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Consumers' Perception of Fair Trade Coffee in Australia and Japan

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Declaration

To the best of my knowledge and belief this dissertation contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature: …….

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Abstract

Worldwide, an increasing number of consumers are showing a greater interest in the holistic quality attributes of the food that they consume. Beyond the immediate issues of food safety, a competitive price and the experiential quality attributes, consumers are becoming more concerned about the sustainable manner in which their food has been produced. In the world's more wealthy nations, the demand for sustainable food is becoming mainstream. Sales are being driven by the consumers' belief that ethical foods are better for the environment and make a greater contribution to the livelihoods of smallholder producers.

This study sought to explore differences in consumer perceptions, attitudes and behaviour towards Fair Trade (FT) and organic certification between Western Australian and Japanese coffee consumers. To collect the data, the study employed a structured questionnaire. Owing to cost and time restrictions, the data was collected using shopping mall intercept surveys in the Perth metropolitan area in Western Australia. In Japan, data collection took place in three major cities primarily using personal networks and snowballing because of the difficulties experienced in securing a sufficient number of willing respondents.

Overall, the results reveal that the credence attributes were very much a secondary consideration when respondents purchased coffee for either home consumption or from a café or restaurant. In Western Australia, there was a much higher level of awareness for FT than in Japan. On the other hand, the levels of awareness for certified organic products were similar. However, respondents in Japan were more concerned about the perceived health and safety benefits of organic products, whereas WA respondents were more concerned about the absence of genetically modified ingredients and animal welfare.

For the further development of the sustainable coffee market, an improved distribution system and more consistent quality is required. With regards particularly to FT, greater effort is required in Japan to appropriately position FT products in the market.

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Chapter 1: Introduction

1.1 Background to the research

As the volume of trade in an increasingly globalised food market grows, issues such as environmental degradation and exploitation are becoming more significant. Soil and water pollution, increasing food miles and waste packaging are common concerns (European Public Health Alliance 2008). Furthermore, the increasing gap between rural and urban incomes is leading to social instability, greater urbanisation and, in rural communities, limited access to education and medical services. These have all contributed to the intensifying political and public debate on more sustainable agricultural development over recent decades (Food and Agriculture Organization of the United Nations 2009).

In some of the world's most developed economies, new social movements are emerging which question some food production and marketing systems such as genetically engineered foods (Greenpeace International 2012) or concerns about producers' equity (Oxfam International 2012). Some of these initiatives require food producers to be engaged in sustainable business practices as well as the immediate issues of food safety, more competitive prices and the delivery of superior experiential quality attributes such as taste (Organisation for Economic Co-operation & Development 2008). This includes the promotion of sustainable and environmentally friendly farming practices and greater equity among the supply chain members.

As a result, the consumption of socially and environmentally responsible products is becoming more the mainstream in the industrial economies, leading to the emergence of new consumer segments in the food market. The willingness to pay extra for sustainable products that offer few direct benefits is challenging conventional marketing practice (Wells, Ponting & Peattie 2011). Due to the intangible nature of the ethical product attributes and the complexity of consumer behaviour (Auger et al. 2010), especially across international borders (Usunier & Lee 2009), significant differences in consumer awareness of and attitudes towards sustainable food products are expected.

Literature on the ethical consumer who is concerned with issues such as the environment, animal welfare and social justice is abundant, but highly fragmented between product types and countries of interest. This study aims to generate such knowledge by exploring

differences and similarities in consumer behaviour for Fair Trade (FT) and organic coffee in Australia and Japan.

1.2 Coffee industry

Coffee is the second most highly traded commodity in the world market next to petroleum (Fitter & Kaplinksy 2001). In 2008, world coffee production amounted to around 128 million bags. The main producers were Brazil, Vietnam, Colombia and Indonesia, who collectively produced more than 60% of the world's coffee (International Coffee Organisation 2009). Approximately 70% of the world's coffee producers are smallholder and/or family owned producers (Petchers & Harris 2008).

For smallholder producers, producing certified sustainable coffee can significantly improve their income and offer some protection from the variability in price (Bacon 2008). In the 1970s, the average proportion of total income generated from the sale of coffee that went to producers was 20% (Talbot 1997); this fell to 13% between 1989/1990 and 1994/1995 after the collapse of the International Coffee Agreement (ICA) (Ponte 2002). The gap between farm-gate prices and retail prices has continued to widen as large multinational food companies use their market power to force prices down (Danilo, Aguiar & Santana 2002). Approximately 70% of the market for roasted and instant coffee is held by only four major multinational enterprises: Sara Lee, Proctor and Gamble, Nestle and Kraft Foods (Ponte 2002).

To secure better farm-gate prices, various groups are giving more consideration to alternative means of achieving product differentiation by country of origin, FT and more environmentally sustainable products. This has led to the development of alternative trade and production networks, which have also contributed to community development through enhanced productivity, health and education. In addition, environmentally sustainable production has positively influenced the biodiversity and conservation of ecosystems (Rainforest Alliance 2011).

According to the ICO (2009), coffee consumption has been steadily increasing in recent years. Around 130 million bags of coffee are consumed annually (ICO 2011). Most noteworthy is the expansion of the specialty coffee sector in the major coffee consuming countries (Pierrot, Giovannucci & Kasterine 2011), as a growing number of more affluent consumers indulge in Western lifestyles (Henson 2008). Specialty coffee shops offer superior

physical and intangible quality attributes including improved cup quality (taste/aroma) and desired credence attributes (FT/organic/eco-friendly). However, despite the growth of the sustainable coffee segment, the market share is still very small (Courville 2008; Pierrot, Giovannucci & Kasterine 2011).

1.3 The rise of ethical/sustainable consumption

Today, the market for ethical and sustainable products such as FT and organic foods is slowly transforming from a niche market to mainstream. Codron, Siriex & Reardon (2006) classify the rise of FT and organics into two movements: 'radical' and 'reformist'. The radical movement was started by local NGOs, small growers, cooperatives and small specialised retailers who promoted organic and FT products in the 1970s. The 'reformist' wave was started by mainstream organisations in the food industry like agrochemical companies, large food manufacturers and multinational retailers, in response to growing public concern and a desire to exercise greater corporate social responsibility.

The concept of ethical consumerism encompasses environmental and FT considerations as well as concerns for animal welfare (Connolly & Shaw 2006). Three dominant consumer responses have been identified by Ozcaglar-Toulouse (2007): exit (anti-consumption behaviour), loyalty (purchasing ethical products) and voice (boycotting). While loyalty and voice are the two most investigated areas in the study of ethical consumerism, this study seeks to describe and compare the purchasing of ethical and sustainable products between Western Australian and Japanese consumers.

According to the OECD (2008), consumerism is believed to be the principal driver for more sustainable development. Sustainable consumption refers to the consumption of products produced in a manner that is both environmentally sound (taking into consideration pollution, waste and resource use) and socially sound (by promoting health and welfare). Consumers are concerned not only with the environmental impacts and the effects on their health, but also with the social aspects of production, including workers' welfare and remuneration.

Although consumers' regard for ethics and sustainability has widely expanded, the definition of ethical and sustainable consumption is still not clear and is hotly debated: a sign that it requires further research (Newholm & Shaw 2007). According to Connolly & Shaw (2006), most of the literature describes 'ethical consumerism' as a combination of environmental and

FT concerns. Various terms have appeared in the last two decades describing ethical consumers as ‘green’, ‘ethical’, ‘concerned’, ‘socially conscious’ and so forth (Connolly & Shaw 2006). With consideration towards these points, this study conceptualises ethical and sustainable consumerism as consumers engaging with sustainable development and associated ethical issues by purchasing products that are identified as having been produced under ethical or sustainable regimes, such as FT and organically certified products.

1.4 Fair Trade (FT) and organic certification

To promote ethical consumption, a variety of third party certified quality assurance systems such as Fair Trade (FT) and organic certification have been established and widely applied in the agriculture and food industry. At least seven sustainable quality assurance systems exist within the coffee industry, with Fair Trade (FT) and organic coffee certification playing a central role.

Under FT, smallholder farmers are encouraged to adopt environmental and ethical standards that meet requirements for the sustainable development of the industry. More specifically, FT is based on the following four principles:

(1) smallholders receive a guaranteed minimum floor price, and a premium price for certified organic products;

(2) employees on FT farms are assured of a safe work environment and ethical working conditions, such as sufficient living wages, no forced or child labour;
(3) FT growers receive additional price incentives for community development projects; and
(4) hazardous agrochemicals and Genetically Modified Organisms (GMO) may not be used under sustainable agricultural production systems.

To achieve these goals, consumers pay a social premium of US$ 1.40 cents/lb for coffee and an additional 30 US cents/lb for organic coffee (Specialty Coffee Association of America 2009).

In comparison with FT, organic food is commonly associated with health benefits (Klintman 2006). Organic agriculture (OA) is based on the following propositions:

(1) the principle of health;
(2) the principle of ecology;
(3) the principle of fairness; and
(4) the principle of care (International Federation of Organic Agriculture Movement 2009).

Although organically certified coffee producers do not obtain a guaranteed minimum price, price incentives are determined by the quality, country of origin, the market situation and the producers' reputation (Batt et al. 2009).

1.5 Studying coffee consumption and sustainable coffee across two countries

Although the global FT retail market has steadily increased, the growth rate varies from country to country (Fairtrade Labelling Organization 2010). Consumer behaviour literature identifies culture as one of the external determinants that strongly influence consumers' values, perceptions, preferences and needs. National culture, in particular, determines significant patterns of consumer behaviour (Hofstede 2001). National identity is the most traditional and widely used factor in cross-cultural studies (Engelen & Brettel 2011). For instance, about six in ten Australian consumers (66%) show a high level of trust for FT, compared with 41% of Japanese consumers (GlobeScan 2011). Varul (2009), who studied FT consumption in Germany and the UK, identifies national differences in the FT market in each country. In the UK, FT is mainstream in five major supermarkets, while in Germany, FT struggles in the face of an historical orientation that places more importance on price and quality: the ethical element of FT products is alien to German consumers.

Despite this, Craig & Douglas (2011) argue that the definition of national culture is becoming increasingly irrelevant and inappropriate as a unit for analysis. Levitt (1983) also emphasises that cultural distinctions between countries in the globalised market is outmoded. His argument is based on the homogenisation of consumer demand, whereby standardised products of superior quality at a low price, are sought by the mass market.

Global consumer culture (GCC) assumes that peoples' beliefs are embedded in global citizenship and that all people are part of the 'global village' (Strizhakova, Coulter & Price 2008). This view is based on four concepts: global capitalism, expanded multinational enterprises, global consumerism and the homogeneity of global consumption (Usunier & Lee

2009). In both Australia (Datamonitor 2010) and Japan (Specialty Coffee Association of Japan 2010), the demand for specialty coffee has increased as the global consumer culture has grown: in other words, no national borders exist in the consumer's demands for a special experience through superior cup quality. Raynolds (2002) argues that the concept of FT is founded on global citizenship, although there is some doubt whether the concept of FT can be developed as a part of GCC. For instance, the size of the ethical coffee market varies substantially across countries. While Australia/New Zealand experienced a 258% increase in FT sales between 2009 and 2010, Japan has experienced only 14% market growth, in spite of FT initiatives having been introduced much earlier (FLO 2011).

However, according to Steenkamp (2001), the mutual influence of national cultures and their influence on global and micro-cultures should be given more attention to understand the role of culture on consumer attitudes and behaviours. In this regard, studying consumer behaviour in relation to coffee consumption and sustainability is a significant topic requiring an understanding of culture from both national and global perspectives.

1.6 Research objectives

This exploratory study aims to create a greater understanding of consumer attitudes and behaviours towards more sustainable consumerism through investigating coffee consumption within two national contexts. The extension of existing theory is not the principal objective in this study because there are few similar studies. Rather, the exploration of cultural commonalities and dissimilarities in terms of sustainable coffee consumption is the main goal. In this context, the thesis focuses on the following questions:

> **Major question 1:** What differences and similarities exist between Western Australia (WA) and Japan in terms of consumers' attitudes and behaviour towards coffee consumption?
>
> > **Minor question:** What differences in consumption at home and in cafés or restaurants can be discerned?

Objective One is designed to investigate what attributes of coffee are prioritised when consumers make the decision to purchase coffee and how the attitudes and behaviours regarding coffee consumption affect the universality and uniqueness of the coffee culture in the two countries. The influence of the situation is then explored as a secondary consideration.

Objective Two aims to understand why the majority of consumers do not purchase sustainable coffee, how this barrier can be overcome, and to identify those consumers who are interested in sustainable coffee. Secondary objectives are designed to shed light on the respondents' post-purchase evaluation of FT and organic coffee.

Major question 2: What differences and similarities exist between Western Australian and Japanese coffee consumers' behaviour towards Fair Trade and organic coffee?

Minor question 1: What are the experiences with and evaluations of FT and organic coffee?

Western Australia was chosen as being representative of Western consumers in the Asia-Pacific region, for the market for ethical and sustainable products and coffee culture is well established. The two dominant supermarket chains (Coles and Woolworths) both sell organic and FT coffee to cater to this emerging segment. Japan was chosen as a nation in Asia where a strong coffee culture has been established since the end of Edo era (UCC Ueshima Coffee 2010). Japan is the third largest importer of coffee in the world (ICO 2009). In both countries, the importance of promoting sustainable consumerism is strongly emphasised at a political level (OECD 2008).

1.7 Significance

Among many OECD countries, sustainable or ethical consumption policies have been put into practice (OECD 2008). Although the growth of ethical food products such as FT and organically certified products has flourished within the world coffee industry, they still account for less than 8% of sales (Pierrot, Giovannucci & Kasterine 2011). Furthermore, market growth rates vary across countries. This study will provide insights into the experiences of sustainable coffee consumers in the two countries. Such knowledge could facilitate the further development of the sustainable coffee market in each country.

Pursuing accreditation under sustainable schemes such as FT and organic is important for smallholders in the coffee industry, as it helps provide a stable income and sustain living standards (Batt et al. 2009). Because of the gap between farm-gate and retail prices, some producing countries suffer from economically led social instability, such as migration to urban areas, growing squatter settlements and crime. Using consumer power to promote sustainable schemes in the coffee industry is a vital step in alleviating the income gap.

To date, the majority of the research on ethical consumerism has been carried out in Europe and North America. International marketing research theorists stress the importance of ensuring that the constructs under investigation are equivalent in cross-cultural studies (Cavusgil & Das 1997; Crawford & Fletcher 2011; Usunier & Lee, 2009). Although the concept and practice of FT and organic coffee are based on a global idea and global practice, to date, very few studies have been conducted in Japan and even fewer have sought to draw comparisons between Japan and another country such as Australia. There also seems to be some confusion in practice among consumers across and even within countries (Connolly & Shaw 2006). This is not surprising, given that there are many competing global and national brands and certifications for food products marketed under claims of social and environmental responsibility.

These discussions collectively underline the significance of a cross-national study on the sustainable coffee market as well as ethical consumer behaviour. Exploring cross-country insights by focusing on the FT and organic coffee market may offer valuable insights into the long-term development of sustainable food markets.

1.8 Outline of the dissertation

This dissertation consists of eight chapters. Chapter One has introduced the research topic and set the context of the study, and defined its objectives and significance.

Chapter Two presents a background to the coffee industry and sustainable certification schemes, looking at FT and organic coffee in the world before focusing on Australia and Japan.

Chapter Three reviews the literature on consumer behaviour, exploring situational influences and the influence of culture, with an emphasis on the ethical factors contributing to individual consumer differences in perception and attitudes.

Chapter Four presents the research methodology, including the questionnaire design, sampling method, data collection and data analysis techniques.

Chapters Five and Six present the findings from Western Australia and Japan respectively. To explore national characteristics, each chapter deals with a single country to capture within-country perspectives of consumer behaviour. These chapters start with a brief socio-

demographic and psychographic profile, including attitudes and behaviour toward coffee consumption and attitudes and perceptions regarding FT and organic coffee. A comparison between the consumption of coffee at home or in cafés and restaurants is illustrated.

Chapter Seven provides an analysis of the findings from the two subject sites and discusses the observed similarities and differences in ethical consumer behaviour between Western Australia and Japan.

Chapter Eight summarises the main findings under each of the four research questions. The limitations of this study and future directions for study are presented.

Chapter 2: Background

2.1 Outline

Chapter 2 discusses the coffee industry at both global and national levels. The objective of this chapter is to understand what kinds of sustainable certification schemes (SCS) exist in the industry, and to describe each in detail. Although there are several SCS, this thesis primarily focuses on Fair Trade (FT) and organic (OA) schemes in Australia and Japan.

2.2 Global coffee industry: production

Coffee is the second most highly traded commodity in the world (Fitter & Kaplinksy 2001). Most tropical and sub-tropical countries grow coffee. Although there are at least 25 different species of the plant, *Arabica* (Colombian Milds, Other Milds, Brazilian Naturals) (60%) and *Robusta* (40%) are the two major commercialized species. *Robusta* is primarily used for espresso and soluble coffee as it contains more caffeine and is characterized by a woody, astringent taste (ICO 2009). *Robusta* generally produces a higher yield owing to its stronger resistance to pests and disease. It is produced in West and Central Africa, much of South East Asia, and to some extent in Brazil. However, Vietnam is the world's largest producer of *Robusta*. On the other hand, the quality of *Arabica* is generally considered to be superior to that of *Robusta*. Thus, *Arabica* is generally priced higher than *Robusta* (ICO 2011). *Arabica* is grown at high altitude, 1000-2000 metres above sea level, primarily in Latin America, Central and East Africa, India and Indonesia. Brazil and Columbia are the world's leading producers of *Arabica* coffee (Table 2.1).

Table 2.1: World coffee production by selected countries from 2006 to 2010

Country/Year	**2006**	**2007**	**2008**	**2009**	**2010**
Brazil (*Arabica*/*Robusta*)	42 512	36 070	45 992	39 470	48 095
Vietnam (*Robusta*)	19 304	16 467	18 500	18 200	18 000
Columbia (*Arabica*)	12 541	12 504	8 664	8 098	9 000
Indonesia (*Arabica*/*Robusta*)	7 483	7 777	9 612	11 380	9 500
Others	47 073	47 196	45 732	45 926	49 903
Total	128 913	120 014	128 500	123 074	134 498

Source: ICO (2010), Unit: 1,000 bags (60kg)

On average, some 127 million (60kg) bags of coffee were produced annually between 2006 and 2010 (ICO 2010). Brazil is the world's largest coffee-producing country, with

production estimated at over one third of all coffee produced globally, with an average annual production of 42.4 million bags. Vietnam, Columbia and Indonesia accounted for 14.2 million, 8 million and 7.7 million bags respectively, during the same period. These four countries collectively shared around 60% of the world's coffee production. Not unexpectedly, year to year variations in coffee production in each of these countries has a major influence on world coffee prices.

2.3 Global coffee industry: consumption

The European Union, the USA and Japan account for almost half of total global coffee sales (Pierrot, Giovannucci & Kasterine 2011). Global coffee consumption has been steadily increasing in recent years and is currently estimated to approach 130 million bags (ICO 2011) (Table 2.2). In 2008, coffee consumption in Japan was estimated to be six times higher (7 million bags) than that of Australia (1.1 million bags).

Table 2.2: Coffee consumption between 2004 and 2008 by world, Australia and Japan

	2004	**2005**	**2006**	**2007**	**2008**
World Total	118 478	119 005	122 579	127 203	130 004
Australia	864	1 039	992	1 031	1 145
Japan	7 117	7 128	7 268	7 282	7 065

Source: ICO (2009), Unit: 1,000 bags (60kg)

According to the ICO (2009), world coffee consumption is increasing at 2.6% per annum. In the major coffee consuming countries there is a steady shift towards higher quality specialty coffees, including those produced under a recognised quality assurance system. Specialty coffee is often produced under sustainable production systems or protocols that assure fair trade and equity.

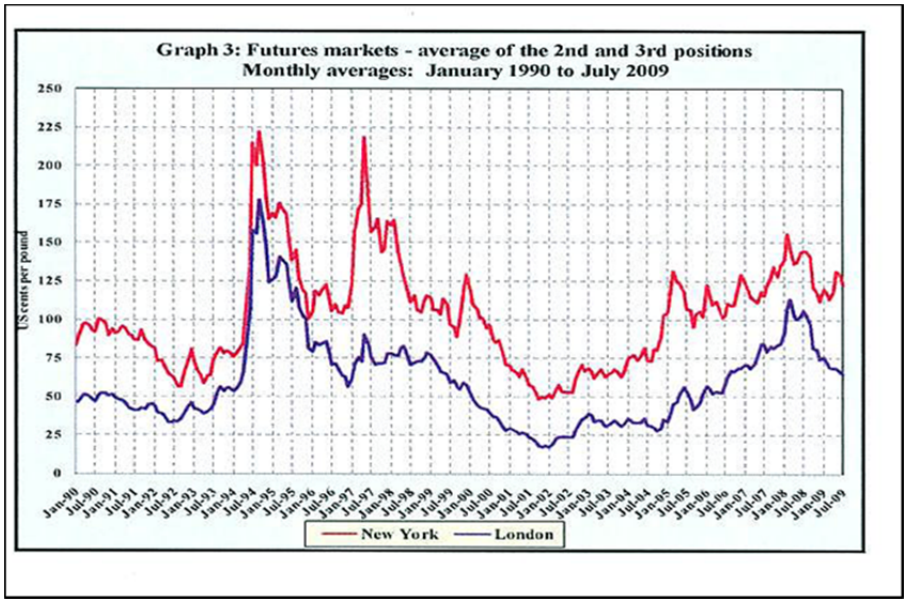
2.4 Global coffee industry: market

The two major international coffee markets are New York (*Arabica*) and London (*Robusta*). As with any other commodity, the coffee price is largely driven by the interaction between market supply and demand. With consumption currently exceeding production, the price has started to climb, reaching a 14-year high of US$ 2.99/lb in February 2011.

The supply of coffee is determined by the production cycles in the producing countries and by variations in stock levels. According to the Fairtrade Labelling Organisation (FLO)

(2011), recent harvests have been smaller than expected and stocks have been gradually eroded due to the low supply, falling from 54 million bags to just 17 million (ICO 2009). Seasonal variations, climatic problems (drought, floods, hurricanes and frost) and social problems (regional conflicts, strikes, social unrest and export embargoes) all contribute to the volatility in price.

Furthermore, prices in the futures market are highly speculative. Large growers, exporters, traders and roasters hedge their risks by purchasing from one of the two coffee markets when the prices offered there are lower than those offered by traders and exporters (Ponte 2002). In 1994 and 1997, due to frost and drought in Brazil, the supply contracted and prices increased markedly (Figure 2.1), while from 1997 to 2001, overproduction drove the price down to historic lows.



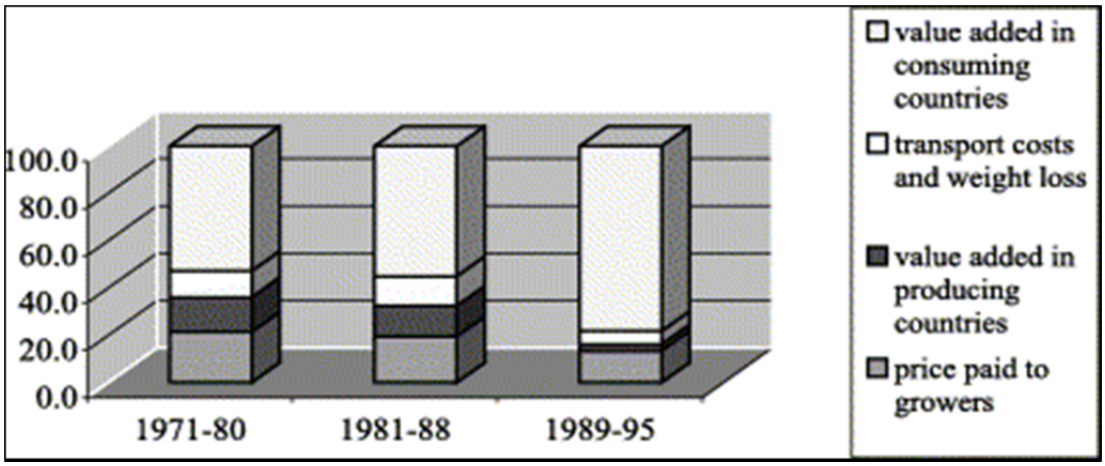
Source: ICO (2009)

Figure 2.1: Future market coffee prices in New York and London (1990-2009)

The downward trend in coffee price is also the result of other factors, including:

(1) the removal of the International Coffee Agreement (ICA) after 1989, which resulted in an oversupply by Brazil and Vietnam;
(2) technology developments in processes which enabled roasters to use poor quality beans to produce good quality coffee, and which suppressed the price for premium coffee beans; and
(3) the increasing retail margin (ICO 2009).

In 2001, the price paid to Brazilian farmers during the coffee crisis was estimated to be only 36 US cents/1b, whereas the retail price exceeded 860 US cents/1b in Japan (Figure 2.2) (ICO 2009). During this period, many smallholder farmers faced severe financial hardship, leading to social unrest.



Source: Ponte (2002) adapted from Talbot (1997)

Figure 2.2: Distribution of coffee income along the chain from 1971-80 to 1989-95

After the abolition of the ICA, market power shifted from the producing to the consuming countries (Ponte 2002). According to Talbot (1997), the average proportion of total income generated from the sale of coffee that went to the producer was 20% in the 1970s; however, this fell to 13% between 1989-1990 and 1994-1995 (Ponte 2002).

The recent price volatility has been influenced primarily by the declining harvest situation, exacerbated by climate change around the world (Espresso Coffee Guide 2011). Indonesia is currently experiencing a 12% reduction in production, and both Vietnam and Columbia have been adversely affected by prolonged heavy rain. Increasing temperatures associated with global warming also threaten the harvesting of *Arabica*, which prefers lower temperatures.

The price of *Arabica* has been driven upward by the increasing demand for specialty coffee in spite of the global economic recession (FLO 2010). New markets have developed in parallel with the expansion of global coffee chains in Brazil, India and China, where the emerging middle classes demand food quality over price (ICO 2010). However, consumers are not drinking more coffee: rather they are drinking more specialty coffee (Australian Coffee Traders Association 2009; Specialty Coffee Association of America 2009; Specialty Coffee Association of Japan 2010). This has caused a shortage of premium *Arabica* beans on a global scale.

2.5 Fair Trade (FT)

The concept of Fair Trade (FT) extends to a wide range of movements, campaigns and initiatives that have surfaced in the past decades in response to the negative impacts of globalisation (Codron, Siriex & Readon 2006). For instance, the term 'fair trade' is also synonymous with 'free trade': that is, with abandoning trade restrictions amongst neo-liberal politicians (Murray & Raynolds 2007). In this study, however, the concept of FT is used to refer to socially responsible trade or business practice that addresses the imbalance in market power between producers in the developing countries and consumers in the wealthy developed countries.

2.5.1 FT principles

The principles of FT certification must adhere to the United Nations Charter on Human Rights and the International Labour Organisation (Batt et al. 2009). Under FT certification, traders and smallholder farmers adopt standards that are environmentally sustainable and ethical, leading in the long term to financial security and economic self-sufficiency for producers (FLO 2009). Under FT certification, growers are guaranteed a minimum floor price and a price premium. According to FLO (2011), the Fairtrade Minimum Price (FMP) is 'the lowest possible price' that is paid to producers. The Fairtrade Premium (FP) is an additional amount paid to producers to promote investments in its business and community. An additional differential of US$ 30 cents/1b is paid to those producers who are also organically certified. The flow of price premiums is checked annually by an FLO inspector to ensure that price premiums are transferred and that fair wages have been paid to workers.

Both the FMP and FP were increased in April 2011 in response to the record high international coffee prices. For washed *Arabica* beans, the FMP price was set at US$ 1.40/1b (previously 1.25/1b). The FP was increased to US$ 20 cents/1b, up from US$ 10 cents/1b. Of that, 5 cents was earmarked for productivity and quality improvement schemes.

Fair trade premiums are utilised for education, quality improvement programs, medical facilities and community development. FT farmers' groups must be organised democratically and must collectively decide how to invest their FT premium for the benefit of the community. A safe work environment and stable wages are assured, and child and forced labour are strictly prohibited. The use of dangerous agrochemicals and genetically modified organisms are also prohibited.

Long-term relationships between traders and producers are an integral part of the FT system. Training workshops must be provided to the farmers to improve the economic, social and environmental conditions for community development to secure more sustainable livelihoods. FT also assists smallholder coffee growers in the provision of market information, which positively influences their knowledge, skills and resources.

2.5.2 FT movement

The FT movement started in the 1940s as an alternative trade network to support producers in the southern hemisphere (Raynolds & Long 2007). The Alternative Trade Organisation (ATO) expanded in Europe during the 1960s and 1970s to establish the current FT movement, which integrated four associations: The Network of European Worldshops (NEWS); The European Fair Trade Association (EFTA); The Fair Trade Federation (FTF); and The International Fair Trade Association (IFTA). In 1997, the Fairtrade Labelling Organisation (FLO) was established to unify FT standards and certification globally. In 2009, the retail value of FT products increased 15% to exceed €3.4 billion (FLO 2010).

According to FLO (2010), consumer awareness of the FT brand exceeds 80% in some countries. In the UK, 70% of consumers were able to recognise the label in 2007, with 64% of consumers understanding the concept of FT certification (The Fairtrade Foundation 2009). Over 27,000 FT products are currently sold across 70 countries, but coffee is the major commodity, accounting for as much as 60% of FT sales (Golding & Peattie 2005). In 2004, almost 404,000 bags of FT coffee were sold, rising to over 1.5 million bags in 2009 (Table 2.3).

Table 2.3: World trade of FT coffee (by imports)

Country	2004	2005	2006	2007	2008	2009
Europe	279,400	352,065	429,915	521,065	767,300	855,717
North America	123,385	210,685	430,600	504,565	578,567	636,917
Australia/ New Zealand	N/A	1,650	4,765	7,500	18,500	26,567
Japan	915	2,165	2,450	3,685	5,833	6,533
Others	N/A	N/A	N/A	N/A	N/A	483
Total	403,700	566,565	867,730	1,036,815	1,370,200	1,526,216

Source: Pierrot, Giovannucci & Kasterine (2011)
Unit: 60kg-bags

Europe and North America remain as the dominant destination for FT coffee, although the rapid expansion of Australia and New Zealand is noteworthy. In 2009, the volume of FT coffee imported into Australia and New Zealand was four times larger than Japan: an average annual growth rate of more than 100%, in comparison with 32% in Japan.

The FT movement has been positively influenced by powerful global coffee retailers like Starbucks, who now undertake business based on the triple-bottom line management principle. According to Raynolds (2002), Starbucks was compelled to adopt FT coffee by 'human rights activists who picketed stockholder meetings and mass demonstrations' (p. 414). Starbucks is now the largest FT coffee buyer in the world.

2.6 Organic

According to the Collins English Dictionary (2003), organic farming is 'a method which utilises only natural animal and plants to help plants or animals grow and be healthy, rather than using chemicals'. Organic farming emerged as the first sustainable certification in the agricultural industry (Pierrot, Giovannucci & Kasterine 2011). Broadly speaking, organic agriculture (OA) prohibits the use of conventional fertilisers, chemical pesticides and antibiotics. Scientific knowledge and traditional farming practices are employed to maintain a healthy agro-ecosystem (Batt et al. 2009). Sales of OA products have shown such an exponential growth that its market status as a niche product category has been transformed and they are now mainstream market products. In Australia, for instance, dominant supermarket chains such as Coles and Woolworths now sell organic food to cater to the increasing demand from customers.

2.6.1 Organic principles

Today, hundreds of private OA standards are approved by more than 60 governments and guaranteed by the International Federation of Organic Agriculture Movements (IFOAM) and Organic Guarantee System (OGS).

According to International Federation of Organic Agriculture Movements (IFOAM), OA is governed by four principles: health, ecology, fairness and care. The principle of health is based on the fact that it is not possible to separate individual and community health from a healthy ecosystem, such as soil, plant and animal health, as all are integral parts of a living

system. OA seeks to maintain the health of the ecosystem by prohibiting the use of fertilisers, pesticides and animal drugs, and avoiding the use of food additives in processing.

The principle of ecology addresses the symbiotic relationship between agricultural production and the environment: the living soil for crops, the farm ecosystem for animals and the aquatic environment for fish and marine organisms. OA promotes farming practices that seek to balance the ecological systems with local conditions and culture. Farm inputs are reduced by reusing and recycling, and employing efficient materials and energy to preserve and improve the quality of the environment and to conserve resources. IFOAM encourages the maintenance of genetic and agricultural diversity by designing a farming system to achieve ecological balance through production, processing, trade and consumption.

The fairness element of OA refers to an equal relationship between people, the environment and other living organisms. OA promotes good quality of life, led by food sovereignty and the alleviation of poverty. Fairness also extends to animal welfare, guaranteeing their well-being in terms of physiological and natural behaviour. The principle also takes into account the long-term environmental and social costs in the production, distribution and trade practices, keeping in mind the welfare of future generations.

The principle of care promotes efficiency and pursues improvements in productivity without associated risks to health and well-being. New technologies and production methods are rigorously assessed to assure health, safety and ecological diversity. Practical assessment, traditions, accrued wisdom and indigenous experience are all taken into consideration.

Unlike FT coffee producers, organic coffee producers do not receive a guaranteed minimum price. Instead, prices are determined by the quality of the product, the country of origin, the market situation and the producer's reputation (Giovannucci & Villalobos 2007). Indeed, some OA producers receive a very low price for their organic coffee because of its poor quality.

2.6.2 OA movement

The OA movement started in Europe, primarily in response to problems associated with efficiency-driven industrialised agricultural practices. The first movement was established in the 1920s by Rudolf Steiner (Codron, Siriex & Reardon 2006) who synthesised science with mysticism and coined the term 'biodynamic agriculture' to refer to the practice of working with the influence of the wider cosmos on plants, soil and animal health (Biodynamic

Farming and Gardening Association 2012). Albert Howard, who developed the concept of OA, emphasised the link between the health of plants and animals and the health of the soil (Heckman 2006). In the 1960s, a surge of environmentalism and alternative production systems emerged after the publication of *Silent Spring* by Rachel Carson. Today IFOAM leads the global OA movement, which unifies 750 member organisations across 116 countries.

The global organic market was worth US$ 59 billion in 2010, with product variation extending from food to cosmetics (IFOAM 2012). Fresh fruit and vegetables are the most important category in the organic market, followed by dairy products and beverages. The organic foods and beverages market makes up about 4% of the overall food and beverage market (Organic Trade Association 2011). However, since the global financial crisis, organic food sales have achieved only single-digit growth (Organic Monitor 2009).

The sale of organic coffee is the most significant category for sustainable coffee labels in terms of both quantity and value (FLO 2010), although sales data for organically labelled coffee is one of the most difficult to collect, as there are a number of different certifying agencies, most of which do not provide data about their sales volume or value (FLO 2010; FAO 2009).

The figures for organic coffee imports into North America, Europe and Japan show that from 2004 to 2009, the total volume of certified organic coffee grew from 700,000 bags to over 1.6 million bags (Table 2.4). This is equivalent to an average annual growth rate of 25%.

Table 2.4: World trade of organic coffee (by imports)

Country	2004	2005	2006	2007	2008	2009
Europe	290,024	385,868	402,336	745,110	725,000	754,000
North America	275,000	316,700	511,700	612,300	672,800	703,080
Japan	41,200	51,600	62,000	67,000	72,500	75,400
Others	93,776	112,531	1 40,664	146,290	154,400	160,575
Total	700,000	866,700	1,116,700	1,570,700	1,624,700	1,693,055

Source: FLO-GPM coffee market overview (2010), cited by Pierrot, Giovanucci & Kasterine (2011)
Unit: 60kg-bags

For producers, conversion to organic farming practices presents a significant risk in terms of cost and the loss of productivity. Forward planning and a long-term commitment are essential for the conversion. It generally takes three years or more for complete conversion, and most OA production practices are more labour-intensive than conventional practices

(Ministry of Agriculture, Forestry & Fisheries 2010). Some loss of income is inevitable, as product cannot be sold under OA labels in the first years of the transition (Batt et al. 2009).

2.7 Other sustainable labels

Sustainability is now the fastest growing segment of the world coffee industry, with growth rates in the region of 20–25% per annum (Pierrot, Giovannucci & Kasterine 2011). While the sustainable coffee market is dominated by FT and organic, there are a number of other labels including Rainforest Alliance (RA), Smithsonian Bird Friendly, Utz Certified and the Common Code for the Coffee Community (4C Association). Within the world coffee industry, the concepts of sustainability are generally established upon four pillars: product quality, economic accountability, social responsibility and environmental leadership (C.A.F.E. Practices Generic Evaluation Guidelines 2007). Each of these schemes is not only a marketing tool, but also a reflection of the growing need for multinational food companies to demonstrate their corporate social and environmental responsibility.

2.7.1 Rainforest Alliance (RA)

RA is a coalition of Latin American NGOs, which established the Sustainable Agriculture Network (SAN) in 1991. The RA principles consist of integrated pest management, biodiversity, protecting workers' rights and facilitating community development by encouraging agricultural practices that assure sustainable farm management (Courville 2008; Pierrot, Giovannucci & Kasterine 2011; SCAA 2009). According to Courville (2008), in contrast to FT, RA certification works not only with smallholders but also with large corporate coffee producers. This partially explains why RA coffee has been adopted by such large players as Kraft, Procter & Gamble and McDonald's. Furthermore, in comparison to OA certification, some agrochemicals are permitted.

RA coffee is produced in 22 countries, mostly in South America (69%), Central America and Mexico (24%), Asia (6%) and Africa (1%) (Pierrot, Giovannucci & Kasterine 2011). The first certified RA coffee was produced in 1996 (Rainforest Alliance 2011). Today, more than 219,000 tonnes of coffee are produced under RA, 30% more than in the previous year (2010). RA certified coffee accounts for approximately 2.5% of the global coffee market. RA certified coffee has now reached 44 countries (SCAA 2009), with Europe, the USA and Japan emerging as the major markets (Pierrot, Giovannucci & Kasterine 2011). Much of the expansion in sales arises from the adoption of RA certification by a number of transnational

corporations (Rainforest Alliance 2011). For instance, Nestlé announced its intention to source 90,000 tonnes of RA coffee from farmers who comply with SAN standards, and promised to increase their purchases of RA certified coffee to 80% by 2013 (Pierrot, Giovannucci & Kasterine 2011).

Unlike OA certification, RA is primarily a producer-driven scheme. Not all market intermediaries need to be registered; nor must the chain operate in isolation (SCAJ 2010). The price differential is flexible and negotiated between buyer and seller. Farmers' earning depends upon their ability to improve quality and to control on-farm costs. Producers only have to pay for the cost of auditing.

2.7.2 Smithsonian Bird Friendly

Smithsonian Bird Friendly (SBF) coffee is another of the subcategories of sustainable coffee, with a special emphasis on native birds. The Smithsonian Institute conducts research and education into issues facing neo-tropical bird populations (Smithsonian National Zoological Park 2004). OA certification is a pre-condition for SBF certification. To comply with the additional criteria, farmers must meet seven guidelines:

(1) guarantee environmental sustainability, with the aim of protecting or improving the ecological indicators of environmental health;
(2) protect structural as well as species biodiversity, in order to preserve shelter and food for birds, especially migratory ones;
(3) take into consideration that coffee cultivation must be integrated into agroforestry systems;
(4) keep in mind that the forest transformed for coffee production must not be part of an protected zone or natural reserve;
(5) guarantee that the application of production techniques must leave specific ecosystems intact and contribute to the conservation and sustainable use of natural resources;
(6) permit cultural practices that involve the use of epiphytes for ceremonial or festival purposes; and
(7) keep documentation describing the unit and demonstrating the management of the plantation and shade.

