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Why Buy Fair? Coffee Consumers' Perceptions of the Meaning of the Fair Trade Label

Abstract

The fair trade network operates within the for-profit marketplace at the same time as it resists some basic precepts of conventional for-profit exchange. Fair traders in coffee guarantee farmers a minimum price for their coffee calculated as the price which will provide farmers a living wage. In the last few years, the world coffee crisis has meant that this minimum price has been consistently at least double the conventional market price. Traders also form long-term relationships with farmers, in the context of which they provide technical support and pre-harvest financing. Farmers participating in fair trade are all small family farms with no permanent hired labor, organized into democratically operated cooperatives. Fair traders claim that their system of trade forges "relationships" between coffee drinkers and coffee farmers. This is done by shortening the economic and cognitive distances between these two groups. Fair trade coffee passes through the hands of fewer profit-extracting intermediaries than conventional coffee. In addition, coffee buyers are told where their coffee was grown, and frequently receive other types of education about the growers, the coffee crisis, and the fair trade system.

Traders claim that consumers buy fair trade in order to participate in these relationships, to have a clean conscience, and to protest the inequities of the conventional coffee commodity chain. But very little work has been done to date on the perspectives of actual consumers of fair trade coffee. This paper will present findings from an exploratory sociological study on consumers of fair trade coffee. Using field observation in a retail setting in New York City, consumers were interviewed regarding their decision to buy fair trade coffee and their perceptions of the fair trade label. The questions to be addressed are: what factors are most important to consumers in choosing their gourmet coffee: taste? organic certification? fair trade certification? country of origin of the coffee? Are consumers aware of the meaning of the fair trade label? If so, which component of the certification is most important to them?

Introduction: What is Fair Trade Coffee?

The research described in this paper examines consumers' reactions to several fair trade certified whole bean and ground coffees in a high-end grocery retail venue in New York City.

Several authors have described a recent proliferation of demand for specialty and gourmet coffee in the United States (Roseberry 1996, Talbot 2004). During the last couple of decades, there has been a dramatic increase in the market for high-priced, high-quality so-called gourmet coffee. Within this context, a number of businesses have been able to profitably specialize in socially conscious coffee, including fair trade coffee, the subject of this project.

From the perspective of coffee traders and U.S.-based activists, purchasing fair trade is a way to ensure that coffee growers receive fair compensation for their labor. Growers are protected from the sharp fluctuations of the world market price for coffee by being offered a guaranteed minimum price. They are also offered low-interest credit and technical help in improving their quality control and sustainability practices. Traders enter into long-term contracts with the grower cooperatives to increase the impact of these practices (Fairtrade Standards for Coffee 2003). Fair-trade certification of coffee and of traders is granted by a third-party monitoring organization.

Marketing of the fair trade model frequently describes it as forging "relationships" between coffee drinkers and coffee farmers. This is done by shortening both the economic distances and the cognitive distances separating these two groups. Fair trade coffee passes through the hands of fewer profit-extracting intermediaries than does conventional coffee. In addition, coffee buyers are told where their coffee was grown, and frequently receive other types of information about the growers, the production process, and the fair trade system. Traders assume that consumers buy fair trade in order to participate in these relationships, to support farmers, to have a clean conscience, and to protest the inequities of the conventional coffee commodity chain.

Fair trade contains an intriguing blend of processes of commodification on the one hand and singularization on the other hand (Kopytoff 1986). It is clear that fair trade participants usually have an implicit, and sometimes explicit, agenda of combating the

alienation thought to characterize contemporary market exchange (Carrier 1995). We can see this in the talk of relationships between producers and consumers, and in the emphasis on the long-term commitment between growers and traders. However, it is also possible to interpret this as part of a discourse of quality, and therefore understand fair trade not as an attempt to reduce commodification but as the commodification of relationships, or of ethical behavior. It is my position that neither interpretation represents the full truth, and that it is better to understand fair trade as a creative and productive synthesis between commodification and singularization. However, I and others studying fair trade have based our arguments largely on the statements made by fair trade activists, traders and farmers. There has so far been very little attempt to study the experience of consumers of fair trade coffee which would help us to better understand the nature of the relationships formed along this commodity chain.

The research I will describe here was an attempt to begin to fill this gap by studying the reasons why consumers buy fair trade coffee in a high-end grocery store. While there is great potential for growth for the fair trade industry in similar venues, not a lot is understood about why consumers may choose fair trade coffee.

