Abstract

This project examines the community relations of Panera Bread Incorporated across America and in local communities. This project examines Panera's use of corporate social responsibility and their efforts toward anti-hunger organizations, local food shelters, and hungry people and families. Also presented is a comparison of the community relations between the efforts of Panera Bread and Subway.

This research was conducted with the use of the Panera Bread and subway websites. Most information came from Panera Bread’s linking pages to theirs newsroom, press releases and other articles written about their efforts. This research recognizes Panera Bread’s obligation to contribute to society in many ways. Although the website provided information on their donation programs, it fails to explain other smaller campaigns they have in their bakery-cafè’s that any customer or donor would be intrigued to know.

The ethics of Panera Bread Incorporated were evaluated using the Public Relations Society of America Code of Ethics. Panera Bread excels in the Code of Ethics which emphasizes advocacy, honesty, expertise, independence, loyalty and fairness. The research presented shows the success of Panera Bread’s “Operation Dough-Nation Programs.” With the comparison to
another organization with successful community relations it shows that both organizations have a
dominant cause that they support.

The research shows that although Panera Bread has exceptional community relations, they have been criticized for their efforts. Although other organizations should adapt to ethics and support different causes like Panera Bread does, Panera could also improve different aspects of their community relations and how they provide information. Overall, the research conducted concludes that Panera Bread Incorporated is successful in their community relations efforts.
Overview

The legacy of Panera Bread began in 1981, but as a different company, Au Bon Pain Co. Inc. Au Bon Pain was founded by two men, Louis Kane and Ron Shaich, and flourished in the United States throughout the 1980s and 1990s when they became the leading operator in the bakery-café category. Later, in 1993, Au Bon Pain Company purchased a chain of twenty bakery-cafes located in the St. Louis area called the Saint Louis Bread Company. After the purchase, they did a complete re-design of the café’s and between 1993 and 1997 the average unit volumes increased by 75% and it was obvious that they were successful.

In order for the company to reach its full potential, management realized it would need all of the company’s financial and management resources and money. So, in May 1999 all of Au Bon Pain Co. Inc.’s business units were sold except Panera Bread and the company was renamed Panera Bread Co. Since those transactions were completed, the company’s stock has grown thirteen-fold and over $1 billion in shareholder value has been created.

In 2007, the company purchased a stake in Paradise Bakery & Café which had 70 locations in 10 states, and then in 2009 they purchased the balance of Paradise Bakery & Café.

In May 2010, Ron Shaich transitioned to the role of Executive Chairman of the Board and Bill Moreton, who had previously served as the company’s Executive Vice President and Co-Chief Operating Officer, was named Chief Executive Officer and President and to the Board of Directors. In March 2012, to signify their partnership and shared commitment to Panera, the company announced that Ron Shaich and Bill Moreton would share the title of CEO. Shaich is Chairman of the Board and co-CEO and Moreton is President and co-CEO.

As of December 25, 2012, there are 1,652 bakery-cafes in 44 states and in Ontario, Canada operating under the Panera Bread, Saint Louis Bread Co. and Paradise Bakery & Café
names with the goal of delivering fresh, authentic artisan bread served in a warm environment by engaging associates.

The Panera Bread Company mission is “a loaf of bread in every arm.” At Panera Bread, they strive to provide a welcoming environment and have a goal of making great bread everyday across America. Trained bakers craft and bake each loaf from scratch using the best ingredients and providing high quality bread for its consumers. At Panera Bread bakery-cafes, they showcase the importance of the art and craft of bread making in hopes for consumers to appreciate and enjoy a great loaf of bread. They emphasize the importance of good bread for sandwiches, soup and salads and they have been recognized world-wide for their specialty breads (panera).

Panera Bread has an immense impact on fighting world hunger. I will be focusing on Panera Breads community relations and their efforts to end world hunger. From delivering extra bread at the end of the day to local homeless shelters, to their Operation Dough Nation Programs, Panera Bread has very successful community relations. Panera Bread uses the approach of corporate social responsibility with their community relations which recognizes their obligation to contribute to society because it is the right thing to do. Not only does Panera Bread support hunger, they have other campaigns throughout the year as well to help give back to society.

**Operation Dough-Nation Programs**

- Community Breadbox
  - The Community Breadbox program is the donations that Panera collects every day at their registers. The program ensures that donations made at Panera Bread go back towards the local community. The cash donations made by customers in
bakery-cafes may be matched by Panera and its franchisees and distributed to local non-profit organizations. This is an example of Panera Bread’s involvement locally and their efforts of giving back to so many communities. An organization that connected with Panera Bread is Children’s Friend. Children’s Friend has a vision that every child in Rhode Island grows up in a safe, healthy, loving, and stable family. The local Panera Bread cafes raised more than $181,993 for Children’s Friend which is an outstanding number. That was efforts in one small state, so in my opinion they probably have been able to help so many organizations throughout the country. (cfsri)

- Day-End Dough-Nation
  - At the end of every day, Panera Bread donates all unsold bread and bakery items to local area hunger relief agencies and charities. In 2010, Panera bakery-cafes donated a retail value of around $100 million worth of bread and baked goods to help neighbors in need. When speaking with a Panera employee, I learned that the Butler area Panera Bread gives to about four different organizations a week and they usually contact Panera and notify them when they will be picking up bread. One organization they gave back to was the St. Vincent de Paul food cupboard. If no food shelters call and ask for their end of the day bread, they usually just throw it away and it does not get donated (Smith).

