

A STUDY ON CONSUMER PREFERENCES TOWARDS THE CONSUMPTION OF BEVERAGES AMONG YOUTH AND ADULTS; A CASE STUDY ON COFFEE MARKET IN INDIA

Dr. KRITIKA MALHOTRA
Assistant Professor, National P.G. College

Apoorva Srivastava
Student, National P.G. College

ABSTRACT

The Coffee Market in India has experienced significant evolution and growth over the past decade, transitioning from a traditional, regional commodity to a vibrant and diverse sector with substantial economic and cultural implications. India, traditionally known for its tea consumption, has seen a burgeoning interest in coffee, driven by a growing middle class, urbanization, and changing consumer preferences. In India, the coffee market features a variety of brands specializing in Robusta and Arabica coffees. Some Robusta Coffee Brands of India are – Café Coffee Day, Tata Coffee Grand, Leo Coffee etc and Some Arabica Coffee Brands of India are – Blue Tokai, Indian Coffee House and Baba Budan Coffee etc.

The Indian coffee market offers a rich variety of brands catering to both Robusta and Arabica coffee preferences. Robusta brands tend to focus on strong, bold flavors and are often associated with instant coffee, while Arabica brands emphasize smoothness and nuanced flavors, often found in specialty and premium segments. The diversity of these brands reflects the growing sophistication of coffee culture in India. In India, coffee consumption trends among young people and adults reveal a significant shift in preferences and habits, reflecting broader socio-economic changes and evolving cultural norms. Coffee has a multifaceted influence on both youth and adults in India. For the youth, coffee represents a cultural and social phenomenon, driving trends in café culture and specialty coffee. For adults, coffee plays a more traditional role, often linked to productivity and daily routines, while also evolving with growing health and quality considerations. Together, these influences contribute to the dynamic and expanding coffee market in India.

Keywords- Coffee Market in India, Consumer Preferences, Robusta Coffee, Arabica Coffee, Youth and Adults

INTRODUCTION

Consumer preference refers to the tendencies and inclinations of individuals when choosing products or services based on their tastes, needs, and values. It encompasses the factors that influence why a consumer might favor one product over another, and it can be shaped by a variety of elements. It is the subjective liking or choice a consumer shows towards a specific product, brand, or service based on their personal experiences, desires, and values. It reflects the relative importance consumers place on different attributes or features of a product or service. It is influenced by personal, psychological, social, economic, and environmental factors, and understanding these preferences is crucial for businesses to effectively meet consumer needs and maintain a competitive edge.

Youth and Adults

According to the World Health Organization (WHO), "youth" refers to individuals aged 15 to 24 years. This definition helps standardize the age range for youth in various statistical and programmatic contexts globally. It is a crucial developmental stage characterized by significant physical, psychological, and social changes. This period bridges childhood and adulthood and encompasses physical development, psychological development and social development. According to the World Health Organization (WHO), adulthood typically begins at the age of 25. The WHO does not have a precise upper age limit for adulthood, as it encompasses a broad range of ages and life stages, including young adulthood, middle age, and older adulthood. Generally, adulthood is considered to begin after the "youth" phase, which ends at 24 years. This stage can be divided into several sub-categories that are Young Adulthood (25-39 years), Middle Adulthood (40-59 years), Older Adulthood (60 years and above).

India's demographic structure is characterized by a large and youthful population. The country has a significant proportion of young people and a growing adult population. The youth demographic in India typically includes individuals aged 15 to 24 years, aligning with the WHO definition. According to the National Youth Policy of India, there are over 350 million people in the 15-29 age groups. The distribution of youth between urban and rural areas varies, with a significant portion residing in rural areas, although urbanization is increasing.

Coffee Market in India

The coffee market in India has been growing steadily and evolving in recent years. India is one of the largest coffee producers in the world, ranking 7th globally. The country produces both Arabica and Robusta beans, with Robusta being more prevalent. Major coffee-growing regions include Karnataka, Kerala, and Tamil Nadu. Coffee consumption in India is increasing, particularly among the younger generation and in urban areas. The traditional preference for tea is slowly being complemented by a growing interest in coffee.

Coffee consumption is rising primarily in urban centers, driven by an increasing number of cafes, coffee chains, and a growing middle class. There is a growing interest in specialty and premium coffee, with consumers seeking unique flavors and high-quality beans. This trend is supported by the expansion of specialty coffee shops and international coffee chains like Starbucks and Costa Coffee. Instant coffee remains popular, particularly in households and offices. Brands like Nescafé and Bru are well-established in this segment. It includes packaged coffee beans and grounds sold through supermarkets, convenience stores, and online platforms. It includes cafes, coffee shops, and restaurants. The rise of café culture and coffee chains has contributed to this segment's growth. A significant segment in India, with a large portion of coffee consumption happening through instant coffee products. Coffee consumption in India varies between adults and youth, influenced by factors such as lifestyle, socio-economic status, and regional preferences.

