



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

# System Dynamics and Innovation in Food Networks 2012

*Proceedings of the 6<sup>th</sup> International European Forum on System Dynamics and Innovation in  
Food Networks, organized by the International Center for Food Chain and Network  
Research, University of Bonn, Germany  
February 13-17, 2012, Innsbruck-Igls, Austria  
officially endorsed by*

*EAAE (European Association of Agricultural Economists)  
IAMA (International Food and Agribusiness Management Association)  
AIEA2 (Assoc. Intern. di Economia Alimentare e Agro-Industriale)  
INFITA (Intern. Network for IT in Agric., Food and the Environment)*

**edited by**

**U. Rickert and G. Schiefer**



© 2012, Universität Bonn-ILB, Germany,  
**ISSN 2194-511X**

**Published by**  
Universität Bonn-ILB Press, Bonn  
(Rheinische Friedrich-Wilhelms-Universität Bonn,  
Institut für Lebensmittel- und Ressourcenökonomik)

**Order Address:**  
Department of Food and Resource Economics, University of Bonn  
Meckenheimer Allee 174, D-53115 Bonn, Germany  
Phone: ++49-228-733500, Fax: ++49-228-733431  
e-mail: uf.ilr@uni-bonn.de

**Printed by**  
Universitätsdruckerei der Rheinischen Friedrich-Wilhelms-Universität  
Bonn

# Chocolate Brands' Communication of Corporate Social Responsibility in Germany

***Nina Langen and Monika Hartmann***

*University of Bonn, Institute of Food and Resource Economics, Department of Agricultural and Food Market Research, Nussallee 21, 53115 Bonn, Germany  
nina.langen@ilr.uni-bonn.de ; monika.hartmann@ilr.uni-bonn.de*

## **Abstract**

Signalling CSR activities by firms have gained considerable relevance over the last decade with enterprises having a large variety of instruments to design their CSR communication. Different communication means can complement one another as the information distributed refers to different elements of the overall CSR concept. Some information provided by firms relates more to a single (selected) product(s) of the firm (e.g. product labels) while other presents the firm's overall involvement regarding CSR (e.g. websites, CSR reports). Among the many potential communication channels that allow disseminating information about a (food) company's CSR involvement to consumers (certified) labels on product packages are the ones most easily visible and accessible for consumers while information on websites addresses, in addition, and in many cases primarily, other key stakeholders such as employees and NGOs. Chocolate is one of the most favoured luxury foods in Germany. Cacao, the main ingredient of chocolate is largely produced in the Ivory Coast. There, child labour, non-sustainable producer wages etc. are serious deficits in the field of cacao production. Chocolate manufacturers are seen to have responsibility for these issues as their business practices influence producers' livelihood. Given this background, the form and extent of CSR communication of chocolate brands is addressed in this paper.

CSR related communication was investigated by two means. In December 2011 a market study was conducted regarding CSR related information on chocolate products in several food stores and content analyses of the websites of chocolate manufacturers were carried out. Results indicate that all retail stores but Aldi offer some chocolate bars with CSR related information. The relevance of chocolate bars with CSR labels in the overall chocolate assortment, however, considerably differs between the stores under investigation. The findings also reveal that most companies in the chocolate sector do communicate their CSR involvement in the internet, often to a considerable extent, though in many cases only in foreign languages such as English.

**Keywords:** CSR, communication, consumers, chocolate, web analysis

## **1 Introduction**

Ethical branding can provide a critical point of differentiation especially in highly saturated markets such as the European food markets. Furthermore, it has the potential to influence a number of stakeholder<sup>1</sup> related outcomes such as their loyalty to and evaluation of the company. In fact research suggests high and increasing levels of stakeholder interest in Corporate Social Responsibility (CSR)<sup>2</sup> (for an overview see Hartmann 2011). However, to consider the ethical performance of firms in their e.g. purchase, investment and employment decision, stakeholders have to be provided with adequate information (Wood 2010). The question, "Do food processors and/or retailers indeed communicate their social and environmental engagement to stakeholders so that they can consider this in their purchase, investment or job decisions?" motivated this research.

---

<sup>1</sup> Stakeholders are those individuals or groups who have a stake in the company and thus are influenced and can be influenced by the company (Freeman et al., 2010).

