

# An Exploratory Study of Institutional Attitudes for Promoting Sustainable Consumption in India

Savita Hanspal<sup>1</sup> & Sambhavi Lakshminarayanan<sup>2</sup>

<sup>1</sup> Huether School of Business, College of Saint Rose, Albany, New York, USA

<sup>2</sup> School of Business, Medgar Evers College - CUNY, Brooklyn, New York, USA

Correspondence: Savita Hanspal, Huether School of Business, College of Saint Rose, Albany, USA. Tel: 1-732-770-6877. E-mail: Hanspal.savita@gmail.com

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## Abstract

There has been an increasing focus on sustainable development following widespread awareness about global warming and other environmental changes which have the potential for great societal impact. Sustainable development includes issues concerning production as well as consumption. Low demand for “sustainable” products makes them expensive and, therefore, out of reach for many customers. Institutions, being bulk purchasers, can play a significant role in encouraging and increasing this demand by influencing their employees, suppliers, consumers and other stakeholders.

This study examines the extent to which institutional consumers can help induce a shift to sustainable consumption in the specific context of two related products - tea and coffee. These beverages are consumed in considerable quantities, but do not involve huge budget outlays. Thus, they are ideally suited for a quick transition from regular to sustainable versions. Selected institutions were surveyed for consumption practices of tea and coffee and awareness of sustainable consumption in general and sustainable tea and coffee in particular. An important query in the study looked at whether these institutions were willing to pay extra for sustainable tea and coffee, and if so, by how much. The study identified challenges that institutions are likely to face in switching to sustainable consumption practices and whether they saw any potential benefits in promoting such a change.

The paper concludes with strategic recommendations for marketing sustainable products to institutional consumers.

**Keywords:** sustainable development, sustainable consumption, institutional consumers, attitudes, consumption behavior, barriers to adoption

## 1. Introduction

### 1.1 Sustainable Development and Sustainable Consumption

The widespread awareness on global warming and its impact on welfare of generations-both present and future has led to an increased interest and focus on sustainable development. The World Summit on Sustainable Development (WSSD), called for fundamental changes in the way societies should produce and consume goods and services. It reiterated that all countries should promote sustainable production and consumption practices. Developed countries were expected to lead by example. Further, it was expected that all members and organizations of society, including producers, suppliers, governments and consumers would share the responsibility for promoting and practicing sustainable development. Sustainable production and sustainable consumption are bookends to sustainable development.

Sustainable consumption mainly relates to purchase and use of “sustainable” products. Its impact is felt on the demand for the quality and quantity of products and services. Unsustainable consumption refers to use of products that may be produced and distributed in ways that may not be completely aligned with considerations for the environment and people’s health and wellbeing in general. Although sustainable consumption is desirable,

consumers are likely to be unwilling to change their well-established consumption habits, especially when driven by economic considerations, unless they are educated on the impact that their consumption patterns have on resources. In particular, consumers need to be made aware of, and sensitized to, the consequences of wasteful use of scarce resources, and might need to be guided towards making voluntary choices of sustainable products.

A variety of types of consumer behaviours has been observed in relation to sustainable consumption across the globe. These behaviours range from the selection of products based on environmental considerations and social responsibility to consumer boycott of unsustainable products. The success in increasing the volume of sustainable consumption therefore, calls for involving different sections of society including individuals and institutions and presenting them with choices that could lead to improvement in quality of life in ways that are good both for businesses and the community.

Tastes and preferences of consumers do not develop spontaneously. They are usually carefully constructed and shaped consciously over a period of time by marketers. Consumers are at the end of supply chains that typically involve several business entities, each of which plays the role of a supplier (selling products) and customer (buying products). As such, institutions can affect supply chains in a significant manner, both directly and indirectly, through their actions since they are bulk buyers. Their choices influence what is produced and sold because they are responsible for an important share in the demand for products. Increasing levels of awareness and knowledge among purchasing organizations about the implications of their consumption decisions regarding use of sustainable alternatives has started gaining currency worldwide.

Institutions play an important role in shaping consumer purchase of sustainable products since they are the ones that can make such products available to consumers. An opportunity to sample or use these products is likely to expose residential consumers to these possibilities and ultimately lead to their adoption. It is important then, to explore the role institutions can play in encouraging early adoption of sustainable consumption products.

The present study focuses on two basic beverages, tea and coffee, consumed in considerable quantities by individuals employed by or interacting with institutions. These individuals are not only employees, but consumers in their own right, who would make purchasing decisions for themselves and their families. Consumption of tea and coffee does not involve huge budget outlays in an organization's allocation of funds, and, at the same time, either or both of them are consumed almost daily. Presumably, it would not be very difficult for institutional consumers to switch over consumption to sustainable tea and coffee and pave the way for its widespread adoption by residential consumers. We consider these beverages are interesting and effective indicators for sustainable consumption and hence the study.

### *1.2 Sustainable Tea and Coffee in India*

A general perception is that consumers and institutions in developed countries have become aware of, and may even be making choices of, sustainable consumption. However, consumer behaviour in developing countries could be different and at the stage of simply increasing consumption, not necessarily of the sustainable kind. Thus, an interesting question is - whether India, with its significant and sizeable population, is ready to wake up, or has already woken up, to the idea of sustainable consumption?

