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The rise of specialty coffee : An investigation into the consumers of specialty coffee in Gauteng

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Abstract

Specialty coffee has emerged from the coffee industry of the 20th century, with a culture on developing a better appreciation of coffee through quality beans and improved brewing methods. Consumer's knowledge for specialty coffee has changed in recent years through the development of the international coffee industry. As a result, this trend has grown in South Africa. This study, therefore, identifies a consumer profile and the specialty coffee consumption behaviour in Gauteng, South Africa. A survey design method was used with quantitative data gathered using questionnaires and a probability stratified and simple random sampling of speciality coffee consumers in Gauteng and analysed with descriptive and inferential statistics. The results indicated that consumers are demanding quality specialty coffee with a preference for knowledgeable baristas. Consumers have been shown to have positive perceptions of specialty coffee with a market demand for the product. Globalisation has brought international expertise into the local industry thus further developing the quality and expectation of consumers. However, the education of consumers and the local hospitality industry are a perceived gap in the further growing of the specialty coffee culture in South Africa. A recommendation of this study is for the specialty coffee industry to emphasise their specialty coffee development, with a particular focus on educating consumers in Gauteng, because of the rise of specialty coffee by combining local expectations with international knowledge.

Keywords: Specialty coffee, consumer profile, consumer behaviour, coffee wave, consumption.

Introduction

The worldwide shift in the consumer market for artisanal products, services, handcrafted and specialised beverages has led to the recent trends evident amongst consumers. Consumers have become more knowledgeable about products and have a better appreciation of a products quality, affecting the international hospitality industry (Krekó, 2015:5). The specialty coffee trend has grown in consumption and become a phenomenon in recent years globally, to become a popular social activity. Specialist coffee businesses with a growing innovation and increase in competition in the industry have shown a demand (Friend, 2016). Many individuals have experienced the new wave of coffee culture which is related to consumers enjoying specialty coffee. In the last century, the coffee industry has grown worldwide and now 125 million people depend on the industry for their livelihoods (Hoffmann & Beazley, 2014:7). It has become the reason for many to socialise and perform business related activities. This coffee culture has increased the awareness and knowledge for the art of making good quality coffee. This culture has led to the introduction of specialty coffee to consumers. This coffee is related to quality, suitability, and the correct brewing techniques. Countries like Australia, America and England have taken the lead in the specialty coffee trend, with Hungary (mainly Budapest), Norway and Malaysia following suit (Berger & Foss, 2014:12; Hashim, Mamat, Nasarudin & Halim, 2017:39-40; Krekó, 2015:27).

The South African coffee culture has developed over the past few years to being a market segment of the hospitality industry, with 38 298 tons of coffee being produced (Van der Merwe

& Maree, 2016:502). According to Holmes (2016), a big development in specialty coffee and the coffee business has occurred in South Africa following the third wave in which coffee consumers were introduced to a wider range of coffee tastes, a better quality coffee bean, and more complex coffees being made. The consumers in South Africa are interested in quality and the experience of having specialty coffee (Barry, 2017). An estimated five to six million consumers are buying into the coffee market in South Africa which reflects a significant growth in the country's speciality coffee market (Holmes, 2016). These consumers have emerged in the market with little knowledge known of the consumer and their preferences (Van der Merwe & Maree, 2016:502). The majority of the research articles are from Australia, Europe and America, with little research investigating the growth of consumer consumption of specialty coffee in South Africa particularly (Ferreira, 2017:69).
Therefore the studies objectives are:

- To describe the specialty coffee consumer profile, and
- To identify specialty coffee consumer preferences in Gauteng.

This will assists in explaining more of the specialty coffee culture which has emerged in the hospitality industry as well as recognising a consumer profile for specialty coffee consumers in Gauteng. This new culture has given reason to explore the specific consumer who is experiencing, purchasing and who has consumption preferences towards specialty coffee. The consumers have specific behaviours, characteristics and factors which affect their choices (Lautiainen, 2015:4).

Literature review

The development of specialty coffee

Through the development of coffee and its processes, different waves were named to describe the changes seen in the growth of the coffee industry. The first wave of coffee started in the 19th century and brought about espresso machines and instant coffee. The wave focused on mass production and bringing coffee to the world (Coffee Revolution, 2017; Krekó, 2015:10). The second wave began in the 1960's. Starbucks becomes synonymous with the wave for delivering consumers a coffee shop experience. Through branding and marketing coffee was given a different view to consumers and quality was improved from the previous wave (Adams, 2013:33; Coffee Revolution, 2017; Dinçer, Dedik & Güzel, 2016:811; Krekó, 2015:10). The wave came about because of new developments in roasting, bean blending and sourcing of green coffee beans (Craft Beverage Jobs, 2016). The third wave of coffee brought about new awareness to consumers about quality coffee and different brewing techniques. Coffee businesses showed interest in ethical and sustainable green bean purchasing (Brewer & Ghannam, 2015:59; Guevara, 2017; Manzo, 2014:3), different brewing methods and creating coffee experiences for consumers such as Aeropress, cold brew, siphon and Pour-Over (Primich & Stern, 2014:27-28). The wave brought about independently owned roasters and coffee businesses (Guevara, 2017; Manzo, 2014:3). Consumers began to question the standards of the past indicating to an increased awareness of individual preference from choices on offer (Dinçer et al., 2016:813), with the new awareness by consumers, better quality coffee and different brewing methods are growing in market demand.