To meet the biophysical criteria, farmers must keep at least 40% canopy cover after pruning and the shade should comprise a diverse species of trees to conserve avian diversity.

According to Pierrot, Giovannucci & Kasterine (2011), around 1800 bags of Bird Friendly /shade-grown coffee were imported worldwide in 2008, of which 95% was produced in Central and South America. SBF coffee is mostly consumed in North America (61%) and Japan (36%). Under this scheme, farmers receive US$ 0.05-0.10 more per pound for their coffee. For roasters, the price premium is set at US$0.10 per pound (SCAA 2010), but this is flexible and depends on the quality of the coffee and the producer/buyer relationship. Certification fees for the producer include the SBF inspection at the time of organic inspection. A SBF coffee importer pays US$100 per year to utilise the SBF logo.

2.7.3 Utz Certified

Utz Certified is one of the most recent certifications, established in 2003 (Utz Certified 2011). Utz Certified aims to promote better business practices through more sustainable production systems, based on international ILO conventions and the adoption of Global Good Agricultural Practice. The initiative's missions are to improve production by implementing more sustainable food production practices that facilitate better business, livelihoods and the environment; to take responsibility for rewarding food products grown through more sustainable farming practices; and to encourage consumers to buy products that meet their standards for social and environmental responsibility (SCAA 2010).

The worlds' largest producers of Utz Certified coffee are Brazil (36%), Vietnam (23%), Honduras (18%), India (6%) and Columbia (5%) (Utz Certified 2011). Price differentials to farmers are set by the market, and are thus contingent upon quality (SCAA 2010). The price premium was estimated to be US$ 0.05/1b in 2009.

About one third of the Utz Certified coffee is consumed in Europe, including the Netherlands, Scandinavia, Belgium and Switzerland (Pierrot, Giovannucci & Kasterine 2011). Some 81,319 tonnes of Utz Certified coffee were sold in the first six months of 2011. In contrast to the first six months of 2010, sales of both *Arabica* and *Robusta* have grown by about 28% (Utz Certified 2011).

2.7.4 Common Code for the Coffee Community (4C Association)

The Common Code for the Coffee Community (4C) is a voluntary code of conduct integrated with good farming and good management to improve efficiency and enhance profitability (Batt et al. 2009) in the mainstream coffee industry (SCAA 2009). The 4C Association was launched during 2003 and 2004.

The 4C Association aims to facilitate social, environmental and economic sustainability in the production and postharvest handling of coffee for all actors along the chain (Batt et al. 2009). The code offers basic standards, aimed at business-to-business customers rather than consumer-oriented certifications like organic, FT and RA. The Code includes ten unacceptable practices that have to be eliminated before applying for certification: child labour, bonded and forced labour, trafficking of persons, prohibiting membership or representation by trade unions, forced eviction without adequate compensation, failure to provide adequate housing where required for workers, failure to provide potable water to all workers, cutting of primary forest or destruction of other forms of natural resources that are designated as protected areas by national or international legislation, use of pesticides banned under the Stockholm convention and listed in the Rotterdam Convention on Persistent Organic Pollutants (POPs), and immoral transactions in business relations according to international covenants, national law and practices.

Certification under 4C is generally more accessible for large-scale producers and producer groups (20 tonnes minimum) that are not willing or able to fulfil the requirements of other certifications (Pierrot, Giovannucci & Kasterine 2011). Imports of 4C certified coffee were estimated to exceed 194,000 bags in 2008 and 492,500 bags in 2009. Most producers were located in Latin America and Vietnam. Unlike many of the other certification schemes, the price differential to farmers is determined by negotiation between 4C members. Quality and rewards for the adoption of sustainable production practices are generally reflected in the price (SCAA 2009).

2.7.5 C.A.F.E. practices

Coffee and Farmer Equity Practices (C.A.F.E. Practices or CP) is a comprehensive private standard established by Starbucks to evaluate and reward producers who achieve high quality, sustainably grown coffee. Initiated by the Starbucks Preferred Supplier Program, which began in 2001, preferred suppliers must not only deliver superior quality coffee but behave in a socially responsible manner. The evaluation criteria for CP extend to: product quality, economic accountability, social responsibility, environmental leadership in coffee growing and environmental leadership in coffee processing (Scientific Certification Systems 2007).

Evaluation of product quality includes the physical appearance of the beans, defect levels and cup quality (SCS 2007). Financial transparency must be demonstrated along the entire supply chain to ensure that preferred suppliers are appropriately rewarded. Preferred

suppliers must guarantee working capital within the chain and encourage socially responsible practices. Processors and traders must also meet ethically appropriate practices: growers should be treated fairly and equally and have the right to transact democratically, and no child or forced labour is allowed. Producers meet rigid controls in terms of environmental perspectives, including the use of shade, land and water management practices, the responsible application of chemicals and fertilisers, and the practice of conservation and biodiversity.

CP sets the price for coffee at a minimum of US$ 1.43/1b (Renard 2010). Coffee farmers supply coffee via CP guidelines from 20 countries. Some 86% of the coffee purchased by Starbucks was ethically sourced in 2011 (Starbucks Coffee Company 2010).

2.7.6 Summary of certification system for sustainable coffee

The coffee industry is one of the biggest agricultural industries to encourage sustainable practices through third party certification schemes. These schemes focus on providing marketing communications to consumers and empowering producers to transform unsustainable or ecologically harmful practices in the coffee industry (Table 2.5).

Although the prices these schemes give to farmers are generally more equitable than those paid by non-participating coffee buyers, Kimura (2010) notes both positive and negative aspects of third party certification (TPC). Their positive impacts are to strengthen consumer confidence and to provide oversight of the industry, particularly as government institutions often struggle to keep pace with rapid developments in the global food industry; to be an influential tool in controlling the supply chain; and to communicate with consumers about adopting consumption behaviours that reflect sustainability. On the other hand, TPC is a business, which has a profit motive that may potentially undermine social or economic incentives; there may be discrepancies between perceived levels of quality and reality – for instance, asserting the health benefits of organic products may not be accurate; the efficacy of TPC systems is based on the trust of consumers whose knowledge about TPC is incompatible; and the sheer number of different systems causes confusion, which impacts on the trustworthiness of the various certifications.

Table 2.5: Third party certification of sustainable coffee comparison matrix

Certification	FT	Organic	RA	SBF	Utz
Images					
Market Focus	All markets	All markets	Global, but special emphasis on N. America, Europe, Japan and Australia	All markets	Mainstream and specialty
Price difference to farmers	Yes	Yes	Yes	Yes	Yes
Fees to producers	Yes	Yes	Yes	Yes	Auditing fees only
Fees to buyers	Yes	Yes	No	Yes	Yes
Price premium	US$1.40/1b plus a US$0.10¢/1b for social premium. An extra $0.30¢/1b premium if the coffee also certified organic	US$0.255¢/ 1b paid to producers on average	Depending on farmers' production efficiency, improved quality.	US$0.05¢ -0.10¢/1b	Determined in negotiation process between buyer and seller

Source: SCAA (2009), Utz Certified (2011), FLO (2011)

2.8 The Australian coffee industry

Australia's coffee culture is well established, largely as a result of the influx of European migrants after World War II. According to Datamonitor (2010), a steep increase in coffee consumption away from the home has increased the demand for specialty coffee.

On average, Australia imports approximately 1.2 million bags of coffee annually (ICO 2009). Coffee is imported from some 65 countries, including Vietnam (290,239 bags), Papua New Guinea (154,723 bags), Brazil (103,344 bags), Colombia (32,727 bags) and Indonesia (28,659 bags) (ICO 2007). Although some *Arabica* coffee is produced in Northern New South Wales, the volume is negligible.

The coffee market can be divided into two main segments: the food service industry such as cafés, hotels and restaurants, which offer 'ready to drink' coffee derived from roasted or ground coffee; and the in-home segment, which is dominated by instant or soluble coffee (80%) (ACTA 2006; IBIS World Australia 2011). Around 70% of consumers are brand loyal and price is seldom a consideration, even for instant coffee (ACTA 2006).

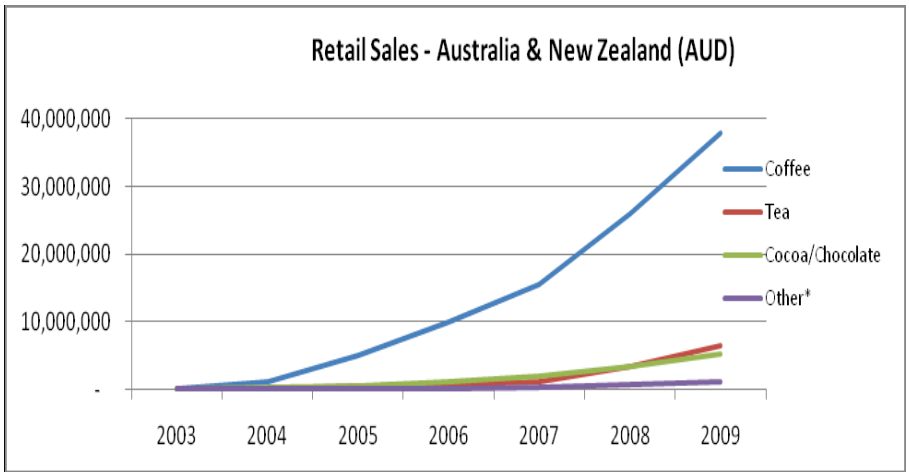
Coffee consumption per capita has grown rapidly from 3.00 kg/capita in 2007 to 3.82 kg/capita in 2010 (ICO 2010; World Resources Institute 2011). The trend is toward higher quality, specialty coffee. 'Café-style' roasted beans and ground products are receiving much more attention from manufacturers as they deliver a 'café experience' at home. According to IBIS World Australia (2011), the growth of the specialty segment reached $980 million in 2010/2011. Much of the growth stems from the increasing use of espresso machines and in-home coffee makers. Furthermore, consumers show a preference for ethically produced coffee, despite the price premium (FLO 2010).

2.8.1 FT in Australia

Fairtrade Australia and New Zealand (Fairtrade ANZ) and the Fairtrade Association of Australia and New Zealand (FTAANZ) have worked together since 2005 to promote and develop the FT movement in Australia and New Zealand and support producers in Asia-Pacific countries (FTAANZ 2011).

Fairtrade ANZ is a full and active member of FLO and has the sole right to license the use of the international FT label in the region. Their focal activities in Australia and New Zealand are to promote, position and protect the label, to increase the range, availability and sales of FT product, and to provide an effective licensing, labelling and certification service. FTAANZ's role is to raise awareness and promote a common understanding of FT, by increasing awareness, understanding and support for FT, supporting the development of a strong and sustainable FT movement, and linking producers in South East Asia and the Pacific with Fairtrade markets. In 2011, about 45% of Australian consumer recognised FT certification and 66% trusted the FT label (GlobeScan 2011).

Despite the global economic downturn, FT retail sales in Australia and New Zealand have increased by 258%, to exceed €126 million in 2010/2011. Over 250 businesses are licensed to sell FT products in Australia and New Zealand (FTAANZ 2011). In the market segment, sales value has increased by 45% to reach AU$38 million (Figure 2.3).



Source: FTAANZ (2011)

Figure 2.3: Graph of growth in estimated retail sales of FT labelled products (AU$)

Imports from the Asia-Pacific region increased by more than 1200%, with over 750 tonnes imported in 2009 (FTAANZ 2010).

The key purchaser of FT coffee in Australia and New Zealand is Wild Bean Café, located in most BP service stations, which purchases only FT certified coffee beans (FTAANZ 2008).

2.8.2 Organic in Australia

A National Standard for Organic and Biodynamic produce was established in 1998 in response to the need to provide an independent certification agency for the export of organic products to overseas markets (Halpin, Daugbjerg & Schvartzman 2011). Currently there are seven accredited organic certification bodies in Australia: NASAA Certified Organic (NCO), The Organic Food Chain (OFC), AUS-QUAL, Australian Certified Organic (ACO), Bio-Dynamic Research Institute (BDRI), Safe Food Production Queensland (SFQ) and The Tasmanian Organic-dynamic Producers (TOP). The Organic Federation of Australia (OFA) is the representative national peak body. Because of the number of certifications and the confusion they cause in the domestic market, the OFA has also started a process to develop a National Organic Mark to enhance the credibility of the industry.

In March 2010, 61% of Australian households had purchased an organic product, although organic products generally account for less than 20% of total food purchases (Biological Farmers of Australia 2010). The most frequently purchased organic products were non-alcoholic beverages (soy milk, juice, soft drink) (48%), fruit and vegetables (45%); and canned goods (42%). The major barriers to the expansion of organic products were the perceptions of poor value for money (81%), a disbelief in the practice (57%) and

unavailability of organic products (50%). The perceived benefits of organic products among Australian consumers were that they were chemical free (83%), additive free (74%) and environmentally friendly (69%). With 46% of respondents purchasing organic products from Woolworths and 41% of respondents purchasing organic products from Coles (BFA 2010), it is evident that organic products have moved from a niche market to the mainstream. Specific data on organic coffee imports into Australia are not readily available because of the diversity of certifying systems.

2.9 The Japanese coffee industry

Japan is often portrayed as a tea-drinking nation, but it is the world's third largest coffee importer (ICO 2009), and is responsible for around 6% of total world demand (FLO 2010). According to the All Japan Coffee Association (AJCA 2011), 425,000 tonnes of coffee were imported in 2009. Around 60% came from three countries: Brazil (110,000 tonnes), Colombia (80,000 tonnes) and Indonesia (50,000 tonnes). About 30% of the coffee imported was sold to home consumers, 30% to the catering service industry, and 40% to the canned coffee industry.

The growth in consumption per capita is relatively stable, having increased from 3.3 kg per capita in 2007 to 3.4 kg per capita in 2010 (ICO 2010; WRI 2011). Japanese consumers are among the world's most demanding consumers, placing much value on cup quality. Importers, roasters, retail outlets and the food service industry (cafés and restaurants) actively promote specialty coffees through seminars and workshops implemented periodically by the Specialty Coffee Association of Japan (SCAJ 2010).

Every two years, the AJCA conducts a survey of coffee consumers in Japan. In 2010, 62% (6.74 cups) of coffee was consumed at home, 26% (2.86 cups) at work or study, and the rest in coffee shops (0.23 cups), restaurants and fast food chains (0.09 cups) or in transit (purchased from vending machines) (0.94 cups) (Table 2.6).

On average, 10.9 cups of coffee were consumed per week by various age groups from 12 to 60 years (Table 2.7).

Males generally consumed more coffee than females, except for those in the 40–59 age group.

Table 2.6: Coffee consumption in Japan by place 2002-2010 (cups/week)

Cups/week	Total	Home	Cafe	Restaurant	Work/study	Other
2002	10.03	6.27	0.34	0.14	2.50	0.76
2004	10.43	6.42	0.38	0.12	2.69	0.76
2006	10.59	6.38	0.33	0.11	2.78	0.93
2008	10.60	6.52	0.22	0.10	2.77	0.91
2010	10.93	6.74	0.23	0.09	2.86	0.94

Source: AJCA (2011)

Table 2.7: Coffee consumption in Japan by age in 2010 (cups/week)

Age	Total	Male	Female
12-17	10.93	2.09	1.70
18-24		7.29	4.75
25-39		12.93	10.29
40-59		14.59	14.62
Over 60		11.36	8.99

Source: AJCA (2011)

Japanese coffee drinkers mostly consume soluble coffee (4.69 cups) (43%), with regular or ground coffee (3.27 cups) (30%) being the second most frequent mode of consumption (Table 2.8).

Table 2.8: Coffee consumption in Japan by product type in 2002-2010 (cups/week)

Cups/week	Total	Instant	Regular	Liquid	Canned
2002	10.03	4.29	3.22	0.74	1.77
2004	10.43	4.40	3.49	0.86	1.68
2006	10.59	4.38	3.70	0.70	1.81
2008	10.60	4.51	3.21	0.82	2.05
2010	10.93	4.69	3.27	1.09	1.87

Source: AJCA (2011)

Some 60% of the instant coffee market is held by Nescafé (Madden 2010). Unlike Australia, automatic vending machines and 24-hour convenience stores are deeply embedded in Japanese consumer culture. Canned coffee is a ready-to-drink coffee sold from over 201,700 vending machines in Japan (Japan Vending Machine Manufacturers Association 2011). In 2010, some 17% of the total weekly coffee consumption was in this category (1.87 cups), and 10% in liquid form (1.09 cups).

Japan has a distinctive coffee culture. Kissaten is a Japanese-style coffee house that emerged after World War II (Novak 2008). It offers a morning cup of coffee with breakfast: a so-

called ‘morning set’, which is very popular among workers before heading to the office. Kissaten also provides a unique method of preparing the coffee on an individual cup basis, very different to that utilised by specialty coffee shops in Australia. However, the variety of coffee is not as diverse as within Australia. For Italian coffee styles such as cappuccino, café latte or short/long macchiato, consumers need to go to a large coffee chain or a modern café. Since the diffusion of global coffee chains throughout Japan, a great quantity of coffee is consumed with foamed milk, influencing the price and the form in which coffee is most often consumed. The emergence of Starbucks in the late 1990s established a new culture, which boosted retail sales in the specialty coffee segment and the sales of in-home coffee accessories (Euromonitor International 2011).

As in the Australian market, growth in the consumption of soluble coffee is slowing as consumers seek the special experience associated with superior cup quality (AJCA 2009; SCAJ 2011). Accordingly, sustainable labels are playing a major role in adding to the value of specialty coffee within Japan.

2.9.1 FT in Japan

In Japan, FT tea was first imported by the NGO group Wakachiai Project, in 1992. In the following year Transfair Japan was established and licensed by Transfair International. In 1997, Transfair Japan started to work under the Fairtrade Labelling Organisation (FLO), changing its name to Fairtrade Label Japan (FLJ) in 2004 (FLJ 2010). Since launching the international FT certification mark in 2002, the FT licence income has more than tripled (Wakachiai Project 2011).

In 2011, the retail sales of FT products in Japan were estimated to be worth approximately €14 million, with some 130 enterprises licensed to sell FT products (FLJ 2011). About 45 enterprises sold certified FT coffee. These figures are not remarkable by international standards: for instance, retail sales volumes in Australia and New Zealand are nine times higher than those of Japan, and more than 250 companies are licensed to sell FT products.

According to FLJ (2010), the FT market in Japan is expanding at a rate of 30–50% per annum. In 2008, the market was negatively affected by the importation of Ethiopian coffee, which was found to contain chemical residues well in excess of those permitted. Equally important, FLJ suggests that the majority of consumers still perceive FT to be a charity, which is indicative of a poor understanding of the FT concept and practice.

2.9.2 Organic in Japan

The Japanese language has no clear definition of ‘organic’. Organic food is often described as *Yuki-shokuhin*, which means that few or no chemical additives were used in the growing and processing stages (FAO 2001). In Japan, sustainable agriculture follows voluntary guidelines issued by the Japanese Ministry of Agriculture, Forestry and Fisheries. Not until 2000 was an independent organic certification scheme developed, and when it was, it led to confusion in the market between the terms ‘organic’ and ‘*Yuki-shokuhin*’. Currently, the Japanese Organic and Natural Foods Association (JONA) is the sole licensed organisation to accredit organic products. In Japan, all imported organic agricultural food products must be accredited by the Japanese Agricultural Standard.

The movement towards organic products has been triggered by consumer groups’ and co-operatives’ growing concerns about a globalised and industrialised agricultural system (Matsuki & Nagamatsu 2003). Since the 1960s, concerns over agro-chemical and food safety have grown, with concerns about health and environmental destruction leading to the establishment of direct marketing from farmers and fishermen to households. These have primarily been launched by Seikyo, Japan’s largest consumer cooperative union, which cultivates grassroots organic and woman’s groups, which historically has the greatest influence on Japanese households’ eating habits. Seikyo emphasises the issues of food safety, quality and affordability (Moen 2000). In the 1990s, 40% of Japanese households belonged to the cooperative, one of the largest political consumer movements in the world.

However, the Japanese organic market is still very small (JONA 2010) and only 5300 hectares are currently certified organic (Kuhlmann & Everett-Jones 2006). According to JONA (2010), the Japanese government is largely unmotivated by the need to promote the organic industry, and in comparison to other countries like Germany, there are no subsidies for organic products in Japan. As there is a lack of arable land and the cost of inputs is high, over 90% of the agriculture industry is dominated by conventional production systems.

Even though the Japanese have a strong interest in consuming healthy, natural and safe food (Kuhlmann & Everett-Jones 2006), only 5% of consumers understand the meaning of the JAS certification mark, which oversees organic food and farming standards for Japan. JAS certification is required for all imported organic products, and Australian Certified Organic is the first certified association to become JAS accredited (Australian Certified Organic 2012). Approximately two thirds of consumers have consumed organic products at least one time,

and 20% of consumers regularly purchase an organic product one or more times a week (BioFach Japan 2011).

Chapter 3: A review of consumer behaviour

3.1 Outline

To develop an efficient marketing strategy, it is important to understand the variables, both external and internal, that impact upon the consumers' decision to purchase coffee. The importance of these variables is expected to differ between individuals, and to be contingent upon a number of personal and situational variables.

3.2 Understanding consumer behaviour

The consumer decision process is described as a multiple step process. Blackwell, Miniard & Engel (2006) define it as the 'activities people undertake when obtaining, consuming, and disposing of products and services' (p. 4). Solomon (2009) describes it as 'the processes involved when individuals or groups…purchase…or experience to satisfy needs and desires' (p. 7). The consumer decision process is a continuous process which covers sequenced activities from need recognition to post-consumption evaluation (Figure 3.1).

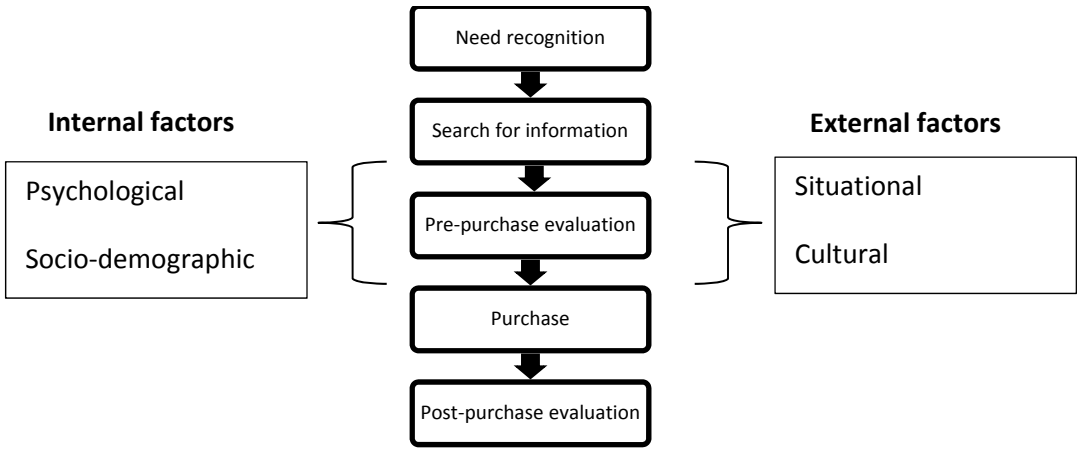


Figure 3.1: Consumer decision process (CDP)

(1) Need recognition or problem recognition arises 'when an individual senses a difference between what he or she perceives to be the ideal versus the actual state of affairs' (Blackwell, Miniard & Engel 2006, p. 71). Although the importance of sustainable development through consumerism is emphasised (OECD 2008), consumers' desire to exert their purchasing power to support an industry's

sustainability is ambiguous, as sensory requirements (taste and aroma) are also significant criteria in their decision to purchase food products (Steenkamp 1990).

(2) Search for information happens when consumers need to solve a problem. Searches may be internal, 'retrieving knowledge from memory', or external, 'collecting information from peers, family and the marketplace' (Blackwell, Miniard & Engel 2006, p. 74). Information processing proceeds from awareness to understanding, acceptance and retention, and subsequently determines the shape of beliefs, attitudes and behaviour. Globally, more than half of all consumers recognise FT (57%) (GlobeScan 2011). However, misunderstanding of the information provided to consumers about sustainable food products frequently occurs. Invariably, consumers are unable to evaluate the credence attributes of the products through taste, appearance or smell (van Amstel, Driessen & Glasbergen 2008).

(3) During the pre-purchase evaluation of alternatives, consumers use pre-existing and new evaluation criteria such as quantity, quality and price to compare alternative products and brands. During this stage, consumer motivation plays a significant role which can be conceptualised as low or high-involvement. In attempting to satisfy their needs, consumers utilise a number of cues which enable them to make comparisons between different products, including intrinsic (appearance, colour, shape, size, structure, smell) and extrinsic (price, brand name, country of origin, store, nutritional information, production information) quality cues (Oude Ohuis & Van Trijp 1995; Steenkamp 1990).

(4) In **the purchase** stage, issues relate to acquisition, such as product availability or time pressure. A lack of availability is considered one of the major barriers to developing consumers' desire to purchase ethical products (Shaw & Clarke 1999; Strong 1997).

(5) Post-purchase evaluation is the consumers' experience of the product in relation to their expectations. Post-purchase issues relate primarily to the consumers' satisfaction or dissatisfaction with the products purchased, and their subsequent decision to re-purchase. Grunert, Bredahl & Brunsø (2004) propose that the inferior taste of organic food is a potential barrier to future consumption.

As outlined, the consumer decision process is generally associated with high involvement products (Hamlin & Wilson 2004). However, in general, food shopping is deemed a low-involvement activity (Marshall & Bell 2004; Schröder & McEachern 2004; Tarkianen & Sundqvist 2009). Following Tarkiainen & Sundqvist (2009), this study regards the purchase of coffee as a high involvement product for consumers in countries with a strong coffee culture.

Both Australia and Japan have developed strong coffee cultures. In addition, ethical consumption behaviour, which leads to a greater involvement in purchasing food products (Hoogland, Boer & Boersema 2007), is apparent in both countries. In this regard, this study considers consumer coffee purchasing behaviour to be rational rather than habitual.

3.3 Internal factors

Two major groups of variables influence consumer decision-making: internal and external factors. Internal factors can be subdivided into socio-demographic and psycho-demographic (beliefs, values and motivations). In this study, external factors consider the situation and culture.

3.3.1 Demographics

Demographics include such variables as gender, age, income and education (Blackwell, Miniard & Engel 2006). Both collectively and individually, demographic variables may influence purchasing criteria and recognition, perception, attitude and behaviour towards FT and organically certified products.

However, the majority of studies demonstrate that focusing only on demographic variables is largely ineffective in segmenting consumer markets. Although Pearson, Henryks & Jones (2011) find that the preference for organic food is influenced by the level of education, with more affluent women with young children showing the greatest interest in organic foods, Tanner & Kast (2003) do not find any significant relationship between socio-demographic variables and the consumers' desire to purchase FT, local or environmentally friendly food products. Belk, Devinney & Eckhardt (2005) demonstrate that consumers' socio-economic position has little influence on their perceptions of ethical products, while Doran (2009) considers demographics to be useless in capturing the features of FT consumers in the USA. Consequently, considering such variables as the consumers' beliefs and motivation may offer more insight than focusing only on socio-demographic variables.

3.3.2 Beyond socio-demographic variables

Even if they share common demographic characters, consumers have different lifestyles. Psychographics is an 'operational technique to measure lifestyles; it provides quantitative measures and can be used with the large samples needed to define market segments'

(Blackwell, Miniard & Engel 2006, p. 278). Perceptions, attitudes and involvement are consumer lifestyle variables that are instrumental in understanding consumer behaviour (Wilkie 1986).

Consumers' motivation to purchase ethical products is one of the important psychographic drivers for sustainable development. Motivation leads to a complex interaction between internal and external factors (Wilkie 1986). Physiological needs such as food and shelter are the fundamental construct in the hierarchy of human needs theorised by Maslow (1943), while the psychological need for self-actualisation is at the top of the hierarchy. FT coffee will not only satisfy physiological needs in the short-term, but may also satisfy the need for self-actualisation for those consumers who wish to contribute to a more sustainable future.

Prescott et al. (2002) investigated the importance of nine factors motivating consumers' decisions to purchase food in a cross-national environment. New Zealand, Malaysia, Taiwan and Japan were compared using a food choice questionnaire. According to the study, price was the most significant variable among Japanese consumers, while sensory attributes were more important for consumers in New Zealand. Ethical concerns in relation to the country of origin and environmental concerns were unimportant for all countries except Japan. Ethical concerns are generally the least important variable when consumers' made a decision to purchase food products (Steekamp 1990).

Motivational intensity can be conceptualised as the level of consumer involvement with a product (Mittal 1989; Tarkiainen & Sundqvist 2009). The level of involvement tends to be low when the product is consumed for private use. Consumers are likely to 'favour the physical functions of the product and to be mostly concerned with price and quality' (Usunier & Lee 2009, p. 74). Low-involvement activities are generated by routine buying activities. Food shopping is generally considered a low-involvement activity, so the information search and product evaluation stage is often disregarded, except for a new decision or first-time purchase (Marshall & Bell 2004; Schröder & McEachern 2004; Tarkiainen & Sundqvist 2009). East and Hogg (2000) called low-involvement purchasing habitual behaviour, as more than half of the surveyed US consumers could not indicate the correct price of products purchased in the trolley from a supermarket (Dickson & Sawyer 1990). However, purchasing food is not necessarily a low-involvement decision. Beharrell & Denison (1995) propose that involvement varies with the product category: fresh meat and dairy products are high-involvement goods. Similarly, Tarkiainen & Sundqvist (2009) find coffee to be a high-involvement product. Hoogland, Boer & Boersema (2007) find that consumers are paying more attention to morals, ethics and health, leading to greater

involvement in the decision to purchase food products. In many countries, consumers have serious concerns over the safety of food imported from other countries (Pirog & Larson 2007), leading to a greater level of involvement in the decision to purchase.

3.3.3 Understanding consumer perception

To develop the concept of product attributes, understanding the role of perceptions and knowledge is essential. Perceptions are the determinants that form beliefs and attitudes which influence behaviour (Wilkie 1986). For instance, information asymmetry between the producers and consumers of sustainable products frequently arises because the credence attributes of the products cannot be readily assessed by the consumer themselves (van Amstel, Driessen & Glasbergen 2008).

Consumer awareness influences the willingness to pay a premium for organic products (Yiridoe, Bonti-Ankomah & Martin 2005). Batte et al. (2007) suggest that awareness of organic labels positively affects the willingness of consumers to pay an additional cost to purchase food with organic attributes.

However, consumers must not only be aware, but they must also be able to comprehend the information offered by certification. The insufficiency of adequate information is argued to be the most important barrier to the purchase of more sustainable food products (Leire & Thidell 2005). If certification does not succeed in communicating its concepts properly, it will not reduce the information asymmetry between producers and consumers, and thus certification is unlikely to lead to the greater purchase and consumption of sustainable coffee. De Pelsmacker & Janssens (2007) propose that purchasing FT products is strongly influenced by the knowledge of the principles and the issues producers face in the developing countries. According to GlobeScan (2011), FT is the most widely recognised ethical label in the world.

Hoogland, Boer & Boersema (2007) investigated how consumers become aware, and how they interpret and evaluate sustainability-related on-the-package information, given that producers often struggle to communicate clearly their production standards and the reasons for the premium price. Their findings indicate that consumers do not understand the organic logo well and are likely to underestimate the distinctive value of the product attributes such as price and intangible quality. Similarly, van Amstel, Driessen & Glasbergen (2008) studied the information gap between buyers and sellers for eco-labels. They conclude that information asymmetry led to a lack of trust. In addition, consumers found it difficult to

perceive how the environment could be improved through their purchase of sustainable food products.

Due to the various certification schemes for food products marketed under socially and environmentally responsible claims, some confusion about ethical labels seems to occur among consumers across and even within countries (Connolly & Shaw 2006). Some countries host more than one certification program for organic products. Furthermore, not all consumers see FT as being 'fair': many see it as being charitable. Wright & Heaton (2006) indicate that 'the reluctance of those involved in FT to align with any charity image' (p. 425) may negatively affect consumers' motivation to purchase as a result of associating poor quality with charitable purchasing.

3.3.4 Consumer perceptions of quality

Consumers' perceptions of quality are one of the most important determinants of purchase behaviour and product choice (Chamhuri 2011; Oude Ohuis & Van Trijp 1995; Peri 2006; Steenkamp 1990; Zeithaml 1988). Oude Ohuis & Van Trijp (1995) claim that the perception of quality can be divided into two broad categories: quality cues and quality attributes. Quality cues are information stimuli ascertained before consumption. Quality cues may be intrinsic (appearance, colour, shape, size, structure, smell) or extrinsic (price, brand name, country of origin, store, nutritional information, production information). The latter becomes more important when two or more products cannot be differentiated on the basis of appearance (Oude Ohuis & Van Trijp 1995: Steenkamp 1990).

Peri (2006) suggests that food quality can be portrayed as a product's holistic, material and intangible properties. Material properties include the products' physical characteristics in terms of product safety, having met commodity standards, nutritional aspects, and the sensory requirements of taste and aroma. According to the SCAA (2009), quality is assessed by clean cup quality, sweetness, acidity, texture, the flavour profile, the aftertaste and the overall balance. The definition of specialty coffee utilises both of these: not only the physical characteristics of coffee, but its intangible features, including the way in which it has been produced or processed. Peri (2006) describes the intangible requirements as those associated with the production background. These intangible requirements extend to the consumers' interests in 'where and how' and 'who' produced the product; although Steenkamp (1990) contends that the credence attributes or intangible qualities remain less important than the experiential attributes of taste and aroma: which means that the product must first satisfy consumers' material needs.

These intangible characteristics or credence quality attributes are widely discussed in the marketing of food and beverage products (Ahmed et al. 2004; Golding & Peattie 2005; Tanner & Kast 2003). The ethical aspects of food quality include such variables as animal welfare, biodiversity and protecting workers' rights. As the production background and ethical requirements cannot be verified through consumption, certification provides a guarantee that the product conforms to established standards. This facilitates communication with consumers (Kimura 2010).

3.4 External factors

The external environment has the potential to influence the consumers' decision to purchase: 'Since every consumer activity takes place in some type of physical, social, and economic context, all consumer behaviour is subject to situational influences' (Wilkie 1986, p. 272). According to Belk (1975), the situation includes 'all those factors particular to a time and place of observation which have a demonstrable and systematic effect on current behaviour' (p. 158). In this section, the effect of situational variables and the cultural context are explored in relation to ethical consumer behaviour.

3.4.1 The type of situation

Three types of situation are conceptualised by Lai (1991) in relation to marketing strategy: the communication situation, the purchase situation and the consumption situation. In Australia, two main segments exist in the coffee market: the food service industry and the in-home segment (IBIS World Australia 2011). The Japanese market comprises three segments: home consumption, the catering or food service industry and the canned coffee industry (AJCA 2011). This study considers consumption behaviour in homes and cafés or restaurants as important variables by which to explore consumer behaviour.

According to Belk (1975), situational factors have quite strong effects on consumers' behaviour in the beverage market. People favour different products or brands in different circumstances (Oude Ophuis & Van Trijp 1995). A product purchased for personal consumption or consumption with others may influence the extent of involvement when social pressures come into play (Blackwell, Miniard & Engel 2006). Drinking coffee in a cafe or restaurant may be associated with peer group bonding, family or business relationships (Henson 2008; Montgomery 1997). Some consumers may respond to special

quality concerns when drinking coffee with friends, but if purchasing for self-consumption, may not consider these quality attributes (Fennel 1978).

Situational factors are more likely to be a significant determinant in consumer involvement in Eastern cultures rather than in the West. Usunier & Lee (2009) find that social harmony and the smoothness of relationships are highly valued within the extended family in Eastern cultures. The social significance of a product can be very important in terms of expressing status, gratitude, approval or disapproval. Such products have high social symbolic value and the conspicuous nature of consumption encourages a high level of involvement. Shukla (2010) investigated the effect of situational antecedents on the consumption of alcoholic beverages within a cross-national environment and found that whereas British consumers' behaviour was independent of the social occasion, the behaviour of Indian consumers was highly dependent on the occasion. Such cultural aspects cannot be ignored in considering the effects of external variables on consumer behaviour.

3.4.2 The influence of culture

Culture is one of the most basic components of consumer behaviour, for it will directly influence the consumers' fundamental values, perceptions, preferences and needs (Shaw & Clarke 1999). Understanding the nature of culture is complex. The four essential points of culture are language, institutions, material productions and symbolic productions (Usunier & Lee 2009). Solomon (2009) describes culture as abstract ideas such as values, ethics, material objects and services that are accumulated by shared meanings, rituals, norms and traditions within society. However, within a society, culture exists at multiple levels therefore, the use of stereotypes must be avoided for this leads to stereo-typed ideas (Usunier & Lee 2009).

Usunier & Lee (2009) propose four cross-cultural perspectives in consumer behaviour, beginning with 'consumers' and 'consumer behaviour theories' that are either universal or specific, although no cell conforms to a better perspective than any other (Table 3.1).

Table 3.1: Consumer behaviour in a cross-cultural perspective

		Consumer behaviour theories	
		Universal (etic)	**Specific (emic)**
Consumers	**Universal**	Global perspective	Ethnic consumption perspective
	Specific	Imported perspective	Cultural meaning perspective

Source: Usunier & Lee (2009)

According to Usunier & Lee (2009), the global perspective is the attitude that is found in every market in every country in the world. The imported perspective focuses more on the local market environment. Behavioural intention models can be applied universally in the global perspective, but in the imported perspective, researchers investigate cultural meaning: whether predictable patterns of attitudes exist across different countries. Following this, this study looks into both universal and specific features of consumer behaviour from an etic viewpoint.

Steenkamp (2001) explains that 'cultural groups can be defined and studied at different levels, which are not mutually exclusive', a situation that he describes as 'layers of culture' (p. 37). He categorises culture as either *meta* (pan-regional, global) or *micro* (sub). Meta (global) culture is more widespread than national culture, and is produced by global networks and global institutions adopting rules and processes which make up a common framework to enable communication across national and cultural boundaries. Micro or sub-culture is more specific than global culture: it conserves the significant patterns of national culture, is complex, and shapes the uniqueness of customs and behavioural patterns (p. 37-38). It may be interpreted by multiple, overlapping criteria such as language, ethnicity, religion, demography and social class.

Agarwal et al. (2010) describes the two dominant types of international market study as cross-national and cross-cultural. Most studies concentrate on a cross-national approach, assuming that a national culture is stable. This sheds light on the differences between countries (Hassan, Craft & Kortam 2003), however, it is unable to accommodate the diffusion of new products and disregards in-country market similarities.

If culture is perceived as a dynamic rather than a stable construct, in accordance with the cross-cultural centric approach (Agarwal et al. 2010), it is possible to explore the similarity of individual responses to marketing programs and consumers' perceptions, attitudes and behaviours. Here it is believed that similar behavioural patterns, thoughts and tendencies surpass geopolitical boundaries. For example, consumers aged between 15 and 20 tend to hold common values and interests whether they live in Japan, Europe or the US. Looking into socio-demographic variables and psychographics may be more pertinent than simply investigating consumers along national boundaries (Usunier & Lee 2009).