- SCRAP Fundraising
  - Scrip fundraising is purchasing a gift card at a lower amount than the cards value. Panera Bread participates in the Scrip fundraising program, helping non-profit organizations raise money. This popular fundraising program invites non-profit
organizations to pre-purchase $10 Panera Bread gift cards at a 9% discounted rate and then re-sell the Panera Cards at full price (“How Scrip Works”).

- Community Events
  o A recent event Panera Bread had is the autism awareness cookies. They gave out puzzle piece cookies for five days and all proceeds went to the Autism Speaks organization (Hunt).
  o Every fall for the past 11 years Panera Bread has been supporting breast cancer awareness with their Pink Ribbon Bagels. The cherry, vanilla bagels are made in the shape of the popular pink ribbon and all proceeds go towards breast cancer awareness. The signature Pink Ribbon Bagel raised more than $1.3 million for breast cancer charities across the nation. In October 2011, nearly two million Pink Ribbon Bagels were sold and it raised more than $250,000 for charity ("Panera Bread Raises Funds For Breast Cancer Groups").
  o Panera Bread has recently taken a huge step in helping local hungry people. On May 16, 2010 Panera opened up their first Panera Cares Café. At Panera Cares Cafés, they will feed anyone, and accept whatever amount they are able to give (Faris, 2013). There are currently five locations which as Massachusetts, Illinois, Oregon, Michigan and Missouri. Considering there are only five cafes currently, it is still growing and those that do exist are successful ("What We Do").

Comparison

Panera Bread is a different type of dining experience compared to other places. I chose to compare Panera Bread to another very well-known sandwich place, Subway. The first subway
shop was opened in Bridgeport, California in August, 1965 by Fred DeLuca and Peter Buck. The owners set a goal to have 32 stores open up in 10 years. Fred learned the basic lessons of running a business and these early lessons continue to serve as the foundation for Subway restaurants around the world. By 1974, they owned and operated 16 submarine sandwich shops in Connecticut. DeLuca and Buck realized they would not be able to meet their goal of 32 stores in 10 years so they began franchising, launching the Subway brand during a period of remarkable growth and it continues to this day. Today, the Subway brand is the world’s largest submarine sandwich chain with more than 37,000 locations. Subway has been the leading choice for people wanting a quick nutritious meal.

Subway’s community relations focus on heart health and childhood obesity. Subway is a proud partner of the American College of Cardiologists, which is a national sponsor of the American Heart Association’s Start! movement which encourages men and women to walk and live a more active lifestyle. Subway also supports community groups in the United Kingdom which can apply to Heart Research UK for a Subway/HRUK Healthy Heart Grant for projects that promote healthy living. Subway is also a sponsor of The American Heart Association’s Jump Rope for Heart and Hoops for Heart programs. The Subway brand works with multiple organizations and is also working with the National Institute of Health’s We Can! Program to help kid’s lead healthy active lives and Subway is also an Official Sponsor of Little League through 2011 as part of their commitment to childhood fitness. Subway gives back to many different organizations and like Panera’s goal to help fight hunger; Subway has a goal to fight childhood obesity.

There are two foundations that come from Subway, the Jared Foundation, and the Frederick A. DeLuca Foundation. The Jared Foundation is designed to raise funds and awareness
for obesity and the Frederick A. DeLuca Foundation helps students in their quest for higher education which was the foundation that the restaurant was built on. Some other things that Subway does in their community efforts is Strides against breast cancer, the 52 feet of Subway that kept a track team going and the franchisee’s efforts to help a school earn A+.

In this comparison it is difficult to decipher which restaurant has better community relations because they both have tremendous efforts in different areas of concern. While Panera focuses on anti-hunger, Subway focuses on health and preventing childhood obesity. They both have similar tactics and ways they give back to the community but Panera does a better job at focusing on local and national hunger, while Subway focuses on their objective, health, in many ways nationally but not locally. Many individuals who participate in Subway sponsored events such as Hoops for Heart and Jump Rope for Heart are not aware that Subway is supporting these incredible events. Panera Bread has a better way of letting their customers know how they give back (subway).

