, both natural and cultural, so a series of common grounding principles and values shared by Slow Food and Eataly, but clearly with a fundamental difference: namely, that Eataly is a for profit organization, while Slow Food is a non-profit entity, with all the consequences that this difference implies.”

Alberto: “So how Eataly contributes to the realization of Slow Food’s mission? I mean, economically, through sponsorships or direct funding?”

Silvia: “Well, we are support members of Slow Food and we promote Slow Food’s philosophy even in our stores. We sell products which come from Slow Food protected communities of farmers, which are protected by this NGO for the preservation of endangered varieties of traditional cultivations in a sustainable way. And then there is a shared basic vision towards the pursue of sustainable farming practices and environmental respect, against the depletion of natural resources and the logics applied

by intensive agricultural systems that are threatening several ecosystems worldwide.”

Alberto: “Ok, so there are several products [sold in Eataly’s stores] with the logo of Slow Food in their labels.”

Silvia: “Yes, the logo of the local community protected, the snail. Together with Slow Food we do a wide range of activities, for example the didactic activities. If you look at the classes offered by Eataly, several of them are done in collaboration with Slow Food, as they contribute with their field expertise on sustainability and environmental defence topics to which Eataly is committed. Moreover, there are entire projects done jointly with Slow Food, for example an important project is about biodiversity: we are selling some seeds of biological agriculture, there are more or less 40 species, of traditional agricultural products like vegetables from specific regional areas, that would otherwise risk extinction.”

Alberto: “Yeah, with this regard I saw the video documentary edited by the director Olmi back in 2009 called *Terra Madre*, that was really interesting because it touched these topics related to biodiversity very comprehensively, with international guests and speakers. My interest towards this thematic was born from the view of this documentary.”

Silvia: “Ah, ok.”

Alberto: “Another question. Is it possible to measure somehow the economic impacts of this partnership?”

Silvia: “No. That’s because this collaboration has a scope that is beyond the pursuit of an economic advantage. As I said before, we have to keep in mind the difference between Eataly, a for profit company, and Slow Food, that is a non-profit movement. But then, at Eataly’s base there is an educational value, that aims at raising consumers’ awareness towards sustainability topics and sustainable consumption decisions. For this reason, we are offering free classes for children or old retired people to educate them to biodiversity, to understand the seasonality of certain products, the importance of eating healthy food, so this is our fundamental value, it goes well beyond the economic aspect of this relationship.”

Alberto: “Ok. Talking with Pierluigi Piumatti of Slow Food, he stated that the co-branding in the products sold by Eataly regards only the Italian market, it is not implemented in the international stores of Eataly abroad. Could you confirm that?”

Silvia: “The truth is that Eataly collaborates with Slow Food also abroad. The main activity

undertaken by Slow Food abroad is to help Eataly in the selection of high-quality products from local farmers. So the collaboration is also implemented abroad. Of course it is less intense than the one in the Italian context, but Slow Food is a strategic partner with Eataly worldwide, not only in Italy.”

Alberto: “And another initiative carried out by Slow Food is also to assure fair economic yields to farmers and producers, that often are not guaranteed by huge retail chains.”

Silvia: “Yes, exactly. So also the proposal to consumers of a fair price, in the sense that it has to guarantee a fair income to the farmer as well, other than to be reasonable for the end consumer.”

Alberto: “Do you face any challenge in communicating why the food products sold in Eataly have a higher price than the standard competitors’ price?”

Silvia: “Of course this price is included in a wider logic of education to high-quality food. Consumers need to understand and to be aware that if they want to consume sustainable and high-quality food, that must have a fair price that guarantees an equal sharing of profits across the whole value chain. For this purpose, in our stores we have several banners which display all the characteristics of our products, their origins and other information about how the product was made and its environmental footprint. Periodically, we also host the farmers to interact directly with our customers, to display their high-quality products and to tell how they work in the respect of the environment and of natural resources.”

Alberto: “Uhm ok, that’s extremely interesting. One of my last questions is if there are some challenges in the relationship and interactions with Slow Food, I mean the different nature of these two organizations might give rise to some troubles or misalignments, especially during the internationalization and the growth of Eataly worldwide?”

Silvia: “No, I don’t see any challenge in this relationship, because we are perfectly aware of the different nature and therefore of the different objectives. There is a common pool of values but Eataly is for profit, while Slow Food is a non-profit organization.”