Steenkamp (2001) agrees, maintaining that the mutual influence of national cultures on the layers of global and micro-cultures have led to heterogeneity in today's societies, which are 'less homogeneous…for example, individualization and migration' (p. 37). Researchers need

to understand the perspective of any consumer in the international market, since both similarities and differences exist in consumer behaviour across countries, conforming to both the etic (universal) and the emic (specific) approach (Usunier & Lee 2009).

Hofstede's framework of national culture can be deemed a global (etic) perspective in that his proposition is widely used in the field of international marketing (Steenkamp 2001). He developed five fundamental dimensions of culture across 72 countries by asking questions about employees in the IBM corporation. The questions were associated with the satisfaction of work and at first were not sorted internationally, but subsequently, they were analysed to discern how nations differ from each other in five categories:

Power distance is the extent to which less powerful people in a culture agree with the unequal delivery of power in a normal situation. Although an unequal situation can be seen in most cultures, the level of acceptance varies from one country to another. In Australia, the power distance is 36, while it is 54 in Japan. These scores describe the distance between the lowest and highest countries, where the highest power distance is 100 points.

Uncertainty avoidance is the degree to which people in a culture consider the risk presented by uncertain situations. Unstructured, unclear or unpredictable situations make people nervous in a culture characterised by a high degree of uncertainty avoidance. Conversely, a country with low uncertainty avoidance is more willing to take risks, is more relaxed and more emotional. In this instance, Japan shows a very high score of 92, whereas Australia has a much lower score of 51.

Individualism/collectivism ponders the degree to which people watch out for their own interests and those of their contiguous family. The collectivist sphere considers the degree to which people in a culture are part of a group and personal desires are subordinated to group desires. Australia is high in individualism (90) while Japan tends towards a collectivist culture (46).

The biological difference between cultures in terms of *masculine/feminine* defines the different social roles of men and women. A strong masculine culture places more importance on material success and assertiveness, while a feminine culture stresses quality of life and caring for the weak. Japan has the strongest masculine culture score of 95, while Australia scores 61.

Long-term versus short-term orientations are the degree to which cultures display a practical, future-oriented attitude in opposition to a historic short-term perspective. Cultures holding a long-term time orientation consider the values of frugality and persistence and worry about the appropriate way of doing things. Businesses are more interested in constructing market share rather than pursuing quick returns to shareholders. They show respect to traditionalism, live up to social obligations, and concentrate on helping others to obtain mutual benefits rather than lose face in business operations. In contrast to Australia (31), Japanese businesses take a significantly longer-term view of the market (80).

Studies of ethical consumerism have generally been conducted in Europe and North America (Andorfer & Liebe 2012). Varul (2009), who compared FT consumption in Germany and the UK, found that national characteristics between the two countries affected the FT market. In the UK, the FT market was becoming mainstream, largely as a result of FT food products being offered by five of the major supermarkets. However, German consumers gave greater priority to price and quality. The ethical component of FT was not well recognised and FT products struggle in Germany.

3.5 The nature of the ethical consumer

Approximately six in ten consumers across 24 countries recognised FT certification, with 59% showing positive attitudes towards FT (GlobeScan 2011). However, significant differences in the rate of growth of FT sales between Australia/New Zealand and Japan have been reported (FLJ 2010; FTAANZ 2011). The size of the sustainable coffee market, with its claims of socially and environmentally responsible business practices, is still small, although the growth of global sales is continuing to increase (Courville 2008; Pierrot, Giovannucci & Kasterine 2011).

From a socio-demographic perspective, several studies have found that women with a high education are more willing to pay for FT coffee (De Pelsmacker, Driesen & Rayp 2005a; Loureiro & Lotade 2005; Rotaris & Danielis 2011). Older consumers (Lea & Worsely 2008) with high levels of personal disposal income (Lockie et al. 2002) more often demonstrate positive attitudes and exhibit more favourable behaviour towards sustainably produced products. However, in general, the ethical product market is socio-demographically heterogeneous (Newholm & Shaw 2007).

Belk, Devinney & Eckhardt (2005) investigated consumer ethics with regard to environmental destruction and unequal labour conditions in the choice of products across eight countries. They found that 'consumers' ethical attitudes and willingness to pay may be affected by unethical behaviour on the part of businesses, but ethical behaviour on the part of business has minimal impact on consumers' (p. 283). In other words, most consumers were seeking a good product at a good price, irrespective of who produced it.

In addition, the intangible nature of FT and organically certified coffee cannot be experienced by actual consumption. Consequently, the consumer may experience some difficulty in reliably evaluating credence quality (Schröder & McEachern 2004). Generally speaking, credence quality attributes are significantly less important than the sensory attributes (Steenkamp 1990; Zakowska-Biemans 2011). Consumers are not generally concerned about environmental or social issues (Codron, Siriex & Reardon 2006). However, some consumers perceive certified organic food to taste better than conventional products (BFA 2010). Poelman et al. (2008) suggest that information on organics and FT positively influenced consumers' liking of pineapples when shown the label.

The purchase of ethical products may be affected by numerous external factors. Shaw and Clarke (1999) consider availability, price and convenience to limit the desire to purchase ethical products. Even though organic products are perceived to be more positive in such things as health attributes (Yiridoe, Bonti-Ankomah & Martin 2005; Zakowska-Biemans 2011), high cost is a barrier to purchase (Padel & Foster 2005). Similarly, Strong (1997) notes three problems in translating FT principles into consumer behaviour: communication about sustainability; consumers' commitment to FT; and getting FT products on to supermarket shelves.

De Pelsmacker et al. (2005b) investigated the comparative importance of different features and marketing practises for ethically labelled coffee, including ethical issues, label information, distribution, promotion and branding. Their results suggest that distribution strategy is a key factor for ethically labelled coffee among Belgian consumers: it has to be on the supermarket shelf. Young consumers, in particular, face time pressures and are unlikely to search for ethical food products.

Moreover, consuming FT or organic coffee is motivated not only by psychological satisfaction, but by physiological needs. Regrettably, the quality of FT and organic coffee is often inconsistent (Batt et al. 2009), and it is questionable whether consumers will continue to purchase sustainable coffee if it fails to deliver an acceptable taste.

3.5.1 The willingness to pay for sustainable coffee

Numerous studies have investigated the role of various quality attributes that improve the product's image, particularly brand, geographic origin and other labels (Didier & Lucie 2008).

Estimating consumers' willingness to pay (WTP) for ethical products can be interpreted as the respondents' positive expression or preference for the purchase of sustainable coffee (Andorfer & Liebe 2012), or a measurement of purchasing intention (De Pelsmacker, Driesen & Rayp 2005a). In accordance with previous studies, consumers' propensity to pay a price premium for FT coffee was between US$ 0.22/1b and US$ 1.79/1b (Andorfer & Liebe 2012).

Among Belgian coffee consumers, the average propensity to pay a price premium was 10% (€0.19). However, De Pelsmacker, Driesen & Rayp (2005a) found in their study, in which respondents rated their propensity to pay additional costs for a fractional design of eight product profiles, brand received the highest rating, FT and flavour came in second, while packaging and the blend of beans were of minor importance. Cluster analysis subsequently revealed four clusters of consumers who differed in the extent to which they were willing to pay for FT coffee: FT lovers, FT likers, Flavour lovers and Brand lovers. Of these clusters, FT lovers were willing to pay 36% more and FT likers 17% more, while taste lovers and brand lovers were not prepared to spend more than 5% extra (Table 3.2).

For FT bananas, 37% of Europeans were prepared to pay at least a 10% price premium, 11% to pay 20% more and 5% to pay a 30% premium over conventional bananas (European Commission 1997). Almost three quarters of European consumers (70%) had never heard of FT, but were willing to purchase FT bananas at the same price and quality as standard bananas. Those who had purchased FT bananas before were willing to pay 10% more than those who were not aware of FT.

Loureiro & Lotade (2005) investigated the willingness to pay a premium for several sustainable third party certifications including FT, organic and shade grown coffee. In their study, the regular coffee price was set at $6.50/1b, and respondents were asked whether they would pay extra or not. The results indicated that the respondents were willing to pay a premium of 22 cents/1b for FT coffee, 20 cents/1b for shade grown coffee and 16 cents/1b for organic coffee. Females with a high disposable income were more likely to purchase FT, shade-grown and organic coffee than older consumers. High levels of education were also

associated with the propensity to pay for FT and shade grown coffee. The sample was predominantly female (66%), most with a high school diploma or Bachelor/Professional level education (24%). The overrepresentation of female respondents was considered acceptable as women continue to do most of the food shopping for households.

Table 3.2: Summary of selected literature for consumer WTP for ethical products

Author	Key findings
Andorfer and Liebe (2012)	The propensity to pay premium prices for FT coffee ranged from US$ 0.22 /1b to US$ 1.79 /1b.
European Commission (1997)	About 37% of European consumers were willing to pay 10% more, 11% were prepared to pay 20% more, and 5% were prepared to pay 30% more for FT bananas.
De Pelsmacker, Driesen & Rayp (2005a)	The average propensity to pay for FT coffee by the total sample was 10% (€0.19). The consumers' willingness to pay differed by four clusters.
Loureiro & Lotade (2005)	FT earned the highest premium of WTP (US$ 0.22 cents /1b) followed by shade grown (US$ 0.20cents /1b) and organic (US$ 0.16cents /1b) among coffee consumers in the US. Women with high incomes and high levels of education demonstrated a greater WTP. Conversely, older consumers were more reluctant to pay a price premium.
Didier and Lucie (2008)	Organic and FT labels positively influenced WTP. The valuation of labels differs among groups of consumers.
Yiridoe, Bonti-Ankomah & Martin (2005)	Several studies from North America, Western Europe, China and Costa Rica indicate a range of WTP premium prices for organic food, from 5 to 100%. However, 10–20% was the most commonly accepted premium price. Above this range demand decreased.
Batte et al. (2007)	US consumers have a propensity to pay premiums for organic foods, and the extent of WTP premiums differed among consumer groups. Awareness of organic labelling had a positive influence on the likelihood of WTP for breakfast cereals with organic attributes.

Didier & Lucie (2008) measured the willingness to pay a premium for FT, organic and dual FT/organic labels for chocolate among 102 French consumers. Their findings indicate that FT and organic labels respectively increased the consumers' propensity to pay a premium, but the average price, including the premium that consumers were willing to pay, was lower than the actual market price. Three groups were identified regarding the value of FT or organically certified chocolate. The first group, which comprised half of the respondents, were insensitive to the label and made their choice on price attributes. Respondents in the second group were positively influenced by labels which improved the image of the product.

This group regularly purchased FT/organic products. The value that the third group placed on FT and organic labels was almost identical with the second group, but they placed as much emphasis on taste as the social and environmental attributes. Their willingness to pay for FT and organic chocolate fell after tasting the product, suggesting that there was a gap between expected quality (before consumption) and experiential quality (after consumption).

Yiridoe, Bonti-Ankomah & Martin (2005) contrasted numerous empirical studies of organic products. According to their review, the willingness to pay for organic foods varied from 5% to 100%, but the majority of consumers were not willing to pay more than 10-20% extra. Producers and retailers are sensitive to issues of price elasticity of demand, for the additional premium can negatively influence consumer demand. Yiridoe, Bonti-Ankomah & Martin (2005) suggest that both buyers and non-buyers of organic products consider them to be expensive, especially non-buyers, who consider it too expensive. In general, consumers were more willing to pay a premium to purchase fresh products such as fruit, vegetables and dairy produce. In other words, the willingness to pay a price premium varied from product to product. Furthermore, the number of consumers willing to pay a premium declined as the premium increased.

Batte et al. (2007) investigated the consumers' willingness to pay for organic breakfast cereals in the USA. US consumers were willing to pay a premium to purchase organic cereals even if the product was not 100% organic. The extent to which consumers were willing to pay a premium differed among consumer groups: specialty grocery shoppers were inclined to pay more than traditional grocery shoppers. The consumers' concern for health was not influenced by the level of the premium.

Chapter 4: Methodology

4.1 Outline

In this chapter, the methodology is explained and discussed in relation to the exploration of cross-national purchasing behaviour for sustainable coffee. It is structured in three parts: questionnaire design, sampling and data collection, and data analysis. In the questionnaire design phase, the wording and appropriateness of questions had to be considered to avoid low response rates and any potential misunderstanding. During the data collection process, a number of concerns had to be taken into consideration, especially since this research was undertaken in different cultural environments. Cost and time constraints influenced the methods of sampling and the data collection techniques employed, which subsequently affected the data quality. In addition to quantitative data, secondary data was collected from the Australian Bureau of Statistics and the Statistics Bureau in Japan, to enable a comparison of the sample and the population at large to be made. The SPSS statistical software was utilised for the analysis of primary data, using both uni- and multi-variate methods.

4.2 Questionnaire design

This study investigates consumers both universally and specifically from an etic perspective. In the etic approach to market research, the use of instruments and measurement are selected to investigate cross-national equivalence.

Craig & Douglas (2000) examine equivalence in two steps: construct and measurement. For construct equivalence, conceptual and functional equivalence become important. These are concerned with the understanding of how objects or behaviour exist and are expressed in similar ways across countries and cultures. Functional equivalence is associated with the question of whether the notions, objects or behaviours researched hold the same role or function in all countries included in the analysis. Measurement equivalence is considered under three aspects: translation, calibration and metric equivalence. For translation equivalence, the research instrument must have the same meaning in each country. Calibration equivalence describes the equivalence of the measurement unit such as the use of colours and shapes which may or may not be understood in a same way. Metric equivalence relates to the use of the scales or scoring procedures utilized for assessment.

Six open-ended questions regarding consumers' purchasing behaviour for coffee and FT/organic certification were developed in order to understand construct equivalence and to ensure measurement equivalence. In addition to open-ended questions, dichotomous and multiple choice questions, interval and ratio scales were included, to analyse statistically the differences and similarities in consumer purchasing behaviour between respondents in Western Australia and Japan.

A purely etic approach tries to ensure equivalence for data comparability, based on the back-translation technique (Fletcher & Crawford 2011). Questions were first written in English, then, translated into Japanese by the researcher. Another translator subsequently translated the questionnaire back into English to ensure lexical, idiomatic and grammatical errors did not appear.

The survey instrument was comprised of seven sections:

(1) general information on coffee consumption,
(2) coffee consumption, attitudes and behaviour at home,
(3) coffee consumption attitudes and behaviour at a café or restaurant,
(4) perceptions towards the credence attributes of FT coffee,
(5) perceptions towards the credence attributes of organic coffee,
(6) demographic variables and
(7) food shopping attitudes.

Potential respondents were approached face-to-face in a shopping mall intercept survey. Three structured questions were asked to qualify the respondents:

– Do you drink coffee?

Yes	Proceed
No	Terminate the interview and thank the respondent

– In your household, are you personally involved in the decision to purchase coffee?

Yes	Proceed
No	Terminate the interview and thank the respondent

– Can you provide me with approximately fifteen minutes of your time to assist with this survey?

To overcome the low response rates often associated with face-to-face shopping mall intercept surveys, if the respondents were qualified – that is, they not only drank coffee, but were also responsible, in part, for making the decision to purchase coffee from a retail store

– they were given the choice of completing the survey on the spot or taking a reply-paid envelope so that they could complete the survey at home.

Section One: General information on coffee consumption

The first question sought to understand if there was any difference in coffee consumption between Western Australia and Japan with regard to the number of cups of coffee consumed at home, in the workplace/study and in a café or restaurant, in a week.

Q1: On average, how many cups of coffee do you drink per week?

at HOME	(	) cups
in the WORKPLACE/STUDY	(	) cups
in a CAFÉ or RESTAURANT	(	) cups
TOTAL	(	) cups per week

Questions 2 and 3 sought to understand the respondents' positive and negative attitudes towards coffee, through open-ended questions. Yiridoe, Bonti-Ankomah & Martin (2005) explored respondents' attitudes to organic food using open-ended questions that probed their likes and dislikes. Similarly, Hobley (2003) asked respondents what they most liked and disliked about eating citrus as a way of developing strategies to enhance consumption. The nature of open-ended question encourages respondents to answer in their own words from diverse perspectives (Chamhuri 2011).

Q2: What do you most enjoy about drinking coffee?

……
……
……

Q3: What do you most dislike about drinking coffee?

……
……
……

Defects in the physical quality of organic and FT coffees have been reported by Batt et al. (2009), but consumers' level of acceptance of inconsistent sensory attributes in their coffee have not previously been identified. According to Steenkamp (1990), the experience attributes of taste and aroma are more important than credence attributes or intangible qualities that cannot be experienced by the consumers themselves. Yiridoe, Bonti-Ankomah & Martin (2005) noted that 'consumer preference for a particular product is based on attitude toward available alternatives' (p. 198). Respondents' likes and dislikes about coffee were

sought to determine if there were any significant differences in attitude towards the product between Western Australian and Japanese respondents. It cannot be assumed that the product will be used in the same way across national cultures.

Section Two: Coffee consumption attitude and behaviour at home

In this section, the questions were designed to explore respondents' attitudes and behaviour towards the consumption of coffee in the home. In the first instance, respondents were asked where they most often purchased the coffee that they consumed at home and the type or form of coffee purchased.

Q4: From where do you purchase the majority of the coffee for your home consumption?

1. Supermarkets
2. Convenience stores/petrol stations
3. Specialty coffee shops
4. Mail order
5. Vending machine

Q5: On the last occasion that you purchased coffee for home consumption, can you recall the form in which you purchased the coffee? [Please circle one answer]

1. Instant
2. Whole bean and ground at home
3. Ground
4. Canned and/or bottled

To elicit the product attributes that were most important to respondents, an open-ended question was asked. `

Q6: Irrespective of the form in which you purchased the coffee that you most often drink for your home consumption, what factors were most important in your decision to purchase coffee?

…….
…….
…….

Respondents were then asked to respond to fifteen variables on a scale of 1 to 6, where 1 was 'not at all important' and 6 was 'very important' (Batt 2010; Chamburi 2011; Hobley 2003).

Q7: On scale of 1 to 6 where 1 is "Not at all important" and 6 is "Very important", how important were EACH of the following product attributes when you purchased your favourite coffee product for home consumption?

	Not at all important					**Very important**
Taste	1	2	3	4	5	6
Aroma	1	2	3	4	5	6
Favourable prior purchase experience	1	2	3	4	5	6
Brand familiarity	1	2	3	4	5	6
Roast (light/medium/dark)	1	2	3	4	5	6
Type of beans (Arabica/Robusta)	1	2	3	4	5	6
Value for money	1	2	3	4	5	6
Competitive price	1	2	3	4	5	6
Convenience	1	2	3	4	5	6
Advice from store person	1	2	3	4	5	6
Reputation	1	2	3	4	5	6
Country of origin	1	2	3	4	5	6
Organic	1	2	3	4	5	6
Eco-friendly/Sustainable	1	2	3	4	5	6
Fair Trade	1	2	3	4	5	6

According to Fletcher & Crawford (2011), the use of scales can vary from country to country. In some countries, respondents are more likely to use the neutral midpoint to avoid any potential or perceived confrontation. Chen, Lee & Stevenson (1995) demonstrate that Japanese respondents are more likely to use a neutral midpoint than respondents from many other countries. Stening & Everett (1984) found that Japanese respondents were more likely to use an 'undecided' category than American respondents. As five point scales are likely to promote extreme responses (van Herk, Poortinga & Verhallen 2004) and the use of a seven point scale was anticipated to result in a large number of respondents choosing the neutral midpoint, a six point numeric rating scale was used in this study.

Section Three: Coffee consumption attitude and behaviour at café/restaurant

Respondents were asked to indicate how often they consumed coffee in a café or restaurant and the main reason for their being there.

Q8: How often do you drink coffee in a COFFEE SHOP, CAFÉ or RESTAURANT?

(Please circle only 1 answer)

1. Daily
2. Several times per week
3. Once a week
4. Once a fortnight
5. Once a month
6. Seldom

Q9: On average, when you drink coffee in a COFFEE SHOP / CAFÉ or RESTAURANT, what percentage of time is spent:

1. To socialize with partner, family and / or friends ( ) %
2. To meet with business partners / peers / colleagues ( ) %
3. To find peace and solitude ( ) %
4. To access the internet ( ) %

TOTAL should equal 100%

To determine if there was any difference in the importance of the attributes respondents used in their decision to purchase coffee from a café or restaurant, respondents were asked in the first instance to respond to an open ended question, and in the second, to indicate how important twelve purchasing criteria were to them on a six point Likert scale where 1 was 'not at all important' and 6 was 'very important'.

Q10: Irrespective of the form in which you purchased the coffee that you most often drink at COFFEE SHOP, CAFÉ or RESTAURANT, what factors were most important in your decision to purchase coffee?

…….
…….
…….

Q11: On scale of 1 to 6 where 1 is "not at all important" and 6 is "very important", how important were EACH of the following attributes when you last purchased coffee in a coffee shop, café or restaurant ?

	Not at all important					**Very important**
Taste	1	2	3	4	5	6
Aroma	1	2	3	4	5	6
Favourable prior purchase experience	1	2	3	4	5	6
Store brand familiarity	1	2	3	4	5	6
Value for money	1	2	3	4	5	6
Competitive price	1	2	3	4	5	6
Advice from store person	1	2	3	4	5	6
Reputation	1	2	3	4	5	6
Organic	1	2	3	4	5	6
Eco-friendly/Sustainable	1	2	3	4	5	6
Fair Trade	1	2	3	4	5	6

In comparison to Question 7, several items were dropped such as roast, type of beans, convenience and country-of-origin, as these attributes were seldom promoted and respondents often had little choice with respect to these attributes when purchasing coffee from a coffee shop, café or restaurant.

Section Four and Five: Perceptions of FT and organic coffee

Since the questions were very similar, attitudes towards FT and organic coffee will be discussed simultaneously.

Loureiro & Lotade (2005) examined consumers' attitudes to several sustainable third party certifications including FT, organic and shade grown coffee. They found that niche markets could be distinguished by different certifications and that consumer's attitudes towards three different sustainable coffees could be ascertained by their propensity to pay price premiums. In this study, respondents were first asked if they had ever heard of FT or organic coffee.

Western Australia:

Q12 & 19: Have you ever heard of a phrase Fair Trade/organic coffee? (Yes/No)

Japan:

Q12 & 19: Have you ever heard of a phrase Fair Trade/organic or yuki coffee? (Yes/No)

For the Japanese sample, the term "*yuki*" was used in addition to the phrase 'organic' to ensure equivalence, since "*yuki-shokuhin*" or "*yuki*" means organic in Japanese.

Those respondents who were aware of FT or organic coffee were asked to indicate what FT or organic meant to them. This was an emic approach, which aimed to ascertain attitudinal or behavioural patterns which may be unique in each culture (Usunier & Lee 2009).

Western Australia:

Q13 & 20: What does Fair Trade/organic mean to you?

…….
…….
…….

Japan:

Q13 & 20: What does Fair Trade/organic or yuki mean to you?

…….
…….
…….

Respondents were asked where they might buy FT or organic coffee.

Q14 & 21: Do you know where to find Fair Trade/organic coffee?

1. Yes -----Where? (Please specify)_____
2. No

To gain a perception of the various aspects of the global concept, all respondents were asked to indicate the extent to which they agreed with a number of prepared statements derived from the respective websites FLO (FT) and IFOAM (organic), regardless of whether they were aware or not aware of the certifications asked in Question 12 and 19. Although both certifications are standardized on a global basis, the respondents understanding of these principles may differ between countries as a result of differences in the values consumers place on the various attributes of each scheme.

Q15: FT makes the following claims. On a scale of 1 to 6, where 1 is "I strongly disagree" and 6 is "I strongly agree", to what extent do you agree with EACH of the following statements.

	I strongly disagree					**I strongly agree**
Fair Trade…						
pays a fair price to the producer	1	2	3	4	5	6
encourages sustainable production	1	2	3	4	5	6
set a minimum prices	1	2	3	4	5	6
is good for the environment	1	2	3	4	5	6
guarantees good work conditions	1	2	3	4	5	6
bans forced labour and child labour	1	2	3	4	5	6
facilitates community development	1	2	3	4	5	6
prohibits the use of genetically modified organisms	1	2	3	4	5	6
preserves biodiversity	1	2	3	4	5	6

Q22: Organic makes the following claims. On a scale of 1 to 6, where 1 is "I strongly disagree" and 6 is "I strongly agree", to what extent do you agree with EACH of the following statements.

	I strongly disagree					**I strongly agree**
Organic production…						
is based on ecological processes	1	2	3	4	5	6
is good for the environment	1	2	3	4	5	6
does not use agricultural chemicals	1	2	3	4	5	6
cares for animal welfare	1	2	3	4	5	6
prohibits the use of genetically modified organisms	1	2	3	4	5	6
is much healthier than conventional products	1	2	3	4	5	6

Respondents were then asked if they had ever purchased FT or organic coffee.

Q16 & 23: Have you ever purchased FT/Organic (yuki) coffee?

1. Yes ------- Please continue
2. No -------- Please go to Question 17/24

Respondents who had purchased FT/organic coffee were asked to indicate how satisfied they were with the experience after their last purchase. As consumers generally pay a higher price

to purchase FT and organic coffee, any failure of the product to meet expectations could quickly lead to dissatisfaction.

Were you satisfied with your purchase of FT/organic coffee? Please circle the appropriate answer, where 1 is 'very dissatisfied' and 6 is 'very satisfied'. Please circle your response.

Very dissatisfied **Very satisfied**

1 2 3 4 5 6

After consumption, what is your opinion of Fair Trade/organic coffee?

……..
……..
…….

To ascertain the respondents' willingness to pay a premium to purchase FT/organic coffee, they were provided with a benchmark price for 250g of coffee from a retail store and a per-cup price for coffee in a café or restaurant. The literature indicates that the average willingness to pay a premium for FT coffee is 10% (De Pelsmacker, Driesen & Rayp 2005a). For organic, 10–20% is the preferred premium price (Yiriode et al. 2005). This study set an upper price range of more than 30%. The initial prices; $7.50/¥750 for 250g and $3.70/¥370 per cup were established from observations in retail stores, coffee shops and cafes.

Q17 & 24: Assuming that FT/Organic coffee was readily available in a retail store, what price would you be willing to pay if the average price for 250g of coffee beans was $7.50/¥750? Please circle one answer.

1. No more ($7.50/¥750)
2. 10% more ($8.25/¥825)
3. 15% more ($8.65/¥865)
4. 20% more ($9.00/¥900)
5. 25% more ($9.35/¥935)
6. 30% more ($9.75/¥975)

Q18 & 25: Assuming that FT/organic coffee was readily available in a coffee shop, cafe or restaurant, what price would you be willing to pay, if the average price for 1 cup of coffee was $3.70/¥370? Please circle one answer.

1. No more ($3.70/¥370)
2. 10% more ($4.05/¥405)
3. 15% more ($4.25/¥425)
4. 20% more ($4.45/¥445)
5. 25% more ($4.65/¥465)
6. 30% more ($4.80/¥480)

Section Six: Demographic information

The socio-economic information sought from respondents consisted of four variables: gender, age, education and income.

Q26: Gender

1. Male
2. Female

Q27: Age group

1. 18-25 years
2. 26-34
3. 35-44
4. 45-54
5. 55-64
6. Over 65

With respect to equivalence issues, education and gross household income may not be directly comparable between Western Australia and Japan. When asking about education, 'junior college' replaced 'Trade certificate' and the term 'TAFE' was eliminated from the Japanese questionnaire, to account for the different college system in Japan.

Q28: Highest level of education achieved

WA
High school
Technical college (ex: TAFE) / Trade certificate
Undergraduate / Postgraduate degree

Japan
High school
Technical college / Junior college
Undergraduate / Postgraduate degree

To explore differences in coffee consumption patterns, as well as attitudes towards sustainable labels and food shopping behaviour between the countries, annual gross household income was asked. However, rather than to ask respondents for an absolute value, respondents were asked to select from an ordinal scale based on the rates of personal tax employed by the Australian Tax Office.

Q29: Into which of the following categories does your gross household income fall? Please circle the applicable response

WA

1. Less than AU$6,000
2. AU$6,001~AU$30,000
3. AU$30,001~AU$75,000
4. AU$75,001~AU$150,000
5. More than AU$150,001

Japan

1. Less than ¥600,000
2. ¥600,001~¥3,000,000
3. ¥3,000,001~¥7,500,000
4. ¥7,500,001~¥15,000,000
5. More than ¥15,000,001

Section Seven: Attitudinal characteristics for food shopping

The final section sought to explore a number of issues that had the potential to influence food purchasing behaviour and thus respondents' decisions to purchase ethical coffee. Respondents were asked to indicate the extent to which they agreed or disagreed with seven variables on a 6 point Likert scale where 1 was 'Not at all like me' and 6 was 'Very much like me'. These items were derived from Batt's (2010) consumers' insights into the Western Australian vegetable industry:

Q 30: On a scale of 1 to 6, where **1** is "**Not much like me at all**" and **6** is "**Very much like me**", please respond to EACH of the following statements.

	Not much like me at all					**Very much like me**
Concerns for my health play a more important role than taste in my decision to purchase food	1	2	3	4	5	6
I always pay attention to the labels on food that identify the energy and fat content	1	2	3	4	5	6
I have a great interest in supporting more sustainable food production	1	2	3	4	5	6
The country-of-origin of food is an important criterion in my food shopping	1	2	3	4	5	6
I always pay attention to the label for food products to see that it is non GM	1	2	3	4	5	6
I support those food businesses who are concerned about animal welfare	1	2	3	4	5	6
I support those food business that seek to improve producers` welfare in other countries	1	2	3	4	5	6

4.3 Sampling and data collection

4.3.1 The type of sampling approach

To obtain sufficient primary data, the researcher undertook a consumer survey in both Western Australia and Japan using a non-probability sampling method, as this was the most practical and feasible way to conduct an exploratory study with limited resources (Saunders, Lewis & Thornhill 2007). As a suitable sampling frame was not available in either country to study consumers' purchasing behaviour for coffee and perceptions of FT/organic, a mixed-mode sampling approach was employed to obtain sufficient response rates within a limited time and budget. Hair et al. (1998) suggest a minimum of 100 responses, but a larger sample size was considered preferable, especially as multivariate data analysis tools such as cluster analysis and factor analysis were to be employed. A sample size of 300 was sought from each country.

According to Saunders, Lewis & Thornhill (2007), convenience sampling proceeds until the required sample size is reached. Potential respondents were approached randomly, face-to-face, in a shopping mall intercept survey. Every third person who approached the interviewer was stopped and asked if they were willing to participate.

If time was a constraint, qualified respondents were given the option of self-completing the questionnaire with a reply paid envelope. Mail surveys can produce good response rates (Dillman et al. 2009). Shettle & Mooney (1999) accomplished a 68% response rate by using a monetary incentive. However, self-completing mail surveys often suffer from poor response rates in the absence of an interviewer (Churchill 1995; Krysan et al. 1994; Mazzochi 2008). Krysan et al. (1994) experienced response rates of 46% for a mail survey compared with 83% in a face-to-face situation. No incentive or reward was offered to respondents in this study. However, Presser & Stinson (1998) suggest that when respondents are interviewed using the face-to-face method their responses may be skewed in a socially desirable (SD) manner. Despite these problems, higher response rates can be expected using a face-to-face interview method than any other administrative mode (Mazzocchi 2008).

In this study, the option of providing a reply paid envelope was introduced to reduce response error by providing an opportunity for those participants who did not have time to complete the survey instrument at their own pace in the comfort of their own home. This worked well in Japan.

Churchill (1995) suggests that a combination of data collection approaches is both more productive and more useful. He identifies four advantages associated with face-to-face data collection methods: the high response rate; obtaining data from specific, identified people; and being able to both manage and control the interview. Dillman et al. (2009) show that different sampling methods influence response rate. Furthermore, different modes of data collection may also affect the data quality (Bowling 2005), and in this instance, a mixed-mode approach may cause large discrepancies in the results (Couper 2011). Taking all these issues into account, the mixed-method sampling approach was employed in this study.

4.3.2 Data collection process

Both primary data and secondary data were collected. Census data was collected from the Australian Bureau of Statistics, the Statistics Bureau in Japan and OECD, through online indexes. This enabled sample characteristics to be compared with the populations under study and a goodness of fit measure to be derived.

A pilot study was carried out with a total of 25 Japanese respondents and 25 Western Australian respondents, to identify potential problems such as the appropriateness of order and the clarity of questions. All of these respondents resided in Perth. The Australian respondents for the pilot survey were selected using the shopping mall intercept method, whereas a snowball sampling method was used to reach potential Japanese respondents. No issues were identified with respect to difficulties in understanding the questions among with both the English and Japanese speaking groups.

After finalising the survey instrument, random shopping mall intercepts commenced in Japan for three weeks. From November 26–December 17, 2010, data collection was undertaken at three locations in Japan: Tokyo, Shizuoka and Kobe. Initially it was proposed that the survey would be undertaken in the capital region of Tokyo only. Even though respondents were provided with both face-to-face and reply mail options, most refused to communicate with the interviewer. Three possible barriers in accessing Japanese respondents may apply: the perception of time (in Japan, weekly working hours are the second highest of any OECD country) (OECD 2012); uncertainty avoidance, in accordance with Usunier & Lee (2009), people may refuse to answer surveys in some countries, as it causes anxiety about data confidentiality); and contextual equivalence (the data collection took place in winter, and there may well have been a reluctance to talk with the interviewer).

For these reasons, the researcher extended the data collection to Shizuoka and Kobe. The city of Kobe in Hyogo prefecture was chosen because Kobe and Perth are sister cities. In Shizuoka, a snowball sampling approach was employed with students from Shizuoka University.

To avoid any socio-economic bias, the selected retail stores were chosen randomly by using a map of Tokyo (Minato-ku) and Kobe (Sannomiya). The researcher contacted the managers to seek permission to collect data in front of the stores. This approach was also employed in Western Australia, where data collection commenced in January 2011 at ten selected retail sites in the Perth metropolitan area.

4.4 Data analysis

Each question was encoded before entering the data into the Statistical Package for Social Sciences (SPSS). The codes were organised into mutually exclusive categories (Chamhuri 2011): that is, similar responses were collectively classified into the same code. SPSS was used to analyse the primary data. The two SPSS data files created held data for Western Australia and Japan. After the completion of data entry, the two files were screened. By utilising frequency distributions, means, standard deviation, skewness and kurtosis, the data files were comprehensively checked for consistency, normality of the data and missing responses.

4.4.1 Univariate data analysis

Univariate data analysis was widely employed. The description and distribution of each variable was mainly derived from univariate analysis, including descriptive analysis, cross-tabulations, independent t-test and analysis of variance (ANOVA).

4.4.1.1 Descriptive data analysis

Descriptive analysis was used to show the frequency and distribution percentages for all variables according to their respective countries, to offer insight and guidance for further data analysis and to provide a greater understanding of the results by summarising the data.

4.4.1.2 Cross-tabulations

Cross-tabulations were used to demonstrate the interdependence between two independent variables (Field 2003; Hair et al. 1998). The test compares observed values with predicted values to determine whether two distributions are independent or not by describing how one variable associates with another (Malhotra 2007). The outcomes indicate the joint distribution of two variables for a limited count of categories.

To assess the null hypothesis that there is no relationship between the rows and columns, cross-tabulations compare the set of observed numbers with a group of expected counts. The expected cell frequencies are computed as the marginal likelihood for the column multiplied by the marginal likelihood for the row, which is then multiplied by the total frequency. To be valid, the test requires that no fewer than 15% of the cells have less than five respondents (Field 2003).

4.4.1.3 T-test

The T-test is the most popular parametric test where the responses are measured using either an interval or ratio scale to observe the means between two samples (Malhotra 2007). To test the null hypothesis, the t distribution is utilized when the standard deviation is unknown and the sample size is small. In this study, the independent sample t-test and paired sample t-test were employed. If the null hypothesis is upheld, one sample will have no influence on the values of the second sample. Similarly for the paired sample t-test, for each respondent, the null hypothesis is upheld where there is no significant difference between the means of two sets of related responses. In this study, the significance level was set at .05.

In order to indicate how much each respondent's score deviates from the sample mean, the standard deviation (SD) was employed rather than standard error (SE). Although the SE can estimate the accuracy of the mean, it is generally employed where the study is replicated a large number of times (Streiner 1996).

4.4.1.4 Analysis of variance (ANOVA)

ANOVA was utilized to look for any significant difference between the means for multiple groups (more than two) of categorical independent variables (Malhotra 2007). ANOVA requires a metric dependent variable which is measured by an interval or ratio scale, which is compared with one or more categorical independent variables.

ANOVA assumes that each group is normally distributed and exhibits a similar pattern of variance. Two independent statistics compute the variance "within the groups" (MS_W) while another reflects the differences "between groups" (MS_B) (Hair et al. 1998). The ratio of MS_B to MS_W provides an estimate for the F statistic which is used to test the null hypothesis of equal means. However, while the F statistic may identify a significant difference between the means, it cannot show the extent to which the three or more means differ. For instance, in an analysis of three groups, all three groups might be significantly different, or two groups may be equivalent, but differ from a third group. To test for these dissimilarities, the researcher employed three post hoc tests.

Three things must be considered when using post hoc tests:

(1) does the test control the type I error rate;
(2) does the test control the type II error rate (i.e. does the test have good statistical power); and
(3) is the test reliable when the test assumptions of ANOVA have been violated?

The post hoc test procedures employed included: the Scheffé test, Tukey's honestly significant difference (HSD) and Duncan's multiple-range test (Hair et al. 1998). The Scheffe's test was used in this study because it is the most conservative with respect to Type I error, which concludes that two variables are related when they are not. In other words, it rejects the null hypotheses when it should not (Saunders, Lewis & Thornhill 2007). Type II errors do not reject the null hypothesis when they should.

4.4.2 Multivariate data analysis

Multivariate data analysis describes those statistical methods which analyse multiple measurements, while at the same time measuring, explaining and forecasting the relationships between the variables (Hair et al. 1998). Two types of multivariate data analysis were used in this study: cluster analysis and factor analysis.

4.4.2.1 Cluster analysis

Cluster analysis was used to group respondents by their shopping attitudes and values. It classified individuals into mutually exclusive groups, with those individuals who shared similar values placed in one cluster, while those who were the most dissimilar were placed in different clusters. In other words, cluster analysis maximises homogeneity within clusters while maximising heterogeneity between clusters. It is useful for identifying discrete market

segments or product profiles (Mazzocchi 2008).

Two algorithms exist: hierarchical and non-hierarchical (Hair et al. 1998). Hierarchical cluster analysis was used to identify the potential number of clusters. At an early stage, results are nested within results, which create similarity in the results in later stages. Although this method computes time efficiently and is popular, the impact of outliers cannot be ignored.

The K-means approach – a non-hierarchical method – was used to group the respondents into the predetermined number of clusters as derived from the preceding hierarchical cluster analysis. In the first step, a cluster seed is selected as the initial cluster centre, then, all objects (individuals) within a pre-specified threshold distance are contained in the resultant group (Hair et al. 1998). This process continues until all objects are assigned to a cluster.

4.4.2.2 Factor analysis

Factor analysis examines the correlations between many variables and defines the structure of interrelated dimensions called factors (Hair et al. 1998). In this study, exploratory factor analysis (EFA) was used to identify underlying constructs that influenced the decision to purchase coffee at home and in a café or restaurant. EFA is suitable where the objective is to forecast the minimum number of factors required to estimate the maximum amount of variance in the set of original variables.

