Bachelor’s Thesis

Social Entrepreneurship in Switzerland

Market Analysis of the Potential for Social Donation Business Models in the Swiss FMCG Market

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Management Summary

Historically, non-profit organizations have been filling the voids of market failures. In recent years however, the increasingly popular social enterprises with new innovative business models have adopted this role instead. Around the world, a growing number of firms with social donation business models have emerged in various industries; among them the fast-moving consumer goods (FMCG) industry. Firms that donate their profits to social causes related to their field have become trendy. This is not the case in Switzerland, where such social enterprises still seem to be relatively rare. Although the Swiss are said to be world leaders with regards to fair-trade consumption, little research has explored the reasons for the absence of these firms and their potential in the Swiss market.

The purpose of this study is to understand the potential for social donation business models in the Swiss FMCG market. In order to obtain valuable insights, mixed methods research with a focus on the key market participants, namely social enterprises, FMCG retailers and consumers, was undertaken. Existing literature on social entrepreneurship was investigated prior to analyzing the market dynamics. While social enterprises and retailers were interviewed, a survey was conducted to capture the interest of potential consumers.

Considering all limitations faced, this study suggests that roughly 11% of the Swiss population is highly inclined to social enterprises with a donation business model, and 28% of the population is moderately inclined. 25 to 34-year-old people living in cities appear to be especially receptive to social products. According to the interviewed enterprises, the customer segment 'lifestyles of health and sustainability' (LOHAS) tends to be open to social products, which was confirmed by the consumer survey. This analysis also reveals that Switzerland is a reasonable market for social enterprises. Residents are educated and concerned about topics around sustainability and have a strong spending power, enabling them to support generally more expensive products. However, the main issue criticized by social enterprises is the lack of a legal form for their type of business, since tax exemptions tend to be troublesome; if even granted at all.

This study claims that now is a very promising time for social enterprises with a donation business model in Switzerland as the full market potential can still be exploited due to the absence of other social enterprises with a similar unique selling proposition. Concluding from basic calculations, the maximal potential for social products in the Swiss FMCG market is CHF 1.1 billion. However, this estimate must be used with caution and is not exhaustive due to several limitations that are mentioned in the paper.

This study has predominately focused on store-based retailing. Hence, further research should be conducted on the nascent online sales channels. In addition, social donation business models are internationally on the rise in many different areas of the consumer goods sector. Thus, other subsectors, such as the apparel industry should be further investigated.

Acknowledgment

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IV. List of Abbreviations

BSc	Bachelor’s degree
BSCI	Business Social Compliance Initiative
CSR	Corporate Social Responsibility
DINK	Double Income no Kids
FMCG	Fast-moving Consumer Goods
HSBICs	Highly Social Brand Inclined Consumers
LOHAS	Lifestyles of Health and Sustainability
MSBICs	Moderately Social Brand Inclined Consumers
MSc	Master’s degree
NPOs	Non-profit organizations
NSBICs	Master’s degree Non Social Brand Inclined Consumers
PhD	Doctoral degree
seif	Social Entrepreneurship Initiative Foundation
USP	Unique Selling Proposition
WISEs	Work Integration Social Enterprise
WfW	Wasser für Wasser

V. Glossary

Company limited by shares	Legal form also called Ltd., refers to the German Aktiengesellschaft or AG
Fast-moving consumer goods	FMCG; Inexpensive goods that can be categorized in food and beverages, cigarettes, home and personal care and alcohol; high volume products with low margins (Doracorp, 2016)
Greenwash	“The act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service.” (Underwriters Laboratories, 2013)
Limited liability company	Legal form also called LLC, refers to the German Gesellschaft mit beschränkter Haftung or GmbH
Market failure	A concept in economic theory where resources and goods are inefficiently allocated (University of Melbourne, 2011)
Micro-financing firms	Financial services companies that target poor people, enabling them to access loans and other financial services
Social products	In this thesis, social products refer to products from social enterprises with a social donation business model
Tandem structure	Combination of a company limited by shares or limited liability company with a foundation or association (Thomson Reuters Foundation, 2017)

1 Introduction

1.1 Social Entrepreneurship based on the Concept of Free Markets

> « To make the structure of capitalism complete, we need to introduce another kind of business […] this new kind of business might be called social business. »
>
> *-Muhammad Yunus, Creating a World Without Poverty*

Although capitalism is often viewed in a negative light, few believe that this system should be substituted with socialistic foundations. Economic growth continues to be the best weapon to fight poverty (Turnbull, 2010, para. 5). Hicks and Kenworthy (2003) state that capitalism has brought much innovation due to the encouraged competition, yet humanity still faces major challenges of social and environmental nature (Wilson & Post, 2011, p. 715). Environmental pollution and economic inequality are rising and causing huge issues (Volkmann & Tokarski, 2012, p. 6). Often, these problems are blamed on the effects of the modern market capitalism (Horwitz, 2016, para. 1). According to Horwitz (2016) however, open markets and capitalism have, regardless of their flaws, also alleviated large amounts of global population out of poverty. The best examples include India and China, who have opened their national markets since the 1980 and experienced thereafter a large growth in wealth (Horwitz, 2016).

Social business tries to fill the voids of the markets which have been forgotten by capitalistic activities and were historically addressed by non-profit organizations in the third sector (Defourny & Nyssens, 2010, p. 39). By aiming to address failed markets, social business builds on, rather than against, the foundation of the market economy. Thus, social business might be an answer to the increasing income inequality addressed by Scott (2016, p. 27).

1.2 Problem Statement

Over the past years, many positive consumer trends could be observed in the Swiss retail market. Organic foods, vegan supplements and increasingly fair-trade certified products are on the rise which suggests that consumers' awareness regarding consumerism is growing (Casparis, 2017; Swiss Fair Trade, 2017). However, the international rise of products linked to a social donation business model on retailer's shelves is unfortunately not observable in Switzerland yet. Processed food and non-food with an attached social purpose has not found much attention yet. In other advanced countries such as the UK, the market for social enterprises with a donation business model has been growing significantly over the past years (Volkmann & Tokarski, 2012, p. 41).

1.3 Thesis Objectives

This study aims to find answers to why only so few social fast-moving consumer goods (FMCG) are found in Swiss grocery retailer such as Migros and Coop. It is believed that there must be a mass market for enterprises in the FMCG industry whose primary intention is to have a large social impact, rather than only having a strong corporate social responsibility (CSR) approach. Furthermore, it is assumed that this market is going to be exploited in the foreseeable future due to the increasing awareness for social responsibility.

Globally, there are many social enterprises represented in the FMCG industry. One of them is the social enterprise called Thankyou based in Melbourne, Australia. Thankyou follows a social donation business model, giving 100% of their generated profits towards the eradication of poverty. This business model gives the company a unique selling proposition (USP) enabling the firm to gain a competitive advantage with their social marketing message. In order to gain an understanding whether social FMCG firms like Thankyou could also be successful in Switzerland, a market analysis is conducted. The main question that this thesis aims to answer is:

What is the potential for social donation business models in the Swiss FMCG market?

Particularly the following related questions help to shed light on the aforementioned question:

- What social business models already exist?
- How do social enterprises in Switzerland experience the market conditions?
- Which trends can FMCG retailers in Switzerland observe that might be favourable to social enterprises applying a social donation business model?
- Are Swiss retailers willing to favour social enterprises with better conditions in comparison with ordinary FMCG companies?
- Which consumers are inclined to purchase products generating a positive social impact?

1.4 Thesis Structure

This paper is structured as follows. Firstly, the theoretical framework seeks to address the scope of the paper. Moreover, the methodology explains the approach chosen to obtain valid results. In a second step, social entrepreneurship is explained on the basis of existing literature. For this, different terminologies and concepts on social business are examined more closely, laying the foundation for the undertaken research. Thirdly, the results from the interviews with social enterprises in Switzerland are presented in chapter 4, before the Swiss retail market with focus on FMCG is analyzed in chapter 5. The interviews held with retailers are summarized thereafter. Chapter 6 focuses on consumers and the conducted survey. The findings from the research on social enterprises, retailers and consumers are discussed and potential correlations and contrasts are outlined in Chapter 7. In a last step, the paper is summarized, gained results are mentioned again and suggestions on further research is provided.

2 Theoretical framework

This section outlines the scope of the paper and the practices chosen in order to obtain relevant insights into the dynamics of the Swiss retail market with the focus on FMCG.

2.1 Scope

Social entrepreneurship has many different meanings and dimensions. However, the focus of this research is on hybrid profit-oriented social enterprises. More specifically, on social enterprises that pursue a business model which enables these companies to donate generated funds towards social causes such as the alleviation of poverty. This clear distinction of social enterprises helps to narrow the scope of this thesis; as there are many social enterprises that have varying approaches on how to create a social impact. Social enterprises that sell FMCG are studied closely to ascertain whether or not a business model, such as the one from Thankyou, is viable in Switzerland. As FMCG products are mainly distributed via the retail channel, this particular sector is explored. The retail sector is categorized as shown in Table 1 below. The categories food and beverages and furniture and other household articles are examined, as FMCG products are predominantly found in these divisions (Frostenson, Helin, & Sandström, 2011, p. 35). Thus, supermarkets, hypermarkets and similar stores that offer FMCG, whether food or non-food are considered (Tackett, 2014, p. 7).

Categories within Retail	
Category	**Subcategories include**
Vehicles and fuel	Motor vehicles, motorbikes, parts and automotive fuel
Food and beverages	Department stores, etc., with food, beverages
Other department stores	Department stores with large and varied product range
Information and communication equipment	Information and communication equipment in specialised stores
Hardware and household appliances	Hardware, paints, electrical household appliances in specialised stores
Furniture and other household articles	Carpets, wall and floor coverings, furniture, lighting equipment, flowers, plants and other household articles in specialised stores
Sporting equipment, clothing and footwear	Sporting equipment, clothing and footwear in specialised stores
Other specialised stores	Various, for example eyewear stores and optician stores

Table 1. EU's suggested standard classification adapted from Frostenson et al. (2011, p. 35)

2.2 Methodology

The following methodology is chosen for this paper. Firstly, existing literature on social entrepreneurship is examined, serving as the basis for the research undertaken. The exploration of available literature helps to define terms, the origin and differences in social entrepreneurship. The spectrum from non-profit organizations to for-profit organizations is explained in order to clarify which areas this paper focuses on. Moreover, the Swiss landscape on social entrepreneurship is described to compare international trends with local evolutions in this field. Additionally, a variety of business models amongst social enterprises are explained; one of them being the 100% donation business model being applied by Thankyou.

In a next step, new knowledge on the viability of social businesses in the Swiss FMCG market is gained by a thorough analysis of the key market participants as illustrated in Figure 1. Other market players such as competing FMCG firms without a social donation business model (e.g., Nestlé, Unilever) are not taken into account due to time constraints. The analysis is based on mixed methods research, including qualitative and quantitative research methods, in order to obtain comprehensive and holistic results about the market dynamics (Jick, 1979, p. 603).

Therefore, retailers selling food and non-food as well as social enterprises are interviewed whilst consumer's behaviour is analyzed by conducting a survey of quantitative nature. Figure 1 shows the connection of the three main market participants investigated in this study; these are separately analyzed and also compared against each other to discuss common and differentiating viewpoints.

Figure 1. Main market participants

2.2.1 Social Enterprises

To this day, products made by social enterprises are rarely found in Swiss retailers such Migros and Coop. In order to understand the reasons for the scarce appearance of social businesses on the shelves of retailers, different companies that create social value with a market-based attempt are interviewed (Wilson & Post, 2011, p. 715). The qualitative method is chosen because of several aspects. Firstly, social ventures differ significantly from each other in terms of purpose and source of income, which are complex attributes to quantify. Secondly, this research method allows the beliefs, perceptions and assumptions surrounding social enterprises to be recorded (Yauch & Steudel, 2003, p. 473). Lastly, and as previously mentioned above, there are few social enterprises represented in the Swiss FMCG market, as the concept of such businesses is rather new in Switzerland. The semi-structured interviews with Choba Choba and Lemonaid are based on a standardized, open-ended interview technique which makes it possible to obtain an extensive view from the interviewees which can be compared against each other (Cohen & Crabtree, 2006). The interview protocol is based on the one used by Wilson and Post in their study "*Business models for people, planet (& profits): exploring the phenomena of social business, a market-based approach to social value creation*" (2011, p. 722). The framework is explained in more detail in chapter 4.

In addition, there are several other advantages that result from choosing the semi-structured interviews. As Eisenhardt (1989) claimed, a deeper understanding of social enterprises competing in the Swiss FMCG sector can be gained as the interviewees have "the freedom to express their views" (Keller & Conradin, 2018, Advantages section). Furthermore, the interview partners have the opportunity to prepare for the interview as the protocols are sent prior to the interview. Both interviews are recorded and then transcribed.

2.2.2 Retailers

The second fundamental stakeholders studied are the food and non-food grocery retailers. In order to provide some background information on the current FMCG market situation, market research produced by investment banks and various market research institutes is presented. Since the objective is to elaborate on market trends observed by retailers and to determine the willingness of retailers to accord social enterprises an advantage, semi-structured interviews are chosen to obtain the relevant information. Initially, the interview questionnaire is developed by different subjects related directly and indirectly to the research question. However, no specific interview framework is followed, which allows more flexibility when choosing the interview questions. After the interviews are completed, the answers from the various retailers are transcribed and compared. The interview protocols for the retailers are also sent prior to the interview.

The applied research method proves to be especially valuable due to the small number of large FMCG retailers in Switzerland. As social enterprises with a donation business model generally follow a medium to high price policy, “discounters” (p.19) such as Denner, Aldi and Lidl are out of scope and therefore not taken into consideration. (Mansfeldt, 2009).

2.2.3 Consumers

Establishing a new social venture is of no value if there is a lack of demand. Therefore, this study aims to survey Swiss residents to understand whom the target consumer segments are. For this purpose, existing literature is studied so that prior to the start of the survey various hypotheses can be stated. The quantitative research method is used so that a large number of responses can be captured within a short timeframe (Yauch & Steudel, 2003, p. 473). Furthermore, quantitative research is suitable when homogenous comparisons are required (University of Lancaster, 2016, p. 2).

In order to follow academic standards, the questionnaire is designed according to the guidelines provided by Prof. Dr. Carolin Strobl (2014) from the University of Zurich. Further, the framework for the questionnaire is oriented on the study on “*Canadian Organic Food Consumers’ Profile and Their Willingness to Pay Premium Prices*” by Hamzaoui-Essoussi and Mehdi (2012) and is adjusted according to the requirements of this thesis. The exact procedure of the survey can be found in chapter 6.2 in order to ensure reader friendliness.

2.3 Limitations

This passage focuses on the generic limitations that were faced during the course of this work. The specific limitations faced with the consumer survey are described in chapter 6.3.7.

2.3.1 Time

From the beginning, time constraints affected the work of this paper in various ways. The timeline for this project had to be closely followed so that all elementary parts of the paper could be covered. Therefore, there has been less time for familiarizing oneself with the subject as well as analyzing the undertaken survey.

2.3.2 Interviews

Several difficulties with regards to the interviews affected the overall reliability of the qualitative data. Firstly, in the cases of social enterprises as well as retailers, many firms were not willing to give interviews, mainly due to time constraints. Secondly, some firms were contacted several times as they have pledged to answer the questions which they were sent; however, after multiple follow-up requests the firms either did not respond or responded that they were unable to answer. Thus, only four interviews could be conducted, which is two short of what was thought to be appropriate prior to starting this paper.

2.3.3 Geographic Area

For most parts of the thesis, only the German speaking part of Switzerland was taken into consideration. This limitation needs to be especially highlighted since the cultural difference between the French and German-speaking parts of the country should not be neglected with regards to underlying values and beliefs of the society (Eugster, Lalive, Steinhauer, & Zweimüller, 2017, p. 1057).

2.3.4 Availability of Data

For most parts of this paper, there has been sufficient data available. With regards to the size of the Swiss FMCG market however, no exact numbers were accessible. Therefore, the most current grocery retailers' sales figures (see Table 4) were used for the calculations of the market potential for social donation business models in chapter 7.5. The chosen amount is estimated to be above the true market size.

3 Social Entrepreneurship

3.1 Definition of Social Entrepreneurship

Social entrepreneurship has become an increasingly trendy term, yet existing literature is discordant on what the term exactly encompasses. It "is a simple term with a complex range of meanings" (Trexler, 2008, p. 65). Researchers have come up with a wide range of definitions (Bornstein, 1998; Thompson, Alvy, & Lees, 2000; Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2008).

For the scope of this thesis, the inclusive definition for social entrepreneurs, who embody their chosen venture, is as follows:

"*The social entrepreneur is a mission-driven individual who uses a set of entrepreneurial behaviors to deliver a social value to the less privileged, all through an entrepreneurially oriented entity that is financially independent, self-sufficient, or sustainable*" (Abu-Saifan, 2012, p. 25).

3.2 The Emergence of Social Entrepreneurship

Social entrepreneurship first emerged in the 1990's from the third sector (Wilson & Post, 2011, p. 716). Since then, the term social entrepreneurship has been increasingly used, yet the definition of social entrepreneurship is still ambiguous and understood in a variety of ways (Volkmann & Tokarski, 2012, p. 12). First milestones for the movement were the creation of a special legal form by the Italian Government for social co-operatives as well as the introduction of the Social Enterprise Initiative from the Harvard Business School in the U.S. (Defourny & Nyssens, 2010, p. 33). While the early discussions on social enterprises have focused on the establishment and growth of new non-profit organizations (NPOs), literature has evolved over time towards more hybrid businesses. The expansion of social enterprises towards market-based approaches has created new inventive and innovative ways of revenues streams and business models (Perrini, as cited in Wilson and Post, 2011). While some may argue that social entrepreneurship is any entrepreneurial activity generating jobs and therefore creating more opportunities for society (Eppler, 2012, para. 2), some see it as a movement to introduce "social change" (Martin & Osberg, 2007, p. 30). Some of the challenges, which have to be addressed by social enterprises in todays age, are poverty (Volkmann & Tokarski, 2012, p. 110), environmental issues e.g. climate change and pollution (i-propeller, 2018), work integration and or reintegration of underprivileged individuals (ICF Consulting Services, 2014, p. 12) as well as filling the void not considered by the private sector (Zahra, Gedajlovic, Neubaum, & Shulman, 2009, p. 520). This so-called social change is delivered by a range of diverse institutions; ranging from non-profit organizations to for-profit businesses (Abu-Saifan, 2012, p. 26). Figure 2 demonstrates a spectrum of organizations, which allows dividing social businesses in a comprehensive way (Alter, 2007, p. 15). There are two diverse groups of organizations on the scale that differ mostly in their purpose. While some firms focus on economic sustainability (returns for shareholders), others tend to prioritize social sustainability (social impact). Both, however, generate to some degree a social and economic output, making them dual value creators (Alter, 2007, p. 15).

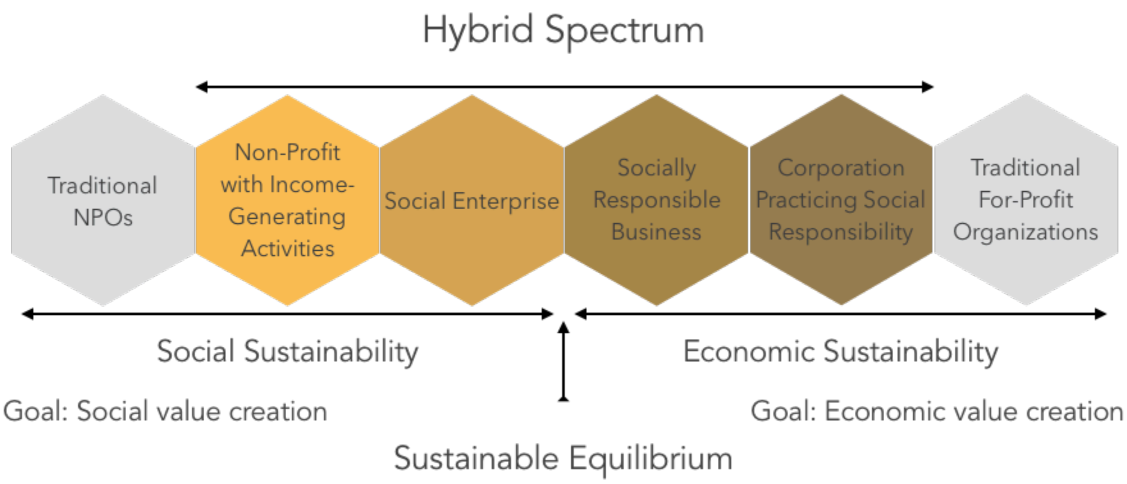

Figure 2. Hybrid spectrum and sustainable equilibrium, adapted from Alter (2007, p.15)

3.2.1 Hybrid businesses

Over the past 20 years, scholars have referred to hybrid businesses, which are neither typical NPOs nor for-profit businesses, also as social purpose business ventures (Hockerts, 2006, p. 145), social businesses (Yunus, 2008, p. 9) and low-profit market businesses (Wolk, 2007, p. 43). In order to separate the different forms of enterprises, the hybrid spectrum serves as a guideline for distinction. Nonetheless, the difference between the definitions can be vague since some terms (e.g. social business, social enterprise, social responsible business) are used interchangeably.

Of the different hybrid businesses that are addressed below, solely social enterprises are investigated further, as they more commonly cover social donation business models.

3.2.1.1 Non-Profit with Income-Generating Activities

Some NPOs use activities to cover parts of their expenditures by generating minor incomes. These NPOs do not pursue economic independence and are therefore reliant on donations to fulfil their social missions (Alter, 2007, p. 17).

In Switzerland, an example of a non-profit with income-generating activities is "Wasser für Wasser" (WfW), meaning "Water for Water". The organizations mission is to create sustainable clean water sources for people in Zambia. WfW partners with more than 250 businesses in the hospitality sector that instead of selling branded water bottles, serve tap water in a WfW decanter. The collected money from the sold tap water goes entirely to the projects in Zambia. Furthermore, the association raises funds by selling various glass bottles to above market prices in their donation store (WfW, 2018).

3.2.1.2 Social Enterprise

Social Enterprises are primarily called into existence because of their social mission. Thus, the main motivation for a social enterprise is to generate a sustainable social impact rather than shareholder value. As the name implies, social entrepreneurship focuses on entrepreneurial activities, aiming to exploit market opportunities through innovation in order to create social purpose (Alter, 2007, p. 18). Whereas classic entrepreneurs who seek profit maximization are high achievers and arbitrageurs having a high-risk tolerance, social entrepreneurs' distinctive characteristics are based more on a purpose-driven nature; they try to create wealth and opportunities for people who are worse off than they themselves (Abu-Saifan, 2012, p. 25).

