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Honduran Specialty Coffee into the Portuguese market

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Master in International Management

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Iscte-lul

September, 2023

Department of Marketing, Operations and General

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“In a gentle way, you can shake the world.” —Mahatma Gandhi

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Resumo

O café é um dos produtos de base mais comercializados no mundo e representa um rendimento vital para muitas famílias nos países produtores, como as Honduras, onde o café desempenha um papel crucial na sua economia.

Nas últimas décadas, as atitudes dos consumidores surgiram juntamente com a crescente consciencialização sobre os métodos de obtenção de café, os impactos ambientais e a compensação equitativa para os agricultores. Há um nicho crescente no mercado focado no café de especialidade. O café de especialidade refere-se ao café que segue um elevado padrão de qualidade, com foco no envolvimento dos consumidores e produtores, durante todo o processo de produção de café.

O objetivo desta dissertação de mestrado visa realizar um estudo de mercado para uma empresa hondurenha, de modo a demonstrar a viabilidade de estabelecer presença no mercado português, através de uma abordagem business-to-business do setor HORECA.

Do ponto de vista empresarial, a tentativa de expansão da referida empresa para o mercado Português representa um potencial significativo, pois poderá levar a um aumento de receitas, bem como a expansão da marca, uma vez que o café hondurenho está associado a um café de grande qualidade.

Em suma, os resultados obtidos nesta dissertação de mestrado sugerem que existe uma procura emergente de café de especialidade no mercado Português. Neste mercado, podemos deduzir que existe uma preocupação geral com questões ambientais, demonstrando uma consciência crescente sobre a importância da sustentabilidade. Além disso, há uma notável preferência por café que seja produzido de acordo com princípios éticos e proveniente de fontes ligadas ao comércio justo. Esta tendência reflete um desejo cada vez maior por produtos que não apenas atendam os padrões gerais de qualidade, como também respeitem o meio ambiente e contribuam para melhores condições de vida para os produtores de café.

Palavras-chave: Café hondurenho, Café de especialidade, Produção de café, Comércio justo, Comércio direto.

JEL codes: M16, F23.

Abstract

Coffee is one of the world's most traded commodities and represents a vital income for many families in producing countries, such as Honduras where this plays a crucial part of its economy.

In the last decades consumer attitudes and considerations have arisen alongside growing awareness regarding coffee sourcing methods, environmental impacts, and equitable compensation for farmers. There is a growing niche in the market focused on "specialty coffees". This term refers to coffee that adheres to elevated quality standards, with a focus on the involvement of both consumers and producers throughout the entire coffee production process, from the farm to the final cup.

The goal of this thesis is to conduct market research for a Honduran company, demonstrating the feasibility of establishing a presence in the Portuguese market through a business-to-business approach within the HORECA sector.

From a business perspective, this attempt holds significant potential as it could lead to increased revenue and brand expansion as Honduran coffee is associated to good quality coffee.

In sum, it can be deduced that Portugal has an emerging market for specialty coffees. Within this market, there is a niche segment that is characterized by both environmental concerns and a strong preference for coffee sourced through ethical practices, possibly including Fairtrade arrangements.

Key words: Honduran Coffee, Specialty coffee, Commodity coffee, Fairtrade, Direct Trade.

JEL Codes: M16, F23

INDEX

Acknowledgments	iii
Resumo	v
Abstract	vii
List of Figures	xi
List of tables	xiii
List of Annexes	xv
I. INTRODUCTION	1
II. LITERATURE REVIEW	5
1. Coffee	5
1.1 Specialty coffee (SC)	5
2. Honduran coffee	6
2.1 IHCAFE - Honduran's coffee organization	7
2.2 Honduran Coffee Value Chain	7
2.3 Honduras Coffee Export	10
2.4 Honduras and Europe	10
3. Ethics in the Coffee Industry	11
3.1 The Fairtrade Sector	12
3.2 Fairtrade in Honduras	13
3.3 Direct trade	13
4. Portuguese coffee consumption	13
4.1 AICC - Associação Industrial e Comercial do Café	14
5. Company Profile – West Pickers	15
5.1 West Pickers - Supply Chain Management	16
5.2 SWOT	18
5.3 Marketing Mix	20
5.4 Marketing Strategy	20
5.5 Competitive Advantage	21
5.6 Target Market: HORECA - Portugal	22
5.7 Competence	22
III. METHODOLOGY	23
3.1 Research Objectives:	23
3.2 Methodology: Data Collection	23
3.2.1 Primary Data	23

3.2.2 Questionnaire Design	24
IV. DATA STRUCTURE AND ANALYSIS	27
4. 1 Survey Introduction and Demographics	27
4. 2 Survey Section 1 – Inquiry participants about whether presently offer coffee in their establishment	28
4.3 Section 2 – Coffee sourcing	30
4.4 Section 3 – Knowledge about Honduran coffee	31
4. 5 Section 4 – Customer preferences	35
4.6 Section 5 – Coffee origin and trade	36
4.7 Section 6 – purchases preferences	40
V. IMPLEMENTATION	45
VI. CONCLUSION	48
VII. REFERENCES	51
VIII. GLOSSARY	53
IX. ANNEXES	55

List of Figures

Figure 1. Coffee Value Chain in Honduras	8
Figure 2. Main importers of Honduran coffee (ICO, 2019)	10
Figure 3. Historical data: Portuguese Coffee Imports 1990 – 2019	14
Figure 4. Coffee Bag	16
Figure 5. West Pickers - Supply Chain	17
Figure 6. SWOT Analysis	18
Figure 7. Answers to question 1 – <i>Overview</i>	28
Figure 8. Answers to question 1 – <i>Business type</i>	28
Figure 9. Proportion of valid answers per source of the specialty coffee	29
Figure 10. Answers to question 3 – <i>Overview</i>	30
Figure 11. Answers to question 4 – <i>Overview</i>	31
Figure 12. Answers to question 5 – <i>Overview</i>	32
Figure 13. Answers to question 6 – <i>Overview</i>	34
Figure 14. Answers to question 7 – <i>Overview</i>	35
Figure 15. Answers to question 8 – <i>Overview</i>	36
Figure 16. Answers to question 9 – <i>Overview</i>	37
Figure 17 - Answers to question 9 – <i>Business type</i>	37
Figure 18. Answers to question 10 – <i>Overview</i>	38
Figure 19. Answers to question 10 – <i>Business type</i>	38
Figure 20. Answers to question 11 – <i>Overview</i>	39
Figure 21. Answers to question 12 – <i>Business type</i>	39
Figure 22. Answers to question 13 – <i>Business type</i>	40
Figure 23. Answers to question 14 – <i>Business type</i>	41
Figure 24. Answers to question 15 – <i>Business type</i>	42
Figure 25. Answers to question 16 – <i>Overview</i>	42
Figure 26. Answers to question 16 – <i>Business type</i>	43

List of tables

Table 1. Marketing Mix	20
Table 2. Enterprises Location	27
Table 3 – Number of answers and respective proportions per business type	29
Table 4. Answers to question 3 – <i>Business type</i>	30
Table 5. Answers to question 4 – <i>Business type</i>	31
Table 6. Connection between knowledge relating to Honduran coffee (question 4) and the way it is perceived (question 5).	33
Table 7 - Answers to question 6 – Business type	34
Table 8. Answers to question 8 – <i>Business type</i>	36

List of Annexes

Annex A. Specialty Coffee Ranking	55
Annex B. Harvest time based on the farm's altitude.	55
Annex C. Coffee flavour characteristics based on altitude	55
Annex D. Honduran coffee regions	56
Annex E. Honduran map showing coffee regions	57
Annex F. Primary coffee-producing countries	57
Annex G. Data on coffee production from 2016 to 2021	57
Annex H. Historical data encompassing both specialty and commodity coffee exports from Honduras	58
Annex I. Survey information	60
Annex J. Survey Flow - Section 1 and 2	61
Annex K. Survey flow – Section 3	62
Annex L. Survey flow – Section 4 and 5	63
Annex M. Survey flow – Section 6 and Demographics	64

Abbreviations

AICC	Associação Industrial e Comercial do Café.
GDP	Gross domestic product.
EU	European Union
EUCA	EU-Central America Association Agreement
FLO	Fairtrade label Organization
HORECA	Hotels, restaurants, and cafés.
ICO	International Coffee Organization.
IHCAFE	Instituto Hondureño del café.
MASL	Meter above sea level.
NCA	National Coffee Association
NGO	Non-governmental organization
SC	Specialty coffee.

I. Introduction

In the present day, coffee has gained immense popularity in our daily routines, with a multitude of individuals commencing their day by indulging in freshly brewed coffee in various delightful forms, ranging from a bold espresso to a creamy cappuccino. The coffee industry has undergone notable transformations, with consumers and producers developing a deeper comprehension of the realm of coffee and harnessing its full potential. However, certain countries, such as Honduras, have exhibited the ability to produce substantial quantities of raw coffee beans, yet struggle to uphold the quality standards demanded by the market. Consequently, this predicament has given rise to a reputation for low-quality coffee that is often available at a lower price point.

Within the coffee industry, there exists a distinction between two categories: commodities and specialty coffees. This research will primarily focus on specialty coffees. To aid our understanding, let's define commodity coffee as encompassing all types of coffee that are not traded based on their quality or the specific methods employed during their cultivation, harvesting, or roasting. Such coffee is considered simply as "coffee" without these influencing factors impacting its price. On the other hand, specialty coffee pertains to a meticulous selection process by producers who possess extensive knowledge of the various factors that can influence the flavor profile of the coffee (Hoffmann, 2018).

Specialty coffee is sourced with great care, often in a traceable manner, and brewed with skill and attentiveness. Moreover, this outstanding coffee beans commands higher prices in the market and is typically produced in smaller, carefully managed batches. Specialty coffee encompasses coffee that has achieved a rating of 80 points or higher on a 100-point scale, as assessed by professional tasters known as "Q Graders."¹ This rating system evaluates various aspects, including flavor, aroma, aftertaste, acidity, body, and balance (Hoffmann, 2018).

It is important to note that the key distinction between commodity coffee and specialty coffee lies in the nature of the relationship between producers and roasters. Typically, there exists a strong connection and communication between the two parties, aiming to enhance quality and establish sustainable pricing. To achieve this, coffee roasters engage in direct trade (53) with the farms, enabling them to purchase significant quantities of coffee beans while eliminating intermediaries who often claim a portion of the producers' earnings. transparently.

¹ Professionals skilled in evaluation of green coffee.

An additional noteworthy area of focus in this research centers around Honduran coffee, renowned for its exceptional quality that can readily rival other renowned coffee markets. In terms of global coffee production rankings, Honduras currently holds the 6th position among coffee-producing countries (Da Luca, 2017). It is the largest coffee producer in Central America and the sixth largest worldwide, Honduras annually yields a staggering quantity of over six million 60kg bags of coffee (B, 2022).

This makes us think about what qualities distinguish Honduran coffee. Honduras enjoys favorable conditions for cultivating coffee, with one notable characteristic being the altitude at which it is grown (Da Luca, 2017). Moreover, Honduran coffee is recognized for its vibrant acidity, velvety body, and delightful chocolatey undertones. The elevated elevation of coffee plantations is particularly desired due to the resulting flavor profile. Higher-altitude coffee tends to yield the most pronounced acidity, captivating aromas, and flavorful brews that consumers savor in their cups of coffee. In contrast, low-elevation coffee typically possesses lower acidity and lacks distinct character in the cup (Daggett, 2015).

Exporting coffee can offer numerous advantages to coffee-producing countries like Honduras, including economic opportunities and enhanced global recognition for their coffee. It enables access to new markets and the potential to secure better prices for their products. However, coffee exports also bring some challenges, including fierce competition from other coffee-producing nations, fluctuating global coffee prices, and environmental impacts associated with coffee farming practices. Additionally, ensuring fair distribution of profits among all stakeholders involved in the coffee supply chain remains an ongoing concern.

Considering the exceptional quality of Honduran coffee, a business idea was put into action in 2020 – “West Pickers”, driven by the perceived market opportunity, particularly on the international stage. With its inherent attributes that position it as specialty coffee, there is a significant opportunity to gain recognition and acceptance among consumers worldwide.

At present, this small company operates on a limited scale but aspires to expand its reach internationally. While the coffee is currently exclusively sold in Roatán, Honduras. It originates from coffee farms located in the western region of the country. The coffee has gained satisfactory acceptance on this small Caribbean Island. Roatán possesses the advantage of attracting a substantial number of tourists, which not only contributes to higher coffee consumption but also aids in building a reputable brand image. The coffee brand has established business relationships with hotels and small local shops situated on the island.

For this research, it will be also important to understand how Portugal coffee consumption behaves. Recently, there has been a notable surge in the popularity of specialty coffee within Portugal. Despite the enduring appeal of traditional Portuguese coffee, there has been a growing fascination with specialty coffee and the emergence of specialized coffee

shops. While the number of coffee roasters in the country remains relatively small, their presence is rapidly expanding.

These roasters often seek out exceptional coffee beans from countries such as Honduras, celebrated for their outstanding characteristics and superior quality. Typically, the target consumers for these specialty coffees comprises individuals with a heightened knowledge and appreciation for the intricate nuances of coffee or those who possess a distinct preference for this type. Consequently, specialty coffee often comes with a higher price point, reflecting the industry's dedication to sustainability, fair trade principles, and unwavering commitment to consistently delivering exceptional quality.

For our study we decided to perform a survey, we aim to explore the potential market for Honduran coffee in Portugal, focusing on business to business opportunities, consumer preferences, and perceptions. This survey was performed to 30 establishments mainly in Lisbon but also has some other Portuguese cities covered various establishments like coffee roasteries, hotels, and restaurants/cafes. Most offer specialty coffee, some of them have purchased Honduran Specialty Coffee before, with coffee roasters being the primary buyers. Flavor preferences vary, with chocolate, fruity, and floral profiles being popular.

The overall concept of this thesis revolves around business-to-business approach, which entails collaborating with the small Honduran family business "West Pickers". Additionally, exploring the presence of Honduran coffee in the Portuguese market, studying its origin and the conditions for coffee cultivation in Honduras, and addressing topics as Fairtrade and logistics are crucial components of the research process.

II. Literature Review

1. Coffee

Coffee holds immense significance as a global commodity, particularly for developing nations. Cultivated across over 80 countries in Latin America, Africa, and Asia, it stands as the second most traded commodity worldwide, surpassed only by oil. Its production and processing engage over 100 million individuals, serving as a vital source of livelihood for approximately 25 million families (Delegación de la Unión Europea en Honduras, 2022).

The origins of coffee seem to be happening in Ethiopia, where there is a folktale that mentions that the goat herder², Kaldi, first discovered the potential of these beans. In the folktale, Kaldi discovered coffee when he noticed that after eating the berries from a certain tree, his goats became so energetic that they did not want to sleep at night. Kaldi reported his findings to the abbot³ of the local monastery, who made a drink with berries and found, which kept him alert through the long hours of evening prayer (The History of Coffee, 2020).

The decade of the '60s was important for the coffee industry as it was the emergence of the International Coffee Organization (ICO), which attempted to influence the world price of coffee until 1989. The main goal of the ICO was to enhance the global coffee market through international cooperation. It emerged in response to the challenges faced by the coffee industry, such as production-consumption imbalances, stock accumulation, and price fluctuations, which had implications for producers, consumers, and overall economic growth.

Coffee held significant economic importance for many coffee-producing countries, with some heavily reliant on coffee exports. At the same time, coffee had become deeply ingrained in the social fabric of consumer countries. ICO agreements aimed to stimulate consumption growth and facilitate the reallocation of resources, potentially leading to the development of secondary industries based on the domestic production of primary commodities (Dubois, 2013).

1.1 Specialty coffee (SC)

Specialty coffee is carefully cultivated at high altitudes, typically fetching higher prices from traders or roasters. It earns its "specialty" labelled by scoring above 80 on a 100-point scale as assessed by certified tasters (Annex A). Specialty coffee has a long history, dating back to selective Parisian customers in the early 1900s, when term itself emerged in the 1970s. The

² Person who looks after goats as a vocational activity

³ A man who is the head of a monastery.

production of specialty coffee involves a commitment to quality at every stage. Specialty coffee ranking assesses quality, with aspects like fragrance, flavor, acidity, body, balance, and aftertaste considered. Producers prioritize quality over quantity, cultivating beans in ideal conditions and forming connections with quality-focused buyers. Expert tasters evaluate the beans, and skilled roasters create precise roast profiles. Baristas then brew the coffee to perfection, catering to consumers who seek to explore coffee's depth (Hoffmann, 2018).