<sup>2</sup> According to ISO 26000 (ISO, 2010), a newly introduced guideline on social responsibility of organisations is defined as the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, including health and welfare of society, takes into account expectations of stakeholders, is in compliance with applicable law and consistent with international norms of behaviour and is integrated throughout and practiced in an organization's relationships.

Enterprises can choose from a large variety of instruments to design their CSR communication. Different communication means can complement one another as the information distributed refers to different elements of the overall CSR concept. According to stakeholder theory CSR communication should address different stakeholders and this in different ways. The consumer is one key stakeholder for food manufacturing companies. Other central stakeholders are employees, suppliers, retailers, the community and NGOs. For each stakeholder the communication form and the communication channel used should be adjusted to best suit the different stakeholder needs.

Accordingly, in this study the research question is approached via two ways: First, communication by means of product labels is examined at the point of sale. With this market investigation firms' CSR communication primarily directed at consumers is analyzed. Second, companies' CSR communication on their websites is investigated. This communication channel can address several stakeholder groups such as retailers, investors, NGOs, employees as well as consumers. Because of this, as well as due to the limited space available on a product package it is expected that information provided on the websites provides more detailed and a broader range of CSR information in comparison to the one offered at the point of sale.

Chocolate has been selected as product of interest as it is one of the most favoured luxury foods in Germany, with 11.4 kg being consumed per person per year (International Confectionery Association 2011). The main ingredient cacao is mostly produced in the Ivory Coast. There, child labour and non-sustainable producer wages are amongst others important social and environmental problems closely related to the production of cacao. Chocolate manufacturing companies are seen to have responsibility for these issues as their business practices considerably influence producers' livelihood. Therefore, CSR communication of chocolate brands is well-suited to address the research question.

This paper is structured as follows. Chapter 2 provides background information regarding the market for chocolate in Germany and the situation in the cacao sector in the producing countries. In chapter 3 chocolate manufacturers' possibilities to engage in CSR and to communicate respective activities are discussed. Chapter 4 presents the study design for the market and the internet analysis as well as the results of both empirical investigations. Chapter 5 concludes the paper.

## **2 Background Information**

### *The market for Chocolate in Germany*

The chocolate industry contributes with 39 % to the production value of the German confectionery industry (BDSI 2010a). In 2009 about 1 million kg of chocolate products with a value of around 5 billion € were produced in Germany (BDSI 2010a). With a sales volume of 972.000 kg in 2010 the market share of Fair Trade (FT) is still low (0.96 %) (Fair Trade Deutschland 2011). The ten largest (according to the sales volume) chocolate manufactures in Germany are Kraft Foods Inc, Nestlé, Ferrero, Lindt & Sprüngli, Franz Zentis GmbH und Co KG, Stollwerk AG, Alfred Ritter GmbH und Co KG, Hachez, Tchibo and Erich Hamann (Uni Bremen o. A.).

Following the USA (21 %) Germany is with 13 % the second most important importer of chocolate (ICCO 2010 in Hütz-Adams 2010, p. 19). 90% of the cacao imported for chocolate production in Germany originates from West-Africa with the Ivory Coast being the most important source. In 2010 44 % of the cacao imports came from there (BDSI 2010b). There is evidence that a considerable amount of cacao from the Ivory Coast is smuggled into Togo

and from there exported to Germany. Thus, it is assumed that in total around 66 % of the cacao processed in Germany originates from the Ivory Coast (Hütz-Adams 2010, p. 19).

#### *Social and environmental issues in cacao production*

Accordingly, the situation in the Ivory Coast with respect to cacao production is from the German perspective important. An investigation reveals that on the one hand cocoa is the most important cash crop nourishing around 6 Million people most of them small scale farmers with 1 to 3 ha land. On the other hand property rights in cacao production are unsettled; dues arising from the cacao production drain away and partly finance the war between government and insurgents in the region (for a detailed investigation see Hütz-Adams 2010, p. 20ff.). Furthermore, the small scale cacao producers lack in general information with respect to market prices and are often highly dependent on middlemen to sell their products. Despite the introduction of a minimum price in 2001/2001 producers are confronted with highly volatile prices. Even more child labour plays a considerable role in cacao production in the Ivory Coast (e.g. Payson Center 2011).

Just focusing on these last two issues – the absence of a fair pricing scheme for the small scale farmers and the presence of child labour – reveals that basic international arrangements such as the universal declaration of human rights (UN 2012), the standards set by the International Labour Organizations including the convention on child labour (ILO 2012) do not hold in the Ivory Coast (see also Hütz-Adams 2010, p. 39ff.).

