THE SUSTAINABLE CONSUMPTION CHALLENGE:
SOCIAL MARKETING STRATEGIES TARGETING FAIR TRADE COFFEE

by

KAREN LILLIAN MINER

BBA, Acadia University, 1997

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR
THE DEGREE OF

MASTER OF ARTS (PLANNING)

in

FACULTY OF GRADUATE STUDIES

(School of Community and Regional Planning)

We accept this thesis as conforming to the required standards

THE UNIVERSITY OF BRITISH COLUMBIA

January 2003

© Karen Lillian Miner, 2003
Authorization

In presenting this thesis in partial fulfilment of the requirements for an advanced degree at the University of British Columbia, I agree that the Library shall make it freely available for reference and study. I further agree that permission for extensive copying of this thesis for scholarly purposes may be granted by the head of my department or by his or her representatives. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Department of Community and Regional Planning (Faculty of Graduate Studies)
The University of British Columbia
Vancouver, Canada
Date Jan 28/03
Abstract

The goal of this thesis is to assess the use of social marketing strategies for promoting the purchase of fair trade coffee by considering the following research questions: 1) What are the barriers to the purchase of fair trade coffee? 2) How can these barriers inform social marketing strategies aimed at initiating and maintaining the purchase of fair trade coffee?

A theoretical framework is developed based on social marketing, community-based social marketing, and consumer behaviour. These three interlocking components form the foundation for a case study guided by the community-based social marketing process.

The fair trade coffee case study involves stakeholders in the Vancouver, British Columbia area. Interviews with key stakeholders, including non-governmental organizations, coffee roaster/retailers, and a fair trade certification body uncover a combination of internal and external barriers that limit the long-term success of fair trade as a mainstream consumer product. Recommendations include community-based social marketing strategies for overcoming internal barriers and general conclusions about the roadblocks presented by external barriers.

Further research is suggested for completing the social marketing process, addressing all components of sustainable coffee not only fair trade, and revisiting the issue of fair trade within the larger context of sustainable production and consumption.
# Table of Contents

Abstract ........................................................................................................... ii
Table of Contents ............................................................................................. iii
List of Tables ...................................................................................................... vi
List of Figures .................................................................................................... vii
Personal Statement .......................................................................................... viii
Chapter 1: The Road Map .................................................................................. 1
  1.1 Introduction ............................................................................................... 1
  1.2 Thesis Goal and Research Questions ......................................................... 1
  1.3 Thesis Structure ......................................................................................... 1
  1.4 Statement of Limitations .......................................................................... 3
Chapter 2: Macro-Context – Sustainable Consumption to Fair Trade Coffee .......... 4
  2.1 Introduction ............................................................................................... 4
  2.2 Sustainability and Consumption ............................................................... 4
  2.3 Human Consumption: The Facts ............................................................. 5
  2.4 An International Approach to Change ..................................................... 6
    2.4.1 A Look at the United Nations ............................................................. 6
    2.4.2 OECD and Sustainable Household Consumption ................................ 8
  2.5 The Coffee Industry .................................................................................. 10
    2.5.1 Global Trade ..................................................................................... 10
    2.5.2 Mainstream versus Specialty ............................................................ 14
    2.5.3 Sustainable Coffees .......................................................................... 15
  2.6 The Fair Trade Alternative ....................................................................... 16
    2.6.1 The Unofficial History ...................................................................... 16
    2.6.2 Defining the Approach ..................................................................... 18
    2.6.3 Market Presence .............................................................................. 19
  2.7 Summary .................................................................................................... 20
Chapter 3: Social Marketing as a Tool for Change ......................................... 22
  3.1 Introduction ............................................................................................... 22
  3.2 Social Marketing ......................................................................................... 22
    3.2.1 Voluntary behaviour change ............................................................. 23
    3.2.2 Individual or societal welfare ............................................................ 23
    3.2.3 Adaptation of commercial marketing techniques .............................. 24
  3.3 Community-Based Social Marketing Process ........................................ 25
  3.4 CBSM and the Fair Trade Coffee Case Study ......................................... 26
    3.4.1 Targeted Behaviour .......................................................................... 27
List of Tables

Table 1: Coffee Import and Export Summary, 2000 ................................................................. 13
Table 2: Robusta versus Arabica ......................................................................................... 14
Table 3: Fair Trade Coffee Industry Facts and Figures, 2000 ............................................. 20
Table 4: CBSM Process ...................................................................................................... 26
Table 5: CBSM Behaviour Change Tool Categories ......................................................... 30
Table 6: Canadian Coffee Market Breakdown ..................................................................... 34
Table 7: Target Market Size - Concerned Canadian Coffee Consumer ......................... 37
Table 8: Interview Summary ............................................................................................... 42
Table 9: Roaster/Retailer Profile ....................................................................................... 44
Table 10: Internal Barriers to Fair Trade Coffee Purchasing ........................................... 72
Table 11: External Barriers to the Fair Trade Coffee Market ........................................... 75
Table 12: CBSM Program Strategy Examples ................................................................... 80
List of Figures

Figure 1: Context Pyramid ................................................................. 4
Figure 2: Coffee Composite Index, Monthly Average .......................... 12
Figure 3: International Fair Trade Logos ........................................... 17
Figure 4: Certified Fair Trade Process .............................................. 18
Figure 5: Theoretical Framework .................................................... 22
Figure 6: Social Marketing Plan Outline .......................................... 24
Figure 7: Modified CBSM Process .................................................. 27
Figure 8: CBSM Program Summary ................................................ 30
Figure 9: Consumer Decision-Making Process ................................. 31
Figure 10: Big Picture ..................................................................... 86
Figure 11: Product Policy ............................................................... 87
Personal Statement

My interest in the social and environmental aspects of commerce began to germinate during my business education at Acadia University in the mid-1990s. I found myself avoiding the common approach of concentrating in a traditional line of business such as accounting or organizational behaviour. Instead, I was drawn to business ethics and environmental and natural resource economics. Ironically, these courses were taught through the philosophy and economics departments, not business.

Upon completion of my degree, I was unaware of opportunities in the field of sustainable business. Instead, I began working in the management consulting field. I was involved in projects aimed at business process improvement most often achieved through the implementation of technology solutions. There was no environmental or social twist on the work; the focus was efficiency, profits and shareholder value. After a few years, my values got the best of me and I left for a drastically different work environment at a company called Envision Sustainability Tools.

My initial position at Envision Sustainability Tools was as the project manager for a sustainable coffee project. While the project never materialized, I began to learn about the coffee industry both through written literature and a coffee tour in Nicaragua and Costa Rica. Additionally, I sought out the Vancouver Fair Trade Coffee Network and have been involved with this group to the present day.

In September 2000, I began the planning program at the University of British Columbia. It was not the perfect fit for someone with an interest in sustainable business, but they had the sustainability focus, something that no local business schools possessed. So, I have been indoctrinated into the planning field while maintaining my interest in the sustainability of the private sector. I am grateful for the public sector perspective that the planning education has afforded me, something that a business education could never hope to achieve.

In this study of social marketing and fair trade I combine my education and professional experiences in business with my infatuation with coffee and the importance of social justice achievable through fair trade. I integrate planning into the study through a product policy discussion and the application of a community-based social marketing model used primarily for the traditional public behaviour challenges (e.g. recycling and littering) faced by community planners. Additionally, elements of participatory and inclusive processes and the importance of interdisciplinary and integrated programs are highlighted.
Chapter 1: The Road Map

1.1 Introduction

"While it is true that there are no easy solutions, complexity is no excuse for inertia" (Cresser and Tickell 2002).

Are you one of millions of Canadians that wake up to a fine cup of coffee grown in the lush terrain of exotic countries around the world? Did the farmer receive a fair price for his contribution in getting that bitter, dark liquid into your coffee mug? Do you care?

Coffee is a commodity that involves the lives of millions of farmers in developing nations and is a controlling habit for an even greater number of consumers in developed nations. But the habits of the wealthy combined with "the current operation of the coffee market is causing misery across the developing world. The problems this is causing poor farmers and poor countries can no longer be ignored. Enough is enough. The coffee market must be made to work for the poor as well as the rich" (Cresser and Tickell 2002).

1.2 Thesis Goal and Research Questions

The goal of this thesis is to assess the use of social marketing strategies for promoting the purchase of fair trade coffee by considering the following research questions:

What are the barriers to the purchase of fair trade coffee?

How can these barriers inform social marketing strategies aimed at initiating and maintaining the purchase of fair trade coffee?

1.3 Thesis Structure

The thesis is organized into seven chapters. This chapter provides a road map for the remainder of the document. This orientation will help the reader navigate through the document and implant a firm understanding of the context and scope of the research.

Chapter 2, macro-context – sustainable consumption to fair trade coffee, is organized in a manner analogous to a pyramid. Discussion begins broadly with a description of sustainability and the implications of production and consumption. Efforts by the United Nations and the Organisation for Economic Co-operation and Development (OECD) to define and operationalize sustainability are highlighted. Once sustainability and consumption are adequately framed at the international level, the field is narrowed to the coffee industry. Next, the role for sustainability within the coffee industry is introduced before focus is given to fair trade as an alternative approach to trade that guarantees social sustainability. Fair trade coffee is the point of the pyramid and the primary focus for the remainder of the thesis.
Chapter 3, social marketing as a tool for change, moves away from a description of the issues (Chapter 2) and into a discussion of social marketing approaches to behaviour change. A theoretical framework comprised of three themes – social marketing, community-based social marketing, and the consumer realm - is presented at the beginning of the chapter. This chapter then moves quickly through these three different but connected themes. The majority of the chapter outlines social marketing and the specifics of community-based social marketing (CBSM). CBSM targets the behaviour of individuals, and this thesis applies the CBSM process to consumer behaviour – the purchase of coffee. The chapter concludes with a discussion of the consumer decision-making process and consumer segmentation.

Chapter 4, fair trade coffee case study, provides case study context and outlines the qualitative methods employed. Vancouver, British Columbia, is the geographic scope of the case study and participants include representatives from non-governmental organizations, the coffee industry, and the fair trade certification body. The CBSM process guides the case study with one-on-one interviews as the qualitative method of choice. Taped interview data fuels the subsequent results and discussion chapters.

Chapter 5, voices of the participants, reports on the finding of the case study research. The structure of the chapter closely resembles the CBSM process used to collect data: targeted behaviour, barriers and benefits to the behaviour, and suggested social marketing strategies for addressing barriers. The researcher guides the reader through the rich collection of interview quotes that represent a wide range of perspectives on the problems and potential for the fair trade coffee industry.

Chapter 6, discussion, expands on the participant data presented in Chapter 5. In this chapter, the researcher links to the literature presented in Chapters 2 and 3 and adds personal comments. The structure of Chapter 6 is similar to that of Chapter 5 thus allowing for ease of comparison.

Chapter 7, future research and concluding thoughts, backs away from the micro-analysis that developed from Chapters 4 to 6. The broader context introduced in Chapters 2 and 3 is revisited on three fronts: 1) A presentation of ideas for completing a community-based social marketing program; 2) A final discussion of sustainable coffee, not just fair trade; and, 3) A refocusing on the ‘big picture’ of sustainable consumption and the potential for integrated, global product policy. In conclusion, a brief, personal reflection on the successes and shortcomings of the thesis journey is shared with the reader.
1.4 Statement of Limitations

Conducting and reporting on research involves a series of decisions that result in limits. Void of limits, it would be impossible to reach a specific conclusion about anything. The following limitations accompany this thesis:

- Chapter 2: Information on sustainable consumption and related international agreements are provided as context, and discussions remain general.
- Chapter 3: Subject matter has been limited to a general understanding of the coffee industry and sustainable coffee and a more specific understanding of fair trade coffee. Global trade and the role of fair trade as an alternative to free trade are only addressed in passing. A discussion of global policy is provided as a frame of reference only.
- Chapters 4-6: The research methods are qualitative in nature. No quantitative analysis is conducted. The scope of the research is kept to the local, Vancouver market and a small number of participants for the reasons outlined in Chapter 4.
Chapter 2: Macro-Context – Sustainable Consumption to Fair Trade Coffee

2.1 Introduction

The macro-context provides a frame of reference that is relevant to all chapters that follow. This chapter becomes more specific as the reader travels through it, and it may help to think of the chapter’s structure as being similar to that of a pyramid (Figure 1), starting broadly at the bottom with sustainability and moving to the point with fair trade. The chapter begins by focusing on human consumption as a component of sustainability. The discussion then narrows to the coffee industry and the application of fair trade.

2.2 Sustainability and Consumption

Sustainable development received international attention in 1987 with the release of the Brundtland Report by the United Nations Commission on Environment and Development. Sustainability necessitates "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations 1987). The definition established fifteen years ago has fuelled much subsequent discussion from the international to local level. If discussion often seems to overshadow action, a reflection back to the Brundtland Report definition of sustainable development serves as a reminder of the mere illusion of simplicity.

Sustainability is an elusive concept that has invaded all facets of the human condition from transportation and waste management to the destruction of the rainforest and climate change. While it is difficult to place a tangible meaning on the word, it has led to the creation of institutes (e.g. International Institute of Sustainable Development in Winnipeg), indexes (e.g. Dow Jones Sustainability Index), consulting companies (e.g. SustainAbility in the United Kingdom), and many other entities in an effort to better understand what sustainability means and how we can either implement or disregard it. The body of knowledge and evidence in support of sustainability continues to grow.

---

1 For more information: www.iisd.org
2 For more information: www.sustainability-indexes.com
3 For more information: www.sustainability.com
However, the issue is complex, and a common struggle remains for the layperson in understanding how he or she relates to these broad-scale issues.

Sustainability is about integrating the environment, society, and economy. This meta-concept provides a vision, but no strategy for achieving it. It is, therefore, a common practice to subdivide the sustainability paradigm into manageable units, for example: sustainable business, sustainable agriculture, sustainable community economic development, and sustainable consumption. Essentially, the sustainability paradigm is attached to pre-existing western structures. However, applying a philosophy based on integration to a structure rooted in silos of activities created to operate independently is a serious challenge. If nothing else, the silos approach to sustainability allows for a clear linkage between human actions and the consequences in a way that is understandable by everyone at some level. For the purposes of this thesis, the discussion of sustainability is limited to issues related to consumption, a driving force behind the sustainability challenge.

2.3 Human Consumption: The Facts

Unsustainable levels of production and consumption plague the developed world. OECD countries constitute only 19 percent of the global population while consuming 80 percent of the world’s natural resources (Organisation for Economic Co-operation and Development 2002). The United Nations Human Development Report of 1998 put global private and public consumption at US$24 trillion. That is twice the level of 1975 and six times that of 1950. Additionally, growth in consumption by OECD countries is expected to continue climbing in line with GDP figures until 2020 (Hahn 2002).

While unsustainable consumption is presently a disease of the rich, it is sought after by the majority of the world’s population in the developing nations. Within the earth’s finite ecosystem, it is simple logic to realize that the level of consumption enjoyed in developed countries cannot be replicated worldwide. Ecological footprint analysis illustrates this point clearly by calculating “the total area of productive land and water required on a continuous basis to produce the resources consumed and to assimilate the wastes produced by a specific population, wherever on Earth that land is located” (Rees 2000).

When landmass productivity is calculated and evenly distributed amongst the Earth’s human population using the ecological footprint analysis, an individual’s fair share equals 1.9 global hectares.\(^4\) Even though the biocapacity suggests an equitable limit of 1.9 global hectares, the earth’s human population has already exceeded this level. The world ecological footprint in 1999 was 2.28 global hectares per person thus requiring 1.2 planets.

\(^4\) A global hectare is one hectare of average biological productivity.
Averaging the footprint per person across the entire human population conceals the variation in footprint levels between countries. The developed countries demand a much higher proportion of the available biocapacity, claiming more than their fair share. North American citizens appropriate an average of 9.61 global hectares per person; Canadians claims 8.84 global hectares and Americans 9.7 global hectares per person. If the entire human population consumed at North American levels, just over 5 planets would be required (World Wildlife Fund 2002).

While the problem seems obvious, “we persist in levels of consumption far beyond what is necessary or even healthy” (Woollard 2000). The fact that the majority of new vehicles purchased in North American are sport utility vehicles (SUVs) and trucks epitomizes the consumption culture. “If we are to achieve health and sustainability, we must dramatically reduce our consumption and do so in a way that enhances our social capacity for caring about one another” (Woollard 2000).

It is difficult to know where to begin working to change overconsumption. However, identification of the type or quality of consumption, as well as quantity, are logical starting points. Furthermore, it is important to question how behaviour can be changed to effectively steer consumption to be more sustainable. Answering these questions requires a fundamental shift in thinking since the majority of society is not yet even asking the questions. Instead, attitudes rest on the ability “to spend money that you don’t have, to buy things you don’t need, to impress people you don’t like. Or, simply to indulge yourself” (Hesse 1996). If this seems extreme, consider the fact that the UNEP’s Global Consumer Class study indicates that only 5 percent of the population is committed to making the changes required to lead a sustainable lifestyle (Hahn 2002). The challenge is to change the behaviour of the other 95 percent of the population.

2.4 An International Approach to Change

It is valuable to recognize the extent to which sustainable consumption is a priority issue on the international agenda. This section highlights two international approaches to changing consumption and production patterns. The work of both the United Nations and the Organisation for Economic Co-operation and Development are discussed.

2.4.1 A Look at the United Nations

In 1992, the United Nations Conference on Environment and Development was held in Rio de Janeiro (Rio Earth Summit). This conference highlighted the sustainability of consumption and production as being serious issues in both the Rio Declaration and Agenda 21. Principle 8 of the Rio Declaration on Environment and Development states that “to
achieve sustainable development and a higher quality of life for all people, States should reduce and eliminate unsustainable patterns of production and consumption and promote appropriate demographic policies” (United Nations 1992b). As an accompaniment to this principle, an entire chapter of Agenda 21 was dedicated to outlining the need for changing consumption and production patterns (see Appendix A). It stated that “the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries, which is a matter of grave concern, aggravating poverty and imbalances” (United Nations 1992a). And that “achieving the goals of environmental quality and sustainable development will require efficiency in production and changes in consumption patterns in order to emphasize optimization of resource use and minimization of waste. In many instances, this will require a reorientation of existing production and consumption patterns that have developed in industrial societies and are in turn emulated in much of the world” (United Nations 1992a).

The United Nations Commission on Sustainable Development (CSD) was created in December of 1992 with a mandate of ensuring follow-up on the 1992 United Nations Conference on Environment and Development. It was mandated with monitoring and reporting on the implementation of the conference’s agreements, elaborating on policy options and initiatives, and encouraging dialogue with governments and the international community. Since its creation, CSD has retained the need to change consumption and production patterns as an overriding issue on its agenda. As follow-on to Agenda 21, the International Work Programme on Changing Consumption and Production Patterns was developed in 1995, comprising of five elements (United Nations Commission on Sustainable Development 2002):

- trends in consumption and production patterns;
- impacts on developing countries of changes in consumption patterns in developed countries;
- policy measures to change consumption and production patterns;
- voluntary commitments from countries and indicators for measuring changes in consumption and production patterns; and,
- revision of the UN guidelines for consumer protection.

A decade after the Rio Earth Summit of 1992, sustainable consumption is still a hot topic on the global sustainability agenda. The World Summit for Sustainable Development preparatory sessions identified sustainable production and consumption as a key area to be addressed in Johannesburg in August 2002 (Ribbans 2002). The plan of implementation that emerged from the summit highlights that the following steps need to be taken to move toward more sustainable patterns of production and consumption (United Nations 2002):
• Change fundamentally the way societies produce and consume with developed nations leading the way.
• Encourage and promote the development of a 10-year framework of programs in support of regional and national initiatives.
• Increase investment in cleaner production and eco-efficiency through incentives and support schemes and policies directed at establishing appropriate regulatory, financial and legal frameworks.
• Integrate the issue of production and consumption patterns into sustainable development policies, programs and strategies.
• Enhance corporate environmental and social responsibility and accountability.
• Encourage relevant authorities at all levels to take sustainable development considerations into account in decision-making, including on national and local development planning, investment in infrastructure, business development and public procurement.
• Call upon Governments, as well as relevant regional and international organizations and other relevant stakeholders, to implement the recommendations and conclusions of the Commission on Sustainable Development concerning energy adopted at its ninth session.
• Promote an integrated approach to policy-making at the national, regional and local levels for transport services and systems.
• Prevent and minimize waste and maximize reuse, recycling and use of environmentally friendly alternative materials.
• Renew the commitment, as advanced in Agenda 21, to sound management of chemicals and hazardous wastes.

For the complete implementation plan text on changing unsustainable patterns of consumption and production levels see Appendix B.

2.4.2 OECD and Sustainable Household Consumption

This discussion of sustainable product policy initiatives proposed by the Organisation for Economic Co-operation and Development (OECD) provides a broad context that will be reflected on in the results chapter.

The OECD has been studying sustainable consumption since 1994. Their work culminated this year in a report titled Towards Sustainable Household Consumption? Trends and Policies in OECD Countries (2002). The report outlines what governments in OECD countries are doing and can do to reduce the impacts of household environmental consumption. Unfortunately, social sustainability was not addressed as part of its study.

The OECD recognizes that to successfully influence household consumption to be more sustainable, the integration of a variety of policy instruments is the most effective approach. These instruments must also be coupled with a “multi-stakeholder approach including public policy, market innovation, NGO mobilization of consumer groups, and voluntary initiatives by consumers themselves” (Geyer-Allely, Zacarias-Farah et al. 2002).
The OECD policy recommendations are summarized in terms of types of instruments, the policy framework, and policy guidelines. Three types of policy tools are highlighted within the suggested integrated approach: economic, regulatory, and social.

- Economic instruments include such approaches as fees, taxes, deposit-refund schemes, subsidies and tradable permits.
- The use of regulatory instruments requires a command and control approach by government for the monitoring and enforcement of regulations, standards, and bans.
- Social instruments employ public information and awareness campaigns, voluntary labelling initiatives, and participatory decision-making processes.

A policy framework comprised of five conditions is suggested if a "critical mass of consumers are to make environmentally aware decisions" (Geyer-Allely, Zacarias-Farah et al. 2002):

- a price structure that internalizes environmental costs and benefits;
- a policy and regulatory framework that makes clear the priorities and direction for change;
- availability of a range of environmentally-friendly goods and services;
- technology and infrastructure that include environmental quality criteria; and,
- an educational, learning, and information environment that motivates and enables consumers.

Seven policy guidelines accompany the policy framework:

- shifting the structure of consumption whereby the ratio of natural capital to consumption is improved;
- changing the hardware and software of consumption patterns. Hardware refers to the products and infrastructure and requires government and business intervention. Software refers to changing consumer attitudes towards consumption alternatives;
- applying the integrated policy approach and its associated instruments (regulatory, economic, and social) to the product lifecycle – applying policy along the product supply chain, affecting both supply and demand;
- focusing on upstream intervention where possible in order to decrease the complexity of the interventions at the consumer level;
- reiterating again the importance of a combination of instruments thus creating a strong package where the strengths of certain instruments compensate for the weaknesses of others;
- applying integrated, cross-sector policies as fragmented attempts do not provide a consistent message to consumers; and
- promoting and supporting initiatives by government of all stakeholders (private and civic sectors).

The OECD framework and guidelines form a utopian vision of how policy should be developed. Even though a comprehensive policy initiative may be the most effective approach, it does not seem realistic in the short term. It is difficult to imagine how to get
to that point while current policy directed at the sustainability of consumer products is limited and is definitely not integrated or multi-stakeholder. Instead of seeing the lack of policy as a failure, the framework in its entirety creates a large context, and this context can be considered when smaller initiatives are pursued.

Based on the activities of both the United Nations and the OECD, it is clear that a great deal of effort over the past decade has gone into defining and suggesting action needed to conquer unsustainable levels of consumption. But human consumption remains an undeniably serious threat to long-term sustainability as consumption levels in developed societies continue to grow beyond already staggering levels. Efforts with any chance of successfully slowing or reversing this trend will be complex. Agenda 21 and subsequent steps taken to define sustainable consumption and secure international acceptance are valuable, but now the level of understanding and agreement must be operationalized. Hopefully, these global forums on sustainability have acted as a catalyst for more sustainable consumption in the coming decade.

2.5 The Coffee Industry

Although sustainability was discussed solely from the consumption perspective in the previous sections, it is still too broad a topic for the scope of this thesis. Therefore, one consumer product has been selected as the focus: coffee.

When most consumers think about the coffee industry, it is likely only as significant to them as a daily addictive habit can be. They do not realize that they are fuelling a massive industry that employs countless people and circulates billions of dollars around the globe. This section describes the coffee industry, from global trade in a broad sense down to the fair trade component of the specialty coffee industry.

2.5.1 Global Trade

Coffee is produced in 70 countries by approximately 20 million workers that each year hand-pick 6 million tonnes of beans grown on 11 million hectares of farmland (Waridel 2002a). Dependence on this cash crop is risky in light of high levels of fluctuation in commodity prices.

Volatile global coffee prices are primarily affected by the supply of green beans. The growth in demand remains fairly stable at 1 to 1.5 percent while supply grows at 2 percent, therefore, acting as the primary factor in determining the global coffee price (Cresser and Tickell 2002). Crops ruined due to unseasonable weather in one country, especially large suppliers (e.g. Brazil and Vietnam) may cause global prices to rise as a result of a supply
crunch. These high prices spur decisions to plant more coffee, as was the case in Vietnam in the mid-1990s. The decision to plant more coffee does not have an immediate effect on coffee supply as newly planted coffee takes five years to yield a crop. Consequently, half a decade after planting a situation of oversupply often occurs leading to low prices (Ponte 2002). A situation of oversupply and low prices, as is presently the case, creates crisis in the industry for the millions of farmers dependant on trade with developed nations to support their countries’ economy. The figures from May 2000 to April 2001 indicate a global oversupply of approximately 3.5 billion pounds (International Coffee Organization 2001), and coffee prices on the commodities market are below the cost of production.