Specialty coffee defined

The shift to use artisanal products has led to specialty coffee, which can be described as coffee that is made by means of the currently applied brewing principles using high quality coffee beans. High quality coffee beans are found through correct farming and harvesting methods which reduce defects and ensure peak ripeness. The coffee beans go through the quality standards set by graders which ensure the beans meet specialty standard. It is important for roasters to use the right roasting methods to bring out the desired bean aromas, flavours and quality. The use of the correct brewing techniques ensure coffees are not acidic or bitter but rather showcase the flavour profile of the coffee beans being brewed (Rhinehart, 2009; Valencia, 2017; Veneziano Coffee Roasters, 2018). Herbert Peṅaloza, an expert in coffee from Colombia, indicates that specialty coffee producers must give the correct devotion to every stage in the process from cultivating, harvesting, processing and storage as cited by Valencia (2017).

There are two main coffee plant species, Arabica and Robusta, which are used in the global coffee industry. Arabica is known for its more complex flavours and aromas, and is therefore more common in specialty coffees. Robusta on the other hand, is known for its high coffee content and use in mass production due to easier growing conditions (Hoffmann & Beazley, 2014:12). The coffee industry has two main markets: commodity and specialty coffee (Hoffmann & Beazley, 2014:7). This research, however, focussed primarily on the specialty coffee industry. Commodity coffee is described as coffee which is grown for the mass market with little consideration for growing and harvesting process. It is drunk by the majority of the world's population with it compromising of mostly super market coffee, instant coffee and large franchise coffee shops (Hoffmann & Beazley, 2014:7; Talk about coffee, 2019; Union Hand-Roasted Coffee, 2019).

The definition of specialty coffee for this research was coffee beans which have traceability to origin, been harvested and processed using the correct grading requirements, then roasted and brewed by a barista to meet quality and flavour profile (Hoffmann & Beazley, 2014:7; Krekó, 2015:10; Specialty Coffee Association of America, 2018). Specialty coffee shops are often categorized by using high quality freshly roasted coffee beans and brewing with alternative brew methods such as Chemex, Syphon, Cold brewing (Dinçer et al., 2016:811).

Global coffee consumer consumption

In the past 40 years, coffee consumption internationally has doubled from 4.2 million tons to 8.7 million tons in 2015 (Fairtrade Foundation, 2018). From 2017, the international specialty coffee shop market is forecasted to reach US$121billion by 2021. Forecasts of an increase of 10% are based on the increased coffee consumption rates, increased popularity of coffee among generation Y, the new expansion of specialty coffee shops internationally, and the change in consumer lifestyle with increased urbanisation (Maida, 2017). Specialty coffee consumption has increased from 13% to 36% in America (Friend, 2016). Australia is known to have an obsession with coffee, demands the newest trends in coffee (Bennett, 2017), but the North Americans, as international frontrunners, have the most established specialty coffee market (Adams, 2013:33; Krekó, 2015:8).

Hung (2012:51) proposes that consumers whose lifestyles revolve around "Leisure and Hobby" have a greater anticipation of consumer experience. The higher consumer interest in service and price, the higher the expectancy on the consumer experience of the coffee itself (Hung, 2012:51). A study conducted by British Petroleum (BP) found that consumers are most likely to drink a specialty coffee every day, or at least once a week (Van der Merwe & Maree, 2016:503). Research done by Krekó (2015:51) found that 65% of participants were made aware of specialty coffee through friends. Additionally, 14.1% of participant visited a coffee shop once a day and 40.5% less than once a week. Majority of participants (81.3%) preferred specialty coffee shops over coffee chains (Krekó, 2015:52). The study done by Dinçer et al., (2016:814) concluded that freshness, roasting and alternative brewing methods indicated to be the most important in specialty coffee. Krishnakumar and Chan-Halbrendt (2010:110) indicated that consumers in South India have a higher importance for the taste of the specialty Kona coffee over the price.

Coffee trends have grown in the United Kingdom (UK) where it has been shown that the coffee shop market is one of the most prosperous sectors of the high street retail trade (Ferreira, 2017:73), with consumers more accepting towards the modern coffee drinking culture (Friend, 2016). Research in the Malaysian region identified the factors that influence the frequency of visits to specialty coffee shops by consumers (Generation Y was the main sample group) were location, quality of coffee, atmosphere and price (Hashim et al., 2017:39-40), while other literature found that consumers have become more conscious of quality and service. In Canada, consumers are known to value coffee taste over price. Location is a key element for consumers to re-visit even more so than the brand of coffee shop. Consumers who experience a positive atmosphere also have a tendency to purchase more coffee (Hashim et al., 2017:40). According to Krekó's (2015:53) study quality, baristas expertise and taste and flavour were the most important factors to the success of specialty coffee shop. Based on research done by Hung (2012:54) staff knowledge and expertise has also been shown to greatly influence the perceived value of customers for a chain coffee shop.