Coffee can be divided into two types: commodity and specialty. Commodity coffee is commonly found in instant form or pre-ground, while specialty coffee is sold as whole beans. Commodity coffee is mass-produced, while specialty coffee is typically roasted in smaller facilities and offers more variety (Hoffmann, 2018).

2. Honduran coffee

The earliest record of Honduran coffee dates to the early nineteenth century, when the quality of coffee produced in Honduras was discussed. This dates the arrival of coffee before 1799, as the plants would take a few years to produce a crop. Honduras' production of coffee increased dramatically in the early two thousand, while the coffee industry drove the growth and development of infrastructure in much of Central America during the 1800s, due to Honduras' late blossoming infrastructure. This has provided a challenge for quality and has meant that much of the coffee produced under this new expansion was destined for the commodity market. It was only until very recently that Honduras has seen excellent coffees being produced. The National Honduran Coffee Institute (IHCAFE) was established in 1970 and its goal is to improve the quality processes. Coffee is crucial for Honduras' economy: more than 102,000 families are engaged in coffee production in 15 of the country's 18 departments, representing 30% of the agricultural GDP⁴ and 5% of the total GDP. This agricultural sector generates the most jobs and ranks first among the productive activities that generate foreign exchange (Dubois, 2013). Honduras has all the environmental factors on its side for producing coffee: soil, altitude, climate, and farmers who are increasingly better trained in agricultural practices. Honduras has been known mostly as a source of commercial coffee, but not much as a specialty grade. Its temperate and tropical climates produce coffees that are typically described as mild, robust, and sweet. Honduras is still a major source for lower-priced arabica coffees headed to large roasting companies. *This means that even a high-quality Honduran does not always fetch a good price.* Sadly, without a premium price for quality, the farmers have no incentive to incur the added expense that would help realize the coffee's quality potential (B, 2022)

⁴ Gross Domestic Product

2.1 IHCAFE - Honduran's coffee organization

The Honduran Coffee Institute (Insituto Hondurenõ del Café) was created to promote the socio-economic profitability of the Honduran coffee through the development of the competitiveness of the Agro-industrial Coffee Chain, in a sustainable manner, using cutting-edge environmentally friendly technologies, to allow farms to develop. Since the assistance provided by the Honduran government is very limited, this institution believes that actions are needed to improve Honduran's coffee development. This institution has designed and developed plans, programs, and projects with resources from coffee producers, technical and scientific processes in research, education, and agricultural extension, a great challenge to design and development strategies to improve the competitiveness of Honduran coffee in the world, which is where the origin of the price that producers receive lies substantially. Over 92% of the Honduran coffee is produced by small producers, 7% by medium-sized producers, and only 1% by big companies, although it is quite difficult to keep in the markets are challenges are raised and governmental support is very limited. Among the many challenges that this sector is facing are low production, the plagues getting more complex, and a lack of education or support for coffee producers to have a better understanding of coffee production (IHCAFE & Maradiaga, 2021).

Honduran coffee is renowned for its diverse origins, each region offering unique characteristics and flavors that contribute to the country's rich coffee heritage. The distinct characteristics of the six main coffee-growing regions in Honduras (Annex D, Annex E) bring their own distinct qualities to Honduran coffee production, contributing to the country's reputation as a producer of exceptional coffees, with diverse flavor profiles. (IHCAFE, n.d.)

2.2 Honduran Coffee Value Chain

Coffee businesses have the potential to explore new branding, processing, and marketing opportunities. However, this, such as any project, comes with numerous challenges, particularly in meeting the ever-changing product quality standards that cater to consumer needs. To ensure the sustainability of coffee-related businesses and benefit all stakeholders involved, effective management is crucial. This can be achieved through mutual agreements between suppliers, manufacturers, and consumers, which will help improve supply chain performance and networks. Strengthening the connection and mutual agreements with coffee farms or intermediaries is also essential to ensure the availability of quality coffee in sufficient quantities.

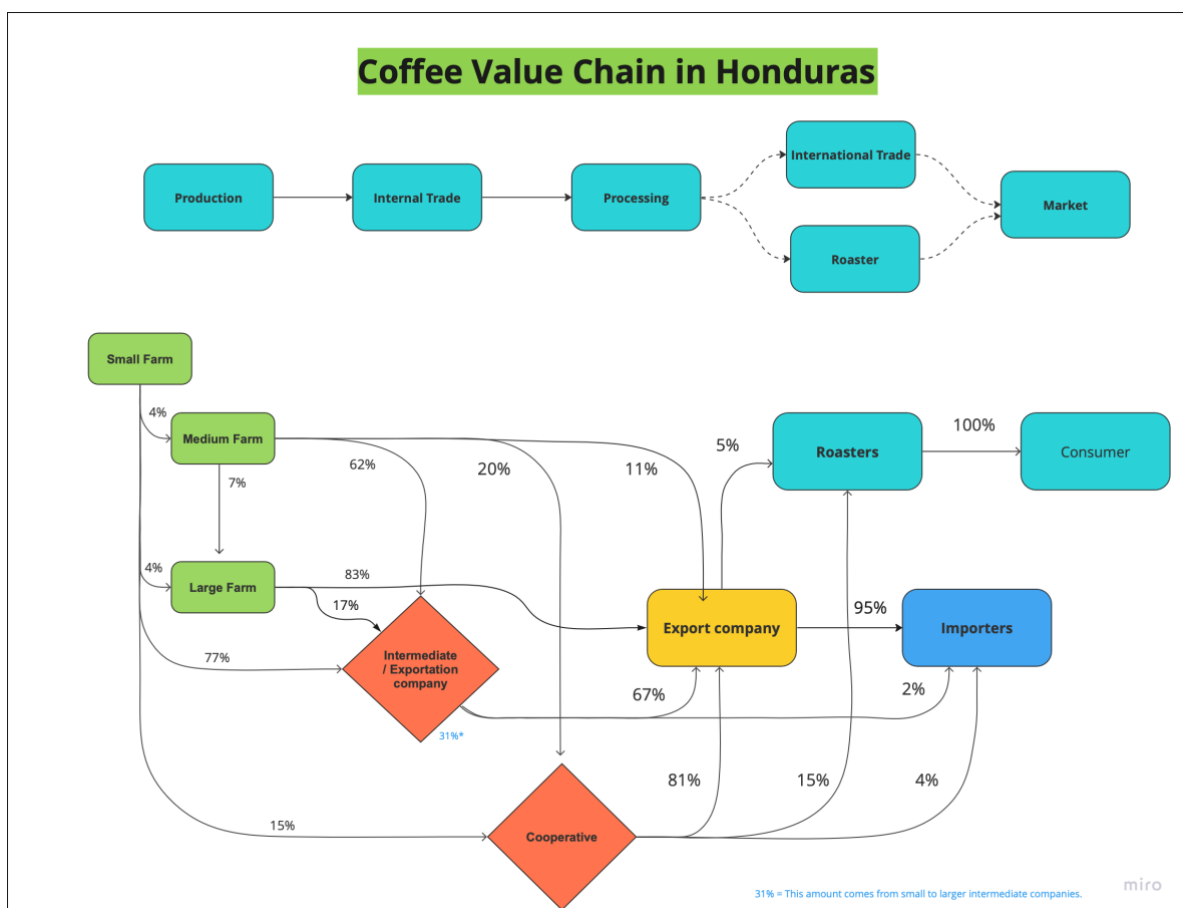
Local Honduran and international NGOs, in collaboration with IHCAFE, conducted a comprehensive analysis of the value chain to gather this information. The primary objective

was to examine the intricate components and stakeholders involved in the coffee value chain in Honduras (Dubois, 2013).

The coffee value chain in Honduras demonstrates a strong and resilient structure. To understand better figure 1 below. It is essential to establish the categorization of farms based on their size: small farms are defined as those occupying an area larger than 14 mts² to 34 mts²; medium-sized farms encompass the range 35 mts² to 140 mts²; and finally, large farms, which can have an extension as wide as 141 mts². It is important to note that production and productivity may vary, depending on the specific location and coffee cultivation practices. Occasionally, certain medium-sized farms exhibit greater productivity compared to larger farms (Dubois, 2013).

Figure 1. Coffee Value Chain in Honduras

The diagram below aims to identify the significant challenges and prospects associated with each stage of the chain. The goal was to provide valuable insights to all participants in the chain (Dubois, 2013).



In addition, within the coffee value chain, those terms are important to have a clear understanding. Intermediaries, play a significant role as they buy and sell coffee. Coffee

cooperatives consist of a group of coffee producers who collaborate to access resources and leverage better trade opportunities (Petrich, 2018). Coffee export companies are dedicated to processing and trading coffee at an international level. Coffee roasters undertake the transformation of ripe green coffee beans into brown or black coffee beans through roasting, grinding, and preparation for consumption. Importers encompass all international companies that legally acquire coffee from the producer country, while consumers represent the final clients who delight in the experience of a cup of coffee.

As described in **Figure 1**, small farms mainly sell to intermediaries (77%), while medium-sized farms also rely on intermediaries (62%). Large farms often deal directly with exporting companies (83%). Cooperatives get some from small (15%) and medium farms (20%). Among intermediaries, 31% of coffee flows from small to large intermediaries. Most intermediaries (67%) supply export companies, with a few (2%) dealing directly with importers. Export companies primarily sell to importers (95%) and a few to roasters (5%). Ultimately, coffee reaches roasters before consumers. This complex chain can increase costs, making direct trade with farms an attractive option (Dubois, 2013).

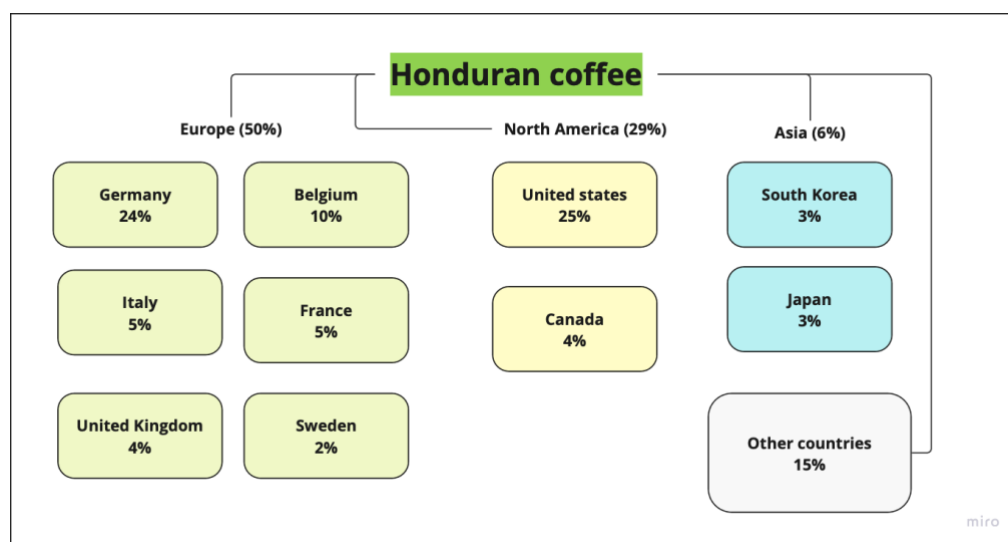
Coffee is produced in more than 50 countries worldwide. It is one of the world's most important export commodities; it makes an important contribution to socioeconomic development and poverty mitigation and is of exceptional economic importance to exporting countries, some of which rely on coffee for more than half of their export earnings. With around 70% of the world's coffee produced by 25 million smallholder farmers and their families, coffee is an important source of cash income and provides a considerable amount of employment (Dubois, 2013). Latin America remains a dominant force in the global coffee production landscape, surpassing the combined output of all other regions by more than double. However, the coffee industry in Africa and Asia has been steadily growing, gradually closing the gap. It is worth noting that coffee has historically held significant economic importance for Latin American nations. Even when the relative production of coffee began to decline in the mid-1980s, it still retained its position as the primary export of seven countries in Latin America. This highlights the enduring significance of coffee as a key driver of trade and economic activity in the region (Clarence-Smith & Topik, 2003)

Among all countries, the six leading coffee producers contributed to 76.5% of global coffee production. Brazil held the largest share, accounting for 34% of the total production, followed by Vietnam with 18%, while Colombia contributed 8%, Indonesia 7%, Ethiopia 5%, and Honduras 4%. The remaining countries combined represented 23% of world coffee production (Annex F, Annex G).

2.3 Honduras Coffee Export

According to IHCAFE data, Honduras stands as the leading coffee producer in Central America, the third-largest producer in the Americas, and the seventh-largest producer globally as of the 2021-2022 period. The IHCAFE summary report (2020-2021) reveals that during the 2020-2021 harvest, Honduras contributed 7.66 million 46kg bags of coffee to the global market exhibiting a significant increase of 6.7% compared to the previous harvest of 7.18 million 46kg bags in 2019-2020. This high demand not only reflects the coffee's quality but also boosts Honduras' economy, benefiting local farmers and communities. Honduran coffee's export success highlights the nation's competitiveness and significant role in the global coffee industry (IHCAFE, 2022).

Figure 2. Main importers of Honduran coffee (ICO, 2019)



2.4 Honduras and Europe

The European market for specialty coffee is experiencing rapid growth, showing lucrative prospects for suppliers who provide top-tier coffee products. This specialized niche, characterized by its emphasis on quality and premium value, is relatively small but commands significant attention. Some coffee shops have begun to procure their green coffee beans directly from the source in coffee producing countries (ProFound Advisers in Development & CBI Ministry of Foreign Affairs, 2020).

In 2022, the European Union (EU) and Honduras released “Trade in Europe”, a document that discusses the complexities and opportunities involved in the export and import activities between Honduras and the EU, particularly within the context of a comprehensive

Association Agreement between Central America and the EU. It also highlights the relevance of sustainability and environmental considerations in today's global trade. The European market is known for its demands but also its willingness to pay more for environmentally sustainable and socially just products. This indicates a growing consumer preference for goods that align with sustainability principles.

EUCA Trade Project: EUCA Trade is a technical assistance project that aims to facilitate trade and investment between Central America and the EU, while promoting sustainability, fairness, and responsible trade. It focuses on addressing non-tariff barriers and finding cooperation opportunities in sectors related to sustainability, energy, transport, environment, and the digital economy. The document mentions that Honduras exported 571 million EUR worth of coffee to the EU in 2021. Coffee is an important export product from Honduras to the EU, aligning with the growing demand for organic products.

The EU has adopted the “EU Green Deal” or “Pacto Verde Europeo”, which is a comprehensive policy aiming to make the EU climate-neutral by 2050. It requires all sectors of the EU economy, including agriculture and food production, to align with sustainability and reduce their environmental impact. The “*from the Farm to the Table*” strategy is part of this initiative, focusing on sustainable food production and consumption.

Overall, the passage underscores the significance of sustainable and responsible trade practices, the complexities of international agreements, and the efforts made to enhance trade relations between Honduras and the EU, particularly in the context of growing demand for environmentally friendly products in the European market (Delegación de la Unión Europea en Honduras, 2022)

3. Ethics in the Coffee Industry

For the purposes of this thesis, the focus will be on the ethical concerns of producing countries, while importing countries will only be considered in their role as consumers. There are numerous issues that can be investigated. In most cases, ethical concerns arise in relation to the exploitation of people and the environment for profit from coffee cultivation. The ethical issues discussed are often related to the livelihoods of farmers, which is a major concern in producing countries, where farmers are always the lowest paid. Ethical Consumption is not a social movement in the traditional sense; rather it is a group of individual actors making similar decisions based on a perceived shared ideology, while simultaneously meeting their own personal needs (Long & Murray, 2012). Nowadays, consumers can access products that they believe are healthier, safer products in an environmentally suitable manner, where everyone involved in the production is paid a fair wage, although it is not always that simple.

Ethics in the coffee industry is increasingly vital in the European coffee market for both consumers and industry players. This benefits the specialty coffee niche, aligning well with sustainable coffee supply chains, featuring direct trade, farmer-buyer relationships, traceability, and quality-based pricing (ProFound Advisers in development & CBI Ministry of Foreign Affairs, 2020).

