

University of British Columbia

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Student Research Report

BIRD FRIENDLY COFFEE – SURVEY REPORT

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INTRODUCTION

Research found through our survey is intended for discovering the barriers of coffee consumers at UBC. By targeting these consumer barriers, we are then able to articulate strategies that can be applied to marketing SBFC on campus. Our survey consists of questions that aid in understanding the demographics of coffee consumers and what their buying habits are. As well, gathering an idea of SBFC recognition within our audience, and to what degree (ie. how aware) the community is of our product. These points constitute the three pillars of our survey research: *who* is drinking coffee, *what* coffee are they drinking and *how* they will switch to SBFC. Our strategies function with the buyer in mind, tailoring solutions to consumer behaviour indicated by our survey. The brand image of SBFC is malleable, and through understanding the consumer, we are able to market a product desirable to their priorities. Thus, helping drive the awareness and success of this product against its competitors at UBC. These are the main focuses articulated in our following report.

WHY SHOULD UBC BUY SBFC/WHY IS THIS IMPORTANT?

Birds have been shown to play critical roles in ecosystem function, in human well-being, and in the economy. Many ecosystem functions and processes, such as decomposition, seed dispersal, pollination, and controlling insect populations, are dependent on birds (Şekercioğlu et al. 2004). Regarding human health, studies have found that the presence of birds in the urban environment is linked to psychological well-being (Luck et al. 2011). Lastly, bird watching or avitourism is a growing part of ecotourism, which supports our economy (Steven et al. 2015).

In the past 50 years, Canada's migratory bird population has decreased by 31% (Rosenberg et al. 2019). Studies have shown that their declines are linked to habitat loss in South America, which is where many of Canada's birds spend the winter (González et al. 2020). However, the regions of land that contain critical habitats happen to overlap with coffee growing areas. Supporting bird friendly coffee will allow both the farmers and migratory birds to thrive together. The farmers will use agroforestry to maintain the forest ecosystem while producing shade-grown bird friendly coffee, and the birds have a safe habitat while contributing to the health and well-being of the farms. Farmers are paid a premium for their bird friendly coffee, but it's not enough to cover the current lack of

demand. If the demand stays low, the farmers would be unable to support themselves and may decide to clear their land and convert their farm to sun grown coffee instead, which has higher yields.

Buying SBFC will also help UBC reach their Sustainable Development Goals, particularly number 12 and 15.

Number 12: Responsible consumption. By purchasing SBFC, UBC will help protect the habitat of migratory birds while supporting the wellbeing of farmers.

Number 15: Life on land. Buying SBFC supports the wellbeing of migratory birds, who are experiencing severe population decline. Furthermore, UBC will be indirectly supporting the wellbeing of the agroforestry ecosystems, as birds perform important ecological functions.

FINDINGS

Preferred coffee products and cost ranges:

- Around 80% of participants drink coffee.
- 50% of responses indicate that they buy bagged coffee.
 - When considering a single range, most purchase (16%) in the range of 10-12 dollars per bag.
 - Overall, most people (24%) pay less than 10 dollars per bag.
- 82% of responses indicate that they buy prepared coffee, 18% do not.
 - When considering a single range, most people (37%) purchase in the range of 3.50-5.00 dollars per cup (8oz.)
 - Overall, most people (45%) pay less than 3.50 per cup.
 - No one pays more than 5 dollars per cup or less than 1.50 per cup.
- 54% of participants buy their coffee from a coffee shop or roaster.

Certification recognition and awareness

Rainforest alliance:

- 74% recognized this certification.
- 58% recognized and had at least minimal understanding of it.
- 26% did not recognize this certification.

4C:

- 8% recognized this certification and had at least minimal understanding.

- 92% did not recognize this certification.

Fair trade:

- 82% recognized this certification.
- 74% recognized and had at least minimal understanding of it.
- 18% did not recognize it.

Bird friendly:

- 37% recognized this certification.
- 34% recognized and had at least minimal understanding of it.
- 63% did not recognize this certification.

Organic:

- 76% recognized this certification.
- 63% recognized and had at least minimal understanding of it.
- 24% did not recognize this certification.

UTZ:

- 13% recognized this certification.
- 9% recognized and had at least minimal understanding of it.
- 87% did not recognize this certification.

