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Research Proposal Rough Draft

## **Introduction**

Over the course of the semester, we've read multiple articles about coffee culture regarding the consumer side of the market. For example, Roseberry's article about how companies began to push toward third-wave coffee and described how the market reacted, and Oldenburg's article about the importance of cafe's being a third-place to many people. But before pushing marketing efforts forwards, they had produced legitimate coffee that would be able to back up their words. We have greatly overlooked the production of coffee and how different countries' coffee, different landscapes, and different companies sourcing from the same countries affect the price of coffee and the marketability of coffee in America. Ethiopia will be the focus of the research in this paper and more specifically, Ethiopian coffee from Sey Coffee in order to lessen the scope of a very broad issue. Though just researching one company doesn't capture the whole picture of coffee production, it is a starting point to finding the true value of coffee from a global perspective in order to realize how coffee culture has completely consumed the American market and understand the increasing prices of coffee.

## **Background Information Questions**

Coffee culture begins in America, but the phenomenon is only possible with the coffee beans that are sourced from places all over the world and it is widely known that the birthplace of coffee is in Ethiopia. Coffee farming in Ethiopia is one of the main sources of income for their economy, so depending on how well the coffee market is doing has indications of the standard of living of the Ethiopian people (Siemienski). Since the economy of a country relies greatly on such a commodity, there are obviously going to be efforts to maximize profits that come at the expense of the consumer. Ethiopia is not the only example of this. In El Salvador, farmers try to use unique farming methods to create a niche in the market that they can take advantage of and

set the price(Sanneh). At first, the American society was not very receptive to coffee as it was a declining market, but with the marketing tactics of several large organizations, the coffee market was resurrected and began to thrive as it is today(Roseberry). Coffee culture today surrounds us and it seems like we'll never be able to escape from it. From home coffee machines to machines in the workplace to make you more productive, coffee has been marketed and is now accepted as the solution to productivity(D'Costa). Taking advantage of the productivity mentality that has been fed to society, more and more coffee shops pop up to be a third place for people to share and express their thoughts and knowledge to others in order to gain a greater understanding of the world(Oldenburg). Now at every intersection in every major city and inside every airport, coffee shops are sprawling, capitalizing on the coffee culture that has taken over American society(Tucker). With more coffee shops opening up every year, that means that there must still be space in the coffee market for profit to be made. For something so simple as coffee, people are willing to pay premium prices for coffee that would surprise many, and even more, is that the price of coffee is increasing as well.

I seek to answer the question of whether or not the increases in coffee prices in recent years are justified. If they are justified, I was to answer the question of why the increase in price is justified as well and if people are more receptive to the prices due to the rise of coffee culture.

### **Importance of Research**

As the coffee culture grows in America, more and more people will begin to fall into the habit of buying coffee every day from the same shop without considering the effect that it has on their finances. A recent study was conducted that men and women in the United States spend an average of about 2000\$ on coffee each year (Rosenfeld). To some, this cost may seem like a necessity and worthwhile use of their money, but when we realize that this necessity was pushed by the marketing tactics of large coffee companies as well as third-wave coffee shops, the gravity of the issue becomes more apparent. The cost to brew a standard cup of coffee at home would cost around 50 cents, while these coffee shops and cafes are able to charge up to

ten times and even more sometimes without the customer even questioning the price. While few, there are still people who truly care about where their coffee comes from and why their coffee is a certain price. Companies, such as Sey Coffee, recognize this fact and will publish the cost of kilograms of coffee beans from the farm and the cost of transportation of the coffee from the region of origin to the American market. With this information, I'll be able to take a deeper look into the expenses of producing coffee to see if the increase in prices of coffee in recent years is truly justified or if these companies are taking advantage of the rise of coffee culture.

### **Solutions**

Most of the research that I will do for this research paper will be from sources on the internet. I will be able to use both peer-reviewed articles and non-peer-reviewed articles to make my findings. Specific topics that I will look into would be the production process of coffee and also looking into specific coffee manufacturers. By researching the production process of coffee, I'll be able to gain a deep understanding of where and how companies in America source their coffee beans. Because the process of producing coffee differs among different companies, I will research the cost breakdown of Sey Coffee's beans from Ethiopia. They provide a detailed breakdown on their website. Coupling the information from their website with the information gained from broad research on coffee production that I'm conducting, I'll be able to understand if the price of their coffee is truly justified.