A well-known social enterprise, which has achieved a global breakthrough following a market-based approach, is TOMS. The concept of TOMS is "One for One": to give an item to a child in need per item sold. Initially, the company started giving away shoes for every pair of shoes purchased (TOMS, 2018, para. 1). The U.S.-based company has enlarged its business portfolio over the last few years to include sunglasses and apparel in the same manner.

3.2.1.3 Socially Responsible Business

Socially responsible businesses seek shareholder returns as well as a social impact. The returns are balanced with the contributions towards achieving the social impact goals, hence the social and financial factors are constantly balanced (Alter, 2007, p. 19).

A variety of literature has suggested the Body Shop as an example of a socially responsible business since the company's strategic profit-making decisions have to be in line with its core values (Alter, 2007, p. 19). Compared to TOMS, the Body Shop is not involved actively in a social project, yet the strategic decisions are based on their underlying principles. This makes the Body Shop a universally acknowledged enterprise with a "true ethical brand DNA" (Brunk & Öberseder, 2017, p. 294).

3.2.1.4 Corporation Practicing Social Responsibility

CSR practices have become an integral part of profit-driven companies. The majority of corporations are involved in "strategic philanthropy" (Alter, 2007, p. 20), since CSR activities should, according to the Nobel Peace Prize winner Muhammad Yunus, mediate the image of a "good neighbor" (2010, p. 9). Therefore, the motivation of corporations practicing social responsibility and of social businesses is inherently different, since the latter are dedicated to creating social change in the first place. Although most corporations use CSR activities as a vehicle to contribute to the public good, CSR practices sometimes also have a negative reputation. In the last decade, some corporates have been accused of using CSR activities to "greenwash" (para. 2) their operations in order to improve their bad reputation (Bruno, 1997). Notable examples of such reputation enhancement attempts through CSR campaigns are Toyota (Ethical Consumer, 2007, para. 6); as well as Nike (Brunk & Öberseder, 2017, p. 292). Toyota built its corporate sustainable reputation on the Toyota Prius, which is a hybrid car, while in total figures; the companies' four-wheel drives, which are not ecological cars, outnumber the hybrid models by far (Ethical Consumer, 2007, para. 6). The second company addressed, Nike, was exposed to rising criticism against their sweatshop practices containing child labor whilst the firm asserted to be socially responsible (Knight & Greenberg, 2002, p. 565). After all, projects such as after-school sport programs for children should help to improve the reputation of Nike (Becker-Olsen, Cudmore, & Hill, 2006, p. 47).

One example of a corporation practicing social responsibility is the largest Swiss universal bank, UBS. UBS main objective is of economic nature. Nevertheless, the bank has established their own foundations allocating grants towards projects focusing on the work integration of people experiencing disabilities or projects promoting cultural activities (UBS, 2018).

3.3 Social Business Models

According to Stähler (2002), the three main components of a business model are:

- Value proposition: By doing (X), we will serve (Y) (Social Enterprise Knowledge Network, 2006, p. 264)
- Value architecture: Focus on the process of value creation; therefore analyzes the value chain
- Revenue model: Reconciliation of income and expenditure, where income has to exceed expenditure in the long-run

According to Volkmann and Tokarski (2012, p. 116), these parameters need to be followed by every enterprise, regardless of whether the organization is profit-oriented or not. Yet, the underlying difference of social enterprises to companies, which are solely profit-driven, is the motivation of existence. While commercial enterprises focus predominantly on income over expenditure, social enterprises focus on the significance of their impact. Depending on the relationship between the organization and the target group, a large number of business models may be of strategic advantage when it comes to maximizing the impact for the beneficiaries. Alter (2007, p. 26) has constructed a comprehensive typology to differentiate social enterprises by their business models, which allows the classification of organizations into three main divisions, subject to their mission and profit motive. Figure 3 shows the different approaches that social enterprises use to fulfil their purpose:

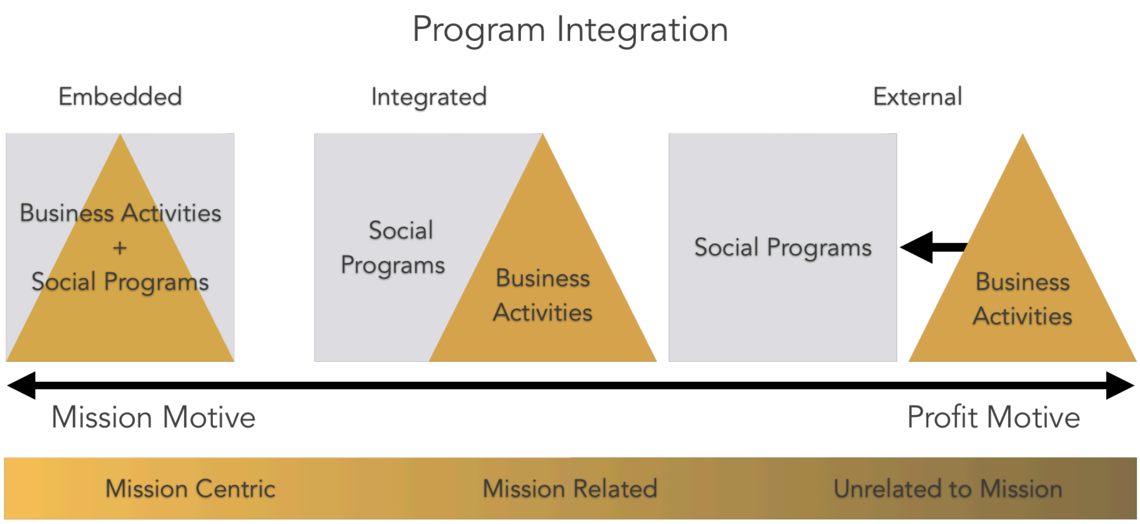

Figure 3. Social program connectedness to operations adapted from Alter (2007, p. 18)

3.3.1 Embedded Social Programs

As shown in Figure 3, for some social enterprises the social programs cannot disconnect from business activities. The operations of the firm immediately benefit the target group. This form of program integration is mostly used for work integration social enterprises (WISEs) or micro-financing firms (Alter, 2007, p. 23). By the definition of Ho and Chan (2010) WISEs are “established mainly by nongovernment welfare agencies and managed by social workers” and “provide disadvantaged groups with an opportunity for employment and training in businesses” (p. 33). Usually, these types of social enterprises address a market failure (Volkmann & Tokarski, 2012, p. 117). Therefore, third parties (e.g. governments, other firms) are inclined to support the business since they have an interest in the survival of such social enterprises. This holds true for WISEs, which often receive governmental subsidies in order to fulfil their contribution to social good (Adam, et al., 2016, p. 536).

An excellent example of a mission-centric social enterprise is Grameen Bank founded by Muhammad Yunus, which is considered to be a bank for the poor population of Bangladesh (Webb, 2016). The banks social program is fundamentally its business activities. By granting micro-loans to individuals who would otherwise not receive any loan, Grameen Bank enabled millions of people to become entrepreneurially active.

3.3.1.1 Social Target Group Integration Model

A Swiss enterprise that has embedded its social mission into the core of its organization is Choba Choba. The chocolate company is founded based on the concept of making the cacao producers co-owners of the company instead of solely seeing them as mere suppliers with a low bargaining power (generally leaving farmers poor). By integrating the farmers as shareholders in the business, they have given them voting rights and the prospect of better wages since they can now dictate the price for their cacao beans (Choba Choba, 2018). In addition to the shares that are given to the farmers, the company has established a fund that raises additional means for the farmers. Thus, it can be argued that Choba Choba follows an embedded plus an external program integration.

3.3.2 Integrated Social Programs

Social enterprises following this approach have mutual activities between the profit generating part of the business and the non-profit division. This allows organizations to create synergies and learning curves. While the social program (non-profits activity) for instance creates a better brand reputation for the enterprise, the profit generating division enables the social program through funding (Alter, 2007, p. 28).

3.3.2.1 Subsidization Model

VisionSpring, formerly called Scojo Foundation, is a social enterprise selling reasonable eyeglasses that follows a program-integrated approach (Alter, 2007, p. 28). In India, the social enterprise works in urban as well as rural areas and distributes their products through established retailers (VisionSpring, 2013). While the urban stores generate small profits and provide financial benefits for the distributors, the rural branches are unprofitable. The rural population is poor and unable to afford the already low-priced glasses while the costs for running a business in scarcely populated territories are substantially higher. Therefore, the urban incomes serve as subsidies in order to make eyeglasses also available to the rural communities, where otherwise large margins are charged (Karnani, Garrette, Kassalow, & Lee, 2011).

3.3.3 External Social Programs

Social enterprises choosing this route are inclined to follow a profit motive in order to finance their social activities. This approach suggests that the profit-oriented entity is owned by a non-profit organization (Alter, 2007, p. 30). The value chains of the business are designed in a conventional way, opting for profit maximization. Earned profits are donated to the non-profit organization so that the social mission can be met. The non-profit either manages its own projects or distributes the money to other NPOs whose operations are more efficient. Thus, external social program business models are coherent with the "Type II Social Business Category" (2010, p. 2) definition of Muhammad Yunus, which focuses on the profit maximization to utilize generated funds for social causes. With this type of business, the highly pressuring needs of the poor that governments fail to address can be covered by social enterprise (Yunus, 2010, p. 2).

Social donation business models, falling under the external program approach, have gained increasing popularity over the past five to ten years. Around the globe, purposeful profit-oriented enterprises have risen, raising funds for social causes related to their field. For instance, Warby Parker donates a pair of glasses to Vision Spring for every pair of glasses sold.

In the United States, United Kingdom, Australia and Germany there were many companies founded based on the concept previously described. Table 2 provides an overview of social enterprises following this theme:

Social Enterprise	Industry	Cause	Impact	Origin	Founded
TOMS	Clothing & Accessories	Poverty	Fundraising (1 + 1 model)	Los Angeles, USA	2006
Thankyou	Consumer Goods	Poverty (Water, Food, Sanitation)	Fundraising (100% of profits)	Melbourne, AUS	2008
Lemonaid	Soft-drinks	Poverty	Fundraising (5 cents per bottle)	Hamburg, GER	2008
Belu	Soft-drinks	Poverty (Water)	Fundraising (100% of profits)	London, UK	2010
Warby Parker	Clothing & Accessories	Poverty (visual impairment)	Fundraising (1 + 1 model)	New York, USA	2010
Who gives a crap	Nondurable Household Products	Poverty (Sanitation)	Fundraising (50% of profits)	Melbourne, AUS	2012
Homie clothes	Clothing & Accessories	Homelessness	Fundraising (100% of profits)	Melbourne, AUS	2014
Lycka	Food & Beverage	Poverty (Food)	Fundraising	Hamburg, GER	2014
Love your Neighbour	Clothing & Accessories	Poverty	Fundraising (12% of profits)	Zurich, CH	2015
Einhorn	Personal Products	Sustainability & Sexual Education	Fundraising (50% of profits)	Berlin, GER	2015
Choba Choba	Food Products	Poverty, fair Distribution of Shareholding	Fundraising plus supplier integration	Bern, CH	2015
Share	Consumer Goods	Poverty (Water, Food, Sanitation)	Fundraising (1 + 1 model)	Berlin, GER	2017

Table 2. Portrayal of social enterprises following an external program approach

3.3.3.1 100% Profit Donation Business Model

The 2009 founded social enterprise called Thankyou, has followed a rigorous business model since the start of their activities, giving 100% of their profits away towards social projects aiming to eradicate poverty (Thankyou Group, 2018). The Melbourne based company sells FMCG goods such as water, food and body care products across Australia through various retailers among which are Woolworth and Coles, the two largest grocery retailers in the country. With this concept, the company has raised AUD 5.5 million as of July 2017 (Thankyou Group, 2018). The profits are distributed to non-profit partner organizations, such as World Vision, Oxfam and Unicef, which have a vast understanding of the environment they operate in. In order to grow the business, Thankyou has incorporated a fund allowing the company to take donations for scaling purposes. Moreover, low-interest loans from social investors are borrowed (Thankyou Group, 2018).

3.3.3.2 The 1 + 1 Donation Business Model

The 1 + 1 donation business model is referred to as the "1 + 1 model" by share, or the "Buy-one give-one" by TOMS. With the 1 + 1 model being originally introduced by TOMS, it has widely been exerted by consumer products, particularly within the apparel industry (Marquis & Park, 2014, p. 30). The name of the model implies that for each product sold, the firm donates something related to the sold item. TOMS "Buy-one give-one" model has found many followers yet also many critics. Looking at the benefits of the model, Marquis and Park (2014) suggest that the clarity of the proposition has a positive effect on the products as the customers unmistakably understand the simple social message. Furthermore, media attention for social enterprises with a clear and simple message is significantly higher compared to other companies. Thus, the social enterprises may establish a strong brand through the free media coverage.

On the contrary, the model got deprecated for its "long-term viability" (p. 28) as well as its unsustainable impact. In the case of TOMS, shoes are donated, however the roots of poverty are not fixed (Marquis & Park, 2014). Thus, the beneficiaries stay poor since only the symptoms of poverty are addressed. Nonetheless, the authors argue that the model is viable, keeping in mind that as the model becomes more frequently used, free publicity decreases. Furthermore, reputational damage may occur from the misconduct of other companies using the 1 + 1 model, leading to a reduction in trust towards businesses following this approach (Marquis & Park, 2014, p. 33).

Berlin based share sells bottled water, soaps and food bars, which are sold through retailers in the German market. Unlike the Australian social enterprise, however, share applies the 1 + 1 model like Warby Parker and TOMS (e.g., a sold nut bar enables share to supply a meal for a person in need). NPOs such as the UN's World Food Programme and Aktion gegen den Hunger are the recipients of share's generated profits (share, 2018).

3.4 Social Entrepreneurship in Switzerland

Nowadays, Switzerland is a highly developed nation, however, in some circumstances it is known for lagging behind international trends and standards. Examples are the late introduction of women voting rights in the last canton in 1991 (United Nations, 2003) and the slow establishment of work integration organizations, when compared to neighboring countries (Adam, et al., 2016, p. 510). Furthermore, according to some studies, social enterprises are a rather new concept in Switzerland compared to its neighboring countries (Ferrari, Schmitz, Wüthrich, & Zöbeli, 2016, p. 12). The term social entrepreneurship has seen a shift towards the definition used in chapter 3, derived from the Anglo-Saxon movement (Gonin & Gachet, 2014, p. 18). The size of the sector is unknown, since no official measurements are in place to obtain the extent of social entrepreneurial activity (ICF Consulting Services, 2014, p. 14).

Investigations by ICF Consulting Services for the European Commissions' Country Report (2014, p. 22) have identified the following opportunities and barriers for the Swiss social enterprise landscape:

Opportunities	Barriers
Accessibility of financial means	Language barriers due to the 4 different official languages
Existing institutions and support system	Governmental policies: lack of legal recognition
Simplicity of starting a social enterprise	No mechanisms in place for measuring social impact of respective enterprises

Table 3. Opportunities and barriers of social enterprise sector, adapted from ICF Consulting Services (2014, p. 22)

3.4.1 Giving in Switzerland

According to Helmig et al. (2010, p. 186) as cited in Schnurbein, Bethmann, Gehringer, Jankovic, & Leibundgut, roughly CHF 1.9 billion was donated to non-profit organizations in Switzerland in 2010 (2017, p. 4). According to research undertaken by the European Research Network on Philanthropy, only 8% of Swiss NPOs' costs are covered by donations. However, this number is more significant than it implies (Schnurbein et al. 2017, p. 3). In the German-speaking part of Switzerland, the average household donates roughly CHF 550 per year. Meanwhile, in the French-speaking part of the country, this figure is only half as high (Schnurbein et al., 2017, p. 3). Switzerland currently ranks 33rd in the World Giving Index compiled by the Charities Aid Foundation (2017). Howbeit, in the category Donating money to charity, the Swiss rank 22nd with more than 50% of the population donating money to charitable organizations.

3.4.2 The Significance of WISEs

Historically, in Switzerland, the term social enterprise has mostly been used for WISEs, which are significant for the Swiss labor market. About 90% of people employed by these firms have a physical disability, an intellectual disability, or are long-term unemployed (Gonin & Gachet, 2014, p. 24; Crivelli, Bracci, & Avilés, 2012, p. 6). As the survey from Adam et al. (2016, pp. 529-530) revealed, the compensation models for disadvantaged people vary significantly. A mere 4% of the enterprises remunerate the disadvantaged employees to market salaries, 27% pay a reduced salary aligning with their productivity, 37% receive a humble salary and 32% are not paid by the institutions. Hence, the workers obtain their ordinary social allowances. According to Crivelli et al. (2012, p. 11), the economic sectors accommodating the majority of WISEs are the following:

- Catering and hospitality
- Gardening, timber production, organic products
- Processing and assembly work

As Adam et al. (2016, p. 511) argue further, it is believed that policy-makers want the labor market to regulate itself, meaning WISEs must bring innovation which is believed to be more effective than government policies.

3.4.3 Legal Forms of Social Enterprises

As the report of the European Commission (2014, p. 2) affirms, approximately two thirds of all social enterprises operating in Switzerland do business in the form of foundations or associations. Other legal forms such as the cooperative, the limited liability company and the company limited by shares are also exerted. Contrary to other European nations, social enterprises in Switzerland do not require a specific legal form as no legal framework currently exists (Adam, et al., 2016, p. 511). The following flow chart created by the Thomson Reuters Foundation shows which legal form may be chosen in Switzerland for a social enterprise based on the different criterions that need to be:

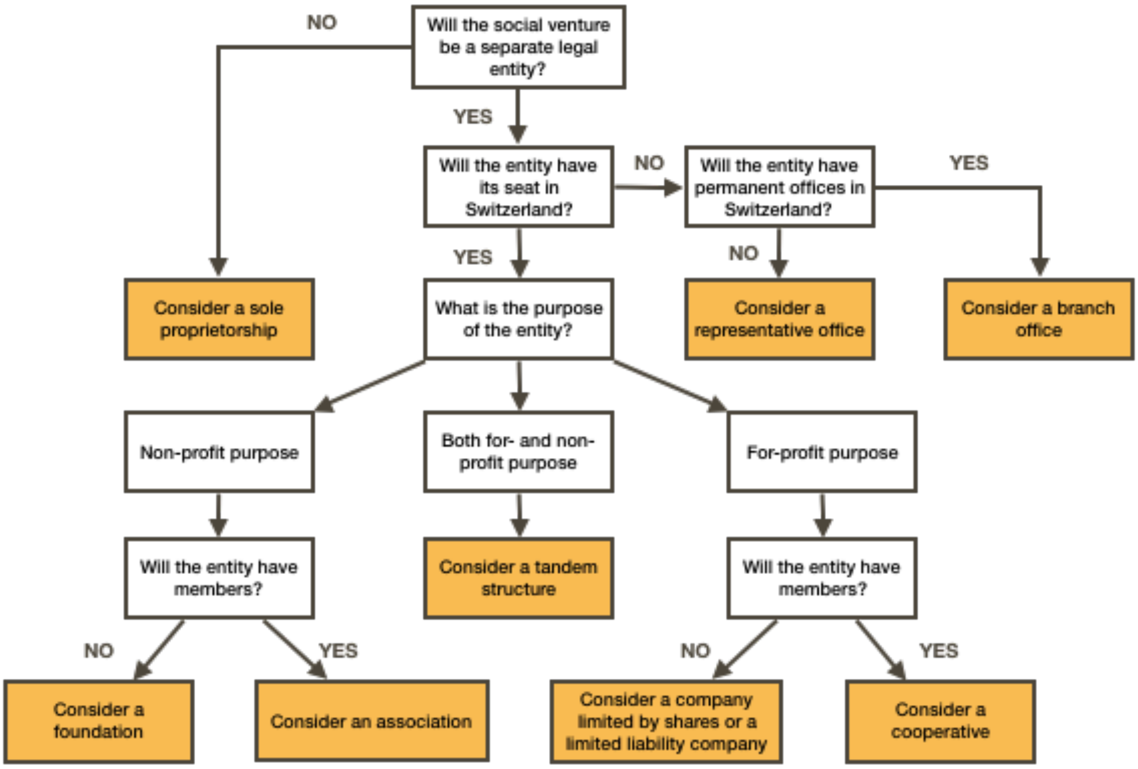

Figure 4. Decision tree for choosing an adequate legal structure adapted from Thomson Reuters Foundation (2017, p. 11)

As has been indicated in subsection 3.3.3, social enterprises with a social donation business model like Thankyou or share, consist of two separate legal entities (tandem structure). The for-profit and non-profit entities follow a so-called mother-daughter or sister connection, where service agreements and contracts clearly define the business relations (Thomson Reuters Foundation, 2017, p. 14).

3.4.3.1 Tax Exemptions in Switzerland

Tax exemptions are not restricted to specific legal forms. However, social enterprises that are established as foundations or associations are more likely to benefit from tax exemptions by the federal administration, which require several conditions to be met, including whether the entity is beneficial to the public or not. Public benefit entails topics of charitable, humanitarian, ecological, health, educational, cultural or scientific nature. Furthermore, tax exemptions do not automatically apply but rather, need to be requested on a cantonal level (Thomson Reuters Foundation, 2017, p. 13).

In the case of external program oriented social enterprises such as Thankyou and share, partial tax exemptions can be claimed. This means that the for-profit entity would have to pay ordinary taxes according to the cantonal legislations, while the non-profit entity would be redeemed from paying taxes. Nevertheless, partial tax exemptions do not occur often due to extensive bureaucratic procedures (Thomson Reuters Foundation, 2017, p. 14).

3.4.4 Key Social Enterprise Institutions

Because social entrepreneurship is a relatively new concept in Switzerland, the ecosystem is still underdeveloped and umbrella organizations and other supporting institutions still have to emerge (ICF Consulting Services, 2014, p. 8). Nevertheless, some significantly impacting institutions in the Swiss social entrepreneurship landscape are listed below.

3.4.4.1 Innosuisse – Swiss Innovation Agency

Innosuisse is a federal agency providing capital, networks and counseling to foster innovation across Switzerland (CTI-Startup, 2018). The agency offers coaching and funding for start-ups in different stages of their growth (Innosuisse, 2018).

3.4.4.2 Social Entrepreneurship Initiative Foundation (seif)

Seif offers consultations, training, programs and other assistance depending on the stage of the business. Seif follows a hybrid structure compromising of seif GmbH (German for limited liability company) delivering services to various stakeholders whilst the seif association "aims to increase the awareness around the topic of Social Entrepreneurship…" (seif, 2018, para. 4). Since 2011, the organization awards annually one start-up with a prize of CHF 10'000.

3.4.4.3 Schwab Foundation

The Schwab Foundation was founded by Klaus Schwab, who also founded the World Economic Forum which takes place once a year in Davos, Switzerland. The foundation is based in Geneva and its primary goal is to promote social entrepreneurship on a regional as well as global level. The core activities of the foundation include detecting and connecting the worlds leading social entrepreneurs in order to promote innovation and solutions to the complex issues faced in todays world (Schwab Foundation, n.d.).

