



# The Making of a Trustworthy Brand

## A Strategic Brand Analysis of The Coffee Collective During Growth Times

Master's Thesis, Cand.merc. Strategic Market Creation  
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### **Foreword:**

Thank you Peter Dupont and Klaus Thomsen for trusting me, and taking a risk by helping a complete stranger write his Master's Thesis. Also, this paper would not have been possible without the loving support of my fiancé, Sandra. Thank you for providing me with dinner, sugar and coffee when I needed it the most. I love you.

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# Abstract

The purpose of this Master's Thesis is to explore the topic of brand trust, and the effect trust has on the bottom line of brands. The paper points out how brands need to go from merely being trusted to being worthy of the trust extended to them by their consumers, and what brands can do to achieve that. The paper argues that brands need to make defined core values their orientation for their actions, and highlights the importance of brands being able to deliver on their promises, having altruistic motives, and wanting what is in the best interest of their consumers, while acting on their beliefs.

The exploration of brand trust centers on the specialty coffee company, The Coffee Collective, which owns three coffee shops in Copenhagen. The aim is to find out how The Coffee Collective can increase brand trust and thereby create more long-term customer relationships as they grow. In order to assess brand trust of The Coffee Collective, the Brand Trust Diagram and VCI Alignment Model are used to evaluate the brand based on 12 semi-structured interviews and a questionnaire with 218 completes. Overall, The Coffee Collective has a strong corporate brand, and their guests trust them to a very high degree. However, it is discovered that baristas generally do not feel that their craft is being honored, and compared to the emphasis the leadership puts on what they call the cornerstone of the company, namely Direct Trade, it is far from universally known by their guests. This is considered to be due to the company being in a state of authenticity paralysis.

According to primary data collected, as coffee companies grow, consumers trust them less. This issue is essential to address as The Coffee Collective is currently experiencing immense growth. It is concluded that it is possible for The Coffee Collective to implement three things that will increase competence, intention and authenticity, and the perception of them, while at the same time aligning the brand through the VCI Alignment model. It is suggested that they 1) create, and brand, a leadership academy for the baristas to increase long-term skills while making the skills measurable for their guests, 2) publish a magazine that focuses on the specialty coffee industry rather on themselves, and 3) act like a movement and invite their guests on the journey with them, helping their guests to make difference.

The Coffee Collective is considered to be a part of a wave of companies acting on the personal values of the founders like TOMS Shoes, Ben & Jerry's and Patagonia, and inspiring their customers to make the world a better place together with them. Ultimately, consumers pay attention when brands stop solely talking about themselves and begin glorifying a "higher purpose," and inspire the people they reach to make a difference and become part of a movement.

# Glossary

**Trust:** *"The mutual confidence that no party to an exchange will exploit another's vulnerability"* (Barney & Hansen, 1994, p. 176) .

**Brand trust:** *"The feeling of security held by the consumer in his/her interactions with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interest and welfare of the consumer"* (Delgado-Ballester, 2003, p. 11).

**Trustworthiness:** *"Deserving of trust or confidence; dependable; reliable"* (Dictionary.com)

**Competence:** The extent to which the "trustor" (consumer) believes that the trusted is able to carry out his or her promises (Delgado-Ballester, 2003).

**Intentionality:** The extent to which the partner is genuinely interested in the "trustor's" (consumer) welfare and interests (Delgado-Ballester, 2003).

**Authenticity:** The extent to which brands make defined core values their orientation for business actions and practices, and intentionally acting on them (Eggers et al., 2013).

**Authenticity Paralysis:** A state where brands are afraid that initiatives will be perceived as fake or inauthentic, resulting in harming the brand's ability to move forward and try new things.

# Chapter 1

## Introduction

The purpose of this chapter is to introduce the foundation of this Master's Thesis through a brief introduction of the topic, an overview of the problem formulation along with its five sub questions, a description of the delimitations in order to further define the scope of the paper, and lastly this chapter will include some brief thoughts on the academic relevance of the Master's Thesis.

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This Master's Thesis seeks to explore how brands can create long-term relationships with customers in today's economy with information overflow, and with consumers looking for brands to connect with on a deeper level. The main ingredient in building strong bonds with consumers is *trust* (Hiscock, 2001), and in the field of brand management, it has for years been assumed that when brands implement loyalty programs and treat people (consumers and employees) well, relationships will be formed between brand and consumer. However, the importance of first building trust has been somewhat taken for granted (although not completely as evidenced by the literature review). Thus, the purpose of this Master's Thesis is to explore the field of brand trust, within brand management, and how it is possible for companies to increase brand trust, with the ultimate goal of forming strong bonds with their consumers.

It was discovered through the literature review that the main drivers of brand trust are 1) competence, 2) intentionality, and 3) authenticity. Competence is the main driver of brand trust, and encompasses to which degree brands are able to deliver on the promises they make to stakeholders in terms of products or services. Intentionality is the degree to which the brand has altruistic motives and has the welfare and interest of consumers in mind. Lastly, authenticity has to do with whether or not a brand acts in accordance with its core values, and does what it says it will. These three main drivers of brand trust have together formed The Brand Trust Diagram (Figure #4).

In order to provide context to the exploration of the idea of brand trust, one of the most respected coffee companies in Copenhagen (and the world) was chosen as the case company of this Master's

Thesis, namely The Coffee Collective. The Coffee Collective, born in 2007, is a specialty coffee micro roastery. They own three coffee shops in Copenhagen, and sell high quality specialty beans at their coffee shops and through their webshop. The company experienced a massive net profit growth rate of 86.7 percent from 2014 to 2015, and is expected to grow further in 2016/2017. Also, since the company has a strong social mission of seeing the farmers who grow their beans being paid a financially sustainable wage, which will secure the future of high quality coffee, it is very much in their interest to grow, because as the company grows, they further fulfill their vision.

The chosen case company added another dimension to the idea of brand trust: what happens to trust as companies grow, and what can companies do to maintain a level of trust that creates long-term bonds with consumers? This is an incredibly interesting challenge, since The Coffee Collective is known for their expertise in coffee and their values of respect and how well they treat guests. Since competence and intentionality are two of the main drivers of trust, the analysis is very relevant to the company.

Along with The Brand Trust Diagram (Figure #4), the VCI Alignment Model (Figure #6) will be used as the main framework to analyze the company's corporate brand, analyzing the strategic vision, organizational culture, and stakeholder image, in order to create an authentic brand for The Coffee Collective. One of the main areas in this Master's Thesis is the idea of the importance of a social mission when creating trustworthy brands. This is the reason The Coffee Collective is a great example of trustworthy brands, as they have a somewhat clear social mission incorporated into their mission statement.

The Master's Thesis concludes with suggestions as to how The Coffee Collective can increase their brand trust, and with thoughts about where the field of brand management is heading in the future. However, before arriving at the analysis and suggestions, it is necessary to first create a problem formulation.



## **1.1 Problem Formulation**

Because brands are increasingly looking for ways to create meaningful relationships with consumers, this is what this Master's Thesis will focus on: how to create strong brand-consumer relationships based on trust at The Coffee Collective. The problem formulation therefore is as follows:

**“How can The Coffee Collective increase their brand trust by further aligning its strategic vision, organizational culture and stakeholder image in order to create a trustworthy brand and thereby build stronger long-term customer relationships?”**

Although this problem formulation is the core challenge that this Master's Thesis aims to solve, it does not fully capture the depth of the paper. In order to support the problem formulation and to answer it thoroughly, the following sub questions have been chosen:

- SQ1: How has branding evolved over the past five decades, and what role has trust played in the process?
- SQ2: What is brand trust, and is there significant evidence showing that being trustworthy as a brand is strategically and financially wise in today's economy?
- SQ3: How well is the Coffee Collective brand aligned, and how can the brand be further aligned, taking its strategic vision, organizational culture, and stakeholder image into consideration?
- SQ4: What are the specific steps The Coffee Collective can take to increase brand trust, in order to strengthen the bond between brand and consumers?
- SQ5: What are the future trends in terms of honesty, authenticity, and identity, and can the Coffee Collective further benefit from these expected trends?

These sub questions have been chosen to make the case for increasing brand trust, taking the past, present and future into consideration. The present is shaped by the past, and the future takes point of departure in the present. In order to make strategically sound suggestions, the advisor simply needs a firm grasp of the realities surrounding the challenge, which is what these sub questions will ensure.

Furthermore, in order to define the scope further, the next step is introducing the delimitations of the Master's Thesis. Delimitations help narrow down the possible solutions by restricting in which areas of business the solutions can be found. They also make sure that chapters such as the literature review and the empirical findings do not go in useless directions.

## **1.2 Delimitations**

This Master's Thesis will contribute to academia within the field of brand management, where there are almost no boundaries as to what constitutes a brand touch point. This Master's Thesis will take a B2C approach, and will not focus on how brand trust can be improved throughout the supply chain, although this could be interesting for further research. Instead, the focus will be on how to improve brand alignment in the strategic vision, the organizational culture, and the stakeholder image on the Danish market only. Although the topic of this Master's Thesis is brand trust, and how to increase it, brand trust will not actually be measured numerically, but the Master's Thesis will result in suggestions as to how the brand can move closer to the brand trust sweet spot, thus giving the brand optimal conditions for trust to flourish. Stakeholders are in this thesis limited to consumers and members of brand communities, although I am very well aware that stakeholders in today's brand management paradigm includes everyone who has a stake in the company's supply chain ranging from farmers to the landlords. A clear emphasis will be put on guests who visit the physical coffee shops rather than online shoppers of whole beans, since the vast majority of sales happen at the physical stores. However, this does not suggest that the recommended initiatives will not influence this target group. The thesis will also exclude any macro-economic analyses such as the PESTEL framework or Porter's Five Forces, although macro-economic forces will be mentioned to a certain extent, the Master's Thesis will focus mostly on the consumer psychology instead.

## **1.3 Academic relevance**

The purpose of this Master's Thesis is to explore the importance of trust in brand management and how being an authentic, capable, and benevolent organization can nurture long-term brand to customer relationships. The main contribution to academia is that this Master's Thesis puts *trust* at the center of brand management rather than brand loyalty or other brand management key performance indicators (KPIs). The discussions are in general are specifically relevant to today's economic challenges where consumers are being bombarded with advertisements and loyalty programs, but where few companies manage to create meaningful long-term relationships. The data collected is mostly relevant for The Coffee Collective, as this Master's Thesis will help them move their brand forward by gaining new knowledge about guests and non-guests. In general, this Master's Thesis is very timely, and dives into the current problems of branding and leadership in a fast-paced world.

Having arrived at a problem formulation with a specific set of sub-questions that outline the scope of this Master's Thesis, it is now possible and necessary to create a rational research structure that allows the researcher to work through those questions.

# Chapter 2

## Methodology

This chapter introduces the research strategy and design, and highlights the structure of this thesis along with methodological considerations such as epistemology, ontology, methods and the application of the collected data. Concluding this chapter the chosen methods and strategies will be critiqued to make sure that the reader gets a fair understanding and insight in the collected data. This chapter sets the foundation for the literature review and the empirical findings.

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In order to get an overview of how this thesis is structured, an illustration of the structure has been created. This will aid the reader in getting a better sense of the common thread of the thesis, and in which chapters the sub-questions are answered. As depicted below, this methodological chapter, along with the problem formulation, sets the academic course for the rest of the paper, by laying a solid foundation of trustworthy research.

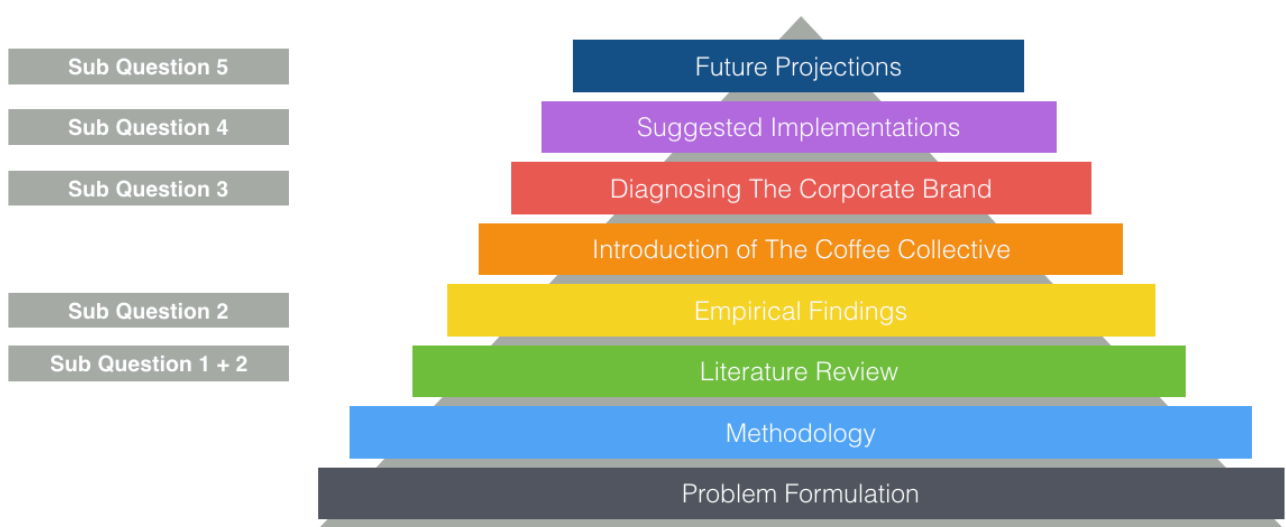


Figure #1: Structure of Master's Thesis (source: own construction).

## **2.1 Research philosophy & methodological approach**

This Master's Thesis is concerned with social research, which is conducted *"because there is an aspect of our understanding of what goes on in society that is to some extent unresolved"* (Bryman, 2012, p. 4-5). Thus, the reason for doing social research for this Master's Thesis is to resolve aspects of understanding in consumer behavior that are still unresolved in a specific demographic.

Ragin (2011) identifies seven main goals of social research, namely 1) identifying general patterns and relationships, 2) testing and refining theories, 3) making predictions, 4) interpreting culturally or historically significant phenomena, 5) exploring diversity, 6) giving voice [to a marginalized group], and 7) advancing new theories (p. 35). No single goal dominates social research today (Ragin, 2011) which makes social research quite diverse and exciting. Because there are many different goals a Masters' thesis like this could aim to achieve, it is necessary to clearly outline what the goals are before structuring a research design. The goal of the research conducted in this Master's Thesis is to:

- (1) Identify consumer preferences and attitudes in the coffee industry (Ragin's goal #1).
- (2) Identify patterns inside The Coffee Collective in order to analyze the strategic vision and organizational culture (Ragin's goal #1).
- (3) Make predictions as to how consumers will act in the future in regards to brand trust (Ragin's goal #3).
- (4) Discover how consumers perceive growth in companies in the coffee industry (Ragin's goal #7).

Taking these goals into consideration, we now have a starting point for understanding research philosophy and approaches to theory development. In social research it is important to understand that there is a relationship between theory and research. According to Bryman (2012, p. 21) theories are defined by *"explanations of observed regularities."* It is essential that there is a clear process in how data and observation is turned into knowledge and theory, and the other way around. If there is no coherent structure to the process, theory and data and observation may prove useless in generating any academically sound conclusions.

This research structure is illustrated well by Saunders' et al. (2016, p. 124) "research onion," which shows the different layers of research, beginning with research philosophy and ending with specific techniques and procedures. In the following section the "research onion" will be used to add structure to the theoretical thoughts that are necessary in a research process. The following section will work

through 1) research philosophy, 2) approach to theory development, 3) methodological choices, 4) strategy, 5) time horizon, and 6) techniques and procedures.

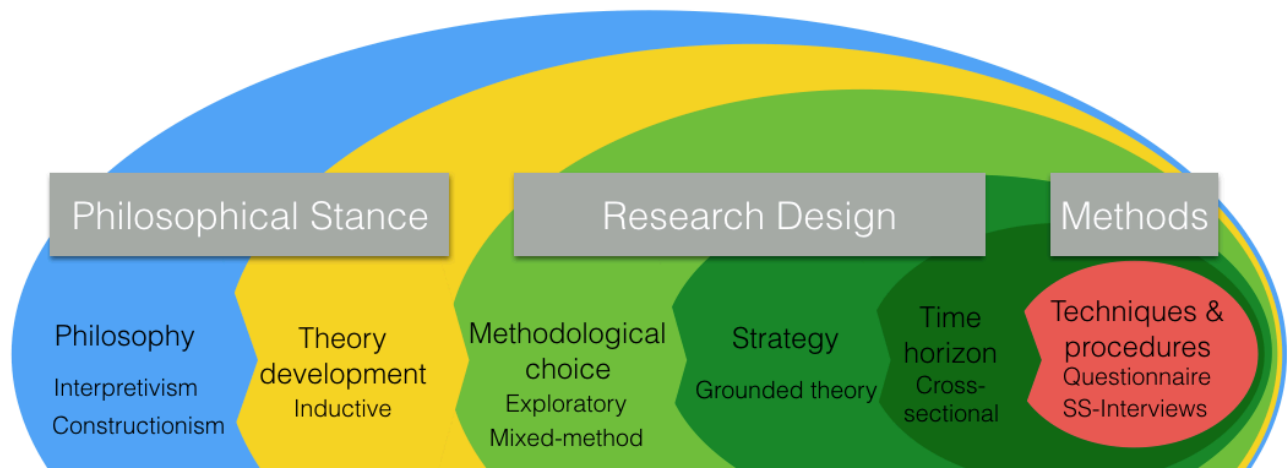


Figure #2: The Research Onion for this Master's Thesis, adapted from Saunders, Lewis and Thornhill, 2015.

## **2.2 Philosophy**

According to Saunders et al. (2016, p. 124) research philosophy refers to a *“system of beliefs and assumptions about the development of knowledge.”* In other words, it has to do with how the researcher thinks about the development of knowledge. There are two major philosophical assumptions in social research, namely 1) epistemology, and 2) ontology.

### **2.2.1 Epistemology**

Epistemology refers to *“the question of what is (or should be) regarded as acceptable knowledge in a discipline”* (Saunders, 2016, p. 124) and whether the *“social world can and should be studied according to the same principles, procedures and ethos as the natural sciences”* (Bryman, 2012, p. 27). There are two major epistemological views a researcher can take, that of positivism and that of interpretivism.

Interpretivism is quite the contrast to positivism, which says that only phenomena confirmed by senses can genuinely be warranted as knowledge. The most commonly held view for researchers who take the interpretivistic position is that people and institutions are *“fundamentally different from that of natural sciences”* and that the social world requires a logic that *“reflects the distinctiveness of humans against the natural order”* (Bryman, 2012, p. 28). Weber (1966, p. 88) describes sociology as *“science which attempts the interpretive understanding of social action in order to arrive at a causal explanation of its cause and effects”* and in this definition he captures the heart of interpretivism: the effort to explain *and* understand human behavior. This thesis will take the position of interpretivism due to its

goal of understanding how consumers perceive The Coffee Collective, and how the employees of the organization perceive themselves. The position that there is an objective social truth will not be taken, hence the interpretivism position is chosen.

### **2.2.2 Ontology**

Ontology is another philosophical stance that one must consider when doing social research. Ontology is concerned with nature of social entities, or as Saunders et al. (2016) put it; *assumptions* about the nature of reality. According to Bryman (2012, p. 32), the central point of ontology is the question of *“whether social entities can and should be considered objective entities that have a reality external to social actors, or whether they can and should be considered social constructions built up from the perceptions and actions of social actors.”* To answer this question there are two main positions, or assumptions, a researcher can take, that of objectivism, and that of constructionism.

Objectivism assumes that reality is an objective truth, created independently from human interpretation, where humans are rational entities and fit into the existing culture, rather than being contributors to it. Constructionism is the opposite of objectivism, and it takes the position that *“social phenomena and their meanings are continually being accomplished by social actors”* and that social phenomena and categories *“are not only produced through social interaction but that they are in a constant state of revision”* (Bryman, 2012, p. 32). According to Bryman (2012), the term now also includes the researcher’s own account of the social world as constructions, meaning that the researcher’s view of the social reality also shapes it, making the social reality indefinite.

This thesis will take the position of constructionism as the paper will focus its attention on what The Coffee Collective can do to be, and be perceived as, more trustworthy. The position that perception is reality will be taken, meaning that a brand is not trustworthy if a human being does not think so. Thus an objectivist position cannot be taken.

## **2.3 Theory development**

Now that the philosophical standpoint has been established through epistemological and ontological considerations, it is necessary to decide which reasoning approach to take, as this will further define the relationship between theory and research. Research needs a relationship with theory, and there are three main reasoning approaches a researcher can take that create that relationship, namely 1) deduction, 2) induction, and 3) abduction, which will briefly be covered next.

Deductive theory is the process where a researcher *“deduces a hypothesis (or hypotheses) that must then be subjected to empirical scrutiny”* (Bryman, 2012, p. 24). In other words, a theory-based hypothesis is tested and data is collected in order to accept or reject the hypothesis, with the ultimate goal of producing new theory. Induction is different, and with an inductive stance *“theory is the outcome of research”* and *“the process of induction involves drawing generalizable inferences out of observation”* (Bryman, 2012, p. 26). In short, induction is about inducing findings into theory, and is well suited for exploring new fields and ideas where there is no predetermined hypothesis to accept or reject.

The overall approach to theory development in this Master's Thesis is induction, as it aims to extract theory from observation and findings. Generally, this Master's Thesis takes an inductive approach, but since the research process contains few deductive parts, it is slightly abductive since it is impossible to detach completely from frameworks and models learned at Copenhagen Business School. Taking point of departure in known theory makes research somewhat deductive, but the process implemented in this research is undeniably on the inductive side of theoretical development. Also, iteration in the research process will be taken advantage of, as this will help strengthen the research questions as new is uncovered. The inductive approach is illustrated in Figure #3.

The following three layers are referred to as the research design. According to Saunders et al. (2016, p. 164) the research design is *“the general plan of how you will go about answering your research question.”* The research design is related to the three layers of the research onion called 1) methodological choice, 2) strategy, and 3) time horizon.

## **2.4 Methodological choice**

In making the methodological decision it is important to consider the purpose of the research. The purpose of the research refers back to the problem formulation where the most important question is: how does The Coffee Collective *“create a trustworthy brand and thereby build stronger long-term customer relationships?”* Thus, the overall purpose of the research is to explore what a trustworthy brand is, and how consumers and employees perceive The Coffee Collective in order to tailor-make suggestions as to how to move forward.

Taking the purpose of the research into consideration, the chosen type of research will be one of exploratory nature. An exploratory study is a good tool because it is flexible and adaptable to change, but the researcher *“must be willing to change direction as a result of new data”* (Saunders et al., 2016, p.

175). The exploratory approach is an appropriate tool for clarifying an understanding of an issue, problem or phenomenon, where the research begins with a *“broad focus which becomes narrower as the research progresses”* (Saunders et al., 2016, p. 175). This means that the research process has potential to get “messy,” which means the researcher will research the subject with an open mind, which is exactly the way that the data in this Master’s Thesis was collected. This is illustrated in Figure #3, where the problem formulation was reiterated many times and only finished when most data had been gathered. As Saunders et al. (2016) suggested, in-depth interviews are a useful way to explore subjects, and the specific details of the mixed method approach, taken in this thesis, will be discussed in later sections.

## **2.5 Strategy**

Bryman (2012, p. 35) describes research strategy as the *“general orientation to the conduct of social research”* and there are many research strategies. Saunders et al. (2016) point out seven research strategies, but this Master’s Thesis will revolve around one in particular, namely Grounded Theory. According to Saunders et al. (2016, p. 193), grounded theory refers to *“theory that is grounded in or developed inductively from a set of data.”* Since this thesis takes an inductive approach to theory development, this research strategy suits the research process well. Grounded theory is the outcome of rigorous analysis of qualitative data, and the main tool in the grounded theory process is coding. When coding data the researcher digs deep into a subject by splitting qualitative data into categories and concepts, recognize relationships between them, and integrating the categories to produce theory. It is a rather exploratory approach to data analysis, which is why coding is an essential part of this Master’s Thesis (see appendix #2 and #3 for coding of interviews).

Qualitative data will be making up the core of this thesis with quantitative data supporting it. One of the reasons for this is to take advantage of triangulation. Triangulation refers to *“the use of more than one method or source of data in the study of a social phenomenon so that findings may be cross-checked”* (Bryman, 2012, p. 717). Triangulation refers to the use of different methods to research the *same* phenomenon, not merely a mixed method approach.

## **2.6 Time horizon**

Saunders et al. (2016) outline two studies that set the time horizon of the research, namely cross-sectional studies and longitudinal studies. Cross-sectional studies provide a “snapshot” of how the world can be seen right now, and involves the study *“of a particular phenomenon (or phenomena) at a particular time”* (p. 200). The longitudinal study is mainly concerned with change and development



over time, and requires strong research resources to carry out the research for an extended period of time (sometimes years). Due to the time constraints of a Master's Thesis, the cross-sectional study is the most appealing. This Master's Thesis will predominantly be concerned with how the phenomenon of brand trust perceived at this very time. Although this thesis will include an overview of the development of branding throughout the past five decades, and will touch upon suggestions for the future, it is the research we are concerned with, which focuses on the present.

Now that we have thoroughly covered research philosophy and research design, it is time to cover the specific data collection techniques and procedures that are a direct result of the philosophical and design considerations outlined in previous sections.

## **2.7 Data Collection: Techniques and procedures**

We have now reached the core of the "research onion" (Figure #2), having worked through philosophy, theory development, and research design. The research consists of secondary and primary data, with the primary data being collected through a mixed-method approach. However, to start this section off it is appropriate to supply an illustrated overview of the research process, and the specific methods used in this paper.

The research process flow depicted on the next page shows a clear inductive approach throughout the process. This is illustrated by the downward pointing arrow in the background and the "late" introduction of a problem formulation. Although the quantitative questionnaire has a clear deductive approach due to the starting point of hypotheses, the overall approach of the research is on the inductive side. It also illustrates the exploratory nature of the research process, where the researcher is allowed to reiterate the problem formulation in light of new and interesting findings (as illustrated by upward going arrows reaching the problem formulation and interviews with The Coffee Collective). All data helped build the problem formulation, which was limited in scope by the selection of topic. Once the theoretical saturation point was reached, the problem formulation was formed, and the knowledge gained was applied to the case company in order to solve the problem at hand.

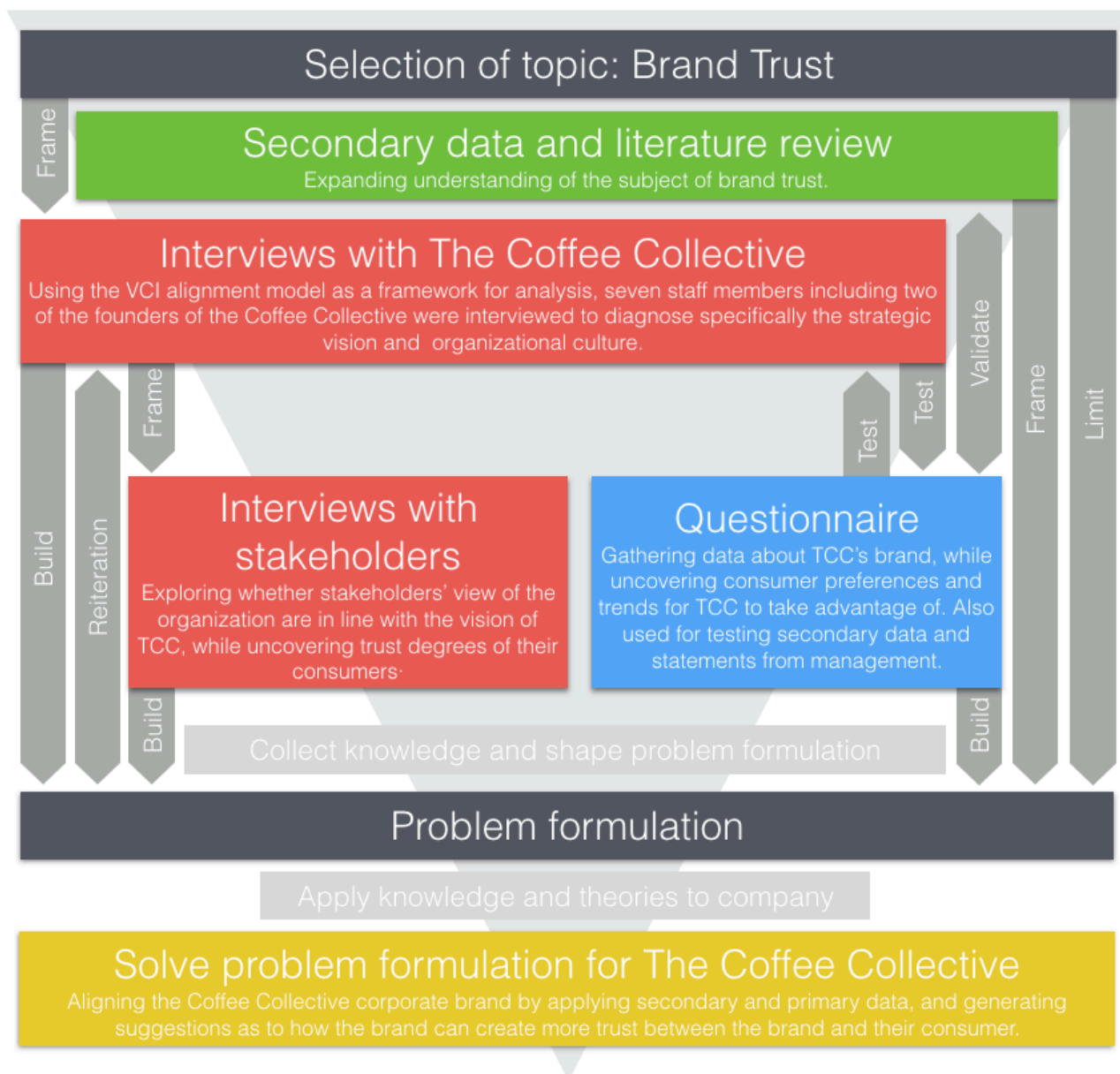


Figure #3: Illustration of Research Flow (source: own construction).

