Precursors and outcomes of satisfaction of fair trade coffee consumers

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Abstract

Purpose – This paper aims to identify the antecedents and postcedents of customer satisfaction, including utilitarian, social and emotional factors, in a fair trade (FT) coffee consumption context.

Design/methodology/approach – This paper is based on a broad range of 177 consumers of FT coffee in Spain, the data analysis used structural equation modeling (SEM) with SPSS/AMOS 26.0 software.

Findings – This paper supports that both customer social value and quality affect perceived value (PV). PV in turn has effects on customer satisfaction and the latter influences loyalty. Conversely, both customer emotional value and customer expectations were not confirmed as antecedents of PV.

Research limitations/implications – The consumer satisfaction analysis conducted differs substantially from those of conventionally traded coffee, as social and emotional factors were considered along with utilitarian factors.

Practical implications – Practitioners, retailers and relevant institutions should design strategies to manage efficiently channel efforts to improve the consumer satisfaction and its loyalty.

Originality/value – This paper contributes to a substantial improvement in the understanding of consumer satisfaction and its consequences, in FT coffee consumption contexts. A new integrated theoretical model on customer satisfaction has been provided, which includes social and emotional perception factors, along with cognitive perception (quality and expectations) factors.

Keywords Fair trade coffee consumption, Consumption utilitarian approach, Consumption affective factors, Perceived value, Consumer satisfaction, Consumer loyalty

Paper type Research paper

Introduction

Research on the satisfaction of consumers of products with ethical attributes, such as fair trade (FT) coffee, usually is underpinned by models based only on reasoned action or planned behavior (De Pelsmacker et al., 2005). This trend restricts the analysis of customer satisfaction to a utilitarian approach, by omitting social and emotional aspects which are also relevant to the responsible consumers' satisfaction. Accordingly, this investigation improves our understanding of the satisfaction of FT coffee consumers, including variables both of utilitarian and social and emotional nature as explanatory factors of perceived value (PV), which is considered as a key antecedent of consumer satisfaction. Moreover, this investigation reinforces the bonding between satisfaction and loyalty.

FT certification products are sold according to cooperative rather than competitive principles. FT aims to improve the living conditions of producers in developing countries,
who usually perform their activity under underprivileged production conditions, making them extremely vulnerable to conventional market mechanisms (Hainmueller et al., 2015; Langen and Adenauer, 2013). FT has experienced significant growth worldwide (Hainmueller et al., 2015) due to its social and environmental dimensions, along with increasing consumer concern about ethical considerations (Gillani et al., 2021; Robichaud and Yu, 2022). Coffee is the most emblematic product and the first to be sold throughout this FT model. Furthermore, the coffee value chain encompasses many intermediaries, which makes the producers’ situation even more precarious.

The competitive advantage of FT products precisely lies in these ethical attributes; however, these products are also subject to competition from conventionally traded products because most consumers are unwilling to give up all the product’s functional attributes. Therefore, both the extrinsic value (utilitarian aspects) and the intrinsic value (emotional and social aspects) determine customer satisfaction with FT products. Due to the importance of the ethical concerns of consumers of FT products, the PV becomes a crucial determinant of consumer satisfaction. Satisfaction in turn contributes to maintaining long-term relationships with customers (Zhang et al., 2020), and, therefore, it is considered the most relevant direct antecedent of brand loyalty (Oliver, 1980; Oliver and Swan, 1989). Several studies also confirm the existence of these close links between PV, customer satisfaction and loyalty (Fornell et al., 1996; Konuk, 2019; Servera-Francés and Piquer-Tomás, 2019; Slack et al., 2020).

The American Customer Satisfaction Index (ACSI) model by Fornell et al. (1996) restricts the analysis of customer satisfaction to the utilitarian approach. However, we consider that social, and emotional aspects are also relevant to the satisfaction of FT coffee consumers. Accordingly, Sweeney and Soutar (2001) include functional, social and emotional value in their PV multidimensional scale (PERVAL). These dimensions are independent and “additively linked and contribute gradually to the formation of consumer choices” (Sheth et al., 1991, pp. 12).

Only a small number of studies on consumer satisfaction (De Pelsmacker et al., 2005; Yadav and Pathak, 2017) include all the factors affecting the consumption of products with ethical attributes. Consequently, our research proposes an integrated model of consumer satisfaction including both variables of cognitive perception and social and emotional perceptions. Based on the ACSI model, our model includes perceived quality (PQ) and customer expectations (CE) as utilitarian nature variables antecedents of the PV. Furthermore, based on PERVAL, the model includes emotional value, and social value as variables of perceptions.