4 Social Enterprises in Switzerland

Given that there is an increasing worldwide trend for social enterprises which use a social donations business model as well as promising socio-economic factors for Switzerland, this paper aims to recognize the opportunities for such social enterprises in the Switzerland. For this purpose, social enterprises, which are already active in the FMCG sector, are interviewed.

To date, there are very few firms with a social donation business model selling products in the Swiss FMCG market. However, social enterprises with similar business models, which are either based in Switzerland or exporting to Switzerland, can be found in the market. Therefore, these other social enterprises offering FMCG were consulted. This chapter focuses on the experiences of such social enterprises in the Swiss market place. Semi-structured interviews were conducted with Milena Pfister, Country Manager Switzerland at Lemonaid Beverage GmbH and Joel Ruf, Community Manager at Choba Choba AG. As there are currently no other social enterprises in the Swiss retail market that could be found, difficulties arose with regards to initiating further interviews. Although the social enterprises Thankyou and share were consulted several times to draw on their experiences in their local market, unfortunately no information was released.

Figure 5. Semi-structured interview guideline; illustration adapted from Wilson and Post (2011, p. 722)

For the personal interviews with Lemonaid and Choba Choba, the framework of Wilson and Post (2011, p. 722) is used and adapted (see Figure 5). Firstly, the interviewees are asked to share their perception on the Swiss market conditions and the social causes the companies wish to tackle. Secondly, the interviewees are invited to speak about the strategy, business model and operations of the firms. Lastly, the interviewees are encouraged to speak about their distribution channels, especially highlighting their experiences with Swiss retailers. The main objective of the posed interview questions is to gain a deep understanding on the following topics:

- Perception of the Swiss market conditions for social enterprises
- Identification of the most lucrative and appropriate distribution channel
- Customer segment of social enterprises
- Perceived relationship with retailers

The given answers are compared to each other to identify commonalities and the most relevant insights are incorporated into this chapter. The transcripts can be found in Appendix 10.1.

4.1 Perception of Market Conditions for Social Enterprises

Both social enterprises interviewed are not subsidized and thus need to be as competitive as non-social enterprises in the market. The favourable as well as unfavourable market conditions are referred to below.

4.1.1 Favourable Market Conditions

Both respondents agree that Switzerland is a highly suitable market to start a social enterprise selling goods in the FMCG industry. On the one hand there is enough money in Switzerland to purchase rather expensive products (Pfister, personal communication, March 22, 2018). On the other hand, Swiss residents generally have a rather high "awareness of sustainability" (Ruf, personal communication, April 18, 2018). Therefore, although the sustainability segment is still rather small when considering the overall population, when compared to other neighbouring countries, it is probably larger (Ruf, 2018). Sustainability and CSR issues become increasingly significant. Evidence for this is the growing fair product range offered by retailers due to increasing sensitivity and education for social causes (Pfister, 2018; Ruf, 2018).

4.1.2 Unfavourable Market Conditions

Switzerland is generally a practical market for social enterprises, however some characteristics are disadvantageous. Ruf (2018) mentioned that no legal form can facilitate the specific needs of social enterprises. While the aim of for-profit social enterprises is to reallocate funds to people in need, legal forms such as the limited liability company or the corporation levy taxes on income and capital which diminishes the returns assigned to the social cause pursued. In turn, legal forms such as foundations, associations and cooperatives may be restrictive due to burdensome financing options (Thomson Reuters Foundation, 2017, p. 42). Pfister (2018) suggested that the market transparency still needs to enhance so that consumers receive an honest picture of the market and the endeavours undertaken by firms.

4.2 Social Mission of Social Enterprises

The social mission is the key driver for both companies. For instance, Pfister sees Lemonaid's business solely as the "means to the end" (2018), where the end can be defined as creating "opportunities where there are none" (Pfister, 2018). Similarly, Choba Choba's aim is to improve the living standards of the cocoa farmers who grow their cocoa beans. Although the Peruvian farmers were fair-trade certified and therefore received guaranteed prices and premiums prior to the cooperation with Choba Choba, their living standard did not change for the better. Thus, new approaches were sought in order to empower the weak end of the value chain by paying substantially higher amounts to the farmers (Ruf, 2018).

Both interviewees share the opinion that fair-trade certifications do not transform the farmers' lives to create more opportunities. Thus, both interview partners suggest that their business activities must go beyond fair-trade and other certificates.

4.3 Distribution Channel for Social Enterprises

Due to the fact that both interviewed enterprises produce different goods, the sales channels differ between them. Since Lemonaid has operated for a longer time than Choba Choba, the German soft drink producer is better-known and more widely available than Choba Choba's chocolates. By now, Lemonaid is available in large Swiss retailers such as Globus, Alnatura and selected Coop branches. For Lemonaid, the most important distribution channel is retail, followed by beverage traders selling to various clubs, bars and restaurants throughout the country. Because Lemonaid allocates up to CHF 0.10 per bottle sold towards their social fund, the amount of intermediaries matters less for the company than for Choba Choba (Pfister, 2018). The latter firm approves that e-commerce is the most profitable point of sale as no middleman participates in the revenues generated. Hence, e-commerce enables Choba Choba to accomplish their social mission in the most efficient manner (Ruf, 2018). Nonetheless, Ruf (2018) highlighted the importance of the retailing channel for Choba Choba. By being listed on the shelves, the products are more visible to the target audience and serve as a catalyst to raise awareness and recognition of the brand. With the growing demand and trend for a product, bigger retailers demonstrate their interest in listing the products.

4.4 Relationship with Retailers

> « I feel that retailers treat us slightly better because we are a social business. I am sure. »
>
> *-Milena Pfister, Lemonaid Beverages GmbH*

Both Lemonaid and Choba Choba consider the relations with their partnering retailers as sound. Neither company describes having hard negotiations with retailers. When one big retailer approached Lemonaid with a deal where the social enterprise would have had to pay high listing fees, Lemonaid rejected the offer. "We do not have the budget for these kind of deals, […] so far such large investments are not in our interest." (Pfister, 2018). Furthermore, Pfister (2018) explains that the main negotiation topics are usually the contract duration as well as the shelf space. So far, Lemonaid has never had to pay any listing fees, which is according to Pfister, "quite unusual" (2018).
The two interviewed social enterprises however, follow different strategies and policies. While Lemonaid aims to sell their products via large retailers, Choba Choba rather works with smaller retail companies since the chocolate producer does not have the required quantities to supply large ones (Ruf, 2018). Moreover, smaller retailers are less focused on high margins but rather on whether they like the product or not. Choba Choba emphasizes the importance of the vendor's know-how about Choba Chobas' story and product. It is very significant that "the people who have our products in the shop are aware of what they sell; and that they are able to tell our story", concluded Ruf (2018).

4.5 Customer Segment for Social Products

Following the interviews, it is apparent that both companies are not sure who their main customers are. Interestingly, both Lemonaid and Choba Choba mentioned the struggle when it comes to obtaining data on who their customers are since most goods are sold via middlemen.

Choba Choba assumes that their customer base consists of activists and so-called foodies, mostly found in cities. The former want to make a difference by paying attention to their consuming behaviour, which is in line with Choba Choba's values. The latter are according to Cairns, Johnston and Baumann (2010) "people with a passion for eating and learning about food" (p. 591) and thus are interested in trendy premium chocolate.

Furthermore, Ruf (2018) believes that the customer segments lifestyles of health and sustainability (LOHAS; Choi & Feinberg, 2018, p.1) as well as double income no kids (DINK; Papatheodorou & Lei, 2006, p.47) belong to the main target groups of Choba Choba.

Pfister (2018) claims that Lemonaid's consumer base covers many different segments. From hipsters to families as well as elderly people, the soft drinks seem to be popular to many different consumers because of various reasons. Initially, hipsters were the main sales drivers yet the clientele expanded to families and elderly people since the sugar levels and natural ingredients appeal to these groups too. Again, LOHAS and urban residents are amongst the key target groups as Figure 6 illustrates.

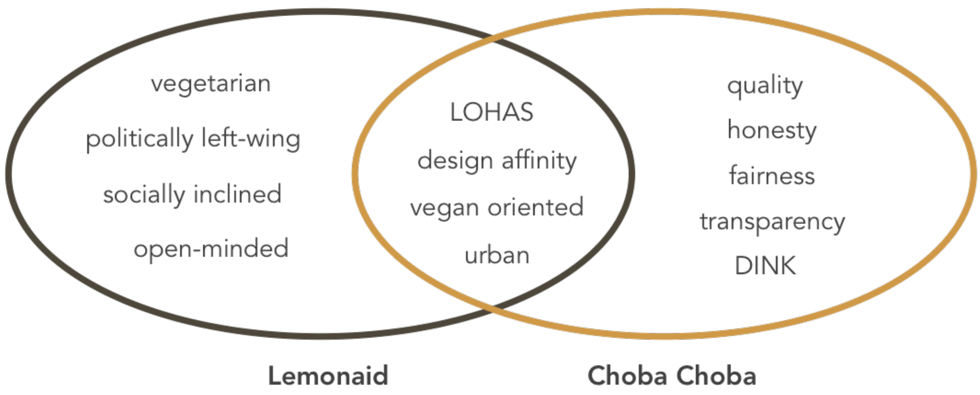

Figure 6. Illustration of target group's values and lifestyle

Consequently, Ruf and Pfister both believe that LOHAS, urban oriented people are their main target groups. Both social enterprises assume that their customers are design affine and that the number of vegan-oriented customers is surmised to be above average.

However, since both social enterprises are unable to explicitly identify their customers, the survey in chapter 6 intends to shed light on consumer clusters that tend to be most responsive to social enterprises with donation business models. Furthermore, it tests whether the interviewees' speculations on their key consumers are correct or not.

5 Retailers

As outlined in the theoretical framework, retailers who cover FMCG goods are examined. Firstly, relevant Swiss market trends are reviewed in order to provide some background information on the industry. Secondly, in order to obtain the retailer's perceptions on the viability of social FMCG products offered via retailers, the conducted interviews seek to shed light on the on the points below:

- General market trends which can be observed
- Importance of suppliers' CSR activities to retailers
- Success potential for brands such as Thankyou
- Importance of social attribute to consumers

These key points seem to be in line with the research question and help to answer the sub-questions mentioned in the thesis objectives section 1.3.

5.1 Swiss FMCG Market

The Swiss FMCG market grew in 2016 by 0.4% and in 2017 by 0.5%. The chart below shows the market dynamics in more detail:

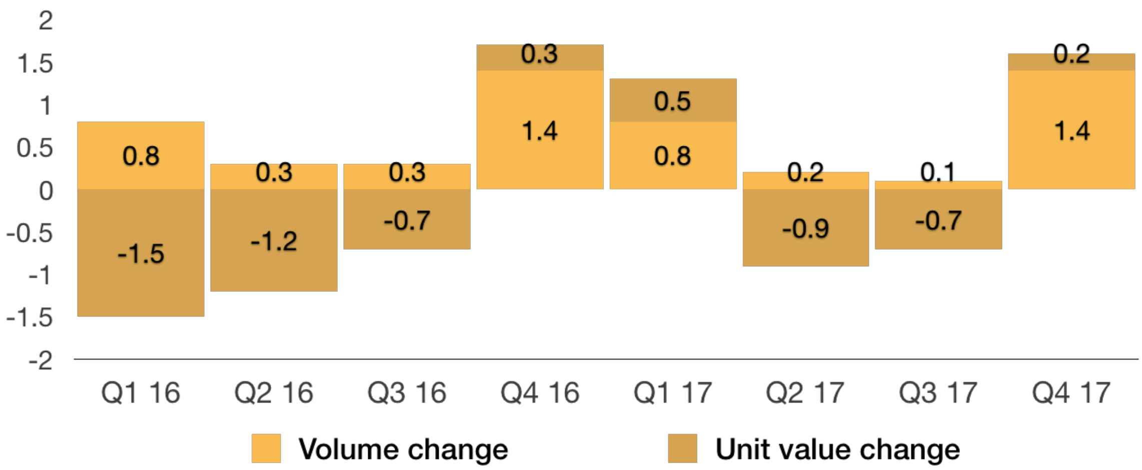

Figure 7. Swiss FMCG market dynamics 2016-2017 in % adapted from Nielsen (2017, p. 38)

As research provided by PlanetRetail denotes, Swiss residents have the second strongest spending power in Europe after the Norwegians. In 2013, Swiss residents spent on average EUR 5'000 for grocery products. Norwegians spend EUR 5'300, Irish citizens ranking third expended EUR 4'200 (Tackett, 2014).

5.1.1 Retailers

In 2017, the German discounters Lidl and Aldi have grown the most in the Swiss retail market with growth rates of 7.3% respectively 2.2% (Jucker, et al., 2018, p. 11). On a global scale, Migros and Coop rank among the largest 50 retailers worldwide. Migros with retail sales of 24.1 billion ranks 39th, closely followed by Coop (22.4 billion retail sales), ranking at number 43 (Deloitte, 2018, p. 19). Table 4 serves as an overview of the Swiss retail market size, where FMCG is predominantly included in the grocery retailers row.

Sales in Retailing by Store-based vs Non-Store: Value 2015-2017			
	2015	**2016**	**2017**
Grocery Retailers	51'181	51'703	52'119
Non-Grocery Specialists	36'873	36'419	36'052
Mixed Retailers	5'020	4'872	4'732
Luxury Retailing	1'601	1'548	1'514
Subtotal Store-based Retailing	93'074	92'994	92'903
Direct Selling	332	333	335
Homeshopping	971	926	887
Internet Retailing	5'464	5'846	6'244
Vending	570	570	568
Internet Pure Play Retailers	2'219	2'387	2'682
Mobile Internet Retailing	1'311	1'658	1'927
Subtotal Non-Store Retailing	7'337	7'675	8'033
TOTAL Retailing	100'411	100'670	100'936

Table 4. Swiss retail market size in million CHF adapted from Euromonitor International (2018, pp. 6-7)

5.1.2 Food

In Switzerland, statistics from the market research institute Nielsen Company have shown that more than 40% of the Swiss have adopted at least one food trend by 2017. Superfood, lactose free-dairy products as well as high protein products were the leading substitutes of conventional food (Casparis, 2017, para 1). The high involvement level of food consumers is also suggested in the study by Kuvykaite, Dovaliene and Navickiene (2009, p.445), proving in their research that consumers' involvement levels are higher for food products than for non-food products. Involvement level can be defined as "The general level of interest in the object or the centrality of the object to the person's ego-structure" (Day, as cited in Antil, 1984, Table 1).

5.1.3 Non-Food

The non-food sector has experienced a decline in turnover in recent years. The decline in non-food sales can be explained by digitization trends in the sector, meaning that consumers are decreasingly willing to go shopping at the stores (Jucker, et al., 2018, pp. 5-6).

5.1.4 E-commerce

In the age of digitalization, e-commerce has become an integral part of the retail sector. Currently, 7% of the Swiss retail transactions are made via the web, Digitec Galaxus being the largest online retailer, followed closely by the German based Zalando (Jucker, et al., 2018, p. 16). As stated by the market research company GfK (2018), in 2017, e-commerce has grown by 10% up to CHF 8.6 billion. The strongest sectors were consumer electronics and apparel. In addition, the institute predicts that by 2020 approximately 20% of all non-food goods will be sold online (GfK, 2018).

5.2 Interviews with Retailers

Many larger retailers were enquired for personal interviews, however, only Migros was available for a personal meeting. The interview partner at Migros was S. Glanzmann, team leader of ecology non-food. In addition, Globus was willing to correspond via e-mail, where L. Guagliardi, Head Buyer Globus Home & Household, was the interviewee. As both interview partners work in the non-food division, the information received provides little insight into the food area of the retailers. Due to the large number of student requests, other retailers did not engage in interviews, although they were contacted and followed-up several times (see chapter 2.3.2). Nevertheless, the information obtained from the two sources is used to answer the subjects outlined in the beginning of this chapter.

5.2.1 General Market Trends

Guagliardi (personal communication, April 23, 2018) and Glanzmann (personal communication, April 11, 2018) both mention not to see clear trends with regards to social brands. More so, Guagliardi (2018) states that people desire more craft products as well as local products that create a bond to the region. Furthermore, she states that trust, cooperation and communication are becoming increasingly important to consumers and thus to retailers. Attention to the origin and production of goods is rising, suggesting that economical honest products are increasingly gaining a competitive advantage (Guagliardi, 2018). Migros observes tendencies towards more sustainability since firms increasingly expend money on social and environmental causes (Glanzmann, 2018). Moreover, Glanzmann (2018) believes that Switzerland is a top destination when it comes to the consumption of sustainable products, suggesting that in many categories Swiss have the highest per capita consumption in sustainable products.

In addition, the topic of social justice is believed to be emotional to consumers, giving such topics a higher significance (Glanzmann, 2018).

5.2.2 Importance of Suppliers' CSR Activities to Retailers

Both, Migros and Globus, apply the same rules since Globus is wholly owned by Migros. Unless the code of conduct is signed as a basic requirement, suppliers are not taken into consideration (Glanzmann, 2018). Moreover, both interview partners mentioned that they only source from companies that are members of the Business Social Compliance Initiative (BSCI). BSCI ensures that standards imposed by the International Labor Organization on workers' rights and the United Nations guiding principles on business and human rights are followed (amfori, 2015). Furthermore, strict attention is paid to the sustainability endeavours of the suppliers (Guagliardi, 2018). Thus, labels such as Havelaar, UTZ and Forest Stewardship Council are significant for Migros and Globus. Nowadays, consumers are said to be critical and mindful, with values such as transparency and authenticity becoming increasingly important features (Guagliardi, 2018). Although companies with a strong CSR approach are not given discounts on listing fees, the CSR aspect seems to be an order qualifier, being defined as a criterion that "a company must meet for a customer to even consider" (p. 6) the purchase (Jaller & Ullström, 2008). Migros indicates that firms, which are able to raise their sustainability standards, are more likely to be accepted into their product range. Nevertheless, the products must be attractive, reasonable and in demand (Glanzmann, 2018).

5.2.3 Success Potential for Brands such as Thankyou

> « I think it's a very interesting idea to donate your profits. »
>
> *-Sandro Glanzmann, Migros*

In order to elaborate on the chance of success that social enterprises have, the retailers were asked the following question. "In Australia, the two major retailers offer a brand called Thankyou, which donates 100% of its profits to NPOs. Would companies like this have discounted entry to be sold in your stores?". Globus believes that it is quite possible to give such companies a discount, however this would need to be closer defined by management. On the other side, Migros did not mention whether a discount would be granted or not. Yet, the concept appeared to be highly interesting to the interviewee as he mentioned that there is, "to a certain degree, some openness to test such a concept"

Glanzmann (2018). Some concerns were also addressed. Glanzmann (2018) emphasized that aside from the good marketing story behind such social products, the product itself needs to be convincing too.

As fair-trade was adapted in Switzerland in early days, other concepts beyond fair-trade might have been neglected (Glanzmann, 2018). Further, Guagliardi (2018) presumes that it might be a question of time until social FMCG products are increasingly seen in the retail industry.

5.2.4 Importance of Social Attributes to Consumers

Both experts agree that the social attribute of a product is not the most crucial aspect for the purchase decision. Rather, the social attribute may serve as a confirming factor, giving the consumer the feeling that his purchase decision was correct (Guagliardi, 2018; Glanzmann, 2018). The two respondents also think that the key attribute for the purchase decision differs from product to product. While for the customer base of Globus, design and quality seem to be important aspects, Migros tends to prioritize price as the main factor. With food products, taste is also of utmost relevance. According to Guagliardi (2018), story telling is another increasingly important feature for firms and brands.

Glanzmann (2018) explained that the further away from the human body a product is perceived to be, the lower the importance of sustainability and social factors are. Thus, sustainability is most important for food, followed by products which are applied to the body (e.g., shampoo, lipstick, deodorant). As the example of fair-trade certified products shows, consumers believe that farmers are doing well if a product is labelled as fair-trade, which is important to consumers. Due to some unclear reasons, customers care more if, for instance, a banana is fair-trade certified than other, non-food goods (Glanzmann, 2018). As an exception serves the apparel industry, where the social aspect bears a more important role (even more than products applied to the body) compared to other industries, attributable to the image of the industry. Similar to the apparel industry, the consumer electronics industry is increasingly under pressure to enhance the sustainability aspect (Glanzmann, 2018).

6 Consumers

The scope of this study is on social enterprises offering FMCG, which are first and foremost sold in the retail sector. A quantitative research approach is followed to obtain an understanding of potential consumers with their behaviour as well as preferences.

6.1 Goal of Survey

A survey is conducted in order to capture as many peoples' attitudes and perceptions on social brands in the FMCG industry. This form of research is chosen to identify behavioural patterns of different consumer segments. The main goals of this survey is to determine which consumers in Switzerland are most inclined to purchase social FMCG products. The respective hypotheses can be found in chapter 6.2.1.

6.2 Methodology of Survey

In a first step, a questionnaire is sent to a sample of seven test users, whom are then given the task to locate errors of various origins. While some test participants are ought to find misspellings, grammatical errors and vague statements, others are asked to focus on the logic and objectivity of the survey. By executing the pilot tests, a higher reliability of the final results can be achieved due to the more accurate questionnaire (Neuman, 2014, p. 213). Besides that, the survey is conducted in German to ensure that all individuals would understand the questions correctly. Subsequently, the results are translated into English. The gained data is analyzed with the statistical data analysis software SPSS. Different t-tests, which help to detect significant differences in the behaviour of different samples, are run to determine whether the raised hypotheses are true. The t-tests are programmed with a confidence interval of 95%.

6.2.1 Underlying Hypotheses

Previous studies have suggested that the Anglo-Saxon concept of social entrepreneurship is still a rather new concept in Switzerland (Gonin & Gachet, 2014, p. 18). Thus, the lack of awareness of social enterprises, including social donation business models, allows testing the society's interest in such social products in a non-biased manner. The low cognisance of social enterprises permits to examine Marquis and Parks' (2014, p. 31) claim, that social donation business models with a clear and simple message about their social endeavour touch consumers' emotions, which therefore create a bond between the brand and the consumer. Literature also suggests that the involvement level of consumers in FMCG has increased in recent years due to the rising importance of sustainability and health related topics (Kuvykaite et al., 2009, p. 443). Furthermore, in the field of organic products, people living in cities and earning a decent salary are, more often, prone to purchase organic foods (Hamzaoui-Essoussi & Zahaf, 2012, p. 7). All these factors are taken into consideration and serve as a base for this research. Hence, prior to starting the survey, the raised hypotheses are the following:

H1: Giving people some background information about the social mission of an enterprise leads to a shift in their purchase decision because it arouses their emotions.

