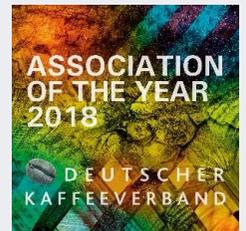


GERMAN CONSUMER BEHAVIOUR AND BUYING DECISIONS

Holger Preibisch, CEO, German Coffee Association

4C Global Sustainability Conference, 06 June 2019, Berlin



 **DEUTSCHER
KAFFEEVERBAND**

COFFEE CONSUMPTION STUDY



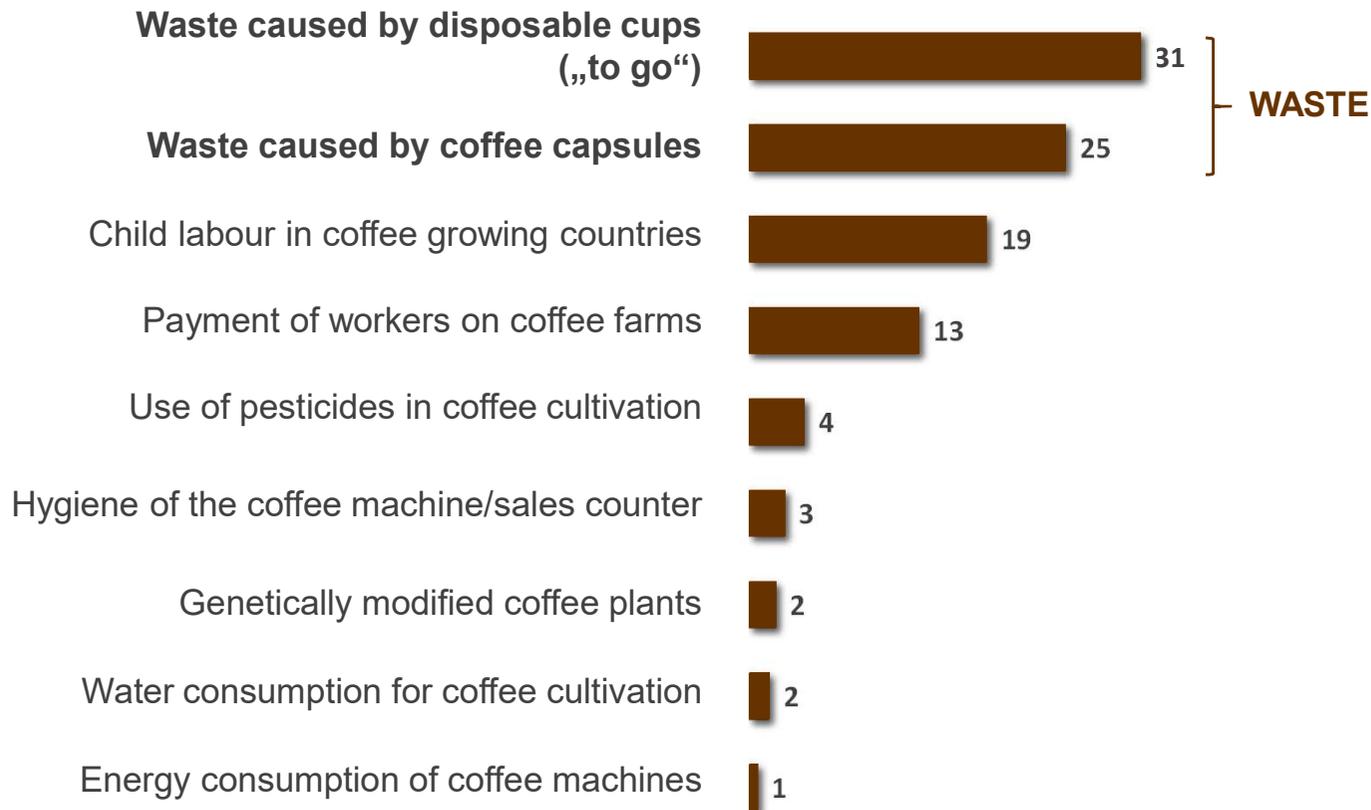
ABOUT THE STUDY

- **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 %)