Methodology

The research described in this paper was conducted over the course of one week in January 2005 and was carried out in two branches of a high-end gourmet grocery store located in Manhattan New York City. Both branches carry several varieties each of two brands of pre-bagged fair trade certified coffee. In both cases the fair-trade certified coffees were outnumbered in the display by other pre-bagged gourmet coffee brands, including both organic certified and conventional (not certified) coffees. Notably, several non-fair-trade certified coffees also made claims about their ethical treatment of farmers and environmental practices. To the casual observer, these claims may have sounded substantially the same as those made by fair trade, causing a blurring between fair trade and non-fair trade certified coffees.

Research methods consisted of ethnographic observation and very brief informal interviews. A total of twenty consumers were observed, and eighteen were interviewed. Of these twenty, fourteen were observed to select some type of coffee, and eight bought

fair trade certified coffee. Brief unobtrusive interviews were conducted with consumers in the course of the observation. All of the consumers were initially browsing the gourmet coffee displays before being approached. Posing as a shopper, I asked the consumers questions about the coffee they had selected, or sometimes offered one or two bags I had selected myself and asked their opinions. The shoppers, unaware that they were being interviewed, would give me advice about what type of coffee is good to buy, how they themselves make decisions, or their reasons for buying a certain brand.

Shoppers were approached with one of the following questions:

- “Do you know anything about this coffee?” (presenting one fair trade coffee)
- “I see you’re getting X brand of coffee. Do you mind if I ask why you like it?”
- “Excuse me, can I ask you a quick question? Do you know anything about either of these brands?” (or “these companies?”) (presenting one organic certified and one fair trade/organic coffee)
- “Do you know which kind of coffee is good to buy?” (gesturing to the entire display)

Several consumers protested that they did not have enough knowledge to assist me and did not participate in the conversation, either by walking away or by referring me to store employees. However, the vast majority of people approached were willing to discuss the available choices and commiserate with my apparent confusion, even if they began by claiming to lack knowledge. Several consumers were willing to have relatively lengthy conversations, even as long as 5 minutes, about their coffee preferences and strategies for choosing coffee.

In the course of the research, I observed a number of patterns in consumers’ behavior and conversation. Here I will describe consumers’ thoughts on taste and quality, learning and experimentation, price, and certifications.

Findings

Taste and Quality

Nine of the consumers spoken with mentioned the taste and quality of the coffee as being important to their decision-making process. Most of them knew whether they liked light, medium or dark roast. However, beyond this, the vocabulary used to

described tastes and aromas was very limited. Beyond phrases like “that one is good” or “I liked that one” or “that smells nice,” the most specific any one person came to specifically describing the coffee was to say that it tastes “like Kona.” However, as Kona is a very prestigious (and expensive) coffee, typically retailing for thirty to forty dollars a pound, this could be interpreted as tantamount to identifying the coffee as being of high quality, and therefore not much more specific than saying “that one is good.”

It is possible that consumers’ likes and dislikes actually do reflect more complex understandings of taste and that they just lack vocabulary to describe these understandings. It is also possible that the format of brief conversations in supermarkets constrained them from using more complex concepts in their descriptions. Despite both of these possibilities, it is likely that consumers do not tend to have a detailed knowledge of the subtleties of coffee tasting¹ and that the prestige involved in being someone who understands quality is more of a motivating factor than the actual attributes of the coffee itself.

Learning and Experimentation

There has been a trend in recent years for specialty coffee makers to tout the complexity of the sensory attributes of coffee, frequently comparing it to wine. Consumers generally had the impression that there is a lot to know about coffee, and many expressed feeling ignorance about the choices available. Many of the consumers told me that they “didn’t know much” before proceeding to assist me with their recommendations.

Together with this feeling of ignorance was the tendency for consumers to treat the shopping expedition as an opportunity to gain knowledge. Almost all consumers spent a relatively long time examining the displays of coffee, reading the packaging of several varieties, hefting the bags, listening to the sound made when the bags were

¹ It is unlikely that most coffee consumers understand “balance” or “acidity” or other technical terms used by coffee tasters. However, it is much easier to understand the influence of freshness. One consumer went into detail about the importance of the coffee beans being freshly roasted and explained that freshly roasted beans appear to be oily.

shaken, and even smelling the bags². Many consumers were observed to approach the display, examine it, and walk away without selecting any coffee.