The cost of production varies by country based on the size, mode of cultivation, and location of a farm. For example (International Coffee Organization 1997):

- In Columbia, a medium-size farm employing hired labour and obtaining a yield of 1,260 kilograms per hectare will produce coffee at a cost of 92 US cents per pound.
- In Costa Rica, farmers generally received a high proportion of the export price, varying between 59 and 80 percent between coffee years 1986/87 and 1994/95. The cost of production was high at almost 82 US cents per pound in 1994/95.
- In India, based on 1995 prices, the cost of production for Arabica coffee varied between 47 US cents to 57 US cents per pound and for Robusta between 36 US cents to 46 US cents per pound.

The cost of production fluctuates between 36 and 92 US cents per pound for the producer country examples given. Meanwhile, the composite index price for coffee on the commodities market in October 2002 was 50.79 US cents. Figure 2 shows how the composite index for coffee has fallen over the past two and a half years from roughly 80 US cents per pound to its current position well below the cost of production for most coffee farmers.

---

5 Vietnam increased their production capacity for coffee from 4 million 60 Kg bags in 1995/96 to 11 million in 2000/01.

6 The calculation of the ICO composite indicator price is weighted as follows: Colombian Milds, 15 percent; Other Milds, 30 percent; Brazilian Naturals, 20 percent; Robustas, 35 percent
The annual value of this labour intensive industry on the global market is US$50 billion, second in value only to oil. However, it is not the producers of coffee in the country of origin that reap the majority of the benefit from their labour. Only US$5 billion, or 10 percent, of the value of the beans stays in the exporting country. Ten years ago, the gap was not as drastic; the industry was valued at US$30 billion with US$10 billion staying in the exporting countries (Cresser and Tickell 2002).

An increasing amount of the wealth is held in the consuming nations. To further emphasize the globalized nature of the coffee industry, consider the fact that three multinational companies control 45 percent of the industry: Philip Morris, Nestlé, and Sara Lee (Waridel 2002a). Large companies in developed countries have a firm hold on a commodity produced mainly by small farms run by peasant families – 70 percent of all coffee is grown on farms smaller than ten hectares (Cresser and Tickell 2002).

Table 1 shows a breakdown of coffee imports and exports by country for 2000. All countries that either import or export at least one million bags of coffee have been included as separate lines in the table. The table shows the total weight of coffee either imported or exported by a given country and how many pounds per person this would be based on 1999 population figures.

---

7 Year 2000 data was used because this was the most recent year for which all data was available: imports and exports by both ICO and non-ICO members.
8 Bags weighing 60 kilograms are a standard unit of measure for coffee exporting and importing.
9 Pounds is the unit of measure used throughout this thesis as it is the familiar unit of measure for the end-consumer.
Table 1: Coffee Import and Export Summary, 2000

<table>
<thead>
<tr>
<th>Country (population)</th>
<th>Pounds</th>
<th>Lbs / Person</th>
<th>Country (population)</th>
<th>Pounds</th>
<th>Lbs / Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.A. (280.4)</td>
<td>3,145,143,936</td>
<td>11</td>
<td>Brazil (168.2)</td>
<td>2,378,046,792</td>
<td>14</td>
</tr>
<tr>
<td>Germany (82.0)</td>
<td>1,898,403,540</td>
<td>23</td>
<td>Vietnam (77.1)</td>
<td>1,533,649,128</td>
<td>20</td>
</tr>
<tr>
<td>Japan (126.8)</td>
<td>920,728,908</td>
<td>7</td>
<td>Colombia (41.4)</td>
<td>1,211,148,840</td>
<td>29</td>
</tr>
<tr>
<td>France (59.0)</td>
<td>896,929,968</td>
<td>15</td>
<td>Cote d'Ivoire (15.7)</td>
<td>806,467,992</td>
<td>51</td>
</tr>
<tr>
<td>Italy (57.5)</td>
<td>837,469,248</td>
<td>15</td>
<td>Mexico (97.4)</td>
<td>700,088,928</td>
<td>7</td>
</tr>
<tr>
<td>Spain (39.9)</td>
<td>504,238,152</td>
<td>13</td>
<td>Indonesia (209.3)</td>
<td>685,546,488</td>
<td>3</td>
</tr>
<tr>
<td>Belgium/Lux. (10.2)</td>
<td>496,139,688</td>
<td>49</td>
<td>Guatemala (11.1)</td>
<td>640,475,616</td>
<td>58</td>
</tr>
<tr>
<td>Canada (30.5)</td>
<td>438,380,844</td>
<td>14</td>
<td>India (992.7)</td>
<td>586,155,504</td>
<td>1</td>
</tr>
<tr>
<td>United Kingdom (59.5)</td>
<td>408,654,840</td>
<td>7</td>
<td>Honduras (6.3)</td>
<td>380,045,556</td>
<td>60</td>
</tr>
<tr>
<td>Netherlands (15.8)</td>
<td>401,861,460</td>
<td>25</td>
<td>El Salvador (6.2)</td>
<td>334,803,348</td>
<td>54</td>
</tr>
<tr>
<td>Poland (38.6)</td>
<td>340,338,108</td>
<td>9</td>
<td>Uganda (22.6)</td>
<td>331,751,904</td>
<td>15</td>
</tr>
<tr>
<td>Russian Fed. (146.2)</td>
<td>235,815,360</td>
<td>2</td>
<td>Peru (25.2)</td>
<td>311,726,712</td>
<td>12</td>
</tr>
<tr>
<td>Algeria (29.8)</td>
<td>234,716,196</td>
<td>8</td>
<td>Ethiopia (64.9)</td>
<td>261,604,992</td>
<td>4</td>
</tr>
<tr>
<td>Sweden (8.9)</td>
<td>179,353,416</td>
<td>20</td>
<td>Costa Rica (3.9)</td>
<td>259,293,936</td>
<td>66</td>
</tr>
<tr>
<td>Korea, Rep. (46.4)</td>
<td>173,763,216</td>
<td>4</td>
<td>Nicaragua (4.9)</td>
<td>177,542,112</td>
<td>36</td>
</tr>
<tr>
<td>Austria (8.1)</td>
<td>171,735,432</td>
<td>21</td>
<td>Kenya (30.0)</td>
<td>175,336,260</td>
<td>6</td>
</tr>
<tr>
<td>Switzerland (7.2)</td>
<td>154,635,756</td>
<td>21</td>
<td>Cameroon (14.6)</td>
<td>159,055,248</td>
<td>11</td>
</tr>
<tr>
<td>Finland (5.2)</td>
<td>140,917,524</td>
<td>27</td>
<td>Papua New Guinea (4.7)</td>
<td>137,696,592</td>
<td>29</td>
</tr>
<tr>
<td>Denmark (5.3)</td>
<td>135,435,564</td>
<td>26</td>
<td>Others</td>
<td>677,621,076</td>
<td>6</td>
</tr>
<tr>
<td>Other11</td>
<td>2,020,814,796</td>
<td></td>
<td>Totals: 11,748,057,024</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Total exports and imports do not match due to re-exportation of coffee between importing countries.

For many exporting nations, coffee is an important source of foreign exchange. In some countries, coffee accounts for as high as 80 percent of all exports (International Coffee Organization 2001). The coffee producing countries in Africa seem to be especially dependent on this export crop. Coffee in Ethiopia amounts to 50 percent of export revenue. In Uganda one quarter of the population is involved with the coffee industry. In both Mexico and India, coffee provides a livelihood for roughly 300,000 people (Cresser and Tickell 2002). Brazil, Vietnam, and Columbia have a stronghold on coffee exports with 44 percent of international coffee trade.

---

10 Population in millions of people. Population figures were extracted from the Living Planet Report 2002 and are based on 1999 values.
11 Others are classified as the total of the importing or exporting countries that trade less than 1 million bags of coffee per year.
The United States is the largest importer of coffee in the world, importing one quarter of global coffee imports. The three billion pounds of green beans imported translate into a retail value of US$18.5 billion. Canada is the eighth largest importer, bringing in just over 400 million pounds of green beans (Giovannucci 2001; International Coffee Organization 2001). The majority of the coffee imported into Canada originates from Colombia, Brazil, Guatemala, Mexico and Peru (Coffee Association of Canada 2001).

2.5.2 Mainstream versus Specialty

Not all coffee beans are treated equally on the global coffee market resulting in a segmentation of the coffee industry into mainstream and specialty. Table 2 provides an overview of the two varieties of coffee that are often considered to be representative of the mainstream and specialty markets.

Table 2: Robusta versus Arabica

<table>
<thead>
<tr>
<th>Robusta – Mainstream Coffee Market:</th>
<th>Arabica – Specialty Coffee Market:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Grown at low elevations, 200-800 meters</td>
<td>• Grown at high elevations, 600-2000 meters</td>
</tr>
<tr>
<td>• Optimal growing temperature 24-30 degrees centigrade</td>
<td>• Optimal growing temperature 15-24 degrees centigrade</td>
</tr>
<tr>
<td>• Continuous harvest and high yield, 2300-4000 kg beans/hectare</td>
<td>• One harvest per year and lower yield, 1500-3000 kg beans/hectare</td>
</tr>
<tr>
<td>• High in caffeine, 1.7-4.0% content per bean</td>
<td>• Low in caffeine, 0.8-1.4% content per bean</td>
</tr>
</tbody>
</table>


The characteristics of mainstream coffee include mass production, low quality, low prices, and mix of Robusta and Arabica coffee. Coffee is purchased through the commodities exchange in large quantities at the lowest price. The importance of quality is compromised so that profit margins can still be maintained while supplying the consumer with an affordable product. The common retailer of mainstream coffee is grocery stores.

The primary characteristics of specialty coffee are quality and higher prices. Specialty coffee is both purchased at prices above that of the commodities exchange and sold to the consumer for prices many times higher than that of mainstream coffee. A higher quality product using purely Arabica beans is given as justification for this price premium. In North America, the specialty coffee market is growing at a conservative estimate of 5-10 percent annually. This segment of the industry currently claims 17 percent of the market in the United States. Even though its size in terms of bean sales is less than a fifth of the coffee market, the high prices charged for the end product yield industry returns equalling US$7.8 billion in sales, or 40 percent of the total value of the country’s coffee industry (Giovannucci 2001). In comparison, the Coffee Association of Canada claims that 6 percent of all coffee consumed in Canada is specialty, a possible
underestimation of the industry’s size in comparison to the 17 percent that it represents in the United States.

2.5.3 Sustainable Coffees

There is “mounting evidence that much of the global coffee industry does not consistently meet two basic tests of sustainability: protection of the environment and social fairness” (Giovannucci 2001). While this may be a valid assessment of the industry as a whole, the specialty coffee industry has begun to embrace the sustainability challenge in recent years. Within the specialty coffee industry, sustainable coffee is a niche that is experiencing rapid growth. Growth in North America is expected to be approximately 27 percent between the summer of 2001 and 2003. In 2001, sales of certified sustainable coffee in North America were estimated at US$152 million at retail. The inclusion of non-certified products bumps this figure up to US$188 million. Globally, this niche market is valued at US$565 million (Giovannucci 2001).

The term sustainable coffee covers the concepts of fair trade, organic, and shade grown. Detailed descriptions of these three concepts can be found in Appendix C. In simple terms, the three concepts can be defined as follows:

- **Fair trade** addresses the need for social justice achieved by paying the coffee producer a living wage.

- **Organic** coffee is grown without chemical intervention. Of the certified fair trade coffee in North America, 79 percent is found to also be certified organic (Giovannucci 2001).

- **Shade grown** recognizes the importance of the biodiversity in terms of flora and fauna that can be achieved through coffee cultivation under a canopy of various tree species. Shade grown coffee is sometimes referred to as bird friendly as the tree canopy provides habitat for migrating birds.

The emergence of separate certification initiatives since the mid-1980s has resulted in the subcategorization of sustainable coffee. There is currently no coordinated approach or certification for sustainable coffee, and the three concepts are being managed separately. In the North American market, TransFair certifies fair trade coffee, OCIA leads the certification for organic, and the Smithsonian Migratory Bird Center and Eco-OK certify shade grown coffees.

The presence of multiple certification bodies does cause confusion in the market, and there is a need for either the clarification of each role within sustainable coffee, or a coordinated effort to bring all sustainable coffee offerings together. However, each of the three subcategorizations within sustainable coffee has been successful in their own right, making it possible to analyse them separately. This thesis addresses only the concept of fair trade.
2.6 The Fair Trade Alternative

In a globalized trading system, the concept of fair terms of trade is often lost. Globalization has increased the complexity of trade and put more wealth into the hands of few. The number of people and miles involved in the movement of goods around the world disconnects the consuming citizen from the producing citizen. In North America’s fast paced society, the average consumer is not equipped to understand, let alone effectively challenge, this unjust economic system of commerce.

While sustainable consumption is an issue of global scale, small-scale alternative approaches are making progress towards higher quality consumption. Fair trade offers an alternative to global free trade and works to achieve justice for the highly vulnerable small producer groups that grow cash crops in developing countries for the benefit of wealthier nations.

"Fair trade involves more than just paying a higher price for a product. It means working towards the goal of more equitable trading relationships between producers and consumers. Fair trade is based on economic justice and aims to empower local people rather than give them charity" (Waridel 2002a).

This section answers the following questions: Where has fair trade come from? What makes fair trade unique? How big is the market for fair trade coffee?

2.6.1 The Unofficial History

Fair trade has been an alternative for decades longer than sustainable consumption has been a concept. Its historical roots are not easy to follow as they begin in different areas of the world, some in a more organized fashion than others. Examples of initiatives playing a key role in North America and Europe are provided as context to the size and importance of the fair trade movement today.

A very early example of fair trade dates back to 1946 when SELFHELP Crafts grew out of a small initiative started by Edna Ruth Byler, a member of the Mennonite Central Committee, to bring artisan works from Puerto Rico to Pennsylvania. This faith-based, non-profit retail organization was renamed Ten Thousand Villages in 1996 and now operates 180 stores across North America. Ten Thousand Villages continues to work with artisans around the world and has also expanded into fair trade coffee and other sundries.

Besides the innovative work started more than fifty years ago by the Mennonite community, fair trade did not seem to catch on in a significant way until the mid-1980s when a variety of fair trade initiatives began to emerge. Bridgehead, a Canadian importer, roaster, and distributor of fair trade coffee was created in 1984. In 1985, Thanksgiving
Coffee in California changed its slogan to “Not Just a Cup, But a Just Cup” after a visit to Nicaragua and a decision that coffee should be the medium for the social justice message. In 1986, on the other side of the country, three idealists launched Equal Exchange and provided fair trade coffee from Nicaraguan cooperatives (Pendergrast 1999).

During the 1980s, the Europeans were taking a more national approach to developing fair trade than their counterparts in North America. After raising US$4 million, the Max Havelaar trademark was launched in The Netherlands in 1988 (Pendergrast 1999). In the subsequent decade, this national approach to certifying fair trade products expanded to a total of seventeen countries under three different trademark names: Max Havelaar, Fairtrade Mark, and TransFair. Countries that currently run fair trade certification organizations include: Austria, Germany, Canada, Italy, Japan, USA, Ireland, France, Switzerland, The Netherlands, Belgium, Denmark, Norway, Sweden, Finland, Luxemburg, and United Kingdom.

While the logos behind the national initiatives vary (Figure 3), consistency in the meaning behind the certification is now guaranteed through the adherence to standard certification guidelines. In 1997, the Fairtrade Labelling Organizations International (FLO) was established as the international standards setting and certifying organization that serves as an umbrella organization for all seventeen national certification bodies. In addition to coffee, FLO certification covers fair trade drinking chocolate, chocolate bars, orange juice, tea, honey, sugar and bananas.

Figure 3: International Fair Trade Logos

FAIRTRADE LABELLING ORGANIZATIONS INTERNATIONAL

Source: Fairtrade Labelling Organizations International website, www.fairtrade.net

There are products that claim to be fair trade, for instance the handicrafts sold by Ten Thousand Villages, although they have no certification body that covers them. But for those products that are available in a certified format, there are still examples of fair trade claims being made without the certification. The majority of the companies offering fair trade coffee in Canada are certified. Some companies or organizations that choose to sell uncertified fairly traded coffee would like to become certified but have not yet made it through the process while others do not believe that certification is necessary.
Implications of non-certified activity in the fair trade coffee arena are addressed in more depth in the results and discussion chapters. To simplify the description of how the fair trade alternative works, the FLO certification model for coffee guides the discussion in this chapter.

2.6.2 Defining the Approach

The fair trade approach is comprised of fundamental conditions that guarantee equitable trade. These conditions are monitored and maintained from producer through to consumer as illustrated in Figure 4, and explained in the following paragraphs. The FLO process has been simplified to give the reader a very high level overview of how the fair trade system works.¹²

Figure 4: Certified Fair Trade Process

Democratically organized producer groups are guaranteed five basic conditions under a fair trade agreement (Fairtrade Labelling Organizations International 2002):

- A price that covers the cost of production
- A social premium for development purposes
- Partial payment in advance to avoid small producer organizations falling into debt
- Contracts that allow for long term production planning
- Long term trade relations that allow proper planning and sustainable production practices

In accordance with these principles of fair trade, FLO oversees the certification of the fair trade coffee producers and manages a registry of 363 certified coffee producing cooperatives from 22 countries (Waridel 2002a). FLO also verifies that the coffee traders (generally exporters, importers, and processors) are complying with the fair trade conditions.

¹² Detailed information on the fair trade system can be found on the FLO website, www.fairtrade.net.
At the next step in the process, the coffee moves from under the watchful eye of FLO to that of one of the national initiatives. The national initiatives interface with fair trade licensees - importers, retailers, office services, and wholesalers - to ensure the standards set by FLO are upheld. In Canada, TransFair Canada works with 60 certified roasters, offering Canadians a choice of approximately 200 blends of coffee (Waridel 2002a). TransFair Canada supports the licensees by providing marketing material and by attempting to increase consumer awareness of the certification.

There are two money transactions that are important to remember with certified fair trade coffee. Key to the first principle of fair trade, a price that covers the cost of production, producers are guaranteed a floor price of US$1.26 per pound of green beans.\(^\text{13}\) If the world price for coffee exceeds this amount, fair trade producers are then guaranteed a US$0.05 premium over the world price. It is FLO’s responsibility to guarantee that the producer groups are indeed receiving this value for their coffee from the traders.

Secondly, the roaster is responsible for paying the certification fee to the national certification body. This licensee fee is used to both run the operations of the national initiative and to fund the certification and monitoring efforts of FLO. Under the FLO system for fair trade, the producer pays nothing to be certified. Roasters pay the license fee on a per pound basis. This fee is collected through a quarterly charge of CAN$100 and CAN$0.16 per pound for each pound of coffee in excess of 611.6 lbs (278 kgs).\(^\text{14}\) As an incentive, the per pound charge decreases on a sliding scale based on an increasing volume of coffee certified.

### 2.6.3 Market Presence

Even after decades of hard work and dedication by the many organizations (NGOs, certifiers, and industry), the fair trade alternative trading system represents a very small portion of any of the markets that they work within - handicrafts, coffee, or other sundry. Still playing the role of a niche market, it is yet to be seen whether the concept of social justice will catch on within the mainstream.

Table 3 provides a breakdown of the certified fair trade coffee market at both a global level and within the North American context. Within a global industry valued at US$50 billion, certified fair trade was less than 1 percent of the coffee industry in 2000.

---

\(^\text{13}\) There are variations in the per pound price for green beans based on the country of origin and type of coffee. Based on these conditions, the price per pound will fall between US$1.06 and $1.41.

\(^\text{14}\) The first 611.6 pounds is covered by the CAN$100 minimum fee.
Table 3: Fair Trade Coffee Industry Facts and Figures, 2000

<table>
<thead>
<tr>
<th></th>
<th>Global</th>
<th>North America</th>
<th>United States</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million lbs</td>
<td>Million US$</td>
<td>Million lbs</td>
<td>Million US$</td>
</tr>
<tr>
<td>Certified Fair Trade</td>
<td>29.1</td>
<td>393</td>
<td>4.7</td>
<td>64.4</td>
</tr>
</tbody>
</table>

Source: Giovannucci, 2001

According to year 2000 data, the global certified fair trade capacity is 165 million pound. With supply outpacing demand, only 29.1 million pounds were sold as fair trade yielding a retail value of US$393 million globally. In Canada, certified fair trade coffee was a US$6.3 million industry. The United States’ fair trade industry is much larger at 4.7 million pounds and a retail value of US$64.4 million (Giovannucci 2001).

TransFair Canada was founded in 1994 and TransFair USA in 1995. Considering that the organizations have been around for eight and seven years respectively, growth figures over the past few years are impressive. Coffee sold in Canada under the TransFair Canada logo has grown from 47,411 pounds in 1998 to an estimated 610,000 pounds in 2001, more than a doubling each year.\(^{16}\)

Europe, with fifteen years of experience in some countries, sets a fine example of the success of fair trade. Sales reached US$300 million in 1998 with over 130 brands of fair trade coffee available in 35,000 supermarkets (TransFair Canada 2002). It is yet to be seen whether North America can mirror this success. The dynamics of the specialty and sustainable coffee markets are changing, and it is unclear whether fair trade will be able to gain a stronghold in the market.

2.7 Summary

This chapter provided context relevant to the remainder of the thesis:

- Sustainability and its sub-components, such as production and consumption, present complex challenges. International agreements and policy initiatives have been active in the past decade, but attempts to tackle the sustainable consumption agenda have been slow to produce results in a constantly changing global society.
- The coffee industry, the second most lucrative legal commodity, affects millions of people in developing countries. However, most of the billions of dollars

\(^{15}\) Giovannucci quotes year 2000 volume at 420,000 pounds while the TransFair Canada website states that pounds sold in 2000 were 350,000 pounds.

\(^{16}\) The discussion of fair trade should not be construed as being biased toward certified fair trade coffee. Certification offers a consistent set of standards and data that is not available for the non-certified segment of the market. A fuller discussion of certified versus non-certified fair trade coffee takes place in the results and discussion chapters.
generated through this international market do not stay in the producing
countries, and inequitable terms of trade have created a cycle of poverty and
dependence.

- For years, an alternative to the free trade system of coffee trading has been
gaining strength. Fair trade guarantees long-term sustainability for the
producers, such a simple principle not accounted for in the conventional system
of international trade.

- Hard work and dedication in both the producing and consuming countries have
fuelled the growth of the fair trade coffee alternative. While positive growth
rates in recent years are impressive, the total size of this niche product within
the specialty coffee industry is relatively small.
Chapter 3: Social Marketing as a Tool for Change

3.1 Introduction

This chapter is broken into three segments that, when pieced together, create a framework that guides the case study data collection and analysis: social marketing, community-based social marketing (CBSM), and the consumer realm. A theoretical framework (Figure 5) illustrates the connections between the three segments and provides a platform for this study of fair trade coffee through a social marketing lens.

Figure 5: Theoretical Framework

Note: The first three steps of the CBSM process are shown in bold because these steps are the focus of the case study.

The theoretical framework and the discussion of its components in this chapter extend beyond that which is explicitly studied and reported on in the results and discussion chapters. However, the framework provides important context, justifications and assumptions that are important to these later chapters.

3.2 Social Marketing

The term social marketing first emerged in 1971 in an article by Kotler and Zaltman in the Journal of Marketing. Their definition has since been quoted and commented on - social marketing is "a social-change management technology involving the design,
implementation, and control of programs aimed at increasing the acceptability of a social idea or practice in one or more groups of target adopters” (Kotler and Roberto 1989).

In the decades since its inception, the field has been further defining and distinguishing itself, and differentiation from other approaches to social change has been important. Kotler and Roberto (1989) consider five types of change strategies: social marketing, technology, economics, politics and law, and education. In situations where social change is sought, all five of these strategies have potential for playing a role, but the respective roles are unique in how change is approached. Social marketing has been carving out a niche that can be more clearly understood in the definition crafted by Alan Andreasen:

"Social marketing is the adaptation of commercial marketing technologies to programs designed to influence the voluntary behavior of target audiences to improve their personal welfare or that of the society of which they are a part” (Andreasen 1994).

Andreasen’s definition clarifies important components of social marketing, namely: voluntary behaviour change, individual or societal welfare, and commercial marketing technologies.

### 3.2.1 Voluntary behaviour change

Contrary to Kotler and Zaltman’s claim that social marketing targets acceptability, Andreasen is very specific about its need to change behaviour. This shift has been accepted by practitioners and scholars as being the fundamental objective of social marketing (Andreasen 2002). The importance of a social marketing program is its ability to change behaviour. Changing values, beliefs, and attitudes may be part of the program, but behaviour change must be the desired outcome for it to be considered social marketing.

Behaviour change can take a long time; therefore, it is not an error to use non-behaviour change outcomes as a measuring stick along the way. For example, it may be necessary to measure changes in knowledge level and attitudes through educational or communications components of a social marketing program as incremental steps to achieving the desired outcome of behaviour change. A program is not social marketing if behaviour change is not seen as the final outcome (Andreasen 1995).

### 3.2.2 Individual or societal welfare

Behaviour change resulting in improvements in the welfare of individuals or society is a key factor that distinguishes social marketing from commercial marketing (Andreasen 1994). Commercial marketing also aims to influence behaviour through marketing
programs targeted at changing values, beliefs, and attitudes that lead to behaviour change. However, the outcome of the behaviour change benefits the marketer. The company's bottom-line is increased sales through the persuasion of consumers to purchase products or services. The motivation behind social marketing rests with increased well being of the consumer directly, in cases such as immunizations and breast self-examinations, or society as a whole as with recycling and waste reduction programs.

### 3.2.3 Adaptation of commercial marketing techniques

Social marketing need not be seen as only a theory or set of techniques but also as a process that is modeled on private sector marketing (Kotler and Roberto 1989; Andreasen 1994; Andreasen 1995). The similarities are so striking that the eight step social marketing plan by Kotler, Roberto, and Lee could just as easily be applied to a commercial marketing challenge (Figure 6) (Kotler, Roberto et al. 2002).