### **2.7.1 Secondary data collection**

According to Bryman (2012, p. 312), secondary data analysis is the analysis of data that the researcher has not been involved in collecting or analyzing, which has great benefits as well as many disadvantages.

The most important advantages of secondary data analysis are 1) reduced cost and time compared to primary data, 2) access to high quality data, and 3) that there is more time for data analysis. Time and financial resources are very real limitations for a Master's Thesis, and this one is no exception. By using secondary data the researcher gets access to data that reaches far beyond what was possible by

a solo researcher. One secondary source that is being used in this thesis is a report from the Edelman Trust Barometer (2015) with over 33,000 online respondents collected over a span of 10-15 years in 10-20+ markets. It is simply impossible for a researcher with limited funds and time to gather and analyze this amount of information. This example also illustrates the second advantage, 2) *high quality data*. Secondary data often has been through rigorous sampling procedures, the samples are often generalizable on national scale, and the data sets have often been generated by highly experienced researchers. Because the data has been analyzed by experienced researchers, the data will almost always have higher reliability and validity than a novice researcher could achieve, making the Master's Thesis stronger also. This also means that the researcher gets a good idea of what has been studied and what has not been studied by the experienced researchers, as he or she gets a more holistic view of the subject as the discovery and analysis of secondary sources increase. The last major advantage, 6) *more time for data analysis*, is also true for this thesis. There are immense time savings when using secondary data, and that time can be used for analyzing the data instead of collecting it, which is where new findings are uncovered.

Compared to the number of advantages in secondary data analysis there are relatively few disadvantages. There will undeniably be unfamiliarity with data when the researcher has not collected the data him or herself. Although the researcher can come close, he or she will never be able to fully get inside the mind of the original researcher and understand everything. Bryman (2012) suggests that the researcher has no control over the quality of the data collected by other people. It is important to make sure that the data lives up to the quality standards of the Master's thesis, and one way to make sure this happens is through the use of peer-reviewed articles and official statistics. For instance, books that are written by self-renowned marketing or branding gurus will be carefully evaluated before applied. One such guru is Simon Sinek whose ideas are mostly grounded in biology and case studies rather than self-conducted experiments. Although, this is not necessarily a bad thing and will be used in paper, the entire Master's Thesis will not be based on such authors, and the aim is to using mostly peer-reviewed data.

#### **2.7.1.1 Secondary data usage**

Overall, secondary data will prove to be a great help for this thesis, and it will be used throughout the entire thesis. Secondary data will prove useful especially in the literature review, when validating key findings in the questionnaire, and when generating theory. The literature review is by definition very heavy on secondary sources as the chapter is a thorough revision of what scholars have already said on the topic of brand trust. The literature review has a significant impact on the suggestions in Chapter

7, since they are based around the Brand Trust Diagram, which is collection of secondary data reassembled into a Venn diagram (See Figure #4).

Rounding off the section on secondary data it is clear that it is an important part of this thesis. It will be used throughout the thesis, but the tools to evaluate its reliability and validity have been used to make sure that this thesis does not suffer from below-standard secondary data.

### **2.7.2 Primary data collection**

Bryman (2012, p. 13) refers to primary data as data analyzed by the same researcher who was responsible for collecting it. In other words, in order for the data used in this Master's Thesis to be primary data, it needs to be collected by the author as well. This Master's Thesis is built on two different research methods, namely 1) semi-structured interviews (qualitative) and, 2) a questionnaire (quantitative), as indicated Figure #3.

#### **2.7.2.1 Semi-structured interviews**

Interviews are one of the most commonly employed methods in qualitative research due to its flexible nature (Bryman, 2012). The two main types qualitative interviewing are 1) unstructured interviews, and 2) semi-structured interviews. Although an unstructured interview would, in theory, suit the exploratory inductive approach extremely well, it was deemed as too loose (or exploratory) for the purpose of this Master's Thesis. The purpose of the interviews was to 1) understand the actual and perceived strategic vision and organizational culture of The Coffee Collective by interviewing employees and the leadership, and 2) understand the actual and perceived stakeholder image of The Coffee Collective by interviewing consumers. This would be difficult to achieve if the interviews flowed as regular conversations and did not follow some guided process. Thus the *semi-structured interview* was chosen, where an interview guide aids in getting the same areas covered across all of the interviews. A separate and intentional interview guide was created for the CEO, the Head of Marketing, HR Coordinator, Manager of Coffee Shops, and a general one for the three baristas, and a general one for the five consumers (see Appendix #1). Bryman (2012, p. 471) describes the semi-structured interview as an interview where *"the researcher has a list of questions or fairly specific topics to be covered, often referred to as an interview guide, but the interviewee has a great deal of leeway in how to reply."*

The fact that the semi-structured allows for "rambling" is why this type of interview is chosen as it enables the interviewee to give insight into what he or she sees as important and relevant. This is one

of the key advantages of the semi-structured interview as this Master's Thesis takes an exploratory approach.

The goal was to conduct enough interviews to reach theoretical saturation. Theoretical saturation means *"new data no longer suggest new insight into an emergent theory or no longer suggest new dimension of theoretical categories"* (Bryman, 2012, p. 421), thus further interviews only marginally increase the validity of the findings. Although more information could most likely have been uncovered, the amount of data collected was deemed at a satisfactory level for a Master's Thesis of this size.

The interviews with the leadership, Peter Dupont and Klaus Thomsen, lasted approximately an hour each, and even though this is not a long time get a complete overview of the company, it was enough to get a general idea of the underlying values of the organization and where it was heading. Interviews with middle managers, Rasmus Gamrath and Mikaela Wallgren, and baristas, Johannes Elm Niemann, Emil Sylvester Jakobsen and Linn Malnacs, lasted between 25 and 40 minutes, and interviews with consumers lasted between 20 and 30 minutes.

#### 2.7.2.1.1 Sampling of interviews

The sampling of the semi-structured interviews was purposive. According to Bryman (2012, p. 418), purposive sampling is sampling where the researcher chooses to not sample on a random basis, but on purpose, where the goal is to *"to sample cases/participants in a strategic way, so that those sampled are relevant to the research question that are being posed."* Bryman (2012) points out that purposive sampling does not allow for generalization to a population, but that was not the purpose of the research. The purposive sampling approach was a critical case sampling, where cases are chosen *"precisely because it is anticipated that it might allow a theory to be tested"* (p. 418).

The semi-structured interviews were conducted with two of the four co-founders of The Coffee Collective, two middle managers, three baristas and five consumers, a total of 12. The samples inside the organization were chosen throughout the hierarchy, by interviewing both front line employees as well as the co-founders.

The sampling of the consumers was a little more rigorous. The samples were chosen on three criteria, 1) age, 2) gender, 3) occupation, and 4) level of coffee interest. I reached out to members of my network who I knew were customers at The Coffee Collective, and chose approximately 60% males and 40% female, which unfortunately is the opposite of the questionnaire which showed that the

guests of The Coffee Collective were 37% males, and 63% females. I interviewed consumers who were not only students, but who were also working full time to understand price sensitivity in the industry. The interviewees were Søren Madsen, 24; Rachel Nissen, 23; Annemette Hultén, 31; Asbjørn May, 29; and Jesper Orsøe, 26 (see Appendix #1 for interview summaries).

#### 2.7.2.1.2 Reliability and validity in qualitative research

The primary criterion used in qualitative research for assessment is *trustworthiness*, which is made up of the criteria of credibility, transferability, dependability, and confirmability. The reason that reliability and validity does not transfer from quantitative research to qualitative is because “*no single absolute account of social reality is feasible*” (Bryman, 2012, p. 390). The qualitative research will briefly be assessed next.

**Credibility:** Two key ways to increase credibility are respondent validation and triangulation. Because there was no ethnography, or direct observation, involved in the collection of the qualitative data, respondent validation happened during the interviews. If an interviewee was unclear about a point, the interviewee was asked to explain for further clarification. The statements of the interviewees are deemed as credible, both for consumers and for the employees of the organization. Body language and tone of voice of the interviewees have not had an impact in the overall assessment of the organization, increasing credibility. Also, triangulation was used to test some statements from the leadership, such as questions about perception of growth, although not all considerations were tested.

**Transferability:** The interviews are not particularly transferable to other milieu, or even to a later time. Findings are deemed very time sensitive, as interviewing the same people using the same interview guide would most likely produce different answers a in a few years. A thick description could be produced, but it is not deemed as necessary for Master’s Thesis like this.

**Dependability:** To increase dependability, all audio files can be extracted from an online folder at [bit.ly/TCC-Interviews](https://bit.ly/TCC-Interviews), and interview guides have been included along with a written one-page summary of each interview (Appendix #1). Field notes have not been included. Although peers have not reviewed the data *during* the process, it is possible to review all data due to open access of records.

**Confirmability:** Confirmability is concerned with whether or not personal values have swayed the conduct of the research and the findings derived from it. Complete objectivity is impossible in qualitative research, but I have made an effort of in acting in good faith. Although I could potentially have a biased opinion about The Coffee Collective as I am a satisfied customer myself, I distanced

myself from my own opinions and allowed the baristas to open up about their frustrations. I also intentionally held back from agreeing with interviewees who praised the organization. Overall, subjectivity was kept at a low.

The semi-structured interviews with the employees of The Coffee Collective are deemed as trustworthy, as approximately 19% of the organization was interviewed (7/37) including 50 percent of the founding team, whereas there could be a problem with the trustworthiness of the consumer interviews. Five interviews in a population of 4.35 million (Age: 15-100, Danish citizens), is not enough to generalize for the entire population, which is why the qualitative interviews were supported by primary and secondary quantitative data. Also, the average age of this population is 48.3, whereas the average age of those interviewed was 26.6. The interviews were not meant to be generalizable to entire population of Denmark, because of the use of purposive sampling, but they are considered to show and relatively accurate picture of preferences of *actual* consumers of The Coffee Collective. The sampling of interviewees aligned with findings of demographics in the questionnaire. According to the questionnaire, the average age was 26.7, with 89 percent living in Copenhagen and 56 percent being students. This means that the people who were interviewed fit the average guest quite well, which increases trustworthiness. Also, the interview guide was quite strict, despite allowing for rambling, which decreased the number of interviewees needed to reach theoretical saturation.

### **2.7.2.2 Questionnaire**

The purpose of the self-completion questionnaire in this Master's Thesis was to gather large amounts of social data that would otherwise be difficult to gather on a one-to-one basis, with the aim of generalizing to a specific population. More specifically, the aim was to prove the following hypotheses:

- H0: Consumers are willing to pay a premium for products from a company that has a social mission.
- H1: When consumers know about the specifics of the trading policies of The Coffee Collective, they are more likely to be loyal to the company.
- H2: As coffee companies increase in size, the less consumers will trust their intentions.
- H3: As coffee companies increase in size, the less consumers will trust their competence.
- H4: As coffee companies increase in size, the less consumers will trust their authenticity.

The self-completion questionnaire was chosen because it was deemed as the most resource efficient way of gathering enough data for it to be reliable. At the same time it is convenient for the respondents

to answer as the questionnaire was distributed through an online sharable link to a SurveyXact questionnaire via Facebook and LinkedIn.

The notion of “respondent fatigue” (Bryman, 2012, p. 235) was taken into consideration, which kept the questionnaire relatively short. The questionnaire totaled 35 questions, consisting of 34 closed questions (except for age), where five of them specified the demographics of the respondent. The questionnaire consisted of 17 7-point scale questions about the general public’s perception when it came to trusting The Coffee Collective and their consumer preferences with responses ranging from “completely disagree” (score of 1) to “completely agree” (score of 7). Furthermore, there were ten yes/no/do not know questions, and three other multiple-choice questions. The completion time was between five and ten minutes for most respondents, which was a rather short questionnaire, which is reflected in a very low drop off rate of 11 percent (see Appendix #4 for full questionnaire).

In quantitative research there are two main assessment criteria, namely reliability and validity. Reliability is concerned with the issue of the consistency of the measure of a concept (repeatability), whereas validity refers to the issue of whether an indicator really measures the concept it is supposed to measure (integrity of conclusions) (Bryman, 2012, p. 171).

#### 2.7.2.2.1 Reliability

Reliability consists of three main terms: stability, internal reliability and inter-observer consistency. Stability and internal reliability will briefly be discussed next.

Stability can most easily be evaluated through a test-retest method. However, due to the time constraints of this Master’s Thesis, it was not possible to test the same questionnaire in different samples at a later time. However, as addressed earlier, the time horizon chosen in this thesis is a cross-sectional study, and the research is therefore concerned with a “snapshot” of opinions at this very time. While the questionnaire was not re-distributed to re-test findings, triangulation with semi-structured interviews increases stability.

Internal reliability refers to the idea of asking the respondent the same questions in different ways in order to test the reliability of the answers. Although this would increase the reliability, this was deliberately kept to a minimum as the main priority was getting as many completes as possible, not whether answers were completely reliable. This means the questionnaire had to be kept short in order to not avoid respondent fatigue.



#### 2.7.2.2.2 Validity

Validity presumes reliability, and according to Bryman (2012, p. 173), validity consists of five main terms; face validity, concurrent validity, predictive validity, construct validity and convergent validity. Face, concurrent and construct validity will be briefly discussed next, as these terms are more relevant in this case.

Face validity: Face validity is an intuitive process and there is no process of how to determine if the questions cover the concept that is being researched (brand trust). However, as illustrated in Figure #3, the questionnaire was created *after* having interviewed the leaders and employees of The Coffee Collective and a thorough research resulting in the narrative literature review of Chapter 3, which means that it was based on real issues of the business and a broad overall understanding of the concept of brand trust. This also increases construct validity as the questionnaire is based on theory from other researchers in the field, testing for perceptions of the Brand Trust Diagram (Figure #4).

Concurrent validity: The questionnaire asks respondents about their behavior, which is typically difficult for a person to evaluate him or herself. In general, consumers do not know whether or not they are loyal or whether they pay a premium. However, they *are* able to articulate their *intentions*, which were specifically asked for in question 28, 29 and 30 to give their best guess of future behavior. There will always be a difference in intention and actual behavior, but the questionnaire is deemed valid because the questionnaire focuses more on perceptions rather than actual behavior.

To finish off the assessment of the quality of the quantitative data, the sampling of the respondents will be critiqued, where the issue of generalizability will be brought up.

#### 2.7.2.2.3 Critique of sampling

The questionnaire received 218 completes over the span of 18 days. Out of a population of 4.34 million (Age: 15-100, Danish citizens), 218 completes is considered acceptable for validating trends in the population.

In order to be able to generalize findings, the sample of the questionnaire must be representative. There was a slight sampling bias, which is essentially impossible to avoid, as many elderly people were not able to complete the survey since it was distributed electronically on Facebook and on LinkedIn. While the questionnaire aimed at probability sampling in order to generate a representative sample, there is a clear sampling error in the questionnaire, as there is a difference between the demographics of the sample and the demographics of the general population.

The average age of all respondents was 29.1, which is much lower than the average age of the population of 48.3 (Danmarks Statistik). Also, 36 percent of all respondents were male, and 64 percent were female, which is not due to a sampling bias, but is most likely due to the incontrollable factor of who decides to help share the questionnaire on social media, which resulted in a clear sampling error. Half of all respondents were students (51 percent), and 68 percent of the Danish population between 15 and 100 lives in Copenhagen, which again does not reflect the current demographics of Denmark. Since weighing data properly is a tedious process and only slightly increases reliability, the data was not weighed. This results in lower reliability of the accuracy of the data, but is not considered to change the overall general picture of opinions and perception, and is deemed as acceptable for the constraints of a Master's Thesis.

However, 118 respondents, of the 218 respondents total, said that they knew about The Coffee Collective, had tasted their products (home brew or at a physical shop), and were aware whether they had visited one of their coffee shops. A small number of consumers, 14, knew about The Coffee Collective but had never tasted their products or visited a store. These 14 respondents will be regarded as non-guests. The 118 respondents, along with the five guests interviewed in the qualitative semi-structured interviews, make up the guest preferences laid out in Chapter 4. Compared to the size of the population (unknown, but current guests of their three coffee shops) this is a very acceptable sample size.

### **2.7.2.3 Final evaluation of the primary data**

In conclusion, the data collected through semi-structured interviews and the self-completion questionnaire is deemed reliable and valid for its purpose. Data could be more generalizable, but taking the scope of the paper into consideration, it is deemed very acceptable. The most important factor is that the methods measure what they are supposed to measure and whether they are able to identify general trends for the population in question.

Now that a solid foundation for this Master's Thesis has been created, the next chapter is the literature review. The literature review will give the reader a better understanding of the topic of brand trust, which will give meaning to the empirical findings in chapter four.

# Chapter 3

## Literature Review

The purpose of this chapter is generate a snapshot of what characterizes brand management today, with an emphasis on brand trust, and it therefore introduces only the most important aspects of brand management relevant to this Master's Thesis. This includes a brief overview of how brand management has evolved over the past five decades, and an introduction of the importance of consumers' trust in brands, along with an exploration of why brands should be trustworthy, and what factors actually influence brand trust.

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### **3.1 Introduction to the narrative literature review**

The narrative literature review is a process of discovery (Bryman, 2012, p. 110), and is the approach that this Master's Thesis will take. The narrative review, rather than the systematic review, makes sense, as the purpose of the review is to gain a wide-ranging understanding of how brand management has evolved, and how trust is playing a role in brand management today. It serves as an introduction and foundation to the presentation of the frameworks and theories used to analyze the brand of The Coffee Collective. The narrative literature review will be guided by sub question #1: *"How has branding evolved over the past five decades, and what role has trust played in the process?"*

Brand management is a combination of many disciplines including economics, marketing, psychology, strategy, and more. To fully study how brand management has evolved through the past five decades, one must thoroughly dig into each of those fields. However, to narrow the overview down, the following brand management evolution is mainly inspired by Heding, Knudtzen and Bjerre (2009).

### **3.2 From the economic man to brand communities**

Over the past five decades a lot has happened in the field of brand management. In 1960, Neil Borden published the article "the concept of the marketing mix" which essentially became one of the building blocks of marketing ever since. Borden used Culliton's (1948) idea of thinking of the business executive as a *"decider," an "artist" — a "mixer of ingredients."* McCarthy (1960) later reworked the

marketing mix into the well-known 4 Ps, product, price, place, and promotion, which revolutionized the way executives looked at their businesses from then on.

The idea that executives could “mix the ingredients” to their liking and that consumers would respond rationally to the changes became the dominant thought in the following decades. Heding et al. (2009) note that novel thoughts do not necessarily become dominant. This was, however, the case with the marketing mix. According to Heding et al. (2009) one of the main changes in brand management in these decades was the shift from a *positivistic paradigm* to a more *interpretive or constructivist paradigm*. The positivistic stance implies marketer to consumer communication, where the consumers are passive recipients of the messages that the marketer controls. In this paradigm, brand value is solely created by the marketer. Using the marketing mix as the source of one's strategy is a good example of this line of thinking, as “changing the ingredients” of the mix was thought to optimally change behavior of the consumer. The mindset was company, or sender, focused, not human or receiver focused (Heding et al., 2009).

In essence, marketing theories were based on the assumption of the “economic man.” The economic man is the theory of how humans are supposed to behave – rationally. Heding et al. (2009) outline five assumptions that make up the economic man; 1) human behavior is guided by rational parameters, 2) humans will strive to optimize maximum utility out of self-interest, 3) humans have perfect information about available alternatives, 4) the exchange between two parties is perceived as an isolated event – there are no repeat purchases, and lastly, 5) consumers are restrained by limited income, which forces them to act toward maximizing utility of income (p. 32). In summary, this means that the consumer will always opt for maximum functional utility compared to price.

The era of the positivistic marketing paradigm and theoretical preference of the economic man lasted for decades, but it started coming to an end in 1993. Keller (1993) was one of the pioneers of the idea that “*customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory*” (p. 2). He made the point that brand equity was a cognitive construal in the mind of the consumer rather than an objective truth, and that the consumers now owned the brand instead of the marketer. He said when a customer is aware of the brand, and when the image of the brand is perceived to be favorable, a brand is creating value for its shareholders.

The assumptions of the economic man could not live up to this idea. Keller's (1993) statement denotes a strong sense of brand perception being built over time through repeat interaction with the brand,

thus the assumption of the economic man saying that a consumer could only have individual isolated interactions with the brand did not hold true any longer.

Keller's (1993) consumer-based approach is, according to Heding et al. (2009), the most dominant school of thought in brand management today. Keller (1993) started what Heding et al. (2009) call the *"human/receiver focus"* era (1993-1999), and brand research started to include qualitative research alongside the dominating quantitative research. Along with Keller (1993) another of the, possibly, most groundbreaking thoughts from this era came from Aaker (1997) who was one of the pioneers of the notion of brand personality – the idea that brands possess human-like personality traits making it possible to have on-going relationships with brands similar to that between human beings. Aaker (1997) defines brand personality as *"the set of human characteristics associated with a brand "* (p. 347).

Building on Aaker's (1997) theory of a brand personality, Fournier (1998) legitimized the notion of relationships between brand and consumer, saying that the quality of brand relationships evolve *"through meaningful brand and consumer actions, as per the reciprocity principle on which all relationships are grounded"* (p. 365), clarifying that the brand-consumer relationship shares the same underlying principles as any other functioning human to human relationships.

Becerra & Badrinarayanan (2013, p. 371) point out the significance of these consumer-brand relationships by saying that they *"have the potential to create brand loyalty, vibrant brand communities, and sustained firm performance in both physical and online settings."* In essence we have moved from there being no relationship between consumer and brand because of the assumptions of the economic man, to an era with dyadic customer-brand relationship because of on-going transactions and brand personality, to today's era where brand communities are flourishing, partly due to the internet and partly due to our human longing for connections.

Brand communities started evolving during the 2000's and Muniz and O'Guinn (2001) helped pioneer the research in this area of brand management. Muniz and O'Guinn (2001) define a brand community as *"a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand"* (p. 412), and go on to say that the communities are specialized because they are centered around the branded good or service. They also mention that *"members feel that they sort of know each other" at some level, even if they have never met"* (p. 418), denoting a relationship between the members of a brand community. Essentially, this means that brand management has moved to a triadic brand-consumer-consumer relationship where consumers create brand meaning outside the brand's direct influence. Today, the reality is that brands are continuously created in the

minds of, not only the consumers, but also a brand's stakeholders. Merz, He and Vargo (2009) state that *"any brand is dynamically constructed through social interactions and thus its value is located in the minds of its customers and the wider group of opinion makers and stakeholders"* (p. 337). Heding et al. (2009) call this approach to brand management *the community approach*.

Although the boundaries of a brand's value creating relationships can be discussed depending on which brand paradigm one takes, it is difficult to argue the fact that *relationships* is a common denominator no matter how one looks at branding. This Master's Thesis takes the point of view that brand meaning *starts* at, but is not limited to, the dyadic relationship between brand and (prospective) consumer, and spreads from there. This Master's Thesis mainly focuses on the dyadic relationship between brand and consumer, still recognizing that a brand's value creation goes far beyond that relationship.

Hiscock (2001) states that the ultimate goal of marketing is to generate an intense bond between the consumer and the brand, and that the main ingredient of this bond is trust. This Master's Thesis also takes the point of view that the most important thing a brand can possess is a strong and positive bond (relationship) with its consumers. According to Hiscock (2001) the bond between the consumer and brand is based on trust. Without trust a relationship between two parties will not be a positive one, and the relationship will not be stable. By increasing trust between the brand and consumer, the stronger the bond between the two parties will be. The following section of the literature review will outline the importance of brand trust along with an overview of what the concept of brand trust entails.

### **3.3 Brand trust in today's economy**

With the rising impact consumers have on brand equity, nurturing the relationship between consumer and brand has increased in importance. Consumers' opinions and expectations can therefore no longer be ignored if a company desires long-term meaningful relationships with their consumers. Bainbridge (1997) and Delgado-Ballester (2003) note that trust is the most important attribute any brand can own. Chaudhuri and Holbrook (2001, p. 255) point out the importance of trust, by proving in their research that along with emotion, trust is the most significant predictor of customer loyalty. Dalgado-Ballester (2003) also found that trust is positively correlated with satisfaction and loyalty. Thus, if a brand is able to increase trust in the brand, loyalty increases – not just loyalty in its simplest form of repeat patronage, which Dalgado-Ballester (2003) finds too simplistic as it does not capture the full multidimensionality of the construct, but also in the form of *"price sensitivity, self-stated retention, and*

*the likelihood of spreading positive word of mouth*" (2003, p. 26). Furthermore, Becerra & Badrinarayanan (2013) found that brand trust is positively related to brand purchase intentions, positive referral intentions, and to brand identification.

### **3.3.1 Defining trust**

There are numerous definitions of trust, each with its own contribution to the field of research. Luhmann (1979, p. 32) states that *"a fundamental condition of trust is that it must be possible for the partner to abuse the trust and that the partner must have a considerable interest in doing so,"* and Barney and Hansen (1994, p. 176) adopt the view that trust *"is the mutual confidence that no party to an exchange will exploit another's vulnerability."*

Trust between consumers and brands shares the same underlying principles as trust between people. Brand trust is defined by Morgan and Hunt (1994, p. 23) as the *"confidence in an exchange [business] partner's reliability and integrity"* and by Delgado-Ballester (2003, p. 11) as the *"feeling of security held by the consumer in his/her interactions with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interest and welfare of the consumer."* Key words in trust include confidence, vulnerability, risk, exploitation, security, reliability, and integrity. In essence, trust is a feeling of security and confidence in another party, but trust cannot exist without the "trustor" exposing vulnerability to the actions of the other party. Trust includes risk in the exchange between two parties, and the goal of a brand is to eliminate that risk in order to create an intense bond between the two.

Simpson (2013) draws a thick line between being *trusted* and being *trustworthy*, which is an immensely important distinction. Every brand is trusted by someone, but that does not necessarily mean that the brand is worthy of that trust. Simpson (2013) says that *"trust is generally not free-hanging. Rather, it must be sustained by trustworthiness"* (p. 543). A brand must earn its trust through sustaining a trustworthy reputation through its actions over a long-term timeframe. Bainbridge (1997) puts it eloquently saying that *"[a trust brand] places the consumer at the center of its world and relies more on understanding real consumer needs and fulfilling them than the particular service or product. It is not merely responsive, but responsible."* Bainbridge (1997) makes the point that trustworthy brands place their consumers' needs, and not their own, at the center of its world. Trustworthy brands are driven by fulfilling real needs of the consumers rather than chasing its own interests. Vlachos et al. (2009) support this idea by finding support for their hypothesis that egoistic-driven attributions have a negative effect on consumer trust, patronage intentions, and especially peer recommendations.

In order to be deemed trustworthy, a brand must therefore actually prove that it can be trusted. If we follow Bainbridge's (1997) definition of trustworthy brands, saying that they need to possess altruistic motives, rather than egoistic motives, a person can only be trustworthy when the trust has been tested and proven genuine. An example of altruistic behavior passing a trust test is when a brand helps a consumer or supplier, even when it hurts short-term profits. Consumers want to know that brands care about them and other people, and only when they are proven to genuinely do so, are they deemed trustworthy, and not just trusted.

