



Fourth Wave: Changing the Coffee Consumption Narrative with Integrated Marketing Communications

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“Integration is not a dreamland of endless possibilities with revolutionary marketing results at the end of a rainbow. It’s an ongoing process made up of many discrete but valuable steps, each contributing to the greater cause.” - David Eldrige, Direct Marketing News

“Where does this leave the people of Papua New Guinea who have been branded with these fantastic images?” – Paige West, From Modern Production to Imagined Primitive: the Social World of Coffee from Papua New Guinea

Brand: the Middleman in the Global Coffee Market

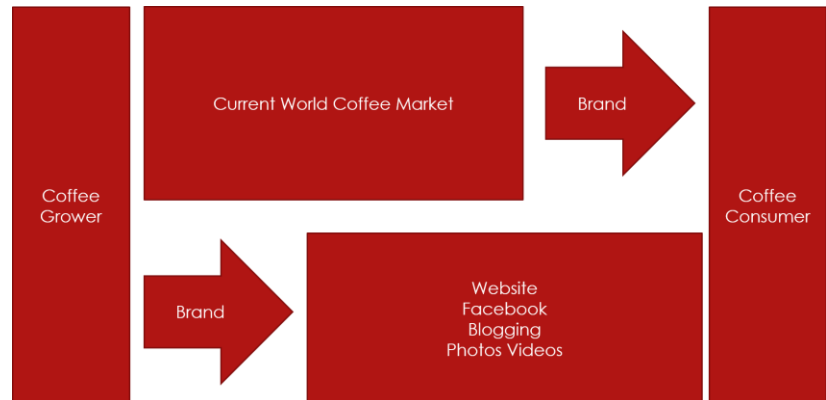
In From Modern Production to Imagined Primitive, Paige West explores the vast gulf between coffee production and consumption. The gulf is geographic, economic and linguistic. Coffee is produced in one nation, shipped to another and consumed in a third. The gap is economic. Coffee production is a labor-intensive process and therefore occurs in developing nations with a low labor cost. Specialty coffee is an



affordable luxury in consumption nations. The gap is linguistic. Coffee is picked by people conversing in one language, transported by those speaking another and facilitates conversation in a third.

Branding stands in this gap. Paige West records how importers and middle men use coffee narratives to sell Papua New Guinean coffee to consumers in the United States. In the coffee industry, the brand symbolizes a narrative that repackages the realities surrounding coffee production in a way that communicates value to consumers. This paper proposes that individual coffee producers can use the internet to build their own narrative, that narrative can be branded and, use integrated marketing communications, shape the coffee consumers' experience. At a minimum, a narrative driven by coffee producers would appeal to the Starbucks, the farmer's market, and third wave coffee consumers. Coffee branded with plantation owners' stories is the next best thing to "locally grown, owned and sourced."

Commoditizing the Producers' Brand



The Emperor Has no Clothes, Long Live the Emperor!

In the Deviant's Advantage, Wacker and Mathews demonstrate how the disjointed, accelerating pace of modern life abolishes contexts. This is true of the global coffee market. The coffee farmer lives in one context and the coffee consumer in another. Brands stand in the gap.

Even if a coffee farmer produces high-quality coffee, without the ability to brand, sell or pitch the value of coffee to global markets, he or she is dependent on others to connect the dots for consumers. Corporations based in consumption nations determine how to package coffee, who to sell it to, where to sell it, and these decisions have a tremendous effect on the perception and value of coffee. The gap between coffee producers and corporations in consumption nations generates odd results.

For example, in Papua New Guinea there are farmers who do not use pesticides or fertilizers because they: (1) cannot afford them, and/or (2) believe or were told that organic coffee is higher quality, and/or (3) do not have the knowledge to use pesticides and fertilizers effectively. Thus for all intents and purposes, they produce organic coffee. And yet, because they are not compliant with USDA organic regulation, their coffee cannot be branded "organic" in the U.S. Farmers could probably settle for the more amorphous adjective "natural," but they lack the sophistication to know that this is (currently) an alternative.

Or consider how this reality leads to farce in modern coffee shops, the Starbucks of the world. You walk in. You look at a coffee bag. The artwork and name suggest the exotic. You ask for more information about the coffee and are regaled with a calculated story. This coffee is a light roast, or a medium roast, or a dark roast. Maybe you order a Tall, Short, Grande, or Latte (or was it Venti?). You are doing more than drinking coffee. You are participating in an intentionally created experience. The Starbucks coffee narrative is a heady brew. But what do you actually know about the coffee you drink?

