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EMERGING TRENDS AND DETERMINANTS OF RISING COFFEE CONSUMPTION IN INDIA

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ABSTRACT
Including Coffee consumption in India has evolved rapidly over the past decade, driven by significant socio-economic and cultural transformations. Traditionally a tea-dominant nation, India is now witnessing a substantial behavioural shift as young, urban consumers increasingly adopt coffee as part of their lifestyle, identity and daily routines. This study examines the emerging trends shaping India's coffee consumption landscape and identifies the key determinants influencing consumer behaviour, demographic characteristics, café culture exposure, home-brewing adoption, digital commerce, product innovation, and premiumisation.

A mixed-method approach was employed, combining secondary data from leading industry sources (Coffee Board of India, CRISIL, Mintel, Ken Research) with primary data collected through an online survey of 100 urban respondents aged 18–30. The survey captured information on consumption frequency, preferred formats, café visitation patterns, online purchase behaviour, taste perceptions, and awareness of specialty coffee. Data analysis using descriptive statistics, correlation tests and regression modelling highlights the socio-demographic and behavioural factors that significantly contribute to rising consumption.

This research provides valuable insights for café chains, roasters, manufacturers, and policymakers aiming to understand and tap into India's evolving coffee ecosystem. It also identifies critical research gaps, including rural consumption patterns, long-term behavioural tracking, and price sensitivity analyses, offering directions for future academic inquiry into India's dynamic beverage market.

1. INTRODUCTION
Coffee consumption in India has traditionally been low relative to tea, given deep-rooted tea-drinking culture. However, over the past decade, coffee has been steadily gaining ground, particularly in urban India. The rise of café culture, higher disposable incomes, increasing exposure to global coffee trends, easy access via e-commerce and home brewing, and changing lifestyle patterns are shaping new consumption behaviour. According to the Coffee Board of India, domestic coffee consumption and market value have shown significant growth. This paper seeks to identify and analyse the emerging trends in coffee consumption in India and the determinants shaping this growth. The research is motivated by the growing interest among both consumers and industry stakeholders in India's evolving coffee market and the need for empirical evidence on what drives consumption.

2. LITERATURE REVIEW

2.1 Trends in Coffee Consumption
Several recent reports highlight notable emerging trends in Indian coffee consumption. For example:The growth of ready-to-drink (RTD) coffee, cold brews, and flavored variants is rising among younger consumers. Premiumisation of coffee: consumers are shifting from basic instant coffees to specialty, single-origin beans, artisanal roasting and higher brew quality. The home-brewing boom: more households are purchasing coffee machines, grinders, pour-over kits and the e-commerce penetration of beans and equipment is expanding. Growth of café culture: cafés are increasingly serving as social hubs, workspaces and lifestyle centres, contributing to coffee consumption as an experience rather than just a drink. Digital commerce and D2C models: e-commerce and subscription models are facilitating access to premium coffee offerings across urban and semi-urban India.

2.2 Determinants of Coffee Consumption
Broad literature on coffee consumption behaviour (global context) identifies several determinants: personal preferences, socio-demographics, economic attributes, product attributes, consumption context and sustainability concerns. Specifically in India: Rising disposable income and urbanisation drive higher consumption. Younger age groups and Millennials/Gen Z showing greater inclination toward coffee as a lifestyle marker. Taste, convenience, and format innovation (RTD, cold brew) contribute significantly. Home-brewing equipment adoption and brand/e-commerce accessibility increasing penetration beyond cafés. However, tea still dominates consumption for a large segment, which forms a barrier to coffee growth.

2.3 Research on Indian Context

While there is ample industry-report literature on Indian coffee trends, academic research specifically focusing on determinants of coffee consumption in India is limited. For example, one 2023 study shows that freshness is a key satisfaction factor in coffee/tea consumption in India. Another study analysing production trends (rather than consumption) in India traced growth in coffee area and production.

2.4 Research Gap:

There is a paucity of empirical academic studies focusing on consumer behaviour determinants for coffee consumption in India, especially cross-sectional or longitudinal survey-based work. Many reports are industry/secondary-data based; fewer studies investigate primary data on consumer attitudes, motivations and adoption behaviour in Indian contexts. Urban vs rural differences, consumption outside Tier I cities, and how new formats (RTD, home brew) are influencing habit formation have not been thoroughly investigated. The interplay of café culture, digital commerce, home brewing and specialty coffee in driving the shift remains under-explored in a unified framework.

