

THE IMPACT OF SOCIAL CAPITAL ON THE IMPLICIT PRICE PAID BY THE ITALIAN CONSUMER FOR FAIR TRADE COFFEE

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OBJECTIVE

To test whether social capital influences the implicit price of the fair trade attribute in coffee consumption

ESTIMATES

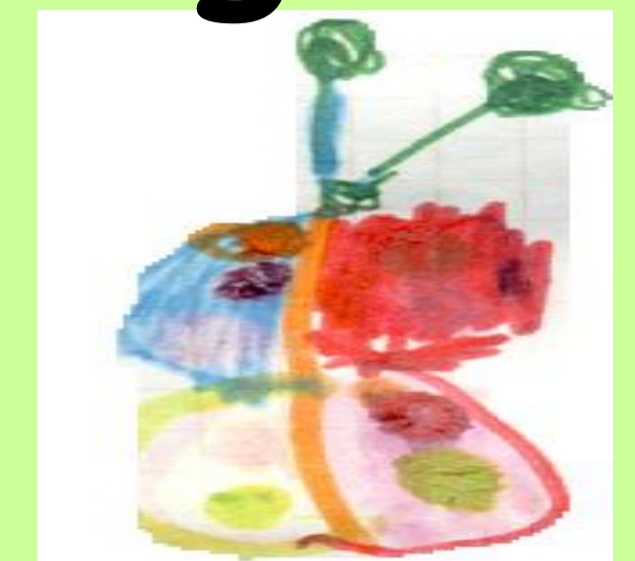
The coefficients of the hedonic regressions.
Dependent variable $\ln(\text{Price})$

Variables	Coef.	P-value
Decaffeinated	-0.32	0.00
Moka	-0.43	0.00
Espresso	-0.31	0.00
Pre-dosed pods	1.22	0.00
Filter coffee	1.65	0.00
Vacuum-packed	-0.08	0.00
Canned	0.55	0.00
Branded	0.17	0.00
Private Labels	-0.03	0.00
Arabica	0.17	0.00
Gift packaging set	1.06	0.00
Other packaging sets	0.34	0.00
Fair Trade	0.26	0.00
Fair Trade x No. World shops/population	4.99	0.04
Organic	0.25	0.00
Coffee beans	-0.24	0.00
No. packages	-0.07	0.00
Dummy 2006	0.03	0.00
Dummy 2007	0.05	0.00
Dummy North-East	-0.01	0.60
Dummy Centre	-0.06	0.09
Dummy Mezzogiorno	-0.07	0.34
$\ln \text{Income}$	-0.06	0.63
No. World shops/population	-1.21	0.24
Constant	3.07	0.02
R^2	0.70	
No. observations	55355	



APPROACH

Hedonic regression



DATA

Scanner data of coffee purchases in supermarkets and malls at a provincial level for the 2005-'07 years

plus

the *pro-capite* number of World Shops



RESULTS

- the fair trade attribute is significant with a positive sign;
- the *pro-capite* number of World Shops influences the implicit price paid for the fair trade attribute in coffee consumption.

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Drawings by Marianna Destefanis, Rosa Destefanis and Federica Maria Merone