In the case of the Starbucks brand, you have a feeling about what the brand stands for. You might not be a Starbucks fan, but you know what Starbucks stands for generally. But if you try to discover more about specific coffees at the plantation level, you are stymied by the demands of economies of scale. To produce a quality, consistent product, Starbucks sacrifices

individuality. The potential for individual branding is lost in the demands of economies of scale. Thus individual farmers lack bargaining power in the Starbucks model. To sell to Starbucks, they must certify and maintain Starbucks quality, and because many individual farmers lack the resources to certify, they cannot directly sell to Starbucks. For the same reason, farmers also lack the ability to sell directly to other large scale coffee buyers. They are too small and must explore other avenues.

In contrast, third wave specialty coffee offers an experience where high-quality coffee is overlaid with a single origin roast profile. Starbucks is entering this market with the Starbucks Reserve, but as of 2015, Starbucks Reserve does not generally brand at the individual farmer level. Within the third wave, there is a group with a penchant for light roasts. This further highlights the unique taste of single origin coffee and reinforces individuality. Often, third wave offerings are overlaid with a coffee narrative. This could be as simple as including the name of a single origin plantation, or as complex as creating a website, blog, and Facebook page complete with photos and videos. Individual coffee narratives are common. If Starbucks, as some believe, has sacrificed the individuality of the small-hold farmer and a commitment to artisan coffee in its search for mass markets, is the third wave the answer? Unfortunately, in a world without contexts, you discover that we have forgotten what the problem is.

If the problem is simply creating a compelling brand, the third wave, Starbucks and others are answering the call. But if the problem is a lack of “sustainability,” “economic development,” “social responsibility,” etc. at the plantation level, the current third wave is too small to make a lasting effect. Even as the third wave borrows from the language of coffee sustainability and criticizes the “big players,” it perpetuates a market that exacerbates the effect of increased quality demands in the coffee supply chain.

A few months ago, I ordered a French press of Papua New Guinean coffee in a local third wave coffee shop. I paid seven dollars. It was a light roast. I asked the barista if it was possible to get darker roasts. I was told that the owner “doesn’t like dark roasts because roasting darker destroys the nuances in flavor.” I asked if the coffee shop owner was a roaster. I was told, “No, he is not.” Then I asked about the coffee I was drinking and was regaled with an origin narrative. “It’s from the highlands of exotic Papua New Guinea from X plantation. We roast it light. Look at this cool taste profile. They pay fair wages. You can taste all the nuances in flavor” (Look at the pretty glass beads . . .). I thanked the barista and walked out.

Sound great? Unique coffee, sustainably sourced from the highlands of Papua New Guinea, makes you feel good drinking it. It was almost enough to convince me that I liked the coffee. This story represents the result of an individual plantation narrative controlled by a consumer corporation.

Here is another context. In Papua New Guinea, coffee from the highlands is shipped out of the city of Lae. From Lae, to physically reach the source of the coffee that created my aesthetic experience, you need to drive past hundreds of plantations. They were all passed over, so one relationship could be created with one plantation. Most likely, the coffee buyer never made that drive. It is more convenient to fly directly into Mt. Hagen. It is just like driving past the shady sections of town on the freeway on the way to work every day. The next time I wanted coffee, I went to McDonalds and got a medium roast for which I paid less than two dollars.

In sum, Starbucks is too big to reach the farmers in Papua New Guinea because the farmers have not been able to produce quality coffee on a scale that fits into Starbucks’ economies of scale business model. But the third wave picks and chooses individual farmers based on elevated quality demands (high wages, quality beans etc.) and in this process must ignore many other farmers. Starbucks is too big, and the current third wave is too small.

Bootstrapping Plantation Owners into the Global Coffee Market: Using Integrated Marketing Communication to Brand Individual Coffee Farmers with Their Individual Narratives

A corporation with logistics and coffee quality control competence can help small hold coffee farmers enter the global coffee market by giving them the tools to build their own brand narratives and then managing these brands in consumer markets. There are five components to this strategy. First, create a curriculum that teaches plantation owners to tell their story on the internet. Second, identify plantations that produce quality coffee and are capable of using internet tools to brand their coffee. Third, develop the logistics and quality control capacity of a third wave coffee company. Fourth, develop an online experience that collates individual brands into a cohesive whole. Fifth, build a distribution supply chain that funnels coffee consumers to the plantation narratives created by farmers on the internet.

Creating a Curriculum that Teaches Plantation Owners to Tell Their Story on the Internet

First, a curriculum should be developed that would teach small United States business owners about internet marketing. Then that material should be presented to someone who has worked for years in education within the coffee producing nation. Individuals with cross-cultural communication experience, excellent writing ability, English skills and an educational background should be identified within each country. These individuals will be tasked with taking the curriculum material and adjusting it to connect to plantation business owners.