Adults in India, especially in urban areas, are increasingly embracing coffee. Consumption is often associated with a busy lifestyle and a preference for convenience, as well as the growing popularity of coffee shops and cafes. Many adults prefer instant coffee for its convenience, but there is also a growing interest in freshly brewed and specialty coffee. Coffee is a popular beverage in offices and workplaces, contributing to consumption patterns among working professionals. Some adults are turning to coffee for its potential health benefits, including its antioxidant properties, though consumption habits can vary based on health concerns and dietary choices.

The youth demographic is particularly drawn to café culture and coffee shops as social spaces. Coffee consumption is often linked to socializing, studying, and hanging out with friends. Young consumers are more likely to explore and experiment with specialty coffees, cold brews, and other modern coffee trends. This segment is also more inclined to try different coffee varieties and preparation methods. Social media and online content play a significant role in shaping the coffee preferences of the youth, with influencers and online communities promoting various coffee styles and brands. Coffee is popular among students in colleges and universities, where coffee shops and cafes are common and often serve as social and study hubs.

Both adults and youth are becoming more aware of coffee's origins and brewing methods, with an emphasis on quality and sustainability. The introduction of new products such as ready-to-drink coffee beverages and coffee pods caters to the busy lifestyles of both adults and youth. Overall, coffee consumption in India is growing among both adults and youth, with distinct preferences and behaviors. While traditional preferences for tea remain strong, the rising coffee culture and changing lifestyles are driving increased interest and consumption of coffee across different age groups.

There are many Domestic Coffee Brands and International Chains present in the market of India. Some domestic coffee brands are Tata Coffee, BRU, Bebzala Coffee, Café Coffee Day and many more and some international chains present in Indian Market are Starbucks, Costa Coffee etc.

Tata Coffee is a major player in the Indian coffee market; Tata Coffee offers a variety of coffee products including instant coffee, filter coffee, and roasted beans. Popular products: Tata Coffee Grand, Tata Coffee Premium, Tata Coffee Classic. Tata Coffee is a subsidiary of Tata Consumer Products Limited, which is part of the Tata Group, one of India's largest and most respected conglomerates. The company is headquartered in Bangalore, Karnataka, India. Tata Coffee was established in 1922 and has grown to become a major coffee producer. Tata Coffee is a key supplier for Tata Starbucks, a joint venture between Tata Consumer Products and Starbucks Corporation, which operates Starbucks outlets in India. Tata Coffee has a strong presence in the Indian market with its own brands and as a supplier to other brands.

BRU Owned by Hindustan Unilever, BRU is a leading brand in the instant coffee segment. It is known for its rich flavor and variety of coffee products. Popular products: BRU Gold, BRU Instant Coffee, BRU Green Label. It is one of India's largest consumer goods companies. It was introduced in 1962 and has since become a household name in India, especially in the instant coffee segment. BRU targets a wide range of consumers, from traditional coffee drinkers in South India to urban consumers looking for convenient instant coffee solutions BRU emphasizes the rich aroma and flavor of its coffee, which is a key selling point. BRU's strong brand legacy, diverse product range, and emphasis on quality make it a key player in the Indian coffee market.

Café Coffee Day primarily known for its café chain, CCD also produces coffee for home consumption, including blends and instant coffee. Popular Products: Cafe Coffee Day Coffee Powder, Cafe Coffee Day Filter Coffee. The founder of Cafe Coffee Day (CCD) is V.G. Siddhartha. The first CCD outlet was opened in Bangalore on July 11, 1996. CCD rapidly expanded across India, becoming synonymous with the café culture in the country. It has over 1,700 cafes across more than 200 cities in India. CCD offers a wide range of coffee beverages, including espressos, cappuccinos, lattes, cold brews and frappes. CCD cafes are known for their comfortable and contemporary ambiance, making them popular hangout spots for young people, students, and professionals.

Rage Coffee is an Indian coffee brand known for its innovative and modern approach to coffee products, particularly in the instant coffee segment. It was established in 2018 by Bharat Sethi. Its headquarter is in New Delhi, India. It targets young, urban professionals, fitness enthusiasts, and coffee lovers who seek convenience, unique flavors, and an energy boost from their coffee. The brand has gained traction among millennials and Gen Z consumers due to its innovative approach and appealing product offerings.