First, the researcher must ensure that the data matrix shows adequate correlations. The Bartlett test of sphericity and the Kaiser-Meyer-Olkin (KMO) tests were employed to determine the suitability of the data (Hair et al. 1998). KMO shows the proportion of variance among variables with high values (close to 1.0) implying that factor analysis is appropriate. On the other hand, values less than 0.50 indicate that factor analysis is not suitable. Bartlett's test gives the statistical probability that shows variables are unrelated or unsuitable for factor analysis. In this test, small values (less than 0.5) imply that factor analysis is suitable.

When determining the number of factors to retain, the researcher followed latent root criteria with eigenvalues greater than 1.0. Varimax rotation which spreads the variance more evenly across the resultant factors was utilized to interpret chosen the factor solution. To facilitate the interpretation of the factors, only those variables with a factor loading of 0.4 and above were retained using the default setting (Chamhuri 2011).

To assess the reliability of the derived factors, Cronbach's alpha was utilised. The lowest acceptable value was 0.70, although for exploratory factor analysis, a value greater than 0.60 is considered acceptable (Hair et al. 1998).

Chapter 5: Results from Western Australia

5.1 Outline

In this chapter, the results from a Western Australian sample of 157 coffee drinkers are discussed. In the first section, the respondents' demography is profiled by gender, age, education, income and attitudes towards food shopping. General information about coffee consumption, attitudes and behaviour towards the purchase of coffee for the home and at a café/restaurant follow, after which the respondents' awareness, attitudes and behaviour towards FT and organic coffee are discussed.

5.2 Respondents' profile

5.2.1 Socio-demographic information

In this study, the majority of Western Australian (WA) participants were female (59%) (Table 5.1).

Table 5.1: Gender of WA respondents

	Frequency	%
Male	64	41.0
Female	93	59.0
Total	157	100.0

The number of WA respondents by age group was very evenly distributed, although the youth group (12%) was somewhat under represented. The number of respondents in the five age groups varied between 17% and 18% (Table 5.2).

Table 5.2: Age category of WA respondents

	Frequency	%
18-25 years	19	12.2
26-34 years	28	17.9
35-44 years	27	17.3
45-54 years	27	17.3
55-64 years	28	17.9
Over 65	27	17.3
Total	156	100

Most WA respondents (61%) had undertaken some undergraduate or postgraduate education. While some 20% had attended technical college, 19% had only completed high school (Table 5.3).

Table 5.3: Highest level of education achieved by WA respondents

	Frequency	%
Undergraduate/Postgraduate	92	61.0
TAFE/Trade certificate	30	20.0
High school	29	19.0
Total	151	100.0

Approximately one third of the WA respondents had a gross household income of between $75,001-150,000 (Table 5.4). While 17% of respondents had a household income that exceeded $150,001, 26% of respondents earned less than $30,000 per annum.

Table 5.4: Annual gross household income by WA respondents

	Frequency	%
Less than $6,000	8	5.4
$6,001-30,000	31	20.9
$30,001-$75,000	40	27.0
$75,001-150,000	44	29.7
More than $150,001	25	16.9
Total	148	100

5.2.2 Respondents' attitudes towards food shopping

To investigate the extent to which food ethics, nutrition and health influenced food shopping behaviour, cluster analysis was undertaken. The grouping procedure was undertaken in two phases, using hierarchical cluster analysis and the k-means approach to deliver three clusters (Table 5.5).

Some 65 respondents (44%) were clustered in the 'High' group, where all seven variables had a mean greater than 4.5. Conversely, the 43 respondents in the 'Conservative' cluster showed little if any interest in food ethics, nutrition or health. The members of the 'Moderate' cluster (40) showed a high amount of interest in food labelling and the country of origin, but the means for the other attributes were intermediate.

Table 5.5: Cluster profile of WA respondents by food shopping attitude

Variable/Cluster name	High	Moderate	Conservative	Sig*
Support sustainable food production	5.40[a]	3.73[b]	2.93[c]	.000
Support producers in overseas	5.38[a]	4.02[b]	3.30[c]	.000
Animal welfare	5.32[a]	3.73[b]	2.60[c]	.000
GMO concern	4.86[a]	4.33[b]	1.95[c]	.000
Health concern	4.83[a]	4.05[b]	3.26[c]	.000
Country-of-origin	4.75[a]	4.80[a]	3.12[c]	.000
Label of ingredients	4.69[a]	4.20[a]	2.79[c]	.000
Cluster size (N)	65	40	43	-

*Where those items with the same letters in the same row show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = Not much like me at all and 6 = Very much like me)

No significant differences between cluster membership and gender, age, household income or education could be found.

5.3 General information of coffee consumption attitude and behaviour

On average, WA respondents consumed 12.7 cups of coffee per week. Most coffee was consumed at home (6.8 cups), followed by consumption at work/study (3.9 cups) and consumption in a cafe/restaurant (2.1 cups) (Table 5.6).

Table 5.6: Average cups of coffee drank per week by place of consumption

Cups/per week	Mean	SD
Home	6.8	6.1
Workplace/Study	3.9	5.8
Cafe/Restaurant	2.1	2.2
Total	12.7	8.9

SD=standard deviation

From the open-ended questions it was found that the most positive aspect of drinking coffee was the taste (68%) for most respondents. Coffee was also recognised for its socialising aspect (18%), followed by its relaxing effect (14%), its pick me up or wake up effect (11%), capacity to energize (11%), aroma (10%) and to focus the mind (9%) (Table 5.7).

Table 5.7: What WA respondents most enjoyed about drinking coffee

	Frequency	%
Taste	96	67.6
The socializing aspect	25	17.6
Relaxing	20	14.1
Pick up / wake up effects	16	11.3
Energising	15	10.6
Aroma	14	9.9
Stimulation to focus / mind clarity	13	9.2
Caffeine hit	7	4.9
Positive effect on emotion / feeling of well-being	5	3.5
Habitual aspect	4	2.8
Refreshing	2	1.4
Healthier	2	1.4
Comfort	2	1.4
Creamy froth	1	0.7
Smoothness	1	0.7
Exploration of good quality of coffee	1	0.7
Number of respondents	142	-

Conversely, some 20% of WA respondents were concerned about the negative health impacts of consuming coffee (Table 5.8).

Table 5.8: What WA respondents most disliked about drinking coffee

	Frequency	%
Negative impacts on health	20	19.8
The taste of poor quality	17	16.8
Bitterness	16	15.8
Cost	11	10.9
Affects of caffeine	10	9.9
Insomnia	10	9.9
After taste	9	8.9
Inconsistent quality of taste	9	8.9
Affects on breath badly after drink	7	6.9
When it's too strong	7	6.9
Cause of stain on teeth	4	4.0
Addictiveness	3	3.0
The taste of instant	3	3.0
Impacts on emotion	3	3.0
Taste without sugar	2	2.0
Colour	1	1.0
Taste without milk	1	1.0
No availability of Fair Trade coffee	1	1.0
Number of respondents	101	-

Some 17% of respondents did not like the taste of poor quality coffee and 9% reported inconsistent quality of taste. The high and increasing cost of coffee (11%), the negative effects of caffeine (10%) and insomnia (10%) were also associated with coffee consumption.

5.3.1 Consumption at home

For consumption in the home, most WA respondents (77%) purchased coffee from supermarkets. However, some 22% purchased the majority of the coffee that they consumed at home from specialty shops. Convenience stores/petrol stations and mail order catalogues accounted for less than one per cent of sales (Table 5.9).

Table 5.9: Where WA respondents purchased the majority of coffee for home consumption

Place	Frequency	Percentage
Supermarkets	114	77.0
Specialty shops	32	22.0
Convenience stores/Petrol station	1	0.5
Mail order	1	0.5
Vending machine	-	-
Total	148	100.0

On the last occasion that respondents purchased coffee, 45% bought instant coffee, followed by ground (32%), whole bean (20%), and canned/bottled (3%) (Table 5.10).

Table 5.10: The form of coffee that WA respondents bought on the last occasion

Form	Frequency	Percentage
Instant	68	45.3
Ground	48	32.0
Whole bean ground at home	30	20.0
Canned/bottled	4	2.7
Total	150	100.0

In making their decision to purchase coffee for home consumption, irrespective of the form in which the coffee was purchased, taste or flavour was the most frequently cited variable (57%) (Table 5.11).

Table 5.11: The attributes influencing coffee purchase for home consumption

	Frequency	%
Taste	68	56.7
Price	41	34.2
Quality	20	16.7
Brand	16	13.3
Sustainable coffee	14	11.6
Convenience	11	9.2
Aroma	8	6.7
Value	7	5.8
Country-of-origin	5	4.2
Prior purchase experience	5	4.2
Freshness	4	3.3
The level of roast	4	3.3
Strength	4	3.3
Type of beans	3	2.5
Quantity	3	2.5
Instant	3	2.5
Specials	2	1.7
Packaging	2	1.7
Antioxidant	2	1.7
Blend	2	1.7
What fits in my special machine	1	0.8
Not instant	1	0.8
Ground beans	1	0.8
Local roaster	1	0.8
Number of respondents	120	-

Price (33%) was the second most frequently cited variable, followed by quality (17%) and brand (13%). Only 12% of consumers considered sustainability when they decided to purchase coffee

In making their decision to purchase coffee from a retail store, taste (5.67), aroma (5.11) and a favourable prior purchase experience (4.89) were the most important variables for the WA respondents (Table 5.12).

For the WA respondents, a second group of variables included value for money (4.53), competitive price (4.50), brand familiarity (4.45) and roast (light /medium /dark) (4.29). However, the level of importance placed on specialty coffee was very low among WA respondents in this study: the mean for FT was (3.79), for eco-friendly/sustainable (3.61) and for organic (3.16).

Table 5.12: The importance of the purchasing criteria for WA respondents

	Mean	SD
Taste	5.67[a]	0.63
Aroma	5.11[a]	0.97
Favourable prior purchase experience	4.89[a]	1.27
Value for money	4.53[b]	1.34
Competitive price	4.50[b]	1.37
Brand familiarity	4.45[b]	1.30
Roast (light / medium / dark)	4.29[b]	1.40
Type of beans (Arabica / Robusta)	4.07[c]	1.58
Convenience	4.01[d]	1.62
Fair trade	3.79[d]	1.74
Reputation	3.74[d]	1.52
Eco-friendly / sustainable	3.61[e]	1.77
Country of origin	3.25[f]	1.62
Organic	3.16[g]	1.72
Advice from store person	2.41[h]	1.41

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = Not at all important and 6 = Very important)

Using Exploratory Factor Analysis (EFA) with Varimax rotation and Kaiser Normalization, the 15 attributes were reduced to three factors which collectively explained 72% of the variance (Table 5.13).

Table 5.13: Factors influencing the purchase of coffee for home consumption in WA

	Factor		
	1	**2**	**3**
Eco-sustainable label	.950		
Fair Trade	.901		
Organic	.873		
Aroma		.778	
Taste		.708	
Roast (light/medium/dark)		.691	
The type of beans (Arabica/Robusta)		.685	
Value for money			.954
Competitive price			.940
Factor Mean	3.52[b]	4.79[a]	4.51[a]
Eigenvalue	2.605	2.407	1.866
Percentage of variance (%)	28.949	22.741	20.738
Cumulative variance (%)	28.949	51.690	72.428
Cronbach's alpha	0.914	0.632	0.908

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.
KMO Measure of Sampling Adequacy (.596)
Bartlett's Test of Sphericity (p<.000)
Where those items with the same letters in the same row show no significant difference at p<0.05

The appropriateness of the EFA was determined by the KMO (0.596), which was within the range of acceptable values of 0.5 to 0.7 (Field 2003; Hair et al. 1998).

Factor 1 was labelled 'credence attributes'. This factor was comprised of three items: eco-sustainability, FT and organic, which accounted for 29% of the total variance. With a Cronbach's alpha of 0.914, this factor was considered very reliable. However, it was also the least important factor in the consumers' decision to purchase coffee from a retail store.

Factor 2, which explained 23% of the variance, consisted of four items which related to the 'experience' of consuming coffee. 'Experience attributes' contained both intrinsic and extrinsic quality attributes, including aroma, taste, roast (light /medium /dark) and bean type (Arabica /Robusta). Although the Cronbach's alpha was only 0.632, this was considered acceptable for an exploratory study (Hair et al. 1998).

Factor 3 was labelled 'value'. This factor was composed of value for money and competitive price. Collectively this factor explained 21% of the variance, and with a Cronbach's alpha of 0.908 it was considered extremely robust.

Among the WA respondents, there was no significant difference between the importance of the experience and value factors, which were both equally important in the respondents' decision to purchase coffee for home consumption. In other words, FT, organic and eco-sustainability were very much secondary considerations.

When the principal components used to purchase coffee for home consumption were analysed to explore differences between gender, age, income and education, no significant differences could be found. However, using the food shopping clusters, a significant difference was revealed for the credence and value factors. With regards to the credence factor, not unexpectedly, the High food shopping cluster (4.39) placed significantly more importance on this factor than both the Moderate cluster (3.50) and the Conservative cluster (2.54)(Table 5.14).

Table 5.14: Differences in the factors influencing purchase for home consumption by food shopping clusters

		Factor 1 (Credence) (p<.000)		**Factor 2 (Experience) (p<.247)**		**Factor 3 (Value) (p<.018)**	
	N	Mean	SD	Mean	SD	Mean	SD
Cluster High	55	4.39[a]	1.28	4.94[a]	0.71	4.72[a]	1.07
Cluster Moderate	32	3.50[b]	1.50	4.74[a]	0.84	4.73[ab]	1.07
Cluster Conservative	38	2.54[c]	1.34	4.67[a]	0.85	4.03[b]	1.57

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = Not at all important and 6 = Very important)

For the monetary (Value) factor, there was no significant difference between the High cluster (4.72) and the Moderate cluster (4.73), but the Conservative cluster (4.03) placed significantly less importance on price in comparison to the High cluster.

5.3.2 Consumption at café or restaurant

In WA, more than half of the respondents (63%) consumed coffee in a café or restaurant at least one time per week (Table 5.15).

Table 5.15: Frequency of drinking coffee at café/restaurant in WA

	Frequency	%
Seldom	11	7.1
Once a month	26	16.8
Once a fortnight	20	12.9
Once a week	33	21.3
Several times per week	49	31.6
Daily	16	10.3
Total	155	100

With regard to the reasons for consuming coffee in a café/restaurant, 141 WA respondents indicated that the main reason to drink coffee at a café or restaurant was to socialize (69%), following by finding peace and solitude (40%) and meeting with business partners (35%) (Table 5.16).

Table 5.16: Reasons for consuming coffee in a café/restaurant in WA

Purpose	Frequency	Mean (%)	SD
To socialize with family/friends/partner	141	68.8	30.4
To meet with business partners/peers	56	35.0	21.4
To find peace and solitude	76	40.4	27.1
To access the internet	10	23.5	18.9

On the other hand, very few respondents visited a café or restaurant to access the internet, but for those who did, it accounted for almost one quarter of their visits to a café or restaurant.

One half of the WA respondents cited taste as the most influential variable in their decision to purchase coffee in a café or restaurant (Table 5.17).

Table 5.17: Attributes influencing to purchase coffee in a café/restaurant

	Frequency	%
Taste	50	50.0
Store brand	25	25.0
Quality	17	17.0
Price	13	13.0
Proper brewing	9	9.0
Aroma	8	8.0
Convenience to stop by	7	7.0
Variety of form	5	5.0
Location	4	4.0
Quantity	3	3.0
Barista	2	2.0
Availability of decaffeinated	2	2.0
Strength of coffee	2	2.0
Quick to serve	2	2.0
Reputation	2	2.0
Local café	2	2.0
Something different from home	2	2.0
Fair Trade	2	2.0
Reliability of store	1	1.0
Value for money	1	1.0
Rewards card	1	1.0
Cleanliness	1	1.0
Freshness	1	1.0
Ease	1	1.0
The menu of food	1	1.0
Luxurious	1	1.0
Easy to drink	1	1.0
Appearance	1	1.0
Number of respondents	100	-

Store brand was the second most frequently cited response (25%), followed by quality (17%), good price (13%), proper brewing (9%) and aroma (8%). While 2% of respondents would ask if the coffee was certified FT, organics was not mentioned.

In purchasing coffee from a café or restaurant, taste (5.5) and aroma (5.12) remained the most important attributes (Table 5.18). A favourable prior purchase experience (4.76) and value for money (4.45) comprised the next most important group of variables. Attributes such as Fair Trade, eco-friendly and organic were significantly less important and had very little impact on the consumers' decision to purchase coffee in a café or restaurant.

Table 5.18: The importance of purchasing criteria at café/restaurant for WA respondents

	Mean	SD
Taste	5.55[a]	0.87
Aroma	5.12[a]	1.03
Favourable to prior purchase experience	4.76[b]	1.21
Value for money	4.45[b]	1.32
Competitive price	4.12[c]	1.47
Store brand familiarity	3.71[d]	1.50
Reputation	3.65[e]	1.61
Fair Trade	3.55[e]	1.78
Eco-friendly/sustainable	3.41[e]	1.73
Organic	3.01[f]	1.70
Advice from store person	2.48[g]	1.63

Where those items with the same letters in the same column show no significant difference at $p<0.05$
SD=Standard deviation, 1 = Not at all important and 6 = Very important)

Using EFA with Varimax rotation and Kaiser Normalization, these eleven variables were reduced to three components that collectively explained 86% of the variance associated with the purchase of coffee in a café/restaurant (Table 5.19).

Table 5.19: Factors affecting the purchase of coffee in a café or restaurant in WA

	Factor		
	1	**2**	**3**
Eco-sustainable label	.971		
Fair Trade	.941		
Organic	.888		
Value for money		.935	
Competitive price		.933	
Taste			.907
Aroma			.904
Factor Mean	3.32[c]	4.28[b]	5.33[a]
Eigenvalue	2.955	1.722	1.336
Percentage of variance (%)	42.218	24.598	19.089
Cumulative variance (%)	42.218	66.816	85.905
Cronbach's Alpha	0.928	0.851	0.772

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.
KMO Measure of Sampling Adequacy (.609)
Bartlett's Test of Sphericity (p<.000)
Where those items with the same letters in the same row show no significant difference at p<0.05

Factor 1 (credence attributes) consisted of the eco-sustainable labels, organic and FT, which collectively explained 42% of the variance. With a Cronbach's alpha of 0.928, this factor was considered extremely reliable, but, with a mean score of 3.32, it was also the least important in the respondents' decision to purchase coffee from a café or restaurant.

Factor 2 (value attributes) was composed of competitive price and value for money. Collectively, this factor explained 25% of the variance and with a mean score of 4.28, was the second most important factor. With a Cronbach's alpha of 0.851, it too was considered very reliable.

Factor 3 (experience attributes) consisted of the experiential quality attributes of taste and aroma. Collectively, this factor explained 19% of the variance. With a mean score of 5.33, this was the most important factor. With a Cronbach's alpha of 0.772, it is also very reliable.

When comparing these three principal components for the consumption of coffee in a café or restaurant with the socio-demographic variables and the food shopping attitudes, cluster membership was the only variable to show any significant difference. Those respondents who belonged to the High cluster showed the highest mean score (4.09) for the credence quality attributes in making their decision to purchase a cup of coffee in a café/restaurant (Table 5.20).

Table 5.20: Differences in the factors influencing purchase at a café/restaurant by food shopping clusters

		Factor 1 (Credence) (p<.000)		**Factor2 (Value) (p<.044)**		**Factor 3 (Experience) (p<.253)**	
	N	Mean	SD	Mean	SD	Mean	SD
Cluster High	62	4.09[a]	1.44	4.52[a]	1.17	5.45[a]	0.70
Cluster Moderate	35	3.07[b]	1.65	4.21[ab]	1.21	5.27[a]	0.97
Cluster Conservative	42	2.42[b]	1.29	3.86[b]	1.56	5.17[a]	1.02

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = Not at all important and 6 = Very important)

In relation to the value construct, there was a significant difference between those respondents who were members of the High cluster (4.52) and those who were members of the Conservative cluster (3.86).

5.3.3 The effects of consumption situation

The paired sample t test demonstrated that the situational influence had a significant impact on the importance of the factors respondents utilized in their decision to purchase coffee (Table 5.21).

Table 5.21: Factors influencing the purchase of coffee by occasion in WA

	Home		Café/restaurant		p<.05
	Mean	SD	Mean	SD	
Credence	3.57	1.61	3.33	1.62	.001
Experience	4.80	0.82	5.36	0.80	.000
Value	4.54	1.26	4.25	1.31	.001

In WA, the respondents placed more importance on the credence attributes and value for home consumption than consumption in a café/restaurant. Conversely, the level of importance placed on the experiential factor was greater when purchasing coffee in a café or restaurant rather than at home.

5.4 Fair Trade (FT)

In Perth, Western Australia, 69% of the respondents had heard about Fair Trade (FT) coffee (Table 5.22). Of those respondents who were aware of FT, some 54% knew where to find FT coffee should they wish to purchase it.

Table 5.22: Awareness of FT and FT availability

	Yes		No	
	Frequency	%	Frequency	%
Have you ever heard of a phrase Fair Trade coffee?	108	69	48	31
Do you know where to find FT coffee?	55	54	46	46

The respondents believed they could purchase FT coffee from the supermarket (39%), followed by specialty grocery stores (17%), café or restaurants (15%), an Oxfam shop (15%) and specialty coffee shops (12%) (Table 5.23).

Table 5.23: Awareness of FT coffee availability in specific places

	Frequency	%
Supermarket	20	38.5
Specialty grocery store	9	17.3
Café/Restaurant	8	15.4
Oxfam shop	8	15.4
Specialty coffee shop	6	11.5
Online	1	1.9
Total	52	100.0

For those respondents who were aware of the FT label, 76% of respondents understood FT to mean an equal/fair relationship in terms of the commodity price, income, work environment and social security between producing and consuming countries (Table 5.24).

Table 5.24: What FT means to WA respondents

	Frequency	%
Equal/fair relationship with producers	73	76.0
Charity	10	10.4
Transparency	9	9.4
Sustainable	8	8.3
No forced /child labour	5	5.2
Ethically acceptable production/trade system	4	4.2
Marketing tool	2	2.1
Expensive	2	2.1
Community development	2	2.1
Cooperate social responsibility	2	2.1
No intermediaries / direct trade	1	1.0
Unreliable system	1	1.0
Good for the environment	1	1.0
Good quality	1	1.0
Number of respondents	96	-

For some 10% of respondents, FT was perceived to be charitable, transparent (9%) and sustainable (8%). However, only 1 respondent noted that FT meant that the products were good quality.

Using a number of measures developed from the FLO website (2010), all respondents, including those who were unaware of FT, were asked to indicate the extent to which they agreed with each statement (Table 5.25).

Table 5.25: Level of agreement/disagreement with FT attributes

FT…	Mean	SD
pays a fair price to the producer (FP)	5.20[a]	0.95
encourages sustainable production (SP)	4.97[a]	0.97
bans forced labour and child labour (PCL)	4.91[a]	1.25
facilitates community development (CD)	4.91[a]	1.08
guarantees good work conditions (WE)	4.73[a]	1.22
is good for the environment (GE)	4.50[b]	1.26
preserves biodiversity (PB)	4.49[b]	1.28
prohibits the use of genetically modified organisms (GMO)	4.40[c]	1.40
set the minimum price (MP)	4.40[c]	1.38

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = I strongly disagree and 6 = I strongly agree)

Most respondents agreed that FT meant a fair price (5.20), a more sustainable production system (4.97), prohibited child labour (4.91), facilitated community development (4.91) and provided an assured work environment (4.73). FT was also perceived to be good for the environment (4.50) and to preserve biodiversity (4.49).

However, given that some 31% of respondents were not aware of FT, the responses were analysed in two groups: (1) those who were aware of FT and (2) those who were not aware (Table 5.26).

Table 5.26: Level of agreement/disagreement with FT attributes by awareness

FT is…	Aware		Not aware		p<.05
	Mean	SD	Mean	SD	
Fair Price (FP)	5.27	0.90	5.00	1.04	0.12
Sustainable production system (SPS)	5.01	1.01	4.86	0.87	0.39
Set the minimum price (MP)	4.94	1.12	4.81	0.99	0.51
Preserve biodiversity (PB)	4.88	1.30	4.95	1.13	0.76
Assured work environment (WE)	4.74	1.28	4.69	1.05	0.83
Non GMO (GMO)	4.43	1.31	4.60	1.21	0.50
Community development (CD)	4.41	1.41	4.33	1.32	0.76
Prohibiting child labour (PCL)	4.39	1.37	4.71	0.94	0.11
Good for the environment (GE)	4.38	1.41	4.40	1.40	0.92

SD=standard deviation, 1=I strongly disagree and 6=I strongly agree

The independent sample t test showed no significant difference with respect to the level of agreement with FT principles by the respondents' level of awareness.

When analysing the relationships with socio-demographic variables and the respondents' food shopping attitudes, significant differences were found only for the food shopping clusters with respect to the level of agreement with the FT principles. Not unexpectedly, the High cluster group demonstrated a higher level of agreement to most statements than the other groups, with the exception of pays a fair price to the producer (FP), set the minimum price (MP), good for the environment (GE) and guarantees good work conditions (WE) (Table 5.27).

Table 5.27: Differences in the agreement with FT principles by food shopping clusters

	High		Moderate		Conservative	
	Mean	**SD**	**Mean**	**SD**	**Mean**	**SD**
FP (p<.122)	5.40[a]	0.98	5.08[a]	0.90	5.05[a]	0.93
PCL (p<.006)	5.31[a]	1.13	4.56[b]	1.33	4.65[b]	1.23
SP (p<.003)	5.31[a]	0.84	4.82[b]	0.85	4.68[b]	1.14
CD (p<.005)	5.24[a]	1.00	4.77[ab]	1.01	4.55[b]	1.11
PB (p<.000)	5.06[a]	1.16	4.15[b]	1.18	3.85[b]	1.17
MP (p<.047)	4.76[a]	1.37	4.26[a]	1.14	4.10[a]	1.48
GE (p<.064)	4.80[a]	1.25	4.36[a]	0.99	4.25[a]	1.30
WE (p<.143)	4.94[a]	1.32	4.67[a]	1.06	4.45[a]	1.18
GMO (p<.002)	4.81[a]	1.35	4.26[ab]	1.07	3.83[b]	1.48

Where those items with the same letters in the same row show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = I strongly disagree and 6 = I strongly agree)

5.5 Organic

Some 69% of the WA respondents were aware of organic coffee and 48% knew where they could purchase it if they so desired (Table 5.28).

Table 5.28: Awareness and awareness of availability of organic coffee (N)

	Yes		No	
	Frequency	%	Frequency	%
Have you ever heard of a phrase organic coffee?	107	69	49	31
Do you know where to find organic coffee?	51	65	28	35

Most respondents believed that they could purchase organic coffee from supermarkets (44%) and specialty grocery stores (38%) (Table 5.29).

Table 5.29: Awareness of organic coffee availability in specific places

	Frequency	%
Supermarket	21	43.8
Specialty grocery store	18	37.5
Café/Restaurant	3	6.3
Convenience store	3	6.3
Everywhere	2	4.2
Oxfam	1	2.1
Total	48	100.2

More than half the WA respondents perceived the word organic to mean free of chemicals (77%), followed by good for health (9%), produced in natural way (9%) and good for the environment/eco-friendly (8%) (Table 5.30).

Table 5.30: What organic means to WA respondents

	Frequency	%
Free of chemicals	65	76.5
Good for health	8	9.4
Produced in natural way	8	9.4
Good for the environment	7	8.2
Non GMO	4	4.7
No preservatives	4	4.7
Sustainable	3	3.5
Grown by clean soil	3	3.5
Bean picked by hand	2	2.4
Marketing tool	2	2.4
Guaranteed system for the good quality	1	1.2
It doesn't have any advantage	1	1.2
Organic inputs enhance productivity	1	1.2
To proof the farmers' transparency of production	1	1.2
Unreliable system	1	1.2
Good quality	1	1.2
Poor quality	1	1.2
Taste better	1	1.2
Bean processed healthier/natural way	1	1.2
Number of respondents	85	-

Using a number of measures developed from the IFOAM website (2010), most respondents showed a high level of agreement towards the principles of organic production (Table 5.31).

Table 5.31: Level of agreement/disagreement with organic attributes

Organic production …	Mean	SD
is good for the environment (GE)	5.06[a]	1.16
is NON agricultural chemicals (NC)	5.04[a]	1.34
prohibits the use of genetically modified organisms (GMO)	5.00[a]	1.32
is based on ecological processes (EP)	4.85[a]	1.29
is much healthier than conventional products (GH)	4.59[a]	1.43
is care for animal welfare (AW)	4.37[b]	1.50

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = I strongly disagree and 6 = I strongly agree)

Anticipating that there could be a difference in the level of understanding of the organic principles between aware and unaware respondents, an independent sample t-test was conducted. No significant difference in the level of agreement with the organic principles was found between aware and unaware respondents (Table 5.32).

Table 5.32: Level of agreement/disagreement with organic attributes by awareness

Organic production…	Aware		Not aware		p<.05
	Mean	SD	Mean	SD	
is good for the environment (GE)	5.09	1.14	5.00	1.21	0.68
prohibits the use of genetically modified organisms (GMO)	5.07	1.23	4.83	1.53	0.33
is NON agricultural chemicals (NC)	5.06	1.29	4.98	1.47	0.74
is based on ecological processes (GP)	4.96	1.22	4.59	1.43	0.12
is much healthier than conventional products (GH)	4.60	1.37	4.55	1.58	0.85
is care for animal welfare (AW)	4.34	1.42	4.45	1.71	0.68

SD=standard deviation, 1=I strongly disagree and 6=I strongly agree

Similarly, for the organic principles, no significant difference was found for any of the socio-demographic variables. However, for the food shopping clusters, the statements based on ecological process (EP) (5.37), caring for animal welfare (AW) (4.69), prohibits the use of genetically modified organisms (GMO) (5.47) and much healthier than conventional products (GH) (5.20), were rated much higher by those respondents in the High cluster than those respondents in both the Moderate and the Conservative clusters (Table 5.33).

Table 5.33: Differences in agreement with organic principles by food shopping clusters

	High		**Moderate**		**Conservative**	
	Mean	**SD**	**Mean**	**SD**	**Mean**	**SD**
GMO (p<.001)	5.47[a]	0.96	4.71[b]	1.35	4.54[b]	1.54
GE (p<.000)	5.43[a]	0.89	5.08[a]	0.87	4.38[b]	1.52
NC (p<.002)	5.41[a]	1.02	5.03[ab]	1.11	4.46[b]	1.67
EP (p<.000)	5.37[a]	0.88	4.71[b]	1.06	4.18[b]	1.61
GH (p<.000)	5.20[a]	0.92	4.21[b]	1.47	3.84[b]	1.67
AW (p<.037)	4.69[a]	1.22	4.00[b]	1.74	4.05[b]	1.59

Where those items with the same letters in the same row show no significant difference at p<0.05
(SD=Standard deviation, 1 = I strongly disagree and 6 = I strongly agree)

For the statements good for the environment (GE) (5.43) and non agricultural chemicals (NC) (5.41) respondents in the High cluster agreed more than those respondents in the Conservative Cluster.

In a similar manner to FT, a greater proportion of the respondents in the High cluster had some prior experience in purchasing organic coffee. Conversely, those respondents in the Moderate cluster (75%) and the Conservative cluster (70%) were less likely to have purchased organic coffee.

5.6 Experience and evaluation for FT and organic coffee

For those respondents who were aware of FT coffee, some 45 had already purchased FT coffee. Having purchased FT coffee, 12 respondents perceived that it should be applied to the entire industry because it was a good concept and 11 respondents believed that it was good quality coffee (Table 5.34).

Table 5.34: WA respondents' opinions of FT coffee after consumption

	Frequency	%
It's a great idea	12	26.7
Good quality of coffee	11	24.4
Requirement of its availability	8	17.8
Bad quality of coffee	7	15.6
No difference of quality	4	8.9
Expensive	3	6.7
Need promotion	3	6.7
Unreliable	3	6.7
I'd like to know the evidence of outcomes to how FT improve the producers' welfare	1	2.2
I hope the system of FT works well	1	2.2
I hope that the claims they make are a true reflection by what really happens	1	2.2
It's emotionally satisfied	1	2.2
A lack of variety to choose	1	2.2
I would have a preference for fair trade but not at the expense of taste	1	2.2
It's difficult to know how it was produced through consumption which I'd like to know more precisely	1	2.2
Number of respondents	45	-

However, some 18% of the respondents indicated problems in sourcing FT coffee; 16% of respondents had experienced poor quality coffee; and another 9% could not find any tangible difference between the quality of FT coffee and conventional coffee. Some respondents (7%) were not convinced that FT coffee was reliable, and 7% of respondents considered FT coffee to be too expensive.

Despite the high level of awareness of organic coffee, more than half of the aware respondents (54%) had never purchased organic coffee. For those who had purchased organic coffee, some 36% were disappointed with their experience (Table 5.35).

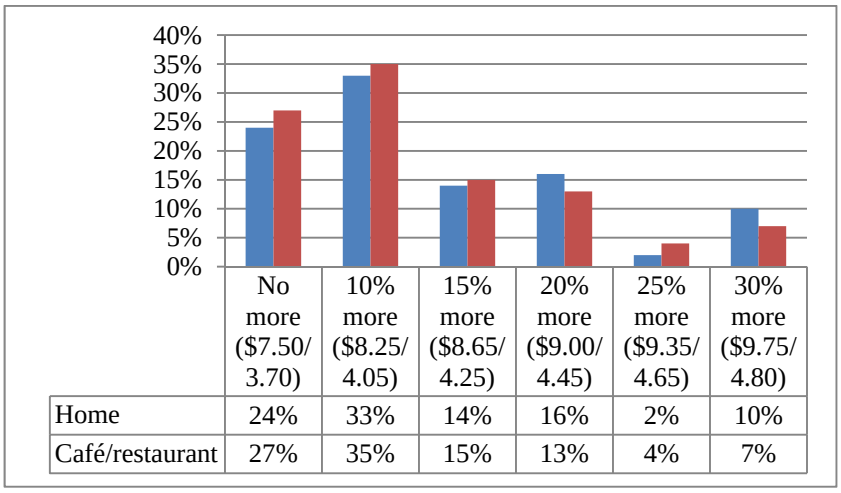
Table 5.35: WA respondents' opinions of organic coffee after consumption

	Frequency	%
Bad quality of coffee	17	36.2
Good quality of coffee	14	29.8
Satisfied	11	23.4
Expensive	7	14.9
Reliable	6	12.8
Requirement of its availability and variety	4	8.5
Felt healthier	4	8.5
I did something good for the environment	2	4.3
Dissatisfied	2	4.3
Not interested in anymore	1	2.1
Need promotion	1	2.1
Number of respondents	47	-

Poor quality was the most frequently cited reason. However, some 30% of respondents cited good experiential quality, 23% were satisfied, 13% considered organic coffee to be reliable and 9% felt more healthy.

5.7 Willingness to pay premiums (WTP) for FT and organic coffee

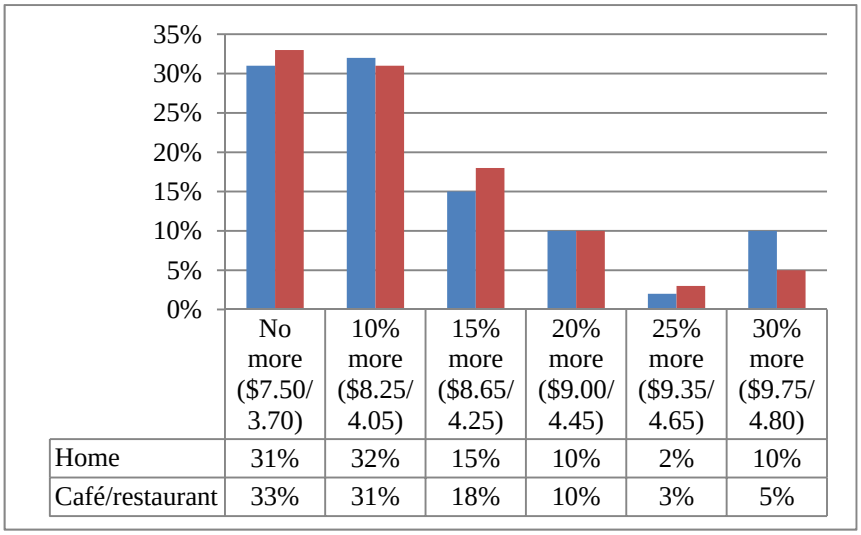
After asking both aware and unaware respondents if they agreed with the FT and organic principles, they were each asked if they were willing to pay a premium price to purchase sustainable coffees. In WA, more than half of the respondents were willing to pay a premium for FT coffee both at home and in cafés or restaurants (Figure 5.1). For home consumption, about one third of respondents were prepared to pay a premium of at least 20%.



	No more ($7.50/ 3.70)	10% more ($8.25/ 4.05)	15% more ($8.65/ 4.25)	20% more ($9.00/ 4.45)	25% more ($9.35/ 4.65)	30% more ($9.75/ 4.80)
Home	24%	33%	14%	16%	2%	10%
Café/restaurant	27%	35%	15%	13%	4%	7%

Figure 5.1: WTP a premium for FT coffee in WA

Similarly, most WA respondents were willing to pay premiums of at least 10% to purchase organic coffee (Figure 5.2).

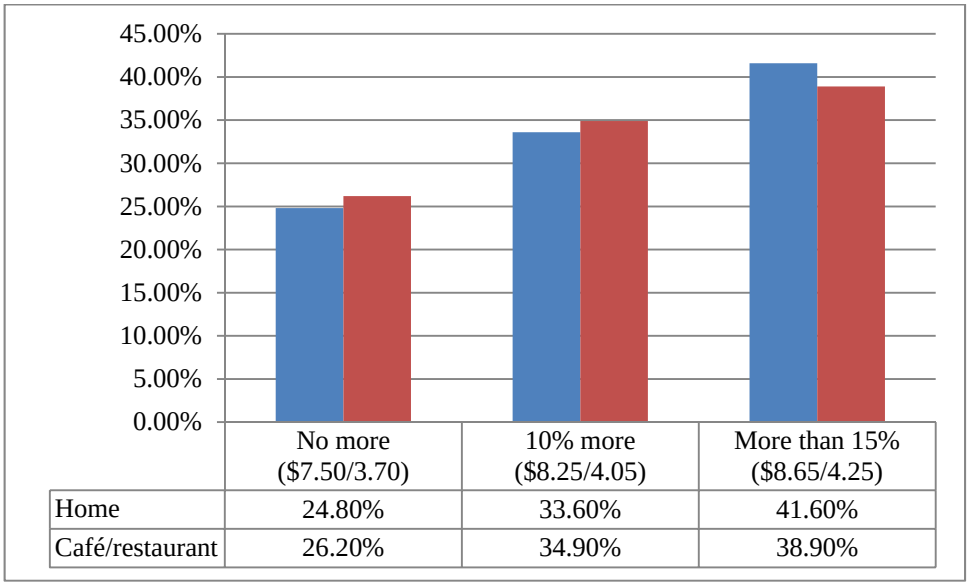


	No more ($7.50/ 3.70)	10% more ($8.25/ 4.05)	15% more ($8.65/ 4.25)	20% more ($9.00/ 4.45)	25% more ($9.35/ 4.65)	30% more ($9.75/ 4.80)
Home	31%	32%	15%	10%	2%	10%
Café/restaurant	33%	31%	18%	10%	3%	5%

Figure 5.2: WTP a premium for organic coffee in WA

To look for any significant difference in the willingness to pay premium, because of the low number of respondents, it was necessary to regroup the respondents into one of three categories: (1) no more, (2) 10% more and (3) more than 15%.

