

# COFFEE IN THE ELECTIONS: THE BITTER AND THE SWEET IN THE STRATEGIC MANAGEMENT OF A COFFEE SHOP

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## ABSTRACT

This true case about the political reality of Brazil in the second decade of the twenty-first century addresses a political impasse in a coffee shop in Rio de Janeiro (Brazil). It is about the conflicts between two owners regarding their different political positions, influencing the organizational climate and affecting the relationship among the partners and the employees. The partnership, which consists of Steven, John and Guilherme, began with the Steven's financial investment. Steven is married to Rosa (who is family-related to Guilherme and João). The ideological conflict between João and Guilherme is intense and clients also take part into the political discussion at Café com Sonhos. This political impasse was extended to virtual social media through the spread of the hashtag #cafecomsonhosleme. Digital platforms have identified some problems related to the image and reputation of this coffee shop, as well as complaints about the decrease in product quality. Parting company is not being considered due to the high financial investment made by Steven and the fact that John and Guilherme get their monthly income only from the coffee shop.

**Keywords:** Politics; Strategic Planning; Consumer Boycott.

## THE CASE

### **Finding love, Becoming an entrepreneur, Getting rich**

Steven Mc'Oncell is a young American sports journalist who, at the age of 26, came to the wonderful city of Rio de Janeiro in 2016 in order to be able to watch some volleyball games played by the male and female American volleyball teams.

In his almost 40-day stay in Rio de Janeiro in 2016, in addition to being enchanted by Brazilian culture, Steven met Rosa - with whom he is together up to now. In order to learn Portuguese and find out more about the Brazilian culture before presenting his resume to some newspapers or sports blogs, Steven decided to open a cafeteria in Leme with two other partners: João and Guilherme.

João and Guilherme were introduced to Steven by Rosa, because they are members of the same family. João, 30, is Rosa's older brother, and he is an administrator in an important private university in Rio de Janeiro (grade 5 in Enade). Guilherme, 27, with a major in Gastronomy from a public university in Rio de Janeiro, is Rosa's closest cousin. Guilherme, who left the countryside of the state of Rio de Janeiro to attend high school in the city, lived at Rosa and João's house, and at that moment the three of them grew fond of each other. Rosa always says that Joao and Guilherme are her brothers, and they have a good relationship filled with affection, love and respect.

Rosa and Steven are not into discussing politics – Steven, because of being American and unaware of the social and economic context of the country; Rosa, for having always experienced heated discussions at family dinners since there is a polarization between Left and Right political ideologies. They prefer to keep away from these conflicts, especially at the time of elections. As Rosa says, “it is better to talk about religion and football rather than politics with my relatives.”

Steven moved to Brazil to marry Rosa. In order to get the permanent Brazilian visa and to seek for residence in Brazil, Steven decided to invest his dollars in a gastronomic enterprise in Rio de Janeiro: *Café com Sonhos*

Coffee Shop. The initial investment was around 300 thousand reais spent on facilities, real estate rental, purchase of kitchen utensils and initial working capital. João and Guilherme have 25% share of this partnership, both contributing with their academic knowledge. While João is the administrative and accounting manager, dealing with bills, financial matters and other administrative tasks, Guilherme is responsible for the issues related to the production of coffee (and their derivatives) and the pastries. In this sense, Guilherme monitors the quality of the grains checking if the roasting requested was performed by the supplier; supervises the operation of the coffee machine (such as water temperature and regulation); as well as the storage of milk and chocolate used in the production of differentiated coffee drinks such as cappuccino, latte macchiato, iced coffee and mocha coffee. As for Steven, he shows up in the cafeteria every day to open and close the establishment and enjoy moments with a few clients to play beach volleyball and dive in Praia do Leme.

### **Café com Sonhos Coffee Shop (Coffee with Brazilian Doughnuts)**

The coffee shops Café com is situated in Leme, a neighborhood in the South Area of the city of Rio de Janeiro. Leme is next to the famous Copacabana, they even share the same shore. Therefore, even being less populated than Copacabana, it receives a great deal of tourists due to being very close to Copacabana. At the same time, being close to the military base of Urca and Leme, it is full of retirees who have worked in the Brazilian Army or who are still working there. The neighborhood also has two favelas: the hills of Babilônia and Chapéu Mangueira. Due to the lack of security lived by the people of Rio de Janeiro after the Rio 2016 Olympic Games, these two communities experienced in 2018 constant shootings between drug dealers and the military who were carrying out a Military Intervention in the city. Both the hill of Babilônia and Chapéu Mangueira have some gastronomic ventures aimed at national and foreign tourists due to the “Favela Tour”.