Alberto: “Can you tell me something about the future directions of this partnership? I mean, are there already contracts for the long-term horizon or is this partnership going towards a conclusion?”

Silvia: “From Eataly’s side, the idea is to continue. For example, the project about the seeds to preserve biodiversity has a long-term horizon.”

Final greetings and salutation

Interview with Pierluigi Piumatti - Board Member of Slow Food Promotion (Italy)

03/08/2017

The interview has been translated from Italian to English. The original recorded interview is in Italian.

Initial greetings

Alberto: “I’m presenting the case of the partnership between Eataly and Slow Food as a successful example in the Italian food sector. My first question is: how did the collaboration started? In the report *Il nostro pane quotidiano* I’ve read that Petrini and Farinetti knew each other since their childhood and therefore are bounded by a tight friendship and a common vision about food. Was this partnership creation process totally informal or there has been a more structured selection process of the right partner?”

Pierluigi: “The partnership was born in a totally informal way. It’s true that Farinetti and Petrini knew each other but at that time they didn’t share much. Farinetti was in Alba and Petrini was in Bra, and between these two cities there has always been a rivalry spirit, but this is just a folk aspect. So Farinetti sold his electronics retail company, Unieuro, and since his dad once possessed a small retail shop of food goods, he decided to enter in the food industry, we can say in a casual way. And also since his name is Farinetti, that derives from farina (the English equivalent of flour), he interpreted this assonance as a sign to start up something in the food market. So before everything else, he called us to ask for an opinion about this new concept that he had in his mind in a preliminary form.”

Alberto: “So we can say that it was Eataly to do the first step in the collaboration.”

Pierluigi: “Eataly didn’t exist at that point of time. It is not a question of first steps, he [Farinetti] had just conceived a general idea, but there was not a proper conceptualization of what he had in mind when he first called us.”

- Alberto:** “So we can say that the support of Slow Food contributed to the conceptualization of his idea of Eataly.”
- Pierluigi:** “Eataly is born inside the offices of Slow Food, because when Farinetti came to us to talk about his project, he just had a piece of paper with a drawing on it representing a kind of visual map of an Eataly store. He asked us if we were interested in collaborating with him as a strategic consultant because we had the knowledge of farmers and the needed expertise. After few days through which we thought about that, we accepted and from that time on we started all the work done for a couple of years until the first opening of an Eataly store in Turin.”
- Alberto:** “My second question is: are the relationships between Eataly and Slow Food limited on a project basis or are they continuous?”
- Pierluigi:** “No, Slow Food is a consultant of Eataly. This means that we work on the projects to which we are asked to collaborate by Eataly. For example, last year we started a project on legumes and at this moment we are working intensively on that specific project. So each time there is a project, we are asked to provide our consultancy service on that project.”
- Alberto:** “Does Eataly also participate in the initiative *Terra Madre* or is it a separate thing?”
- Pierluigi:** “No, Eataly is, through a holding company, one of the main sponsors of the *Salone del Gusto*. So it is a main sponsor of the commercial part of this initiative.”
- Alberto:** “So, focusing on the economic aspects to consider in this relationship, does Eataly contribute to Slow Food just with sponsorships or also with direct financing?”
- Pierluigi:** “Eataly contributes to Slow Food principally with the work done by Slow Food for Eataly, since it pays for the strategic consultancy work that we do for them. The sponsorships are not directly connected to Slow Food, but they are done in a commercial context.”
- Alberto:** “Ok. Another question with an economic focus. Which are the main financial resources through which Slow Food can maintain its purposes, excluding the payments for its consultant services?”
- Pierluigi:** “The membership... The membership, and then you must know that Slow Food is divided in two parts: Slow Food Promozione and Slow Food Editore. Slow Food Editore publishes books, while Slow Food Promozione organizes events, in particular three main events, consultant services and other minor events all around Italy.”

Alberto: “And the last question: are there challenges in the relationship between Eataly and Slow Food? I mean, they have a totally opposite nature: Eataly is on its way to become an international player while Slow Food maintains its local focus on the defence and protection of communities and ecosystems. Does this cause some troubles?”