The Fairtrade Foundation is set up as a business initiative to focus on trade policies that ensure financial benefits flow to the communities and countries most in need (Smith, 2010:119), guaranteeing that coffee farmers were not exploited with low prices but rather stable and balanced pricing for coffee sold. The movement towards Fairtrade coffee has gained the attention of consumers concerned with sustainable practices. Sustainability has been defined as meeting "the needs of this generation without jeopardising the ability of future generations to meet their needs" (Smith, 2010:130). Researched conducted in Costa Rica found that the Fair Trade certified growing area showed an increase in household income (Dragusanu & Nunn: 2017,41). Schaefer and Sarker's (2016:29) study indicated that there is relatively low demand for sustainability by consumers in America in the coffee industry. Consumers would rather focus more on price and quality over sustainability in the coffee industry (Schaefer & Sarker, 2016:34).

Current local specialty coffee consumption

The coffee industry of South Africa produces 38 298 tons of coffee which shows a large growth of the coffee industry sector by a surge of 21.6% in market value (Van der Merwe & Maree, 2016:502). South African consumer consumption behaviour has been influenced and changed as a result of international trends in specialty coffee. According to Stats SA (2016), South Africans consumed an estimated 31.5 million kilograms of coffee and within recent years been recognised for its specialty coffee on the global market. The country has its own coffee plantations growing in KwaZulu Natal and Mpumalanga (Dension, 2013).

The change is seen with consumer shifting from instant coffee to brewed coffee, with 17.3% increase in 2010 for brewed coffee (Van der Merwe & Maree, 2016:501). The increase in consumption of specialty coffee has seen an estimated five to six million consumers buying into the coffee market in South Africa (Holmes, 2016). The market segment for specialty coffee has since grown in South Africa, with various specialty coffee shops and artisan roasters opening in the hospitality market (Buxten, McKeown & Ryder: 2017). Examples of specialty coffee shops in Gauteng include Urban Grind (Parkhurst), Bean There (Melville), Craft Coffee (Newtown), Father Coffee (Braamfontein), State 5 Coffee Roaster (Greenside) and Motherland (Rosebank) (Buxten, et al., 2017).

The coffee industry has been affected positively by two trends, one the importance of specialty coffee to consumers and increasing market and secondly, the quality of coffee with a focus on ethically sourced beans, with accreditation by organisations like Fairtrade (Insight Survey, 2017). The Insight Survey (2017) report shows over the last three years, 29% of participants drink three cups of instant coffee a day. A 2013 survey of employees in various corporations showed that 65% of respondents drink two to three cups of coffee a day and only 22% drink one cup a day. Interestingly 66% of respondents indicated a dislike for decaffeinated coffee, suggesting consumers need just for the caffeine. The preferred coffee choice for respondents was a cappuccino with the second preferred response being a Café Latte. An espresso and macchiato were the least preferred choices of respondents (Coffee Magazine, 2013).

The market focus in the third wave of coffee is quality and innovations in coffee making, which is seen in trends developing in South Africa (Jacobs, 2015). Roasters are roasting at lower temperature to achieve better flavours; with consumers becoming more mindful of coffee brewing techniques (Adams, 2017) and coffee specialist are experimenting with different methods of brewing coffee for different flavour profiles for the ground beans (Jacobs, 2015). Consumers increasingly are demanding a more complex style and quality of coffee experience (Barry, 2017). Specialty coffee has increased in market share in South Africa, introducing a new quality and awareness towards the growing international coffee industry. Additionally, specialty coffee roasters are also expressing the need for coffee origins to be labelled geographically (Adams, 2017; Dension, 2013) due to the growing knowledge base of consumers for different kinds of beans and a demand for single origin coffees (Jacobs, 2015) of better quality with individual flavours and aromas (van der Merwe & Maree, 2016:502).

Defining a consumer profile

For each market segment there is a unique consumer who buys into that industry, therefore a unique consumer profile, which according to Devault (2018), Graham (2017) and Newbold (2018) is a generalisable description of a consumer. Consumer profiles assist in outlining who specific consumers are, in order for a market offering to be developed by businesses to solve these consumers' consumption needs. In order to identify a consumer profile certain questions need to be asked under certain categories such as demographics (age, gender, education), socio-economic (net income, occupation) and psychographics (behaviour, beliefs, personality) (Devault, 2018; Graham, 2017; Newbold, 2018). These categories are related to the four factors affecting consumers purchasing behaviour. Consumer purchasing behaviour is defined as studying individuals and groups when they are purchasing, using and disposing products, ideas and experiences (Hung, 2012:51, Hussain, 2017:3, Lautiainen, 2015:6). A consumer's purchasing behaviours has a direct relation to consumer market behaviour as consumer decision-making influences market product offerings (Hung, 2012:52). Four main factors which affect consumer purchasing behaviour are social, cultural, personal and psychological factors. These factors assist businesses in better understanding the market behaviours of consumers (Hussain, 2017:3; Lautiainen, 2015:6). Therefore the factors in this study can be used to identify and describe a consumer profile of specialty coffee drinkers.