Acceptance of sustainable products

89% of participants place some sort of importance on sustainability certifications when it comes to purchasing coffee. Of those 89%, most people (47%) indicated that it is “moderately important”.

Sustainability priorities

Organic products were least prioritized. Supporting social/economic/environmental wellbeing, supporting forest dependant species and reducing reforestation, and ensuring farmers are paid fairly are the most prioritized.

Factors affecting coffee purchasing decisions

The following factors are listed according to strength of influence:

1. Cost
2. Personal values

3. Quality
4. Ease of access
5. Awareness
6. clarity of certification standards

Demographics

- Most households (63%) make less than 25k/year.
- Majority of respondents are female (74%).
- 87% of respondents are undergrad/high school students.
- Average age of respondents is 21.5 years.

This is a quick look at our main demographics in the completion of our survey. Almost all surveyors were a part of the student body, specifically on the younger end with a median age of 21.5, as well, average household income of less than 25K. Specific indications to take into account with the proceeding of our report and how we aim to confront certain barriers to the consumption of SBFC.

PROPOSED STRATEGIES

Targeting the cost barrier: Setting the price

Based on our data, most people buy coffee at a coffee shop or roaster, so promotion efforts should be focused on prepared coffee. The price of prepared Smithsonian Bird Friendly Coffee (SBFC) should be placed between \$1.50-5. No participant indicated that they pay less than \$1.50 per cup, nor did any participant indicate that they pay more than \$5.00 per cup. When considering a single price range, most participants pay between \$3.50 to \$5.00 per cup, but overall, most participants (45%) pay less than \$3.50 per cup. Based on this information, \$2.50-3.50 may be an optimal range, as it should appeal to around 63% of the UBC community.

Targeting the cost barrier: Incentives and habit formation

According to White et al. (2019), breaking old habits and forming new ones is an important aspect of shifting consumer behaviour. Using incentives, such as discounts or special promotions, is a good way to start new habit formation. Based on this information, we propose using stamp cards to incentivize customers to try SBFC, and to routinely buy it. For example, customers who buy SBFC a set number of times will get a free drink. The effect of this strategy is two fold: there is a cost incentive, which is the free coffee at the end, and it encourages new habit formation. Customers are encouraged to break their old coffee habits and routinely buy SBFC instead to fill up the stamp card.

Targeting the quality barrier:

If the flavour of the coffee is not expected to be well received, we suggest using it in mixed/flavoured coffees (lattes, frappuccinos) such that the taste is not as apparent. However, it is important to consider a scenario where customers prefer the flavour of SBFC over its competitors. In this case, the quality of SBFC is not a barrier, but a factor that promotes more widespread consumption. This could allow SBFC to reach the customers who do not place importance on sustainability certifications.

Targeting personal values:

According to our survey, 90% of participants place at least some importance on sustainability certification when purchasing coffee. Therefore, a significant majority of the UBC community should be open and accepting of making sustainable choices. In terms of sustainability priorities, many placed importance on a balanced approach (supporting social/econ/envr wellbeing), as well as supporting forest dependent species, reducing deforestation, and ensuring farmers are being paid fairly. Fortunately, all these goals are encompassed by SBFC:

- Support forest species and reduces deforestation by growing the coffee within the forest
- SBFC is grown without chemical pesticides or fertilizers, which is better for the farmers' health.
- Maintaining a functioning forest ecosystem helps reduce the effects of climate change, reduce erosion, maintain healthy soil, and maintain water quality, among other benefits.
- The farmers are paid a premium for their crops, providing additional income.
- Other species also benefit from SBFC farms/maintaining the forest, ensuring healthier ecosystems.

Therefore, SBFC should be appealing for many participants. However, 63% of participants are not aware of SBFC. We believe that increased education and advertisement is needed to increase awareness. Additionally, White et al. (2019) states that consumers are more likely to perform pro-environmental behaviours when it is associated with positive feelings. As an example, people are more likely to behave sustainably in response to "cute" appeals. This as well ties into Bayle-Tourtoulou's (2020) point of how consumers respond positively to marketing that provides evidence the product will bring some form of pleasure. Based on this information, we suggest designing and displaying cute informative posters around the UBC community. The cute nature of the posters will attract attention, and will encourage community members to engage in sustainable behaviours (such as buying SBFC). The posters should also include information regarding SBFC, so that the UBC community is aware of SBFC and what it means. The poster should also include locations where SBFC is available.