The Coffee Shop Café com Sonhos was opened in August 2017 and its mission is “To offer quality coffee to customers by choosing suppliers that

respect all those involved in the supply chain; and sophisticated pastries that enhance Brazilian cuisine and the freshness of the marvelous city.” The concept of Corporate Social Responsibility (CSR) is implicit in the Mission, and the partners choose, whenever possible, this business management approach. One of the actions based on CSR, for example, was hiring Ariel: a transgender Venezuelan who came to Rio de Janeiro to have a life, hoping to find in Brazil a less prejudiced society and a greater possibility of financial stabilization.

There is not any coffee shop in the neighborhood that competes directly with *Café com Sonhos*. The video store, which also served coffee with a small pastry shop, closed its doors in 2018 and there is a drugstore there now – and according to the owner of the old video store, “Leme is a neighborhood of old people and it is more profitable to have another drugstore besides the 4 others that are in two parallel streets within less than 1.5 kilometers from one another”. The only indirect competition that is relevant is the sale of some cakes and coffee in the Supermercado Zona Sul – a traditional supermarket in Rio which aims at selling to upper class customers.

The main pastries are the Brazilian doughnuts and their different fillings. There seems to be a consensus among the partners that the Brazilian doughnut made of cashew is the one that has potential for growth in the market - since it is a gourmet recipe thought by Guilherme. The gastronomer has thought of proposing new fillings for the doughnuts with typical Brazilian fruits such as Açaí and Acerola. Guilherme has already received positive feedback from customers about a tasting of these new fillings and is thinking about creating a mini-combo with these three Brazilian fruits: cashew, acerola and açaí.

The tapioca cake with coconut is highly appreciated and demanded by customers, but it has no possibility of increasing the market share. The “Expressioca” Combo (a simple espresso and a slice of tapioca cake with coconut) does not seem to generate profit, due to coffee problems already reported by some customers and the coffee shop has to make the espresso again (generating a double cost). The opening of a nearby fitness center has

encouraged Steven's idea to prepare special cakes for customers who leave the gym and do not want to eat high-calorie pastries. Whole-grain banana pie may turn out to be one of the products to conquer this audience, as well as a "Dream Fit" Combo - a whole-grain banana pie with a Whey Protein frappe.

### **Finding out about special coffee drinks**

The concept of specialty coffee is linked to the pleasure provided by the beverage, in which specific characteristics stand out depending on the product, the production process or the associated service. The quality attributes of a coffee may vary according to its physical characteristics, its region, species (arabica and canephora), grain size and even environmental and social concerns. The Brazilian Association of Special Coffee Drinks (BSCA) considers that a special coffee is the one without primary defects such as stones, sticks or green coffee (REZENDE et al., 2011).

The special coffee drinks are pure (without any mixture with corn or any other cereal), of the Arabica species and known as of unique origin. One of the ways to assess coffee quality is through the evaluation of experts accredited by the Specialty Coffee Association of America (SCAA). At SCAA, specialty coffee drinks are those that on a scale of 0-100 get a grade of 80 or higher.

However, special coffee may have a good SCAA rating, but if its extraction and handling in coffee shops is not performed properly, the extraction result may impact the quality of the beverage in the cup. An espresso machine aims to extract the sensory potential of coffee, enhancing aroma and taste characteristics such as sweetness, acidity and citrus, fruity or floral notes. Thus, if the machine is not well regulated regarding its temperature (90 to 96 degrees C) and pressure (8.5 to 9.5 bar), the coffee obtained in the cup can be sub-extracted (drained) or super ex- (burned and bitter), without the formation of the crema - emulsion of oils on the surface of the espresso that maintains the temperature and enhances the perception of aroma and flavor (CONCETTA, COUTO, 2013; DPAS-CHOAL, 2006)

A sub-extracted or super-extracted coffee is related to the grinding of the grain (granulometry) - which is carried out by the coffee mill. In an under-extracted coffee granulometry can be thick and in a super-extracted one, very thin. In an express coffee machine the pressure and temperature should be checked regularly in order to obtain the ideal coffee with crema without being thin, burnt or bitter. Likewise, to maintain the quality of a specialty coffee, something few entrepreneurs know is that the temperature of the cup should be considered; as it should be heated so that it does not lose aroma and flavor of a special coffee.