#### Figure 6: Social Marketing Plan Outline

<table>
<thead>
<tr>
<th>WHERE ARE WE?</th>
<th>HOW WILL WE GET THERE?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Social Marketing Environment</strong></td>
<td><strong>Product: Design the market offering</strong></td>
</tr>
<tr>
<td>Step 1: Determine program focus Identify campaign Conduct a SWOT analysis Review past and similar efforts</td>
<td><strong>Price: Manage costs of behaviour change</strong></td>
</tr>
<tr>
<td><strong>Social Marketing Strategies</strong></td>
<td><strong>Step 5: Place: Make the product available</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Promotion: Create messages and choose media channels</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WHERE DO WE WANT TO GO?</th>
<th>HOW WILL WE STAY ON COURSE?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target Audiences, Objectives, and Goals</strong></td>
<td><strong>Step 6: Develop a plan for evaluation and monitoring</strong></td>
</tr>
<tr>
<td>Step 2: Select target audiences</td>
<td><strong>Step 7: Establish budgets and find funding sources</strong></td>
</tr>
<tr>
<td>Step 3: Set objectives and goals</td>
<td><strong>Step 8: Complete an implementation plan</strong></td>
</tr>
<tr>
<td>Step 4: Analyze target audiences and competition</td>
<td><strong>Social Marketing Program Management</strong></td>
</tr>
</tbody>
</table>

**Source:** Adapted from Kotler, Roberto, and Lee 2002

While it is clear that social marketing is similar in many ways to commercial marketing, it operates in a unique environment while attempting to apply these technologies. These unique factors must be managed throughout or integrated within the above illustrated eight step process (Andreasen 1995):

- Social marketers are often faced with negative demand creation through the promotion of a behaviour that is seen by the target audience to be distasteful, e.g. wearing a seatbelt, driving your car less, and giving blood.
- High levels of sensitivity and complexity are common in social change efforts, much more so than in the private sector, e.g. limit family size and sexual habits.
- Benefits can be invisible, intangible, or passed onto a third party. With invisible and intangible benefits there is an absence of an outcome as a sign of success, e.g. birth control yields no baby, taking medication prevents a heart attack, immunization decreases risk of disease. Some behaviours create benefits to
third parties or society in general, not the person undertaking the behaviour directly, e.g. littering, decreasing speed, and energy conservation.

- Behaviour change is often a long-term outcome because a) large amounts of basic information need to be communicated; b) basic values have to be changed; and c) many outside opinion leaders and support agencies will have to be brought on board.
- Political and cultural roadblocks. There is a high level of public scrutiny associated with social marketing activities as they are targeted at improved welfare of target audiences or society in general. Conflicting expectations and portrayals by regulating bodies, funding agencies, academia, and the press decrease the efficiency of social marketing programs.
- Limited budgets are a reality in the social marketing field. Without increased sales as the outcome of social marketing programs, as is the case in commercial marketing, there is no stream of revenue to feed back into the program. There is a need to leverage partners, e.g. ad agencies, distributors, media, businesses, unions, etc.

It is not difficult to imagine the frustrations these factors create in the social marketing environment: An environment of sensitive behaviours that individuals do not want to address, the need to highlight benefits that are not typical, long-term return on investment in terms of behaviour change, and a culture of diverse stakeholders imposing demands on the process.

3.3 Community-Based Social Marketing Process

Social marketing as described thus far is an approach to social change that can be operationalized in various ways. Different models or processes exist for putting the theory of social marketing into practice. The eight step framework illustrated in Figure 6 gives one such example. For the purposes of this study, the community-based social marketing (CBSM) model has been selected as a process guide to the study of fair trade coffee.

CBSM is an approach to social marketing that is rooted in social psychology. It has been developed over the past ten years primarily through the energy of Doug McKenzie-Mohr, a scholar based at St. Thomas University in New Brunswick. He is dedicated to educating practitioners on his approach which differs from conventional social marketing through the addition of two key components: initiatives are delivered at the community level and the importance of personal contact is emphasised. The community level aspect allows for programs of a manageable size where personal contact is still possible. The importance of personal contact is reinforced by social science research that indicates higher levels of behaviour change in response to direct appeals or social support from others (McKenzie-Mohr and Scott 1999).

In addition to these two factors, the process used to create a CBSM program is unique and straightforward. Much social marketing research involves highly specialized
approaches that are only accessible to serious academics and often lack practical application. The CBSM process as described by McKenzie-Mohr is divided into four steps: 1) identify barriers and benefits; 2) select behaviour change tools; 3) pilot; and 4) evaluate. A description of each of the four steps is provided in Table 4.

### Table 4: CBSM Process

<table>
<thead>
<tr>
<th>4 Step Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify Barriers and Benefits</td>
<td>• Conduct research to uncover the actual barriers and benefits that individuals believe to be associated with engaging in the activity using a three step process: 1) literature review; 2) focus group; and 3) survey.</td>
</tr>
<tr>
<td>Behaviour Change Tools</td>
<td>• Select CBSM tools that match prioritized barriers and pre-test these tools using focus groups. Further public participation may be sought at this point through a stakeholder committee.</td>
</tr>
<tr>
<td>Program Pilot</td>
<td>• Pilot different combinations of proposed interventions with at least two groups in the community. • Take measurements of behaviour change and assess the success of the pilot program. • Re-pilot the program until a satisfactory level of success is reached. • Implement the program at a community level after baselining community behaviour.</td>
</tr>
<tr>
<td>Evaluation</td>
<td>• Evaluate program effectiveness. • Write a final report to share results with the growing CBSM field.</td>
</tr>
</tbody>
</table>

**Source:** Adapted from McKenzie-Mohr and Scott, 1999

### 3.4 CBSM and the Fair Trade Coffee Case Study

The CBSM approach is the underlying guide to the data collection and analysis phases of this thesis. The purpose of this section is to describe the relationship between the CBSM approach and the fair trade coffee case study. Relevant portions of the CBSM process presented in Table 4 are expanded on and general case study information is provided to show the link to the thesis methods, results, and discussion covered in later chapters.

Figure 7 illustrates a five step process being used for this study on fair trade coffee. One modification has been made to McKenzie-Mohr's CBSM model. The targeted behaviour is explicitly stated at the beginning of the process. This makes it easier to conceptualize the flow from beginning to end, and it better links the CBSM process to the other sections of the theoretical framework, specifically the consumer realm.
The case study on fair trade coffee executes only the first three of the five steps of the modified CBSM process: targeted behaviour, barriers, and behaviour change tools.

### 3.4.1 Targeted Behaviour

The targeted behaviour behind a social marketing program should be specific. For example, although a multi-tiered program would be required in order to effectively target resident waste management for an x percent decrease in waste going to the landfill, a targeted behaviour of increasing incidents of recycling specifically, or the use of backyard composters, could be engineered under one social marketing program.

For the fair trade coffee case study, the desired change in behaviour is the increase in the consumption of fair trade coffee in support of global social justice. Similarly, other product consumption could be targeted with this goal in mind, for instance the increased consumption of fair trade tea, bananas, and sugar.

CBSM suggests basing the decision on what behaviour to promote on the answer to two questions (McKenzie-Mohr and Scott 1999):

- What is the potential for an action to bring about the desired change?
- What are the barriers and benefits associated with each of the potential actions?

In response to the first question, coffee has the potential for contributing more to social justice than the other fair trade products currently on the market because of the magnitude of the coffee industry and its proliferation in North American society. The majority of adults drink coffee on a regular basis and its presence is felt at home, work, and during leisure time – coffee shops, restaurants, grocery stores, etc.

In terms of the second question, the answer is again related to the response to the first. While the benefits to farmers in developing countries may be similar regardless of the fair trade product targeted, the barriers to success are lower for fair trade coffee. Coffee is the only fair trade food product that has any significant level of market presence in North America. For a social marketing program limited in scope, coffee is an easier product to target than some of the lesser know fair trade products (e.g. sugar or tea). It would be desirable to promote all fair trade products as the market matures or integrate the message into a comprehensive fair trade marketing program.
3.4.2 **Barriers and Benefits**

"Speculation regarding what leads individuals to engage in responsible environmental behaviour should never be used as the basis for a CBSM plan" (McKenzie-Mohr and Scott 1999). It is important to properly identify the barriers and benefits specific to the selected activity to determine the appropriate use of behaviour change tools. Barriers can be either internal or external. Internal barriers relate to the individual; a common internal barrier would be not knowing about the activity. External barriers are structural, such as inconvenience caused by lack of availability. External barriers need to be managed or the effectiveness of behaviour change tools will be limited. For example, there is no sense giving incentives to perform an activity without providing convenient locations for the execution of the desired behaviour.

The CBSM process for identifying barriers and benefits suggests a three step process:

1. literature review;
2. focus group; and
3. survey.

The literature review is meant to collect any pre-existing information on barriers and benefits collected. Information gathered through a literature review will also help to inform focus groups and surveys. The second suggested step is to conduct focus groups with community members to discuss the barriers and benefits of the targeted behaviour. And finally, a survey (one-on-one, phone, or mail) should be conducted to confirm the information gathered in steps one and two. Throughout the three step process, the following questions should be kept in mind (McKenzie-Mohr and Scott 1999):

- **Barriers**
  a. What makes it difficult to do x?
  b. What makes it easy to do x?

- **Benefits**
  a. What positives are associated with doing x?
  b. What negatives are associated with doing x?

- **Social Norms**
  a. Who wants you to do x, and how much do you care about their opinion?
  b. Who doesn’t want or care if you do x, and how much do you care about their opinion?

The approach used for the case study on fair trade coffee follows a variation on this three step process. A literature review is conducted as step one. The literature that does comment on barriers to the purchase and promotion of fair trade coffee has been
integrated into the discussion chapter. And one-on-one interviews with NGOs and industry players are conducted in lieu of steps two and three (focus groups and surveys respectively).

The decision to stray from the established CBSM methodology is based on the type of case study participants chosen and researcher limitations. If consumers were the participants in this study, focus groups and a survey would be appropriate. However, one-on-one interviews are more conducive to discussions with NGOs and industry players where confidentiality is of concern. Additionally, focus groups and a subsequent survey would be too time and resource intensive.

Interview questioning focused on benefits and barriers to consumers from the perspective of the interviewee (NGO, certifier, roaster/retailer). Questioning around the importance of supporting fair trade would lead to general conclusions about the benefits of promoting fair trade. And explicit questioning about the barriers to the purchase of fair trade coffee would uncover impressions of both the internal and external barriers.

Not surprisingly, individuals gravitate toward behaviours with high levels of benefits, and it is easier to promote behaviours where the benefits exceed the barriers. This is especially true in cases where there is a competing behaviour that has a more favourable benefits to barriers ratio. This challenge is especially true in the case of fair trade coffee.

The competing behaviour is the purchase of non-fair trade coffee. The barriers are higher for fair trade coffee, consumers must consider the level of individual versus societal benefits to a change in their behaviour. The direct benefit to the consumers resulting from the consumption of fair trade coffee is intangible - consumers feel “good” about their choice not to exploit farmers in developing countries. The tangible benefit of consumers purchasing fair trade coffee is the societal impact - the well being of farmers in developing countries. However, this tangible benefit is geographically removed from the coffee consumer causing it to be difficult for consumers to relate to, and societal benefits are more difficult to keep in the minds of consumers. Creativity on the part of the social marketer is key to conveying messages that reinforce the benefits of the targeted behaviour.

3.4.3 Behaviour Change Tools

Once barriers have been identified and prioritized for the targeted behaviour, CBSM behaviour change tools need to be selected. CBSM behaviour change tools fall into five categories: commitment, communication, incentives, norms, and prompts. Table 5 provides descriptions and examples for each tool category.
Table 5: CBSM Behaviour Change Tool Categories

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>Consistency is an important character trait. If a behaviour is committed to, there is a higher likelihood of it being sustained.</td>
<td>Transportation: Have commuters sign a public petition committing them to using public transit once per week.</td>
</tr>
<tr>
<td>Communication</td>
<td>Persuasion begins with capturing attention. Effective communication is vivid, concrete, and personalized.</td>
<td>Waste reduction: Aesthetically pleasing garbage cans with corporate sponsorships.</td>
</tr>
<tr>
<td>Incentives</td>
<td>Positive or negative incentives encourage behaviour. A program that relies heavily on incentives may fail if incentives are removed.</td>
<td>Waste reduction: User fees associated with number of bags of garbage.</td>
</tr>
<tr>
<td>Norms</td>
<td>Conforming to socially acceptable behaviours is seen as important. Wanting to be like the Joneses can be effective in promoting behaviour change. Respected individuals exhibiting the desired behaviour influence others.</td>
<td>Waste reduction: A decal affixed to the recycling bin that says &quot;We Compost&quot;.</td>
</tr>
<tr>
<td>Prompts</td>
<td>It is easy to forget, especially concerning new behaviours. Prompts provide a reminder, most often visual.</td>
<td>Energy conservation: Light switch prompts asking people to switch lights off when they leave the room.</td>
</tr>
</tbody>
</table>

Source: Adapted from McKenzie-Mohr and Scott, 1999

Each tool category targets specific types of barriers, and a mix of tools is a more effective approach to behaviour change than relying on one tool type. The selected tool categories and their associated barriers fit within a CBSM program summary as illustrated in Figure 8.

Figure 8: CBSM Program Summary

The specific activity, delivery agent, target audience, barrier, and tool category is outlined for each specific program tactic designed. Resource limitations are a common limitation on the extent of the tools proposed for a program.

Upon completion of steps one through three – targeted behaviour, barriers and benefits, and behaviour change tools – the CBSM program is piloted and then evaluated. The piloting and evaluating is an iterative process with the hopes of a high enough success rate to justify a full implementation.
3.5 Consumer Realm

In efforts involving voluntary behaviour change it pays to focus intensively on the consumer. All social marketing programs start with consumers because it is recognized that, ultimately, they will only take action when it is in their best interests (Andreasen 1995). This section places an emphasis on the consumer realm through a discussion of the consumer decision-making cycle and consumer segmentation.

3.5.1 Consumer Decision-Making Process

The majority of social marketing programs operate outside of the market economy where consuming through the exchange of money for goods and services to fulfil a want or need is a driving force. In a social marketing program, people are persuaded to behave in a manner that does not base success on the exchange of money for a good. However, in this case study on fair trade coffee, the pursuit of social justice through the purchase of a cup of coffee more closely mirrors the typical transaction of commercial marketing as opposed to that of social marketing.

Even through it is not typical, applying the concepts of social marketing to consumer products affecting individual and societal welfare should not be difficult. It is important to keep the proper context in mind, a context that can be borrowed from consumer behaviour. Consumers operate within a well established consumer decision-making process that involves five steps: problem identification, information search, alternative evaluation, purchase, and post-purchase behaviour (Figure 9) (Crane and Clarke 1994).

Figure 9: Consumer Decision-Making Process

This process of decision-making is straightforward, and its operation can be applied to two different scenarios, a non-routine and a routine purchase.

Non-routine Purchases

Non-routine purchases are those in which the consumer cares a great deal and there is potentially a high level of risk. Therefore, the consumer spends a great deal of time
thinking and consulting others before making a purchase decision (Andreasen 1995). When a consumer is faced with a need for a non-routine purchase, such as a car, they complete all five steps in the process illustrated in Figure 9 (Crane and Clarke 1994):

1. Problem identification: The need for a new car.
2. Information search: Research is conducted on different brands and styles with desired features falling within established price range. Friends, family, and dealerships are consulted, and verbal and written information is collected to create an information matrix.
3. Alternative evaluation: Based on the information matrix developed during the information search, a decision is made by weighing the pros and cons of each item in the matrix.
4. Purchase: The most favourable alternative is purchased.
5. Post-Purchase Behaviour: The level of satisfaction associated with the purchase is assessed. Dissonance results when the purchase fails to perform as expected or more desirable information and product choices become available.

Social marketing that involves consumer products of a non-routine nature has the potential to influence consumers during the information search and alternatives evaluation steps of the process. The social marketing program would use tactics that ensure that socially relevant criteria are considered in a consumer’s information matrix.

**Routine Purchase**

The decision-making process is shortened for routine purchases, the purchases that consumers care relatively little about, e.g. household cleaners, personal toiletries, and soft drinks. Decision-making is often as direct as problem identification and purchase. For most consumers, these types of purchases are established routines, but they can be affected by persuasion tactics. The commercial sector spends a great deal of effort on differentiating routine purchases. The preferences of consumers are swayed based on flashy advertisements and new twists on the same old product.

The complicating factor with routine purchases and social marketing is that flashy commercial advertising is not an effective social marketing strategy (Andreasen 1995). Routine purchases pose more of a challenge for social marketers because consumers are not actively looking for alternatives to their current consumption habits. The program strategy goal is to influence the post-purchase behaviour in a way that causes the consumer to evaluate their current purchases. This causes the consumer to revisit the information searching and alternatives evaluation steps in the process. The arguments presented by the social marketer need to be strong enough to influence the consumer to select the socially beneficial alternative, and the consumer’s experience must be as positive as possible for fear of an immediate return to the previous behaviour.
Coffee is clearly a routine purchase. It is generally purchased in the same grocery store or coffee shop and brand loyalty is strong. Alternative brands may be occasionally selected, at which time a limited form of information searching and alternatives evaluation is undertaken. Based on post-purchase behaviour, the alternative brand may be kept or a return to the previous brand ensues. There is clearly a challenge associated with applying social marketing of social justice to a routine consumer product, coffee.

3.5.2 Consumer Segmentation

Good social marketing programs know their consumers well enough to be able to segment the market into discrete groups, referred to as consumer segments or target markets. Segmentation is required because it cannot be assumed that all consumers will act in a similar manner and not every consumer is going to be a relevant target for all programs. Social marketing programs must strategically select consumer segments and craft different programs for each segment (Andreasen 1995). In the case of limited resources, consumer segments are prioritized and a marketing program that concentrates on high priority segments is executed.

While limited consumer research on fair trade has been conducted to date, at the time of writing there were plans brewing for a consumer survey on fair trade coffee in Vancouver through Simon Fraser University. This study has not yet been conducted so possible consumer segments based on other information sources are recognized here.

Three market segments are described in this section. First, the coffee consumer segment is described and quantified. Next, a concerned consumer segment is profiled. Finally, the two segments are combined to created a concerned coffee segment, the ideal target market for fair trade coffee.

The Coffee Consumer

The obvious target group for a fair trade coffee social marketing program is coffee consumers, the roughly 17 million adult Canadians\textsuperscript{17} that drink coffee every day with the average number of cups consumed being three. The common practice of drinking coffee equals 18 percent by volume of all beverages consumed in Canada or 15 billion cups of coffee annually, second only to tap water (Coffee Association of Canada 2001). Additional Coffee Association of Canada statistics give some rough trends that can be applied to market segmentation attempts (Table 6).

\textsuperscript{17} Based on Statistics Canada (Statistics Canada 2002) figures for Canadians 15 years and over in 2001 (25,239,492) multiplied by the Coffee Association of Canada statistic stating that 67 percent of adult Canadians drink coffee every day (Coffee Association of Canada 2001).
Table 6: Canadian Coffee Market Breakdown

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Coffee Market(^{18})</th>
<th>Pounds of Coffee(^{19})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumed at Home</td>
<td>69 %</td>
<td>276 million</td>
</tr>
<tr>
<td>Work or School</td>
<td>13 %</td>
<td>52 million</td>
</tr>
<tr>
<td>Restaurant or Take-out</td>
<td>12 %</td>
<td>48 million</td>
</tr>
<tr>
<td>Other</td>
<td>6 %</td>
<td>24 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100 %</td>
<td>400 million</td>
</tr>
</tbody>
</table>

Taking an objective view of the type and location of coffee purchases and place of consumption, the possible profiles of coffee consumers include (any one consumer may fall into more than one category):

1. **Coffee purchased for consumption at home:**
   - The family member in charge of grocery shopping will likely be the decision maker on what coffee to purchase.
   - Coffee purchased in this category is sub-divided by purchase location. Coffee is commonly purchased in a grocery store or specialty coffee shop.

2. **Coffee consumed at work or school:**
   - The majority of those drinking coffee in this category will not have the decision making power on brand or purchase location.

3. **Coffee consumed at a restaurant or coffee shop (to drink in or take out):**
   - This category of coffee consumption represents the most frequent purchase that is completely controlled by the individual consuming the coffee.
   - For those that regularly purchase coffee in a coffee shop or restaurant, this will be a well-established routine that emphasizes convenience (e.g. purchasing your morning coffee at Starbucks on your way to work). Brand loyalty is high in these situations.
   - Less routine coffee shop and restaurant consumption expose consumers to a wide range of coffee brands.

The three profiles described above can be further sub-divided into the mainstream and specialty markets. The primary target for a fair trade coffee social marketing program would be the specialty coffee segment that overlaps with the three consumer profiles. Fair trade coffee is only available in specialty coffee quality. It is not realistic to target the mainstream coffee markets as the price point for non-specialty, primarily grocery store brands, is substantially lower than specialty coffee. This price differential is a significant barrier in capturing market share from the non-specialty market. Two consumer segments within the specialty coffee market stand out:

1. **the coffee shop consumer that purchases specialty coffee beverages - frequency and dollar value are high; and**

\(^{18}\) (Coffee Association of Canada 2001)
\(^{19}\) Based on 400 million pounds being imported into Canada (Giovannucci 2001)
2. the whole bean consumer buying specialty coffee for home consumption from a coffee shop or grocery store - purchases are less frequent but brand loyalty remains an important factor.

The size of the specialty coffee industry, according to the Coffee Association of Canada (2002), is 6 percent of the market, equalling 24 million pounds of coffee per year (400 million pounds x 6%). In the United States 17 percent of the coffee market is specialty coffee (Giovannucci 2001). Therefore, the 6 percent figure for Canada may be conservative. Regardless, a market size of 24 million pounds based on a 6 percent market share is a respectable size. As the specialty market continues to grow, the subsequent market size available to the fair trade coffee movement will also increase.

Without dollar figures for the Canadian market, additional figures for the United States market give a useful perspective on the size of the specialty market. In the United States, the specialty market captures 40% of the country’s coffee industry value, US$7.8 billion of US$18.5 billion. It is most successful in the retail beverage sector at US$5.3 billion, 68 percent of the specialty market’s value. The remaining US$2.5 billion is comprised of whole bean sales, 32 percent of the total dollar value (Giovannucci 2001).

The Concerned Consumer

It is unfair to say that all consumers within the specialty coffee market are evenly matched in their likelihood of being interested in a fair trade option. While the conversion of all specialty coffee consumers may be desirable, it is wise to understand which segments are more likely to grasp the fair trade concept. Classifying socially and environmentally concerned citizens is not a precise exercise, and most attempts have been disappointing (Peattie 2001). For example, linking concern to socio-demographic factors is inconclusive. Levels of concern for the environment and society do not translate into purchasing behaviour, and not all green purchases are created equally. Although different purchases will trigger different behaviours among socially concerned citizens, it is important to understand general characteristics about the desired target market. Such a generalized profile can then be combined with more specifics regarding the purchase in question. A profile of the ‘Cultural Creative’ segment of society is proposed as such a profile.

Paul Ray and Sherry Anderson (2000) published a book titled The Cultural Creatives. They describe the emergence since the 1960s of a subculture in America that they refer to as the Cultural Creatives, comprised of 26 percent or 50 million adult Americans. This is a culture classified not by demographics, but instead by values. Demographics do not fit, as this group is diverse in terms of age, income, geographic location, etc. The only significant
demographic characteristic is that 60 percent are women and 40 percent men. Other characteristics of Cultural Creatives include:

- **Authenticity** – The need for actions to be consistent with what is believed and said.
- **Engaged action and whole process learning** – Summed up by Jean Houston, as quoted by Ray and Anderson, “the world is too complex for linear analytical thinking now. To be smart in the global village means thinking with your stomach, thinking rhythmically, thinking organically, thinking in terms of yourself as an interwoven piece of nature.”
- **Idealism and activism** – Acting on one’s values through direct personal experience. Cultural Creatives want to be an active participant in creating a better society.
- **Globalism and ecology** – The importance of whole systems and the need for solutions to ecological problems.
- **The importance of women** – Recognizing women’s ways of knowing: empathy, sympathy, personal experience, first-person stories, and an ethic of caring.

Not surprisingly, Cultural Creatives are careful consumers, “the kind of people who buy and use Consumer Reports on most consumer durable goods, like appliances, cars, and consumer electronics. For the most part, they are the careful, well-informed shoppers who do not buy on impulse. They are likely to research a purchase first and are practically the only consumers who regularly read labels” (Ray and Anderson 2000).

**Concerned Coffee Consumer**

The concerned coffee consumer segment is the combination of the coffee consumer and the concerned consumer. The resulting segment is the suggested target market for a fair trade coffee marketing effort.

The study of Cultural Creatives has not been conducted in Canada. However, extrapolating from the American study which has also been conducted in Europe, it is fairly safe to say that close to one quarter of the Canadian population would fall into this sub-category of society. This proportion combined with the data from the Coffee Consumer section provides enough speculative data to support the idea that a large portion of society should be an easy target for conversion to fair trade coffee. A conservative estimate of the potential size of the concerned coffee consumers market in Canada is presented in Table 7. Based on the Cultural Creatives sub-category of society at 26 percent and the Canadian Coffee Associations statistic of adult Canadians drinking coffee daily at 67 percent, the concerned coffee consumer segment is estimated at 4.39 million people. Converted to
pounds of coffee, this segment of society consumes 37.01 million pounds of coffee per year.\textsuperscript{20}

### Table 7: Target Market Size - Concerned Canadian Coffee Consumer

<table>
<thead>
<tr>
<th>Concerned Coffee Consumer Breakdown</th>
<th>Number of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concerned - 26% of adult population</td>
<td>25.2 million \times 26% = 6.55 million</td>
</tr>
<tr>
<td>Coffee - 67% of adult population</td>
<td>25.2 million \times 67% = 16.88 million</td>
</tr>
<tr>
<td>Concerned and Coffee - Segment of adult population</td>
<td>25.2 million \times 26% \times 67% = 4.39 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Concerned and Coffee - Size of coffee market</th>
<th>Pounds of Coffee</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.39 million \times 8.43 pounds = 37.01 million lbs</td>
<td></td>
</tr>
</tbody>
</table>

Note: Pounds of coffee per average consumer (conservative): 1.5 cups / day \times 0.0154 lbs / cup \times 365 days = 8.43 lbs

#### 3.6 Summary

The theoretical framework outlined in this chapter is rooted in social marketing, community-based social marketing, and consumer behaviour:

- Social marketing attempts to improve individual and societal welfare through voluntary behaviour change achieved through the application of adapted commercial marketing techniques.

