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COFFEE DIRECTORATE

Domestic Coffee Consumption Survey and Coffee houses Census Report 2023/2024

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2023/2024

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FOREWORD

Kenya's coffee market comprises four distinct segments: traditional, specialty, emerging, and domestic markets. The domestic market positions itself as an easily accessible and lucrative segment globally because it presents less market and price risks. For over a decade, the Agriculture and Food Authority-Coffee Directorate has been working to enhance the popularity of coffee beverages among Kenyans, aiming to increase local coffee consumption and explore international markets for value-added coffee.

The Directorate has a mandate to develop, regulate, and promote the coffee industry in Kenya. Information gathering is crucial for actualizing this mandate The Directorate conducts a survey on domestic coffee consumption after every two years to assess trends and value addition initiatives within the country. This report is part of the Directorate's core functions as outlined in section 4 (c) of the Agriculture and Food Authority Act 2013, which involves collecting, collating, maintaining databases, and disseminating reliable information for trade, research, and national planning functions.

Bi-annually, the Coffee Directorate undertakes a study survey on the quantities of locally produced coffee that is consumed through a census of coffee shops in Kenya to capture critical attributes in the competitive coffee market. This information informs new marketing strategies and provides a regular update on trends in the domestic coffee consumption market. These efforts are essential for assessing the impact of domestic consumption campaigns aimed at cushioning producers from the highly volatile international coffee markets. Local coffee consumption is a key target market segment that spurs growth in coffee-producing and exporting countries.

Collecting reliable and accurate coffee data is a shared responsibility between the public and private sectors. The Government of Kenya requires this data to make informed decisions on strategies and prioritize resource mobilization and allocation. Implementing agencies and partners need this data to monitor and track the sector's performance, while individual traders use it for managing their supply chains. Appreciation is extended to the Director General, Agriculture and Food Authority (AFA), Coffee Directorate staff, and all coffee stakeholders for their valuable support in preparing this report.

It is my sincere hope that our readers will find the information in this booklet to be invaluable and information that provides the capacity that will aid in decision making in coffee business in Kenya.

Dr. Benson O. Apuoyo, PhD.

Acting Director, Coffee Directorate

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EXECUTIVE SUMMARY

The 2023/24 Coffee Consumption Survey Report provides a comprehensive analysis of coffee consumption trends in Kenya, set against the backdrop of global patterns. Globally, coffee consumption saw a slight decline in the 2022/23 coffee year, dropping by 2% to 173.2 million bags due to economic pressures such as rising living costs, reduced incomes, and diminished coffee stocks. Despite these challenges, global coffee consumption is projected to rise by 2.2% to 177.0 million bags in 2023/24, driven by growth in non-producing countries like North America and Europe.

In Kenya, the coffee consumption landscape has shown significant growth and adaptation. Consumption grew by 19% from 1,722 MT in the 2021/2022 to 2,051 in the 2022/2023 coffee year. This growth is attributable to initiatives by the government to promote value addition in the coffee value chain.

The survey was carried out across 40 counties within the municipalities of the counties. The survey further highlights a 54% increase in the number of coffee houses, from 506 in the 2021/22 survey to 781 in the 2023/24 period, reflecting an increase in local coffee consumption business and indicating an increase in out of home coffee consumption. The survey also looked into the instant coffee market, 155 of the total number of coffee shops surveyed served instant coffee alongside brewed Kenyan coffee. In the year 2024 a total of 564,338.29 GBE Kgs of instant coffee was imported and supplied in the Kenyan market.

Coffee shops in Kenya vary widely, with a focus on diverse menus, welcoming ambiance, and quality customer service. Popular drinks among Kenyan consumers include traditional Kenyan coffee, espresso, cappuccino, and flavored lattes, with younger demographics showing a preference for specialty coffee drinks.

Emerging consumption trends highlighted in the report include a growing preference for premium and specialty coffee, driven by younger consumers' tastes for unique and high-quality flavours. There is also an increasing trend towards sustainable and ethically sourced coffee, reflecting a broader global movement towards environmental consciousness and social responsibility. These trends indicate a positive trajectory for the Kenyan coffee market, aligning with global shifts in consumer preferences.

The report underscores several challenges for the Kenyan coffee industry, including high production costs, fluctuating global prices, and the impacts of the changing global economic landscape on both coffee consumption and ability to purchase coffee brewing equipment. Infrastructure issues and competition from other beverages also present local challenges. Despite these obstacles, consumer preferences are shifting towards premium and specialty coffee, indicating a trend towards higher quality and unique flavors.

Key takeaways from the report emphasize the resilience and adaptability of the Kenyan coffee industry. With a significant increase in coffee house numbers and evolving consumer preferences, Kenya's coffee sector is well-positioned for continued growth and development. The projected global economic growth provides a stable environment for the Kenyan coffee industry to thrive and further enhance its contribution to the local and global coffee markets.

BACKGROUND

Coffee, a beloved beverage cherished across continents, serves as more than just a morning pick-me-up; it embodies a global culture, economy, and tradition. Coffee consumption has over time become both a global and local phenomenon, transcending borders and cultural divides. From vibrant urban cafes to remote villages, the rich aroma and diverse flavours of coffee have become ubiquitous in the lives of millions worldwide. Whether it's enjoying the well-known "Kahawa Chungu", relishing the distinct taste of Kenyan coffee at home, or indulging in a creamy Cappuccino at a modern coffee shop chain, the love for coffee knows no bounds.

Global and Regional Consumption Trends
In coffee year 2022/23, the overall expectation was a smaller positive growth in global consumption. However, there was a decrease by 2% to 173.1 million bags in the current coffee year as compared to 2021/22 where 176 million bags were consumed globally. Coffee consumption diverged from the usual trend due to high living costs, shrinking incomes, and reduced stocks. Despite coffee's usual stability, global economic challenges likely drove down demand. Inflation peaked at 9.4% in 2021, with benchmark interest rates hitting their highest average since 2000 at 4.9% by September 2023 in key regions like the EU, UK, and USA. Stocks plummeted by 4.8 million bags from 14.5 million to 9.8 million, likely resulting in fewer international purchases and lower global coffee consumption for the year. (International Coffee Organization, 2023)

Table 1: Highest per capital consumption

Country	Annual Per Capita Consumption (Kgs)
Finland	12
Norway	9.9
Iceland	9.0
Denmark	8.7
United States of America	4.4
Kenya	0.04

The highest annual per capita consumption occurs in Scandinavian countries, table 1 above shows the comparison of consumption per capita in those countries and USA as compared to Kenya. Figure 1 below further details the overall global coffee consumption by region.

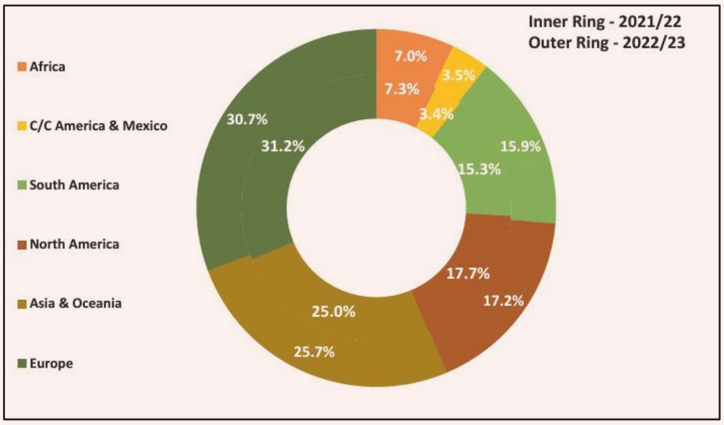


Figure 1: Global Consumption by regions. Source: ICO

The 2023/24 coffee year, global coffee consumption outlook assumes that the global economic growth will remain above 3.0% and industry responses to significant stock drawdowns, projecting a 2.2% rise to 177.0 million bags globally. Non-producing countries are expected to drive this increase, with a 2.1% growth rate (International Coffee Organization, 2023).

In coffee year 2022/23, Africa's overall coffee consumption declined by 4.7%, totaling 12.3 million bags. This decrease continues a trend from the previous year, reflecting a concentrated market where the top six countries, including Algeria, Egypt, Morocco, and South Africa, dominate 72% of consumption. Algeria and Morocco saw significant declines due to economic challenges—Algeria's consumption dropped from 2.5 million to 1.8 million bags amid high inflation and living costs, while Morocco's five-year drought impacted agricultural incomes and contributed to a 17.4% decline in coffee consumption.

However, some countries showed resilience or growth in coffee consumption. Kenya recorded an increase by 16% Ethiopia, despite internal conflicts until late 2022, experienced a 2.1% increase in consumption due to improved stability post- conflict. Sudan, despite economic hardships and political instability, surprisingly saw a 30.0% rise in coffee consumption in 2022/23 to 0.4 million bags. These contrasting trends illustrate how socio-economic factors deeply influence coffee consumption patterns across Africa, with countries like Ethiopia benefiting fom peace dividends while others struggle with economic downturns and environmental challenges.

Kenya's Initiatives and Experience

The country's consumption rates remain modest and mainly attributable to the long-standing tea drinking culture in Kenya and low knowledge on coffee as a beverage. Local value addition of Kenyan coffee has however been on an upward trajectory across the years with a consistent year on year increase in the local roasting, and local consumption reaching 2,051 MT in the year 2022/2023 as compared to 744 MT 10 years ago.

Kenya continues to navigate its relationship with coffee consumption within the context of shifting global trends and local economic dynamics. This report aims to delve into the intricate patterns of coffee consumption in Kenya, shedding light on its current status, trends, and potential implications and highlighting on the findings of the 2023/2024 domestic coffee consumption survey.