Incentives (discounts, promotions, stamp cards) should be included on the posters to encourage community members to seek out and try SBFC. Making sure that the SBFC logo is noticeable, so that it then becomes recognizable in future, and builds positive visual connotations in association to the cute imagery.

Additional strategies: prompting + social perception

According to White et al. (2019), prompting encourages sustainable behaviours by reminding consumers of what the pro-environmental action would be. Additionally, consumers are more likely to engage in sustainable behaviours if it would result in a positive response from other people, or when it is the norm/the “right thing to do”.

We believe that these two concepts can be utilized at the same time. As people are ordering their coffee, staff members can prompt the customer to consider buying SBFC (“Would you like to spend an extra 10* cents to support birds and protect their habitat?”). Most people will likely agree to a few cents extra as a result of prompting, and the social aspect (interacting with staff, being under observation by bystanders) would strongly encourage the customer to choose SBFC. Additionally, the staff members can inform customers of SBFC stamp cards, further incentivizing customers to buy SBFC.

Additionally, coffee shops may consider handing out appealing stickers that promote SBFC (perhaps using a mascot or something similar). The customers may display these stickers on their laptops, phone cases, coffee tumblers etc. This would be a way of raising awareness, as well as providing the customer with a way to display their pro-environmental actions, allowing them to make a positive impression on others

*SBFC is usually an extra 5-10 cents per pound. If coffee shops sold SBFC coffee at an extra 10 cents per cup, they would pay off the premium with just one cup sold, and the rest would net them a profit.

Further marketing strategies:

74% of survey respondents were female, therefore our data - though not necessarily gendered - is largely from the perspective of a certain gender. As well, the median age of our responders was 21.5. Therefore, there may be certain elements to our strategies that don't encompass the interests or attention of a much larger demographic of individuals on campus. Bayle-Tourtoulou (2020) notes on age demographics in strategic marketing: “Some brands, such as Converse shoes and the Abercrombie & Fitch chain of shops understand this attraction (adolescent - young adult) and try to respond to it. Adolescents often show an interest in causes and subjects that generate emotions (e.g., social, humanitarian, concerning the future of the planet, sustainable development, fair trade, etc.) and give priority to emotional communication rather than rational information. They like risk,

particularly boys, who undergo significant increases in testosterone levels during this period.” (80) This aligns with our top age median, however, when attempting to stimulate the interest of older age groups, different forms of advertisement strike better. With this information we believe that the key to pushing SBFC awareness and consumption even further would be to apply segmentation to the demographic of UBC coffee consumers and market to those sub-categories accordingly. This, however, would be a step to take following the address of our popular demographic.

Limitations:

Availability of SBFC to consumers on campus is also currently extremely scarce. Allegro brand coffee is the only bagged coffee - available in limited, select stores - that is SBFC. Moreover, Boulevard cafe is the only cafe on campus (to our current knowledge) that has a SBFC option. In order for these consumer strategies to be thoroughly effective, we believe there should be an increase of SBFC coffee options on campus.

CONCLUSION

As we've illustrated in our research, there are various barriers that have been brought to attention - and been addressed - by our survey. Awareness, cost and branding being main areas of concern. However, consumers (especially in the UBC community) can be limited in their buying power, as they can only buy from a selection of goods presented to them. Which is to say, to further inspire SBFC consumption on campus, it is vital to have the product available at a selection of locations for consumers. As it stands, selection is extremely limited. Awareness has great potential to instigate a consumer driven demand, however, we would also like to see a rise in consumption from outside of our sustainability driven demographic. In summary, our strategies of increasing consumption must also be met with an effort on the supply end in order for them to be optimally executed. A solution we propose is that UBC food services changes its coffee suppliers, adopting those that offer an entire SBFC range of beans. Currently, UBC coffee has organic and fair trade suppliers, we might address this with our findings that 'organic' was our lowest rated priority indicated by surveyors. Further illustrating that a shift away from organic only coffee to a more encompassing certification might be supported by a significant amount of the community. A shift to SBFC suppliers by UBC would be a large solution to availability of the product on campus, as well as allow us to use our strategies to target these consumer barriers.

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