Pierluigi: “When we are talking about a situation in which two entities of such a different nature and scopes, problems are always behind the corner. We can exemplify the relationship like the one between David and Goliath. As you may know, they were in a conflictual relationship, so we have to maintain our role of guardians and third party to ensure that Eataly’s behaviour is in line with their sustainability claims. However, when problems arise, we meet and we talk in an open and transparent way. When deciding the projects, we fix some boundaries, and when these boundaries are overstepped, we sit on a table and we open an honest discussion, to verify if it is possible to overcome these issues. You should take in consideration that we are strategic consultants of Eataly only in Italy, not abroad. Every two months we visit all Eataly stores in the Italian territory to check the products sold, and we report our concerns to Eataly’s management about things that are not clear or that can be improved, in our opinion of course. Then it will be their responsibility to take in consideration our suggestions and recommendations: the final choice is also made by Eataly. Another important shared vision adopted by Eataly and strongly supported by us from Slow Food is their zero-cement policy, which means that all the stores of Eataly are placed in already existing buildings that were not used anymore.”

Alberto: “For example the Ostiense train station in Rome.”

Pierluigi: “Exactly, like the Ostiense train station, like the Lingotto [in Turin], like now in Verona in which they are opening in an historical place not used, so all buildings positioned in central locations but not used by anyone else, that needed to be renovated. On the other hand, the huge grocery retailers tend to go outside the city centres, while Eataly wants to remain within the central city zones, wherever possible of course. Another important element of our joint strategy is to guarantee a fair price to the farmers and local suppliers of Eataly’s products. For example, we sell lentils from Castelluccio, but we pay a reasonable price, and this is a fundamental pillar of this strategy.”

Alberto: “Ok, really interesting. The last question is if you can provide some future developments of this partnership with Eataly.”

Pierluigi: “Well, in the near future we still have two more years of contracts with them, and then we will figure it out. We have a good relationship with the family that owns Eataly, but we have to see if they will remain a family-owned business. We still don’t know their expansion and governance strategy for the years ahead. We have worked well and we had an extremely positive relationship. Even though Eataly is becoming a global multinational, we have to give them the merit to have revolutionized the grocery retail sector of the Italian food industry. When Eataly was born, around the first years of the 2000s, the other big retailers, with the exception of Esselunga that was buying high-quality wines, were all focusing on a costs reduction strategy, without caring too much about the quality and sustainability of their products. Nowadays, all the other competitors are following this strategy with an eye to the Eataly’s case, that provided a successful example that redesigned and shaped the boundaries of the Italian food industry.”

Final greetings and salutation

Dansk Supermarked and WWF Danmark case study

Interview with Christoph Mathiesen - Senior Advisor Food and Fisheries at WWF (Denmark)

14/08/2017

Initial greetings

Alberto: “So, as I have anticipated in the email, I’m a master student here in Copenhagen Business School and I’m focusing on the topic of partnerships between corporations and NGOs on a worldwide basis, but specifically within the food industry, and I thought that the collaboration between Dansk Supermarked and WWF represents a great example of this phenomenon. My first question is if you could provide a brief description of the initial stages of the collaboration, in particular the moment of the partnership ideation, the design and its initial implementation. I read that it started in

2013 in the report but I would like to know more about you chose your partner and the initial phases.”

Christoph: “Yeah. When you mean the initial phases do you mean the initial phases of the partnership or of the negotiations before the partnership?”

Alberto: “Well, both of them. I mean the partnership ideation and its design, I mean, how it was decided in which aspects to collaborate, if it was the partner who [first] proposed the deal or if it’s a joint collaboration even in the design of the goals of the partnership.”

Christoph: “Yeah. Ok. This was, like you said, initiated in 2013 and its overall goal is to move that supermarket [chain] towards a completely sustainable assortment of seafood, of fisheries and aquaculture products. This was a three-year project, it lasted until March 2016. However, there has been a need to continue the collaboration, so it has been extended for other three years, to make sure that Dansk Supermarked will complete that goal of sustainability. It is a big challenge... When you set a goal like this you can’t be sure that the different fisheries and aquaculture [farms] that supply your products will actually be able to move towards full sustainability, to achieve ASC certifications and documentations of full sustainability... There can be many reasons for that... So Dansk Supermarked has chosen ok, to not sources from producers who are not sustainable anymore. We have a path to continue to put pressure on suppliers. That’s part of the agreement, to... Not just... How do you say... Take out all those products which are not on the track to efficiency and full sustainability, we ask them that if you want to keep them as a supplier... Because this part of the world, Scandinavia, is perhaps the region in the world that has the strongest demand for sustainable seafood. So it’s important that we maintain this standpoint.”