Coffee consumption is gaining popularity globally especially with the Millenials and the GenZ s. The intrinsic coffee value and certain attributes of coffee houses are certainly some of the driving forces behind this generation's coffee consumption demands globally.

The Directorate in 2021 undertook a study on Promoting Domestic Consumption of Kenyan coffee that identified the key issues that are of strategic importance in promoting coffee consumption in the country. The Key objectives of the study were:

i. To raise local public awareness of Kenyan coffee
ii. To increase demand for Kenyan coffee in the local market
iii. To enhance recognition of the Coffee Kenya Brand identity
iv. To strengthen stakeholder linkages across the coffee value chain.

The strategic issues identified were:

i. Dissemination of information on Kenyan coffee and its benefits
ii. Innovativeness in differentiation and augmentation of Kenyan coffee
iii. Establishing strong brand connections with the market and coffee retail outlets
iv. Giving visibility to the discourse on local consumption of Kenyan coffee in line with emerging economic and sociological consumer consciousness
v. Strengthening the institutional capacity (both systems and human capital) in order to effectively deliver on consumption transformation agenda of the coffee sector
vi. Deepening and expanding partnerships with key institutions and practitioners across the coffee value chain

Coffee consumption globally is gaining popularity as is the case in Kenya especially among the youth as a positive consequence of the unrelenting and dedicated coffee consumption campaigns that have been undertaken by the Coffee Directorate. These campaigns have majorly been targeted at the youth in a bid to introduce them to coffee at an early stage and to endear them to the coffee drinking culture.

The Coffee Directorate's activities in terms of promotion of coffee consumption fall in line with the Bottom Up Economic Transformation Agenda (BeTA) that emphasizes on value addition in the Agriculture sector. An increase in domestic consumption increases the local demand for Kenyan coffee and consequently increased earnings to farmers who will in turn be cushioned marginally from the volatility of the global coffee prices.

Beyond being a daily habit, coffee fosters social connections, enhances productivity, and stimulates creativity. Its versatility, spanning from classic brewing methods to innovative specialty blends, ensures there's a coffee experience suited to every preference and palate.

THE STUDY APPROACH

This chapter highlights ho the study was carried out that is,the Objectives, expected outcomes, scope of the study, and methodology of the study.

I. Study Objectives;

The broad objective of the study was to establish the actual quantities of Kenyan coffee consumed locally. Specifically, the study aimed to:

a. Conduct a detailed analysis of coffee consumption trends in Kenya, segmented by region.
b. Identify key drivers influencing and barriers affecting coffee consumption, providing actionable insights for stakeholders.
c. Assess the economic impact of value-added Kenyan coffee, examining its contribution to local economies and exploring opportunities for growth.
d. Provide tailored recommendations to enhance domestic coffee consumption, emphasizing marketing strategies, product diversification, and investment in value addition.

II. Expected Outcomes:

The expected outcomes of the study were:

a. Clear insights into the volumes of coffee consumed in Kenya for 2023, providing a comprehensive overview of consumption patterns.
b. Identification of growth opportunities in coffee consumption in Kenya, including targeted demographics and emerging markets.
c. In-depth understanding of the economic significance of value-added Kenyan coffee.
d. Tailored recommendations for stakeholders to enhance domestic coffee consumption, including actionable strategies and investment pathways.

III. Scope

In this year's study the Directorate aimed at covering a larger region in order to expand the scope of the study. In previous years, counties such as Turkana, Wajir, Garissa, Lamu, Samburu, Mandera, Tana River and Marsabit w ere omitted from the study due to security and logistical considerations. However, in the latest study, Turkana was covered in the study to increase the coverage to 40 counties as opposed to 39 in the previous years.

The basis of selection of these Count ies was based on accessibility, security and logistical considerations. Counties such as Wajir, Garissa, Lamu, Samburu, Mandera, Tana River and Marsabit were omitted from the study. These were omitted due to logistical challenges as well as budgetary const raints. However similar to Turkana, in years to come, the Directorate plans on expanding its scope to capture a more wholistic picture of the nature of coffee consumption in Kenya.

Sampling was based on the list of licensed businesses obtained from the respective county governments which provided the study with unit of analysis in this case individual coffee shops and outlets selling coffee within the municipalities of the county. All coffee shops qualified to be included in the study.

IV. Methodology

This applied research aimed to address two key inquiries: "What is the current level of domestic coffee consumption?" and "How many coffee shops are operational in the country?" No hypotheses were tested to derive the provided figures. The methodology required gathering both primary and secondary data retrospectively from roasters.

The study adopted a descriptive approach, utilizing nearly identical data collection instruments from the previous survey with a few improvements. Its objective was to offer a comparative analysis, facilitating the Directorate in conducting fair before-and-after assessments of domestic coffee consumption trends.

A listing of the coffee houses in a comprehensive study proposal was drafted as part of the budget, outlining all decisions and justifications for conducting the research. A blend of quantitative and qualitative methods was employed to capitalize on the respective strengths of each approach, aiming to yield insights that may not be attainable through a singular methodological approach.

a. Target population

The study surveyed coffee houses in 42 counties. Similarly, an internal list was obtained from the Regulations and Compliance department of the Coffee Directorate which aided in the identification of coffee roasters. These two sources and the listing frames provided by the County Government to the Directorate provided the useful secondary data needed during the planning phase of the study.

b. Survey Implementation

The overall implementation of the study was coordinated and supervised by the Deputy Director, Market Research and Product Development (DDMRPD) in consultation with the Acting Director, Coffee Directorate as per the Performance Contracting period 2023/24. Two teams were formed to undertake the study concurrently. The West of Rift team leader was Ms. Josephine Simiyu (DD-MRPD) while the East of Rift team leader was Mr Calvin Baraka (Statistician).

During the actual field-work phase, establishments or businesses that roasted, brewed and served coffee were visited and a questionnaire administered using the mobile application (KoboKolect) to the barista or establishment manager. Other sources of our study data included data extraction from buyers/roasters monthly returns.

c. Training on data collection

Pre-testing of the mobile app was done in the Nairobi's Central Business District (CBD) in December in preparation for the actual survey carried out in January through to March 2024. Training of the participants on ODK was conducted on 18th January 2024 at the Directorate's Boardroom. A total of 17 participants were involved the initial training and pre-testing of the application within the CBD.

d. Data collection and analysis

The study data was collected using Open Data Kit (ODK) customized from a mobile application software for android enabled devices. The application was GPS enabled with an a ccuracy of 10 Metres radius and capable of collecting data offline. The transmission was done electronically on real time and cleaned using Comma Separated Values (CSV) while analysis was done using both SPSS and Python statistical applications.

FINDINGS OF THE STUDY

This chapter presents the findings of the study on coffee consumption in Kenya, offering a detailed analysis of trends, consumer behaviors, preferences, coffee shops characteristics, pricing of brewed coffees and roasted coffee supply within Kenya. The research explores various demographic factors that influence coffee consumption patterns, including consumer age, consumer taste profiles , coffee shop location, coffee shop size, coffee shop years in operation and shop category. By examining the local coffee culture, market dynamics, and consumer motivations, the study aims to provide a comprehensive understanding on factors that shape the coffee consumption dynamics in Kenya.

a. Domestic Coffee Consumption Trends

Coffee consumption in Kenya has been on a strong uptrend across the last 10 years with consistent year in year increase as shown in figure 2 below. Consumption grew by 16% in 2022/2023 as compared to 2021/2022, that is from 1,722 MT to2,051 MT. The overall trend suggests a continuation in the positive growth in coffee consumption across Kenya.