- Community-based social marketing is the approach to social marketing selected for use in this case study on fair trade coffee. Within a modified five step CBSM process, this chapter provided context around the first three steps of the process – targeted behaviour, barriers and benefits, and behaviour change tools. This information is carried through to all of the remaining chapters.

- The consumer realm outlined the consumer decision-making process and consumer segmentation. Consumers are not participants in this study; however, the discussion of typical consumer behaviour and a description of the potential target market for a social marketing plan for fair trade coffee is instructive.

\textsuperscript{20} The estimate of 37.01 million pounds is considered conservative. The average coffee drinker consumes 3 cups of coffee per day. The concerned coffee consumer segment market size in pounds is based on a consumption level of 1.5 cups per day.
Chapter 4: Fair Trade Coffee Case Study

4.1 Introduction

Chapter 2 laid the foundation for the coffee industry globally, at a North American, and within the Canadian and American context. This chapter provides necessary context on the study area and the categories of industry players that are targeted for participation in this study. The qualitative methods chosen to gather and analyse data are also discussed.

4.2 Geographic Focus

Vancouver, British Columbia and surrounding area is the geographic focus of this study. Vancouver is a city of approximately half a million people, and the regional district within which it is found is home to just over 2 million people. At roughly half the province’s population, the Greater Vancouver Regional District is the third largest metropolitan centre in Canada after Toronto and Montreal (BC Stats 2002; Statistics Canada 2002).21

The large urban population facilitates a vibrant West Coast gourmet coffee culture. Coffee shops on virtually every commercial block act as a meeting place during the day and into the night or merely as a brief stopping point for those seeking their caffeine fix. Hundreds of coffee shops mark Vancouver’s landscape - large, small, local and international:

1. Starbucks, an international gourmet coffee chain with its roots in Seattle, Washington, runs at least 48 coffee shops in Vancouver alone.
2. Blenz, a 10-year-old Vancouver-based coffee chain, operates 17 of its 26 Canadian locations in Vancouver.
3. Second Cup, with a much stronger presence in Ontario, can be found in 7 locations in Vancouver.
4. Scores of other independent cafes line the streets with some running multiple locations while others offer only one venue.

While coffee shops are a near guarantee on any commercial strip, on any given day a hankering for a freshly brewed cup of fair trade coffee (certified or not) can be met in few locations. It is more common to find it on the supermarket shelves than brewed in a cafe. Many natural food and specialty grocery stores sell some form of fair trade coffee beans sourced from a TransFair Canada licensee or one of the local non-certified roasters.

4.2.1 Study Area Rationale

For the purposes of this case study, the study area is limited to Vancouver and surrounding area for the following reasons:

Specialty Coffee Hotbed

Vancouver and surrounding area is a hotbed for this niche market within the specialty coffee industry. As outlined in Chapter 2, the sustainable coffee industry is growing rapidly, and this trend can be seen across Canada and the United States. In Canada, the West Coast is the leading region for sustainable coffees including fair trade (Giovannucci 2001).

Concentration of Fair Trade Industry Players

The concentration of industry players makes it possible to collect sufficient interview data. The study area encompasses all types of industry players: non-governmental organizations (NGOs), roasters, retailers, and representatives from the certification body. Geographic proximity also facilitates interview dialogue as interviewees are familiar with many of the other players and operate within similar market conditions.

Proximity to UBC

Close proximity to UBC facilitates face-to-face contact with the interviewees, the preferred mode of contact. The ability to easily travel to meet with interviewees makes it possible to successfully complete interviews in an efficient manner. Increasing the geographic scope would make for a more inclusive analysis of the fair trade market. However, time and resource limitations on the part of the researcher precluded this option.

4.3 Case Study Participants

The case study participants are divided into non-governmental organizations (NGOs), the coffee industry, and certification bodies. Each of these groups plays a specific role in the fair trade coffee industry. The combined perspectives of these three groups provide a rich picture of the challenges and opportunities for fair trade coffee.

4.3.1 Non-Governmental Organizations

Numerous NGOs are active in promoting fair trade. Within the study area, NGOs run trade campaigns, sell non-certified fair trade coffee, and meet as a network to promote the fair trade market locally. While NGOs lack resources to attempt large-scale programs that
promote fair trade, they represent a passionate group of paid and volunteer individuals who are committed to the cause without any personal financial incentive.

Within the study area, the following NGOs actively promote fair trade:

1. The British Columbia branch of Oxfam Canada located in Kitsilano, Vancouver actively promotes and supports fair trade initiatives locally. Oxfam International launched a Make Trade Fair campaign in September 2002 of which coffee is a key component.

2. CoDevelopment Canada is an NGO that created a direct link to coffee when it established a coffee roasting and distributing division called Café Etico.

3. The Vancouver Fair Trade Coffee Network (VFTCN) is a non-profit alliance of individuals, churches, businesses, NGOs, roasters and importers in the Lower Mainland. The VFTCN works on raising the awareness levels of industry and consumers.

4.3.2 Coffee Industry

A number of private enterprises within the coffee industry, namely importers, roasters, and retailers, have decided that supporting fair trade coffee is a good business decision. There are three important differentiations between enterprises in the fair trade coffee industry:

1. The extent to which fair trade is applied to their business model varies. In some cases, an enterprise is 100 percent fair trade while in others fair trade plays the role of a product line instead of a way of doing business.

2. The role of the certification of the fair trade coffee sold. In the study area, there are enterprises that carry either certified fair trade coffee or coffee that is claimed as fair trade without a third party independent certification.

3. The size of companies varies drastically:
   - Very small roasting operations roast enough coffee to supply their coffee shop(s) and possibly a few wholesale customers in the local area, e.g. Origins Coffee Company and Cuppa Joe.
   - Mid-sized roasters operate multiple retail locations and have a growing wholesale business that likely expands beyond the study area boundaries, e.g. Cowboy Coffee Roasters.
   - The larger roasters most often have a national or international presence with Vancouver representing only a portion of their market, e.g. Starbucks and Canterbury Coffee Corporation.

While the perspective of each industry player will vary independent of the above three factors, it is important that each of these factors be represented in some capacity by the interviewees in order that a more complete range of perspectives is gathered.

4.3.3 Certification Body

TransFair Canada is the Canadian organization that represents the interests of the Fairtrade Labelling Organizations International (FLO), the international umbrella
organization for all certified fair trade products. As TransFair Canada continues to grow it will play an increasingly important role in the certified fair trade coffee industry. Currently, the number of TransFair Canada licensees offering certified fair trade coffee across Canada is 78 with 11 of these licensees residing in British Columbia. At the time of the study, five TransFair Canada licensees fell within the study area:

1. Strait Coffee Ltd. on the Sunshine Coast
2. Sierra Roasters in Coquitlam
3. Salt Spring Roasting Co. on Salt Spring Island
4. Canterbury Coffee Corporation in Richmond
5. JJ Bean – House of Coffee in Vancouver

4.3.4 Perspectives Not Included

Consumers and industry organizations were excluded from the study:

• The consumer perspective is critical, but difficult to obtain due to the low awareness level of average consumers. With unlimited time and budget, a comprehensive study involving consumers would provide a counterbalance to the perspectives of the case study participants chosen – those in the selling business, not the buying business.

• Industry organizations play an important role in the direction of the industry and its members. Examples include the Coffee Association of Canada, the National Coffee Association (USA), and the Specialty Coffee Association of America. None of these organizations have a presence within the study area.

By limiting case study participants to NGOs, roaster/retailers, and the certification body, depth was selected over breadth. Even within the case study area, many organizations within the three categories of participants chosen were not consulted due to limits on the amount of data collection feasible.

4.4 Qualitative Data Approach

Information on context and theory was gathered via a literature review. Academic and non-academic journals and books were consulted to aid in building a foundation rooted in: consumption, coffee, and social marketing.

The primary research approach chosen was a case study developed around the first three steps of the community-based social marketing (CBSM) approach to social marketing problems. The targeted behaviour, barriers and benefits, and behaviour change tools were the focus of the case study of fair trade coffee in Vancouver and surrounding area.

Semi-structured interview questions were developed for the first three steps in the CBSM process. The support of social justice through the purchase of coffee by consumers is the targeted behaviour. The barriers to and benefits of the proliferation of this behaviour
by consumers were explored. Finally, thoughts on social marketing strategies for addressing high priority barriers were discussed.

Sixteen of the eighteen interview requests resulted in one-on-one interviews spanning 30-90 minutes. Table 8 provides a breakdown of the interviews conducted by interviewee category type. The bulk of the interviews occurred between May 28 and June 25, 2002. Two interviews were conducted outside of this one-month period to accommodate the interviewees, July 7 and August 22, 2002. Face to face contact was the desired interview mode and only two interviews required a phone interview as a proxy to personal contact.

Table 8: Interview Summary

<table>
<thead>
<tr>
<th>Interviewee Category</th>
<th>Requested</th>
<th>Conducted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Governmental Organizations</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Roaster/Retailers</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Certification Body</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>16</td>
</tr>
</tbody>
</table>

Interviews followed the approved protocol of the UBC Behavioural Ethics Review Board. Certificate number B02-0234 was issued by the Ethics Review Board for this study of fair trade coffee and social marketing. Interviewees signed a consent form prior to the start of each interview. This agreement guaranteed confidentiality in the researcher’s reporting of interview data and requested the use of a tape recorder that could be stopped at any time.

Interview data was transferred from tape to full transcripts that were coded to conceal interviewee identity. Each computer file transcript was analyzed using Atlas.ti, a qualitative data analysis software. Atlas.ti was chosen for its ability to organize qualitative data, in this case interview quotes, into relevant categories allowing for easy identification of trends in the data. Once organized in Atlas.ti, the interview data was summarized in the voices of the participants chapter that follows.
Chapter 5: Voices of the Participants

This chapter reflects the voices of the participants beginning with an overview of the roaster/retailers interviewed. The remainder of the chapter corresponds with the three steps from the community-based social marketing process outlined in Chapter 3. The targeted behaviour is touched on, both internal and external barriers are covered, and a strategies section covers the ideas that were presented for overcoming identified barriers. The final section of the chapter provides participants' thoughts on the appropriate roles and responsibilities of the key industry stakeholders.

Quotes have been coded based on the category of interviewee, NGO or roaster/retailer, each of which has randomly been assigned a number from one to sixteen. The one interviewee that fell into the certifier category has been labelled as an NGO for confidentiality purposes.

5.1 The People Moving the Coffee

Within the roaster/retailer sector, the common thread was growth with incredible increases in sales over the past few years:

We are a young company and we are growing every month. Our sales as a company, from 3 years ago, will be 300-400 percent higher. So, it is hard to say where we are right now. It is probably 20,000-25,000 pounds. It could be easily at 50,000 pounds. It is really growing quickly; it's amazing. And we are getting more recognition as well. (Roaster/Retailer, 14)

The size of participants in terms of pounds of coffee handled per year varied drastically from as low as 20,000 pounds to as high as 100 million pounds:

I would say that last year's sales were 18,000 pounds of green coffee, maybe 20,000 pounds. It's in that range. (Roaster/Retailer, 11)

About 100 million pounds. It is growing all the time. (Roaster/Retailer, 16)

All roaster/retailers dealt with high quality specialty coffee and most conducted business in both the retail and wholesale area. Fair trade as a percentage of sales varied greatly. For one participant, out of 500 pounds roasted per week, sales of non-certified fair trade coffee were:

I would say 75 pounds a week. I would say that sales are about 50/50 organic and regular. The organic we sell more in retail and grocery. We do a lot through our stores. Through wholesale, it is a little less because the demand or knowledge is not there. So, for our wholesale and other customers it is less organic. (Roaster/Retailer, 14)
Other non-certified interviewees sold exclusively fair trade. Certified interviewees generally sold a small percentage of total sales as certified fair trade beans:

We do have some coffees that are organic certified only. We have some coffees that are organic certified and Smithsonian. We have coffees that are organic certified and fair trade. We have coffees that are triple sealed. And we have some coffees that come from cooperatives that grow organically but are very small and don't have any certifications. (Roaster/Retailer, 8)

Within the case study area, there is clearly a mix of certified fair trade, non-certified fair trade, and regular specialty coffee. Based on the responses of all roaster/retailer participants, Table 9 provides the breakdown of the type of coffee carried.

Table 9: Roaster/Retailer Profile

<table>
<thead>
<tr>
<th>Type of Coffee</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified fair trade &amp; regular specialty</td>
<td>3</td>
</tr>
<tr>
<td>Non-certified &amp; regular specialty</td>
<td>3</td>
</tr>
<tr>
<td>Non-certified &amp; certified fair trade</td>
<td>1</td>
</tr>
<tr>
<td>Non-certified fair trade</td>
<td>3</td>
</tr>
</tbody>
</table>

5.2 The Targeted Behaviour

The first step in the CBSM process is an identification of the targeted behaviour - the purchase of fair trade coffee by consumers. This targeted behaviour was determined by the researcher and is not an unknown during data collection. The behaviour in question - the purchase of fair trade coffee by consumers - was described by the researcher at the beginning of all interviews. Instead of asking interviewees directly for their definition of the behaviour, the line of questioning was directed at establishing the frame of reference within which the fair trade alternative operates.

Discussion of fair trade principles, its importance as a philosophy, its role within the specialty coffee market, and visions for its future in the coffee market provide insight into the targeted behaviour

5.2.1 Basic Principles of Fair Trade

The strength of the responses with respect to the underlying purpose of fair trade made it difficult to limit the number of descriptions presented here. Fair trade is a powerful philosophy rooted in social justice and fair pay. It is not just a certification:
From a simplest perspective, fair trade is a philosophy that gets more money and a more equitable business arrangement between roasters and brokers and coffee growers. We prefer to think of it as a philosophy rather than a brand of any type or a specific certification. (Roaster/Retailer, 1)

Important components of the fair trade system include community development, education, and access to credit:

We work with a cooperative and the fair trade premium we invest in education... We grant scholarships to rural students. That is the bulk of it. And we run a boarding house. Some of the students live very far away, so they have to board to be able to go to the higher grades. Because of their rural setting, they only go up to grade nine. We also put money into schools themselves. These are government schools, but the infrastructure and facilities are so poor that we have actually made donations of books, supplies, and furniture such as chairs and tables. Also, we are starting a program to lend money to people to start businesses. And that is the area that I wish I could be there to do more with. There is a lot of good potential there, and that is one of the highest needs. Education in my mind is the highest, but it is a long-term thing. It doesn't give you immediate, tangible benefits, but in the long term it is only way to guarantee development. More immediately, the need for credit is real. People are starting to realize that coffee is no longer as great a business as it used to be. It doesn't pay like it used to. So, that's where a loan helps as people think about other things to do alongside coffee. (Roaster/Retailer, 6)

Other central themes include a cooperative business model, long-term relationships with farmers, and the support for environmental sustainability:

Fair trade can mean different things depending on who the organizations are and the perspective the farmers, or the people in the South, are coming from. For me, the primary elements are the cooperative relationship, that it is coming from a cooperatively owned or otherwise community organization in the South. Fair wages. The long-term relationship with the producer and wholesaler or whomever is importing. That is the thing that I don't like about regular trade, it is bad enough that they don't get paid enough, but to have to be on the hook and off the hook whenever they need them is the unacceptable part. Depending on who the organization is, it might include organics, or the environmental perspective, as well as fair trade. But it is not necessarily the case, especially depending on the product. With coffee, it makes sense. In other things it might not. (NGO, 5)

Alternatively, conventional trade treats coffee as a commodity that is subjected to a speculative trading system:

It is unfair to subject a group of farmers to a speculative, investment-based market. It's got nothing to do with anything. A bunch of computer-based trading done on high points and low points on a day's market fluctuation has nothing to do with the quality or the amount of coffee being produced by farmers. (Roaster/Retailer, 1)

This system of trade does not support the principles of fair trade leaving fair trade as an alternative to free trade:
Fair trade is a process by which many people in organizations and individuals are supporting an alternative trading system in which the main objective is to make sure that the producers are being treated in a different manner than people have traditionally been treated through the conventional trading system or free trade. Basically, the whole idea and purpose is to ensure that there is a more just and fair treatment for the producers in terms of their wages, the working conditions, and their overall living conditions with the hope that in the long-term they will not continue to be exploited and abused particularly by people that get their product. Educating the consumers in the North American markets to change the consumer behaviours is why it is very important for us. Fair trade is basically the alternative system to the so-called free trade. (NGO, 13)

5.2.2  Fair Trade’s Place in the Coffee Industry

The coffee industry divides broadly into the specialty coffee market and the bulk, low quality market that is largely at the mercy of the commodity exchange:

We are part of what is called the coffee industry, but it is two very distinct industries. One, the specialty industry, buys very differentiated products based on quality and two, the bulk of the industry which is the commodity industry which buys a non-differentiated product based on price. So, we have two very different business models. Looking at the needs of the specialty industry, which is sensitive to quality and insensitive to price, and the needs of the commodity industry which is the reverse, we wonder what their interests are and what would be compelling reasons for them to engage in this. (Roaster/Retailer, 6)

The fair trade system caters to the specialty coffee industry, not the bulk, supermarket coffee market:

The other issue is all those people that buy the cheapest brand of supermarket coffees. I don't ever know if that is a market that we can go after. Probably the people that have made the switch to gourmet coffees are the ones that are going to be more readily switched over to fair trade because they are already used to paying higher prices for coffee, and they are quite comfortable with the idea of it being quality. (Roaster/Retailer, 15)

As a sub-sector of the speciality coffee market, there is no doubt that the sustainable coffee sector is hot:

In the coffee business, the sustainable coffees if you want to call it that for lack of a better word are definitely the fastest growing sector of the business right now. Even though the coffee market is in the toilet, we have never paid more than we pay now for green coffee. The differentials are absolutely crazy. The supply of these higher end coffees is disappearing. For some coffees we are being forced to book a year ahead for our purchases just to make sure that we can get it. (Roaster/Retailer, 1)

In the last couple of years, without exception, the only thing that has really done well in our market have been coffees that we have introduced that have been organic, bird friendly, fair trade. People are recognizing, and I think willing to spend a little bit extra money to buy something that is socially responsible, environmentally responsible. They are starting to understand what it means. We have introduced wonderful coffees that didn’t have those certifications and people

46
don't touch them. People that are looking to pay a premium are looking for that
greater socio-economic value. That is nice to see. (Roaster/Retailer, 8)

Regardless of its rapid growth, fair trade as a component of the specialty coffee market is
never going to grow to be the entire specialty industry:

It isn't realistic for us to think that we are going to undo the entire system and
suddenly all become direct traders. That is not how international trading works
particularly when you have a product like this where you have small suppliers
and big users. Still, we need to develop transparency. We, as a company, are
interested in that both for our customers and ourselves and really to ensure the
sustainability of producers. If they aren't getting paid well, they are not going to
be growing the coffee that we want and we are not going to have it to sell to our
customers. We have a strong business need to know this. We will try to change
this industry so that we can get more transparency not just for us but so that the
industry wakes up to the fact that this is important. It is very easy to look at the
end result and say this is terrible, how can we fix it. But it is important to
understand how you got there in the first place. (Roaster/Retailer, 16)

As part of a complex industry, fair trade is only one tool that cannot hope to solve the
many problems of the global coffee industry:

Fair trade is good in the sense of giving people more money. It makes it worth
their while to put more effort into the coffee. However, if you are just giving
them more money, where is the incentive to put the quality into the coffee? It is
a hard relationship. The end user wanting a good cup of coffee requires the
farmer to have a great product. Where in between can we make that product
work? Is it by giving more money? Is it by education? Is it a combination of
both? There are a lot of issues. It is not something that is cut and dry like we
will give you more money and we will have good coffee. We will pay more for
our coffee. Sure, you can pay more for bad coffee too. (Roaster/Retailer, 14)

5.2.3 **Visions for Fair Trade**

The promotion of the purchase of fair trade coffee is clearly a requirement for
achieving the visions held for the future of fair trade. It is the hope that fair trade will
become the status quo:

My vision is that it just becomes a status quo idea. Instead of it being the more
progressive community supporting it, it needs to become something that is
widely recognized and supported by everybody, more people than is now the
case. That would certainly be my vision, to increase awareness and interest and
support for fair trade products. (Roaster/Retailer, 15)

In this visionary market scenario where fair trade is the mainstream offering, variety and
availability will no longer be limiting factors. Certified fair trade coffee will be a convenient
alternative:

Certification talks about providing a variety of coffee, certifying a variety of
coffee. Soon, in theory, we can all find a certified fair trade coffee that suits our
taste and it will be available close enough to us that it will not be a major
problem to go and buy it. (NGO, 9)
Grand visions help to fuel the work of NGOs and industry players that continue to show their commitment to a fair marketplace:

We want to be seen as a company that is 100 percent fair trade, who has direct relationships with producers in developing countries, and who has exciting products for consumers here that are alternative choices to the multi-national varieties in the grocery stores. We want to be a good solid alternative. That is where we are heading.  

(Roaster/Retailer, 6)

5.3 Barriers

Barriers to the growth of fair trade in the specialty coffee market have been divided into internal and external barriers. Internal barriers are those that can be influenced at the consumer level. External barriers relate to issues that need to be resolved at an industry level. During interview discussions, the terms internal and external were not used to describe the two barrier categories. However, separating the barriers in this way allows for a clearer understanding of those that can be influenced directly by marketing activities, the internal barriers, and those which require systemic change within the industry.

5.3.1 Internal Barriers

Internal barriers have been subdivided into pricing and awareness issues.

Pricing issues

The price that consumers pay for a pound of coffee varies greatly based on a number of factors. Fair trade over conventional trade justifies a higher price:

Clearly the fact is that the price of any fairly traded product is more expensive than the conventional one. If the principles of fair trade are going to be applied, the price will have to go up. Many people refuse to pay more, and in some cases people are not able to afford it.  

(NGO, 13)

Consumers seem to be price sensitive when it comes to paying more for fair trade coffee:

The licensees talk about how people come in and talk a mile a minute about how wonderful fair trade is, but they notice it is a dollar more per pound, on a CDN$13 or CDN$14 pound of coffee, so they buy the non-fair trade.  

(NGO, 9)

The most noticeable price gap lies between specialty coffee prices and supermarket coffee. However, often a price gap also exists between fair trade and a neighbouring specialty
coffee offering. In some cases, extreme gaps do exist in the specialty to fair trade comparison:

People not charging a ridiculous amount for things because they can [is a barrier]. I know certainly when we have been out to Choices or Caper's or wherever and you see the coffee in there and it is CDN$18-20 a pound for fairly traded coffee or organic coffee versus the regular, normal stuff that is CDN$12 per pound. That is obviously an issue. If someone can buy something [and] there is no perceived difference to them when they look at it, but one is a third less than the other, most people are going to make that decision pretty obviously. (Roaster/Retailer, 1)

Pricing fair trade coffee far above the alternatives is not a strategy grounded in the principles of fair trade. One interviewee commented on the unfortunate presence of greed that plays into the pricing of coffee by some:

Most people don't think anything of paying CDN$3 for a latte out, but they won't pay CDN$17 for a pound of coffee to take home. I think personally that that is a huge issue. Roasters and retailers have to stop being greedy at all levels, wholesale as well. You have to deal with real people in a normal manner. You can't just jack it up because it is the thing of the moment. (Roaster/Retailer, 1)

Awareness Level

At an ideological level, concepts of fair trade do not hold a place in the worldview of western society:

There is a whole bunch of barriers. One of the first ones is that the ideological system of society won't allow people to see beyond. So, that is definitely number one, ideology. (NGO, 13)

The challenge of connecting consumers to their purchases is a struggle that is not limited to the issue of fair trade:

Fair trade in Japan is interesting. It really came out of the cooperative sector. Cooperatives there really began as buying coops mostly. Then they start thinking about how to get other stuff because they were so intimately connected to what they were purchasing through their worker relationship or whatever. I think that it is interesting the connection there. It's that connection to knowing where what you buy comes from that most people don't have. We don't know where our sport utility vehicles come from. We don't know where our food comes from. People don't know where stuff comes from. Once you start to learn where it comes from, you start to think, maybe I shouldn't be buying it or maybe we should be buying it differently. Maybe it is that knowledge. (NGO, 5)

Issues of ideology and the disconnection between production and consumption are fundamental concerns that extend beyond fair trade. More specifically related to fair trade coffee, there is limited consumer knowledge of the concept:

The only barrier that I see is ignorance, not knowing what it is or what it is about. It is like the transition that we saw earlier on with regular consumer
coffee to specialty coffee. People have to be introduced to it. People have to have broader exposure so that you see it in more places. It is going to be a slow growth thing. It may not take as long to grow as specialty coffee did. Specialty coffee has really matured over a 20 year period or 15 year period. Fair trade may only take half that amount of time. (Roaster/Retailer, 8)

There is a lack of awareness towards fair trade, and a misunderstanding of what it is. And some people think, is it really fair trade? They don't know about the certification, and they don't have the confidence in fair trade. So, that is something that is important to mention. I think for everyone, we need to raise more awareness and help people understand better. (NGO, 10)

In contrast to claims that knowledge is lacking, creating knowledgeable consumers is not an easy task. Many consumers that do have some level of knowledge may suffer from confusion and a need for proof that the claims made are true:

We need to be careful about how we present fair trade to consumers. We don't want to confuse them. There is already a lot of savvy, a lot of confusion in the marketplace as to what is and what is not organic. That whole movement is having some crisis because consumers are either sceptical that the claims are true or they don't know about it. Some people still don't really understand what organic is. It comes down to education. North America has made tremendous progress in the last 10 years educating consumers, telling consumers. People are starting to question. Where is that coffee made? How was the environment treated? How were the workers treated in the factory? (Roaster/Retailer, 6)

There is a need to convince consumers that claims are legitimate. We still have people coming in and saying, how do you know? From those countries, how do you know that it is organic? How do you know that it is fair trade? Convincing people is difficult. Number one is awareness. And then convincing them that it is legitimate. (Roaster/Retailer, 3)

There is a need for education in hopes of overcoming the lack of awareness regarding fair trade. Organics and the lack of awareness of that issue ten years ago is a useful parallel and gives hope for what fair trade can become:

The fair trade movement in my opinion has parallels to the organic movement. I keep flipping back to that because it reminds me so much of the organic movement. I still remember when with the organic movement you had to explain to people why it was necessary to pay more for fruits and veggies. They just didn't get it. It took quite a while before collectively people began to understand it. Now you would be hard pressed to find anyone that doesn't understand why it is important to support organics or recognize why it costs more. (Roaster/Retailer, 11)

The underlying assumption of improving awareness levels is that this will translate into more people buying fair trade coffee. The link between awareness and behaviour is not so clear:

Looking at the European model where there is 10 years of experience is instructive. They have huge awareness rates, in some countries approaching 85 percent public awareness and yet the average market penetration in Europe is 1.7 percent. You have an enormous amount of people knowing about fair trade,
but that doesn't mean that they act on that knowledge. So, I do not know if it is a matter of education. It is hard to know why consumers do what they do. But when we looked at environmental intent, and then environmental purchase, it just doesn't follow through. If any company knew how to make customers buy what they wanted them to buy, that would be worth knowing. The product is there, it is on the shelf, but that doesn't necessarily mean that they will buy it. People will cite all of these studies that say that 85 percent or 73 percent of the people say, but that doesn't happen when they go to make their purchases. Whether something looks better to them or they want more variety or they didn't think there was anything wrong with the product that they were buying, they don't see any extra benefit in this other one. Who knows what influences those decisions. I would definitely say that in the United States and Canada, awareness is much lower than it is in Europe. But whether awareness turns into purchase is unknown. I know that at least within our company, we have a steady demand for the product, but we do not have an increasing demand. It seems to be a group of people for whom this is a product that they want to buy and they come back and buy it all the time. But we are not seeing, over the last couple of years, growth in that. (Roaster/Retailer, 16)

5.3.2 External Barriers

External barriers consumed the majority of interview time dedicated to barriers. It is apparent that there are numerous systemic issues that need attention.

