GERMAN CONSUMER BEHAVIOUR AND BUYING DECISIONS

Holger Preibisch, CEO, German Coffee Association

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ABOUT THE STUDY

- Largest and most comprehensive market research on the topic of coffee in past years (sample representative for German population).
- Representative sample. **More than 10,000 coffee drinkers**.
- **240,000 individual coffee drinking situations** have been precisely described.
- Coffee diary: special modules
MOST PRESSING ISSUES

*Which of these issues do you think the coffee industry needs to solve most urgently? (in %)*

- Waste caused by disposable cups („to go“): 31%
- Waste caused by coffee capsules: 25%
- Child labour in coffee growing countries: 19%
- Payment of workers on coffee farms: 13%
- Use of pesticides in coffee cultivation: 4%
- Hygiene of the coffee machine/sales counter: 3%
- Genetically modified coffee plants: 2%
- Water consumption for coffee cultivation: 2%
- Energy consumption of coffee machines: 1%

Waste volumes - through disposable cups and capsules - are the top issues for which consumers want solutions.

Basis: N=37.059 coffee drinker (Germany, Sep 2016 - Aug 2017); in %
COFFEE CUPS
THE USE OF DISPOSABLE OR REUSABLE CUPS IS NOT A QUESTION OF AGE

While you are on the move: Do you at least occasionally drink "Coffee to go" out of a disposable cup/paper cup? (in %)

Whether 20 or 50 years of age: If you drink "to go", the proportion of reusable cup users is just under 20 percent.

Older "to go" drinkers use the reusable cup even more frequently on a pro rata basis.

Basis: N=37,059 coffee drinker (Germany, Sep 2016 - Aug 2017); in %
DISPOSABLE CUP: THE YOUNGER IN AGE THE LESS A BAD CONSCIENCE

To what extent does the following statement about coffee in disposable cups fit for you? (top-2 in %)

When I drink coffee from disposable cups I have a **bad conscience** regarding the environment

Serving coffee in disposable cups **should be generally forbidden**

While I am on the move, disposable coffee cups are the **most useful solution** for me

When I fancy a coffee on the go the environmental safety is **not important** to me

(5 points scale: 1 „fully correct”, 5 „not correct at all”)
Basis: N=37.059 coffee drinker (Germany, Sep 2016 - Aug 2017); Top-2 in %
COFFEE CAPSULES
IS WASTE A BARRIER?

68% of the people who refuse to use capsule machines, are doing this because of the waste.
### EVEN THE USERS OF COFFEE CAPSULES SEE A PROBLEM

**How much – if at all – do you agree with the following statements about coffee capsules? (in %)**

<table>
<thead>
<tr>
<th>Convenience</th>
<th>I absolutely agree</th>
<th>I don`t agree at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>“I think it is very convenient for my household that I can prepare single cups of coffee.”</td>
<td>56</td>
<td>27</td>
</tr>
<tr>
<td>Closed system</td>
<td>48</td>
<td>23</td>
</tr>
<tr>
<td>“It is annoying that capsule coffee can be prepared only in special coffee machines.”</td>
<td>44</td>
<td>25</td>
</tr>
<tr>
<td>Environment</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>“Coffee capsules are a serious problem for the environment.”</td>
<td>44</td>
<td>25</td>
</tr>
<tr>
<td>Aroma</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>“Coffee capsules keep the flavour of the coffee better than other packagings”</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Quality</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>“Coffee from capsules generally has a higher quality than coffee made with other systems.”</td>
<td>10</td>
<td>19</td>
</tr>
</tbody>
</table>

**Price**

“**The price for coffee capsules is - regarding the quality of the coffee - absolutely adequate.”**

Basis: N=37,059 coffee drinker (Germany, Sep 2016 - Aug 2017); in %
POTENTIAL FOR A SOLUTION OF THE ENVIRONMENTAL ISSUE

“I would prepare more coffee with coffee capsules if capsules were more eco-friendly.”

49%
Users of coffee capsule machines

“I would have already bought a coffee capsule machine if capsules were eco-friendly.”