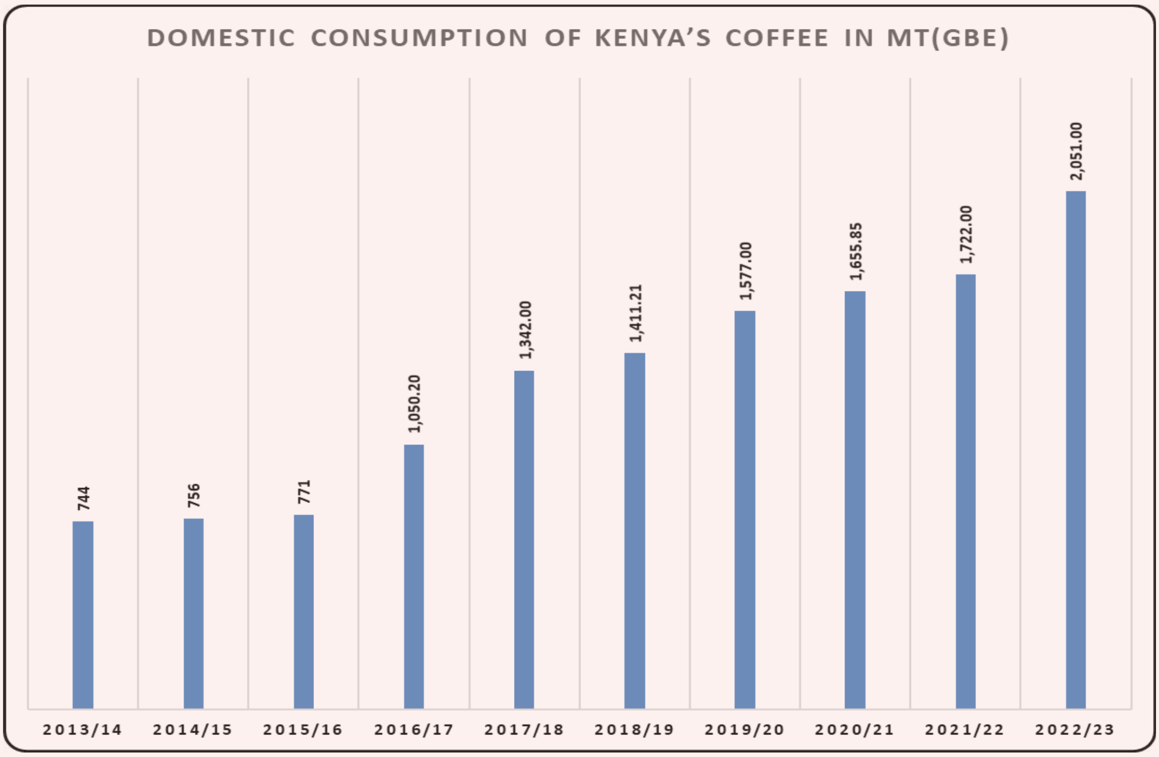
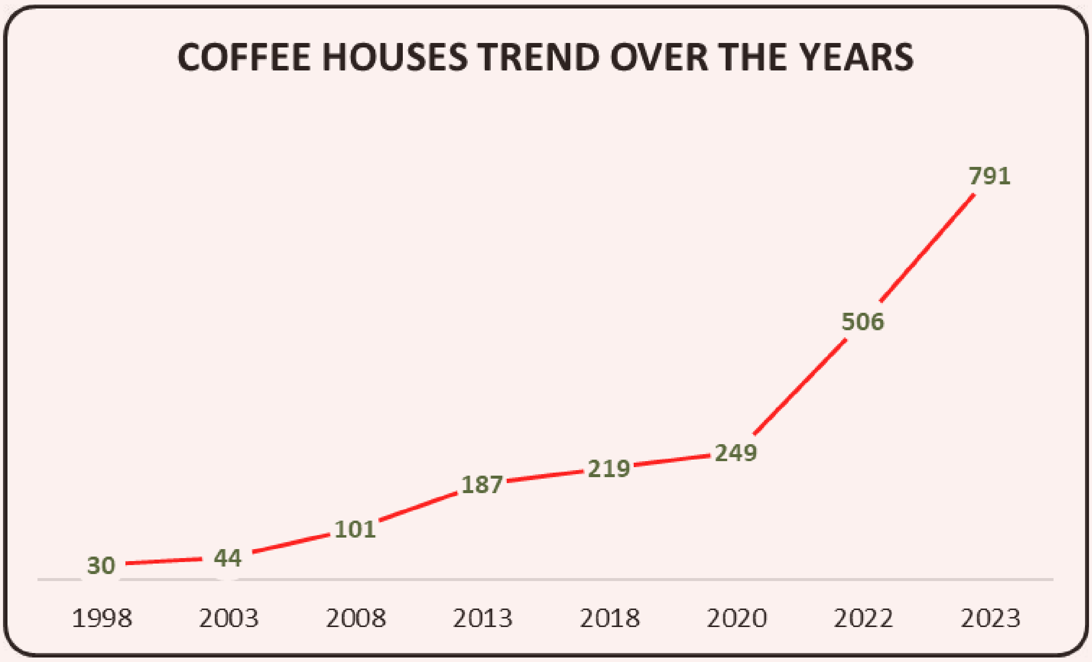


Figure 2: Trend in Domestic Coffee Consumption over the last 10 years

This increase in value addition and local coffee consumption is tied to a number of factors that will be explored but heavilyon increase in coffee shops. This consumption is primarily facilitated through 781 coffee houses scattered across the nation which is an increase by 54% from 506 coffee houses in the previous survey carried out in 2021/2022 as can be seen in figure 3 below

Figure 3: Trend of establishment of coffee houses (1998 - 2023)



Despite the at -home consumption being high as compared to pre - covid levels an increase by 4% as compared to January 2020 (Daily Coffee News, 2023) , there has been a steady increase in out -of-home consumption post-covid especially in Kenya coinciding with the continued increase in the number of coffee houses and a growing emphasis on sustainability and ethical sourcing in Kenya's coffee sector, reflecting global consumer preferences. This shift towards supporting local and small - scale coffee producers may have long -term implications for K enya's coffee industry, necessitating resilience and adaptability in navigating the evolving landscape.

In addition to being a major coffee producer, Kenya is actively carrying out coffee consumption campaigns and encouraging its coffee industry players to invest industrial processing in order todrive up the level of coffee value addition and this has played a major role in the rapid increase in consumption levels.

As the global coffee consumption landscape evolves, Kenya finds herself at a pivotal point, balancing tradition with economic imperatives. While challenges persist, including the impact of global economic fluctuations and the need for enhanced industrial processing, opportunities for growth and innovation abound. Through comprehensive analysis and strategic initiatives, Kenya can harness its rich coffee heritage to navigate the dynamic terrain of global coffee consumption, carving a path towards sustainable development and prosperity. This report sets the stage for a deeper exploration of Kenya's coffee consumption dynamics, offering insights essential for informed decision-making and policy formulation.

b. Coffee Shops Distribution, Characteristics and Consumer Profiles

In the 2023/2024 coffee consumption survey, a number of factors were looked at to effectively determine the characteristics of coffee shops across the country. These metrics included:

The coffee shop operational parameters and characteristics which included:

County of location
Size of the coffee shops
Years in operation
Ownership type

i. Coffee Shops Distribution and Characteristics

As has been the case over the years, the coffee drinking culture has mainly been centered within the urban centers. However, this time the survey targeted more than just urban centers as the whole survey focused on both coffee houses within the urban centers and hotels/resorts located outside of urban centers. This gave a feel of the consumption driven by the general public and both domestic and international tourism.

A breakdown of the number of coffee houses across the various counties and distribution in the country shows that 29% of coffee houses were located in Nairobi County having the highest concentration of coffee outlets in the country followed by Nakuru and Kilifi Counties having 11% and 6% respectively.

Table 2: Coffee shops distribution by county

County	No of Coffee Houses (2022)	No of Coffee Houses (2024)	% Distribution (2024)
Nairobi	199	231	29.20%
Nakuru	49	85	10.75%
Kilifi	24	48	6.07%
Mombasa	31	40	5.06%
Kisumu	23	33	4.17%
Machakos	11	32	4.05%
Kiambu	23	29	3.67%
Uasin Gishu	24	28	3.54%
Kwale	14	26	3.29%
Laikipia	9	23	2.91%
Narok	12	22	2.78%
Nyeri	8	22	2.78%
Bungoma	6	16	2.02%
Trans-Nzoia	6	16	2.02%
Isiolo	3	14	1.77%
Meru	9	14	1.77%
Kajiado	4	13	1.64%
Busia	6	11	1.39%
Kirinyaga	5	11	1.39%
Embu	1	9	1.14%
Murang'a	1	8	1.01%
Kisii	6	7	0.88%
Makueni	2	7	0.88%
Taita-Taveta	2	7	0.88%
Kakamega	8	6	0.76%

County	No of Coffee Houses (2022)	No of Coffee Houses (2024)	% Distribution (2024)
Kericho	3	6	0.76%
Baringo	5	5	0.63%
Bomet		4	0.51%
Migori	1	4	0.51%
Vihiga		4	0.51%
Turkana		3	0.38%
Homa Bay	2	2	0.25%
Nandi	4	2	0.25%
Tharaka-Nithi	1	2	0.25%
Siaya	1	1	0.13%
Elgeyo Marakwet	2		0.00%
Kitui	1		0.00%
Grand Total	**506**	**791**	**100.00%**

However, Nakuru (36), Nairobi (32), Kilifi (24), Machakos (21) and Laikipia (14) represented the top 5 in increase in the number of coffee houses in the country. The overall trend was an increase in the number of coffee shops in almost every county.

ii. Coffee Shops Category by Size

Coffee shops were further categori zed according to size. In the survey, the outcome of coffee shop/hotel size was broadly categorized into Small Hotel (800 Sq meters or less), Medium Hotel (1000 – 1750 Sq meters) and Large Hotel (1800 Sq meters or more). Majority of the coffee shops surve yed were Medium sized (50%) while the small and large hotels accounted for 28% and 22 % of the entire population surveyed.

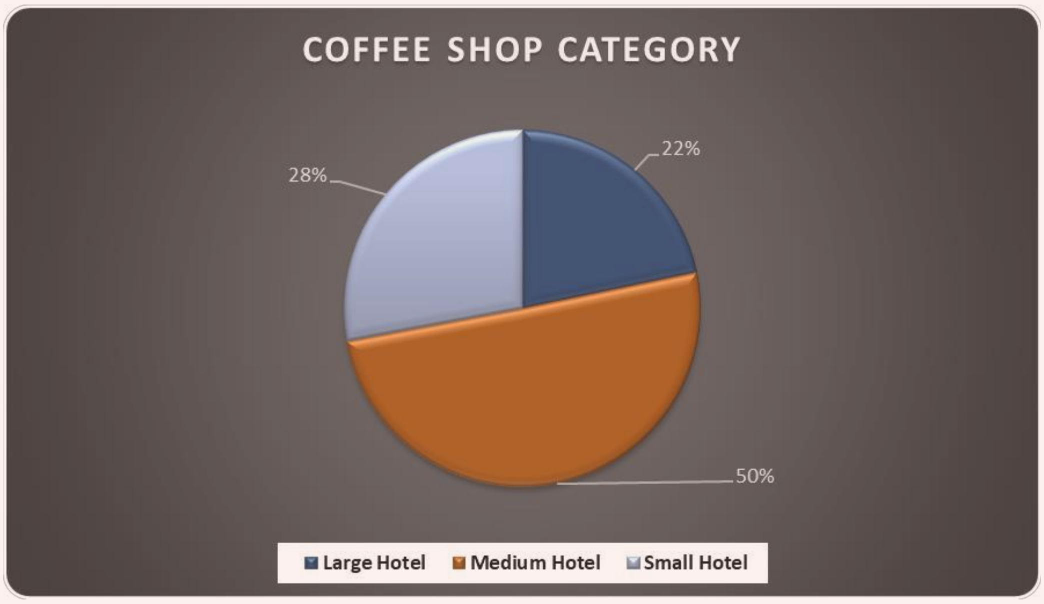


Figure 4: Coffee Shop Size Category

On average, the hotels served 80 customers per day. Specifically, Large Hotels served on average 100 clients per day, Medium hotels 70 clients per day and small hotels an average of 50 clients per day. These clients were for both the barista corner and the non-coffee drinks served at the barista bars.