Bevzilla is a relatively new coffee brand from India that has gained attention for its innovative and distinctive approach to coffee products. It was founded in 2020 by Arvind and Nidhi Pugalía. Its headquarter is in Bangalore, India. It offers a variety of instant coffee blends, known for their premium quality and unique flavors. The brand provides cold brew coffee options that cater to the growing demand for ready-to-drink cold coffee beverages. The brand offers unique and innovative coffee flavors that stand out in the market, aiming to cater to diverse taste preferences. The brand appeals to both young and mature consumers who appreciate specialty coffee. Bevzilla's emphasis on premium quality, innovation, and sustainability positions it as a distinctive player in the Indian coffee market, appealing to consumers who seek a high-end coffee experience.

Indian Coffee House Operated by the Indian Coffee Board, this brand is associated with the traditional coffee house chain known for its classic coffee blends. Popular Products: Indian Coffee House Coffee Powder. The first Indian Coffee House was set up in 1958 in Delhi, following the recommendation of Jawaharlal Nehru, the then Prime Minister of India. The idea was to provide affordable coffee to the public while offering employment to coffee workers. The cooperative structure ensures that profits are shared among the workers, and decisions are made collectively by the members. The coffee served at Indian Coffee House is known for its strong flavor, typically South Indian filter coffee. Indian Coffee House is known for its affordable prices, making it accessible to a wide range of customers. However, its affordability and cultural heritage give it a unique position in the market. Indian Coffee House continues to be a cherished institution in India, offering not just coffee and food but also a slice of history and a space for community engagement.

Starbucks entered the Indian market through a joint venture with Tata Global Beverages, known as Tata Starbucks Private Limited. Here are some key points about Starbucks in India. Its first store in India was opened in October

2012, in Mumbai. Tata-Starbucks is a 50:50 joint venture between Starbucks Corporation and Tata Global Beverages. The menu at Starbucks in India includes a mix of international favorites and items tailored to local tastes. Starbucks sources a significant amount of its coffee from Tata Coffee, ensuring that the beans meet the brand's quality standards. Starbucks stores in India are designed to provide a premium and comfortable environment for customers, often featuring modern interiors and Wi-Fi connectivity. During the pandemic, Starbucks promoted its home brewing products, including packaged ground coffee, ready-to-drink bottled beverages, and coffee pods, catering to the rising trend of at-home coffee consumption. Starbucks in India has launched its mobile app and integrated loyalty programs (My Starbucks Rewards), which allows customers to earn points for purchases, redeem rewards, and get personalized offers.

Country Bean is a popular Indian coffee brand known for its flavored instant coffee products. It was established in 2017 by Aditi Somani and Ayan Somani. Its headquarter is in Kolkata, India. Their focus on unique flavors and convenience has helped them carve out a niche in India's fast-evolving coffee market, appealing to both seasoned coffee drinkers and those new to the beverage. Country Bean is primarily known for its wide range of flavored instant coffee powders. The brand also provides ground coffee options for those who prefer traditional coffee brewing methods. Country Bean targets a younger, urban demographic that enjoys flavored coffees and is open to experimenting with new tastes. The brand's unique offerings and effective online marketing strategies have made it popular among millennials and Gen Z consumers. Country Bean's commitment to quality and innovation has made it a distinctive player in the Indian coffee market, appealing to a new generation of coffee enthusiasts with its flavorful offerings.

Sleepy Owl is a popular Indian coffee brand known for its high-quality coffee and innovative offerings. It was established in 2016 by Harshul and Priti Gupta. Its headquarter is in New Delhi, India. It provides whole beans for those who prefer to grind their coffee fresh. It is particularly known for its cold brew coffee, which offers a smooth, rich flavor without bitterness. The brand emphasizes using high-quality coffee beans and artisanal roasting methods to ensure a superior taste experience. Sleepy Owl primarily targets young professionals, coffee enthusiasts, and urban consumers who appreciate high-quality, convenient coffee options. The brand has gained popularity among millennials and Gen Z consumers due to its innovative approach and premium offerings. The brand has gained popularity among millennials and Gen Z consumers due to its innovative approach and premium offerings.

LITREATURE REVIEW

Selvaraj, M. Joseph (2003) carried out a study in which he concludes that coffee cultivation in the Kodaikanal Hills of Tamil Nadu has significant economic potential but is also subject to various challenges. By addressing issues related to market access, price fluctuations, financial constraints, and infrastructure, the economic viability of coffee farming can be improved. The research highlights the need for a comprehensive approach involving better management practices, supportive policies, and investments in infrastructure to enhance the economic outcomes for coffee growers in the region. The implementation of sustainable practices and the strengthening of extension services are also crucial for long-term success. This study provides valuable insights into the economic aspects of coffee cultivation and offers recommendations for improving the financial stability and productivity of coffee growers in the Kodaikanal Hills.