When it comes to integrating ethical practices into a business, companies are motivated by either internal factors or external pressures. It is not just how a company treats its employees and contributes to societal objectives, but also encompasses considerations related to product sourcing and the environmental impact of business operations (Eka & Caraman, 2020)

3.1 The Fairtrade Sector

Fairtrade began in the 1940s in the USA with religious organizations purchasing handicrafts from poor Southern producers and selling them directly to consumers. In the 1990s fair trade grew rapidly and agricultural products became the primary Fairtrade products. (Long & Murray, 2012). Fair Trade is an approach to trade that aims to improve market access and continuity for small producers, strengthen their organizations, and pay them a fair price by requiring producers and traders to comply with specific production and trading criteria. Since 1997, national Fairtrade organizations have been cooperating under the banner of the Fairtrade label organization (FLO) (Giovannuncci & Potts, 2008). However, because it is subject to the logic of a market characterized by competition and lack of information, Fairtrade also contains inherent characteristics that work against this potential and reduce the distinction between Fair Trade and conventional production. Today, much of the Fairtrade debate is about inequality in the global value chain of conventional products. Here, the debate focuses on the poverty of the producers who grow and harvest the products, and the fact that most of the value is in the conventional chain. The coffee industry is retained by traders, middlemen, and sellers in Northern countries. Hudson & Hudson (2015), for instance, indicate that “farmers *in the conventional market receive only 1% of the price of a cup of coffee sold in a coffee shop and only 6% of the value of a packet of processed coffee sold in a supermarket*”.

In the European market context, some specialty coffee importers and roasters find certifications unnecessary, preferring direct oversight of agricultural practices and social responsibility. Nevertheless, certifications, particularly for organic and fair trade, are still important for some buyers and retailers as proof of sustainability commitment (ProFound Advisers in development & CBI Ministry of Foreign Affairs, 2020).

3.2 Fairtrade in Honduras

In February 2023, Fairtrade International introduced a new Living Income Reference Price for Honduran coffee, aiming to ensure fair and sustainable global coffee trade. This price helps coffee farmers access essential resources like housing, food, education, and healthcare. It promotes sustainable coffee businesses and supports the well-being of everyone in the supply chain. In 2019, global coffee prices hit a 12-year low, exacerbated by the COVID-19 pandemic and hurricanes Eta and Iota in 2020. Climate change has also affected coffee farming. Economic and environmental sustainability are interconnected: farmers need a living income to invest in sustainable practices and adapt to climate change. When they earn enough, they can grow efficiently, diversify their income, and build a sustainable future.

The Living Income Reference Price for Honduran coffee is 94 Lempira (about US\$3.89) per kilo of dried parchment at Farmgate⁵. This price covers producer costs and profits before exporting. While the reference price is voluntary, the Fairtrade Minimum Price and Premium are mandatory for Fairtrade coffee sales, providing a safety net for farmers (Fairtrade International, 2023)

3.3 Direct trade

Direct Trade is a relatively new term in the coffee industry used to indicate that coffee roasters have purchased coffee directly from the producer, bypassing importers, exporters, or other third parties. While the term emphasizes the direct relationship between roasters and producers, it can also downplay the essential role of importers and exporters in the coffee supply chain. For Direct Trade to be a viable model, the roaster must purchase enough coffee to make a meaningful impact on the producer's livelihood. This can be challenging, especially for smaller roasters, and may require significant investments of time and resources. Therefore, while Direct Trade can offer benefits to both the roaster and the producer, it should not be seen as the only viable option for creating a sustainable and equitable coffee supply chain (Brunner, 2016).

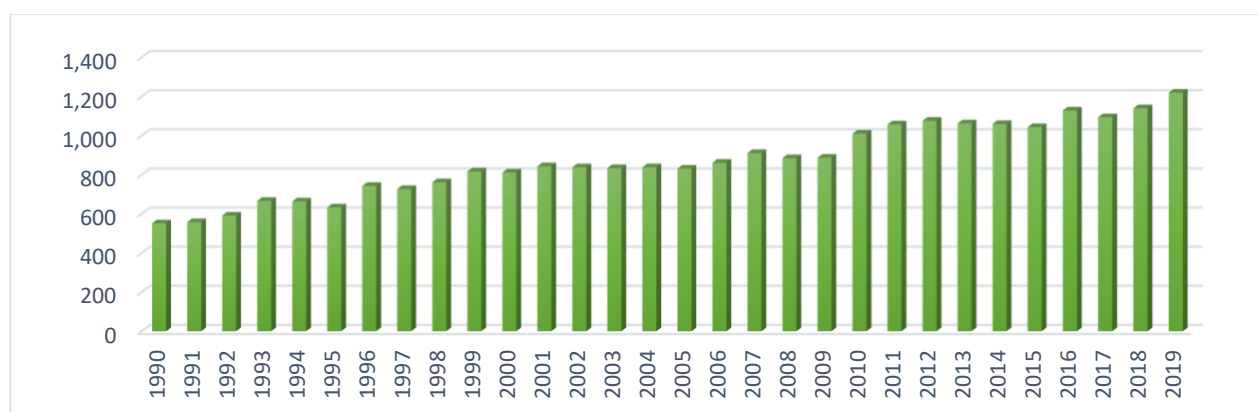
4. Portuguese coffee consumption

Coffee is deeply ingrained in Portuguese culture, with the average adult consuming a minimum of two espressos daily, creating a widespread café culture that spans cities and villages. In the 18th century, Portugal significantly contributed to coffee expansion in its colonies, such as

⁵ Farmgate price is the price that covers only the producer's costs and profits before exporting.

Angola and Brazil. An army officer named Francisco de Melo Palheta introduced coffee to Brazil in 1727, making it the world's largest coffee producer. Portuguese coffee is known for its dark roast, robust crema, and slight bitterness due to its use of Robusta beans, favoured Robusta imports, shaping its coffee profile, making an intense roasting masked aroma (Moura, 2022). Portuguese commercial coffee blends are usually 40% Arabica and 60% Robusta beans, roasted dark, emphasizing the importance of sugar in their coffee culture (Seabra, 2015).

Figure 3. Historical data: Portuguese Coffee Imports 1990 – 2019



Represented in thousands of 60 kg bags (ICO, 2019)

The graph reveals a consistent rise in coffee consumption within the Portuguese market, with consumption rates doubling from 1990 to 2019. This significant increase serves as a strong indicator of the widespread acceptance of coffee among the Portuguese population. This evolution takes into account both commodity coffee and specialty coffee (ICO, 2019).

4.1 AICC - Associação Industrial e Comercial do Café

The AICC is a non-profit organization representing employers in the Portuguese coffee industry, focusing on roasting, grinding, packaging, and marketing. Established in 1972 as the National Coffee Roasters Guild, it officially began operations on April 2, 1973. It was founded by dissatisfied coffee roasters who felt their interests weren't adequately represented by the Grocery Stocker Guild⁶. After the April Revolution in 1974, guilds were abolished, leading to the formation of the Portuguese Coffee Roasters Association. On October 18, 2007, it adopted its current name, the Industrial and Commercial Coffee Association (AICC).

⁶ An association of craftsmen or merchants formed for mutual aid and protection and for the furtherance of their professional interests

From 1975 to 1980, the association played a crucial role in addressing challenges faced by its members due to Portugal transitioning from a coffee producer to an importer. They established a "Coffee Importing Cooperative" to ensure all members, including those with limited resources, had access to raw materials. This initiative, driven by the dedication of the association and its supporters, led to significant improvements in working conditions within the coffee roasting industry. Today, some of the original founders or their descendants remain actively engaged with the association (AICC, n.d.)

5. Company Profile – West Pickers

West Pickers, a Honduran Company, was created in 2020 with the idea of expanding the potential of Honduran coffee and its competitiveness in the market. The coffee is normally above 80% in the specialty coffee ranking (Annex A). The market in which West Pickers has a presence is Roatan, Honduras an island with an active economy that has great purchasing power. The coffee company has already been formalized, was legally recognized in Honduras in 2022, and has its registration to be able to have business with any establishments.

Currently, all sales are done semi-informally, there are commercial relationships with hotels, small souvenirs, and other local small businesses on the island. The main goal of the company is to sell coffee internationally, and Portugal represents a great opportunity that it would be beneficial to know in-depth and see the viability of the market. The coffee is cultivated in the western regions of Honduras, specifically in Copan and Opalaca. A direct trade agreement was established with 3-4 coffee farms, where the harvested coffee is collected. It is worth noting that with all of them, the cherry berries are dried using the sun-drying⁷ method.

Currently, the company maintains a presence on social media and launched a website⁸ in 2022 to facilitate sales and build brand recognition. However, the only payment method available is PayPal, which poses a limitation as it is not widely popular in the area. This year, the company invested in enhancing the bag design (Figure 3). Previously, the bag featured a sticker, but now the logo is directly printed on the bag, accompanied by a QR code linking to the website and the product barcode. One of the goals for this year is to introduce the brand in local and major supermarkets in Roatan.

⁷ Evaporation of water from products by sun or solar heat, assisted by movement of surrounding air.

⁸ <https://www.westpickers.com>

Figure 4. Coffee Bag



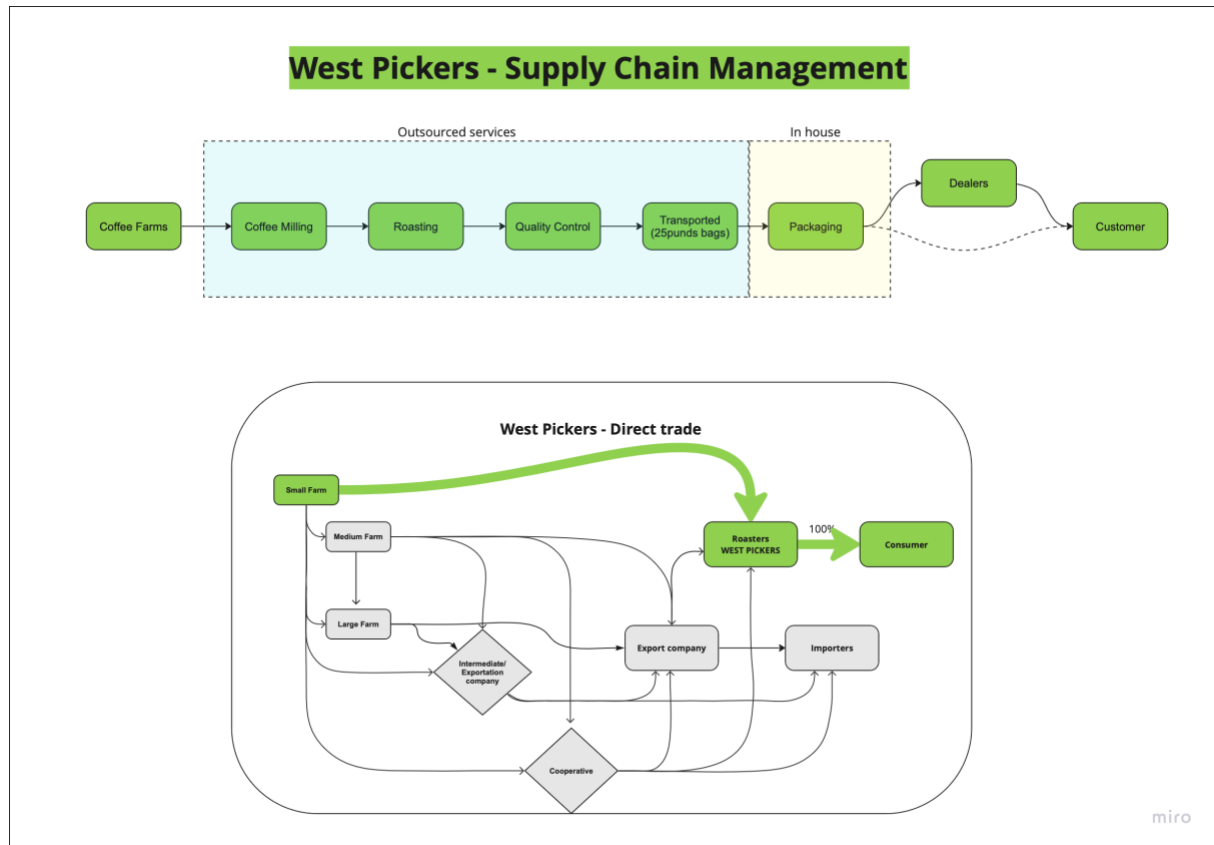
Coffee bag: old version on the left-hand side, new version on the right-hand side.

5.1 West Pickers - Supply Chain Management

The strong relationships between West Pickers and coffee farms facilitate continuous communication to stay updated on any factors that might affect the crop. Following the harvest, experienced coffee tasters carefully assess the quality of the crop to ascertain if it meets the standards for high-quality specialty coffee, typically requiring a score of above 80 points. Once the coffee passes this evaluation, it is transported to a dedicated roasting facility, where it is carefully packed into 12 kgs bags. These bags are then transported to Roatan, the market destination, where the coffee is packaged into individual bags before reaching the customers.

The monthly production typically amounts to 50 kgs, ensuring the market demands are met and allowing for a small backlog. Each crop is usually small and distinct. The business structure remains small, with only 4 individuals directly involved and approximately 4 others indirectly connected through the coffee bean supply chain.

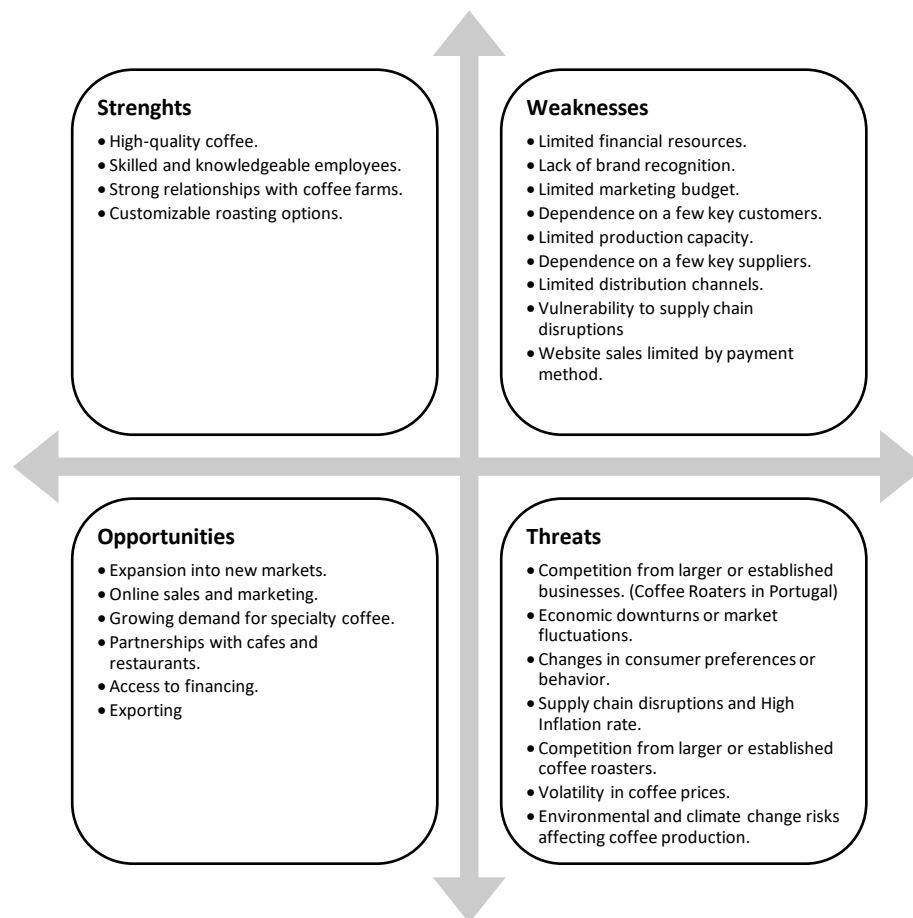
Figure 5. West Pickers - Supply Chain



5.2 SWOT

To run a successful business is important to understand factors that can contribute to the success or failure of any business. Therefore, a SWOT analysis will help to develop a full awareness of all factors involved in making a business decision (Schooley, 2023). This involves assessing the internal factors as well as external forces that impact the company.

Figure 6. SWOT Analysis



5.2.1 Strengths:

The company's high-quality coffee sets it apart from competitors, attracting customers who *appreciate premium products. Despite its small size, it has a highly skilled team capable of ensuring coffee quality and excellent customer service. Strong relationships with coffee farms provide a steady supply of high-quality beans and potential access to unique varieties. Offering customizable roasting options creates a unique selling point. While currently outsourcing roasting, bringing it in-house could boost efficiency and reduce costs.

5.2.2 Weaknesses:

Limited finances can hinder the company's ability to invest in critical areas like marketing, expansion, and production capacity. Seeking loans to address this issue is a priority. Brand recognition is a challenge due to the company's new presence and limited geographic reach (currently in Roatan, Honduras). A tight marketing budget restricts effective promotion, even with social media presence. Overreliance on a few customers poses a revenue risk; diversifying the customer base is crucial. Limited production capacity may result in missed sales opportunities; expanding it is vital. To reduce supply risks, the company should diversify its supplier base. Lastly, exclusively using PayPal for online sales can limit accessibility, so exploring alternative payment methods is essential.