For both FT and organic coffee, WA respondents were more willing to pay a price premium for home consumption rather than consumption in a café/restaurant (Figure 5.3).

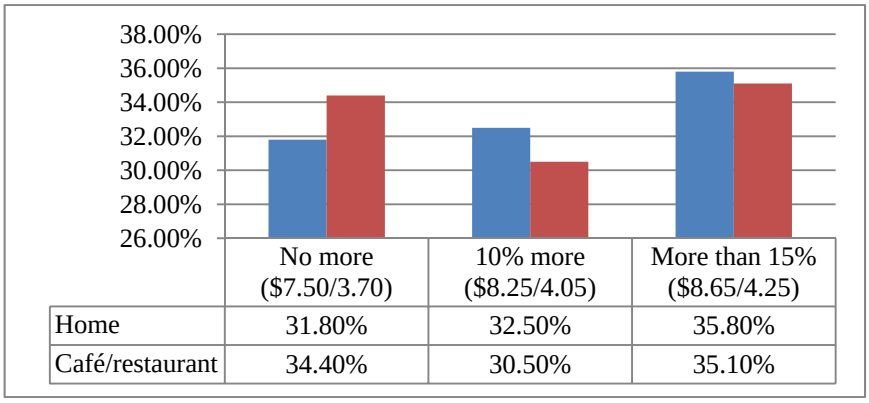


	No more ($7.50/3.70)	10% more ($8.25/4.05)	More than 15% ($8.65/4.25)
Home	24.80%	33.60%	41.60%
Café/restaurant	26.20%	34.90%	38.90%

p<.000

Figure 5.3: WTP a premium for FT between consumption at home and café/restaurant

Similarly, the WTP a premium for organic coffee among WA respondents was higher for home consumption rather than in café/restaurant (Figure 5.4).



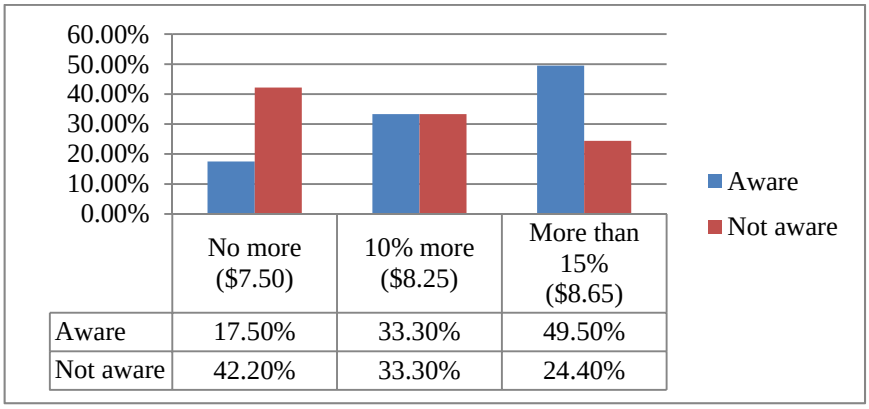
	No more ($7.50/3.70)	10% more ($8.25/4.05)	More than 15% ($8.65/4.25)
Home	31.80%	32.50%	35.80%
Café/restaurant	34.40%	30.50%	35.10%

*p<.000

Figure 5.4: WTP a premium for organic between consumption at home and café/restaurant

5.7.1 Aware and not aware respondents

With respect to the respondents' willingness to pay a price premium for FT coffee for home consumption, a significant difference was evident between those respondents who were aware of FT and those who were not. Of those respondents who were aware of FT coffee, half were prepared to pay more than 15%. Conversely, 42% of those respondents who were not aware were not willing to pay any more (Figure 5.5).

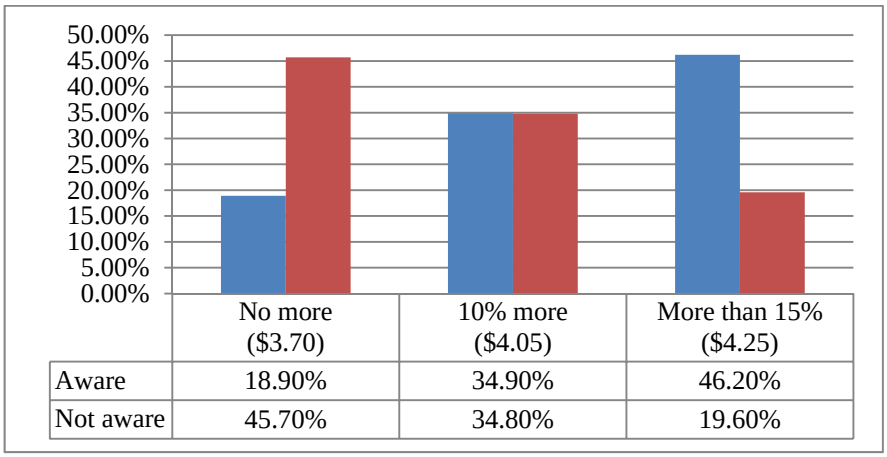


	No more ($7.50)	10% more ($8.25)	More than 15% ($8.65)
Aware	17.50%	33.30%	49.50%
Not aware	42.20%	33.30%	24.40%

*p<.002

Figure 5.5: WTP a premium for FT coffee for home consumption by awareness of FT coffee

Similarly, more respondents who were aware of FT certification were willing to pay a price premium in a café or restaurant (Figure 5.6).



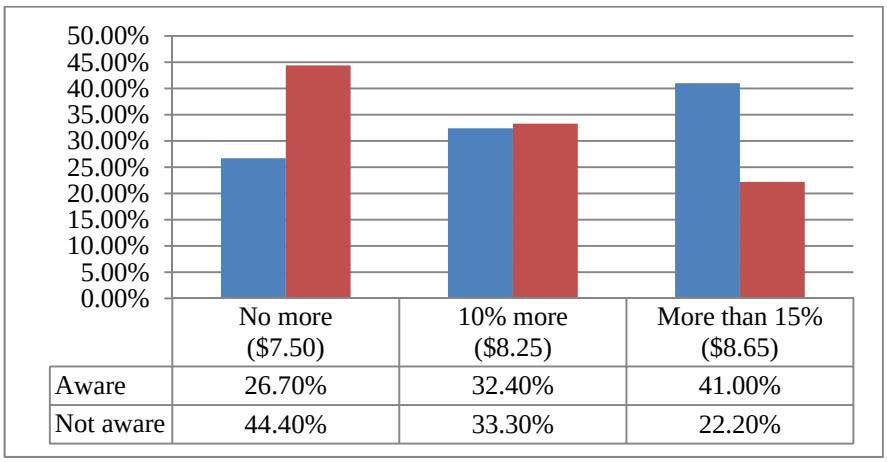
	No more ($3.70)	10% more ($4.05)	More than 15% ($4.25)
Aware	18.90%	34.90%	46.20%
Not aware	45.70%	34.80%	19.60%

*p<.001

Figure 5.6: WTP a premium for FT coffee for consumption at a café/restaurant by awareness of FT coffee

Some 81% of those respondents who were aware were willing to pay at least 10% more, while 46% of the respondents who were not aware of FT certification were not prepared to pay anymore to purchase FT coffee in a café or restaurant.

The results also demonstrated that those respondents who were aware of organics showed a greater willingness to pay a price premium for organic coffee for home consumption. Some 32% of aware respondents were prepared to pay up to 10% more and 41% were willing to pay more than 15% more to purchase organic coffee. Conversely, 44% of the respondents who were not aware of organic coffee were not prepared to pay any premium (Figure 5.7).

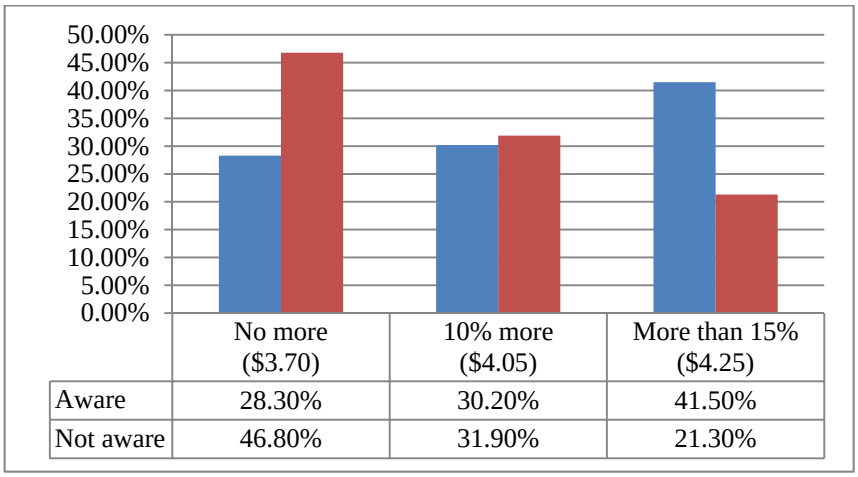


	No more ($7.50)	10% more ($8.25)	More than 15% ($8.65)
Aware	26.70%	32.40%	41.00%
Not aware	44.40%	33.30%	22.20%

*p<.044

Figure 5.7: WTP a premium for organic coffee for home consumption by awareness

Similar results were found regarding consumption in a café or restaurant (Figure 5.8). Approximately 42% of the respondents who were aware of organic certification were willing to pay 15% more and 30% of the aware respondents were willing to pay up to 10% more to purchase coffee in a café or restaurant. However, of the 47% of respondents who were not aware of organic coffee, 32% of them were prepared to pay up to 10% more and only 21% were prepared to pay more than 15%.



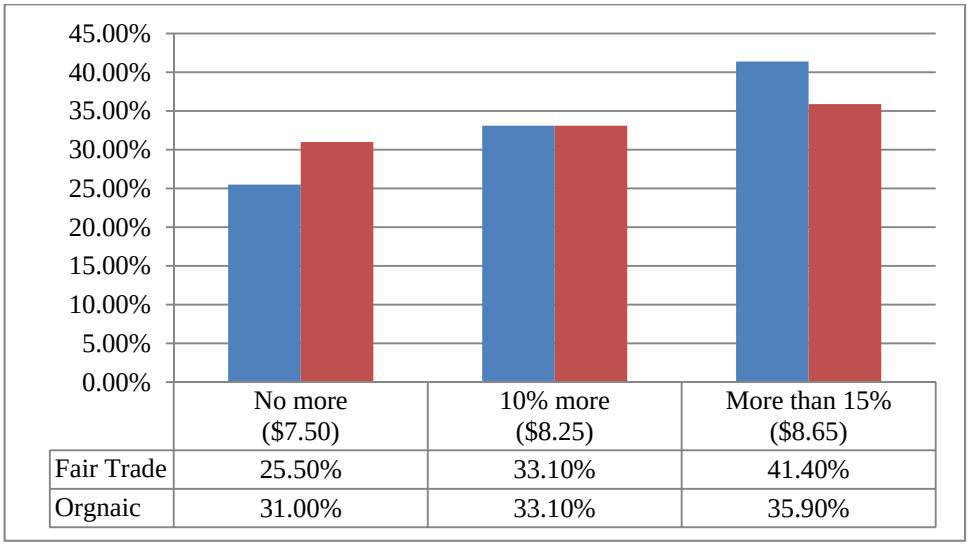
	No more ($3.70)	10% more ($4.05)	More than 15% ($4.25)
Aware	28.30%	30.20%	41.50%
Not aware	46.80%	31.90%	21.30%

*p<.029

Figure 5.8: WTP a premium for organic coffee for café/restaurant consumption by awareness

5.7.2 WTP between FT and organic

When comparing the respondents' willingness to pay a premium between FT and organic, WA respondents were willing to pay more for FT rather than organic coffee for consumption at home (Figure 5.9).

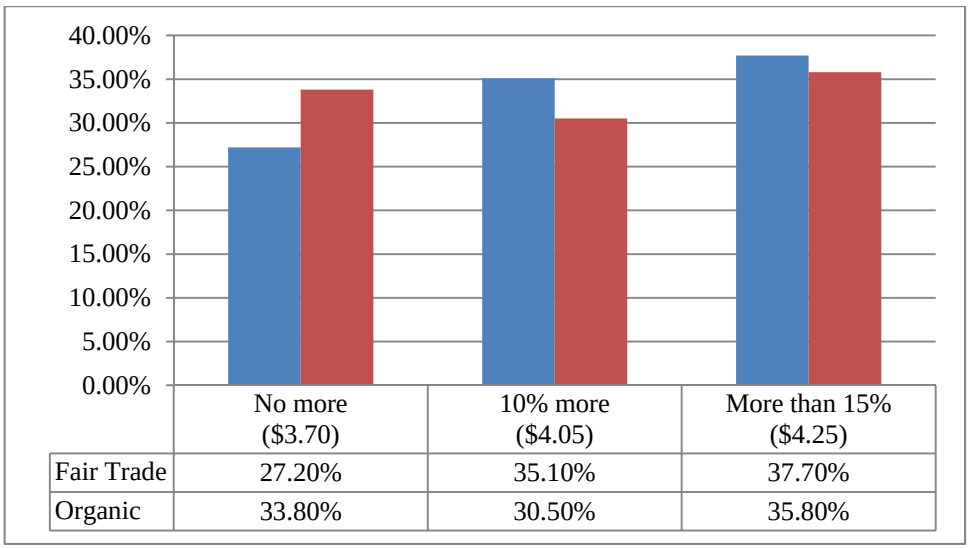


	No more ($7.50)	10% more ($8.25)	More than 15% ($8.65)
Fair Trade	25.50%	33.10%	41.40%
Orgnaic	31.00%	33.10%	35.90%

*p<.000

Figure 5.9: WTP a premium for home consumption between FT and organic

Similarly, the WTP for FT was much higher than organic for consumption in a café/restaurant (Figure 5.10).



	No more ($3.70)	10% more ($4.05)	More than 15% ($4.25)
Fair Trade	27.20%	35.10%	37.70%
Organic	33.80%	30.50%	35.80%

*p<.000

Figure 5.10: WTP a premium for consumption at café/restaurant between FT and organic

However, when the willingness to pay was analysed socio-demographically and by the shopping clusters, no significant differences could be identified.

Chapter 6: Results from Japan[1]

6.1 Outline

This chapter explores the data obtained from a total of 162 Japanese respondents. In a similar manner to Chapter Five, this chapter commences with a socio-demographic description of the respondents and an initial analysis of their attitudes towards food shopping. The chapter then explores aspects of coffee consumption, attitudes and behaviour towards the purchase of coffee for the home or in a café or restaurant, before discussing the respondents' awareness, attitudes and behaviour towards FT and organic coffee.

6.2 Respondents' profile

6.2.1 Socio-demographic information

For the Japanese study, the majority of respondents were female (57%)(Table 6.1).

Table 6.1: Gender of Japanese respondents

	Frequency	%
Male	69	43.0
Female	93	57.0
Total	162	100

Most respondents were aged between 18-25 years (24%) and 26-34 years (22%)(Table 6.2). Only 6% of the respondents were aged over 65 years.

Table 6.2: Age category of Japanese respondents

	Frequency	%
18-25 years	38	23.5
26-34	35	21.6
35-44	28	17.3
45-54	24	14.8
55-64	28	17.3
Older than 65	9	5.6
Total	162	100

[1] The following chapter is derived from Tamaki, R. and Batt, P.J., Perceptions and attitudes towards organic certification for Japanese coffee consumers, International Symposium on Marketing and Finance of the Organic Supply Chain, September 24-27, 2012, Seoul, Republic of Korea.

Some 46% of the respondents had attained an undergraduate or postgraduate degree, followed by 29% who had completed high school and 26% who had completed technical college or junior college (Table 6.3).

Table 6.3: Highest level of education achieved by Japanese respondents

	Frequency	%
Undergraduate/Postgraduate	74	46.0
High school	46	28.5
Technical college/Junior college	41	25.5
Total	161	100.0

Most respondents (62%) had a gross household income of less than ¥3 million per annum (Table 6.4).

Table 6.4 Annual gross household income by Japanese respondents

	Frequency	%
Less than ¥600,000	50	32.1
¥600,001-¥3,000,000	47	30.1
¥3,000,001-¥7,500,000	42	26.9
¥7,500,001-¥15,000,000	12	7.7
More than ¥15,000,001	5	3.2
Total	156	100.0

6.2.2 Respondents' attitudes towards food shopping

To examine the extent to which food ethics, nutrition and health influenced food shopping behaviour, cluster analysis was undertaken. The clustering procedure was implemented in two stages: first using hierarchical cluster analysis, and then the k-means clustering approach. Three distinct clusters emerged, which were significantly different for all seven variables (Table 6.5).

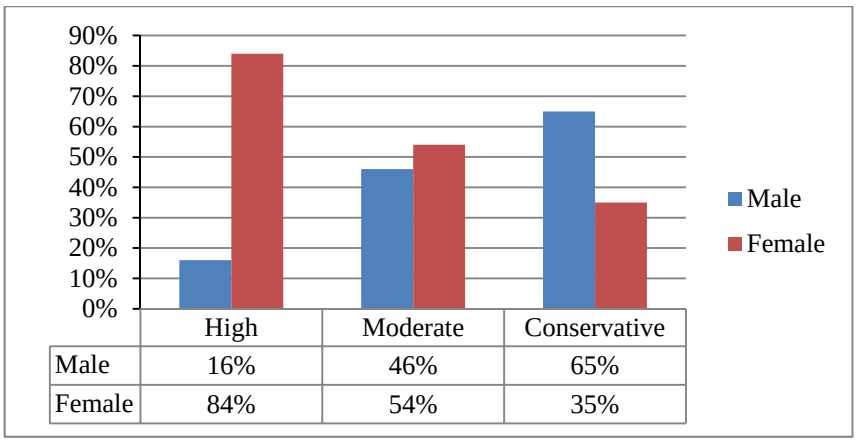
Most respondents (48%) were grouped in the cluster where attitudes towards food ethics, nutrition and health were moderate. Those respondents in the High cluster (28%) placed significantly more importance on food ethics, nutrition and health. Conversely, in the conservative cluster, around 24% of respondents placed very little importance on all seven variables.

Table 6.5: Cluster profile of Japanese respondents by food shopping attitudes

Variable/Cluster name	High	Moderate	Conservative	p<.05
Country-of-origin	5.32[a]	4.17[b]	2.35[a]	.000
GMO concern	5.25[a]	3.62[b]	1.78[c]	.000
Animal welfare	5.18[a]	3.38[b]	2.57[c]	.000
Support producers in overseas	5.11[a]	3.83[b]	2.49[c]	.000
Support sustainable food production	5.07[a]	3.72[b]	2.22[c]	.000
Health concern	4.61[a]	3.99[b]	2.32[c]	.000
Label of ingredients	4.36[a]	3.79[b]	2.03[c]	.000
Cluster size	44	76	37	-

*Where those with the same letters in the same row show no significant difference at $p<0.05$
1=Not much like me at all, 6=Very much like me

The chi-square test could not identify any significant difference in the composition of the clusters except for gender. Among those respondents who placed the most importance on food ethics, nutrition and health, the majority were female (84%). Conversely, among those respondents who placed little importance on food ethics, nutrition and health, the majority were male (65%) (Figure 6.1).



	High	Moderate	Conservative
Male	16%	46%	65%
Female	84%	54%	35%

*$p<.000$

Figure 6.1: Gender by food shopping cluster

6.3 General information of coffee consumption attitude and behaviour

On average, Japanese respondents consumed 10.4 cups of coffee per week. The majority of coffee was drunk in the home (5.9 cups), followed by a restaurant or cafe (0.9 cup) (Table 6.6).

Table 6.6: Average number of cups of coffee drank per week by place of consumption

Cups/per week	Mean	SD
Home	5.6	6.0
Workplace/Study	4.0	7.2
Restaurant/Café	0.9	2.3
Total	10.4	

For the 145 respondents, the most positive aspect of drinking coffee was taste (53%) followed by aroma (52%) (Table 6.7).

Table 6.7: What Japanese respondents most enjoyed about drinking coffee

	Frequency	%
Taste	77	53.1
Aroma	76	52.4
Relaxing	26	17.9
Pick up/wake up affects	21	14.5
Refreshing	9	6.2
Comfort	7	4.8
Caffeine hit	3	2.1
Energizing	2	1.4
Affects positively on emotion/feeling of well-being	2	1.4
The variety of taste by beans and the way of brewing	2	1.4
Habitual aspect	1	0.7
Easy to make	1	0.7
As the socializing aspect	1	0.7
Stimulation to focus/mind clarity	1	0.7
Healthier / good for health	1	0.7
Match with sweet stuffs	1	0.7
Colour	1	0.7
Cultural aspect	1	0.7
Number of respondents	145	-

Drinking coffee was perceived to be relaxing (18%), to have pick-up or wake-up effects (15%), to be refreshing (6%) and to provide a sense of comfort (5%).

However, some 34% of respondents were worried about the negative impacts of coffee drinking on health and the negative effects of caffeine (22%). For some 21% of respondents, coffee was perceived to be too bitter. A further 13% simply did not like the taste of poor quality coffee and 9% complained of an unpleasant after taste.

Table 6.8: What Japanese respondents most disliked about drinking coffee

	Frequency	%
Negative impacts on health	29	34.1
Affects of caffeine	19	22.4
Bitterness	13	15.3
The taste of poor quality	11	12.9
After taste	8	9.4
Acidity	5	5.9
Inconsistent quality of taste	4	4.7
Affects on breath badly after drink	4	4.7
Insomnia	3	3.5
Cause of stain on teeth	3	3.5
Taking time to make	2	2.4
Cost at cafe	1	1.2
Colour	1	1.2
Number of respondents	85	-

6.3.1 Consumption at home

For coffee consumption at home, more than half of the respondents (57%) bought the majority of the coffee they consumed from supermarkets, while some 22% bought most of their coffee from specialty shops (Table 6.9). Around 8% of the coffee bought for home use was purchased in a canned form from a vending machine.

Table 6.9: Where respondents purchased the majority of coffee for home consumption

Place	Frequency	Percentage
Supermarkets	90	57.0
Specialty shops	35	22.2
Convenience stores / Petrol station	13	8.2
Vending machine	13	8.2
Mail order	7	4.4
Total	158	100

On the last occasion that respondents bought coffee, most respondents (38%) purchased soluble coffee, followed by ground (33%), canned/bottled (19%) and whole bean (10%) (Table 6.10).

Table 6.10: The form of coffee that Japanese respondents bought on the last occasion

Form	Frequency	Percentage
Instant	59	37.8
Ground	52	33.3
Canned / bottled	29	18.6
Whole bean ground at home	16	10.3
Total	156	100.0

In making their decision to purchase coffee from a retail store, most Japanese respondents considered taste (54%) and price (53%) (Table 6.11). The other variables most frequently cited included the aroma (15%), brand (14%) and convenience (8%). Fewer than 2% of respondents cited sustainable, with no respondents mentioning FT as a variable that influenced their decision to purchase coffee in a retail store.

Table 6.11: Attributes influencing the purchase of coffee for home consumption

	Frequency	%
Taste	60	54.1
Price	59	53.2
Aroma	17	15.3
Brand	15	13.5
Convenience	9	8.1
Type of beans/Type of beans which hasn't been consumed	6	5.4
Quantity	3	2.7
Packaging	3	2.7
Country-of-origin	3	2.7
Sustainable coffee	2	1.8
Form	2	1.8
Prior purchase experience	2	1.8
Quality	1	0.9
Less agrochemicals	1	0.9
Advertisement	1	0.9
The popularity of retail store	1	0.9
Freshness	1	0.9
Blend	1	0.9
Atmosphere of retail store	1	0.9
Quantity of sugar	1	0.9
The level of roast	1	0.9
Number of respondents	111	-

In making their decision to purchase coffee from a retail store, taste (5.09), a favourable prior purchase experience (4.93), aroma (4.77), brand familiarity (4.47), value for money (4.30) and a competitive price (4.25) were all equally important for Japanese coffee drinkers (Table 6.12).

Table 6.12: The importance of purchasing criteria for Japanese respondents

	Mean	SD
Taste	5.09[a]	1.33
Favourable prior purchase experience	4.93[a]	1.35
Aroma	4.77[a]	1.49
Brand familiarity	4.47[a]	1.46
Value for money	4.30[a]	1.53
Competitive price	4.25[a]	1.50
Convenience	3.83[b]	1.81
Reputation	3.70[b]	1.63
Roast (light/medium /dark)	3.44[c]	1.59
Advice from store person	3.40[d]	1.58
Type of beans (Arabica / Robusta)	3.15[e]	1.57
Organic	3.00[e]	1.61
Eco-friendly/sustainable	2.97[e]	1.58
Country of origin	2.83[f]	1.58
Fair Trade	2.82[f]	1.46

Where those items with the same letters in the same column show no significant difference detected at $p<0.05$ (SD=Standard deviation, 1 = Not at all important and 6 =Very important)

Convenience (3.83) and reputation (3.70) made up a group of the second most important attributes. Organic (3.00), eco-friendly (2.97) and FT (2.82) were of very little importance in the respondents' decision to purchase coffee in a retail store.

Using Exploratory Factor Analysis (EFA) with Varimax rotation and Kaiser Normalisation, three components were extracted which explained 76% of the variance (Table 6.13).

Factor 1 (credence attributes) were composed of eco-sustainable, FT and organic labels, which accounted for 43% of the total variance. With a Cronbach's alpha of 0.927, this factor was very reliable. However, with a factor mean of only 2.9, the construct was of little importance in the respondents' decision to purchase coffee from a retail store.

Factor 2 (experience attributes) explained 19% of the variance. This factor was composed of four variables: aroma, taste, roast (light/medium/dark) and the type of bean (Arabica/Robusta). With a Cronbach's alpha of 0.807, this factor was also reliable. Furthermore, with a mean of 4.10, this construct was of considerable importance.

Factor 3 was labelled 'value' and was comprised of competitive price and value for money, which collectively explained 18% of the variance. The Cronbach alpha was 0.741, and with a mean of 4.28, this construct was of equal first importance in the respondents' decision to purchase coffee in a retail store.

Table 6.13: Factors influencing the purchase of coffee for home consumption in Japan

	Factor		
	1	**2**	**3**
FT	.919		
Eco-sustainable label	.924		
Organic	.884		
Taste		.821	
Aroma		.818	
Roast (light/medium/dark)		.732	
The type of beans (Arabica/Robusta)		.709	
Competitive price			.929
Value for money			.800
Factor Mean	2.89[a]	4.10[b]	4.28[b]
Eigenvalue	3.881	1.718	1.265
Percentage of variance (%)	43.127	19.084	17.595
Cumulative variance (%)	43.127	62.211	76.266
Cronbach's Alpha	0.927	0.807	0.741

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

KMO Measure of Sampling Adequacy (0.756)
Bartlett's Test of Sphericity (p<.000)
Where those items with the same letters in the same row show no significant difference at $p<0.05$

The food shopping clusters and gender were both found to influence the importance respondents placed on the credence and experiential factors in making their decision to purchase coffee for consumption at home.

For consumption at home, female coffee drinkers placed significantly more importance on the credence (3.31) and the experiential attributes (4.41) than males (Table 6.14). The value construct, however, was equally important for males (4.02) and females (4.08).

Table 6.14: Differences between factors for home consumption by gender in Japan

		Factor 1 (Credence) (p<.000)		**Factor 2 (Experience) (p<.000)**		**Factor 3 (Value) (p<.774)**	
	N	Mean	SD	Mean	SD	Mean	SD
Male	66	3.69	1.23	2.31	1.23	4.02	1.47
Female	85	4.41	1.06	3.31	1.40	4.08	1.38

(1=Not at all important, 6=Very important, SD=standard deviation), N=Number

Not unexpectedly, with regard to the food ethics, nutrition and health clusters, those respondents belonging to the high cluster placed significantly more importance on the credence attributes (Factor 1) than those in either the moderate or conservative clusters, when purchasing coffee for home consumption (Table 6.15).

Table 6.15: Differences between factors for home consumption by food shopping clusters in Japan

		Factor 1 (Credence) (p<.000)		Factor 2 (Experience) (p<.000)		Factor 3 (Value) (p<.774)	
	N	Mean	SD	Mean	SD	Mean	SD
High	39	4.03[a]	1.37	4.66[a]	1.07	3.91[a]	1.43
Moderate	71	2.74[b]	1.17	4.13[b]	1.03	4.29[a]	1.22
Conservative	37	1.98[c]	1.09	3.51[c]	1.31	3.78[a]	1.64

*Where those items with the same letters in the same column show no significant difference at $p<0.05$
(1=Not at all important, 6=Very important, SD=standard deviation), N=Number

Similarly, those respondents who placed the most importance on food ethics, nutrition and health also placed more importance on the experiential attributes (Factor 2). However, no significant difference could be found in relation to the value construct (Factor 3).

6.3.2 Consumption at café/restaurant

In Japan, some 37% of Japanese respondents consumed coffee at a café or restaurant at least one time per week. Conversely, 17% seldom drank coffee in a café or restaurant (Table 6.16).

Table 6.16: Frequency of drinking coffee at café/restaurant in Japan

	Frequency	Percentage
Seldom	27	17.0
Once a month	45	28.3
Once a fortnight	29	18.2
Once a week	30	18.9
Several times per week	17	10.7
Daily	11	6.9
Total	159	100.0

The main reason for drinking coffee in a café/restaurant among the 138 Japanese respondents was to socialize (75%) (Table 6.17).

Table 6.17: Reasons for consuming coffee in café/restaurant in Japan

Purpose	Frequency	Mean (%)	SD
To socialize with family/friends/partner	138	74.7	31.2
To meet with business partners/peers	38	37.4	25.2
To find peace and solitude	77	45.7	31.1
To access the internet	3	18.3	7.6

Some 77 respondents spent time in a café/restaurant to find peace and solitude (46%). However, only 38 respondents met with business partners in a café or restaurant and only three respondents chose to visit a café or restaurant to access the internet.

Price (43%), taste and flavour (41%) were the variables that Japanese respondents most frequently cited in their decision to purchase coffee in a café or restaurant (Table 6.18).

Table 6.18: Attributes influencing the decision to purchase coffee in a café/restaurant

	Frequency	%
Price	34	43.0
Taste	33	41.8
Store brand	6	7.6
Variety of form	5	6.4
Aroma	4	5.1
Quality	4	5.1
Strength	3	3.8
Something different from home	3	3.8
Appearance	3	3.8
Reputation	2	2.5
Store recommendation	2	2.5
Sweetness	2	2.5
Quantity of serving	2	2.5
Location	2	2.5
Freshly roasted and grinded	1	1.3
Type of beans	1	1.3
New type of coffee in the menu	1	1.3
Limited availability	1	1.3
Number of respondents	79	-

In comparison to home consumption, none of the respondents mentioned anything about sustainability or ethical purchasing in a café or restaurant.

Accordingly, in purchasing coffee from a café or restaurant, the most important attributes were taste (4.66), aroma (4.43), a favourable prior purchase experience (4.41), competitive price (4.37), value for money (4.12) and brand familiarity (4.12) (Table 6.19).

Attributes such as eco-friendliness (3.66), fair trade (3.31) and organic (3.07) were of only moderate importance.

Table 6.19: Importance of the purchasing criteria in a café/restaurant for Japanese respondents

	Mean	SD
Taste	4.66[a]	1.45
Aroma	4.43[a]	1.49
Favourable prior purchase experience	4.41[a]	1.53
Competitive price	4.37[a]	1.47
Value for money	4.12[a]	1.62
Brand familiarity	4.12[a]	1.54
Eco-friendly / sustainable	3.66[b]	1.51
Fair trade	3.31[c]	1.52
Organic	3.07[c]	1.62
Advice from sales person	2.92[c]	1.61
Reputation	2.65[d]	1.54

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = Not at all important and 6 = Very important)

From these eleven variables, EFA with Varimax rotation and Kaiser Normalisation extracted three factors which collectively explained 75% of the variance (Table 6.20).

Table 6.20: The factors affecting the purchase of coffee in a café/restaurant

	Factor		
	1	**2**	**3**
Eco sustainable label	.957		
Fair Trade	.944		
Organic	.921		
Reputation		.654	
Competitive price		.665	
Value for money		.721	
Favourable prior purchase experience		.736	
Store brand familiarity		.826	
Taste			.919
Aroma			.896
Factor Mean	2.88[c]	4.13[b]	4.54[a]
Eigenvalue	4.216	2.141	1.149
Percentage of variance (%)	42.156	21.415	11.488
Cumulative variance (%)	42.156	63.571	75.059
Cronbach's Alpha	0.955	0.801	0.915

Extraction Method: Principal Component Analysis. Rotation Method: Promax with Kaiser Normalization.
KMO Measure of Sampling Adequacy (.746), Bartlett's Test of Sphericity ($p<.000$)
Where those items with the same letters in the same row show no significant difference at $p<0.05$

Factor 1 (credence attributes) consisted of three variables: eco-sustainable labels, organic and FT, which explained 42% of the variance. With a Cronbach's alpha of 0.955, the construct was very reliable. However, with a mean of 2.9, this factor was of little importance in the respondents' decision to purchase coffee from a café or restaurant.

Factor 2 (value) was composed of five variables: reputation, competitive price, value for money, favourable prior purchase experience and store brand familiarity, which, with a mean of 4.13 was the most second important factor. This construct explained 21% of the variance and with a Cronbach's alpha of 0.801, it too was considered very reliable.

Factor 3, the experience attributes, consisted of taste and aroma, which collectively explained 11% of the variance. With a Cronbach's alpha of 0.915, this construct was also very reliable. With a factor mean of 4.5, this construct was the most important in the respondents' decision to purchase coffee from a café or restaurant. In a similar manner to the purchase of coffee for home consumption, the credence and experiential attributes were significantly more important for females rather than males for consumption in a café or restaurant (Table 6.21).

Table 6.21: Differences in factors influencing purchase in a café/restaurant by gender

		Factor 1 (Credence) (p<.000)		**Factor 2 (Value) (p<.141)**		**Factor 3 (Experience) (p<.006)**	
	N	Mean	SD	Mean	SD	Mean	SD
Male	64	2.36	1.34	4.01	1.36	4.11	1.59
Female	87	3.26	1.51	4.31	1.14	4.78	1.22

SD=Standard deviation, 1 = Not at all important and 6 = Very important, *p<.05, N=Number

Not unexpectedly, respondents in the high cluster placed more importance on the credence attributes in their decision to purchase coffee from a café/restaurant (Table 6.22).

Table 6.22: Differences in factors influencing purchase in a café/restaurant by food shopping clusters

		Factor 1 (Credence) (p<.000)		**Factor 2 (Value) (p<.137)**		**Factor 3 (Experience) (p<.001)**	
	N	Mean	SD	Mean	SD	Mean	SD
High	40	3.80[a]	1.55	4.46[a]	0.88	5.16[a]	1.65
Moderate	72	2.77[b]	1.39	4.25[a]	1.16	4.38[a]	1.38
Conservative	34	2.15[c]	1.16	3.90[a]	1.55	4.07[b]	0.96

*Where those items with the same letters in the same column show no significant difference at $p<0.05$
1 = Not at all important and 6 = Very important

6.3.3 The effects of consumption situation

In making their decision to purchase coffee for home consumption or from a café/restaurant, the experiential factors were the most important for Japanese respondents (Table 6.23).

Furthermore, the experiential factors were significantly more important when purchasing coffee in a café/restaurant rather than for home consumption.

Table 6.23: Factors influencing the purchase of coffee by occasion in Japan

	Home		Café/restaurant		p<.05
	Mean	SD	Mean	SD	
Credence	2.92	1.44	2.86	1.49	.435
Experience	4.10	1.20	4.54	1.43	.000
Value	4.31	1.33	4.14	1.15	.120

Conversely, there was no significant difference in the importance of either the credence attributes or the value construct by the place of purchase.

6.4 Fair Trade (FT)

In Japan, only 43% of the respondents were aware of the presence of FT coffee in the market and only 29% of those respondents knew where to purchase FT coffee if they so wished (Table 6.24).

Table 6.24: Awareness of FT and FT availability in Japan

	Yes		No	
	Frequency	%	Frequency	%
Have you ever heard of a phrase Fair Trade coffee?	68	43	91	57
Do you know where to find FT coffee?	19	29	46	71

For those respondents who knew where to find FT coffee, most (56%) suggested that they would purchase FT coffee from either a café or restaurant (Table 6.25).

Table 6.25: Awareness of FT coffee availability in specific places in Japan

	Frequency	%
Café/Restaurant	10	55.6
Supermarket	2	11.1
Specialty coffee shop	2	11.1
Specialty grocery store	2	11.1
Convenience store	1	5.6
Online	1	5.6
Total	18	100.1

For those respondents who were aware of FT (57%), most understood FT to mean an equal or fair relationship in terms of commodity price, income, work environment and social security. However, for some 20% of the respondents, FT was perceived to be a charity (Table 6.26).

Table 6.26: What FT means to Japanese respondents

	Frequency	%
Equal/fair relationship with producers	20	57.1
Charity	7	20.0
Sustainable	1	2.9
No forced /child labour	1	2.9
Ethically acceptable production/trade system	1	2.9
Marketing tool	1	2.9
Expensive	1	2.9
Community development	1	2.9
Support producers to become independent	1	2.9
Good for people in overseas	1	2.9
The term 'FT' associates with discrimination	1	2.9
WTO, FTA, EPA, TPP	1	2.9
The quality assurance for the products in trade	1	2.9
Number of respondents	35	-

All respondents were then asked to indicate the extent to which they agreed with nine statements developed from the FLO website (2010) (Table 6.27). Respondents generally agreed that FT meant paying a fair price to producers (FP) (4.55), an assured work environment (WE) (4.30), facilitates community development (4.21), good for the environment (GE) (4.18), prohibited forced and child labour (PCL) (4.17) and encouraged sustainable production systems (SP) (4.15).

Table 6.27: Level of agreement/disagreement with FT attributes

FT…	Mean	SD
pays fair price to the producer (FP)	4.55[a]	1.46
guarantees good work conditions (WE)	4.30[a]	1.45
facilitates community development (CD)	4.21[a]	1.45
is good for the environment (GE)	4.18[a]	1.50
bans forced labour and child labour (PCL)	4.17[a]	1.52
encourages sustainable production (SP)	4.15[a]	1.39
prohibits the use of genetically modified organisms (GMO)	3.87[b]	1.42
preserves biodiversity (PB)	3.86[b]	1.39
establishes minimum prices (MP)	3.78[b]	1.42

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=Standard deviation, 1 = I strongly disagree and 6 = I strongly agree)

There was less agreement around the themes of prohibiting the use of genetically modified organisms (GMO) (3.87), the desire to preserve biodiversity (PB) (3.86) and the setting of a minimum price for producers (3.78).

Those respondents who were not aware of FT certification showed a significantly lower level of agreement with the principles of fair price (4.30) and community development (3.97) than the respondents who were aware of FT. Conversely, those respondents who were not aware of FT were more likely to show a higher level of agreement with respect to the prohibition on GM attributes (4.08) than those respondents who were aware (3.57) (Table 6.28).

Table 6.28: Level of agreement/disagreement with FT attributes by awareness

FT is…	Aware		Not aware		p<.05
	Mean	SD	Mean	SD	
Fair Price (FP)	4.93	1.22	4.30	1.56	0.006
Sustainable production system (SPS)	4.25	1.31	4.09	1.45	0.475
Set the minimum price (MP)	3.72	1.38	3.85	1.45	0.562
Preserve biodiversity (PB)	3.81	1.28	3.92	1.48	0.618
Assured work environment (WE)	4.50	1.44	4.18	1.42	0.174
Non GMO (GMO)	3.57	1.32	4.08	1.46	0.027
Community development (CD)	4.51	1.32	3.97	1.51	0.021
Prohibiting child labour (PCL)	4.16	1.47	4.20	1.54	0.899
Good for the environment (GE)	4.24	1.49	4.15	1.51	0.724

SD=standard deviation, 1=I strongly disagree and 6=I strongly agree, *p<.05

Females generally indicated a higher level of agreement with the FT principles than males, except for the statement which sought to preserve biodiversity (PB) (Table 6.29).