### **Politics: Love and Hate?**

João believes he is a conservative right-winger and in the elections of 2018 explicitly supported the president Jair Bolsonaro; and, consequently, his government program. Guilherme considers himself a progressive left-winger and declared his political support to Lula-Haddad-Manuela. The problem is that Café com Sonhos Coffee Shop is going through the clash of João and Guilherme's different ideologies, which creates conflict between them in front of other employees and clients. The following excerpt portrays the blur of their political differences in the cafeteria:

Guilherme answering an audio recording in a group of friends in WhatsApp - "It is absurd not to let Lula run for president. Never in the history of this country has there been so much investment in education and social projects. Several Brazilians are no longer part of poverty statistics. If I studied in a public university it was because I had access to a program called Reuni! Yeah, guys ... if the Bolsominion wins, it's going to be a war; everyone will be carrying a gun. Femicide rates will increase! "

João listens to the audio recording and intervenes - "Brazil does not make any progress because of that! It's because of people like you who vote for that convict Lula that this country is going down the drain! This gang of leftists just wants to smoke marijuana and defend criminals. A good criminal is a dead one! Cut the whining! We have to shoot them dead! "

Guilherme gets angry and says: João... you surprise me with this lack of empathy with human beings! We shall fight violence with public policies, not with guns!

João answers: I really want you to come here tomorrow morning after having your smartphone and your wallet stolen and still talk about Human Rights! I really wanna see you not feeling like killing a 17-year-old thief that pointed a gun at your head – just like what happened to me last year! Don't you dare talking about it cause it didn't happen to you!

Noticing that the atmosphere was heating up and some customers were already showing some discomfort in their tables, the Venezuelan barista Ariel decides to offer two glasses of water to the partners and gently asks them to notice that some customers were watching him. A 40-year-old customer interrupts them and says, raising his tone of voice:

Customer 1 - "Hey, tell me something. Since when has this nazi been working here? I wanna know his schedule cause I don't wanna come back here and look at his face! My coffee costs R\$ 8,90, but I am leaving here a 10-reais bill because I don't wanna get closer to this guy. And from now on I will boycott this coffee shop. I'll tell all my friends and neighbors not to show up here as they will be paying a nazi, just like I am doing now!

Customer 1 threw his money on the table and was about to leave the coffee shop when he was reprimanded by customer 2, a 65-year-old man:

Customer 2 - "If he never shows up here again, I will! Do you mean we are nazis now because we support Bolsonaro? It was this gang of Labor Party supporters (PTralhas) has ruined Brazil! Brazil will only get back on track if we have a new dictatorship period! And you can keep his 10-reais bill for a tip, just let me pay for this leftist coffee! After all, these poor communists have no money and they should all go to Cuba!"

João, Guilherme and Ariel were speechless and look around. They didn't know what to do. Steven gets in the coffee shop at the very same moment when the old man is finishing his speech and notices the looks on the other customers' face. Something strange was going on that evening. Ariel tries to escape as he is the weakest link, and for being a foreigner. João and Guilherme understand that there had been some excess and do not give many details to Steven, saying that they would talk after closing the coffee shop that night.

A few hours later, some customers who had not been at the coffee shop during the mess and stay there longer than the regular hours. The three partners and the employee had to leave in a hurry, as it was very late. On the following day, in the WhatsApp group, Steven asks his partners what had happened that night when he stepped into the coffee shop. No one answered. Steven calls Ariel to find out what had happened.

Steven - "Hello, how are you? Can you talk now?"

Ariel - "Yes, sir. I can.

Steven - "What happened at the coffee shop last night?"

Ariel - "Ahn... a heated discussion..."

Steven - "with you? With the customer? Did you say anything inappropriate?"

Ariel - "No, sir."

Steven - "Then, what happened?"

Ariel - "*No me quedo confortável em hablar sobre isto... Mi trabajo... necesito... mi país ahora não é um momento bueno la economia. No posso perder mi trabajo*".

Steven - "But if you didn't do anything wrong... *Tell me...*".

Ariel - "There was a heated discussion about politics between João and Guilherme and the customers got pissed".

Steven - "*Thank you very much! I could suppose it would happen...*".

Ariel - "*Perdon... no comprendo...*".

Steven - "Sorry... I thought fast in English – my mother language. I knew this would happen onde day. In Rosa's family gatherings, they



were always arguing about politics in an aggressive manner. But not in the coffee shop!

### #whathappened?

Steven, as a journalist, hang up the phone and got online, on Twitter, Facebook and Instagram to check on the *hashtag* #cafecomsonhosleme and started doing what he used to do every two weeks: check on what the customers had been saying about the coffee shop products and services. To his surprise, Steven found 35 retweets over the last 15 days, and another 18 posts mentioning another customer. The main messages are in Chart1.