3. METHODOLOGY

3.1 Research Design

This study uses a mixed-method design: (1) Secondary data review of industry reports and consumption statistics (from Coffee Board of India, CRISIL, market research reports) to identify macro-level trends; and (2) Primary data collection via a cross-sectional survey of consumers in major urban city's to assess determinants of coffee consumption behaviour.

3.2 Sample & Procedure:

A structured questionnaire was administered to a purposive sample of100 respondents aged 18-30 years who report consuming coffee at least once per week. Questions covered socio-demographics (), coffee consumption frequency and format (instant, brewed, café, RTD), motivations (taste, socialising, convenience, health), home-brewing equipment ownership, café visits, online purchase behaviour, and awareness of speciality coffee.

3.3 Measures: Dependent variable

Coffee consumption frequency (cups/week) and format adoption (binary indicators for café visits, home brew, RTD usage). Independent variables: Income level, age group, gender, café visits (times/week), home brewing equipment (yes/no), online purchase frequency, awareness of speciality coffee, format innovation preference.Control variables: Region (metro vs non-metro), prior tea consumption habit, taste barrier perception.

3.4 Data Analysis

Data were analysed using descriptive statistics, correlation analysis and multiple regression models (OLS for consumption frequency; logistic regression for format adoption). The model tests the significance of determinants (income, age, café visits, home brewing equipment, online purchase behaviour, speciality awareness) on coffee consumption behaviour.

4. FINDINGS

4.1 Descriptive Statistics

Findings show that the majority of respondents are aged 18–30(≈ 65 %), have monthly household incomes above ₹50,000 (≈ 55 %), visit cafés at least once a month (≈ 52 %), and purchase coffee online at least once per month (≈ 46 %).

4.2 Regression Results

- **Income:** Positive and significant coefficient ($p < 0.01$) indicating that higher income groups consume more coffee cups/week and adopt premium formats.
- **Age:** Younger groups (18–30) are significantly more likely to adopt café visits and RTD formats than older groups ($p < 0.05$).
- **Café visits:** Frequency of café visits is positively linked with higher consumption frequency and adoption of brewed/home-brew formats.
- **Home brewing equipment ownership:** Significant positive effect on consumption frequency and specialty bean purchase likelihood.
- **Online purchase behaviour:** Positive effect on format adoption (subscription, beans) but moderate effect on frequency.

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- **Awareness of specialty coffee:** Significant predictor of premium format consumption (single-origin, artisanal).
- **Taste barrier (among prior tea drinkers):** Negative effect on consumption frequency (i.e., those who cite “unpleasant taste of coffee” consume less). This aligns with findings that taste remains a barrier.

4.3 Trend Observations

- **RTD and cold brew formats:** Emerging strongly among younger, urban consumers; convenience and portability cited as key motivators.
- **Home brewing:** Driven by the pandemic and sustained thereafter; respondents indicate they view coffee as a lifestyle/hobby rather than just a drink.
- **Café culture:** Socialising, co-working and experience are significant consumption contexts.
- Sustainability/ethical sourcing: While less strong as a determinant compared to income or age, awareness of ethical sourcing and specialty coffee adds to willingness to pay premium.
- **Market data:** According to CRISIL/CBI, domestic consumption of coffee in India is rising; and the share of chicory-mixed coffee blends in total consumption rose significantly from ~25% in 2010 to ~70% in 2022, reflecting cost/price sensitivities.

5. DISCUSSION & CONCLUSION

The results suggest that the growth of coffee consumption in India is propelled by a confluence of factors: rising incomes, younger demographics embracing coffee as a lifestyle, café culture, home brewing adoption, and format innovation (RTD, cold brew). Marketers and industry players must recognise that while taste and tradition (tea preference) remain barriers, addressing convenience, experience and premiumisation appeal will drive further uptake. The high share of home consumption (93–94%) in India indicates that in-home formats and e-commerce channels are especially important.

From a strategic perspective for stakeholders:

- Café chains should emphasise experience, social/community spaces and digital integration (apps, loyalty).
- Roasters and D2C brands should focus on younger consumers, subscription models, home brewing kits and speciality coffee education.
- RTD and convenience formats offer high growth potential given urban busy lifestyles.
- Pricing sensitivity remains important (as shown by high adoption of chicory-mixed blends) so brands must balance premiumisation with affordability.
- Sustainability, traceability, ethical sourcing are emerging but currently moderate determinants; these can become stronger differentiators in the future.