Majority of the cof fee shops, 62% were independently owned while 33% were chain stores and 6% franchises. Franchise stores were mainly localized in petrol stations. Independent owned coffee shops were mainly tailored to consumer preferences with many endearing themselves to the trendy and social media influenced vibe that is the current craze. The designs were modernand, in some cases, what would be described as chill in nature. This was particularly evident in the ones located in the coastal region as these adapted to serve coffees that were tailored to the hot weather:

Figure 5: Salty's Kilifi – Beach Side Restaurant and Coffee Shop

Longevity is of importance in any business venture as well as continuous growth. To find out how coffee shops were fairing in the current economic conditions as well as recovery post Covid -19, the length in business was checked. As can be seen in the table below, majority of the outlets were more than 4 years old in business that is 48%.

Table 3: Coffee shop distribution by years in operation

Years in Operation	No.	%
Less than a year	74	9%
1 - 2 years	173	22%
3 – 4 years	162	21%
More than 4 years	382	48%
Total	**791**	**100%**

Encouragingly 34% of the surveyed outlets were in operation for between less than a year to 3 years. This showed encouraging signs and alluded to the rapid increase in consumption. Considering that the majority of the outlets were more than 4 years old, it is expected that the new outlets will outlive the teething challenges and eventually become renowned coffee shops.

iii. Coffee Roasting and Brewing

The menu of the average coffee house surveyed contained at the very least, house coffee, white coffee, espresso and most popularly the cappuccino. The cappuccino was the most popular menu item while the specialized brews like macchiato, mocha, lattes and iced coffee were not so popular. The table below shows for each brew the % availability in menus of the outlets visited:

Table 4: Coffee based menu items

Brew	% Availability in Menus
Cappuccino	75%
House Coffee	66%
Macchiato	52%
Mocha	63%
Espresso	72%
Café Late	69%
Americano	62%
Flat White	40%
Iced Coffee	49%

Due to change in consumer preferences, there was an increase in the number of specialized brews requested and prepared in various outlets, these included:

Alcoholic coffees (Irish Coffee, Russian Coffee and Baileys Coffee)
Ethiopian coffee & Ethiopian Espresso
Somali coffee
Lemon Coffee
Different types of Macchiato and Latte (Caramel, Malindi, Mambo, Vanilla etc)
Dalgona

Figure 6 : Innovative Coffee Roaster at Gilead Estate – Murang'a

The increase in consumer understanding and preference puts the Kenyan coffee drinking culture at a favorable place in terms of experimentation and growth. Nairobi had the highest amounts of coffee brewed across all counties with 35% followed by Kilifi (Malindi, Diani and Kilifi Town) – 21% and completing the top 3 was Nakuru (Nakuru Town and Naivasha) – 10%. This can be further observed in figure 5 below

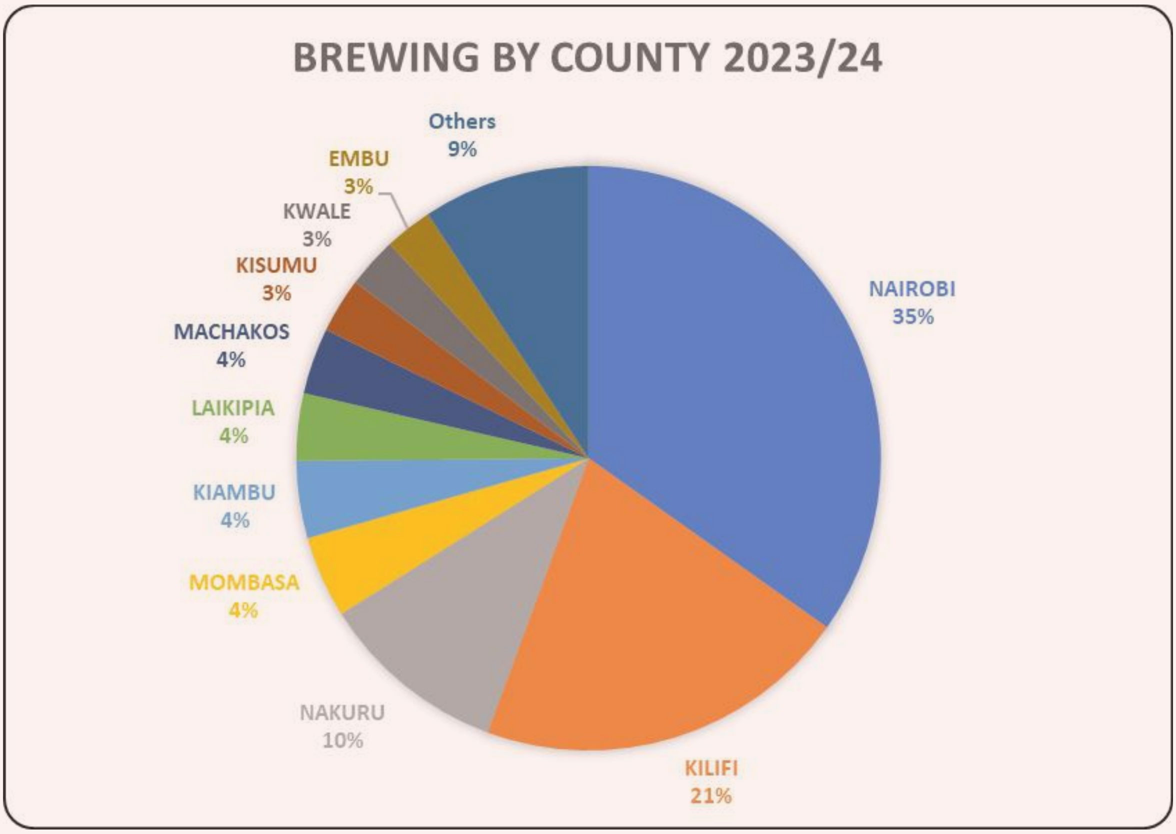


Figure 7: Coffee Brewing by county

Home consumption has increased over the years as more individuals opt for in-home consumption. Majority of the coffee sold for home consumption was local coffee while three Java brands namely; Uganda (*Kigezi Special*), Rwanda (*Lake Kivu*), Ethiopian (*Yirgacheffe*) were non Kenyan origin coffees sold over the counter. Similarly, along the coast especially Malindi coffee of Italian Origin (*Espresso Sachets*) were used extensively.

Figure 8: Italian Espresso Sachet

iv. Pricing of Brewed Coffee by Cup Size

Pricing of brewed coffee across the counties was captured under 3 categories; Small, Medium and Large cups for the different brewed coffee categories. The overall average price for small, medium and large overall was Ksh 180, Ksh 240 and Ksh 280 respectively. The prices for the small, medium and large ranged between Ksh 100-300, Ksh 150-320 and 200-350 respectively.

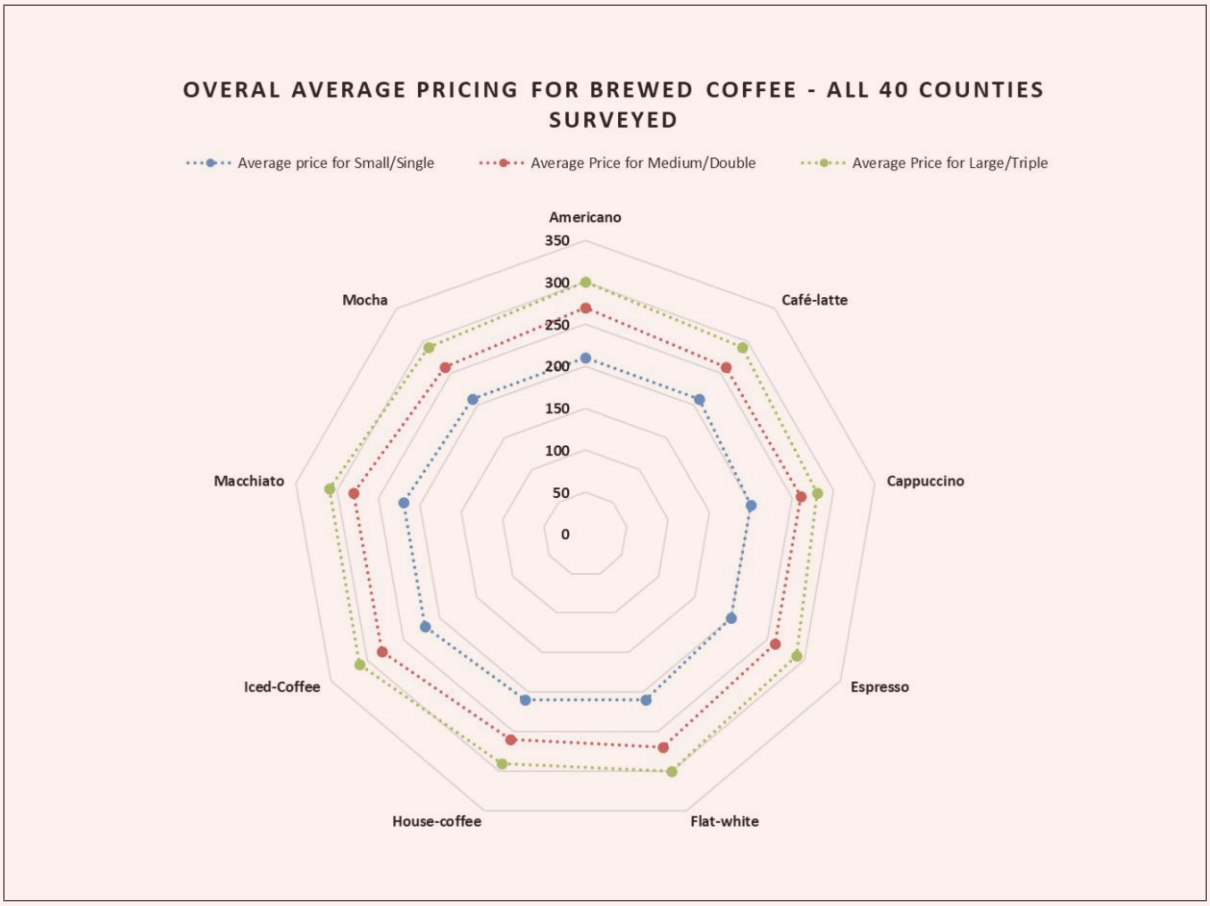


Figure 9: Overall average pricing of brewed coffee

Table 4 below shows the breakdown in pricing per county and the overall average in the country for the different cup sizes. The highest prices were observed in Mombasa county where the price ranges were between Ksh 300-350 while the lowest were observed in Busia with a range of Ksh 100-200.

