A Cross-Cultural Analysis of Fair Trade Marketing Strategies in the Czech Republic and the United Kingdom

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ABSTRAKT

Tato bakalářská práce se zabývá mezikulturní analýzou marketingových strategií fair trade v České republice a Velké Británii, kde se fair trade těší narůstajícímu úspěchu. Lidé se stále více začínají zajímat o původ výrobků a také o to za jakých podmínek byly vyrobeny. Ve Velké Británii se začal fair trade rozvíjet před více než šedesáti lety, a tak si za tu dobu dokázal získat pozornost a oblibu britských zákazníků. V České republice toto hnutí funguje necelých devět let a postupně se dostává do povědomí českých spotřebitelů. Teoretická část je věnována fair tradu a úvodu do teorie marketingu. V praktické části jsou popsány a porovnány marketingové strategie fair trade. Dále je praktická část doplněna o dotazníkové šetření. Cílem tohoto šetření bylo získat informace o tom jak čeští a britští studenti vnímají marketingové aktivity fair trade v jejich zemi.

Klíčová slova: Česká republika, Velká Británie, fair trade, mezikulturní analýza, marketingové strategie, dotazníkové šetření

ABSTRACT

This bachelor thesis deals with the cross-cultural analysis of Fair Trade marketing strategies in the Czech Republic and the United Kingdom, where Fair Trade has enjoyed a growing success. People are increasingly getting interested in the origin of products and conditions under which they were produced. In the United Kingdom, Fair Trade began to develop more than sixty years ago, and thus has managed to get the attention and popularity of British customers. In the Czech Republic, Fair Trade movement has only existed for nine years and gradually the awareness of Czech customers is on the increase. The theoretical part is devoted to Fair Trade and a basic introduction into the theory of marketing. In the practical part, marketing strategies of Fair Trade are described and compared. The practical part is then supplemented by a questionnaire survey. The objective of this survey was to discover how Czech and British university students perceive marketing activities of Fair Trade in their countries.

Keywords: the Czech Republic, the United Kingdom, Fair Trade, cross-cultural analysis, marketing strategies, questionnaire survey

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INTRODUCTION

The issue of poverty, poor living and working conditions is one of the biggest problems that people from almost half of the world must face today. According to Global Issues more than three billion people live on less than two dollars a day, whilst to live a decent life a person needs more, precisely at least four dollars a day. There are currently many humanitarian organizations, across the world, introducing development projects in order to help people of the Third World countries improve the quality of their lives. Indeed, it has a positive impact on people's lives; simultaneously it makes them far more dependent on aid from developed countries. At the end of the first half of the twentieth century the first signs of Fair Trade began to appear. Most Third World producers have a big disadvantage as they are unable to compete with large companies in the world market. The goal of Fair Trade is to give these people a chance to improve their bad economic situation on their own, by providing them fair trading conditions and better access to the world market.

The aim of my bachelor thesis is to analyse and compare marketing strategies of Fair Trade organizations and traders in the Czech Republic and the United Kingdom, with focus on possible differences reflected in the marketing activities of these two countries. The reason I have chosen the Czech Republic is that it is my home country and although the popularity of Fair Trade in the Czech Republic is rising it is still not as successful as in other European countries. On the other hand, the reason I have chosen the United Kingdom is that the United Kingdom can boast the most successful Fair Trade market in the world, especially due to more successful marketing activities of Fair Trade organizations and traders, greater support of media and different approach of British customers to ethical trading.

In the first chapter of my thesis I explain what Fair Trade is, to make the reader understand the basic issue. I explain the basic terminology connected with Fair Trade, provide a brief overview of the historical background and explain how Fair Trade works. The second chapter is devoted to the theory of marketing followed by a brief introduction to Fair Trade marketing. In the practical part of my thesis, I demonstrate the main marketing objectives of Fair Trade and describe and compare marketing strategies of Fair Trade organizations and traders in the Czech Republic and the United Kingdom, on the basis of detailed analysis of product, place, price and marketing communication.

As Fair Trade both in the Czech Republic and the United Kingdom is constantly developing and the awareness is growing I devoted the last chapter of my thesis to a questionnaire survey. Through this survey I want to demonstrate the awareness and attitudes towards Fair Trade of students from selected Czech and British universities and to evaluate how students perceive marketing activities of Fair Trade in their countries.

I. THEORY

1 FAIR TRADE

For decades, Fair Trade has sought to ensure fairer trading conditions for producers and workers of the Third World countries. In the past few years this way of trading has experienced a big boom. In the restaurants, cafés, supermarkets and other shops we can more frequently find various products bearing the Fairtrade Mark. But what does this mark represent? What are the goals of Fair Trade movement and how does this whole system work? That is the subject of the first chapter.

1.1 Definition

The best known and most commonly cited definition of Fair Trade is the one endorsed by members of the platform FINE.¹ This official definition is literally translated into other languages including the Czech language as well.²

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalised producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.³

In other words Fair Trade can be explained as a fairer alternative to conventional way of trading. It supports disadvantaged farmers and workers of the Third World countries and

¹ FINE associates four main Fair Trade organizations taking the first letter of each of its member – FLO (Fairtrade Labelling Organizations International), WFTO (The World Fairtrade Organization – formerly known as International Federation for Alternative Trade), NEWS! (The Network of European Worldshops) that connects Fair Trade shops from all over the world and EFTA (The European Fairtrade Association) that connects Fair Trade importers. FINE brings together activities of all four organizations. More information about FLO and WFTO see chapter 1.6.

² Fair Trade je obchodní partnerství, založené na dialogu, transparentnosti a respektu, které se snaží o větší rovnost v mezinárodním obchodě. Přispívá k udržitelnému rozvoji nabízením lepších obchodních podmínek a zabezpečováním práv znevýhodněných producentů a pracovníků – především na globálním Jihu. Fair Trade organizace podporované konzumenty jsou aktivně zapojené do podporování producentů v rozšiřování informovanosti a kampaních za změny v pravidlech a praktikách konvenčního mezinárodního obchodu."

³ World Fair Trade Organization and Fairtrade Labelling Organizations International, *A Charter of Fair*

World Fair Trade Organization and Fairtrade Labelling Organizations International, A Charter of Fair Trade Principles (Bonn: Fairtrade International, 2009), 4.

http://www.fairtrade.net/fileadmin/user_upload/content/2009/about_us/documents/Fair_Trade_Charter.pdf (accessed November 13, 2012).

endeavour after the long-term development. Fair Trade guarantees that during the production it has taken heed to keeping basic human rights of farmers and workers.

One should not forget that Fair Trade brings benefits not only to producers in developing countries, but also to consumers who, by purchasing products with a Fairtrade Mark, get high-quality and healthy products and a pleasant feeling that they have done a good deed. It is important to note that Fair Trade may not solve all the problems of developing countries. Nevertheless, by giving poor farmers and workers an opportunity to acquire fair remuneration for their hard work Fair Trade helps to reduce poverty at least a little bit.

To avoid any confusion, it is important to explain what is meant by the term *the Third World countries* which is used in this paper. The Third World includes most of the countries in Africa, Asia, Latin America and Oceania. These countries are usually characterised by "high infant mortality, low economic development, high levels of poverty, low utilisation of natural resources, and heavy dependence on industrialised nations." The Third World countries are sometimes referred to as less developed or developing countries.

1.2 Basic Terminology

The terminology concerning Fair Trade might seem sometimes to be quite confusing. In newspapers, literature or on the Internet, one can find a wide variety of different terms relating to this worldwide movement. The aim of this section is to provide some brief explanations.

In the first place it is important to explain the terms *Fairtrade* and *Fair Trade*. When we refer to the movement, the vision of cooperation and development the term *Fair Trade* (written separately) should be used.⁵ Nevertheless we can often find the term *fair trade* written with small initial letters or *Fair trade* with large first initial letter. Even these versions are considered to be correct. Especially Czech organizations, traders and even journalists use these terms as they want. On the contrary, in the UK the term *Fair Trade* is mostly being used.

http://www.nationsonline.org/oneworld/third_world_countries.htm (accessed February 10, 2013).

⁴ Nationsonline, "Worlds within the World?"

⁵ Traidcraft, "What's the difference between fair trade and Fairtrade?"

http://www.traidcraft.co.uk/about traidcraft/faq/fair trade/fair trade fairtrade (accessed January 2, 2013).

As far as the term *Fairtrade* (written together) is concerned, its use "refers specifically to the international Fairtrade certification system and any of its constituent organizations (e.g. Fairtrade Labelling Organizations International, Fairtrade Foundation) or activities (e.g. Fairtrade Standards, Fairtrade Premium, and Fairtrade Fortnight)."

Moreover, having considered the terms *Fair Trade products* and *Fairtrade products* their usage should also be distinguished. Both terms refer to products that are produced under fair conditions. However, *Fairtrade products* refer only to those that carry the Fairtrade Mark, while *Fair Trade products* cover products that come from the members of the World Fair Trade Organization (WFTO) and do not bear the Fairtrade Mark.

Despite all given rules regarding the use of the expressions, some organizations and traders ignore them. Even on the official websites of Fair Trade organizations or traders we can see a confusing use of these terms.

For the purpose of my thesis, I decided to use the term *Fair Trade* when I talk about the movement, while the term *Fairtrade* when I talk about certification. I left all the official titles in original forms. Czech titles that have official English equivalents are accompanied by their English equivalents in parentheses. Regarding the products, the term *Fairtrade products* (written together) will be used in the broadest sense to refer to both products with and without the Fairtrade Mark.

1.3 History of Fair Trade

In this section of my paper I provide a brief overview of Fair Trade history. The beginnings of Fair Trade date back to the end of the second half of the twentieth century when non-governmental organizations (NGOs) from Europe and the United States became more interested in helping people in developing countries.

It is often alleged that the very first organizations that started with Fair Trade were the Ten Thousand Villages and SERRV, American organizations trading with the poor people from the Third World.⁷

⁶ The Fairtrade Foundation, *Buying into Fairtrade: Procurement in the private and public sector* (London: The Fairtrade Foundation, 2007), 3.

http://www.fairtrade.org.uk/includes/documents/cm_docs/2008/b/buying_into_fairtrade.pdf (accessed December 14, 2012).

⁷ NaZemi, "Historie fair trade," http://www.fairtrade.cz/cz/36-historie-fair-trade/ (accessed January 2, 2013).

The beginnings of Fair Trade in Europe are associated with Oxfam, which started importing handicrafts from disadvantaged countries of Eastern Europe and later it built a network of charity shops. In 1969, there was launched the first Worldshop in the Netherlands, which was a specialised shop selling handicrafts directly from workers of the developing countries. Subsequently, Worldshops began to spread to other countries of Europe.8

In 1988, the Dutch development agency called Solidaridad created the first Fairtrade mark Max Havelaar and the first Fairtrade products started to be sold in European supermarkets. Meanwhile, the countries did not have a unified mark. For instance Belgium, Norway, Switzerland, Denmark and France sold products under the mark Max Havelaar. Germany, Austria and the United States, Japan, Italy, Luxembourg and Canada had their own mark called *Transfair*, while in the United Kingdom and Ireland there was used the so called Fairtrade Mark.9

In 1997, Fairtrade Labelling Organizations International (FLO) was founded. The main task of FLO is developing trading rules and standards, monitoring their observance, coordinating Fairtrade strategy, promoting fair trading and supporting producers. 10 It associates nineteen labelling initiatives in twenty-four countries across the world that are responsible for granting a license for using the Fairtrade Mark and promoting Fair Trade in their countries. ¹¹ In 2002, FLO introduced *International Fairtrade Certification Mark* often termed just the Fairtrade Mark that is used on products. The Fairtrade Mark was later adopted by all but one labelling organization called TransFair USA. It is important to note that in 2011, Transfair USA (renamed to Fair Trade USA) applied to resign membership from FLO.¹² It came up with a new and innovative strategy, new vision, its own standards

⁹ Fairtrade International, "History," http://www.fairtrade.org.uk/what_is_fairtrade/history.aspx (accessed

¹⁰ Fairtrade International, "What we do," http://www.fairtrade.net/what we do.html (accessed December 22, 2012).

¹¹ Fairtrade International, "National Fairtrade Organizations,"

http://www.fairtrade.net/labelling_initiatives1.html (accessed November 12, 2012).

¹² Fairtrade International, "History," http://www.fairtrade.org.uk/what_is_fairtrade/history.aspx (accessed January 2, 2013).

and extended the field of activity with a focus on plantations and factories.¹³ FLO and Fair Trade USA go its separate ways, but both have the same mission – to empower producers in developing countries.

1.3.1 Fair Trade in the UK

As mentioned above, Oxfam was the first organization that started with Fair Trade in the UK. In 1964, Oxfam opened the first British Worldshop. As time went on, the first companies importing products to the UK were established such as Shared Earth Ltd, Traidcraft plc, Twin Trading Ltd and Cafédirect plc. Fair Trade started getting awareness of the local people. The Fairtrade Foundation, national representative of FLO, was established in 1992. It is responsible for licensing companies to use the Fairtrade Mark on their products and also promoting Fair Trade in the UK. In 2007, there were over 2,000 companies licensed to sell Fairtrade products on the British market. Today, the UK is the world leader of Fair Trade.¹⁴

1.3.2 Fair Trade in the Czech Republic

The beginnings of Fair Trade in the Czech Republic date back to 1994 when the first Worldshop called Obchůdek Jednoho Světa was opened in Prague. The idea of Fair Trade has developed slowly and with difficulties. Enthusiastic founders met with scepticism of the local people who were not able to identify with the idea of helping others when they themselves did not feel to be wealthy.¹⁵

The first Fair Trade organizations that were fully engaged in the import and distribution were established in 2003. Then the first companies such as Fair Trade Centrum, s.r.o. and Fairově, s.r.o. started distributing Fairtrade products to the Czech Republic. As a significant milestone can be considered the year 2004 when so called Asociace pro Fair Trade later renamed to Fairtrade Česká republika (Fairtrade Czech Republic) was founded. It represents a national initiative which brings together ten of the

¹³ Fairtrade USA, "Triple Pundit: Why Fair Trade USA Parted Ways With FLO," http://www.pcusa.transfairusa.org/press-room/in_the_news/triple-pundit-why-fair-trade-usa-parted-ways-flo (accessed January 5, 2013).

¹⁴ Fairtrade Jersey, "A Short History of Fairtrade by Harriet Lamb," http://www.fairtradejersey.org/about-fairtrade/a-short-history-of-fairtrade-by-harriet-lamb (accessed January 5, 2013).

most important companies and non-profit organizations involved in the development of Fair Trade in the Czech Republic. The Fair Trade movement in the Czech Republic is not yet as strong as in the UK. Nevertheless, the popularity of Fair Trade in the Czech Republic increases year by year.¹⁶

1.4 Fair Trade Principles

This section of my thesis is devoted to Fair Trade principles. These basic principles differentiate Fair Trade from conventional trade and they are common for all members that have to meet them.

1.4.1 Good Working Conditions

Regarding the working conditions, producers have to adhere to certain environmental, economic and social standards. Producers are often grouped into producer organizations that must have a democratic structure and transparent management. Any form of discrimination is strictly prohibited. What is more, organizations that hire labour must follow separate standards that require a right for freedom of every worker, fair working conditions and safe and healthy working environment. Employment of children under fifteen is not permitted within Fair Trade.¹⁷

1.4.2 Respect for the Environment

Turning now to the question of the environment, it is necessary to highlight that the impact of production on the natural environment must be limited as much as possible. Producers must comply with a list of prohibited agrochemicals published by FLO. Genetically modified crops are banned. FLO seeks to encourage producers to apply organic practices. Nearly 50% of Fairtrade coffee was certified as organic in 2008.