**Chart 1** Posts on Twitter

Name of Customer in Twitter	Post
João Andrade	“You guys missed the partners making a scene because of politics at #cafecomsonhosleme last night.
Rosilene Andrade	“The cup of ##cafecomsonhosleme was dirty, with a lip-stick mark on it, a little soap would do you good, huh!?”
Jéssica Sangalo	“More love, less politics #cafecomsonhosleme”
Júnior Silva	“From now on, my boycott to #cafecomsonhosleme because one of the partners votes and support that one who does not even deserve to be named!”
Enzo Rinaldi	“It was weird, that old man in #cafecomsonhosleme yesterday! He destroyed a leftist and still paid for his coffee! Lolololol”
Clara Livadias	“The Brazilian doughnut with cashew filling is about to die for! I have to stop eating not to gain weight! But I just can’t!”

<b>Mônica D'Avilla</b>	"The coffee didn't have the crema on top. Coffee with no crema is like egg with no yolk, no taste at all!
<b>Juliana Moreira</b>	"#cafecomsonhosleme is supporting the Labor Party (PT)? I'll never set my foot there anymore.
<b>Ulisses Fortunato</b>	"I ordered a cappuccino and I got a weakccino, too much milk and little coffee, counting on the good mood of the barista, #cafedossonhos has already been a dream place in the past... ahhhhh... nightmare!"
<b>Paloma Velvet</b>	"My dad told me that at #cafecomsonhosleme you get coffee if you talk about politics. You just have to please one of the partners.... I'm so dead! lol"
<b>Krigger Boladão</b>	retwitt from Paloma "My dad told me that at #cafecomsonhosleme you get coffee if you talk about politics. You just have to please one of the partners.... I'm so dead! lol"
<b>Muleke do Leme</b>	retwitt from Paloma "My dad told me that at #cafecomsonhosleme you get coffee if you talk about politics. You just have to please one of the partners.... I'm so dead! lol"
<b>Nandinha Tricolor</b>	retwitt from Paloma "My dad told me that at #cafecomsonhosleme you get coffee if you talk about politics. You just have to please one of the partners.... I'm so dead! lol"
<b>Fernanda Harumi</b>	"Does anyone have a video with the fuss? Pls share it on WhatsApp..." Answering João Andrade's post
<b>Ivete Cruz</b>	"The coffee was too weak... it must have been the grinding, the wrong granulometry."
<b>Joyce Bouateaux</b>	"Last night I had some coffee at #cafecomsonhosleme and the Brazilian doughnut was not as good as it has always been. You guys lost my preference.
<b>Yasmim Fraga</b>	"The Brazilian doughnut with cashew filling is still wonderful!"
<b>Yan Curreal</b>	Answering Joyce's post: "The partners weren't that sweet last night... I witnessed a scene between the partners and customers because of politics. Aff..."

<b>Gabriela Andrade</b>	Answering Joyce's post: "Food's gotta be made with love. If anyone was bitter, the Brazilian doughnut got it... and the dream turned into a nightmare! ahahahaha"
<b>Matheus Haga</b>	Answering Joyce's post: "Last night at the gym, when I was in the treadmill, I overheard two men talking about an argument between the coffee shop."
<b>Lucas Monteiro</b>	"#cafecomsonhos heating the cup to pour the coffee is the minimum that a coffee shop can do. My cup was cold and wet. #keepthetip"
<b>Renato Estevão</b>	"My coffee was weaker than tea, #cafecomsonhosleme sells weak coffee."
<b>Brenda Santonionni</b>	"When I return to Rio, I will get to the hotel and I'll go straight to #cafecomsonhosleme to have a Brazilian doughnut with cashew filling!"

Source: Elaborated by the authors.

### What now?

Steven made the print of all those comments he found on Twitter, Facebook and Instagram and added the images to the group of owners and asked João and Guilherme to give him some explanations. For 30 minutes no one wrote or said a single word - although the two partners had viewed the messages. As there was no answer, Steven recorded an audio:

Steven - "Brothers, I did not invest my money in Brazil to see you having arguments about politics and scaring customers away! Look at what they are commenting on social media about our company! What about our reputation in the neighborhood? Are you going to have a demonstration in front of Café com Sonhos to support politicians? You know who Lucas Monteiro is, right? Guilherme surely knows! He is one of the most important baristas in Brazil and criticized our coffee shop on Twitter! It is a basic mistake for people who work with coffee! Was it Ariel's mistake or was it your mistake to create this awful work environment for him? Isn't the humanitarian crisis that Venezuela is going through enough? How about this poor man having

to witness two crazy bosses arguing over politics in front of him and the customers? Do you have any idea of the bad atmosphere that you have created for him and the customers? What if customers do not come back? Shall we have to part company?