Niche Product or Market

For many roaster/retailers, fair trade coffee plays the role of a niche product amongst their other non-fair trade coffee lines. Other roaster/retailers are completely dedicated to the fair trade concept:

Fair trade is a concept that travels well. But we know that there is a lot more going on. I am much happier to go with relationship coffee or happier to go with other angles and not pay a premium and probably get better coffee for less money. There are other ways to skin a cat. As opposed to, hey fair trade is great marketing, I'm on board with that. I want to get a little part of that because I do get people asking for it. That's great, but how long term can we go with this? Who knows? (Roaster/Retailer, 2)

My comment on marketing is a reverse point of view. For Starbucks, and Nestlé who is looking at fair trade certification, for Sara Lee who has a fair trade coffee, these companies get into this and offer one line of coffee that has been certified organic and fair trade. If this is only one part of 20-30 coffees that they offer, it is just a marketing campaign. This is where Starbucks has their leaflet that can talk about their fair trade coffee and how wonderful it is by telling a warm, fuzzy tale that makes people feel really good about the fact that they are in Starbucks and that they are supporting this business. It's really a marketing tool, and it is public relations, and the bottom-line is that how committed are they to it when 90 percent or more of their coffees are not fair trade? (Roaster/Retailer, 11)

To some, treating fair trade as a niche product is an acceptable reality that contributes to the growth of the fair trade coffee market:
I know that many people that are in business are not completely committed to this for its own sake. I think that at some point that has to be accepted. It would be good if NGOs could find a way to use that, to work with that. There are bigger companies that are coming on board now. They are not committed to it out of deeply held principles. They are committed to it because consumers are driving it. That is okay because it is going to create a bigger market. If people can just find a way to work with that reality then I think that we will be a lot further ahead. As long as it is just small roasters doing it, it is not going to make a difference to that many people's lives. Once the bigger companies come on board, it will really start to make a difference. (Roaster/Retailer, 3)

Others, however, are not so easily convinced of fair trade as a product line. Fair trade deserves to be treated as a way of doing business:

I could say, how about we commit ourselves to selling 10,000 pounds of fair trade coffee. We'll pay the fee for that and put the logo on those 10,000 bags. It's window dressing because it is just saying that we want to tell consumers that we are fair, but only on these 10,000 pounds. On all of the rest of the coffee that we sell, we don't want them to know how we got it. I don't agree with that. It has to be a principle of the way you do business. (Roaster/Retailer, 6)

I really want to anchor the perception about our level of involvement in these issues that we are quite genuine and concerned about them. We are not just trying to tap into a niche market. After all, fair trade is being seen, like it or don't like it, by the industry as a niche market. I want to take the high road and not have it seen that we are looking at it as just a niche market. It is something genuine and sincere on our part. (Roaster/Retailer, 11)

**Social and economic systems**

International trade inherently involves different countries and their respective social and economic systems. The product itself may be simple, as is the case for coffee:

Coffee is very simple at its roots. The politics around coffee are frightening. But coffee has been done the same way for virtually 500 years. Roasting coffee is relatively simple. Brewing coffee, obviously, most people were brewing coffee for their parents when they were ten years old. It's the politics that becomes very difficult. (Roaster/Retailer, 1)

However, the diverse social and economic systems complicate attempts to standardize the rules of trade. This is especially true as programs are created and run from developed countries:

Barriers to fair trade, especially with third world countries, are going to be political and social situations where there may be internal wars and economic instability. It may be tough to support and administer programs in those types of areas. (Roaster/Retailer, 8)
Low system-wide prices

Presently, the struggles as a result of all time low coffee prices are impacting the sustainability of the coffee industry. The fair trade approach garners additional support when the commodity market price for coffee does not cover the costs of production:

People that will survive are the really small farmers or the really big operations. The medium sized farmers that aren't growing at the highest elevations are the ones that are going to suffer the most. They are the ones whose price of coffee reflects the "C" market price of coffee. Their cost of production is 80-90 US cents and the market price for your coffee is 40-50 US cents. They can't even afford to pick the coffee. People are abandoning their farmers. They can't afford to hire people to pick it. If they owe the bank money, the bank is just going to say well, you owe me money. Well, I can't pick my crop. I can't pay you, so they lose their farms. And when the banks can't get paid, you have banks collapsing. The socio-economic implications of a low market are horrendous. Third world countries are in such a fine balance as it is. (Roaster/Retailer, 8)

The low prices in the market can be attributed to over supply. With coffee demand being fairly stable, the supply of coffee needs to be managed:

Without anyone in charge of the system, we have enormous overproduction, 3.5 billion pounds of overproduction, which has driven down prices. You can't start by artificially manipulating the price. You have to go and do the heavy lifting and start reducing the supply, which ultimately moves people out of coffee. Or, diversify their income in some way so that they are doing other things. Really reduce the supply so that the price can rise up to levels that are sustainable. That is what needs to be done and that is the hard work that no one can figure out very well how to do. (Roaster/Retailer, 6)

The oversupply is linked to the large volumes of poor quality coffee that are produced, and poor quality coffee links back to low prices. Those that care to pay higher prices for green beans are highly sensitive to quality, the specialty coffee industry:

Another thing that could be done is to increase the quality standards for what is called coffee. That is something that the Specialty Coffee Association is interested in doing. But it has to be done gradually. Basically, there are a lot of poor quality beans imported. Sticks, things like that, all comes in coffee. If we were to raise the bar of what is coffee, we could reduce a lot of the volume of coffee, and that is one of the things that needs to happen. People talk about burning coffee or withholding it from the market. That is a temporary strategy that artificially raises the prices and I think goes nowhere. When the International Coffee Agreement fell apart, the market was flooded with coffee,

22 The New York Board of Trade (NYBOT) is the parent company of the Coffee, Sugar and Cocoa Exchange, Inc. (CSCE) of which the Coffee "C" futures market is one component. The Coffee "C" futures market is the primary market for washed arabica coffee, setting prices that are used globally as the benchmark. Visit www.nybot.com for more information. The corresponding market for robusta coffee is Robusta Coffee Futures market within the London International Financial Futures and Options Exchange. Visit www.liffe.com for more information.

23 The International Coffee Organization (ICO) is an intergovernmental organization consisting of members from importing and exporting countries. Between 1962 and 1989, the ICO created International Coffee Agreements that managed prices through quota and control conditions. International Coffee Agreements are still in affect today, minus the quota and control conditions.
which had been held back from the market because of these artificial constraints. I don't think that is a useful strategy for increasing prices. (Roaster/Retailer, 16)

**Quality**

Coffee quality was a pervasive issue amongst the roaster/retailer community. A barrier that exists in the fair trade system is that the supply of fair trade coffee is not consistently of a high quality:

The tie-in that has been missing for us is the quality. In the coffee business, the price you pay for ordering coffee is based, in a sense, purely on quality. The better your coffee, the more money you are going to be able to get for that coffee. Obviously, in the background, we have the "C" market that is going all over the place and affecting things. But at the end of the day, I will pay more money for a better cup of coffee. And fair trade is coming along and just saying 'pay more money'. The reality is that a lot of their coffees aren't that great. Why am I going to pay more money for something that doesn't taste as good? You could make the argument that in a sense we are supporting people that should not be growing coffee. They don't know what they are doing. For someone else that does, that has a better cup, why not support them? (Roaster/Retailer, 2)

The high prices paid for specialty coffee by roaster/retailers allows fair trade to find a place within that market. However, to be a competitive player in the specialty coffee market, let alone fair trade, quality is of utmost importance. This way of thinking has infiltrated the mindset of the roaster/retailer sector:

We are a local roaster and retailer of specialty and organic coffee. We pride ourselves on the quality of our freshly roasted coffee. Basically, our whole company is based on quality. The most important things to us are the quality of the product, the quality of the services, and how fresh everything is. People phone up and get their coffee. They order their coffee Monday. It is roasted Tuesday and delivered Wednesday. Everything is fresh. We look for a quality product, quality in the taste as well as quality for sustainability [through] organic and fair trade. (Roaster/Retailer, 14)

It is not only the roaster/retailers that expect high quality and variety. It is the opinion of some that consumers are driven more by taste than by principles. Or, at the very least, consumers are more sophisticated than they once were. They also demand quality:

The quality is often very good, but sometimes it is not. So, people buy coffee based on quality and there is a very small percentage of the population that will buy based on their principles. (Roaster/Retailer, 3)

In our market it has to be [high quality]. You can't serve less than a certain level of quality or people just won't accept it. If it is not a 100 percent Arabica high grown product, there is a significant difference in the cup quality. You can't serve that in this market anymore and get away with it. People's buying habits are changing dramatically. Most people now, when they drink coffee, don't make it at home. They go out and buy it. So, the standards are so much higher because you go out and expect to get a good cup of coffee. (Roaster/Retailer, 8)
The demand from consumers for high quality coffee sometimes places fair trade as a secondary product feature. For some, providing excellent coffee is the first step to selling their coffee, not being zealots about the fair trade philosophy. Fair trade is still important, but without quality there would not be any sales:

What we try to do is rather than being zealots about the issues is that we try to get people to buy the coffee because it is excellent coffee and then as a nice little bonus they realize that organic stuff doesn't have to be horrible. Fair trade, you don't have to buy it just because it is fair trade. It can actually be sustainable from a business perspective. (Roaster/Retailer, 1)

Quality was not seen as a problem in all cases. The positive spin on fair trade coffee being of a lower quality in some instances is that the quality has improved drastically in recent years. It was once an problem recognized both by the buyers and sellers of the coffee:

About 5 years ago some of the Nicaraguan coffee was horrible. But it's not like that now. You can get wonderful tasting fair trade coffee. (NGO, 4)

There was the issue back in the days when the only fair trade coffee that was available was Bridgehead.24 Quality and taste were definite concerns. And there is still a little bit of stigma attached. I think that most people now have tried another brand. But there may be the odd person out there that tried Bridgehead years ago. It is really too bad. The more that people sample good fair trade coffee, I think that people will generally say that, yes, it is good quality and it is something that they could certainly be happy to support. (Roaster/Retailer, 15)

**Lack of human and financial resources**

Whether the perspective was that of the certifier, NGO, or small roaster/retailer, a lack of human and financial resources is a barrier to doing more in terms of fair trade promotion. This reality is unlike that of the multinational companies that have the ability to hire dozens of employees to focus on marketing alone:

The size of an organization [is a barrier]. Just go to the Canadian Coffee and Tea expo, a trade show of four aisles in a fairly good sized room. A lot of people invest a lot of time and money into selling. It is a huge, massive, monstrous industry, and we might have to think a bit beyond the norm. We really need full time people at NGOs, at TransFair. We have to come up with models, like at TransFair, that generate a certain income so that we can guarantee stability to the project and have a lot of people working on it over an extended period of time. TransFair could be twenty people and it would be a fraction of a [large] coffee company's marketing department, and it would have to be doing more than marketing with that. I'm not saying that it isn't good that we have grassroots activity. But for that real penetration, it's not going to happen unless it is someone's job to do it. (NGO, 9)

---

24 Bridgehead Trading was created as a coffee importer, roaster, and distributor in 1981 by two United Church Ministers and two social activists. In 1984, it was acquired by Oxfam-Canada and formally established as a for-profit company. Sales grew to $6 million and included handicrafts in addition to coffee. Profits began to dwindle and when a 1998 restructuring effort was not successful, the company was eventually dissolved and sold to two of the management team members. Bridgehead (2000) Inc. is based in Ottawa and presently operates two coffeehouses. See [www.bridgehead.ca](http://www.bridgehead.ca) for more information.
The NGO sector is stretched extremely thin and presumes that the private sector is in a much better position to spend money on marketing:

Absolutely a major one for NGOs is the lack of human and financial resources that we have in terms of being able to do more focused work. You see the difference when you have somebody like Pistol & Burnes with a business. He has the capacity to hire a marketing person. We don’t have that capacity whatsoever within the NGO sector. Another problem is having the human resources available to help educate. I’m talking about specifically to educate. The people involved, for reasons of work or studies, have very little time to devote to this. (NGO, 13)

And smaller roaster/retailers do not have large marketing budgets. However, to affect change and make fair trade a household name, financial and human capacity is important:

The biggest barrier is that most of us involved in the fair trade movement, even the conventional companies that are beginning to carry fair trade coffee, don’t have a lot of money to put into promoting the fair trade product or fair trade concept. I would say it is a combination of lack of resources and lack of awareness. They sort of go hand in hand. The more that fair trade becomes a household name, the more people will support it. What is not to support if you are already buying a gourmet coffee... The barriers are really lack of awareness and lack of resources to raise that awareness in an effective way. We don’t have the kind of money that Nestlé and the [other] multinationals have to advertise and make something become a household name. I think that is what it would really take. Grassroots movements where we are really converting a person at a time, it is working, but it could be much more effective. (Roaster/Retailer, 15)

Availability

The availability of fair trade coffee is sporadic. It is difficult to market a product that has not established its ‘place’ in the market. It has yet to proliferate the mainstream market:

The biggest barrier that I have always felt is availability. That’s from the point of view of someone trying to do grassroots promotion of fair trade. You get all of these questions about the finer points of fair trade, but the final question is always where do I buy it? (NGO, 9)

Consumers are reluctant to change their shopping routine in order to buy coffee that is socially conscious. The location has to be convenient:

I think that overall for most people when they choose a coffee, first if they like it, and secondly if the price is reasonable. But it has to be available. If it is not [available] where they usually buy their coffee, very few people will make the detour to buy it out of ethical principle. (NGO, 10)

For convenience to improve, availability has to increase. For this to happen, the larger coffee companies need to embrace the fair trade alternative:

Some big companies are going to have to step up and support fair trade. We get a lot of flack at the stores for not having enough [fair trade coffee]. But we are
paying high prices for our coffee as it is. You have to look at the Nabobs. These huge coffee companies make up 90 percent of the coffee industry, and they aren't even close to fair trade. They are paying dirt for their coffee. It has to get to that level and encompass all coffee that is being grown. (Roaster/Retailer, 7)

Increasing availability and exposure may help to sway the reluctant roaster/retailers by showing them that fair trade is in demand. Of course, this is somewhat of a circular argument. For availability to increase, more roaster/retailers have to take the early risk and convert over to fair trade:

Some retailers are going to provide it and promote it hoping to attract people that know about it and converting people that don't. But then there are those that are driven by demand only, if their customers start asking for it. And that is where we come in to convince the consumers that this is a good thing and that they should start doing something about it. Unless we do that, a lot of the retailers aren't going to budge. Look at the number of coffee bars out there. It is pretty competitive. (NGO, 4)

Although there are those roaster/retailers that support claims that demand exists and is growing, some feel that more can be done to speed up the process of increasing the market size:

All of the big coffee companies in town are now coming out with a line of organic, fairly traded, or a combination of the two. Obviously when you see Canterbury and Café Classics coming out with those sorts of things, that would lead you to believe that people are asking for it. (Roaster/Retailer, 1)

Certification Debate

A popular topic in every interview was that of certification. There was a high level of support from NGOs and roaster/retailers for a certification program, and its importance in theory is clear:

We are very strict about the definitions because a lot of people use fair trade when it is not actually on the fair trade register. If it is on the fair trade register, and our broker sells it to us as fair trade, we label it as fair trade. Otherwise, if it is not, but our broker tells us that it is coop grown, we call it coop. We tell the customers what the differences are. We do the same with our organic coffee. Sometimes we have a coffee and our broker will say that this coffee is grown under excellent conditions with no pesticides, as far as we know. But it is not certified. We don't sell it as certified because there are so many people doing that where they try to muddy the waters and then customers can't rely on what they say. We think that it is important that customers be able trust us, and that if we say it is fair trade, it is on the fair trade register. (Roaster/Retailer, 3)

I support all of the principles of fair trade. To me, what I promote is certified fair trade. I think that it is a dangerous strategy to promote coffee that is not certified. (NGO, 10)

You have to have third party monitoring. You just can't do without it. There has to be some process in which you have third party monitoring. (Roaster/Retailer, 11)
The bottom line is yes there needs to be a certification, but I don't know what it is or how it exactly should be done. It's much easier just to say that there is a problem and not offer anything useful. (Roaster/Retailer, 1)

Regardless of its importance, not all roaster/retailers that are selling fair trade coffee carry the TransFair label. The coffee being sold may be certified through the FLO system, but the roaster/retailers are not paying into the system in order to display the certification label on their product:

A lot of our organics are fair trade, but we don't feel that we can call it that because we are not paying to the [certification] organization. But we are now starting to buy coffees that we know are fair trade, and just calling them fairly traded. I almost feel like all of ours is in a way [fair trade], but I think that I would get into hot water for saying that. (Roaster/Retailer, 7)

We are not certified fair trade. We buy certified fair trade coffee, but this company is not certified, so we cannot use the certified logo. We call it fairly traded. It is a good step toward the sustainability of the coffee farms and the coffee industry. It is not the only step. (Roaster/Retailer, 14)

And while the roaster/retailer knows that the coffee they label as fairly traded was certified at an earlier stage, the general public is reliant on the claims made on the packaging. No third party verification guarantees that the claims are true:

There is a roaster, not here, but not too far away. And when I read their packaging, I realized that is probably what they are doing. They make many references to fair trade, but they are skirting the issues. I haven't done anything about it, and I don't think that I will. That is the kind of thing that leads people to distrust the rest of us. (Roaster/Retailer, 3)

Becoming certified is not a straightforward process for many roaster/retailers. There are many reasons that these businesses decide to go the non-certified route:

It is a great theory. There are some issues with it. You will even talk to fair trade people that have those same issues. It is not the be all and end all. You can give anyone more money. What are they going to do with that money? Is the product any better because of that money? There are a lot of issues, and that is part of the reason why we aren't certified. We are in the process of probably being certified by the fall. Part of it was a cost aspect when we were smaller a year ago. We just couldn't afford to get it done [because of] the audits required and fees involved. (Roaster/Retailer, 14)

There are many grey areas that act as roadblocks for some:

It does help to have that certification and be able to say that yes, I definitely paid more for this coffee than I could have. We like the idea of fair trade and we will move towards being certified. We buy certified. Anything that we call fair trade is certified. We have a lot of issues of why we are not certified yet. We love the idea; we love fair trade; we love organic; we love premiums to our coffees, but there are other issues that are a little bit hard right now, especially for small companies. (Roaster/Retailer, 14)
The certification system does not offer fair trade options in all coffee growing countries or regions within these countries. This is a serious barrier for specialty coffee roaster/retailers:

[Certification] is a big problem with fair trade coffees. It's done from the perspective of the easiest countries to certify instead of a roaster's perspective of what do I need to make a coffee shop work. We have coffee from Indonesia, Central American, and South America. We have Mexican, North Americans, African, and Cuban coffees. We had a coffee in from Australia for a little while. We were just offered a coffee from the Galapagos Islands. (Roaster/Retailer, 1)

Availability would be great. If there were a wider selection, we would buy anything that we could get. I think right now we have all of the fair trade coffees that are available. Not every one from every country but at least one from every country from which a fair trade coffee is available. (Roaster/Retailer, 3)

An inherent characteristic of certification is its attempt to standardize. This is a difficult characteristic to uphold for a commodity sourced from scores of coffee growing regions that are subject to variability in production and distribution practices:

The hard part is that it is a very paternalistic view. Up here we are telling a bunch of farmers down there what they should be getting and what they should be doing. It is important to have a set of criteria, but at the same time, you have to recognize that every country is different. Every area is different. You can't sit up here in a boardroom and tell people what they should be doing in a foreign country on the opposite side of the world. The philosophy behind what TransFair is doing is fantastic, and it is necessary. But the criteria that they are using aren't necessarily the appropriate ones. And I think that TransFair is starting to recognize that. (Roaster/Retailer, 1)

Estates are a prime example of the standardization problem. Certified fair trade applies to farmer cooperatives; no other business model is accepted. This is a problem for some roaster/retailers:

The fair trade certification system does not certify single estates. But one of our main selling features is single variety coffee from single estates. Like wine, a single estate coffee is a very sought after item. With fair trade, even if the estate follows all of the guidelines, they cannot be certified fair trade. And that is part of our business, being able to promote a nice single estate. (Roaster/Retailer, 1)

The focus of the fair trade certification is fair prices for coffee farmers; environmentally friendly production and processing is encouraged but not required. One roaster/retailer would prefer to see a certification scheme that comprehensively addresses sustainability:

I don't necessarily agree with how [FLO / TransFair] have done it. They haven't addressed the issue in the entirety that it needs to be addressed. Sustainability, which is what fair trade is working towards as are many other aspects of organic and shade grown, is a far more complex issue than what so many articles, etc. would have you believe. And I think that fair trade has taken advantage of some grey areas. I am not thrilled with fair trade. (Roaster/Retailer, 2)
Many of the issues discussed above require changes to the fair trade certification system itself and the relationships between TransFair Canada and the roaster/retailer sector. Another level of concern focuses in on the consumer confusion around the label:

There is an awareness of the label to some extent, but there are some people that think it is a brand of coffee. They don't necessarily understand that it is a certification. That is an issue for an organization such as TransFair, to explain to people what certification means, get the recognition around the label and the recognition of certification. (NGO, 9)

The certified fair trade criteria need to be clearer. There are many certifications on the market that claim similar but different goals, causing confusion:

In their literature it speaks to organic and shade grown and it doesn't say whether [fair trade] is or isn't, it says that it tends to be. The average person that reads that assumes that is it. I have issue with that because it waters things down. You are going to get into a situation where the consumer is getting pulled in many directions, and they already are. There is fair trade, shade grown, Eco-OK, organic, relationship coffee. Who is going where? They all in a sense do the same thing. (Roaster/Retailer, 2)

This consumer confusion and lack of awareness creates a negative appeal for some potential TransFair Canada licensees. Certified fair trade is at a stage in its growth where it does not seem to have an impact on the consumer:

It is an issue of cost. It is an issue of defining what is fair trade. It is an issue of recognition. So, we carry the logo and we pay the fee, but does it make any difference in our business? Sadly, I don't think so. I really don't think that it will make a lot of difference to consumers. The movement needs to develop, needs to grow. It needs to do what it does better so that the average consumer is aware. (Roaster/Retailer, 6)

The certification scheme does not claim to be perfect, but instead pushes for supporting the certification and working to improve the system along the way:

We are going to take the certification idea, as imperfect as it is in some people's minds, and focus on it and promote it hard because that is what it takes, a lot of hard work. You can sit and wait for everything to be perfect, or you can go out and do something with what you have now. It is important that we go out and do something. (NGO, 9)

Even as an imperfect system, non-certified roasters are generally open minded about hearing more about certification.

I would love a visit from TransFair. (Roaster/Retailer, 7)
5.4 Strategies for Overcoming Barriers

The strategies for overcoming the barriers discussed in the internal and external barriers sections cover marketing explicit as well as other suggested strategies.