¹⁵ Karolina Krátká, Hana Pernicová, and Viktorie Šťastná, *Fair Trade v ČR – analýza současného stavu* (Tisnov: Sebevědomé Tišnovsko, 2009), 3. http://sebevedome.tisnovsko.eu/download/FTanalyza_final.pdf (accessed December 20, 2012).

¹⁶ Ibid.

¹⁷ John Bowes, Fair Trade Revolution (London: Pluto, 2011), 6.

¹⁸ Ibid. 7.

¹⁹ Fairtrade Labelling Organizations International, *Fairtrade Leading the Way* (Bonn: FLO, 2009), 5. http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/FLO_ANNUAL_REPORT_08-09.pdf (accessed February 5, 2013).

1.4.3 Transparency and Control

Another Fair Trade principle is the *Transparency and Control*. Observance of the Fairtrade Standards is regularly monitored and checked at all levels of the trading chain. The controls guarantee trust of consumers and provide opportunities for advancement to producers. The main goal of Fair Trade is to keep good and open relationships with producers. Transparency refers to providing accurate information about producers, production process, the place of product origin, results of control and about the whole trading chain.²⁰

1.4.4 Fairtrade Minimum Price

Fair Trade ensures the *Fairtrade minimum price* of products. It is the lowest possible price that covers costs and provides producers a decent living regardless of world commodity prices.²¹ The Fairtrade minimum price is set by FLO and may vary according to the type of crops, grades of produce and market prices. It is important to note that not all products have a minimum price. The minimum price concerns traditional products for instance tea, bananas, coffee and cocoa. Products such as flowers or sports balls do not need to have a minimum price. What is more, producer organizations can ask for pre-payment from trade partners. This is very convenient as it ensures the money to pay farmers at the time they supply the crops.²²

1.4.5 Fairtrade Premium

The Fairtrade premium is a sum of money added to the agreed Fairtrade price. This proportion of money is given to producer organizations and it is invested in development projects to help local communities improve the quality of their lives.²³ The Fairtrade premium is fixed by FLO and it is used for the improvement of education, health care, processing facilities, technical improvements and expansion of production.²⁴ According to

²⁰ Šárka Špačková, Pavel Chmelař, and Věra Lukášová, *Informační manuál of Fair Trade: Fair Trade - malá změna, velký rozdíl* (Brno: Společnost pro Fair Trade a rozvojové vzdělávání, 2006), 5. http://www.fairtrade.cz/files/texty/fairtrade/info-manual.pdf (accessed November 15, 2012).

nup://www.nairtrade.cz/mes/texty/fairtrade/mio-manual.pdf (accessed Novemb

²¹ David Ransom, *Fair trade* (Brno: Doplněk, 2011), 26.

²² Fairtrade Foundation, "The Fairtrade minimum price," http://www.fairtrade.org.uk/what_is_fairtrade/fairtrade_certification_and_the_fairtrade_m inimum price.aspx (accessed January 16, 2013).

²³ David Ransom, *Fair trade* (Brno: Doplněk, 2011), 26.

²⁴ Fairtrade International, "The Fairtrade premium,"

http://www.fairtrade.org.uk/what_is_fairtrade/fairtrade_certification_and_the_fairtrade_mark/the_fairtrade_pr emium.aspx (accessed January 18, 2013).

data revealed by FLO, sixty-five million euros were paid in Fairtrade premium to producer organizations in 2011.²⁵

1.4.6 Long-Term Trade Partnerships

The last but not least is the principle of *Long-Term Trade Partnerships*. Fair Trade seeks to build mutually beneficial, long-term partnerships between producers and importers. They conclude long-term agreements which provide producers with confidence.²⁶ Importers are in direct contact with producers or their organizations, share their knowledge, help with development of the business and advice producers how to be successful.²⁷

1.5 Farmers, Workers and Producer Organizations

This section of my thesis concentrates on the most important participants of Fair Trade, who are *small farmers* and *workers*.

Small farmers can be part of Fair Trade whether "they have formed organizations (cooperatives, associations or other types of organization) that are able to contribute to the social and economic development of their members and of their communities". or "they have a partnership with an intermediary organization (exporter, processor, private enterprise, NGO or other) that is able and willing to assist them."

As regards workers, they can be part of Fair Trade "if they are organized (normally into unions) and if the company that they work for is prepared to promote its workers' development and to share with them the additional revenues generated by Fairtrade."³⁰

²⁷ Miles Litvinoff and John Madeley, 50 Reasons to buy Fair Trade (London: Pluto Press, 2007), 126.

²⁵ Fairtrade International, *For Producers, With Producers* (Bonn: FLO, 2012), 3. http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2011-

¹²_AnnualReport_web_version_small_FairtradeInternational.pdf (accessed January 5, 2013).

David Ransom, Fair trade (Brno: Doplněk, 2011), 26.

²⁸ Fairtrade International, *Fairtrade Standard for Hired Labour* (Bonn: FLO, 2011), 3. http://www.fairtrade.net/fileadmin/user_upload/content/2011-12-29-HL_EN.pdf (accessed February 10, 2013).

²⁹ Fairtrade International, *Fairtrade Standard for Contruct Production* (Bonn: FLO, 2011), 4. http://www.fairtrade.net/fileadmin/user_upload/content/2009/standards/documents/2012-09-25_CP_EN.pdf (accessed February 10, 2013).

³⁰ Fairtrade International, *Fairtrade Standard for Hired Labour* (Bonn: FLO, 2011), 3. http://www.fairtrade.net/fileadmin/user_upload/content/2011-12-29-HL_EN.pdf (accessed February 10, 2013).

These companies are called *Hired Labour Organizations* and include for example factories, manufacturing industries, small farmers and plantations.³¹

The last term that is important to clarify is producer organization. Producer organizations can be divided into *Small Producer Organizations* associating small farmers and previously mentioned *Hired Labour Organizations* that employ workers.³²

With reference to the annual report published by FLO in 2012, the number of producer organizations is increasing year by year. In 2011 it grew by 10% and now reaches the number 991. According to data revealed by FLO, there were over one million Fair Trade farmers and workers in sixty-six countries across the world in 2011.³³



Figure 1. Countries with Fair Trade producers³⁴

1.6 Certification

In this next section of my paper I am going to deal with the system of certification. Fair Trade offers a wide range of various food and non-food products on the market. But how can a customer recognise a Fairtrade product? There are two basic ways. Firstly, he/she can recognise it according to the Fairtrade Mark, secondly according to the WFTO Mark. Both these marks are granted by different organizations and under different conditions. Both ways of certification are described below.

³¹ Ibid.

³² Fairtrade Foundation, "Fairtrade Standards,"

http://www.fairtrade.org.uk/what_is_fairtrade/fairtrade_certification_and_the_fairtrade_mark/fairtrade_standards.aspx (accessed January 5, 2013).

³³ Fairtrade International, *For Producers, With Producers* (Bonn: FLO, 2012), 3. http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2011-

¹²_AnnualReport_web_version_small_FairtradeInternational.pdf (accessed January 5, 2013).

³⁴ International Trade Centre, *Fairtrade International – FLO* (ITC, 2011), 2. http://cms.standardsmap.org/publish/itc_standards/fairtrade_-_flo/Resources/files/464/Final_FLO.pdf (accessed February 5, 2013).

1.6.1 The Fairtrade Mark

The Fairtrade Mark ensures a unified image of products and serves as communications tool between producers and consumers. It is important to note that only products that are certified according to Fairtrade Standards published by FLO can have this mark on their packages. The Fairtrade Mark is mostly carried by food products such as fruits, vegetables, coffee, honey, herbs and spices, cocoa, chocolate, tea, beer, flowers, sugar, rice, nuts, juice, wine but also some of non-food products such as sport balls.³⁵

It is necessary to emphasise that the Fairtrade Mark certifies only crops, not organizations. When producers or producer organizations want to get a certification for their crops, they must pass several controls and audits. The controls are done by FLO-CERT GmbH which is also in charge of the certification process. If producers or producer organizations meet all standards required by FLO, then FLO-CERT GmbH gives them a certification. From that time on, regular controls are done to ensure that they work in a fair manner.³⁶

1.6.2 The WFTO Mark

As it was stated above, not all Fairtrade products bear the Fairtrade Mark. Another way in which customers can recognise these products is according to the *WFTO Mark* (World Fair Trade Organization Mark) granted by The World Fairtrade Organization (WFTO), formerly known as International Federation for Alternative Trade (IFAT). It brings together more than four hundred Fair Trade organizations from seventy countries. Its aim is to promote Fair Trade, organize campaigns, supervise marketing activities, monitor the Fair Trade market³⁷ and grant the WFTO Mark to those organizations that "demonstrate a 100 percent commitment to Fair Trade in all their business activities."

³⁵ Miles Litvinoff and John Madeley, 50 Reasons to buy Fair Trade (London: Pluto Press, 2007), 14-17.

³⁶ Mark Boonman et al., *Fair Trade Facts and Figures: A Success Story for Producers and Consumers* (Culemborg: The Dutch Association of Worldshops, 2011), 16. http://www.european-fair-trade-association.org/efta/Doc/FT-E-2010.pdf (accessed November 3, 2012).

³⁷ Mark Boonman et al., Fair Trade Facts and Figures: A Success Story for Producers and Consumers (Culemborg: The Dutch Association of Worldshops, 2011), 31. http://www.european-fair-trade-association.org/efta/Doc/FT-E-2010.pdf (accessed November 3, 2012).

³⁸ Ibid., 16.

Organizations that do not carry the Fairtrade Mark on products but are certified as members of WFTO are for example Khoisan Trading Ltd, El Puente, Oxfam, Gepa GmbH and Traidcraft plc.

2 MARKETING

Marketing represents an integral part of every successful business. It constantly develops thanks to the progress of communication and information technology.

Two of the greatest personalities of contemporary marketing, Philip Kotler and Gary Armstrong define marketing as "the process, by which companies create value for customers and build strong customer relationships in order to capture value from customers in return." Kotler also highlights other activities that marketing ensures - "it defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company are capable of serving best and it designs and promotes the appropriate products and services." It is evident that marketing involves many important roles.

Without any doubts, to be successful, the company must pay special attention to marketing activities. Good marketing and effective marketing strategy leads to a company's success and high customer satisfaction.

All marketing activities can be summarized in marketing management process which represents four successive functions. First of all the company needs to analyse its market environment. The analysis is followed by marketing planning when the company establishes its marketing objectives, formulates strategies and develops a marketing plan. Planning is followed by the implementation of strategies and plans into practise and as the last step, comes the control when the company evaluates whether its marketing activities were successful or not.

2.1 Marketing Analysis

At the beginning of the marketing management process the company needs to make a thorough analysis of the environment in which it operates. The essence of the analysis is the identification, analysis and evaluation of all factors that could affect the choice of target markets and selection of strategy.⁴¹ As the environment is constantly changing, the

³⁹ Philip Kotler and Gary Armstrong, *Principles of Marketing*, 11th ed. (Upper Saddle River, NJ: Prentice Hall, 2005), 5.

⁴⁰ Kotler Marketing Group, "Dr. Philip Kotler Answers Your Question on Marketing," http://www.kotlermarketing.com/phil_questions.shtml (accessed October 10, 2012).

⁴¹ Dagmar Jakubíková, *Strategický marketing*, Vyd. 1. (Prague: Oeconomica, 2005), 39.

company has to be alert and able to adapt to any changes that may occur. When the company knows and understands the environment in which it operates it can easily develop a strong and effective marketing strategy. The marketing environment is divided into *microenvironment* and *macroenvironment*.⁴²

Microenvironment consists of a *company's internal environment* that influence directly all decisions of the marketing department, then *marketing channel firms* such as a company's suppliers, financial and marketing intermediaries, distribution companies, resellers and companies providing marketing services that help in creating customer value. Other forces that shape a company's environment are *competitors*, *customers* and finally *publics* such as government, media etc.⁴³

To take macroenvironment into consideration, it includes forces that affect the company's microenvironment and influence the success of the company. It is made up of six forces – *demographic, economic, technological, political, natural,* and *cultural forces*. The analysis of all these six forces shows the company what opportunities it has and what threats may occur.⁴⁴

2.2 Marketing Planning

In this section I describe the next phase of the marketing management process which is marketing planning. In terms of marketing planning the company establishes its marketing objectives and sets the ways in which they are to be achieved. This phase can be divided into three interrelated steps – establishing marketing objectives, formulation of marketing strategy and creating a marketing plan. These steps are described in detail below.

2.2.1 Establishing Marketing Objectives

Marketing objectives are specific plans which the company wants to achieve within a certain time period. They are derived from the overall business objectives. The aim of the business should be to identify customer needs and through an appropriately assembled

⁴² Philip Kotler et al., *Principles of Marketing*, 4th ed. (Harlow: Pearson Prentice Hall, 2005), 87-88.

⁴³ Ibid., 117.

⁴⁴ Ibid.

marketing mix satisfy these needs and earn a profit.⁴⁵ Marketing objectives are important for establishing a marketing strategy.

2.2.2 Formulation of Marketing Strategy

After establishing marketing objectives there comes the most important task – to develop a marketing strategy. A well formulated marketing strategy is one of the prerequisites to achieve business success. Marketing strategy provides direction that the company follows when making decisions. On the basis of successful marketing strategy the company may achieve its corporate and marketing objectives within the certain time period. In the literature dealing with marketing there is formulated a large number of different marketing strategies as each author looks at the marketing strategy from a different perspective. I chose the one by Perreault and McCarthy, who associate marketing strategy with selection of target customers and creating appropriate marketing mix.

2.2.2.1 Selection of Target Markets

In todays competitive marketplace it is impossible for most companies to serve profitably all the customers and meet their needs, as each customer has different wants, needs and purchasing power. Some companies thus divide the total market into segments based on their common features and focus on those whose needs they can satisfy the most.⁴⁸

2.2.2.2 Marketing Mix

In the framework of marketing management process the company designs a marketing mix. Kotler and Armstrong define marketing mix as "the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its product." Marketing mix includes the 4 Ps – product, place, price and promotion. All the elements of marketing mix are interrelated.

⁴⁵ Dagmar Jakubíková, *Strategický marketing*, Vyd. 1. (Prague: Oeconomica, 2005), 85.

⁴⁶ Geoff Lancaster and Lester Massingham, *Essentials of Marketing Management* (New York: Routledge, 2011), 24.

⁴⁷ William D. Perreault, Jr. and E. Jerome McCarthy, *Basic Marketing: A Global-managerial Approach*, 15th ed. (Boston: McGraw-Hill/Irwin, 2002), 36.

⁴⁸ Philip Kotler and Gary Armstrong, *Principles of Marketing*, 11th ed. (Upper Saddle River, NJ: Prentice Hall, 2005), 46.

⁴⁹ Ibid., 50.