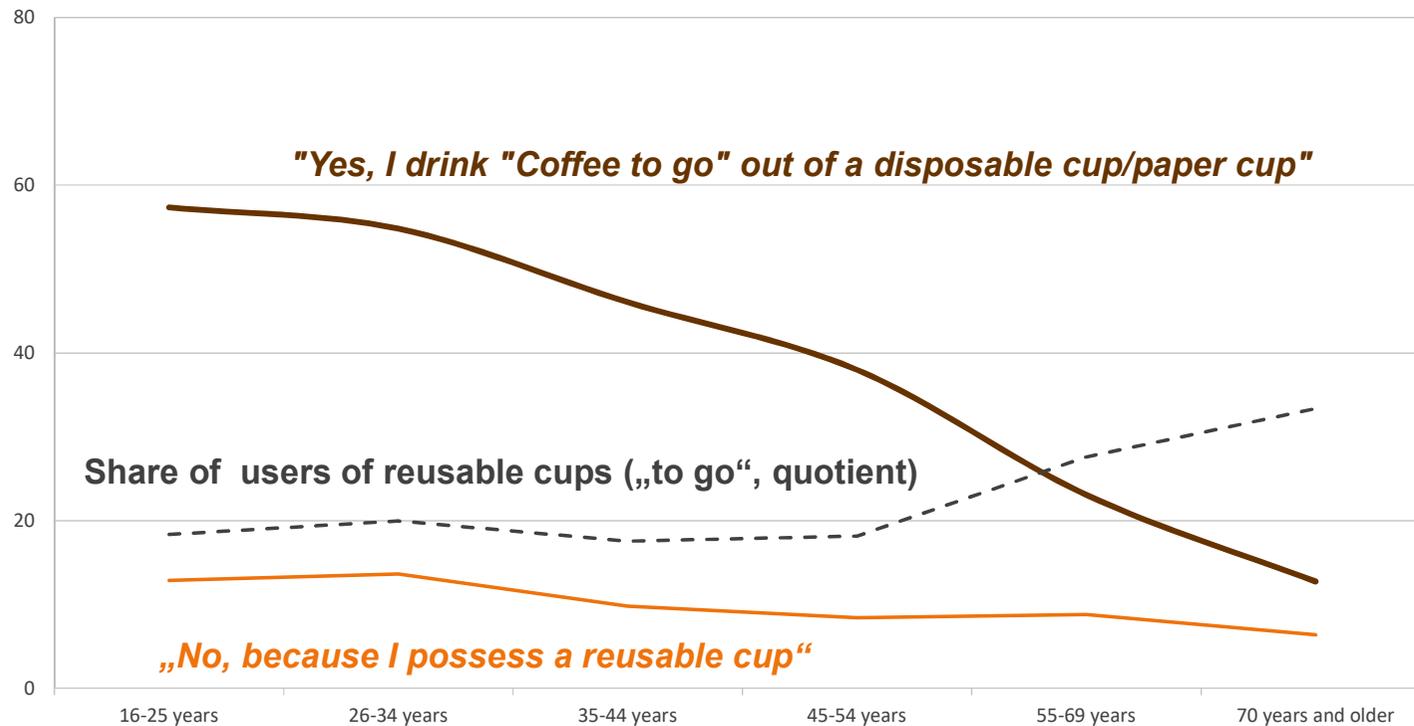
Waste volumes - through disposable cups and capsules - are the top issues for which consumers want solutions.



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.

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 %)



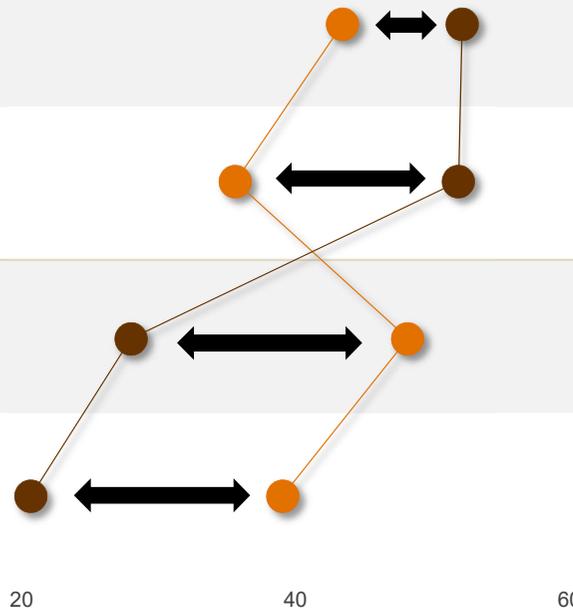
● 16 – 25 years ● 55 – 69 years

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?