Table 6.29: The differences in the agreement with FT principles by gender

	Male		**Female**	
	Mean	**SD**	**Mean**	**SD**
FP (p<.010)	4.21	1.54	4.81	1.35
WE (p<.003)	3.91	1.54	4.59	1.31
SP (p<.032)	3.88	1.37	4.36	1.38
PCL (p<.032)	3.87	1.64	4.39	1.40
CD (p<.009)	3.87	1.52	4.47	1.35
PB (p<.074)	3.63	1.47	4.03	1.32
GE (p<.000)	3.62	1.48	4.61	1.37
GMO (p<.023)	3.57	1.41	4.09	1.40
MP (p<.004)	3.41	1.44	4.07	1.34

Not unexpectedly, those respondents who placed more importance on food ethics, nutrition and health were more likely to agree with the statements outlining the objectives of FT (Table 6.30).

Table 6.30: Differences in the agreement with FT principles by food shopping clusters

	High		Moderate		Conservative	
	Mean	**SD**	**Mean**	**SD**	**Mean**	**SD**
FP (p<.000)	5.31[a]	1.12	4.33[b]	1.47	4.11[b]	1.53
GE (p<.000)	5.26[a]	1.06	3.92[b]	1.48	3.46[b]	1.38
WE (p<.000)	5.12[a]	1.02	4.03[b]	1.42	3.89[b]	1.62
PCL (p<.001)	4.88[a]	1.35	4.09[b]	1.50	3.57[b]	1.54
CD (p<.000)	4.83[a]	1.31	4.33[a]	1.39	3.29[b]	1.27
SP (p<.002)	4.76[a]	1.54	4.07[b]	1.31	3.71[b]	1.13
MP (p<.001)	4.50[a]	1.27	3.63[b]	1.42	3.37[b]	1.33
PB (p<.000)	4.50[a]	1.49	3.82[b]	1.25	3.26[c]	1.36
GMO (p<.003)	4.36[a]	1.50	3.83[b]	1.33	3.26[c]	1.31

6.5 Organic

In contrast to FT, most Japanese (76%) respondents were aware of the presence of organic coffee in the market (Table 6.31).

Table 6.31: Awareness and awareness of availability of organic

	Yes		No	
	Frequency	%	Frequency	%
Have you ever heard of a phrase organic coffee?	122	76	39	24
Do you know where to find organic coffee?	23	26	64	74

For those respondents who knew where to purchase organic coffee, the most frequently cited response was a specialty grocery store (46%) followed by supermarkets (18%) and specialty coffee shops (14%) (Table 6.32).

Table 6.32: Awareness of organic coffee availability in specific places in Japan

	Frequency	%
Specialty grocery store	10	45.5
Supermarket	4	18.2
Specialty coffee shop	3	13.6
Café/Restaurant	2	9.1
Convenience store	1	4.5
Everywhere	1	4.5
Online	1	4.5
Total	22	99.9

In Japan, some 30% of respondents perceived organic to mean that the food product was free of chemicals, pesticides, fertilisers and hormones. Another 28% believed that ‘organic’

meant good for health or was an assurance of food safety (16%). Some 14% of respondents thought it meant the product was good for the environment (Table 6.33).

Table 6.33: What organic means to Japanese respondents

	Frequency	%
Free of chemicals	21	29.6
Good for health	20	28.2
Assured food safety	11	15.5
Good for the environment	10	14.0
Produced in natural way	7	9.8
Reliable	6	8.5
Less use of agrochemicals	5	7.0
The biodynamic grown method for the plant	2	2.8
No harmful affects on body	2	2.8
Non GMO	1	1.4
Taste better	1	1.4
The standard to regulate using agrochemicals	1	1.4
Good for agriculture system	1	1.4
Good image	1	1.4
The system doesn't need for coffee plant	1	1.4
Good for the planet	1	1.4
Lack of availability	1	1.4
No unified standard system	1	1.4
High cost/Expensive	1	1.4
Number of respondents	71	-

Employing a number of statements developed from the IFOAM website (2010), the majority of respondents showed high levels of agreement towards the principles of organic agriculture (Table 6.34).

Table 6.34: Level of agreement/disagreement with organic attributes in Japan

Organic production …	Mean	SD
is based on ecological processes (EP)	5.01[a]	1.16
is good for the environment (GE)	4.91[a]	1.36
is much healthier than conventional products (GH)	4.89[a]	1.37
is NON agricultural chemicals (NC)	4.88[a]	1.39
prohibits the use of genetically modified organisms (GMO)	4.47[b]	1.48
is care for animal welfare (AW)	3.69[c]	1.51

Where those items with the same letters in the same column show no significant difference at $p<0.05$
(SD=standard deviation, 1=I strongly disagree and 6=I strongly agree)

Significant differences were found in the perceptions towards four organic attributes between aware and not aware respondents of organic certification (Table 6.35).

Table 6.35: Level of agreement/disagreement with organic attributes by awareness

Organic production…	Aware		Not aware		p<.05
	Mean	SD	Mean	SD	
is good for the environment (GE)	5.04	1.29	4.50	1.50	.032
prohibits the use of genetically modified organisms (GMO)	4.55	1.48	4.18	1.45	.179
is NON agricultural chemicals (NC)	5.08	1.29	4.24	1.51	.001
is based on ecological processes (EP)	5.18	0.97	4.47	1.52	.010
is much healthier than conventional products (GH)	5.07	1.23	4.29	1.64	.009
is care for animal welfare (AW)	3.69	1.52	3.68	1.51	.979

SD=standard deviation, 1=I strongly disagree and 6=I strongly agree, *p<.05

The aware respondents were more likely to believe that organic production was good for the environment (5.04), prohibited the use of agricultural chemicals (5.08), was based on sound ecological processes (5.18) and was good for health (5.07) than the unaware respondents.

With regard to the socio-demographic variables, differences were evident between the genders, with females generally showing a higher level of agreement than males (Table 6.36).

Table 6.36: Differences in the agreement with organic principles by gender in Japan

	Male		**Female**	
	Mean	**SD**	**Mean**	**SD**
EP (p<.000)	4.59	1.38	5.33	0.84
GE (p<.001)	4.49	1.54	5.23	1.11
GH (p<.000)	4.41	1.61	5.26	1.02
NC (p<.000)	4.36	1.55	5.28	1.10
GMO (p<.000)	3.99	1.54	4.83	1.32
AW (p<.001)	3.25	1.50	4.03	1.43

In a similar manner to the FT perceptions, those respondents who were most concerned about food ethics, nutrition and health demonstrated higher levels of agreement with the organic principles (Table 6.37).

Table 6.37: Differences in the agreement with organic principles by food shopping clusters in Japan

	High		Moderate		Conservative	
	Mean	**SD**	**Mean**	**SD**	**Mean**	**SD**
GE (p<.000)	5.60[a]	0.80	4.72[b]	1.44	4.47[b]	1.50
EP (p<.000)	5.52[a]	0.80	5.00[b]	1.20	4.44[c]	1.21
GH (p<.005)	5.40[a]	1.17	4.82[b]	1.41	4.42[b]	1.36
NC (p<.035)	5.32[a]	1.15	4.74[b]	1.56	4.56[b]	1.18
GMO (p<.001)	5.14[a]	1.26	4.25[b]	1.51	4.08[b]	1.40
AW (p<.000)	4.67[a]	1.28	3.41[b]	1.47	3.19[b]	1.41

Where those items with the same letters in the same row show no significant difference at p<0.05
SD=Standard deviation, 1 = I strongly disagree and 6 = I strongly agree

6.6 Experience and evaluation of FT and organic coffee

Although the majority of the respondents who were aware of FT expressed positive intentions towards the purchase of FT coffee, only 17 had already purchased FT coffee. The positive aspects of FT coffee after consumption were generally considered good (43%) (Table 6.38).

Table 6.38: Japanese respondents' opinions of FT coffee after consumption

	Frequency	%
Good quality of coffee	6	42.9
Need promotion	3	21.4
Requirement of its availability	3	21.4
Bad quality of coffee	2	14.3
Expensive	2	14.3
Unreliable	1	7.2
Number of respondents	14	-

However, other respondents had experienced poor quality, or perceived FT coffee to be expensive and unreliable. Others spoke of the need to make FT coffee more widely available and to promote it.

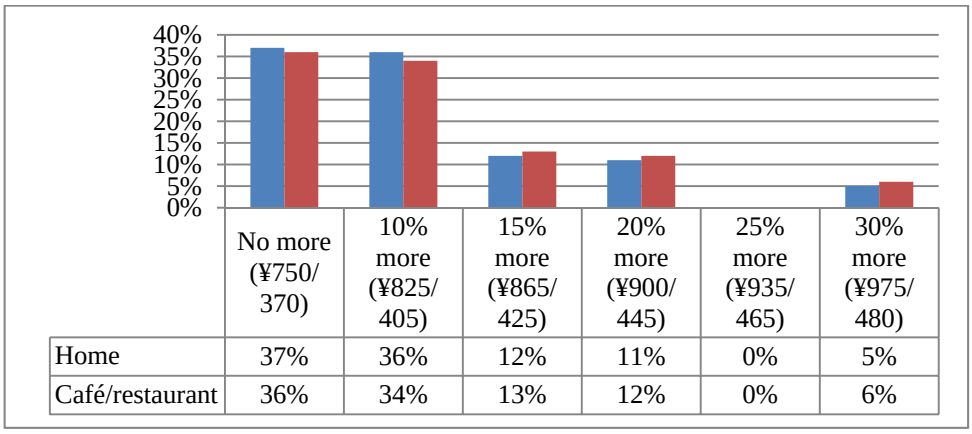
In spite of the high level of awareness of organic coffee in Japan, only 23 respondents had purchased organic coffee. Of that number, six were disappointed with their experience and six could not differentiate the quality from conventionally produced coffee. However, four respondents stated that organic coffee made them feel better and three respondents felt that it was safe to drink organic coffee (Table 6.39).

Table 6.39: Japanese respondents' opinions of organic coffee after consumption

	Frequency	%
Bad quality of coffee	6	26.0
No difference of quality	6	26.0
Feel better	4	17.4
Feel safe to drink	3	13.1
Good quality of coffee	2	8.7
Reliable	1	4.4
Requirement of its availability	1	4.4
Expensive	1	4.4
Good for health	1	4.4
I like the concept	1	4.4
Number of respondents	23	-

6.7 Willingness to pay (WTP) a premium for FT and organic coffee

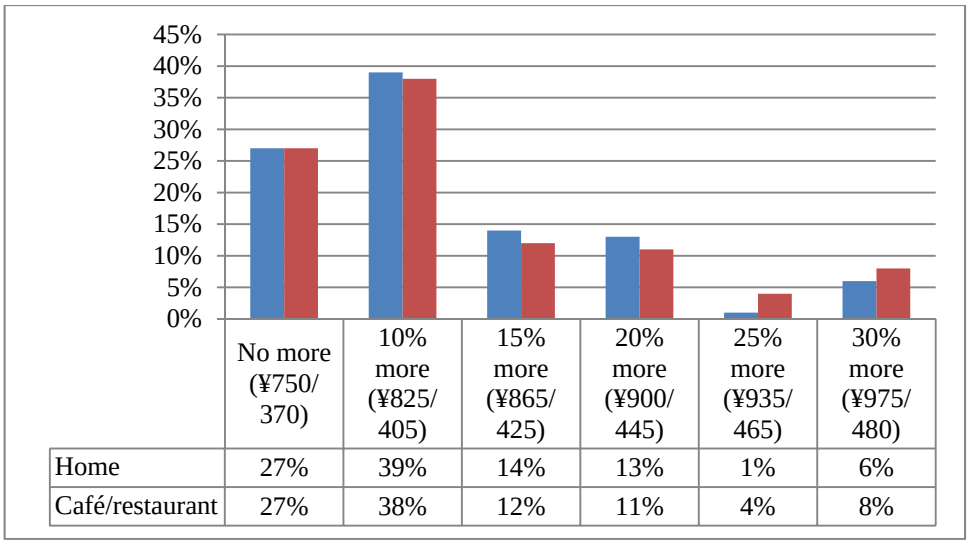
About two thirds of the Japanese respondents (63%) indicated that they would be willing to pay a price premium of at least 10% to purchase of FT coffee both for consumption at home and in a café or restaurant (Figure 6.2).



	No more (¥750/ 370)	10% more (¥825/ 405)	15% more (¥865/ 425)	20% more (¥900/ 445)	25% more (¥935/ 465)	30% more (¥975/ 480)
Home	37%	36%	12%	11%	0%	5%
Café/restaurant	36%	34%	13%	12%	0%	6%

Figure 6.2: WTP a premium for FT coffee in Japan

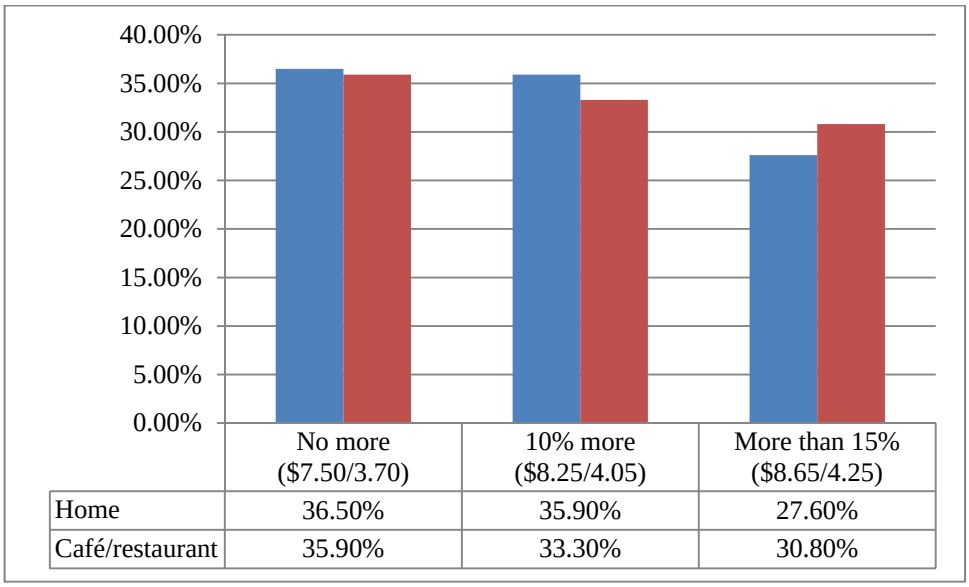
For organic coffee, 73% of the respondents were prepared to pay at least 10% more (Figure 6.3).



	No more (¥750/ 370)	10% more (¥825/ 405)	15% more (¥865/ 425)	20% more (¥900/ 445)	25% more (¥935/ 465)	30% more (¥975/ 480)
Home	27%	39%	14%	13%	1%	6%
Café/restaurant	27%	38%	12%	11%	4%	8%

Figure 6.3: WTP a premium for organic coffee in Japan

To look for any significant difference in the WTP a price premium by situational variables, it was necessary to regroup the respondents. For FT coffee, more Japanese respondents were willing to pay more than 15% in a café/restaurant (31%) than for consumption at home (28%) (Figure 6.4).

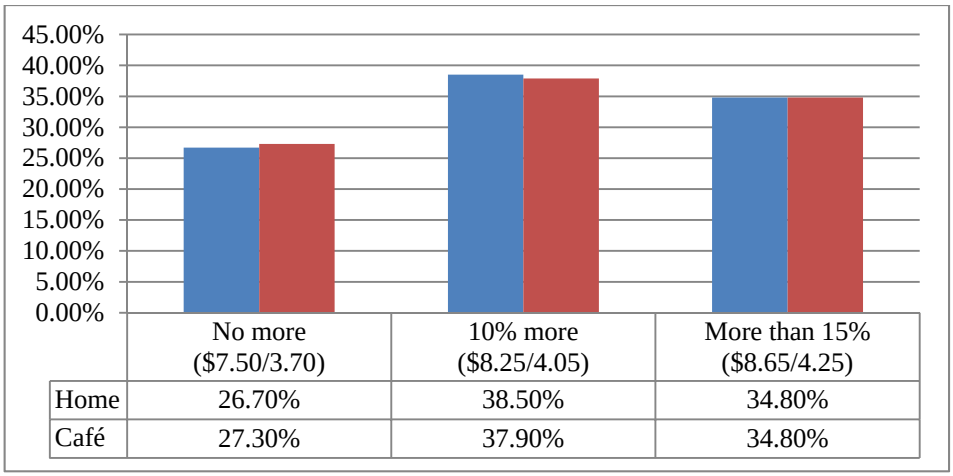


	No more ($7.50/3.70)	10% more ($8.25/4.05)	More than 15% ($8.65/4.25)
Home	36.50%	35.90%	27.60%
Café/restaurant	35.90%	33.30%	30.80%

*p<.000

Figure 6.4: WTP a premium for FT coffee between consumption at home and café/restaurant

Conversely, more Japanese respondents were willing to pay 10% more to purchase organic coffee for consumption at home, rather than in a café/restaurant (Figure 6.6).



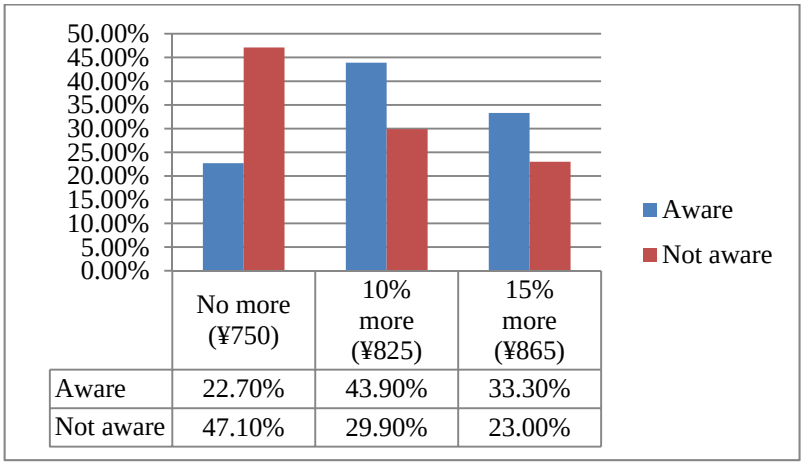
	No more ($7.50/3.70)	10% more ($8.25/4.05)	More than 15% ($8.65/4.25)
Home	26.70%	38.50%	34.80%
Café	27.30%	37.90%	34.80%

*p<.000

Figure 6.5: WTP a premium for organic coffee between consumption at home and café/restaurant

6.7.1 Aware and not aware respondents

The willingness to pay a premium for FT coffee for home consumption was significantly different between those respondents who were aware of FT certification and those who were not (Figure 6.6).



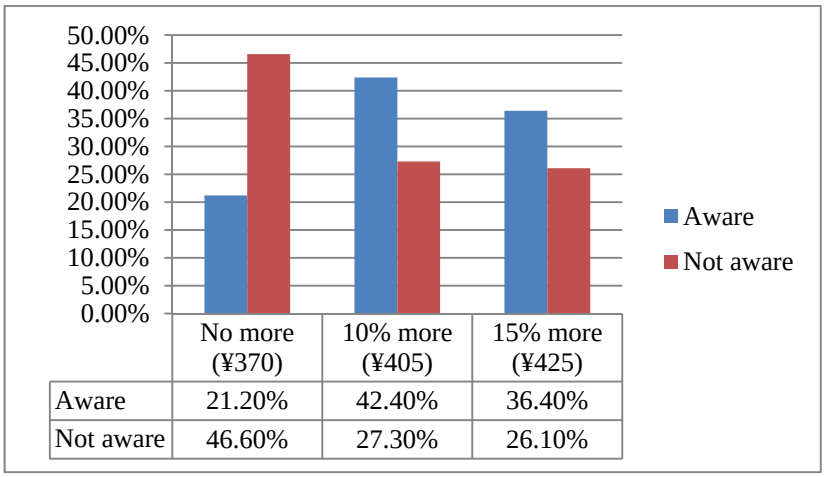
	No more (¥750)	10% more (¥825)	15% more (¥865)
Aware	22.70%	43.90%	33.30%
Not aware	47.10%	29.90%	23.00%

*p<.008

Figure 6.6: WTP a premium for FT coffee for home consumption by awareness

For those respondents who were aware of FT coffee, nearly 44% were willing to pay up to 10% more and 33% were willing to pay more than 15% more to purchase FT coffee for home consumption. Conversely, for those respondents who were not aware of FT, nearly half of them (47%) were not prepared to pay any extra.

Similar attitudes were demonstrated regarding the willingness to pay a premium for FT coffee in a café or restaurant. Some 42% of those respondents who were aware of FT coffee were prepared to pay up to 10% more, and 36% were prepared to pay more than 15% more to purchase FT coffee in a café or restaurant. Of those respondents who were unaware of FT coffee, 47% were not willing to pay any more to purchase it (Figure 6.7).



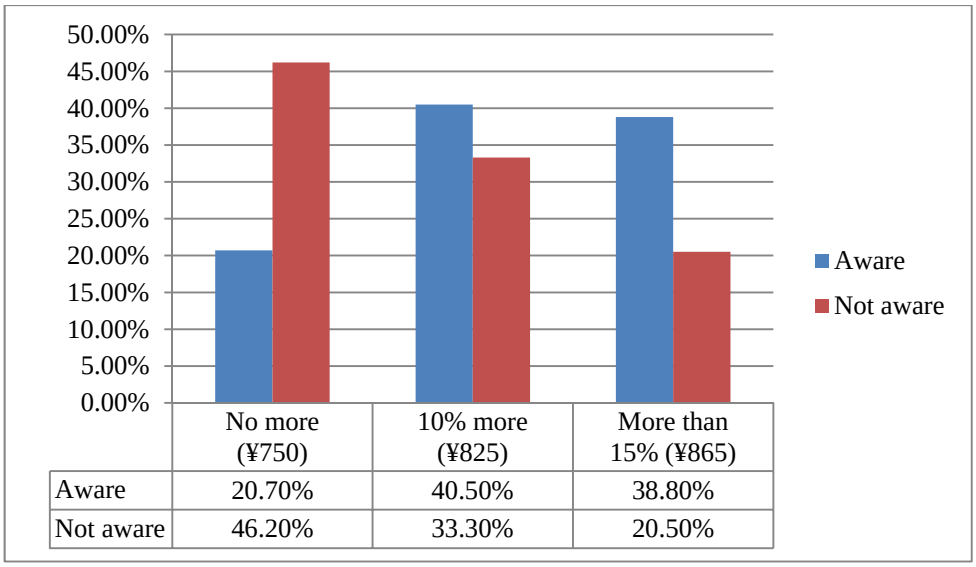
	No more (¥370)	10% more (¥405)	15% more (¥425)
Aware	21.20%	42.40%	36.40%
Not aware	46.60%	27.30%	26.10%

*p<.005

Figure 6.7: WTP a premium for FT coffee at café/restaurant consumption by awareness

With respect to the respondents' willingness to pay a price premium for organic coffee, for home consumption, a significant difference was revealed between those respondents who were aware of organic certification and those who were not aware (Figure 6.8).

Over 40% of those respondents who were aware of organic certification were prepared to pay up to 10% more to purchase organic coffee, with a further 39% indicating that they were willing to pay up to 15% more. However, for those respondents who were unaware of organic certification, 47% were not prepared to pay more.

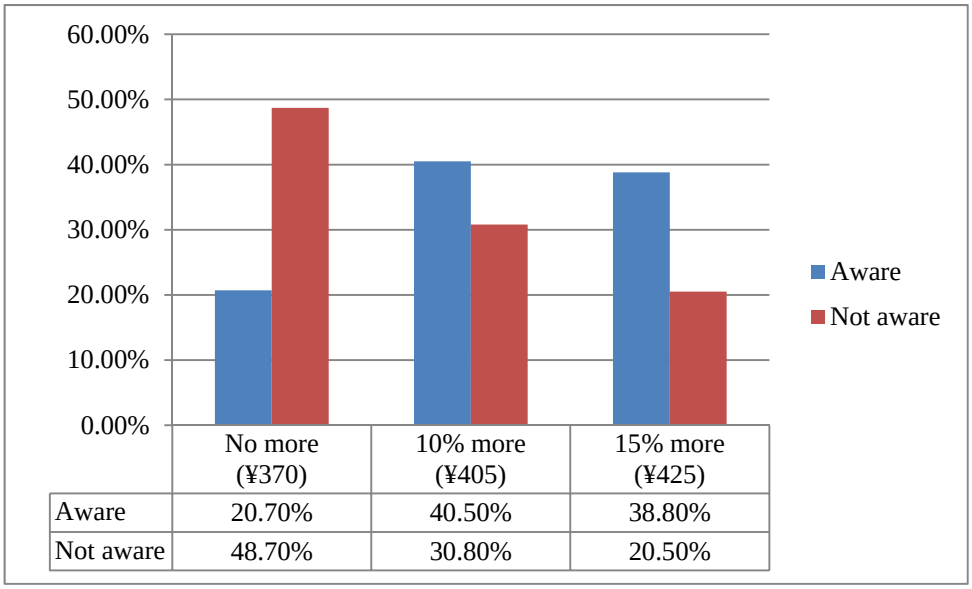


	No more (¥750)	10% more (¥825)	More than 15% (¥865)
Aware	20.70%	40.50%	38.80%
Not aware	46.20%	33.30%	20.50%

*p<.006

Figure 6.8: WTP a premium for organic coffee for home consumption by awareness

Likewise, with regard to the respondents willingness to pay a price premium for organic coffee consumed in a café or restaurant, those respondents who were aware of organics showed a significantly higher propensity to pay a price premium than those respondents who were not aware (Figure 6.9).



	No more (¥370)	10% more (¥405)	15% more (¥425)
Aware	20.70%	40.50%	38.80%
Not aware	48.70%	30.80%	20.50%

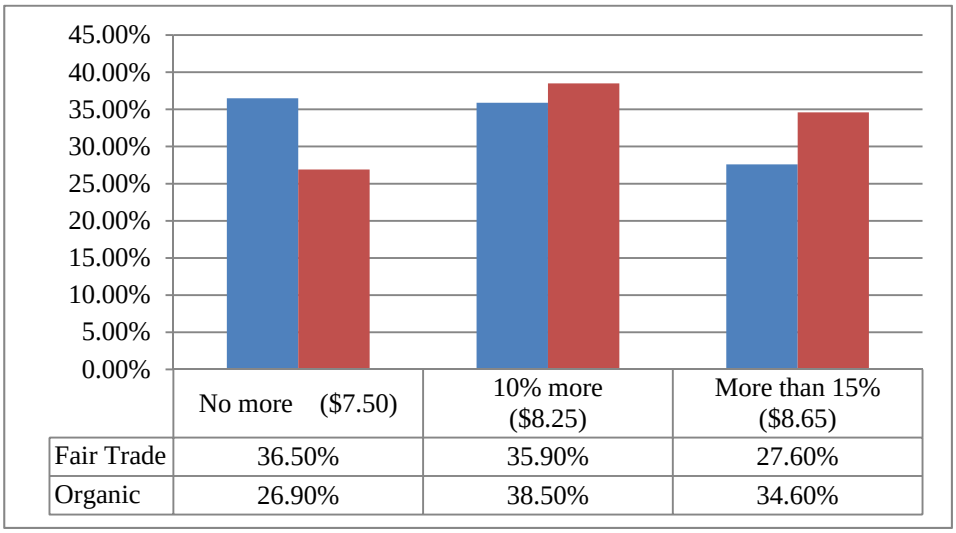
*p<.002

Figure 6.9: WTP a premium for organic coffee for consumption at a café/restaurant by awareness

Approximately 41% of respondents who were aware of organic certification were prepared to pay up to 10% more and 39% were willing to pay more than 15% more to purchase organic coffee in a café or restaurant. Conversely, for those respondents who were not aware, 49% were not prepared to pay any more to buy organic coffee in a café or restaurant.

6.7.2 WTP between FT and organic

When comparing the respondents' willingness to pay a premium between FT and organic coffee, Japanese respondents were willing to pay more to purchase organic coffee for home consumption than FT coffee. The propensity to pay more than 15% to purchase organic coffee for home consumption was much higher for organic coffee (35%) than FT coffee (28%) (Figure 6.10). Conversely, 37% of Japanese respondents were not prepared to pay any more to purchase FT coffee for home consumption, whereas only 27% were not prepared to pay any more to purchase organic coffee.

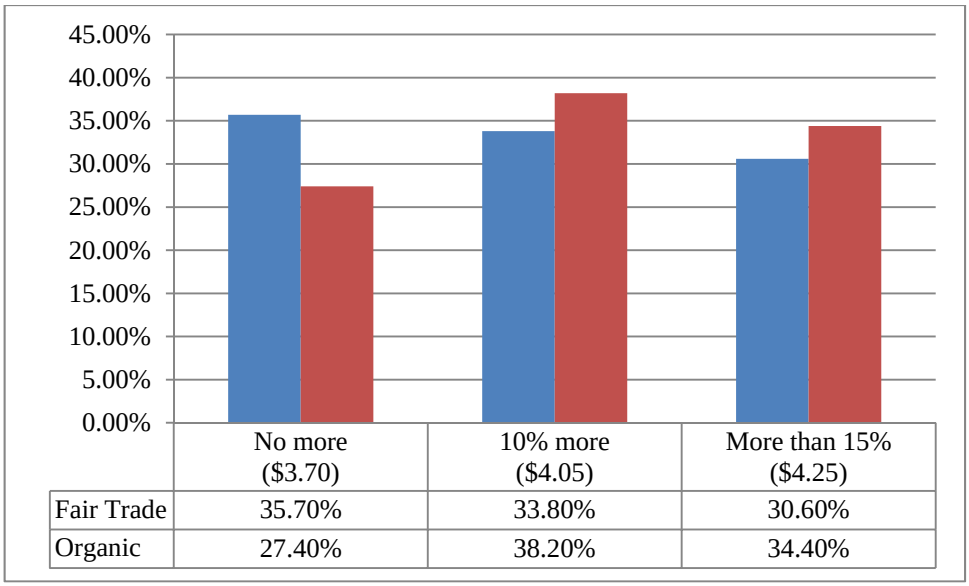


	No more ($7.50)	10% more ($8.25)	More than 15% ($8.65)
Fair Trade	36.50%	35.90%	27.60%
Organic	26.90%	38.50%	34.60%

*p<.000

Figure 6.10: WTP a premium between FT and organic coffee consumption at home

In a similar manner, a greater number of Japanese respondents were willing to pay a price premium for organic coffee for consumption in a café/restaurant than for FT coffee (Figure 6.11).



	No more ($3.70)	10% more ($4.05)	More than 15% ($4.25)
Fair Trade	35.70%	33.80%	30.60%
Organic	27.40%	38.20%	34.40%

*p<.000

Figure 6.11: WTP a premium between FT and organic coffee consumption at café/restaurant

Chapter 7: Discussion[2]

7.1 Outline

Chapters Five and Six described the individual characteristics of coffee consumption, attitudes and behaviour towards FT and organic coffee in two distinct consumer markets. This chapter compares the findings from Western Australia and Japan to identify similarities and differences. The composition of the samples will first be compared and validated by referring to secondary data from the Australian Bureau of Statistics (ABS) and the Japanese Ministry of Internal Affairs and Communication (MIAC). Potential differences in the levels of awareness, attitudes and behaviour towards sustainable coffee products will then be explored.

7.2 The sample composition

7.2.1 Results by type of sampling

In this study, a mixed-methods approach was employed to achieve an appropriate response rate within fixed cost and time parameters. The method of data collection used in Australia could not be employed in Japan, as face-to-face intercept surveys were very difficult to complete. Most Japanese respondents were reluctant to communicate with the interviewer, demanding that an alternative approach to data collection be employed.

From the 600 questionnaires distributed (300 questionnaires in each country), 319 respondents (53%) participated in this study (Table 7.1).

Table 7.1: Percentage of response rate by the type of sampling

The type of sampling	WA (%)		Japan (%)		Total (%)	
	Frequency	%	Frequency	%	Frequency	%
Paid reply mails	75	25	115	38	107	18
Face-to-face	82	27	32	11	197	33
Snowball	-	-	15	5	15	3
Total	157	52	162	54	319	53

[2] This chapter was developed from Tamaki, R. & Batt, P.J., Differences in awareness of FT and organic labeling among coffee consumers in Australia and Japan, Australia and New Zealand Marketing Academy Conference, November 28-30, 2011, Perth, Western Australia and Tamaki, R. & Batt, P.J., Consumers' perceptions, attitude and behavior towards FT and organic coffee in Western Australia and Japan, Fourth International Symposium on Improving the Performance of Supply Chains in the Transitional Economies, July 4-7, 2012, Cebu, The Philippines

A total of 157 respondents participated in the survey in Western Australia, 27% in face-to-face interviews. Of the 218 questionnaires distributed to respondents who were unable to complete the survey at that time, 75 were returned, equivalent to a response rate of 25%.

In Japan, only 11% of the respondents completed the survey on the spot. For those completing the survey by mail, the response rate was 38%. Krysan et al. (1994) achieved a 46% response rate for their mail survey in comparison to an 83% response rate in face-to-face interviews. Shettle & Mooney (1999) achieved a 68% response rate for their mail survey by offering a monetary incentive, but no such incentive or reward was offered to respondents in this study. To attract sufficient respondents in Japan, undergraduate and postgraduate students from Shizuoka University were engaged to utilize their social networks. This resulted in an additional 15 respondents.

Three factors are believed to have presented barriers for the Japanese respondents: (1) their perception of time may differ from that of people in WA. According to the OECD (2012), Japan has the second highest number of working hours in a week compared to other OECD countries. Japanese respondents may not have had the time to take part in the survey; (2) potential respondents may feel uncomfortable about talking with the interviewer. In some countries, respondents are reluctant to answer surveys because of concerns about the confidentiality of the data collected (Usunier & Lee 2009). Furthermore, Japan has a very high score for uncertainty avoidance (92) on Hofstede's national culture framework, in comparison with Australia's 51; and (3) there may have been some seasonal influence that presented an obstacle to a satisfactory response rate. In Japan, the data was collected in winter while data collection in Perth was conducted during the summer time.

As the mode of data collection may influence data quality (Bowling 2005) and the results (Couper 2011), the responses obtained from the two data collection methods were compared. Anticipating that those respondents who drank a lot of coffee might be more likely to return the survey instrument by mail, the average number of cups of coffee each respondent consumed at home, work or study, in a café or restaurant, in one week was compared by independent sample t-tests. No significant differences across any of the variables tested in either WA or Japan could be found (Table 7.2).

Table 7.2: Average number of cups of coffee consumed per week by data collection method

	WA					Japan				
	Face-to-face		Reply paid mail		Sig*	Face-to-face		Reply paid mail		p<.05
	Mean	SD	Mean	SD		Mean	SD	Mean	SD	
At home	7.10	6.20	6.42	6.11	.490	5.55	6.11	5.97	5.73	.729
At work/study	3.35	5.09	4.49	6.47	.220	6.09	9.00	3.58	6.87	.090
At café/restaurant	1.99	2.10	2.24	2.27	.472	0.80	2.24	1.31	2.80	.282
TOTAL	12.44	8.97	12.96	8.95	.718	9.93	9.78	13.41	10.87	.085

7.2.2 Diversity of respondents

Although the method of sampling did not affect the frequency of coffee consumption, it did have a significant influence on the demographic profiles of the respondents in the two countries, which are neither comparable nor representative, except for gender. More than half of the respondents in this survey for both WA (59%) and Japan (57%) were female (Table 7.3). This should come as no surprise, for women usually undertake the majority of grocery shopping for the household.

Table 7.3: Cross-national socio-demographic profile

		WA (%)	Japan (%)
Gender	Male	41	43
	Female	59	57
Age	18-25 years	12	24
	26-34 years	18	22
	35-44 years	17	17
	45-54 years	17	15
	55-64 years	18	17
	Over 65 years	17	6
Education	High school	19	29
	Technical college/Junior college	20	25
	University	61	46
Income	< AU$6,000/¥600,000	5	32
	< AU$30,000/¥3,000,000	21	30
	< AU$75,000/¥7,500,000	27	27
	< AU$150,000/¥15,000,000	30	8
	> AU$150,001/¥15,000,001	17	3

In Batt and Liu's (2012) study of consumer behaviour in Western Australia, 65% of the respondents were female and Hobley (2003) found that 69% of her respondents were female. Japanese women also do the majority of food shopping for the household (Agriculture & Agri-Food Canada 2010; Tsuya, Bumpass & Choe 2000).

More respondents in Japan were aged between 18 and 34 (46%). Only 6% were over the age of 65 years old, compared with 17% in WA. The lower proportion of older respondents in the Japanese sample may have arisen because the snowball sampling method was carried out among university students. However, cultural nuances may also play a role, for it is inappropriate in Japan for a young person to ask questions of a more elderly and respected person.

In WA, more respondents had attained a university degree (61%), whereas only 46% of respondents from Japan had attended university. Parallel with their higher level of education, more WA respondents (47%) earned over AU$ 75,001 per annum, while more than half of the respondents in Japan (62%) earned less than ¥3,000,000 per annum.

In comparing the samples collected in WA with the latest ABS data (2011) and MIAC (2010), it was evident that an inordinate proportion of the Japanese sample was aged between 18-25 years (24%) and 26-34 years (22%), almost two times higher than the official statistics indicate (Table 7.4).

Table 7.4: Total population by gender and age (over 18 years old) in 2010

(Unit:000)		WA		Japan	
		Frequency	%	Frequency	%
Age	18-25 years	273	16	10,386	10
	26-34 years	298	17	14,385	13
	35-44 years	334	19	18,671	17
	45-54 years	318	18	15,790	15
	55-64 years	257	15	18,839	18
	Over 65 years	277	16	29,478	27
Total population		1,757		107,549	

Source: ABS (2011), MIAC (2010)

Whereas over 27% of the Japanese population was aged over 65 years, only 6% of the sample was drawn from this age group. In comparison, over 17% of the Australian sample was aged 65 years and over. The distribution of age groups within the Australian sample was very similar to that presented by the ABS.

According to the OECD (2011), only 33% of the population in Australia had received a tertiary education. Conversely, some 40% of the Japanese population had attained a university degree in 2009. With the sample suggesting that 46% of Japanese respondents had attended university, at least on this criterion there was a close correlation with the population parameters.

There was also a significant difference in the distribution of income between respondents. While a large number of Japanese respondents earned less than ¥600,000 per annum (32%), over 47% of the Australian sample earned more than $75,001.

7.2.3 Cross-national consumers' attitude towards food shopping

An independent sample t-test demonstrated significant differences in the respondents' food shopping attitudes except for the country-of-origin ($p<0.225$) and concerns about the presence of GMO in the food consumed ($p<0.205$) (Table 7.5).