Guilherme replies in the group - "I was recording an audio message when he came to poke his nose into my business! I was minding my own..."

João emphasizes, "Steven, you know the country facing difficulties because of the Left-wing governments in recent years ..."

Steven records another audio - "You are not brats - as they say here in your town. I'm a gringo, I've learned to live here. I researched to find the best coffee suppliers in this country. I checked the supply chain of every supplier of Yellow Arabica coffee of the Arabian species, which is produced over 1000 meters of altitude in Caparaó, Minas Gerais, to make sure that the employees had good working conditions and that there was no slave labor. I went to the South of Minas and Espírito Santo to visit farms to choose the farm that would supply the grain.

Steven records another audio file - I hired a Q Grader taster, certified by the Specialty Coffee Association of America (SCAA), a renowned American specialty coffee association that emerged in the 1980s to certify the quality of coffee drinks. I paid for the taster to evaluate the coffee of the farms I visited, grading the grains. That way we would have the best suppliers of special grain coffee farms. I invested in specific coffee courses for Guilherme at the Farmer's Week at the Federal University of Viçosa. I left more than 50 thousand reais available in João's hands for the initial expenses of the coffee shop. And what do you do? You fight over politics in front of the employee and the customers.

João and Guilherme listen to the recording, and do not answer. Steven goes on 10 inutes after the silence break

Steven - "As a journalist in the United States, I know the importance of a company's reputation and as partners, rather than grow the company by offering good products and services, you think this is a family dinner, and can't stop arguing about politics. Go write a monograph in Political Science instead of being a partner in a coffee shop. Your ideas and your votes will not change this country! "Focus on good service! Focus on customer relationship, hospitality and kindness. This fight of yours has already impacted the quality of the pastries and this has also been impacting sales - which are falling. Have you seen how people are mocking you? What is the use of having a major in Gastronomy and not making good pastries because the other partner annoys the one who makes the dough? What is the use of having an Italian coffee machine that is worth R\$ 25,000.00 if the coffee is not being ground in the correct way? I saw on Twitter that the espresso grind is very thin. The granulometry must be average so that it is possible to produce the coffee crema; which, as you know, must have a hazel color. Some of our customers are gourmet consumers and there is no point in bringing on the table a thin, dark water that they will not enjoy. We are going to lose what we're starting to build. Why does the employee have to serve the coffee, get paid, grind the grains and still have to stop the partners' argument? "

### **Coffee and new Brazilian doughnuts to sweeten up Café com Sonhos**

The family issue involving Steven is not so simple to solve because it involves two partners who have a very solid emotional relationship with his wife - which is why he moved to Brazil. Braking up with one of the partners would bring not only operational results to the coffee shop, but also to your relationship with his wife. We, Brazilians, think that, as scholars like Roberto Da'Mata point out, personal and professional relationships have a high value.

Even not having direct competition, Steven needs to think of some actions in order to: (a) prevent further heated discussions like the one that has taken place to change the atmosphere between partners and employees; (b) win back the customers who explicitly stated in their virtual

social networks their intention to boycott Café com Sonhos; (c) strengthen the reputation of the chain in relation to its corporate social responsibility actions - whether within or outside the communities surrounding Leme; and, (d) to resume the production of sophisticated pastries with the quality and refinement of a chef specialized in pastry; (e) to make employees aware of the correct handling of espresso coffee in order to maintain / explore the potential and quality of the selected beans from the suppliers. What would you do to help a gringo in this situation involving his family and business?

## CASE'S ABSTRACT

This true case about the political reality of Brazil in the second decade of the twenty-first century addresses a political impasse in a coffee shop in Rio de Janeiro (Brazil). It is about the conflicts between two owners regarding their different political positions, influencing the organizational climate and affecting the relationship among the partners and the employees. The partnership, which consists of Steven, John and Guilherme, began with the Steven's financial investment. Steven is married to Rosa (who is family-related to Guilherme and João). The ideological conflict between João and Guilherme is intense and clients also take part into the political discussion at Café com Sonhos. This political impasse was extended to virtual social media through the spread of the hashtag #cafecomsonhosleme. Digital platforms have identified some problems related to the image and reputation of this coffee shop, as well as complaints about the decrease in product quality. Parting company is not being considered due to the high financial investment made by Steven and the fact that John and Guilherme get their monthly income only from the coffee shop.