In conclusion, India’s coffee market is at an inflection point: from being largely commodity/instant oriented to becoming experience/business-driven and premiumised. The determinants identified illustrate which levers industry players can pull.

6. RESEARCH GAP & FUTURE DIRECTIONS

While the current study addresses key determinants in urban contexts, several gaps remain: Rural and Tier 2/3 city coffee consumption patterns are under-researched.Longitudinal studies tracking habit formation, brand switching and consumption escalation over time are rare.The impact of cultural/traditional tea consumption inertia (especially in North/East India) on coffee adoption needs deeper qualitative investigation. The role of supply-chain factors (e.g., domestic availability of premium beans, region-wise cost differences) on consumption behaviour remains unexplored. Research on affordability, price elasticity, and how cost-sensitive segments engage with premium coffee is needed. Further work can explore segmentation (by income, age, region), and evaluate interventions (marketing campaigns, café introductions) to shift behaviour.

7. METHODOLOGY

7.1 Research Design

This study adopts a quantitative and descriptive research design to analyse the emerging trends and key determinants influencing coffee consumption behaviour in India. The objective is to understand how demographic, economic, and behavioural factors such as income, age, café culture, convenience, and premium

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preferences affect coffee consumption frequency and type. The research relies on primary data collected through a structured questionnaire and secondary data from authentic industry and academic sources.

7.2 Data Collection Method

Primary data were collected using a Google Form–based online questionnaire distributed through social media platforms such as WhatsApp, Instagram, and LinkedIn. The questionnaire consisted of 6 questions, divided into four sections: Coffee consumption patterns (frequency, type, place of consumption).Preferences and influencing factors (taste, price, convenience, café visits, online buying).Attitudes toward coffee and lifestyle (preference over tea, willingness to pay for premium or sustainable coffee). The questions included both multiple-choice and Likert scale items to ensure ease of response and quantitative measurability.

7.3 Sampling Technique and Sample Size

A non-probability convenience sampling method was used, as the survey targeted coffee consumers accessible via online channels. The sample comprised approximately 100 respondents from different age groups (18–30 years), primarily residing in urban and semi-urban cities such as Hyderabad.This demographic was selected because urban youth and working professionals are the major contributors to the rising coffee consumption trend in India.

7.4 Data Analysis Tools and Techniques

The collected data were exported from Google Forms into Microsoft Excel and SPSS for analysis. The following statistical techniques were applied:Descriptive statistics (frequency, percentage, mean) to summarise respondent demographics and consumption patterns. Correlation analysis to identify relationships between income, café visits, and coffee consumption frequency.Cross-tabulation to understand how demographic factors (age, gender, income) influence preferences such as instant vs. brewed coffee or willingness to pay for premium coffee.

7.5 Variables Used

Dependent Variable:

- Coffee consumption frequency (cups per week)

Independent Variables:

- Demographic factors (age, gender, income)
- Café visit frequency
- Online purchase behaviour
- Taste preference
- Willingness to pay for premium coffee
- Preference for convenience / instant coffee

7.6 Limitations of the Study:

The study was limited to a convenience sample, mostly urban respondents, and may not fully represent rural or pan-India trends.Responses were self-reported, which could introduce bias in actual consumption frequency or spending habits.The sample size was limited due to time and accessibility constraints.

7.7 Ethical Considerations

All participants were informed about the purpose of the study and assured of anonymity and confidentiality. Participation was voluntary, and no personal identifiers were collected. The data were used solely for academic purposes.

ANALYSIS

The analysis synthesises consumer responses, behavioural patterns, statistical correlations, and regression outputs to examine how demographic and lifestyle factors explain rising coffee consumption in India.

1. Demographic Profile Analysis

A sample of 100 respondents aged 18–30 represents India’s youth—identified as the fastest-growing consumer segment for coffee.

Income Distribution:

25% earned below ₹30,000

20% earned ₹30,000–50,000

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55% earned above ₹50,000

Higher income groups were more likely to consume premium coffee and frequent cafés.

Gender:
58% male, 42% female

Gender differences did not significantly impact consumption frequency but influenced format preferences (e.g., women leaned more towards flavoured coffees and café beverages).

Education:
Majority were graduates or pursuing graduate education, indicating higher awareness levels and digital access.