27%
Non-users of coffee capsule machines

Basis: N=37,059 coffee drinker (Germany, Sep 2016 - Aug 2017); in %
DECLARATION OF COFFEE – INTEREST OF CONSUMERS
DIFFERENT FEATURES FROM DIFFERENT SECTORS HAVE BEEN TESTED FOR SPECIALTY COFFEE

1. Beans/variety:
   - Special selected varieties
   - Handpicked beans
   - Continuous control of quality
   - 100% Arabica

2. Origin:
   - From a certain land of origin
   - Coffee grown in altitude
   - From an exactly defined growing area (single origin)
   - Selection from different growing areas
   - From a certain coffee plantation
   - Documented/trackable from cultivation to the shelf

3. Roasting:
   - Roasted at low temperatures
   - Mild roasting
   - Slowly roasted
   - Genuine roasting
   - Drum roasting
   - Roasted with modern technique
   - Roasted in traditional roasting machine
   - Only seasonal roasting
   - Freshly roasted
   - Second crack
   - Craft coffee
   - Roasted in Germany
   - Roasted Italian style
   - Hand-roasted

4. Fair:
   - Directly traded
   - Fair traded
   - Fairtrade label
   - Grown by local collective
   - No exploitation of children
   - Fair payment and good local working conditions

5. Ecology:
   - Grown biodynamical
   - Organic label
   - Grown without chemicals and pesticides
   - Grown without genetic engineering
   - Ecological coffee cultivation

6. Taste/textures:
   - Special flavour: chocolate
   - Special flavour: nut
   - Special flavour: fruit
   - Especially creamy/full-bodied
   - Flavoured coffee beans
### FAIR: EVALUATION OF DIFFERENT FEATURES

<table>
<thead>
<tr>
<th></th>
<th>Total rank</th>
<th>Promises special taste</th>
<th>Is credible</th>
<th>Arouses interest in tasting</th>
<th>Makes coffee something very special</th>
<th>Justifies a higher price</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fairtrade label</strong></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Fair payment, good local working conditions</strong></td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Fair traded</strong></td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>No exploitation of children</strong></td>
<td>4</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>Grown by local cooperative</strong></td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Directly traded</strong></td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

- The label is most trustworthy.
- But also other features can justify a higher price.
### ECOLOGY: EVALUATION OF DIFFERENT FEATURES

<table>
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<th>Total rank</th>
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<th>Arouses interest in tasting</th>
<th>Makes coffee something very special</th>
<th>Justifies a higher price</th>
</tr>
</thead>
<tbody>
<tr>
<td>grown without chemicals and pesticides</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>organic coffee cultivation</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>grown biodynamical</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>grown without genetic engineering</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Organic label</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

“Grown without pesticide” and “organic coffee cultivation” beat organic label.

Organic label seems to have lost its attraction and is valued the worst.

“Grown without genetic engineering” is also not working very good.
CONCLUSION: WHAT SHOULD BE WRITTEN ON THE PACKAGING?

**Roasting**
- **hand-roasted**
- **slowly roasted**

**Fair**
- **Fairtrade label**
- **fair payment and good working conditions in coffee growing areas**

**Ecology**
- **cultivated without chemicals and pesticides**
- **organic coffee cultivation**

- **Hand-roasted** ranks first for the topic „Roasting“: Among other things with clearly strongest justification of high price.
- **Fairtrade label** ranks first for the topic „Fair“: Underlines, that a seal has more impact than a pure statement.
- In the field of ecology, various claims have a similarly strong effect.
AWARENESS OF CERTIFICATIONS/SUSTAINABILITY
WHERE IS ORGANIC COFFEE, FAIRTRADE OR SUSTAINABLE COFFEE OFFERED?

The consumer is not aware about certification/sustainability in the OOH-market.
HOW STRONG IS THE INTEREST IN INFORMATION ABOUT COFFEE CULTIVATION?

45 % have already dealt* with the topics "coffee cultivation" and "environment".

(+2% pp. comp. to 2016/2017)

This topic is highly relevant for German coffee drinkers.

*means in the past, not necessarily in 2018.
HOW STRONG IS THE INTEREST IN INFORMATION ABOUT COFFEE CULTIVATION?

56 % of buyers of specialty coffee have dealt with the topics "coffee cultivation" and "environment".

The interest of this target group in the production conditions of their coffee is very high; for non-buyers it is only 31%.
THANK YOU FOR YOUR ATTENTION!

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