Therefore, this research aims to identify the antecedents and postcedents factors of satisfaction of FT coffee consumers. Thus, the theoretical model proposes that customer emotional value, customer social value, CE and PQ directly and positively influence PV. PV is directly and positively related to customer satisfaction which, in turn, exerts a direct and positive effect on loyalty.

The sample comprises consumers of FT coffee in Spain. Data analysis was performed by means of confirmatory factor analysis (CFA) and structural equation modeling (SEM), using SPSS/AMOS 26.0 software.

The major contribution of the investigation is of considering that affective factors are also involved in FT coffee consumption, filling the gap caused by a lack of research that jointly includes cognitive, social, and emotional perception factors. Indeed, most research on consumer satisfaction analysis considers that PV is only formulated from cognitive perceptions, such as quality, utility and price, following a utilitarian perspective, based on a rational consumer, ignoring the relevance of affective factors.

The second major contribution is the investigation focus, which extends our understanding of FT coffee consumption. There is very little research analyzing the consumption of products with ethical attributes, let alone FT products. Among the latter, studies focused on the coffee context have been scarce. Moreover, no research has tested a
complete model of consumer satisfaction for FT coffee consumption, such as the one proposed in this research.

Finally, both managerial and social implications are a third major contribution. Findings offer useful information for optimizing the management of promoter entities of FT coffee consumption and help to improve consumer satisfaction. Moreover, any sales growth of FT coffee will help unprivileged producers in developing countries, to improve both their living and production conditions.

Theoretical framework

Fair trade coffee consumption

The FT label aims to guarantee fair commercial transactions for underprivileged producers in developing countries, who usually live in poverty and marginal situations, and lack the means to organize performance their activity (Hainmueller et al., 2015; Langen and Adenaeuer, 2013). The key mechanism focuses on a higher fair price than products traded on the free market, to guarantee fair working conditions for these farmers (Bosbach and Maietta, 2019; Langen and Adenaeuer, 2013; Shaw and Shiu, 2003).

The growing interest of consumers in ethical, environmental and social criteria has been mirrored in the literature focused on the consumption of products with ethical attributes (Gillani et al., 2021; De Pelsmacker et al., 2005). FT coffee consumers’ motivations differ substantially from those of consumers of conventionally traded coffee (Stratton and Werner, 2013). While conventional coffee consumers are motivated exclusively by utilitarian reasons and are guided by reasoned actions or planned behavior, moreover FT coffee consumption involves social and emotional aspects (Kushwah et al., 2019).

The theory of planned behavior (TPB) has been recurrently used in research on FT consumption motivations (Beldad and Hegner, 2018). In line with TPB, the consumers’ motivations are conditioned by their beliefs; the subjective norms derived from social pressure and perceived control. The FT coffee consumers’ beliefs are bonded to the public consequences from their consumption whereby they attempt to encourage social change (Tallontire et al., 2001). The altruistic behavior reflects responsible consumers’ concern for social justice and the well-being of others (Huang and Rust, 2011). Moreover, they show special interest in the sustainable development in production and the social and environmental implications (Tallontire et al., 2001) that are inherent in FT coffee. Subjective norms related to FT coffee consumption are linked to ethical obligations resulting from the normative expectations of the social environment (Rivis and Sheeran, 2003). Finally, perceived behavioral control is tied to the challenges involved in FT coffee consumption, such as the high price, availability, product quality or lack of trust in ethical labels (De Pelsmacker and Janssens, 2007).

Therefore, responsible consumption is driven by a wide variety of motivations (Kushwah et al., 2019; Samoggia and Riedel, 2018; Shaw and Shiu, 2003) (see Table 1), which may be associated both with a set of personal values (Tallontire et al., 2001) and mere self-centeredness relating to their concern for their own health (Mohsen and Dacko, 2013). Personal values imply a psychosocial commitment related to the individual consumers’ image of themselves and their feeling of ethical obligation (Shaw and Shiu, 2003). The feeling of ethical obligation in turn is related to a commitment to social (Gillani et al., 2021; Mohsen and Dacko, 2013) and environmental concerns (Bosbach and Maietta, 2019; Gillani et al., 2021; Huang and Rust, 2011).

FT coffee is also subject to competition from conventionally traded coffee, which forces it to overcome many obstacles. The appearance of FT coffee stores makes the customers perceive it as an unfashionable and charity product (Langen and Adenaeuer, 2013), damaging its
persuasive power. Furthermore, the higher price entails a competitive disadvantage compared to conventional coffee of the same quality (Langen and Adenaeuer, 2013). Moreover, most potential consumers unknown of the existence, functioning and goals of FT coffee (Poret, 2007).