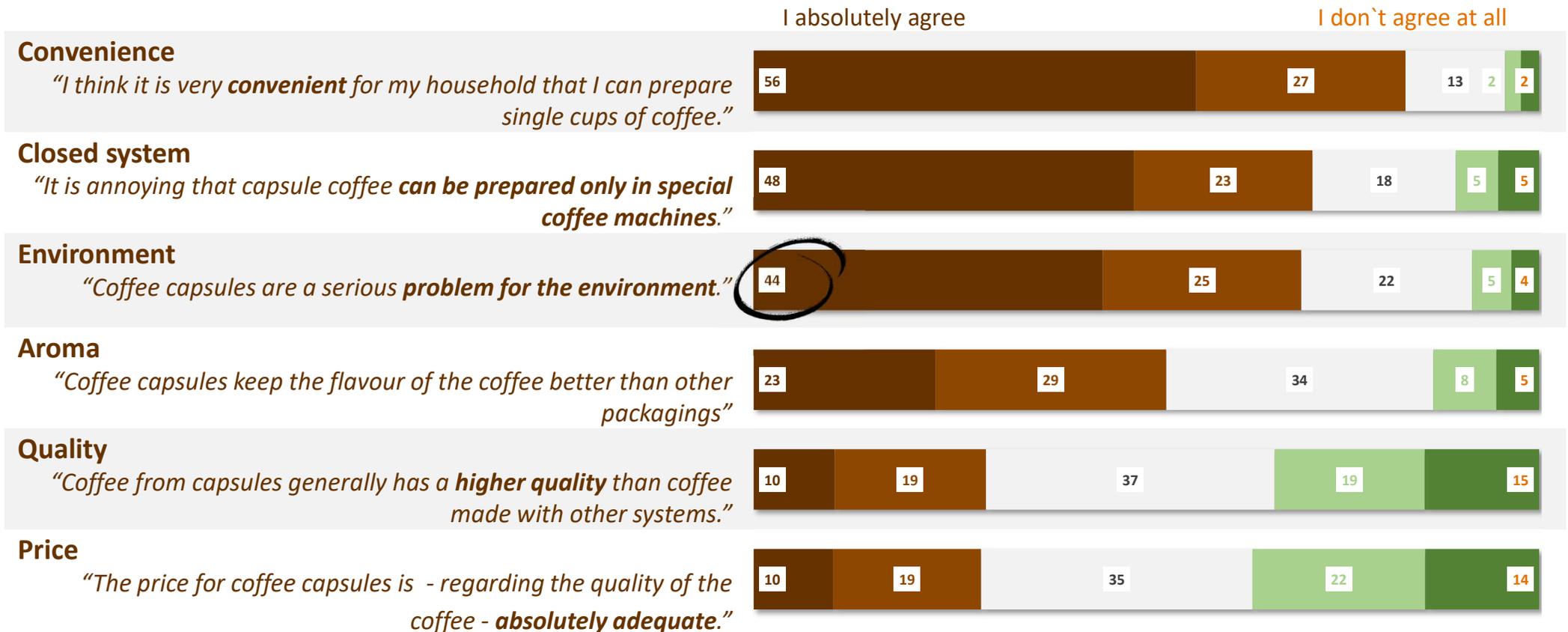
68 %

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 %)

 Users of coffee capsules



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



**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

	Total rank	Promises special taste	Is credible	Arouses interest in tasting	Makes coffee something very special	Justifies a higher price
<i>Fairtrade label</i>	1	1	1	1	1	1
<i>fair payment, good local working conditions</i>	2	2	3	2	2	2
<i>fair traded</i>	3	3	2	3	3	3
<i>no exploitation of children</i>	4	6 ↓	5	4	4	4
<i>grown by local cooperative</i>	5	4	4	5	5	5
<i>directly traded</i>	6	5	6	6	6	6



The label is most trustworthy.



But also other features can justify a higher price.

ECOLOGY: EVALUATION OF DIFFERENT FEATURES

	Total rank	Promises special taste	Is credible	Arouses interest in tasting	Makes coffee something very special	Justifies a higher price
<i>grown without chemics and pesticides</i>	1	1	2	1	1	2
<i>organic coffee cultivation</i>	2	3	1 	2	2	1
<i>grown biodynamical</i>	3	2	5	4	3	3
<i>grown without genetic engineering</i>	4	4	3	3	4	5
<i>Organic label</i>	5	5	4	5	5	4