Assessment

The community relations tactics that Panera Bread Incorporated has applied to their business is very successful and shows their support for the serious problem of world hunger throughout the country. I was impressed to learn about their campaigns to help other organizations as well. The Pink Ribbon Bagel and Autism Awareness Cookies are a unique way to collect money for a specific cause. Their Operation Dough-Nation Programs are absolutely brilliant in my opinion. The multiple ways they give back to the community is unlike a lot of organizations. Their ideas expanded their support for anti-hunger associations along with promoting Panera Bread as a bakery-café.
Although their community relations is outstanding, in my research I found a bad review on the Panera Cares Cafes that did not necessarily change my opinion, but opened my eyes to the business aspect of Panera Bread. The bakery-café is a restaurant, not a nonprofit organization. Branding strategist, Rob Frankel, explains “These enterprises are in business for business reasons,” he said. “They are not social legislators. I think society has blurred the lines between enterprise and social responsibility.” He goes on to explain that this can be a concern for shareholders and consumers, although for the goodness of the community (Rogers). I understand the point of view of the critics and how this can be seen as the company losing its business vision, but with the limited number of Panera Care Café’s, it seems that it has not affected the business with income.

Another downfall about Panera Bread was while conducting my research the way Butler area Panera Bread handled my phone call was unpleasant. The manager had refused to speak with me although I made it well aware that it was not a survey but that it was for a class project. Luckily, on a good note, their employee who spoke with me let me ask her a few questions. In the conclusion of my phone call I asked the name of who I was speaking to, and they refused just in case I actually was a telemarketer. In this situation, I think that the manager should have initially taken the phone call and said him/herself that they do not take surveys and hear the phone call first, instead of not even acknowledging it.

In my opinion, the overall Panera experience gives you an idea of their commitment to community. I have even participated in purchasing both the Autism Awareness Cookie and the Pink Ribbon Bagel and the way the bakery-cafes promote the pastries makes the customer want to participate. The community relations program Panera Bread has is very well thought-out and implemented in such a unique way it makes it different than most competitors.
Suggestions

Although I believe Panera Bread does an exemplary job in community relations, there is always room for improvement. My favorite program that Panera Bread has is Day-End Dough-Nation. Although by giving bread to organizations at the end of the night is a tremendous effort, I was let down when informed that it is only if the organization contacts Panera first and lets them know ahead of time that they will pick up their extra bread at the end of the night. For this program Panera Bread should take their efforts all the way and make it a point for every Panera Bread location to donate their bread to at least one organization every night. I think by implementing this objective it will show that Panera is willing to help to their fullest potential.

Another program I think is exceptional is Panera Cares Cafes. With these cafes only being available in five states, all other Panera Bread bakery-cafes should act as a Panera Cares Café for a certain amount of time. With money and statistics, management would have to figure out the best times to do this but they can implement it in different ways. They could possibly implement it as a happy hour and for certain hours of the day it will operate like a Panera Cares Café, or a few times a year a café can act as a Panera Cares Café for a full day.

Some of my suggestions are expanding current programs and this is because I think other organizations should adopt similar public relations tactics. For example, many businesses can do a campaign like Panera Bread’s Pink Ribbon Bagel or Autism Awareness cookies. They can create a product that does not cost much to create, sell them and give all proceeds to an ethical cause. This is an easy and creative way to support an organization. Along with selling a product like that, Scrip fundraising is also an easy way to give back. By offering gift cards at a discounted price it can bring in a target market that goes toward Scrip fundraising. If businesses
and organizations applied these tactics, I believe it will bring nothing but success and generous donations to other organizations.

**PRSA Code of Ethics**

In regards to the PRSA Code of Ethics, Panera Bread is compliant in all areas of professional values, principles of conduct, and commitment and compliance.

- **Advocacy:** Panera Bread holds true to advocacy in that it is active within every community a Panera is located. Panera Bread helps give a voice to those in hunger and supports many organizations.

- **Honesty:** Panera Bread posts news releases and has press conferences discussing their profits and charitable donations. Their website offers all of their fact sheets and also gives links to articles that were written about them. You also have access to their financial reports and proxy statements.

- **Expertise:** Panera Bread demonstrates a high level of expertise throughout their community relations. They continue to serve their consumers and perfect their bread daily. They also have learned what works and what does not work within their Operation Dough-Nation Programs.

- **Independence:** Panera Bread provides an objective council for those that they represent especially anti-hunger organizations and are unlike any other bakery-café in the nation.

- **Loyalty:** Panera Bread demonstrates extensive loyalty the organizations it supports, not only anti-hunger but also break cancer awareness with their Pink Ribbon Bagel for eleven consecutive years.
• **Fairness:** Panera Bread demonstrates tremendous fairness in that it does not only designate to one anti-hunger organization, but splits it amongst different organizations. Also, I think it is fair with their Community Breadbox that Panera Bread matches the donations received from customers, and not only donate what customers give (prsa).