Economic liberalization led to a boom in the Indian economy and the emergence of a large group of middleclass consumers. There was a corresponding increase in income at the lower end of the pyramid. Together, these shifts have resulted in an enormous increase in consumer demand. The Indian consumer base has been lured towards new products vigorously marketed by manufacturers from within and outside the country. Increased consumer choice and purchase plays a role in consumers' economic, social and environmental footprints. It is just the right time to expose them to such products that contribute to sustainable development. Consumers at this stage can be initiated towards adopting sustainable consumption practices and, therefore, allocation of additional resources required to break already established unsustainable habits of consumption in the future may be avoided. Governments and businesses have both the power and responsibility to ensure that economically, socially and environmentally relevant options are available at affordable prices for all consumers.

Tea and coffee are popular beverages consumed by a large portion of Indian society. A study by the Coffee Board of India (Coffee Board, 2007) on All-India consumption pattern of coffee revealed that the per capita consumption of coffee in India was 75 grams and about 94 per cent consumed tea. The consumption of tea was above 600 million kilograms (Note 1) per year.

Although tea and coffee have been produced for centuries in India using traditional methods of production, there has been a change recently in some quarters. Sustainable tea and coffee is usually produced on a farm with high biological diversity and low chemical inputs. This type of production conserves resources, protects the

environment, produces efficiently, competes commercially and enhances the quality of life for farmers and society as a whole (Note 2). In South India, the United Nilgiris Tea Estates Co. and the Bombay Burmah Trading Corporation (BBTC) were among the first companies to convert some of their tea and coffee estates to the organic method of cultivation. More recently, some area under Tata Coffee and the IBC Group estates has also been converted. The Poabs Organic Estate in Kerala, growing coffee and tea, has been certified organic since 2002. One of the biggest coffee producers in India, Tata Coffee has also successfully implemented the Social Accountability System (AS 8000: 2001) in its plantation division, the curing division and roasting and grinding unit at Kushal Nagar and received a certificate issued by the Det Norske Veritas.

As part of Corporate Social Responsibility (CSR) trade initiatives, big companies like Tata Tea Limited and Hindustan Lever Limited have initiated various projects for the welfare and economic benefits of their workers. There are other CSR initiatives by PDS (Peermade Development Society, in Kerala), USTPA (United Small Tea Producers Association, supported by Partners in Change in Nilgiris), Just Change (Gudalur, Tamil Nadu) and TEAMFCO (Assam) that promote CSR practices in the small holdings and help forge links between big companies and the small tea sector.

### *1.3 Literature Survey and Motivation for the Study*

There is sufficient information available about sustainable development in general. Our focus was on consumption of tea and coffee as well as on consumer attitudes and behavior with regard to sustainable consumption.

The Coffee Board of India (Coffee Board, 2005) commissioned a comprehensive, nationally representative study on consumption habits, practices and attitudes towards coffee by urban (South and North) and rural (South) consumers in India. The study classified consumers into Non-drinkers (38 percent) - did not consume coffee in the past 12 months; Occasional drinkers (40 percent) - consumed coffee in the past 12 months but not the day before and Coffee drinkers (22 percent) - who consumed coffee the day before. Coffee consumption was also categorized into light (1-2 cups a day); medium (3 cups a day) and heavy (4 or more cups a day). Between 2003 and 2005, there was a marginal reduction in the proportion of non-drinkers but the proportion of occasional drinkers remained the same. The study identified that potential for growth of consumption lay with occasional drinkers and more so in North and Eastern zones of the country where the proportion of occasional drinkers was maximum: 64 per cent and 52 per cent respectively.

The research also found that while most of the daily consumption was at home, about 24 per cent was also consumed away from home- a marginal increase of 2 per cent over the previous estimate of 22 per cent. Consumption of coffee away from home was mainly at restaurants (45 percent) and hot teashops (40 percent). Cafes and vending machines were also becoming more visible in the out-of-home segment.

Another study commissioned by the Coffee Board of India (2007) attempted to identify the attitudes of consumers towards coffee with respect to quality, variety, price and additives especially chicory; positive and negative associations related to consumption; and drivers and barriers to coffee consumption. It found that amongst beverages, both coffee and tea enjoyed high spontaneous recall followed by plain milk and carbonated soft drinks. Across the country top-of-the-mind recall for coffee was higher among SEC A, B & C than SEC D (the lowest socio-economic strata). The study revealed that in Tamil Nadu, coffee had moderate association as a family beverage but was strongly associated with special occasions and hence had a higher status association. In Karnataka, coffee was very strongly associated as a family beverage. Interestingly, it also had special/high status perceptions. In Andhra Pradesh, perception of tea was very close to coffee on key dimensions. Tea came across mainly as an evening cup. In Kerala, tea had higher positive associations on key dimensions of family, health and status. In the North, East and West, coffee was largely a social drink. Coffee was associated with high status, modernity and antidote for cold weather suggesting it was a special and occasional drink.

Health was found to be a big barrier to more frequent consumption among those who drank only one cup of coffee a day. Among occasional coffee drinkers and non-drinkers, habit, non-consumption by other family members and price were key barriers. Taste was an additional barrier among non-drinkers in North, East and West and Tamil Nadu. Coffee, as any other drink, was habit-forming. Family drinking was a key for early adoption; most regular and occasional drinkers started drinking coffee at the age of less than 10 years at home, and were introduced to it by a family member. The exception was the North, where most were introduced to coffee by a friend and started consuming it outside of home.