Customer satisfaction
The confirmation-disconfirmation paradigm of CE (Oliver, 1980) posits that the degree of satisfaction arises from the comparison between CE and perceived performance (Westbrook and Reilly, 1983). The confirmation and disconfirmation result from the equality or inequality, respectively, between expectations and perceived performance (Oliver, 1980). Satisfied customers receive at least what they expected (positive confirmation or disconfirmation) and dissatisfied when the opposite occurs (negative disconfirmation).

The standards of the cognitive process of comparison are diverse in the literature. The value-percept disparity model (Westbrook and Reilly, 1983) considers consumers’ needs, wants or desires. According to equity theory (Oliver and Swan, 1989), consumers make a social comparison with other participants in the transaction. Social exchange theory (Kelley and Thibaut, 1978) refers to the customer’s experience with similar products, the experience of other customers with the products, and CE created by the information that sellers provide.

However, individuals do not always act in a rational, utilitarian way but may also be swayed by emotions or affections in their purchase decisions (Oliver and Swan, 1989). Oliver (1980) posits that satisfaction is a psychological state that stems from an emotional dimension arising from the disconfirmed expectations and the previous feelings experienced before the experience of consumption.

Framing perceived value and customer satisfaction
The first studies based on a utilitarian approach measured the PV in terms of exchange value. Accordingly, a rational customer could separate all product attributes and identify all the benefits and sacrifices associated with the purchase (Oliver, 1980), and objectively assess a product in terms of its functional value, based on an algebraic calculation of the price/quality ratio (Aurier et al., 2004). Hence, customer value is a cognitive perception based on quality, utility or price.

<table>
<thead>
<tr>
<th>Citation</th>
<th>Motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Webster (1975)</td>
<td>Social causes, promoting a change towards responsible consumption</td>
</tr>
<tr>
<td>Shaw et al. (2000)</td>
<td>Attitude towards the product and the image and opinion it conveys to others</td>
</tr>
<tr>
<td>De Ferran (2003)</td>
<td>Social value, equality and justice. Product quality and traceability. Respect for the environment. Hedonism, linked to the experience with the product</td>
</tr>
<tr>
<td>Ozcaglar (2003)</td>
<td>Moral and ethical obligation, and belief of system affectation by responsible consumption</td>
</tr>
<tr>
<td>de Ferran (2006)</td>
<td>Ecological considerations</td>
</tr>
<tr>
<td>Doran (2009)</td>
<td>Social imbalances</td>
</tr>
<tr>
<td>Ghali (2021)</td>
<td>Hedonic value influences willingness to buy and utilitarian value influences willingness to pay</td>
</tr>
<tr>
<td>Wang and Chou (2020)</td>
<td>Subjective norms related to social pressure from reference groups</td>
</tr>
<tr>
<td>Robichaud and Yu (2022)</td>
<td>Knowledge of FT processes, general attitudes towards FT, product usefulness and subjective norms</td>
</tr>
</tbody>
</table>

Source(s): By authors
The analytical perspective conceives PV in terms of consumer value or use value. This subjectivist approach considers consumer value as the result of an interactive, relative and preferential experience of consuming (Holbrook, 1999). Consumer value is interactive because it forms part of the consumption experience, relative because it results from a comparison with other goods, and preferential because it includes an assessment of individual preference allowing for behaviors such as affection, attitude, rating, predisposition, opinion, response tendency and valence. Moreover, PV is both personal, because each individual perception is different and situational because it depends on the context.

Aurier et al. (2004) advocate a conciliatory approach to PV by combining the static and dynamic approaches. The static approach identifies five acceptations of PV: (1) marketing value, determined by the product characteristics and attributes; (2) sale value, determined by price; (3) derived value by the use or experience; (4) net value, related to the comparison between benefits and sacrifices; and (5) rational value, determined by a comparison between prices and the product's attributes. The dynamic approach distinguishes between (1) ex ante PV, before purchasing; (2) transaction value, during the purchase or the consumption experience; (3) ex-post PV, after the purchase and consumption; and (4) disposition value, after use or experience.

According to mixed approaches, PV is the result of a cognitive process, associated with thinking, as well as an emotional process, linked to feelings (Ikramuddin et al., 2017; Sweeney and Soutar, 2001). These PV models distinguish among the functional, social, emotional, epistemic and conditional values (Sheth et al., 1991). The comprehensive model of customer value (Lai, 1995) is based on the trade-off between benefits and sacrifices. The generic product benefits are functional, social, affective, epistemic, esthetic, hedonic, situational and holistic, whereas the sacrifices include both monetary and non-monetary costs (time, energy, risk) (Lai, 1995). According to the functional attitude theory, the benefits linked to the consumer experience are instrumental, symbolic, emotional or social (Aurier et al., 2004). The multidimensional PV model comprises both factors that are either economic or utilitarian (value/quality and value/price) and hedonic or symbolic (emotional and social values). This model uses the PERVAL measurement scale, which only considers functional, social and emotional value. The PV in our research is based on Fornell et al.'s (1996) perspective, which considers that PV results from an assessment in terms of the price, and the PQ and attributes of the product. This PV is generated from a comparison between sacrifices and benefits, assessed after consumption.