Identify Plantations that Produce Quality Coffee and are Capable of Using Internet Tools to Brand their Coffee

At a minimum, each plantation business will need an internet connection, a basic understanding of internet marketing and access to continuing education. Each plantation business will need to produce content that appeals to their consumer audience. Content might feature the coffee production process, employees, the families of the plantation, community development, and consumer stories. This content will build the narrative behind the plantation business' brand.

Develop the Logistics and Quality Control Capacity of a Third Wave Coffee Importing Company

The following capacities are required: Quality Control, Logistics, and International Regulatory Compliance. These capacities can be brought in either by purchasing a specialty coffee importing company or through a contract with a specialty coffee importing company.

Develop an Online User Experience that Collates Individual Brands into a Cohesive Whole

This is the unique part of the business plan. Essentially, this website would be like a Facebook or Pinterest for consumers that want to discover the narratives behind an individual coffee brand. User experience is key. While Facebook could serve as a prototype, ultimately a custom interface will be required. The platform will need to seamlessly and intuitively connect consumers to the plantation business owners' narratives.

Develop a Distribution Network and Customer Experience that Directs Consumers to the Online Narratives Driven by Plantation Owners

In the context of coffee, consumers want to know more about coffee narratives. Individual plantation stories will create brand equity around individual single origin coffees within the developing third wave coffee market.

First, distribution channels that appeal to appropriate consumers will be identified. These include online, farmer's markets and third wave coffee shops. Coffee will be offered online

through a distribution network like Amazon Marketplace. It will be roasted and delivered fresh. Coffee will also be offered at farmer's markets and other venues that appeal to individuals interested in knowing where their food comes from. Finally, the coffee will be offered to third wave coffee shops.

Within these channels, packaging and informational brochures will direct consumers to online website portals. Packaging will include indicators that direct consumers to the online platform. The packaging will feature the unique trademark symbol and trademark name of the plantation where the coffee originated. Informational brochures with specific information about a given plantation's coffee will accompany each 60 kg bag of coffee from that plantation. After they reach the website, consumers will be presented with a variety of options that reinforce the "farmer direct" individual brands. At a minimum, this content will constitute traditional internet marketing material: blogs, pictures, videos etc.

As the capacities of the corporation and the plantation business owners develops, alternatives to connect consumers and plantation owners can be explored. For example, coffee mugs could be sold on the website for each individual brand. Consumers would be encouraged to collect all of the coffee mugs from a particular region. Consumers could also have the option of downloading an application that tracks how many plantations' coffees they have sampled and rewards them when they hit milestones. Consumers could also download other applications that present the coffee growing experience as an educational game experience. The internet platform will be leveraged to encourage consumers to interact directly with the producers of the coffee they drink every day.

Concluding Thoughts

An essential component of success is to determine how trademark ownership is structured. Each plantation business will need to choose a symbol and a word as their brand, which will be trademarked. To appeal to consumer markets, both should be drawn from local cultural heritage. Ownership of brands at the start of corporate development should be structured to promote long-term stability.

The company should use the first five years to focus on filing the market space within a specific country and perfecting a market entry strategy. This will make it more difficult for competitors and exigencies to disrupt the supply chain. Once the method is prototyped in a single supply nation, iterations of the strategy can be implemented in other coffee producing nations. Ultimately, the consumption market for high-end specialty coffee will be limited by either supply of willing and able plantation businesses or consumer demand.

This proposal constitutes an intermediate innovation because it disrupts an industry and creates a parallel mode of coffee consumption where the locus of branding originates with plantation businesses instead of consumer corporations. As such, corporate management should be prepared to respond quickly to unforeseen challenges and the corporate structure must remain flexible.

Once the company stabilizes, individual brands will represent the company's biggest managed asset. The brands, followed by the website, will be the company's primary assets. Once the corporation stabilizes, it can evaluate the feasibility of offering consulting services to the plantation businesses. This could include feasibility of USDA organic certification, Rainforest Alliance certification and provide ongoing legal and business support. Finally, once the corporation stabilizes, it can evaluate the feasibility of entry into other global markets or acquisition by another global player.

This opportunity exists because internet access and use are still developing in nations with plantation businesses and the coffee consumption market is demanding increased accountability and individual coffee narratives. A company that can get in front of these two trends has the potential to capture a significant piece of the specialty high-end coffee market. Changing the locus of branding in the coffee market has the potential to change the way people drink coffee.

About the Author

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