A review of the existing literature also revealed that research on the consumption and purchase behavior for sustainable products has been on the rise in the developed countries. Studies have focused on the concept and criteria for evaluating methodology for assessing sustainability (Adams & Ghaly, 2007b), historical movements

and developments, in the field of sustainable and organic products (Adams & Ghaly, 2007c) and in agricultural practices (Auroi, 2003; Lewis & Runsten, 2008, Lyon, 2009; Saravanan, 2004). Researchers examined the role of certification and NGOs in marketing sustainable products (Giovannucci & Ponte, 2005); on sustainability barriers (Courville, 2003; Adams & Ghaly, 2007a; Jones, 2007; Yates, 2008); on evaluating technology for sustainability (Philpott et al., 2007); on sustainable product labeling (Raynolds et al., 2004); use of labeling information by the consumers and disposal of waste related to consumption (Ayse & Asli, 2008; Chen, 2009; McDonald et al., 2009), marketing and purchase behavior and sustainable procurement (Chakraborty & Srivastava, 2008; Danse & Wolters, 2003; Jones et al., 2008; Pickett-Baker & Ozaki, 2008; Schlegelmilch et al., 1996).

The Nielsen Global Online Consumer Survey (Nielsen Survey, 2008) was conducted in April 2008 among 28,253 internet users in 51 markets from Europe, Asia Pacific, North America and the Middle East to provide insight into the major concerns of consumers and consumers attitudes across the globe towards company ethics and corporate responsibility. The survey found, for example, that just over a third of New Zealand consumers (33 percent) considered it very important for companies to improve their environmental policies, compared to half the world's consumers (51 percent) and only 22 percent of New Zealanders thought it was very important to improve other programs that contributed to improving society when globally the average was a much higher 42 percent. According to Nielsen, Latin American consumers were the world's most socially aware, while North Americans consistently lagged behind the global average. Four in five (81 percent) Mexicans thought it very important that corporations acted to improve the environment, and 54 percent considered it very important that companies supported social causes. Mexicans (65 percent) also topped global rankings for believing it very important that groceries were not manufactured using unethical labor practices. The study emphasized the rising concerns world over in encouraging sustainable practices in production, consumption and procurement.

A considerable amount of research has been undertaken on labeling, certification, and aspects related to the consumption and marketing of sustainable tea and coffee in countries other than India. The present study was undertaken in order to fill this gap in knowledge and to gauge the attitudes of Indian institutional consumers towards sustainable consumption and in particular, consumption of sustainable tea and coffee.

## **2. Research Methodology**

This study focuses on procurement and consumption patterns, behaviors and attitudes of tea and coffee in India. Primary data was collected through a survey amongst institutional consumers. The survey included both a questionnaire and personal interviews. The questionnaire was aimed at determining the institutional arrangements currently in place for supply of tea and coffee within the selected organizations, their procurement policies, factors considered in selecting a brand for tea and coffee, awareness regarding sustainable tea and coffee, willingness to purchase such tea and coffee and the problems in adopting it. The personal interview approach was used when the nature of information being sought required a one-on-one approach.

### *2.1 Sample Selection*

The segments of industry and businesses chosen for the survey were those that were expected to be consuming tea and coffee in large quantities. The survey was conducted over seven weeks both in Delhi and Bangalore. Around 65 institutions were approached for the survey. These included banks, IT companies, airlines, airline catering companies, educational and management institutions, hotels, tea and coffee café chains, insurance and banking institutions and media houses. As this was a high-end survey, and it was important to collect responses of high quality, facilities managers of companies were contacted for response to the institutional survey questionnaire.

### *2.2 Sampling Procedures*

Though it was decided initially to obtain data from at least 30 plus institutions, the survey revealed that out of the 65 institutions approached, many did not feel that the decisions regarding supply of tea and coffee within the institution were very significant. During data collection, the researchers were constrained by the fact that supply of tea and coffee within the organizations was either outsourced to canteen contractors or was dispensed through vending machines installed by suppliers, and the institution itself played a limited role in procurement. It was not easy to get appointments with the busy executives of institutions and despite best efforts, a certain number of institutions did not respond. Data was finally collected from twenty seven institutions; six belonged to the hospitality sector, eight to BPO's and software, two to media, six to education, one to aviation and four to the banking and insurance sector.

The data was tabulated and cleaned. Since the study was exploratory; and the sample size relatively small and diverse, the focus of the analysis was mainly on descriptive statistics such as frequency distributions.

### 3. Results

The survey revealed that there were differences in the ways in which different institutions and departments provided tea and coffee to their employees (Figure 1). In some organizations they were supplied through employee run canteens, in others through an outsourced canteen supplier; in many places vending machines were used to dispense tea and coffee and in some institutions, especially the ones that were government run, tea and coffee was prepared by personal attendants or by a peon of the department. Out these modes, automatic vending machines were the most popular of tea and coffee supply within an institution followed by outsourced canteens.

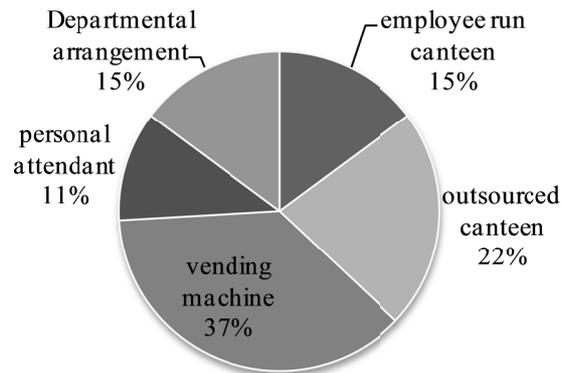


Figure 1. Modes of institutional supply of tea and coffee to employees

In order to ascertain whether employees had to pay for consuming tea and coffee at their place of work, institutions were asked to provide information on whether the employees were expected to pay for consuming the beverages in any of the following ways:

- (1) Lump sum monthly contribution
- (2) Price per cup paid at canteen
- (3) Do not pay at all
- (4) Pay after a certain minimum no of cups
- (5) Deduction from salary
- (6) Subsidized price

The survey revealed that at most institutions, these two beverages were provided free of cost to the employees.

