



**CONSUMER PREFERENCES TOWARDS AMAZONIAN COFFEE
PRODUCED BY SMALL FARMERS IN QUITO, ECUADOR
-A CONJOINT ANALYSIS**

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ABSTRACT

The general objective of the present study is to analyze consumer preferences for coffee purchasing and consumption in Quito, Ecuador, in order to determine if there is a potential market for ground coffee produced by small farmers in the Amazonian zone. A survey was carried out with the target population of upper and upper-middle class persons living in the metropolitan area of Quito during the last quarter of 2003. This population were selected as coffee consumption tends to increase as income rises. The sample unit was the housewife, the owner of the house, or a person aged more than 17 years (in person administrated survey). The sample was selected randomly at shopping centers (mall intercepts using a socio-economic segmentation by neighborhood), and therefore it cannot be considered a probabilistic sample. A total of 330 completed questionnaires were considered valid and used in the analysis. The main procedure used was conjoint analysis, where the attributes selected were brand, packaging, origin denomination, and price. For the purposes of the study, the brand "Amazónico" was created to test the potential of Amazonian coffee. Results reveal a potential market for ground coffee with origin denomination from Amazonia and produced by small farmers of the area in Quito, Ecuador. However, it is necessary to consider that there are other factors such as the brand and packaging that are valued by the consumer as well. The selected segment according to sociodemographic characteristics is the high earning group, within which two sub-segments (segmentation by behavior) can be found: People who consume grain or ground coffee and people who don't consume grain and/or ground coffee (consume other types such as decaffeinated and instant), but they are interested in consuming it. Both groups value above all the factor brand (Montecristi, Amazónico, and then Minerva, respectively); secondly, they value the type of packaging (sack), thirdly falls price, which is the only factor over which both groups differ in their appreciation (the CGGC group prefer the higher price and the NCGGCi group prefer the cheapest price). Origin denomination is the factor placed at lowest end of importance; however, it is still

valued by both groups. This study offers quantitative and qualitative information that could enable the German Technical Cooperation Agency (GTZ), and other interested parties, to determine the existence of business opportunities or the viability of projects which would benefit Amazonian producers.

Key words: Consumer preference, coffee consumption, internal market, conjoint analysis, potential market, origin denomination, Amazonian coffee producers.