Table 5: Average Prices of Brewed Coffee per County

County	Average price for Small	Average Price for Medium	Average Price for Large
BOMET	170	210	270
BUNGOMA	180	210	270
BUSIA	100	150	200
EMBU	120	150	220
HOMA BAY	250	300	350
ISIOLO	180	240	320
KAJIADO	240	250	260
KAKAMEGA	170	230	260

Table 5: Average Prices of Brewed Coffee per County (CONTINUATION)

County	Average price for Small	Average Price for Medium	Average Price for Large
KERICHO	230	270	300
KIAMBU	130	150	230
KILIFI	180	260	340
KIRINYAGA	190	220	230
KISII	190	240	340
KISUMU	220	300	350
KWALE	200	270	350
LAIKIPIA	200	220	270
MACHAKOS	120	190	260
MAKUENI	150	220	260
MERU	180	190	230
MIGORI	180	260	300
MOMBASA	300	320	350
MURANG'A	210	240	230
NAIROBI	230	280	310
NAKURU	200	270	310
NANDI	100	200	300
NAROK	170	270	310
NYERI	150	230	250
SIAYA	200	250	300
TAITA TAVETA	150	220	280
THARAKA NITHI	100	190	230
TRANS NZOIA	200	240	310
TURKANA	230	280	320
UASIN GISHU	210	260	330
VIHIGA	130	190	240
Country Average Prices	**180**	**240**	**280**

v. Total Quantities Processed and Supplied for Local Market.

Quantities in kilograms and sixty-kilogram bags of locally produced and processed coffee by players is given in table 6 below. These quantities have been converted to their respective Green Bean Equivalent (GBE). This value excludes the ground and roasted coffee that has been exported by individual companies.

Table 6: Top 25 Roasters 2022/2023 Coffee Season in Kilograms (GBE)

No.	Company	Weight - MT	Bags (60 Kgs)
1	C Dormans	710.01	11,834
2	Global Mark Foods Limited	299.17	4,986
3	Sasini PLC	191.66	3,194
4	Bekas Systems Limited	177.25	2,954
5	First Cup Coffee Ltd	138.40	2,307
6	Kenya Co-Operative Coffee Dealers Limited	67.43	1,124
7	Africa Tea and Coffee Co. Ltd	59.00	983
8	Kenya Nut Company Ltd	52.60	877
9	Fair to Good Limited	44.25	737
10	Spring Valley Coffee Roasters Limited	40.41	673
11	Super Gibs Ltd	31.84	531
12	Meru Central Coffee Co-Operative Union Ltd	30.20	503

Table 6: Top 25 Roasters 2022/2023 Coffee Season in Kilograms (GBE)

No.	Company	Weight - MT	Bags (60 Kgs)
13	Rockbern Coffee Group Ltd	29.98	500
14	Goldrock International Ent Co. (K) Ltd	26.06	434
15	Nairobi Java House Limited	25.76	429
16	Kafe Koko Limited	20.29	338
17	Elite Exim Limited	14.60	243
18	Faina Enterprises Ltd	13.43	224
19	Connect Coffee Company Ltd	12.50	208
20	Mutira FCS	11.90	198
21	Dedan Kimathi University	10.25	171
22	Coffee Directorate	6.74	112
23	Utake Coffee Ltd	6.50	108
24	Art Caffe	6.17	103
25	African Coffee Roasters	4.90	82
26	Others	19.82	330
	Total	**2,051.14**	**34,183**

vi. Instant Coffee

In the wake of a growing cost of living, coffee drinkers around the world substituted the more expensive traditional coffees, Australian coffee drinkers for instance still flocked the cafes for morning coffee however as the day progressed the consumers gravitated towards cheaper alternatives for their caffeine fix ("Australians Drinking More Instant Coffee as Cost of Living Pressures Mount for Customers and Cafes," 2024)

In Kenya, instant coffee consumption serves as an entry point for new coffee consumers especially due to its price point. Kenyan coffee consumers naturally gravitate towards instant coffee as a substitute for tea which is the most common beverage in Kenya. As per the survey, 155 (20%) of the total outlets served both brewed and instant coffee. The most popular brands of instant coffee served at the restaurants was Dormans and Nescafe in sachet form.

Supply of instant coffee into the market in the year 2023 was consisting of coffee majorly imported from Brazil (52%), Tanzania (36%) and Malaysia (6%). A total of 564,338.29 GBE Kgs was imported and supplied in 2023. Figure 10 below shows a breakdown of the imported and supplied instant coffee by source.

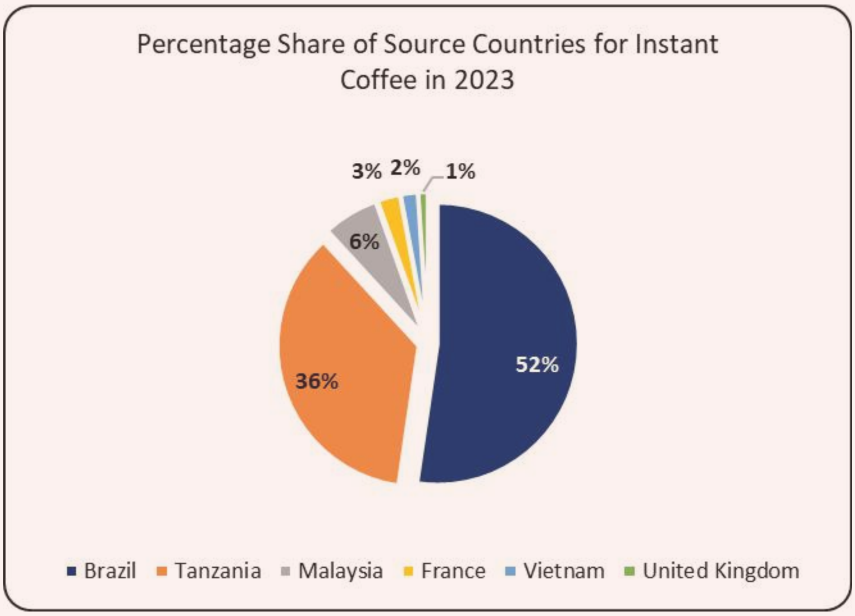


Figure 10: Percentage Share of Source Countries for Instant Coffee in 2023

Of the total volumes, there were 3 different types of instant coffees. That is, normal instant coffee (94%), Premix (5%) and Decaf (1%). There was also instant coffee that had additional value-add factors. The Organo Gold instant coffee apart from just coffee had mushroom based additives; Ganoderma. Ganoderma coffee is a beverage that contains Ganoderma lucidum (G. lucidum). G. lucidum is the scientific name for a specific mushroom, which is a type of fungus (Verywell Health, 2023).

Despite Kenya's reputation as a major producer of high-quality coffee beans, domestic consumption has traditionally lagged behind exports. However, the rise of both instant and traditional coffee is changing this dynamic, introducing more Kenyans to coffee drinking and potentially creating a bridge to appreciation of the country's premium coffee offerings. Local and international companies have recognized this opportunity, leading to increased marketing efforts and product diversification in the instant coffee segment, with flavored varieties and single-serve sachets gaining traction in the Kenyan market.

vii. The Consumer and Preferences

The age group that has the highest number of consumers at Kenyan coffee shops are aged between 30-40 years (57%) followed closely by those aged between 20-30 years (27%) while 14% were aged between 40-50 years, 2% aged over 50 years and about 1% were aged between 10-20 years. The youth tend to be most frequent visitors to coffee shops as those aged between 20-40 years made up the bulk of the customer base.

Furthermore, profiling the customer, it was noted that the overall, 49% loved their coffee medium strength, while 37% preferred it to be strong and 13% preferred their coffee mild. The average customer enjoyed milk-based brews which included the cappuccino (56%) and the Café Latte (16%). House coffee (Black) was the 3rd most popular at 16%. Table 4 below further shows the drinks popularity

Effective brand communication strategies, such asadvertisements both on print and electronic media seeks to drive the popularity of coffee thereby driving increased consumption.

Accessibility to information about Kenyan coffee brands through online platforms and dedicated coffee events has expanded consumer knowledge and appreciation, driving increased consumption.

The need to cater for customers' ever changing needs has spurred innovation and improvement among Kenyan coffee producers, roasters and brewers leading to higher satisfaction levels and repeat purchases among consumers.

D. Distribution & Dispensing Options

These factors determine the ease with which consumers can access and enjoy Kenyan coffee, thereby impacting consumption patterns.