The PV has a significant impact on customer satisfaction in an FT coffee consumption context (Konuk, 2019; Othman et al., 2017; Servera-Francès and Piqueras-Tomás, 2019; Slack et al., 2020) since it can influence the way that consumers evaluate the benefits and costs of the FT coffee and the degree to which they feel that the FT coffee meets their needs and aligns with their values. This satisfaction with FT coffee is determined by the extrinsic value related to its utility (utilitarian value) and intrinsic value associated with emotional states (emotional value) (De Ruyter et al., 1997). Thus, consumers who are aware of the FT certification and its principles and values may be more likely to perceive a higher value in FT coffee, as they may believe that the coffee they are purchasing is of higher quality and has been produced more ethically and sustainably, leading to higher levels of customer satisfaction. Therefore, the following hypothesis is proposed:

**H1.** PV positively affects customer satisfaction in FT coffee consumption contexts.

**Framing antecedents of perceived value**

Our integrated theoretical model for the consumption of FT coffee encompasses both functional and affective variables as antecedents of PV. Based on ACSI model, our model incorporates CE and quality as functional antecedents of PV. Likewise, according to Sweeney...
and Soutar (2001), the model also includes customer social value and customer emotional value as affective nature antecedents of PV.

PQ and PV are different but related constructs. PQ stems from the evaluation of the product’s performance or excellence, while PV stems from the comparison between benefits and sacrifices (Fornell et al., 1996). Therefore, PV is more subjective because it depends on the person evaluating it.

Most of the literature finds a positive, direct association between PQ and PV in an FT coffee consumption context (De Toni et al., 2018; Konuk, 2019; Sweeney and Soutar, 2001). This is because FT coffee is often associated with higher quality due to the attention that devotes to its production and the fact that it is sourced from specialty coffee producers. These consumers are willing to pay a premium for FT coffee because they believe it is a higher-quality product worth paying an extra cost for. Therefore, the following hypothesis is proposed:

H2. PQ positively affects PV in FT coffee consumption contexts.

CE are an anticipated objective measure of the expected PV of a product before consumption (Anderson and Fornell, 2000; Oliver, 1980). Expectations are derived from the anticipation of expected benefits and sacrifices before the purchase and the use of a product (Fornell et al., 1996). While benefits are related to all the attributes of the product, sacrifices are bonded to the purchase price, the costs of obtaining the product, the uncertainty about making the right choice, the costs of making the wrong decision and the nonmonetary sacrifices (time, energy, mental and physical effort) (Fornell et al., 1996).

When customers have high expectations for the FT coffee, and they are met or exceeded, customers are likely to perceive the value of the FT coffee as being higher. These customers expect the FT coffee to be of higher quality due to its ethical and sustainable production practices. Therefore, consumers who are aware of and interested in the principles of FT may have certain expectations about the quality and ethical standards of FT coffee. For these reasons, all consumer satisfaction models, such as the Swedish consumer satisfaction barometer (Fornell, 1992), the ACSI (Fornell et al., 1996) and the European Consumer Satisfaction Model (ECSI Technical Committee, 1998), consider that consumer expectations exert a positive, direct effect on PV. Hence, we propose the following hypothesis:

H3. CE positively affect PV in FT coffee consumption contexts.

Consumers evaluate products also in terms of the social consequences (customer social value) and the enjoyment or pleasure gained from the product (customer emotional value) (Sweeney and Soutar, 2001). Customer social value relates to the social image generated by the social connections formed through FT coffee consumption (Sheth et al., 1991). Using a high-end brand of coffee like FT may generate a positive social image and bring the consumer closer to desired social groups, due to how the coffee is marketed and advertised, and the social context in which it is consumed. Therefore, since FT coffee seeks to benefit small-scale farmers and their communities and is associated with several positive social and environmental impacts, they may be more likely to perceive it as having a high social value. Consumers concerned about the social and ethical implications of their consumption may be more likely to view FT coffee as having a higher PV.

Likewise, customer emotional value is a sociopsychological dimension associated with the emotional states and feelings generated by the FT coffee (Sheth et al., 1991), which may be raised by the satisfaction of knowing that the coffee was produced in a social and environmentally responsible manner, the sense of connection to the producer or the community where the coffee was grown, and the sense of pride in supporting a product that aligns with the values and beliefs of the consumer. The customer emotional value associated with these perceived benefits can enhance the PV of FT coffee. Hence, according to Slack et al. (2020) and
Wang et al. (2019), both customer social and emotional values are direct antecedents of PV in an FT coffee consumption context. Thus, we propose the following hypotheses:

\[ H4. \] Customer social value positively affects PV in FT coffee consumption contexts.

\[ H5. \] Customer emotional value positively affects PV in FT coffee consumption contexts.