"Product is anything that can be offered to a market for attention acquisition, use or consumption and that might satisfy a want or need." Marketers distinguish three levels of product – core product, actual product and augmented product. The core product represents the core product benefits. The actual product includes quality level, design, brand name, features and product packaging. The last level, augmented product, includes additional services that support the sale. These three levels are perceived as a complex pack of benefits. 51



Figure 2. Levels of Product⁵²

The second element of marketing mix I would like to mention is *place* also referred to as *distribution*. Distribution represents the way the products pass from producer to end consumer. The task of the company is to analyse the needs of customers, set the goals of distribution and determine the optimal amount of distribution channels. When a producer is in direct contact with end consumer, this way of distribution is called *direct distribution*. If a producer uses one or more intermediaries, it is called *indirect distribution*. Compared with indirect distribution, the advantage of direct distribution is direct contact with customers, so the company can easily ascertain whether they are satisfied or not.⁵³ Companies can choose from three different distribution strategies:

a) *Intensive distribution:* The company sells its products in as many stores and uses the services of wholesalers and retailers as much as possible. It is usually used for products that satisfy basic human needs, such as cosmetic products, food etc.

⁵⁰ Ibid., 232.

⁵¹ Ibid., 234.

⁵² Ibid.

- b) Selective distribution: The company uses only a limited number of distributors. This method of distribution is not as costly as when using intensive distribution. It is used especially for selling furniture, clothing etc.
- c) *Exclusive distribution:* The company significantly limits the number of distributors. This strategy is used for products that require special selling effort such as luxury cars and designed clothing. ⁵⁴

"Price is the amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefit of having or using the product or service." There are several methods of pricing. Companies mostly use one of the following methods of pricing:

- *Cost-based pricing* which is the simplest and mostly used method of pricing. It consists of the product cost and standard mark-up.
- *Value-based pricing* where the value of the product perceived by the customers is more important than production costs.
- *Competition-based pricing* which is often used by smaller companies that follow the market leader and change prices according to it. ⁵⁶

The last and very important element of the marketing mix is called *promotion* also known as *marketing communication*. Marketing communication includes activities through which the company informs and persuades customers in order to increase sales and profits. To be successful, companies should monitor new trends in marketing communication as they are constantly changing. There are generally two types of marketing communication.

The first one is *personal* when the company is in direct contact with customers whether by telephone, face to face, or other means. The salespeople can probe customers to learn more about their needs and respond to customer behaviour directly. "They can adjust

⁵³ Miroslav Foret, *Marketing pro začátečníky* (Brno: Computer Press, a. s., 2008), 104-105.

⁵⁴ J. Paul Peter and James H. Donnely, Jr., *A Preface to Marketing Management*, 12th ed. (New York, NY: McGraw-Hill, 2011), 150.

⁵⁵ Philip Kotler and Gary Armstrong, *Principles of Marketing*, 11th ed. (Upper Saddle River, NJ: Prentice Hall, 2005), 307.

⁵⁶ Philip Kotler and Gary Armstrong, *Marketing: An Introduction*, 7th ed. (Upper Saddle River, N.J.: Prentice Hall, 2005), 303-305.

the marketing offer to fit the special needs of each customer and can negotiate terms of sale." This form of communication is called *personal selling*. ⁵⁷

The second type of communication is *nonpersonal*, when the company attracts a large number of customers usually at the same time. Here belongs *advertising*, *public relations*, *direct marketing and sales promotion*. Each of them is described below.

Advertising represents the communication with customers through a mass medium. It may take form of television, radio or newspapers adverts, advertisement on the internet, outdoor displays, directories etc.⁵⁸ As it is a nonpersonal form of communication the company has no opportunity to get any feedback from its customers. Therefore when creating an advertisement the company must consider carefully how the audience will perceive it and react to it.⁵⁹

Public relations "is a nonpersonal form of communication that seeks to influence the attitudes, feelings, and opinions of customers, noncustomers, stockholders, suppliers, employees, and political bodies about the organisation." The basic forms of public relations include sponsorships of sports, organising cultural and charitable events, fundraising, releasing special publications etc.⁶¹

Direct marketing is based on interactive contact between the company and the customer. It represents fast and low-cost way of reaching customers. Due to direct marketing the company can get an immediate response from the customers and build strong customer relationships. It may take many forms for instance telemarketing, direct mail marketing, catalogue marketing, direct response television marketing and internet marketing. ⁶²

Sales promotion includes activities of the company that increase consumer interest, provide extra value and support the sale of products. It is divided into two types. The first

⁵⁷ Philip Kotler et al., *Principles of Marketing*, 4th ed. (Harlow, Essex: Pearson Prentice Hall, 2005),, 809-810.

⁵⁸ J. Paul Peter and James H. Donnely, Jr., *A Preface to Marketing Management*, 12th ed. (New York, NY: McGraw-Hill, 2011), 112.

⁵⁹ George E. Belch and Michael A. Belch, *Advertising and Promotion: An Integrated Marketing Communications Perspective* (New York: McGraw-Hill/Irwin, 2012), 18-19.

⁶⁰ J. Paul Peter and James H. Donnely, Jr., *A Preface to Marketing Management*, 12th ed. (New York, NY: McGraw-Hill, 2011), 112.

⁶¹ George E. Belch and Michael A. Belch, *Advertising and Promotion: An Integrated Marketing Communications Perspective* (New York: McGraw-Hill/Irwin, 2012), 25.

⁶² Philip Kotler et al., *Principles of Marketing*, 4th ed. (Harlow: Pearson Prentice Hall, 2005), 829-832.

one is *consumer-oriented* sales promotion that is aimed at end consumers and it might take a form of coupons, sampling, sweepstakes, gifts etc. The second type is *trade-oriented* sales promotion that is aimed at marketing intermediaries. In this case sales promotion may take form of price deals, trade shows and sales contests. ⁶³

2.2.2.3 Marketing Plan

The final step of the planning process is creating a marketing plan. "Marketing plan is a detailed description of the resources and actions needed to achieve stated marketing objectives." It provides overall direction for company's activities; moreover, it can be used as an instrument to obtain a loan from banks or investors. 65

2.3 Marketing Implementation and Control

After marketing planning there comes another phase of marketing management process called implementation. Implementation is the activity when the company puts its marketing plan into practice. Within the implementation the company must follow the steps and tasks according to a schedule.⁶⁶ The fact that the company has an excellent strategy does not have to lead to success. The company must be able to implement the strategy effectively and better than a competitor.

The final phase of the marketing management process is control. Marketing control monitors and evaluates the results of marketing activities. By means of control the company determines whether the implemented strategy was successful or not.⁶⁷ During this process, the company measures the achieved results, and compares them with stated objectives. If the results are significantly different from the company's plan and objectives, the company has to identify potential problems and try to find possible solutions.⁶⁸

⁶³ George E. Belch and Michael A. Belch, *Advertising and Promotion: An Integrated Marketing Communications Perspective* (New York: McGraw-Hill/Irwin, 2012), 23.

⁶⁴ David L. Kurtz and Louis E. Boone, *Principles of Marketing*, 12th ed. (Mason, Ohio: Thomson/South-Western, 2006), 62.

⁶⁵ Ibid, 63.

⁶⁶ J. Paul Peter and James H. Donnelly Jr., *Marketing Management: Knowledge and Skills: Text, Analysis, Cases, Plans* (Homewood (IL): BPI-Irwin, 1989), 26.

⁶⁷ Ibid., 29.

⁶⁸ Ibid., 26.

3 FAIR TRADE MARKETING

In this chapter of my paper I briefly describe the key marketing issue of Fair Trade. It is obvious that Fair Trade is not one company that would have one department responsible for Fair Trade marketing activities or common funds providing money for promotion. On the contrary, Fair Trade is a global movement involving a great number of companies and organizations. Upon closer examination, there is clear evidence that Fair Trade movement as a whole operates on a very similar principle and applies the majority of the tools of traditional marketing.

Compared to traditional trade, the main goal of Fair Trade is not primarily to offer customers a product with the aim of maximising profits and beating competitors. The aim of Fair Trade is especially to provide new trade opportunities to disadvantaged producers in the Third World, to increase awareness of consumers in developed countries about the difficult situation of these producers by various promotional activities and finally to introduce customers to a new way of trading that can change this situation for the better.

3.1 Fair Trade across Countries

When establishing marketing strategies it is necessary to take into account consumer behaviour and specific requirements of customers in a given market.

While the world is becoming increasingly dependent and trade barriers constantly diminish, cultural differences of each country persist.⁶⁹ Customers differ in their needs, desires, interests, income and cultural background. Values, needs and desires that underlie consumer behaviour are tied with the country in which they grew up and in which they live.⁷⁰ Simply said, how people behave and what makes them buy certain products differ across nations. While the mission of Fair Trade and the way it works is common for all countries, its marketing strategies usually differ in each country. To which extent Fair Trade organizations and traders in the UK and the Czech Republic modify their marketing activities to their target markets is the subject of the following part of my bachelor thesis.

⁶⁹ Jean-Claude Usunier, Marketing Across Cultures, 3rd ed. (Essex: Prentice Hall, 2000), 1.

⁷⁰Jaroslav Světlík, *Marketing pro evropský trh* (Prague: Grada, 2003), 110-111.

II. ANALYSIS

4 GOALS AND METHODOLOGY

4.1 Goals

Fair Trade as a global movement includes countless numbers of organizations and companies who apply their own marketing strategies to their target markets. Due to the limited range of this thesis it is not feasible to describe activities of all of them. Therefore the following practical part focuses on the analysis of marketing strategies of Fair Trade in the UK and the Czech Republic in general.

The aim is to describe and compare what commodities are offered on the Czech and British markets and identify key distributors and traders of Fairtrade products in the Czech Republic and the United Kingdom. Attention is also paid to the prices of individual products and their comparison with selected conventional products in both countries. Moreover, the success of marketing communication activities in both countries is analysed. Adapting marketing activities to individual target markets is the most significant in the fourth element of marketing mix which is marketing communication. Thus, the first three elements – product, place and price are described generally for the whole market of each country. The last element of marketing mix is then compared with the focus of organizations and traders on certain segments of customers.

4.2 Methodology

The theoretical part was devoted to the issue of Fair Trade and introduction into the marketing theory. I drew mainly from literature and official materials released by Fair Trade organizations. The practical part is divided into two main sections. The first one deals with the analysis of Fair Trade marketing strategies in the Czech Republic and the United Kingdom. When writing this part, I gathered information primarily from official websites of Fair Trade organizations and traders, especially from their annual reports and press releases.

The second part of the analysis is focused on a questionnaire survey which aims to find out how marketing activities are perceived by consumers and how big public awareness is of Fair Trade. As it would be probably unworkable to gather the responses from consumers of all ages, I decided to focus only on university students. The questionnaire was created in

Google Docs online system and carried out from February to March 2013 via official Facebook profiles of six selected universities.

5 THE ANALYSIS OF FAIR TRADE MARKETING STRATEGIES IN THE CZECH REPUBLIC AND THE UNITED KINGDOM

5.1 Fair Trade Marketing Objectives

As mentioned earlier, marketing objectives represent an integral part of the marketing strategy. The main marketing objectives of Fair Trade movement in both the Czech Republic and the UK can be described as follows:

- enlightenment and the spread of the idea of Fair Trade among customers of all ages
- retain existing customers and acquire new customers
- innovation, introduction of new products of different characteristics and tastes according to customer needs and wishes
- increase the intensity of marketing communication.

5.2 Fair Trade Marketing Strategy

Marketing strategy represents all the important steps that an organization or trader must do to achieve its marketing objectives. During the last few years, despite the global economic crisis, Fair Trade has flourished in both the Czech Republic and the UK. Nevertheless, organizations and traders should not underestimate their activities. It is necessary to heed the needs of not only producers but also the needs of customers. To build customer loyalty may not be easy. The market is saturated with plenty of organic, healthy and ethically produced products. Words such as 'ethical' or 'fair' are often abused. Therefore, it is necessary to spread the idea of Fair Trade between customers and assure them that by purchasing Fairtrade products they will really help others. Taking care of customers and identifying their preferences and needs should be the main priority of Fair Trade. With knowledge of the needs and wishes of customers Fair Trade organizations and traders may reduce their costs and increase sales.

5.3 Analysis of Fairtrade Products

Product is an essential part of marketing mix. As mentioned in chapter 1.3.2, Fairtrade products started to be imported into the Czech Republic in 1994. On the contrary, in the UK the earliest traces of Fair Trade date back to time after World War II, evidently much earlier than in the Czech Republic. Therefore, it is not surprising that British organizations

and traders managed to create a large market of dedicated and loyal customers. It is worth noting that nowadays the UK can boast of the largest Fair Trade market in the world.

Looking at table 1 one can see that in the Czech Republic sales of Fairtrade products do not reach as high numbers as in the UK. Nevertheless, according to the rising tendency of sales which increased from 2009 to 2011 by more than 513% it is evident that Fair Trade has recently began to flourish in the Czech Republic. In the UK there has been a slight increase in sales, not as significant as in the Czech Republic, but still satisfactory. The growth in both countries is caused especially by the increasing availability of products on the market, raising awareness of Fair Trade and shopping responsibility of customers.

Table 1. Sales of Fairtrade products in the Czech Republic and the UK in 2009 and 2011.

Country	Year 2009 in €	Year 2011 in €	Increase in %
The Czech Republic	556,540	2,859,432	513
The United Kingdom	897,315,061	1,498,207,592	167

Source: Data adopted from Fairtrade Labelling Organizations International, *Growing Stronger Together* (Bonn: FLO, 2010), 12 and Fairtrade International, *For Producers, With Producers* (Bonn: FLO, 2012), 12.

Regarding the range of Fairtrade products offered, in the UK it is 45% wider than in the Czech Republic.⁷¹ In addition to traditional most frequently bought products such as coffee, chocolate, tea, sugar and cocoa which are available in both countries, there are some other products purchased to a smaller extent. (See table 2).

It is necessary to highlight that there are some significant differences between the Czech market and the British market. While in the UK one of the most frequently purchased products are bananas, where one in four bananas sold is Fairtrade, ⁷² in the Czech

⁷¹ Rebeca Smithers, "Growing taste for Fairtrade shows it's Britain's cup of tea," theguardian.co.uk, March 2, 2013. http://www.guardian.co.uk/money/2013/mar/02/fairtrade-taste-growing-britain (accessed March10, 2013); ČTK, "Češi si mohou vybírat z větší nabídky fair trade," mam.ihned.cz, April 13, 2011. http://mam.ihned.cz/c1-51550670-cesi-si-mohou-vybirat-z-vetsi-nabidky-fair-trade (accessed March 10, 2013).

⁷² Fairtrade Foundation, "Banana Facts," http://www.fairtrade.org.uk/gobananas/banana_facts/ (accessed January 5, 2013).

Republic fresh fruits are not available at all. As far as Fairtrade flowers are concerned they represent a common Fairtrade commodity in most British shops. On the contrary, in the Czech Republic they are hardly available. The Czech traders do not offer nondurable Fairtrade goods as they are afraid they would suffer big losses. Recently, Fairtrade flowers and bananas were offered in selected retail chains. However, Czech customers did not express a great interest in them.

Table 2. Fairtrade products

Country	Main Fairtrade products available in both countries	Other products available in both countries	Products available only in certain country
The Czech Republic	coffee, tea,	honey, beer, soft drinks, spices, coconut, crisps, jam, oil, wine, rice, quinoa,	X
The United Kingdom	chocolate, confectionary, cocoa, sugar	beauty products, cotton products, jewellery, ceramics, leather goods and other	flowers, fresh fruits (bananas, mangoes, pineapples, lemons, grapefruits)

Source: Data adopted from Hana Chorváthová, *Tisková zpráva: Spotřeba fairtradových výrobků v ČR rostla i v roce 2011* (Prague: Fairtrade Česká republika, 2012), 1-2, and Fairtrade Foundation, http://www.fairtrade.org.uk/products/retail_products/default.aspx (accessed January 10, 2013).