5.2.3 Opportunities:

The company could venture into new markets, both locally and internationally to broaden its customer base and boost sales. Using online platforms offers a cost-efficient means to reach a larger audience, enhance brand visibility, and facilitate direct customer sales.

Taking advantage of the growing consumer fascination with specialty coffee can result in increased sales and a larger market share. Partnering with cafes and restaurants can establish fresh distribution channels and boost brand exposure through strategic collaborations.

In addition, obtaining financial backing can address the company's financial constraints, allowing for investment in critical areas like marketing, production capacity, and product development.

5.2.4 Threats:

Larger or more established coffee enterprises may possess greater resources, brand recognition, and customer loyalty, presenting a competitive challenge for the company. Economic downturns or fluctuations in the market can influence consumer spending behaviours, potentially resulting in reduced demand for premium coffee products. Disruptions within the supply chain, such as crop failures, shipping delays, or political instability in coffee-producing regions, can have repercussions on the availability and cost of raw materials. Elevated inflation rates can lead to increased expenses and fluctuations in coffee prices, driven by factors like weather conditions or global supply and demand dynamics, have the potential

to influence the company's profitability and pricing strategy. Lastly, climate change-related issues, such as droughts and pests, affect coffee production and sourcing.

5.3 Marketing Mix

Analyzing each of these four elements, businesses can develop a comprehensive marketing strategy that not only meets customer needs but also stands out in a competitive landscape.

Table 1. Marketing Mix

Product	Price	Place	Promotion
Offer a range of high-quality coffee products, including single-origin coffees and specialty blends.	Determine pricing strategies based on factors such as the cost of high-quality coffee beans, production costs, market demand, and competitors' pricing.	Multiple distribution channels to make the high-quality coffee accessible to customers.	Developing a strong brand identity and brand messaging that communicates the quality, uniqueness, and value of the coffee.
Provide information about the sourcing, roasting process, and flavour characteristics to educate customers about the uniqueness and quality of the coffee.	Position the pricing to reflect the superior quality and value of the coffee.	Utilize a combination of physical retail locations, online platforms, and partnerships with cafes and restaurants.	Digital advertising through social media.
	Offers premium pricing for exclusive or limited-edition coffees and discounts for larger purchases to encourage customer loyalty.	On processing to enter to one of the biggest supermarket chains local in Roatan, Honduras.	

By considering these elements of the marketing mix (table 1), the company can effectively promote and sell its high-quality coffee, attract the target audience, differentiate from competitors, and build a strong brand image in the local market and internationally.

5.4 Marketing Strategy

Based on the SWOT analysis and the objective of expanding sales internationally, West Pickers' best option is to focus on a **differentiation strategy** that highlights the origin of the coffee. The company should emphasize the exceptional quality of the coffee beans, emphasizing factors such as origin, sourcing methods, and the expertise of coffee farmers.

Stringent quality control measures should be implemented throughout the production process to ensure consistent and superior taste.

The company's commitment to traceability and transparency should be evident in its image. By establishing transparent and traceable supply chains and showcasing the journey of the coffee beans from farm to cup, West Pickers can provide detailed information about the regions, farms, and farmers involved in coffee production, highlighting ethical and sustainable practices, and using storytelling and visual content can engage customers and create an emotional connection with the origins and people behind the coffee.

5.5 Competitive Advantage

To gain a competitive advantage, it is crucial to emphasize certain outstanding qualities when marketing and promoting Honduran specialty coffee in the Portuguese market. A key aspect to highlight is the coffee's origin, focusing on the unique attributes of beans grown in Honduras.

The European specialty coffee market has grown significantly due to increased out-of-home consumption. Urban coffee shops are leading in offering sophisticated coffee varieties. Consumers are increasingly interested in how and where coffee is brewed and grown, making it essential for specialty coffee producers to share the coffee's story (ProFound Advisers in development & CBI Ministry of Foreign Affairs, 2020).

In this case, west pickers will be important to emphasize the country's favorable climate, high altitude, and diverse microclimates that contribute to the exceptional flavors and aromas of the coffee. As mentioned earlier on this document, Honduras is known for its many coffee-producing regions (Annex D), each offering unique and exceptional qualities. Additionally, positioning the Honduran specialty coffee as a product of meticulous craftsmanship⁹ will unwavering attention to detail. It is important to highlight the dedication of local farmers and producers who adhere to the highest standards of quality in growing, harvesting, and processing the beans. Furthermore, emphasize that the coffee is sourced directly from the farms to West Pickers.

Another important aspect to emphasize is the sustainability and ethical aspects of Honduran specialty coffee production, highlight environmentally friendly farming practices, such as different way of cultivation and direct relationships with farmers. Position coffee as a conscious choice for consumers who prioritize supporting sustainable agriculture and equitable trade. By effectively positioning Honduran specialty coffee, they can differentiate it from

⁹ Skill at making things

competitors and create a captivating narrative that resonates with Portuguese consumers who value exceptional coffee experiences.

5.6 Target Market: HORECA - Portugal

HORECA, which stands for hotels, restaurants, and cafes. To target specific segments within the HORECA industry in Portugal, we can focus on hotels, trendy cafes, and gourmet restaurants. Portugal has seen a rise in the number of establishments, including restaurants, coffee bars, and coffee roasters, that offer ethically sourced specialty coffee with exceptional quality. These businesses serve consumers who appreciate the unique flavors of specialty coffee. To effectively promote Honduran specialty coffee, it would be important creating visually appealing and informative product presentations and provide samples. All materials should highlight the coffee's origin, flavor profiles, and superior quality.

5.7 Competence

West Pickers excels in the field of coffee roasting (low scale/small batches). While the general nature of the coffee industry remains the same, it is the details that set it apart. These details encompass elements such as the origin of the coffee beans, the diverse range of flavors offered, and the specific roasting techniques employed. In the last decade, Portugal has witnessed a remarkable increase in the establishment of coffee roasteries focused on specialty coffee. This increase is a testament to the growing interest and demand for finely crafted coffee experiences. However, within this expanding landscape, certain constraints continue to mark the trajectory of the market. These limitations relate to the difficulty of effectively distinguishing specialty coffee offerings within the broader spectrum of coffee products.

As for West Pickers' competency, it lies in competing with mainstream coffee brands in Portugal which normally tend to be commodity coffee associated to lower price. The country offers various inexpensive options for commodity coffee. Nevertheless, in terms of factors such as quality and other attributes, West Pickers could maintain its position and remain competitive.

III. Methodology

This chapter plays a crucial role in our study as it outlines the research design and sampling methodology utilized to delve into the knowledge and understanding surrounding Honduran coffee, with a specific focus on specialty coffee that is ethically sourced. It encompasses key elements such as research objectives, questionnaire design, sample selection, and data treatment. The objectives guide our research questions and define the study's scope. The well-structured questionnaire ensures standardized data collection, covering consumer preferences, knowledge, and perceptions of Honduran coffee. The sample design ensures representation and relevance to the target population. Data treatment procedures are employed to analyse and interpret the collected data. This chapter provides a robust framework for studying Honduran specialty coffee in Portugal.

3.1 Research Objectives:

The primary objective of this study is to delve into the potential market for Honduran coffee in Portugal and assess the feasibility of introducing Honduran coffee in a business-to-business context (B2B). By conducting a comprehensive analysis, we aim to gain valuable insights into the opportunities that exist within the Portuguese market for Honduran coffee and understand the potential demand and acceptance of a new brand. This research will involve examining the current landscape of coffee consumption in Portugal and exploring consumer preferences and perceptions of specialty coffee. By identifying market gaps and consumer needs, we can determine the viability and potential success of introducing a new brand of Honduran coffee in Portugal.

3.2 Methodology: Data Collection

3.2.1 Primary Data

The collection of descriptive data typically involves utilizing a quantitative approach, such as a survey questionnaire. This approach is considered the most reliable and accurate method for gathering individuals' views, opinions, and attitudes. In this study, data will be obtained through an online survey targeting individuals within HORECA. Considering that the target population consists of coffee consumers, efforts will be made to effectively reach people. Filter questions will be included to ensure that individuals who do not meet the participation criteria do not influence the results.

3.2.2 Questionnaire Design

An integral aspect of our research design is the development of a well-structured questionnaire. This instrument enables us to gather specific insights from participants and provides a standardized approach for data collection. The questionnaire will cover relevant aspects of Honduran coffee, such as market/consumer preferences, knowledge, and perceptions. Since the target market is Portugal, the survey will be available in Portuguese and English.

The questionnaire will be thoughtfully structured, comprising an introduction followed by six distinct sections:

Introduction: This initial part will furnish an in-depth overview of the thesis and its research objectives, providing context and importance to the study. It will aim to ensure that respondents have a clear understanding of the purpose and significance of their participation. To facilitate clarity and eliminate ambiguity during the survey, key terms such as "Specialty coffee", "Commodity coffee" and "Fairtrade" will be explicitly defined.

Section 1: Begin by asking participants if they currently sell coffee in their establishment. If users answer no, skip to Section 3 (Annex J. Survey Flow - Section 1 and 2).

Section 2: If participants answered yes to the previous question (Section 1), inquire about how they source their coffee and what factors they consider important when selecting specialty coffee.

Section 3: Focus on Honduran coffee. Ask participants about their familiarity with Honduran coffee. If users are not familiar at all, skip to Section 4. If users have some level of familiarity, inquire about their perception of Honduran coffee, its quality, awareness, and whether they have previously purchased coffee from Honduras (Annex K. Survey flow – Section 3).

Section 4: Explore customer preferences regarding coffee flavours and profiles. Present various flavour options, including a "natural flavour" or "not aware" choice for those unfamiliar with profiles (**Error! Reference source not found.**).

Section 5: Assess the importance of coffee origin for their consumers and their customers' interest in specialty coffee using a Likert scale. Also, ask if they have ever purchased Fairtrade coffee. If they answer no, skip to Section 6. If they answer yes, ask about their knowledge of Fairtrade.

Section 6: Inquire about the type of coffee they typically buy (specialty, commodity, or both), the monthly quantity purchased, and whether they buy green or already roasted coffee. If they buy green, **skip to section 7**. If not, allow them to specify their roasting preferences (**Error! Reference source not found.**).

Section 7: Gather demographic information, including the type of establishment (hotel, restaurant, or coffee roaster), location (city and country), and an optional establishment name. Provides a comment box for any additional remarks or feedback.

By structuring the questionnaire with these six sections, the survey aims to gather comprehensive data on the knowledge, perception, preferences, and demographics of respondents related to Honduran coffee, specialty coffee, and Fairtrade practices.

IV. Data Structure and Analysis

4. 1 Survey Introduction and Demographics

To enhance our comprehension of the responses, it's crucial to note that we are collecting demographic information. This includes the establishment's category, which can fall into one of the following categories: hotel, restaurant/cafe, or coffee roaster, along with its location (city and country). Participants also have the option to provide the establishment's name. This diverse mix of establishments includes a total of **12 coffee roasteries, 3 hotels, and 15 restaurants/cafes**. To ensure a comprehensive assessment and facilitate meaningful comparisons, we have devised a two-pronged approach for analysis: one collective evaluation and separate examinations for each distinct business type.

Table 2. Enterprises Location

City	Hotel	Restaurant / Cafe	Coffee Roaster	Total
Alenquer	1			1
Aveiro	1			1
Braga		1		1
Ericeira		1		1
Lisboa	1	9	10	20
Porto		2	2	4
Setúbal		1		1
Sintra		1		1
Total	3	15	12	30

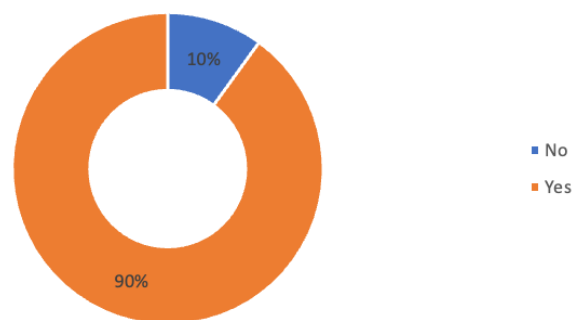
Our main contributors for this study are based in Lisbon, Portugal, however we have presence from other parts of the country, such as Aveiro, Braga, Porto and Setubal.

4.2 Survey Section 1 – Inquiry participants about whether presently offer coffee in their establishment

4.2.1 – Question 1 - Do you currently offer specialty coffee at your establishment?

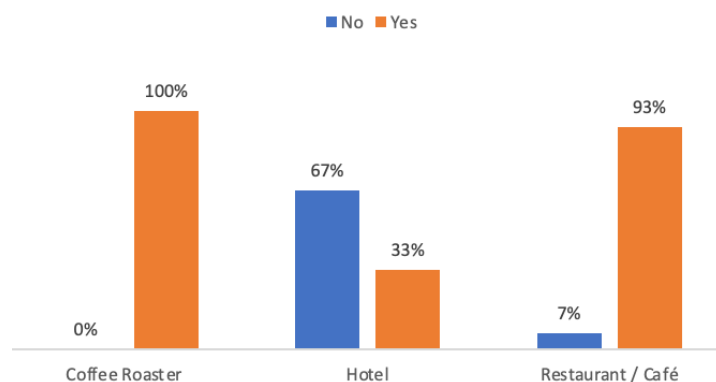
The first question enables us to understand whether the establishment features specialty coffee on its menu (Figure 7). During our data collection, we've received responses from 30 different establishments. It's worth noting that within this pool, only 3 of them indicated that they do not currently offer specialty coffee and coffee roaster all of them offer specialty coffee.

Figure 7. Answers to question 1 – Overview



Two restaurant and one cafe have indicated that they do not include specialty coffee on their menus (Figure 8). As this is not within or research scope, these participants will be excluded from Questions 2 and 3.

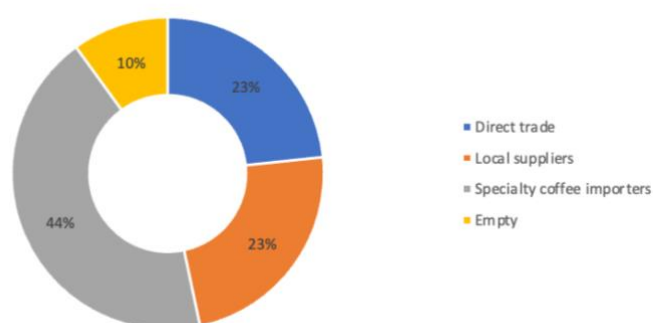
Figure 8. Answers to question 1 – Business type



4.2.2 – Question 2 - How do you source your specialty coffee?

This question had the purpose to retrieve information regarding the source of the specialty coffee offered by each establishment. Specifically, it was designed for those who had previously answered "Yes" to the previous question, granting them the opportunity to provide further details about their coffee source. To this question, we've received 27 valid answers. Figure 10 provides an overview of the proportions per source of the specialty coffee.

Figure 9. Proportion of valid answers per source of the specialty coffee



A substantial number of enterprises choose to obtain their beans through Specialty Coffee Importers (44%), which proves to be a convenient solution for obtaining coffee from regions outside the European Union (Figure 9). This approach bypasses the intricate paperwork typically associated with direct trade and import of goods. Important to mention the 23% of the establishment direct relationships with coffee farms.

Table 3 – Number of answers and respective proportions per business type

Business type	Direct trade		Local suppliers		Specialty coffee importers		Participants that answer "No" to Q1		Total
Coffee roasters	5	42%	1	8%	6	50%		0%	12
Hotels	1	33%		0%		0%	2	67%	3
Restaurant/cafe	1	7%	6	40%	7	47%	1	7%	15
Total	7	23%	7	23%	13	43%	3	10%	30

Based on the business type (Table 3), as expected, direct trade arrangements are more commonly established by coffee roasters (42%). This can be attributed to the fact that coffee roasters frequently assume the dual role of distributors and possess the requisite expertise to navigate the intricacies of importing coffee from international sources. Contrariwise,

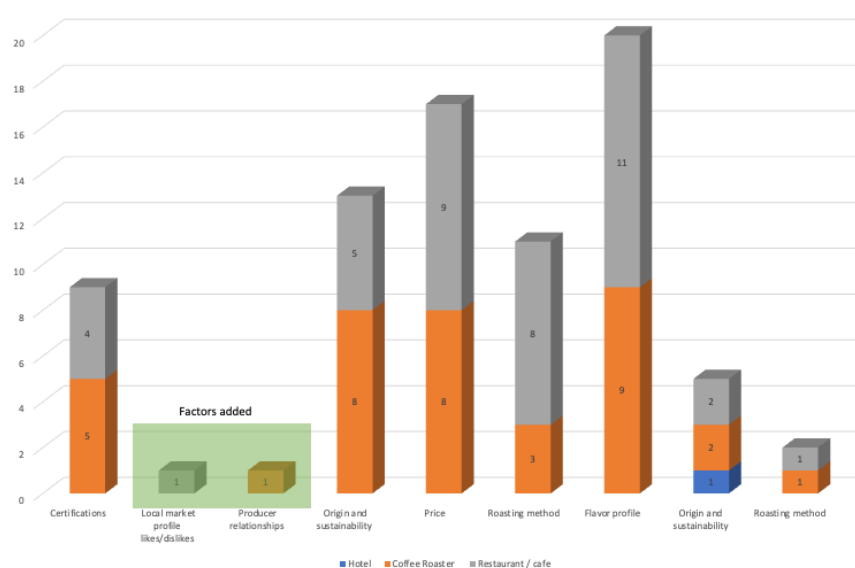
restaurants typically source their coffee beans through local suppliers or also coffee roasters, as well as specialty coffee importers.

