THE FAIR TRADE DECISION

Starbucks had defined being a socially responsible corporation "as conducting our business in ways that produce social, environmental and economic benefits to the communities in which we operate." Starbucks knew that consumers were increasingly demanding more than just a "product," at the same time that employees were increasingly electing to work for companies with strong values. In a 1999 survey by Cone Communications, 62 percent of respondents said they would switch brands or retailers to support causes they cared about. Another survey conducted in 2001 showed that 75 to 80 percent of consumers were likely to reward companies for being "good corporate citizens," and 20 percent said they'd punish those who weren't.[6] The company cared about being a responsible corporation for a variety of reasons: increasing employee satisfaction, maintaining quality supply sources, obtaining a competitive advantage through a strong reputation, and increasing shareholder value.[7]

As he looked out over the busy port in Seattle's South of Downtown district, Orin Smith pondered all of these issues. Although offering fair trade coffee was a good objective and consistent with the company's aims of being a socially responsible organization, Smith knew he could not base his decision on this factor alone. Even though Smith had a rough idea of which issues his executive team would bring up during the discussion, as the CEO he had to consider the larger picture. He drummed his fingers on the desk and asked himself how Starbucks could support fair trade coffee given that the company had limited resources, a strong reputation to protect, and shareholders who were willing to support causes only so much.

CASE QUESTIONS

1. What are the key issues for Starbucks?
2. What are the problems associated with the decision to offer fair trade coffee from a communication perspective? What are the problems associated with not offering fair trade coffee?
3. What should Smith do?

[6] Alison Maitland, "Bitter Taste of Success," *Financial Times*, March 11, 2002, p. 2.

[7] Packard, "Sustainability Practices Presentation."

CHAPTER SIX

Media Relatio

One of the most critical areas within any corp the media relations department. The media are through which investors, employees, customers, information about and form images of a compan see a *"Dateline NBC"* segment on a particular Bloomberg *BusinessWeek* or *The Wall Street Journa* tal communications platforms, the media's role a firm's key constituencies, including the general in recent years. Virtually every company now ha partment that covers both traditional and new consultant or a large staff of professionals.

In this chapter, we look at what media relatio companies should approach the different memb We examine who the media are, how firms com relationship building, and what constitutes a su in today's changing business environment.

The Evolution of the News Media

The news media are omnipresent in our society. the late 1940s and early 1950s and the tremendou 1990s, what had once been the exclusive domai papers as well as radio increasingly has become televisions, connected devices, and computers.

The arrival of television moved the "headlin found in newspapers to a new, nearly instantaneo by taking over the kind of analysis that had prev magazines such as *Time* and *Newsweek*. The news feature writing and photo journalism that used t as *Life Magazine* and the *Saturday Evening Post*.

Referred to as "the press" in earlier times, the part of American society. The First Amendment o right of free speech in the United States, and over shape attitudes in this country on issues as dive abortion and corporate pay. A free press also m