According to Ing. Jiří Sládek, the agent of Fair Trade Centrum, s.r.o. which is the significant importer of Fairtrade products to the Czech Republic, to estimate which products will attract Czech customers is difficult. However, he admits that it is worth waiting. He provided me with some examples. For instance, five years ago Fair Trade Centrum, s.r.o. did not dare to offer 100% chocolate to its customers because this type of chocolate was rarely bought. Today, it is the best-selling Fairtrade chocolate in the Czech Republic. The similar case is Fairtrade quinoa, which has been popular in the UK for a long time. As far as the Czech Republic is concerned it took a couple of years for quinoa to become favoured by Czech customers. Mr. Sládek admits that customers often get to know about specific Fairtrade products abroad and when they return back to the Czech Republic, they demand these products in Czech shops. Consequently, Fair Trade traders often offer

products based on customer's demand and wishes. Although the Czech Fair Trade market compared to the British one is small, increasing trend of sales proves that even Czech consumers are not indifferent to the lives of people from the Third World countries and that they are interested in ethical ways of trading.

To conclude compared with Czech customers, British ones can choose from a wider range of products from various brands. Although the Czech consumers are not used to specific types of Fairtrade commodities yet, it is only a matter of time, when they in addition to traditional commodities such as coffee or chocolate will favour the less known commodities such as Fairtrade fruits or flowers.

5.3.1 Most frequently bought Fairtrade products

To compare sales of the most favourite products in both countries, I have chosen data from 2011 as data concerning sales of Fairtrade products in 2012 are not yet available.

According to the latest survey the most favourite product in the Czech Republic is *coffee*. In 2011 the sale of *coffee* in the Czech Republic reached 63% of total Fairtrade turnover. The popularity of coffee is caused especially by greater availability of Fairtrade coffee in the retail chains, cafés and restaurants. The second most frequently bought product category was *cocoa and chocolate confectionary* which in 2011 covered 13% of total Fairtrade turnover. Other favourite products in the Czech Republic are Fairtrade *tea*, *cane sugar* and *processed foods* such as jam and biscuits.⁷³

Unlike the Czech Republic, the most purchased product category in the UK was *chocolate confectionary* which in 2011 covered 33% of total Fairtrade turnover. The second most frequently bought product category were bananas that reached 17%. Unlike the Czech Republic, where coffee is considered as the most desirable product, in the UK coffee represented in 2011, only 16% of total Fairtrade turnover.⁷⁴ A significant growth

⁷³ Hana Chorváthová, *Tisková zpráva: Spotřeba fairtradových výrobků v ČR rostla i v roce 2011* (Prague: Fairtrade Česká republika), 1-2. http://www.fairtrade-asociace.cz/soubory/tzfairtrader9_5_2012.7332.pdf (accessed December 5, 2012).

⁷⁴ Fairtrade Foundation, "Facts and Figures on Fairtrade," http://www.fairtrade.org.uk/what_is_fairtrade/facts_and_figures.aspx (accessed February 5, 2013).

was seen in the category of herbs and spices which in 2011 increased by 40%.⁷⁵ In the Czech Republic Fairtrade herbs and spices are not yet popular.

What is more, in 2009 Fair Trade traders launched the first beauty products to the UK market and now celebrate a great success. The British consumers can choose from the wide range of products such as shower gels and lotions, moisturisers, body butters, lip balms and soaps. Taking the Czech market into account, Fairtrade beauty products are available only to a small extent as they are not that popular among Czech customers yet.

According to cultural dimensions of famous researcher Geert Hofstede who examines cultural differences and interactions between countries, the Czech Republic belongs to high uncertainty avoidance culture. It means that the Czechs are more cautious and prefer to avoid any sort of uncertainty. This may be the case of the attitude to Fair Trade. The Czech customers prefer traditional and already well-tried products. Hence a great emphasis should be put on the promotion of Fair Trade, providing as much information about the origin of Fairtrade products as possible and spreading the importance of Fair Trade among customers. Regarding the UK, it has a low score on uncertainty avoidance which means the Britons have a good relationship to innovations, new opportunities and they are not afraid of trying new products.

5.3.2 Quality level

As for the quality of products it is widely known that Fairtrade products are made of the highest quality crops. It is important to note that a large part of Fairtrade products meet the very strict criteria of organic agriculture. For instance, Gepa GmbH the largest German Fair Trade company which is one of the main distributors of Fairtrade products to the Czech Republic states on its website that more than 75% of their Fairtrade products are simultaneously organic. Famous Fair Trade organic traders in the UK are for example Equal Exchange Ltd and Cafédirect plc.

⁷⁵ The Fairtrade Foundation, *Annual Report and Financial Statements for the year ended 31 December 2011* (London: Fairtrade Foundation, 2012), 5.

http://www.fairtrade.org.uk/includes/documents/cm_docs/2012/2/2011%20Annual%20Report%20and%20Accounts%20-%20FINAL%20FULLY%20SIGNED.pdf (accessed January 5, 2013).

⁷⁶ London Fairtrade Capital, "Fairtrade on the High Street," http://fairtradelondon.org.uk/guide/fairtrade-high-street/ (accessed January 4, 2013).

5.3.3 Brand Positioning

The Fairtrade Mark itself assures customers that the product was produced under fair conditions. It represents a common brand and spreads the same message all over the world.

The recent research has shown that the Fairtrade Mark is the most widely recognised ethical label in the world. According to a GlobeScan survey that was done in 2011, in twenty-four countries across the world, nearly six out of ten consumers know the Fairtrade Mark and of those nine out of ten really believe it works.⁷⁷

5.3.4 Packaging

Taking packages of Fairtrade products into consideration it is important to note that those bearing the Fairtrade Mark must be in advance approved by national labelling initiative or directly by FLO to ensure that the Fairtrade Mark is used according to the requirements. In the UK, packages are approved by the British national initiative called Fairtrade Foundation. As far as the Czech national initiative called Fairtrade Česká republika (Fairtrade Czech Republic) is concerned, it is not yet responsible for this task, mainly for the reason that there are only two registered companies that process Fairtrade crops in the Czech Republic. Hence their packages must be approved by FLO in Bonn in advance.

The packages of Fairtrade products are mostly elegant, dominated by natural colours and often accompanied by pictures of producers and concise information about the origin of product. It rarely happens that Fairtrade products are wrapped in shiny gaudy packaging as in the case of some conventional products. What is more, on some packages one can find information that they are made from ecological materials and that products are hand wrapped. Although this information is not crucial when buying a product, the customers may be pleasantly surprised.

5.4 Analysis of Place

In this section of my paper I am going to describe another element of marketing mix called place also referred to as distribution. In traditional marketing, companies want it to be

⁷⁷ Fairtrade International, *For Producers, With Producers* (Bonn: FLO, 2012), 3. http://www.fairtrade.net/fileadmin/user_upload/content/2009/resources/2011-

¹² AnnualReport web version small FairtradeInternational.pdf (accessed January 5, 2013).

sufficient regardless of how long the distribution chain actually is, whereas Fair Trade tries to make this chain more direct and as short as possible.

Fair Trade would not have been successful without specific organizations and companies that enable the distribution of Fairtrade products from producers to the final consumers.

Regarding the UK, it can boast of a large number of organizations and companies that import Fairtrade crops directly from producer organizations of the Third World. To illustrate, the UK now cooperates with 668 groups of farmers and workers from fifty-nine countries.⁷⁹ The list of countries that are selling Fair Trade crops to the UK can be found in appendix II.

Unlike the UK, the Czech Republic imports Fairtrade products mainly from foreign Fair Trade companies who mostly purchase crops directly from producer organizations. The list of foreign companies whose products dominate the Czech Fair Trade market can be found in appendix III.

As indicated on the official website of FLO-CERT GmbH there are only two Czech companies importing raw commodities to the Czech Republic that are certified for processing and further distribution of Fairtrade products – Mamacoffee, s.r.o. and HELLMA Gastronomický servis Praha, s.r.o. 80

5.4.1 Main Distributors

In both the Czech Republic and the UK the sale and distribution of Fairtrade products are mainly practiced by wholesalers, retailers and NGOs.

The Czech NGOs that contribute significantly to the distribution of Fairtrade products is *Jeden Svět, o.p.s, Ekumenická Akademie Praha, o.s.* and *NaZemi*. The most important companies that are engaged in the distribution of Fairtrade products is *Fairtrade Centrum, s.r.o., Mamacoffee, s.r.o., Fairově, s.r.o., Miko Káva, s.r.o. (Miko Coffee Ltd) and Manumade, s.r.o.*

⁷⁸ Fairtrade International, *Fairtrade: Trade Standard* (Bonn: FLO, 2011), 6. http://www.fairtrade.net/fileadmin/user_upload/content/2011-12-29_GTS_EN.pdf (accessed January 4, 2013).

⁷⁹ Fairtrade Foundation, *Annual Review 2011/2012* (London: Fairtrade Foundation, 2012), 8-9. http://fairtrade.clikpages.co.uk/annualreview2012/ (accessed January 5, 2013).

⁸⁰ FLO-CERT, "Operators," http://www.flo-cert.net/flo-cert/29.html (accessed March 1, 2013).

Turning now to the question of British Fair Trade distributors, as the most significant can be considered *Oxfam, Traidcraft plc, Cafédirect plc, Twin Trading Ltd, Divine Chocolate Ltd, Shared Earth Ltd, Equal Exchange Trading Ltd and Bishopston Trading Company Ltd.* The list of selected organizations and companies including information about main products they offer and additional information about these organizations and companies can be found in appendix IV and V.

5.4.2 Worldshops

The first important way of distributing Fairtrade products I would like to mention is via Worldshops also referred to as Fair Trade shops. As their name suggests, they sell only Fairtrade products. Worldshops are located especially in big cities. They usually hire real Fair Trade enthusiasts who know a lot of information about Fair Trade, provide customers with Fair Trade news and the origin of products. What is more, Worldshops apart from selling products also promote Fair Trade and organize various activities to raise public awareness about Fair Trade. ⁸¹ It is important to note that there is a significant difference in amount of Worldshops in the Czech Republic and the UK.

According to information I received from Czech organization called Fairtrade Česká Republika (Fairtrade Czech Republic) there are currently only seven Worldshops.

Table 3. Worldshops in the Czech Republic

Name	Location	Owner
Fair&Bio	Prague	Ekumenická Akademie Praha, o.s.
Obchůdek Jednoho Světa	Prague	Jeden Svět, o.p.s.
NaZemi	Prague, Brno, Olomouc	NaZemi
Fair Trade Centrum	Prague, Brno	Fair Trade Centrum, s.r.o.

Source: Fairtrade Česká republika (Fairtrade Czech Republic)

Surprisingly, in the UK the number of Worldshops is much higher. There are currently more than one hundred Worldshops. Most British Worldshops and suppliers are associated

⁸¹ Jean-Marie Krier, *Fair Trade 2007: new facts and figures from an ongoing success story* (Culemborg: The Dutch Association of Worldshops, 2008), 27. http://www.european-fair-trade-association.org/efta/Doc/FT-E-2007.pdf (accessed November 3, 2012).

in *The British Association for Fair Trade Shops and Suppliers (BAFTS)*. The purpose of this association is to build a community of Fair Trade retailers and importers, to promote Fair Trade in the UK and especially to make the communication between Fair Trade traders easier. Currently, *BAFTS* includes more than two hundred of Worldshops and suppliers. ⁸²

5.4.3 Other forms of distribution

Fairtrade products can be found in selected Czech and British restaurants and cafés where sometimes a great emphasis is placed on the promotion of Fair Trade. Customers can enjoy Fairtrade products prepared by professional chefs and baristas. They may attract customers and encourage them to choose Fairtrade products in their shopping for home consumption. Besides cafés and restaurants, Fair Trade and health food enthusiasts can purchase Fairtrade products for instance in health food stores or in chemist's shops.

Sales of Fairtrade products in the UK as well as in the Czech Republic are strongly supported by the commitment of wholesale chains such as *Makro Cash&Carry* and wide network of retail chains. They can apply various promotional tools such as tasting sessions or a personal approach to customers. Taking prices of Fairtrade products into account, wholesalers and retailers can afford to sell products for lower prices as it is compensated by a large number of products sold.

The last important way of selling Fairtrade products I would like to mention is the sale via online shops which offer not only food products, but extend the range of handicrafts, cosmetics or cotton clothes. Offering Fairtrade products in Czech online shops is a matter of the last few years and as yet this type of sale is not as popular as in the UK. Regarding the prices in online shops, they are usually lower. This is caused by the fact that sellers have minimum spending on premises, labour and equipment. The list of major cafés, retail chains and online shops that play a significant role in the sales of Fairtrade products in the Czech Republic and the UK can be found in appendix VI.

⁸² BAFTS, "British Association For Fair Trade Shops," http://www.bafts.org.uk/component/content/article/51-welcome-to-the-british-association-for-fair-trade-shops (accessed February 5, 2013).

5.4.4 Transition of Companies to Fair Trade

It is necessary to emphasise that the growth of sales in both countries is caused, in part, by the transition of big companies to Fair Trade. I will mention only some of them.

For instance *Cadbury Ltd*, one of the major chocolate companies in the UK switched its Dairy Milk chocolate bar to Fairtrade.⁸³ In 2012 the famous *Mars, Inc.* switched one of its top chocolate products, called *Maltesers*, to 100% Fairtrade. Furthermore, *Sainsbury's Supermarkets Ltd* and *Waitrose Ltd* launched the first ready meals in the UK that are made of Fairtrade beans and herbs. In 2011 *Unilever plc* converted all its *Ben and Jerry's* ice-creams in the European Union to Fairtrade using 100% Fairtrade sugar. Moreover, cosmetic companies showed their support for Fair Trade. For instance, *Essential Care Ltd* launched the first Fairtrade certified makeup and *Lush Cosmetics Ltd* launched the world's first Fairtrade tooth products using Fairtrade herbs and spices.⁸⁴ All these companies dominate, especially, the British market. Nevertheless, some of these products are to a smaller extent available also in the Czech Republic. Support for Fair Trade was expressed also by *Eurest Ltd* who offers Fairtrade products in its restaurants both in the Czech Republic and the UK. Moreover, in the Czech Republic we can find Fairtrade products in vending machines from the Czech company *Delikomat, s.r.o.*

Another company that supports Fair Trade is a multinational company *Sodexo Ltd* which provides food services. *Sodexo Ltd* is famous in both the Czech Republic and the UK and now it serves Fairtrade sugar in nearly one thousand of British and tens of Czech restaurants and cafés. In 2009 it launched a global project, called *The Better Tomorrow*, which aims to extend the range of Fairtrade products across cafés and restaurants supplied by *Sodexo Ltd*.⁸⁵

⁸⁴ The Fairtrade Foundation, *Annual Report and Financial Statements for the year ended 31 December 2011* (London: Fairtrade Foundation, 2012), 4-5.

http://www.fairtrade.org.uk/includes/documents/cm_docs/2012/2/2011%20Annual%20Report%20and%20Accounts%20-%20FINAL%20FULLY%20SIGNED.pdf (accessed February 5, 2013).

⁸³ Daily Mail Reporter, "Britain No1 Fairtrade buyer as sales rise 40% to £1.1billion a year despite recession," dailymail.co.uk, February 28, 2011. http://www.dailymail.co.uk/news/article-1361408/Britain-No1-Fairtrade-buyers-sales-rise-40-1-1billion-year-despite-recession.html#ixzz2Le0B0eku (accessed February 3, 2013).