These factors refer to various elements of a consumer lifestyle (demographics and socio-economic) and behaviour (psychographics). The social factors refer to reference groups, role, status and family. Each individual person is part of a social group which will impact and influence the decision making made by the consumer (Lautiainen, 2015:6). Culture can be defined as the values, traditions and customs of a society where a consumer resides (Shethna, 2016) with it having the largest influence on consumer purchasing behaviour (Hussain, 2017:6). Personal factors which include age, lifestyle, financial situation, profession, stage of life, personality and self-concept (Hussain, 2017:9; Lautiainen, 2016:7), influence purchasing decisions as consumers change through different life stages.

Psychological needs of consumer are motivation, perception, learning, beliefs, and attitudes, when the need increases to a sufficient level the consumer is inspired to purchase a market offering for the need (Hussain, 2017:12, Shethna, 2016). A consumer's learning and experiences create personal beliefs and attitudes which result in different buying behaviours, therefore consumer behaviour can change (Hussain, 2017:14). Understanding what affects this change in consumer behaviour is important for businesses to capitalise on a consumers purchasing of the market offering. The focus of the research remained on the specialty coffee, therefore the elements for a consumer profile and behaviour described are used solely for developing a specialty coffee profile.

Research strategy

The research study is classified as both descriptive and exploratory in nature. The descriptive study of the specialty coffee market investigated an accurate profile of the consumer consumption behaviour towards the specialty coffee consumption in Gauteng. The exploratory research investigates new insights in consumer market potential and preferences for the speciality coffee industry (Berger & Foss, 2014:39, Sekaran & Bougie, 2013:96).

A survey design is used to allow for the analyses of the data and interpretation of the results. This method was used to gather data about individuals to describe their knowledge, attitude and behaviours (Creswell, 2012:376; Sekaran & Bougie, 2013:102). A cross sectional survey design was used in this research study because it was completed at one point in time due to time and budget constraints (Bhattcherjee, 2012:39; Creswell, 2012:377; Sekaran & Bougie, 2013:106). The quantitative data is gathered by the researcher and fieldworkers at various specialty coffee shop locations using questionnaires. The pre-structured set of questions were administered in person to ensure a shorter time frame for collection of data and faster return rate (Chinomona & Popoola 2017:21; Sekaran & Bougie, 2013:147). The development of the questions for the questionnaire was assisted by Dinçer et al., 2016; Hung, 2012; Krekó, 2015; Lautiainen, 2015; Schaefer and Sarker, 2016; Smith, 2010; and van der Merwe and Maree, 2016. These questions included the use of Likert scales to test the degree to which participants, agree or disagree (Sekaran & Bougie, 2013:211). Instructions for the questionnaire were explained prior to the consumer participating which included a brief description of the purpose and that participation was voluntary (Duffett, 2018:4).

The population group for this study were specialty coffee consumers from different areas in Johannesburg, Gauteng. The study used a probability stratified and simple random sampling type sampling techniques. The research study focused on various places where consumers drink specialty coffee and the consumers were chosen at random from these places (Bhattacherjee, 2012:67; Smith & Albaum, 2012:102). Examples of these coffee shops include Urban Grind, Bean There, Just Darling and Craft coffee because they meet criteria mention in the literature review. A sample size of 350 coffee consumers was used to achieve a margin of error close to 5% of the sample population (Krejcie & Morgan, 1970).

The quantitative data was analysed through descriptive and inferential statistics. The data was entered using an SPSS 25 (Statistical Package for the Social Sciences) for analysis with the assistance of a statistician. A total of 350 questionnaires were handed out and 305 were used for analysis. Of the 350, 16 were seen as invalid and 29 were not returned. The 16 questionnaires were deemed invalid because of unfinished responses and illogical responses, errors or respondents resided outside of the geographical sample of the study. Descriptive statistics are used to analysis one variable or general tendencies in the data. Inferential statistics are used to identify two or more independent variables against a dependent variable such as the Chi-square test.

Reliability for this study was achieved by having the assistance of a statistician in the questionnaire design in order to prevent ambiguity in the language so respondents do not misinterpret the questions (Bhattacherjee, 2012:56). A pilot test for ten specialty coffee consumers was conducted to ensure that the questionnaire was clear, had a simple structure to follow and was easily understandable allowing the respondent sto be at ease (Bhattacherjee, 2012:23). This research study used a two-way test for validity including face validity and content validity. Face validity is seen as the questions in the questionnaire relating to the topic being discussed (Bhattacherjee, 2012:58; Sekaran & Bougie, 2013:226) and content validity is defined as the degree to which the scale items and questions meet the objectives of the study.