The proliferation of coffee shops in key urban areas, offering a variety of Kenyan coffee brews and specialty drinks, has made it easier for consumers to access and enjoy high-quality coffee, leading to increased consumption.

Investment in barista training pr ograms has elevated the standard of coffee preparation and service, enhancing the overall coffee -drinking experience and encouraging repeat visits. This coupled with the rise in popularity of barista competitions further elevates the level and popularity of coffee.

Affordable and user-friendly coffee-making equipment, such as home espresso machines and single -serve brewers, has empowered consumers to enjoy Kenyan coffee at home, contributing to higher consumption rates.

On brand trendy packaging as well as eco -friendly packaging that appeals to its various target market leads to increased repurchase levels among the consumers.

Kenyan Coffee Taste Profiles

Kenyan coffees have a huge range of flavors and nuances depending on t he region, varietal and processing methods used. Kenya is huge country with a wide variety of cultures and customs and has a lot to offer to those who want to dive intdistinct regions. The best Kenyan coffees can have a full spectrum of flavors to those with a well-developed palate.

For the creation of this profiles, only washed coffee has been used to assess the flavors at their cleanest point. Several coffee estates and washing stations have been chosen from each

Table 7: Popular coffee drinks

Coffee Brew	Popularity %
Cappuccino	56%
Café latte	16%
House Coffee	13%
Espressos	8%
White Coffee	4%
Americano	1%
Mocha	1%
Instant	1%
Grand Total	**100%**

The matrix in table 5 below shows the favorite roasts for customers across the various outlets visited as well as the corresponding cup size preference for each roast. A number of b aristas noted that majority of their customers (50%) loved their coffee Medium strength (medium roast). About 38% preferred their coffee strong using dark roast beans or an espresso brew.

Table 8: Roast and Cup Sizes Preferences

Roast	Roast Preference (No.)	% Roast	Cup Size	Cup Preference (No.)	% Cup
Medium (Medium Roast)	**397**	**50%**	**Double/Medium**	**328**	**83%**
			Single/Small	**51**	**13%**
			Triple/Large	**18**	**5%**
Strong (Dark Roast)	**297**	**38%**	**Double/Medium**	**220**	**74%**
			Single/Small	**47**	**16%**
			Triple/Large	**30**	**10%**
Mild (Light Roast)	**97**	**12%**	**Double/Medium**	**61**	**63%**
			Single/Small	**25**	**25%**
			Triple/Large	**12**	**12%**

Besides coffee-based drinks, the customers most popular non-coffee drink was tea (47%), Fresh Juice (13%) and completing the top 3 were milkshakes and beer each at 8%

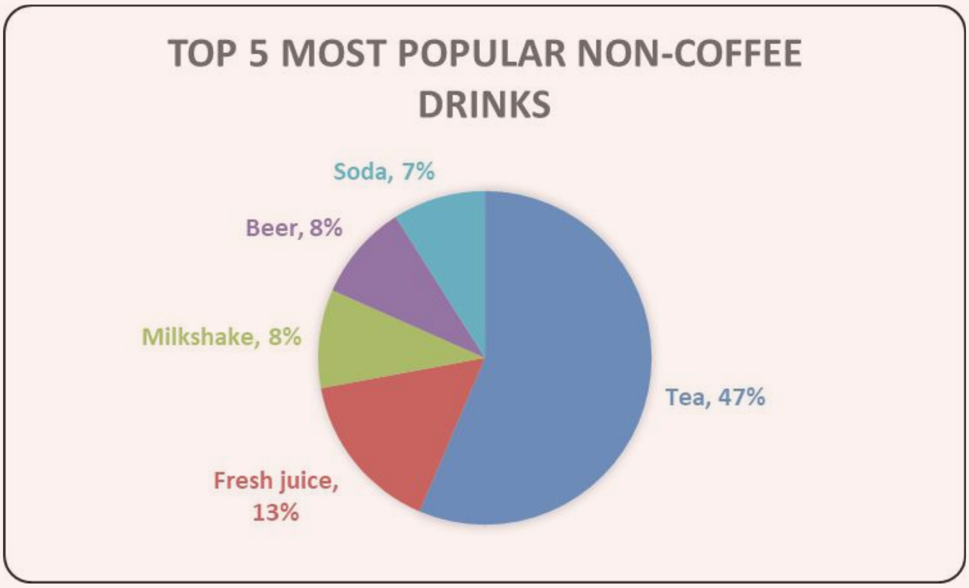


Figure 11: Top 5 most popular non-coffee drinks

Majority of the customers 58% as can be seen in the figure below preferred weekends as the day for visiting coffee shops while 42% preferred the weekdays. Both sets of days point to different sets of customer profiles as weekdays would allude to the working class who go to coffee shops for the aesthetic value while weekends usually allude to families and groups going for family time.

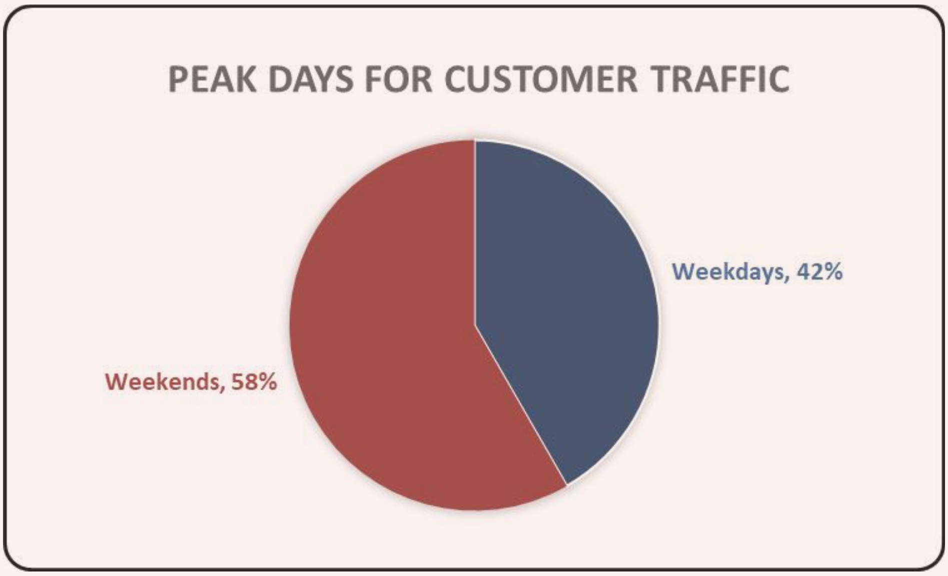


Figure 12: Customer Traffic

KENYAN COFFEE CONSUMPTION DRIVERS

The survey found that the consumption of Kenyan coffee within the local market is shaped by a multitude of factors, which can be categorized into four main groups: Product Attributes, Consumer Behavior, Market Dynamics, and Distribution and Dispensing Options.

A. Product Attributes

The quality of Kenyan coffee plays a pivotal role in driving local demand. Sustainable consumption hinges on the consistent delivery of high-quality Kenyan coffee that meets consumer expectations. The key product attributes include;

The variety of flavors offered in Kenyan coffee, including fruity and floral notes, has contributed to increased consumption as consumers have more options to suit their taste preferences.

Eye-catching packaging and branding, such as vibrant designs and eco-friendly materials, have attracted consumers and led to higher repurchase rates.

B. Consumer Behavior

Consumer engagement with Kenyan coffee is heavily influenced by individual behavior, shaped by personality traits and lifestyle choices. Beyond demographic factors, personality traits define preferences, attitudes, habits, beliefs, and perceptions, guiding purchase decisions. Socioeconomic status, including income levels, further shapes consumer lifestyles and purchasing behavior, influencing what, why, when, and how often individuals choose to buy Kenyan coffee. Key influences have been;

The rising middle class in Kenya has led to increased disposable income, allowing more individuals to afford premium Kenyan coffee brands, thereby driving consumption and income generated from coffee sales.

The hip culture among the youth, coupled with social media influence, has popularized coffee culture, leading to a surge in demand for Kenyan coffee among younger demographics. This majorly influences ideologies into specialized and creative brews as well as coffee based experimental drinks.

Promotional campaigns by the Directorate and coffee stakeholders have raised awareness and interest in Kenyan coffee, prompting more consumers to incorporate it into their daily routines. These include campaigns in universities, origin trips as well as various promotional events both physical and on social media.

C. Market Dynamics

Marketplace dynamics exert a significant influence on Kenyan coffee consumption. Effective brand communication strategies, including messaging design, media selection, and frequency of exposure, impact consumer perceptions and attitudes toward Kenyan coffee. Consumption decisions regarding marketing are mostly shaped by;

Effective brand communication strategies, such as advertisements both on print and electronic media seeks to drive the popularity of coffee thereby driving increased consumption.

Accessibility to information about Kenyan coffee brands through online platforms and dedicated coffee events has expanded consumer knowledge and appreciation, driving increased consumption.

The need to cater for customers' ever-changing needs has spurred innovation and improvement among Kenyan coffee producers, roasters and brewers leading to higher satisfaction levels and repeat purchases among consumers.

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These factors determine the ease with which consumers can access and enjoy Kenyan coffee, thereby impacting consumption patterns.

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KENYAN COFFEE TASTE PROFILES

Kenyan coffees have a huge range of flavors and nuances depending on the region, varietal and processing methods used. Kenya is huge country with a wide variety of cultures and customs and has a lot to offer to those who want to dive into distinct regions. The best Kenyan coffees can have a full spectrum of flavors to those with a well-developed palate.