⁸⁵ Sodexo, "Sodexo takes a sweet step forward in Fairtrade Fortnight," http://uk.sodexo.com/uken/media-centre/press-releases/fairtrade-sugar.asp (accessed February 25, 2013).

Having described the distribution in the UK and the Czech Republic it is evident that the big advantage of the UK is larger availability of Fairtrade products in Worldshops, bigger popularity of online shops and the large number of companies in the British market converting to Fair Trade. Another advantage is also the fact Britons do not import as many products from foreign companies as Czechs, but rather import them directly from the Third World producers and process them themselves.

5.5 Analysis of Price

As mentioned in chapter 1.4.4 and 1.4.5 the price of Fairtrade products consists of Fairtrade minimum price plus Fairtrade premium that is paid directly to the Fairtrade producer organizations and used for social and economic development of their communities. The Fairtrade premium is usually one of the reasons why prices of Fairtrade products are slightly higher than prices of non-Fairtrade products.

Since the basis of Fairtrade products are grown crops their prices are, as well as in the case of commercial products, influenced by the current market situation and environmental conditions. However, if the market price falls, Fairtrade producers can be sure that they will get a guaranteed minimum price that will cover all their costs necessary to maintain the standards and quality of production and also ensure good living conditions of the producers themselves. By contrast, if the market price is higher than the Fairtrade minimum price, the market price is adopted.⁸⁶

5.5.1 Comparison of Prices

For the purpose of my thesis, I decided to compare prices of two most frequently bought commodities - Fairtrade chocolate and coffee to prices of non-Fairtrade chocolate and coffee, both in the Czech Republic and the UK. The aim of this comparison is to show that Fairtrade products, compared to non-Fairtrade products of the same weight, similar composition and brand prestige, are not that expensive as many people may assume. Product prices, of course, vary depending on whether one buys them in small independent stores, supermarkets or online shops.

⁸⁶ Fairtrade Foundation, "The Fairtrade minimum price,"

http://www.fairtrade.org.uk/what_is_fairtrade/fairtrade_certification_and_the_fairtrade_mark/the_fairtrade_m inimum_price.aspx (accessed January 16, 2013).

5.5.1.1 Chocolate

For the comparison of Fairtrade chocolate one of the best-selling chocolate brands in the UK called *Divine* was chosen. Divine chocolates are produced of high quality cocoa beans supplied by a Fairtrade producer organization in Ghana. As a representative of non-Fairtrade chocolate was selected the well-known brand called *Lindt*, which is one of the leading manufacturers of luxury chocolates in the world. For the comparison were used prices found on the official online shops of both companies on March 3, 2013.

From the wide range of Divine chocolates I chose 85% Dark Chocolate which can be seen in figure 4. It is available in packages of 100 grams and on the official Divine online shop it is sold for 2 GBP.⁸⁷ Selected *Lindt Excellence Dark Chocolate* contains 85% of cocoa and it is available in packages of 100 grams as well. As indicated on the official Lindt online shop this chocolate costs 1.83 GBP.⁸⁸ Apparently, the Fairtrade chocolate is just slightly more expensive by 8.5% than the non-Fairtrade chocolate.







Figure 4. Divine⁹⁰

To compare prices in the Czech Republic, I chose the same chocolates of the same brands, as in the case of the UK. *Divine Dark Chocolate* was, as on March 3, 2013 at Fairově, s.r.o. online shop a famous Czech Fair Trade distributor, available for 63 CZK. As the official online shop of Lindt does not exist in the Czech Republic, I used the price offered by the Czech Tesco online shop, where this chocolate was as on March 3, 2013

⁸⁷ Divine, http://www.divinechocolate.com/shop/chocolate-bars/85-percent-dark-chocolate/ (accessed March 3, 2013).

⁸⁸ Lindt, http://www.lindt-shop.co.uk/chocolate-bars/excellence-85.html (accessed March 3, 2013).

⁹⁰ Divine, http://www.divinechocolate.com/shop/chocolate-bars/85-percent-dark-chocolate/ (accessed March 3, 2013).

available for 66.90 CZK. 92 It is clear that the price of non-Fairtrade Lindt chocolate is slightly more expensive by 6.2%.

Table 4. The Comparison of Prices of Fairtrade and Non-Fairtrade Chocolate

Chocolate	Country	Туре	% of Cocoa	Weight (g)	Price	Price (CZK)
Divine Dark Chocolate	United Kingdom	Fairtrade	85	100	2 GBP	59.60
Lindt Excellence Dark Chocolate	United Kingdom	Non- Fairtrade	85	100	1.83 GBP	54.50
Divine Dark Chocolate	Czech Republic	Fairtrade	85	100	63 CZK	63
Lindt Excellence Dark Chocolate	Czech Republic	Non- Fairtrade	85	100	66.90 CZK	66.90

Source: Data from official online shops of Lindt, Divine Chocolate, Fairově and Tesco.

Note: Exchange rate of GBP was converted to CZK according to the current rate of March 3, 2013 (1 GBP = 29.8 CZK).

5.5.1.2 Coffee

Regarding coffee, it is important to clarify that I chose coffee made of 100% Arabica beans that are known for their aroma, soft, slightly acidic taste and higher price than coffee made of Robusta beans.

One of the most popular companies offering Fairtrade coffee in the UK is Cafédirect plc. It is necessary to highlight that most British coffee manufacturers pack coffee in packages of 227 grams not 250 grams as Czech companies do. For that reason I decided to convert prices to 100 grams as can be seen in table 5.

From the wide range of Cafédirect coffee the well-known *Cafédirect Kilimanjaro Ground Coffee* was chosen. Cafédirect plc does not have an online shop; however it sells its products on ethical supershop.co.uk where this coffee was as on March 3, 2013 available for 3.75 GBP (100 g = 1.65 GBP).

⁹¹ Fairově, http://www.fairove.cz/divine-horka-cokolada-85-kakaa-100-g/d-70597/ (accessed March 3, 2013).

⁹² Tesco, http://nakup.itesco.cz/cs-CZ/ProductDetail/ProductDetail/2001013410938 (accessed March 3, 2013).

⁹³Ethical superstore, http://www.ethical superstore.com/products/cafedirect/kilimanjaro-roast-and-ground-coffee/ (accessed March 3, 2013).

As a non-Fairtrade coffee I chose *Carte Noire Ground Coffee*. Carte Noire is the French leading coffee brand which is famous for its high quality and rich taste. It is available on the British Tesco online shop in packages of 227 grams for 3.79 GBP (100 g = 1.67 GBP). Here one can see that the prices are almost the same.







Figure 6. Carte Noire⁹⁶

To compare prices in the Czech Republic I used the same representatives as in the UK. *Cafédirect Kilimanjaro Ground Coffee* is sold on the online shop of the Czech distributor Fairově, s.r.o. for 159 CZK (100 g = 70 CZK). On the contrary, *Carte Noire Ground Coffee* in packages of 250 grams is sold on the Czech Tesco online shop for 166 CZK (100 g = 66.40 CZK). Based on evidence the price of 100 grams of Fairtrade coffee in the Czech Republic is slightly more expensive by 5.1%.

⁹⁴ Tesco, http://www.tesco.com/groceries/Product/Details/?id=267047207 (accessed March 3, 2013).

⁹⁵ Ethical superstore, http://www.ethical superstore.com/products/cafedirect/kilimanjaro-roast-and-ground-coffee/ (accessed March 3, 2013).

⁹⁶ Tesco, http://nakup.itesco.cz/cs-CZ/ProductDetail/ProductDetail/2001012927055 (accessed March 3, 2013).

⁹⁷ Fairově, http://www.fairove.cz/kava-kilimanjaro-mleta-227-g/d-70580/ (accessed March 3, 2013).

⁹⁸ Tesco, http://nakup.itesco.cz/cs-CZ/ProductDetail/ProductDetail/2001012927055 (accessed March 3, 2013).

Coffee	Country	Туре	Weight (g)	Price	Price (100 g)	Price (CZK/100 g)
Cafédirect Kilimanjaro Ground Coffee	United Kingdom	Fairtrade	227	3.75 GBP	1.65 GBP	49.20
Carte Noir Ground Coffee	United Kingdom	Non- Fairtrade	227	3.79 GBP	1.67 GBP	49.80
Cafédirect Kilimanjaro Ground Coffee	Czech Republic	Fairtrade	227	159 CZK	70 CZK	70
Carte Noir Ground Coffee	Czech Republic	Non- Fairtrade	250	166 CZK	66.40 CZK	66.40

Table 5. The Comparison of Prices of Fairtrade and Non-Fairtrade Coffee

Source: Data from online shops of Ethical Superstore, Fairově and Tesco Stores.

Note: Exchange rate of GBP was converted to CZK according to the current rate of March 3,2013 (1 GBP = 29.8 CZK).

Taking this comparison into account it is evident that if we compare the price of Fairtrade product and non-Fairtrade product of the same quality, they are very similar. Furthermore, if we compare the prices of Fairtrade products in the UK and the Czech Republic, it is obvious that in the UK they are lower. Mainly for the reason that most British Fairtrade companies process the crops themselves, whereas the Czech companies import them from foreign companies which of course increases the price of products.

Taking the prices across countries into consideration, different standard of living should be taken into account. So in conclusion, I decided to make one more comparison. In the UK the average monthly salary in 2012 reached 2,208 GBP. Thus, a British consumer could buy for his/her salary 588 packages of *Cafédirect Kilimanjaro Ground Coffee* or 1,104 bars of *Divine Chocolate*. While a Czech consumer could buy for the average monthly salary which in 2012 was 24,514 CZK¹⁰⁰ only 154 packages of *Cafédirect Kilimanjaro Ground Coffee* or 389 bars of *Divine Chocolate*. The evidence suggests that the Fairtrade products are for British consumers more affordable.

⁹⁹ BBC, "Average earnings rise by 1.4% to £26,500, says ONS," http://www.bbc.co.uk/news/business-20442666 (accessed March 3, 2013).

¹⁰⁰ Český Statistický Úřad, "Mzdy a náklady práce," http://www.czso.cz/csu/redakce.nsf/i/prace a mzdy prace (accessed March 3, 2013).

5.6 Analysis of Marketing Communication

Last but not least, I would like to describe the fourth element of marketing mix called marketing communication.

"Successful Fair Trade marketing both satisfies an immediate market demand and, over time, increases the size of this market through education and campaigning." Fair Trade marketing has been constantly evolving over the past few years and now it uses the majority of traditional marketing tools such as advertising, sales promotion and especially public relations. Fair Trade organizations and traders try to draw attention of customers especially through community involvement and various educational activities that help to ensure further development of Fair Trade.

For the purpose of my thesis, I divided Fair Trade target markets into four different groups of customers that Fair Trade targets with its promotional activities – individual customers, workplaces, public institutions and students.

5.6.1 Individual Customers

Firstly, Fair Trade focuses its marketing activities generally on individual customers. It aims to persuade them that Fair Trade has a positive impact on improving the quality of the producers' lives.

Perhaps the greatest emphasis should be placed on advertising in shops. It seems to me that the way of promotion in most Czech shops is quite ineffective. Products are often placed on lower shelves out of eye level. What Czech shops could be criticised for is a lack of promotion in the form of directories and displays that would grab the attention of customers. As a result, traders do not attract customers who do not know Fair Trade and those who would like to buy Fairtrade products will not simply find them and will choose an alternative in the form of conventional products. In the UK, the situation is considerably different. Fairtrade products are placed in accessible and visible places. When one comes for example to the Co-operative store a large number of directories and posters will impress him/her. Shopping baskets, carts and shelves are full of promotional signs. What is more, British traders often use window shop displays or stickers attracting customers from

¹⁰¹ Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London: Sage Publications, 2005), 154.

the outside. Without any doubt British customers cannot overlook the presence of Fairtrade products. Examples of British Fair Trade promotional materials in shops can be found in appendix VII.

Although the efficient way of promotion that can address the largest number of customers is advertising via television and radio, Fair Trade does not use this method actively due to its high costs. Therefore on Czech radio consumers can hear the advertisements promoting Fair Trade events just rarely and no advertisement can they see on the television. It is very likely that the interest in Fair Trade would rapidly increase if Czech Fair Trade organizations or traders invested in this form of advertising. On the contrary, in the UK the situation is much better. On the television customers can see the advertisements of popular companies that have converted to Fair Trade such as Cadbury Ltd or Ben Jerry's.

In addition, what may be found as the reason of the high popularity of Fair Trade in the UK is generally a bigger interest in quality and healthy products. In the UK a healthy lifestyle is promoted more. For example, well-known British chef, a big promoter of healthy cooking, Jamie Oliver and famous cook Nigella Lawson, often evoke Britons to buy organic products. Admittedly, they indirectly help to increase sales of Fairtrade products. In 2012 a baking campaign called *The Big Fair Cake* was launched which aimed to persuade Britons to use Fairtrade ingredients for baking. This campaign was supported by a number of famous British bakers and chefs.

Regarding official websites of Fair Trade organizations, they provide information about Fair Trade and the way customers can join, publish brochures, newsletters and annual reports. As far as I am concerned I like British websites better. In particular, for the reason that most of their websites are well-arranged, interesting, full of images, banners and they are updated much more frequently than the Czech ones. Examples of Czech and British websites can be found in appendix VIII.

Currently, a very successful tool for communication is Facebook, a global social network, which is used by most Czech and British organizations and traders to communicate with customers. On their Facebook profiles customers can learn about Fair Trade, find news regarding forthcoming Fair Trade events or Fairtrade products they offer.

Another popular way of promotion to consider is consumer oriented sales promotion in the form of tasting sessions, discounts or coupons. In both countries stalls with tasting sessions are held at various cultural and educational events. Coupons for Fairtrade products are very popular especially in the UK. In the Czech Republic, this method of support is used primarily by online shops which offer various coupons, sales or free shipping. The example of successful Czech sales promotion activity is the one organized by Fairově, s.r.o. whom, with the cooperation of T-Mobile started a project in 2011 called *Kouzelné Úterý*. If customers sent a message to the required number they could choose a Fairtrade product at will, and another was given to him/her for free.

Turning now to the question of public relations in the form of various Fair Trade events, discussions and lectures, it is evident that this method of promotion has the biggest impact on customers. In the Czech Republic the main organization responsible for these activities is Fairtrade Česká Republika (Fairtrade Czech Republic) and NaZemi. In the UK, the largest organization involved in promotion is Fairtrade Foundation. Below I provide the reader with the most important public events that every year help to raise awareness of Fair Trade.

The first and the most important event in the Czech Republic is *The World Fair Trade Day*. This day is celebrated in many countries across the world in a similar way and its goal is to express support to Fair Trade movement. The World Fair Trade Day is celebrated on the second Saturday in May mostly in big cities such as Prague, Brno, Trutnov, Plzeň or Zlín. Fair Trade organizations and shops host events such as talks, fairs, music concerts and tasting sessions. Furthermore, some cafés such as Tchibo, s.r.o., Mamacoffee, s.r.o. or Starbucks, s.r.o. also engage in this celebration by organizing tasting sessions and providing special discounts for their products. As all activities do not fill in a single day they are usually celebrated a straight week.¹⁰²

The World Fair Trade Day is associated with a favourite event called *Fair Breakfast* which is usually held in parks, squares and other public places where people bring their own Fairtrade products and have breakfast together. Last year it was the biggest event

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Bio-info, "Týden pro fair trade v České republice se blíží – letos ve jménu kávy," http://www.bio-info.cz/zpravy/tyden-pro-fair-trade-v-ceske-republice-se-blizi-letos-ve (accessed February 15, 2013).

organized in fifty-seven cities across the Czech Republic and was attended by 1,800 people. 103

Unlike the Czech Republic, the biggest event organized in the UK is the *Fairtrade Fortnight* which runs for two weeks every March. It is the most successful campaign launched by the Fairtrade Foundation which aims to raise public awareness of Fair Trade. It is organized by charities, local authorities, students, Fair Trade enthusiasts and supported by the Fairtrade Foundation. In several towns across the UK concerts, events for children, exhibitions and fairs with Fairtrade products are organized. This year producers from Costa Rica, Uganda, St. Lucia and Malawi travelled around the UK giving lectures and discussions on Fair Trade. The campaign was supported by famous celebrities such as Tinchy Strider, Eddie Izzard and Jonathan Ross. In 2012 the Fairtrade Foundation used so called buzz marketing which was intended to cause a stir by spreading a special series of promotional videos with 12 famous personalities. These videos were massively spread among Britons and significantly highlighted the upcoming event.