### **General Purpose of the case**

The present case aims at discussing the managerial problems of one of the partners with the political dichotomization between the other two partners and that has brought great problems to the Cafeteria com Sonhos. The political dichotomization in Brazil in the second decade of the twenty-first century is a reality and it has recently been approached in studies on consumer behavior (CRUZ, 2018, CRUZ, ROSS, 2016, CRUZ, 2016). Thus, bringing a latent reality in the light of a gastronomic enterprise contributes to the relevance of this case.

Specifically regarding the coffee shop, the Gastronomy area has been built in Brazil and its sub area is present in Bachelor and short-term Technological courses - which allows the use of this case in both undergraduate Administration and Gastronomy courses. In addition, many of the new businesses are related to the Gastronomy sector. In both courses, the case

can be used to discuss issues related to Strategic Planning and Marketing, with connected themes: Corporate Social Responsibility; Image and Corporate Reputation; Consumer Boycott; and, Monitoring of Virtual Social Networks.

Although the case presents specific information about a coffee shop, processes and specifications related to the coffee segment, its analysis allows a broad reflection on: (a) the political context as a variable of the macroenvironment; (b) personal relationships and the organizational climate influencing the internal processes of the microenvironment and the quality of products and services; (c) how virtual social media can be used to monitor the quality of products and services offered through hashtags; (d) the importance of inserting the discussion on corporate social responsibility concerning small companies; (e) how the partners or owners' opinions regarding complex issues can influence consumer boycotts.

Thus, we suggest this case is used in a Strategic Planning class because we understand that the student needs prior knowledge of the areas of People Management, Marketing and Production and Operations to think about the problems and issues that are presented. It is ideal for Strategic Planning to approach the Corporate Social Responsibility in the light of Stakeholders Theory and not as philanthropic actions, as some authors have already mentioned (CRANE et al., 2008).

### **Preparation for the case**

This case can be solved in a 4 hour-class. It is important that the professor has not expressed his / her political ideology in any previous contact with the students so that they do not offer the ideal answer that would please him / her. If there was a previous political positioning in favor (or against) the Left wing or the Right wing in Brazil, this case is not recommended due to the fact that there can not be a political-free environment offered by the professor or the institution. In addition, other information is relevant:

- As a suggestion, this case can be used at the end of a subject so that theories can be worked on. Additionally, in a field with



so many discussions in recent years, the professor should notice throughout the semester the presence of a warlike individual that would not be prepared for a discussion involving ideology and managerial knowledge.

- The reading of the case must be done before class.
- If possible, it would be interesting for the educator to notice that in each group there is at least one Leftist and one Rightist. This alternative may bring more reality to the problem situation. Try to identify profiles of students who can work as mediators / conciliators and try to put them in a group where you may have some students with a more aggressive profile.

### **Educational Objectives**

- To reinforce with participants the concepts of Strategic Planning, such as: Market Positioning, Competition, BCG Matrix, Porter's Five Forces of Competitive Position and Macro and Micro Environments;
- To encourage interest in discussing conflicts present in family-run organizations and difficulties related to business decisions that may impact on family relationships;
- To discuss the importance of understanding the macro environment - specifically the ideological dichotomy between Left and Right wingers and how it can influence the organizational climate and customer relationships;
- To foment discussions of consumer boycotts and their motivations (political, environmental, social, religious, relational, economic and minorities);
- To approach the concept of Corporate Social Responsibility in a systemic way through the examples 'Diversity' and 'Favelas';
- To promote reflection on gastronomic endeavors and market segmentation.

### Basic References for the Student

The texts presented below serve as an aid to (i) the construction of the content in the subject (in the case of the textbook); and (ii) the understanding of politics as a variable that can influence the consumer to carry out the boycott of a company, brand, product or service due to the disconnection of the political ideology of the company and the consumer (in the case of the article).

CHIAVENATO, I.; SAPIRO, A. *Planejamento Estratégico: Fundamentos e Aplicações*. Rio de Janeiro: Elsevier, 2014.

CRUZ, B. de P. A. Boicote Político. In: ENANGRAD, 29, 2018, FE-CAP. São Paulo-SP. *Anais XXIX Enangrad*. São Paulo: Angrad, Outubro 2018, 1-15. Disponível em: [http://www.enangrad.org.br/pdf/2018\\_ENANGRAD25.pdf](http://www.enangrad.org.br/pdf/2018_ENANGRAD25.pdf). Acesso em: 02 Out. 2018.