Alberto: “So basically you [as WWF] provide the expertise needed to supply the seafood from sustainable suppliers.”

Christoph: “Yes, WWF has quite a big team of people working on seafood globally, so we are pretty much in charge with the industry researches and going out doing service ourselves, expanding our sustainability network... So we have a database, which is two-folded: in one side we have stored all the information about our researches and the other is the network of sustainability seen from WWF perspective that we use as a benchmark and also as a way to provide a reference to the industry, I mean supermarkets, so they know what to do, how to put pressures on the suppliers,

because sometimes it takes big effort to move fisheries and aquacultures, sometimes it's small things and that makes it easier for supermarkets to communicate with their suppliers. So it's very variable because it can take some time."

Alberto: "Ok. Who made in 2013 the first contact [between Dansk Supermarked and WWF Danmark]? Was it an original initiative from Dansk Supermarked that wanted to achieve this sustainability or was WWF that started to contact them?"

Christoph: "It was actually Dansk Supermarked that contacted us. We had a collaboration with them earlier, back in 2009, we had a brief collaboration with them, but this time in 2013 it was broader, with more commitment, with Dansk Supermarked contacting us. This second time, in 2013, the new partnership, was aimed to run until 2016. It was also Dansk Supermarked contacting us but it was more a mutual interest, so yeah, it was them."

Alberto: "And does the WWF symbol appear in Dansk Supermarked's products?"

Christoph: "No."

Alberto: "Ok. Is there a specific reason for that or is it just part of the agreement?"

Christoph: "Well, it's part of the agreement. It's very rare that we use the logo of WWF in commercial communications, even more on products. I mean, that happens. There are some examples of our logo used in products in marketing, like in Germany, but it's very rare that we use that. We have very strong guidelines protecting our logo."

Alberto: "That's really interesting since I'm investigating also other partnerships and I was studying the partnership between Rainforest Alliance and Nespresso here in Denmark, and they don't display the logo of Rainforest Alliance because they said that their logo is not really well known, while you don't display that because of a different organizational policy."

Christoph: "Well you cannot really compare these two examples because you're talking about different things. Rainforest Alliance is a certification scheme, WWF is an organization, it's not a certification scheme. So you can't compare them directly, I mean... If you want to compare you should say Rainforest Alliance compared MSC or ASC, that would make sense."

Alberto: "About the challenges of this partnership, as you mentioned before, is it difficult to push Dansk Supermarked towards total sustainability in this topic right? Is it for the industry characteristics of seafood supply or is there any other reason why it is

challenging to reach this goal?”

Christoph: “Well it’s challenging in terms of our customers... Seafood is a renewable resource, depending how fisheries behaves, depending on how other fisheries from other countries... You know, define the industry, it’s depending on the state of the marine environment... So it goes up and down... So even when, you know, it’s certified, let’s say of the macro fisheries that has been certified, it went out of the certification for a couple of years and this was a big strike for retailers, so even though they were committed to full sustainability they had to adapt to the fact that one of the macro [suppliers] was not long certified, and then it went back to certification [again], after some adjustments. So that’s one thing... The challenge from our perspective is that a certified product, so products which are more environmentally respectful, are also more expensive, so that means that supermarkets will have to pay more, they will have to push that price to the consumers, and that’s difficult in extremely competitive markets, retail markets, so there are a lot [of things] to do. And then we negotiate with them, we talk with the suppliers, the retailers say that we have to pay a 20% extra, then we talk with the suppliers and we find out that maybe it’s only 8%, but that’s very rare that the we get into that middle position but sometimes we do that to help the retailers [to ease negotiations]. Then there are new products that needed to be reassessed, from suppliers and sub-suppliers.”

Alberto: “So basically these are the complexities.”

Christoph: “Yeah, basically they [the retailers] are all interested but it’s also challenging for them because they need to make money and drive the business so, they strive to find a balance between business and sustainability all the time, and that is hard.”

Alberto: “Another question regards the economic impacts of this partnership. How does it work the monetary exchange between these two organizations? I know that WWF is a non-profit [entity], so any kind of revenue is reinvested in other projects but how does it work, I mean, you got revenues directly from Dansk Supermarked, you have a consultancy contract or how does it work the financing of WWF through this partnership?”

Christoph: “Well, we are not a profit seeking organization. I think that this would be properly answered by Dansk Supermarked. I was not expecting this question.”