4.3 Section 2 – Coffee sourcing

In this section we aim to gain insights into how participants source their coffee and the key factors they consider significant when choosing specialty coffee.

4.3.1 – Question 3 - What factors do you consider when selecting specialty coffee beans?

Figure 10. Answers to question 3 – Overview



Flavor profiles and pricing received the highest number of votes from both restaurants and coffee roasters (Figure 10). In the case of coffee roasters, factors like origin and sustainability are significant, whereas for restaurants these factors are not major concerns. It's noteworthy that roasting methods are a significant concern for restaurants but not for coffee roasters.

Table 4. Answers to question 3 – Business type

Factors	Hotel	Coffee Roaster	Restaurant / Cafe
Certifications		5	4
Local market profile likes/dislikes			1
Producer relationships		1	
Origin and sustainability	1	10	7
Price		8	9
Roasting method		3	8
Flavor profile		9	11
Roasting method		1	1
Total	1	37	41

The factors highlighted in green (Table 4) were not initially provided as options, participants had the opportunity to add any additional factors they considered important. Among restaurants, they mentioned the importance of a local market profile, which may be related to flavor preferences and customer expectations. On the other hand, coffee roasters emphasized the significance of "Producer relationships," which involves building strong connections with farmers to ensure continued business.

It appears that coffee roasters prioritize factors that come before the roasting process, while hotels and cafes are more concerned with factors that come after it.

4.4 Section 3 – Knowledge about Honduran coffee

This section assessed participants level of familiarity with it. If users are entirely unfamiliar, they are sent to Section 4. However, if users have some degree of familiarity, we can delve into their perceptions of Honduran coffee, its quality, their awareness of it, and whether they have previously purchased coffee from Honduras.

4.4.1 – Question 4 - How familiar are you with Honduran specialty coffee?

Figure 11. Answers to question 4 – Overview

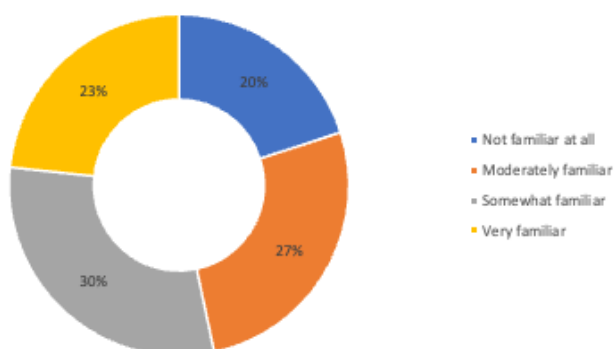


Table 5. Answers to question 4 – Business type

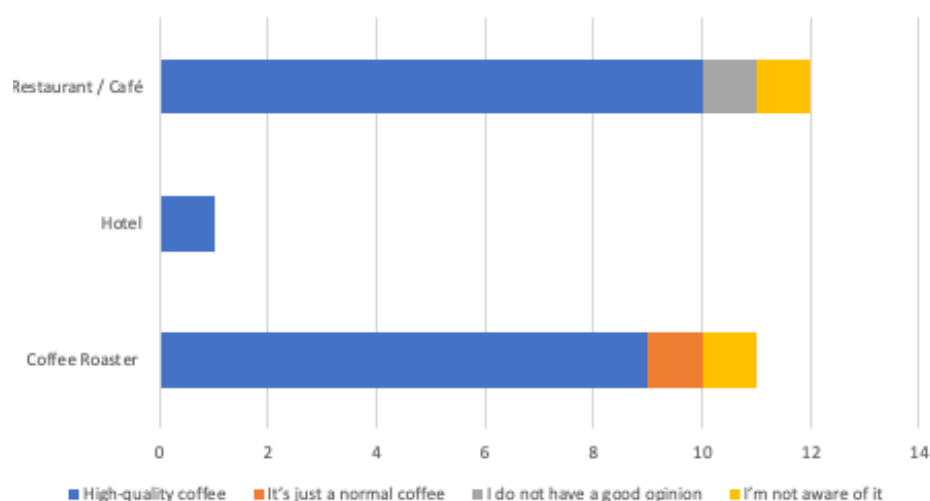
Business type	Not familiar at all		Moderately familiar		Somewhat familiar		Very familiar		Total
Coffee roasters	1	8%	3	25%	3	25%	5	42%	12
Hotels	2	67%		0%	1	33%		0%	3
Restaurant/cafe	3	20%	5	33%	5	33%	2	13%	15
Total	6	20%	8	27%	9	30%	7	23%	30

We realized that only 20% of the participants are not acquainted with Honduran coffee (Figure 11). This group consists of 6 enterprises: 1 coffee roaster, 2 hotels, and 3 restaurants/café. These specific participants will be omitted from Questions 5, 6, and 7, as these questions aim to delve deeper into participants' perceptions of Honduran coffee (Table 5).

Honduran coffee seems to be quite familiar among the coffee roasters, with 11 answers indicating that they possess a level of knowledge similar to that of cafes and hotels (Table 5). However, their familiarity seems to vary, with most responses falling between "somewhat familiar" and "moderately familiar." In contrast, hotels exhibit very little knowledge about Honduran coffee.

4.4.2 – Question 5 - *In terms of Honduran specialty coffee which answer(s) would come closest to your knowledge?*

Figure 12. Answers to question 5 – Overview



There is a prevailing perception that Honduran coffee is of exceptional quality (Figure 1). This quality is considered versatile and suitable to meet the needs of various types of businesses. Indeed, it has earned a reputation that extends its appeal to a broad spectrum of businesses, making it an exclusive product for coffee shops, restaurants, and retailers alike. This broad appeal underscores the widespread recognition of Honduran coffee's excellence within the industry and highlights its ability to meet the unique demands and preferences of different businesses.

Table 6. Connection between knowledge relating to Honduran coffee (question 4) and the way it is perceived (question 5).

Busines level	Opinion Q4	High-quality coffee	It's just a normal coffee	I do not have a good opinion	I'm not aware of it
Coffee Roaster	Very familiar	5			
	Moderately familiar	3	1		1
	Somewhat familiar	1			
Hotel	Very familiar				
	Moderately familiar				
	Somewhat familiar	1			
Restaurant / Cafe	Very familiar	2			
	Moderately familiar	4			1
	Somewhat familiar	4		1	
Total		20	1	1	2

Digging deeper into the market, question 4 was intended to find out participants familiarity with Honduran coffee (Table 5). Among them, coffee roasters stood out as being very familiar with Honduran coffee, stating that it is of high quality. In addition, two respondents with a moderate level of knowledge described it as simply a normal coffee, while one respondent said he was completely unfamiliar with its quality (Table 6).

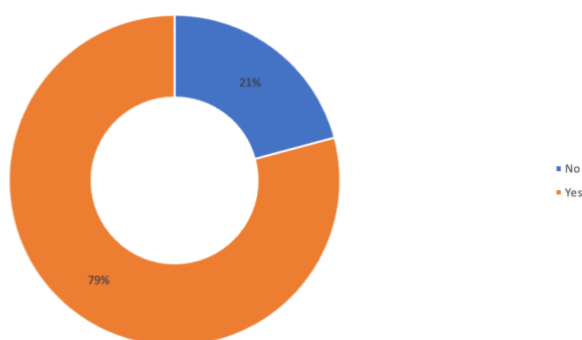
In the hotel industry, we received only one response, which indicated a somewhat knowledgeable perception, perceiving it as a coffee of quality.

However, the restaurant and café segment exhibited a lower overall familiarity with Honduran coffee. Even thou most of these establishments indicated low or somehow familiarity replied as they consider as High-quality coffee. Notably, one restaurant or café owner reported a negative experience with it. It's important to note that this negative perception could be attributed to various factors, including the specific batch of coffee used or potentially strained business relationships. Therefore, addressing this feedback warrants a separate analysis to pinpoint potential issues and improve the perception of Honduran coffee in this particular context.

In summary, the perception of Honduran coffee quality varies among different market segments, with some highly positive endorsements, some neutral assessments, and potential issues requiring further exploration within the restaurant and cafe category.

4.4.3 – Question 6 - Have you previously purchased or used Honduran specialty coffee in your establishment?

Figure 13. Answers to question 6 – Overview



Our observations reveal that a significant portion, totaling 79%, of the surveyed establishments have previous experience in purchasing Honduran coffee (Figure 13).

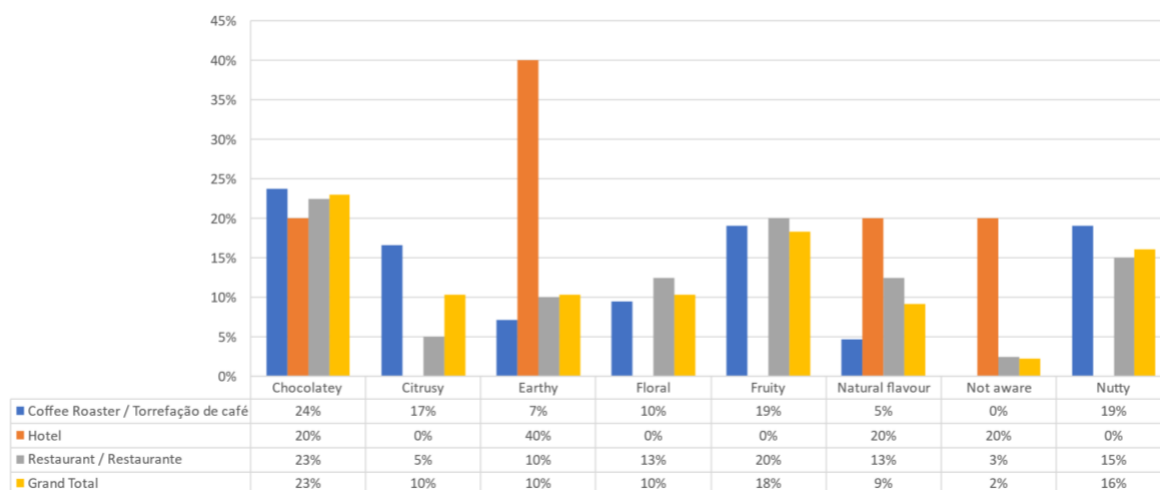
Table 7 - Answers to question 6 – Business type

Business Type	No		Yes		Total
Coffee Roaster	1	9%	10	91%	11
Hotel	1	100%	0	0%	1
Restaurant / Café	3	25%	9	75%	12
Total	5	21%	19	79%	24

As expected, the majority of coffee roasters, precisely 10 out of 11, have confirmed their familiarity with Honduran coffee procurement (Table 7). Interestingly, the enterprise from the Hotel category that claimed prior knowledge of Honduran coffee has stated that they have not made any purchases thus far. Among cafes and restaurants, 75% of respondents have confirmed their past engagement with Honduran coffee procurement. These findings are based on responses from 9 out of the 12 establishments surveyed.

4.4.3 – Question 7 - What flavor profiles do you believe are most appealing to your customers?

Figure 14. Answers to question 7 – Overview



The coffee industry displays a keen awareness and appreciation for various flavor profiles, with a notable inclination towards the chocolate profile, which blooms at elevations exceeding 1,254 masl¹⁰ (Annex C, Annex D). This preference is followed closely by the fruity profile and floral which finds even greater altitudes, specifically above 1,524 masl. The nutty profile also from high altitudes, occupies a position just slightly beneath that of chocolate in terms of popularity. It is noteworthy to mention that while relatively less prominent, there is a discernible presence of both citrusy and earthy flavor profiles. These profiles tend to harvest in coffee beans grown at lower altitudes, typically above the 762 masl mark. These preferences reflect the industry relation between elevation and flavor characteristics in the world of coffee.

4. 5 Section 4 – Customer preferences

Explore customer preferences regarding coffee flavours and profiles. Present various flavour options, including a "natural flavour" or "not aware" choice for those unfamiliar with profiles.

4.5.1 – Question 8 - How important is the origin of the coffee to your customers?

Figure 15. Answers to question 8 – Overview

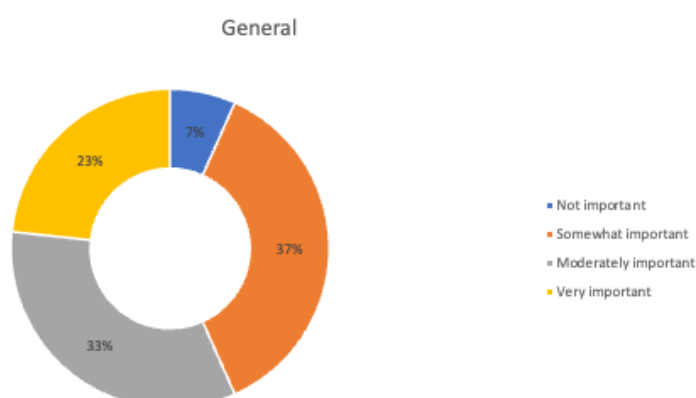


Table 8. Answers to question 8 – Business type

Business Type	Not important		Somewhat important		Moderately important		Very important		Total
Coffee Roaster	1	8%	4	33%	3	25%	4	33%	12
Hotel	1	33%	2	67%		0%		0%	3
Restaurant / Café		0%	5	33%	7	47%	3	20%	15
Total	2	7%	11	37%	10	33%	7	23%	30

As the responses indicate that while the origin of coffee is important to coffee roasters and establishments such as hotels and coffee shops (Table 8), it may not always be a decisive factor in their decision-making process. The presence of a neutral position in these segments, often other factors such as price, availability or specific customer preferences might play an equal or even more decisive role in their decision-making on coffee sourcing and supply. This complex perspective highlights the multi-faceted nature of the coffee market, where a variety of factors contribute to the decisions made by different companies in the sector.

4.6 Section 5 – Coffee origin and trade

This section assesses the importance of coffee origin for their consumers and their customers' interest in specialty coffee using a Likert scale. Also, ask if they have ever purchased Fairtrade coffee. If they answer no, they will skip to Section 6.

4.6.1 – Question 9 - How would you describe your customers' interest in specialty coffee?

Figure 16. Answers to question 9 – Overview

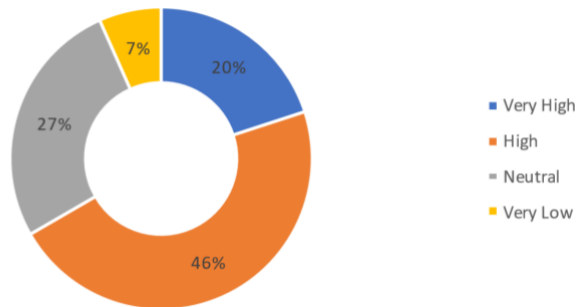
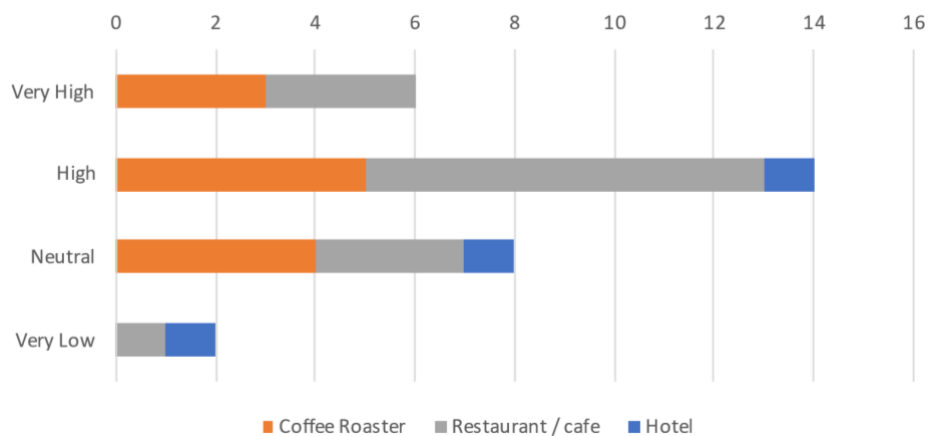


Figure 17 - Answers to question 9 – *Business type*



46% of the establishment estimate that the market possesses a certain degree of interest in specialty coffee, but there remains a noticeable gap in knowledge, which can pose challenges for customers seeking a deeper understanding of this premium coffee category (Figure 16). It's crucial to note that specialty coffee, owing to its meticulous production processes and higher quality standards, often commands a higher price point compared to commodity coffee. Interestingly, hotels seem to have a limited presence in this market, as one of the participants has categorized this as "very low" in terms of coffee imports (Figure 17).