Results

Demographic data

The demographic profile of respondents within this study was as follows. There were 170 female participants 170 (56%) and 135 male participants 135 males (44%) which is a fairly even distribution with female participation slightly in the majority by 6%. Ethnicity data indicated the majority of respondents were ethnically white (72%). The highest number of participants were between 18 to 29 (110) (36%) years old, followed by 90 (29%) participants aged 30 to 39, therefore a third were in a younger generation. The data showed that about a third of participants 100 earn R30 000 per month or above (32.8%); while fewer participants (50) make below R4 999(16.4%). Therefore, of the sample of 285, the majority of respondents (60.3%) have a net income higher than R15 000 per month. There was a low response rate due to the sensitivity of question. The results for participants' occupations indicated that the majority are employed with fixed and flexible working hours (214; 70.2%). Only 54 participants (17.7%) are self-employed.

Specialty Coffee Consumption rates

Table 1 below indicates various results from participants on questions relating specialty coffee. The sample found that majority of participants (259) are coffee drinkers (85%) and when given the choice 188 participants (62%) would drink a specialty based coffee. The results indicate very low percentage (5%) of consumers will drink specialty coffee only at home, showing a tendency to be part of the coffee shop culture drinking both at home and coffee shop (63%). A third of the sample, only drink one cup of specialty coffee per week whereas 63.9% drink at least two cups of specialty coffee per week, with 21.6%(66) participants drink six or more cups per week. Based on the frequency of visits to a specialty coffee shop the highest result shown is of frequent consumers 64 (21%) who visit more than once a week while fewer consumers 26 (9%) visiting a specialty coffee shop once every three months. Therefore, a majority visit a coffee shop at least once a week (58%) and less than 25% actually visit once a month or less. Some participants (44%), are willing to spend R5 or more per cup but the majority (80%) of the sample will only spend R3 to R4 more per cup of specialty coffee.

Table 1. Specialty coffee consumer coffee demographics

	Frequency (n)	Percentage
Predominately a		
Coffee drinker	259	84,9
Tea drinker	45	14,8
Number of cups of coffee drunk on average per day		
0 to 1	59	19,3
2 to 3	160	52,5
4 to 5	66	21,6
6+	20	6,6
Given the choice		
Instant, commercial or franchise coffee (e.g. Mc Café, Mugg & Bean, Seattle coffee)	116	38,0
Unique blend, small batch roasted, specialty coffee (e.g. Independently owned)	188	61,6
Where do you drink Specialty coffee		
Home only	16	5,2
Coffee shop only	97	31,8
Both	192	63,0

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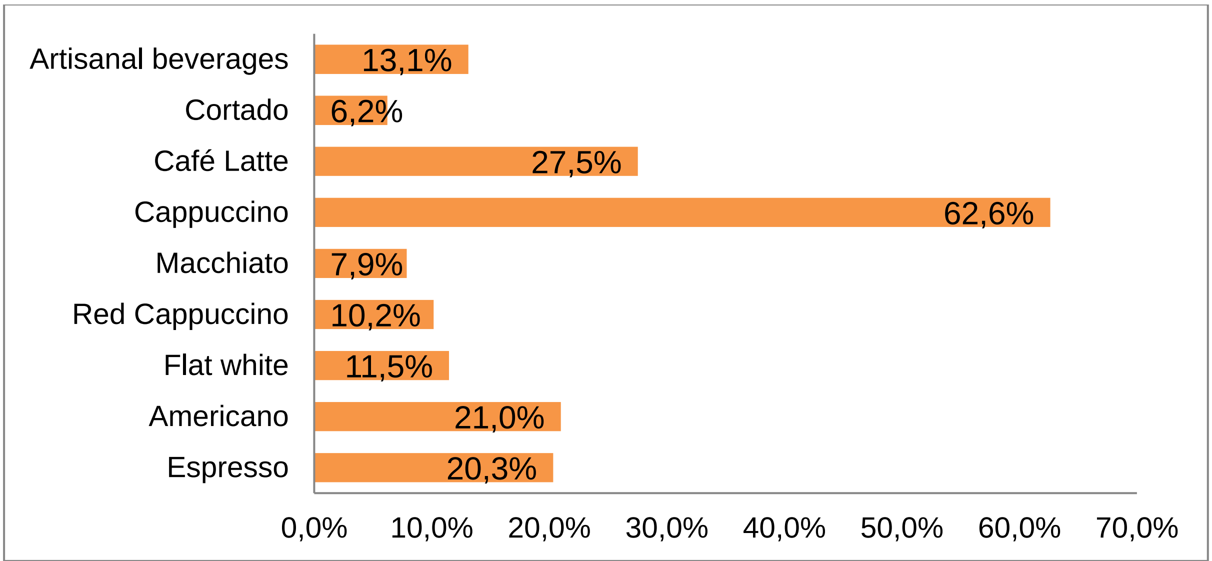
Number of cups of specialty coffee a consumer drinks on average in a week		
0 to 1	109	35,7
2 to 3	83	27,2
4 to 5	46	15,1
6+	66	21,6
Generally speaking how often a consumers visits a specialty coffee shop		
Once/or more a day	57	18,7
More than once a week	64	21,0
Once a week	56	18,4
Twice a month	52	17,0
Once a month	50	16,4
Once every 3 months	26	8,5
Willingness of a consumers to pay more per cup for specialty coffee over other coffees		
R 2 or less	59	19,3
R 3 to R 4	112	36,7
R 5 or more	133	43,6