### **3 Chocolate manufacturers and CSR**

#### *CSR activities of chocolate manufacturers*

A public discussion about the social conditions in cacao production started in 2000 with a TV report in the UK that provided insights concerning child labour and child trafficking (Hütz-Adams 2010, p. 43). In response to this discussion and to pre-empt a planned US law which was intended to make the cacao processing companies responsible for the production circumstances in the producing countries, chocolate producing firms initiated a voluntary protocol – the Harkin-Engel-Protocol also called cocoa protocol (CMA 2011) (Hütz-Adams 2010, p. 44). Signatories of the Harkin-Engel-Protocol commit themselves to combat the worst forms of child labour. However, the protocol falls short of a comprehensive approach to improve the labour conditions within cacao production (Hütz-Adams, 2010, p. 44). As a consequence the success of the Harkin-Engel-Protocol is considered to be rather marginal (Hütz-Adams, 2010, p. 52). Parallel to the implementation of the Harkin-Engel-Protocol some companies individually initiated projects to improve working conditions of cacao farmers' of their value chain (Hütz-Adams 2010, p. 53). A survey conducted by Hütz-Adams (2010, p. 53ff.) with 15 cacao processing companies in Germany indicates that the kind and extent of chocolate manufacturers' engagement differ considerable. In general firms are aware of the serious deficits in the field of labour rights and especially with respect to child labour in the Ivory Coast and some other cacao exporting countries but consider the local governments and regulations to be primarily responsible for any improvement. Several firms refer to individual projects they support but information regarding the success of the projects, e.g. numbers of farmers benefitting from the project are lacking. The certification of the cacao within programmes such as Fair Trade, Rainforest Alliance, UTZ Certified is in general considered by chocolate manufacturers as an effective strategy to advance producers' livelihood via minimum prices (e.g. in the case of Fair Trade) or to improve

environmental or social conditions in cacao production (e.g. in the case of Rainforest Alliance and UTZ Certified).<sup>3</sup>

To sum up, child labour and non-sustainable wages for producers are important issues related to cacao production in the Ivory Coast, the main source of cacao for chocolate manufacturers in Germany. As public expectation regarding responsible firm conduct is no longer limited to internal firm behaviour, but encompasses the entire food value chain, firms in the chocolate industry are increasingly confronted by stakeholders' expectations to cope with the social and environmental responsibilities also regarding the situation in the producing countries, e.g. cacao production in the Ivory Coast. The business practices of those firms are seen to be able to change producers' livelihood. As social attributes, particularly child-labour, play an increasing important role in product choice especially in developed countries such as Germany (e.g. Auger et al. 2010) it can be suspected that e.g. securing adequate labour conditions of their suppliers is an important issue for chocolate companies to demonstrate their responsible trading and business behaviour.

### *CSR communication*

Communicating CSR is seen to be as important as the activities themselves as only if stakeholders are provided with adequate information they can consider the ethical performance of firms in their e.g. purchase, investment and employment decision and thus support ethical production (Wood 2010). Communication of CSR takes place in myriad different ways including websites, newsletters, blogs, information sheets, discussions with stakeholders, product labels, and CSR or sustainability reports. Accordingly, some information provided by firms relates more to a single (selected) product(s) of the firm and can be easily detected at the point of sale (e.g. product labels) while others present the firms overall involvement regarding CSR (e.g. CSR reports and/or company websites). In addition, firms' communication differs in terms of third party involvement with the latter increasingly been used to strengthen credibility (Fliess et al. 2007; Schoenheit et al. 2007). Thus, a large number of standards and codes, backed by industry consortia, governments, international organizations and/or NGOs directed at (elements of) CSR have been developed. Some of those have a clear focus on the food sector such as GlobalGAP and the Marine Stewardship Council while others go well beyond a single sector as the Social Accountability Standard SA8000 or the new Standard Guideline for Social Responsibility ISO 26000 launched by the International Standard Organisation (ISO) at the end of 2010 (e.g. Fuchs et al. 2011; Mueller et al. 2009; Du et al. 2010, p. 13).