Further, there was a wide variation in the quantity of tea and coffee consumed by institutions (Figure 2), ranging from about twenty kilograms of tea and coffee per month to 200 kilograms per month (a range from 45 pounds to 450 pounds approximately). Consumption depended on the size and nature of the institution.

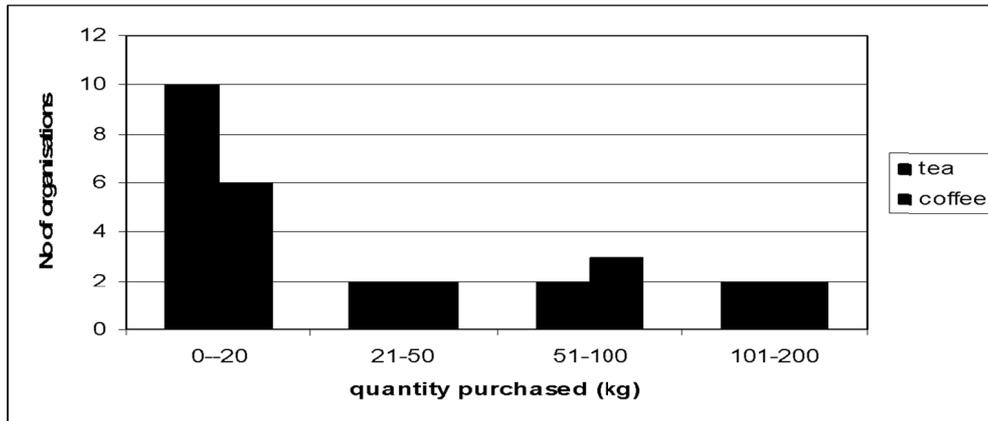


Figure 2. Quantity of tea and coffee purchased on monthly basis by institutions

It was also interesting to note that despite heavy consumption, more than two thirds of the institutions surveyed used a single source to procure the tea and coffee required by them. Only about a third of the institutions used multiple sources-mostly to accommodate a wider variety of the two beverages; this was especially so in case of airlines and hotels (Figure 3).

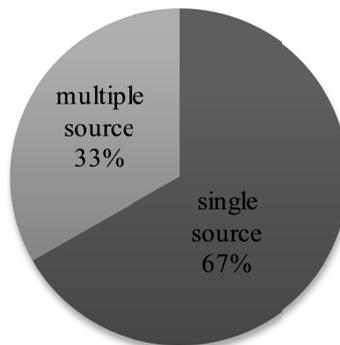


Figure 3. Institutional source loyalty

A majority of the institutions bought their supplies of tea and coffee from the wholesalers, rather than from manufacturers or retailers (Figure 4).



Figure 4. Source of purchase of tea and coffee by institutions

Institutions were asked to rank in order of importance, factors they considered in purchasing tea and coffee. The following factors were included:

- 1. Price
- 2. Quality
- 3. Taste
- 4. Flavor
- 5. Environmental concerns
- 6. Social concerns
- 7. Impact on Health
- 8. Peer acceptability
- 9. Familiarity with supplier
- 10. Reputation of supplier
- 11. Certification mark
- 12. Promotion and discounts

The survey revealed that in general, the most important factors were the health impact, quality and taste, social and environmental concerns (Figure 5). Next in importance were price, flavor and peer acceptability. Certification marks, reputation of the supplier and familiarity with the brand were also important but promotions and discounts offered were the least important as compared to the other factors.

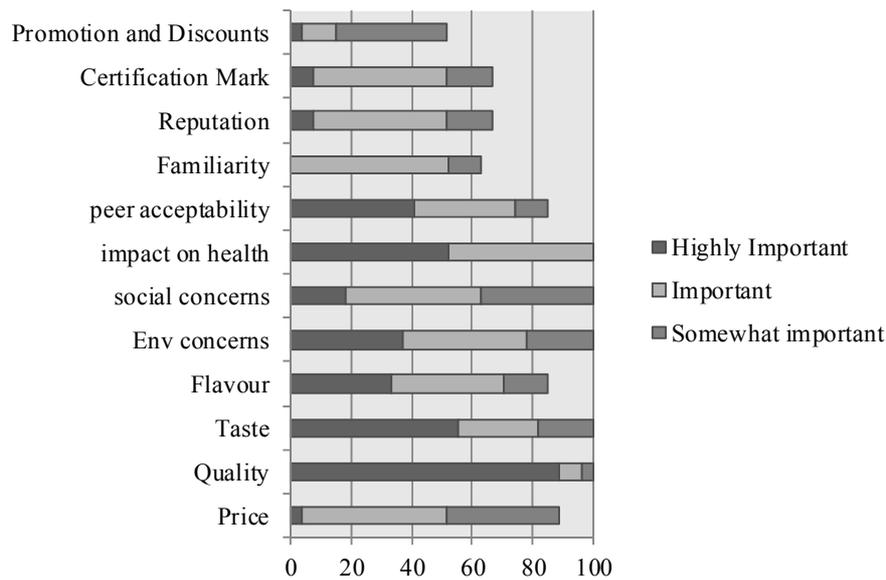


Figure 5. Factors influencing institutional purchase of tea and coffee

There was also a need to look at the processes that were followed by institutions to obtain a supply of these beverages. In order to gain information along several dimensions of consumer behavior, the questions listed below were asked of responding institutions:

- (1) Do you have a procurement policy regarding tea and coffee in your organization?
- (2) Do you have a list of specifications for purchasing tea and coffee?
- (3) Is the procurement policy regarding tea and coffee communicated to the suppliers?
- (4) Do you have a list of potential suppliers for tea and coffee?
- (5) Do you have a written code of conduct for suppliers of tea and coffee?
- (6) Do you have a policy in case of conflict of interest amongst members of the procurement/ purchasing team for tea and coffee?
- (7) Are your spending decisions regarding tea and coffee open to public review?
- (8) Do you specify to your suppliers of tea and coffee what you will not buy?
- (9) Do you reward your procurement team for economical buying?
- (10) Do you have to answer to the management or workers regarding the brands of coffee and tea purchased?

The survey revealed that though about a third of the organizations had a procurement policy for the two beverages, very few, almost a negligible number of institutions had a written code of conduct for suppliers or rewarded the institutional purchase teams for economical buying (Figure 6).

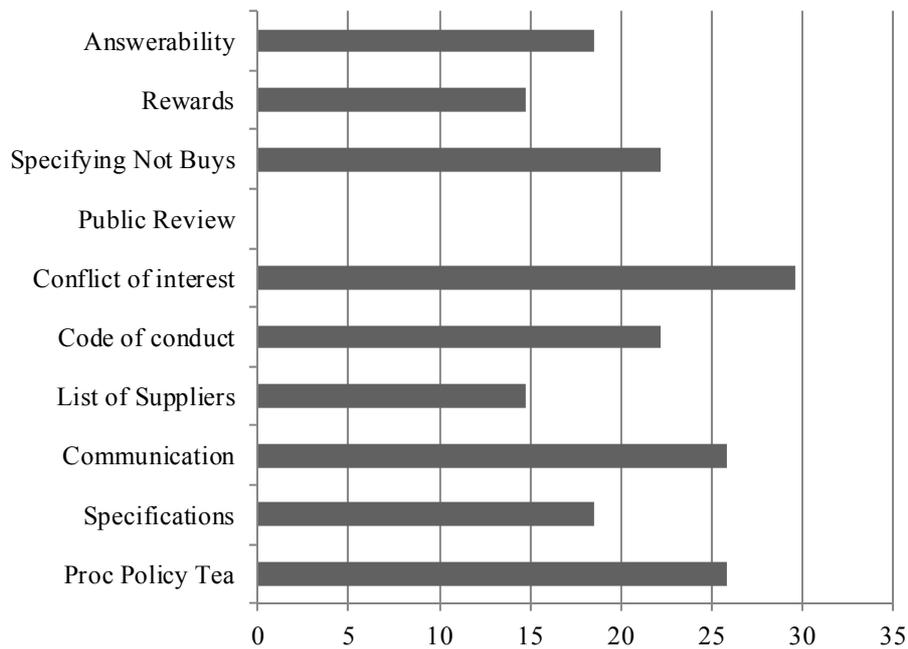


Figure 6. Institutional procurement processes: policies, attitudes and considerations

Being a low involvement product choice, only twenty to twenty five percent of the institutions reported that they had a procurement policy in place or specified to their suppliers what they would or would not buy. An equally small number communicated their procurement policy to suppliers. Very few institutions had a code of conduct regarding their purchase. They did not reward their purchase teams for economical buying. Institutions did not consider themselves answerable to either employees or to the public at large regarding their decisions. However, about 30 percent institutions did have a policy regarding handling conflict of interest situations amongst the purchase team members. Thus, there were no guidelines regarding the purchase of the two beverages and the purchasing teams had a lot of latitude to take a decision.

In order to assess whether employees took interest in the beverages supplied by their employing institution, they were asked whether employees were consulted on the following issues:

- (1) Brand of purchase
- (2) Source of supply
- (3) Price
- (4) Quantity of purchase
- (5) Time of purchase
- (6) Quality of purchase
- (7) Certification regarding purchase

The results are shown in Figure 7.

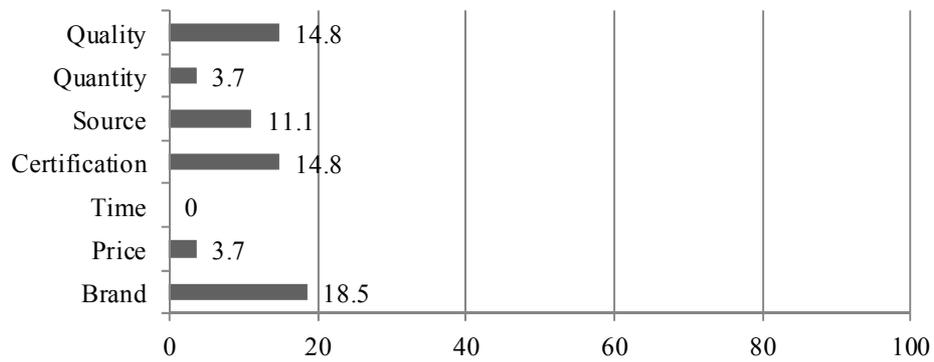


Figure 7. Employee feedback

Employee feedback was not significant with employees from not more than twenty percent institutions responding to decisions related to brand name, quality, certification and source of supply. Feedback on the quantity, and time at which tea and coffee was supplied for their consumption was hardly provided. Since most of the employees did not pay for consuming these beverages, minimal feedback was received on prices.