4.6.2 – Question 10 – How important is it for you to have direct contact with coffee farmers or cooperatives?

Figure 18. Answers to question 10 – Overview

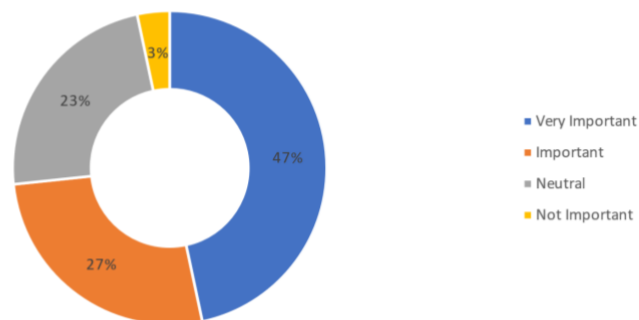
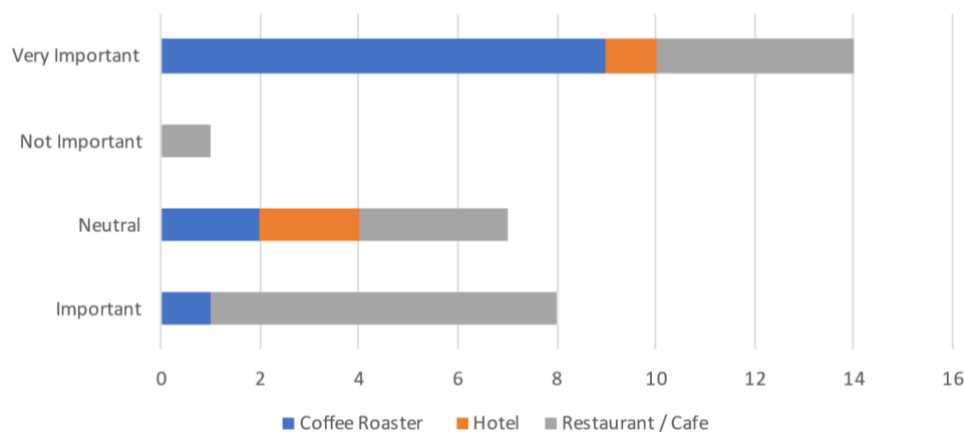


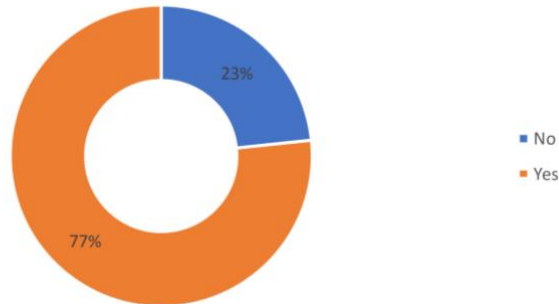
Figure 19. Answers to question 10 – Business type



This question primarily pertains to coffee roasters, as they are typically the ones deeply involved in and possess expertise in direct trade and Import, and we can see they represent the majority (Figure 19). Direct trade holds significant importance for coffee roasters, as it not only enables them to establish direct relationships with coffee producers but also grants them influence over the quality of the coffee. The methods employed during the harvest phase can play a role in shaping the flavor profiles of the coffee beans, making direct trade a valuable avenue for roasters to ensure specific flavor characteristics and maintain high-quality standards. Also, to ensure the traceability of the coffee beans.

4.6.3 – Question 11 – *Have you ever purchased Fairtrade coffee?*

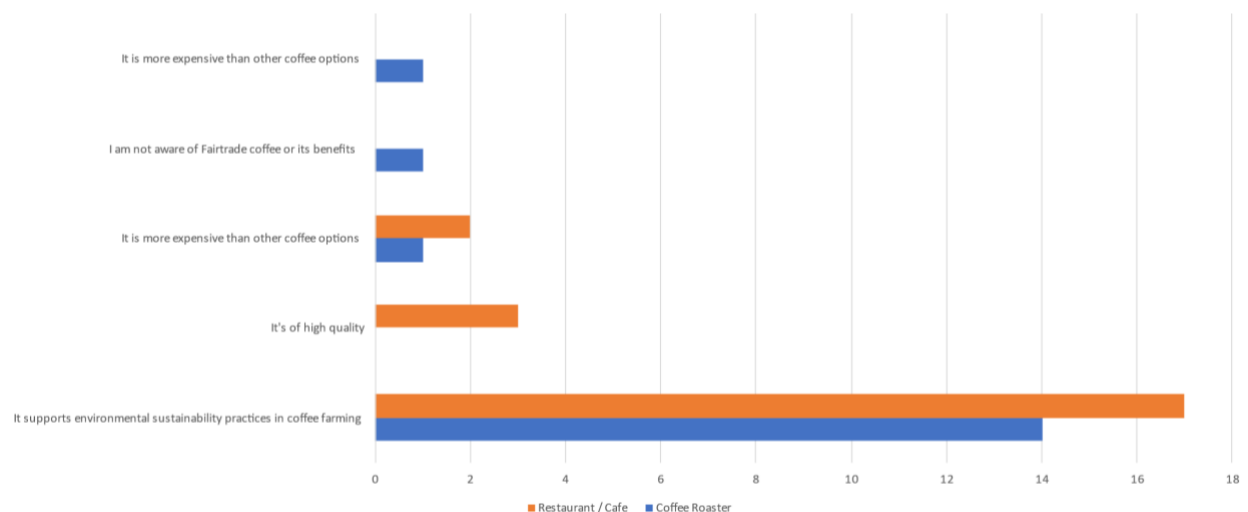
Figure 20. Answers to question 11 – *Overview*



It appears that 77% of the establishments have confirmed their purchase of Fairtrade coffee (Figure 20). This is a positive development as it holds significant importance for producers, enabling them to earn a fair income for their production in the majority of cases. It's important to emphasize, though, that this dataset does not encompass hotels, as they have reportedly answered "NO" to the question about purchasing Fairtrade coffee.

4.6.4 – Question 12 – *In terms of fair trade, which answer(s) would come closest to your knowledge?*

Figure 21. Answers to question 12 – *Business type*



As previously discussed in this document, "fair trade" refers to a system in which all parties involved receive a fair and equitable compensation for their services or products (11). This

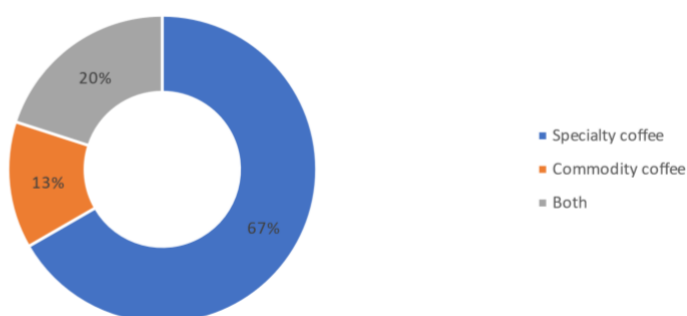
concept places a particular emphasis on producers, who often find themselves at the lower end of the payment scale. In the majority of participants there is a consensus that fairtrade practices support environmental sustainability in coffee farms. Furthermore, some restaurants and cafes have acknowledged that fair trade is not relevant for ensuring quality but can also contribute to higher prices for the coffee (Figure 21).

4.7 Section 6 – purchases preferences

Inquire about the type of coffee they typically buy (specialty, commodity, or both), the monthly quantity purchased, and whether they buy green or already roasted coffee. If they buy green, **skip to section 7**. If not, allow them to specify their roasting preferences.

4.7.1 – Question 13 - *What kind of coffee do you buy?*

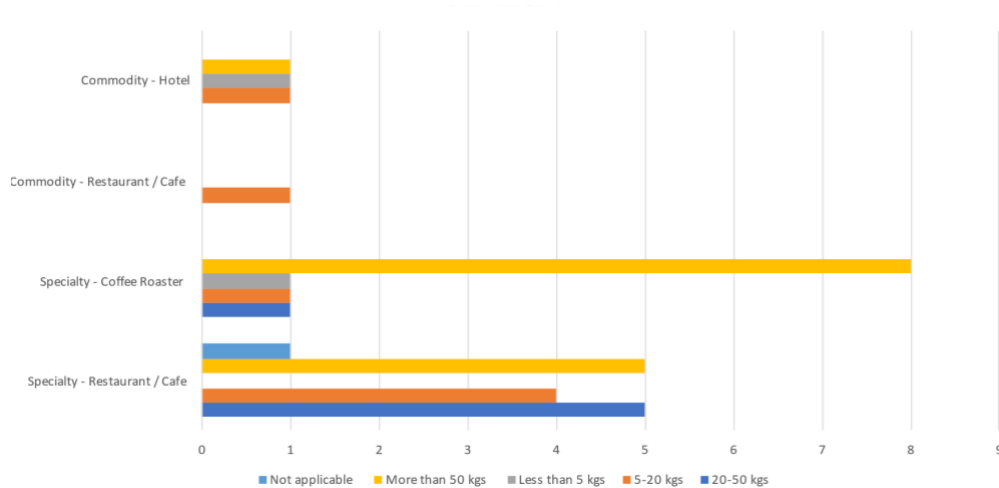
Figure 22. Answers to question 13 – *Business type*



This data underscores a visible market trend towards specialty coffee, revealing a significant preference among establishments. Over two-thirds of these businesses, comprising more than 67%, exclusively procure specialty coffee. Furthermore, an additional 13% of establishments opt to purchase both specialty and commodity coffee. Taken together, this signifies that a substantial majority, totaling 80%, of the market actively prioritizes the acquisition of specialty coffee, highlighting its growing popularity and significance within the industry. This preference not only reflects a heightened appreciation for the unique flavors and qualities of specialty coffee but also underscores the commitment to supporting producers who adhere to higher ethical and quality standards in their coffee production (Figure 22).

4.7.2 – Question 14 - What volume of coffee do you typically purchase per month (specialty/commodity)?

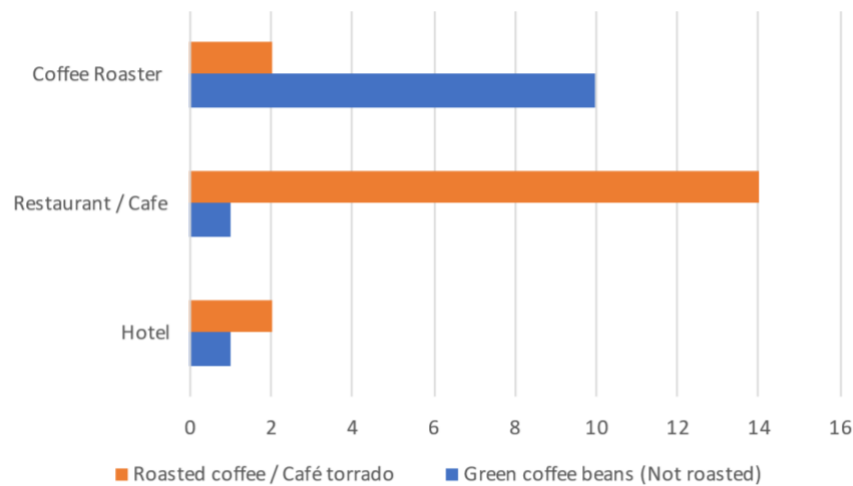
Figure 23. Answers to question 14 – Business type



Specialty coffee roasters, as revealed in the survey, typically acquire more than 50 kgs of coffee beans per month, constituting 67% of the total establishments surveyed, which equates to 8 out of the 12. It's crucial to emphasize that these coffee roasters exclusively purchase specialty coffee and do not engage in buying commodity coffee. Among the 15 restaurants surveyed, there is a strong predilection for specialty coffee. Specifically, 27% of restaurants buy between 5 kgs and 20 kgs of specialty coffee, while 33% purchase between 20 kgs and 50 kgs, and another 33% procure more than 50 kgs of specialty coffee. This data underscores the substantial preference for specialty coffee within the restaurant segment, with varying quantities purchased across the establishments. In another hand, hotels appear to consistently favor purchasing commodity coffee (Figure 23).

4.7.3 – Question 15 - Do you prefer to purchase green (not roasted) coffee beans or roasted coffee?

Figure 24. Answers to question 15 – *Business type*



Coffee roasters typically obtain their coffee in the form of green beans, as indicated by the survey, with 10 out of 11 establishments following this practice (Figure 24). This choice can be attributed to various reasons. One is to ensure they have all the necessary equipment and financial resources for roasting coffee and serving as suppliers. Obtaining green beans also grants them the flexibility to experiment with different flavor profiles and create distinctive blends by combining them with other coffee beans. This practice is often employed to enhance the coffee's taste and establish a signature 'house blend'. On the other hand, most restaurants, cafes, and hotels primarily procure already roasted coffee. This could be due to the lack of suitable machinery or settings required for in-house roasting.

4.7.4 – Question 16 - What roast levels do you typically prefer for your specialty coffee?

Figure 25. Answers to question 16 – *Overview*

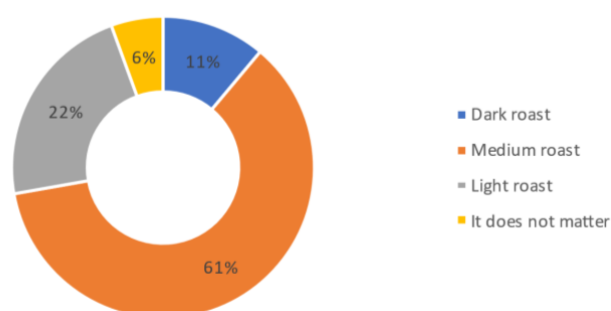
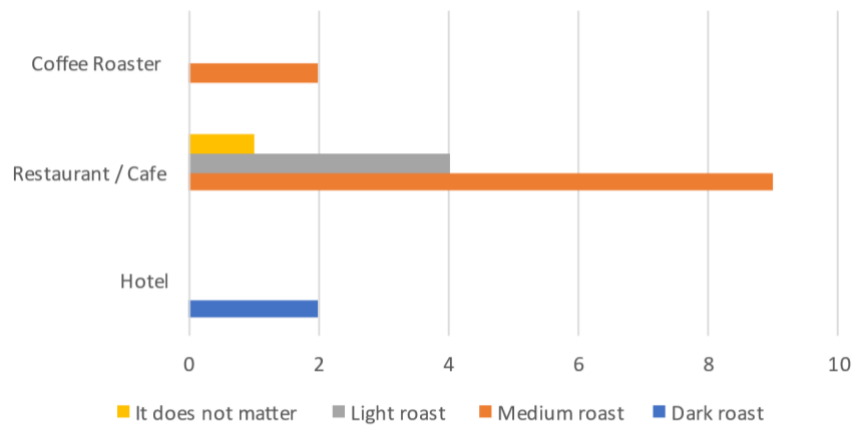


Figure 26. Answers to question 16 – *Business type*



In summary, among the coffee establishments that stated their preference for purchasing roasted coffee, 61% choose for medium roast, while 11% prefer dark roast (Figure 26). It's noteworthy that hotels specifically favor dark roast, which aligns with the traditional coffee behavior of Portuguese of having an espresso after meals. Portuguese coffee is renowned for its dark roast and subtle bitterness. This preference suggests that hotels are more inclined to offer commodity coffee, adhering to the traditional Portuguese coffee style (c.f. section 4)

V. Implementation

In summary, the actual company possesses several notable strengths that position it favorably in the competitive coffee industry. These strengths include a strong commitment to high-quality coffee, a skilled team, and robust relationships with coffee farms. These qualities set the company apart from competitors and attract discerning customers. Additionally, the ability to provide customizable roasting options adds to its unique selling proposition, and the potential shift to in-house roasting promises increased efficiency. These strengths form a solid foundation for future growth and sustainability.