One of the main reasons why Fair Trade is so successful in the UK is a big emphasis on the promotion and massive support by Fair Trade organizations, traders and the public. In this sense the Czech Republic could learn a lot from the UK.

5.6.2 Workplaces

Secondly, Fair Trade organizations and traders try to convince workplaces to consume Fairtrade products at work as part of their corporate culture. To make Fairtrade products available in the workplace is one of the ways to show employees that their company respects human labour. Workplaces are provided with educational activities and tradeoriented sales promotion in the form of price deals and trade shows.

The significant company in the Czech Republic which aims to support corporate social responsibility, through education and implementation, of Fairtrade products in daily consumption at companies is Miko Káva, s.r.o. (Miko Coffee Ltd). As indicated on its official website, it organizes fair and organic breakfasts for employees, sales, tasting sessions, teambuilding activities, lectures, workshops and fair family days for employees

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NaZemi, "Férová snídaně v 57 městech ČR: propršela, přesto lidé přišli," http://www.nazemi.cz/fairtrade/390-ferova-snidane-v-57-mestech-cr-proprsela-presto-lide-prisli-sobota-12-kveten-2012-1920-ferova-snidane-v-57-mestech-cr-proprsela-presto-lide-prisli.html (accessed February 5, 2013).

and their children. Furthermore, it provides a variety of Fairtrade gift packages for employees or business partners and catering service for corporate events. 104

Taking the UK into account, the most significant is the campaign called *Fairtrade at work* launched by the Fairtrade Foundation. This campaign encourages British companies to use Fairtrade products in the workplace. On its website it advices companies with the process of switching to Fairtrade products, offering a variety of promotional materials including promotional leaflets, Fair Trade Sudoku game that employees can play during the coffee break or funny videos, playing on office humour that employees can share with colleagues or friends. What is more, the Fairtrade Foundation provides companies with a list of Fair Trade distributors in the UK. ¹⁰⁵ This campaign has become really successful and over the years hundreds of businesses have joined in.

Even in this case the UK took a successful step and by organizing a large campaign it helped to increase consumption of Fairtrade products in the UK. The largest consumers of Fairtrade products in the workplace are the premises of *Co-operative Financial Services*, which annually consume around four million cups of Fairtrade beverages. The number of Czech companies involved in Fair Trade is relatively small as the promotion is not that strong. Many Czech companies are not involved in Fair Trade yet, because they have long-term contracts with multinational distributors who provide them not only with coffee but also with coffee machines. Such bonuses Czech Fair Trade distributors cannot offer.

5.6.3 Public Institutions

It is important to emphasise that not just ordinary consumers and companies, but also public institutions can support Fair Trade. Fair Trade targets city halls, churches and political institutions to serve Fairtrade products at their meetings, in the offices and public events. Many of them have been gradually adding support for Fair Trade to their strategic plans.

The most interesting campaign launched in order to support Fair Trade by public institutions is *The Fairtrade Towns* campaign. It was launched in 2001 by British activist

¹⁰⁴ Miko, "Miko pro firmy," http://www.mikocoffee.com/akce.html (accessed February 20, 2013).

¹⁰⁵ Fairtrade Foundation, "Fairtrade Foundation Asks Workplaces to Switch to Fairtrade Products," http://www.fairtrade.org.uk/press_office/press_releases_and_statements/archive_2006/oct_2006/fairtrade_foundation_asks_workplaces_to_switch_to_fairtrade_products.aspx (accessed March 5, 2013).

Bruce Crowther. In comparison, the Czech Republic launched this campaign ten years later in 2011. The British model was adapted by NaZemi, Ekumenická Akademie Praha, o.s. and Fairtrade Česká republika (Fairtrade Czech Republic). Whereas in the UK there are about 500 Fairtrade Towns (the best known is for example London, Brighton and Hove, Birmingham and Glasgow), in the Czech Republic there are just four Fairtrade Towns (Litoměřice, Vsetín, Volyně and Český Krumlov) and six others have applied for the status (Třebíč, Tišnov, Brno, Chrudim, Hodonín and Kroměříž). It is obvious that this campaign is at the beginning in the Czech Republic, hopefully one day it will achieve a similar success as in the UK.

The Fairtrade Towns campaign represents an interesting marketing tool for towns. Involvement in the campaign and gaining the status enhances the reputation of the town. Thanks to this project global public objectives of promoting sustainable development and responsible consumption are being achieved. The main advantage is responsible handling of public funds and the positive use of the purchasing power of public institutions. Furthermore, there is a possibility for national and international cooperation with other towns with this status. Town involvement in the project stimulates demand for Fairtrade products and represents a good role model for other institutions and individual consumers.¹¹⁰

To gain the status, towns must meet five criteria. In the Czech Republic evaluation is done by Fairtrade Česká republika (Fairtrade Czech Republic), while in the UK by the Fairtrade Foundation. The five criteria are the same for both countries:

- Convene a steering group responsible for promoting Fair Trade in the town
- Official support of Fair Trade in documents and on websites

¹⁰⁷ Fairtradová města, "Historie," http://www.fairtradovamesta.cz/o_fairtradovych_mestech/historie (accessed February 20, 2013).

¹⁰⁶ Ibid.

¹⁰⁸ Fairtrade Foundation, "About Fairtrade Towns,"

http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/about_fairtrade_towns.aspx (accessed February 20, 2013).

¹⁰⁹ Fairtradová města, "Kde jsou fér," http://www.fairtradovamesta.cz/kde_jsou_fer (accessed February 20, 2013).

¹¹⁰ Fairtradová města, "Přínosy," http://www.fairtradovamesta.cz/o_fairtradovych_mestech/prinosy (accessed February 20, 2013).

- Availability of at least four Fairtrade product ranges in local shops and two products in local cafés or restaurants
- Local support from the schools, NGOs, libraries and churches by organizing educational events and buying Fairtrade products
- Local media must report on Fair Trade and at least once a year the town must organize a promotional event.¹¹¹

5.6.4 Students

The reason why Fair Trade organizations and traders focus most of their activities on the young generation is that they represent potential Fair Trade supporters in the future.

The Czech leader for promoting Fair Trade among students is NaZemi. It launched a programme called *Global Development Education* which aims to involve the issue of Fair Trade in Czech education. It organizes educational programmes in the form of various lectures, workshops or interactive exhibitions. What is more, it supports teachers through seminars and courses and provides them with teaching materials. Moreover, NaZemi established its own library where students, teachers and interested members can find Czech and foreign books, study guides for teachers, DVDs and other materials concerning Fair Trade and responsible consumption. NaZemi's educational programme informs students about the principles of Fair Trade, helps them understand economic, social and environmental issues, and develops their skills and the ability to formulate their opinions, empathy and solidarity to others. The Global Development Education involves large numbers of training programmes conducted by trained tutors.¹¹²

What is more, NaZemi organizes several discussions and lectures for university students. In 2010, the organization prepared a special course for students of Master's degree in Geography in the Faculty of Science at Masaryk University Brno and a sixty-four hours course of *Critical thinking and Global issues* for teachers and students.¹¹³

http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_towns/the_5_goals.aspx (accessed February 20, 2013).

¹¹¹ Fairtrade Foundation, "The five goals,"

¹¹² NaZemi, http://www.nazemi.cz/ (accessed February 20, 2013).

¹¹³ NaZemi, *Výroční zpráva 2010* (Brno: NaZemi – společnost pro fair trade, 2011), 4. http://www.nazemi.cz/images/jine/vyrocky/vz-2010-web.pdf (accessed February 20, 2013).

Other organizations that deal with Fair Trade education through lectures, seminars and presentations are Ekumenická Akademie Praha, o.s., Fairtrade Česká republika (Fairtrade Czech Republic) or Fair Trade Centrum, s.r.o. Many Fair Trade traders however, get involved in promotion less and less and would rather leave promotional activities to NGOs that receive grants for these activities and have a large support of volunteers.

Turning now to the question of British Fair Trade educational activities for students, they are mostly organized by the Fairtrade Foundation in collaboration with other NGOs and traders in order to raise awareness of Fair Trade and encourage schools to get involved in the Fairtrade Schools campaign.

The first organization that provides educational programmes for students I would like to mention is Oxfam which cooperates with trained volunteer speakers and provides information on the work of Oxfam, global issues and teaching materials about Fair Trade. The courses are organized in the form of active seminars. Oxfam seeks to inform students about the problems of the Third World and teach them to be responsible towards people and the environment.¹¹⁴

The second organization that is worth mentioning is People&Planet. People&Planet is the British largest student network which fights for the protection of human rights and the environment. It has a network of trained volunteers who significantly contribute to the promotion of Fair Trade in British schools and universities. It organizes interactive sessions full of games, discussions and tasks. Furthermore, it supports and helps schools to obtain the status of Fair Trade. Other organizations organizing educational programmes that are worth mentioning are for example Traidcraft and ActionAid UK.

The largest campaign focusing on students is the *Fairtrade Schools* campaign. The aim of this campaign is to raise public awareness of Fair Trade and support Fairtrade products in a given location. To obtain Fair Trade status the school must meet five criteria:

- Set up a steering group
- Official support of Fair Trade
- Availability of Fairtrade products in the school canteen and vending machines

¹¹⁴ Oxfam, "Oxfam School Speakers," http://www.oxfam.org.uk/education/school-projects/oxfam-school-speakers (accessed February 20, 2013).

- Learn about Fair Trade in subjects
- Organize regular Fair Trade promotional events. ¹¹⁶

The Czech Republic has so far only four Fairtrade schools – *T.G. Masaryk elementary school in Litoměřice, High School in Volyně, hotel school in Třebíč* and *elementary school in Rokytnice, Vsetín.*¹¹⁷ By contrast, in the UK, the campaign is far more powerful and has more than 500 participating schools.¹¹⁸

What is more, the Fairtrade Foundation launched a campaign called *Fairtrade Universities and Colleges*. In order to gain this status, the university/college must meet five similar criteria. Currently, there are more than 160 Fairtrade universities and colleges. ¹¹⁹ Unfortunately, in the Czech Republic no university has this status yet.

¹¹⁵ People & Planet, "For Your Students," http://peopleandplanet.org/education/staff/for-your-students (accessed February 20, 2013).

¹¹⁶ Fairtradová města, "Fairtradové školy," http://www.fairtradovamesta.cz/ft_skoly (accessed February 20, 2013).

¹¹⁷ Fairtradová města, "Kde jsou fér," http://www.fairtradovamesta.cz/kde_jsou_fer (accessed February 20, 2013).

¹¹⁸ Fairtrade Foundation, "Campaigns," http://www.fairtrade.org.uk/get_involved/campaigns/default.aspx (accessed February 20, 2013).

¹¹⁹ Fairtrade Foundation, "About Fairtrade Universities and Colleges,"

http://www.fairtrade.org.uk/get_involved/campaigns/fairtrade_universities/about_fairtrade_universities.aspx (accessed February 20, 2013).

6 QUESTIONNAIRE SURVEY

The following part of my thesis is devoted to a questionnaire survey. The objective of the research is to demonstrate the awareness and attitudes towards Fair Trade of students and evaluate how students perceive marketing activities of Fair Trade in their countries. It consists of nine questions. A full form of the questionnaire can be found in appendix I.

6.1 Sample

One of the reasons students were chosen as a sample for this survey is that Fair Trade focuses much of its promotional activities on the younger generation and awareness of Fair Trade among students is considered to be the fastest growing. As this paper deals with Fair Trade across two countries, I decided to keep this focus also in my survey. I have chosen six universities. Three in the United Kingdom namely the *University of Strathclyde Glasgow*, the *University of Brighton* and *University College Birmingham* and three in the Czech Republic namely *Tomas Bata University in Zlín*, *Palacký University Olomouc* and *Masaryk University Brno*. The sample of the study includes first two hundred responses (one hundred Czechs and one hundred Britons). I stated three hypotheses which I will, based on my survey, either confirm or disprove.

6.2 Hypotheses

Hypothesis number one: The awareness of British students about Fair Trade is higher than that of Czech students.

Hypothesis number two: The interest in Fairtrade products is bigger amongst British students.

Hypothesis number three: The promotion of Fair Trade is, from the perspective of students, in the UK far more active and successful than in the Czech Republic.

6.3 Analysis of Results

6.3.1 Which university are you currently studying at?

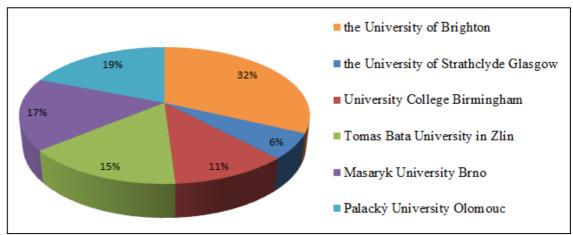


Figure 7. Question number 1

Figure 7 indicates how many students from each university participated in my survey. The highest number of Czech respondents (19%) was from Palacký University Olomouc. The other 17% of students were from Masaryk University Brno and 15% from Tomas Bata University in Zlín. The highest number of British students (32%) was from the University of Brighton. The large participation of these students can be attributed to the fact that the University of Brighton has Fairtrade University status. Hence, these students were willing to answer my questions as Fair Trade is a part of their everyday school life. The other 11% of students were from University College Birmingham and 6% from the University of Strathclyde Glasgow.

6.3.2 Do you know what Fair Trade is?

The second question was posed in order to find out how many students know Fair Trade. Of one hundred Czech students who completed the questionnaire, just 66% of them indicated that they know Fair Trade, whereas in the UK the number was slightly higher, precisely 73% of students. The rest of the respondents do not know the concept of Fair Trade. My first hypothesis is thus confirmed. The awareness of British students about Fair Trade is higher by 7%.

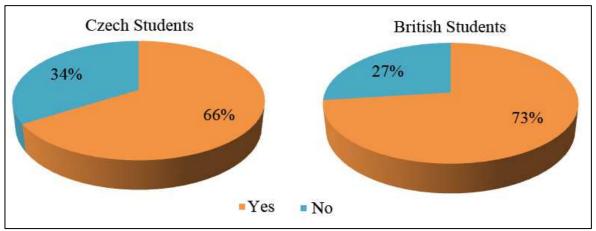


Figure 8. Question number 2

6.3.3 Where did you first get to know about Fair Trade?

This question followed the previous one and its purpose was to find out where the first place was that students got to know about Fair Trade. It was posed only to 66% of Czech and 73% of British students who answered they know Fair Trade. To make the comparison possible, I chose these two values as a basis for each figure.