H2: People who often purchase fair-trade or ethical products tend to also purchase more social FMCG brands.

H3: People living in cities are more likely to purchase social products.

H4: High earners are more likely to purchase social products.

Besides the raised hypotheses above, the survey intends to analyze two other parameters on significant statistical differences. Firstly, due to the increasing health consciousness of individuals, it is explored whether the health conscious segment is more prone to purchase brands with a social donation business model. Secondly, since higher educated people generally earn higher salaries, independent t-tests are also used in order to examine potential statistical differences regarding schooling levels.

6.2.2 Structure of Survey

The survey is divided into three main parts. The first section focused on the demographics of the respondents. By posing nine questions on the socio-economic indicators such as sex, age, living location, educational background and yearly income, the participants can be divided into distinct categories.

The second section of the survey aims to detect changes in the purchase behaviour of participants by replicating a basic selection of products in a supermarket. The participants are asked three times to select one product out of a selection of four to six FMCG products. Except for the two social brands Thankyou (Australia) and share (Germany), all other products are sold in Switzerland in either Coop or Migros. While, initially Thankyou and share are not disclosed as social brands. After the first virtual purchasing decision of the respondents, they are informed about the social activities of share. By manipulating the respondents with information about share's social programs, a significant shift towards purchasing share's products is expected for the subsequent purchase decision. Since mineral water and hand soap have differing product characteristics, some inconsistencies are anticipated in regards to the results. By revealing the story of Thankyou before the last purchase round on cereal bars is conducted, the same procedure is repeated in order to enhance the reliability of the results (Neuman, 2014, p. 214). Since both share and Thankyou operate in countries other than Switzerland, only a small minority of participants is expected to select either of the brands in the first purchasing decision.

In a last step, respondents are asked on their purchasing behaviour, their attitudes towards the social and health aspects of the goods they would generally purchase and what their desire would be to contribute to the wellbeing of society. All questions in the last sequence of the survey are asked with a 7-step slider (4 being the middle), where the respondents could specify whether the displayed statement is applicable or inapplicable. The questionnaire is attached in Appendix 10.2.

6.3 Results

Over a period of two weeks, data was collected online by distributing a weblink. The selection criteria for the participants was that they had to be Swiss or Swiss residents in order to participate in the survey. Out of the 353 participants, 316 have finished the survey completely, hence the findings were derived from the sample of 316 participants. As anticipated, a mere 3.8% (n=12) of participants knew the social brands prior to the survey and therefore selected their products in the first purchase decision.

6.3.1 Sample Description

The sample consists of 50.3% male and 49.4% female. Most participants live in cities (50.3%) followed by rural population (25.3%) and people living in suburbs (24.4%). Roughly half (52.8%) of the respondents are aged between 25 and 34 as shown in Figure 9. Furthermore, 39.9% of the respondents possess a university degree, 47.5% earn at least CHF 50’000 per annum and 50.3% work full-time. The detailed description of the sample can be found in Appendix 10.3.1.

6.3.2 Hypothesis 1: Impact of Social Message on Consumer

Deriving from the second section of the survey, it is analyzed how the additional information given about the social endeavours of the social enterprises impact the purchase decision of consumers. The structure of the survey allows to categorize the respondents into three different clusters depending on the selected products in decision two and three. The segmentation of the sample is as shown below:

Highly Social Brand Inclined Consumers (HSBICs); Respondents who selected the marketed social product each time after reading the enterprises social mission.
Moderately Social Brand Inclined Consumers (MSBICs); Participants who chose one of two occasions the addressed social product in decision two or three.
Not Social Brand Inclined Consumers (NSBICs); People who never selected the social enterprises' products in purchase decision two or three.

In the second purchase decision, people were not aware that Thankyou is a social enterprise, therefore, people who selected Thankyou at that stage, were not considered to be social brand inclined.
As Table 5 below suggests, 10.8% of the respondents are classified as HSBICs, while 28.8% are MSBICs.

Consumer Segmentation by Social Brand Inclination

		Frequency	Percent	Cumulative Percent
Valid	HSBICs	34	10.8	10.8
	MSBICs	89	28.2	39
	NSBICs	193	61	100.0
	Total	316	100.0	

Table 5. Consumer segmentation by social brand inclination

Given these results, it can be concluded that hypothesis 1 holds true with 39% of the respondents changing their purchasing decision at least every second time in favour of social products.
In order to identify which individuals are most likely to respond to the social message conveyed in the survey, the HSBICs and MSBICs are described below. The detailed tables can be found in Appendix 10.3.2 and 10.3.3.

6.3.2.1 HSBICs Cluster Description

The sample of 34 respondents, classified as HSBICs, shows some distinct anomalies compared to the whole sample. The main differences can be described as follows: 61.8% are male, between 25 and 34-years-old (70.6%), live in cities (64.7%) and show a strong tendency towards fair-trade products (Mean = 4.94, opposing to the whole sample M=4.36), ethical sourcing (M=5.53, opposing to the whole sample M=4.68) and health consciousness (M=5.71, opposing to the whole sample M=5.29). 92.65% of the sample mentioned the social engagement of the enterprises to be reason why they selected the respective products in the first place.

6.3.2.2 MSBICs Cluster Description

The MSBICs sample (n=89) shows similarities to the whole sample without significant differences. It can be stated that 65% are female, 49.4% are between 25 and 34 years of age and 42.7% are full-time employed. Compared to HSBICs, the MSBICs have a lower inclination towards fair-trade (M=4.64), ethically produced goods (M=4.96) and a healthy diet (M=5.42). Overall, only 42.15% of MSBICs said that the key factor for their purchasing decision was the social commitment of the social enterprise.

6.3.3 Hypothesis 2: Correlation between Fair-trade and Social Products

As fair-trade and ethical sourcing has become increasingly important for consumers in recent years, it is hypothesised that social brands address a similar clientele. Therefore, those who answered the survey were asked to respond to two statements about their purchase behaviour with regards to fair-trade and ethical sourcing. The first statement, number 19, is as follows. "When I buy fruits, vegetables, coffee beans and chocolate, every second item I buy is fair-trade". The answers reveal how often the respondents purchase fair-trade products if given the opportunity.

To elaborate on the ethical affinity of the survey participants, they were further asked to respond to the following statement (number 21; see Appendix 10.2). "When shopping, I consider whether the products have been produced ethically".

To test the correlation between fair-trade or ethical consumers and social brand inclined consumers (both MSBICs and HSBICs), independent t-tests were run. Respondents are considered to be fair-trade or ethically inclined when they selected ≥ 5 in question 19 or 21 as described above. The t-tests show a significant difference for both categories: HSBICs and MSBICs. The difference for fair-trade inclined consumers compared to HSBICs is (M=0.139, Standard Deviation = 0.347) opposing to less fair-trade inclined consumers (M=0.728, SD=0.261); t (302.66) =1.936, p=0.054. Again, comparing MSBICs with fair-trade inclined consumers (M = 0.333, SD=0.473) and less fair-trade inclined consumers (M=0.225, SD=0.419) conditions; t (313.69) =2.156, p=0.032 shows, as mentioned above, a significant difference.

The results of the comparison of ethical consumers with HSBICs and MSBICs follow the same pattern. The independent t-tests denote again a significant difference for HSBICs and MSBICs. The difference for ethically inclined consumers compared to HSBICs is (M=0.155, SD=0.363) opposing to less ethically inclined consumers (M=0.388, SD=0.194); t (297.62) =3.687, p=0.00. The comparison of MSBICs with ethically inclined consumers (M=0.326, SD=0.470) and less fair-trade inclined consumers (M=0.217, SD=0.414) conditions; t (295.93) = 2.179, p=0.03 indicates a significant difference further.

Given these results, it seems that people who are more likely to purchase fair-trade or ethical products are also more likely to buy social products featuring a donation model. Hence, hypothesis 2 proves to be correct. The corresponding tables can be found in Appendix 10.4.1 and 10.4.2.

6.3.4 Hypothesis 3: City Residents versus Non-City Residents

Previous studies suggest that the purchasing behaviour of urban residents differs from rural populations in the area of organic products (Hamzaoui-Essoussi & Zahaf, 2012, p. 15). Therefore, this study tests if the same phenomena can be observed with social products. The initial independent t-tests between participants living in cities versus people living in the countryside have not indicated any significant differences in this study. However, by comparing city residents against non-city residents (people living in the countryside plus people living in suburban areas), a rather significant difference for HSBICs is detected with scores for non-city residents (M=0.764, SD=0.267) and city residents (M=0.138, SD=0.346) conditions; t (296.37) = -1.783, p=0.076, as shown below:

Group Statistics

	Geographic Living Area	N	Mean	Std. Deviation	Std. Error Mean
HSBICs	Non-City Residents	157	.0764	.26654	.02127
	City Residents	159	.1384	.34637	.02747

Table 6. Independent Sample t-test comparing city residents versus non-city residents

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	13.130	**.000**	-1.780	314	.076	-.06193	.03480	-.13040	.00654
	Equal variances not assumed			-1.783	296.374	**.076**	-.06193	.03474	-.13031	.00644

Table 7. Conditions of t-test derived from SPSS

The gained results (see Table 6 and 7) denote that HSBICs live predominantly in cities while for MSBICs there is no clear correlation which can be observed with regards to their dwelling place. Nevertheless, as the HSBICs tend to dwell in cities, hypothesis 3 seems to be true.

6.3.5 Hypothesis 4: High Earners versus Non-High Earners

In order to test hypothesis four, the sample is divided into two categories. Firstly, high earners that are classified as participants said that they currently earn more than CHF 75'000 per annum. Non-high earners are all other participants with an income below the previously mentioned amount. Again, independent t-tests were run to spot any differences in the behaviour of high earners and non-high earners. Interestingly, for HSBICs there is no significant difference in the results of high earners ($M=0.118$, $SD=0.324$) and non-high earners ($M=0.104$, $SD=0.306$) conditions; $t(314) = 0.349$, $p=0.727$. However, when examining MSBICs, high earners ($M=0.20$, $SD=0.402$) and non-high earners ($M=0.312$, $SD=0.464$) conditions; $t(171.40) = -2.097$, $p=0.037$, a significant difference can be assumed. Whereas no correlation can be suggested between high earners and HSBICs, it seems that there is a correlation between MSBICs and non-high earners. Appendix 10.4.4 features the respective scores.

Hypothesis 4 lacks support due to the obscurity and non-assumable correlation that high earners are more inclined towards social products.

6.3.6 Health Conscious Individuals

Health conscious participants are defined as individuals who selected six or seven in statement 26, as the mean for this statement is 5.29. The statement is as follows. "I make sure that I eat healthy food on a regular base". The independent t-test suggests low significant difference for HSBICs and MSBICs comparing health conscious participants versus less health conscious participants (Appendix 10.4.5). However, looking at the individual purchase decisions two (decision on hand soap) and three (decision on coconut bar), rather significant differences occur:

- Purchase decision 2: Health conscious ($M=0.306$, $SD=0.462$) against less health conscious ($M=0.212$, $SD=0.410$) conditions; $t(311.184) = 1.928$, $p=0.055$
- Purchase decision 3: Health conscious ($M=0.281$, $SD=0.451$) against less health conscious ($M=0.192$, $SD=0.395$) conditions; $t(310.53) = 1.865$, $p=0.063$

These results underline that the purchase behaviour of health conscious respondents differ from less health conscious respondents with regards to social brands. The tables can be found in Appendix 10.4.6 and 10.4.7.

6.3.7 University Graduates

In similarity to the hypothesis that high earners are more inclined towards social products; results are also collected to comprehend the coherence of education and purchase intentions of university graduates versus non-university graduates. Specifically, those compared are people possessing either a bachelor's degree (BSc), master's degree (MSc) and or doctoral degree (PhD) to those having a lower educational training. University graduates (M=0.143, SD=0.351) and non-university graduates (M=0.084, SD=0.278) conditions; t (314) = 1.649, p=0.100 shows that for HSBICs a nearly significant difference is prevalent (see Appendix 10.4.8). Consequently, it can be assumed that people with a higher educational level have a tendency to be more affine to social products.

6.3.8 Limitations of Survey

The following section outlines the main limitations that were encountered in the survey.

6.3.8.1 Customer Loyalty

Another set of questions would have been required to test the repurchase ratio that indicates the loyalty of customers (Marquis & Park, 2014, p. 31). However, as a report on customer loyalty published by Nielsen (2013) shows in Table 8, the loyalty of consumers in the FMCG sector is reasonably high. This fact must be taken into account since it is very likely to have a considerable impact on the results that are gained through the survey.

Consumer Loyalty for different FMCG Product Categories	Completely Loyal	Mostly Loyal	Not Loyal
Snack Brands	10%	43%	46%
Carbonated Beverages	14%	43%	43%
Personal Beauty Products	17%	49%	34%

Table 8. Customer loyalty; adapted from Nielsen Holdings N.V. (2013, p. 9)

Translating this limitation to the survey, this means that although respondents chose a certain product, they may be likely to stick to brands which they have purchased in the past. As the report further outlines, the main switching point of customers is the price (54%). Since the exact prices defined by retailers could only partially be replicated, the results of the survey might have had substantially differed if other price were chosen.

6.3.8.2 *Sample Replication*

Another constraint that reduces the reliability of this survey is that the Swiss population could not be reconstructed accordingly. Whereas Switzerland has a high age group of 45 to 64-year-olds, the sample population is mainly able to capture the segment of the 25 to 34-year-olds as shown in Figure 8 and 9. According to data provided by the Federal Statistical Office, roughly 27.6% of Swiss residents live in cities; excluding suburbs (Federal Statistical Office [FSO], 2017, p. 4). Again, this means that the survey sample, including 50% of respondents that live in cities, differs from the Swiss demographics.

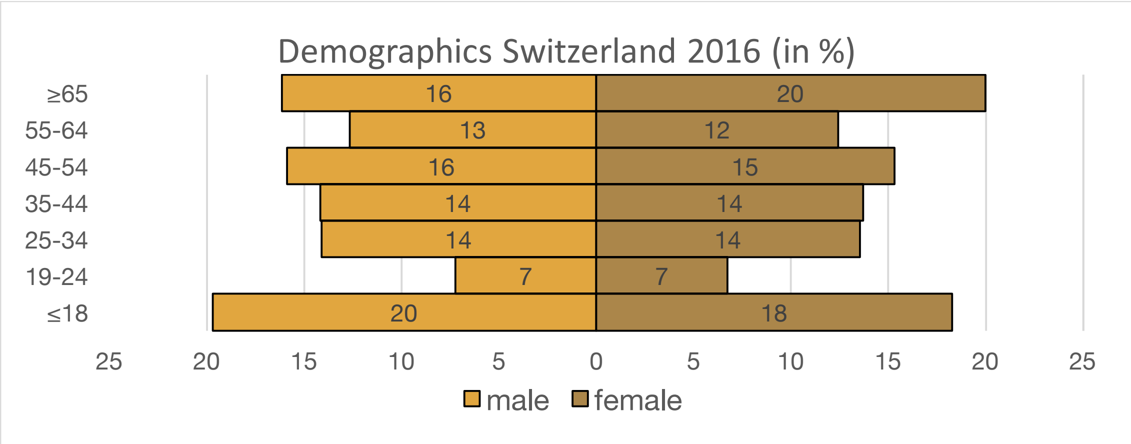

Figure 8. Population pyramid of Swiss citizens; created with data provided by FSO (2016)

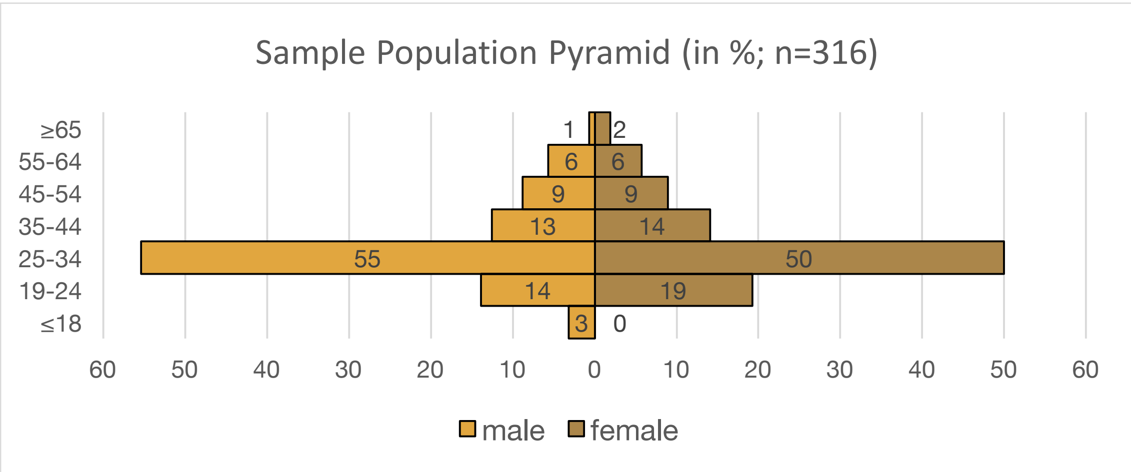

Figure 9. Population pyramid of participants who completed the survey

6.3.9 Awareness of Social Activities

This survey presupposes that people are always educated on the social activities of social enterprises, which in reality is not given. Often, consumers are not even aware that they purchase a product from a social enterprise or that the respective firm donates profits towards social causes e.g. due to lacking marketing activities. This implies that there might be less people that purchase social products.

7 Discussion

This section aims to discuss the findings of the previous chapters in order to identify commonalities between the key market participants examined in this paper.

7.1 The Swiss Marketplace

First of all, Switzerland seems to be a highly favourable destination to establish a social business. The main reason that leads retailers to this conclusion is the level of education and the care for social and ecological issues that residents demonstrate with their increasingly sustainable purchase decisions. Contrary, the social enterprises see the strong spending power in Switzerland as the main advantage, since this allows the social enterprises competing in the FMCG industry to be competitive, even if they are positioned in the middle to high price range. According to retailers and social enterprises, the Swiss-German part of Switzerland tends to be more inclined to social entrepreneurship and sustainability than the western part of the country.

However, when it comes to legal frameworks, Switzerland has potential for improvements. Firstly, there is no specific legal form for social enterprises, which may facilitate the specific needs of individual social enterprises as mentioned in chapter 3.4.3 (Adam, et al., 2016, p. 511). Especially complex seems to be the tax exemption for social enterprises following an external social program paradigm, where the for-profit and non-profit entities have to be kept separately. If there was any interest from the governmental side to see an increase in social enterprises following an external social program paradigm, special legal frameworks should be established to deal with the inherent tax problem, since the taxes decrease the social enterprises ability to fulfil their social mission.

7.2 Assessment of Consumers

Besides the difficulties that arise regarding the burdensome legal frameworks, social enterprises lack knowledge of who their end customers are according to the empirical evidence suggested by this study. Both firms seem to have a rough estimate on their customer base, yet the social enterprises admitted to being unsure. As this study outlines, consumers who are highly inclined to social brands (and therefore may also be a big proportion of the interviewed social enterprises' customers) are predominantly men, live in cities and are between 25 and 34-years-old. They tend to regularly purchase fair-trade products and are health conscious when it comes to their diet. Furthermore, the HSBICs account for 11% of the sample, indicating that a fair share of the population is receptive to firms with a social USP, particularly when considering that younger generations are increasingly open to social products. Thus, it can be expected that this number will increase over the next years. Although Lemonaid and Choba Choba are not certain who their main customer base is, the presented results (see chapter 4.5) indicate that the suspicions of the firms prove to be correct - LOHAS living in urban areas.

In contrast to Choba Choba's assumption that their customer base has an above average educational level, the survey result does not fully support this hypothesis at a confidence interval of 95%. Nonetheless, a tendency towards well educated customers is observable. It is clear, that there may be a deviation with regards to the educational level of certain social enterprises' target groups. Thus, whether Choba Choba is right with their assumption is uncertain. Based on the observations made on Swiss residents, the educational level does not seem to be as essential as in other countries. This might be derived from the fact that the education gap between poorly educated people and highly educated people in Switzerland is rather low compared to other countries.

Unlike other research undertaken in Canada by Hamzaoui-Essoussi and Zahaf (2012) on the profile of organic food consumers, this study suggests that people with high salaries do not necessarily purchase more social or fair-trade products, which are, similar to organic products, generally more expensive. The exact reason for this phenomena is unclear, however, it appears that the purchase intentions are rather based on the emotions aroused by the social message than on the spending power of HSBICs. Interestingly, MSBICs tend to be people with a salary below CHF 75'000 per annum. Again, the cause for this result is unknown, however, it may be assumed that due to lower incomes, respondents may have less money to purchase social products and are therefore less capable to purchase social brands on a regular basis.

7.3 Social Activities as USP

Another finding which this study reinforces, is the importance of marketing the social message, as mentioned in the review *Inside the Buy-One Give-One Model* by Marquis and Park (2014, p. 33). Not only did the retailer Migros recognize the significance of the social marketing message but also did the social enterprises themselves. For them, the social marketing message is one of their USPs, which helps the firms to create a strong customer loyalty as they “tap into consumer’s personal passions” (Marquis & Park, 2014, p. 33). This social marketing message serves as a source of competitive advantage and needs to be utilized by social enterprises. This can be stated based on the survey results that suggest that 40% of the respondents switched at least in 50% of the purchase decisions to a social enterprise of which they were aware of its social activities. Thus, the firms must ensure to proactively engage in marketing endeavours. However, there are diminishing returns to be expected when many social enterprises are competing in the same market, as the USP is not uniquely anymore and thus the competitive advantage gets lost. Deriving from the research, it may also be suggested that the simpler the social marketing message is, the better people can relate to it and thus the more effective the message is.

At present, it may be possible to conclude that it is an optimal moment to start a business with a social donation business model, as the market still lacks a dominant social enterprise using the social message as its USP.

7.4 Implications for Social Enterprises in FMCG

Taking the retailers responses into consideration, it can be stated that they like the idea of social products, however they would only be willing to provide social enterprises with better conditions to a certain extent. This means that some retailers might be eager to give some support with lower listing fees, while others might help by boosting the message on their social programs. The key aspect for the retailers stays the same; the products need to fulfil the requirements regarding quality and high demand. Big retailers are especially cautious towards smaller suppliers, as they sometimes struggle to deliver on the conditions of the contract. Additionally, retailers assume that social donation business models are most effective in the food segment, rather than in the non-food segment, as this is the case for fair-trade products.

Regarding observable trends, no new insights could be gained. As the retailers as well as previous market research has suggested, sustainability and health factors are becoming increasingly important (Casparis, 2017; Kuvykaite et al., 2009, p. 443). Nonetheless, specific trends for social brands are not observable. It might be assumed that this trend is not observable yet due to the fact that consumers are generally not aware of such brands. Throughout the survey data collection, a lack of awareness for social enterprises, which apply a donation business model, was discovered. However, with increased understanding of the social activities of enterprises, it is believed their sales figures would increase substantially.