5.4.1 Mainstream Marketing

No mainstream marketing targeting fair trade exists in the study area. However, when questioned, interviewees felt that mainstream marketing channels could play an important role in increasing the profile of fair trade coffee:

I woke up the other day and realized that I had been dreaming about a TV commercial about fair trade. Even a commercial that is very general would be good saying where your coffee is coming from. The idea of making people ask the question, where did my coffee come from and who is getting paid what for it? I think that mass marketing is needed. Let’s face it, it is a mass market; it is the mass consumption market that is buying coffee. It is the most traded [legal commodity] other than oil. (NGO, 5)

The most beneficial result of using mainstream marketing strategies would be access to a wider cross-section of people:

Mass media is sadly one way to develop the market in terms of getting people to think about it. Quite often the way that fair traders are developing their markets is through their own circles and it is essentially preaching to the converted. It’s reaching the people on the west side who drive their sport utility vehicles to work every day and don’t really think about their consumption habits. That is the tough one, and that is why I think that mass media might be necessary. The big question is where does the money come from? (Roaster/Retailer, 11)

Mainstream marketing has the ability to make fair trade cool. This sentiment was expressed even though strategies aimed at creating a cool factor are considered to be shady:

One of the barriers limiting the success of the fair trade coffee industry has got to be awareness and lack of advertising. I hate to get into it, to play their same shady game of convincing people that this is cool, but we’re talking about social justice and that is cool. (NGO, 4)

It has been shown that marketing coffee though mainstream marketing is a profitable approach as large coffee companies spend large sums on such campaigns. One well-known campaign successfully altered the consumer perception of Columbian coffee:

The Juan Valdez campaign was the best marketing campaign in the coffee industry’s history. It was a beautiful campaign. Now people think coffee, Juan
Valdez\textsuperscript{25}, Columbian, we need Columbian coffee. We get a lot of people asking, do you just have basic Columbian coffee? Yes, but it is not the only coffee that we carry and it may not be the best or the worst. We do carry Columbian, but people ask for Columbian because they think it is the best. Marketing plays a big role in that. (Roaster/Retailer, 14)

5.4.2 Media

Media coverage was another channel that was highlighted by some as being important. For the NGO community especially, media offers an inexpensive means for communicating with the general public:

The media is definitely another major factor that is not on our side for promoting ideas that are new and not conventional. (NGO, 13)

In terms of goals for achieving [awareness], working with the media is very important. When we organize things, if you want to reach the mainstream, you need to use a mainstream way of getting that. (NGO, 10)

5.4.3 Awareness Raising and Education

Strategies for increasing awareness of fair trade span the complex to extremely basic. Within the NGO sector, educational campaigns are often the primary tool used to make change happen on a particular issue:

Our campaigns have been very unique in that they are international in scope. We are basically trying to have an influence on many levels. With our education campaign, when there was a meeting of world leaders, we were able to deliver a list of signatures. In terms of your campaign you have to be very specific about your target and what you are going to do and to be able to provide that to people... And the other thing that works for us is to have a whole bunch of people that are campaigners who get the training, capacity, and skills so that they themselves can do it. And the other important success for us has been our ability to provide packages of information that are available to people, so they can take it and run with it by themselves. And to link to resources, you have the link from our website where anyone, anywhere in the world can join the campaign at any time and be a part of an international movement. (NGO, 13)

Educate people. Continue to be active. Doing what we are doing. I'm sorry that I don't have any brilliant thoughts this morning about how we could change it overnight. We just have to keep pushing. It is an uphill battle. (NGO, 4)

The roaster/retailer sector may see education as an important element to the success of fair trade. However, the majority of roaster/retailers are not expending very much energy on education for a variety of reasons. Not unlike many of the NGOs, small roaster/retailers suffer from a lack of financial and human resources:

\textsuperscript{25} Juan Valdez was a creation of the National Federation of Coffee Growers of Columbia in 1960. The Juan Valdez campaigns are still active today. Visit \url{www.juanvaldez.com} for more information.
Education of consumers is important, anything that can be done to spread awareness. As a small business, we do a fair amount of that. But we are spread so thin trying to keep our heads above water, and just burnt out on it now after seven years. We still do a fair amount. We have gone and spoken to the Rotary Club, schools and that sort of thing. But we just don’t have time. If there were other educational campaigns that relieve that burden that would really help. I find that once people learn the issues, they are interested. Of course, not 100 percent of the population really cares, but a good percentage does care, but doesn’t have access or time to access the information. (Roaster/Retailer, 3)

If information is provided, a gentle approach to education is taken:

Here at our retail store we don’t make a big issue [out of fair trade]. It is on all of our bags. It is on all of our logos. It’s on everything, but we really try and go gently with it. We have information available for people that are interested. Periodically we will slip an information sheet in everybody’s coffee bag to do a little bit more. (Roaster/Retailer, 1)

When we sell our coffee, we educate our customer in our store. If we can spend 30 seconds telling the customer what [fair trade] means or why it is important. If they ask the question 'what makes fair trade different’, we can at least give them a couple of seconds about why. That’s more important than just seeing a logo, certified fair trade must be good. We don’t know if that is good. It might be good to give money to the farmer, but is the coffee good? What’s the reason behind it? There is a load of education that needs to be done and I think that is where it is more important. Can you organize that? I don’t think so. I think it has to come from smaller companies like us to try and educate. People support our company and buy our coffee. (Roaster/Retailer, 14)

Fair trade is clearly a complex issue that can be overwhelming to consumers that have no knowledge of the coffee industry. It may not be necessary to educate consumers in-depth about fair trade but instead highlight the facts that all consumers can relate to. For example, the very small price the consumer pays for social justice:

You motivate people to do something that they feel makes a difference and just inform them that here is something that you can do and this is why it is important. This is the difference that it could make. It is not that tough for you to do. No one is asking you to pay CDN$100 more a week or asking you to walk to work in the rain or whatever the things are that you hate to do. You don’t have to chew broken glass, all that you need to do is spend CDN$1 extra a pound for your coffee, and it makes a difference. (Roaster/Retailer, 1)

Keeping the message simple is not a universal sentiment. Some roaster/retailers feel as if the information that is currently being provided only scratches the surface and simplifies an issue that deserves to remain complex:

I would like to see more addressing of the complexity of the issue and fewer news articles with a few sound bytes or quotes that only scratch the surface of what is going on. Play both sides of the story instead of just, this is what we are doing, this is the right way, this is what you can do, etc. (Roaster/Retailer, 2)
Regardless of the level of detail conveyed, education must be convenient. You cannot expect the average consumer to go out of their way to learn about fair trade:

In our society, everything is based on convenience. That is why they are going there to buy the coffee, because it is convenient. If they are going to learn about it, you have to make it just as convenient. Maybe you have to make a fair trade cup or a fair trade brochure that they can grab if they have the interest in seeing what it is all about. Otherwise they won’t care. That is the way it is. That is the way that people are. They are all busy and hustling around. That is the way that it is for me. (Roaster/Retailer, 8)

5.4.4 Other Marketing Strategies

Mainstream marketing and education were by far the two approaches that received the most attention during interviews. Some of the other ideas deserve mention:

- Understand the best practices coming out of regions that have already attempted to create a market for fair trade:

  Talking to other groups would be interesting, doing a more exploratory study of the European and US market because they have had more successes and have used marketing and other tactics. Like they say, why reinvent the wheel. Even having one person dedicated to working on this issue for a while would make a difference. It has been really hard. We are limited as a volunteer group with our other interests and demands on our time. (Roaster/Retailer, 15)

- A fair trade conference:

  Things like doing a fair trade conference or a social and ecological justice fair. Any opportunity for people to dialogue about these issues and the alternatives is raising public awareness. Until you get that basis it is hard to launch. I’m not saying that you can’t launch. I’m just saying that you need some sort of basis to get it out. (Roaster/Retailer, 11)

- A reliance on word of mouth for the sale of fair trade coffee. This can be a common approach in the absence of money for marketing:

  I was smiling when you asked about our marketing technique. Well, most of our wholesale customers have come through word-of-mouth or through people stopping in at the retail store and having a cup of coffee and saying ‘Wow’. So, we aren’t very effective marketers. (Roaster/Retailer, 3)

- Fair trade should be a more prominent item on the research agenda:

  A big thing for me, and I don’t know who is responsible for this or who should be doing this, but it feels like there needs to be more research, more studying and learning about the potential for fair trade. It just feels like if you go look for statistics on anything, how many shoes are bought, what colour they are, we get everything in terms of the market. Our market is developed through research. And, yet, if you try to find information about fair trade, it is very undeveloped. The research side isn’t there yet. And maybe that is a yet. Maybe it is just a matter or time. (NGO, 5)
• Donations of coffee

Instead of having a real advertising budget, we give away two or three coffee donations every day of the year. That is our advertising budget. (Roaster/Retailer, 3)

We donate to a lot of arts organizations and we make sure that the information is out with that. (Roaster/Retailer, 1)

• The use of fair trade coffee as a fundraising activity:

We sell a lot to groups that are interested in fair trade: clubs and universities. Schools use our coffee for fundraising. The kids sell it and use the money for trips. The coffee fundraising is a nice idea. We sell coffee, so it’s good for us. And the schools get CDN$2 a bag or so. So, it is a better than the chocolate. It has worked well, and we hope to do more of that. But it does take a lot of time and effort to develop that. (Roaster/Retailer, 6)

• The importance of getting involved with the community as a way to build the market:

We’ve found that advertising doesn’t really do much good. Personal contact is good, but it really depends on who is doing it. We just recently had another unsolicited newspaper article about us. That was more effective than anything locally that we have undertaken. The other thing that we do is that we support any local activity, event, or charity that comes in and asks for a donation. We give them coffee. We consistently get good feedback on that. (Roaster/Retailer, 3)

5.5 Roles and Responsibilities

Most CBSM programs are initiated by an organization planning to pilot the program and possibly conduct a full implementation. However, that is not the situation in this case study. The CBSM approach has been applied to an issue without plans for a practical application of a CBSM program. For this reason, interviews concluded with a discussion of possible stakeholder roles and responsibilities in terms of addressing barriers and implementing marketing strategies.

It is much easier to discuss what strategies should be done such as more marketing and education, but it is important to recognize that these strategies will not be implemented unless it is part of someone’s mandate. Before drawing conclusions as to whose job it should be to do more education versus mainstream marketing, it is important to recognize the diversity of players involved with the fair trade issue and the potential for better market cohesion:

In terms of retailers and wholesalers, I see a real problem in Canada being a lack of cohesion in the market, which I think is what TransFair is supposed to be doing. It is what they do more of in the United States. It seems like TransFair should be a marketing board in a way, pulling together those selling coffee and disseminating information for retailers across the board. Instead of the market growing cooperatively, coffee shops, wholesalers, whomever are competing and it turns into hardcore competition. There is huge competition... I think that is what has stunted or slowed the growth in this sector, the competition. (NGO, 5)
I encountered bias when we were first trying to do [fair trade]. We were looking for sources of fair trade coffee before our broker was carrying it. I had been talking to the people from Equal Exchange and trying to get beans from them. This is in 1996. They wouldn't deal with us unless we would go 100 percent fair trade. I can understand their perspective. But from our perspective, nobody was interested in it up here. We were driving it. If we had to charge such a premium for our coffee, for all of our coffee, we wouldn't be able to do business. They were not interested in that sort of reality. They were condescending, at least the person that I dealt with about the realities of staying in business. I have encountered that on a lesser scale a few times dealing with NGOs. They are the purists and we are just the, I don't know what term they would use. There is that feeling and I think that it is holding back what could be a much more energetic move if it were more of a cooperative atmosphere. (Roaster/Retailer, 3)

The reality is that there is a great deal of potential for what can be done. We need more people and more commitment. I'm not talking about the finances. I am talking about people coming and being clear and consistent about the principles and barriers. My vision is that it would be nice if more and more people, unions, the churches, NGOs, roasters, small businesses will come together to work together on this. That would seem to me to be the only way that we can be more successful. (NGO, 13)

5.5.1 Understanding the TransFair Logo

Certified roasters/retailers should leverage the certification angle in their marketing and education efforts. To support roaster/retailers' marketing efforts, TransFair Canada could provide more information materials to their licensees:

I certainly don't have any criticism of [TransFair] because I know that they are underfunded and so on. The only thing that I can tell you that would be helpful would be more information that we could hand out, really well done marketing material. It just really helps. I got some roaster stories from them, and we gave them to the churches that we roast for and they put them up on their bulletin boards. It really makes a connection between the producers and the consumers, and that is essential if you are going to make people care about it. Anything like that can help make that connection. I see their access to information and resources as complementing what we do. I am sure that they could do other things independently of the roasters, but from our perspective, that is what I think we need. (Roaster/Retailer, 3)

TransFair doesn't necessarily have prepared brochures that you can make available on why sustainable coffee is better. They are open to working with you to develop things, but TransFair is still in its infancy and is just getting rolling now. Going forward, the more information that can be provide the better... If [consumers] ask questions about it in the future there is more elaborate literature, and they take the time to read it and understand it, then slowly people will start to come around to it. (Roaster/Retailer, 8)

In conjunction with directly supporting licensees, TransFair Canada needs to work on market recognition. It is their responsibility to increase the public understanding of the certification logo:

They should look for a Kofi Annan or a Princess Diana. They should find a way to capture the attention of the public. It's clear that the money that we roasters
pay TransFair doesn't go to the farmers. It goes to fund their activities in North America and part of it goes to FLO so that they can send their people to inspect the coops and help the coops be fair to their farmers and so forth. All that is great. I am all for that. But TransFair could do things better if they could rally the support of someone that has tremendous prestige, credibility or marketing power. (Roaster/Retailer, 6)

Certifiers need to have a credible system and facilitate the certification, communication, and consumer knowledge of the certification. (NGO, 10)

One suggestion of how to increase market recognition was through a level of legitimacy only possible by gaining support from a high profile partner:

[Fair trade] needs to be supported by a very legitimate organization, an organization that people either know well because they are either out there in the forefront of consumers or they are very legitimate. For example, a concerted effort from large organizations like the UN or CIDA that give money for aid. Can we find a way for CIDA to affect [fair trade coffee] development because essentially that's what the government says, here is a CDN$1 billion spend it helping poor people do better. (Roaster/Retailer, 6)

A more immediate solution is for TransFair Canada and the roaster/retailer sector to work more closely together to communicate the certification message to the coffee consuming public:

What TransFair and the roasters are going to need to do is come to some sort of arrangement and think long-term with it. If TransFair doesn't play well with them or does alienate them, they become irrelevant in the West. That becomes a problem. You have to make sure they are responding to the issues that these roasters have. If they can rein the roasters in, they open up a tonne of opportunities. (NGO, 12)

5.5.2 The NGO Sector

NGOs play an important role in educating the public even though many of the efforts are small:

Take every little opportunity to get the information out. And, like I said, a lot of these local grassroots organizations like the Vancouver Fair Trade Coffee Network are a fantastic way of doing it. (Roaster/Retailer, 1)

All of the small efforts combined equal a substantial constituency of supporters:

There is a huge amount of grassroots ability among a number of the Catholic organizations and a lot of the NGOs. I personally think, a number of us here in town think, that TransFair has really missed the boat by not working more with these groups. We have talked quite a bit with Development and Peace, the Catholic organization. They have people in all of these communities where they sell coffee. And they can make a connection to the people in all of the parishes across the country. The Catholic Church isn't exactly in everyone's good book right now, but at the same time they have an incredible ability to get information disseminated amongst a large group of people. (Roaster/Retailer, 1)
For NGOs that are not active in a fair trade campaign themselves, supporting fair trade should be an easy sell. It is important to see that this sector puts their money where their mouth is:

Unions, churches, and social justice organizations should promote it but they should put their money where their mouth is. They should use it. My own organization nationally should support it more than it does, but they have limited resources in terms of money and staff, and they have to focus. In their wisdom, they say no, we can't, it would stretch us too thin. I have to buy that. I have to respect that. I wish it were otherwise. (NGO, 4)

While there is no debate that the efforts of NGOs are important they cannot hope to create a mass market for fair trade coffee.

In marketing it is the committed consumers, and a lot of them are [highly committed]. They take their friends to buy fair trade coffee. And I think that is pretty interesting. I would almost lump them in with NGOs. Yes, there is a role for grassroots for promoting fair trade. But that can be very challenging and you have to be careful. We really have to take fair trade beyond a niche product in order to make a significant impact on the world market. If we are going to see that happen, we will need massive penetration, way more than 5 percent. The big companies are not going to bring in these buying practices until it becomes obvious that if they don't, they will lose serious market share. That is a vision that the traditional fair trade people would probably laugh at, but people will talk about changing the fundamental terms of trade between North and South. What that statement really implies is that we are really massively going to change how trade happens. You have to shoot for it, or we will never achieve it. To some extent, the work that consumers and grassroots groups do is important, but it is challenging for them to really hit that segment. (NGO, 9)

The efforts of NGOs can be most effective when they find a way to work with the other industry actors:

I was thinking about Equiterre and their brochures. They are very effective. We will often include them in our package to a prospective customer just because it really explains the issues in a concise way. They are not too wordy which a lot of things about fair trade tend to put people off because they are too dense. You can combine NGOs' information with the energies of the small businesses. I think that would work. (Roaster/Retailer, 3)

5.5.3 Industry

While NGOs, government, and the certification body have their respective roles to play, the industry itself has the closest connection with the end consumer, the mainstream market:

To appeal to the mainstream audience, we have to find people that are closer to the mainstream than NGOs. If that means roasters, retailers, and importers, we somehow have to get them on board and ensure that there is enough invested in it for them to want to do that work. (Roaster/Retailer, 15)
Industry should be doing more to educate consumers:

Retailers have to be doing a lot more to educate the people that are coming into their stores. There is a real need to be educating people about why it is important to be supporting this. (Roaster/Retailer, 11)

5.5.4 Consumer

Very few comments were made on how consumers can play a role in increasing the market for fair trade. However, how consumers choose to spend their food budget can have a large impact:

I know that budgets are tight, but food is one of the few areas where you can exercise quite a bit of change in your personal life. It is one of the luxuries that we have in North America, the ability to access anything in a store. The choices that you make are one of the few ways that you can make a difference, even in a small way. Fair trade can be quite prohibitive for a lot of people that are on a tight budget. You do the best that you can with the budget that you have. If the budget is there, the choice is between spending CDN$20 at the movie theatre or buying fair trade coffee. For me it is very clear. Its one way that I can support local, support fair trade, its one thing that I can do where I make choices that are ethical. (Roaster/Retailer, 11)

5.5.5 Government

There is limited expectation that government would play an active role in the promotion of fair trade coffee. Some interviewees suggested that the government could be more active in fair trade issues through their international development budget:

I don’t understand why there isn’t more of the international development budget going to fair trade. It just seems like such a natural to me. (Roaster/Retailer, 3)

Others felt that it is the government’s responsibility to take a strong stand in terms of trade policy when it comes to fair trade:

In an ideal world, I think that coffee coming from non-fair trade sources should not be able to enter Canada. That’s my ideal vision. I know that with the free trade agreement, that is not realistic right away. But somehow we should push for those things, go for the most radical, demand it and see what they can do. Because the way that the free trade agreement is working is really not beneficial. (NGO, 10)

5.6 Summary

The data collection and analysis phase of this research produced some diverse and interesting results from participants of all shapes and sizes - NGOs, roaster/retailers, and a certification body:

- While the targeted behaviour of promoting fair trade coffee purchase was not explicitly discussed, participants gave feedback on fair trade’s basic principles,
its place in the coffee industry, and visions for its future role. These results were fairly consistent across participants.

- Discussion around barriers to the promotion of fair trade covered a wide spectrum of responses, and both internal and external barriers emerged during interviews.

- Internal barrier data was less extensive than external barrier data. The internal barriers discussed were simply pricing and awareness issues.

- External barriers included fair trade as a niche product, social and economic systems, low system-wide prices, quality, lack of human and financial resources, availability and the certification debate. These barriers are clearly occupying the thoughts of many of the participants, more so than internal barriers.

- Mainstream marketing, media and awareness raising and education were the primary marketing strategies suggested for overcoming internal barriers. Strategies were not discussed in detail during interviews and many participants had limited direct promotion experience.

- There was a reluctance to assign roles and responsibilities to general stakeholder categories. However, enough was said to formulate some ideas around what TransFair Canada, NGOs, industry, consumers, and the government could be doing to better support fair trade. Generally, all stakeholders should be doing more individually and collectively.
Chapter 6: Discussion

6.1 Introduction

For ease of comparison, the discussion chapter is organized into sections that match those of the Chapter 5, voices of the participants. While the purpose of the results chapter was to present the voices of the participants without injecting interpretation, this chapter allows for the researcher’s perspective and a glance back to the literature discussed in Chapter 3, social marketing as a tool for change.

6.2 Basic Principles of Fair Trade

Attempts to define fair trade and its relationships to coffee uncovered a wide spectrum of results. Generally, fair trade was described as a philosophy directed at community development in coffee producing regions. As a philosophy, fair trade sounds wonderful; no one denied this fact. And within social marketing’s definition of appropriate target behaviour, promoting the purchase of fair trade coffee fits well. Supporting social justice through coffee consumption contributes to society’s well being, society being the entire global village of developed and developing nations.

Industry’s support for fair trade seemed limitless until the realities of the marketplace kicked in. It is the barriers, both internal and external, that are slowing down this market’s growth.

6.3 Barriers

6.3.1 Internal Barriers

The results focused much less on internal barriers than had been anticipated. Social marketing programs target internal barriers because those barriers relate directly to an individual’s ability to make a change to their behaviour. Price and awareness were the internal barriers highlighted in the results of this case study. Additionally, the knowledge-
behaviour gap and confusion were important components of the awareness barrier (see Table 10).

Table 10: Internal Barriers to Fair Trade Coffee Purchasing

<table>
<thead>
<tr>
<th>Internal Barrier</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>Perception that fair trade coffee is too expensive in comparison with other gourmet coffees when there is only a minimal price difference.</td>
</tr>
<tr>
<td>Awareness</td>
<td>Lack of knowledge of fair trade.</td>
</tr>
<tr>
<td>Knowledge-Behaviour gap</td>
<td>While knowledgeable, behaviour is not in line with this knowledge.</td>
</tr>
<tr>
<td>Confusion</td>
<td>The vast array of 'sustainable' coffees (fair trade, shade grown, organic) causes confusion.</td>
</tr>
</tbody>
</table>

**Price**

Price was discussed predominantly in the context of specialty versus supermarket or mass market coffee. Because fair trade demands a higher price for green beans, it cannot compete in the mass market and must instead reside in the specialty coffee market. Even as a niche product within the larger specialty market, there are often price differentials between fair trade and regular specialty coffee.

The price for fair trade specialty coffee being slightly higher than the regular specialty coffee alternative is the result of a few key factors. The fair trade system, in its infancy, suffers from lack of economies of scale. With relatively small amounts of coffee travelling from producer, through trader, to the importer, and on to the roaster/retailer, the costs at each stage will be higher than with bulk purchases made by large industry players. Cost increases are most noticeable when the importers and roaster/retailers are small and variable costs at a per pound basis are higher than for large roaster/retailers. These cost increases are at developed country prices and will be more strongly felt by the consumer.

Some interviewees expressed disdain towards roaster/retailers that charge what they felt to be higher than acceptable prices for their fair trade coffee. Most specialty roaster/retailers claim to be paying at least fair trade level prices (US$1.26 per pound) for all of their other coffees. So, pricing one alternative above the others just does not make sense.

In some cases, the only rationale for a higher price is greed. While consumers may be 'willing to pay' slightly more for sustainable coffee alternatives, it is not ethical to increase the price for the benefit of the business selling the coffee to the consumer. Even though there may be some level of 'willingness to pay', price sensitivity was highlighted as a barrier to the purchase of fair trade coffee that is sold alongside a lower priced regular specialty coffee.
Awareness

The majority of interviewees recognized a lack of consumer awareness as a barrier, especially the NGO sector. The Coffee Association of Canada conducted a survey in the winter of 2001 that substantiates the feeling that people’s knowledge of fair trade is limited. The survey found that only 11 percent of Canadians claimed to know about fair trade, indicating that knowledge of fair trade does exist as a barrier (Thompson Lightstone and Company 2002). Although awareness is a problem, the market for fair trade coffee continues to grow. This is not a surprise when the market share is less than 1 percent of the Canadian coffee market.26 There is still plenty of room to grow before a fear of exceeding consumer knowledge of the term is reached.

Regardless of the low level of awareness and the relative market size of fair trade coffee in Canada, fair trade roaster/retailers are not compelled to invest additional resources into raising consumer awareness. The sustainable coffee survey conducted by Giovannucci substantiates this sentiment. When determining the value of sustainable coffees to their businesses, the specialty coffee industry ranks the following seven factors in order of importance (Giovannucci 2001):

1. specialty quality or taste;
2. opportunity for differentiation;
3. customers asking for it;
4. better profit margins;
5. personal beliefs about chemical-free agriculture;
6. personal beliefs about biodiversity or the environment; and
7. personal ethics about fair trade for the growers.

Quality and the opportunity that sustainable coffees present for niche marketing exceed the importance of customer demand, surprising in light of the fact that “customer demand is usually the primary driver for business, especially socially responsible business” (Giovannucci 2001). A different survey question asked industry to rank the effect of five distinct factors on their buying and selling choices. The results in order of importance were:

1. coffee quality;
2. consistent supply;
3. convenient supply;
4. customer awareness; and

26 600,000 pounds of certified fair trade coffee estimated for 2001 out of a 400,000,000 pound industry in Canada (Giovannucci 2001; TransFair Canada 2002)
5. low price.
Again, the consumer effect on industry's behaviour is of a low degree of influence.

**Knowledge-Behaviour Gap**

The Coffee Association of Canada's Winter 2001 survey reported that 11 percent of Canadians are familiar with the term fair trade, but they also reported that 4 percent claim to purchase fair trade coffee regularly. There is a gap between consumers claim of knowledge and their behaviour. Seven percent of those claiming to be familiar with fair trade do not purchase it regularly. Even if consumers are made aware of a fair trade alternative, the more difficult hurdle is converting this knowledge into the targeted behaviour. The knowledge of this gap may partially explain the disinterest by industry in more strongly supporting an awareness raising initiative. Instead, they rest assured that consumers will buy their coffee if they focus on providing a high quality product.

**Confusion**

Confusion was highlighted most clearly in the certification sub-section of the results chapter. Even though this section was broadly framed within the external barriers section, the effect of an extremely unclear certification situation is indeed an internal barrier.