Table 7.5: Cross-national comparison of food shopping attitudes by t-test

	WA		Japan		p<.05
	Mean	SD	Mean	SD	
Support producers in overseas	4.40	1.38	3.88	1.37	.001
Country-of-origin	4.29	1.43	4.08	1.58	.225
Support sustainable food production	4.25	1.48	3.73	1.40	.001
Health concern	4.19	1.30	3.75	1.30	.003
Animal welfare	4.12	1.57	3.71	1.49	.018
Label of ingredients	4.04	1.54	3.56	1.49	.005
GMO concern	3.87	1.62	3.64	1.59	.205

(1=Not much like me at all, 6=Very much like me, SD=standard deviation)

Respondents from WA placed significantly more importance on supporting sustainable food production systems, supporting producers in overseas countries, animal welfare, health and nutrition in their decision to purchase food in comparison to the Japanese respondents.

For both the WA and the Japanese sample, cluster analysis revealed three shopping clusters. For the High cluster group, respondents in Japan indicated a higher level of agreement with the country-of-origin and concerns about the potential presence of GMO in the food that they consumed (Table 7.6).

Significant differences were also evident among the moderate cluster members, but in this instance, respondents from Japan were less likely to agree with the statements on the country-of-origin ($p<.006$) and the presence of potential GMO ($p<.002$) (Table 7.7).

Table 7.6: Cross-national comparison of food shopping attitudes by High cluster group

	High cluster group				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
Support producers in overseas	5.38	0.68	5.11	0.97	.112
Country-of-origin	4.75	1.19	5.32	1.09	.012
Support sustainable food production	5.40	0.70	5.07	1.02	.065
Health concern	4.83	0.98	4.61	0.95	.251
Animal welfare	5.32	0.75	5.18	0.72	.331
Label of ingredients	4.69	1.24	4.36	1.28	.182
GMO concern	4.86	0.95	5.25	0.94	.038

(1=Not much like me at all, 6=Very much like me, SD=standard deviation)

Table 7.7: Cross-national comparison of food shopping attitudes by Moderate cluster group

	Moderate cluster group				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
Support producers in overseas	4.03	0.92	3.83	0.82	.244
Country-of-origin	4.80	1.09	4.17	1.19	.006
Support sustainable food production	3.73	1.22	3.72	0.90	.995
Health concern	4.05	1.06	3.99	0.90	.737
Animal welfare	3.73	1.06	3.38	1.14	.118
Label of ingredients	4.20	1.47	3.79	1.30	.125
GMO concern	4.33	1.16	3.62	1.14	.002

(1=Not much like me at all, 6=Very much like me, SD=standard deviation)

In looking at those respondents who showed little interest in ethics, sustainability, health and nutrition, Japanese respondents indicated significantly lower levels of agreement towards all statements except for concerns about animal welfare (p<.908) (Table 7.8).

Table 7.8: Cross-national comparison of food shopping attitudes by Conservative cluster group

	Conservative cluster group				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
Support producers in overseas	3.30	1.42	2.49	1.41	.012
Country-of-origin	3.12	1.31	2.35	1.23	.009
Support sustainable food production	2.93	1.32	2.22	1.06	.010
Health concern	3.26	1.36	2.32	1.20	.002
Animal welfare	2.60	1.38	2.57	1.48	.908
Label of ingredients	2.79	1.39	2.03	0.99	.007
GMO concern	1.95	1.00	1.78	0.79	.002

(1=Not much like me at all, 6=Very much like me, SD=standard deviation)

Between the two countries, there was a significant difference in the number of respondents in each cluster. In Japan, 76 respondents (48%) were clustered in the Moderate group, whereas 65 respondents (44%) of the WA respondents were in the High cluster (Table 7.9).

Table 7.9: Number of respondents in each cluster membership by country

	WA	Japan
High	65	44
Moderate	40	76
Low	43	37
Total	148	157

In WA, no significant differences between the socio-demographic variables and the three cluster groups could be identified. However, for the Japanese respondents, both gender ($p<.000$) and the level of education ($p<.007$) were found to be significantly different.

According to previous studies, females tend to more committed to political and ecological values and are generally more willing to pay a premium price for environmentally sound food (Lockie et al. 2004). Females also pay more attention to the nutritional information on food labels (Grunert & Wills 2007) and the health and sensory attributes (Ureña, Bernabéu & Olmeda 2008). Grunert et al. (2011) demonstrated that female consumers tend to be more concerned with the environment and food production.

With regards to the level of education, Japanese respondents who had attained a tertiary degree were less likely to be concerned about sustainable food production practices. This was surprising for respondents with higher levels of education are more often associated with ethical consumerism (Carrigan & Attala 2001).

7.3 Cross-national coffee consumers' attitudes and behaviour in coffee consumption

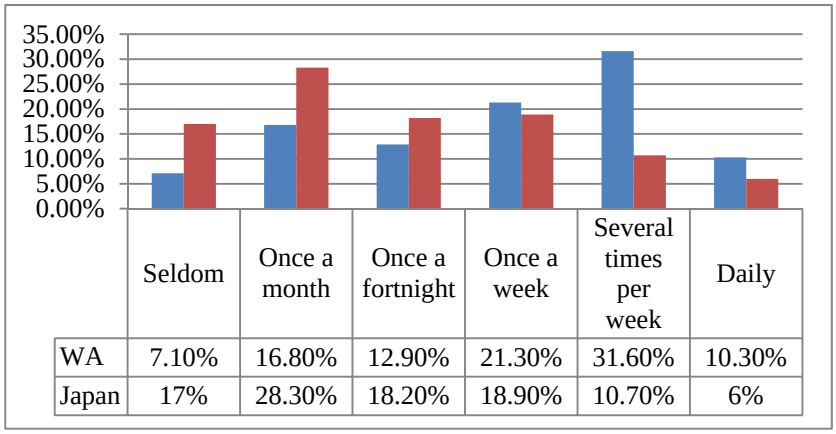
While the composition of the samples was affected by the method of data collection, differences and similarities in cross-national coffee consumer behaviour may still be apparent. On average, WA respondents consumed more cups of coffee per week (13 cups) than Japanese respondents (10 cups). While a similar quantity of coffee was drunk at home ($p<.073$) and at work/study ($p<.924$), WA respondents consumed more coffee at cafés and restaurants ($p<.000$) (Table 7.10).

Table 7.10: Mean cups of coffee per week by occasion

Cups/per week	WA		Japan		Sig*
	N	Mean	N	Mean	
Home	155	6.8	162	5.9	.073
Workplace/Study	157	3.9	162	4.0	.924
Restaurant/Café	156	2.11	162	0.9	.000
Total	157	12.7	162	10.4	.033

The sample findings were largely confirmed by the AJCA (2011), which found that Japanese consumers drank an average of 10.93 cups of coffee per week: 6.74 cups of coffee were consumed at home, 0.29 cups were consumed in a café and 0.09 cups were consumed in a restaurant.

More than half of the WA respondents (63%) purchased coffee from a café or restaurant at least one time per week, whereas only 37% of the Japanese respondents drank coffee in a café or restaurant one time per week (p<.000) (Figure 7.1).



	Seldom	Once a month	Once a fortnight	Once a week	Several times per week	Daily
WA	7.10%	16.80%	12.90%	21.30%	31.60%	10.30%
Japan	17%	28.30%	18.20%	18.90%	10.70%	6%

Figure 7.1: Frequency of drinking coffee at a café/restaurant

7.3.1 Consumption at home

For home consumption, the majority of respondents in both countries purchased coffee from supermarkets, followed by specialty shops. In comparison to WA, 4% of the respondents in Japan purchased canned coffee from vending machines. With no equivalent alternative in WA, Japanese respondents consumed more canned or bottled coffee than their Western Australian counterparts.

According to previous research (ACTA 2006; IBIS World Australia 2011), 80% of the in-home segment in Australia is instant or soluble coffee. The results from this study, however, reveal that more than one half of the respondents (52%) in WA purchased specialty coffee (ground or whole bean) for home consumption on the last occasion that they purchased coffee.

Instant coffee was the most frequently purchased coffee (38%) in Japan, with a further 19% of respondents purchasing canned or bottled coffee for home consumption. These findings were similar to the study by AJCA (2008), which found that instant coffee was the most frequently consumed form of coffee in Japan, followed by ground coffee and canned coffee. Over 40% of the imported coffee in Japan was used in the canned coffee industry.

In making their decision to purchase coffee from a retail store for home consumption, WA respondents placed more importance on variables such as taste, aroma, roast, the type of bean and the country of origin than Japanese respondents (Table 7.11).

Table 7.11: Importance of the factors influencing the decision to purchase coffee for home consumption

	WA		Japan		p<.05
	Mean	SD	Mean	SD	
Taste	5.67	0.63	5.09	1.33	.000
Aroma	5.11	0.97	4.77	1.49	.015
Favourable prior purchase experience	4.89	1.27	4.93	1.35	.794
Value for money	4.53	1.34	4.30	1.53	.155
Competitive price	4.50	1.37	4.25	1.50	.141
Brand familiarity	4.45	1.30	4.47	1.46	.883
Roast (light/medium/dark)	4.29	1.40	3.44	1.59	.000
Type of beans (Arabica/Robusta)	4.07	1.58	3.15	1.57	.000
Convenience	4.01	1.62	3.83	1.81	.367
Fair Trade	3.79	1.74	2.82	1.46	.000
Reputation	3.74	1.52	3.70	1.63	.832
Eco-friendly/sustainable	3.61	1.77	2.97	1.58	.011
Country of origin	3.25	1.62	2.83	1.58	.023
Organic	3.16	1.72	3.00	1.61	.410
Advice from store person	2.41	1.41	3.40	1.58	.000

(SD=Standard deviation, 1 = Not at all important and 6 =Very important)

Similarly, WA respondents attached more importance to whether the coffee had been produced in an eco-friendly or sustainable manner, and producers had been treated fairly and equitably. Conversely, Japanese respondents placed more importance on the advice from salespersons (3.40), suggesting that they were less confident in making their decision to purchase coffee from a retail store for home consumption. Presumably, for those respondents who had purchased coffee before, there was no significant difference between the level of

importance WA and Japanese respondents placed on brand familiarity, favourable prior purchase or reputation. Likewise, there was no significant difference in the importance placed on price or value for money in the decision to purchase coffee for home consumption.

From these fifteen variables, three factors were extracted from both the WA and Japanese sample (Table 7.12).

Table 7.12: Extracted factors influencing the purchase of coffee for home consumption

	WA		Japan		p<.05
	Mean	SD	Mean	SD	
Credence (Eco-sustainable, FT, organic)	3.52	1.61	2.89	1.44	.000
Experience (Aroma, taste, roast, the type of beans)	4.79	0.82	4.10	1.20	.000
Value (Value for money, competitive price)	4.51	1.30	4.28	1.35	.129

(SD=Standard deviation, 1 = Not at all important and 6 =Very important)

WA respondents placed more importance on the experiential (4.79) and credence attributes (3.52) than Japanese respondents. However, the importance of value factor did not differ significantly between WA (4.51) and Japanese (4.28) respondents.

7.3.2 Consumption at café/restaurant

In both WA and Japan, the main reason for drinking coffee in a café/restaurant was to socialize as proposed by Montgomery (1997) and Henson (2008). For example, drinking coffee in a cafe or restaurant might relate to peer group bonding, family or business relationships (Table 7.13). This suggests that the respondents' reasons for drinking coffee in a café/restaurant are culturally universal, but the quantity and the frequency of coffee consumption in café/restaurant are significantly different.

Table 7.13: Reason for consuming coffee at café/restaurant

Purpose	**WA**		**Japan**		**p<.05**
	N	**Mean**	**N**	**Mean**	
To socialize with family/friends/partner	151	63.5	146	70.6	.081
To meet with business partners/peers	100	19.7	73	20.7	.804
To find peace and solitude	103	29.1	98	35.9	.127
To access the internet	68	3.6	45	1.2	.115

According to Prescott et al.'s (2002) study of cross-national consumers' food choices in Japan and New Zealand, price was the most important attribute for Japanese consumers, while the sensory attributes were more significant for New Zealanders. In purchasing coffee from a café/restaurant, taste/flavour was the most frequently cited response among WA respondents. Conversely, for Japanese respondents, a low price was the most frequently cited response in making their decision to purchase a cup of coffee from a café or restaurant.

Regarding the value attributes, no significant differences could be found between WA and Japanese respondents for value for money (p<.599) and competitive price (p<.971) (Table 7.14).

Table 7.14: Criteria influencing the purchase of coffee in a café/restaurant

	WA		Japan		p<.05
	Mean	SD	Mean	SD	
Taste	5.55	0.87	4.66	1.45	.000
Aroma	5.12	1.03	4.43	1.49	.000
Favourable prior purchase experience	4.76	1.21	4.41	1.53	.027
Value for money	4.45	1.32	4.37	1.47	.599
Competitive price	4.12	1.47	4.12	1.54	.971
Store brand familiarity	3.71	1.50	4.12	1.62	.024
Reputation	3.65	1.61	3.66	1.51	.968
Fair Trade	3.55	1.78	2.75	1.50	.000
Eco-friendly/sustainable	3.41	1.73	2.92	1.61	.012
Organic	3.01	1.70	3.07	1.62	.739
Advice from sales person	2.48	1.63	3.31	1.52	.000

(SD=Standard deviation, 1 = strongly disagree and 6 = strongly agree)

As Japanese respondents have less experience in purchasing coffee from a café/restaurant, they placed more importance on the store brand familiarity (p<.024) and advice from sales persons (p<.000) than WA respondents.

Olsen Thompson & Clarke (2003) revealed how inexperienced consumers were more concerned about social rejection after purchasing poor quality wine in a restaurant. Information seeking behaviour appears to reduce risks.

With respect to the credence quality attributes, WA respondents attached more importance on whether the coffee had been produced in an eco-friendly or sustainable manner (p<.012), fairly and equitably (p<.000). However, no significant difference could be found with regard to the organic attribute (p<.739).

Likewise, no significant difference could be identified for the value construct between WA and Japanese respondents (Table 7.15), even although the construction of the value factor was different. For Japanese respondents, the value construct included store brand familiarity, favourable prior purchase experience and reputation.

Table 7.15: Factors influencing purchase of coffee in a café/restaurant

	WA		Japan		p<.05
	Mean	SD	Mean	SD	
Credence (Eco-sustainable, FT, organic)	3.32	1.62	2.88	1.50	.018
Experience (Aroma, taste)	5.33	0.86	4.54	1.42	.000
Value (WA: Value for money, competitive price) (Japan: Reputation, competitive price, value for money, favourable prior purchase experience, store brand familiarity)	4.28	1.30	4.13	1.15	.302

(SD=Standard deviation, 1 = Not at all important and 6 =Very important)

On Hofstede's (2001) dimension of uncertainty avoidance, Japan rates very highly (92) compared to Australia (51). Aqueveque (2006) finds that to reduce the likelihood of risk, a greater evaluation of extrinsic quality cues such as brand name, store name, price and country of origin are undertaken. In a social setting, where a loss of face may result from having made a poor decision, Japanese respondents included store brand familiarity, favourable prior purchase experience and reputation to reduce the perceived risk of making a poor choice.

Shukla (2010) demonstrated how situational factors influenced the consumption of products between Western and Asian societies. While British consumers' consumption behaviour was independent of the social occasion, the purchasing behaviour of Indian consumers was highly dependent on the social occasion. In a social setting, the consumption of FT coffee might be perceived to be a status symbol for some consumers, motivated by the wish to enhance a desired personal image (Christensen et al. 2008).

While WA respondents placed more importance on the credence factor when consuming coffee in a café/restaurant rather than Japanese counterparts, they placed even more importance on the credence attributes when purchasing for home consumption. Japanese respondents on the other hand, placed more importance on the experiential factor for consumption in a café/restaurant rather than home consumption.

Previous studies have suggested that situational factors can be an important determinant in Asian countries, especially when it comes to social occasions (Shukla 2010; Usunier & Lee 2009). Given the importance of the experiential attributes for both WA and Japanese respondents, and the respondents' lack of experience or negative experience with sustainable coffee, in a social setting, respondents may prefer not to take the risk and to choose not to purchase sustainable coffee in a café or restaurant.

7.4 Cross-national consumers' attitude and behaviour towards sustainable coffee

Fair Trade

Large differences between WA and Japan were found in the respondents' perceptions and attitudes towards FT and organic certification. A greater number of WA respondents (69%) were aware of the FT label, compared with only 43% of Japanese respondents (Table 7.16).

Table 7.16: Awareness of FT and FT availability

	WA		Japan		p<.05
	Yes	No	Yes	No	
Awareness of FT	108	48	68	91	0.000
Awareness to FT coffee availability	55	46	19	46	0.001

Globescan (2011) reported that 45% of Australian respondents recognised FT. FTAANZ (2011) suggested that consumer awareness had reached 37% in 2010. However, in Japan, fewer than 18% of consumers were aware of FT certification (Japan for Sustainability 2009).

Although the level of market penetration remains low, FT was established in Japan in 1997 (Wakachiai Project 2011). In 2009, 300 tonnes of FT coffee was imported into Japan (FLJ 2010), compared with about 750 tonnes imported into Australia and New Zealand (FTAANZ 2011).

Not only was there a higher level of awareness of FT coffee in WA, but a greater number of WA respondents knew where to purchase FT coffee should they desire. Most respondents in WA recognized that they could purchase FT coffee from a supermarket (39%). Conversely, most Japanese respondents (56%) expected to buy FT coffee from a café or restaurant.

Of those respondents who indicated that they were aware of FT, the majority considered 'Fair Trade' to mean an equal or fair relationship in distributing returns to producers, in

providing a safe work environment and social security between producing and consuming countries. FLJ notes that the majority of Japanese consumers still understand FT to be a charity, thus showing a poor understanding of the FT concept.

The term 'Fair Trade' was difficult to associate with consumers' perceptions in Japan. Although English is frequently utilised for the promotion of imported goods, its application is often unnatural (Seaton 2001), and falls into two distinctive classifications: 'English for information' and 'English for promotion'. English for information aims to communicate meaning, while English for promotional purposes takes advantage of the positive impression created by using English terms: that is, English is employed for image creation. Japanese has a number of loan words called 'gairaigo', which are recognisably English or borrowed from another foreign language. These words often carry different meanings from the original language. Seaton (2001) suggests that the large number of gairaigo means that the Japanese are very adept at intuitively understanding unfamiliar words.

However, the term 'Fair Trade' in Japan does not communicate the nature of the trading relationship between producers, food manufacturers and retailers. 'Fair' is frequently used to denote a gathering of stalls and amusements for public events, or a periodic assembly for the sale of goods. This may partially explain the difference in FT awareness evident among Japanese respondents, which subsequently influences their attitude to FT coffee.

In relation to a number of statements about FT certification drawn from the FLO website, WA respondents provided significantly higher levels of agreement for all but two statements: guaranteed work environment (WE) and good for the environment (GE) (Table 7.17).

Table 7.17: FT perceptions - mean and standard deviation

FT…	WA		Japan		p<.05
	Mean	SD	Mean	SD	
pays a fair price to the producer (FP)	5.27	0.90	4.93	1.22	.047
encourages sustainable production (SP)	5.00	1.00	4.25	1.31	.000
facilitates community development (CD)	4.94	1.11	4.51	1.32	.019
bans forced/child labour (PCL)	4.88	1.30	4.16	1.47	.001
guarantees work environment (WE)	4.73	1.28	4.50	1.44	.272
preserves biodiversity (PB)	4.43	1.31	3.81	1.28	.003
set the minimum price (MP)	4.41	1.40	3.72	1.38	.002
is good for the environment (GE)	4.39	1.36	4.24	1.49	.480
prohibits the use of genetically modified organisms (GMO)	4.38	1.41	3.57	1.32	.000

(1 = strongly disagree and 6 = strongly agree)

Organic

No significant difference was evident between WA and Japanese respondents and their level of awareness of organic coffee (Table 7.18).

Table 7.18: Awareness of organic and organic availability

	WA		Japan		p<.05
	Yes	No	Yes	No	
Awareness of OA label	107	49	122	39	0.096
Awareness to organic coffee availability	51	28	23	64	0.000

However, despite the high level of recognition for organic coffee in Japan, only 19% of respondents knew where they could purchase it. For those who were aware of organic coffee, most respondents (46%) indicated that they would need to visit a specialty grocery store to purchase organic coffee.

However, it is very evident that the concept 'organic' meant different things to the respondents in WA and those in Japan. Whereas almost 77% of the WA respondents perceived the word to mean free of synthetic chemicals/pesticides/fertilisers/hormones, only 30% of the respondents in Japan shared this perception. The BFA (2010) suggests that 'free from' aspects were the perceived benefits of organic food among Australian respondents. 'Good for health' was equally perceived as 'free of chemicals' followed by 'assured food safety' among Japanese respondents. According to JONA (2010), Japanese consumers tended to associate organic with good health.

When respondents were asked to respond to a number of statements drawn from the IFOAM website, no significant difference in the level of agreement between WA and Japanese respondents could be found with regard to minimising the use of chemicals (NC), organic being based on sound ecological processes (EP) and organics being good for the environment (GE) (Table 7.19).

While WA respondents showed a much higher level of agreement with the position of organics in prohibiting the use of genetically modified organisms (GMO) and supporting animal welfare (AW), Japanese respondents cemented their belief in the superior health benefits of organic products (GH).

Table 7.19: Level of agreement/disagreement with organic attributes

Organic…	WA		Japan		p<.05
	Mean	SD	Mean	SD	
is good for the environment (GE)	5.09	1.13	5.04	1.29	.894
prohibits the use of genetically modified organisms (GMO)	5.07	1.23	4.55	1.47	.001
is NON agricultural chemicals (NC)	5.06	1.29	5.08	1.28	.153
is based on ecological processes (EP)	4.96	1.22	5.18	0.97	.777
is much healthier than conventional products (GH)	4.60	1.23	5.07	1.22	.008
is care for animal welfare (AW)	4.34	1.42	3.69	1.51	.005

(1=I strongly disagree and 6=I strongly agree)

In an analysis of organic labelling, Klintman (2006) separated the attributes of organic products into intrinsic and extrinsic values. An intrinsic value is something that 'is good in, and for, itself' (p. 429), whereas an extrinsic value is 'when something is held to be good as means to other things' (p. 429). Japanese respondents appear to place more value on the intrinsic qualities of organic products: a greater number of respondents perceived 'organic' to mean that the product was good for their health or provided a guarantee of food safety, rather than to support animal welfare.

7.4.1 Willingness to pay premiums for FT and organic coffee

Adequate information is one of the most important factors encouraging consumers to purchase sustainable products (Leire & Thidell 2005; Wright & Heaton 2006; van Amstel, Driessen & Glasbergen 2008). In both WA and Japan, significant differences were identified between aware and unaware respondents in their propensity to pay for sustainable coffee. Whereas some 42% of WA respondents were willing to pay up to 15% more to purchase FT coffee for home consumption only 28% of Japanese respondents were prepared to make a similar commitment (Table 7.20).

Table 7.20: WTP a premium for FT coffee for home consumption

	WA		Japan	
	Frequency	%	Frequency	%
No more ($7.50/¥750)	37	24.8	57	36.5
10% more ($8.25/¥825)	50	33.6	56	35.9
15% more ($8.65/¥865)	20	41.6	18	27.6

*p<.019

However, no significant difference could be found between WA and Japanese respondents and their willingness to pay an additional price to purchase FT coffee from a café/restaurant (Table 7.21).

Table 7.21: WTP a premium for FT coffee from a café/restaurant

	WA		Japan	
	Frequency	%	Frequency	%
No more ($3.70/¥370)	41	26.8	56	35.7
10% more ($4.05/¥405)	53	34.6	53	33.8
15% more ($4.25/¥425)	23	38.6	21	30.6

p<.183

With respect to the respondents' willingness to pay a price premium for organic coffee, no significant difference could be found between WA and Japanese respondents for the purchase of coffee for either home consumption (Table 7.22) or within a café/restaurant (Table 7.23).

Table 7.22: WTP a premium for organic coffee for home consumption

	WA		Japan	
	Frequency	%	Frequency	%
No more ($7.50/¥750)	48	31.8	44	26.7
10% more ($8.25/¥825)	49	32.5	62	38.5
15% more ($8.65/¥865)	23	35.8	23	34.8

p<.469

Table 7.23: WTP a premium for organic coffee from a café/restaurant

	WA		Japan	
	Frequency	%	Frequency	%
No more ($3.70/¥370)	52	33.8	44	27.3
10% more ($4.05/¥405)	48	31.2	61	37.9
15% more ($4.25/¥425)	27	35.1	19	34.8

p<.350

7.4.2 Cross-national consumers' experience and evaluation for FT and organic coffee

Due to a significant gap in the level of awareness of FT coffee between WA and Japanese respondents, significantly fewer Japanese respondents had purchased FT coffee (11%) compared to WA respondents (63%).

For the 45 respondents in WA who had already purchased FT coffee, their mean level of satisfaction with the product was 4.59 (SD=1.34), where 1 was 'very dissatisfied' and 6 was

'very satisfied'. Those respondents in Japan who had experienced FT coffee expressed a mean satisfaction score of 4.12 (SD=0.86). Although no significant post-consumption difference between the mean levels of satisfaction was evident ($p<.153$), it was apparent that several respondents were dissatisfied with their experience of FT coffee in both countries. Some 7% of WA respondents found FT coffee to be unreliable. A further 16% had experienced poor quality coffee, with 9% of the WA respondents unable to discern any tangible difference in quality.

Similarly, 26% of the Japanese respondents have had some bad experiences with organic coffee. The level of satisfaction with the purchase of organic coffee was significantly different ($p<.042$) between WA (4.80) and Japan (4.19). Some 26% of the Japanese respondents found that they could not taste any difference between organic and conventional coffee. These findings support the proposition made by Batt et al. (2009) that differentiating coffee purely on credence quality attributes does not necessarily result in a superior taste. Among the WA respondents, organic coffee was perceived to be expensive (15%).

However, for some 30% of WA respondents, drinking organic coffee was perceived to have been a good experience and 23% of respondents were satisfied after drinking organic coffee. Some 17% of Japanese respondents felt better after the consumption of organic coffee and 13% of respondents claimed that organic coffee was safe to drink.

Grunert, Bredahl & Brunsø (2004) argue that if the sensory qualities of organic food fail to meet expectations, this may present obstacles to future consumption. In Japanese philosophy, quality refers to 'zero defects – doing things right the first time' (Crosby 1979, cited in Zeithaml 1988, p. 4). Consistent, superior physical qualities may overcome some of the barriers associated with ethical consumption.

7.5 Socio-demographics and attitudes to food shopping variables

Socio-demographic variables (gender, age, education and income) and membership of the food shopping clusters were investigated as variables which might influence the importance respondents' placed on the credence quality attributes of the coffee they purchased for consumption at home or in a café or restaurant.

With the exception of gender in Japan, the socio-demographic variables had little influence on the respondents' desire to purchase sustainable coffee. In Japan, females demonstrated a

more positive attitude towards the credence quality attributes. Several studies have indicated that women with a high level of education are more likely to pay a price premium to purchase FT coffee (De Pelsmacker, Driesen & Rayp 2005a; Loureiro & Lotade 2005; Rotaris & Danielis 2011).

7.5.1 Shopping clusters and perceptions towards FT/organic

Not unexpectedly, in both WA and Japan, those respondents in the High shopping cluster placed significantly more importance on the credence quality attributes than those respondents in the Moderate and Conservative clusters.

Among those respondents who showed the most interest in sustainable consumerism, health and nutrition, there was no significant difference in the level of agreement with the FT principles between WA and Japan, except for preserving biodiversity (PB) and good for the environment (GE) (Table 7.24).

Table 7.24: FT perceptions compared among the High cluster

FT is…	High cluster				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
pays a fair price to the producer (FP)	5.39	0.97	5.31	1.12	.700
encourages sustainable production (SP)	5.27	0.85	4.76	1.54	.057
bans forced/child labour (PCL)	5.22	1.16	4.88	1.35	.179
facilitates community development (CD)	5.20	1.01	4.83	1.31	.112
preserves biodiversity (PB)	5.07	1.13	4.50	1.49	.041
guarantees work environment (WE)	4.90	1.34	5.12	1.02	.370
prohibits the use of genetically modified organisms (GMO)	4.76	1.43	4.36	1.50	.177
is good for the environment (GE)	4.75	1.29	5.26	1.06	.036
set the minimum price (MP)	4.68	1.38	4.50	1.27	.499

(1 = strongly disagree and 6 = strongly agree)

Whereas WA respondents agreed more with the statement on preserving biodiversity (PB), Japanese respondents agreed more with the statement that FT was good for the environment (GE).

The disparity between the levels of agreement with FT principles was found to increase when respondents in the Moderate cluster were compared (Table 7.25).

Table 7.25: FT perceptions compared among the Moderate cluster

FT is…	Moderate cluster				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
pays a fair price to the producer (FP)	5.08	0.90	4.33	1.47	.001
encourages sustainable production (SP)	4.82	0.85	4.07	1.31	.000
facilitates community development (CD)	4.77	1.01	4.33	1.39	.056
guarantees work environment (WE)	4.67	1.06	4.03	1.42	.015
bans forced/child labour (PCL)	4.56	1.33	4.09	1.50	.100
is good for the environment (GE)	4.36	0.99	3.92	1.48	.061
set a minimum price (MP)	4.26	1.14	3.63	1.42	.012
prohibits the use of genetically modified organisms (GMO)	4.26	1.07	3.83	1.33	.085
preserves biodiversity (PB)	4.15	1.18	3.82	1.25	.165

(1 = strongly disagree and 6 = strongly agree)

In this instance, the respondents from WA showed a significantly higher level of agreement with four statements: FT pays a fair price to the producer (FP), encourages sustainable production (SP), guarantees a fair work environment (WE) and sets a minimum price (MP).

For those respondents who cared little about ethics, sustainability, health and nutrition in their food shopping, the gap in the level of agreement towards the FT principles was found to extend even further, with the respondents from Japan ranking all but two statements: guaranteed work environment (WE) and prohibits the use of genetically modified organisms (GMO) significantly lower than the WA respondents (Table 7.26).

Table 7.26: FT perceptions compared among the Conservative cluster

FT is…	Conservative cluster				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
pays a fair price to the producer (FP)	5.05	0.92	4.11	1.53	.003
encourages sustainable production (SP)	4.66	1.13	3.71	1.13	.001
bans forced/child labour (PCL)	4.66	.022	3.57	1.54	.001
facilitates community development (CD)	4.54	1.10	3.29	1.27	.000
guarantees work environment (WE)	4.46	1.16	3.89	1.62	.076
is good for the environment (GE)	4.24	1.28	3.46	1.38	.012
set the minimum price (MP)	4.10	1.46	3.37	1.33	.028
preserves biodiversity (PB)	3.85	1.17	3.26	1.36	.046
prohibits the use of genetically modified organisms (GMO)	3.83	1.48	3.26	1.31	.085

(1 = strongly disagree and 6 = strongly agree)

On the other hand, cluster membership was observed to have much less impact on WA and Japanese respondents' perceptions towards the principles of organic agriculture (Table 7.27).

7.27: Organic perceptions compared among the High cluster

Organic is…	High cluster				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
is good for the environment (GE)	5.43	0.89	5.60	0.80	.348
prohibits the use of genetically modified organisms (GMO)	5.47	0.96	5.14	1.26	.168
is NON agricultural chemicals (NC)	5.41	1.02	5.32	1.15	.674
is based on ecological processes (EP)	5.37	0.88	5.52	0.80	.361
is much healthier than conventional products (GH)	5.20	0.92	5.40	1.17	.325
is care for animal welfare (AW)	4.69	1.22	4.67	1.28	.911

*p<.05 (1=I strongly disagree and 6=I strongly agree)

For those respondents belonging to the High cluster, no significant difference was found between WA and Japanese respondents for all six items. However, for those respondents belonging to the Moderate cluster, Japanese respondents agreed more with the statement that organic food was much healthier than conventional products (Table 7.28).

Table 7.28: Organic perceptions compared among the Moderate cluster

Organic is…	Moderate cluster				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
is good for the environment (GE)	5.08	0.87	4.72	1.44	.105
is NON agricultural chemicals (NC)	5.03	1.11	4.74	1.56	.255
prohibits the use of genetically modified organisms (GMO)	4.71	1.35	4.25	1.51	.115
is based on ecological processes (EP)	4.71	1.08	5.00	1.20	.210
is much healthier than conventional products	4.21	1.47	4.82	1.41	.040
is care for animal welfare (AW)	4.00	1.74	3.41	1.47	.059

(1=I strongly disagree and 6=I strongly agree)

For the members of the conservative cluster, WA respondents agreed more with the statement that organics supported animal welfare (AW) (Table 7.29).

Table 7.29: Organic perceptions compared among the Conservative cluster

Organic is…	Conservative cluster				p<.05
	WA		Japan		
	Mean	SD	Mean	SD	
prohibits the use of genetically modified organisms (GMO)	4.54	1.54	4.08	1.40	.185
is NON agricultural chemicals (NC)	4.46	1.67	4.56	1.18	.778
is good for the environment (GE)	4.38	1.52	4.47	1.50	.802
is based on ecological processes (EP)	4.18	1.61	4.44	1.21	.436
is care for animal welfare (AW)	4.05	1.59	3.19	1.41	.016
is much healthier than conventional products (GH)	3.84	1.67	4.42	1.36	.110

*p<.05 (1=I strongly disagree and 6=I strongly agree)

Chapter 8: Conclusions and implications

8.1 Outline

In this final chapter, each of the research questions will be addressed and the conclusions presented. Differences and similarities in coffee consumer behaviour between WA and Japanese respondents will be revealed. Then, the impact of the situational influence of coffee consumption in the home and in a café or restaurant will be explored. Consumer attitudes towards sustainable coffee consumption (FT and organic) in both WA and Japan will be discussed, leading to the managerial implications. The limitations of this research study and areas for future study will conclude this dissertation.

8.2 Major question 1

What differences and similarities exist between Western Australia and Japan in terms of consumers' attitudes and behaviour towards coffee consumption?

Respondents from WA consumed more cups of coffee per week. As there was no significant difference in the number of cups of coffee consumed at home or at work/study, it would appear that either or both the quantity and the frequency of coffee consumption in a café or restaurant was significantly greater among the WA respondents. However, there was no significant difference between WA and Japanese respondents' reasons for consuming coffee in a café or restaurant.

Japanese respondents consumed more canned coffee than WA respondents: a reflection of the difference in the availability of more alternative product variants and perhaps of the increasing time pressure in Japan. Convenience is of especial significance within the food industry in Japan (Matsukawa 2009). For two Japanese respondents, taking time to make coffee was one of the negative aspects associated with drinking coffee, which was not mentioned at all by WA respondents. Furthermore, the food retail format in Japan is more diversified than that of Western countries (Haddock-Fraser, Poole & Doishita 2009) and as a result, consumers may more easily purchase coffee at their convenience: convenience stores are the second most important retail format in Japan after supermarkets. The availability of canned coffee from vending machines also offers greater convenience.

While both WA and Japanese respondents identified ‘the pick-me-up’ or ‘wake-up’ effects derived from the consumption of coffee, a greater number of Japanese respondents were concerned about the negative aspects on health, the adverse effects of caffeine and the bitterness. For Japanese respondents, taste and aroma were the two most frequently cited variables, indicative of the greater need for specialty coffee in the Japanese market.

For WA respondents, the poor taste of coffee, the bitterness and the high cost inferred that there was a much greater variation in the quality of coffee available in WA. In this respect, WA respondents placed more importance on the experiential quality attributes in making their decision to purchase coffee for home consumption. However, the respondents from both countries were equally concerned with a competitive price and value for money.

In both WA and Japan, the credence quality attributes (FT, organic, eco-friendly/sustainable) were a secondary consideration in the purchase of coffee for consumption both at home or in a café/restaurant. Given the importance of the experiential attributes, as proposed by Batt et al. (2009), the producers and suppliers of sustainable coffee must ensure that the cup quality meets consumers’ expectations if they are to build and maintain market share.

8.3 Minor question

What differences in consumption at home and in cafes or restaurant can be discerned?

In both WA and Japan, the experiential quality attributes were the most important factor impacting on the decision to purchase coffee from a retail store for home consumption or for consumption in a café or restaurant.

When purchasing coffee for home consumption, in both WA and Japan, the value construct (competitive price and value for money) was equally important, suggesting that consumers were making a classical price/quality trade-off between the many alternative brands that were available on the shelf. However, when purchasing coffee for consumption in a café or restaurant, price was the second most important variable. This would suggest that having entered the café or restaurant, other than perhaps to choose the style in which the coffee was prepared and presented, consumers had little choice.

As Japanese respondents generally consumed less coffee in a café or restaurant, store brand or familiarity, favourable prior purchase experience and reputation were considered to be equally important in their decision to purchase coffee in a café/restaurant.

In both WA and Japan, the credence quality attribute was the least important factor in the consumers' decision to purchase coffee both for consumption at home and in a café or restaurant.

For the WA respondents, there was a significant difference in the importance of all three factors (experiential, value and credence attributes) between consumption at home or in a café/restaurant. WA respondents placed more importance on the credence attributes (FT, organic, eco-sustainable) and good value (competitive price, value for money) when purchasing for home consumption. Conversely, in a café/restaurant, the experiential attributes were of greater importance.

In the case of Japan, there was no significant difference in the importance of the three constructs except for the experiential attributes. In purchasing coffee in a café/restaurant, Japanese respondents also placed significantly more importance on the experiential quality attributes.

According to Fennel (1978), Usunier & Lee (2009) and Shukla (2010), situational factors can be an important determinant when consuming food and beverages in social situations. Given the importance of the experiential attributes for both WA and Japanese respondents, and the respondents' lack of experience or negative experience with sustainable coffee, in a social setting, respondents may prefer not to take the risk and choose not to purchase sustainable coffee in a café or restaurant.

8.4 Major question 2

What differences and similarities exist between Western Australian and Japanese coffee consumers' behaviour towards Fair Trade and organic coffee?

While most WA coffee consumers were aware of FT (69%), almost half of the Japanese respondents (43%) did not recognize FT coffee. Of those respondents who indicated that they were aware of FT coffee, the majority considered FT to mean an equal or fair relationship in distributing returns to producers, in providing a safe work environment and

greater social security. However, a greater number of Japanese respondents considered FT to be a charity.

While most respondents in both countries understood organics to mean free of synthetic chemicals, hormones, pesticides and fertilizers, consumers' perceptions of organic in Japan were more often associated with good health and improved food safety, whereas more WA respondents perceived organic to be more concerned with prohibiting the use of GMO and to show a greater respect for animal welfare.

Availability presented an important consideration, especially in Japan, where the results indicated that sustainable coffee was not widely distributed. While most WA respondents believed they could buy sustainable coffee from a supermarket, most Japanese respondents believed that they could only source FT coffee from a café or restaurant and organic coffee from a specialty retail store. Limited distribution made it difficult for consumers in Japan to purchase sustainable coffee should they so desire.

With consideration towards the respondents' food shopping behaviour, three clusters emerged in both WA and Japan: a high, a moderate and a conservative group. Those respondents in the high cluster were more committed to ethical food production, health and nutrition and therefore placed more importance on the credence quality attributes in making their decision to purchase coffee, whereas those in the conservative shopping cluster were more concerned with value.

In comparing the number of respondents in each cluster, a far greater number of respondents in WA were present in the high cluster, whereas a greater number of Japanese respondents were found in the moderate cluster. This result indicated a higher level of environmental awareness among WA respondents and thus potentially, a stronger demand for sustainable coffee.

8.5 Minor question

What are the experiences with and evaluations of FT and organic coffee?

WA respondents had much more experience than Japanese respondents in purchasing both organic and FT coffee. Although some respondents believed that the quality of sustainable

food was better than that of conventional food, the product quality sometimes failed to satisfy consumers' requirements.