**Framing loyalty and consumer satisfaction**

Based on the behavioral loyalty approach, loyalty can be measured by the probability that a product or brand will be chosen in the long term and repetitively (Colombo and Morrison, 1989). Based on the attitudinal approach, brand loyalty is associated with a psychological commitment referred to consumers’ favorable attitude regarding the brand which encourages them to buy and/or recommend it (Colombo and Morrison, 1989).

Customer satisfaction contributes to maintaining long-term relationships with customers (Zhang et al., 2020), and therefore is considered the most relevant direct antecedent of brand loyalty (Oliver, 1980; Oliver and Swan, 1989). Therefore, it can be assumed that the higher the levels of consumer satisfaction with their experience with FT coffee, the lower the purchase uncertainty, sensitivity of information associated with a purchase decision, the sensitivity to price changes, or the higher the consumer tolerance of variations in quality, and customer resistance to advertising promotions of other conventionally marketed coffees (Lewi et al., 2007). When customers are satisfied with the products, they are more likely to continue purchasing them and recommend them to others. This is especially important in the context of FT coffee, as these consumers are interested in supporting ethical and sustainable business practices, and because of their high-quality level. This contributes to building a loyal customer base and to promote to the overall success of the FT movement (Othman et al., 2017; Servera-Francés and Piqueras-Tomás, 2019). Thus, consumers will generate a more durable long-term bond with the brand, enhancing their loyalty toward FT coffee. Therefore, the following hypothesis is proposed:

\[ H6. \] Customer satisfaction positively affects loyalty in FT coffee consumption contexts.

**Methodology**

**Conceptual model**

This investigation tests an integrated customer satisfaction model (Figure 1) which includes both affective and utilitarian variables. This model proposes that PV antecedes customer satisfaction and the latter in turn antecedes loyalty. Moreover, PV is anteceded by customer emotional value and customer social value, which got from Sweeney and Soutar (2001), and CE and PQ, which got from the ACSI model.

**Sample and data collection**

The sample consists of FT coffee consumers in Spain. The data collection was made by electronic means to clients of FT organizations, associated with the state coordination of FT in Spain. These organizations have collaborated by emailing a letter to their clients, asking them to complete the questionnaire online using a Qualtrics link.

The 184 questionnaires received were filtered to increase the quality of the data. Seven questionnaires were excluded because most of the items were unanswered. Finally, the model was estimated based on 177 valid cases, of which 64.4% were women and 35.6% were men. The average age of the women was 48.86 (standard deviation (SD) = 8.981), and for the men 46.14 (SD = 9.353). The most frequent values correspond to individuals with a university education (70.6%) and with a high school education (27.7%). Most respondents declared incomes between 1,000 and 1,500 euros (33.9%), and below 1,000 euros (32.13%). The sample is representative...
because the population size is relatively small. Despite its growing penetration, only 35.9% of the Spanish adult population knows the FT purchasing alternative. Moreover, of this percentage, only 16.1% have ever bought an FT product (Kossmann et al., 2021).

The questionnaire was validated in terms of content and face validity. The questionnaire items are appropriate because they have been got from tested and validated scales used in prior relevant research in this field. Furthermore, the common method bias (CMB) and the measurement model have been analyzed, which confirmed that the questions are understood as intended and the constructs being measured adequately represent the range of such constructs.

Both CFA and SEM were performed to test using SPSS/AMOS 26.0 software. This statistical method is applicable for analyzing causal processes with observations generated from multiple variables (Satorra and Bentler, 1988).

**Concept items and measurement**

Table 2 shows information about the concept, source, items and Likert scale for all scales in the theoretical model, which are adaptations from scales used in prior research.

**Common method bias**

Data collection was controlled according to the recommendations of Jarvis et al. (2003), to minimize potential CMB (Fuller et al., 2016). Therefore, pretesting of the questionnaire was conducted to check the layout. Also, respondents were informed on the anonymity and requested to give honest answers. Furthermore, questions related to nondependent variables were placed before the dependent ones.

Moreover, Harman’s single factor test (1967) revealed the existence of seven factors with eigenvalues above one, which explained 81.88% of the total variance, with the first factor explaining 43.97% of the total variance. These results show that CMB is unlikely to affect the results (Fuller et al., 2016).