The different CSR communication means can complement each other as the information distributed can differ and because the target audience/the stakeholders addressed differ. Among the many potential communication channels that allow disseminating information about (food) companies' CSR involvement to consumers (certified) labels on product packages are the ones most easily visible and accessible for consumers (Schoenheit et al. 2007). Relevant CSR oriented labels in the food sector (Europe- and in several cases even worldwide) are e.g. the ones of the Fairtrade Labelling Organizations International, the Rainforest Alliance, UTZ Certified, and the European as well as the German organic label. Beyond this, there exist a large number of CSR oriented labels in the food sector that are only of relevance at the national or regional level. Increasingly one can also observe that single food enterprises advertise their products with labels that refer to their CSR

---

<sup>3</sup> For prospects and constraints of these certifications see Hütz-Adams (2010, p. 65ff.).

involvement. Product labels regarding Cause-related Marketing (CrM)<sup>4</sup> campaigns belong into this group. The clear advantage of this latter communication tool is that it allows to directly communicating firm specific CSR involvement to one important stakeholder group, consumers.

But not only the provision of CSR information to consumers via e.g. labels but also the communication in Business to Business (B2B) relationships (e.g. chocolate manufacturers to food retailers) or relationships with employees, the community or NGOs is of increased relevance for food companies. Examples for B2B communication by means of standards directed at elements of CSR relevant at a global level are the ISO standards with respect to food safety (ISO 22000) and the environment (ISO 14000). In addition, companies can inform their business partners as well as other stakeholders via CSR reports or their websites, though these information sources are in general not used by the average consumer (Hartmann et al. 2011).

To investigate the research question ‘Do food chocolate manufacturers communicate their social and environmental engagement to stakeholders?’ two means of firms’ CSR communications have been selected and analyzed: communication on chocolate product packages which mainly addresses consumers and communication on chocolate manufacturing websites. The latter can address several stakeholder groups (e.g. investors, employees; NGOs as well a consumers).

## **4 Empirical Analysis**

### *Study design*

The two stage empirical study was conducted as follows: First, to know which manufacturers offer chocolate bars in the German market a complete inventory count of chocolate bars was conducted in December 2011 in the discounters Aldi and Lidl, the full-range food provider Edeka, Rewe, and Real, the food and department store Kaufhof and the organic food shops Basic and Bergfeld’s. By this selection we account for the plurality of private brands on the one hand and manufacturers’ brands on the other. Rewe, Real, Edeka and Lidl, offer private and manufacturers chocolate brands, Aldi concentrates on private brands and Kaufhof, Basic and Bergfelds almost exclusively sell manufacturers’ brands. In the second stage, the web presence of manufacturers of chocolate brands, according to the findings of the first stage, are analysed with regard to the research question in December 2011. Prior to those analyses pretests were carried out in December 2010/January 2011 covering the retailers Aldi and Edeka in the market analysis and the manufacturers Lindt & Sprüngli, Ritter Sport and Choceur in the web analysis.

### *Results of the Market analysis*

The following discussion of results will concentrate on the comprehensive market inventory in December 2011 In the 8 retail stores 1001 chocolate bars of 52 different manufacturers were identified and analysed (see Table 1). Many chocolate bars are sold in different flavours. If not counting those bars that only differ by flavour (e.g. milk chocolate versus

---

<sup>4</sup> CrM is a marketing tool where the product purchase leads to a target-oriented donation regarding a designated cause promoted on the product by label. It allows the company to take up responsibility for a self-defined good issue and it is also used to make a company’s social or environmental commitment visible. Thus, CrM enables consumers to contribute with their purchase to a good cause. CrM has gained increasing popularity over the last decade and seems especially of relevance in the food sector (Oloko 2008). Oloko (2008) shows with the example of Germany, that 35 % of all CrM promotions over the period 2002 and 2008 were undertaken by the food and beverage sector.

hazelnut chocolate) still leaves a number of 293 bars. The packages varied from single 420 g packages to multiple packages of 20 g bars.

Of the 293 chocolate bars about 20% (57 packages) had a CSR related label. We consider all labels that refer to the social and/or ecological production of the chocolate or of the enterprise as CSR label. Thus, labels that refer to the organic production of the products are taken into account. At this point it should be noted that in the smaller inventory 2010 in the two stores Aldi and Edeka we could not detect any chocolate bar with a CSR related label. While in 2011 Aldi still does not offer any chocolate bar with a respective label, this does not hold for Edeka, which in the meantime sells four different chocolate bars with a respective label. As we consider 'Bio' as CSR label all products of the organic supermarkets Basic and Bergfelds carry a CSR label. However, almost 50% of the chocolate bars in those two organic stores hold in addition a second and some even a third CSR related label (e.g. Fairtrade).