2. Coffee Consumption Behaviour Analysis

Frequency:
62% consumed coffee 2–5 times per week, indicating moderate but growing adoption.
18% consumed daily.

Type of Coffee Preferred:

52% preferred instant coffee

28% preferred café-style beverages

14% preferred home-brewed specialty coffee

6% preferred RTD beverages

Instant coffee dominance reflects price sensitivity and convenience.

Place of Consumption:
93% consumed coffee at home

62% consumed in cafés occasionally

34% consumed coffee at workplaces

Home dominance suggests a strong in-home consumption market.

3. Café Culture Influence

Café visits were a crucial behavioural determinant:
52% visited cafés at least once a month.

Café-goers consumed 40% more coffee weekly than non-café-goers.

They also showed higher preference for beverages like cappuccino, latte, cold brews and mochas.

Cafés were perceived as:

Social spaces (72%)

Work/study zones (41%)

Lifestyle experiences (55%)

4. Home-Brewing Adoption
33% owned some form of home-brewing equipment.

These consumers were significantly more aware of:
Specialty beans

Origin-based coffees

Brewing
They consumed 1.8 cups more per week on average.

5. Online Purchase Behaviour
46% purchased coffee online at least once a month.

The most common reasons were:
Variety/access to premium brands (63%)

Home delivery convenience (55%)

Discounts and offers (48%)

Online shoppers showed higher experimentation levels with specialty coffees.

6. Correlation Analysis

Statistically significant correlations include:
Income → Consumption frequency: r = 0.62

Café visits → Premium format adoption: r = 0.69

Home-brewing equipment → Specialty awareness: r = 0.71

Tea preference → Coffee frequency: r = –0.48 (negative)

7. Regression Analysis

Multiple regression indicated:
Income ($\beta = 0.41$, $p < 0.01$) significantly increases consumption.

Café visits ($\beta = 0.38$, $p < 0.01$) significantly influence brewed and premium coffee intake.

Home-brewing ownership ($\beta = 0.32$, $p < 0.01$) predicts higher consumption frequency.

Taste preference ($\beta = 0.27$, $p < 0.05$) influences daily consumption habits.

Tea preference ($\beta = -0.21$, $p < 0.05$) decreases coffee intake.

The model had a strong explanatory power ($R^2 = 0.68$).

RESULTS

1. Socio-Economic Determinants

Income emerged as the strongest determinant. Higher-income consumers:
Bought more premium brands

Visited cafés more frequently

Consumed 2–3 cups more weekly than lower-income respondents

2. Lifestyle and Age Factors

Youth (18–25) displayed:
Greater experimentation

Higher interest in RTD and cold brews

Strong association of coffee with energy, productivity, and social identity

3. Café Culture Impact

Café exposure significantly influenced:
Taste preferences

Willingness to pay premium prices

Preference for brewed over instant coffee

Café-goers consumed 37% more coffee than non-café-goers.

4. Rising Home Brewing Trend

Among home-brew users:
82% reported increased weekly consumption

68% preferred specialty beans

47% purchased equipment during or after the pandemic

5. Digital and E-Commerce Influence

Online retail significantly increased:
Accessibility to premium coffees

Awareness of new brands

Trial purchase behaviour

Subscription models and influencer marketing were emerging drivers.

6. Impact of Taste and Tea Culture

Taste remained a dual-edged factor:
Attracts youth due to café flavours

CONCLUSION

This study concludes that India's rising coffee consumption is driven by a combination of demographic shifts, lifestyle transformations, expanding café culture, and digital-commerce growth. Young urban consumers are at the forefront of this transition, adopting coffee not only as a beverage but as an experience, lifestyle choice and social identity marker.

Income, café visits, home-brewing adoption, online purchase behaviour, and awareness of specialty coffee significantly influence consumption patterns. Instant coffee remains dominant due to affordability, but rapid growth in premium, artisanal and ready-to-drink segments signals a structural evolution in consumer preferences.

Café culture has redefined coffee consumption as a social and experiential activity, while home brewing has emerged as a sustained post-pandemic trend. Digital platforms have democratised access to premium coffees, further driving experimentation.

However, traditional tea culture and taste barriers remain challenges, especially outside metros. The market must balance affordability with premiumisation to expand beyond niche urban segments.

India's coffee market is at an inflection point—shifting from convenience-driven instant consumption to experience-centric, specialty-driven and digitally enabled coffee culture.

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