Finally, the CFA of a single-factor model showed that the goodness-of-fit indices presented no acceptable values ($\chi^2$/df = 1,474.188 (209), $p < 0.001$, $\chi^2$/df = 7.054, normed fit index (NFI) = 0.551, Tucker-Lewis index (TLI) = 0.541, comparative fit index (CFI) = 0.585; root mean square error of approximation (RMSEA) = 0.185, goodness of fit index (GFI) = 0.521; adjusted goodness of fit index (AGFI) = 0.420), with the fit significantly worse than the measurement model. Consequently, it is possible to confirm that CMB problem was not significant in this research (Jarvis et al., 2003).
<table>
<thead>
<tr>
<th>Construct</th>
<th>Description</th>
<th>Source</th>
<th>Items</th>
<th>Likert scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer social value</td>
<td>Utility derived from the product’s ability to enhance social self-concept</td>
<td>Sweeney and Soutar (2001)</td>
<td>Purchasing FT coffee would help me to feel acceptable Purchasing FT coffee would help me to feel acceptable Purchasing FT coffee would improve the way I am perceived Purchasing FT coffee would make a good impression on other people Purchasing FT coffee would give its owner social approval</td>
<td>7</td>
</tr>
<tr>
<td>Customer emotional value</td>
<td>Utility derived from the feelings or emotional states that a product generates</td>
<td>Sweeney and Shouter (2001)</td>
<td>FT coffee is one that I would enjoy FT coffee would make me want to use it FT coffee is one that I would feel relaxed about using FT coffee would make me feel good FT coffee would give me pleasure</td>
<td>7</td>
</tr>
<tr>
<td>Customer expectations</td>
<td>Expectations derived from the anticipation of expected benefits and sacrifices that result from the purchase and the use of a product based on prior consumption experience or nonexperiential information available from sources such as advertising and word-of-mouth, and a forecast of the supplier’s ability to deliver quality in the future</td>
<td>Fornell et al. (1996)</td>
<td>How would you rate your expectations of the overall quality of the FT coffee? How well did you expect your FT coffee to meet your personal requirements? How often did you expect that things could go wrong with your FT coffee?</td>
<td>10</td>
</tr>
<tr>
<td>Perceived quality</td>
<td>Utility derived from the expected performance or excellence of the product</td>
<td>Fornell et al. (1996) and Sweeney and Soutar (2001)</td>
<td>How would you rate the overall quality of your FT coffee? How well has your FT coffee actually met your personal requirements? How often have things actually gone wrong with your FT coffee?</td>
<td>10</td>
</tr>
<tr>
<td>Perceived value</td>
<td>Utility derived from a comparison of benefits and sacrifices associated with the purchase or consumption of the product</td>
<td>Fornell et al. (1996)</td>
<td>Given the quality of your FT coffee, how would you rate the price that you paid (or prices that you pay) for FT coffee? Given the price that you paid (or prices that you pay at) for your FT coffee, how would you rate the quality of your FT coffee?</td>
<td>10</td>
</tr>
</tbody>
</table>
Data analysis and results

Measurement model analysis

The metric pre-testing of the measurement model suggested that one item of the loyalty construct (Loy_Q23) should be eliminated. Furthermore, the resulting measurement model analysis showed acceptable values (Table 3). Convergent validity revealed that all indicators loaded onto their respective latent factor significantly \( (*p < 0.001)\) (Anderson and Gerbing, 1988) and substantially \( (\lambda > 0.5)\) (Steenkamp and van Trijp, 1991). The variance explained also displayed acceptable values \( (R^2 \geq 0.5)\). Likewise, Cronbach’s \( \alpha \) values of each latent variable confirmed the reliability of measurement model. Additionally, the composite reliability index (CRI) and average variance extracted (AVE) exceeded the recommended minimum values by Hair et al. (2010). Thus, the reliability of the scale was confirmed.

Table 4 shows that the AVE was greater than the squared correlation estimates (Hair et al., 2010), except for CE, PQ and PV-satisfaction (Sat). However, since the difference is so slight, it is possible to confirm the discriminant validity (Hair et al., 2010).

Finally, goodness-of-fit of the measurement model showed acceptable values: \( \chi^2 (df) = 323.461 \) (183), \( p < 0.001 \), \( \chi^2/df = 1.768 \), NFI = 0.901, TLI = 0.942, CFI = 0.954; RMSEA = 0.066, GFI = 0.856; AGFI = 0.801.