Alberto: “It was just to better understand the costs of Dansk Supermarked to commit to this

partnership, to have your collaboration in seeking a more sustainable supply.”

Christoph: “I can’t tell you more about this.”

Alberto: “Ok, that’s fine. I have the last question, but probably that’s more suit for Dansk Supermarked. Were they able to measure some economic outcomes after this partnership? I mean, did they experience an increase of their sales after the partnership started? I know that’s maybe too specific for you.”

Christoph: “No, no, I understand the question. It is relevant. That’s also a reason why they engage with sustainability. Sustainability is a very important paradigm in the competition. We need to be upfront to be sure that they are serious. You don’t want to be behind compared to other retailers when it comes to sustainability. So maintaining a responsible sourcing is part of being a modern competitor retailer. You know it’s about keeping your market, but that means even to increase... it’s a tricky one. I think you can find some increase in sales from MSC campaigns. But if they find out that you’re not being responsible, you might lose customers, having a bad reputation, so it’s about covering all [the] risks. But if you want to directly measure any increase, it typically goes with specific campaigns, like MSC, ASC, depending on the countries like The Netherlands, Luxembourg, I think they collected maximum increases in sales.”

Alberto: “Ok, but how do they communicate to the customers that they [Dansk Supermarked] are actually working with WWF if the logo is not displayed. Ehm... I know that there are many reports online but they are not for the general customers...”

Christoph: “No, I don’t think they do that very much. They are not very proactive when it comes to marketing the partnership with WWF. There was a press release out. Previously, in the first partnership between 2013 and 2016 they were more proactive, they were on TV, we had an article in the newspapers and social media but now, for this new one, for the second round there was not much marketing. It’s more about... I think that this strategy from their point of view is more defensive... That means if they will be accused of not having a responsible sourcing, they can say, well yeah, we do.”

Final greetings and salutation

Interview with Jonas Schrøder - Director of Responsibility and Engagement at Dansk Supermarked (Denmark)

11/10/2017

Mail interview, no recordings available

Alberto: “Could you provide me a brief description of the initial stages of the collaboration, such as the partnership ideation, design and implementation?”

Jonas: “We started our overall CSR strategy in 2013, saying that we want to provide our customers with responsible products at affordable prices. Fish assortment was somehow clear and an important focus area to start with both from a health, environmental and sustainable perspective. We did not, however, have the proper expertise to drive the agenda thoroughly ourselves. Thus, we entered into the partnership with WWF to draw on their specialist knowledge and network and to help us set a target.”

Alberto: “Which are the main processes and activities to undertake in the daily management of the partnership with WWF Danmark?”

Jonas: “The partnership refers to the supply of sustainable fish. WWF helps us in selecting the fisheries and aquaculture companies that respect high environmental and quality standards. This is an extremely important topic, since sustainability has become an essential matter to preserve an endangered marine ecosystem, too often exploited by unsustainable fishing and by an increasing pollution of water worldwide. The interactions between Dansk Supermarked and WWF are continuous because the range of products to control is extremely wide and we need to check if all these products are truly sustainable in all their characteristics. It’s not easy to track all our products and to have fair and transparent communications with all our suppliers, so WWF helps us in doing so.”

Alberto: “How the outcomes of this partnership are measured, for example if the results can be quantified in terms of more sales or if the partnership can be evaluated only in terms of brand image and overall improved reputation of Dansk Supermarked?”

Jonas: “All MSC/ASC certified products are marked as such in our article master data, allowing us to report on various key figures on these articles specifically, for example number of products, sales, waste, etc. and to make like for like comparisons to follow the trend. I have probably forgot to mention you what are these MSC and ASC certification schemes.

The Marine Stewardship Council (MSC) is a voluntary, independent certification scheme that certifies sustainable fishing practices and sets environmental and social standards. Fisheries labelled with the MSC logo have been independently and continuously assessed to ensure a fishery is sustainable and well managed.”

Alberto: “Could you tell me something about the main challenges and complexities related to the management of the partnership?”

No answer to this question

Alberto: “Could you tell me something about some possible future directions of this partnership, for example the time horizon of the collaboration, the extension to other product categories, etc.?”

Jonas: “Right now the target is a 100% MSC/ASC or equivalent (recognized by WWF) assortment by end 2019. You can see our policy here:
<https://dansksupermarked.com/3-policy-on-fish-and-shellfish/>