The next question related to the sources the institutions consulted for obtaining information on the two beverages. The following sources were listed:

- (1) Communications from suppliers
- (2) Advertisements in print media
- (3) Advertisements on Television
- (4) Recommendation from Administration department
- (5) Recommendation from CSR department
- (6) Recommendation from Procurement department employees
- (7) Internet
- (8) Research reports
- (9) Competitors' choice of brands
- (10) Recommendation from employee(s) of the organization
- (11) Any other

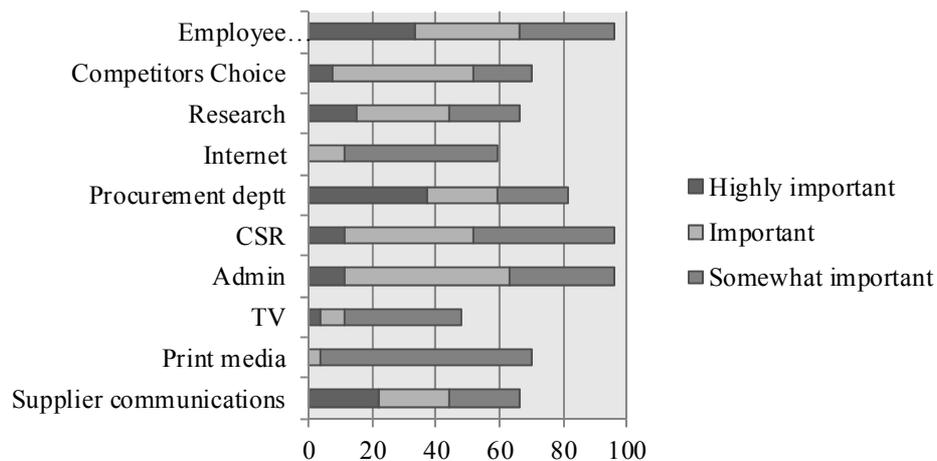


Figure 8. Institutional sources of information for choice of tea and coffee

The results (Figure 8) indicate that recommendations by the administration, the CSR Department, the procurement department and employees were important sources of information. Television was the least important medium but print media was an important source.

How aware were these institutions regarding the products they consumed? Information was sought on whether they had knowledge of aspects like where the tea and coffee was grown, what methods of cultivation were used, whether farmers were getting a fair wage, the labor practices of firms processing tea and coffee and methods used to process the two beverages (Figure 9).

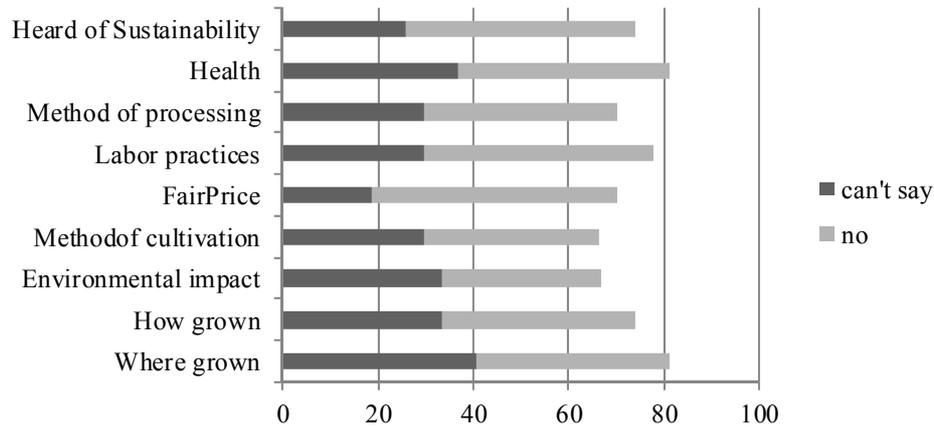


Figure 9. Institutional awareness of sustainable consumption

There was a general lack of awareness amongst institutional customers about the process of cultivation or processing of tea or coffee and labor practices being used by manufacturers. At least eighty percent also had no idea about whether manufacturing practices influenced the health of consumers.

The concept of Sustainable tea or coffee is fairly recent. It was important to find out whether institutions were aware of what sustainable tea and coffee was. The survey revealed that a majority of institutions were not aware of it (Figure 10).

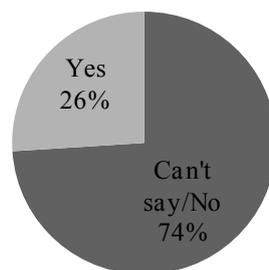


Figure 10. Awareness about sustainable tea and coffee

Once institutions were aware of the meaning of the term “sustainable products”, the next essential step was to assess whether institutions perceived themselves as having a role to play in promoting the production and consumption of sustainable products including tea and coffee. They were asked to respond to the following statements (Figure 11).

- (1) I can contribute to the adoption of sustainable farming and manufacturing of tea/coffee.
- (2) I believe I can exercise pressure on the suppliers to supply sustainable products including tea and coffee.
- (3) I would refuse to buy tea and coffee from suppliers if they are irresponsible towards environment.
- (4) I would change the supplier if aware of unethical or socially irresponsible business practices.
- (5) Have you engaged in a dialogue with your suppliers for more sustainable versions of tea and coffee?

(6) Have you ever changed your suppliers because of their environmental or ethical behavior?