Structural model analysis

The goodness-of-fit indices indicate that the structural model reached a satisfactory level of fit (Table 5). The structural paths between PV and customer satisfaction \( (H1: \beta = 0.952, p < 0.001) \), PQ and PV \( (H2: \beta = 0.546, p < 0.005) \), customer social value and customer PV \( (H4: \beta = 0.224, p < 0.005) \), and customer satisfaction and customer loyalty \( (H6: \beta = 0.328, p < 0.001) \), were significant, confirming \( H1, H2, H4 \) and \( H6 \). Contrariwise, the structural path

<table>
<thead>
<tr>
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<th>Source</th>
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<th>Likert scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer satisfaction</td>
<td>Overall evaluation after purchase assessed from comparison of the perceived result after purchase with expectations prior to purchase</td>
<td>Fornell et al. (1996)</td>
<td>How satisfied are you with your FT coffee? To what extent has your FT coffee fallen short of or exceeded your expectations? How well do you think your FT coffee compares with that ideal coffee?</td>
<td>10</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>Likelihood to purchase a company’s products or services in response to price changes</td>
<td>Fornell et al. (1996)</td>
<td>The next time you are going to purchase coffee, how likely is it that you will purchase a FT coffee again? What would be the maximum price increase for your FT coffee that you would be willing to tolerate before you would definitely not choose FT coffee the next time you buy coffee? How much should the price of your FT coffee drop before you definitely choose an alternative coffee the next time you buy coffee?</td>
<td>10, 3</td>
</tr>
</tbody>
</table>

Table 2. Source(s): By authors
between CE and PV (H3: $\beta = 0.088$, n.s.) and customer emotional value and PV (H5: $\beta = 0.199$, n.s.) were not significant, suggesting that both customer emotional value and CE have no direct effect on PV. Hence, H3 and H5 were not supported.

### Discussion and implications

**Theoretical implications**

The research results provide relevant theoretical implications for better understanding consumer satisfaction with FT coffee. The findings corroborated that PV explains FT coffee consumers’ satisfaction and this latter, in turn, influences their loyalty. However, the most novel theoretical contribution has been to apply the Fornell et al. (1996) model to an FT coffee consumer's satisfaction.
consumption context, despite it having traditionally been used for conventional products. This means assuming that the PV of FT coffee consumers is simultaneously explained by factors of socioemotional (customer social value, customer emotional value) and utilitarian (PQ, CE) nature. However, the estimation only confirmed that PQ and customer social value are antecedents of PV.

Findings confirm the PV, which results from cognitive and emotional processes (Ikramuddin et al., 2017), affects satisfaction with FT coffee (e.g. Konuk, 2019; Slack et al., 2020). This means that the PV, generated from the trade-off between perceived benefits and sacrifices ex-post consumption, determines the satisfaction raised from the evaluation that FT coffee consumers make based on the discrepancy between expectations and the result perceived after consumption.

Likewise, our findings corroborate the broad consensus about identifying perceived satisfaction as an antecedent of loyalty (e.g. Othman et al., 2017; Servera-Francés and Piqueras-Tomás, 2019). Thus, the higher level of satisfaction, the lower the price sensitivity or the higher their resistance to competitive offers from other products (Lewi et al., 2007), thus the more likely their retention (Oliver, 1980; Oliver and Swan, 1989), and consequently, the higher the loyalty will be.

The results also confirm that PQ is a determinant of PV (e.g. De Toni et al., 2018; Konuk, 2019). So, we can affirm that the FT coffee assessment made by consumers based on its performance or excellence influences their PV.

In turn, our findings highlight the relevance of social factors as determinants of FT coffee consumer PV (e.g. Slack et al., 2020; Wang et al., 2019). Since the FT coffee consumers’ altruistic behavior reflects their concern for social justice and the well-being of others (Huang and Rust, 2011), thus, we can affirm that the customer social value raised by the social image of themselves generated by FT coffee consumption and their ethical obligations (Shaw and Shiu, 2003) affects the consumers’ PV.

Conversely, unlike other investigations (Fornell et al., 1996; Oliver, 1980), the estimated model has failed to confirm the association between consumer expectations and PV. This result may be due to the that PV takes as standards of comparison perceived benefits and sacrifices, assessed after consumption (Aurier et al., 2004) while consumer expectations are a prediction of future results (Oliver, 1980). Also, maybe the relationship between the two variables was indirect, mediated by some other variable, such as experiential quality (Saut and Bie, 2022).