Consumers also expressed their intentions of experimenting with different brands and varieties. For example One consumer expressed that she did not know much about coffee, but was intending to learn. The way she would do this was to purchase different coffees at different times and see which ones she liked. It did not appear that she had any systematic method for determining where to start—she ultimately presented three bags to her three-year-old daughter, who chose “the red one.” Another couple, shopping together, decided to “try something a little different”, selecting a bag of fair trade in addition to the bags of organic-certified store brand they seemed to normally buy. Several consumers enlisted the help of coffee bar clerks to assist them in selecting a variety which they would enjoy, based on their stated preferences of roast or flavor.

Six consumers expressed that they usually bought a certain brand. Among these, two expressed that this loyalty was relatively recent and came as the result of experimentation. However, I also received an impression of loyalty to the store as a whole. For example, one woman said that she would trust any coffee from this store. Another person, when I presented them with a fair trade brand, did not know anything about it, but asked “how bad could it be?”

Price

Prices of fair trade coffee usually are in the neighborhood of eight to ten dollars a pound. This places them in the same range as, or sometimes cheaper than, coffees such as Starbucks and the other gourmet brands found near them on the shelves. Fair trade and other gourmet coffee is a luxury product, and therefore it is to be expected that consumers’ choices will not be strongly motivated by small differences in price. The findings of the research support this idea. Of the twenty consumers talked to, only two mentioned price as having an impact on their decision making. Furthermore, of these two, one person said that he had bought Gorilla coffee (one of the fair trade brands) because it was as good as Kona coffee but not as expensive. The other participant

² This behavior of smelling the bags was curious—most of the bags had no odor, in contrast to the displays of fresh-roasted beans at the coffee bar. Indeed, had any smell been detectable, it would have indicated that the packaging was not air-tight, and therefore the coffee would probably be stale.

concerned with price selected the conventionally grown store brand. It is worth noting that this attribute of price immunity is specific to gourmet coffee and not generalizable to lower-end coffee products.

Certifications

The certifications possessed by the coffee, including organic and fair trade, were not often spontaneously mentioned by the consumers. As described above, I used open-ended questions to encourage consumers to talk about the factors most important to them in selecting a coffee. However, later in conversations I occasionally probed on the issue of organic or fair trade certifications. Of twenty consumers, only two spontaneously mentioned fair trade. One other explained that the company Deans' Beans works only with cooperatively organized small farmers without explicitly using the phrase "fair trade." However, this did not appear to be an important factor in her decision making, since she had never tried the brand before.

Two other consumers spontaneously mentioned organic certification as being important. Therefore, only 25% of consumers discussed any type of certification without prompting. Of the times when consumers were prompted about certification, not one of them exhibited a great deal of interest in the topic.

(Tentative Conclusions and Note About Interpretation of Findings)

These findings would seem to indicate that despite fair traders' claims that fair trade is forging relationships between producers and consumers of coffee, consumers think of fair trade coffee as just another commodity within a category of commodities already strongly defined by a discourse of quality and prestige. However, I do not want to claim that the research is comprehensive or presents a total picture of fair trade coffee consumers. This research was done on a very limited scale and thus the findings can only be understood as suggestive. In addition, we can postulate that the context of the purchase has an impact on the meaning attributed to the purchase by consumers. There are a number of types of venues where fair trade coffee is purchased, including from online stores, in churches, and in both public and university-based coffee houses, restaurants and cafeterias. It would be reasonable to hypothesize that a gourmet grocery store would be one of the venues least conducive to thinking in terms of singularized

moral relationships and most conducive to thinking of the coffee as a quality-based commodity.

It is also possible that despite my efforts to make questions open-ended the format of casual supermarket conversations made consumers reluctant to appear to be proselytizing and therefore more likely to instead discuss taste and quality. Finally, consumers' thoughts at the time and place of purchase do not constitute a complete picture of their entire experience of the fair trade coffee. Although a person may not be thinking about fair trade certification at the time of purchase, it is possible that this might become more significant at a different point in the consumption process.

However, the research does contain potentially important findings. Several researchers working with farmers producing coffee for the fair trade market have been told that the single most important thing that could be done to improve the lot of farmers would be to increase demand for fair trade certified coffee. From this pragmatic perspective, the consumers' total experience is not important, except inasmuch as it determines their future decisions to buy or not buy fair trade coffee. Observation at the point of purchase is a good way of gauging both actual behavior (as opposed to reported behavior) and the considerations being taken into account by the consumer at the time and place of purchase, and is a way to generate suggestions about how to increase fair trade's actual positive impact by increasing consumer demand.

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