For the creation of this profiles, only washed coffee has been used to assess the flavors at their cleanest point. Several coffee estates and washing stations have been chosen from each coffee growing counties. When cupping, only the main similar flavors from each cupped county were recorded. Coffee is grown in 33 counties categorized into regions whose coffee profile is highlighted in Table 6

Table 9: Cup Profiles of Certain Counties

Region	County	Coffee Profile		
		Fragrance	Aroma	Flavours
Central and Nairobi;	Murang'a	Light Blossom	Berry Jelly / Plum	Currant / Grapes / Lemon
	Kirinyaga	Strawberry Pie	Cinnamon Infusion	Sugar Cane / Berries Hard Candy / Peach / Fresh Plum
	Nyeri	Blossom Orange	Orange / Mixed Citrus	Apricot Nectar / Blueberry Tea
North rift region	Trans Nzoia	Citrus Lime	Grapefruit	Tree Tomato / Passion Fruit / Yellow Grapefruit
	Uasin Gishu	Pineapple / Yellow Grapefruit	Fresh Apricot	Mixed Stone Fruit / Juicy Plum / Apricot
	Nandi	Lemon / Fresh Strawberry	Light Strawberry	Pink Pomelo / Freshly picked Strawberry and Gooseberry
Lower Eastern region	Meru	Currant	Cardamom Infusion	Orange Juice / White Grape Juice / Lemon Tea
	Embu	Blackcurrant Syrup / Passion Fruit	Sweet Spices	Plum Juice / Blueberry Jelly
	Tharaka-Nithi	Key Lime, Sweet Lemon	Crunchy Plum	Plum, Apricot, Pineapple, Mango, Orange, Pomelo
	Machakos	Blossom	Key Lime, Mixed Citrus	Key Lime pie, Lemon Tart, Orange Marmalade, Lilac

Region	County	Coffee Profile		
		Fragrance	Aroma	Flavours
Western and Nyanza region	Bungoma	Wild berries / Currant / Sweet Spices	Strawberries	Marshmallow Roots /African Violet / Strawberries Blossom, Tea Like / Yellow Grapefruit / Purple Dragon Fruit
	Kisii	Citrus Lime	Grapefruit	Tree Tomato / Passion Fruit / Yellow Grapefruit
	Busia	Red Berries / Blackcurrant / Blueberries	Lilac / Persimmon / Marshmallow roots	Lilac / Blueberries / Blackcurrant bud
	Nyamira	Pineapple, Mango	Tree Tomato, Mango Purée	Orange Blossom, Mix Citrus cocktail, Tree Tomato, Pineapple, Mango, Sweet Violet
South and Central Rift	Nakuru	Exotic Fruit / Fruit Bomb / Ripe Mango / Juicy Pineapple	Mango Purée	Mango Sorbet / Stone fruits / Apricot// Lemon
	Baringo	Chocolate (75%) / Vanilla	Sweet Mixed Spice	Vanilla / Cinnamon / Purple Dragon Fruit

Source: (Agriculture and Food Authority - Coffee Directorate, 2024)

GENERATIONAL PREFERENCE IN COFFEE CONSUMPTION

Generational preferences in coffee consumption reveal fascinating insights into how different age groups approach one of the world's most popular beverages. While older generations might favour traditional brewing methods and classic flavours, younger cohorts often lean towards innovative, artisanal, and ethically sourced options.

This divergence is influenced by a variety of factors, including cultural trends, economic conditions, and the advent of specialty coffee movements. Understanding these preferences not only helps businesses tailor their offerings but also sheds light on broader societal shifts in taste and values. For instance, on average the specialty coffee enthusiast drinks more coffee than the traditional coffee drinker, that 2.8 cups per day, compared to 1.8 cups respectively where majority of the specialty coffee drinkers were aged 25 -39 (National Coffee Data Trends, 2024) . We will look at the contrasts that exist across the different generational groups.

i. Baby Boomers (born roughly between 1946 and 1964)

Baby Boomers (the traditional espresso afficionados) often gravitate towards more traditional coffee formats, such as drip coffee or espresso, preferring familiar and consistent flavors. They may prioritize convenience and accessibility, opting for coffee brewed at home or from established coffee chains.More so, for this generation, coffee is viewed as a conversation starter and keeper among peers. (Era of We Coffee Forum, 2023)

Baby Boomers tend to value routine and reliability in their coffee choices, seeking out brands they trust and are familiar with. They may also have a stronger attachment to classic coffee rituals, such as enjoying a morning cup of coffee with breakfast or socializing over coffee with friends.

ii. Generation X (born between 1965 and 1980)

Generation X exhibits a more eclectic and adventurous approach to coffee consumption compared to Baby Boomers. They are open to experimenting with different coffee varieties, flavors, and brewing methods, seeking out unique and innovative coffee experiences. Generation X may be more inclined towards specialty coffee offerings, such as single-origin beans, artisanal blends, and alternative brewing techniques like pour-over or French press.

They value authenticity, quality, and authenticity in their coffee choices, oftenseeking out independent coffee shops and artisanal roasters for their coffee fix. Additionally, Generation X may be more conscious of ethical and sustainable coffee practices, preferring brands that prioritize social responsibility and environmental sustai nability in their sourcing and production methods.

iii. Millennials (born between 1981 and 1996)

Coffee consumption among Millennials, Gen Z, and Gen Alpha is influenced by a combination of factors unique to each generation, reflecting their distinct values, preferences, and lifestyle choices. For Millennials, aged roughly between 25 to 40 years old, coffee serves as more than just a beverage; it embodies a lifestyle choice and a symbol of social connection.

Millennials prioritize convenience, variety, and customization, driving trends such as specialty coffee drinks, cold brews, and coffee-based cocktails. They seek experiences that align with their desire for authenticity, sustainability, and ethical consumption, often opting for artisanal coffee shops and fair-trade brands that resonate with their values. Additionally, Millennials' digital savvy nature fuels the rise of coffee culture on social media platforms, where coffee aesthetics and experiences are shared and celebrated.

iv. Gen Z (born between 1997 and 2010)

On the other hand, Gen Z, typically ranging from ages 10 to 25, approaches coffee consumption with a blend of pragmatism, individualism, and environmental consciousness. Gen Z values transparency, authenticity, and affordability, seeking out brands that offer genuine connections and shared values. They are more likely to experiment with non-traditional coffee formats, such as plant-based alternatives and functional beverages, driven by health-consciousness and a desire for innovation.

Gen Z's penchant for sustainability and social activism also influences their coffee choices, favoring eco-friendly packaging, reusable cups, and brands that demonstrate commitment to environmental stewardship. Moreover, Gen Z's digital fluency fuels their engagement with coffee culture online, where they actively participate in discussions, reviews, and influencer content, shaping trends and driving demand.

v. Gen Alpha (Born in 2011 onwards)

Gen Alpha, the youngest generation born from 2010 onwards, is just beginning to shape their relationship with coffee, influenced by family dynamics, parental preferences, and cultural influences. While still in their formative years, Gen Alpha's coffee consumption habits may mirror those of older generations to some extent, yet with unique nuances. Growing up in a digitally immersive world, Gen Alpha may be exposed to coffee-related content through online platforms and family interactions, shaping their perceptions and eventual consumption patterns.

As they come of age, Gen Alpha's coffee preferences may evolve, influenced by emerging trends, peer interactions, and cultural shifts, yet their distinct generational traits, such as tech-savviness and environmental awareness, are likely to play a defining role in shaping their coffee consumption habits.

Generational Contrasts

In contrast to Baby Boomers and Generation X, Millennials, Gen Z, and Gen Alpha exhibit distinct preferences and behaviors when it comes to coffee consumption. They prioritize convenience, customization, and sustainability, driving demand for specialty coffee experiences, plant-based alternatives, and eco-friendly brands. These younger generations are more likely to engage with coffee culture on social media and seek out coffee shops that align with their values. They are also more willing to experiment with non-traditional coffee formats and are vocal about their support for ethical and sustainable practices in the coffee industry.

On the other h and, Baby Boomers and Generation X often prefer classic coffee formats, such as drip coffee or espresso, and may prioritize consistency and familiarity over experimentation. Baby Boomers' coffee preferences are typically influenced by practicality and routine, reflecting a more pragmatic approach to consumption compared to the younger generations. These generations tend to approach coffee as a traditional staple as opposed to a lifestyle statement

Key Takeaways

As is clear above, coffee marketing and consumptio n requires tailoring towards the different generations as appeals in terms of coffee consumptions are diverse and vastly different across the generations. The following are the Key takeaways in terms of marketing and even coffee promotions across the various generational profiles:

i. **Diverse Preferences:** Each generation exhibits unique preferences and behaviors when it comes to coffee consumption. Baby Boomers and Generation X tend to prefer traditional formats and established brands, while Millennials, Gen Z, and Gen Alpha are more adventurous and open to experimentation with specialty offerings and innovative brewing methods.

ii. **Values and Priorities:** Younger generations place greater emphasis on values such as authenticity, sustainability, and social responsibility in their coffee choices. They are more likely to support brands that align with their values and advocate for ethical and sustainable practices in the coffee industry.

iii. **Digital Engagement:** Millennials, Gen Z, and Gen Alpha are more digitally savvy and actively engage with coffee culture on social media platforms. They rely on online reviews, influencer content, and social media interactions to discover new coffee brands and experiences.

iv. **Experience-driven Consumption:** Younger generations view coffee as m ore than just a beverage; it's a lifestyle statement and social experience. They seek out coffee shops and brands that offer unique and memorable experiences, driving demand for specialty coffee offerings and artisanal experiences.

v. **Market Opportunities:** The shifting preferences of younger generations present both challenges and opportunities for coffee marketers. Brands that can adapt to changing consumer tastes, innovate with new products and experiences, and communicate their values effectively stand to capture market share and build brand loyalty among younger consumers.