Several respondents could not differentiate between sustainable coffee and conventional coffee and in such circumstances it is difficult to see how higher prices for sustainable coffee could be sustained. Most of the problems related to the poor taste, the high cost and concerns about the authenticity of the product. Similar opinions with regard to the poor quality of sustainable coffee were also expressed by the Japanese respondents.

As the sensory attributes taste and aroma were the most important factors in the consumers' decision to purchase sustainable coffee, there is a need to improve and maintain the cup quality. Consumers will not continue to pay higher prices for coffee produced under a sustainable quality assurance system unless it delivers a better or at least a comparable taste.

8.6 Implications for future study

This dissertation makes a valuable contribution to producers, suppliers and marketers for understanding how and why Western Australian and Japanese consumers purchase coffee, and how they perceive the attributes of ethics and sustainability when choosing products. The process and the methodological obstacles that were encountered and their circumnavigation may help other researchers.

Face-to-face interviews were not successful in Japan. If similar studies are to be undertaken in Japan, it will be necessary to modify the data collection process by considering alternative approaches such as web-based surveys via e-mail, websites or social media. Researchers must even consider the timing of the year in which they wish to collect data, for this was also thought to influence the response rates in Japan.

Mixed-mode sampling methods can be beneficial in gaining new insights. It may lead, for instance, to further examination of potential bias or measurement errors in cross-national environments. Respondents may opt for extreme categories, offer socially desirable rather than strictly accurate replies, or choose to use a neutral response category. WA respondents generally provided a wider range of scores than Japanese respondents when metric scales were employed.

This study targeted only coffee consumers. Investigating other food products will expand the knowledge of sustainable consumerism. Consumers' attitudes can also change for different product categories, as the previous literature has demonstrated (Yiridoe, Bonti-Ankomah & Martin 2005).

Japanese respondents were more concerned about the negative impacts of coffee drinking and caffeine consumption on health, which suggests that promoting the health attributes of sustainable coffee could be the key to enhancing market share. WA respondents were more concerned about the high and increasing cost of coffee. Respondents in both WA and Japan were concerned about the bitterness, unpleasant aftertaste and the inconsistent taste of FT and organic coffee. Such defects in the sensory qualities of the product will impact negatively on expanding the market share for sustainable coffee. Producers and suppliers of sustainable coffee must concentrate on improving or enhancing the sensory quality to develop the market in the long-term and to justify the higher prices.

For future studies, the interaction between the WTP and the expected quality (before tasting) and the experiential quality (after consumption) may lead to a better understanding of the importance of intangible qualities. As the literature demonstrates, the WTP decreased after tasting FT and organic chocolate (Didier & Lucie 2008). Understanding the importance of intangibles could help deepen our understanding of how consumers evaluate FT and organic labels.

A few consumers revealed constraints in purchasing situations. A further investigation of the distribution system along the entire coffee supply chain would be valuable to pinpoint and overcome obstacles to the growth of the sustainable coffee market. Similarly, for roasters and suppliers of coffee in consuming countries, providing products in a variety of forms will facilitate market growth, as convenience is considered an important attribute among Japanese consumers**.**

The acceptance or suitability of sustainable coffee will be influenced by cultural variables. The results indicated gaps in the functional and semantic equivalence of sustainable coffee products, which implies the need for the greater promotion of FT, especially in Japan. Enhancing the awareness of FT certification is required, as this significantly influences the willingness to pay. Furthermore, providing information on the labels may also facilitate a greater understanding of the concept of FT. Some respondents perceived FT as a charity rather than a more equitable relationship between producers, food processors and retailers. What additional information to include on the product label is a subject for future study to

facilitate communication between FT and organic producers and consumers. Hoogland, Boer & Boersema (2007) argue that detailed information improves consumers' perceptions of organically certified products more than just a logo.

Further investigating consumer behaviour across different countries will help gain a greater understanding of consumer responses to the credence claims made for food products. Links between values and consumer behaviour have been studied in a number of areas, including nutritional attitudes and health food shopping behaviour (Homer & Kahle 1988), ethical consumption (Shaw et al. 2005) and FT coffee consumerism (Doran 2009). Homer & Kahle's (1988) study found that those people who hold strong internally oriented values tend to manage all aspects of their lives, including developing very comprehensive nutritional attitudes. Shwartz's universalism values, deemed the most important in ethical decision making (Shaw et al. 2005), are expected to provide valuable insights into loyal FT coffee consumers rather than for people who drink it only intermittently (Doran 2009).

Although many cross-cultural marketers claim that the cultural construction of geographical location is becoming less important (Craig & Douglas 2011), studying the conceptual equivalence of sustainable or ethical consumption is beneficial in gaining a better understanding of how to promote sustainable consumerism among other OECD countries. This suggests that consumers' understandings of global concepts are not necessarily uniform. Marketers of sustainable coffees must determine the suitability and fitness of the concepts associated with sustainable products in different countries.

8.7 Limitations

In this study, several limitations were deliberately created to establish research boundaries. The equivalence of methodological issues was the most problematic obstacle to conduct the research within different countries, although the study established equivalence from a measurement perspective.

During the data collection stage, the application of different modes of data collection in different socio-cultural areas could not be avoided, which led to various issues such as sample composition. This thesis acknowledges the limitation of sample representativeness and the generalisation of the results to the entire populations in both Australia and Japan.

As the sample size was not large, the statistical robustness of many tests may be less than in other comparable studies. A large sample produces greater confidence in the outcomes and greater precision in discerning between group differences. As this study revealed, in order to test the impact of the socio-demographic and psychographic variables on the respondents' WTP a price premium for FT and organic coffee, artificial groups had to be created for the statistics to have any meaning.

The various effects associated with mixed-mode sampling introduced a few limitations, as evidenced by the Japanese respondents' socio-demographic characteristics. This led to a skewed and uncharacteristic age profile. Furthermore, making comparisons between data sets that have used more than one mode of data collection have been rarely investigated (Couper 2011). This study could find no difference in the response rates and data quality of face-to-face and reply paid mail approaches.

Likewise, the place of data collection in both Japan and Western Australia limits the capacity of the results to be generalized to the broader population. Consumers in WA may have very different perceptions and attitudes to those in the other states and territories of Australia.

This study also admits the limitations surrounding the use of the monetary units employed in estimating the respondents' income and in estimating the price of both a cup of coffee in a café or restaurant and the price to purchase 250g of coffee in a retail store. A comparison of gross household income and purchasing power parities from secondary information could not be performed because of the lack of statistical information in both Australia and Japan. Practical difficulties associated with determining a comparative value of the currencies created another barrier in comparing the results as they relate to the WTP premium prices for FT and organic coffee.

This study was very much an exploratory investigation to gain new insights into the purchase of sustainable food products in the Asia-Pacific region. Despite the small sample size, this study has increased our knowledge of the cross-national differences and similarities in consumer behaviour for FT and organic certification.

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Appendix 1: Structured interview and questionnaire

Structured interview

Hello.

My name is Rino Tamaki.
I am a Masters' student at Curtin University. I am conducting market research on Fair Trade coffee in both Australia and Japan.

Do you drink coffee?

Yes Proceed
No Thank the respondent

In your household, are you personally involved in the decision to purchase coffee?

Yes Proceed
No Thank the respondent

Can you provide me with approximately fifteen minutes of your time to assist with this survey?

Yes Proceed
No Would you be willing to complete this survey at home and to return your completed survey in the self-addressed reply paid envelope?

Yes Give the documents and envelope to the respondent
No Thank the respondent

Before we proceed, I would like to assure you that all the information we collect will be kept in the strictest confidence and used for research purposes only.

From the data that we collect, analyse and publish, it will not be possible to identify any individual.

Furthermore, your participation in this survey is completely voluntary. Should you find it necessary, you may withdraw at any time without prejudice.

This project has been approved by the Curtin University Ethics Committee.

Should you find it necessary to consult the project supervisor or the Secretary of the Human Research Ethics Committee, I can provide this information on request.

Questionnaire

Q1: On average, how many cups of coffee do you drink per week?

at HOME	(	) cups
in the WORKPLACE / STUDY	(	) cups
in a CAFÉ or RESTAURANT	(	) cups
TOTAL	(	) cups per week

Q2: What do you most enjoy about drinking coffee?

……
……
……

Q3: What do you most dislike about drinking coffee?

……
……
……

Q4: From where do you purchase the majority of the coffee for your home consumption?

1. Supermarkets
2. Convenience stores/petrol stations
3. Specialty coffee shops
4. Mail order
5. Vending machine

Q5: On the last occasion that you purchased coffee for home consumption, can you recall the form in which you purchased the coffee? [Please circle one answer]

1. Instant
2. Whole bean and ground at home
3. Ground
4. Canned and / or bottled

Q6: Irrespective of the form in which you purchased the coffee that you most often drink for your home consumption, what factors were most important in your decision to purchase coffee?

……
……
……

Q7: On scale of 1 to 6 where 1 is "Not at all important" and 6 is "Very important", how important were EACH of the following product attributes when you purchased your favourite coffee product for home consumption?

	Not at all important					**Very important**
Taste	1	2	3	4	5	6
Aroma	1	2	3	4	5	6
Favourable prior purchase experience	1	2	3	4	5	6
Brand familiarity	1	2	3	4	5	6
Roast (light / medium / dark)	1	2	3	4	5	6
Type of beans (Arabica / Robusta)	1	2	3	4	5	6
Value for money	1	2	3	4	5	6
Competitive price	1	2	3	4	5	6
Convenience	1	2	3	4	5	6
Advice from store person	1	2	3	4	5	6
Reputation	1	2	3	4	5	6
Country of origin	1	2	3	4	5	6
Organic	1	2	3	4	5	6
Eco-friendly / Sustainable	1	2	3	4	5	6
Fair Trade	1	2	3	4	5	6

Q8: How often do you go out to drink coffee in a COFFEE SHOP, CAFÉ or RESTAURANT? (Please circle only 1 answer)

1. Daily
2. Several times per week
3. Once a week
4. Once a fortnight
5. Once a month
6. Seldom

Q9: On average, when you drink coffee in a COFFEE SHOP / CAFÉ or RESTAURANT, what percentage of time is spent:

1. To socialize with partner, family and / or friends ( ) %
2. To meet with business partners / peers / colleagues ( ) %
3. To find peace and solitude ( ) %
4. To access the internet ( ) %

TOTAL should equal 100%

Q10: Irrespective of the form in which you purchased the coffee that you most often drink at COFFEE SHOP, CAFÉ or RESTAURANT, what factors were most important in your decision to purchase coffee?

…….
…….
…….

Q11: On scale of 1 to 6 where 1 is “not at all important” and 6 is “very important”, how important were EACH of the following attributes when you last purchased coffee in a coffee shop, café or restaurant ?

	Not at all important					**Very important**
Taste	1	2	3	4	5	6
Aroma	1	2	3	4	5	6
Favourable prior purchase experience	1	2	3	4	5	6
Store brand familiarity	1	2	3	4	5	6
Value for money	1	2	3	4	5	6
Competitive price	1	2	3	4	5	6
Advice from store person	1	2	3	4	5	6
Reputation	1	2	3	4	5	6
Organic	1	2	3	4	5	6
Eco-friendly / Sustainable	1	2	3	4	5	6
Fair Trade	1	2	3	4	5	6

Q12: Have you ever heard of a phrase Fair Trade coffee? (Please circle only one answer)

1. Yes
2. No

Q13: What does FT mean to you?

……
……
……

Q14: Do you know where to find Fair Trade coffee? (Please circle only one answer)

1. Yes -----Where? (Please specify)_____
2. No

Q15: FT makes the following claims. On a scale of 1 to 6, where 1 is “I strongly disagree” and 6 is “I strongly agree”, to what extent do you agree with EACH of the following statements.

	I strongly disagree					**I strongly agree**
Fair Trade…						
pays a fair price to the producer	1	2	3	4	5	6
encourages sustainable production	1	2	3	4	5	6
set a minimum prices	1	2	3	4	5	6
is good for the environment	1	2	3	4	5	6
guarantees good work conditions	1	2	3	4	5	6
bans forced labour and child labour	1	2	3	4	5	6
facilitates community development	1	2	3	4	5	6
prohibits the use of genetically modified organisms	1	2	3	4	5	6
preserves biodiversity	1	2	3	4	5	6

Q16: Have you ever purchased FT coffee?

1. Yes ------- Please continue
2. No -------- Please go to Question 17

Were you satisfied with your purchase of FT/organic coffee? Please circle the appropriate answer, where 1 is “very dissatisfied” and 6 is “very satisfied”. Please circle your response.

Very dissatisfied					**Very satisfied**
1	2	3	4	5	6

After consumption, what is your opinion of Fair Trade / organic coffee?

……
……
……

Q17: Assuming that FT coffee was readily available in a retail store, what price would you be willing to pay, if the average price for 250g of coffee beans were $7.50/¥750? (Please circle only one answer)

1. No more ($7.50/¥750)
2. 10% more ($8.25/¥825)
3. 15% more ($8.65/¥865)
4. 20% more ($9.00/¥900)
5. 25% more ($9.35/¥935)
6. 30% more ($9.75/¥975)

Q18: Assuming that FT coffee was readily available in a coffee shop, cafe or restaurant, what price would you be willing to pay, if the average price for 1 cup of coffee was $3.70/¥370? Please circle one answer.

1. No more ($3.70/¥370)
2. 10% more ($4.05/¥405)
3. 15% more ($4.25/¥425)
4. 20% more ($4.45/¥445)
5. 25% more ($4.65/¥465)
6. 30% more ($4.80/¥480)

Q19: Have you ever heard of a phrase organic/yuki coffee? (Please circle only one answer)

1.Yes
2. No

Q20: What does organic mean to you?

……
……
……

Q21: Do you know where to find organic coffee? (Please circle only one answer)

1. Yes -----Where? (Please specify)_____
2. No

Q22: Organic makes the following claims. On a scale of 1 to 6, where 1 is "I strongly disagree" and 6 is "I strongly agree", to what extent do you agree with EACH of the following statements.

	I strongly disagree					**I strongly agree**
Organic production…						
is based on ecological processes	1	2	3	4	5	6
is good for the environment	1	2	3	4	5	6
does not use agricultural chemicals	1	2	3	4	5	6
cares for animal welfare	1	2	3	4	5	6
prohibits the use of genetically modified organisms	1	2	3	4	5	6
is much healthier than conventional products	1	2	3	4	5	6

Q23: Have you ever purchased Organic coffee? (Please circle only one answer)

1. Yes ------- Please continue
2. No -------- Please go to Question 24

Q24: Assuming that organic coffee was readily available in a retail store, what price would you be willing to pay, if the average price for 250g of coffee beans were $7.50/¥750? Please circle one answer.

1. No more ($7.50/¥750)
2. 10% more ($8.25/¥825)
3. 15% more ($8.65/¥865)
4. 20% more ($9.00/¥900)
5. 25% more ($9.35/¥935)
6. 30% more ($9.75/¥975)

Q25: Assuming that organic coffee was readily available in a coffee shop, cafe or restaurant, what price would you be willing to pay, if the average price for 1 cup of coffee was $3.70/¥370? Please circle one answer.

1. No more ($3.70/¥370)
2. 10% more ($4.05/¥405)
3. 15% more ($4.25/¥425)
4. 20% more ($4.45/¥445)
5. 25% more ($4.65/¥465)
6. 30% more ($4.80/¥480)

Q26: Gender

1. Male
2. Female

Q27: Age group

18-25 years
26-34
35-44
45-54
55-64
Over 65

Q28: Highest level of education achieved

WA

High school
Technical college (ex: TAFE) / Trade certificate
Undergraduate / Postgraduate degree

Japan

High school
Technical college / Junior college
Undergraduate / Postgraduate degree

Q29: Into which of the following categories does your gross household income fall? Please circle the applicable response

WA

1. Less than AU$6,000
2. AU$6,001~AU$30,000
3. AU$30,001~AU$75,000
4. AU$75,001~AU$150,000
5. More than AU$150,001

Japan

1. Less than ¥600,000
2. ¥600,001~¥3,000,000
3. ¥3,000,001~¥7,500,000
4. ¥7,500,001~¥15,000,000
5. More than ¥15,000,001

Q 30: On a scale of 1 to 6, where **1** is "**Not much like me at all**" and **6** is "**Very much like me**", please respond to EACH of the following statements.

	Not much like me at all					**Very much like me**
Concerns for my health play a more important role than taste in my decision to purchase food	1	2	3	4	5	6
I always pay attention to the labels on food that identify the energy and fat content	1	2	3	4	5	6
I have a great interest in supporting more sustainable food production	1	2	3	4	5	6
The country-of-origin of food is an important criterion in my food shopping	1	2	3	4	5	6
I always pay attention to the label for food products to see that it is non GM	1	2	3	4	5	6
I support those food businesses who are concerned about animal welfare	1	2	3	4	5	6
I support those food business that seek to improve producers` welfare in other countries	1	2	3	4	5	6

Appendix 2: Master list for the results from open-ended questions

Table 5.7: WA

Q2: What do you most enjoy about drinking coffee?		N	Total
Taste	Taste	58	96
	Flavour	36	
	Taste of cappuccino	1	
	The unique flavour	1	
As the socializing aspect	Social aspect	15	25
	Social	8	
	Socialize to people with coffee	1	
	Socializing	1	
	Social drink		
Relaxing	Relaxes me	14	20
	Relaxation	4	
	Relax	2	
Pick up / wake up affects	Pick me up	8	16
	Keeps me alert at work	3	
	Keeps me awake	2	
	Wakes me up	1	
	Gives me a pick up and more alert	1	
	Pick up effect	1	
Energizing	Gives energy	6	15
	Energy	4	
	It gives me energy when I need study	1	
	Energy boost	1	
	Energize	1	
	Boosts my energy	1	
	The lift	1	
Aroma	Aroma	13	14
	The smell preparing a good coffee for the espresso style	1	
Stimulation to focus / mind clarity	The stimulation to focus	5	13
	Stimulation	5	
	Mind clarity	1	
	Alertness	1	
	Keeps you alert	1	
Caffeine hit	Caffeine	6	7
	Caffeine affects	1	
Affects positively on emotion / feeling of well-being	Related expectation of nice day	2	5
	Feeling of well-being	1	
	The ambience when I drink coffee affects positively on my emotion	1	
	Pleasant	1	
Habit	Habit	3	4
	Habitual aspect	1	
Healthier	Healthier	1	2
	It cures my headache	1	

Refreshing	Refreshing	2	2
Comfort	Comfort	2	2
Creamy froth	Creamy froth	1	1
Smoothness	Smoothness	1	1
Exploration of good quality of coffee	Exploration of good quality of coffee	1	1
Number of responses			224
Number of respondents			142

Table 6.7: Japan

Q2: What do you most enjoy about drinking coffee?		**N**	**Total**
Taste	Taste	56	77
	Flavour	21	
Aroma	Aroma	76	76
Relaxing	Relax	25	26
	Relaxation	1	
Pick up / wake up affects	Awakening effect	20	21
	It makes me awake	1	
Refreshing	Refreshment	9	9
Comfort	Comfort	6	7
	A sense of comfort	1	
Caffeine hit	Caffeine	2	3
	Caffeine effect	1	
Energizing	Energizing	2	2
Affects positively on emotion / feeling of well-being	It makes me feel good	1	2
	It effects on emotion positively	1	
The variety of taste by beans and the way of brewing	The variety of taste by beans and the way of brewing	2	2
Habitual aspect	Habitual aspect	1	1
Easy to make	Easy to make	1	1
As the socializing aspect	As the socializing aspect	1	1
Mind clarity	Mind clarity	1	1
Good for health	It can expect to being good for health	1	1
Match with sweet stuffs	Match with sweet stuffs	1	1
Colour	Colour	1	1
Cultural aspect	Cultural aspect	1	1
Number of responses			224
Number of respondents			142

Table 5.8: WA

Q3: What do you most dislike about drinking coffee?		N	Total
Negative impacts on health	Health affects	9	20
	Health concern	5	
	Affects on health	2	
	Potential impact on health	1	
	Impact on health	1	
	Impact on health which gives me headache	1	
	Unhealthy	1	
The taste of poor quality	Bad taste	6	17
	The taste of bad quality coffee	6	
	Poor taste	5	
Bitterness	Bitterness	8	16
	Bitterness of taste	5	
	Bitterness taste occasionally	2	
	Taste of bitterness	1	
Cost	Cost	11	11
Affects of caffeine	Caffeine effect	3	10
	Caffeine	3	
	Effect of caffeine	3	
	Caffeine content	1	
Insomnia	Insomnia	9	10
	Cannot sleep	1	
After taste	After taste	9	9
Inconsistent quality of taste	Inconsistent quality of taste	5	9
	Inconsistent taste	2	
	Inconsistent quality	1	
	Variety of quality makes different taste	1	
Affects on breath badly after drink	Bad breath	5	7
	Breath	2	
When it's too strong	Strong taste	6	7
	When it's too strong	1	
Cause of stain on teeth	Stain	3	4
	Stain my teeth	1	
Addictiveness	Addictive	3	3
The taste of instant	The taste of instant	2	3
	The quality of instant	1	
Impacts on emotion	It impacts on emotion	3	3
Taste without sugar	Requirement of sugar	1	2
	Makes me craving sugar	1	
Colour	Colour	1	1
Taste without milk	Taste without milk	1	1
No availability of Fair Trade coffee	No availability of Fair Trade coffee	1	1
Number of responses			134
Number of respondents			101

Table 6.8: Japan

Q3: What do you most dislike about drinking coffee?		N	Total
Negative impacts on health	Unhealthy	22	29
	It makes me feel sick sometimes	2	
	Impacts on health	1	
	Stomach ache	1	
	Makes me feel sick when drink too much	1	
	Affects on health	1	
	Makes me head ache and stomach ache when drinking too much	1	
Affects of caffeine	Affects of caffeine	15	19
	Caffeine	3	
	Caffeine effect	1	
Bitterness	Bitterness	12	13
	Astringency	1	
The taste of poor quality	The taste of poor quality	11	11
After taste	After taste	8	8
Acidity	Acidity	3	5
	Acidity of taste	2	
Inconsistent quality of taste	In consistent taste and quality	3	4
	Inconsistent quality	1	
Affects on breath badly after drink	Bad breath	4	4
Insomnia	Insomnia	3	3
Cause of stain on teeth	Stain on teeth	3	3
Cost at cafe	Cost at cafe	1	1
Colour	Colour	1	1
Number of responses			134
Number of respondents			101

Table 5.11: WA

Q6: Irrespective of the form in which you purchased the coffee that you most often drink for your home consumption, what factors were most important in your decision to purchase coffee?		**N**	**Total**
Taste	Taste		68
	Flavour		
	Variety of flavour		
	Regular taste		
Price	Price		41
	Cost		
	Discount		
	Economical	2	
Quality	Quality		19
	High quality		
	Good quality		
	Consistency of product quality	1	
Brand	Brand		16
	Quality of brand		
Sustainable coffee	Fair trade	8	14
	Organic	2	
	Rainforest alliance	1	
	Eco-friendly	1	
	Ethically produced	1	
	Natural	1	
Convenience	Convenience	11	11
Aroma	Aroma		8
	Smells of coffee		
Value	Value		7
	Best value		
	Value for money		
Country-of-origin	Country-of-origin		5
	Made in Ethiopia		
	Made in Columbia		
Prior purchase experience	Prior purchase experience		5
	Repurchasing the same one		
Freshness	Freshness		4
	Freshness of grind		
	The time since roasting		
The level of roast	The level of roast		4
	Roast		
Strength	Strength		4
	Strength of blend		
Type of beans	Type of beans		3
	Bean type		
	Arabica		
Quantity	Quantity		3
	Size of serves		
Instant	Instant		3
	Everyday instant coffee		
Specials	Specials		2
	Specials at the supermarket		
Packaging	Packaging	2	2
Antioxidant	Antioxidant	2	2

Blend	Blend	2	2
What fits in my special machine	What fits in my special machine	1	1
Not instant	Not instant	1	1
Ground beans	Ground beans	1	1
Local roaster	Local roaster	1	1
Number of responses			228
Number of respondents			120

Table 6.11: Japan

Q6: Irrespective of the form in which you purchased the coffee that you most often drink for your home consumption, what factors were most important in your decision to purchase coffee?		**N**	**Total**
Taste	Taste		60
	Flavour		
	Less acidity	2	
	The balance of acidity	2	
Price	Price		59
	Competitive price		
	Cost		
Aroma	Aroma	17	17
Brand	Brand		15
	Brand familiarity		
	New brand	2	
Convenience	Convenience		9
	Easy to make		
Type of beans	Type of beans		6
	Type of beans which hasn't been consumed		
Quantity	Quantity	3	3
Packaging	Packaging	3	3
County-of-origin	Country-of-origin	3	3
Sustainable coffee	Organic	2	2
Form	Form	2	2
Prior purchase experience	Prior purchase experience	1	2
	Repurchase loyalty	1	
Quality	Quality	1	1
Less agrochemicals	Less agrochemicals	1	1
Advertisement	Advertisement	1	1
The popularity of retail store	The popularity of retail store	1	1
Freshness	Freshness	1	1
Blend	Blend	1	1
Atmosphere of retail store	Atmosphere of retail store	1	1
Quantity of sugar	Quantity of sugar	1	1
The level of roast	The level of roast	1	1
Number of responses			191
Number of respondents			111

Table 5.17: WA

Q10: Irrespective of the form in which you purchased the coffee that you most often drink at COFFEE SHOP, CAFÉ or RESTAURANT, what factors were most important in your decision to purchase coffee?		**N**	**Total**
Taste	Taste	37	50
	Flavour	13	
Store brand	Store brand	21	25
	Store brand familiarity	4	
Quality	Quality	5	17
	Consistency of quality	5	
	Quality of the coffee provided	3	
	Using good beans	2	
	Preparation of the beans	1	
	Café where provides more original beans	1	
Price	Price	7	13
	Cheap	4	
	Discount	2	
Proper brewing	Proper brewing	9	9
Aroma	Aroma	8	8
Convenience to stop by	Convenience to stop by	7	7
Variety of form	Availability of various coffee	3	5
	Variety of coffee menu	2	
Location	Location	4	4
Quantity	Quantity	1	3
	Amount	1	
	Served in a mug	1	
Barista	Barista	3	3
Availability of decaffeinated	Availability of decaffeinated	2	2
Strength of coffee	Strength of coffee	2	2
Quick to serve	Quick to serve	2	2
Reputation	Reputation of café	1	2
	Good reputation	1	
Local cafe	Local cafe	2	2
Something different from home	Something different from home	2	2
Fair Trade	Fair Trade	2	2
Reliability of store	Reliability of store	1	1
Value for money	Value for money	1	1
Rewards card	Rewards card	1	1
Cleanliness	Cleanliness	1	1
Freshness	Freshness	1	1
Ease	Ease	1	1
The menu of food	The menu of food	1	1
Cafes where provide more original beans	Cafes where provide more original beans	1	1
Luxurious	Luxurious	1	1
Easy to drink	Easy to drink	1	1
Appearance	Appearance	1	1
Number of responses			166
Number of respondents			100

Table 6.18: Japan

Q10: Irrespective of the form in which you purchased the coffee that you most often drink at COFFEE SHOP, CAFÉ or RESTAURANT, what factors were most important in your decision to purchase coffee?		**N**	**Total**
Price	Price	19	34
	Competitive price	8	
	Cost	7	
Taste	Taste	17	33
	Flavour	14	
	The level of acidity	2	
Store brand	Store brand	4	6
	Store brand familiarity	2	
Aroma	Aroma	4	4
Variety of form	Variety of coffee menu	3	5
	Availability of cappuccino	1	
	New type of coffee in the menu	1	
Quality	Consistency of quality	1	4
	Quality of the coffee provided	1	
	Preparation of the beans	1	
	Using good beans	1	
Strength	Strength	3	3
Something different from home	Something different from home	3	3
Appearance	Appearance	3	3
Reputation	Reputation of café	1	2
	Good reputation	1	
Store recommendation	Store recommendation	2	2
Sweetness	Sweetness	2	2
Quantity of serving	Quantity of serving	2	2
Location	Location	2	2
Freshly roasted and grinded	Freshly roasted and grinded	1	1
Type of beans	Type of beans	1	1
Limited availability	Limited availability	1	1
Number of responses			108
Number of respondents			79

Table 5.24: WA

Q13: What does Fair Trade mean to you?		**N**	**Total**
Equal/Fair relationship with producers	Fair relationship with producers	38	73
	Fair relationship with farmers	14	
	Price goes to the farmer equally	8	
	Social welfare system for producers	7	
	Fair work environment	6	
Charity	It's a part of charity	7	10
	Looking after the producers' lives through premium price	3	
Transparency	Transparency	5	9
	Transparent relationship with producers	4	
Sustainable	Sustainable	8	8
No forced/child labour	No forced labour	3	5
	No child labour	2	
Ethically acceptable production/trade system	Ethically acceptable production/trade system	4	4
Marketing tool	Marketing tool	2	2
Expensive	Expensive	2	2
Community development	Community development	2	2
Cooperate social responsibility	CSR	2	2
No inter mediators/direct trade	No inter mediators/direct trade	1	1
Unreliable system	Unreliable system	1	1
Good for the environment	Good for the environment	1	1
Good quality	Good quality	1	1
Number of responses			121
Number of respondents			96

Table 6.26: Japan

Q13: What does Fair Trade mean to you?		**N**	**Total**
Equal/Fair relationship with producers	Farmer works fairly and equally	13	20
	Equal relationship with producers in terms of income	5	
	Farmer secured by stable coffee price	2	
Charity	It looks after producers through premium price on the products	4	7
	Charity	3	
Transparency	Transparency	1	1
Sustainable	Sustainable	1	1
No forced/child labour	No forced/child labour	1	1
Ethically acceptable production/trade system	Ethically acceptable production/trade system	1	1
Marketing tool	Marketing tool	1	1
Expensive	Expensive	1	1
Community development	Community development	1	1
Cooperate social responsibility	Cooperate social responsibility	1	1
No inter mediators/direct trade	No inter mediators/direct trade	1	1
Unreliable system	Unreliable system	1	1
Good for the environment	Good for the environment	1	1
Good quality	Good quality	1	1
Number of responses			38
Number of respondents			35

Table 5.30: WA

Q20: What does organic mean to you?		**N**	**Total**
Free of chemicals	Free of synthesized chemicals	41	65
	No pesticides	13	
	No agrochemicals	6	
	No hormones	3	
	Free from fertilizers	2	
Good for health	Good for health	5	8
	Healthier than conventional products	3	
Produced in natural way	Produced in natural way	6	8
	Natural	2	
Good for the environment	Good for the environment	5	7
	Eco-friendly	2	
Non GMO	Non GMO	4	4
No preservatives	No preservatives	3	4
	No additives	1	
Sustainable	Sustainable	3	3
Grown by soil	Grown by soil	3	3
Bean picked by hand	Bean picked by hand	2	2
Marketing tool	Marketing tool	2	2
Guaranteed system for the good quality	Guaranteed system for the good quality	1	1
It doesn’t have any advantage	It doesn’t have any advantage	1	1
Organic inputs enhance productivity	Organic inputs enhance productivity	1	1
To proof the farmer’s transparency of production	To proof the farmer’s transparency of production	1	1
Unreliable system	Unreliable system	1	1
Good quality	Good quality	1	1
Poor quality	Poor quality	1	1
Taste better	Taste better	1	1
Bean processed healthier/natural way	Bean processed healthier/natural way	1	1
Number of responses			114
Number of respondents			85

Table 6.33: Japan

Q20: What does organic mean to you?		**N**	**Total**
Free of chemicals	Free of chemicals	10	21
	Free of harmful chemicals	5	
	No pesticides	6	
Good for health	Good for health	12	20
	Healthier than conventional one	8	
Assured food safety	Assured food safety	6	11
	Much safer than conventional products	5	
Good for the environment	Good for the environment	10	10
Produced in natural way	Produced in natural way	4	7
	Bean processed healthier and natural way	3	
Reliable	Reliable	6	6
Less use of agrochemicals	Less use of agrochemicals	5	5
The biodynamic grown method for the plant	The biodynamic grown method for the plant	4	4
No harmful affects on body	No harmful affects on body	3	3
Non GMO	Non GMO	2	2
Taste better	Taste better	2	2
The standard to regulate using agrochemicals	The standard to regulate using agrochemicals	1	1
Good for agriculture system	Good for agriculture system	1	1
Good image	Good image	1	1
The system doesn’t need for coffee plant	The system doesn’t need for coffee plant	1	1
Good for the planet	Good for the planet	1	1
Lack of availability	Lack of availability	1	1
No unified standard system	No unified standard system	1	1
High cost/Expensive	High cost/Expensive	1	1
Number of responses			94
Number of respondents			71

Table 5.34: WA

Q16: After consumption, what is your opinion of Fair Trade coffee?		**N**	**Total**
It's a great idea	It's a great idea	6	12
	Good concept	3	
	It should be applying to all products	3	
Good quality of coffee	Good quality of coffee	7	11
	Taste good	4	
Requirement of its availability	Requirement of its availability	5	8
	Need more availability	3	
Bad quality of coffee	Bad quality of coffee	4	7
	Inferior aroma and taste	1	
	It doesn't guarantee the taste	1	
	Inconsistent quality of taste	1	
No difference of quality	No difference of quality	3	4
	I cannot recognize what is the difference between conventional coffee in terms of taste	1	
Expensive	Expensive	2	3
	High cost	1	
Need promotion	Need promotion	3	3
Unreliable	Unreliable	2	3
	Hypocritical to its system	1	
I'd like to know the evidence of outcomes to how FT improve the producers' welfare	I'd like to know the evidence of outcomes to how FT improve the producers' welfare	1	1
I hope the system of FT works well	I hope the system of FT works well	1	1
I hope that the claims they make are a true reflection by what really happens	I hope that the claims they make are a true reflection by what really happens	1	1
It's emotionally satisfied	It's emotionally satisfied	1	1
A lack of variety to choose	A lack of variety to choose	1	1
I would have a preference for fair trade but not at the expense of taste	I would have a preference for fair trade but not at the expense of taste	1	1
It's difficult to know how it was produced through consumption which I'd like to know more precisely	It's difficult to know how it was produced through consumption which I'd like to know more precisely	1	1
Number of responses			58
Number of respondents			45

Table 6.38: Japan

Q16: After consumption, what is your opinion of Fair Trade coffee?		**N**	**Total**
Good quality of coffee	Good quality of taste	3	6
	Tastes better than conventional coffee	2	
	High quality	1	
Need promotion	Need promotion	2	3
	Requirement of promotion to enhance the market	1	
Requirement of its availability	Need more availability	2	3
	Need availability in supermarket	1	
Bad quality of coffee	Bad quality	1	2
	Tastes awful	1	
Expensive	Expensive	1	2
	High cost	1	
Unreliable	Unreliable	1	1
Number of responses			17
Number of respondents			14

Table 5.35: WA

Q23: After consumption, what is your opinion of organic coffee?		N	Total
Bad quality of coffee	Bad quality	9	17
	Inferior taste	6	
	Inconsistent quality of taste	2	
Good quality of coffee	Good quality	9	14
	Tastes good	5	
Satisfied	Satisfied in terms of taste	7	11
	Satisfied in terms of taste and characteristics	4	
Expensive	Expensive	4	7
	High cost	3	
Reliable	Reliable	4	6
	More reliable than conventional coffee	2	
Requirement of its availability and variety	Need more variety	2	4
	Need more availability	2	
Good for health	Felt healthier after consumption	4	4
I did something good for the environment	I did something good for the environment	2	2
Dissatisfied	Dissatisfied	2	2
Not interested in anymore	Not interested in anymore	1	1
Need promotion	Need promotion	1	1
Number of responses			69
Number of respondents			47

Table 6.39: Japan

Q23: After consumption, what is your opinion of organic coffee?		N	Total
Bad quality of coffee	Poor taste	4	6
	Inconsistent quality of taste	1	
	Inferior taste and aroma	1	
No difference of quality	Taste cannot differentiate from conventional coffee	5	6
	I cannot recognize any taste of what is organic	1	
Feel better	Feel good to drink	3	4
	Emotionally good	1	
Feel safe to drink	Feel safe to drink	2	3
	Feel safe from chemicals	1	
Had good experiential quality	Good taste	1	2
	Taste better than conventional coffee	1	
Reliable	Reliable	1	1
Requirement of its availability	Requirement of its availability	1	1
Expensive	Expensive	1	1
Good for health	Feel healthier	1	1
I like the concept	I like the concept	1	1
Number of responses			26
Number of respondents			23

Appendix 3: Abstracts of refereed conference utilised in the dissertation

Differences in Awareness of Fair Trade and Organic Labelling among Coffee Consumers in Australia and Japan

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Keywords; fair trade, organic, coffee, cross-culture, consumerism.

Abstract

This study sought to compare consumers' perception of Fair Trade (FT) and organic coffee between Australia and Japan. The findings indicate that Australian consumers are generally more aware of FT certification. While a similar number of respondents in both Australia and Japan were aware of organic certification, the benefits attained were perceived very differently.

Consumers' Perceptions, Attitude and Behaviour towards Fair Trade and Organic Coffee in Western Australia and Japan

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Keywords: consumer perception, Fair Trade, organic, coffee, international marketing,

Abstract

This study sought to explore differences in consumer's perceptions, attitudes and behaviour towards Fair Trade (FT) and organic certification between Western Australia (WA) and Japanese coffee consumers. Within WA, there was a much higher level of awareness of FT than in Japan. While the levels of awareness for certified organic products were similar, respondents in Japan were more concerned about the perceived health and safety benefits of organic products, whereas WA respondents were more concerned about the absence of genetically modified ingredients and animal welfare. Although Japanese respondents indicated a higher preference for organically certified coffee, this did not translate into a greater willingness to pay. Conversely, a larger number of WA respondents indicated that they were willing to pay more to purchase FT coffee.

Perceptions and attitudes towards organic certification for Japanese coffee consumers

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Abstract

Worldwide, an increasing number of consumers are showing a greater interest in the holistic quality attributes of the food that they consume. Beyond the immediate issues of food safety, a competitive price and the experiential quality attributes, consumers are becoming more concerned about the sustainable manner in which their food has been produced. In the world's more wealthy nations, the demand for organically certified food is rapidly increasing. Sales are being driven by consumer's belief that organics are more healthy, more nutritious, better tasting, better for the environment and better for smallholder producers. While personal disposable incomes are rising rapidly in most of Asia, to date, very few studies have explored consumer's attitudes towards organic food. The aim of this study was to explore consumer's perceptions and attitudes towards organically certified coffee in Japan. From 162 face-to-face interviews conducted in Japan, although the level of awareness for certified organic coffee was relatively high, few consumers knew where they could buy certified organic coffee. For most consumers, organic was perceived to mean that the product was free of synthetic chemicals/pesticides/fertilizers/hormones, to be good for health, safe and to be good for the environment. The perceived health and safety benefits of organic products were perceived to outweigh the environmental considerations. Nevertheless, in making the decision to purchase coffee from a retail store, a café or a restaurant, the credence quality attributes were significantly less important than the experiential attributes and a competitive price. An analysis of shopping behaviour revealed three clusters that were significantly different in relation to the importance consumers paid to food ethics, nutrition and health. Not surprisingly, those consumers who placed more importance on food ethics, nutrition and health placed significantly more importance on the credence quality attributes in their decision to purchase. However, such consumers were not any more aware of organic coffee, nor did they show a greater preference towards the purchase of organic coffee. The main reason for not purchasing organic coffee was the consumer's belief that the quality was no better. For those consumers who had purchased organic coffee, the highly variable experiential quality was their greatest concern.