Rempel et al. (1985) point out that *"experiences that involve personal risk"* are essential in the growth of feelings of security and trust (p. 97). In essence, Rempel et al. (1985) say that without one party being vulnerable to another party, feelings of security and trust cannot grow. In order for a relationship to grow deeper, one party must be willing to take the risk of being vulnerable to the other party, in order for the trust to be proven genuine in real life. In this Master's Thesis, the opportunities that brands can intentionally construct in order to create vulnerable experiences to show they genuinely care about their consumers will be referred to as *"trust opportunities."*

### **3.3.2 Why should a brand be trustworthy?**

Companies build trustworthy brands in order to increase consumer loyalty, but loyalty is a long-term outcome of many short-term decisions. Because loyalty is a long-term outcome of continuous, short-term sometimes profit-negative decisions, the temptation to sacrifice the long-term relationship for short-term gains is a real issue in many organizations. Luhmann (1979) says that trust by nature is unstable and that the expectations that a person has built up over time often collapse at the very first disappointment, which results in changed relationships as trust decreases or is eliminated.

Simpson (2013) suggests that *"it is the ongoing nature of the relationship that ensures it is in my interest to be trustworthy now... because the possible future gain for the trusted through cooperation outweighs the definite but unrepeatable gain of betraying trust"* (p. 546). In brand management, this means that only the brands that realize that the long-term benefits of being trustworthy now far outweigh the short-term benefits of betraying the consumer's trust now, will be able to create ongoing relationships with their consumers. A company can only disappoint a consumer once if not intentionally recovering from it.



Betrayal of trust simply does not pay anymore, and Simpson (2013) says that a group needs to be *“prepared to sanction the untrustworthy by expulsion or other punishment, so the trusted’s interest in maintaining membership in good standing with that group provides incentive for trustworthiness”* (p. 546). Only when the public is ready to boycott or speak negatively about products do companies have an incentive to not cheat. We are in an age of social networks, which means that betraying trust has immense consequences as failures and mistakes spread around the globe within minutes. The public is ruthless and often unforgiving, and this should be incentive enough not to break trust for short-term gain intentionally.

Most companies do not set out with the goal of being morally weak and not taking commendable actions. However, as the leadership of companies faces temptation of financial gains by discarding their values, they make mistakes that may or may not catch the eye of the public. This is where Simpson’s (2013) notion of strong-willed and weak-willed character comes into play. Simpson (2013) states *“the weak-willed person reconsiders their resolutions when confronted with a minor temptation, while the strong-willed person is capable of resisting judgment shift even in the face of great temptation”* (p. 552). Trustworthy organizations stick to their values, even when faced with temptation, because they honor the promises they have made to their consumers and the public. It does not matter whether a brand sticks to its values, if those values are egoistic, or if the organization has good values but does not stick to them. Freeman and Auster (2011) agree that sometimes an organization can possess values without possessing the motivation to act on said values, which often results in ethical scandals like in the case of Enron. George (2012) attributes the destruction of major companies, the loss of millions of jobs, and declining shareholder value during the sub-prime crisis in, especially, 2008, to many leaders taking advantage of the lack of accountability and placing self-interest and short-term shareholder value ahead of building long-term institutions.

Manipulating the consumer to purchase a brand’s product is one type of short-term thinking that does not breed long-term loyalty. Sinek (2011) lists numerous tactics used by brands to lure in customers, and calls the tactics short term “quick fixes” because there is no basis for a solid relationship between brand and consumer. Manipulative actions that do not drive loyalty include adjusting prices, orchestrating promotions (or discounts), instilling fear in consumers, make people aspire for social status, peer pressure, and novelty (innovation). These manipulations undoubtedly work, but only in the short-term and for businesses where transactions only happen at an average of once. Manipulation drives transactions, but it does not drive loyalty. The bottom line is, that it is not beneficial to betray the trust of the consumer because it only pays in the short-term, and a relationship is a long-term commitment.

### **3.3.3 Trust influencers and predictors**

Heding et al. (2009, p. 33) say that *"brands are regarded as signals that can reduce the uncertainty that will always be present in any transaction, before consumers make a brand choice."* However, what exactly is it about brands that reduces the uncertainty?

Zooming out, and forgetting about the specific details of an encounter between the brand and consumer, from a broader perspective Delgado-Ballester (2003) suggests that trust is influenced by two dimensions, namely 1) competence: the extent to which the "trustor" believes that the trusted is able to carry out his or her promises, and 2) intentionality (motivation): the extent to which the partner is genuinely interested in the "trustor's" welfare and interests. In other words, a consumer needs to evaluate whether or not a company is able to live up to its promises, and whether or not the company has the consumer's best interest in mind in order to establish how much the consumers trust the company.

Delgado-Ballester (2003) considers the competence dimension absolutely fundamental for trusting in a brand, and says that *"if we consider a brand as the promise of a future performance (...) its fiability [competence] for the accomplishment of that promise leads the consumer to trust in the occurrence of future satisfaction"* (p. 12). That a brand is able to deliver on its promises is the starting point of brand trust according to Delgado-Ballester (2003). The second dimension of intentionality is concerned with the *"belief that the brand is not going to take advantage of the consumers vulnerability"* (Delgado-Ballester, 2003, p. 12) .

The willingness to be transparent even when it hurts the company in the short-term is a revealer of a company's true intentions. Kang and Hustvedt (2013) found that an organization's *efforts* to be transparent in their production and labor conditions, and to be socially responsible in the form of giving back to their local community directly affected brand trust. Transparency and corporate social responsibility efforts also increased repurchase intentions and the extent to which consumers spread positive word of mouth.

Beiser (2016) points out that people (global population, Edelman Trust Barometer (2016)) are increasingly demanding hearing about and understanding the values that a business and its leaders advocate, and that almost eight in 10 people point to hearing information about personal values as important to building trust in a leader. Beiser (2016) is confident that businesses need to be authentic and visible and share the values that make the foundation for the actions of the organization.

Sinek (2011) proposes that “*people do not buy what you do, they buy why you do it*” (p. 42). He suggests that all businesses know *what* they do, and *how* they do it, but few companies know *why* they do it. He goes on to say that what sets the most inspiring organizations apart from the competition is that the organization has clearly articulated *why* they are in businesses. He states that the “*the goal is not to do business with everybody who needs what you have, the goal is to do business with people who believe what you believe*” (Sinek, 2009). Essentially, Sinek (2009) says that brands cannot force people to listen, but when they share their beliefs, values and causes, people who identify, or want to identify, with the same beliefs begin trusting the brand. He suggests that trust is not a checklist, but a feeling and not a rational experience. A completed checklist does not necessarily equal trust, and he goes on to say that “*trust begins to emerge when we have a sense that another person or organization is driven by things other than their own self-gain*” and that “*when we share values and beliefs with others, we form trust*” (Sinek, 2011, p. 84).

Vlachos et al. (2009) found that in order for, especially, corporate social responsibility (CSR) initiatives to result in loyalty, consumers needed to believe that donations made the company were made because the company *believed* in the cause they supported, and did not donate merely to increase tax or brand benefits. A brand’s actions needed to be sincere and benevolent in order for the actions to have a positive effect. However, in order for consumers to believe that the actions of a brand are based on its beliefs, rather than for selfish gain, a brand must *share* its beliefs through brand touch point and communication channels.

Sung & Kim (2010) support the idea of sincerity by finding that a brand’s sincerity, along with its ruggedness, have a positive impact on brand trust. Bainbridge (1997) touches on the same subject, calling a brand’s complete interest in the consumer *fairness*, stating that without fairness and strong credibility there will be no brand loyalty, which will result in the relationship depending on price alone. Essentially she makes the point, that if a brand wants to compete on other parameters than price, it needs to take in consideration the interest of the consumer in a sincere way. Not only does brand sincerity have a positive influence on the consumers’ inclination toward the brand, Rampl and Kenning (2014) found that brand sincerity also positively influences current and prospective talent, stating that sincerity has a significant impact on the attractiveness of an employer brand.

To simplify the concepts of intentionality and sincerity, sincerity will be described as being honest, genuine and having no ulterior motives. Furthermore, it will be categorized as a subcategory of

intentionality, which was the belief that a brand will not take advantage of their customers' vulnerability and wants what is best for them.

Brand sincerity is closely related, yet different, to another term that we are yet to touch on, namely *authenticity*. Authenticity is important because consumers are increasingly feeling denied an existence that is real or authentic, and are therefore demanding products and services that reflect the desire for authenticity (Napoli, Dickinson, Beverland, & Farrelly, 2013) Napoli et al. (2013) state positioning a brand as authentic differentiates the brand, as positioning through superiority, quality and great service has become too common. Being authentic has the added benefit that it allows the brand to be true without being perfect. Commenting on the value of authenticity, Eggers et al. (2013) say "*brands that are authentic make defined core values their orientation for business actions and practices*" and go on to say that this practice increases trust and has a significant and direct impact on the bottom line of a company (p. 341).

Sinek (2009) says that the specific actions a brand takes (*what* they do) simply serve as proof of their beliefs (*why* they do it). Brands therefore need to be intentional about their actions, as they need to align with their core beliefs. In theory, when a brand's actions are natural and organic extensions of its core beliefs it creates trust between brand and consumer. While Sinek (2009) does not call this idea authenticity, acting according to one's beliefs is what most scholars would call being authentic. However, Freeman and Auster (2011) suggest that authenticity is a creative process that goes far beyond merely acting on current values. They say that "*living authentically is at once engaging our current values as best as we understand them, constantly querying our past for clues about our idiosyncrasies and behaviors, engaging in conversation and relationships with others, and remaking our futures with our aspirations*" (p. 21). Hatch and Schultz (2008) refer to the idea of identity in a somewhat similar way as Freeman and Auster (2011) talk about authenticity. Hatch and Schultz (2008) talk about identity as a continuous conversation between the people that make up the organization and how the stakeholders see that organization, saying that "*knowing what creates the sense of "we" in your company allows you to authentically tell others what your brand stands for. But knowing who you are also requires intimate knowledge of how stakeholders see you*" (p. 45).

In summary, people are increasingly demanding businesses to take action in solving societal issues, and crave authenticity in a world where nothing is completely real. Based on the research of the literature review, the three trust drivers of authenticity, competence and intentionality emerged, encompassing the essence of brand trust, which results in loyalty. These three drivers combined in a Venn diagram, have resulted in what this Master's Thesis has named "The Brand Trust Diagram," as

illustrated in Figure #4. Being in the brand trust sweet spot of the diagram means that a brand has *perceived* competence, *perceived* authenticity and *perceived* intentionality, and although the perception is reality for brands, a brand cannot achieve a position in the brand trust sweet spot through empty promises. The brand simply has to be rooted in real values and actions.

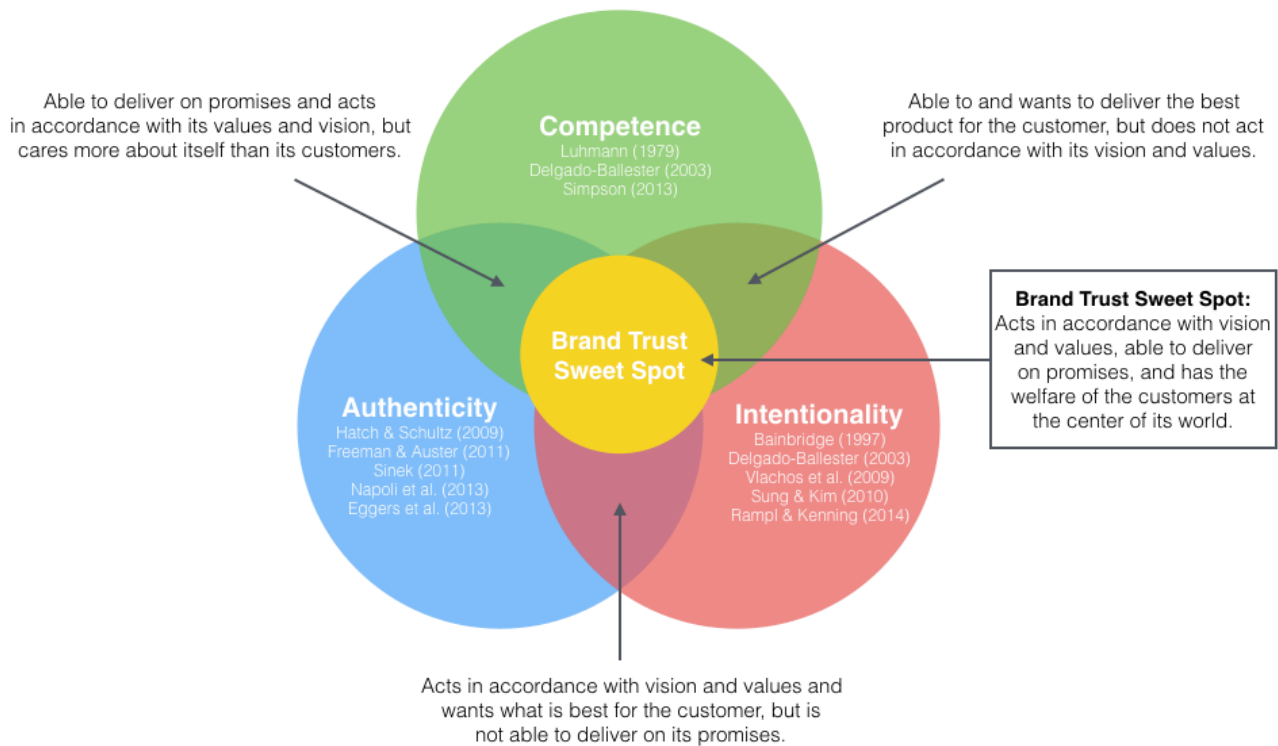


Figure #4: The Brand Trust Diagram (source: own construction).

How to show intentionality cannot be generalized as it depends on the industry in which the brand operates. However, when a brand's actions show that the consumer comes before the short-term profit of the brand, a brand acts benevolently which increases the perception of positive intentionality. Showing intentions comes down to the execution of every brand touch point, and a brand can influence the trust between consumer and brand by making its intentions and competence completely clear to the consumers. Today, a brand's leader (CEO) needs to be vocal about the brand's values as the public is increasingly viewing statements from this group as trustworthy as peers. Key words in building brand trust include sincerity, fairness, competence, benevolence, alignment between actions and beliefs, conversation, aspirations, consistency, strong-willed, and *why* a company does what it does.

We now have a basic understanding of brand trust and why it is important to create trustworthy brands. The literature review will help in give meaning to the empirical findings in the next chapter, as perception of brand trust will be evaluated based on the factors discovered through the review.

# Chapter 4

## Empirical Findings

The purpose of this chapter is to make sense of the collected data in order to discover consumer behavioral patterns and preferences. The findings presented in this chapter are based on the raw primary qualitative and quantitative data, and will be used to make specific suggestions as to how The Coffee Collective can move forward in their market.

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To fully take advantage of the mixed method approach, the empirical findings will be introduced thematically rather than in terms of which method was employed. This will also further highlight the most important findings by allocating them within the right context. Specific numbers are derived from the methods described in Chapter 2, where their reliability and validity have been assessed. It is important to note in this section that “guests” refer to the five interviewees and the 118 respondents described in Chapter 2. Non-guests refer to the 96 respondents who have not visited one of the company’s coffee shops or have tasted their products, but who may or may not still have heard about The Coffee Collective.

The different sections of this chapter are 1) about The Coffee Collective, 2) the importance of a social mission, 3) growth and trustworthiness, and 4) future consumer behavior.

### **4.1 About the company**

This section will provide the necessary data to answer sub question 3: *“How well is the Coffee Collective brand aligned, and how can the brand be further aligned, taking its strategic vision, organizational culture, and stakeholder image into consideration?”* The data necessary for this sub questions includes consumers’ and the company’s perception of The Coffee Collective’s strategic vision, organizational culture and stakeholder image, and the demographics of the consumers.

#### **4.1.1 Consumer demographics**

The average age of The Coffee Collective guest is 26.7, with an observed maximum of 61, and a minimum of 19. The guests consist of 36 percent males and 64 percent females, and 87 percent of them live in the Copenhagen area. Over half (54 percent) of the guests are students, and about a third of them (33 percent) are employed. The guests of The Coffee Collective are generally not wealthy, with 36 percent making less than DKK 99,999 pr. year, and 63 percent making less than DKK 199,999 pr. year. A third of their guests (33 percent) make over DKK 200,000.

#### **4.1.2 Strategic Vision of The Coffee Collective:**

The vision is to be those who pioneer quality in coffee both in terms how it is traded, and how it is brewed. Essentially, the leadership wants to see coffee farmers in some of the poorest countries in the world being recognized for their hard work and achieve a sustainable living standard. Some of the most important values to the leadership are integrity, justice, purpose and quality. They say that even though they are a private company, and therefore need a positive bottom line, *“money is only a tool, not the end goal,”* and that *“Direct Trade is the cornerstone of the company”* (Appendix #2).

The middle managers agree and stated that they are proud of where they are, but always aim at getting better. They want to *“push the quality and keep baristas interested and excited, while influencing lives through Direct Trade”* (Appendix #2), and say that when working at the office, it can be hard to maintain focus on the vision as the attachment to the vision happens through connecting with consumers. The baristas say they have the values and live them out, but the vision of seeing coffee farmers’ living conditions improve was not the reason they started working at the company. They started working at the company because the quality of the products was great, and because of the company’s commitment to values of pioneering coffee, and not because of the social impact. While Direct Trade was not the reason they started working at the company, they are very articulate about it, and the baristas now consider the values of the company their own. Baristas generally feel that the leadership is authentic about their values and one baristas said, *“I am convinced that the owners are not driven by money, and they want things to feel right”* (Appendix #2).

Of their current guests, 77 percent agreed to some extent that the price paid for the coffee to the coffee farmer is an important decision criterion, but only 37 percent agree that they to some extent think about the living conditions of the farmers in the country where their beans come from, when they buy their coffee. Of all guests, 42 percent had heard about Direct Trade, and of those 42 percent, 65 percent knew the specifics of the program. Of all guests, 32 percent knew the specifics of Direct Trade. This

means that over half (58 percent) of their current guests have not heard about what the leadership considers as the cornerstone of the company, and of those guests who *have* heard about it, a third of them (35 percent) do not know the specifics of the program. Only 14 percent of guests knew that the vision of the company is to see coffee farmers achieve the same living standards and social status as wine farmers in France.

In general guests have a sense that The Coffee Collective is treating people well, and are transparent in the way they do business, but do not necessarily know *how* they do it. The leadership would rather be known for quality than for Direct Trade, but at the same time they wish more people knew about their values and vision.

#### **4.1.3 Organizational culture of The Coffee Collective**

The company aims at doing business while behaving responsibly, and they try to always make good decisions. The leadership does what it can to respect the baristas, which shows through their partnership with the workers' union 3F. The idea is that happy employees make the coffee taste better for the guest. However, one barista said that the new partnership, although it was good in general, *"3F makes it almost impossible to switch shifts, and the leaders spend a lot of time planning every shift, and that is a frustration for me"* (Appendix #2). However, the organizational hierarchy is very flat, and baristas feel valued and unexpendable, protected by their leaders, and listened to when they have new ideas or frustrations. Baristas say that they felt welcome as new hires, and that there are many friendships formed with co-workers due to common interests. Also, the employees were described as family by some. Although there is a fun culture, there are also many structures in place, which was described by a barista as *"a professional approach to the business"* (Appendix #2). Structures were considered good by the baristas as competence generates comfort.

The culture is very driven and there is an intense focus on constantly getting better at what they do. This is because they attract people who want to work with and for the best people in the industry, who are honest, social and have the right attitude, as they hire for attitude rather than skill. However, one barista said *"a frustration in the culture is that it is almost too passionate and geeky, and it was hard for me because my passion lies elsewhere [music]"* (Appendix #2).

Although baristas are generally happy and the leadership shows them respect and treats them well, there is one frustration that was highlighted by all three baristas. Baristas at The Coffee Collective do not feel they are being paid fairly for their skills, knowledge and time they put into their work. One



barista put it this way: *"The price we charge for coffee does not justify the time and skill it takes to brew the perfect coffee. People are just not ready to pay more for coffee than what they do at other places. I feel like we deserve be paid more for the time and passion we put into it."* Another barista said *"as baristas we do not earn a lot, and we are not really that respected by people"* and that *"you want people [employees] to stay at the company for a long time, but the salary level is just not there to sustain employees."* The third barista commented on the salary level saying that *"there is no incentive to stay loyal because the salary increase is probably less than inflation"* (Appendix #3).

Guests noticed that employees seem really happy and smile a lot, that they do not use canned responses in order to sell more, and they are coffee geeks who are incredibly passionate about what they do. The guests also respect the craft and the passion they show.

#### **4.1.4 Stakeholder Image**

The leadership describes The Coffee Collective as innovative and as a company that explores the potential of coffee, and to describe the foundation of the company they use *quality* and *Direct Trade*. The middle managers and barista describe the company with words like transparent, social, high quality, respect, unity, perfection, and that they take a holistic view of the value chain focusing on the farmers as well as the customers.

When asked to describe the company four out of five consumers highlighted high quality as the main thing, and later added words such as hipster, distinct flavor, passion, creativity, transparent, integrity and diligence (or professionalism). The guests appreciate the skill of the baristas, and the service they provide. In general, their guests are very happy, because what they feel the company keeps their promises. One guest said, *"I think they do a good job getting the point across about where the coffee is from,"* and that supporting the farmers was one of core values. He stated *"I read on their bags that they pay 241% percent more than the market price for coffee. But I am not sure what they actually do and what difference they make."* Another guest commented on their image, saying that she associated The Coffee Collective with different flavors and *"transparency in how they treat their suppliers, and my impression is that they do business in a way where you want to do business with them."* When asked whether their experience with the brand was in line with the promises they agreed, and one guest said *"I think the image they portray is very much the same as the experience I receive."* But while they appreciate the values and to some extent understand them, the baristas do not talk a lot about the farmers and their situation. One guest said: *"They know that without the farmers, The Coffee Collective is nothing. They respect the coffee, and I see that through the products and the bags, not so much the*

*surroundings or the baristas. It is not really something the baristas talk about – they just talk about great coffee” (Appendix #3).*

## **4.2 The importance of a social mission**

This section provides the data necessary to answer H0: *“Consumers are willing to pay a premium for products from a company that has a social mission,”* along with H1: *“When consumers know about the specifics of the trading policies of The Coffee Collective, they more likely to be loyal to the company.”* This section will therefore look into the impact of having a social mission as a company, and will start out by characterizing the guest preferences.

### **4.2.1 General consumer coffee preferences**

Guests of The Coffee Collective have primary and secondary preferences when it comes to coffee consumption decision-making criteria. The primary preferences are level of quality, level of service, and the surroundings of coffee shop (6.1 to 6.3 on 7-point Likert scale). The secondary preferences consist of the distance to coffee shop, welfare of coffee farmers (5.1 to 5.5 on 7-point Likert scale). One guests expresses this general trend by saying: *“Quality is the most important parameter, but if two coffee shops had the same quality, I would go with The Coffee Collective because I know they treat people better there”* (Appendix #3). Almost all guests (96 percent) agreed to some extent (score of 5, 6 or 7) that quality was an important factor, 98 percent agreed service was important, and 98 percent agreed surroundings were important. While Beiser (2016) said that consumers’ expectations of businesses taking societal responsibility have increased, the guests of The Coffee Collective generally do not see social responsibility as a strict necessity, but rather a nice addition to the core offering. Coffee quality and flavor remain the top priority for guests in decision-making.

Although it is not their primary decision-making criterion when choosing a coffee shop, guests are generally interested in the social mission and want to support it, as 77 percent agreed either slightly or strongly that the price paid farmers was important to them, contrasted with 64 percent of non-guests.

To answer H0 (*consumers are willing to pay a premium for products from a company that has a social mission*), 67 percent of their current guests would, based on their new knowledge of the company, pay between 10 and 20 percent more for coffee at The Coffee Collective than at other coffee shops, contrasted with 52 percent of non-guests. Throughout the questionnaire the respondents were presented with questions about their knowledge about the company, where specific information about

their practices were mentioned, giving them enough information to answer consciously (see Appendix #4). A small group of 17 percent of their current guests would not pay 10 to 20 percent more for their coffee, even after being informed about Direct Trade practices, and 16 percent were undecided. We can accept the hypothesis that consumers are willing to pay more for companies that have a social mission, but remain the stance that a social mission in itself is not enough to drive sales.

Based on the empirical data, H1 (*when consumers know about the specifics of the trading policies of The Coffee Collective, they are more likely to be loyal to the company*) has to be rejected, as the data does not show a clear trend supporting the hypothesis. However, over a third (37 percent) of their current guests intend to be more loyal in the future, based on their new knowledge of the company, while 63 percent remain unchanged. While the hypothesis is rejected, the 37 percent of *current* guests who intend to be more loyal in the future based on *new* knowledge cannot be ignored. In other words, if The Coffee Collective would increase their storytelling efforts in an authentic way, over a third of their current guests would potentially become more loyal.

Loyalty is not merely retention of guests; it is also being less price sensitive and being more vocal about the company. Along with wanting to pay more, guests are also more willing to be vocal about companies that serve a “higher purpose.” The majority of guests (80 percent of current, and 72 percent of non-guests) agreed that they would be likely to tell their friends about companies who serve a “higher purpose,” indicating a willingness to identify with companies that take social responsibility. Only 13 percent of guests disagreed with the statement.

Four out of five guests (81 percent) of guests agreed to some extent (score of 5, 6 or 7 on Likert scale) that they wanted to know more about coffee (70 percent of non-guests). Only eight percent (score of 1, 2 or 3 on Likert scale) of guests disagreed with the statement that they generally wanted to learn more about the coffee they are drinking.

The fact that people want to learn more about their coffee is good for The Coffee Collective because 60 percent of guests say they trust the company more when they were presented with information about the specifics of Direct Trade, with 40 percent remaining unchanged. When informed about the vision to see coffee farmers achieve the same living standards as grape farmers (wine), 69 percent of guests said their perception of the company became more positive (31 percent remained unchanged). Over two thirds of the guests (69 percent, 52 percent of non-guests) agreed to some extent with the statement that they would be likely to buy more coffee if the company behind the company had selfless intentions and took social responsibility (12 percent disagreed, 21 percent of non-guests).

### **4.3 Growth and trustworthiness**

This section of the empirical findings will provide the necessary data for answering sub question two (*is there significant evidence showing that being trustworthy as a brand is strategically and financially wise in today's economy?*), and H2, H3, and H4 (*as coffee companies increase in size, the less consumers will trust their intentions, competence, and authenticity*).

Guests of The Coffee Collective perceive the company as very trustworthy, and gave the company a perceived Likert score of 6.4 of how much they generally trusted the company. Guests also unanimously agreed that when The Coffee Collective say they pay farmers a fair price, they actually do it (6.3), and that the company is very honest and transparent (6.1).

Most of the data supporting sub question two, has been provided in the literature review underlining the importance of being trustworthy. However, the empirical data also supports this. Of guests, 72 percent agree to some extent that they typically choose their coffee from brands they trust and deem as trustworthy, whereas 47 percent of non-guest agree.

One of the middle managers stated that *"historically, the specialty coffee industry has been a niche, which means that there have been lots of small coffee shops with one location that have been hyped up. Then as they started growing larger than one shop, people started doubting them"* (Appendix #3). This statement led to the three hypotheses testing guests' perception of coffee companies as they grow.

To test H2 (growth equals less trust in intentions), the respondents were asked to state to which degree they agreed with the statement: *"As coffee companies increase in size (more coffee places the same name), the less I trust that they want what is best for me and others, and therefore think more about themselves and money."* Guests scored a 4.7 on the 7-point Likert scale, indicating a slight acceptance of the hypothesis. However, 30 percent *"completely agree"* or *"agree"*, and 31 percent *"slightly agree,"* resulting in 61 percent agreeing to some extent with the statement. Based on these scores H2 is accepted.

To test H3 (growth equals less trust in competence), respondents were asked to which degree they agreed the following statement: *"As coffee companies increase in size (more coffee places the same name), the less I trust that they are able to deliver coffee of very high quality, and give me a great experience as an individual."* Guests scored a 4.4, indicating a very slight acceptance of the hypothesis.

Half of the respondent agreed to some extent (52 percent, 9 percent completely agreed) and 27 percent disagreed, with the rest being indifferent. H3 is accepted (barely).

To test H4, (growth equals less trust in authenticity), respondents were asked to which degree they agreed the following statement: *“As coffee companies increase in size (more coffee places the same name), the less I trust that they do business in accordance with the personal values of the leadership.”* Guests scored a 4.6, with 57 percent agreeing with the statement to some degree (eight percent completely agreeing). H4 is accepted (barely).