**Table 1.**  
Number of chocolate bars sold in the market with and without CSR labels

	Number of chocolate bars sold				Number of chocolate bars with CSR labels sold			
	Considering different flavours		Not considering different flavours		Considering different flavours		Not considering different flavours	
	Total	Own brand	Total	Own brand	Total	Own brand	Total	Own brand
Discounter								
Aldi	14	13	10	9	0	0	0	0
Lidl	81	46	32	16	8	8	4	4
Full product range supermarkets								
Edeka	171	3	71	1	4	0	4	0
Rewe	122	22	37	7	9	3	4	1
Real	220	25	56	9	12	0	5	0
Kaufhof	242	0	48	0	3	0	1	0
Organic stores								
Basic	99	0	28	0	99	0	28	0
Bergfeld's	52	0	11	0	52	0	11	0
Total over all stores <sup>1</sup>	1001	109	293	42	187	11	57	5

Source: Own market survey conducted in December 2011.

If only considering products sold in the conventional retail stores 18 products were identified with a CSR related label. Table 1 reveals that Lidl, Rewe and Edeka each offered four CSR labelled chocolates, Real offered five, Kaufhof one and as already mentioned Aldi none. In percentage term it is Lidl which has the highest share in CSR labelled chocolate (13%), followed by Rewe (11%), Real (9%), Kaufhof (2%) and Aldi (0%).

On-product CSR communication mostly consists of social and ecological 3rd party certified labels referring to the production process of cacao. Three chocolate bars hold an organic label, two a Fair Trade label, eight a Rainforest Alliance label, and four a UTZ label. Four products were detected with other labels such as CrM indicating e.g. that with the purchase of this chocolate bar 6m<sup>2</sup> of rainforest will be saved. Three products were detected with more than one label (e.g. UTZ and CrM in the case of Balisto Joghurt-Beeren Mix sold in the retail store Real).

Prices differ considerably between the analysed chocolate bars, with a range from 0.35 € to 4.19 €. The average unweighted price for 100g chocolate per retail store being – as expected - lowest in the two discount stores and highest in the organic stores (see Table 2). In addition, Table 2 reveals that in general chocolate bars with a CSR Label are on average more



expensive than those without such a label. Surprisingly this does not hold for Lidl. Here, however, it should be noticed that all chocolate bars with a CSR label sold in Lidl are own brands. Table 2 also shows that the difference in unweighted average prices between retail stores is much more pronounced than the difference between chocolate bars with and without a CSR label.

**Table 2.**  
Average price of chocolate bars sold in the market with and without CSR labels

	Average Price in Euro/100 g <sup>1</sup>			Price mark up for CSR labelled chocolate
	Total	Without CSR Label	With CSR Label	
Discounter				
Aldi	0.71	0.71	./.	./.
Lidl	0.85	0.87	0.72	-0.15
Full product range supermarkets				
Edeka	1.19	1.16	1.40	0.24
Rewe	0.93	0.83	1.50	0.67
Real	1.29	1.18	1.93	0.75
Kaufland	2.37	2.37	2.49	0.12
Organic stores				
Basic	2.81	./.	2.81	./.
Bergfeld's	2.18	./.	2.18	./.
Total over all stores <sup>2</sup>	1.54	1.19	1.86	0.67

1 Unweighted average over all products in the store without considering different flavours.

2 Unweighted average over all stores.

Table 3 reveals that Kraft Foods, Chocolat Schönerberger AG, Bremer HACHEZ Chocolate GmbH & Co. KG and Mars GmbH are the only manufacturers offering chocolate with any kind of CSR label. At the same time the discounter Lidl as well as the supermarket Rewe offer certified chocolate under their private brand. While Lidl started to sell Fair Trade chocolate in 2006, the engagement under the term "Auf dem Weg nach Morgen" is rather new as it was introduced in September 2011 (CSR News 2012a). Similar to this, Balisto began to sell UTZ certified chocolate in July 2011 (CSR News 2012b). All products sold in the organic supermarkets have a Bio-label and thus according to our definition a CSR label. Furthermore, Rapunzel, Zotter, Naturata, Gepa, Schönerberger (Swiss Choco Roc), and Rio Naposelling provide additional CSR information (e.g. regarding Fair Trade) on their products.