While this thesis addresses fair trade only, consumer and industry confusion is exacerbated by the different terms in the marketplace. "There is considerable confusion about what the three terms organic, fair trade, and shade actually mean. Failure to promote or educate about standardized terminology will likely lead to the deterioration of terms such as shade grown coffee until they are as meaningless to a consumer as the word natural" (Giovannucci 2001).

Presently, if the three sustainability claims (fair trade, organic, and shade grown) were compared in terms of consumer and industry understanding, organic would receive the highest rating. The term organic has played a solid role in the marketplace for the past decade in other consumer products. It is not surprising that consumer understanding has quite easily transferred to its application to coffee.

The confusion barrier is closely connected with the lack of consumer awareness barrier. With limited success penetrating the consumer market by NGOs and limited effort by industry, it is not surprising that confusion is a problem. However, it is not a barrier that will dissolve on its own. There are long-term negative effects in an industry juggling multiple messages and accompanying certifications. "Confusion about fair trade standards may cause controversy detrimental to the movement" (O'Brien 2002).
Price, awareness, knowledge-behaviour gap, and confusion are not insurmountable barriers. A social marketing program could address those barriers. However, this approach would be doomed to fail in light of the serious external barriers at play.

6.3.2 External Barriers

External barriers consumed the majority of the interview time allocated to discussing barriers. It was not for lack of recognition on the researcher’s part of the existence of these barriers. Instead, there was a hope that interview discussion would be limited to internal barriers as social marketing programs are designed to tackle internal barriers, not external barriers. However, it is not wise to implement a social marketing program when there are serious external barriers that may limit the program’s success. There is a need for efforts aimed at removing some of these barriers before attempting a social marketing program. The external barriers highlighted in the results chapter are summarized in Table 11.

<table>
<thead>
<tr>
<th>External Barrier</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certification</td>
<td>There is both certified and non-certified coffee on the market.</td>
</tr>
<tr>
<td>Lack of human and financial resources</td>
<td>There is a lack of money and people for actively promoting fair trade coffee.</td>
</tr>
<tr>
<td>Availability</td>
<td>It is not always convenient to purchase fair trade coffee:</td>
</tr>
<tr>
<td></td>
<td>a) Not available where I buy beans for home consumption</td>
</tr>
<tr>
<td></td>
<td>b) Not available where I drink coffee</td>
</tr>
<tr>
<td></td>
<td>c) Breaking into the mainstream market – supermarkets, coffee shops, office coffee service</td>
</tr>
<tr>
<td></td>
<td>d) Fair trade coffee is only available for the specialty market</td>
</tr>
<tr>
<td>Niche product or market</td>
<td>Roasters and retailers are using fair trade coffee as a product line instead of a way of doing business.</td>
</tr>
<tr>
<td>Social and economic systems</td>
<td>The complexities of international trade among scores of countries.</td>
</tr>
<tr>
<td>Low system-wide prices</td>
<td>The commodities exchange price for coffee is at an all-time low.</td>
</tr>
<tr>
<td>Quality</td>
<td>The specialty market demands high quality, and fair trade coffee is not always competitive in terms of quality.</td>
</tr>
</tbody>
</table>

Some external barriers are easier to change than others. Of the seven external barriers listed in Table 11, the first three items are the more accessible external barriers. The rationale for their accessibility relates to geographic scope and complexity. These barriers could be targeted at a local, regional, or national level without having to impact change at the international level, an extremely complex challenge.

Certification

The existence of certified and non-certified coffee on the market is an anomaly in certain regions. And the feeling is that the case study area may be an extreme example of
this anomaly. When questioned, responses indicated that there is no other area in Canada where as many certified and non-certified fair trade roaster/retailers co-exist.

Whether a certified and non-certified environment is sustainable in the long-term is still being debated. As the market matures, it will become clear whether both forms of fair trade can compete with each other. In its present infancy, there are relatively few industry players servicing a low level of consumer demand. However, as the industry grows, consumer scepticism may grow alongside it, and businesses touting the 'consumers should believe us because we say so' attitude may not be successful.

Every roaster/retailer interviewed, certified or not, believed in the importance of certification. In Giovannucci's study (2001), more than two thirds of businesses felt that certification was somewhat or very important for the following three reasons:

1. marketplace credibility and consistency of characteristics and claims;
2. its ability to capture demand and price incentives of niche markets; and
3. its ability to link businesses to multiple objectives (ecological, economic, and social justice).

The results of this case study indicated support of certification for marketplace credibility and consistency. There was an extremely strong sentiment that third party certification is essential as a guarantee that the farmer is indeed receiving a fair price.

In light of the benefits of certification, what is stopping roaster/retailers from becoming certified? The general reasons cited by interviewees stem from the early stage of development of both the international and national certification systems, FLO and TransFair Canada respectively. Most certification initiatives tend to face similar internal weaknesses. A "lack of expertise in business, branding and market development" (Rice and McLean 1999) contribute to the decision by some businesses to invest money in their own businesses instead of supporting fledgling certification efforts. Some roaster/retailers see certification as having little value without consumer awareness and would like to see more effort put into promotion of the seal (Waridel 2002b). However, by opting out of the certification systems, these roaster/retailers choose to not contribute to the certification system's growth while still admitting that they will join later when they see it as being a good business decision.

This lack of support by non-certified fair trade providers perpetuates a situation of gross under-funding (Rice and McLean 1999) thus contributing to the other internal weaknesses of the certification organization. There is a real need for more staff on the international and national levels to allow for proper promotion of the fair trade seal. As is clear, there is somewhat of a circular logic to being certified or not.
Lack of human and financial resources

It is not only FLO and TransFair Canada that suffer from a lack of human and financial resources. NGOs and small roaster/retailers also claim that this deficiency is limiting their ability to properly promote the fair trade concept. There was no mention of government money supporting fair trade campaigns. And large roaster/retailers, who presumably have funds for marketing, did not indicate that they are investing funds into the promotion of fair trade specifically. In comparing the comments of participants from NGOs, the certifier, and roaster/retailer sector, there was no clear indication that a concerted and collective effort has been made to find such resources or work collaboratively.

Availability

The market for fair trade continues to grow and availability subsequently improves. While more could be done to speed up this process, the level of availability does not affect the potential success of a social marketing program as it once would have, in the days of buying fair trade coffee exclusively from church basements. However, availability is one of two reasons why the market for fair trade is not growing as quickly as expected (the other is awareness levels) (Giovannucci 2001).

Improved availability would make the message more palatable as convenience is a driving factor in consumer purchases. It is much easier to market a purchase behaviour when it can easily be integrated within a consumer’s existing shopping patterns. If a consumer is required to travel to a different supermarket, health food store, fair trade store, or specialty coffee shop to make the purchase, the chances of success are limited, and the target market for the program shrinks to those consumers already shopping in locations that stock fair trade coffee.

Systemic Industry Barriers

The other four external barriers listed (niche product or market, social and economic systems, low system-wide prices, and quality) are grander issues requiring systemic change:

- Consuming country issue: Fair trade as a niche product or market is not considered to be a barrier by all. Many larger roaster/retailers treat fair trade as a niche product, one of many coffees in their portfolio. This approach is increasing availability even if it isn’t as sincere a stance on the fair trade philosophy as those roaster/retailers that treat fair trade as a way of doing business.

- Producing country issues: Complex social and economic systems, low system-wide prices, and quality are barriers that originate in the producing countries.
Consequently, they become much more difficult to remove as they affect the entire coffee supply chain. Much systemic change is required to rectify an impossible situation where: a) the consuming country is demanding high quality coffee; b) oversupply of coffee has pushed world coffee prices to record lows; and c) the producing countries suffer from unstable social and economic systems.

The challenges presented by external barriers are not difficult to spot. And any hope for a successful social marketing program would benefit from a clear plan for the removal of these barriers. While the existence of these barriers does not preclude one's ability to run a social marketing program, its long-term success will only be guaranteed if a concurrent effort is being made by the industry to rectify the current, unstable situation in the coffee industry.

6.4 Strategies for Overcoming Barriers

In the results chapter, strategies for overcoming internal barriers emerged as mainstream marketing, media, awareness raising, and other marketing strategies. While mainstream marketing was highlighted during many interviews, concrete examples were not provided beyond stating that TV advertisement would be a way to appeal to the mainstream market.

For the NGO community especially, media presents an affordable communication strategy. Of course, media coverage correlates directly with the media's perceived audience interest in the topic. Therefore, media coverage requires effort by NGOs to ensure that the topic continues to be relevant and exciting to the public. In some cases the media will choose to run a story on their own accord. However, this is likely to be an infrequent occurrence and should not be relied upon as a promotion strategy.

Mainstream marketing and media exposure may result in raised awareness of the target audience. However, the results indicated that interviewees were using alternative, small scale strategies. Those interviewed claimed to be educating their consumers directly using an unstructured and gentle approach. This approach may be slow, but incremental improvements in support for fair trade will result. Alternatively, some larger scale educational campaigns are being run by well established NGOs. How well these campaigns reach the target audience (uninformed coffee consumers) is debateable. It often seems as if much of the current education effort is reaching those that are already well informed of the issues.
Other strategies mentioned during interviews include:

- Best practices research on fair trade marketing programs in other regions of Canada and other countries.
- Conferences dedicated to fair trade were one such suggestion. Such a fair trade conference is scheduled for November 2002 on Vancouver Island.
- Academic research on fair trade. Even though it may be scattered and largely unknown, both Master's and Ph.D. level research has been pursued (Courville 2001; Waridel 2002b).
- Community level involvement encompassed the remaining suggestions, e.g. donations, support of fundraising activities, and word of mouth. In a small but growing market, small scale efforts by local roaster/retailers play a role.

The NGO sector was clearly in support of strategies aimed at increasing the market for fair trade coffee. And the roaster/retailer sector was supportive, but less so than the NGO sector. The perspective of the roaster/retailer sector focused on the increasing market for fair trade currently. There was less need seen for behaviour change in a market that they already see as being of increasing sales. Regardless of one's perspective, the strategies discussed in the results chapter would form a solid base of support for a CBSM behaviour change program.

6.4.1 **CBSM Program Summary**

As outlined in Chapter 1, the goal of this thesis is to assess the use of social marketing strategies for promoting the purchase of fair trade coffee by considering the following research questions:

- What are the barriers to the purchase of fair trade coffee?
- How can these barriers inform social marketing strategies aimed at initiating and maintaining the purchase of fair trade coffee?

Case study participants adequately discussed internal and external barriers. However, there was a limited response to the second research question. It is clear that most case study participants are not currently planning to promote the purchase of fair trade coffee. Therefore, it was difficult to obtain detailed responses to direct questions about marketing strategies aimed at initiating and maintaining the purchase of fair trade coffee. Regardless of the limited data collected during interviews, this section provides a brief reflection on the components of a CBSM program.

The strategies outlined in the results chapter act as a foundation to a more robust program, and the program strategy summary presented in Chapter 3 highlights the missing elements. To begin with, the CBSM approach speaks to behaviour change tools that fall into the following categories: commitment, communication, incentives, norms, and prompts. Mainstream marketing, media, awareness raising and education, and the other
strategies discussed by interviewees target only the communication behaviour change tool category.

Incorporating some of the other tool categories would create a much more effective program as illustrated in Table 12. Each of the five CBSM tool categories is listed with strategy examples, the appropriate delivery agent, and barriers indicated.

**Table 12: CBSM Program Strategy Examples**

<table>
<thead>
<tr>
<th>CBSM Tool Category</th>
<th>Strategy Examples</th>
<th>Delivery Agent</th>
<th>Barrier</th>
</tr>
</thead>
</table>
| Commitment         | Written or verbal commitment from customers  
                      Customer loyalty programs       | Roaster/retailer | Knowledge-behaviour gap     |
| Communication      | **Mainstream marketing**  
                      Media                          
                      Education                    
                      Interactive kiosk          
                      Packaging                   
                      Print and Internet resources | Roaster/retailer  
                      NGO                        
                      Certifier                  | Knowledge-behaviour gap  
                      Knowledge                   
                      Confusion                  |
| Incentives         | Coupons                               | Roaster/retailer | Pricing                     |
| Norms              | Commuter mug stickers                 | Roaster/retailer  
                      NGO                        
                      Certifier                  | Knowledge-behaviour gap     |
| Prompts            | Shelf talkers                         | Roaster/retailer | Knowledge                   
                      Retail staff prompts        | Confusion                  |

**Note:** Bolded strategy examples are those discussed by interviewees.

The program summary presented in the theoretical framework also addressed the activity and target audience both of which were described in detail in Chapter 3.

Remember, the two factors that make CBSM a distinct approach are personal contact and a program run at the community level. These factors place a geographic focus on a social marketing program and make the effort seem more manageable to the program sponsor. Based on a program sponsor’s resources, the available human and financial resources will determine the possible mix of strategies.

**6.5 Roles and Responsibilities**

A discussion around the possible scope of a social marketing program aimed at increasing the purchase of fair trade coffee is somewhat pointless without what is referred to in the previous section as a program sponsor. The interviews did not yield strong opinions on what the roles and responsibilities of the different stakeholders should be in reference to any marketing efforts. This makes it difficult to make realistic suggestions on the program’s scope.
The lack of interest in taking responsibility is unfortunate. This conclusion was also reached in a separate study - “although most participants in the study acknowledged the problems of poverty and environmental degradation in coffee growing areas, many conventional coffee traders did not consider their business to share any responsibility” (Waridel 2002b). There should be a greater feeling of “urgency of putting solutions into practice, at the producer level all the way to the consumer. Each stage of the production to consumption cycle must take some share of responsibility towards making sustainability a reality. Governments and civil-society organizations also have an important role to play in bringing sustainable coffee out of its niche market and into the mainstream” (Waridel 2002b). Each stakeholder group that participated in this case study has particular strengths to offer.

**Non-governmental Organizations**

There is “considerable reach and impact of the environmental groups and NGOs whose mission often coincide with the tenets of sustainable coffee” (Giovannucci 2001). He further argues that “the sustainable coffee message can be easily conveyed to a vast and interested audience at little or no additional cost” (Giovannucci 2001). NGOs have a dedicated following, and efforts to spread the word about worthwhile actions within its membership is likely quite straightforward. But this is where the success often ends. NGOs seem to suffer from a ‘preaching to the converted’ symptom. Continued effort to promote particular ideas such as fair trade may not yield a significant increase in conversion. However, the level of public trust that often accompanies the message conveyed by NGOs is a positive attribute that should be harnessed in a more mainstream marketing program.

**Roaster/Retailers**

Roasters need to do more of what they accept as their role of “expanding and developing the coffee market” (Cresser and Tickell 2002). “All the companies have been slow to recognize that they have any responsibilities for addressing the plight of farmers, and some still deny this to be the case” (Cresser and Tickell 2002). The first step by the roaster/retailer community is recognition of responsibility. The next step is more blatant promotion of the product that provides them with a livelihood in the consuming country. Roaster/retailers have the benefit of a captive audience, the consumer, and they should be using it to its fullest capacity. Provide a high quality cup of coffee, but also put your mouth where your money is and make sure that the consumers understand what they are buying.
FLO and TransFair Canada

FLO and TransFair Canada are in a difficult spot with limited resources to fund activities. While some small marketing efforts are made each year in Canada, the tiny budget must be spread across the entire country. However, as the market grows each year, the funds to support marketing efforts increase with each additional pound of coffee sold. TransFair Canada should have a plan of how to best spend this money.

With over seven times the revenue being generated from sales of fair trade coffee, TransFair USA’s “ongoing consumer education efforts include farmer visits, presentations, student workshops, coffee tastings at markets, outreach at community fairs, and presence at environmental and social justice conferences” (TransFair USA 2002). A recent public service announcement starring Martin Sheen was produced collaboratively between TransFair USA and Oxfam America. Are these the best approaches? What are the different ways that awareness is being tackled by each of the seventeen national initiatives? Has anyone done the best practices research? There is an obvious role for FLO and the national certification initiatives to be the experts on marketing fair trade worldwide – what has worked, what does not work, what might work in the future?

NGOs, roaster/retailers, and TransFair Canada have been described independently of each other although one logical solution to more time, money, and resources going towards marketing fair trade is increased collaboration locally, nationally, and internationally. “Given the scope of the challenges facing the development of sustainable coffees, most stakeholders agree that greater collaboration between coffee producers and buyers, NGOs, as well as governmental institutions would help bring sustainable coffees beyond their niche market” (Waridel 2002b). But, at the same time, “it is easier to go to meetings and talk about ideas than to actually follow up with a plan of action, especially if direct benefits are not felt in the short term” (Waridel 2002b). As is often said, the challenge lies in putting theory into practice.

If no group individually or groups collaboratively are willing or able to take ownership of a social marketing program, the possibility of running a cohesive program disappears. Nonetheless, there is the opportunity for individual businesses or organizations to embrace the opportunity to tackle the internal barriers and execute even one of the strategies mentioned in Table 12. This would mean that instead of operating in business-as-usual mode, it would be a priority to truly integrate fair trade into the business or NGO as a way of doing business.

If nothing more, consider what could be possible. The National Federation of Coffee Growers of Columbia created Juan Valdez over forty years ago. The initial marketing
campaign ran in ten major US cities and within five months of its launch there was a 300 percent increase in the number of consumers that identified Columbian coffee as being of the highest quality (Pendergrast 1999). If an industry organization thousands of miles away from the coffee consumer can have such huge success convincing consumers that coffee from a particular country is of such superior quality then surely success can be had by a campaign convincing consumers that coffee from scores of countries is worth supporting in the name of social justice.

6.6 Summary

This chapter further developed the rich information presented in Chapter 5, voices of the participants:

- Principles behind the targeted behaviour were well covered in Chapter 5, and no more than a summary of key points launched the discussion chapter.
- A link was made to existing literature further substantiating the internal and external barriers discussed during interviews. Again, external barriers pose complex challenges that cannot be addressed through social marketing.
- In line with the underlying thesis goal and research questions, the appropriateness of social marketing was questioned. In an attempt to address all internal barriers covered by the case study, the CBSM approach to behaviour change tools highlighted the gaps in the marketing strategies outlined by case study participants.
- Potential roles for stakeholder groups focused on the need for all groups to take responsibility. Collaboration was encouraged, but in its absence, there is still opportunity for an increased level of promotion activities by any or all stakeholders.
Chapter 7: Future Research and Concluding Thoughts

This chapter presents some closing thoughts. First, recommendations are made for carrying this research to the next level. Second, a set of successes and shortcomings are outlined as reflection on the entire research process.

7.1 Recommendations

Recommendations are made on how the results of this research can be married with the complete social marketing process. As well, the sustainable coffee dynamic is addressed and the ‘big picture’ of sustainable consumption is revisited.

7.1.1 Completing the Social Marketing Process

The process that guided the data collection, results, and discussion was based on the initial steps of the CBSM process. This rather simplistic process allowed for a breakdown of the behaviour, barriers, and strategies. However, it did not provide a robust framework for detailed strategy formulation and implementation. Presumably, the CBSM steps are meant to act as a rough guide. The underlying assumption is that these steps are used as a base on which to build a complex social marketing program.

A robust framework that encompasses the results is yet to be created and completed. This would logically be the next step and the social marketing plan presented in Figure 6, Chapter 3 could be such a framework. The social marketing plan as outlined by Kotler, Roberto, and Lee was an eight step process grouped into four categories. The social marketing environment is first described including a SWOT (strengths, weaknesses, opportunities, and threats) and an analysis of best practices. Next, the target audience, objectives, and goals are outlined. Deciding on social marketing strategies is category three, covering the traditional 4 Ps of marketing: product, place, price, and promotion. And, finally, plans for implementation, evaluation, and monitoring as well as the program budget are detailed.

The CBSM process (McKenzie-Mohr and Scott 1999) does not parallel this social marketing plan (Kotler, Roberto et al. 2002). However, the details collected by this case study on fair trade coffee feed easily into some of the sections of the overall marketing plan. Of course, spending time to complete such a plan would presume the following:

1. An NGO, roaster/retailer, or certification body has decided that promoting the purchase of fair trade coffee is within their mandate; and,
2. The human and financial resources have been secured to implement it.
In the present marketplace, neither of these factors has been decided nor has the desire to run a social marketing program been explicitly expressed.

7.1.2 From Fair Trade to Sustainable Coffee

To complicate matters further, the issue of fair trade is only one aspect of the sustainable coffee debate. This research limited the scope to fair trade because bringing in all aspects of sustainable coffee as they currently stand would have been far too complicated: fair trade, organic, and shade grown. However, it is difficult to address fair trade without overlapping with these other issues. This is an important challenge – should all of the aspects of sustainable coffee be combined or kept separate? There had been reoccurring discussion about creating a super seal that comprehensively addresses the ‘sustainability’ of coffee. If such an initiative were to go forward in the near future, it would be beneficial to conduct a concurrent social marketing program. A super seal of international or even North American scope would allow for standardized promotion and, therefore, a more efficient use of human and financial resources.

It may not be as simple as it would seem to combine all aspects of sustainability as they relate to coffee into one initiative. It must be understood that multiple systems have been allowed to develop independently of each other. This has created a serious external barrier to approaching the issue from a holistic sustainability perspective.

7.1.3 Switching Focus Away From Marketing

As easy as it is to make recommendations at the social marketing level for fair trade and possibly sustainable coffee, it is also possible to step away from coffee and social marketing completely and revisit the much broader perspective presented at the beginning of both Chapters 2 and 3. It is effortless to become mired in the details of one specific product, and it is constructive to regain focus on the big picture (Figure 10).
To guarantee long-term sustainability, human consumption and production must not exceed the finite ecosystem. However, ecological footprint analysis indicates that production and consumption levels already exceed available biocapacity (World Wildlife Fund 2002). Therefore, humanity is challenged to decrease the overall size of its production and consumption footprint to a level that does not unduly tax the available reproductive and assimilative capacity of the ecosystem.

Fair trade coffee is but one issue within the human catastrophe of over production and consumption. And the sad moral to the story is that coffee is one product of thousands that needs to be reengineered to fit within the confines of a sustainable society. On a more positive note, there is a need for success stories of how to move entire, globalized industries in the direction of sustainability, and coffee could be a poster child for that message, all complexities aside.

The next level down from the 'big picture' (Figure 10) is the policy approach to sustainable consumption as discussed at the beginning of Chapter 2. The policy framework provides a structure in which to organize the myriad of initiatives necessary to successfully change consumption and production patterns. These initiatives, according to the OECD's research, can be organized into regulatory, economic, and social instruments (Figure 11).
This thesis has highlighted some of the social aspects of product policy, and it has also re-emphasized two of the seven guidelines to successful policy outlined by the OECD:

1. Applying the integrated policy approach and its associated instruments (regulatory, economic, and social) to the product lifecycle – applying policy along the product supply chain, affecting both supply and demand. There is a need for more than just social instruments for the removal of external and internal barriers as identified in this case study. Additionally, this thesis has discussed social instruments targeted at consumers. There are other actors along the life cycle of coffee that would also benefit as the target audience of a social marketing program.

2. Promoting and supporting initiatives by government of all stakeholders (private and civic sectors). It is clear from the results of this case study, that more than one stakeholder group is involved in issues related to coffee, specifically fair trade coffee. Relevant stakeholders form a path all the way back to the producer.

7.2 A Reflection on Successes and Shortcomings

With hindsight it is much easier to be critical of the process and outcome of this research. The following observations on successes and shortcomings can made:

- Creating the research agenda for this thesis from a personal interest in fair trade coffee was a definite personal success. The journey has been a great learning experience on many levels.

- Conducting qualitative data collection and analysis was a very positive experience. As step one, it was surprising how much time was involved in organizing and executing sixteen interviews and soliciting others that did not end up being fruitful. As step two, conducting one-on-one interviews with a range or stakeholder with an assortment of perspectives was challenging. It sometimes seemed as if the story was flowing very well from interview to interview while in some cases, the string of responses would be vastly different from others. As step three, it was overwhelming to see the reams of data emerge through the transcription process and resulting quotes when compared against each other were thought provoking.

- The complexity inherent in a global commodity presents a set of challenges not adequately dealt with in a Master’s thesis. In picking a very specific approach, social marketing, an attempt was made to fade the bigger issues (e.g. external
barriers) into the background. The benefit of this approach was that it allowed for an analysis of social marketing explicitly, without great concern for outside factors influencing the industry. This approach is unlike the majority of the literature where an analysis of the crisis of the coffee industry retains a 'big picture' outlook. Having a discussion about coffee at the 'big picture' level does not easily translate into action. If anything, it has a paralysing effect. However, by discussing such a narrow solution as the promotion of fair trade coffee to consumers, there is a lurking feeling of ignorance, as if the bigger issues can be legitimately ignored. This is far from the case, and perspective is important in recognizing that localized action targeting consumer behaviour is better than no action at all.

It is constructive to conduct research and it is part of the process to discover different and possibly superior approaches along the way. It is not likely that the outcome or process of any research will be exactly to the liking of the researcher or the reviewer.

### 7.3 Final Thought

In closing, my hope is that what has been read has sparked interest in and reflection on humanity’s current struggle with social inequities of the gravest nature originating from such a simple pleasure as coffee. Coffee is admittedly only one of many examples of trade inequity, but it is one that touches so many consumers, so regularly, but with so little thought. It should be easy for the wealthy consumers in developed nations to shun direct involvement in the perpetuation of poverty. It might be easier if they only knew.
BIBLIOGRAPHY


APPENDIX A:
AGENDA 21 – CHAPTER 4
CHANGING CONSUMPTION PATTERNS

4.1. This chapter contains the following programme areas:
   a. Focusing on unsustainable patterns of production and consumption;
   b. Developing national policies and strategies to encourage changes in unsustainable consumption patterns.

4.2. Since the issue of changing consumption patterns is very broad, it is addressed in several parts of Agenda 21, notably those dealing with energy, transportation and wastes, and in the chapters on economic instruments and the transfer of technology. The present chapter should also be read in conjunction with Chapter 5 (Demographic dynamics and sustainability).