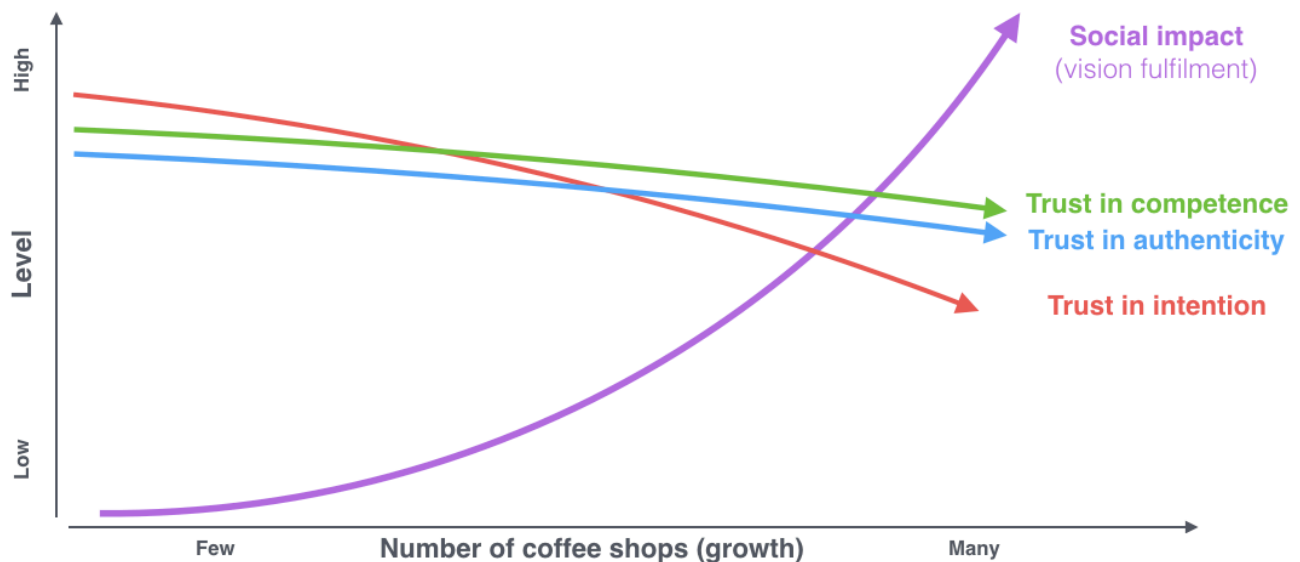


Figure #5: The Growth Challenge in the specialty coffee industry (source: own construction).

#### **4.4 Future consumer behavior**

The respondents provided the data for answering sub question five (future trends in terms of transparency and authenticity), by answering the question as to whether they would base their purchasing decision on criteria such as honesty, transparency, selflessness and trustworthiness. Over two thirds of the guests (72 percent) said they intended to take those factors into consideration in the future, whereas only half (53 percent) of non-guests said yes, with 27 percent saying no.

This is the end of the theoretical part of the Master's Thesis, as we now have a solid theoretical foundation. The second part of this Master's will commence with an introduction The Coffee Collective, and move on to the brand analysis along with suggestions as to how the company can navigate through the challenges.

# Chapter 5

## Introduction of The Coffee Collective

The purpose of this chapter is to introduce The Coffee Collective in order to provide context to the previous two chapters for the reader. This chapter supplies the foundation of the brand analysis in the following chapter. This chapter is short which is due to its sole purpose of setting the stage for the analysis.

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The Coffee Collective is a specialty coffee company and a micro roastery located in Copenhagen. The company was born in 2006 out of the personal frustration of the four co-founders that the price of coffee was increasing for consumers, while the share going of the money going to the coffee bean farmers was decreasing, resulting in poor living conditions for the people who were making the trade possible. The company is now regarded as one of the best coffee companies in the world, and baristas at The Coffee Collective say that some coffee enthusiasts have a layover in Copenhagen for the sole reason of visiting The Coffee Collective and tasting all of their coffees, before heading back to the airport, spending thousands (DKK) on coffee beans and merchandise to bring back home.

The Coffee Collective takes a holistic view of the coffee brewing process, and are deeply involved in the supply chain from coffee bean farm to consumption at their shops, and consider every link in the supply chain as an opportunity to increase value. Klaus Thomsen, Head of Marketing & PR and Peter Dupont, CEO, both say that although the company has to make a profit to satisfy private shareholders, it is ingrained in their DNA to act responsibly in business, and they both highly value integrity. Peter Dupont does not consider money as the end goal of business, but as a tool to serve the higher purpose.

They sell wholesale beans to other coffee shops, cafés and restaurants while also serving their roasted coffee bean at their own three coffee shops, located on Godthåbsvej, Jægersborggade and in Torvehallerne near Nørreport, each shop having its own local expression. The micro roastery also offers coffee tasting brewing and tasting courses for their guests in order to educate them on how to get the most from their coffee.

Because of this mindset The Coffee Collective is naturally positioned in the upper end of the price range in the market with prices being 10% to 15% higher than comparable coffee shops when brewing coffee, and approximately the same price with whole beans averaging DKK 100 pr. 250 g, which with their current business model is a necessary price point. However, some exclusive coffee beans targeted at the coffee aficionados are priced at DKK 195 pr. 130g. Compared to the standard, low quality, DKK 50 pr. 400g beans available at supermarket this is a significant mark up. The Coffee Collective says that the market has become used to low quality coffee and paying a price where the coffee farmer's living conditions are appalling. The Coffee Collective strives to educate the market that with the current prices in the market, the coffee bean farmers are not paid fairly for their work.

The Coffee Collective is experiencing high growth and expect for it to keep increasing in the future. In 2015 the company had a net profit of DKK 1.14 million, compared to a net profit of DKK 610,000 in 2014, resulting in an 86.7 percent net profit growth rate year over year, and a gross profit growth rate of 20.3 percent in the same period. Also, in 2016 they have 37 employees, including headquarters employees and baristas, and expect to increase that number to somewhere between 40 and 42 within the next year (Appendix #5).

The co-founders of The Coffee Collective characterize the company with words such as quality and socially conscious, innovative, transparent and adventurous, and their mission is to fundamentally change the way we think about coffee, which began with a strong ideology combined with a consumer-driven demand for better quality and socially responsibly traded coffee beans. They set out to change the industry through the trading program named Direct Trade, which is the cornerstone of the company.

# Chapter 6

## Diagnosing the corporate brand

The purpose of this chapter is to analyze The Coffee Collective brand in order to increase trust in the brand. This will mainly be done through applying the VCI Alignment Model to The Coffee Collective, with the goal of making the organization authentic, since authenticity is one of the main trust drivers as discovered in earlier chapters. This chapter will analyze The Coffee Collective's corporate brand and identify brand discrepancies based on empirical research, and will set the foundation for the suggested implementations in chapter eight.

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As indicated in previous chapters, the ultimate goal of marketing is to generate an intense bond between the consumer and the brand, and that the main ingredient of this bond is *trust* (Hiscock, 2001). It was also uncovered that if an organization is able to increase brand trust, loyalty and profits will increase with it, and that there are three main drivers of brand trust that this Master's Thesis will focus on, namely, 1) intentionality, 2) competence, and 3) authenticity (Figure #4). These three drivers will be highlighted and applied to the case of The Coffee Collective through the VCI Model, as created by Hatch & Schultz (2008).

### **6.1 Introduction of the adapted VCI Alignment Model**

The VCI Alignment Model is made up of strategic vision, organizational culture, and stakeholder images, which all have to become interwoven and support each other in order for the corporate brand to reach its maximum potential and be perceived as authentic. The authors' intended purpose of the VCI model was to align the brand in order to create a strong corporate brand, and while the corporate brand will be strengthened through an alignment of the three areas, the focus of the analysis is to make The Coffee Collective as authentic as possible in order to increase trust. Aligning the corporate brand is not the goal in itself, but a way to achieve what researchers consider to be the cornerstone of marketing, namely brand trust.



Analyzing the stakeholder image can help an organization realize whether or not they are delusional, but the stakeholder image will never be able to dictate the underlying personal values of the leadership of the organization, although it will determine whether there is a market for those values.

As stated earlier, Vlachos et al. (2009) note that companies need to *actually* believe in the causes they support, Sinek (2009) says that people do not buy *what* you do, they buy *why* you do it, and Eggers et al. (2013) said that “*brands that are authentic make defined core values their orientation for business actions and practices*” (p. 341), essentially stating that everything a company does needs to flow from the strategic vision of the company – the values that underpin the direction in which the company moves. In their book *The Experience Economy*, Pine and Gilmore (2011) finish off by saying that “*since all business is moral choice, every business is a stage for glorifying something, [and who or what you glorify] may or may not help you accept what is next, but it will certainly help guide what you do today*” (p. 299). In other words Pine and Gilmore state that whatever a business believes in and aims for through its vision, not what stakeholders think, should guide its present actions in order for the organization to be true to itself and thereby authentic today, not in the future.

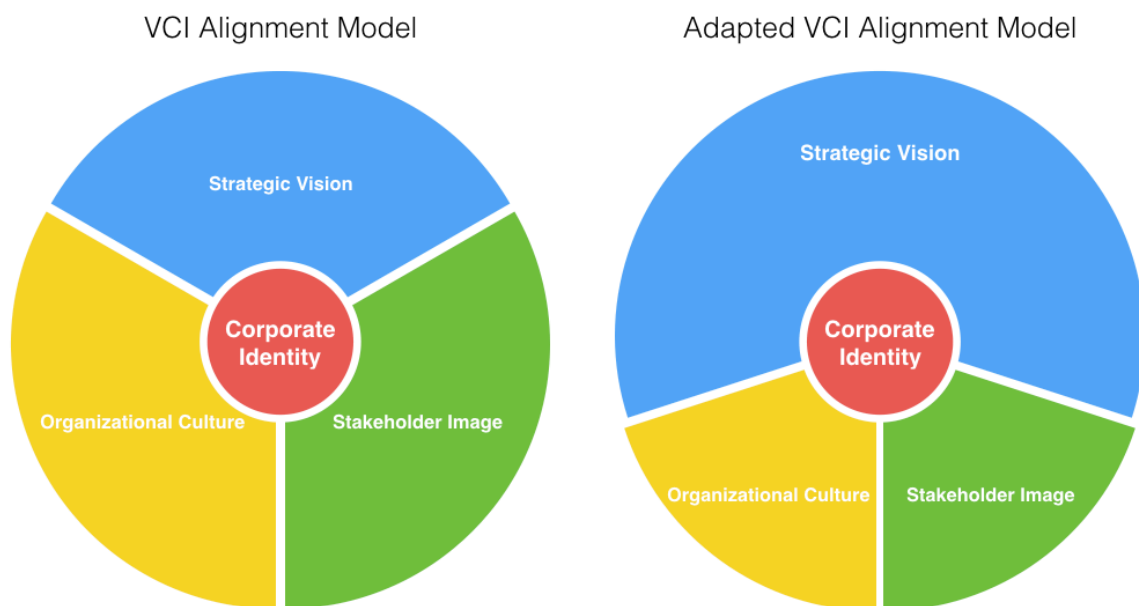


Figure #6: The VCI Alignment Model, adapted from Hatch and Schultz (2008)

To emphasize an increased focus on the values of the leadership team as a primary driver of a brand’s authenticity and direction, Hatch and Schultz’s (2008) VCI Alignment Model has been tweaked to stress the importance of the strategic vision, instead of an equal importance originally given to each area. This is due to the goal of increasing authenticity, which is a main driver of trust. This is not to say

that the VCI Alignment Model was necessarily flawed the way it was, but if the goal was to increase brand trust, then it should be adapted slightly.

As the primary goal of this analysis is to align The Coffee Collective's corporate brand in order to increase authenticity and thereby trust, strategic vision cannot stand on its own and requires interaction with other parts of the brand as well. This somewhat aligns with Hatch and Schultz's (2008) idea of an organization having to engage in conversation with stakeholders in order to refrain from becoming too narcissistic or too hyper-adaptive – listening to others while not losing their “internal compass.” This tweak merely means that in order for an organization to be authentic, an organization needs to pay more attention to its strategic vision than other areas, because as Sinek (2009) stated that *“the goal is not to do business with everybody who needs what you have, the goal is to do business with people who believe what you believe.”*

Authenticity is proven to create consumer trust in organizations, and it is necessary to determine whether or not a brand's strategic vision, organizational culture and stakeholder image aligns, so the brand can be true to itself. By aligning these three parts of the organization, the organization starts “walking the talk.” Authentic organizations are trustworthy because consumers catch the strategic vision manifested through the culture and by experiencing the brand first hand. This is what the following section will determine through a thorough analysis of The Coffee Collective's current strategic vision, organizational culture and stakeholder image, in order to generate accurate and relevant suggestions as to how the brand can further increase brand trust.

The next section will start out with an analysis of the current strategic vision, then move on to the current organizational culture and lastly the current stakeholder image. The analysis of the strategic vision will briefly outline the company's official vision and mission, its supply chain and relationship with its suppliers, the personal values of the CEO and the head of marketing, and the idea of deliberate disassociation.

### **6.1.1 Strategic Vision**

The strategic vision is described by Hatch and Schultz (2008) as the *“the central idea behind the company that embodies and expresses top management's aspiration for what the company will achieve in the future”* (p. 321). This central idea can be found in The Coffee Collective's supply chain. The Coffee Collective works with three main links in its supply chain, 1) the coffee farmer, 2) the coffee roaster and 3) the barista or the person who brews the coffee. The Coffee Collective is a for-profit company,

with a hint of social enterprise, as it has the well being of others at the center of its vision and mission. The company states that their mission is to *“explore and unfold exceptional coffee experiences in a manner that gives better living conditions to coffee farmers across the globe,”* and they go on to say that their dream, or overall vision, is *“for a coffee farmer in Kenya to obtain the same status and living conditions as a wine grower in France”* (The Coffee Collective, 2016).

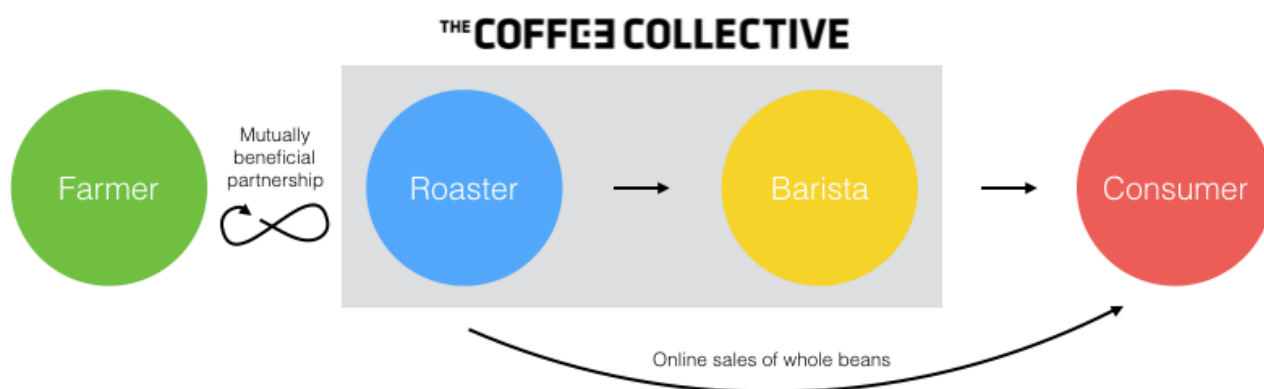


Figure #7: Basic B2C Supply Chain for The Coffee Collective (source: own illustration).

The vision of the leadership is carried out through a strict Direct Trade program, where the company commits to trading directly with coffee bean farmers around the world, promising to do two things; 1) pay at least 25% above the current Fairtrade price, and 2) committing to visiting each coffee bean farm once every year for quality control and relationship building. Not only does this ensure that lasting partnerships are formed between the buyer and the producer, but it creates mutually beneficial partnerships where the roaster pays a premium for a product that in return also has premium quality. In theory, the quality of the beans goes up every year due to an increase financial strength of the farmer, and because of the commitment of the buyer or roaster. With a purchasing contract from the buyer for the following year, that farmer has no risk in producing great quality, as he knows there is a buyer for the premium product.

Direct Trade is a label or certificate like Fairtrade and Rainforest Alliance, but with higher quality standards and trading criteria and although it is not as well-known as Fairtrade and Rainforest Alliance, its popularity is increasing. The Direct Trade program is described by the leadership of The Coffee Collective as one of the cornerstones of the organization since it reflects the heart of the co-founders.

Parallels to the Direct Trade business model can be drawn to the idea of “creating shared value” as pioneered by Porter and Kramer (2011), which is a step further than corporate social responsibility.

Creating shared value is not about merely increasing the share of the value already created in the supply chain to those who need it more, but to “increase the pie” by creating synergies through business clusters, so more value is added so that everyone wins. Porter and Kramer (2011) say that *“companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core”* and go on to say that solution to this is *“creating economic value in a way that also creates value for society by addressing its needs and challenges”* (p. 64). Porter and Kramer (2011) make the point that businesses need to take responsibility and incorporate societal issues into their business model, by helping advance things like infrastructure, technology, education and efficiency in the community of its suppliers. These investments have been recorded to increase income by 300% instead of the 10-20% that normal Fairtrade produce.

However, Peter Dupont believes in the power of money, and believes that when you pay the farmers what they need, the money will go where it is needed the most. The Coffee Collective does not want to take a condescending approach to making a difference, and does not want to be the “better knowing white man.” They believe the coffee farmers are able to spend money in order to achieve the most long and short-term utility, and through medium-term contracts the farmers are able to plan for the future knowing they have future cash flow to invest. While they do want to see farmers achieve higher living standards, they don’t believe in the idea of creating shared value as they find the whole idea condescending. This is due to a fundamental underlying value of respect.

According to Napoli et al. (2013), *“brands with a sense of history and connection with traditional cultures, customs, regions and beliefs acquire a distinctive identity and nostalgic aura that adds to its authenticity,”* and Direct Trade definitely adds to the authenticity of the organization. According to the empirical research conducted for this these, 61 percent of guests (61 percent of non-guests) say that knowing about Direct Trade increases their trust in the company, but only 42 percent of their existing customers had ever heard about Direct Trade. This will be further explored in the “stakeholder image” section.

The leadership of The Coffee Collective is very aware of how they want the company to be perceived, and point out that money is not the goal in itself, but a tool that can be used for social impact. The leadership is not afraid to stand up for their values. In an article in Politiken (2015), Klaus Thomsen, head of marketing at The Coffee Collective, comments on McDonald’s’ “a month of free coffee” campaign, stating that the biggest injustice we are seeing in the coffee market today is the low prices paid to coffee farmers, not the price paid by the consumers, like McDonald’s indicates. Klaus Thomsen

from The Coffee Collective says that McDonald's feeds the perception that coffee has to be cheap for the consumer.

Thompson et al. (2006) note that some brands are able to gain authenticity by contrasting their organizations with large commercial brands such as Starbucks, and that a deliberate downplaying of the organization's commercial skills and marketing strategy can make the organization seem as being above "commerce" and not being perceived as "sell outs." An example of this is the soft drink "Seven Up" which was marketed as the "un-Cola" to position itself far from the perceptions of Coca-Cola. Parallels can be drawn to the scenario of McDonald's vs. The Coffee Collective, except that The Coffee Collective is deliberately dissociating itself from McDonald's because they are standing up for their personal values, and are advocating social change.

One way that The Coffee Collective has distanced itself from its competitors is through transparency inside and outside the organization. Transparency is personally important to the leadership of the organization and they aim to be as honest as possible when doing business. One such example is disclosing their purchase price of the coffee pr. pound on the labels of the coffee bean bags available for everyone to see, allowing the consumer to calculate the mark up by him or herself. Furthermore, Klaus Thomsen said that they document every trade they do although this may not be the customs in the countries they are trading in. Through this The Coffee Collective is showing the way for others in Denmark

#### **6.1.1.1 Porter's Generic Strategies**

The Coffee Collective does not consider itself an exclusive brand that excludes people in order to achieve higher status. Inevitably, however, people will associate a higher price with status, but the intention is not create an exclusive brand, the intention is to advocate social change. Nevertheless, it is a fact that price will naturally exclude some people because they are unwilling to pay for the quality they provide. The leadership essentially says that everyone is invited, but not everyone is willing. Because of many consumers' unwillingness to pay a higher price for coffee, The Coffee Collective finds itself in "differentiation focus" communicating to a niche target market. However, because the vision of The Coffee Collective is to drive social change, they want as many people as possible to "catch the vision," and thereby reach a broader target market, moving them into "differentiation" instead of "differentiation focus." The Coffee Collective wants to see a shift in the minds of the consumers, making higher quality, and environmentally and economically sustainable coffee the norm rather than the exception.

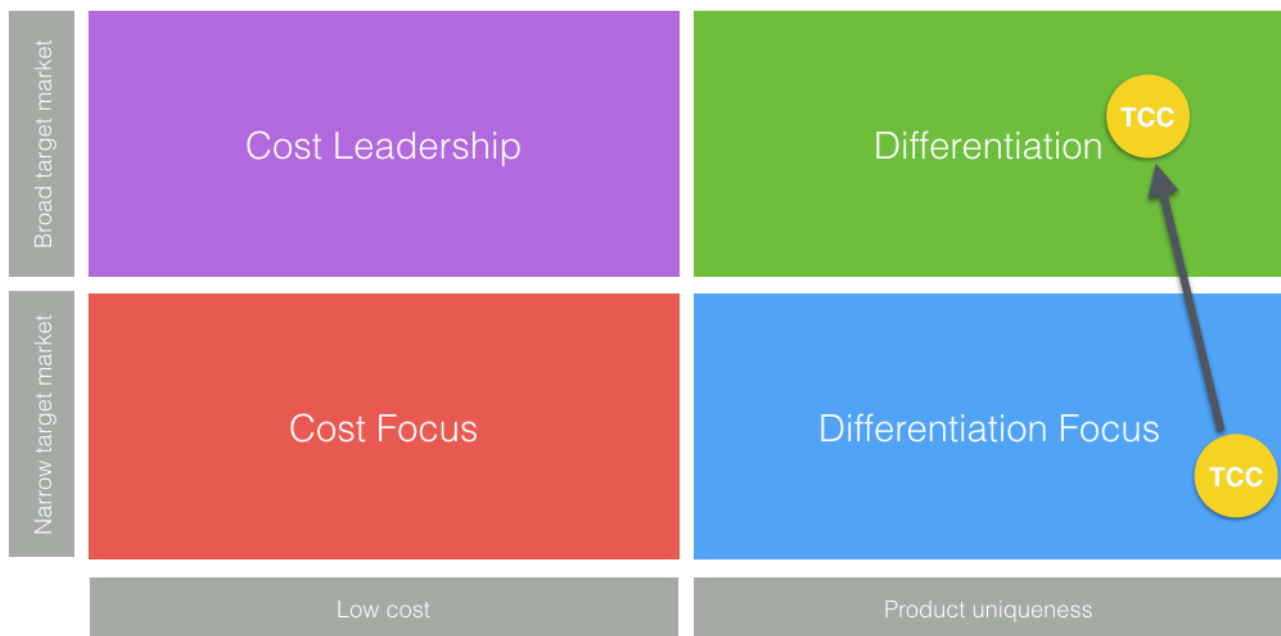


Figure #8: Porter's Generic Strategies

#### 6.1.1.2 The growth challenge

This is where the challenge lies for The Coffee Collective. How does The Coffee Collective live out its vision while still keeping customer perception the brand intact? According to gathered empirical data there is a slight tendency for consumers to believe that as a coffee company grows, perceptions of intentionality, competence and authenticity go down.

Consumers believe that as a coffee company grows, their focus shifts from being about the consumer to being all about themselves and money, being less likely to deliver quality products and great experiences, and the personal values of the leadership not aligning with its actions.

A challenge when growing is that the founders, who are the original carriers of the vision, get distanced as hierarchy starts taking shape. A challenge in this area was raised by the HR Coordinator of the company who made the point, that during the work week, it can be difficult to keep the coffee farmers in mind, because they are distanced so much from them, and because employees get caught up in the day-to-day operations of the business. This is especially true for the corporate team (office), as they are not engaging with the guests on a regular basis and explaining the stories of the farmers. It is crucial for the corporate team to receive information from what is happening around the company.

It is important to note that an added emphasis on the vision still does not make gaps between vision, culture and image acceptable, but it increases the importance of attracting the people who believe what the organization believes both internally and externally.

### **6.1.2 Organizational Culture**

According to Hatch and Schultz (2008), organizational culture is *“the internal values, beliefs, and basic assumptions that embody the heritage of the company and manifest in the ways employees think and feel about the company they are working for; expressed through the symbols and artifacts (objects, words, and deeds) of the whole organization and all of its members”* (p. 231). The organizational culture is the current actual outworking of the values belonging to the members of the organization, and not just top-level executives’ “corporate culture” which is the values, beliefs, and assumptions made public through official documents and PR.

The strategic vision creates the foundation of the brand – the direction in which it moves based on the personal values of the leadership. According to Sinek (2011), the strategic vision, the organizational culture, and stakeholder image are closely tied together. He states that it is easy to see *“why companies that we love to do business with are also the best employers. When people inside the company know why they come to work, people outside the company are vastly more likely to understand why the company is special”* (Sinek, 2011, p. 95-96). It all starts with the vision, and the organizational culture follows that direction.

While leadership casts vision and influences the organizational culture through their personal beliefs, the culture is a matter of fact and not a future idea or hope. This is where the challenge lies: making the future vision come to life in the present culture – bridging the gap between future aspirations and current behavior.

Values need to be acted and lived out, and Thyssen (2006) says that if values are not visible on a daily basis, or defended when attacked, they are no longer values but merely illusions. His definition of values is “a demand for a solution,” stating that if someone does not demand a solution to something he cares about, it is not a strong value. He goes on to say that if values are not visible they quickly become irrelevant (p. 12), and that there needs to be a strong connection between what a company says and what a company does, otherwise values will not be taken seriously either inside or outside the organization.

In order to determine the degree of alignment between the strategic vision of the top-level leadership and the organizational culture of the rest of the company, this section will highlight the most common values and beliefs, and the specific manifestations of them.

#### **6.1.2.1 Coffee passion**

Passion for coffee is one of the main driving forces in the organizational culture, and the obvious passion for brewing quality coffee is the result of attracting some of the best baristas in the industry. The baristas sometimes go to the offices to explore new coffee brewing techniques after working hours, and the culture was described by one barista as a very driven organization that is also relaxed at the same time. The passion between the baristas is so intense, that one barista even stated that because they were so focused on exploring the potential of coffee, it was challenging if you as a new hire did not share that same extreme passion for coffee. When a barista only has a mediocre passion for coffee, it is difficult to fit in. Although this could drive some people to leave the company, it is the *right* people that leave the company. A strong, shared passion for quality coffee is good as it reinforces organizational culture, which reflects a solid hiring process.

The baristas enjoy the Direct Trade model, not only because it makes the coffee industry more economically sustainable, but also because it makes their jobs easier. They note that it is much easier to serve a product you feel good about, and that you actually want to share the story behind.

#### **6.1.2.2 Skills**

The coffee passion has ties with the next manifestation: skill. When baristas are passionate about a craft, they will inevitably get better at that craft. This attention to skill and quality is without a doubt due to the influence of the leadership, since parts of the founding team are former barista world champions. Not only do they know their craft very well, resulting in expert-level (but rather short) training courses for the baristas, but they are also people who the employees can look up to. They embody what is possible within the industry. The baristas have a clear attention to detail and keep their counters clean, while focusing their attention on brewing the best cup of coffee humanly possible. You can sense the pride of the baristas when they serve great coffee to a guest.

Their skill manifests through the high quality of the coffee, and when new hires are introduced to the company they go through training to get them to a minimum skill level, so that no barista lacks the necessary skills to live up to the values of the leadership. From this minimum skill-level they get more experienced, and as their skills develop they are able to enter national coffee brewing competitions,



and when baristas from the Coffee Collective win these prizes it positively reflects on the company while also giving the baristas a sense of achievement.

### **6.1.2.3 Trust and transparency**

Trust within the organization is crucial, because when employees trust their managers, the people around them, and the leadership enough, *“they will gladly use the logic of corporate branding to question decisions that jeopardize the brand”* (Hatch & Schultz, 2008, p. 151). The front line baristas do not fear losing their jobs, even when they have had bad days. Managers are understanding and there is mutual respect between barista, middle manager and leadership. This feeling of safety and trust is reflected in the employee retention which according to Peter Dupont around one and a half to two years, which is higher than the average of a half to a full year.

The employees feel like the organization is very transparent. This is especially attributed to the weekly emails by Peter Dupont, but maybe more so Klaus Thomsen’s frequent visits to the coffee shops, where he tells stories and shows pictures of his recent trips to visit the farmers in Africa. Not only does this add to the transparency employees feel, but it also lets them know that what the employees are saying are not just hollow values without any substance. The baristas are feeling a sense of sincerity from the leadership.