### Questions

The following questions should be addressed in an assertive way so that the discussion does not turn into a political polarization between the Left and Right wings, but focuses on the class topics.

- Is it possible to identify a star product in the light of BCG Matrix? What are the reasons to point that out?
- Which are the most important forces to be considered among Porter's Five Forces? Why?
- How can we rescue Café com Sonhos consumer's perception about the quality of the products offered?
- How can Café com Sonhos manage its reputation? What strategies could be used to work out customers' (and potential customers) ironies, complaints and on Twitter?
- What can be done to reduce the conflicts between the partners and improve the organizational environment?

- What actions related to Social Corporate Responsibility Café com Sonhos could start together with the communities in Chapéu Mangueira and Babilônia?

How can a future boycott to Café dos Sonhos be avoided?

### **Possibilities for the case analysis**

The sustainability of the business should be taken into account. That is, the possibility of parting company should not be presented to the students. This possibility could even increase the family tension that already exists among the cousins, and may even impact on Steven's marriage to Rosa. Here are three possibilities that could be relevant to address a solution to the case and which can be worked on separately or together:

- Focus on the Espresso Coffee Maker Operation - the atmosphere generated in the coffee shop has directly affected Ariel's concentration (which may be impacting on the quality of the beverage delivered to the customer). The regulation of the machine may be one of the main actions to solve the problem mentioned by some customers on Twitter.
- Avoid Political Positioning - the political dichotomization is not interesting for a company - especially when one thinks of political ideology. In this sense, one of the alternatives is to avoid matters related to politics in Café com Sonhos. This would prevent the conflicts between the partners, increase the concentration of the employee who makes the drinks and would not create an arena for heated discussions among customers.
- Rethink the Pastries and Combos Portfolio - it is far evident that the Brazilian doughnut with the cashew filling is the Star product of Café com Sonhos - this can be confirmed by the consumers' tweets. However, there is also a Pineapple product (Expressioca). At the same time, a new variable was inserted in the macro-environment: the opening of a gym. A possible orientation for a niche market can be thought regarding these products.

**Additional References suggested to professors**

Chart 2 presents a list of additional references that can help professors building the theoretical background of the case. The reference is followed by a note explaining why it was suggested. As for example, regarding Social Corporate Responsibility, throughout the years, Brazilian authors focused their analysis on the philanthropic or assistentialist actions of the companies. That is, when we present the context of a transgender employee, for example, we discuss CSR in the light of the Stakeholder Theory - since the Gastronomy sector, as well as Entertainment and Beauty, welcomes transgender people in their job positions.

**Chart 2** Suggestions of additional references to professors

Referência	Motivo de Indicação
CRUZ, B. de P A. <i>Curtir, Comentar, Compartilhar: Redes Sociais e TV no Brasil</i> . Curitiba: Editora CRV, 2016.	It discusses the phenomenon of social media in Brazil under the influence of television, serving as material to help understand political and social consumer issues in the entertainment industry.
CRANE, A., MCWILLIAMS, A., MATTEN, D., MOON, J., SIEGEL, D. S. <i>The Oxford handbook of corporate social responsibility</i> . New York: The Oxford University Press, 2008.	It presents the concept of Corporate Social Responsibility, without focusing on philanthropic or assistance actions.
HÖRISCH, J.; FREEMAN, R. Ed-ward; SCHALTEGGER, S. Applying Stakeholder Theory in Sustainability Management: Links, Similarities, Dissimilarities, and a Conceptual Framework. <i>Organization and Environment</i> , v. 27, n. 4, 2014. DOI: <a href="https://doi.org/10.1177/1086026614535786">https://doi.org/10.1177/1086026614535786</a>	The text compares the Stakeholder Theory with Sustainable Management, presenting that the challenges of sustainability (which involves the notion of CSR) depend on interrelated mechanisms such as education, regulation and sustainability based on the value created for stakeholders.

