Guatemalan Coffee and e-Commerce
The Presentation

- An overview of the 2001 Cup of Excellence, Competition & Auction
- Some ideas Guatemala is considering into developing a strategy for e-Commerce
Guatemala’s
Cup of Excellence 2001

Competition & Auction
Our first step into e-Commerce
The idea

- The Gourmet Coffee Project
- The Brazilian Experience
- First approach
The Project

- Involvement of George Howell and Susan Spindler
- Open to every coffee
  - Type differentiation
- Coffees in the auction will be the ones with highest scores during competition
  - Participation filtered through several stages
The Goals

- Promote coffee quality on international markets
- More differentiation of our coffees to gain market recognition and market share
- Achieve more independence from the “C” contract
- Promote the production of exceptional coffees among quality producers
The National Competition

256 Samples Submitted
163 qualified for competition – Clean Cup

105 coffees moved to a certified warehouse and Into National Competition

41 coffees to International Competition

15 coffees to Auction

71 worldwide bidders

5 Guatemalan cuppers

22 worldwide cuppers

3 Guatemalan cuppers

BLIND PROCESS
Technical considerations:
The Information Site

- High availability
- Fast & standard
  - Problems with communications in developing countries
  - Redundancy – both local and international
- Bidder Application
  - SSL
  - Redundancy at SCAA’s site
    - Sense of security for credit card numbers
Technical considerations:
The Auction

- Concerns from the 2\textsuperscript{nd} Brazil’s Cup of Excellence
  - Approach to big auction sites over the Internet: eBay, Mercado Libre, HP

- SCAA servers located in the United States
  - One server running the auction – exclusive for bidders
  - One replicating results – exclusive for observers

- Replication to Guatemalan site
Technical considerations:
The Auction Mechanics

- Proxy bidding
  - What is it?
  - Does it help?
- Auction closing procedure
  - Going – Going - Gone
- Some behavioral analysis of the auction process
### Auction Results

<table>
<thead>
<tr>
<th>Finca (Estate)</th>
<th>Lot Size (69 kilo bags)</th>
<th>Price per pound</th>
<th>Buyer</th>
<th>Country of buyer</th>
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<tbody>
<tr>
<td>Las Nubes</td>
<td>30</td>
<td>$11.00</td>
<td>Solberg &amp; Hansen AS</td>
<td>Norway</td>
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<td>Japan</td>
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<td>Los Laureles</td>
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<td>$3.90</td>
<td>Unicafe Inc.</td>
<td>Japan</td>
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<td>El Porvenir</td>
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<tr>
<td>El Paternal</td>
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<td>Mercanta Ltd. / Cafes Meo</td>
<td>England</td>
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<td>Hayashi Coffee Inst.</td>
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<td>Coffee Tree Roasters</td>
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<td>Hayashi Coffee Inst.</td>
<td>Japan</td>
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<tr>
<td>Monte Carmelo</td>
<td>32</td>
<td>$2.01</td>
<td>Mercanta Ltd. / Cafes Meo</td>
<td>England</td>
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</tbody>
</table>
Links of interest

- www.guatemalancoffees.com/cupofexcelence
- http://www.scaa.org/auctions/
Guatemalan Coffee & e-Commerce

The opportunity for the world of coffee
The first ideas

- Allow transactional procedures over the internet to reduce costs for exporters
  - Better prices paid to producers
- To reduce the intermediaries between coffee producers and consumers
  - Fair and better prices to producers
  - Better quality for consumers
- A coffee community working together
  - Producers, exporters, suppliers,...
From ideas to projects

- Coffee Portal
  - Connection among the interested in the world of coffee
  - Cost reduction
  - Give more options to the coffee industry
  - Reach better prices for producers and increase benefits for consumers