Nevertheless, consumers are influenced by many factors when shopping. Although the social aspect of a product might be favourable, consumers may still select another product because of other preferences such as taste, price or size. While for roughly 11% of the survey respondents this might be the dominant factor for their purchase decision, for the majority of buyers, it is the confirming factor, giving the consumers a good feeling about their purchase decision although it is not the key driver leading to their choice. Further, the design aspect of social products is recognized to be of high significance. This can be concluded as both social enterprises explained that design plays an important role in their consumers' decision-making. Moreover, many survey participants chose Thankyou's soap due to the stylish packaging (36 out of 58 people who chose Thankyou), whilst the brand was not disclosed to be social at that stage of the survey.

Several implications can be derived from this study for companies with a social donation business model who want to start commercial activities in Switzerland:

1. Establishing the business might involve much bureaucracy, especially when tax exemptions want to be claimed. A tandem structure needs to be established if one entity shall be for-profit and the other, non-profit.
2. Switzerland serves as a reasonable market for social enterprises with citizens that generally care about social and environmental causes. In addition, the spending power of consumers is another advantageous factor.
3. Retailers tend to welcome social products in their shelves, however it can not be stated that they obtain better conditions from the retailers. Exceptions may occur, especially for first movers.
4. E-commerce is becoming increasingly important. Social enterprises with a social donation business model focusing especially on non-food are suggested to create a strong online presence.
5. LOHAS living in urban areas, between 25 and 34 years of age tend to be most receptive to social products. While income does not appear to be important, the education of the target segment might be significant to a certain level.
6. The Swiss are willing to pay a premium for social brands, however it depends on the product. Social enterprises should still aim to keep the price reasonable, as most consumers still prioritize factors such as quality, price and taste before the

social aspect of a product. Therefore, if a price is perceived as too high, people choose another product regardless of whether it is a social product or not.

7.5 The Potential for Social Enterprises with a Social Donation Business Model

In order to present a guideline number for the potential of social enterprises with a donation business model, some calculations were undertaken with the results from this study. The calculations are based on three key factors related to the typical characteristics of HSBICs; age, place of residence and education. Thereafter, the three different results (see Table 9) were averaged so that the end result is equally weighted based on the three properties. Deriving from the calculations, which can be found in detail in Appendix 10.5, it is estimated that the market potential for social enterprises with donation business models in the Swiss FMCG market amounts up to CHF 1.1 billion. However, this number serves as a guideline and is not exhaustive due to several limitations. Firstly, it is assumed that HSBICs only purchase social products, which is highly unlikely. This indicates the second limitation, being that social products need to be available in every FMCG product category and in every retail store. On the contrary, the calculation only took HSBICs into consideration, although MSBICs are also likely to purchase the mentioned products on an infrequent basis. However, as only 42.15% of the MSBICs indicated to purchase the social products due to the social engagement of the enterprises, MSBICs were not considered.

Approaches to Determine Potential Market Size		
Approach 1: Age	14.37% of all people that are between 25-34 in Switzerland x average amount spent on FMCG (CHF 6'190.24)	CHF 1'036'026'712
Approach 2: Place of Residence	13.84% of population that lives in cities (2'326'000) x average amount spend on FMCG (CHF 6'190.24)	CHF 1'992'752'524
Approach 3: Level of Education	14.29% of 35% people between 25-64 olds with University degree (52'842) x average amount spend on FMCG (CHF 6'190.24)	CHF 327'103'499
Average of 3 Approaches	Total potential market size of:	**CHF 1'118'627'578**

Table 9. Market size potential based on age, place of residence and level of education of HSBICs

Deriving from this market analysis, it can be expected that in the next few years, social enterprises with social donation business models will be established in the FMCG market.

8 Conclusion

8.1 Thesis Review

This paper elaborated on the potential for enterprises with social donation business models in the FMCG market as there were no studies that have been conducted in this specific field before. Therefore, social enterprises, retailers and consumers were examined in order to take the key market participants into consideration.

Firstly, social entrepreneurship was defined and its emergence was outlined. Based on the hybrid spectrum created by Alter (2007), the difference between social enterprises and other social businesses was explained. Thereafter, social enterprises were further divided into different categories. Since there are many ways in which social enterprises can have an impact, the focus of this study was on social donation business models, which are applied by social enterprises following an external program integration. To bring this topic into the Swiss context, the existing social entrepreneurship landscape in Switzerland was examined.

By conducting interviews with existing social enterprises in the FMCG market, a better understanding of the Swiss market place was gained. The key implications derived from the interviews were that Switzerland is an excellent country to establish a social enterprise due to the high spending power of consumers and the relatively high attention for social and environmental issues. However, Switzerland lacks legal frameworks tailored to the needs of social enterprises with donation business models. This means that establishing a social enterprise with a donation model may be perceived as bureaucratic and burdensome, especially with regards to tax-exemptions as a tandem structure needs to be chosen.

The review of the Swiss FMCG market reinforced the strengths of the Swiss spending power and suggests that the overall Swiss retailing market is estimated to be CHF 100.9 billion, while FMCG accounts for about CHF 52.1 billion. Furthermore, the non-food retailing sectors is expected to see a significant shift towards e-commerce in the next years.
From the conducted interviews with retailers, it can be concluded that retailers generally like the idea of social products linked to social donation business models. Particularly

because the social message of such products is seen as a USP. However, retailers currently do not observe a specific trend towards social products.

Returning to the consumer survey, it can be stated that about 11% of the respondents are highly responsive and 29% are moderately responsive to the social message of social enterprises with a social donation business model. The evidence from this study suggests that the HSBICs are best described as 25 to 34-year-old LOHAS living in urban areas. Moreover, it is revealed that fair-trade inclined consumers and people living in cities tend to be more prone to social donation business models. The hypothesis that high earners are more likely to purchase social products cannot be confirmed by this study.

Taking all limitations of this study into consideration, it can be argued that the market potential for firms with a social donation business models in FMCG is up to 1.1 billion (see Appendix 10.5).

8.2 Further Research

Deriving from this analysis, there are several different areas that may serve as a starting point for further research. Firstly, this thesis focused on social enterprises with a social donation business model in the FMCG market, meaning that the viability of social enterprises applying other business models should be explored in more detail. With regards to social donation business models, other industries such as the apparel or consumer electronics market need to be researched, since these two markets appear to be undergoing major changes.

Secondly, e-commerce is becoming increasingly important as a sales channel. Thus, further research on the implications of the e-commerce trend should be undertaken, especially focusing on the non-food segment. Thirdly, the survey test results indicated a weaker significance of the income and education levels of Swiss residents as initially anticipated. The reasons for these results may be identified with further research undertaken in this field.

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10 Appendices

10.1 Transcribed Interviews

10.1.1 Lemonaid Beverages GmbH

Interviewee: Milena Pfister, Country Manager Switzerland

Date: 22.03.2018, 16.15pm

Place: Weinbergstrasse, 26, 8802 Kilchberg

Question 1: How do you feel about the conditions in Switzerland for social enterprises? What should be improved?
Switzerland is a great platform because there is enough money. With regards to Lemonaid if we take this as example, we have high quality product plus, a social story. Being a pioneer, we can sell our products very well without hurting the wallet. The Swiss doesn't care if he pays 10 cents more or if the 10 cents go towards a social project. I realize that Switzerland is for Lemonaid a great platform. And this you also realize at Coop and the other shops. which launch now their fair brands. It is booming, an awareness and consciousness is growing and already exists at least a little bit. The awareness goes already beyond the small organic shops. The boom is coming where people start to consume more consciously.
And to improve, I think transparency is something that is desired. At Lemonaid, you can track where our ingredients come from and how they are sourced, you can look everything up but the potential to create more transparency or make it more accessible is certainly high.

Question 2: What is the social problem you want to address? What's your driver?

Our driver is really the social projects in developing countries, which can experience an economic growth. This was the initial idea of the product. The products Lemonaid & Charitea are solely means to the end. The purpose is to change the world. To improve the world. To create opportunities where there are none in a way which is genius. The aim is to exploit the well functioning economic system in the Western world to help the less privileged. The company does that on the one hand with sourcing only fair-trade and organic resources, which means they have to produce in accordance to these policies enhancing the conditions within the country and it doesn't make the competition so blatant. This ensures that it's not only competed on price as they get an amount agreed in advance. We guarantee the acceptance of the harvest. This is done by Lemonaid Beverages GmbH. The second part – the mean to the end – is that the CHF 0.10 or EUR 0.05 per bottle go towards social projects. These social projects are in our case in the sourcing area, which means that next to fair-trade peoples' lives are supported. The latest projects introduce microfinance projects, which is a great thing. With that we enable e.g.

farmers to get capital, which increases productivity since they can purchase machines they otherwise couldn't. There are some great examples where we were involved showing that we can do something.

Question 3: How difficult is it for you to fulfil the social mission for which you are fighting? What are the difficulties?

The Lemonaid Charity association is affiliated to the company respectively is directly (and almost solely) financed by the limited liability company. With the CHF 0.10 per bottle we finance the association. We have two people operating working for the association who select the projects. The proposed projects are then democratically chosen by the advisory board, which is made out of specialists volunteering for the association. The two employees travel to the locations too to check with the local controllers how the projects are working. It is important and based on trust but it enables us to not having to involve a middle-man which is costly. Roughly 87% of the revenues going to the association are used for the projects. The other 13% are required for the administration.

Question 4: What is your legal form?

The firm is a limited liability company and as a limited liability company you are allowed to support an association. Therefore, this was the best way for Lemonaid. Lemonaid Beverage is a limited liability company from Germany and we are employed by Germany. Lemonaid does not have a wholly owned subsidiary here in Switzerland. The Lemonaid Charity EV is also based in Germany.

Question 5: How are you financed?

We are self-supporting. We paid in the initial capital required to establish the limited liability company but since then we are quite self-supporting.

Question 6: Where is your biggest market in Switzerland & who are your target customers?

The biggest market in Switzerland is certainly the German part of Switzerland. Zurich, Basel, Bern, Lucerne are the biggest locations in terms of sales. Customers wise it expanded from the Hipster to the family segment as well as elderly people. We even have some nursing homes, which stock us. The main segment is still young people nonetheless. The product also works for families. IKEA is by now a big customer for us which supports the fact that families are important to us. Families work very well due to the fact that we sell soft drinks with natural sugar, only natural ingredients and with less sugar than other soft drinks. It is difficult for us to figure out who our end customer is since we do not get all the data but focus is certainly on young people.

Question 7: Which values and what lifestyle describe your customers best?

Values are: sustainability, socially inclined, politically leftwing oriented people like us, open-minded people since we are from Germany, people liking the “Swissness-aspect” still prefer a Rivella. The “social track” is certainly supporting us the most. For the health conscious people, we certainly are also interesting since we are vegetarian, vegan and organic. This is also a rather big customer segment. Slow-food is another term, which fits into this segment.

Question 8: What is your unique selling proposition?

It is basically that we have a social aspect to our product. It is a simple approach that we have that everyone could do. It is not dependent on profits since parts we donate are integrated in the whole production. And this is the system which works so well. The company sets an example in business in how business can be done and with what little effort you can have such a big impact.
And the quality itself… the aim is not primarily to make money but to have the focus on quality and besides that we are making money. We rather pay a bit more for the production, for the ingredients and the packaging, even give some money way to the social projects. I believe this is the difference is in the thinking and the values of the company. We see that this works and we believe that this will also work in the future. Our USP is in some regard the product as a whole since it covers so many aspects: the healthiness aspect, the high-quality ingredients, fair-trade, all the labels we have, fair-trade, organic. If you initially pay attention to quality and the design – it works.

Question 9: Do your customers primarily buy your product because they know you are social?

I believe only the people knowing about us know also about the social aspects of our business or the people taking our bottles into their hands and read the text. I believe in the first place that people purchase our products because they like the taste of it. The bottle looks good, they think: Oh it’s not actually that sweet, it is quite healthy, organic, and then they read the text and realize that they are actually doing good in purchasing our product. In the first place, the bottle catches the attention, then people take the bottle in to their hand, try it and if they like it, they like it. This I can say from some feedback that we get from customers but also my own personal opinion.

Question 10: Which sales channel is most profitable for you?

Through retail we sell the most bottles but also in clubs. We have some good clubs which give us a lot of turnover too. And amongst the most important distribution channels for Lemonaid are certainly the beverage traders. When you are listed with them, they acquire customers who then also acquire customers again. In the end, our products are sold in hospitality. So the two main points of sale are the retailers and hospitality.

Question 11: How difficult were the negotiations with the retailers? What requirements did you have to meet to enter the stores? What were the conditions?
We are not big in retail. Our biggest luck so far is that we are sold in IKEA, Alnatura, Globus and the organic stores. They all like our product as well as the idea. So far we didn't have to pay any listing fees, which is quite unusual.
There was once one of the big retailers, whose name I won't mention now, which approached us with a not negotiable contract who wanted us to pay 2% of his yearly revenue for all the Lemonaids and Chariteas they would sell. We couldn't do that. Furthermore, the company wanted per product line roughly CHF 1'000 as listing fee. We didn't want that and we don't have the budget for these kind of deals. If they want to sell our products, then they should. We are willing to give free samples or also to pay smaller amounts, which we didn't have to do so far but such large investments are not in our interest. We don't have to be in every store.
With IKEA we had a discussion because IKEA in Germany already stocked our products in there roughly 50 stores. In Germany they discussed that they will try to do the same in Switzerland. Because of that I met some people from IKEA. In these discussions, it was never even a topic that we would have to pay listing fees. Obviously, we negotiated on price and the transport. In this process it is obvious that your margins decrease, however never to the point that you would make a loss. It shall be a win win situation. If we couldn't stock Lemonaid in IKEA anymore, we would lose about 1/8th of our sales.
We have some other big players in the pipeline where are currently negotiate. The main points are the duration of the contract, the shelf space, if your products are stocked on eye level or closer to the floor and which other products are sold next to yours.
In Switzerland, we did not have to even give some free samples so far. This, however, is probably due to the fact that we only a small fragmentation of our products are sold in retail.
What's important for us is that Alnatura and other organic stores are partners. This means that if they, for instance, open up a new store, they coordinate this with us, meaning that we go to the new store to give samples of our product. It is our product and our time that we contribute for the sampling but they will do the selling afterwards. Regarding the listing fees, it has never been addressed. The only time this happened was with the big retailer. This is certainly not in line with our policies.

Question 12: Do the low purchase prices of the retailers devour your margins? Are retailers making it difficult for you to meet your social goals or are do they give you better conditions because you are a social enterprise?
I feel that the retailers treat us a little bit better because we are a social business. I am sure. But I also see that the demand is increasing and our product is gaining popularity. We notice that through requests which we didn't get two years ago. When I started two years ago, we approached closed doors. Nowadays, not only the retailers but also the catering firms such as ZFV, SV Group are interested. It's no topic anymore that we sell our product in glass bottles. These days, there is interest. I am sure that the social aspect of our product is a door opener.

Question 13: What are your main problems in the market?

The cost aspect of our product might be an issue in Germany but certainly not in Switzerland. We can keep up well with soft drinks sold in glass bottles but we are not able to compete with e.g. Coca Cola. The main issue is always the shelf-space. There we still have to prevail but we are on the right path. We don't see any big competitors who take all our shelf-space away but I mean if businesses choose to stock Swiss products such as Gazosa, so they should. It is not our aim to drive out other businesses but rather to coexist, even though it is quite normal in the beverage industry.

Question 14: What is your ultimate goal as Lemonaid?

To change the world. To improve the world sip by sip.
No really, to live this principle. If every Swiss person would drink one Lemonaid a day, it would be so easy to do something good.

This is the end of the interview. Thank you very much for your time and the interesting insights.

10.1.2 Choba Choba AG

Interviewee: Joel Ruf, Customer Care, Community Manager

Date: 18.04.2018, 2.00pm

Place: Wylerringstrasse 36, 3014 Bern

Question 1: How do you feel about the conditions in Switzerland for social enterprises? What should be improved?

In my view, there are still no legal vehicles that can represent social enterprises or the social aspects. The social backgrounds and purposes of these companies are not addressed. The profits or partial profits that go into a fund or in our case go towards farmers and projects will not be taken into account but will be reduced by the high corporate taxes. This takes the means away from us and the farmers to generate a social impact. That is something we commiserate. Once you as a company have a legal form, you are exposed to the laws of the market and therefore have to make a profit, engage in exactly the same marketing activities and fight against the competition after all. You may have a better USP or authenticity on the market with the project or the values you are pursuing and may be able to convince your target group more easily. But in the end you are exposed to exactly the same market mechanisms as the other company. A form of society that respects your social mission in the form of tax relief or other state support would be beneficial. On the other hand, you are also a normal market participant and you would get an advantage which means it would need a massive framework to control whether a company is a social business or not.

Question 2: What is the social problem you want to address? What's your driver?

Basically, the two founders Eric and Christoph worked for a long time in the chocolate industry, also for fair-trade companies. Christoph worked for Coop, i.e. for Chocolat Halba, was a buyer for sustainable cocoa there and has done projects all over the world, among others in Peru with the farmers, who are now co-owners of the company. Eric at that time was working for a French fair-trade company called Alter Eco, which had a partnership with Chocolat Halba. The farmers were fair-trade certified and have grown organic cocoa etc. For over 7-8 years they have worked with them until they came and said that although fair-trade, certifications, audits etc. their standard of living have not changed. They are still just as poor, they still cannot send their children to school, they do not have good health care and hygiene is still not given. The standards for an adequate normal human life have not improved.

That struck them because they were very idealistic people. So they left, quit their jobs (which were good jobs) and started their own brand to show that it is also possible in other ways. To help farmers at the weak end of the value chain who have market power. Actually, the main problem is that 5-6 million small farmers and families face about 5-6 large customers. These are such well-known and unknown companies as Cargill, ADM

(Archer Daniels Midland), Barry Callebaut, Mars which have a huge **market power** and can therefore determine the prices themselves more or less. That makes the price of cocoa far too low. fair-trade labels have already defined a minimum price, but this does not ultimately mean that farmers can improve their standard of living. In the end, this fair-trade guaranteed price and the premiums they get cannot be taken very seriously. It really doesn't help that you finally get out of poverty. This is also recognized worldwide, only it has such a huge influence if this price is adjusted. One could say that the market is playing, but simply not fair because the market power is not fairly distributed. That was the real basic problem why the two founders wanted to do something. With us, the farmers are directly involved in the sales proceeds of the chocolate. Firstly, they get 5% of the sales proceeds (at the moment), which go into a special fund to realize projects with the money. Secondly, through dividends as soon as we are in the profit zone and can pay dividends. Thirdly, farmers have a say in the company, they can buy additional shares and are educated to become entrepreneurs so that they know what they are doing. We want this because they have an influence on decisions within the company. Finally, it is an important mechanism that you can define the cocoa price yourself. At the moment, the General Assembly is taking place in Peru in a valley where negotiations are taking place on how high the cocoa price is for the current large harvest and the smaller harvests throughout the year. That's how the price is determined. It is clear to farmers that they could demand an enormously high price, but then the price of the chocolate is more expensive resulting in less chocolates sold. But through this mechanism, they **obtain a three times higher price with their cocoa** (compared to other cocoa farmers in Peru with average bean quality), which really generates a higher income for them.

Question 3: How difficult is it for you to fulfil the social mission for which you are fighting? What are the difficulties?

I think Switzerland is the best country to start such a business. First of all, people have money. Secondly, people here are awareness of sustainability, but perhaps even more so in other countries. Although we say in Switzerland we are a chocolate nation, what we really eat is milk chocolate and flavored chocolate and chocolate with additives. We are already coming across as revolutionary in the sense that it is not only important for us what is inside the chocolate but also that the people behind the product actually earn something. So that this idea can be implemented, there must be people who are interested in it and who are sensitized and educated. Maybe there would be a niche in Italy too, but it would probably be smaller in percentage than in Switzerland. From that point of view, Switzerland is an excellent place to operate. To keep our social mission is not difficult for us in the sense that the farmers are co-owners in the company, we have also written this in the vision and mission of the company. These are our values and we live them. We are also somewhat activist and ideological. Adherence to these values is also of strategic importance, and we also measure our impact. We just did a baseline study on the farmers in Peru. A person from ETH Zurich was on site for 8 months and has worked out a set of indicators with which we can determine whether the farmers' living standards will improve in the future. I think there are over 100 indicators, so we need to see which ones we can use to prove the improved living standards. The indicators can also help us to set goals so that we can achieve them. We do this with the farmers, who are co-owners of the company. At present, the farmers own 12% of Choba Choba. Originally they had 5%, the goal is that by 2020 they will own about one third of the company. The shares are divided into 36 families, which do not all hold the same number of shares. The shares belong to an association in which the farmers are members. The farmers have farms of different sizes and therefore have different proportions. In order to buy into this club, however, everyone had to bring the same amount, I believe that was around 500 francs. One thing that actually happened at the first founder meeting is that one person didn't have the money for it and brought a pig. Then another farmer bought it from him, so that the farmer could also join the club. This also shows the size of their investment and the risk they bear. They already knew Eric and Christoph but they still had to get involved and contribute large sums of money. Some have a little money and others are in debt, in any case everyone has made a commitment.

Question 4: How financially viable is your business model?

As I said, we are a company that must make profit like any other firm. It is viable, but it requires increased communication and marketing effort, which we have to do. We have to spread our story and raise awareness. As a startup in a saturated market we just have to try to take some market share away from other companies, it is definitely a competition. There are many other chocolate producers that make similar products as we make but we have to make them better. Our business model is financially viable and our plan is that we make profits by the End of 2019. In the beginning it was important for us that the farmers themselves raised money and that they were not given any money from us. At the beginning, we had to take loans ourselves from friends and people who believed in us and our vision so that we also had the financial means to break-even sometime.

Question 5: Where is your biggest market in Switzerland & who are your target customers?

It is always a little **unclear who the target group is** in the end. We couldn't do a survey yet to see if our assumptions are correct, respectively we couldn't send the survey we did so far. We think that our target audience consists of activists on the one hand. From people who think that our concept works and that they can make a difference through their consumerism. On the other hand, we suppose we are appealing to Foodies, people who like trendy chocolate, enjoy pure dark chocolate and like this trend. People who like to know where their food comes from. We think these are the two target groups we are addressing. I think we're not all that bad on that assumption. We need to address people in a way that they understand us. We sell the activist approach, which is also close to our heart and is also a USP for us. On the other hand, we not only want to produce fair chocolate, there is already a lot of that, but also good quality chocolate. Often fair products are just fair but not so good. We really want to offer both. We position ourselves in the premium chocolate market. We are certainly in the upper half of the market with our prices, but there are also much more expensive chocolates. We orientate towards people who want to pay for the quality, that is clear. It costs us a lot, too. It's not chocolate you can get at the retailer for two francs. There it contains aromas, soy lecithins, sometimes palm oil and a lot of sugar and is therefore completely a different product. From the production point of view it is almost not comparable.