The data in Figure 1 indicates that the preferred choice for the majority of consumers for a specialty coffee beverage is a cappuccino style with 62.6%. The next favourite choice is a café latte at 27.5%, a difference of 35.1%. Americano and Espresso were the next favourite choices 64 (21.0%) and 62 (20.3%) respectively. Artisanal specialty coffee beverages were one of the least preferred choice of participants with 40 (13.1%); a choice that is quite low which could indicate to consumers lack of knowledge or familiarity about these beverages. Interestingly, other participants (10.3%) indicated that a Red Cappuccino is a preferred specialty coffee beverage even though it is not coffee-based. This could indicate a lack of consumer education in the industry, whereas higher percentages for Cappuccinos, Café Lattes and Americanos might simply indicate to their longer consumer history in the country.

Figure 1: Consumers preferred specialty coffee beverage



Furthermore, participants were asked to indicate how they were introduced to specialty coffee. The results indicated (in order of agreement) friends or relationships with a majority of participants (57.5%) agreeing; according to 90 participants (30.1%) agreed with the statements while 32 participants (10.7%) strongly agreed to a family member making the introduction, then coincidence; or other reasons not stated; followed by media or advertising; and influential people in the community as people who introduced participants to specialty coffee. When participants were asked about the possible future of the industry, the responses indicated that it is somewhat likely the trend will continue to grow and more variety and blends were also likely to be available.

Additional tests for correlation of specialty consumers

Further tests were conducted to assist with the identification and description of specialty coffee consumer profile. All Chi-Square tests met the assumption of having 20% of the cells with an expected count of 5 or less. Cramer's V statistic is used to show effect-size significance (Pallant, 2011:219). Sample size may vary according to available relevant information, as tests only used participants who answered both items in a questionnaire.

The Chi-Square test for independence indicated a strong and significant association between income level and frequency of specialty coffee cups consumed: $\chi^2(15, n = 284) = 50.49$, $p = 0.000$, *Cramer's V*= 0.243. It is considered significant because $p < 0.05$ and Cramer's V (0.24) show a moderate effect as it is above 0.17 (Pallant, 2011:220). Therefore, the higher the income level the greater the tendency to consume specialty coffee.

The participants who prefer specialty coffee tend to frequent specialty coffee shops more often than those who prefer instant/franchise coffee based off a Chi-Square test for independence: $\chi^2(5, n = 304) = 17.198$, $p = 0.004$, *Cramer's V* = 0.238 showing a strong significant association between preferred type of coffee and how often a participant visits a specialty coffee shop.

The third Chi-Square test for independence indicated a significant association between where a participant drinks (either at coffee shop or at home and coffee shop) specialty coffee and how often a participant visits a specialty coffee shop: $\chi^2(5, n = 289) = 29.213$, $p = 0.000$, *Cramer's V* = 0.318. It is considered highly significant because the $p < 0.05$ and Cramer's V (0.32) show a moderate effect as it is above 0.30 (Pallant, 2011:220). Therefore, there is a relationship with participants indicating that generally, consumers who consumer specialty coffee at home or in a coffee shops, will visit a specialty coffee shop more often.

The relationship between participant's income level and willingness to pay extra for specialty coffee over other coffees was proven by Chi-Square test for independence with a strong significance association: $\chi^2(10, n = 285) = 23.633$, $p = 0.009$, *Cramer's V* = 0.204. It is considered highly significant because the $p<0.05$ and Cramer's V (0.20) shows a fairly moderate effect as it is below 0.21 (Pallant, 2011: 220). As can be expected from the test, participants who generally earn less are less willing to pay more per cup of specialty coffee

Consumer preferences around specialty coffee

In order to better understand what consumers prioritise when visiting a specialty coffee shop certain questions were asked and based on participants answers, the elements of the highest priority were identified. The quality of coffee was an interesting aspect with 81.10% of participants regarding it as a high priority, followed by customer service shown as 52.5% and n=94 participants (31.0%) said it was essential. Convenience and location of the business had a majority of participants n=213 (70.1%) responded high priority and then n=135 (44.4%) participants stated that atmosphere was a high priority while n=64 of participants (21.1%) indicated it is essential for a coffee shop.

The least popular responses for consumers to visit a coffee shop were through a recommendation of a family or friend, the brand of speciality coffee shop; and a review or

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recommendation from a magazine or website. It is interesting to note that ethically and sustainably sourced beans were amongst the least favoured factors for consumers.