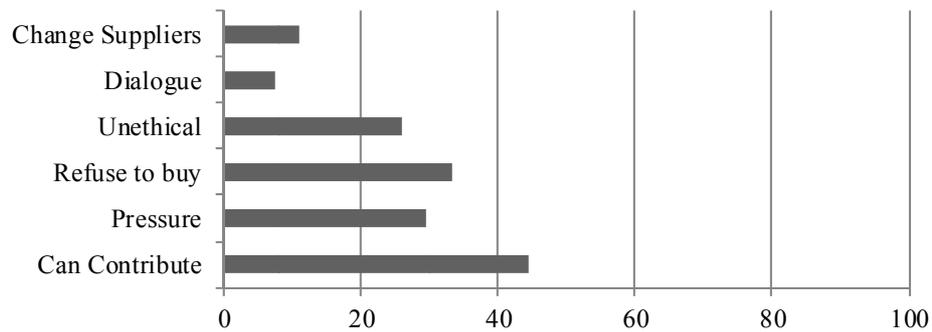


Figure 11. Institutional empowerment

Around forty percent of institutions agreed that they could contribute to the adoption of sustainable farming and processing of tea and coffee. But a look at what they would actually do showed that only a third could envision themselves exercising pressure on the suppliers to actually supply the sustainable versions of the two beverages. Only a third agreed that they would refuse to buy tea and coffee from suppliers if they were irresponsible towards the environment or would change the supplier if aware that he was following unethical or socially irresponsible business practices.

The survey also revealed that, in practice, institutions had neither started a dialogue with their suppliers for supplying sustainable tea and coffee, nor changed their suppliers if their behavior was irresponsible towards the environment or wanting on ethical grounds.

Respondents were asked whether they would like to purchase sustainable tea and coffee if a choice was available. Almost all institutions indicated their willingness to buy sustainable tea or coffee. Normally, sustainable products are priced higher as compared to regular products. These institutions were further prodded to find out whether they would be willing to pay extra to purchase sustainable tea and coffee, and if so by how much. Amongst those surveyed, a majority of the institutions were willing to spend only between 5 to 10 percent extra for purchasing sustainable tea and coffee (Figure 12).

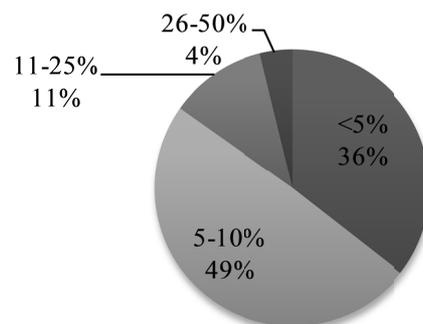


Figure 12. Institutional willingness to pay extra for sustainable products

Since a large number of institutions were not willing to pay extra, it was important to find what were the other barriers to the adoption of sustainable consumption practices. Institutions were requested to rank the listed problems as highly important, important, somewhat important and not at all important. The results are presented in Figure 13.

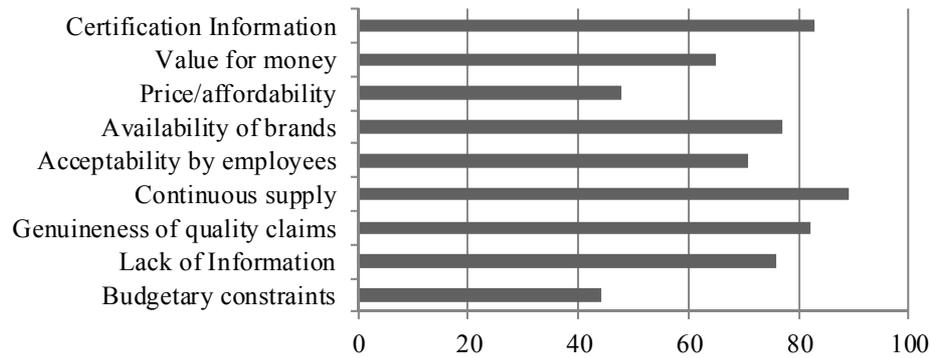


Figure 13. Barriers to adopting sustainable tea and coffee

Institutions reported that the most challenging problems in adopting sustainable tea and coffee were the doubts relating to continuous availability and supply of brands satisfying the sustainability criteria; lack of information regarding certification, and the genuineness of quality claims made by the manufacturers. A few institutions had budgetary or price concerns.

In order to ascertain whether the institutions saw any potential benefits in switching over to sustainable products, they were asked to rank the following benefits on a five point Likert scale:

- (1) Improve company image in the eyes of the world
- (2) Improve company image in the eyes of employees
- (3) Improve employee morale
- (4) Reduce adverse impact on health
- (5) Encourage development of eco labels
- (6) Encourage adoption of best practices
- (7) Improve standards of quality
- (8) Prevent environmental degradation

The results (Figure 14) showed that most institutions agreed that the introduction of sustainable products would prevent environmental degradation, and reduce adverse impact on employee health. They also agreed that it would encourage best practices, improve product quality, the image of the company in the eyes of employees and help develop eco labels. However, few institutions recognized that such adoption would improve corporate image in the eyes of the world.