Furthermore, to see how the market in America reacts to the price of coffee, I plan to release a survey. This survey seeks to understand what people value in coffee and what specific qualities about the coffee they think would justify an increase in coffee price. Some specific qualities that would be included in the survey would include texture/taste, roast, environment, and brand. Each quality would be put on a scale from 0-5 depending on how much people value each quality. The same qualities and scale would also be used to determine what qualities people think would justify the increase in the price of coffee. In addition to the surveys that I would

conduct myself, I will also research online to find surveys and articles about what qualities of coffee people value the most and what qualities they think would justify price increases.

## Annotations

1. Rosenfeld, Jordan. "Here's How Much Americans Are Spending on Coffee – and Smarter Ways to Use That Money Instead." *Yahoo!*, Yahoo!,  
[https://www.yahoo.com/video/much-americans-spending-coffee-smarter-181719981.html?guccounter=1&guce\\_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLnNvbS8&guce\\_referrer\\_sig=AQAAAF8bR4\\_JrKeHFOO9qKH6oxpExlYgkM2NF-q7PKvsFE\\_1zLZs6nmoY-o7UNjB\\_\\_\\_fFsxmdGWIS5S9Sz1Mqmt7dFeEHhNnmR8FwMFtrqsBnBp5SPljJwTWelZ5bqpyBV\\_1-m8PBIL5p-GWEW\\_clqqXAicWani7wvy5vFHLLkPBgov#:~:text=While%20all%20genders%20enjoy%20their,less%20C%20at%20%241%20C934%20per%20year.](https://www.yahoo.com/video/much-americans-spending-coffee-smarter-181719981.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLnNvbS8&guce_referrer_sig=AQAAAF8bR4_JrKeHFOO9qKH6oxpExlYgkM2NF-q7PKvsFE_1zLZs6nmoY-o7UNjB___fFsxmdGWIS5S9Sz1Mqmt7dFeEHhNnmR8FwMFtrqsBnBp5SPljJwTWelZ5bqpyBV_1-m8PBIL5p-GWEW_clqqXAicWani7wvy5vFHLLkPBgov#:~:text=While%20all%20genders%20enjoy%20their,less%20C%20at%20%241%20C934%20per%20year.)
2. D'Costa, Krystal. "The Culture of Coffee Drinkers." *Scientific American*, 2012,  
<https://blogs.scientificamerican.com/anthropology-in-practice/the-culture-of-coffee-drinkers/>.
3. Oldenburg, Ray. "The Cafe as a Third Place." *Cafe Society*, Palgrave MacMillan, 2013.
4. Roseberry, William. "The Rise of Yuppie Coffees and the Reimagination of Class in the United States." *American Anthropologist, New Series*, vol. 98, no. 4, Dec. 1996, pp. 762–75.
5. Sanneh, Kelefa, et al. "Sacred Grounds: Coffee-Farming in El Salvador." *The New Yorker*, 14 Nov. 2011, <https://www.newyorker.com/magazine/2011/11/21/sacred-grounds>.  
This article gives anecdotal evidence about the conditions and methods that coffee farms operate
6. Siemieniowski, Zbigniew. "Impact of the Coffee Boom on Ethiopia." *Middle East Journal*, Vol. 9, no. 1, 1955, pp. 67–75. This article refers to a coffee boom in Ethiopia and how it affected the production. If this boom is related to coffee culture in America then this article could be very insightful.

7. Tucker, Catherine. "Culture Caffeine, and Coffee Shops." *Coffee Culture: Local Culture, Global Connections*, Taylor and Francis Group, 2010, pp. 3–10.
8. Tollera, M. T. "Ethiopia's Coffee-Growing Areas May Be Headed for the Hills." *Eos*, 18 Oct. 2021,  
<https://eos.org/articles/ethiopias-coffee-growing-areas-may-be-headed-for-the-hills>. This article talks about the effects of climate change on coffee and why coffee farmers in Ethiopia may have to move their crops uphill. This relates to my research because moving the crops may cause for an increase in price.