The fact the coffee shops are operated as a real business and that the leaders are competent creates comfort for the baristas. They state that what makes The Coffee Collective unique is the structures that are in place, and that there is always a purpose behind the processes and service flow. Generally the baristas enjoy that The Coffee Collective has taken a professional approach to the niche/specialty coffee industry. When employees know that business is good, they will start focusing on honoring their craft, rather than worrying about their jobs.

A relatively new initiative making employees feel safe at work is the agreement with 3F, which is the largest trade union in Denmark. According to Peter Dupont, most coffee shops are not part of this. Although there are some downsides to 3F, as it makes trading work shifts much more difficult for the employees, they agree that they would rather be part of 3F than not.

### **6.1.2.4 Social life**

The organizational culture at The Coffee Collective can also be seen in the social skills of the baristas. The baristas are social beings, and when interviewed they felt comfortable. They are encouraged to

talk to the guests, especially about the brewing methods and the origin of the coffee beans. What a person's heart is full of will be reflected in his conversations.

In their conversation with guests they continuously try nudging toward better coffee choices without being condescending. They focus on what they are *for* rather than what we they *against*, so they try not to "guilt-trip" people into purchasing their coffee because their supply chain is more economically sustainable, or telling them they are ruining the coffee by pouring milk and sugar in it. It is an organizational culture built on respect for each other, and respect for the guest.

Because the baristas are social beings, which is the norm in industry as noted by one of the baristas, the social life in the organization is flourishing. Many friendships and romantic relationships have been formed inside the company, which is result of many likeminded people with the same interests gathered around a shared cause.

#### **6.1.2.5 Challenges of organizational culture**

One of the major frustrations for some of the most passionate baristas is that they do not feel fairly compensated and honored for their craft, and they question the relationship between their expert knowledge and their salary. They do not feel that a market-based salary is particularly fair because they practice and gain much more knowledge than the average barista at many of the competing coffee shops. This is somewhat ironic since this is the same issue farmers in developing countries have, which The Coffee Collective advocates against. One barista compared his salary to the one of a wine waiter at a restaurant, stating that the salary of a coffee expert is well below that level. However, they keep working because they think of themselves as artists, and are genuinely passionate about coffee and enjoy working on perfecting their craft. According to the baristas, consumers are being charged too low of a price in order for it to fairly compensate the work and hours of practice that goes into a cup of coffee. This points back to the passion of the baristas, and how much they care about their craft.

Despite the baristas not feeling fully honored for their craft, the organizational culture at The Coffee Collective is described by the baristas as passionate, driven, fun, geeky, structured, professional, relaxed and respectful. Next section will analyze the stakeholder image of the organization which is the third and last part of the VCI Alignment model.

#### **6.1.3 Stakeholder Image**

The stakeholder image is *"the meanings associated with an organization by its external stakeholders;*

*the outside world's overall impression of the company at a particular time. Includes the views of customers, shareholders, the media, the general public, and so on"* (Hatch & Schultz, 2008, p. 321) As mentioned in the delimitations of this Master's Thesis, the stakeholders will be limited to mainly the consumers due to the scope of the paper.

Generally, The Coffee Collective is regarded as one of the top coffee companies in Copenhagen. Across the three coffee shops in Copenhagen, The Coffee Collective receive a weighted score of 4.36/5 (110 votes) on Google, a 4.9/5 (78 votes) on Facebook, 2<sup>nd</sup> place out of 84 (182 votes) in the category of "Coffee and Tea" in Copenhagen on Tripadvisor.

Interviewed guests of the Coffee Collective describe the company with words like passion, quality, hipster, creativity, design, professionalism, craft, and a more informed and conscious consumer added integrity and transparency. There is a slight difference in the way stakeholder view the company and the way the leadership views the company, and where the leadership of the company puts a lot more emphasis on words such as justice, integrity, honest and transparency, the average guests mostly talk about quality and skill.

As one consumer stated, there are two types of coffee: 1) "the one which does its job" (strictly only for a source of caffeine), and 2) "the one that needs to be enjoyed" (Appendix #4). It is the general opinion that The Coffee Collective is not a coffee place you visit every day as it is a coffee that needs to be enjoyed, rather than consume merely for its physical attributes. Another consumer stated that does not visit the coffee shop every day since it is too expensive, and thereby categorizes it as something that needs to be enjoyed, and categorizes it as a luxury good.

According to the empirical data, consumers are more positive and loyal, and less price sensitive toward The Coffee Collective when they are presented with information about Direct Trade. While consumers interviewed do not choose The Coffee Collective because of Direct Trade, they state that they are likely to become more loyal when they hear about it. This is most likely due to a lack of knowledge about the program, as only 42% of existing customers have heard about Direct Trade. This is possibly due to a lack of in store advertising, as information about Direct Trade is only available through coffee bean bags, their website, and through conversation with baristas. Although only approximately half of existing guests have heard about Direct Trade, their guests are able to indirectly articulate those values, and common words include respect, honesty, and being close to the farmer. Even though the majority of their guests are unaware of the specific details of Direct Trade, the more conscious consumers are very aware. This means that their efforts of spreading their values *are*

working, but since only one in five interviewed consumers knew about the details of the trading program, the effectiveness of their communication could be questioned.

The general tendency for the guests of The Coffee Collective is that it is somewhat important to them that the farmers are treated fairly, but it is not something they think about when buying their coffee. In total, 26.3 percent of the guests of The Coffee Collective have never thought about where coffee beans come from, compared to 48 percent of non-guests, indicating that guests of The Coffee Collective are more conscious consumers when it comes to coffee.

Their guests generally trust the baristas when they suggest different and new beans. This is due to baristas being trained well and because the guests do not get the feeling that they are being taken advantage of. When compared to Starbucks or Baresso, guests said they did not trust suggestions from bigger coffee chains. In general the guests of The Coffee Collective have the impression that the baristas love their jobs, and that they are very passionate about what they do. Although conversations with the barista can be rather surface-level, they are good at initiating conversation and tell stories about the coffee.

#### **6.1.3.1 Challenges of the stakeholder image**

A challenge raised by one of the middle managers was that the range of guests at The Coffee Collective varies a lot. It is therefore difficult to know how much a guest wants to engage and how much the guest knows about specialty coffee. The age of guests at The Coffee Collective ranges from 19 to 61, with a slight preference to females, ranging from students with and without jobs, to entrepreneurs and unemployed people, with monthly income ranging from student grants (SU) to over DKK 400.000 a year. However, about half of all their guests are students with or without student jobs. Because of this broad range of guests, tailoring an experience that everyone likes is difficult.

Another challenge is that most guests do not understand that the Coffee Collective is more than just great coffee. Only 14% of their current guests are aware that The Coffee Collective wants to see coffee farmers achieve the same living standard and status as wine farmers in France. But Klaus Thomsen stated that the share of people who realize that there is a lot of potential in coffee is too low, and somewhat describes the process of understanding the next level of coffee quality that The Coffee Collective provides as a “revelation.” If the coffee collective wants to increase the share of people who have had revelation of what a coffee bean can do, they need to invite people on the journey.

#### **6.1.4 Summary and discrepancies of the VCI Alignment Model**

In the following section, the brand discrepancies in The Coffee Collective brand will be summarized in order to set the foundation for the next chapter, where possible implementations to bridge the VCI Alignment Model gaps will be suggested, while at the same time positioning The Coffee Collective in the brand trust sweet spot (Figure #4) by possessing and showing competence, intentionality and authenticity.

Although The Coffee Collective brand is generally perceived as trustworthy there are a few discrepancies between who the leadership of The Coffee Collective wants to be, what the employees feel the culture is like, and how the stakeholders perceive the brand. These discrepancies will be divided into the three gaps, 1) vision-culture gap, 2) vision-image gap, and 3) the culture-image gap.

##### **6.1.4.1 Vision-Culture discrepancies**

In general the employees are living the brand, and the baristas are eloquently able to describe the vision and values of the company, while also standing up for them. The upside to this is that the baristas *“then have motivation to pursue strategic vision that goes well beyond following the boss’s orders; they bring creativity to their work and to corporate branding efforts”* (Hatch & Schultz, 2008, p. 129).

However, the leadership of The Coffee Collective puts a lot of emphasis on mutual respect between employees of the organization and various partners, and that they want to do business in a proper way. Because the leadership puts so much emphasis on training baristas properly and respecting them, the lack of honor and respect that baristas feel do not line up. The baristas believe that their salary is too low compared to the knowledge they possess, and they do not feel honored for their craft by the guests. The frustration is that consumers are not willing to pay the price that the craft requires. This situation is similar to a reverse Baumol’s Cost Disease in performing arts where as wages keep increasing, productivity stagnates, resulting in the need for subsidies or grants. At The Coffee Collective wages have stagnated while productivity or value delivery has gone up. As baristas get increasingly educated and skilled, they would expect a wage increase, but since The Coffee Collective operates in for-profit market conditions the price consumers are willing to pay does not justify the skills and knowledge of the baristas in the same way it does for certified sommeliers (wine waiters). When focusing so much on the well being of the farmer, we cannot forget the well being of the barista in that process.

#### **6.1.4.2 Culture-Image discrepancies**

Employees receiving praise and positive feedback from stakeholders is one of the signs that the organizational culture and the stakeholders images align. Praise and positive feedback have *“motivational consequences, since praise is a reward that enhances self-esteem and contributes to feelings of self-efficacy. This link between VCI alignment and employee motivation connects directly to corporate branding (as well as to the bottom line!)”* (Hatch & Schultz, 2008, p. 129-130).

As mentioned in the strategic vision and organizational culture gap, the employees do not feel they are getting the praise they deserve. This is most likely due to consumers not having an understanding of what level of knowledge goes into making the best cup of coffee possible. However, in general the stakeholders have a good idea of what the culture at The Coffee Collective is like and are able to not only articulate it, but also experience it first hand. The most dangerous discrepancy in this gap is the lack of knowledge and understanding from the consumers' side, and even though they do receive positive feedback from guests, which is evident in the public praise reports on various online rating sites, they still feel a resistance in paying the true value of the cup of coffee.

#### **6.1.4.3 Image-vision discrepancies**

The gap between the strategic vision of the leadership and the stakeholder image is where the largest discrepancies are found. This gap is not the gap between the vision of the company, and non-guests or the general public, but rather the gap between the vision of the organization and the *current* guests. For most organizations attracting new guests is the main struggle, but for The Coffee Collective the struggle is getting existing customers to fully understand in their offering and where the values lies.

Direct Trade was articulated as the cornerstone of The Coffee Collective as it represents the way they want to do business: in a fair and honest manner. However, less than half (42 percent) of existing customers have ever heard of Direct Trade, and of the guests who had heard about Direct Trade, a third (35 percent) did not know the specific promises of Direct Trade. Even though it is a conscious decision by the leadership of company to associate The Coffee Collective with quality first, and then Direct Trade, it divides the attention of the consumers, as there is no clear number one priority. At the moment consumers experience high quality products, which is what most people associate them with. The mission of The Coffee Collective is fairly visible in the day to day of the business, as it is to *“explore and unfold exceptional coffee experiences in a manner that gives better living conditions to coffee farmers across the globe.”* The guests of The Coffee Collective all articulated that the baristas deliver high quality and products and that the guests receive what they expect, which is also reflected in the

positive reviews online. This is because management focuses their attention on training baristas properly, designing the coffee shops intentionally, and their employee handbook puts a lot of focus on service and conduct. However, the latter part of the mission statement is not visible enough compared to the attention it gets inside the organization.

This lack of understanding of the offering is most likely due to the lack of attention it gets at the coffee shops. Information about Direct Trade and their vision is available online and on their social media channels, but is essentially non-existing on site if the guest does not speak to a trained barista. The Coffee Collective finds itself in the mindset of wanting people to *understand*, while being afraid of promotion being perceived as non-genuine, or fake. Their intentions are selfless and they do not want their consumers to perceive them as caring more about money than about the farmers and the experiences of their guests. This has resulted in a situation where they only communicate if it feels genuine. I will call this phenomenon “*Authenticity Paralysis*” – the notion of wanting to be honest and authentic to the extent that it paralyses an organization’s willingness to try new things because of the fear of new initiatives being perceived as fake.

Consumers think it is about them, when really it is not. The Coffee Collective is pulling in one direction, and the consumers are pulling in a different one, as the guests are much more self-centered than the organization. The organization says: “we help out the farmers by serving this quality for our guests,” and their guests say: “I really like the idea of helping out, but honestly, I just want the best coffee in town.” However, knowledge about Direct Trade and their vision increases consumers’ likelihood of becoming more loyal, and their willingness to pay went up, and when an organization has a social mission they are more likely to share the organization’s message with their friends. This means that consumers want to do good, but The Coffee Collective needs to inform consumers further in order to make it more of a critical decision driver, while making it easier for the consumers to make the difference they want to make.

# Chapter 7

## Suggested Implementations

The purpose of this chapter is to generate suggestions as to how The Coffee Collective can further grow and remain trustworthy, based on the discovered brand discrepancies in the brand analysis and consumer behavioral trends uncovered through empirical research. This chapter will introduce three suggestions as to how The Coffee Collective can close the gaps between strategic vision, organizational culture and stakeholder image, while at the same time making sure that the company stays trustworthy during growth seasons, which is necessary in order to fulfill its vision.

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Before introducing the suggested solutions to the gaps in the VCI Alignment model, it is considered to helpful to review the problem formulation, in order to determine what this section actually answers. The problem formulation of this Master's Thesis reads: *"How can The Coffee Collective increase their brand trust by further aligning its strategic vision, organizational culture and stakeholder image in order to create a trustworthy brand and thereby build stronger long-term costumer relationships?"* This chapter will answer the question of *how*, whereas the previous chapters have mainly answered the question of *why*. Specifically, this chapter will answer sub question four, namely: *"What are the specific steps The Coffee Collective can take to increase brand trust, in order to strengthen the bond between brand and consumers?"*

Thus, this chapter will introduce three suggestions as to how The Coffee Collective can not only close the gaps between the three areas of the brand and thereby increase authenticity, but also increase the perceived intentionality and competence, which are the three main drivers of trustworthy brands as shown in The Brand Trust Diagram (Figure #4). However, as discovered in the empirical findings, in the coffee industry, as a brand grows larger, the less trustworthy it is perceived on *all* three trust drivers. Since The Coffee Collective needs to grow in order to continuously put more money in the hands of the farmers, the following suggestions need to take into consideration the consumers' perception of growth vs. competence, growth vs. intentionality, and growth vs. authenticity.



The three suggestions are 1) getting their in-house training courses certified and branding them as an academy with measurable credentials, 2) publishing a magazine that promotes the general niche coffee industry rather than The Coffee Collective as a company, and 3) starting a movement and inviting people along on the journey.

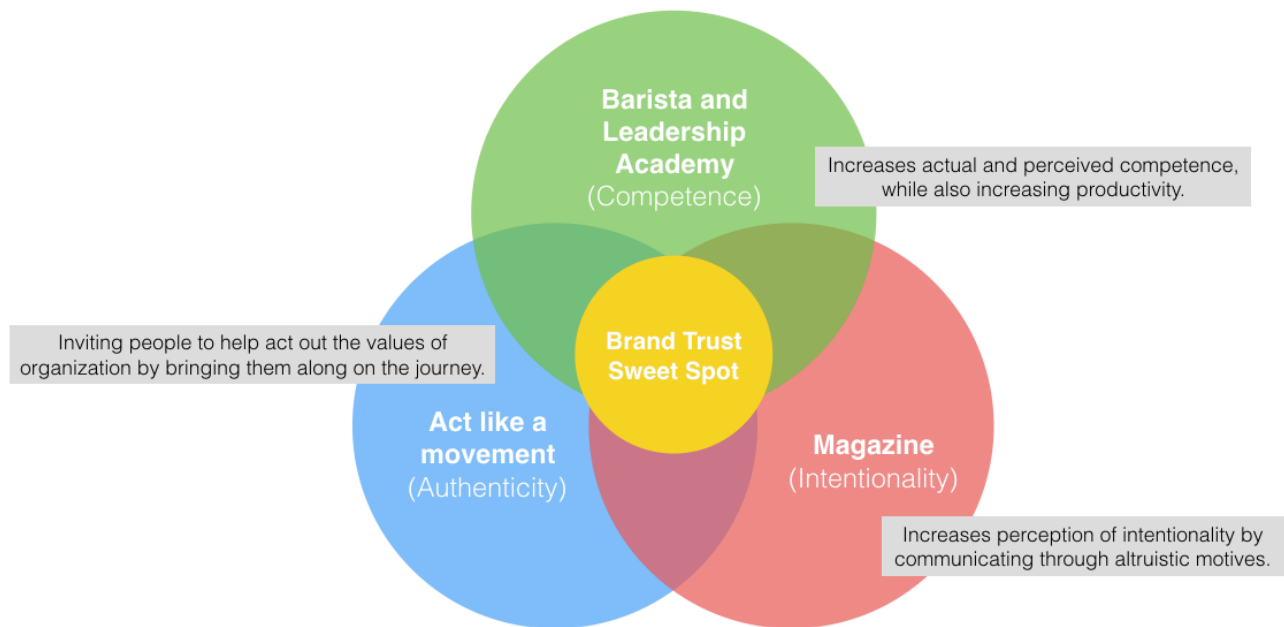


Figure #9: The Brand Trust Diagram for The Coffee Collective (source: own construction).

## **7.1 Suggestion #1: The Coffee Collective Barista and Leadership Academy**

The Coffee Collective Barista and Leadership Academy (TCC BALA) is a voluntary opt-in training program for the employees of The Coffee Collective who want to get better at their craft, while learning about leadership and the supply chain, and at the same time progressing in their career path with the company. It is a way for the employees of the organization being recognized for the valuable resource they are, while at the same time developing the necessary skills to be a force for good in the world. The TCC BALA is all the training efforts that The Coffee Collective is already doing, and collecting them into a structured, easy to understand program, that employees and guests understand.

### **7.1.1 Relevance of TCC BALA**

The Coffee Collective is currently spending many resources on training their baristas in order for them to be able to deliver a high quality product worthy of the brand. However, due to this knowledge the baristas possess, they feel like they are not being honored and appreciated enough by the guests and by management. Specifically this is due to a relatively low wage, which in their opinion does not justify their skill set. This is most likely due to the lack of a way to measure skill level in order to accurately compensate financially. However, because the guests are uninformed about what barista must know in

order to serve the proper quality, and what the price of high quality beans are, they are not willing to pay a price that justifies the craft. Also, baristas are frustrated that as they stay with the company for longer periods of time, and are loyal to the brand, that employee loyalty is not rewarded financially. Training and learning are currently seen as important to the brand promise, but their training is rather sporadic and takes place at the very beginning of their employment period, instead of being a continuous learning and development program.

The Coffee Collective Barista and Leadership Academy (TCC BALA) will increase the authenticity of the brand by closing the following gaps in the VCI Alignment Model:

- Vision-Culture: Recognition and honor of baristas and increasing quality of service further, while educating baristas further to make a difference in the world.
- Vision-Image: Guests notice emphasis on training, respect and quality in a genuine way.
- Culture-Image: Guests gain even more respect for baristas and the industry through measurable barista skillsets, justifying the price premium in the mind of the guest.

While increasing authenticity, the TCC BALA will also increase competence and the perception of it through intentional branding efforts, and increase the perception of intentionality by emphasizing the leadership of the organization places on people. It will be branded as a structured development program available for baristas at The Coffee Collective, which equips them to go change the world through sustainable leadership.

### **7.1.2 Structure of TCC BALA**

The problem is, that being a barista can be a repetitive job where it is easy to feel “stuck” either because management does not have the necessary tools to assess leadership skill, or because opportunities to take responsibility are rarely granted. In order for motivated baristas to not feel bored, The Coffee Collective needs to stimulate the intrinsic motivation of the baristas, and motivate them to reach their potential as baristas and leaders. This will increase employee retention, which in turn will increase productivity and competence. Due to the scope of this paper, there is not enough room to go into depth about every step in the program. However, on the next page there is an illustration of the suggested *thinking* behind the program.

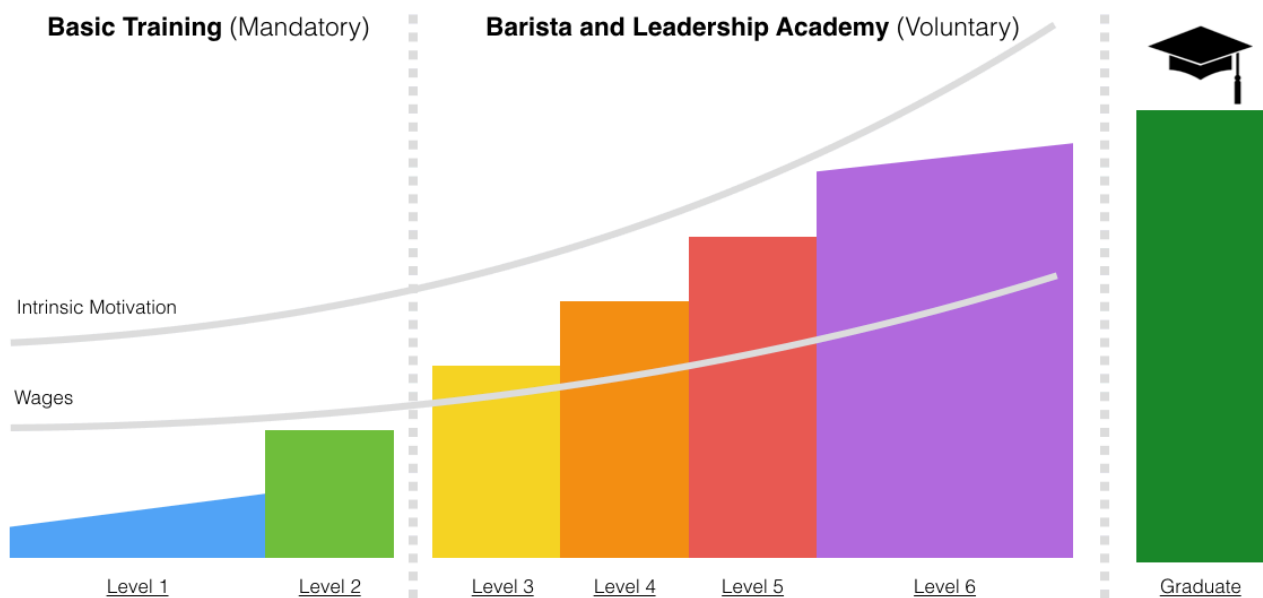


Figure #10: Structure of The Coffee Collective Barista and Leadership Academy (source: own construction).

Different levels consist of different tasks like required reading on topics like leadership, management and social change, suggesting solutions to social issues and company specific challenges by writing short papers, and learning new coffee brewing methods. Combined with tasks and tests there are also opportunities like competitions, traveling to the coffee farms around the world with the leadership team, and helping out with various leadership issues.

As students progress throughout the different levels of the program they gain a wider understanding of The Coffee Collective's leadership values, the complexity of the coffee industry and in general rise as leaders in the organization while they are serving better and better coffee when working.

When considering how to compensate baristas, it is necessary to not think of it as a motivational factor. Money and rewards on their own should never be the motivating factor – making a difference in the world and honoring the craft should. Sinek (2011) mentioned that “quick fixes” do not sustain loyalty for guests, and the same goes for employees. As they progress, the salary of the baristas will increase slightly, not to create motivation, but to respect and honor the baristas for their abilities. Also, wages will always be fair because they are based on measurable credentials, and as students graduate from the TCC BALA, they are take on the responsibility of training the new class, receiving the opportunity to earn more money and learn more about leadership.

### **7.1.3 The reasons for leadership training**

Getting the values and strategic vision right is essential when expanding while desiring a well-aligned brand. When providing leadership training, the leadership is getting the right values embedded into the employees who really want to learn. And by focusing on top performers, the leadership knows where to look for the next generation of leaders. Also, since the vision of The Coffee Collective is to get more money in the hands of farmers, they need to train the leaders of the tomorrow to view the world through the same lens. Ultimately, The Coffee Collective will have a bigger impact when they train the leaders of tomorrow. Maybe they will not stay with the company forever, but if the company is truly motivated by altruistic motives, then training baristas to be more socially conscious and take leadership in social change, then the company is doing what it was created to do.

When a business has a viable and proven business concept, accessing the capital necessary to expand is easy. However, the more challenging side of growth is hiring people who believe what you believe, who understand and live the culture and brand. The Coffee Collective Barista and Leadership Academy will solve this issue, making it easier for the company to expand since they can hire from within the organization.

### **7.1.4 Evaluation of potential of successful implementation**

Baristas of The Coffee Collective mentioned that structures are good, because they create comfort, by showing that the management of the company knows what they are doing. As long as the program is voluntary, and not mandatory, there is high likelihood of successful implementation since it is in line with their strategic vision, organization culture and stakeholder image. In order for the TCC BALA to close the gaps in the VCI alignment model, the TCC has to be communicated through the company's website, mentioned in the tri-annual magazine, and through the company's social media channels such as Facebook and Instagram.

## **7.2 Suggestion #2: Publish tri-annual specialty coffee magazine**

"The Collective" is a tri-annual niche industry magazine, published every four months, which covers the industry from a balanced perspective. Rather than highlighting The Coffee Collective through a biased lens, it aims to tell compelling stories about farmers in South America and Africa, stories about baristas, and news about new brewing methods and equipment. By celebrating the whole industry of specialty coffee, and not glorifying themselves, they will be seen as experts in the field, and advancing the industry at the same time. The larger and more focus the industry as a whole receives, the more The Coffee Collective will benefit because the whole pie increases rather than just their market share.

The purpose of the magazine is to spread the message of Direct Trade, directing the focus from the price guests are paying for their coffee to the price farmers are getting paid for their product, and showing honor and recognition to employees, without the stories being perceived as advertising or not in line with the vision of the company. The magazine will be printed in organic paper and feel and look authentic, and will be available at the coffee shops while guests wait for their coffee to be made. Guests can also bring them home from the shops and other coffee shops that carry The Coffee Collective beans will also receive the magazine for *their* guests to read.

### **7.2.1 Relevance of the magazine**

The guests of The Coffee Collective generally want to learn more about the coffee they are drinking, and the more the guests care about the quality of coffee, the more they want to learn about the coffee. The Coffee Collective already has a blog which they update on a monthly basis, where they aim to tell stories about their operations. However, the blog is only read by people who actively make a choice to go the company's website, and the magazine will make sure that the type of stories that they are already producing will get into the hands of the guests. "The Pour Over" will close the following gaps in the VCI alignment model:

- Vision-Culture: Magazine will carry stories of baristas who are part of the TCC BALA which will show recognition and honor, while heavily promoting vision internally.
- Vision-Image: Consumers hear about the heart behind the company and what matters most to the leadership, which will make it easier for them to join the movement (Implementation #3).
- Culture-Image: Consumers gain respect for baristas and for the industry, which will make the baristas feel more honored. As pointed out in empirical data, consumers want to *be* recognized and *be able* to recognize baristas, and this is a way to highlight those baristas. Also, if consumers are informed, they will be more likely to understand the reasoning behind the prices.

While closing the gaps in the VCI alignment model, the magazine will also increase brand trust as The Coffee Collective will move closer to the brand trust sweet spot (Figure #9). The magazine will affect the following drivers:

1. Competence: The content will highlight new equipment and brewing methods while highlighting stories from the barista and leadership academy, and showing that the company is actually able to make a difference.

2. Intentionality: The stories will center around the issues in the industry and the mission of the company, which will increase perception of motives. Personal stories about baristas and their accomplishments will also be featured.
3. Authenticity: The magazine provides the opportunity for The Coffee Collective to show that they are acting in accordance with their values, and are honest about their successes and failures.

“The Collective” is an opportunity for The Coffee Collective to break out of their *authenticity paralysis* and try something new that is genuinely honest and true to who they are. The magazine is not advertising, and it is not intrusive in the experience, which means that it does not destroy the mission of delivering exceptional coffee experiences. The key is to deliver value that adds to the overall experience, instead of taking away from it. Interesting stories that do not feel like sales pitches would do that.

In order to feel authentic, the magazine needs to feel handcrafted, but not homemade, with articles from baristas, coffee personalities, updates from farmers, success stories, challenges, and what the industry is doing wrong. It is important to be transparent about failures as well as successes. This is to show sincerity (Sung & Kim, 2010) and also making an effort to be transparent which increases trust (Kang & Hustvedt, 2013).

This is an opportunity to show that the company is trustworthy. By promising to deliver high quality content three times a year, the guests will have something to look forward to. To a certain degree, when The Coffee Collective talks about the things that did not work, they are intentionally being vulnerable and putting themselves in a position where the guests can make up their own minds about whether or not to trust the company. Vulnerability that is not taken advantage of increases trust (Barney & Hansen, 1994) and this is opportunity for the company to be completely honest, which is not a problem when the leadership has altruistic motives.