PROGRAMME AREAS

A. Focusing on unsustainable patterns of production and consumption

Basis for action

4.3. Poverty and environmental degradation are closely interrelated. While poverty results in certain kinds of environmental stress, the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries, which is a matter of grave concern, aggravating poverty and imbalances.

4.4. Measures to be undertaken at the international level for the protection and enhancement of the environment must take fully into account the current imbalances in the global patterns of consumption and production.

4.5. Special attention should be paid to the demand for natural resources generated by unsustainable consumption and to the efficient use of those resources consistent with the goal of minimizing depletion and reducing pollution. Although consumption patterns are very high in certain parts of the world, the basic consumer needs of a large section of humanity are not being met. This results in excessive demands and unsustainable lifestyles among the richer segments, which place immense stress on the environment. The poorer segments, meanwhile, are unable to meet food, health care, shelter and educational needs. Changing consumption patterns will require a multipronged strategy focusing on demand, meeting the basic needs of the poor, and reducing wastage and the use of finite resources in the production process.

4.6. Growing recognition of the importance of addressing consumption has also not yet been matched by an understanding of its implications. Some economists are questioning traditional concepts of economic growth and underlining the importance of pursuing economic objectives that take account of the full value of natural resource capital. More needs to be known about the role of consumption in relation to economic growth and population dynamics in order to formulate coherent international and national policies.

Objectives

4.7. Action is needed to meet the following broad objectives:
   a. To promote patterns of consumption and production that reduce environmental stress and will meet the basic needs of humanity;
   b. To develop a better understanding of the role of consumption and how to bring about more sustainable consumption patterns.
Activities

(a) Management-related activities

Adopting an international approach to achieving sustainable consumption patterns

4.8. In principle, countries should be guided by the following basic objectives in their efforts to address consumption and lifestyles in the context of environment and development:

a. All countries should strive to promote sustainable consumption patterns;

b. Developed countries should take the lead in achieving sustainable consumption patterns;

c. Developing countries should seek to achieve sustainable consumption patterns in their development process, guaranteeing the provision of basic needs for the poor, while avoiding those unsustainable patterns, particularly in industrialized countries, generally recognized as unduly hazardous to the environment, inefficient and wasteful, in their development processes. This requires enhanced technological and other assistance from industrialized countries.

4.9. In the follow-up of the implementation of Agenda 21 the review of progress made in achieving sustainable consumption patterns should be given high priority.

(b) Data and information

Undertaking research on consumption

4.10. In order to support this broad strategy, Governments, and/or private research and policy institutes, with the assistance of regional and international economic and environmental organizations, should make a concerted effort to:

a. Expand or promote databases on production and consumption and develop methodologies for analysing them;

b. Assess the relationship between production and consumption, environment, technological adaptation and innovation, economic growth and development, and demographic factors;

c. Examine the impact of ongoing changes in the structure of modern industrial economies away from material-intensive economic growth;

d. Consider how economies can grow and prosper while reducing the use of energy and materials and the production of harmful materials;

e. Identify balanced patterns of consumption worldwide which the Earth can support in the long term.

Developing new concepts of sustainable economic growth and prosperity

4.11. Consideration should also be given to the present concepts of economic growth and the need for new concepts of wealth and prosperity which allow higher standards of living through changed lifestyles and are less dependent on the Earth's finite resources and more in harmony with the Earth's carrying capacity. This should be reflected in the evolution of new systems of national accounts and other indicators of sustainable development.

(c) International cooperation and coordination

4.12. While international review processes exist for examining economic, development and demographic factors, more attention needs to be paid to issues related to consumption and production patterns and sustainable lifestyles and environment.

4.13. In the follow-up of the implementation of Agenda 21, reviewing the role and impact of unsustainable production and consumption patterns and lifestyles and their relation to sustainable development should be given high priority.

Financing and cost evaluation

4.14. The Conference secretariat has estimated that implementation of this programme is not likely to require significant new financial resources.
B. Developing national policies and strategies to encourage changes in unsustainable consumption patterns

Basis for action

4.15. Achieving the goals of environmental quality and sustainable development will require efficiency in production and changes in consumption patterns in order to emphasize optimization of resource use and minimization of waste. In many instances, this will require reorientation of existing production and consumption patterns that have developed in industrial societies and are in turn emulated in much of the world.

4.16. Progress can be made by strengthening positive trends and directions that are emerging, as part of a process aimed at achieving significant changes in the consumption patterns of industries, Governments, households and individuals.

Objectives

4.17. In the years ahead, Governments, working with appropriate organizations, should strive to meet the following broad objectives:
   a. To promote efficiency in production processes and reduce wasteful consumption in the process of economic growth, taking into account the development needs of developing countries;
   b. To develop a domestic policy framework that will encourage a shift to more sustainable patterns of production and consumption;
   c. To reinforce both values that encourage sustainable production and consumption patterns and policies that encourage the transfer of environmentally sound technologies to developing countries.

Activities

(a) Encouraging greater efficiency in the use of energy and resources

4.18. Reducing the amount of energy and materials used per unit in the production of goods and services can contribute both to the alleviation of environmental stress and to greater economic and industrial productivity and competitiveness. Governments, in cooperation with industry, should therefore intensify efforts to use energy and resources in an economically efficient and environmentally sound manner by:
   a. Encouraging the dissemination of existing environmentally sound technologies;
   b. Promoting research and development in environmentally sound technologies;
   c. Assisting developing countries to use these technologies efficiently and to develop technologies suited to their particular circumstances;
   d. Encouraging the environmentally sound use of new and renewable sources of energy;
   e. Encouraging the environmentally sound and sustainable use of renewable natural resources.

(b) Minimizing the generation of wastes

4.19. At the same time, society needs to develop effective ways of dealing with the problem of disposing of mounting levels of waste products and materials. Governments, together with industry, households and the public, should make a concerted effort to reduce the generation of wastes and waste products by:
   a. Encouraging recycling in industrial processes and at the consumed level;
   b. Reducing wasteful packaging of products;
   c. Encouraging the introduction of more environmentally sound products.

(c) Assisting individuals and households to make environmentally sound purchasing decisions
4.20. The recent emergence in many countries of a more environmentally conscious consumer public, combined with increased interest on the part of some industries in providing environmentally sound consumer products, is a significant development that should be encouraged. Governments and international organizations, together with the private sector, should develop criteria and methodologies for the assessment of environmental impacts and resource requirements throughout the full life cycle of products and processes. Results of those assessments should be transformed into clear indicators in order to inform consumers and decision makers.

4.21. Governments, in cooperation with industry and other relevant groups, should encourage expansion of environmental labelling and other environmentally related product information programmes designed to assist consumers to make informed choices.

4.22. They should also encourage the emergence of an informed consumer public and assist individuals and households to make environmentally informed choices by:

a. Providing information on the consequences of consumption choices and behaviour so as to encourage demand for environmentally sound products and use of products;

b. Making consumers aware of the health and environmental impact of products, through such means as consumer legislation and environmental labelling;

c. Encouraging specific consumer-oriented programmes, such as recycling and deposit/refund systems.

(d) Exercising leadership through government purchasing

4.23. Governments themselves also play a role in consumption, particularly in countries where the public sector plays a large role in the economy and can have a considerable influence on both corporate decisions and public perceptions. They should therefore review the purchasing policies of their agencies and departments so that they may improve, where possible, the environmental content of government procurement policies, without prejudice to international trade principles.

(e) Moving towards environmentally sound pricing

4.24. Without the stimulus of prices and market signals that make clear to producers and consumers the environmental costs of the consumption of energy, materials and natural resources and the generation of wastes, significant changes in consumption and production patterns seem unlikely to occur in the near future.

4.25. Some progress has begun in the use of appropriate economic instruments to influence consumer behaviour. These instruments include environmental charges and taxes, deposit/refund systems, etc. This process should be encouraged in the light of country-specific conditions.

(f) Reinforcing values that support sustainable consumption

4.26. Governments and private-sector organizations should promote more positive attitudes towards sustainable consumption through education, public awareness programmes and other means, such as positive advertising of products and services that utilize environmentally sound technologies or encourage sustainable production and consumption patterns. In the review of the implementation of Agenda 21, an assessment of the progress achieved in developing these national policies and strategies should be given due consideration.
III. Changing unsustainable patterns of consumption and production

13. Fundamental changes in the way societies produce and consume are indispensable for achieving global sustainable development. All countries should promote sustainable consumption and production patterns, with the developed countries taking the lead and with all countries benefiting from the process, taking into account the Rio principles, including, inter alia, the principle of common but differentiated responsibilities as set out in principle 7 of the Rio Declaration on Environment and Development. Governments, relevant international organizations, the private sector and all major groups should play an active role in changing unsustainable consumption and production patterns. This would include the actions at all levels set out below.

14. Encourage and promote the development of a 10-year framework of programmes in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production to promote social and economic development within the carrying capacity of ecosystems by addressing and, where appropriate, delinking economic growth and environmental degradation through improving efficiency and sustainability in the use of resources and production processes, and reducing resource degradation, pollution and waste. All countries should take action, with developed countries taking the lead, taking into account the development needs and capabilities of developing countries through mobilization, from all sources, of financial and technical assistance and capacity-building for developing countries. This would require actions at all levels to:

(a) Identify specific activities, tools, policies, measures and monitoring and assessment mechanisms, including, where appropriate, life-cycle analysis and national indicators for measuring progress, bearing in mind that standards applied by some countries may be inappropriate and of unwarranted economic and social cost to other countries, in particular developing countries;

(b) Adopt and implement policies and measures aimed at promoting sustainable patterns of production and consumption, applying, inter alia, the polluter-pays principle described in principle 16 of the Rio Declaration on Environment and Development;

(c) Develop production and consumption policies to improve the products and services provided, while reducing environmental and health impacts, using, where appropriate, science-based approaches, such as life-cycle analysis;

(d) Develop awareness-raising programmes on the importance of sustainable production and consumption patterns, particularly among youth and the relevant segments in all countries, especially in developed countries, through, inter alia, education, public and consumer information, advertising and other media, taking into account local, national and regional cultural values;

(e) Develop and adopt, where appropriate, on a voluntary basis, effective, transparent, verifiable, non-misleading and non-discriminatory consumer information tools to provide information relating to sustainable consumption and production, including human health and safety aspects. These tools should not be used as disguised trade barriers;

(f) Increase eco-efficiency, with financial support from all sources, where mutually agreed, for capacity-building, technology transfer and exchange of technology with developing countries and countries with economies in transition, in cooperation with relevant international organizations.

15. Increase investment in cleaner production and eco-efficiency in all countries through, inter alia, incentives and support schemes and policies directed at establishing appropriate regulatory, financial and legal frameworks. This would include actions at all levels to:
(a) Establish and support cleaner production programmes and centres and more efficient production methods by providing, inter alia, incentives and capacity-building to assist enterprises, especially small and medium-sized enterprises and particularly in developing countries, in improving productivity and sustainable development;

(b) Provide incentives for investment in cleaner production and eco-efficiency in all countries, such as state-financed loans, venture capital, technical assistance and training programmes for small and medium-sized companies while avoiding trade-distorting measures inconsistent with WTO rules;

(c) Collect and disseminate information on cost-effective examples in cleaner production, eco-efficiency and environmental management, and promote the exchange of best practices and know-how on environmentally sound technologies between public and private institutions;

(d) Provide training programmes to small and medium-sized enterprises on the use of information and communication technologies.

16. Integrate the issue of production and consumption patterns into sustainable development policies, programmes and strategies, including, where applicable, into poverty reduction strategies.

17. Enhance corporate environmental and social responsibility and accountability. This would include actions at all levels to:

(a) Encourage industry to improve social and environmental performance through voluntary initiatives, including environmental management systems, codes of conduct, certification and public reporting on environmental and social issues, taking into account such initiatives as the International Organization for Standardization (ISO) standards and Global Reporting Initiative guidelines on sustainability reporting, bearing in mind principle 11 of the Rio Declaration on Environment and Development;

(b) Encourage dialogue between enterprises and the communities in which they operate and other stakeholders;

(c) Encourage financial institutions to incorporate sustainable development considerations into their decision-making processes;

(d) Develop workplace-based partnerships and programmes, including training and education programmes.

18. Encourage relevant authorities at all levels to take sustainable development considerations into account in decision-making, including on national and local development planning, investment in infrastructure, business development and public procurement. This would include actions at all levels to:

(a) Provide support for the development of sustainable development strategies and programmes, including in decision-making on investment in infrastructure and business development;

(b) Continue to promote the internalization of environmental costs and the use of economic instruments, taking into account the approach that the polluter should, in principle, bear the costs of pollution, with due regard to the public interest and without distorting international trade and investment;

(c) Promote public procurement policies that encourage development and diffusion of environmentally sound goods and services;

(d) Provide capacity-building and training to assist relevant authorities with regard to the implementation of the initiatives listed in the present paragraph;

(e) Use environmental impact assessment procedures.

* * *
19. Call upon Governments, as well as relevant regional and international organizations and other relevant stakeholders, to implement, taking into account national and regional specificities and circumstances, the recommendations and conclusions of the Commission on Sustainable Development concerning energy for sustainable development adopted at its ninth session, including the issues and options set out below, bearing in mind that in view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. This would include actions at all levels to:

(a) Take further action to mobilize the provision of financial resources, technology transfer, capacity-building and the diffusion of environmentally sound technologies according to the recommendations and conclusions of the Commission on Sustainable Development as contained in section A, paragraph 3, and section D, paragraph 30, of its decision 9/1 on energy for sustainable development;

(b) Integrate energy considerations, including energy efficiency, affordability and accessibility, into socio-economic programmes, especially into policies of major energy-consuming sectors, and into the planning, operation and maintenance of long-lived energy consuming infrastructures, such as the public sector, transport, industry, agriculture, urban land use, tourism and construction sectors;

(c) Develop and disseminate alternative energy technologies with the aim of giving a greater share of the energy mix to renewable energies, improving energy efficiency and greater reliance on advanced energy technologies, including cleaner fossil fuel technologies;

(d) Combine, as appropriate, the increased use of renewable energy resources, more efficient use of energy, greater reliance on advanced energy technologies, including advanced and cleaner fossil fuel technologies, and the sustainable use of traditional energy resources, which could meet the growing need for energy services in the longer term to achieve sustainable development;

(e) Diversify energy supply by developing advanced, cleaner, more efficient, affordable and cost-effective energy technologies, including fossil fuel technologies and renewable energy technologies, hydro included, and their transfer to developing countries on concessional terms as mutually agreed. With a sense of urgency, substantially increase the global share of renewable energy sources with the objective of increasing its contribution to total energy supply, recognizing the role of national and voluntary regional targets as well as initiatives, where they exist, and ensuring that energy policies are supportive to developing countries' efforts to eradicate poverty, and regularly evaluate available data to review progress to this end;

(f) Support efforts, including through provision of financial and technical assistance to developing countries, with the involvement of the private sector, to reduce flaring and venting of gas associated with crude oil production;

(g) Develop and utilize indigenous energy sources and infrastructures for various local uses and promote rural community participation, including local Agenda 21 groups, with the support of the international community, in developing and utilizing renewable energy technologies to meet their daily energy needs to find simple and local solutions;

(h) Establish domestic programmes for energy efficiency, including, as appropriate, by accelerating the deployment of energy efficiency technologies, with the necessary support of the international community;

(i) Accelerate the development, dissemination and deployment of affordable and cleaner energy efficiency and energy conservation technologies, as well as the transfer of such technologies, in particular to developing countries, on favourable terms, including on concessional and preferential terms, as mutually agreed;

(j) Recommend that international financial institutions and other agencies' policies support developing countries, as well as countries with economies in transition, in their own efforts to establish policy and regulatory frameworks which create a level playing
field between the following: renewable energy, energy efficiency, advanced energy technologies, including advanced and cleaner fossil fuel technologies, and centralized, distributed and decentralized energy systems;

(k) Promote increased research and development in the field of various energy technologies, including renewable energy, energy efficiency and advanced energy technologies, including advanced and cleaner fossil fuel technologies, both nationally and through international collaboration; strengthen national and regional research and development institutions/centres on reliable, affordable, economically viable, socially acceptable and environmentally sound energy for sustainable development;

(l) Promote networking between centres of excellence on energy for sustainable development, including regional networks, by linking competent centres on energy technologies for sustainable development that could support and promote efforts at capacity-building and technology transfer activities, particularly of developing countries, as well as serve as information clearing houses;

(m) Promote education to provide information for both men and women about available energy sources and technologies;

(n) Utilize financial instruments and mechanisms, in particular the Global Environment Facility (GEF), within its mandate, to provide financial resources to developing countries, in particular least developed countries and small island developing States, to meet their capacity needs for training, technical know-how and strengthening national institutions in reliable, affordable, economically viable, socially acceptable and environmentally sound energy, including promoting energy efficiency and conservation, renewable energy and advanced energy technologies, including advanced and cleaner fossil fuel technologies;

(o) Support efforts to improve the functioning, transparency and information about energy markets with respect to both supply and demand, with the aim of achieving greater stability and predictability and to ensure consumer access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy services;

(p) Policies to reduce market distortions would promote energy systems compatible with sustainable development through the use of improved market signals and by removing market distortions, including restructuring taxation and phasing out harmful subsidies, where they exist, to reflect their environmental impacts, with such policies taking fully into account the specific needs and conditions of developing countries with the aim of minimizing the possible adverse impacts on their development;

(q) Take action, where appropriate, to phase out subsidies in this area that inhibit sustainable development, taking fully into account the specific conditions and different levels of development of individual countries and considering their adverse effect, particularly on developing countries;

(r) Governments are encouraged to improve the functioning of national energy markets in such a way that they support sustainable development, overcome market barriers and improve accessibility, taking fully into account that such policies should be decided by each country, and that its own characteristics and capabilities and level of development should be considered, especially as reflected in national sustainable development strategies, where they exist;

(s) Strengthen national and regional energy institutions or arrangements for enhancing regional and international cooperation on energy for sustainable development, in particular to assist developing countries in their domestic efforts to provide reliable, affordable, economically viable, socially acceptable and environmentally sound energy services to all sections of their populations;

(t) Countries are urged to develop and implement actions within the framework of the ninth session of the Commission on Sustainable Development, including through public-private partnerships, taking into account the different circumstances of countries, based
20. Promote an integrated approach to policy-making at the national, regional and local levels for transport services and systems to promote sustainable development, including policies and planning for land use, infrastructure, public transport systems and goods delivery networks, with a view to providing safe, affordable and efficient transportation, increasing energy efficiency, reducing pollution, reducing congestion, reducing adverse health effects and limiting urban sprawl, taking into account national priorities and circumstances. This would include actions at all levels to:

(a) Implement transport strategies for sustainable development, reflecting specific regional, national and local conditions, so as to improve the affordability, efficiency and convenience of transportation, as well as improving urban air quality and health, and reduce greenhouse gas emissions, including through the development of better vehicle technologies that are more environmentally sound, affordable and socially acceptable;

(b) Promote investment and partnerships for the development of sustainable, energy efficient multi-modal transportation systems, including public mass transportation systems and better transportation systems in rural areas, with technical and financial assistance for developing countries and countries with economies in transition.

21. Prevent and minimize waste and maximize reuse, recycling and use of environmentally friendly alternative materials, with the participation of government authorities and all stakeholders, in order to minimize adverse effects on the environment and improve resource efficiency, with financial, technical and other assistance for developing countries. This would include actions at all levels to:

(a) Develop waste management systems, with highest priorities placed on waste prevention and minimization, reuse and recycling, and environmentally sound disposal facilities, including technology to recapture the energy contained in waste, and encourage small-scale waste-recycling initiatives that support urban and rural waste management and provide income-generating opportunities, with international support for developing countries;

(b) Promote waste prevention and minimization by encouraging production of reusable consumer goods and biodegradable products and developing the infrastructure required.

22. Renew the commitment, as advanced in Agenda 21, to sound management of chemicals throughout their life cycle and of hazardous wastes for sustainable development and for the protection of human health and the environment, inter alia, aiming to achieve by 2020 that chemicals are used and produced in ways that lead to the minimization of
significant adverse effects on human health and the environment, using transparent
science-based risk assessment procedures and science-based risk management procedures,
taking into account the precautionary approach, as set out in principle 15 of the Rio
Declaration on Environment and Development, and support developing countries in
strengthening their capacity for the sound management of chemicals and hazardous wastes
by providing technical and financial assistance. This would include actions at all levels to:

(a) Promote the ratification and implementation of relevant international instruments
on chemicals and hazardous waste, including the Rotterdam Convention on Prior
Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in
International Trade so that it can enter into force by 2003 and the Stockholm
Convention on Persistent Organic Pollutants so that it can enter into force by 2004, and
encourage and improve coordination as well as supporting developing countries in their
implementation;

(b) Further develop a strategic approach to international chemicals management based
on the Bahia Declaration and Priorities for Action beyond 2000 of the Intergovernmental
Forum on Chemical Safety (IFCS) by 2005, and urge that the United Nations
Environment Programme (UNEP), IFCS, other international organizations dealing with
chemical management, and other relevant international organizations and actors closely
cooperate in this regard, as appropriate;

(c) Encourage countries to implement the new globally harmonized system for the
classification and labelling of chemicals as soon as possible with a view to having the
system fully operational by 2008;

(d) Encourage partnerships to promote activities aimed at enhancing environmentally
sound management of chemicals and hazardous wastes, implementing multilateral
environmental agreements, raising awareness of issues relating to chemicals and
hazardous waste, and encouraging the collection and use of additional scientific data;

(e) Promote efforts to prevent international illegal trafficking of hazardous chemicals
and hazardous wastes and to prevent damage resulting from the transboundary
movement and disposal of hazardous wastes in a manner consistent with obligations
under relevant international instruments, such as the Basel Convention on the Control
of Transboundary Movements of Hazardous Wastes and Their Disposal;

(f) Encourage development of coherent and integrated information on chemicals, such
as through national pollutant release and transfer registers;

(g) Promote reduction of the risks posed by heavy metals that are harmful to human
health and the environment, including through a review of relevant studies, such as the
UNEP global assessment of mercury and its compounds.

Source: www.johannesburgsummit.org/html/documents/summit_docs/2309_planfinal.htm
APPENDIX C:
GENERAL INFORMATION ON SUSTAINABLE COFFEE INITIATIVES

Source: The title and text of this appendix has been taken directly from Sustainable Trade: The Case of Coffee in North America, pp. 179-181 (Waridel 2002b).

Fair trade
Fair trade began in the 1960s through development projects initiated by OXFAM in the UK and the Netherlands with the aim of helping developing country producers in obtaining improved returns for their goods amidst decreasing terms of trade and extreme volatility in commodities markets. The fair trade system attempts to do this by offering direct market access and a fixed minimum price to producers in developing countries that are associated with the fair trade system. In order to be certified as fair trade, coffee must be purchased from a licensed importer who purchases coffee according to fixed terms. For example, all coffee to be certified must be:

1. Produced by a producer organization on the FLO registry (There are currently over 300 producer organizations on the registry located in 18 countries).

2. Purchased at a minimum fixed price of US$1.26 per lb (washed arabica coffee).

In addition importers must commit to providing:

1. Access to credit at reasonable interest rates if so requested and

2. A long-term relationship with identified producer organizations on the registry.

In order to have the right to put the fair trade logo on a product, a company must become a licensee through the company's respective national certification body (Transfair USA in US and Transfair Canada in Canada). As a condition of being a licensee, the company using the fair trade certification mark must submit to having their books reviewed annually by an independent auditor as well as on site inspections of the premises.

Organic
Although there is wide variety of specific definitions in use for the term "organic," there has, with the growth of organic certification, been a trend towards the harmonization of standards throughout the world. Generally, in order to be certified as organic, the item in question must be produced without the use of chemical fertilizers, pesticides or insecticides. Producers must also:

1. Follow strict resource management practices in regards to watershed and soil protection, among others

2. Maintain farm/processor history and documentation and

3. Adhere to specific crop culture practices.

Currently it is estimated that there are about 205,000 hectares devoted to certified organic coffee production throughout the world. Of this an estimated 85 percent comes from Latin America and 45 percent from Mexico alone. As with other certification systems, eligibility for the production of certified products requires submission to an auditing system administered by the certifying body that usually requires access to books and property for the purpose of verifying compliance with certification standards.

Shade Grown
Shade grown coffee has been developed as an identifiable commercial product over the past ten years in an effort to preserve bio-diversity in coffee growing regions. Much of the
momentum behind the development of the shade coffee industry comes from the support of those interested in protecting bird habitats since it has been observed that over 150 different species of birds depend upon the forest canopies covering existing shade coffee plantations. Currently the Smithsonian Migratory Bird Center and Conservation Agriculture Network – Rainforest Alliance (ECO-OK) are the primary organizations involved in the certification of shade grown coffee. In order for a coffee product to be certified by one of these organizations as shade grown, the coffee must be produced under shade conditions (generally a minimum of 40 percent shade coverage) with other requirements covering forest type and plant diversity. As a rule the shade criteria do not cover social conditions or require that products be produced without pesticides (although the ECO-OK criteria do require some guarantees related to both of these areas).

**General information on sustainable coffee**

For more detailed information on the criteria for each of these initiatives please see:

1. CEC Sustainable coffee database: A searchable database with access to the criteria of the most important sustainable coffee initiatives
   http://www.ceo.org/databases/certifications/Cecdata/index.cfm?websiteID=6

2. Transfair Canada and Transfair USA websites: A website with information and links to information on fair trade coffee and other products.
   http://www.transfair.ca
   http://www.transfairusa.org

3. The Rainforest Alliance’s ECO-OK certification page: This page provides more specific data on criteria on coffee certification (as well as certification for other products) under the ECO-OK label.
   http://www.rainforest-alliance.org/programs/cap/get-certified.html

4. Smithsonian Migratory Bird Center’s coffee page: Contains complete information on the SMBC’s coffee program including certification criteria.
   http://natzoo.si.edu/smbc/Research/Coffee/coffee.htm

5. The Organic Crop Improvement Association’s document page: provides information on certification criteria and links to other related sites.
   http://www.ocia.org/