Table 2. Elements in specialty coffee shops prioritised by participants

Ranking of scale items based on Mean			
	N	**Mean**	**Std. Deviation**
C3.1.1 The quality of the coffee	302	4,12	0,883
C3.1.3 Customer service is great	303	4,11	0,771
C3.1.9 Convenience and location of the shop	304	3,94	0,908
C3.1.2 Atmosphere of the coffee shop	304	3,74	0,973
C3.1.5 Service knowledge of baristas and waiters	304	3,54	1,030
C3.1.10 The price of the coffee	305	3,43	1,046
C3.1.7 Roasting of Coffee beans	304	3,33	1,104
C3.1.4 Additional offerings are provided (e.g. meals, baked items, Wi-Fi)	305	3,33	1,050
C3.1.8 A unique coffee bean blend	304	3,24	1,050
C3.1.6 Beans sourced from Fair trade (ethical & sustainable practices) sources	299	3,22	1,207
C3.1.12 A recommendation by a family member or friends on the place	301	3,15	1,112
C3.1.13 A particular brand of independent coffee shop	304	2,77	1,134
C3.1.11 By review/recommendation in a magazine or website	303	2,37	1,135
Valid N (listwise)	287		

Indication of prioritization based on top 4 items from above							
		Not a Priority	**Low Priority**	**Medium Priority**	**High Priority**	**Essential**	**Total**
C3.1.1 The quality of the coffee	Count	6	7	44	132	113	302
	Row N %	2,0%	2,3%	14,6%	43,7%	37,4%	100,0%
C3.1.3 Customer service is great	Count	3	5	42	159	94	303
	Row N %	1,0%	1,7%	13,9%	52,5%	31,0%	100,0%
C3.1.9 Convenience and location of the shop	Count	4	12	75	121	92	304
	Row N %	1,3%	3,9%	24,7%	39,8%	30,3%	100,0%
C3.1.2 Atmosphere of the coffee shop	Count	11	17	77	135	64	304
	Row N %	3,6%	5,6%	25,3%	44,4%	21,1%	100,0%

Participant's indications to preferences, considered in order of agreement, when having specialty coffee showed the four most favoured elements being: good flavour and aroma of the coffee with half of the participants 52.5% (159) agreed to the statement while 109 participants (36.0%) strongly agreed. The majority of respondents (86.9%) agreed to specialty coffee being enjoyable when consuming the beverage; followed by a pleasant atmosphere of the coffee shop responses showed that 156 participants (51.3%) agreed and 77 participants (25.3%) strongly agreed then, 149 a larger number of participants (49.2%) agreed to having a tendency to re-visit the same specialty coffee shop for the coffee.

It is important to be aware of what consumers consider important when having specialty coffee and if these elements are relate to when consumers visit specialty coffee shops.

The two least agreed upon elements were the need for caffeine and that specialty coffee consumption was a trend to follow. Similar to the previous question on ethically and

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sustainably farmed coffee beans elements has a low level of agreement among consumers when having specialty coffee indicating a lower level of influence on consumer choice.

Table 3. Elements of specialty coffee as agreed by participants

Ranking of scale items based on Mean			
	N	**Mean**	**Std. Deviation**
C3.2.4 Specialty coffee has a good flavour and aroma to me	303	4,21	0,739
C3.2.3 I find specialty coffee to be enjoyable	305	4,13	0,724
C3.2.5 The coffee shop atmosphere is pleasant for me	304	3,98	0,781
C3.2.10 I tend to re-visit the same specialty coffee shop/s	303	3,88	0,854
C3.2.8 If I choose I could perform work or occupation related meetings while having specialty coffee	304	3,68	0,926
C3.2.6 I choose to drink specialty coffee to socialise with friends or family who think it's a good idea	305	3,47	0,967
C3.2.7 For me, specialty coffee is accessible during the day	304	3,43	1,057
C3.2.1 I choose to drink specialty coffee because the beans are farmed ethically and sustainably	303	3,31	0,936
C3.2.9 I need the caffeine from specialty coffee	304	3,05	1,171
C3.2.2 Specialty coffee is a good trend for me to follow	303	3,05	0,960
Valid N (listwise)	296		

Indication of agreement based on top 4 items from above							
		Strongly Disagree	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**	**Total**
C3.2.4 Specialty coffee has a good flavour and aroma to me	Count	4	1	30	159	109	303
	Row N %	1,3%	0,3%	9,9%	52,5%	36,0%	100,0%
C3.2.3 I find specialty coffee to be enjoyable	Count	4	1	35	175	90	305
	Row N %	1,3%	0,3%	11,5%	57,4%	29,5%	100,0%
C3.2.5 The coffee shop atmosphere is pleasant for me	Count	2	7	62	156	77	304
	Row N %	0,7%	2,3%	20,4%	51,3%	25,3%	100,0%
C3.2.10 I tend to re-visit the same specialty coffee shop/s	Count	4	13	68	149	69	303
	Row N %	1,3%	4,3%	22,4%	49,2%	22,8%	100,0%