**Table 3.**  
Chocolate Bars with CSR Labels in conventional retail stores

Brand	Manufacturer	Organic	Fair Trade	Utz Certified	Rainforest Alliance	Other label	Point of Sale
Bellarom	Lidl				X		Lidl
FairGlobe	Lidl		X				Lidl
Fin Carré	Lidl			X		Auf dem Weg nach Morgen	Lidl
Rewe Bio	Rewe	X	X				Rewe
Marabou	Kraft Foods				X		Rewe RealEdeka
Daim	Kraft Foods				X		Rewe
Cote d'or (Sensations)	Kraft Foods				X		KaufhofEdeka
Hachez (Wild Cocoa de Amazonas 45% Cocoa)	Bremer HACHEZ Chocolate GmbH & Co. KG					Mit dem Kauf dieser Tafel retten Sie 6m <sup>2</sup> Regenwald	Real
Hachez (Wild Cocoa de Amazonas 70% Cocoa)	Bremer HACHEZ Chocolate GmbH & Co. KG					wild gewachsener Cacao - Zertifiziert durch Regenwaldinstitut e.V.	Real
Sarotti Bio	Sarotti	X					Real
Ritter Sport Bio	Alfred Ritter GmbH & Co KG	X					Real, Edeka
Balisto Joghurt-Beeren-Mix	Mars GmbH			X			Edeka

## 5 Internet analysis

### *Retail brands' online communication*

The six retail brands provide information on their CSR activities to a different extent but all only in German. Lidl and Rewe communicate in the most detailed way addressing the good they do for society, employees, and environment and with respect to their products offered in the stores. As only Lidl, Rewe and dennree sell any kind of labelled chocolate only these retailers inform the interested reader online about the meaning of the labels used on the products. The content analysis leads to the conclusion that the addressee of the information is not primarily for the average end user but more directed at e.g. NGOs or employees. This impression is due to the fact that the information is provided in a more formal manner. It seems as if the important aspects of CSR identified by the professional CSR community are processed one after the other. The CSR topics addressed are environmental issues, but restricted to Germany, and social issues (employees and supplier). While all six retail brands report their engagement for environmental issues Edeka is the only one not writing about their commitment for their employees. And only Aldi Süd, Lidl and dennree talk about their obligation to construct fair conditions for their suppliers. Figures enabling us to judge the engagement are not provided by any of the retail brands. Besides, none of the retailers mention the specific challenges related to the production of cocoa.

### *Organic/Fair Trade manufacturers brands online communication*

The ten organic/Fair Trade brands analysed communicate their engagement for society, environment, employees, partner in a different way than the retail brands. The content analysis leads to the conclusion that the addressee of the information is the customer. The information is, in contrast to that of the retail brands, provided in a less formal manner. The structure of the internet sites does not follow the classical CSR topics, fewer pictures are used and the statements are less elaborated in the sense that it seems as if they do not have a special CSR person working with the external communication. The languages offered are not only German but in the case of Gepa also Spanish and English. English homepages are also provided by Natudis, Pronatec, Rosengarten, and Vivani.

Organic production and Fair Trade are explained in the internet when respective labelled products are offered and a link to the firms is accessible in case of further questions e.g. at Rosengarten. Especially Gepa explains comprehensively the idea and rules of Fair Trade and compares it with other certification schemes such as organic production. It is remarkable that the organic/fair trade brands considerably more often not only stress their engagement for the local environment but also the global environment. Also fair communication and handling with suppliers is addressed by seven of the ten organic/fair trade firms. Gepa, Naturata, Rapunzel, and Zotter provide background information on the specific challenges related to the production of cocoa.

Besides, the organic firms differ from the conventional brands insofar as they have their long-term (in the case of Rapunzel) or innovative (in the case of Gepa) labelling concepts. For example, Rapunzel established in the early 90s of the 20th century the so called HAND IN HAND-program which connects Fair Trade and organic production. The respective label can be found on 87 of the Rapunzel products. The success of this program is reported online: the projects supported are described and the money going to the projects and arising from the sales of HAND IN HAND-products are given. The only conventional firm following a somehow similar way is Lidl. Lidl launched a firm-own label called 'Auf dem Weg nach Morgen'. With this label they display all products that contribute to social or ecological improvements in different fields. It is thought as an umbrella label which is actually accompanied by third party certification labels such as the UTZ label.