Question 7: Which values and what lifestyle describe your customers best?

I would say activism, perhaps honesty, sustainability certainly counts a lot, quality, transparency is important, fairness, humanity, exclusivity, design affinity, perhaps at this point also still early adaptors. I think many are also idealists who believe in our concept. We also have people who, for example, do not have e-mail because they are suspicious of the Internet. And these aren't even old people. There is a little bit of everything, but it is very much connected to these two target groups. I believe fairness, quality, transparency, humanity are such values.
If you look at the lifestyle, it is probably a more educated population, LOHAS (Lifestyles of health and sustainability), DINK (double income no kids), these are also the target groups we have. LOHAS is really a large target group which we have and which is often examined. These can also be divided into different people. They are often urban, looking at their health and their impact through their consumption patterns. Perhaps also people, who are nowadays vegan oriented and look how they live and have a great awareness for this.

Question 8: What is your unique selling proposition?

Our USP is clearly that the farmers are a part of the business and they earn money with the chocolate.

Question 9: Do your customers primarily buy your product because they know you are social?
I think at the moment the former (being the social aspect) is still the case. Certainly because they like the business model. It can be that this will change. Maybe campaigns will help us to that our products will be recognized as a super premium and on top of that social. But at the moment we are certainly still associated with our innovative business model.

Question 10: Which sales channel is most profitable for you?

E-commerce is most lucrative for us because we don't have to give anything to a retailer or confectioner. It is also of interest to us, because it allows us to pass on most of the money to the farmers. At the beginning we only wanted to sell through the Internet that we have a "No-middle Man" approach. Through the web shop, farmers could sell their chocolate directly here in Switzerland. So we would serve as a vessel here. But we had to realize that it is a huge potential to expand into retail. We have to yield, which is why we are forced to go in this direction. It is also good for us because it creates more awareness when we are in these shops. There is a recognition effect, people then go to our website and see our products. It also serves as an acquisition tool. The chocolate subscription is one of our most important products because it enables us to receive "cash upfront", which helps us in terms of cash flow. Furthermore, we also provide subscribers with special content, i.e. background stories to sensitize them with additional information. We try to win people as ambassadors for our brand. The people who buy this subscription like chocolate and like our story. It is our goal that at some point everyone has such a subscription.

Question 11: How difficult were the negotiations with the retailers? What requirements did you have to meet to enter the stores? What were the conditions?
Many just think our products are cool. It's different, with big specialty retails for example, you're one of many. They have their buyers, and you can't put much on them. They tell you what they want, what the packaging has to look like, how the ingredients need to be listed etc. If you don't do that, you won't get into the shelves. They tell you what margins they want, it's a matter of bargaining power. In smaller stores, they say they like the project and the margins are not so important to them. Generally speaking, there are no hard negotiations or anything like that. In the future we would like to introduce a system to classify customers and thus set margins so that we do not favor individual retailers.
None of us have worked in retail before, we learn every day. Learning by doing. We also google and call people if we don't know how something works to ask them for advise. You don't want to reinvent the wheel yourself because it takes too much time but in the end we still try and error.

Question 12: Do the low purchase prices of the retailers devour your margins? Are retailers making it difficult for you to meet your social goals or are do they give you better conditions because you are a social enterprise?
No, I don't think so. We have recommended sales prices which are in our hands. For us it is very important that the people who have our products in the shop are aware of what they sell and that they are able to tell our story. We also offer information material, because the chocolate does not tell the story on its own when it is placed on the shelf. You don't see the USP on your own. The sales staff is important because they must know what they are selling. In that respect, the retailer is important that he cooperates and shows interest. But this is no problem for us, because the shops we work with represent our values.
From the margin alone, it's no problem. For the larger retailers, however, this would be somewhat different. However, these retailers are also not our goal, not even in the long term. First, we don't have the quantities we would need and high enough margins. We would also have to be strategically careful not to destroy the exclusivity of our brand. At the moment it is not an option to get into these stores. There are many other shops which we can cover first and which would not claim such high margins. And for example Coop also follows its own route in the chocolate range, where they have implemented very strong sustainability programs, which one of our founders has pushed there. So it wouldn't be easy getting in these stores. About Migros, I am not sure.

Question 13: What are your main problems in the market?
At the moment our main problem is our visibility that few people know us and that the market is saturated and it is a crowding-out market. For this we have to invest a lot in marketing and communication.

Question 14: What is your ultimate goal as Choba Choba?

We do not want to become a Multinational. We play in a limited market when you look at the customer segment. We can certainly still grow but then the limit is reached. Where we see a lot of potential is with the scaling of our business model that we can develop a kind of toolbox or consulting services to help other brands adapt our business model to their industry. The apparel industry would be a good example. All companies which source from commodity producers could participate. We want more empowerment for the producers and through the experiences we now make we want to be able to offer consulting. At the moment there are about 36 farming families, which is not a very high number when you look at the whole. If we want 10,000 farmers, Choba Choba would have to become a huge brand. So it would be cool if there were many smaller companies that would do the same as we do, so that farmers could start their own companies in the future. The other possibility would be to expand abroad and sell our chocolate there. However, this requires a lot of manpower to get it up and running. There is certainly still a lot of potential.

10.1.3 Migros-Genossenschafts-Bund

Interviewee: Sandro Glanzmann, Team Leader Ecology Non Food

Date: 11.04.2018, 2.00pm

Place: Limmatstrasse 152, 8005 Zurich

Question 1: What trends do you see for social brands? Do you even see a trend that is important for the retail trade?

I have to tell you, in the area you have mentioned, that charitable way, I have made different considerations. I don't think there is a boom to be honest, I am only speaking about my own experiences from the Non-Food sector where I have a good understanding, in the Food sector I know some things but there I am not deeply involved. What I can see is that firms use money which they use for social and environmental causes. I can see that. Migros has something like the "Förderfonds für Engagement" where we use money to foster new concepts in the social and ecological areas. Development programs such as the C&A Foundation, where funds from the company are used, are a bit more common. Now, the topic that you have raised with the shoes (referring to TOMS shoes) is something that I am not too familiar with. I know this concept only from Papers, where we once had an action to raise funds for vaccinations or eyesight in collaboration with UNICEF. But to be honest, for us, this is currently not much a topic. I believe for us, especially in the social area, we work often with programs like a social codex which applies for all suppliers. There are programs for instance for "Living Wages". I have the impression it is often program oriented, which allows us to navigate in a much broader way. So, this concept is relatively new for me.

Intuitively do you think this is a concept that people would like then?

I would say so. Generally, the social topic is an important topic. I think it is a topic which is emotional for people, that's why I believe that the social topic is very important to people, also in the area of sustainability, where it already plays a significant role. What Migros is perhaps more looking for is the way to bring this aspect into normal everyday life and into the product range. Perhaps rather than having individual articles in the assortment that can do that. We try to deal with the topic of "ecology" in a holistic way and thus enabling it for the mass market.

Question 2: What social brands do you have in your range that primarily want to maximize social impact rather than profit? (Companies like Lemonaid, which you sell in your Alnatura shops and certain Migros branches)

I think Lemonaid is more of an exception to the rule. We have many products labelled, for example by Havelaar, UTZ or FSC.

Migros is more involved, for example, with the promotion fund for commitment (Förderfonds für Engagement) and development funds (Entwicklungsfonds). We try more at the company level to ensure that the standards are met.
Explicitly, in the area of the social when it comes to minimum wages, we also think about that. We often work with programs, which we try to use as an instrument to broadly roll out social policies.

Question 3: What conditions do companies have to meet to list their products with you?
Basically, that you can deliver to Migros, you have to sign the social standard, Business Social Compliance Initiative BSC. As soon as the supplier has signed the code, he enters the process. This is compulsory. Without the supplier's signature, he cannot deliver to Migros. That is a principle. With this step we already acknowledge that the supplier has something that goes beyond that, so he does not have to implement something deeper if he already has something higher. In terms of benefits when a supplier has an added value to deliver, such as a good story, this can certainly give a competitive advantage. Even if it is logical, it is important to emphasize that the product must be good. On the contrary, it may happen that your product is removed from the range because you do not comply with certain aspects. If the standards are raised and companies do not want to change over, then they have to live with the consequences. The order tends to go to the company that can raise the standards. I would say it's more like it. If you have a special unique story, which is also marketing to some extent, I can imagine you stand out.

Question 4: How do companies' CSR activities influence the choice oft he retailers? Do companies with a strong commitment have better conditions, opportunities, etc.?
There must be a certain minimum standard. The standard is quite basic, because it focuses on topics such as “no child labor” and "no discrimination". We try to enforce a minimum standard which we demand. In this sense, we are also looking for suppliers who can support us in these areas. Therefore, this certainly has an influence.
It also depends on where the overall market navigates towards. When there are standards and systems such as FSC for wood, and the market has been able to commit to one system, then it is also easier for Migros to obtain such labelled goods. Due to the demand increase for certified products, it becomes more lucrative for producers to actually switch towards more sustainable practices.

Companies with strong CSR activities can’t list products cheaper than others. In essence, the normal rules also apply to sustainable products. It must be an attractive product, it must be reasonable and the customer must also buy it.
What may happen is that we pay a little more in purchasing for a certified product, because it is more expensive to manufacture and it is worth the added value to us. As a supplier, you certainly have an argument there, since sustainability is more complicated. However, the products must not push you out of the market, because the prices are so high that nobody buys it. Migros is looking for products suitable for the mass market.

Especially in the non-food sector, we are not among the big players. We are certainly designed for the masses.

Question 5: In Australia, the two major retailers offer a brand called Thankyou, which donates 100% of its profits to NGOs. Would companies like this have discounted entry to be sold in your stores?

I think it's an interesting idea, I think there would be, to a certain degree, some openness to test such a concept. What you simply have to be aware of is that the products have to work, otherwise it simply does not work at all and nobody is helped. Basically, you need to have a good product that people buy. If the company has on top of that a good story, it may as well lead to an approval do something in this area. In a way, I think it's a very interesting idea to donate your profits. It's a new business model for me in a way that you're changing your kind of business. Migros does not go that far, but it does go in this direction as a cooperative, as it is a form of cooperative that thinks long-term and does not only want to make a profit in the short run. I think the world tends to go towards this direction. However, where I have some concerns is that Migros' strategy does not intend to be charitable. As Migros, we do not really want to donate money, but we want to use our resources to make our products more social and sustainable. And we also spend resources and money on this. As a company we don't have the approach to give our profits to someone else but much more to use our profits to do something good ourselves. We don't do that much, but there are exceptions in the form of actions such as the Christmas chocolate hearts we sell in order to donate money. I perceive these actions clearly defined, temporary rather than something permanent. But when you have such a history as a company, I find it interesting. But when you have such a history as a company, I find it interesting. I think our marketing specialists would like to have a look at such a concept to see if it fits. I also think customers would like it. I find it interesting. I find it an exciting area in which I have not yet formed a final opinion: There are companies which want to have not only no environmental impact but even a positive effect on the environment. For instance, there are companies which start reforesting forests. I don’t think our ultimate goal does have to go thus far as long as not everyone take responsibility for their environmental impact. Until then, we do not have to have a positive output. I just wonder if our goal has to be to do something beyond zero waste, or if we should use our energy to do it right thing first. But it's certainly exciting from a marketing point of view. And as you now know, many companies are not yet taking on this responsibility and that’s why the environment is getting worse.

Question 6: Why do you think there are no social enterprises like Thankyou in the Swiss retail trade yet?

That's a good question. Switzerland as a country is a good place for sustainable products. In most cases we have one of the highest per capita consumption of sustainable products. Perhaps we have not yet received this concept because of the NGO landscape. Max Havelaar, for example, was strongly established from the beginning, which is why other instruments may not have been taken into consideration. Switzerland adapted the fair-trade concept fairly early and it has ever since been expanded diligently. That could be the reason why such concepts have not yet gained a foothold in Switzerland.

Question 7: Can you tell me, based on consumer studies and your internal observations, which attributes are decisive for customers' purchasing decisions? (e.g. price, fair trade, packaging, brand etc.)

I would have said that it is very product specific and that this makes a big difference. Then it certainly also depends on the decision tree, at which moment in time also such topics matter in the decision making process. In the case of food, these tend to be off relative high importance, in the case of non-food articles, the consumer does not bother as much. Furthermore, I would have said the reputation of the industry matters too. For example, the social issue with textiles is more present than with others goods such as shampoo or electrical appliances, although it is increasingly becoming more important too for electronic goods.

I think it is important to consumers that people who make the products have good and fair conditions. To me, this is one of the main reasons why customers choose such a product. The linking thought that people are doing well, e.g. the farmer who cultivated the rice, is strong. fair-trade mediates this connection.

The price, taste and other factors are certainly the most important ones. You really shouldn't fool yourself, especially in the non-food segment. In the food sector, a rather important criterion is whether the product is organic or not, since you eat the product. In general, studies show that the higher the psychic distance from the body, the less important sustainable aspects become in the decision tree. It is certainly most important for food. Second most important for cosmetics and products such as shampoos and less important for clothes. At what point social aspects start to become important I couldn't tell you. With dresses, the cut, the color, the price must be right and it needs to look good and after all these decision nods, sustainability will come relevant. The same applies to a piece of furniture. Nobody buys furniture just because it has been produced sustainably. First and foremost, you have to like it. The price is also an important factor, but for people who are very affine, it may be less important. But I believe that with non-food products you have to be aware that sustainability is not the first factor that the customer takes into consideration. I think it may be a factor that confirms the purchase. We really do believe so here at Migros. When the customer has found the product he likes, the price is right and it has also been produced sustainably, then the customer thinks to himself "Cool, it was also produced fairly". Later the consumer remembers that he found this at Migros, which means he will come back.

For us, the topic of sustainability is really a customer loyalty topic. That consumers know Migros as a company which uses sustainable practices and that they can go shopping at Migros without a guilty conscience. We hope that this trust leads consumers to prefer Migros as the place of purchase and not another channel.

Question 8: Are there areas in Switzerland that have a particular affinity for social products or sustainability?

That is definitely the case. We have somewhat an overview because Migros is also split up into regional cooperatives. We have a program called “Cumulus Green”, which allows us to see how many sustainable products are purchased. This data can also be geographically divided amongst the regions. It is quite clear that sustainable shopping is predominantly taking place in cities.

We have noticed that German-speaking Switzerland is somewhat more advanced than western Switzerland with regards to sustainability. It's not a big difference though. So the cities and the German-speaking part of Switzerland tend to be favorable. I don't have the exact details of which cities are the most advanced, but I can imagine that the bigger the cities, the more sustainable they are. I can imagine that the political picture can also be a mirror for sustainability.

Question 9: Do you think that such social brands could be the future (or of great importance) in the retail trade?

Yes and no, because in a way we have to do business all in the right manner but maybe it is the trend that all brands have to become social brands. I believe firms have to take their social responsibility serious. They have to realize that the social issue is a concept in their whole supply chain from which they obtain products. I hope that in the long run the trend is more in the direction that all companies have social brands and not just individuals which donate all their profits.

Of course, the process of changing the whole system is slow, in a first phase there are single social brands which lead the way but in the long run, all companies have to go into this direction. In this case these are the lighthouses that precede and show that one can be successful with such concepts. In some way, however, this must be integrated into normal business models. It shouldn't be anything special anymore that you are social. It should be normal and an integral part of your business.

I find this concept you have mentioned (being the Thankyou case) interesting and ultimately, it's about having an impact that you probably have. I can well imagine that one gives such smaller companies a priority to get into the shops. However, I think the companies must have done their homework, the product needs to be attractive and as a supplier you need to deliver on the agreed contracts.

You must be able to deliver the goods at the right time to the right place in the right quantity. If this cannot be safeguarded, then it is impossible to serve us. These are the basic prerequisites. It is important to have not only a good story but also a good product. It is certainly not easy to supply a large company like Migros with these requirements which must be met. I sometimes hear from suppliers that not everyone can supply companies like Migros, because we have a specific imagination of the processes.

10. How do you decide where a product is to be taken into the assortment? What are the options?

There are several possibilities. The first option is that it is only available in the largest stores. Migros also gives you the chance to list products in individual cooperatives, as the ten cooperatives are autonomous. Thus, this process does not run via the central portfolio. There are considerable differences between shopping in Lucerne and e.g. in Zurich. You can also run a special to see how it works, so to speak a seasonal use and then analyze how you perform. That’s what we often do, we also test concepts where we start a pilot test in a few branches to see how it works and adapt or abandon the concept accordingly.

10.1.4 Globus

Interviewee: Lucia Guagliardi, Head Buyer Globus Home & Household

Date: Answers received on April 23, 2018

Place: Correspondence via E-mail

Question 1: What trends do you see for social brands? Do you even see a trend that is important for the retail trade?
There is no clear direction, but rather multiple attractors such as the real connection to the region, the longing for crafts (like ceramics with character), haptic and concrete products (e.g. Polaroid cameras, baking bread, the importance of handwriting, the return of vinyl), i.e. an enormous movement of mindfulness, but not only in relation to social brands.

Question 2: What social brands do you have in your range that primarily want to maximize social impact rather than profit?
Currently we have Apolis https://www.apolisglobal.com/
Foundation Gad https://www.gad.ch/;
a collection from Realtime www.realtimetrust.ch/;
Stiftung Wisli www.stiftungwisli.ch/;
Arwole www.vwo.ch/de/arwole-sargans

This list is not exhaustive and only applies to the home & household sector.

Question 3: What conditions do companies have to meet to list their products with you?
As a subsidiary of Migros, we pay strict attention to sustainability with our suppliers, which is expressed in various labels, Code of Conduct, BSCI, FSC, etc..

Question 4: How do companies' CSR activities influence the choice oft he retailers? Do companies with a strong commitment have better conditions, opportunities, etc.?
Consumers are critical consumers today, trust, cooperation and communication are important aspects for the future of retail. Both we and our customers are becoming more and more sensitive (attentive!) to the origin and production of our product ranges. Honest products and productions are treated with priority, of course the economic aspect is just as relevant.

Question 5: In Australia, the two major retailers offer a brand called Thankyou, which donates 100% of its profits to NGOs. Would companies like this have discounted entry to be sold in your stores?
Quite possible, but this would have to be defined by the management.

Question 6: Why do you think there are no social enterprises like Thankyou in the Swiss retail trade yet?
It may be a matter of time, but basically our customer wants to have confidence that we have a general responsibility towards our product range and suppliers, not just in terms of CSR.

Question 7: Can you tell me, based on consumer studies and your internal observations, which attributes are decisive for customers' purchasing decisions? (e.g. price, fair trade, packaging, brand etc.)
Here, too, several aspects are relevant; design is certainly an important aspect for our customers, as are trend brands. Our own brand is also highly valued in terms of quality, attractiveness and price. However, new brands in which the product or company tells a story are becoming more and more relevant in all areas.

Question 8: In which product categories do customers mainly focus on the social aspects of the product?
As a result of our experience, it can not only be the social aspect, but the product or brand must be appealing (or hip) and the quality must be right, no matter which area. To what extent it ultimately influences the purchase decision, I cannot answer, we would have to obtain a customer survey here.

Question 9: Are there areas in Switzerland that have a particular affinity for social products or sustainability?
I'm not aware of that.

Question 10: Do you think that such social brands could be the future (or of great importance) in the retail trade?
As I said, I believe that 'human retail' is becoming increasingly important, one also speaks of 'feel-good consuming'. The future does not run along a line, but consists of scattered points, which are connected. That is, they are 'also' social brands, but not only. Transparency, authenticity, experience, innovation and design will be important features of products, brands and presentation. The supply purchase will change into a pleasure purchase.

10.2 Survey Questionnaire

The questionnaire was originally posed in German but is listed here in English:

Question 1: How old are you?

- 18 or younger
- 19-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 or older

Question 2: What is your gender?

- Male
- Female
- Other

Question 3: What's your marital status?

- Registered partnership
- Divorced
- Single
- Married

Question 4: How many children do you have?

- 0
- 1
- 2
- 3
- >3

Question 5: How many people live in your household?

- 1
- 2
- 3
- 4
- 5
- >5

Question 6: Where do you live?

- City
- Countryside
- Agglomeration

Question 7: You're thirsty. Which of these non-carbonated mineral waters do you choose in the retail store? All bottles have a content of 500ml.

- Aproz, CHF 0.60
- Henniez, CHF 1.00
- Share, CHF 1.10
- Thankyou, CHF 1.10
- Valser, CHF 1.00
- Vittel, CHF 1.05

Question 8: Why did you choose this product?

- Price
- Taste
- Lid
- Brand
- Social involvement of the company
- Other

Statement: Share is a social enterprise that helps a person in need for every product sold. They use the so-called 1 + 1 principle. For example, for every bottle of water sold to a person in need, access to water is financed for one day. With one bar sold, Share donates one meal and for every hand soap sold, they give a person a bar of soap they would otherwise not be able to afford (shows picture of share bottle from question 7).

Question 9: Did you know Share before this poll?

- Yes
- No

Question 10: Would you have known about Shares social activity before; would this have influenced your purchase decision?

- Yes
- No
- Maybe

Question 11: How much more money would you pay for a mineral water with such a social function? Move the slider accordingly.

CHF 0.00 CHF 1.00

Question 12: You need a new hand soap. Which one would you choose? All soaps have a content of 250ml.

- Dove, CHF 3.95
- I am, CHF 2.40
- Jean&Len, CHF 7.20
- Prix Garantie, CHF 1.15
- Share, CHF 4.50
- Thankyou, CHF 4.30

Question 13: Why did you choose this product?

- Price
- Design
- Brand
- Social involvement of the company
- Other (please specify)

Statement: Thankyou is also a social enterprise from Australia, which has set itself the goal of fighting poverty. Thankyou gives 100% of their profits to NGOs, i.e. they pay all their operating costs (wages, resources etc.) and donate everything that remains afterwards. Thus, they have given away more than CHF 4 million (shows picture of Thankyou soap from question 12).

Question 14: You find yourself again in a supermarket and your purchase decision is asked again. All options are 6 packs with coconut taste.

- Balisto, CHF 3.45
- Coop Fairtrade,CHF 3.95
- Farmer, CHF 3.00
- Thankyou, CHF 4.50

Question 15: Why did you choose this product?

- Price
- Organic
- Brand
- Design
- Social involvement of the company
- Other (please specify)

Question 16: How do you like to contribute to a better world?

- I don't care about that
- Buy fair and social products
- Volunteer work
- Donate money to organizations
- None of the above
- Other (please specify)

Question 17: I am stressed every time I shop.

1= not applicable 7=applicable

Question 18: I have wished for social brands like Share or Thankyou in the Swiss retail trade before.