The students could choose from six options *a*) at school, *b*) in newspapers, magazines, *c*) in the shop, *d*) on the internet, and *d*) from family, friends. The last option was open and students could write their own ideas. However, none of them choose this option.

Most of the students answered that they learnt about Fair Trade *at school*. Whereas in the Czech Republic this option was chosen by approximately half of the respondents (53%), in the UK it was chosen by 70% of the respondents. Therefore, one can assume that the promotion of Fair Trade in British universities is more effective.

One can notice an interesting difference in option *from family, friends*. Whereas in the Czech Republic a significant proportion of respondents chose this answer (37%), in the UK it was chosen only by 12% of students. From the results of this question one can assume that in the Czech Republic the Fairtrade message is passed on by word of mouth.

The third most frequently selected option was *in the shop*. In the Czech Republic respondents who first got to know about Fair Trade in the shop account for 6%, while in the UK this number is slightly higher accounting for 11%. Based on results of this question one can assume that in British shops Fairtrade products are promoted much more successfully. The summary of all the responses can be found in figure 9.

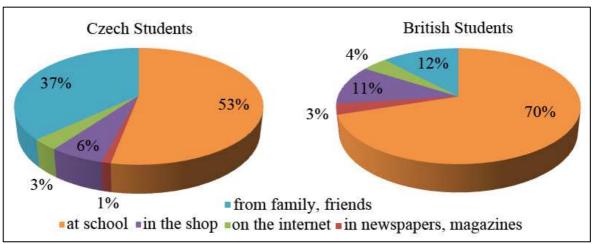


Figure 9. Question number 3

6.3.4 Do you ever buy Fairtrade products?

This question was posed in order to find out how many percent of students that know Fair Trade simultaneously buy Fairtrade products. Here one can see a significant difference. While in the Czech Republic respondents who buy Fairtrade products account for 29%, in the UK this option was selected by more than half of respondents (53%). It is a surprisingly high number. We can say without further hesitation that the interest in Fairtrade products of British students is higher than that of Czech students. Thus, my second hypothesis is confirmed.

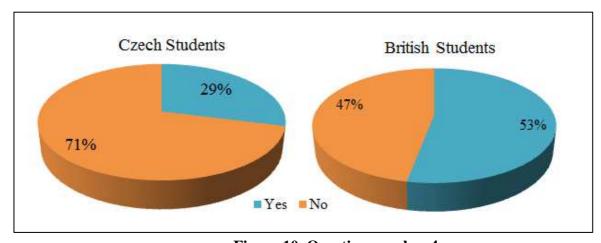


Figure 10. Question number 4

6.3.5 What is the main reason you do not buy Fairtrade products?

The fifth question was given only to those respondents who answered negatively to the previous question. It had four possible answers. Respondents could choose from option *a*)

they are expensive, b) there is poor availability of products, c) there is small selection of products and d) I do not know how to recognise them.

The most frequent response of both Czech and British students was that Fairtrade products *are expensive*. Admittedly, this answer is not surprising as students usually do not have much money and therefore they rather choose cheaper, hence lower quality products.

From figure 11 it could be said that more than a quarter (27%) of Czech students *do not know how to recognise Fairtrade products*. I assume that the low ability to distinguish Fairtrade products from conventional products is caused especially by less quality promotion and little knowledge of Fair Trade. By contrast, in the UK this option was selected only by 16% of students.

What I consider as quite an interesting finding is common dissatisfaction of British students with the availability of Fairtrade products. This option was selected by 17% of them. From the results of this question I suppose that some British students do not know where to search for Fairtrade products. Compared with the UK, this option was selected only by 4% of Czech students. Nevertheless, it is important to note that it is compensated by their overall inability to discern Fairtrade products from conventional products.

Another reason why students do not buy Fairtrade products is *a small selection*. Respondents who do not buy Fairtrade products due to a small selection of products account for 6% in the Czech Republic and 11% in the UK.

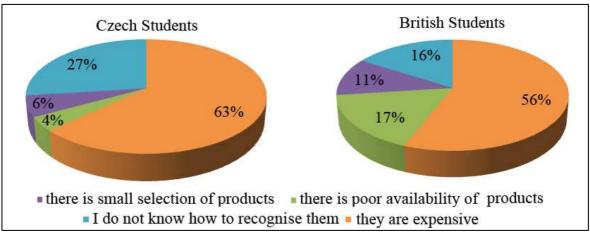


Figure 11. Question number 5

6.3.6 Where do you most often buy Fairtrade products?

The purpose of this question was to find out where the students most often buy Fairtrade products. Respondents chose the option *at retail chains* nearly in the same contrast Czech

students to British students (36%:39%). This response suggests that retail chains both in the Czech Republic and the UK have a large share on sales of Fairtrade products.

Whereas the second option *specialised Fair Trade shops* was chosen by 1% of Czech students, in the UK it was selected by 17% of students. This noticeable difference can be attributed especially to the fact that there are only few Fair Trade shops in the Czech Republic in comparison with the UK.

While the largest percentage of Czech students (59%) buys Fairtrade products *in health food stores*, in the UK the number is lower (only 36%). Online shops and schools were chosen by few students. The summary of responses can be found in figure 12.

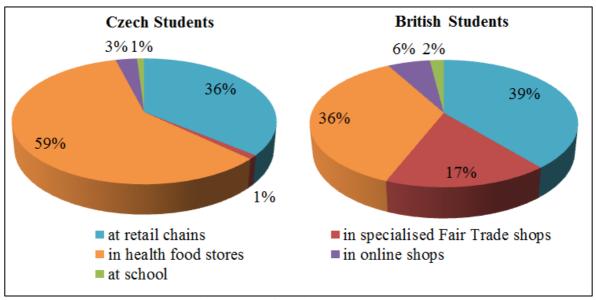


Figure 12. Question number 6

6.3.7 Have you ever attended a Fair Trade educational lecture, seminar or workshop?

This question was posed in order to find out how many students have ever participated in some sort of Fair Trade educational programme and how effective it was. The survey shows that 23% of Czech students participated in educational programme and they considered it very instructive. On the other hand, in the UK this option was selected by 56% of students.

As one can see in figure 13, a similar percentage of students (9% and 8%) in both countries participated in some sort of Fair Trade education but it did not persuade them to support Fair Trade.

A significant difference can be seen in the last given option. The survey shows that 68% of Czech students have never participated in any form of Fair Trade educational programme, while in the UK this option was selected by only 36%.

According to additional information some student provided me with, this way of promotion is useless, costly and focused on a very narrow group of people. As far as I am concerned I agree with them. The money could be rather used for media advertising that focuses on a wider group of customers and is much more effective.

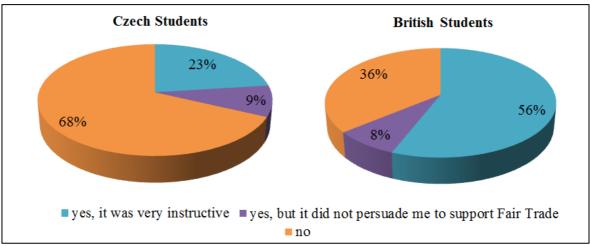


Figure 13. Question number 7

6.3.8 Do you think the promotion of Fair Trade in your country is sufficient?

I was interested in the reaction of the students as to what they think about the quality of Fair Trade promotion in their country. Here one can notice a significant difference.

In the UK, 48% of students consider the promotion of Fair Trade in their country as sufficient and 26% as rather sufficient. By contrast, in the Czech Republic affirmative responses account for only 11% (2 for yes and 9 for rather yes). I rather expected negative responses to this question from Czech students. Thus, it is not surprising for me that many Czech students, more precisely 45% consider the promotion in the Czech Republic as rather not sufficient and even 25% as insufficient.

From the survey it is evident that the promotion is from British students' perspective at a sufficient level while in the Czech Republic it is insufficient. I think especially Czech organizations and traders should improve their promotional activities. The results of this question confirmed my third hypothesis.

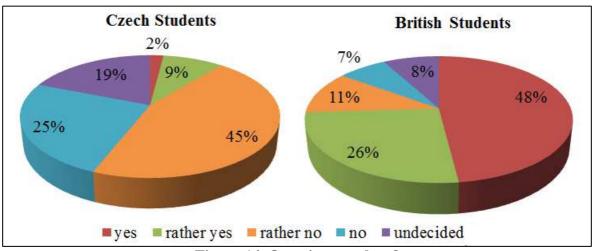


Figure 14. Question number 8

6.3.9 What do you think would help the most to raise awareness about Fair Trade in your country?

The last question was posed in order to find out which way of promotion students thought would help to raise the awareness of Fair Trade in their country the most. The option *more* advertisement in media was chosen by 69% of Czech and 54% of British students. It is evident that in both countries students consider promotion via media to be essential.

The option *more education in schools* was selected by 12% of Czech students and 26% of British students. Thus, we can assume that the interest of students in various educational programmes is higher among British than Czech students.

The last option *more Fair Trade events* were chosen in both countries by a similar percentage of students as you can see in figure 15.

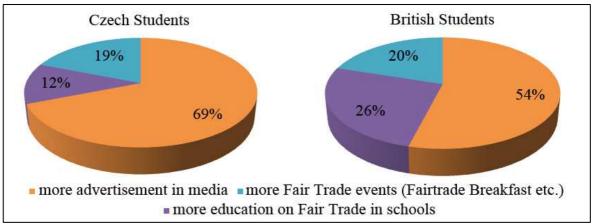


Figure 15. Question number 9

CONCLUSION

The aim of my bachelor thesis was to analyse and compare the marketing strategies of Fair Trade organizations and traders in the Czech Republic and the United Kingdom and furthermore, based on a questionnaire survey to assess how they are perceived by Czech and British university students.

In the United Kingdom, one of the most successful European countries, Fair Trade began to develop after the World War II. Thus, it is not surprising that the Czech Republic, where Fair Trade began to develop in 1994, stays a big step behind the United Kingdom. The sales of Fairtrade products reached, in 2011, in the United Kingdom almost one and half billion euros while in the Czech Republic sales reached less than three million euros.

The best known and most frequently purchased products in both the Czech Republic and the United Kingdom are chocolate, coffee and tea. In addition, customers in both countries can choose from a wide range of sweeteners, spices, clothes, pulses and handicrafts. Although the range of Fairtrade products in the Czech Republic extends every year, there are still some specific commodities such as flowers or fruits that are not as popular among Czech customers as in the United Kingdom. However, it is only a matter of time when these commodities come into the awareness of Czech customers.

The subject of my analysis was also to show that there is no rule that Fairtrade products are overpriced as many customers both British and Czech may assume. Especially in the Czech Republic there are at least some Fairtrade products even cheaper than conventional products of comparable quality, yet there is still reluctance of customers to buy Fairtrade products because they assume the products are expensive. My analysis furthermore showed that Fairtrade products regarding the living standards are more affordable for British customers.

As far as the distribution is concerned, it is evident that Fairtrade products are in both countries available in a large number of retail chains, cafés, restaurants and other public places. The great advantage of the British Fair Trade market is mainly the fact that British organizations and traders import and process Fairtrade crops directly from producer organizations in the Third World countries. What is more, the United Kingdom can boast of a large number of Fair Trade shops and the popularity of online shopping that annually contribute to a greater Fairtrade turnover.

Regarding the promotion, it is obvious that the Czech Republic does not want to lack behind the United Kingdom and inspires most of its promotional activities with British ones such as Fairtrade Towns, Fairtrade Schools and World Fair Trade Day. By supporting Fair Trade and holding a large number of public events Fair Trade attracts the attention of the media which helps to spread the overall awareness of Fair Trade in the country. However, the overall promotion of Fair Trade in the Czech Republic is, compared to the United Kingdom, insufficient and Czech organizations and traders should place more emphasis on promotional activities.

In terms of survey that I have done among Czech and British university students, I was able to confirm all my stated hypotheses. The survey shows that the overall awareness, interest in products and the enthusiasm to learn about Fair Trade is among British students bigger than among Czech students. Although the majority of Czech students know Fair Trade they consider marketing communication with end consumers in the Czech Republic as insufficient. According to the research Czech students are unfamiliar with the way they can distinguish Fairtrade products from conventional products which may be again caused by the lack of promotion. On the contrary, British students are satisfied with promotion of Fair Trade in their country and consider it as successful. One of the most often cited reasons why students from both countries do not buy Fairtrade products are their higher prices. This fact it is understandable as students often do not have enough money for buying the products of the highest quality.

Despite some drawbacks such as the low purchasing power of the Czech population and less promotion of this concept in the Czech Republic it is clear that the interest in Fair Trade has been gradually increasing. Considering Fair Trade in the Czech Republic, we can say that it is still behind the United Kingdom. How quickly and to what extent the popularity of Fair Trade in the Czech Republic will grow depends primarily on the success of Czech traders, informational campaigns and enlightenment.

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LIST OF ABBREVIATIONS

BAFTS British Association for Fair Trade Shops and Suppliers

CZK Czech Koruna

EFTA European Fairtrade Association

Etc. And so on

FINE Acronym of FLO, IFAT, NEWS! and EFTA

FLO Fairtrade Labelling Organizations International

FLO-CERT Independent Certification Company

g gram

GBP Great Britain Pound

IFAT International Federation for Alternative Trade

NEWS! The Network of European Worldshops

NGOs Non-Governmental Organizations

SERRV Sales Exchange for Refugee Rehabilitation and Vocation

UK United Kingdom

USA United States of America

WFTO World Fair Trade Organization

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P VII	British Fair Trade promotional materials in shops
P VIII	Examples of Czech and British websites (Fairtrade.cz and Fairtradefoundation.co.uk)

APPENDIX P I: QUESTIONNAIRE

English version

Dear students,

My name is Pavlína Vojtíšková and I am a student of the third year of English for Business Administration programme at the Tomas Bata University in Zlín. I would be really thankful if you helped me by filling in the following questionnaire. It is anonymous and the results will be used for the practical part of my bachelor thesis. The purpose of this questionnaire is to investigate the attitude of the university students to Fair Trade. It consists of 9 questions and it may take you 3 minutes.

7D1 1	•	1	C		, •
Thank v	vou in	advance	tor	vour	time.

Pavlína Vojtíšková

1. Which university are you currently studying at?

- a) The University of Brighton
- b) The University of Strathclyde Glasgow
- c) University College Birmingham

2. Do you know what Fair Trade is?

- a) yes
- b) no (skip to submit)

3. Where did you first get to know about Fair Trade?

- a) at school
- b) in newspapers, magazines
- c) in the shop
- d) on the internet
- e) from family, friends
- f) other _____

4. Do you ever buy Fairtrade products?

- a) yes (skip to question 6)
- b) no

5. What is the main reason you do not buy Fairtrade products? (skip to question 7)

- a) they are expensive
- b) there is poor availability of products
- c) there is small selection of products
- d) I do not know how to recognise them

6. Where do you most often buy Fairtrade products?

 a) at retail chains b) in specialised Fair Trade shops c) in health food stores d) in online shops f) at school e) other
7. Have you ever attended a Fair Trade educational lecture, seminar or workshop? a) yes, it was very instructive b) yes, but it did not persuade me to support Fair Trade c) no
8. Do you think the promotion of Fair Trade in your country is sufficient? a) yes b) rather yes c) rather no d) no e) undecided
 9. What do you think would help the most to raise awareness about Fair Trade in your country? a) more advertisement in media b) more education on Fair Trade in schools c) more Fair Trade events (Fairtrade Breakfast etc.) d) other

Czech version

Vážení studenti,

jmenuji se Pavlína Vojtíšková a jsem studentkou bakalářského studia oboru Anglický jazyk pro manažerskou praxi na Univerzitě Tomáše Bati ve Zlíně. Chtěla bych vás poprosit o vyplnění následujícího dotazníku. Dotazník je anonymní a jeho výsledky budou použity pro účely výzkumu, který je součástí praktické části mé bakalářské práce. Účelem tohoto výzkumu je zjistit postoj vysokoškolských studentů k fair trade. Obsahuje 9 otázek a jeho vyplnění vám může zabrat 3 minuty.