The results did not confirm either the influence of customer emotional value on PV in an FT coffee consumption context, as demonstrated recent studies (e.g. Slack et al., 2020; Wang et al., 2019). FT coffee consumers are not motivated by the emotional experience of the act of purchase because FT establishments have an excessively modest appearance and salespersons are not trained in promoting and raising awareness of the ethical and social virtues inherent in

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### Table 5.
Fit results and path coefficients for structural equation model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Structural relationship</th>
<th>Standardized coefficients</th>
<th>Robust t-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>PV-CS</td>
<td>0.952***</td>
<td>39.667</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>PQ-PV</td>
<td>0.546**</td>
<td>2.471</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>CE-PV</td>
<td>0.088</td>
<td>0.349</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H4</td>
<td>SV-PV</td>
<td>0.224*</td>
<td>2.286</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5</td>
<td>EV-PV</td>
<td>0.199</td>
<td>1.318</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H6</td>
<td>CS-CL</td>
<td>0.328***</td>
<td>5.467</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Fit results

χ²(df); p-value

<table>
<thead>
<tr>
<th>χ²/df</th>
<th>CFI</th>
<th>TLI</th>
<th>NFI</th>
<th>RMSEA</th>
<th>GFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>347.866(192); 0.000</td>
<td>1.812</td>
<td>0.949</td>
<td>0.939</td>
<td>0.894</td>
<td>0.068</td>
</tr>
</tbody>
</table>

**Note(s):** *p < 0.5; **p < 0.01; ***p < 0.001**

**Source(s):** By authors
Managerial implications

The findings provide relevant managerial implications for improving the satisfaction of FT coffee consumers and building endurable loyalty relationships. Results showed that consumer satisfaction with FT coffee is determined by the PV, which in turn is affected by both the quality and customer social value. In this regard, managers should implement strategies to prompt the consumers’ willingness to purchase and to build stronger loyalty bonds toward FT coffee (Beldad and Hegner, 2018; Kushwah et al., 2019), working on its intrinsic quality characteristics and the social implications derived from the purchase.

However, one of the most significant obstacles to achieving these goals is the high price of FT coffee (De Pelsmacker and Janssens, 2007; Lappeman et al., 2019). This barrier can be overcome through the expansion of the range of FT coffee (Cailleba and Casteran, 2010), the utilization of price as an indicator of its quality (Rombach et al., 2021), or the better dissemination of its ethical implications (Robichaud and Yu, 2022). Thus, on the one hand, FT coffee managers should offer higher ranges of products, from premium FT coffee brands to competitively priced FT coffee (Cailleba and Casteran, 2010). On the other hand, for the premium price to be a quality indicator, FT coffee producers should direct efforts on consumers’ knowledge enhancement about the identification of this higher price with the intrinsic quality characteristics such as flavor, aroma or healthy attributes (Mohsen and Dacko, 2013). Finally, practitioners should contribute to improving the understanding of FT coffee’s social values, bonded with the fair treatment of coffee farmers in developing countries (Beldad and Hegner, 2018; Kushwah et al., 2019; Ortberg et al., 2001; Rombach et al., 2021).

For these purposes, certification (Rombach et al., 2021) and reliable labeling programs (Robichaud and Yu, 2022), accompanied by awareness campaigns (Kushwah et al., 2019), would strongly contribute to proving the authenticity, the high quality of the product and the social attributes of the FT movement. Further, these advertisement campaigns should be promoted by marketing practitioners, FT coffee retailers and relevant institutions. Marketing practitioners should boost positive belief that FT coffee consumption is a right, fair behavior (Ortberg et al., 2001), ‘by enhancing the content of advertisements, product labeling, and other information material accompanying FT coffee, with details about the producer, to identify the origins of the product.’ (Gillani et al., 2021, pp. 568). On the other hand, retail stores need more trained staff for communicating the social and environmental work inherent to the FT coffee initiative, improving the consumer emotional value. Retailers also can implement marketing actions at an in-store level, by means of brochures, advertisements, offering FT coffee sampling or tasting sessions, or organizing social events (Gillani et al., 2021). Finally, relevant institutions, such as the government or consumers’ associations, should promote widespread campaigns aimed to inform, educate and persuade on the environmental and societal advantages of FT coffee consumption (Beldad and Hegner, 2018).

Conclusions, limitations and proposals for further studies

Research and managerial findings reached contribute to enhancing the literature on FT coffee consumers’ satisfaction. This research analyzes the antecedents and consequents of consumer satisfaction for ethical consumption context in general, and FT coffee in particular. The integrated theoretical model for consumer satisfaction analyses considers both utilitarian factors, such as PQ and CE, and sociopsychological factors, such as customer social and emotional values, as antecedents of PV. The findings confirm that PQ and customer social value influence PV, while the latter affects customer satisfaction, which in turn affects the loyalty of FT coffee consumers.
This research has several limitations, which should be considered when interpreting its implications. The research focuses FT coffee consumers only in Spain, so the country’s cultural idiosyncrasy has not considered as explanatory factors. Moreover, the measurement scales were taken from no-specific models for FT products and the scale used to PQ does not include items related to the flavor, aroma, and other nutritional properties of the FT coffee. Thus, future research should encompass different geographical areas to generalize the results in space and time, and test specific measurement scales for FT products.

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