Discussion and conclusion

Specialty coffee consumer profile in Gauteng

The first objective of the study was to describe the specialty coffee consumer profile using Devault (2018), Graham (2017) and Newbold (2018). Several segments of information were collated to define a consumer profile for a specific group of consumers. It is important to identify the consumer's specialty coffee consumption behaviours as it affects what the industry delivers to the consumer and establishes whether businesses are meeting the demand of consumers with opportunities for new marketing offering to cover the market gap. The following components of the consumer profile are based on the participant responses. Specialty coffee consumption is not gender specific. The majority of consumers are between the ages of 18 to 39 and with a white ethnicity. Consumers will generally drink two to three cups of coffee a day, relating to Insight Survey (2017) indicated that 29% of participants drink three cups a day whilst 65% of employees working in different companies drink two to three cups of coffee a day (Coffee Magazine, 2013). This increased percentage could be due to consumers drinking more coffee in a work environment. In Krekó's study, the majority preferred specialty coffee shops aligning, to 62% of consumers in this study favouring specialty coffee and consume at least two to three cups of specialty coffee per week with a tendency to visit a specialty coffee shop once a week - which is similar to Krekó's (2015:52) research. When related to a study by British Petroleum (BP) which found that consumers are most likely to drink a specialty coffee every day or at least once a week indicated that results are similar to Van der Merwe and Maree study (2016:503). A consumer's preferred specialty coffee beverage is a cappuccino followed by café latte and Americano, the majority (80.3%) of consumers are willing to pay R30.00 or more per cup. When compared to research on company employees (Coffee Magazine, 2018) a cappuccino is the favourite beverage of choice, followed by a café latte. Friends or relationships and family members were the top reasons for participants to be introduced to specialty coffee which relates to Krekó's (2015:51) majority of participants who were made aware of specialty coffee through friends. Consumers view on the tendency for the specialty coffee industry to grow was in line with Maida's (2017) forecast of 10% increase in consumption rates by 2021.

Specialty coffee consumer preferences

The second objective of the study was to identify consumer preferences relating to specialty coffee. Generally, consumers will repurchase the same specialty coffee for its good flavour and aroma which agrees with Barry (2017) and Dinçer et al. (2016:814), and for the enjoyment and pleasant atmosphere of the coffee shop. The choice of a specialty coffee shop by a consumer depends mainly on the quality of coffee, great customer service which is similar to Hung's (2012:54); Krekó's (2015:53) and Krishnakumar and Chan-Halbrendt (2010, 110) research as well as a convenient location. Hashims et al. (2017:45), shows location to be an important factor in consumers re-visiting a specialty coffee shops and a positive atmosphere encourages consumers to purchase more coffee. The importance of the ethical and sustainable sourcing of beans showed a fairly neutral response with slight agreement by participants which similar to American coffee drinkers who would rather focus on price and quality (Schaefer & Sarker, 2016:34). This contrasts to Smith (2010:130) who has indicated consumers have shown a demand for transparency within the coffee production industry.

Consumers with higher income levels purchase more coffee as they are willing to pay more which indicates that a consumer's financial situation does influence a consumer's inclination to purchase a product (Shethna, 2016). The consumer who prefers specialty coffee at home and shop, consumes more specialty coffee and tends to frequent specialty coffee businesses, showing consumer willingness to be part of the modern coffee culture (Friend, 2016). External elements that consumers prefer are the quality of product with associated elements of the specialty coffee shop.

Conclusion

Internationally, consumers are becoming more discriminating about their coffee, picking their beverage based on quality, the source of coffee beans, sustainability and the roasting process. The target market for coffee product consists of those who love explicit constituents in their coffee-based beverage, and are ready to pay a top price to get what they want. There is also a growing call for top notch specialty coffee in South Africa. The specialty coffee industry in Gauteng has experienced growth over the past few years. The continuous drive to expand consumer knowledge has evolved through the specialty coffee experience. This has resulted in consumers changing their perception of a cup of specialty coffee (Dinçer et al., 2016:813). This study's objectives to describe a specialty coffee consumer profile with its preferences for this specific product offering, allows the industry to better identify and produce products which the consumer prefers. Further research can be done use the profile as background in identifying consumers for future studies.

The demand for quality coffee coupled with a professional service has been recognised as a market demanding factor. The coffee culture has changed for consumers as coffee locally has developed through global expertise being adopted along with more complex, interesting aromas and flavours being created by local specialty coffee businesses. A specific specialty coffee consumer of South Africa being exposed to international standards through globalisations and coffee shops product offering in the new global wave of coffee (Brewer & Ghannam, 2015:59; Guevara, 2017; Manzo, 2014:3), has brought about the rise of South African wave of coffee.

Recommendations

Further studies should be conducted to investigate the impact and implementation of sustainable and environmentally friendly practices which may have some effect on the South African coffee industry, and how these principles affect consumer consumption behaviours. The study can be broadened geographically to include additional major cities of South Africa so as to verify and compare consumer profiles and consumption purchase behaviours. The widening of the scope will thus allow for a South African specialty coffee consumer profile to be identified. Similarities and differences can be analysed between the major cities.

Recommendations for the hospitality industry are to develop quality specialty coffee products which create a unique coffee experience for consumers, which includes cultivating a knowledgeable service of specialty coffee surrounded by a positive pleasant environment. As mentioned by Hung (2012:51) consumers whose lifestyles focus around “Leisure and Hobby” have a greater expectation of the consumer experience. Specialty coffee shops should put more emphasis on developing and teaching the facts about the product to the consumer to enhance the specialty coffee appreciation and market demand. This development of education and training can be further integrated to other major stakeholders of the hospitality industry such as hotels, resorts, conference centres and restaurant chains.

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