Předem děkuji za váš čas.

Pavlína Vojtíšková

1. Jste studentem/studentkou:

- a) Univerzity Tomáš Bati ve Zlíně
- b) Masarykovy univerzity Brno
- c) Univerzity Palackého Olomouc

2. Víte co je fair trade?

- a) ano
- b) ne (přeskočte na políčko Odevzdej)

3. Kde jste se poprvé dozvěděl/a o fair trade?

- a) ve škole
- b) v novinách, časopisech
- c) v obchodě
- d) na internetu
- e) od přátel, rodiny
- f) jiný_____

4. Kupujete někdy fairtradové výrobky?

- a) ano (přeskočte na otázku 6)
- b) ne

5. Z jakého důvodu fairtradové produkty nekupujete? (přeskočte na otázku 7)

- a) jsou drahé
- b) jsou málo dostupné
- c) sortiment nabízených fairtradových výrobků je malý
- d) nevím, jak je poznat

6.	Kde nejčastěji kupujete fairtradové výrobky?
a)	v síti maloobchodů
b)	ve specializovaných Fair Trade obchodech
c)	v prodejnách zdravé výživy
d)	v internetových obchodech
e)	ve škole
f)	jiný
7.	Zúčastnil/a jste se někdy nějaké přednášky, semináře či workshopu o fair trade?
	ano, bylo to velmi poučné
	ano, ale nepřesvědčilo mě to fair trade podporovat
	ne
8.	Myslíte si, že je propagace fair trade ve Vaší zemi dostačující?
	Myslíte si, že je propagace fair trade ve Vaší zemi dostačující? určitě ano
a)	
a) b)	určitě ano
a)b)c)	určitě ano spíše ano
a)b)c)d)	určitě ano spíše ano spíše ne
a)b)c)d)e)	určitě ano spíše ano spíše ne určitě ne nevím, nedokážu posoudit
a)b)c)d)e)	určitě ano spíše ano spíše ne určitě ne nevím, nedokážu posoudit Co si myslíte, že by pomohlo zvýšit veřejné povědomí o fair trade ve Vaší zemi?
a)b)c)d)e) 9. a)	určitě ano spíše ano spíše ne určitě ne nevím, nedokážu posoudit Co si myslíte, že by pomohlo zvýšit veřejné povědomí o fair trade ve Vaší zemi? více propagace v médiích
a)b)c)d)e) 9. a)b)	určitě ano spíše ano spíše ne určitě ne nevím, nedokážu posoudit Co si myslíte, že by pomohlo zvýšit veřejné povědomí o fair trade ve Vaší zemi? více propagace v médiích více vzdělávacích programů o fair trade ve školách
a)b)c)d)e)9.a)b)c)	určitě ano spíše ano spíše ne určitě ne nevím, nedokážu posoudit Co si myslíte, že by pomohlo zvýšit veřejné povědomí o fair trade ve Vaší zemi? více propagace v médiích

APPENDIX P II: COUNTRIES SELLING FAIRTRADE CROPS TO THE UK

Latin America	Caribbean	Africa	Asia
Argentina	Cuba	Burkina Faso	Afghanistan
Belize	Dominican Republic	Cameroon	China
Bolivia	Haiti	Central African Republic	East Timor
Brazil	Windward Islands	Comoros Islands	India
Chile	-	Cote d'Ivoire	Indonesia
Colombia	-	Democratic Republic of Congo	Laos
Costa Rica	-	Egypt	Pakistan
Ecuador	-	Ethiopia	Palestine
El Salvador	-	Ghana	Papua New Guinea
Guatemala	-	Kenya	Philippines
Honduras	-	Madagascar	Sri Lanka
Mexico	-	Malawi	Thailand
Nicaragua	-	Mali	Vietnam
Panama	-	Mauritius	-
Paraguay	-	Morocco	-
Peru	-	Mozambique	-
-	-	Rwanda	-
-	-	Sao Tomé and Principe	-
-	-	Senegal	-
-	-	South Africa	-
-	-	Swaziland	-
-	-	Tanzania	-
-	-	Togo	-
-	-	Tunisia	-
-	-	Uganda	-
-	-	Zambia	-

Source: Data adopted from Fairtrade Foundation, Annual Review 2011/2012 (London: Fairtrade Foundation, 2012), 9. http://fairtrade.clikpages.co.uk/annualreview2012/ (accessed January 5, 2013).

APPENDIX P III: FOREIGN COMPANIES WHOSE PRODUCTS DOMINATE CZECH FAIR TRADE MARKET

Country	Company	Products
E	Centre de caféologie	coffee
France	Lobodis	coffee, tea, chocolate, rice, cocoa
Italy Commercio Alternativo - Equo solidale		spices, tea, chocolate confectionary
	Bonvita	chocolate
the Netherlands	Algra Mocca d´Or Zwolle	coffee
	Simon Lévelt	coffee
	Egger AG	confectionary
	Eine Welt Handel AG	coffee, sugar, wine, dried fruits, tea, oil, spices
Austria	Pfanner	juices
Ausura	EZA Fairer Handel GmbH	beverages, spices, tea, coffee, chocolate, rice, quinoa, sugar, jam, sport balls
	Zotter Schokoladen- manufaktur	chocolate confectionary
	Cafédirect plc	coffee, cocoa, tea
	Divine Chocolate Ltd	cocoa, chocolate confectionary
	People Tree Ltd	cotton products
	Topshop Ltd	clothing
the United Vinedom	Traidcraft plc	cotton products
the United Kingdom	Green&Blacks	chocolate confectionary
	Mark&Spencer plc	coffee, tea, jam, sugar, nuts, chocolate
	Debenhams Ltd	clothing
	Ql Teas	tea
	Clipper Teas Ltd	coffee, tea, hot chocolate
	dwp eG	coffee, chocolate, tea, confectionary, spices, juice, spirits, oils, nuts
Germany	GEPA GmbH	coffee, tea, jams, juices, wine, confectionary, choolate, sugar, rice, honey, cocoa, peanut butter, balls
Communy	El Puente GmbH	coffee, wine, tea, cocoa, chocolate, spices, guarana, confectionary, oil, nuts, rice, sugar
	J.J.Darboven Holding AG & Co.	coffee
Denmark	Danisco A/S	sugar
Dellillark	Urterkram International A/S	cosmetics

Source: Data adopted from Asociace pro Fair Trade, *Výroční zpráva 2008* (Prague: Asociace pro Fair Trade, 2009), 12-13. http://www.fairtrade-asociace.cz/soubory/2008_vz.0e7c.pdf (accessed December 22, 2012).

APPENDIX P IV: LIST OF SELECTED CZECH FAIR TRADE ORGANIZATIONS AND COMPANIES

Title	Logo	Main products offered	Further information
Jeden Svět, o.p.s.		handicrafts, coffee, tea, chocolate, cocoa, sugar, quinoa	the first organization that began with Fair Trade in the Czech Republic in 1994 runs its own Fair Trade shop in Prague
Ekumenická Akademie Praha, o.s.	JEDEN SVET obecome prospelanal spoidermost	handicrafts, coffee, tea and chocolate	promotes Fair Trade in the Czech Republic (lectures, seminars, conferences, publications) focuses on issues of sustainable development, culture, politics, society and social justice runs its own Fair Trade shop in Prague
NaZemi	NAZEMI	wide range of food and non-food Fairtrade products	the main company responsible for promotion of Fair Trade in the Czech Republic runs its own online shop offers its own coffee called Fair Café runs 2 Fair Trade shops in Prague and Brno
Fairtrade Centrum, s.r.o.	Fair Trade Centrum s.r.o.	widest range of food and non-food Fairtrade products in the Czech Republic	the biggest distributor of Fairtrade products in the Czech Republic organizes Fair Trade lectures, fairs runs its own online shop
Mamacoffee, s.r.o.	mamacoffee [™]	coffee, tea, sugar,	the first official processor of Fairtrade crops in the Czech Republic runs 6 Fair Trade Mamacoffee cafés
Fairově, s.r.o.	& B. OVE FAIROVE	wide range of food and non-food Fairtrade products	runs its own online shop distributes Fairtrade products to cafés, restaurants, health food stores and businesses runs its own online shop offers Fairtrade gift packs and provides catering services
Miko Káva, s.r.o.	miko	coffee, tea, honey, jam, sugar, cocoa, chocolate, dried fruit, beverages, rice, spices, wine	distributes Fairtrade products to cafés, restaurants and offices roasts its own coffee and imports other Fairtrade products from abroad provides catering services runs its own online shop organizes Fairtrade and CSR educational activities
Manumade, s.r.o.	manumade	environmentally friendly building materials, furniture, decorative items, handicrafts and textiles	manufacturer and supplier cooperates with Indonesian organization certified by WFTO organizes humanitarian projects in Indonesia and cooperates with Czech and foreign NGOS helping people in the Third World

Source: Data and logos adopted from official websites of mentioned organizations and traders.

APPENDIX P V: LIST OF SELECTED BRITISH ORGANIZATIONS AND COMPANIES

Name	Logo	Main products offered	Further information
Oxfam	R	Fairtrade clothing and other ethical non-food	the first organization spreading Fair Trade in the UK
	OXFAM products		runs its own online shop
		widest range of	sources crops from more than 100 producers of 30 countries
Traidcraft plc	TRAIDCRAFT Fighting poverty through trade	Fairtrade products in the UK	distributes Fairtrade products to wholesalers and retailers
			runs its own online shop
	RECORD TO THE		buys Fairtrade crops directly from 39 producer organizations of 13 countries
Cafédirect plc	CAFÉDIRECT	hot drinks	distributes Fairtrade products to online shops, supermarkets, cafés, restaurants, schools, hotels, universities
Twin Trading Ltd	twin troding	coffee	closely support and cooperates with producer organizations from Africa, Latin America and Asia
Divine Chocolate Ltd	Micria a	chocolate products	owned partially by Ghanian producer organization called Kuapa Kokoo
Divine Chocolate Ltd	CHOCOLATE	enocolate products	runs its own online shop
	SHARED EARTH A Far frading Company	jewellery, ceramics,	the biggest distributor of Fairtrade handicrafts in the UK
Shared Earth Ltd		fashion accessories, toys, homeware	imports Fairtrade crops from 15 countries
			runs its own online shop
Equal Exchange	coffee, honey, sugar,		organic and Fairtrade food pioneer
Trading Ltd	FOUAL EXCHANGE	cocoa, oils, nuts and butter	distributes Fairtrade products to retailers and supermarkets
Bishopston Trading Company Ltd	•		one of the first organizations introducing Fairtrade certified clothes in the UK
	BISHOPSTON TRADING COMPANY	clothing	specializes on importing Fairtrade cotton from South India
			runs 2 shops in the UK and mail order department

Source: Data and logos adopted from official websites of mentioned organizations and traders.

APPENDIX P VI: LIST OF THE MOST SIGNIFICANT CAFÉS, RETAIL CHAINS AND ONLINE SHOPS OFFERING FAIRTRADE PRODUCTS IN THE CZECH REPUBLIC AND THE UK

Country	Cafés and Take-away Coffeehouses	Retailers
	Tchibo, s.r.o.	Tesco Stores ČR, a.s.
	Starbucks Coffee Ltd	DM Drogerie markt, s.r.o.
	Mamacoffee, s.r.o.	Globus ČR, a.s.
The Creek Benublic	-	Kaufland Česká republika, v.o.s.
The Czech Republic	-	Billa, s.r.o.
	-	Mark&Spencer, a.s.
	-	Spar ČOS, s.r.o.
	-	Ahold Czech Republic, a.s. (Albert)
	Starbucks Coffee Ltd	Sainsbury's Supermarkets Ltd
	Costa Coffee Ltd	The Co-operative Group Ltd
	AMT Coffee Ltd	Morrisons Supermarkets plc
	Café Revive	Waitrose Ltd
The United Kingdom	-	Asda Stores Ltd
	-	Tesco Stores Ltd
	-	Aldi Stores Ltd
	-	Mark&Spencer plc

Country	Online shops			
v	Link	Products offered		
	www.fairtradecentrum.cz	widest range of Fairtrade food products in the Czech Republic		
	www.fairobchod.cz	tea, coffee, guarana, chocolate, wine, sugar, spices, cocoa and hot chocolate, jam, nuts, chips, handicrafts, homeware and cosmetics		
	www.mamacoffee.cz	Czech-processed coffee, tea, chocolate and sugar		
The Czech Republic	www.ferovamoda.cz	Fairtrade clothing, organic and Fairtrade cosmetics, gifts, homeware		
	obchod.nazemi.cz	Fairtrade coffee, sugar products, dried fruit, tea, beverages, spices, handicrafts and beauty products		
	www.fair-trade.cz	wide range of organic and Fairtrade products		
	www.fairove.cz	Fairtrade coffee, sugar products, tea, non-food products, gift packages		
	www.traidcraftshop.co.uk	Fairtrade grocery, wine, clothing, jewellery, accessories		
	www.sharedearth.co.uk/acatalog	Fairtrade non-food products		
	www.divinechocolate.com/shop	Fairtrade chocolate and confectionary		
	www.ethicalsuperstore.com	wide range of ethical food and non-food products		
	www.oxfam.org.uk/shop	Fairtrade clothing and other ethical non-food products		
The United Kingdom	www.lovethatstuff.co.uk	Fairtrade clothing, jewellery and homeware		
	www.thefairtraderscooperative.co.uk	fashion and accessories, food and drink, toys, gifts, handicrafts		
	www.spiralsfairtrade.co.uk	Fairtrade gifts, home furnishing, fashion, toys		
	www.fairtradewarehouse.co.uk	food and drink, beauty products, clothing and accessories, home living, handicrafts		
	www.thefairtradestore.co.uk	especially Fairtrade non-food products		

APPENDIX P VII: BRITISH FAIR TRADE PROMOTIONAL MATERIALS IN SHOPS



Source: Photo by Marcus Lyon, Fairtrade Foundation http://www.fairtrade.org.uk/resources/photo_library/images.aspx (accessed March 5, 2013).



Source: Photo by Marcus Lyon, Fairtrade Foundation http://www.fairtrade.org.uk/resources/photo_library/images.aspx (accessed March 5, 2013).



Source: East of England Co-operative Society http://www.eastofengland.coop/current-news/2012-news?actv_news_latest=1694&actv_news_latest_page=24 (accessed March 5, 2013).



Source: Global Trader, http://www.gtglobaltrader.com/news/fairtrade-fortnight-2012-sees-new-banana-sourcing-policy-launched (accessed March 5, 2013).



Source: Fairtrade Foundation, *Campaigner and Supporter Promotional Materials Manual* (London: Fairtrade Foundation, 2009).

 $http://www.fairtrade.org.uk/includes/documents/cm_docs/2010/f/fairtrade_foundation_campaigner_promo_manual_december_2009.pdf$

APPENDIX P VIII: EXAMPLES OF CZECH AND BRITISH WEBSITES (FAIRTRADE.CZ AND FAIRTRADE FOUNDATION.CO.UK)