Nonetheless, West Pickers encounters numerous urgent vulnerabilities that require both attention and strategic remedies. Scarce financial resources constrain vital allocations for marketing, expansion, and augmenting production capabilities, thereby mandating a concentrated effort on obtaining loans. The issue of limited brand recognition is exacerbated by the company's restricted geographical presence, underscoring the necessity for formulating a comprehensive marketing strategy to enable the firm to reach a broader audience. The company's excessive dependence on a small customer base exposes it to revenue risks, underscoring the importance of diversification efforts. Expanding production capacity and fortifying supplier networks are indispensable for meeting market demands. Also, diversifying payment methods in their website is imperative to improve accessibility and enhance customer convenience. Taking a more optimistic perspective, the company is presented with a multitude of promising opportunities that have the potential to drive it towards greater success. These opportunities include not only expanding within its domestic market but also venturing into international markets, with Portugal emerging as a particularly enticing target.

It's worth mentioning that West pickers should be encouraged to play a key role in providing guidance and support to its own networked farms as they progress towards obtaining fair trade certifications. This subject matter remains a topic of significant debate, as there are varying perspectives among customers. Some hold the strong belief that fair trade certifications are of predominant importance, while others maintain a more skeptical stance, viewing these certifications as mere documents that may not necessarily guarantee absolute truth or fairness in trade practices.

Taking into account the earlier details regarding the company's present status and the key growth areas it should focus on locally; I suggest dividing its international expansion strategy into short-term and long-term goals. West Pickers has its sights set on entering the growing

Portuguese coffee market, which holds promising prospects owing to the rising demand for premium-quality specialty coffee.

In the short term, with a focus on coffee roasters with a business-to-business approach, the survey indicate that Portugal's coffee roasters are at the forefront of offering sophisticated coffee varieties, and consumers are showing a growing interest in understanding the origins and production methods of coffee beans. West Pickers could intend to stand out in the Portuguese market by emphasizing the source of its coffee beans, with particular attention to the exceptional flavor profiles originating from Honduras.

Establish a partnership with coffee roasters in Portugal, where West Pickers can act as distributor for coffee roasters in Portugal. According to our survey, coffee roasters in Portugal predominantly purchase large quantities of green coffee beans. By entering this market and forming partnerships with multiple coffee roasters, the company can reduce logistics costs and enhance competitiveness. This strategic move will not only bolster our company's reputation but also lead to increased revenue and market consolidation. It's crucial to delve into the details of the export and import processes to Portugal, especially considering the advantages presented by the 2022 agreement between the European Union (EU) and Honduras known as "Trade in Europe" (2.4 Honduras and Europe)

One effective strategy to kickstart this effort is to present a sample of the coffee beans for evaluation by a coffee roaster. This enables the roaster to assess the beans' quality firsthand. In the event that a roaster expresses interest in the sample, this serves as a pivotal starting point for initiating a comprehensive evaluation of the potential for exporting these beans.

Such an evaluation process should be meticulously documented, outlining every step-in detail to ensure a clear understanding of the journey ahead. This documentation is vital, as it allows for the identification and management of potential risks that may arise during the export venture. It's essential to emphasize that within this process, a critical aspect to be thoroughly addressed is the legal framework. A thorough review of the legal requirements, regulations, and obligations associated with coffee exportation should be conducted.

Moreover, a comprehensive cost analysis should be undertaken, considering all associated expenses, such as production costs, transportation, export duties, and any other financial aspects pertinent to this undertaking. By thoroughly examining both the legal and financial aspects, you can make informed decisions and create a well-structured plan for the successful export of your quality coffee beans.

In the long term, West Pickers should shift its focus to restaurants and cafes, as these establishments typically prefer roasted coffee. The company should emphasize two key aspects: quality assurance and traceability. Implementing rigorous quality control measures will ensure consistently exceptional taste. Additionally, West Pickers should aim to become a model of transparency by establishing clear supply chains that vividly depict the journey of coffee beans from the farm to the cup. Moreover, by positioning itself as the environmentally conscious choice for consumers who value sustainability and fair trade, West Pickers can underscore its commitment to eco-friendly farming practices and forge direct relationships with Honduran farmers.

VI. Conclusion

This master's thesis boarded on an extraordinary journey, delving deep into the heart of the coffee industry. It was a journey that crossed continents and perspectives, allowing me to explore this captivating world from multiple angles. On one hand, I wore the hat of a resident in a coffee-producing country, looking into the complexities of cultivation. On the other hand, I immersed myself in the busy streets of Portugal, particularly Lisbon, to interpret how this beverage was perceived within its borders.

On my journey to gain a comprehensive understanding of the market dynamics, we saw through three distinct categories of businesses: coffee roasteries, hotels, and restaurants/cafes. These establishments predominantly reside in the vibrant city of Lisbon, Portugal, although a noteworthy presence extends to other regions of the country. This diverse spectrum of business types and geographical coverage forms the foundation of our research, facilitating a thorough and insightful analysis enriched by meaningful cross-comparisons. Among the establishments surveyed, the majority (27 out of 30) (c.f. section 4.2.1., Figure 7) offer specialty coffee on their menus, underscoring the popularity and prevalence of specialty coffee in the market. Important to highlight that all the roasteries surveyed exclusively offer specialty coffees.

Regarding the sourcing of specialty coffee, many establishments choose to procure their beans through Specialty Coffee Importers (44%), while coffee roasters generally establish direct trade relationships (42%) (c.f. section 4.2.2., Figure 9). Restaurants typically obtain their coffee beans from local suppliers, coffee roasters, or specialty coffee importers. This indicates differing approaches to sourcing based on the type of establishment. When it comes to selecting specialty coffee beans, both restaurants and coffee roasters primarily consider flavor profiles and pricing as the most significant factors. However, coffee roasters also place importance on factors like origin and sustainability, whereas restaurants prioritize knowledge of roasting methods.

Most of the survey participants are well-acquainted with Honduran specialty coffee, with coffee roasters exhibiting particularly extensive knowledge, while hotels display limited familiarity with Honduran coffee. The perception of Honduran coffee quality is generally positive among coffee roasters, with some neutral assessments. On the other hand, restaurants and cafes exhibit a lower overall familiarity with Honduran coffee, and their perceptions are mixed, warranting further investigation.

In terms of previous purchases of Honduran Specialty Coffee, a significant portion of establishments (79%) have previously bought Honduran coffee, with coffee roasters being the most active purchasers (c.f. section 4.4.3., Figure 13). However, it's worth noting that one hotel that claimed knowledge of Honduran coffee but had not made any purchases.

Within the coffee industry, preferences for various flavor profiles are evident, with chocolate, fruity, and floral profiles being popular, particularly in beans grown at higher elevations. Citrusy and earthy profiles are less prevalent but still observable in coffee beans grown at lower altitudes. While coffee origin is important to coffee roasters, hotels, and coffee shops, it may not always be the sole deciding factor in their sourcing decisions. Other factors such as price, availability, and customer preferences also wield significant influence in their decision-making processes.

Regarding customer interest in specialty coffee, approximately 46% of establishments believe that there is a degree of customer interest in specialty coffee (c.f. section 4.5.1., Figure 15). However, there are knowledge gaps that could potentially obstruct customers' deeper understanding of premium coffee.

Coffee roasters highly value direct trade with coffee producers as it enables them to build relationships and influence coffee quality, making it a crucial element of their sourcing strategy. Most establishments (77%) have purchased Fairtrade coffee, viewing it as an important means of supporting coffee producers (c.f. section 4.6.3., Figure 20). However, it's worth noting that hotels included in the survey did not purchase Fairtrade coffee. Participants generally agree that Fairtrade practices contribute to environmental sustainability on coffee farms, although some restaurants and cafes mention that Fairtrade can lead to higher coffee prices (c.f., section 4.6.4., Figure 21).

Finally, most establishments (80%) prioritize the purchase of specialty coffee, indicating a growing preference for higher-quality coffee that aligns with ethical and quality standards. Coffee roasters typically purchase more than 50 kgs of specialty coffee per month, while restaurants have varying quantities, but they generally show a strong preference for specialty coffee. In contrast, hotels tend to favor the purchase of commodity coffee.

To conclude, the findings from this study suggest the possibility of business growth within the Portuguese market. This growth could pave the way for the expansion of coffee producers from countries like Honduras and companies such as West Picker, allowing them to introduce distinctive products while ensuring fair compensation. This particular market segment is

characterized by a dedicated focus on environmental sustainability, underscoring the significance of responsible farming methods and a notable preference for ethically sourced coffee, potentially involving engagement in Fair Trade initiatives.

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VIII. Glossary

Arabica	Referring to <i>coffea arabica</i> , the most extensively cultivated variety of the coffee plant, often regarded as superior to the commonly grown robusta species.
Cherry	The coffee tree's fruit is frequently referred to as a cherry or berry, with its two inner seeds being known as coffee beans.
Coffee Cooperatives	Groups of coffee farmers who join forces to collectively manage and sell their coffee beans.
Coffee Export Companies	Businesses that export coffee beans from producing regions to global markets.
Coffee Roasters	Entities that roast green coffee beans to make them suitable for brewing.
Commodity Coffee	Coffee devoid of quality-related value, with limited traceability and little availability of information regarding its origin.
Consumer	End-users who buy and consume coffee.
Cooperative	A collective of farmers collaborating for their mutual benefit.
Direct Trade	A coffee sourcing model where buyers establish direct relationships with coffee producers, often visiting farms, negotiating prices, and prioritizing transparency and fair compensation.
Fair Trade Movement	A coalition of organizations aimed at certifying and rewarding coffee producer cooperatives, ensuring a guaranteed premium and minimum price for their coffee.
Green Coffee	The industry term for unroasted, raw coffee beans, the form in which coffee is internationally traded.
Importers	Entities responsible for bringing coffee beans into consuming countries from producing regions.
Intermediaries	Middlemen who facilitate the exchange of goods or services between producers and consumers.
Leaf Rust	An orange/brown fungus that attacks coffee tree leaves, ultimately leading to the demise of the tree.
Robusta	One of the two primary commercially cultivated coffee species, robusta is considered of lower quality than arabica but thrives at lower altitudes and exhibits greater resistance to pests and diseases.

Speciality Market

The coffee market that centers on the trade of coffee based on its quality and flavor, encompassing all aspects of the industry, from producers and exporters/importers to roasters, cafés, and consumers.

Traceability

The ability to track the origin and journey of coffee beans through the supply chain, providing information about their source, processing, and handling for transparency and quality assurance.

IX. Annexes

Annex A. Specialty Coffee Ranking

Score	Grade	Specialty yes/no
90-100	Outstanding	Specialty coffee
85-89.99	Excellent	Specialty coffee
80-84.99	Very Good	Specialty coffee
>80.0	Below Specialty Quality	Not Specialty coffee

Annex B. Harvest time based on the farm's altitude.

Altitude (masl)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Lower than or greater than 900	x	x	x	x	x	x	x			
Greater than 900 and lower than 1300			x	x	x	x	x	x	x	
Greater than 1300				x	x	x	x	x	x	x

Annex C. Coffee flavour characteristics based on altitude

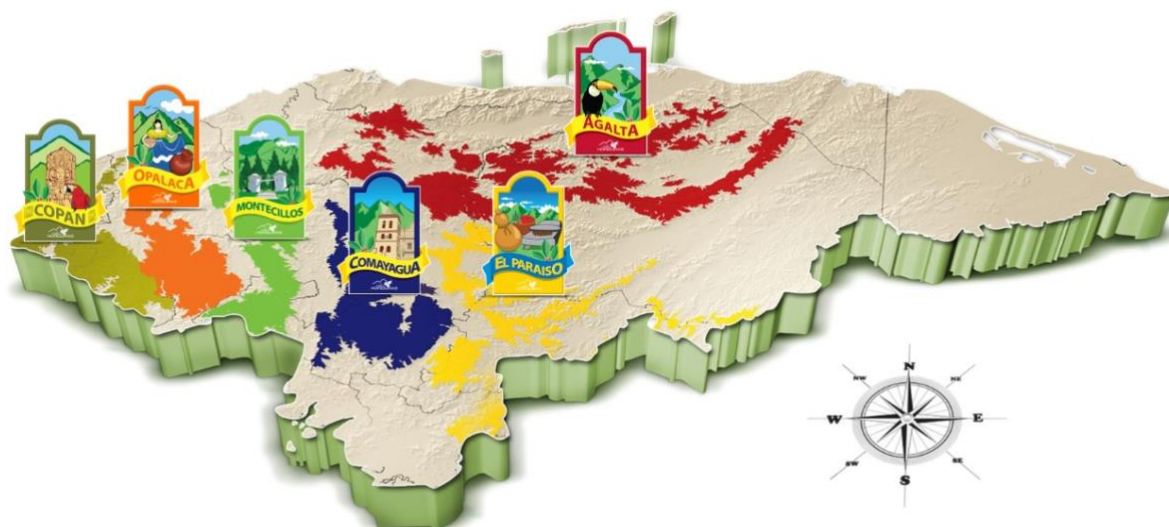
Altitude Description	Meter above sea level (masl)	Characteristics
Very High Altitude	1524 (5,000 ft)	Fruit, Spice, Floral, Berry, Wine
High Altitude	1219 (4,000 ft)	Citrus, Vanilla, Chocolate, Nut.
Medium Altitude	914 (3,000 ft)	Low acidity, Sweet
Low Altitude	762 (2,500 ft)	Bland, Earthy

Annex D. Honduran coffee regions

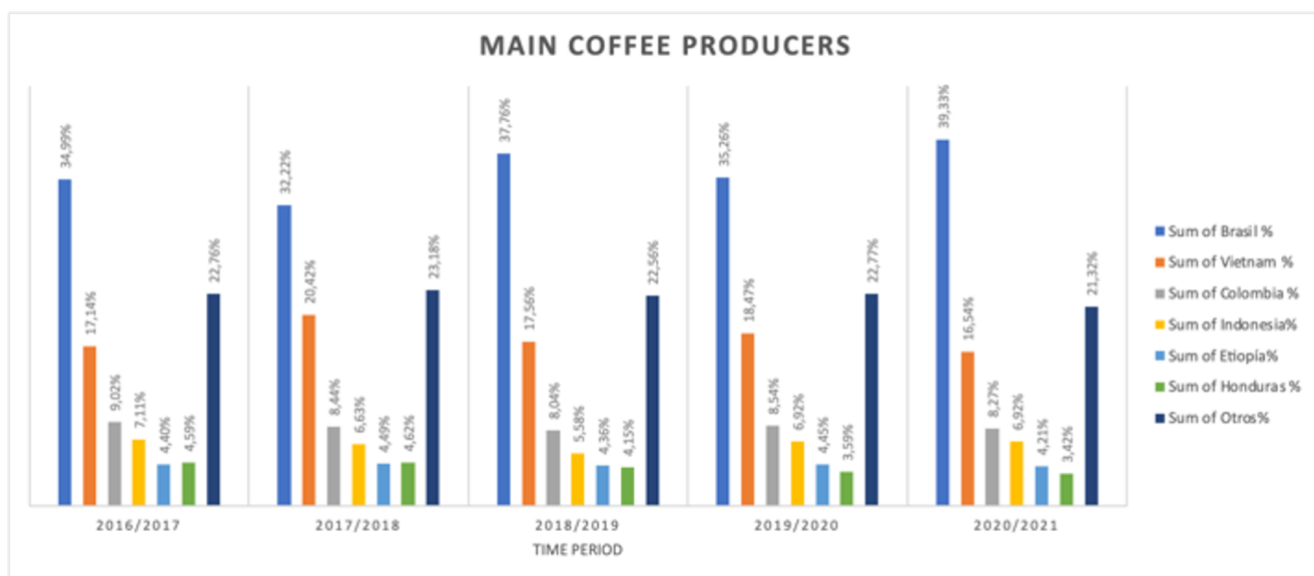
Region	Location	Altitude	Types	Characteristics of the coffee
Copan	Copán, Ocopeque and Santa Barbara.	1000 – 1700 masl ¹⁰ .	Bourbon, Catuai, Pacas, Lempira and IHCAFE-90.	Coffee with sweet aroma, chocolate flavor, creamy body, balanced, with a sweet and persistent aftertaste.
Opalaca	Santa Bárbara, Intibuca and Lempira	1000 – 1700 masl.	Bourbon, Catuai, and Lempira.	Coffee with fine and delicate acidity, balanced, with flavors of tropical fruits such as grapes and blackberries post citric taste.
Comayagua	La Paz, Comayagua, Santa Bárbara and Intibucá.	1000 – 1700 masl.	Bourbon, Catuai, Lempira and Pacas.	Coffee with fruity and sweet fragrance; lively and bright acidity, velvety body with citrus and peach flavors and lingering aftertaste.
Agalta	Olancho, Yoro, Atlántida and Colón.	1000 – 1700 masl.	Bourbon, Typica, Caturra and Lempira.	Coffee with a caramel fragrance and various tropical fruit flavors and a sweet aftertaste.
Montecillos	La Paz, Comayagua, Santa Bárbara and Intibucá.	1000 – 1700 masl.	Bourbon, Catuai, Lempira and Pacas.	Coffee with fruity and sweet fragrance; lively acidity and bright velvety body with citrus and peach flavors and a lingering aftertaste.
El Paraíso	El Paraíso	1000 – 1700 masl.	Catuai, Caturra, Pacas, parainema and Lempira.	Coffee with a sweet fragrance and smooth body; citrus flavors and a lingering aftertaste.