<p>BARBERO, E. R.; MARCHIANO, M. Stakeholders or Shareholders? Board members' personal values and corporate identity. <i>Revista Brasileira de Gestão de Negócios</i>, v. 18, n. 61, 348-369 (jan./mar.). 2016. DOI: <a href="https://doi.org/10.7819/rbgn.v18i61.3020">https://doi.org/10.7819/rbgn.v18i61.3020</a></p>	<p>It identifies that companies that are stakeholders oriented present in their boards of advisory council advisers who are not so individualistic but more oriented to the interests of the actors involved.</p>
<p>ARGENTI, P. A. <i>Comunicação empresarial</i>. Rio de Janeiro: Campus Elsevier, 2005.</p>	<p>It presents the difference between Identity, Image and Reputation in Business Communication, as well as systematizes information on Crisis Management in private organizations.</p>
<p>RODRIGUES, J.; MIYAHIRA, N. N.; NASCIMENTO, F.; MARINHO, B. de L. Por que Marcas Corporativas? A Percepção de Executivos Brasileiros sobre os motivos para adotar Corporate Branding. <i>Revista Eletrônica de Administração</i>, v. 23, Dec. 2017. DOI: <a href="http://dx.doi.org/10.1590/1413-2311.154.57163">http://dx.doi.org/10.1590/1413-2311.154.57163</a></p>	<p>It addresses, among other concepts, how reputation and image can provide competitive advantage.</p>
<p>HETZE, K. Effects on the (CSR) Reputation: CSR Reporting Discussed in the Light of Signalling and Stakeholder Perception Theories. <i>Corporate Reputation Review</i>, v. 19, n. 3, p. 281-296, 2016. DOI: <a href="https://doi.org/10.1057/s41299-016-0002-3">https://doi.org/10.1057/s41299-016-0002-3</a></p>	<p>It discusses the impact of social corporate responsibility on a company's reputation.</p>
<p>FRIEDMAN, M. Consumer boycotts: A conceptual framework and research agenda. <i>Journal of Social Issues</i>, v. 47, n. 1, 149-168, 1991.</p>	<p>It discusses the consumer boycott, being one of the first studies to propose a research agenda.</p>

CRUZ, B. de P. A. Social Boycott. *Revista Brasileira de Gestão de Negócios*, v. 19, n. 63, 5-29 (jan./mar.). 2017.

The theoretical background of the study contributes to the understanding of the types of boycott listed in the literature regarding consumer behavior.

FERREIRA, R. da S. A informação social no corpo travesti (Belém, Pará): uma análise sob a perspectiva de Erving Goffman. *Ci. Inf.*, Brasília, v. 38, n. 2, p. 35-45, 2009. Disponível em: <<http://dx.doi.org/10.1590/S0100-19652009000200003>>. Acesso em: 03 Set. 2018.

It discusses the insertion of transgender people in the labor market and the difficulties of inserting these people into formal jobs.

CRUZ, B. de P. A.; ROSS, S. D. The Buycott intention analyzed from sexual orientation and religion: The O Boticario's Brazilian case. *Almanaque Multidisciplinar de Pesquisa*, v. 1, n. 1, Artigo Especial. 2016. Disponível em: <http://publicacoes.unigranrio.edu.br/index.php/amp/article/view/4004>. Acesso em 30 Ago. 2018.

It addresses, in a tangential way, how politics and religion can affect consumer boycotts influenced by conservative or progressive politicians.

CONCETTA, M.; COUTO, C.. *Sou barista*. São Paulo: Editora SENAC, 2013.

It presents general aspects related to the characteristics of the coffee to be served to the consumer.

REZENDE, J. C.; CHAGAS, S. J. R.; SILVA, V. A.; CARVALHO, G. R.; BOTELHO, C. E. Modos de consumo da bebida do café. In.: REIS, P. R.; CUNHA, R. L. da; CARVALHO, G. R. *Cafê arábica: da pós colheita ao consumo*. Vol. 2. Lavras: U.R.EPA-MIG, 2011.

The book discusses the whole coffee supply chain in Brazil. The chapter chosen here aims to present the ways of coffee consumption in the country, discussing issues related to specialty coffee drinks and their main characteristics.

NASSIF, W.; ROSSI, G. B.; GARCIA, M. N.; BAZANINI, R. The Coffee Shop Influence on Coffee Consumption in the City of Sao Paulo. <i>Revista Brasileira de Gestão de Negócios</i> , v. 7, n. 19, 21-35, 2005. DOI: <a href="https://doi.org/10.7819/rbgn.v7i19.47">https://doi.org/10.7819/rbgn.v7i19.47</a> .	The text presents empirical results on important attributes for coffee consumers, such as flavor and aroma.
DPASCHOAL, L. N.. <i>Aroma de Café – Guia Prático para Apreciadores de Café</i> . Ed.Fund. Educar Dpaschoal 2006.	It discusses the types of specialty coffee taking into consideration the aroma and flavor, as well as some specific characteristics of coffee such as sweetness, acidity and citrus notes, fruity or floral.

Source: Elaborated by the authors.

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