### **7.2.2 The Intention Matrix**

Intention is one of the main drivers of trust, and the goal of the magazine is to increase perception of intention (altruistic motives). The hope is that the magazine will help communicate intention, so that The Coffee Collective moves closer to the “intention equilibrium”. The danger when growing, as found in the empirical data, is that consumers begin doubting the intentions of the organization. As The Coffee Collective is regarded as having high *actual* intention, the challenge is communicating it in an authentic way.

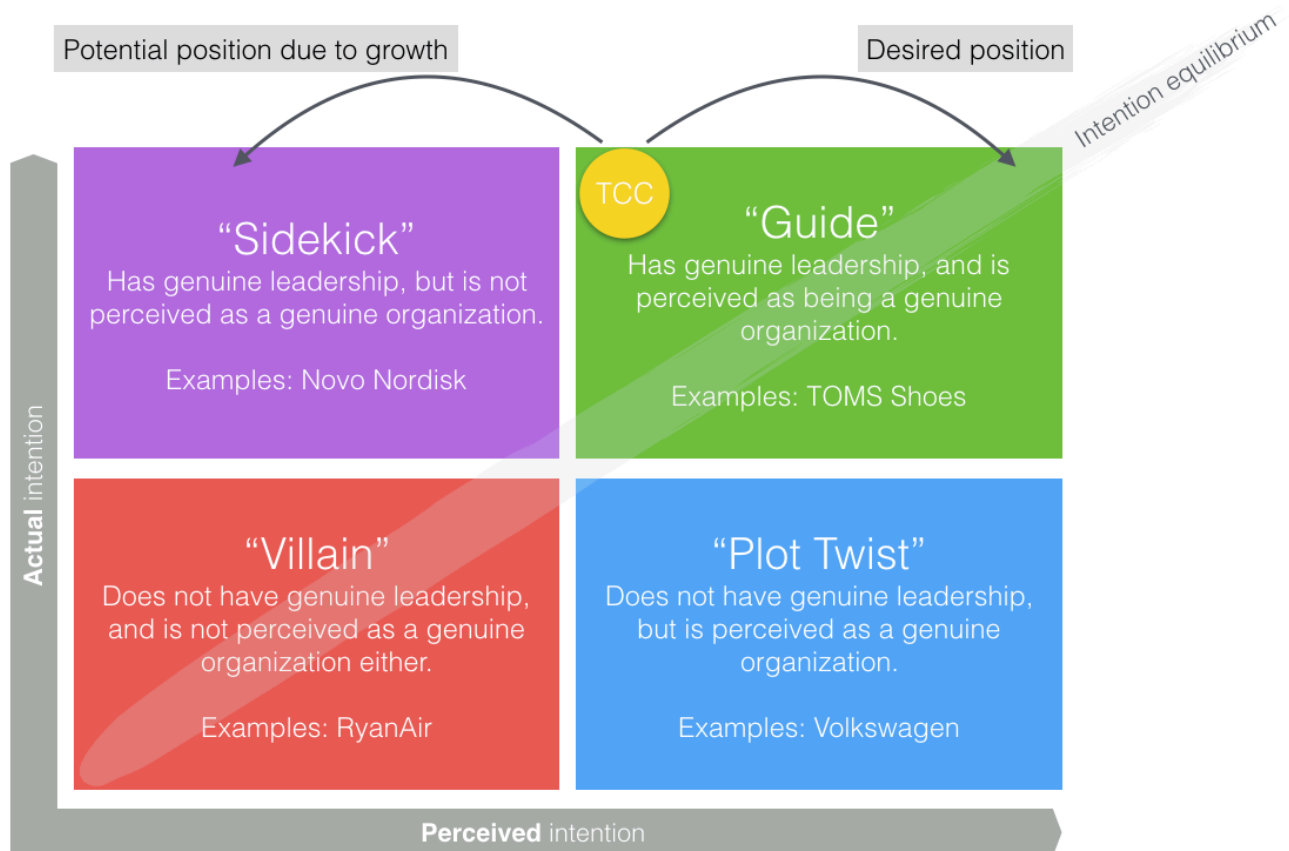


Figure #11: The Intention Matrix (source: own construction).

The interesting thing to note about the Intention Matrix, is the viable market of the “villains.” Although people *know* that they have egoistic motives and do not particularly care about the consumer, people are still consuming the product, because the company is true to who they are, and clearly state their intentions. For instance, travelers inherently *know* that RyanAir treats travelers like cattle, but because their service is cheap, travelers accept that treatment. While RyanAir may not change the world, they can still make a profit in the “intention equilibrium.” Since The Coffee Collective has genuine leadership that has altruistic motives, there is still room for improvement on how they are perceived. In order to stay away from the “sidekicks,” The Coffee Collective needs to keep communicating their intentions.

According to Miller (2015), the most iconic brands do not make themselves the hero of the story, but rather, they guide the *customer* to become the hero. The most genuine brands simply provide the tools the customers need in order to overcome their problems, making the customers feel like *they* are the heroes in their world, and that they are the ones making a difference, with the brand merely helping them in the process. Coca-Cola points toward happiness as the end goal, with the Coca-Cola drink being the tool that helps them get there. Coca-Cola’s communication is not about themselves, but about

happiness and *helping* the customer achieve their goal, making the brand a guide rather than a hero. Consumers simply need to trust the brand's intentions, and trustworthy brands find themselves in the intention equilibrium.

Showing intentions through this magazine is also an opportunity to take advantage of *deliberate dissociation* of larger coffee chains like Baresso, Starbucks and Riccos, by pointing toward a higher standard of integrity that they cannot keep up with.

### **7.3 Suggestion #3: Act like a movement (poverty eradication)**

By acting like a movement, The Coffee Collective allows their guests to shape their identity around the company, internalizing the values of the organization as their own. As The Coffee Collective invites people to join in on the vision, the company will take steps toward their goals. Acting like a movement means that the company is not afraid of standing up for what they believe in, and being vocal about the force for good they truly are. Instead of working to put more money in the hands of farmers, they should change their focus to eradicating poverty in the regions where they do business, by paying farmers fairly and treating them with respect. Eradicating poverty in the regions in which they do business is based on their current values, but is much easier for the consumer to understand, while also making it possible to make a difference in Denmark within the same cause.

Muniz and O'Guinn (2001) define a brand community as "*a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand*" (p. 412), but acting like a movement means uniting people around a cause rather than a product or a service. Pine and Gilmore (2011) say "*every business is a stage for glorifying something*" (p. 299), and using Muniz and O'Guinn's (2001) statement as point of departure, acting like a movement means creating a specialized, non-geographically bound community, based on a structured set of social relationships among *advocates of a cause*. It is using the platform of the business to more clearly glorify something else than its own products – to point to something larger than itself.

Acting more like a movement closes the three gaps in the VCI alignment model in the following ways:

- **Vision-Culture:** Employees have an easier time remembering *why* they do what they do on a daily basis.
- **Vision-Image:** Connect with the people who want to help achieve the vision with the company. Eradicating poverty by drinking the highest quality coffee in the world is appealing.



- Culture-Image: Baristas will be seen more as friends and partners on a mission rather than deliverers of a service.

In terms of the competence and intentionality, this initiative slightly increases intentionality, as guests will be spreading the vision and values of the company voluntarily. However, in the Brand Trust Diagram, this initiative influences authenticity the most. The first two implementations strengthened competence and intentionality, whereas the last one increases authenticity (see Figure #4) by acting out defined core values, which are the orientation for business actions and practices (Eggers et al., 2013).

### **7.3.1 Relevance of acting like a movement**

Although it could be assumed by stakeholders that The Coffee Collective is already acting like a movement, the fact that employees did not mention *the cause*, but rather commitment to quality and business structure, as the reason why they work at the company, reveals that there is still potential for a more structured approach to putting the cause at the center.

You cannot start a movement if a brand has not first shown intentionality and competence because people do not want to identify with something they do not really trust. If a company is not able to deliver on promises, and acts selflessly, guests will not want to share that experience with their friends. According to empirical data, consumers are very likely to share a brand's message, if the brand has a "higher purpose." This is because a higher purpose increases intentionality, and Becerra and Bedrinarayanan (2013) found that consumers want to identify with brands they trust. Freeman and Auster (2011) say that "*we create self in part by creating connection, and as we create connection, we create self*" (p. 22), saying that the way consumers see themselves is heavily based on the brands they choose to identify with.

The Coffee Collective has all the right ingredients for starting a movement: competence, intentionality and a cause consumers care about. In other words, The Coffee Collective has been proven trustworthy, or worthy of the trust extended to them by consumers, which means the consumers are now ready to share the message. Beiser (2016) suggests that 80 percent of the global general population believes that businesses "*can take specific actions that both increase profits and improve the economic and social conditions in the community where it operates,*" essentially saying that consumers are increasingly expecting businesses to solve social issues such as the one The Coffee Collective is highlighting (poor living conditions for farmers due to unfair pricing.) The Edelman Trust Barometer (2016) found that

the most important issues for businesses to address in Sweden is “supporting human and civil rights.” Since the Danish and the Swedish cultures are relatively similar, it is safe to assume that, if not at the top, supporting human and civil rights is at least very high on the list of important issues in Denmark as well.

The problem, however, is that the consumers are not being invited on the journey – they are being spoken and listened to, but not asked to help or to join the movement.

### **7.3.2 Specific ways to act like a movement**

Specific ways to act like a movement comes down to how The Coffee Collective involves the consumer in the journey toward better living conditions for the farmers who produce the coffee. It is not very clear what happens when a consumer buys coffee, the question remains: How does the consumer *actually* help that vision? The brand needs to promote a give and take relationship based on Fournier’s (1998) notion that the quality of brand relationship evolve “*through meaningful brand and consumer actions, as per the reciprocity principle on which all relationships are grounded*” (p. 365). Inviting consumers to help the company is a way to create a give and take relationship.

The following initiatives will involve the consumer at a higher level:

- Merchandise: Giving out something as simple as The Coffee Collective stickers, having official hashtags and spreading reshareable inspiring quotes on social media can make a profound impact.
- Lobby: Peter Dupont And Klaus Thomsen being vocal locally and globally about the issues of poverty and injustice on a political level.
- Being a force for good locally: Organizing local projects in Copenhagen that share the heart of the organization. It is about respecting people for their craft, and being outspoken about that locally will have an effect globally. Make people proud to be part of the collective, and partner with Danish justice organizations.
- Inspire people to inspire people: Leave people happier and more inspired to advocate social justice. This can be done through social media channels and through the tri-annual magazine. Instead of using Twitter for information about the organization and specific details about for instance power outages, use it to highlight what *really* matters: people.
- Facilitate conversation between guests on social media: Ask questions, engage, and respond to tweets and comments more intentionally.

### **7.3.3 Putting all implementations together**

If implemented together, even on a small scale, these implementations will move The Coffee Collective closer to the brand trust sweet spot (see Figure #9), meaning that the organization is able to, and wants to, deliver exceptional experiences that are in line with their vision and values, while having the guest at the center of its world. The Barista and Leadership Academy increases actual and perceived competence. The magazine increases the perceived intentionality, and acting like a movement makes sure that the organization is and is perceived as authentic.

Now that possible implementations to increase brand trust have been suggested, the next chapter will provide more context to the situation of The Coffee Collective by suggesting some of the future trends and mindsets that are expected to arise. This is provided in order to further highlight the fact that the future of The Coffee Collective seems bright.

# Chapter 8

## Future projections

This chapter evaluates how authenticity and honesty will play a role in the future, and suggest possible future trends in the field of brand management, and thereby providing more context for the case of The Coffee Collective.

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This is what we are increasingly seeing: brands that genuinely want to benefit society, implementing a value-giving rather than a value-taking mentality while making a profit. There is a wave of companies successfully acting out on their personal values like TOMS Shoes, Patagonia, and Ben & Jerry's. They give back to society because they genuinely want to, not because they have to. TOMS (shoes) advocate their "one-for-one" business model, giving a pair of shoes to a child in need for every pair sold (over 50 million donated so far), and now also help give sight, water, safe birth and prevent bullying (TOMS, 2016). Patagonia's mission is to *"build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis"* (Patagonia, 2016), and Ben & Jerry's have a three-part mission; creating fantastic ice cream for its own sake, managing the company for sustainable economic growth, and using the company in innovative ways to make the world a better place (Ben & Jerry's, 2016). While these companies have strong social missions, the quality of their products has still been honored. These successes are not accidental, and they were born out of genuine personal values of the leadership, and people were invited along on the journey to see the world become a better place, and being honest and open in the process.

At The Coffee Collective almost three out of every four guests (72 percent) said they intended to increasingly take factors such as honesty, transparency, authenticity and selflessness into consideration when purchasing goods in the future, indicating the importance of genuine leadership in companies. Beiser (2016) stated that companies are increasingly expected by consumers to take responsibility in social issues, and while being honest, transparent and selfless are currently value-drivers, those values will eventually get commoditized and turn into value-sustainers. As consumers start demanding that companies help eradicate some of the most pressing issues in the world, taking

responsibility is no longer a differentiating factor. Like corporate social responsibility has become a value-sustainer and something expected of companies, having a genuine care for other people through altruistic motives, will also at some point become the new normal.

## **8.1 Future trend in brand management: Identity**

As consumers are increasingly feeling denied an existence that is real or authentic (Napoli et al., 2013), they desire relationships with entities that are not trying to be something they are selfless. Keller (2011) points out that the best brand managers take their brands on *“thought-out journeys that allow them to profitably grow, while preserving the brands’ close bonds with consumers and benefits to society as a whole”* (p. 43).

We will increasingly see consumers longing to connect with something larger than themselves in order to give meaning to an otherwise meaningless existence. Freeman and Auster (2011) say that *“we create self in part by creating connection, and as we create connection, we create self”* (p. 22), and by connecting with companies who work for values we want to see in ourselves, we slowly turn into the person we want to be. However, identification with a brand starts with the brands being trustworthy (Becerra & Badrinaranayan, 2013), by showing the consumer that the brand is able to live up to its promises, that it is selfless and wants what is best for the consumers, and that it acts in accordance with their own values.

The notion that consumers identify with companies is not new since Aaker (1997) and Fournier (1998) touched on the notion of brand relationships and personalities. However, while the type of identification-thinking, that has been shaping brand management for decades, has been mostly about social *status*, the future identification type will be all about social *values*. Consumers will to a higher degree work to show their values instead of their financial status (at least in Western societies). We will see consumers who are more worried about whether the brands they connect with portray who they truly are, so that they stay true to themselves, rather than consumers trying to be someone they are not. And instead of consumers being extensions of the brands, with consumers trying to live up to the values of the brand, brands will to a higher degree become extensions of consumers, where consumers to a higher degree consciously choose who they allow to shape their perception of self. More companies will stop taking advantage of fear (of not fitting in) as a selling tactic, and start glorifying something larger than themselves, and thereby providing people with a place to fit in.

Beccera and Badrinarayanan (2013) found two factors influencing brand evangelism (the active behavioral and vocal support of a brand), namely brand trust and brand identification. They say “*when consumers sense that a brand reflects characteristics that are central to their identity, they develop a cognitive connection and perceived oneness with a brand and are likely to work instinctively toward the benefit of the brand*” (p. 373). Thus, brands that are able to connect with consumers by glorifying causes larger than themselves and create genuine trustworthy organizations will be the future winners of customer relationships and brand evangelism.

The Coffee Collective could easily be one of those iconic winners in Denmark and Europe. They could be one of the guides (Figure #11), helping fight social injustice and poverty in the markets in which they operate while still turning a profit for shareholders, by nurturing relationships with the people who believe what they believe and who identify with their values.

# Chapter 9

## Conclusion

This chapter concludes this Master's Thesis by wrapping up findings and suggestions to make sure that the problem formulation and its sub questions are answered to their full extent.

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This Master's Thesis has covered the topic brand trust and how to create trustworthy brands, and applying the theories and strategies to the case of The Coffee Collective. It was discovered in the field of brand management that we have moved from the assumptions of the economic man to a more inclusive and dialogue-based approach to brand management, where consumers are forming relationships with brands, generating brand value alongside the brand managers.

The ultimate goal of marketing is to create strong bonds with consumers, and these bonds are created through trust (Hiscock, 2001). This introduced the concept of brand trust which is the *"feeling of security held by the consumer in his/her interactions with the brand, that it is based on the perceptions that the brand is reliable and responsible for the interest and welfare of the consumer"* (Delgado-Ballester, 2003, p. 11), and the idea that in order to sustain brand trust a brand has to be worthy of the trust extended to them by having altruistic motives over a long-term period (trustworthiness). Brand trust results in customer loyalty and ultimately profits, and consumers are more willing to share the message of brands they trust, rather than the ones they do not trust. Out of the literature review the Brand Trust Diagram (Figure #4) was born consisting of competence, intentionality, and authenticity, which was the foundation of the analysis and frame of recommendations for The Coffee Collective.

In general, The Coffee Collective has a strong corporate brand, with strategic vision, organizational culture and stakeholder image being relatively well aligned. The biggest discrepancies were found between the strategic vision and the stakeholder image, as few of their current guests knew about what the company considered to be the cornerstone of the company, namely Direct Trade. The other discrepancy was found in baristas not feeling honored for the time and effort they are putting into their work.

These gaps in the VCI Alignment Model were closed through the three initiatives of 1) The Coffee Collective Barista and Leadership Academy, 2) a magazine highlighting the specialty coffee industry, and 3) acting like a movement. The Coffee Collective thereby increased trust in the brand by increasing competence, intentionality and authenticity, while also closing the gaps in the VCI Alignment Model. Furthermore, The Coffee Collective became a more trustworthy brand, because it made clear that it is a brand which is worthy of the trust extended to them. As the leadership continues to set up measurable promises they show and nurture their genuine intentions .

Long-term relationships between The Coffee Collective and the guests are created through speaking to and involving the people who believe what The Coffee Collectives believes. Not everyone will want to be part of the movement to eradicate poverty and see farmers being recognized for their work, but it is much better to speak to those who will stand up for you and speak with others about you, than wasting resources convincing people who do not care, to be a part of something bigger. The long-term relationships between the Coffee Collective and their consumers will only be formed through long-term commitments to integrity and honoring their craft, and by acting selflessly and in accordance with the company's values, over a long period of time, even if it hurts the bottom line in the short run.

The Coffee Collective is riding a wave of companies who are standing up for what they believe. Companies such as TOMS, Patagonia and Ben & Jerry's are examples of where The Coffee Collective could potentially find themselves if they break out of their "authenticity paralysis" – the mindset that everything has to be so perfect and real that it hinders progression.

The future is looking bright for the company, and the leadership has the right values in order to make a positive impact in this world. My prayer is that they will continue down the path of glorifying something larger than themselves, and keep doing what is right, not because they have to, but because they genuinely want to.



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# Appendices

## **Appendix #1: Interview guides and summaries**

All audio recordings can be listened to and/or downloaded at [bit.ly/TCC-Interviews](https://bit.ly/TCC-Interviews)

### **Interview Guide for CEO, Peter Dupont**

#### **Purpose:**

Exploring the leadership of the Coffee Collective's understanding of vision, culture and image, in order to determine if the stakeholders of the Coffee Collective have an aligned understanding of the organization.

#### **Questions**

##### **Vision:**

- Beskriv kort Coffee Collective for mig og hvordan det hele startede.
- Hvordan ser du virksomheden nu – hvad er kerneområderne?
- Fortæl mig om Coffee Collectives vision, og hvad gør I for at komme derhen?
  - a. Uddyb hvad tanken med DirectTrade oprindeligt var.
- Har visionen altid været den samme, eller har den ændret sig undervejs?
- Vil du sige at dine personlige værdier er reflekteret i virksomhedens vision og kultur?

##### **Culture:**

- Beskriv kulturen i the Coffee Collective for mig.
  - Hvor lægger man som gæst mest mærke til den?
  - Hvor lægger man som forbruger af hele bønner mest mærke til den?
- Hvordan tror du at the Coffee Collective vision kan ses i hverdagen?
  - Er det noget gæsterne lægger mærke til?
- Hvad gør I for at medarbejderne får kulturen ind under huden?
- Er der bottom-up eller top-down management i Coffee Collective?

##### **Image:**

- Hvordan tror du at forbrugere opfatter the Coffee Collective?
- Hvad tror du forbrugerne lægger mest vægt på når de besøger jer, eller køber jeres kaffe?

- Hvilke 3 ord ville du bruge til at beskrive the Coffee Collective?
- Hvilke 3 ord tror du forbrugerne ville bruge til at beskrive the Coffee Collective?
- I hvilken grad er gæsterne med til at forme Coffee Collective brandet?
  - Har de noget at skulle have sagt?

Tillid:

- Hvad gør I for at pleje forholdet mellem Coffee Collective brandet og jeres gæster?
- Hvad tror du, der gør at jeres gæster stoler på jer?
- Hvordan sørger I for at I aldrig skuffer en forbruger?
- Er der en community rundt omkring the Coffee Collective?
  - Gør I noget for at pleje et sådan community?
- Hvem er Coffee Collectives ledelse ansvarlig overfor, og hvordan sikrer man sig, at dem man er ansvarlig overfor har samme værdier som en selv?
- Hvad gør I for at være autentiske i de ting I gør (gør hvad man siger)?
- Hvad er jeres holdning til integritet?

Feb 10, 2016.

**Summary of semi-structured interview with Peter Dupont, CEO**

Peter Dupont is one of the original four founders of The Coffee Collective and is the CEO of the organization. The interview focused on a holistic view of the company.

Peter Dupont stated that The Coffee Collective had made many intentional decisions as to how they wanted to be perceived, and said that if they had to choose they would rather be known for quality than Direct Trade. The words he used to describe the company were quality conscious, innovative, and that Direct Trade defined the heart of the company.

Peter Dupont explained the heart behind the business by stating that money in itself is not the end goal, but that it is merely a tool for achieving the higher purpose. The Coffee Collective is a for profit business, which every employee knows according to Peter Dupont, and he makes the point that without a positive bottom line, they will not be able to make a difference. In terms of making a difference, he reflected on the fact they probably dramatically underestimated just how much consumer care about social justice and want to be part of it.

He put much emphasis on the notion of doing business in a responsible manner, where everyone respects each other and said that this was one of the main values in the company. The value they put on employees was seen in him as the CEO investing time into every new hire and getting to know them on a personal level.

In terms of behavior, Peter Dupont stated that The Coffee Collective cannot talk down to their guests, but that they have to slightly nudge them toward better decisions. They take a “guest as equals” approach and make an effort to respect their guests as they respect their suppliers. This also means that there are no canned responses to questions from the guests, because they want it to feel like a real conversation with a human and not a robot.

Peter Dupont finished off by commenting on the importance of integrity, saying that in everything they do, integrity plays a large role and is something they will continue to do.

## **Interview Guide for Head of Marketing, Klaus Thomsen**

### **Purpose:**

Exploring the leadership of the Coffee Collective’s understanding of vision, culture and image, in order to determine if the stakeholders of the Coffee Collective have an aligned understanding of the organization.

### **Questions:**

#### **Vision:**

- Beskriv kort Coffee Collective for mig – hvordan ser jeres position ud i markedet (f.eks. markedsandel og USP)? Hvordan går det for Coffee Collective?
- Hvordan ser du virksomheden nu – hvad er kerneområderne?
- Fortæl mig om Coffee Collectives vision, og hvad gør I for at komme derhen?
  - a. Uddyb hvad tanken med DirectTrade oprindeligt var.
  - b. Har visionen altid været den samme?
- Vil du sige at dine personlige værdier er reflekteret i virksomhedens vision og kultur?
- Kan man som gæst se visionen i hverdagen?

- I hvor stor grad arbejder I med Coffee Collective som brand?
  - a. Hvordan ville du beskrive jeres brand?
  - b. Hvad er det absolut vigtigste i jeres branding?
  - c. Hvad er jeres brandværdier?

Culture:

- Beskriv kulturen i the Coffee Collective for mig.
  - Hvor lægger man som gæst mest mærke til den?
- Hvad gør I for at medarbejderne får kulturen ind under huden?
- Er der bottom-up eller top-down management i Coffee Collective?

Image:

- Hvordan tror du at forbrugere opfatter the Coffee Collective?
- Hvilke 3 ord ville du bruge til at beskrive the Coffee Collective?
- Hvilke 3 ord tror du forbrugerne ville bruge til at beskrive the Coffee Collective?
- I hvilken grad er gæsterne med til at forme Coffee Collective brandet?
  - Har de noget at skulle have sagt?
- Er der en community rundt omkring the Coffee Collective?
  - Gør I noget for at pleje et sådan community?

Tillid:

- Hvad gør I for at pleje forholdet mellem Coffee Collective brandet og jeres gæster?
  - Hvad gør I for at pleje forholdet når de ikke er i kaffebarerne?
- Hvad tror du, der gør at jeres gæster stoler på jer?
- Hvad gør I for at være autentiske i de ting I gør (gør hvad man siger)?
- Hvad er din holdning til integritet?

Feb 10, 2016.

**Summary of semi-structured interview with Klaus Thomsen, Head of Marketing & PR**

Klaus Thomsen is co-founder and head of marketing at The Coffee Collective. He is in charge of marketing strategy, and travels to Africa to visit coffee farms while writing for the company blog and social media channels. I talked to Klaus Thomsen about the vision, culture and image while adding more specific questions about the brand than with other interviewees.

He considered The Coffee Collective's position in the market as irrelevant, indicating some sort of Blue Ocean Strategy mindset. His point was that The Coffee Collective focuses so intensely on what they are good at and what their values are, that it does not matter what the competition is doing, because they want whatever they do to feel genuine and authentic to them. This was due the company vision being very closely tied to his personal values, and mentioned that the rest of the co-founders felt the same way. They want new initiatives to feel real and honest to them, and this is most likely possible to due to no short-term profit-maximizing pressure from the board because it is a privately held company. They believe in being honest and authentic which is reflected in the design of the coffee shops, and in the way they trade with the coffee farmers (Direct Trade) which they consider as the cornerstone of the brand.

He described the gap in the market as a consumer-driven demand, and what The Coffee Collective is trying to do is to increase the ratio of people demanding higher quality coffee. They do not use the word "niche" as it connotes a sense of exclusivity, which is by no means what they want. The Coffee Collective strives to increase the ratio of people "who get it," who have a revelation of how great coffee can actually taste. They believe coffee is a very democratic product, meaning that the best coffee is more available than the best wine. Klaus Thomsen noted there was definitely a brand community out there in terms of very loyal repeat guests, but that they did not do anything to nurture it or take advantage of it. Memberships are yet to feel authentic to them, as it needs to incorporate the values of the company.

### **Interview Guide for Rasmus Gamrath, "Kaffebarchef"**

#### **Purpose:**

Exploring the employees of the Coffee Collective's understanding of vision, culture and image, in order to determine if the stakeholders of the Coffee Collective have an aligned understanding of the organization.

#### **Questions**

##### **Vision**

- Fortæl mig lidt om din baggrund og hvordan og hvorfor du begyndte at arbejde hos TCC.
- Hvad er visionen for Coffee Collective, og hvad er din fornemmelse af hvor virksomheden er på vej hen?



- Prøv at beskrive Direct Trade for mig.
  - Er det noget der betyder noget for dig?
- Hvordan ser man visionen på daglig basis?
- Hvor tror du at gæsterne ser visionen allermest?

#### Culture

- Hvordan ville du beskrive kulturen i The Coffee Collective?
  - Hvad er anderledes ved jer?
- Hvad er jeres værdier i TCC?
- Hvordan sørger I for at nye ansatte har de samme værdier som resten af virksomheden?
  - Hvordan ansætter I nye folk?
  - Hvad kigger I efter?
- Hvor mener du at kulturen er tydeligst overfor forbrugeren eller gæsten?
- Føler du at du kan gå til dine ledere med problemer og ideer?
- Hvad er jeres største udfordring lige nu i forhold til kulturen?

#### Image:

- Hvordan tror du at folk opfatter TCC?
- Hvis du skal bruge 3 ord, hvordan ville du beskrive TCC?
- Hvilke 3 ord tror du at forbrugerne ville bruge til at beskrive TCC?
- I forhold til jeres image, hvad tror du så er den største udfordring for TCC?
- Tror du at folk ved hvad Direct Trade er?
  - Hvordan får du dem til at forstå det?
  - Er det noget som baristaerne er trænet til at tale om?
- Hvordan tror du at man kunne for gæsterne til at engagere sig mere med virksomheden?

#### Trust:

- Hvad gør I specifikt for at pleje forholdet mellem forbruger og brand?
- Tror du at forbrugerne opfatter jer som værende et troværdigt brand, og hvorfor?
- Hvor meget betyder integritet og ærlighed for dig?
- 

Feb 17, 2016

**Summary of semi-structured interview with Rasmus Gamrath, Kaffebarchef**

Rasmus Gamrath has been with the company for five years, oversees the three coffee shops around Copenhagen that The Coffee Collective operates and is now part of the leadership team without being a founder. He oversees baristas and work schedules. Rasmus Gamrath had a very focused approach to strategy and highlighted coffee bean quality and the coffee sourcing process above all else.