#### *Manufacturers' brands online communication*

Due to the plurality of manufacturers brands' analysed the content as well as the extent of CSR communication differs noticeably. With respect to the languages in which the online information is provided we can distinguish brands such as Milka, Ritter Sport, Zentis which make the information available in several languages besides German. The other extreme are brands such as Marabou which's homepage is only in Swedish. Another characteristic of some manufactures brands is that their CSR information is definitely addressing the consumer using interactive games, music, films as well as photos. Good examples for this kind of more hands-on communication are Balisto, Cote D'or, Hachez, Marabou, Milka and Schogetten. Only few brands such as Balisto, Hachez, Milka, Ritter Sport and Valrhona provide detailed information regarding cocoa production issues. There are internet sites of brands, e.g. Aero, Alpia, Feadora, Johan Lafer Confiserie Collection, Lohmann, and Piasten Schokolade, with no information on social or environmental issues related to the business activities. In addition, there are some manufacturers' brands which not only state their engagement for the environment and social issues but also enlighten their relationship with suppliers (Lindt and Sprüngli, Mars, Nestlé, Ritter Sport, Valrhona and Zentis). Only Milka

provides figures demonstrating the benefits of a project supported by them. Hachez explains online their wild cocoa de Amazonas charity promotion.

Interestingly, neither price nor enterprise size seem to determine the level of CSR communication. Several of those brands that do not or hardly communicate any CSR activities on their websites belong into the high price segment (e.g. Johann Lafer Confiserie Collection), while for others prices are at the lower end (e.g. Alpia from Stollwerk GmbH). Though, information on total turnover per enterprise was not available for all manufacturers it seems that also size is not a crucial determinant to explain the considerable difference in CSR communication.

## **6 Conclusion**

Responsible firm conduct can provide a critical point of differentiation especially in highly saturated markets such as the German chocolate market. However, firms can only reap the benefits from their CSR investment if they effectively communicate their CSR involvement to stakeholders. In this paper we analyse CSR related communication by two means: a market analysis and a content analysis of chocolate manufacturers. The results reveal that on average there exists a considerable gap with respect to on-product CSR communication in conventional retail stores compared to organic stores, even if we do not consider organic labels. While about 50% of all chocolate bars sold in the two organic stores provide not only a bio-label but additional CSR information (e.g. Fair Trade), this share is in most cases less than 10% in conventional retail stores and even 0% in the discounter Aldi. Also the manufacturers selling their products in the two organic stores communicate their responsible conduct on their websites on average in a much more comprehensive way than most of the retail or conventional manufacturer brands. Nevertheless, there are some conventional manufacturers such as Mars GmbH with the brand Balisto (own website) that as well provide detailed information on their CSR activities. In addition, and surprisingly, it is a discounter (Lidle) that has from all conventional retailers the highest share of chocolate products with a CSR label in its assortment and also communicates its CSR involvement in the internet in a very comprehensive manner.

The results presented in this paper provide first insights regarding the level and heterogeneity of CSR communication in the German chocolate sector. One area of future research is to explore the determinants that can explain chocolate firm's different efforts with respect to CSR and CSR communication. In addition, the relevance of CSR communication for stakeholders' perception and decisions and the determinants that influence the effectiveness of CSR communication is an important area which needs further investigation (e.g. do consumers consider CSR information on chocolate bars in their purchase decisions and what factors influence the perception and consideration of this information).