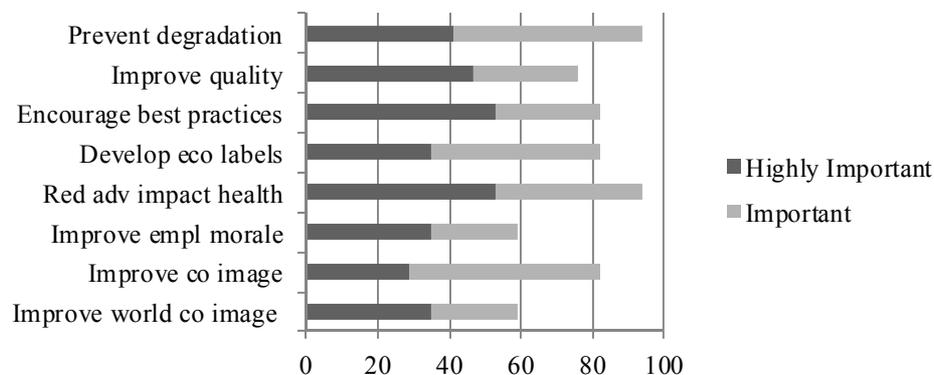


Figure 14. Potential institutional benefits of adopting sustainable consumption practices

It was possible that tea and coffee as beverages could be seen as exception. That is, institutions may not have been using sustainable tea and coffee but may have begun using other sustainable products and services in other

departments. However, the survey revealed only 4 percent of institutions surveyed (Figure 15) were using other sustainable products, like solar energy, energy efficient lighting and pollution control.

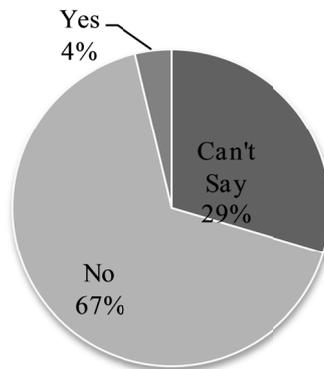


Figure 15. Institutional use of other sustainable products

#### 4. Conclusions and Recommendations

This study was focused on institutional choice, in a developing country, in the adoption of sustainable consumption practices. Several institutions, across a range of industries, were surveyed in regard to consumption of tea and coffee. These beverages are consumed regularly and in significant quantities at the institutions and proved to be a robust indicator of sustainable practices in general. The survey indicated that a number of important institutions consume large quantities of tea and coffee but the fact that these beverages are mainly dispensed either through outsourced canteens or through vending machines makes it imperative that efforts to market sustainable products be directed at the actual providers. At the same time, it is also important to keep the institutional procurement department, the CSR department and the administrators well informed on the availability and value of sustainable products to help them take decisions. While the employees themselves are not involved in the decision regarding quality and brand name, sufficient information should be available on the Internet to help them provide employee feedback more effectively.

Since most institutions purchase from wholesalers rather than manufacturers or retailers, it is important to increase awareness for the wholesalers. It is also important to keep the retailers informed just in case employees wish to obtain the supplies for their personal use.

Further, since in most cases, employees do not pay for consuming tea and coffee and most of the institutions are not constrained by budget provided the prices are not more than 5-10% higher than the regular brands, it is a good opportunity to use institutional consumption to help introduce sustainable products to a large number of employees within a short time. This would facilitate an increase in the demand for such products in general. Increase in demand and consumption would act to reduce per unit cost of production and through this the price charged, further facilitating a switch to sustainable products.

There is a widespread lack of awareness regarding sustainable products as well as facts related to production and processing of tea and coffee produced and sold to institutions. Their impact on employee health is also not well known. It is imperative to provide such information to the decision makers and users. Not only will this encourage informed choices but will also showcase institutions as being more socially responsible. Such adoption will improve the image of the institutions in the eyes of the employees and also be an important weapon for non-price competition for employees as well as consumers.

Although institutions largely felt that they could contribute to the adoption of sustainable farming and processing of tea and coffee, they also believed that they could not pressurize suppliers to supply sustainable versions of the two products. At the same time, institutions were not willing to change suppliers even if they were to become aware of possible unethical or socially irresponsible practices on the part of suppliers. There was a feeling of lack of empowerment to take action to promote sustainable consumption and this was reflected by the fact that actually institutions had not yet initiated any dialogue with suppliers. Thus, institutions need to be adequately informed about the benefits of using sustainable products and assured about their quality and value. They should be confident of obtaining continuous and uninterrupted supply, especially for low involvement sustainable

products as they would not want to look for new suppliers again and again. This would enable them to feel more empowered.

The main hurdles in the purchase of sustainable products are availability of supply, genuineness of claims regarding products being actually sustainable and lack of certification information about these products. Suppliers of these versions should avoid making exaggerated and misleading claims and adopt honest marketing practices to gain consumer confidence.

Economic considerations do not appear to be too overwhelming for tea and coffee at least. It is important also to find out what other individual sustainable consumption practices could be promoted with the help of institutions if their criterion was to reduce costs only. In these highly competitive times, institutions would welcome use of products that help them reduce their overall costs both directly and indirectly and also help them improve their public image. Institutions are therefore, likely to adopt those sustainable products/services that have a bearing on cost efficiency or profitability enhancement. However, due to the existence of differences in the way products and services are supplied to employees in different institutions, there cannot be a one size fits all approach.

A look at the other sustainable products used by the company reveals adoption of products that reduce costs by energy efficiency or pollution control. These are increasingly being promoted by legislation or penalties-an evidence that coercive measures may succeed more than voluntary adoption, where institutions are currently unable to see the benefits of using sustainable products.

While institutional support may be forthcoming, individual consumer awareness and sensitization will be important to increase use of sustainable products. Use of sustainable products needs to be promoted amongst masses to encourage cost efficient production of such products and to make them more affordable. Accessibility and continuous supply, proper labeling and certification are very important if consumption of sustainable products needs to be promoted in future.

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## Notes

Note 1. A Kilogram is equal to 2.2 Pounds approximately.

Note 2. Smithsonian Migratory Bird Center, First Sustainable Coffee Congress overview paper.

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