Rasmus Gamrath pointed out that The Coffee Collective is an organization that cares about improving processes and moving forward as the potential of coffee specialty coffee beans is still largely uncharted territory. Rasmus Gamrath pointed out that Direct Trade is the cornerstone of The Coffee Collective, and that he personally believes in the difference The Coffee Collective is making for the farmers. When asked to describe The Coffee Collective he mentioned the farmer, the roaster and the barista as the supporting trinity of the organization, indicating his view of the company is very supply chain and bean focused.

He stated The Coffee Collective cares about happy employees and happy farmers, and believe that if employees are happy, the consumer will get a better experience. He also mentioned that currently the biggest challenge for The Coffee Collective is its growth. Traditionally, small coffee shops with one location have been considered the epicenters of coffee quality and discovery, but with their current three locations and possibly more on the way, he posed the question: "How do you grow well?" He pointed out that the challenge was to keep the image of high quality coffee, competence, and personal service while still expanding.

Another challenge is that the consumers of the Coffee Collective are very diverse, which makes it difficult to manage expectations due to a coffee taste that they may not be used to. This issue also makes it difficult to know much the consumer is willing to engage in conversation, and thereby share the full experience of the coffee tasting, since much of the experience at the coffee shop is based around human interaction and conversation.

### **Interview Guide for Mikaela Wallgrenn, HR Coordinator and Barista**

#### **Purpose:**

Exploring how the employees of the Coffee Collective view the organization's vision, culture and image, in order to determine if the stakeholders of the Coffee Collective have an aligned understanding of the organization.

#### **Questions:**

### Culture:

- Tell me about your background, and how you started working at The Coffee Collective.
- Why do you work at the Coffee Collective?
- How would you describe the culture here?
  - What's so special about you that the other don't have?
- What are your values at the Coffee Collective?
- If you have to be completely honest, would you say that you possess those values yourself?
  - What do you do to encourage the culture on new hires?
- Where do you think the culture is most visible to the consumer?
- Do you feel like you can go to your leaders with new ideas and that they listen to you?
- What do you think the biggest challenge in regards to your culture?
- How do you hire?
  - What do you look for in potential employees?

### Vision

- What's the vision of Coffe Collective, and where is the company going?
- Would you say that the culture at the Coffee Collective fits the culture here?
- How is the vision manifested in your day-to-day worklife?
- Where do you think consumers/guests notice the vision the most?

### Image:

- How do you think the Coffee Collective is perceived by the general public? (Image)
- Using 3 words, how would you describe the Coffee Collective?
- Which 3 words do you think your consumers would use to describe the Coffee Collective?
- Image-wise, what do you think the biggest challenge is for the organization?
- Do you think consumers understand Direct Trade?
  - What do you do make them understand?
- How do you think you could make the consumers engage with the vision and culture more?

### Trust:

- What do you specifically do to nurture the relationship between the company and your guests?
- Do you think your consumers perceive you as a trustworthy company, and why?
- How do you act authentically as an organization?

Feb 15, 2016

### **Summary of semi-structured interview with Mikaela Wallgren, HR Coordinator & Barista**

The aim of the interview was get a better idea of the culture at The Coffee Collective, was getting a front line perspective of the organization and its interaction with its guests.

When asked to describe the vision of the company she put a lot of emphasis on the quality of the coffee and always trying to do things better, and caring about the well-being of the employees emphasizing the partnership with 3F. Direct Trade and the vision and mission were prioritized after the initial comments. She states that they hire for attitude because skills can be taught, and they make an effort to get new hires on board with the vision through training and a employee handbook.

She described the culture at The Coffee Collective as very driven and relaxed at the same time, and it is a place where new employees feel welcome. She emphasized that The Coffee Collective highly values transparency which is reflected in the organizational communication. She noted that it is difficult to keep the big perspective in terms of the strategic vision on a day-to-day level, and states that it is easy to get caught up on day-to-day tasks. She added that “vision calibration” happens on a monthly basis rather than a daily basis.

Mikaela stated that the biggest challenge at the moment is on the image-front, and she would like to see more people knowing about the sourcing and the brand’s relationship with the farmers. Even though she thinks that the people who are generally interested also have the chance to contribute, she wish they would engage more with them. She cares about people knowing the values of the company, because they are also her own values.

In terms of being authentic, she commented that the baristas are encouraged to be themselves. If they have a great day, they need to show it. If they have a bad day, it is okay to not be the happiest person in the bar, and if a barista loves a particular product then he or she is encouraged to sell that product.

## **Interview Guide for baristas of The Coffee Collective**

### **Purpose:**

Exploring the employees of the Coffee Collective's understanding of vision, culture and image, in order to determine if the stakeholders of the Coffee Collective have an aligned understanding of the organization.

### **Spørgsmål**

Navn:

Alder:

Stilling:

Hvor lang tid hos TCC:

### **Vision**

- Hvorfor arbejder du hos The Coffee Collective?
- Prøv at beskrive Coffee Collective for mig – hvad er det, og hvad laver I?
- Beskriv Coffee Collectives vision for mig.
  - Hvor er virksomheden på vej hen?
- Hvad er nogle af jeres vigtigste værdier som organisation?
- Beskriv for mig hvad Direct Trade er.
  - Er det noget der er vigtigt for dig? Gør det en forskel for dig?
  - Føler du at lederskabet lægger vægt på det, eller føles det som en tom værdi?

### **Culture:**

- Hvordan ville du beskrive kulturen i the Coffee Collective?
  - Hvad er unikt ved jer, som de andre ikke kaffebarer ikke har?
- Hvis du skal være helt ærlig, har du så selv de samme værdier som organisation viser?
- Føler du at kan komme til dine ledere med ideer og at de bliver lyttet til?
- Føler du dig beskyttet af dine ledere?
- Hvis du skal være ærlig, hvad er en af dine største frustrationer lige nu i forhold til kulturen i virksomheden?

### **Image:**

- Hvilket billede tror du jeres gæster har af Coffee Collective?
- Hvad tror du at gæsterne lægger mest vægt på?
  - Hvorfor vælger de jer?
- Hvilke 3 ord ville du bruge til at beskrive the Coffee Collective?
- Hvilke 3 ord tror du forbrugerne ville bruge til at beskrive the Coffee Collective?

Tillid:

- Hvad gør I for at pleje forholdet til jeres gæster?
- Hvad kunne man gøre for at gæsterne stoler mere på TCC?
- Stoler du på jeres ledere?
  - Hvorfor?
- Tror du at jeres gæster ser jer som en troværdig virksomhed?
- Hvor vigtigt ville du sige at ærlighed og integritet er for dig

Feb 17, 2016

**Summary of semi-structured interview with Linn Malnacs, Barista & "Souschef"**

Linn Malnacs is the front line barista, and has been with The Coffee Collective on and off for about 5 years. She works at the company because there is much to explore and learn and because the specialty coffee industry changes constantly. The Coffee Collective is the place where she has felt the most welcome to work, and enjoys the sense of value placed on the employees.

At the core of her understanding of The Coffee Collective is transparency, coffee geekiness, quality, and Direct Trade. When asked to describe The Coffee Collective her answer was centered around the supply chain/sourcing of the coffee beans while also commenting on the passion of the baristas. She noted that Direct Trade is important to her personally because it makes her job as a barista easier, because it enables her to serve great products that she can support and talk about. Linn Malnacs also commented that Direct Trade is a necessity and is fair.

Transparency was important to her, and she felt that the leadership of the Coffee Collective were being transparent doing business. This was reflected in the way they talk about the coffee bean farmers when they are present at the coffee shops, and that she could also go to them with new ideas, suggestions and discussions. She also felt safe in the organization, as she is met with grace in case of a bad day.

One of her biggest frustration the feeling of not being properly compensated for the craft of brewing specialty coffee and for the expertise and knowledge that goes into every cup. This was not an attack on The Coffee Collective but more so on the industry, as consumers are not willing to pay a price that compensates baristas well. She feels that her craft is not being honored by the consumers.

She believes that consumers view The Coffee Collective as a passionate work place, a deliverer of quality and kindness, and notes that people visit mostly because of the quality difference.

Feb 17, 2016

### **Summary of semi-structured interview with Johannes Elm Niemann, part time barista**

Johannes Elm Niemann is a service management student at CPH Business and part time barista at Torvehallerne, which is the high-pace and busiest location of the three shops. He notes that the idea of The Coffee Collective is to see how far you can explore the coffee bean, and one of the first things he mentioned when asked about the company was Direct Trade. He said that it had become a personal value of his that farmers were treated fairly, and that when he first realized that current global coffee consumption patterns were resulting in the best farmers considering closing their farms because the quality they were delivering and the price they were receiving did not create a profit.

He describes the culture of The Coffee Collective as a great community and explains that the organization is local in a global way, which is why he works there. Johannes Elm Niemann went on to say that the organization is somewhat like a family where the baristas have many interests in common, which he thought was a general characteristic for the industry.

He thought the organizational structure was quite flat, and that his leaders were open to input. He feels safe at The Coffee Collective because the organization is operated more like a business rather than a single coffee shop, which creates comfort knowing that business is good because the leadership is competent. Competence creates comfort, and he feels that he is in the loop of what is happening in the organization due to Peter Dupont's, CEO, weekly emails. Because of this structure it allows the baristas to focus on delivering great service.

Johannes noted that his biggest frustration is that the salary is low compared to the expertise and knowledge they possess as baristas. He asked: "Why are wine experts being paid so much more than coffee experts?" It was not a question of honor, but more a question of fairness. His frustration came out of a comparison with friends who were wine waiters.

His perception of consumers' word association with The Coffee Collective was quality, expensive, and geeky, and believes that the consumers care mostly about receiving a great experience.

Feb 18, 2016

### **Summary of semi-structured interview with Emil Sylvester Jakobsen, full time barista**

Emil Sylvester Jakobsen is a full time barista at The Coffee Collective at Torvehallerne, and has been with the company for one year. He started working at The Coffee Collective because he wanted to learn from the best in the industry, and personally strives to constantly get better in different areas of his life. He describes the The Coffee Collective as a small idea that was allowed to bloom, and as a company that cares about improving living conditions for the coffee bean farmers. As an organization he pointed out values such as humbleness, pride, quality and justice in terms of Direct Trade, and noted that the leadership of the organization definitely carries the values of the organization personally.

Direct Trade is important to him now, although it was not one of the original reasons for applying for a job at The Coffee Collective, because it makes his job as a barista easier. Because he can morally stand behind the product he is serving, and is able to tell the story behind the product, the product is easy to promote. His opinion is that the guests show the baristas a lot of respect, and listen to their suggestions. He states that people generally like being challenged and respect knowledge, and this respect and trust has been earned through no advertising from The Coffee Collective while focusing solely on perfecting the product.

Emil defines the culture at The Coffee Collective as very social, professional and (coffee) geeky, where the employees get along extremely well which has resulted in friendships and romantic partnerships. He states that what makes The Coffee Collective unique is the fact that they always have a plan with what they do, and that everything is thoroughly thought out, mixed with flat hierarchy. He noted great communication from the CEO's side mentioning the weekly email updates as an example of transparency.

Emil Sylvester Jakobsen has two frustrations, 1) the fact that sometimes the culture is so passionate about coffee that if you have other dreams in your life that do not include coffee, they can be hard to pursue, and 2) the 3F labor agreement (overenskomst) has made switching shifts extremely hard while also commenting on salary not increasing with seniority.



## **Interview Guide for consumers**

### **Purpose:**

Exploring consumers' perception of the Coffee Collective, in order to find out whether or not there is alignment between how consumers view the Coffee Collective organization, and how they view themselves.

### **Questions:**

#### Personlig information:

- Navn:
- Alder:
- Civilstand
- Bopæl:
- Indkomst:

#### Generelle undersøgende spørgsmål:

- Hvad er det vigtigste for dig når du køber kaffe?
- Hvorfor besøger du Coffee Collective?
  - Hvornår kan du bedst lide at komme der?
- Hvor ofte kommer du der?
  - Hvad får dig til at komme tilbage?

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#### Vision:

- Prøv at beskrive Coffee Collective for mig – hvilke værdier?
  - Hvad lægger du mest vægt på i oplevelsen?
- Hvorfor vælger du Coffee Collective?

#### Culture:

- Er det din opfattelse at de ansatte synes at det er sjovt at være på arbejde?
- Taler du nogensinde med baristaerne?
  - Hvorfor/hvorfor ikke?
- Føler du, at baristaerne sætter dig først?

Image:

- Hvilke 3 ord ville du bruge til at beskrive the Coffee Collective?
- Hvor vigtigt er det for dig, at kaffebønderne bliver betalt en "ordentlig" pris for den kaffe som du drikker?
  - Er det overhovedet noget du tænker over?

Tillid:

- Hvor meget stoler du på Coffee Collective?
  - På en skala fra 1 til 10.
- Føler du, at der enighed mellem det image som Coffee Collective har, og den oplevelse du får?
- Hvad kunne få dig til at stole mere på Coffee Collective?
- Kunne du forestille dig, at du i fremtiden i højere grad ville basere dine indkøb handle mere på kriterier som ærlighed, troværdighed, gennemsigtighed og uselviskhed fra virksomhedernes side?
  - Hvorfor/hvorfor ikke?
- Vidste du at Coffee Collective handler gennem Direct Trade, hvilket vil sige de handler direkte med kaffebønder, og betaler dem 25% over Fair Trade prisen?
  - Ændrer det dit syn på Coffee Collective?
- Vidste du at Coffee Collective besøger bønderne mindst én gang om året for at lave kontroltjek?
  - Ændrer det dit syn på Coffee Collective?
- Nu hvor du ved mere om Direct Trade:
  - Ville du betale mere for kaffen? Hvor meget?
  - Stoler mere på virksomheden?
- Ellers andet?

**Summary of semi-structured interview with Søren Madsen, student at CBS**

Søren Madsen is a 24 year-old student at Copenhagen Business School, who works part time teaching climbing techniques as a part time job. Søren Madsen is conscious coffee consumer who cares about the quality of the coffee he consumes at home. He describes himself as riding the wave of specialty coffee because his friends introduced him to it.

To Søren the The Coffee Collective brand is important, and when he first started drinking coffee from The Coffee Collective, he would leave the bags on the kitchen table, whereas now the quality of the coffee is the most important aspect to him.

He states that there are two types of coffee: the one that does its job (caffeine), and the one that has to be enjoyed (flavor). To Søren there is a minimum level that the quality cannot go under, but it depends on why he drinks it.

When asked to describe The Coffee Collective, Søren Madsen's initial thoughts were about internationality because of their book which has a world map as its cover. This map made him think about where coffee actually comes from. He also described The Coffee Collective as "hipster" and as minimalistic, and by high quality with an extinct flavor profile. He feels that baristas treat him nicely and that they initiate the conversations, even though he does not always know what they mean by the things they say. He says the baristas' mood feels authentic, and that they are happy.

In terms of Direct Trade he says that if two companies had the same quality, he would choose The Coffee Collective instead of the other. Direct Trade in itself would not make him choose The Coffee Collective if the quality was lower than the competition. He wants to pay more for coffee which is sourced through Direct Trade because it results in better quality for him as a consumer. He wants to do the right thing, but there needs to be a benefit.

He finishes off by saying that he feels like the company respects their farmers and know that without them they are nothing.

**Summary of semi-structured interview with Annemette Hultén, Key Account Manager at AFA JCDecaux.**

Annemette is 31 and key account manager at AFA JCDecaux. She visits The Coffee Collective once or twice per week and considers the purchase a "treat." When she purchases coffee she values the smell, quality and convenience which is a large factor in her decision making. She visits The Coffee Collective because baristas are helpful and knowledgeable and because the Torvehallerne location is convenient for her, as she usually visits the store in the morning on her way to work.

She associates quality and passion with The Coffee Collective, because the baristas know their craft and about the sourcing. She notes that the baristas are always happy, and enjoys that they challenge her coffee selections in order to nudge her toward better experiences. She also commented on their sourcing program saying that she likes it, but that it was not a significant factor in whether or not she buys the coffee, but that it adds to the overall experience. Three words she used to describe The Coffee Collective were creativity, passion, and quality. She says that she trusts the baristas a lot, giving them a trust score of 9/10, stating that she would almost always go follow their suggestions as she respects their opinion due to their portrayed and proven knowledge. To compare she said that she would trust Starbucks if they recommended her other products than what she asked for.

Annemette Hultén stated she would not mind if The Coffee Collective was more vocal about their supply chain and that it would most likely have a positive effect on her brand trust. When she was told The Coffee Collective visits the farmers every year to do quality control it had a positive influence on her view of the company.

Finally she made the point that although as a consumer you always want to make the "right" decision and select the product that treats people or animals well, there is a limit as to how much big the premium can be because of it. You always *know* what is right, but companies need to make that decision easy. Price to her is more important than the social change her purchase brings with it, although it does make her feel good.

### **Summary of semi-structured interview with Jesper Orsøe, construction worker**

Jesper is 26 years old, enjoys great coffee and works full time mounting windows. He visits The Coffee Collective about once a month, but visits coffee places like The Coffee Collective quite often. He goes to The Coffee Collective because the quality of coffee is very high, and chooses his coffee places based on how well the coffee is served and the taste.

Jesper Orsøe associates The Coffee Collective with great coffee, friendliness, feeling comfortable, community and a “clean” style. When using only three words to describe The Coffee Collective he used the words: passion, design and professionalism. His impression is that the baristas have fun while working and they are geeky about coffee. However, he did not always feel that the barista *actually* cared about him, but rather that they were executing tasks because the conversations are very surface level.

In terms of how The Coffee Collective treats its suppliers, Jesper Orsøe said that it is not personally important to him as it is not something he thinks about. However, he did state that based on the new information gained about Direct Trade that he would not mind paying more for coffee at The Coffee Collective is Direct Trade was the reason for the increase in price. When told that The Coffee Collective pays a minimum of 25% above the current Fairtrade, it impacted his view of the company positively. Knowledge about the company visiting the coffee farmers on an annual basis also influenced his view of the company positively.

When asked how much he trusted The Coffee Collective he said eight out of 10, and stated that he does not feel like he really knows the company that well, other than their products. When asked to determine his trust in the barista selfless motives level when suggested a new product, Jesper Orsøe stated a 99% trust level because the barista are trained well. When compared to Baresso, he stated that he does not trust their suggestions whatsoever because they are not educated and trained as well as baristas at The Coffee Collective. In that note, he explained that he trusts large chains less than smaller ones (one to three shops), and mentioned that training is probably not as good (competence), that vision will be diffused and that it is easier for the company to compromise values (motives and authenticity).

**Summary of semi-structured interview with Rachel Nissen, student with student job**

Rachel Nissen is a 23 year-old student, working part time. She likes brewing her own coffee at home and typically buys whole beans. She chooses The Coffee Collective over other coffee shops because the quality is high and because they have a broad variety of coffees with many different flavors, and because she likes the environment there. She says she is not really good at brewing her own coffee, so she visits the coffee shops when she wants to treat herself.

She was introduced to The Coffee Collective through her friends who care a lot about coffee. She describes The Coffee Collective as a company that cares about how the beans have been sourced and that they have great knowledge. Three words she uses to describe the company are quality, flavor and coziness (hyggelig).

When asked whether she trusted The Coffee Collective she said that she is typically rather skeptical, but when it comes to The Coffee Collective she feels rather naïve because she trusts them so much. She says that if suggested, she would always choose the coffee they asked her to try. She trusts that that The Coffee Collective wants what is best for her, but does not at all trust Baresso or Starbucks on the same parameters. She believes that typically competence goes down as companies grow, and it is a real fear that competence might decrease as well at The Coffee Collective because it may be hard to find so many good baristas.

In terms of the baristas, she feels that they very passionate about what they do, and that the experiences she has align well with what she expects. She wishes that she would think more about how well the farmers are paid, but was critical about whether The Coffee Collective actually lived up to their Direct Trade promises because she was unaware of any proof (ignorance – they do have criteria to live up to.)

She finished off by saying that she would probably not pay more for the coffee because of Direct Trade, but she would most likely become more loyal and shop there more often. She also said that she would not mind if The Coffee Collective spoke more about their practices.

March 1, 2016

## **Summary of semi-structured interview with Asbjørn May, on paternity leave from Accenture**

Asbjørn May is a 29 year-old dad who is on paternity leave from his full-time job at Accenture. Asbjørn is a very informed consumer as he used to work as a wine sommelier, drawing parallels from the world of wine to the world of coffee. He describes The Coffee Collective as a place with great quality coffee that aims to be transparent in what they do.

He described the baristas as passionate geeks who honor the craft and the story. When asked about the vision of the company, he stated that he feels a clear difference from a few years ago and now. He feels that, although they have not compromised their values, that the leadership has finally found out where they are supposed to be in terms of how to deliver value. He sees The Coffee Collective as evolving. He feels that The Coffee Collective is a company of integrity, and through their growth times, they have managed to stay true to who they are.

Asbjørn states that baristas seem happy and as long as they are honest, it is okay for them to have a bad day. He is from the service industry himself, so he knows that the baristas are only human.

He considers The Coffee Collective's product a luxury good, and although he considers their Direct Trade practices a nice bonus, Direct Trade in itself would not make him buy the coffee. In the future he intends to spend more money on companies that are authentic, honest, selfless and transparent, although he considers himself somewhat of a hypocrite when it comes to doing good through purchases.

In terms of growth Asbjørn says that he is skeptical of the intention of companies as they, and whether they act in accordance with their values. He is positively surprised if values are not compromised.

## **Appendix #2: Coding of interviews with The Coffee Collective**

### **Leadership:**

- PD: Peter Dupont, CEO
- KT: Klaus Thomsen, Head of Marketing

### **Middle managers:**

- RG: Rasmus Gamrath, Kaffebarchef
- MW: Mikaela Wallgren, HR Coordinator and barista

### **Baristas:**

- LM: Linn Malnacs, Barista and souschef
- JN: Johannes Elm Niemann, Part time barista & student
- EJ: Emil Sylvester Jakobsen. Full time barista

## **Market dynamics**

### **Leadership's perception:**

- KT: "We do not see ourselves as a niche product."
- KT: "Our market share does not change anything if we knew it."
- KT: "We try to keep the holistic view of the company instead of focusing on one single step in the value chain, and there is always somewhere we can optimize."
- KT: "Coffee is a democratic product, where if you want to taste the most expensive coffee in the world you can!"

## **Vision of The Coffee Collective:**

### **Leadership's perception:**

- PD: "We are different owners with different background but the mission brings us together."
- KT: "We want to be those who pioneer quality in coffee in terms of how it is traded and brewed."
- KT: "We work to see coffee farmers being recognized for their hard work and achieve sustainable living standard."

### **Middle managers:**

- RG: "Where we are now we are proud of, but we can always get better."
- MW: "We want to push the quality and keep baristas interested and excited, while influencing lives through Direct Trade."
- MW: "It is constant development of wanting to do things better."



- MW: “Sometimes you forget the vision, but when you have the chance to talk about the coffee a little bit you can really feel the attached to the vision. It is not so visible in the day-to-day work when you are work in the office, but you get re-attached on a monthly basis.”

#### Baristas’ perception

- LM: “We want create great experiences for our guests but also for the farmers we trade with.”

### **Direct Trade:**

#### Leadership’s perception:

- PD: “Direct Trade has always been a value from the beginning, but we also see Direct Trade as a communication tool.”
- PD: “We try to set up as many measurable promises as possible”
- PD: “If we had to choose one, we would rather want to be known by quality than by Direct Trade.”
- KT: “The preferences of our guests impact what the coffee farmers produce.”
- KT: “Farmers just want a good price for their coffee, and we believe that they need to decide themselves where the money goes. We do not want to be the people who decide what they should spend their money on, and pay what the farmers deserve for their quality.
- KT: “Direct Trade is the cornerstone of the company”

#### Middle managers’ perception:

- RG: The most important thing is that our guests get an amazing cup of coffee, while increasing the amount of money we give back.”
- RG: “The farmers realize that they are a part of something bigger, when we bring our packaged beans to them.”
- MW: “I wish more people would understand it, but people can always ask if they are curious about it.”

#### Baristas’ perception

- LM: “I see Direct Trade is a necessity if we want to keep the quality high.”
- LM: “Direct Trade makes it a lot easier for us as baristas to endorse the products we sell.”
- JN: “We want better quality, but of course the farmers need to be paid more for that quality.”
- JN: “It is sad that some of the best farmers in the world are considering whether it is worth it to continue in the industry because it is barely sustainable.”
- EJ: “Direct Trade was not something I thought about when I started working here.”

### **Culture:**

#### Leadership's perception:

- PD: "Doing business while behaving responsibly."
- KT: "We try to always make good decisions."
- KT: "The culture is seen at the coffee shops."

#### Middle managers:

- RG: "We always aim at trying new things, and it is great to not everyday wake up, go to work and try new things."
- RG: "When you are happy when working, the coffee tastes 10% better. The value of everything we do comes down to whether our people enjoy working here."
- RG: "We need to be different types of people, but we need to work toward perfection together."
- MW: "The culture here is very driven and there is an intense focus on being better."

#### Baristas' perception

- LM: "We are here to work, but we need to feel comfortable and good with each other and a lot of us have a lot of common interests."
- LM: "The Coffee Collective is where I have felt the most welcome."
- JN: "The company is a family to me, and there is no one in the company I would not be able to hang out with."
- JN: "It is still a small company, and I think it is in our leaders' interest of keeping that vibe."
- EJ: "Some of the baristas live together."
- EJ: "There is a professional approach to the business."
- EJ: "A frustration in the culture is that it is almost too passionate and geeky, and it was hard for me because my passion lies elsewhere [music]."
- EJ: "3F makes it almost impossible to switch shifts, and the leaders spend a lot of time planning every shift, and that is a frustration for me."
- EJ: "There is no incentive to stay loyal because the salary increase is less than the inflation."

#### **Image:**

#### Leadership's perception:

- PD: "We are always on stage, so we need to reach the highest potential of the coffee but we still need show each other respect in the way we talk to each other."
- PD: "The main thing people associate us with is coffee of the highest quality."
- KT: "We want to see consumers demand the products first, and that is what we are seeing happening – people demanding better products."
- KT: "A good location is just not enough anymore."

- KT: "I wish more people who visit us knew how much work lies behind the coffee beans."
- KT: "Fresh, playful and new instead of something really old."
- KT: "We really want to show people the craft."

#### Middle managers' perception:

- RG: "I hope they just experience good service and great taste experiences, and if they dig deeper, I hope they will notice what we actually do."
- MW: "We have been lucky to in various list of "best" or "great" coffee places in the world."
- MW: "I wish we could show more of what sort of relationships we have with the farmers when guests visit our bars."

#### Baristas' perception

- LM: "People see us as geeks, and they feel welcome and comfortable."
- JN: "It is very mixed, but I think they care mostly about getting a great experience. That they get value for money."
- EJ: "Many of our guests do not really know what they are drinking, but they know that the brand is good. But others seek the dialogue and want to learn more."

### **Values:**

#### Leadership's perception:

- PD: "None of us four owners would accept the farmers being underpaid."
- PD: "It is okay for us to know that we trade in a manner of integrity, if people buy the coffee because of the quality."
- PD: "Our employees like that there is a higher purpose behind the work they do."
- PD: "Everyone knows we are a private company, and we need a positive bottom line. But money is only a tool, not the end goal."
- PD: "Integrity is really important."
- PD: "We use 100% wind energy to minimize CO2 emissions."
- PD: "A recycling company picks up our coffee waste."
- KT: "We want to share great experiences with our guests."
- KT: "My personal values are 100% ingrained in the company"
- KT: "We believe that the values of the top leadership, trickle down through the entire organization."

#### Middle managers' perception:

- RG: "Direct Trade is a personal value of mine because this is where we really make a difference, and I like that it is a win-win practice."

- MW: “How we do business and how we are structured seems to be really important to our baristas.”

#### Baristas' perception

- LM: “Delivering great service.”
- LM: “Everyone needs to be respected; farmers and employees.”
- JN: “I am convinced that the owners are not driven by money, and they want things to feel right.”
- JN: “I felt sad when I realized that farmers were not being paid enough.”
- EJ: “It is about quality, humbleness and being proud of the product.”

### **Trust:**

#### Leadership's perception:

- KT: “We try to be honest in the way we work.”
- KT: “We want to be able to document every trade.”

#### Middle managers' perception:

- RG: “People want to *be* recognized and they to *be able* to recognize us.”
- RG: “The idea behind the company is all about trust, and we base our decisions around our vision.”
- MW: “There is so much effort put into each decision, and we do not always do things the easy way.”