## References

- Auger, P., Devinney, T. M., Louviere, J., and Burke, P. F. (2010). The importance of social product attributes in consumer purchasing decisions: A multi-country comparative study, *International Business Review*, Vol. **19**, 2:140-159,
- BDSI (2010a). Produktion von Süßwaren gesamt 2010, [http://www.bdsi.de/zoom-/produktion\\_sw\\_gesamt\\_2010](http://www.bdsi.de/zoom-/produktion_sw_gesamt_2010), 20.01.2012.
- BDSI (2010b). Rohkakaolieferländer Deutschlands. [http://www.bdsi.de/de/zahlen\\_fakten-/schokoladewaren.html](http://www.bdsi.de/de/zahlen_fakten-/schokoladewaren.html), 20.01.2012.
- CMA (2011). The Harkin-Engel-Protocol, <http://www.cocoainitiative.org/images/stories/pdf/harkin-%20engel%20protocol.pdf>, 20.01.2012
- CSR News (2012a). Nachhaltige Schokolade: Lidl "auf dem Weg nach Morgen". Online available: <http://csr-news.net/main/index.php?s=schokolade>, accessed: 20.01.2012.
- CSR News (2012b). Balisto: die nachhaltige Kakao-Offensive. Online available: <http://csr-news.net/main/index.php?s=schokolade>, accessed: 20.01.2012.
- Du, S., Bhattacharya, C. B., and Sankar, S. (2010). Maximizing business returns to corporate social responsibility (CSR): the role of CSR communication. *International Journal of Management Reviews*, **12**, 8–19.
- Fair Trade Deutschland (2011). Absatz Fairtrade-Produkte im Einzelnen, <http://www.fairtrade-deutschland.de/produkte/absatz-fairtrade-produkte/>, 20.01.2012
- Fliess, B., Lee, H.-J., Dubreuil, O. L., and Agatiello, O. (2007). CSR and trade: informing consumers about social and environmental conditions of globalised production. OECD Trade Policy Working Paper No. 47 Part I. Paris: OECD.
- Fuchs, D., Kalfagianni, A., Havinga, T. (2011). Actors in private food governance: the legitimacy of retail standards and multistakeholder initiatives with civil society participation. *Agricultural Human Values*, Vol. **28**: 353–367
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L. and De Colle, S. (eds) (2010). *Stakeholder Theory. The State of the Art*. Cambridge, UK: Cambridge University Press.
- Fuchs, D., Kalfagianni, A. and Havinga, T. (2009). Actors in private food governance: the legitimacy of retail standards and multistakeholder initiatives with civil society participation. *Agriculture and Human Values*. Epub ahead of print 19 September 2009. DOI 10.1007/s10460-009-9236-3.
- Hartmann, M. (2011). Corporate social responsibility in the food sector. *European Review of Agricultural Economics*, Vol. **38** (3): 297-324.
- Hütz-Adams, F. (2010): Menschenrechte im Anbau von Kakao – Eine Bestandsaufnahme der Initiativen der Kakao- und Schokoladenindustrie. INEF Forschungsreihe Menschenrechte, Unternehmensverantwortung und Nachhaltige Entwicklung 08/2010. ILO (2012): ILO Conventions on child labour, <http://www.ilo.org/ipec/facts/ILOconventionsonchildlabour/langen/index.htm>, 20.01.2012.
- International Confectionery Association (2011). Pro Kopf Schokoladenverkauf. Available from: [http://www.chocosuisse.ch/web/chocosuisse/de/documentation/facts\\_figures.html](http://www.chocosuisse.ch/web/chocosuisse/de/documentation/facts_figures.html), [accessed 10.01.2011].
- ISO (2010). Guidance on social responsibility (ISO 26000:2010). Berlin.
- Jones, P., Comfort, D., and Hillier, D. (2007). Marketing and corporate social responsibility within food stores. *British Food Journal*, **109**: 582–593.

- Mueller, M., Gomes dos Santos, V., and Seuring, S. (2009). The Contribution of Environmental and Social Standards towards Ensuring Legitimacy in Supply Chain Governance. *Journal of Business Ethics* **89**: 509-523.
- Oloko, S. (2008). *Cause related Marketing - Der Status Quo in Deutschland*. Berlin.
- Payson Center for International Development and Technology Transfer Tulane University (2011): Oversight of public and private initiatives to eliminate the worst forms of child labor in the cocoa sector in Cote d' Ivoire and Ghana, <http://www.childlabor-payson.org/Tulane%20Final-%20Report.pdf>, 20.01.2012.
- Schoenheit, I., Bruns, M., and Grünewald, M. (2007). Corporate Social Responsibility als Verbraucherinformation. Arbeitspapier 17/2007. Hannover: IMUG.
- UN (2012). The Universal Declaration of Human rights. <http://www.un.org/en/documents/udhr/>, 20.01.2012.
- Uni Bremen (o.A.). Die Top 10 auf dem deutschen Schokoladenmarkt, [http://www.swa.uni-bremen.de/materialen/P\\_Schokoladenmarkt.pdf](http://www.swa.uni-bremen.de/materialen/P_Schokoladenmarkt.pdf), 20.01.2012.
- Wood, D. J. (2010). Measuring Corporate Social Performance: A Review. *International Journal of Management Reviews*, **12** (1): 50-84.