- “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*

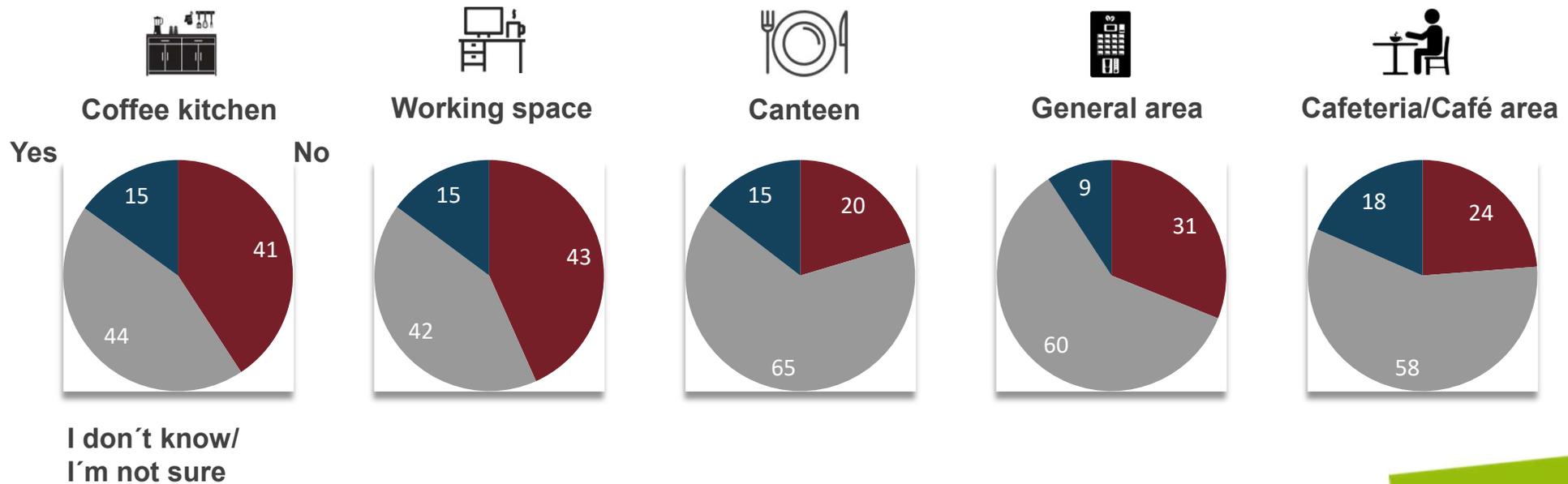
organic coffee cultivation

- **„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.

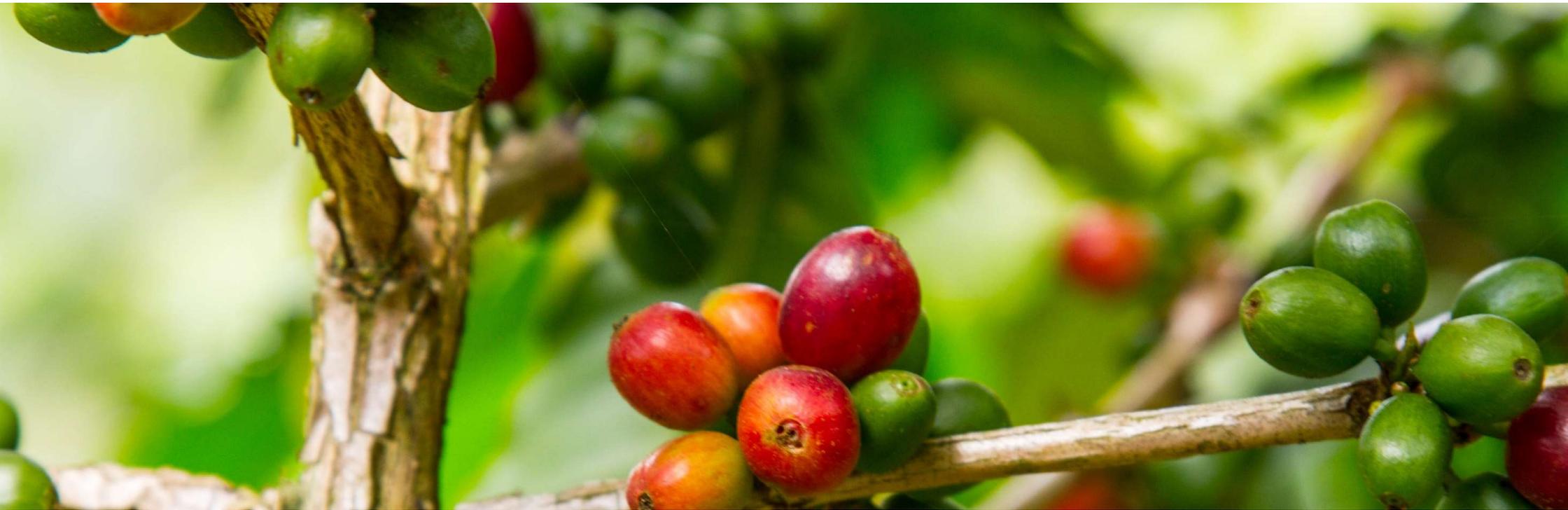
HOW STRONG IS THE INTEREST IN INFORMATION ABOUT COFFEE CULTIVATION?



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!

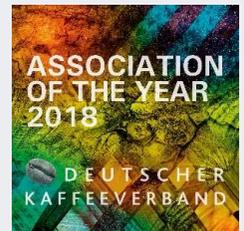
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