#### Baristas' perception

- LM: “ I feel protected by my leaders because it is always okay to have a bad day.”
- LM: “If we were more informative about our practices, I think people would trust us more.”
- EJ: “The way we advertise is through the quality of our products.”
- EJ: “People who know us trust our judgment, but there will always be people who will not want to trust us because of Janteloven.”

### **Placing value on baristas**

#### Leadership's perception:

- KT: “There is a genuine respect for our baristas.”
- PD: “3F is tough, but we do it to show our people that we take care of them.”
- KT: “We have clearly defined roles, but it is a very flat hierarchical structure, which means that if you notice something that does not work, then we listen to you.”

- PD: "Some people could most likely go out and earn much more somewhere else but choose to stay because of the purpose."

#### Middle managers' perception:

- MW: "We feel listened to, even though we are not very fast at implementing change."

#### Baristas' perception

- LM: "They really value that we work for them, and we do not feel expendable because they invest in training us in the beginning."
- LM: "The leadership is always open to new ideas, and it is okay to ask questions. I would say we have a flat organization."
- JN: "The distance from "bottom" to "top" feels very short, and as a new barista, they still listened to me and explained their opinions."
- JN: "3F is good, but it is less flexible. It is not a main priority of mine, but it is fine."
- EJ: "It is always my bar manager's responsibility to take care of me."

### **Hiring:**

#### Middle managers' perception

- RG: "I have always wanted to work with the best of the best."
- RG: "When people have the same interests as us, they are naturally attracted to the company [CSR, making a difference]."
- RG: "We spent a lot of time on building the structure around how new baristas are onboarded, which was necessary because we exploded in growth when Torvehallerne and Godthåbsvej opened."
- MW: "I started working here because of the quality and the honesty in the organization."
- MW: "We usually hire people who have a positive and friendly attitude and are motivated."
- MW: "It is easy to notice whether the potential employee has the right attitude if they get excited about our values in the hiring process."

#### Baristas' perception:

- LM: "I did not know anything about specialty coffee when I first started working here."
- JN: "What I fell for was the community of people who were passionate about coffee."
- EJ: "They are very intentional about the hiring process, and it is structured well."
- EJ: "I always want to learn from the best, and this company really knew what they were doing."

### **Co-creation:**

#### Leadership's perception:

- PD: "I think we might have dramatically underestimated just how much people want to see farmers being paid a fair price."
- PD: "We try to have a dialogue with consumers, but we have not done anything specific to engage the consumers in the innovation process."
- KT: "We really believe in ourselves and deliver what we like to our consumers, because consumers generally do not know what they want."
- KT: "There is a huge community of dedicated guests who keep coming back, but we could engage with them more."
- KT: "We have not been able to create some sort of club for our community, but it has not felt right. It has not felt authentic. We want to be seen as a facilitator of conversation between the farmer and the guest."

#### Middle managers' perception:

- RG: "If our guests connect with our baristas, they connect with the company."
- MW: "We are not asking questions to contribute, but we ask guests about their experiences at the bars."
- MW: "I think the guests who really want to contribute also have the chance to."

### **Authenticity:**

#### Leadership's perception:

- PD: "People wear their own clothes."
- PD: "We do not ask people if they want a croissant with their coffee, because we do not have any canned responses in conversations."
- KT: "Anything constructed is not real."

#### Middle managers' perception:

- RG: "The question is, how do we communicate our heart without preaching and scaring people away?"
- RG: "I do not mind if people tasted three of our coffee and decided that it was not for them, as long as they leave our coffee shop having had a great experience."
- MW: "If you have a good day, you show it. If you are loving a product, you show it. If you are not having your best day, you do not need to be the happiest barista at the bar."
- MW: "It is about sharing your interest with your coworkers."

#### Baristas' perception

- LM: "We really do not try to keep what we do a secret."
- EJ: "You always feel connected to the vision, and they keep coming back to it."

- EJ: “As we grow we need to tell people that is not because we have become sellouts, but we are just doing well.”

### **Transparency:**

#### Leadership’s perception:

- PD: “We put the price of our purchasing price of coffee on our coffee bags.”
- RG: We put our purchasing price on our coffee bags.”
- KT: “The design of our shops encourage openness and transparency because there is nothing between the guest and the barista.”

#### Middle managers’ perception:

- RG: “Why have we not been able to communicate our values more quickly?”
- MW: “Our culture is visible in whatever we do because baristas are so exposed.”

#### Baristas’ perception

- LM: “Transparency is important to us.”
- LM: “The leaders’ show pictures and tell stories about their trips when they come back from coffee farm visits.”
- JN: “Leadership is good at briefing us about what happens in the company through weekly emails.”
- EJ: “Klaus Thomsen comes by the shops and shows pictures from his last trip.”

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### **Training**

#### Leadership’s perception:

- PD: “I (the CEO) sit down for 3 hours with new hires on the first day and talk about our values and the organization. This also helps me in knowing who to look out for in terms of leadership potential in the future.”
- KT: “Our new hires always start out by learning about our values, and then they learn specific skills over the next year.”

#### Middle managers’ perception:

- RG: “We have a really intense process right in the beginning, and at some point we have a tendency to stop.”
- MW: “Everyone has the same base to start off from.”

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### **Problems in the industry**

#### Leadership’s perception:

- PD: "In 2005, the market price for coffee was at the same level as in the 60's, but people were willing to pay more for better quality."
- KT: "People are willing to pay up to 55 kr. for a latte on Strøget, so there is still a lot of value to extract from the value chain."
- KT: "The quality was not good enough, and many things in the industry were broken."
- KT: "Some specialty coffee bars act like people are not good enough to purchase their coffee, by having a very arrogant approach to their knowledge."

#### Middle managers' perception:

- RG: "Historically, the specialty coffee industry has been a niche, which means that there have been lots of small coffee shops with one location that have been hyped up. Then as they started growing larger than one shop, people started doubting them."
- RG: "The more you grow the better you have to be at everything you have to be."
- RG: "When you grow you are able to do things that are not possible when you only have one coffee shop, but you need to show the guest what you do."
- RG: "In specialty coffee there has been a tendency toward hyping a certain region too much."
- MW: "It is not common for everyone to speak well about their work place in this community."

#### Baristas' perception

- LM: "The price we charge for coffee does not justify the time and skill it takes to brew the perfect coffee. People are just not ready to pay more for coffee than what they do at other places. I feel like we deserve be paid more for the time and passion we put into it."
- JN: "As baristas we do not earn a lot, and we are not really that respected by people."
- JN: "You want people to stay at the company a long time, but the salary level is just not there to sustain employees."

### **Relationships:**

#### Leadership's perception:

- PD: "The training process is very focused on engaging with the guests."
- PD: "We try to teach our baristas to identify the guests who visit us because of the experience, rather than the people who just want their coffee quickly."
- PD: "We need to be proud of our products, but we also need to respect people's preferences in how they drink their coffee."
- PD: "We stand up for great coffee, but we try to respect people at the same time."
- PD: "We want to nudge the guest a small step at a time, since we do not want people to leave worse off than when they came in."



- KT: "We do not want to guilt trip people into buying our coffee."
- KT: "Personal contact with the barista is where we create relationships, because it is real."

#### Middle managers' perception:

- RG: "Our approach to our guests is so humble that often times we just do not talk enough about ourselves."
- RG: "It is okay that the guest does not know everything at once, and we respect that people are on their own journey of exploration of our values."
- RG: "There is fine balance between including the guests who actually care about our values, and preaching to guests who just do not care about them."
- MW: "We really want our employees to just be themselves, and we want our employees to meet the guests face to face."

#### Baristas' perception

- LM: "People come here because the quality is great, and I think Direct Trade also keeps them coming back."
- LM: "Tell our frequent guests about our new beans."
- JN: "There is room for everyone, and focusing more and more on service is where we are heading."

### **Three words to describe TCC:**

#### Leadership's perception:

- PD: "Quality, innovative, Direct Trade"
- KT: "Direct Trade, Quality, Exploring the potential of coffee"

#### Middle managers' perception:

- RG: "Farmers, Roaster, Barista"
- MW: "Delicious, transparent, social."

#### Baristas' perception

- LM: "Transparency, passionate, social culture."
- JN: "Quality, respect, unity"
- EJ: "Perfection, Quality, Holistic view"

### **Perception of three words consumers describe TCC:**

#### Leadership's perception:

- PD: "Pioneering, Quality, Innovative"
- KT: "Quality, Fresh, Authentic."

Middle managers' perception:

- RG: "Quality, service, and responsibility."
- MW: "Delicious, aesthetics, service."

Baristas' perception

- LM: "Passion, quality, friendliness."
- JN: "Quality, expensive, geeky."
- EJ: "Experience, design, knowledge."

### **Appendix #3: Coding of interviews with guests of The Coffee Collective**

SM: Søren Madsen, 24

RN: Rachel Nissen, 23

AH: Annemette Hultén, 31

AM: Asbjørn May, 29

JØ: Jesper Ørsøe, 26

#### **General decision criteria for coffee:**

- SM: "There are two types of coffee: the one that does its job, and the one that needs to be enjoyed."
- SM: I typically choose coffee based on the brand."
- SM: "Quality is the most important parameter, but if two coffee shops had the same quality, I would go with The Coffee Collective because I know they treat people better."
- SM: "Price is really not that important because you already know that you want a premium product."
- RN: "Cozy and calm environment/atmosphere."
- RN: "Quality of the coffee"
- AH: "The smell is important."
- AH: "I can go down on quality if I am on the go."
- AH: "I like that they trade responsibly but it is not what makes me choose them."
- AH: "You always want to choose the coffee where people have been treated well, but price is just important."
- JØ: "That it tastes good, is made well [craft], and looks good."
- AM: "A place to sit, and it needs to cozy."
- AM: "9/10 times I would be doing something else, and the coffee is a break."
- AM: "The quality is important."
- 

#### **Why The Coffee Collective?**

- SM: "Now it is about the quality, but in the beginning it was purely about the brand."
- RN: "The variety is great there, and it is amazing coffee."
- AH: "They guide me well and they have a large variety."
- AH: "Convenience, because it is located right next to my work place."
- JØ: "I go there because I know the quality of the coffee is great."

- JØ: "The reason I do not go there more often is because of the locations."
- AM: "The coffee is just great."
- AM: "The design is great, but I am not a big fan of Torvehallerne."
- AM: "There is a great variety, and they are transparent about their practices."

#### **Initial thoughts about The Coffee Collective:**

- SM: "International because of their book with the map, which makes me think about the regions where the coffee is produced."
- RN: "Their beans have been produced in a responsible way, and I want to support that. They make great coffee and their baristas know what they are doing."
- AH: "They can guide me because they know a lot and are passionate about what they serve. They are happy and smile, and they give back."
- JØ: "There is an urban vibe and clean design."
- 

#### **Perceived values and vision:**

- SM: "Supporting the farmers. I read on their bags that they pay 241% percent more than the market price for coffee. But I am not sure what they actually do and what difference they make."
- AH: "They want to known for great quality, and I like that they are not shouting about how great they are."
- JØ: "Good quality coffee."
- SM: "I think they do a good job getting the point across about where the coffee is from."
- AM: "I feel like their values have evolved over time, and it is much more clear now what the project actually is now."
- AM: "Flavors, transparency in how they treat their suppliers, and my impression is that they *do* business in a way where you want to do business *with* them."

#### **Importance of Direct Trade:**

- JØ: "I do not think about the living conditions of the farmers. It is not really something I care about."
- JØ: "I have seen the Direct Trade on their bags, but I did not know what it was."
- JØ: "The fact that they visit the farmers each year, influences my view of them positively."
- AM: "Direct Trade is not really why I buy my coffee at The Coffee Collective, but I really like it."

#### **Perceived culture:**

- SM: "The employees seem really happy."
- SM: "The employees have not learned a canned response in order to sell more, because they are coffee lovers themselves."
- RN: "The baristas need to have a passion for coffee in order to work there."
- AH: "They are always smiling and happy."
- AM: "They are geeks who are passionate about what they do, and they know what they do."
- AM: "I really respect people who know their craft."

#### **Relationship between brand and guest:**

- SM: "I speak with them because they initiate the conversation."
- SM: "They are really good at talking, but I do not always understand what they mean."
- SM: "It seems like they genuinely care about me."
- RN: "I like that when I do not know what to get, they can say: hey try this or this!"
- AH: "I like that they challenge my coffee of choice."
- AH: "I do not really talk to them, only when I order my coffee."
- AM: "To be honest I do not really mind if a barista is a little stressed out, as long as I get what I asked for and they live up to my expectations."
- AM: "As long as they are honest, they can get away with not having the best day."

#### **Perceived image**

- SM: "Modern, Copenhagen, hipster, minimalistic design"
- RN: "If all my coffee loving friends like it, then I have to try it."
- AM: "They want to show me that coffee is more than just some roasted brown liquid, that there is a lot of flavors in it."

#### **Trust:**

- SM: "I trust them a lot because they are a Danish company, and you just cannot lie about your practices here."
- SM: "The fact that they are at Torvehallerne makes me trust them less, because it is almost too upscale."
- SM: "I trust them when they say that they trade the way they do, but if they would not have said it, I would never have guessed it because they are located where they are."
- RN: "If they suggested I try something new I would almost always try it because I like exploring the coffee."

- RN: "I completely trust that they know what they are talking about and want what is best for me. I think it is because I have heard so much good about them." (INTENTION)
- RN: "If I saw more evidence that they were living up to their promises I would trust them more." (Did not know what Direct Trade was).
- RN: "The fact that they actually visit the producers, I trust them so much more."
- AH: "I really like that they give back, and combined with their knowledge, I trust that they know what is best for me. I trust them because they know more than me."
- JØ: "They have a special reputation and name, and I trust that they have that reputation for a reason. I do not know enough about the company to give them a perfect trust score."
- JØ: "99 percent of the time I would trust their suggestions, because they would not ask me to try something they did not think it tasted good."

#### **Perceived authenticity:**

- SM: "They know that without the farmers, The Coffee Collective is nothing. They respect the coffee, and I feel that through the products and the bags, not so much the surroundings or the baristas. It is not really something the baristas talk about – they just talk about great coffee."
- RN: "I think the image they portray is very much the same as the experience I receive."
- AM: "I think their attention to their values comes down to the personal values of the leadership."
- AM: "You adjust your expectations according to the situation. If there is a long line, then you would not expect them to take time to chat with you."

#### **Information/knowledge:**

- SM: "I did not know that they had minimum requirements or criteria in terms of price, but it does not change my perception of them."
- SM: "I did not know that they visited the farms every year, and it tells me that they have a closer relationship with the farmers than I expected."
- RN: "I wish I knew more about it and acted more on how the coffee was produced."
- RN: "In general I would love to learn more about coffee."
- AH: "I only know about their trading practices because I follow them on social media."
- AM: "I try to be an informed consumer, but it is easy to be hypocritical."

#### **Growth:**

- SM: "Initially, I would trust a small hippie coffee shop with a nice passionate man brewing his own coffee, who would talk about his coffee, rather than a larger shop."

- RN: "I do not mind that companies expand, but sometimes it turns into a money machine. And I would be much more critical when listening to suggestions of baristas at for example Starbucks."
- RN: "Sometimes there is a tendency that competence goes down when companies expand. If The Coffee Collective expanded I could fear that quality would fall because it may be hard to find so many really good baristas. It does not have to be this way, but it is a fear."
- AH: "I trust that The Coffee Collective wants what is best for me, but with Starbucks not at all."
- JØ: "I would never trust Baresso because the training level of baristas at The Coffee Collective know what they are talking about."
- JØ: "I trust larger chains less than smaller coffee shops, and the challenge often is having the same quality when you get larger."
- JØ: "When things grow it is typical that you have to compromise your values to grow, but I feel like The Coffee Collective would not do that."
- AM: "I really like the romantic idea of baristas who have their own little coffee shop, wher it is no more than that. But when their values are the same as mine, I really do not mind that they grow."
- AM: "I really like that as they have grown, they have kept their passion and turned it into a business."
- AM: "In general, I am skeptical about whether companies can keep their values and vision when they grow, and I am positively surprised if they are able to."
- AM: "Often times, when restaurants grow, the quality decreases, but sometimes it can actually get better."

### **Three words to describe The Coffee Collective:**

- SM: "Hipster, acidity, quality."
- RN: "Quality, flavor, cozy (hyggelig)."
- AH: "Quality, passion, creativity."
- JØ: "Passion, design, diligence."
- AM: "Quality, transparency, integrity."

### **Co-creation/community:**

- SM: "I do not feel like a part of The Coffee Collective, but I do feel like a part of the wave of specialty coffee."
- SM: "A community of coffee lovers would be fun to be more of a part of."
- JØ: "The baristas are super friendly, and on Jægersborggade you feel like everybody knows each other."

### **Future intended consumer behavior:**

- SM: "Price is important for most groceries."
- SM: "For things like coffee I would in the future think more about honesty, authenticity."
- RN: "I have had a course on branding, so I definitely think I would."
- AH: "It needs to be easier for me make better choices, and the quality often times does not justify the increase in price."
- JØ: "When you know that they act in accordance with their values, it is attractive, and I want to support that more."
- AM: "As my income increases I see that my preferences toward authentic, and honest and transparent companies increases too. I see these values as a luxury good."

### **Price premium:**

- SM: "I would pay more at The Coffee Collective because of the way they treat the farmers, because paying extra for the coffee means higher quality for me."
- RN: "If I want to treat myself I would drop by and grab a coffee to go."
- RN: "I would rather go to The Coffee Collective than other places, now that I know about Direct Trade."
- AH: "It is somewhat of a treat for me to buy coffee there."
- AH: "I expect great coffee for the price I am paying. There needs to be a relationship between quality and price."
- AH: "When I know that they pay more for the coffee and visit the farmers, I really want to pay more, but there is magical point where you just cannot charge more."
- JØ: "I would not question why they increased their prices, if I know for sure that the reason behind the price increases was Direct Trade."
- AM: "Yes, I would pay more because of Direct Trade, but it is a luxury that I allow myself. But it is not always that I prioritize it at home."



## **Appendix #4: Questionnaire**

### **KORT OM DIG:**

Angiv venligst:

#### **1. Alder**

\_\_\_\_\_

#### **2. Køn**

- (1) ☐ Mand  
(2) ☐ Kvinde

#### **3. Bopæl**

- (1) ☐ Jylland  
(2) ☐ Fyn  
(3) ☐ Sjælland (udenfor Storkøbenhavn)  
(4) ☐ Storkøbenhavn  
(5) ☐ Bornholm  
(6) ☐ Andet \_\_\_\_\_

#### **4. Stilling**

- (1) ☐ Studerende uden studiejob  
(2) ☐ Studerende med studiejob  
(3) ☐ Selvstændig  
(4) ☐ Lønmodtager  
(5) ☐ Uden arbejde  
(6) ☐ Pensionist  
(7) ☐ Andet \_\_\_\_\_

#### **5. Årlig personlig indkomst**

- (1) ☐ Under DKK 99.999  
(2) ☐ DKK 100.000 - 199.999  
(3) ☐ DKK 200.000 - 299.999  
(4) ☐ DKK 300.000 - 399.999

- (5) ☐ Over DKK 400.000  
(6) ☐ Ønsker ikke at oplyse (N/A)

**6. Drikker du kaffe?**

- (1) ☐ Ja  
(2) ☐ Nej

**Beskriv i hvilken grad du er enig i de følgende sætninger ved at trykke i cirklen ved siden af dit svar.**

**7. Det er vigtigt for mig, når jeg køber kaffe på en kaffebar, at kvaliteten af kaffen er høj.**

- (7) ☐ Meget enig  
(6) ☐ Enig  
(5) ☐ Delvist enig  
(4) ☐ Hverken enig eller uenig  
(3) ☐ Delvist uenig  
(2) ☐ Uenig  
(1) ☐ Meget uenig  
(99) ☐ Ingen holdning (N/A)

**8. Det er vigtigt for mig, når jeg vil købe kaffe på en kaffebar, at kaffebaren ikke ligger så langt væk.**

- (7) ☐ Meget enig  
(6) ☐ Enig  
(5) ☐ Delvist enig  
(4) ☐ Hverken enig eller uenig  
(3) ☐ Delvist uenig  
(2) ☐ Uenig  
(1) ☐ Meget uenig  
(99) ☐ Ingen holdning (N/A)

**9. Det er vigtigt for mig, når jeg køber kaffe på en kaffebar, at jeg får god service.**

- (7) ☐ Meget enig  
(6) ☐ Enig  
(5) ☐ Delvist enig  
(4) ☐ Hverken enig eller uenig

- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**10. Det er vigtigt for mig, når jeg køber kaffe på en kaffebar, at omgivelserne er hyggelige og indbydende.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**11. Det er vigtigt for mig, når jeg køber kaffe på en kaffebar, at kaffebønderne der har høstet bønnerne har fået en ordentlig pris for deres produkt.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**12. Jeg vælger typisk min kaffe fra brands, som jeg stoler på og mener er troværdige.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig

(99) ☐ Ingen holdning (N/A)

**13. Jeg tænker over hvilket land min kaffe kommer fra og hvordan levevilkårene er i det land, når jeg køber den.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**14. Jeg ville være tilbøjelig til at købe mere kaffe, hvis virksomheden bag kaffen jeg køber, har uselviske motiver og tager ansvar i samfundet.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**15. Jeg kunne generelt set godt tænke mig at vide mere om min kaffe.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**16. Jeg har tænkt over hvor kaffebønner kommer fra.**

- (1) ☐ Ja  
(2) ☐ Nej

**17. Kender du The Coffee Collective?**

- (1) ☐ Ja  
(2) ☐ Nej

**18. Har du prøvet produkter fra The Coffee Collective?**

- (1) ☐ Ja  
(2) ☐ Nej  
(3) ☐ Ved ikke

**19. Har du besøgt en af The Coffee Collectives kaffebarer?**

- (1) ☐ Ja  
(2) ☐ Nej  
(3) ☐ Ved ikke

# THE COFFEE COLLECTIVE

**Læs venligst denne tekst:**

The Coffee Collective er et kafferisteri, der har tre kaffebarer i København på Jægersborggade, Godthåbsvej og i Torvehallerne ved Nørreport. The Coffee Collective er kendt for at levere meget høj kvalitet af diverse kaffer, og at baristaerne (medarbejderne der serverer kaffe) ved utrolig meget om kaffens videnskab, oprindelse og brygningsmetoder med mere. Baristaerne taler ofte med gæsterne om hvordan man brygger kaffen og deler gerne ud af deres viden. Derudover er drømmen bag The Coffee Collective at udforske og udbrede exceptionelle kaffeoplevelser på en måde, som giver kaffebønderne i den anden ende af verden bedre levevilkår. Det gør de ved at handle direkte med bønderne, betale dem mere end gennemsnittet, og ved at brygge kaffen på omhyggelige måder, så man som gæst får mest mulig ud af kaffebønnerne og derved får høj kvalitet og en god oplevelse.

De skriver på deres poser at de betaler 241% over markedsprisen i indkøb for kaffebønner. En pose

hele kaffebønner med 250g koster mellem 89 og 105 kr. i kaffebarerne og online, og en caffè latte i kaffebarerne koster 38 kr.



**Beskriv i hvilken grad du er enig i de følgende sætninger ved at trykke i cirklen ved siden af dit svar.**

**20. Min umiddelbare vurdering er, at The Coffee Collective er en troværdig virksomhed, som man kan stole på.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**21. Jeg stoler på, at The Coffee Collective behandler og betaler kaffebønderne rimeligt når de handler direkte med dem.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig

- (2) ☐ Uenig  
(1) ☐ Meget uenig  
(99) ☐ Ingen holdning (N/A)

**22. Jeg tror at The Coffee Collective er en meget ærlig og transparent (skjuler ikke deres motiver) virksomhed.**

- (7) ☐ Meget enig  
(6) ☐ Enig  
(5) ☐ Delvist enig  
(4) ☐ Hverken enig eller uenig  
(3) ☐ Delvist uenig  
(2) ☐ Uenig  
(1) ☐ Meget uenig  
(99) ☐ Ingen holdning (N/A)

**23. Har du hørt om Direct Trade?**

- (1) ☐ Ja  
(2) ☐ Nej

**24. Vidste du at The Coffee Collective betaler mindst 25% mere end Fairtrade prisen for kaffebønner, og at de besøger kaffebønderne hvert år for at lave kvalitetstjek?**

- (1) ☐ Ja  
(2) ☐ Nej

**25. Nu hvor jeg ved at Coffee Collective betaler mindst 25% mere for kaffe end Fairtrade prisen, og at de besøger bønderne hvert år for at lave kvalitetstjek...**

- (1) ☐ stoler jeg mere på virksomheden.  
(3) ☐ stoler jeg mindre på virksomheden.  
(2) ☐ er min holdning til virksomheden uændret.

**26. Vidste du at, The Coffee Collectives drøm er at se kaffebønderne i udviklingslandene få samme status og leveforhold som vinbønderne i Frankrig?**

- (1) ☐ Ja  
(2) ☐ Nej

**27. Nu hvor jeg ved at Coffee Collectives drøm er at se kaffebønderne opnå samme status og leveforhold som vinbønderne...**

- (1) ☐ er min holdning til The Coffee Collectives motiver mere positive.
- (2) ☐ er min holdning til The Coffee Collectives motiver mindre positive.
- (3) ☐ er min holdning til The Coffee Collective uændret.

**28. Nu hvor jeg ved at Coffee Collective arbejder for at kaffebønderes levevilkår bliver forbedret, at de betaler mindst 25% mere end Fairtrade prisen på kaffebønner, og at de laver kvalitetstjek hos bønderne hvert år...**

- (1) ☐ vil jeg i fremtiden være mere loyal overfor Coffee Collective.
- (2) ☐ vil jeg i fremtiden være mindre loyal overfor Coffee Collective.
- (3) ☐ er min holdning til Coffee Collective uændret.

**29. Baseret på min nye viden om Coffee Collective, kunne jeg godt forestille mig, at jeg ville betale ca. 10-20% mere for kaffe hos Coffee Collective end hos andre kaffebarer.**

- (1) ☐ Ja
- (2) ☐ Nej
- (3) ☐ Ved ikke

**30. Kunne du forestille dig, at du i fremtiden i højere grad vil basere dine indkøb på kriterierne ærlighed, troværdighed, gennemsigtighed, uselvskhed fra virksomhedernes side?**

- (1) ☐ Ja
- (2) ☐ Nej
- (3) ☐ Ved ikke

**Beskriv i hvilken grad du er enig i de følgende sætninger ved at trykke i cirklen ved siden af dit svar.**

**31. Jo større en kaffevirksomhed bliver (jo flere kaffebarer med samme navn), jo mindre stoler jeg på at de vil mig og andre det bedste, men derimod tænker mere på sig selv og penge.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig



- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**32. Jo større en kaffevirksomhed bliver (jo flere kaffebarer med samme navn), jo mindre stoler jeg på at de kan levere meget høj kvalitet af kaffe og give mig en god oplevelse som individ.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**33. Jo større en kaffevirksomhed bliver (jo flere kaffebarer med samme navn), jo mindre stoler jeg på at de er ærlige med f.eks. indkøbspriser og regnskaber.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig
- (99) ☐ Ingen holdning (N/A)

**34. Jo større en kaffevirksomhed bliver (jo flere kaffebarer med samme navn), jo mindre stoler jeg på at de arbejder i overensstemmelse med ledernes egne personlige værdier.**

- (7) ☐ Meget enig
- (6) ☐ Enig
- (5) ☐ Delvist enig
- (4) ☐ Hverken enig eller uenig
- (3) ☐ Delvist uenig
- (2) ☐ Uenig
- (1) ☐ Meget uenig

(99) ☐ Ingen holdning (N/A)

**35. Når jeg ved at et brand har et "højere formål" og derved ikke kun tænker på sig selv, deler jeg gerne deres budskab med mine venner.**

(7) ☐ Meget enig

(6) ☐ Enig

(5) ☐ Delvist enig

(4) ☐ Hverken enig eller uenig

(3) ☐ Delvist uenig

(2) ☐ Uenig

(1) ☐ Meget uenig

(99) ☐ Ingen holdning (N/A)

## **Appendix #5: Official numbers from The Coffee Collective**

The following numbers are derived from an email exchange with Klaus Thomsen.

Number of employees in 2016:	37
Expected number of employees in 2017:	40-42
Average employee turnover for TCC (baristas):	1.5 - 2 years
Average employee turnover for the industry:	0.5 - 1 year

Gross profit and net profit are derived from the 2015 Annual Report of The Coffee Collective retrieved from cvr.dk, March 17, 2016.

	<u>2015</u>	<u>2014</u>
Gross profit	10.938.984,00	9.090.000,00
Net profit	1.138.891,00	610.000,00
2015/2014 growth (%): Gross profit		20.3%
2015/2014 growth (%): Net profit		86,7%