1= not applicable 7=applicable

Question 19: When I buy fruits, vegetables, coffee beans and chocolate, every second item I buy is Fairtrade.

1= not applicable 7=applicable

Question 20: I would buy more social products (like those from Share and Thankyou) if I knew about them.

1= not applicable 7=applicable

Question 21: When shopping, I consider whether the products have been produced ethically.

1= not applicable 7=applicable

Question 22: I'm willing to pay a little more money for social products.

1= not applicable 7=applicable

Question 23: I regularly think about social problems such as poverty, homelessness and hunger.

1= not applicable 7=applicable

Question 24: I wish I had more capacity to do good at least once a month.

1= not applicable 7=applicable

Question 25: Social causes are more important to me than environmental causes.

1= not applicable 7=applicable

Question 26: I make sure that I eat healthy food on a regular base.

1= not applicable 7=applicable

Question 27: What's your highest education?

- Bachelor's degree
- BMS / HMS / IMS
- PhD
- Federal diploma
- High school
- Apprenticeship
- Master's degree
- Secondary school
- Other (please specify)

Question 28: What is your annual income?

- < CHF 9'999
- > CHF 100'000
- CHF 10'000 - CHF 24'999
- CHF 25'000 - CHF 50'000
- CHF 50'000 - CHF 74'999
- CHF 75'000 - CHF 99'999
- I'd rather not answer that question
- I'm not making any money right now

Question 29: What is your current level of employment?

- Unemployed
- Unemployed, job seeking
- Employed, part-time (<80%)
- Employed, fulltime (80%-100%)
- Retired
- Student
- Student & part-time employed (20%- 50%)

10.3 Survey Sample Descriptions

10.3.1 Whole Sample Description

Question 1: How old are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<18	5	1.6	1.6	1.6
	19-24	52	16.5	16.5	18.0
	25-34	167	52.8	52.8	70.9
	35-44	42	13.3	13.3	84.2
	45-54	28	8.9	8.9	93.0
	55-64	18	5.7	5.7	98.7
	>65	4	1.3	1.3	100.0
	Total	316	100.0	100.0	

Question 2: What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Neutral	1	.3	.3	.3
	Male	159	50.3	50.3	50.6
	Female	156	49.4	49.4	100.0
	Total	316	100.0	100.0	

Question 4: How many children do you have?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	244	77.2	78.2	78.2
	1	24	7.6	7.7	85.9
	2	26	8.2	8.3	94.2
	3	18	5.7	5.8	100.0
	Total	312	98.7	100.0	
Missing	System	4	1.3		
Total		316	100.0		

Question 6: Where do you live?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agglomeration	77	24.4	24.4	24.4
	Countryside	80	25.3	25.3	49.7
	City	159	50.3	50.3	100.0
	Total	316	100.0	100.0	

Question 27: What's your highest education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BSc	90	28.5	28.5	28.5
	BMS/HMS/IMS	43	13.6	13.6	42.1
	PhD	3	.9	.9	43.0
	Eid. Dipl.	50	15.8	15.8	58.9
	High School	20	6.3	6.3	65.2
	Apprenticeship	62	19.6	19.6	84.8
	MSc	33	10.4	10.4	95.3
	Secondary School	7	2.2	2.2	97.5
	Various	8	2.5	2.5	100.0
	Total	316	100.0	100.0	

Question 28: What is your annual income?

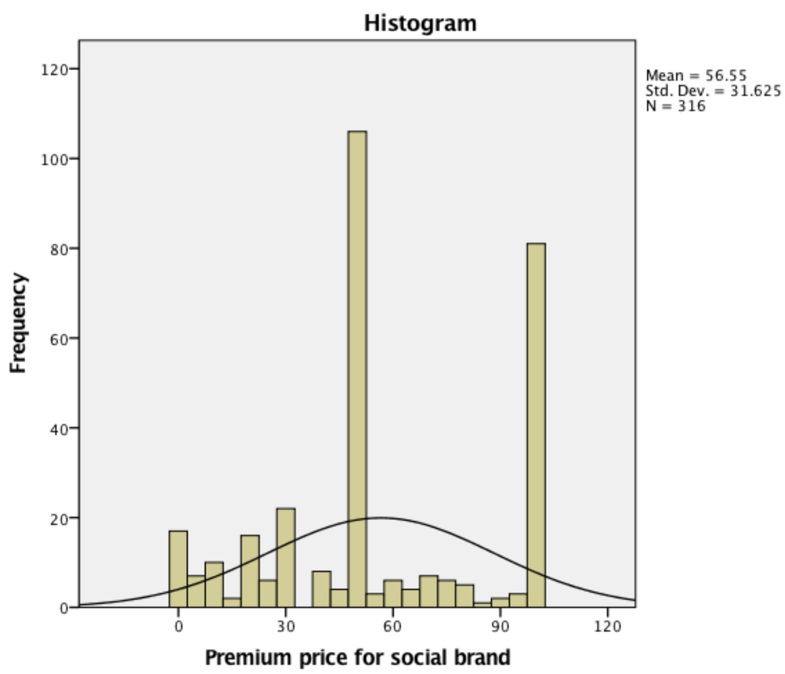
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<9'999	24	7.6	7.6	7.6
	>100'000	31	9.8	9.8	17.4
	10k-24k	34	10.8	10.8	28.2
	25k-49k	61	19.3	19.3	47.5
	50k-74k	65	20.6	20.6	68.0
	75k-99k	54	17.1	17.1	85.1
	don't want to answer	19	6.0	6.0	91.1
	Currently earning no money	28	8.9	8.9	100.0
	Total	316	100.0	100.0	

Question 29: What is your current level of employment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	unemployed	7	2.2	2.2	2.2
	unemployed, job seeking	2	.6	.6	2.8
	employed, part-time	60	19.0	19.0	21.8
	employed, full-time (≥80%)	159	50.3	50.3	72.2
	retired	6	1.9	1.9	74.1
	Student	28	8.9	8.9	82.9
	Student & employed part-time	54	17.1	17.1	100.0
	Total	316	100.0	100.0	

Question 11: How much more money would you pay for a mineral water with such a social purpose (in cents)? Move the slider accordingly.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	17	5.4	5.4	5.4
	5	7	2.2	2.2	7.6
	10	10	3.2	3.2	10.8
	15	2	.6	.6	11.4
	20	16	5.1	5.1	16.5
	25	6	1.9	1.9	18.4
	30	22	7.0	7.0	25.3
	40	8	2.5	2.5	27.8
	45	4	1.3	1.3	29.1
	50	106	33.5	33.5	62.7
	55	3	.9	.9	63.6
	60	6	1.9	1.9	65.5
	65	4	1.3	1.3	66.8
	70	7	2.2	2.2	69.0
	75	6	1.9	1.9	70.9
	80	5	1.6	1.6	72.5
	85	1	.3	.3	72.8
	90	2	.6	.6	73.4
	95	3	.9	.9	74.4
	100	81	25.6	25.6	100.0
	Total	316	100.0	100.0	



Question 16: How do you like to contribute to a better world?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I don't care	8	2.5	2.5	2.5
	Purchase fair and social products	146	46.2	46.2	48.7
	Volunteer work	62	19.6	19.6	68.4
	Donate money	45	14.2	14.2	82.6
	Nothing that is listed	22	7.0	7.0	89.6
	Other	33	10.4	10.4	100.0
	Total	316	100.0	100.0	

Statistics for Frequency Tables

		Q18	Q19	Q21	Q22	Q23	Q24	Q25	Q26
N	Valid	316	316	316	316	316	316	316	316
	Missing	0	0	0	0	0	0	0	0
Mean		4.30	4.36	4.68	5.42	5.21	4.64	3.90	5.29
Median		4.00	5.00	5.00	5.00	5.00	5.00	4.00	6.00
Std. Deviation		1.906	1.876	1.552	1.291	1.598	1.681	1.625	1.420

Question 18: I have wished for social brands like Share or Thankyou in the Swiss retail trade before.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	45	14.2	14.2	14.2
	2	18	5.7	5.7	19.9
	3	24	7.6	7.6	27.5
	4	79	25.0	25.0	52.5
	5	61	19.3	19.3	71.8
	6	38	12.0	12.0	83.9
	7	51	16.1	16.1	100.0
	Total	316	100.0	100.0	

Question 19: When I buy fruits, vegetables, coffee beans and chocolate, every second item I buy is Fairtrade.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	29	9.2	9.2	9.2
	2	35	11.1	11.1	20.3
	3	40	12.7	12.7	32.9
	4	47	14.9	14.9	47.8
	5	72	22.8	22.8	70.6
	6	40	12.7	12.7	83.2
	7	53	16.8	16.8	100.0
	Total	316	100.0	100.0	

Question 21: When shopping, I consider whether the products have been produced ethically.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	13	4.1	4.1	4.1
	2	15	4.7	4.7	8.9
	3	41	13.0	13.0	21.8
	4	60	19.0	19.0	40.8
	5	94	29.7	29.7	70.6
	6	49	15.5	15.5	86.1
	7	44	13.9	13.9	100.0
	Total	316	100.0	100.0	

Question 22: I'm willing to pay a little more money for social products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	5	1.6	1.6	1.6
	2	5	1.6	1.6	3.2
	3	11	3.5	3.5	6.6
	4	30	9.5	9.5	16.1
	5	126	39.9	39.9	56.0
	6	58	18.4	18.4	74.4
	7	81	25.6	25.6	100.0
	Total	316	100.0	100.0	

Question 23: I regularly think about social problems such as poverty, homelessness and hunger.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	10	3.2	3.2	3.2
	2	13	4.1	4.1	7.3
	3	25	7.9	7.9	15.2
	4	38	12.0	12.0	27.2
	5	82	25.9	25.9	53.2
	6	63	19.9	19.9	73.1
	7	85	26.9	26.9	100.0
	Total	316	100.0	100.0	

Question 24: I wish I had more capacity to do good at least once a month.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	7.0	7.0	7.0
	2	15	4.7	4.7	11.7
	3	24	7.6	7.6	19.3
	4	83	26.3	26.3	45.6
	5	78	24.7	24.7	70.3
	6	37	11.7	11.7	82.0
	7	57	18.0	18.0	100.0
	Total	316	100.0	100.0	

Question 25: Social causes are more important to me than environmental causes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	32	10.1	10.1	10.1
	2	32	10.1	10.1	20.3
	3	43	13.6	13.6	33.9
	4	114	36.1	36.1	69.9
	5	43	13.6	13.6	83.5
	6	27	8.5	8.5	92.1
	7	25	7.9	7.9	100.0
	Total	316	100.0	100.0	

Question 26: I make sure that I eat healthy food on a regular base.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	1.3	1.3	1.3
	2	7	2.2	2.2	3.5
	3	33	10.4	10.4	13.9
	4	35	11.1	11.1	25.0
	5	77	24.4	24.4	49.4
	6	91	28.8	28.8	78.2
	7	69	21.8	21.8	100.0
	Total	316	100.0	100.0	

10.3.2 HSBICs Sample Description

Question 1: How old are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<18	1	2.9	2.9	2.9
	19-24	2	5.9	5.9	8.8
	25-34	24	70.6	70.6	79.4
	35-44	5	14.7	14.7	94.1
	45-54	2	5.9	5.9	100.0
	Total	34	100.0	100.0	

Question 2: What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	21	61.8	61.8	61.8
	Female	13	38.2	38.2	100.0
	Total	34	100.0	100.0	

Question 4: How many children do you have?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	30	88.2	88.2	88.2
	1	3	8.8	8.8	97.1
	3	1	2.9	2.9	100.0
	Total	34	100.0	100.0	

Question 6: Where do you live?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agglomeration	6	17.6	17.6	17.6
	Countryside	6	17.6	17.6	35.3
	City	22	64.7	64.7	100.0
	Total	34	100.0	100.0	

Question 27: What's your highest education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BSc	10	29.4	29.4	29.4
	BMS/HMS/IMS	3	8.8	8.8	38.2
	Eid. Dipl.	4	11.8	11.8	50.0
	High School	2	5.9	5.9	55.9
	Apprenticeship	4	11.8	11.8	67.6
	MSc	8	23.5	23.5	91.2
	Secondary School	1	2.9	2.9	94.1
	Various	2	5.9	5.9	100.0
	Total	34	100.0	100.0	

Question 28: What is your annual income?

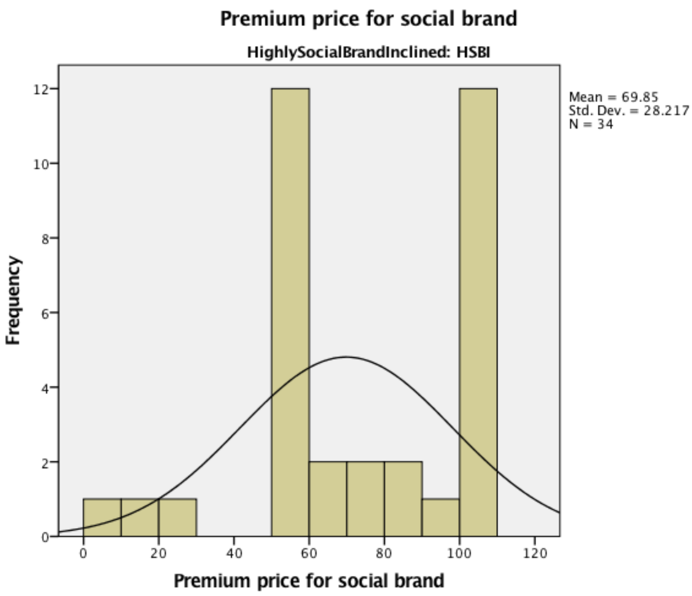
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	>100'000	4	11.8	11.8	11.8
	10k-24k	4	11.8	11.8	23.5
	25k-49k	8	23.5	23.5	47.1
	50k-74k	9	26.5	26.5	73.5
	75k-99k	6	17.6	17.6	91.2
	don't want to answer	1	2.9	2.9	94.1
	Currently earning no money	2	5.9	5.9	100.0
	Total	34	100.0	100.0	

Question 29: What is your current level of employment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	unemployed, job seeking	1	2.9	2.9	2.9
	employed, part-time	10	29.4	29.4	32.4
	employed, full-time (≥80%)	16	47.1	47.1	79.4
	Student & employed part-time	7	20.6	20.6	100.0
	Total	34	100.0	100.0	

Question 11: How much more money would you pay for a mineral water with such a social purpose (in cents)? Move the slider accordingly.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	1	2.9	2.9	2.9
	10	1	2.9	2.9	5.9
	25	1	2.9	2.9	8.8
	50	11	32.4	32.4	41.2
	55	1	2.9	2.9	44.1
	60	1	2.9	2.9	47.1
	65	1	2.9	2.9	50.0
	75	2	5.9	5.9	55.9
	80	2	5.9	5.9	61.8
	95	1	2.9	2.9	64.7
	100	12	35.3	35.3	100.0
	Total	34	100.0	100.0	



Question 16: How do you like to contribute to a better world?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Purchase fair and social products	23	67.6	67.6	67.6
	Volunteer work	6	17.6	17.6	85.3
	Donate money	2	5.9	5.9	91.2
	Other	3	8.8	8.8	100.0
	Total	34	100.0	100.0	

Question 13: Why did you choose this product (share)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Design	1	2.9	2.9	2.9
	Other reason	1	2.9	2.9	5.9
	"Social Engagement"	32	94.1	94.1	100.0
	Total	34	100.0	100.0	

Question 15: Why did you choose this product (Thankyou)?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Design	3	8.8	8.8	8.8
	Social Engagement	31	91.2	91.2	100.0
	Total	34	100.0	100.0	

Statistics

		Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26
N	Valid	34	34	34	34	34	34	34	34	34
	Missing	0	0	0	0	0	0	0	0	0
Mean		5.21	4.94	6.18	5.53	6.26	5.65	5.09	3.35	5.71
Median		6.00	5.00	6.00	6.00	6.50	6.00	5.00	4.00	6.00
Std. Deviation		1.935	1.687	.904	1.331	.828	1.346	1.782	1.649	1.315

Question 18: I have wished for social brands like Share or Thankyou in the Swiss retail trade before.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	11.8	11.8	11.8
	2	1	2.9	2.9	14.7
	4	3	8.8	8.8	23.5
	5	7	20.6	20.6	44.1
	6	9	26.5	26.5	70.6
	7	10	29.4	29.4	100.0
	Total	34	100.0	100.0	

Question 19: When I buy fruits, vegetables, coffee beans and chocolate, every second item I buy is Fairtrade.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	1	2.9	2.9	2.9
	2	3	8.8	8.8	11.8
	3	3	8.8	8.8	20.6
	4	4	11.8	11.8	32.4
	5	9	26.5	26.5	58.8
	6	7	20.6	20.6	79.4
	7	7	20.6	20.6	100.0
	Total	34	100.0	100.0	

Question 20: I would buy more social products (like those from Share and Thankyou) if I knew about them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4	1	2.9	2.9	2.9
	5	8	23.5	23.5	26.5
	6	9	26.5	26.5	52.9
	7	16	47.1	47.1	100.0
	Total	34	100.0	100.0	

Question 21: When shopping, I consider whether the products have been produced ethically.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	2.9	2.9	2.9
	3	3	8.8	8.8	11.8
	4	1	2.9	2.9	14.7
	5	10	29.4	29.4	44.1
	6	10	29.4	29.4	73.5
	7	9	26.5	26.5	100.0
	Total	34	100.0	100.0	

Question 22: I'm willing to pay a little more money for social products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	8	23.5	23.5	23.5
	6	9	26.5	26.5	50.0
	7	17	50.0	50.0	100.0
	Total	34	100.0	100.0	

Question 23: I regularly think about social problems such as poverty, homelessness and hunger.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	2.9	2.9	2.9
	3	1	2.9	2.9	5.9
	4	4	11.8	11.8	17.6
	5	10	29.4	29.4	47.1
	6	5	14.7	14.7	61.8
	7	13	38.2	38.2	100.0
	Total	34	100.0	100.0	

Question 24: I wish I had more capacity to do good at least once a month.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	5.9	5.9	5.9
	2	2	5.9	5.9	11.8
	4	8	23.5	23.5	35.3
	5	8	23.5	23.5	58.8
	6	3	8.8	8.8	67.6
	7	11	32.4	32.4	100.0
	Total	34	100.0	100.0	

Question 25: Social causes are more important to me than environmental causes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	23.5	23.5	23.5
	2	2	5.9	5.9	29.4
	3	4	11.8	11.8	41.2
	4	14	41.2	41.2	82.4
	5	3	8.8	8.8	91.2
	6	2	5.9	5.9	97.1
	7	1	2.9	2.9	100.0
	Total	34	100.0	100.0	

Question 26: I make sure that I eat healthy food on a regular base.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	4	11.8	11.8	11.8
	4	1	2.9	2.9	14.7
	5	8	23.5	23.5	38.2
	6	9	26.5	26.5	64.7
	7	12	35.3	35.3	100.0
	Total	34	100.0	100.0	

10.3.3 MSBICs Sample Description

Question 1: How old are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	19-24	16	18.0	18.0	18.0
	25-34	44	49.4	49.4	67.4
	35-44	13	14.6	14.6	82.0
	45-54	10	11.2	11.2	93.3
	55-64	5	5.6	5.6	98.9
	>65	1	1.1	1.1	100.0
	Total	89	100.0	100.0	

Question 2: What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	32	36.0	36.0	36.0
	Female	57	64.0	64.0	100.0
	Total	89	100.0	100.0	

Question 4: How many children do you have?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	67	75.3	75.3	75.3
	1	9	10.1	10.1	85.4
	2	7	7.9	7.9	93.3
	3	6	6.7	6.7	100.0
	Total	89	100.0	100.0	

Question 6: Where do you live?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agglomeration	22	24.7	24.7	24.7
	Countryside	21	23.6	23.6	48.3
	City	46	51.7	51.7	100.0
	Total	89	100.0	100.0	

Question 27: What's your highest education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BSc	26	29.2	29.2	29.2
	BMS/HMS/IMS	16	18.0	18.0	47.2
	PhD	2	2.2	2.2	49.4
	Eid. Dipl.	14	15.7	15.7	65.2
	High School	5	5.6	5.6	70.8
	Apprenticeship	15	16.9	16.9	87.6
	MSc	9	10.1	10.1	97.8
	Various	2	2.2	2.2	100.0
	Total	89	100.0	100.0	

Question 28: What is your annual income?