¹⁰ Meter above the sea level

Annex E. Honduran map showing coffee regions



Annex F. Primary coffee-producing countries

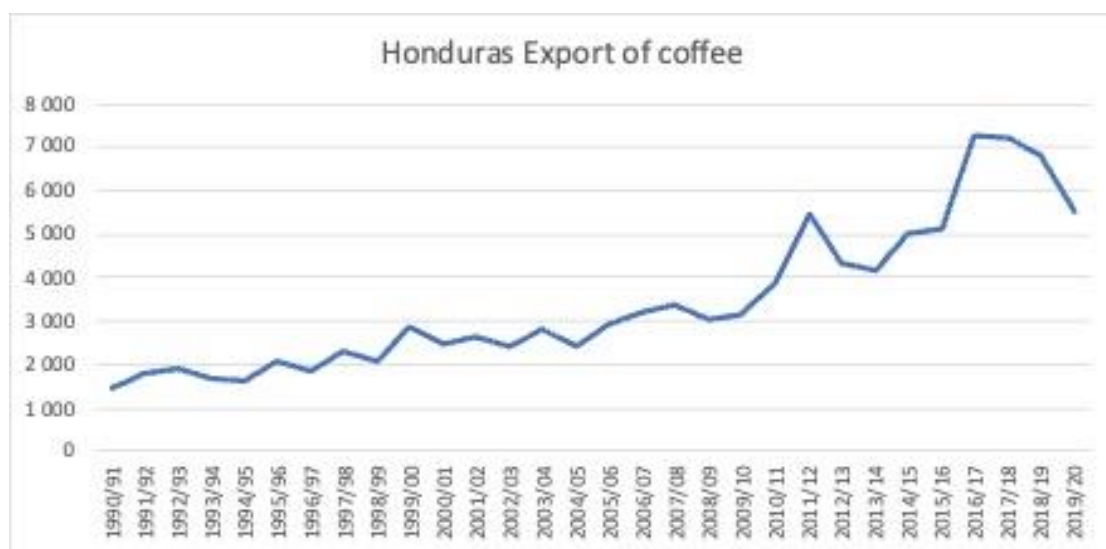


*In thousand 60kg bags (ICO, 2019)

Annex G. Data on coffee production from 2016 to 2021

Period	Brasil	Brasil %	Vietnam	Vietnam %	Colombia	Colombia %	Indonesia	Indonesia %	Etiopia	Etiopia %	Honduras	Honduras %	Otros	Otros %	Total
2016/2017	74072	34,99%	36286	17,14%	19088	9,02%	15054	7,11%	9317	4,40%	9726	4,59%	48179	22,76%	211722
2017/2018	68791	32,22%	43608	20,42%	18031	8,44%	14155	6,63%	9583	4,49%	9861	4,62%	49484	23,18%	213513
2018/2019	84953	37,76%	39500	17,56%	18086	8,04%	12545	5,58%	9797	4,36%	9330	4,15%	50744	22,56%	224955
2019/2020	75927	35,26%	39766	18,47%	18392	8,54%	14913	6,92%	9578	4,45%	7736	3,59%	49041	22,77%	215353
2020/2021	89948	39,33%	37826	16,54%	18913	8,27%	15817	6,92%	9620	4,21%	7826	3,42%	48759	21,32%	228709

Annex H. Historical data encompassing both specialty and commodity coffee exports from Honduras



*In thousand 60kg bags (ICO, 2019)

Survey - Honduran Specialty Coffee into Portuguese Market

English

I greatly appreciate your willingness to participate in this survey. I'm a student of ISCTE doing a master's in International Management and I'm doing research that aims to conduct a comprehensive analysis of the **Honduran coffee market in Portugal**. By sharing your insights, you will allow me to gather crucial data that will enable us to gain a deeper understanding of the market dynamics, consumer preferences, and trends related to Honduran coffee in Portugal.

All responses will be treated with the utmost confidentiality. The survey is designed to be user-friendly and should not take much of your time. Your contribution is immensely appreciated, and I sincerely thank you in advance for your valuable input.

This is a B2B "**business-to-business approach**" and it refers to transactions, interactions, or relationships that occur between two or more businesses. In a B2B context, the products, services or solutions being offered are intended for other businesses to use in their operations, resale, or further production.

Português

Agradeço muito a sua disponibilidade para participar neste questionário. Sou estudante do mestrado em Gestão Internacional, no ISCTE, e estou a realizar um trabalho de investigação que visa analisar a **abragência do mercado de café hondurenho em Portugal**. A sua percepção irá permitir-me recolher dados cruciais que iram possibilitar obter uma compreensão mais profunda da dinâmica de mercado, preferências do consumidor e tendências relacionadas ao café hondurenho em Portugal.

Todas as respostas serão tratadas com a máxima confidencialidade. Este questionário foi desenhado para ser intuitivo e não deve levar muito do seu tempo. A sua contribuição é muito importante e, desde já, agradeço a sua valiosa colaboração.

Esta é uma abordagem B2B, "**business-to-business**", que se refere a transações, interações ou relacionamentos que ocorrem entre duas ou mais empresas. Num contexto B2B, os produtos, serviços ou soluções oferecidos destinam-se a ser usados por outras empresas nas suas operações, revenda ou produção adicional.

* Indicates required question

Questionário de tese sobre café: Faça parte da minha viagem de investigação



Olá,

Sou estudante do ISCTE em Lisboa e estou a fazer o Mestrado em Gestão Internacional. Encontro-me na fase final do curso e estou a fazer um **estudo de mercado sobre o café hondurenho no mercado português**. Dada a minha origem hondurenha, este estudo tem um interesse pessoal significativo para mim, uma vez que me permitirá aprofundar a perceção que o mercado português tem do café hondurenho.

Esta investigação adopta uma abordagem business-to-business (B2B), centrando-se nas transacções, interacções ou relações entre múltiplas empresas.

O inquérito está disponível em português e inglês.

Se quiser participar, pode aceder ao inquérito digitalizando o código QR

O preenchimento do inquérito não demora mais de 5 minutos.A sua participação neste inquérito será imensamente valiosa para mim. Agradeço sinceramente a sua disponibilidade para contribuir.

****ENGLISH****

Hi,

I previously reached out to you, I am a student at ISCTE in Lisbon, working on my master's in international management. I am in the final stages of my degree and conducting **market research on Honduran specialty coffee in the Portuguese market**. Given my Honduran background, this study holds significant personal interest for me as I delve into the Portuguese market's perception of Honduran specialty coffee.

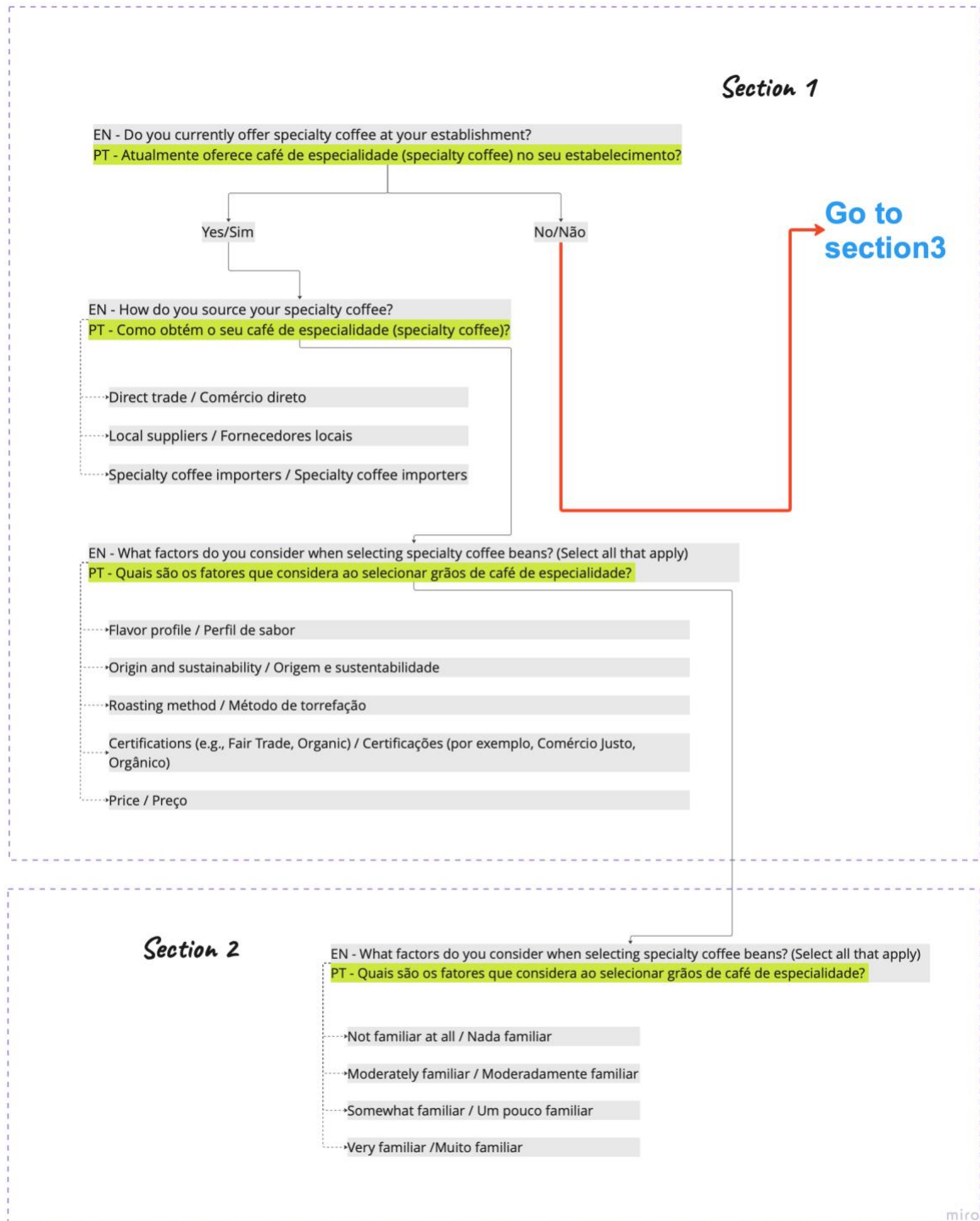
This research takes a business-to-business (B2B) approach, focusing on transactions, interactions, or relationships between multiple businesses.

The survey is available in both Portuguese and English

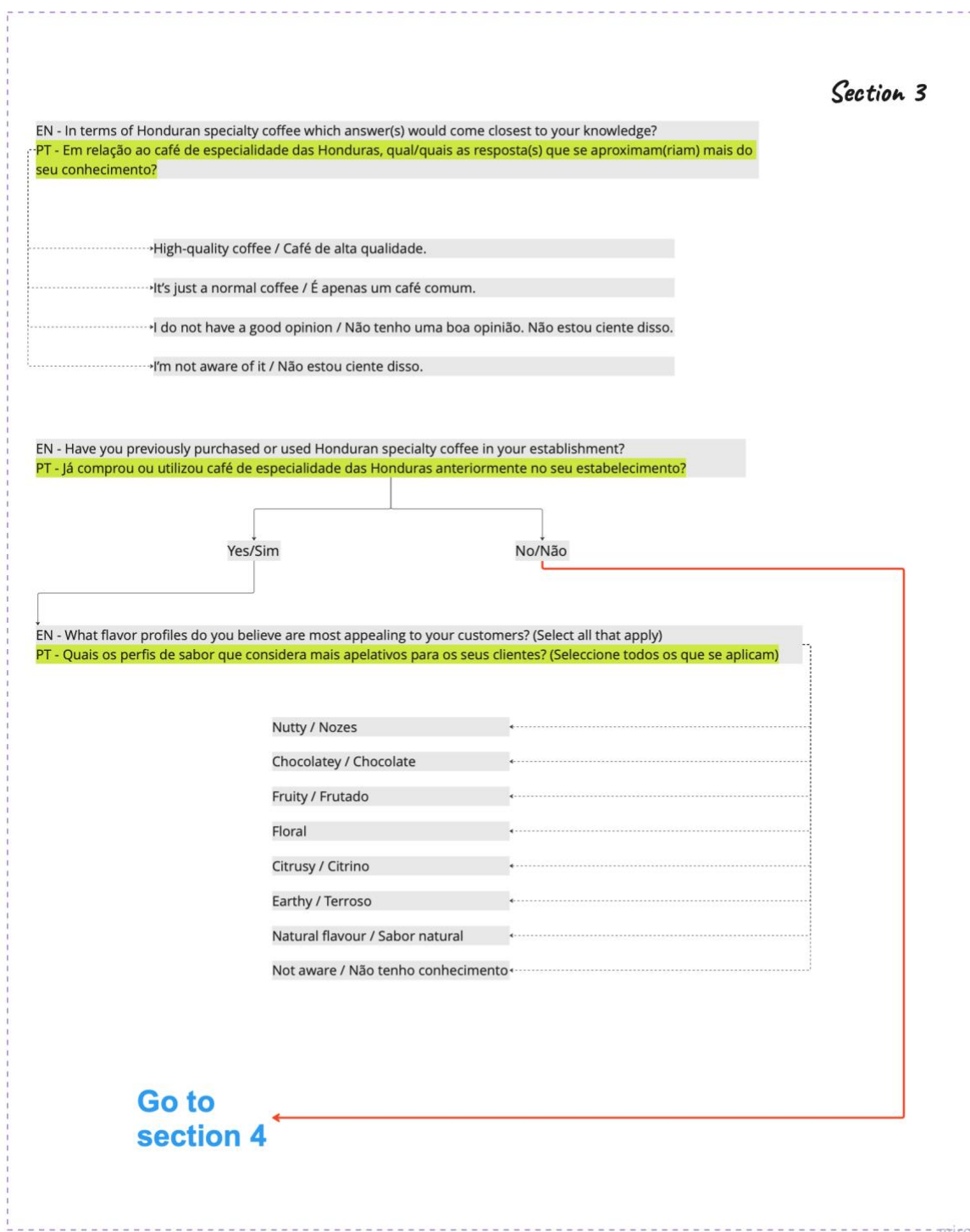
If you'd like to participate, you can access the survey by scanning the QR-Code



Annex J. Survey Flow - Section 1 and 2



Annex K. Survey flow – Section 3



Annex L. Survey flow – Section 4 and 5

Section 4

EN - How important is the origin of the coffee to your customers?

PT - Qual a importância da origem do café para os seus clientes?

→ Not important / Não é importante

→ Somewhat important / Um pouco importante

→ Moderately important / Moderadamente importante

→ Very important / Muito importante

EN - How would you describe your customers' interest in specialty coffee?

PT - Como descreveria o interesse dos seus clientes pelo café de especialidade?

→ Very low / Muito baixo (1) (2) (3) (4) (5) Very high / Muito alto

Scale

EN - How important is it for you to have direct contact with coffee farmers or cooperatives?

PT - Que importância tem para si o contacto direto com os produtores de café ou empresas?

→ Very low / Muito baixo (1) (2) (3) (4) (5) Very high / Muito alto

Scale

EN - Have you ever purchased Fairtrade coffee?

PT - Já alguma vez comprou café de Comércio Justo?

Yes/Sim

No/Não

Section 5

EN - In terms of fair trade, which answer(s) would come closest to your knowledge?(Select all that apply)

PT - Em termos de Comércio Justo, qual/quais a(s) resposta(s) que mais se aproxima(m) dos seus conhecimentos?

→ It supports fair wages and working conditions for coffee farmers / Apoia salários e condições de trabalho justos para os produtores de café.

→ I am not aware of Fairtrade coffee or its benefits / Não tenho conhecimento do café de Comércio Justo, nem dos seus benefícios.

→ It supports environmental sustainability practices in coffee farming / Apoia práticas de sustentabilidade ambiental na cultura do café.

→ It is not available in my area / Não está disponível na minha área.

→ It is more expensive than other coffee options / É mais caro do que outras opções de café.

→ It's of high quality / É de alta qualidade.

EN - What kind of coffee do you buy?

PT - Que tipo de café compra?

→ Specialty coffee / Café de especialidade

→ Commodity coffee / Café comum

→ Both / Ambos

miro

Annex M. Survey flow – Section 6 and Demographics