Challenges Highlighted

Kenya is well known for having one of the best quality coffees in the world and fetches premium price in the world market. Kenyan coffee is described as wet processed full or medium bodied with a citrus like acidity and winey in nature. The Kenyan flavour has complex taste that is sweet and fruity with hints of berries and dried tomato. Despite this glowing reputation, the coffee drinking culture in Kenya is still plagued with many challenges that hinder the growth of domestic coffee consumption in Kenya.

The major challenges faced by coffee shops and hotels included:

a. Limited Market Understanding of Brewed (Specialty) Coffee

One of the primary challenges faced by coffee shops in Kenya is the low understanding of brewed coffee in the domestic market. Many consumers especially the older generation that is, 40 years and above are more accustomed to instant coffee and tea, resulting in a limited market for specialty coffee. This was more prevalent in non -traditional coffee drinking areas where customers needed to be adequately informed on what they were ordering.

To mitigate against this, coffee shops in collaboration with the Directorate can invest in educational initiatives to raise awareness about the different brewing methods, flavor profiles, and the overall coffee experience. This could involve hosting coffee tasting sessions, workshops, and collaborations with local influencers or media outlets to promote brewed coffee culture. Especially in the age of social media, the government should leverage on the free advertising the platforms offer and raise awareness as well as popularity of coffee.

b. High Turnover of Baristas due to Low Pay

The high turnover of baristas is a persistent issue in Kenya's coffee shop industry, primarily driven by low wages across various coffee houses. This turnover not only affects the quality of service but also incurs additional costs for recruitment and training.

Coffee shop owners should prioritize fair compensation and employee benefits to retain skilled baristas. Implementing competitive salary structures, performance incentives, and opportunities for career advancement can enhance employee morale and reduce turnover rates. Similarly, the government should recognize Baristas an offer structure to the career from trainings to career opportunities.

c. Lack of Capacity Building in Coffee Brewing

There is a noticeable gap in capacity building within the coffee brewing space in Kenya. This was mostly reported by coffee shops that had either a mixologist doubling as baristas and managers of most of the new establishments. Baristas and coffee shop owners often lack access to comprehensive training programs and resources to improve their brewing skills and operational efficiency.

The government should foster collaborations with industry experts, coffee associations, and educational institutions can facilitate the development of training programs tailored to the needs of coffee shop professionals. Offering certifications, workshops, and mentorship programs can empower baristas to enhance their expertise and contribute to the growth of the sector. This will go a long way in reducing the exportation of knowledgeable baristas to other countries.

d. High Cost of Coffee Brewing Machines due to Taxation

The high cost of coffee brewing machines in Kenya is exacerbated by heavy taxation on imported equipment. This barrier makes it challenging for coffee shops, especially small-scale businesses, to invest in modern brewing technologies and maintain competitiveness. This has eventually led to the overall use of outdated manual machinery across most coffee shops.

The government needs to review taxation policies on coffee brewing equipment to help alleviate financial burdens on coffee shop owners. Additionally, exploring alternative sourcing options for machinery or seeking partnerships with equipment manufacturers may provide cost-effective solutions.

Local universities can also alleviate this problem through fabrication and patenting of locally manufactured coffee brewing equipment so as to bring down the cost of coffee brewing equipment in Kenya.

e. Inconsistencies in Roasting of Coffee Beans

Coffee shops often encountered unevenness and inconsistencies in the roasting of coffee beans, leading to variations in flavor and quality from packet to packet. This inconsistency undermines consumer trust and loyalty in the brand.

Implementing rigorous quality control measures throughout the roasting process, such as regular calibration of roasting equipment and adherence to standardized protocols, will minimize variations in coffee bean quality. Collaborating with reputable coffee bean suppliers or investing in in-house roasting facilities can also ensure greater control over the roasting process.

f. Limited Adoption of Advanced Brewing Technologies

While advancements in brewing technologies, such as digital grinding and brewing machines, offer the potential for consistent and high-quality coffee production, many coffee shops in Kenya still rely on manual equipment. The slow adoption of digital machinery hinders efficiency, consistency, and scalability in coffee preparation processes.

To encourage the adoption of advanced brewing technologies, policymakers can consider subsidies or tax incentives to reduce the cost burden associated with purchasing digital equipment. By lowering import duties and taxation on digital machinery, coffee shop owners can affordably invest in modern equipment, thereby improving operational efficiency and product consistency. Additionally, providing training and technical support on the use and maintenance of digital brewing technologies can facilitate smooth transition and maximize the benefits of automation in coffee preparation.

g. Economic hardships leading to reduced customer flow

Coffee shop owners in Kenya grapple with increased cost of inputs as well as the rising levels of taxation across the country. The ripple effect from the high cost of living is usually transferred to the customer through higher product cost.

Engaging with regulatory authorities to streamline licensing procedures and simplify compliance requirements can alleviate the administrative burden on coffee shop owners. Seeking legal counsel or professional advisory services to ensure adherence to regulatory frameworks and tax obligations can help mitigate risks and foster a conducive business environment.

Emerging Trends in Coffee Consumption:

i. Functional Coffee

Consumers are increasingly seeking out coffee beverages infused with functional ingredients, such as antioxidants, vitamins, and adaptogens, to enhance health and wellness benefits. Functional coffee products, including collagen-infused coffee, and mushroom coffee blends, are gaining traction among health-conscious consumers looking for innovative ways to incorporate wellness into their daily routines.

ii. Cold Brew and Nitro Coffee

Cold brew coffee, known for its smooth and mellow flavour profile, has become a staple in many coffee shops and households worldwide. Additionally, nitro coffee, infused with nitrogen gas to create a creamy texture and frothy head, has surged in popularity, offering a unique sensory experience to coffee enthusiasts. These cold coffee variants appeal to consumers seeking refreshing alternatives to traditional hot brews, especially during warmer months.

iii. Plant-Based Coffee Alternatives

With the rise of plant-based diets and sustainability concerns, there is growing demand for plant-based milk alternatives in coffee beverages. Baristas and coffee shops are catering to diverse dietary preferences by offering a variety of options, including almond milk, oat milk, coconut milk, and pea protein-based milk substitutes. Plant-based coffee alternatives appeal to consumers looking for dairy-free options that align with their ethical and environmental values.

iv. Single-Serve Coffee Pods

Single-serve coffee pods, compatible with pod-based brewing systems like Nespresso and Keurig, continue to gain popularity due to their convenience and versatility. Manufacturers are innovating with compostable and recyclable pod materials to address environmental concerns associated with single-use plastics. Additionally, customizable pod options, allowing consumers to personalize coffee strength and flavour, enhance the appeal of this convenient brewing format.

v. Coffee Cocktails and Mixology

The intersection of coffee and mixology has led to a resurgence in coffee-based cocktails and mocktails, appealing to consumers seeking novel flavour experiences and social indulgence. Mixologists are experimenting with coffee-infused spirits, coffee liqueurs, and creative cocktail recipes featuring espresso, cold brew, and flavoured syrups. Coffee cocktails offer a sophisticated and sensory-driven drinking experience, blurring the lines between coffee culture and cocktail culture.

vi. Direct-to-Consumer Coffee Brands

Direct-to-consumer coffee brands, bypassing traditional retail channels and establishing direct relationships with consumers through online platforms, are disrupting the coffee market. These brands prioritize transparency, quality, and sustainability, offering specialty coffee beans sourced from renowned coffee- growing regions and freshly roasted to order. By leveraging e-commerce and digital marketing strategies, direct -to-consumer coffee brands provide consumers with access to premium coffee experiences from the comfort of their homes.

vii. Coffee Tourism and Experiential Travel

Coffee tourism, origin trips, encompassing farm visits, coffee tasting tours, and immersive coffee experiences, is gaining popularity among travellers seeking authentic cultural experiences and culinary adventures. Coffee -producing countries such as Ethiopia, Colombia, and Costa Rica, offer tourists the opportunity to explore coffee plantations, participate in harvesting and processing activities, and engage with local coffee communities. Coffee tourism and coffee origin tripspromote sustainability, economic development, and cultural exchange while celebrating the rich heritage and diversity of coffee cultivation.

viii. Smart Coffee Devices and Technology

Advancements in smart coffee devices and technology, including connected coffee makers, smartphone -controlled brewing systems, and coffee subscription services, are reshaping the coffee consumption experience. Consumers can customize brewing parameters, track coffee consumption habits, and order coffee supplies with the touch of a button, enhancing convenience and personalization. Smart coffee devices empower users to explore new brewing techniques, discover specialty coffee varieties, and elevate their home coffee brewing routines.

These emerging trends reflect the dynamic and evolving nature of coffee consumption, driven by evolving consumer preferences, technological innovations, and cultural influences. As the coffee industry continues to evolve, stakeholders must adapt to changing trends and seize opportunities for innovation, sustainability, and consumer engagement.

Conclusion and Recommendations

Following the survey, the Directorate notes:

- There's need to evaluate the Kenyan grounded coffee supplied in the hospitality industry and collect feedbacks regularly to weigh on the quality supplied by the licensed coffee brands with reference to sustainability and social responsibility.
- The initial cost and maintenance cost for the brewing machines is overly priced. The Directorate can collaborate/partner with coffee manufacturing companies to provide a reduced price and availability of affordable skilled technicians.
- There's need to educate the hospitality industry and public in general on Specialty coffees with a focus on promoting high-quality, artisanal coffees. Educate about the unique flavour profiles and origins of specialty beans to enhance their appreciation and understanding.
- The Directorate should partner with the cafes and restaurants in providing a direct linkage of coffee to the hospitality industry so as to reduce the cost of coffee beans supplied and ascertain the quality.
- There should be a collaboration between the stakeholders and Directorate to organize workshops with the cafes and restaurants and come up with new products or seasonal specials that align with the preferences expressed by customers and consider adding them to your offerings to attract more customers.

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