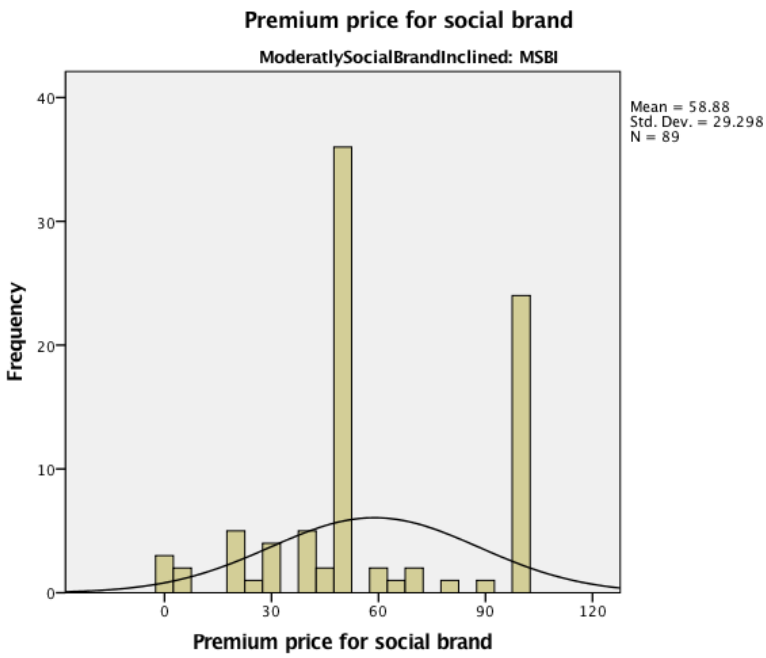
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<9'999	11	12.4	12.4	12.4
	>100'000	6	6.7	6.7	19.1
	10k-24k	14	15.7	15.7	34.8
	25k-49k	17	19.1	19.1	53.9
	50k-74k	19	21.3	21.3	75.3
	75k-99k	11	12.4	12.4	87.6
	don't want to answer	4	4.5	4.5	92.1
	Currently earning no money	7	7.9	7.9	100.0
	Total	89	100.0	100.0	

Question 29: What is your current level of employment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	unemployed	1	1.1	1.1	1.1
	employed, part-time	24	27.0	27.0	28.1
	employed, full-time (≥80%)	38	42.7	42.7	70.8
	retired	1	1.1	1.1	71.9
	Student	11	12.4	12.4	84.3
	Student & employed part-time	14	15.7	15.7	100.0
	Total	89	100.0	100.0	

Question 11: How much more money would you pay for a mineral water with such a social purpose (in cents)? Move the slider accordingly.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	3	3.4	3.4	3.4
	5	2	2.2	2.2	5.6
	20	5	5.6	5.6	11.2
	25	1	1.1	1.1	12.4
	30	4	4.5	4.5	16.9
	40	5	5.6	5.6	22.5
	45	2	2.2	2.2	24.7
	50	36	40.4	40.4	65.2
	60	2	2.2	2.2	67.4
	65	1	1.1	1.1	68.5
	70	2	2.2	2.2	70.8
	80	1	1.1	1.1	71.9
	90	1	1.1	1.1	73.0
	100	24	27.0	27.0	100.0
	Total	89	100.0	100.0	



Question 16: How do you like to contribute to a better world?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Purchase fair and social products	49	55.1	55.1	55.1
	Volunteer work	14	15.7	15.7	70.8
	Donate money	13	14.6	14.6	85.4
	Nothing that is listed	3	3.4	3.4	88.8
	Other	10	11.2	11.2	100.0
	Total	89	100.0	100.0	

Question 13: Why did you choose this product (share)?[a]

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Design	3	6.3	6.3	6.3
	Brand	1	2.1	2.1	8.3
	Other reason	3	6.3	6.3	14.6
	"Social Engagement"	41	85.4	85.4	100.0
	Total	48	100.0	100.0	

a. Only MSBICs who chose share in the second decision

Question 15: Why did you choose this product (Thankyou)?[a]

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Organic	2	4.9	4.9	4.9
	Design	3	7.3	7.3	12.2
	Brand	3	7.3	7.3	19.5
	Other reason	6	14.6	14.6	34.1
	“Social Engagement”	27	65.9	65.9	100.0
	Total	41	100.0	100.0	

a. Only MSBICs who chose Thankyou in the third decision

Statistics

		Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26
N	Valid	89	89	89	89	89	89	89	89	89
	Missing	0	0	0	0	0	0	0	0	0
Mean		4.89	4.64	5.79	4.96	5.65	5.61	4.79	3.83	5.42
Median		5.00	5.00	6.00	5.00	5.00	6.00	5.00	4.00	6.00
Std. Deviation		1.892	1.872	1.210	1.422	1.139	1.542	1.755	1.408	1.338

Question 18: I have wished for social brands like Share or Thankyou in the Swiss retail trade before.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	9.0	9.0	9.0
	2	5	5.6	5.6	14.6
	3	3	3.4	3.4	18.0
	4	19	21.3	21.3	39.3
	5	17	19.1	19.1	58.4
	6	12	13.5	13.5	71.9
	7	25	28.1	28.1	100.0
	Total	89	100.0	100.0	

Question 19: When I buy fruits, vegetables, coffee beans and chocolate, every second item I buy is Fairtrade.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	6.7	6.7	6.7
	2	11	12.4	12.4	19.1
	3	8	9.0	9.0	28.1
	4	9	10.1	10.1	38.2
	5	22	24.7	24.7	62.9
	6	16	18.0	18.0	80.9
	7	17	19.1	19.1	100.0
	Total	89	100.0	100.0	

Question 20: I would buy more social products (like those from Share and Thankyou) if I knew about them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.1	1.1	1.1
	3	4	4.5	4.5	5.6
	4	8	9.0	9.0	14.6
	5	18	20.2	20.2	34.8
	6	27	30.3	30.3	65.2
	7	31	34.8	34.8	100.0
	Total	89	100.0	100.0	

Question 21: When shopping, I consider whether the products have been produced ethically.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	4.5	4.5	4.5
	3	6	6.7	6.7	11.2
	4	18	20.2	20.2	31.5
	5	34	38.2	38.2	69.7
	6	12	13.5	13.5	83.1
	7	15	16.9	16.9	100.0
	Total	89	100.0	100.0	

Question 22: I'm willing to pay a little more money for social products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less applicable	1	1.1	1.1	1.1
	less applicable	1	1.1	1.1	2.2
	4	7	7.9	7.9	10.1
	5	36	40.4	40.4	50.6
	6	17	19.1	19.1	69.7
	7	27	30.3	30.3	100.0
	Total	89	100.0	100.0	

Question 23: I regularly think about social problems such as poverty, homelessness and hunger.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	3	3.4	3.4	3.4
	2	2	2.2	2.2	5.6
	3	4	4.5	4.5	10.1
	4	6	6.7	6.7	16.9
	5	22	24.7	24.7	41.6
	6	18	20.2	20.2	61.8
	7	34	38.2	38.2	100.0
	Total	89	100.0	100.0	

Question 24: I wish I had more capacity to do good at least once a month.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	9.0	9.0	9.0
	2	3	3.4	3.4	12.4
	3	3	3.4	3.4	15.7
	4	22	24.7	24.7	40.4
	5	21	23.6	23.6	64.0
	6	14	15.7	15.7	79.8
	7	18	20.2	20.2	100.0
	Total	89	100.0	100.0	

Question 25: Social causes are more important to me than environmental causes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	8	9.0	9.0	9.0
	2	6	6.7	6.7	15.7
	3	15	16.9	16.9	32.6
	4	36	40.4	40.4	73.0
	5	15	16.9	16.9	89.9
	6	6	6.7	6.7	96.6
	7	3	3.4	3.4	100.0
	Total	89	100.0	100.0	

Question 26: I make sure that I eat healthy food on a regular base.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2	1	1.1	1.1	1.1
	3	12	13.5	13.5	14.6
	4	7	7.9	7.9	22.5
	5	17	19.1	19.1	41.6
	6	33	37.1	37.1	78.7
	7	19	21.3	21.3	100.0
	Total	89	100.0	100.0	

10.3.4 NSBICs Sample Description

Question 1: How old are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<18	4	2.1	2.1	2.1
	19-24	34	17.6	17.6	19.7
	25-34	99	51.3	51.3	71.0
	35-44	24	12.4	12.4	83.4
	45-54	16	8.3	8.3	91.7
	55-64	13	6.7	6.7	98.4
	>65	3	1.6	1.6	100.0
	Total	193	100.0	100.0	

Question 2: What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Other	1	.5	.5	.5
	Male	106	54.9	54.9	55.4
	Female	86	44.6	44.6	100.0
	Total	193	100.0	100.0	

Question 4: How many children do you have?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	147	76.2	77.8	77.8
	1	12	6.2	6.3	84.1
	2	19	9.8	10.1	94.2
	3	11	5.7	5.8	100.0
	Total	189	97.9	100.0	
Missing	System	4	2.1		
Total		193	100.0		

Question 6: Where do you live?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agglomeration	49	25.4	25.4	25.4
	Countryside	53	27.5	27.5	52.8
	City	91	47.2	47.2	100.0
	Total	193	100.0	100.0	

Question 27: What's your highest education?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	BSc	54	28.0	28.0	28.0
	BMS/HMS/IMS	24	12.4	12.4	40.4
	PhD	1	.5	.5	40.9
	Eid. Dipl.	32	16.6	16.6	57.5
	High School	13	6.7	6.7	64.2
	Apprenticeship	43	22.3	22.3	86.5
	MSc	16	8.3	8.3	94.8
	Secondary School	6	3.1	3.1	97.9
	Other	4	2.1	2.1	100.0
	Total	193	100.0	100.0	

Question 28: What is your annual income?

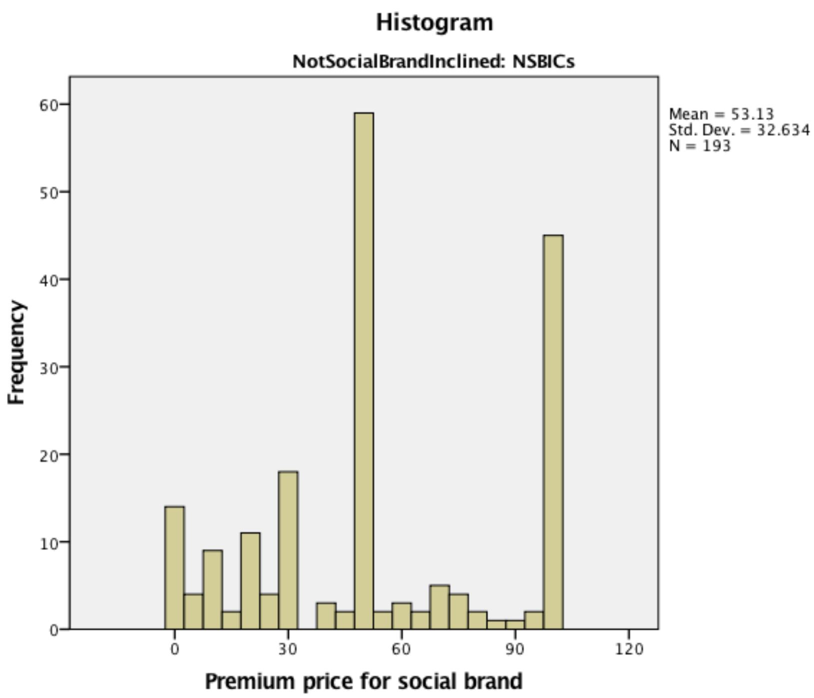
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	<9'999	13	6.7	6.7	6.7
	>100'000	21	10.9	10.9	17.6
	10k-24k	16	8.3	8.3	25.9
	25k-49k	36	18.7	18.7	44.6
	50k-74k	37	19.2	19.2	63.7
	75k-99k	37	19.2	19.2	82.9
	don't want to answer	14	7.3	7.3	90.2
	Currently earning no money	19	9.8	9.8	100.0
	Total	193	100.0	100.0	

Question 29: What is your current level of employment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	unemployed	6	3.1	3.1	3.1
	unemployed, job seeking	1	.5	.5	3.6
	employed, part-time	26	13.5	13.5	17.1
	employed, full-time (≥80%)	105	54.4	54.4	71.5
	retired	5	2.6	2.6	74.1
	Student	17	8.8	8.8	82.9
	Student & employed part-time	33	17.1	17.1	100.0
	Total	193	100.0	100.0	

Question 11: How much more money would you pay for a mineral water with such a social purpose (in cents)? Move the slider accordingly.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	14	7.3	7.3	7.3
	5	4	2.1	2.1	9.3
	10	9	4.7	4.7	14.0
	15	2	1.0	1.0	15.0
	20	11	5.7	5.7	20.7
	25	4	2.1	2.1	22.8
	30	18	9.3	9.3	32.1
	40	3	1.6	1.6	33.7
	45	2	1.0	1.0	34.7
	50	59	30.6	30.6	65.3
	55	2	1.0	1.0	66.3
	60	3	1.6	1.6	67.9
	65	2	1.0	1.0	68.9
	70	5	2.6	2.6	71.5
	75	4	2.1	2.1	73.6
	80	2	1.0	1.0	74.6
	85	1	.5	.5	75.1
	90	1	.5	.5	75.6
	95	2	1.0	1.0	76.7
	100	45	23.3	23.3	100.0
	Total	193	100.0	100.0	



Question 16: How do you like to contribute to a better world?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I don’t care	8	4.1	4.1	4.1
	Purchase fair and social products	74	38.3	38.3	42.5
	Volunteer work	42	21.8	21.8	64.2
	Donate money	30	15.5	15.5	79.8
	Nothing that is listed	19	9.8	9.8	89.6
	Other	20	10.4	10.4	100.0
	Total	193	100.0	100.0	

Statistics

		Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26
N	Valid	193	193	193	193	193	193	193	193	193
	Missing	0	0	0	0	0	0	0	0	0
Mean		3.87	4.13	4.90	4.40	5.17	4.95	4.50	4.03	5.16
Median		4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Std. Deviation		1.785	1.879	1.619	1.575	1.344	1.616	1.617	1.698	1.460

Question 18: I have wished for social brands like Share or Thankyou in the Swiss retail trade before.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	33	17.1	17.1	17.1
	2	12	6.2	6.2	23.3
	3	21	10.9	10.9	34.2
	4	57	29.5	29.5	63.7
	5	37	19.2	19.2	82.9
	6	17	8.8	8.8	91.7
	7	16	8.3	8.3	100.0
	Total	193	100.0	100.0	

Question 19: When I buy fruits, vegetables, coffee beans and chocolate, every second item I buy is Fairtrade.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	22	11.4	11.4	11.4
	2	21	10.9	10.9	22.3
	3	29	15.0	15.0	37.3
	4	34	17.6	17.6	54.9
	5	41	21.2	21.2	76.2
	6	17	8.8	8.8	85.0
	7	29	15.0	15.0	100.0
	Total	193	100.0	100.0	

Question 20: I would buy more social products (like those from Share and Thankyou) if I knew about them.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	6.2	6.2	6.2
	2	6	3.1	3.1	9.3
	3	11	5.7	5.7	15.0
	4	37	19.2	19.2	34.2
	5	57	29.5	29.5	63.7
	6	34	17.6	17.6	81.3
	7	36	18.7	18.7	100.0
	Total	193	100.0	100.0	

Question 21: When shopping, I consider whether the products have been produced ethically.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	9	4.7	4.7	4.7
	2	14	7.3	7.3	11.9
	3	32	16.6	16.6	28.5
	4	41	21.2	21.2	49.7
	5	50	25.9	25.9	75.6
	6	27	14.0	14.0	89.6
	7	20	10.4	10.4	100.0
	Total	193	100.0	100.0	

Question 22: I'm willing to pay a little more money for social products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.1	2.1	2.1
	2	5	2.6	2.6	4.7
	3	10	5.2	5.2	9.8
	4	23	11.9	11.9	21.8
	5	82	42.5	42.5	64.2
	6	32	16.6	16.6	80.8
	7	37	19.2	19.2	100.0
	Total	193	100.0	100.0	

Question 23: I regularly think about social problems such as poverty, homelessness and hunger.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	3.6	3.6	3.6
	2	10	5.2	5.2	8.8
	3	20	10.4	10.4	19.2
	4	28	14.5	14.5	33.7
	5	50	25.9	25.9	59.6
	6	40	20.7	20.7	80.3
	7	38	19.7	19.7	100.0
	Total	193	100.0	100.0	

Question 24: I wish I had more capacity to do good at least once a month.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	12	6.2	6.2	6.2
	2	10	5.2	5.2	11.4
	3	21	10.9	10.9	22.3
	4	53	27.5	27.5	49.7
	5	49	25.4	25.4	75.1
	6	20	10.4	10.4	85.5
	7	28	14.5	14.5	100.0
	Total	193	100.0	100.0	

Question 25: Social causes are more important to me than environmental causes.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	16	8.3	8.3	8.3
	2	24	12.4	12.4	20.7
	3	24	12.4	12.4	33.2
	4	64	33.2	33.2	66.3
	5	25	13.0	13.0	79.3
	6	19	9.8	9.8	89.1
	7	21	10.9	10.9	100.0
	Total	193	100.0	100.0	

Question 26: I make sure that I eat healthy food on a regular base.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	4	2.1	2.1	2.1
	2	6	3.1	3.1	5.2
	3	17	8.8	8.8	14.0
	4	27	14.0	14.0	28.0
	5	52	26.9	26.9	54.9
	6	49	25.4	25.4	80.3
	7	38	19.7	19.7	100.0
	Total	193	100.0	100.0	

10.4 T-Tests

10.4.1 Hypothesis 2: Correlation of Fair-Trade and Social Products

Group Statistics

	Fair-Trade Inclined	N	Mean	Std. Deviation	Std. Error Mean
HSBICs	Yes	165	.1394	.34741	.02705
	No	151	.0728	.26075	.02122
MSBICs	Yes	165	.3333	.47284	.03681
	No	151	.2252	.41908	.03410

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	15.341	**.000**	1.912	314	.057	.06655	.03481	-.00194	.13503
	Equal variances not assumed			1.936	302.660	**.054**	.06655	.03438	-.00110	.13419
MSBICs	Equal variances assumed	18.768	**.000**	2.144	314	.033	.10817	.05045	.00891	.20743
	Equal variances not assumed			2.156	313.686	**.032**	.10817	.05018	.00943	.20690

10.4.2 Hypothesis 2: Correlation of Ethically Inclined People and Social Products

Group Statistics

	Ethically Inclined	N	Mean	Std. Deviation	Std. Error Mean
HSBICs	Yes	187	.1551	.36295	.02654
	No	129	.0388	.19377	.01706
MSBICs	Yes	187	.3262	.47008	.03438
	No	129	.2171	.41385	.03644

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	53.531	**.000**	3.327	314	.001	.11632	.03497	.04752	.18512
	Equal variances not assumed			3.687	297.624	**.000**	.11632	.03155	.05423	.17841
MSBICs	Equal variances assumed	19.881	**.000**	2.129	314	.034	.10915	.05128	.00826	.21004
	Equal variances not assumed			2.179	295.926	**.030**	.10915	.05009	.01056	.20773

10.4.3 Hypothesis 3: Correlation of Dwelling Place and Purchase Decision

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
HSBICs	Non City Residents	157	.0764	.26654	.02127
	City Residents	159	.1384	.34637	.02747
MSBICs	Non City Residents	157	.2739	.44738	.03570
	City Residents	159	.2893	.45487	.03607

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	13.130	**.000**	-1.780	314	.076	-.06193	.03480	-.13040	.00654
	Equal variances not assumed			-1.783	296.374	**.076**	-.06193	.03474	-.13031	.00644
MSBICs	Equal variances assumed	.369	.544	-.304	314	**.761**	-.01542	.05076	-.11530	.08445
	Equal variances not assumed			-.304	313.995	.761	-.01542	.05076	-.11529	.08444

10.4.4 Hypothesis 4: High Earners versus Non-High Earners

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
HSBICs	High Earners	85	.1176	.32410	.03515
	Non-High Earners	231	.1039	.30579	.02012
MSBICs	High Earners	85	.2000	.40237	.04364
	Non-High Earners	231	.3117	.46419	.03054

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	.479	.489	.349	314	**.727**	.01375	.03943	-.06382	.09133
	Equal variances not assumed			.339	142.460	.735	.01375	.04050	-.06632	.09382
MSBICs	Equal variances assumed	19.465	**.000**	-1.963	314	.051	-.11169	.05690	-.22363	.00026
	Equal variances not assumed			-2.097	171.403	**.037**	-.11169	.05327	-.21684	-.00654

10.4.5 Health Conscious Participants versus Less Health Conscious Participants

Group Statistics

	Health Conscious	N	Mean	Std. Deviation	Std. Error Mean
HSBICs	Health Conscious	160	.1313	.33873	.02678
	Less Health Conscious	156	.0833	.27728	.02220
MSBICs	Health Conscious	160	.3250	.46985	.03714
	Less Health Conscious	156	.2372	.42672	.03417

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	7.721	.006	1.374	314	**.170**	.04792	.03487	-.02070	.11653
	Equal variances not assumed			1.378	304.911	.169	.04792	.03478	-.02053	.11636
MSBICs	Equal variances assumed	12.123	.001	1.738	314	**.083**	.08782	.05053	-.01160	.18724
	Equal variances not assumed			1.740	312.439	.083	.08782	.05047	-.01148	.18712

10.4.6 Purchase Decision Nr. 2: Health Conscious versus Non-Health Conscious

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
Purchasing Decision 2 Choosing share	Health Conscious	160	.3063	.46238	.03655
	Less Health Conscious	156	.2115	.40971	.03280

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Purchasing Decision 2 Choosing share	Equal variances assumed	15.034	**.000**	1.925	314	.055	.09471	.04919	-.00207	.19150
	Equal variances not assumed			1.928	311.184	**.055**	.09471	.04912	-.00193	.19135

10.4.7 Purchase Decision Nr. 3: Health Conscious versus Less Health Conscious

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
Purchasing Decision 3 Choosing Thankyou	Health Conscious	160	.2813	.45102	.03566
	Less Health Conscious	156	.1923	.39538	.03166

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Purchasing Decision 3 Choosing Thankyou	Equal variances assumed	14.154	**.000**	1.862	314	.063	.08894	.04776	-.00503	.18291
	Equal variances not assumed			1.865	310.530	**.063**	.08894	.04768	-.00488	.18276

10.4.8 University Graduates versus Non-University Graduates

Group Statistics

		N	Mean	Std. Deviation	Std. Error Mean
HSBICs	University Graduates	126	.1429	.35132	.03130
	Non-University Graduates	190	.0842	.27844	.02020
MSBICs	University Graduates	126	.2937	.45725	.04074
	Non-University Graduates	190	.2737	.44703	.03243

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
HSBICs	Equal variances assumed	10.860	.001	1.649	314	**.100**	.05865	.03556	-.01132	.12861
	Equal variances not assumed			1.574	225.003	.117	.05865	.03725	-.01476	.13205
MSBICs	Equal variances assumed	.583	.446	.385	314	**.700**	.01997	.05183	-.08201	.12194
	Equal variances not assumed			.383	263.629	.702	.01997	.05207	-.08256	.12249

10.5 Market Potential for Social Products with Donation Business Models

These calculations only take HSBICs into consideration, as MSBICs might only purchase these products on an irregular base.

Various Numbers on the Swiss Population	
Population of all 49 cities in Switzerland combined	2'326'002
Population of Switzerland living in cities in %	27.63%
Market size of Grocery Retailers in 2017 in CHF (assuming to be FMCG)	CHF 52'119'000'000
Total Swiss retailing market size in 2017 in CHF	CHF 100'936'000'000
Average amount of money spent on FMCG (market size FMCG/whole population)	CHF 6'190.24

Various Survey Ratios	
Ratio of HSBICs aged between 25-34 vs whole samples 25-34 old:	14.37%
Ratio of HSBICs living in cities vs whole samples urban population:	13.84%
Ratio of HSBICs that have a university degree vs whole samples university graduates:	14.29%

Demographics	Switzerland	Total Survey Sample	HSBICs	MSBICs	NSBICs
≥65	1'523'059	4	0	1	3
55-64	1'056'520	18	0	5	13
45-54	1'313'720	28	2	10	16
35-44	1'174'569	42	5	13	24
25-34	1'164'681	167	24	44	99
19-24	587'915	52	2	16	34
≤18	1'599'086	5	1	0	4
TOTAL	**8'419'550**	**316**	**34**	**89**	**193**

3 different approaches to determine potential market size	
Taking 14.37% of all people that are between 25-34 in Switzerland and multiply by average amount spent on FMCG:	CHF 1'036'026'712
Taking 13.84% of Swiss population that lives in cities and multiply by average amount spend on FMCG:	CHF 1'992'752'524
Taking 14.29% of 35% of all people between 25 and 64 years of age (supposedly 35% of 25 to 64-year-olds have a University degree*) and multiply by average amount spend on FMCG:	CHF 327'103'499
Averaging the three methods results in a total potential market size of:	**CHF 1'118'627'578**

* According to Swiss Education Report by Swiss Coordination Centre for Research in Education (2014, p. 167)