Rekha Chinnappa, K. (2013) in her study finds that addressing the marketing problems faced by coffee growers in Karnataka requires a multifaceted approach. By improving market access, enhancing infrastructure, and providing better support services, the challenges faced by growers can be mitigated. The implementation of supportive policies and the development of cooperative models can also play a significant role in improving the overall marketing environment for coffee growers. This research highlights the need for coordinated efforts between government agencies, industry stakeholders, and coffee growers to address the existing problems and enhance the sustainability and profitability of coffee farming in Karnataka.

Beena, S. N. (2014) focused on institutional finance for coffee plantations in Karnataka. The study highlights that while institutional finance is available for coffee growers; its accessibility varies significantly based on the size of the plantation and the financial literacy of the growers. Commercial banks, cooperative banks, and specialized agricultural banks are the primary sources of institutional finance. Each type of institution has distinct advantages and limitations.

The funds obtained from institutional sources are mainly used for plantation development, purchase of inputs (fertilizers, pesticides), labor costs, and post-harvest processing.

Poonkodi, T. (2016) in the research paper titled “Development and evaluation of iron fortified instant Coffee powder” concludes that the development of iron-fortified instant coffee powder is a promising approach to addressing iron deficiency while maintaining the product's quality and consumer acceptance. By integrating iron into a widely consumed beverage, the fortified coffee provides a practical solution to improve public health nutrition. This research highlights the potential for using food fortification as a strategy to enhance nutrient intake in populations at risk of deficiencies, leveraging popular products like instant coffee to achieve health benefits.

Koppa B., Krishna (2022) in the research paper titled “Business History of Coffee in Karnataka and its Forward Linkages” offers a comprehensive analysis of the coffee industry's evolution in Karnataka and its integration into broader economic networks. After India's independence, the coffee industry in Karnataka experienced significant growth, supported by government policies and the establishment of the Coffee Board of India. Coffee cultivation has become a vital part of Karnataka's agricultural economy, contributing significantly to employment and rural livelihoods. The industry faces challenges related to price volatility in the global market, impacting the stability of growers' incomes. There is an increasing emphasis on sustainable and eco-friendly practices, which present both challenges and opportunities for the coffee industry in Karnataka.

Daman Sudarman (2023) in his research concluded that many companies, including coffee shops, utilize social media as a platform to market their products. Young people also use social media to share their daily activities, including their visits to coffee shops. The existence of coffee shops has a social impact on society, such as changes in social processes, types of work, and education. Coffee shops become places of community and information exchange. It also creates jobs and boosts the local economy. The phenomenon of coffee shops by millennials reflects the need for social interaction, identity seeking, a healthy lifestyle, and a comfortable environment. Coffee shops have become an iconic symbol of the millennial lifestyle.”

Ujjwala Gangwal (2024) carried out a study in which he concluded that “Consumption of Caffeinated beverage was found to be 86% with tea being the first choice. Majority of the medical students were taking it on regular days with no major surge during examination days. The two key drivers of caffeine intake while gastritis and insomnia were the main side effects found after consumption. It would be apt to conclude that more research is the need of hour on adverse effects of caffeine on health by using epidemiological, clinical as well as experimental studies.”

RESEARCH METHODOLOGY

This study aims to explore the changing coffee consumption trends among youth (15–24 years) and adults (25 years and above) in India, focusing on factors like taste, convenience, price, and health. It examines differences in preferences between urban and rural consumers, the influence of café culture, and the impact of product innovations like coffee pods and ready-to-drink options. The research also analyzes the role of digital platforms, social media, and major coffee brands, both domestic and international, in shaping consumer behavior. By forecasting future trends, it provides insights for businesses to improve products, marketing strategies, and engagement with Indian consumers.

The study of this research paper was carried out from the secondary data sources that are already available on goggle and various other authentic data sites. Study of consumption and preferences of coffee by youth and adults in India were included in the research paper and all the secondary data is mainly from 2016 to 2032. In this, future predictions for upcoming years are also added in the paper. The age group from 15 to above 60 is considered in this research paper and all the data are collected from the secondary sources is concerned with this age group. All the data was compiled, entered into excel sheet, tabulated and then the created Bar Graphs and Pie Charts are used for this particular study. All the secondary data is based on the preferences and consumption of coffee by the population under the geographical boundaries of India and its state.

DATA ANALYSIS

Coffee Consumption in India from 2016 to 2023-24

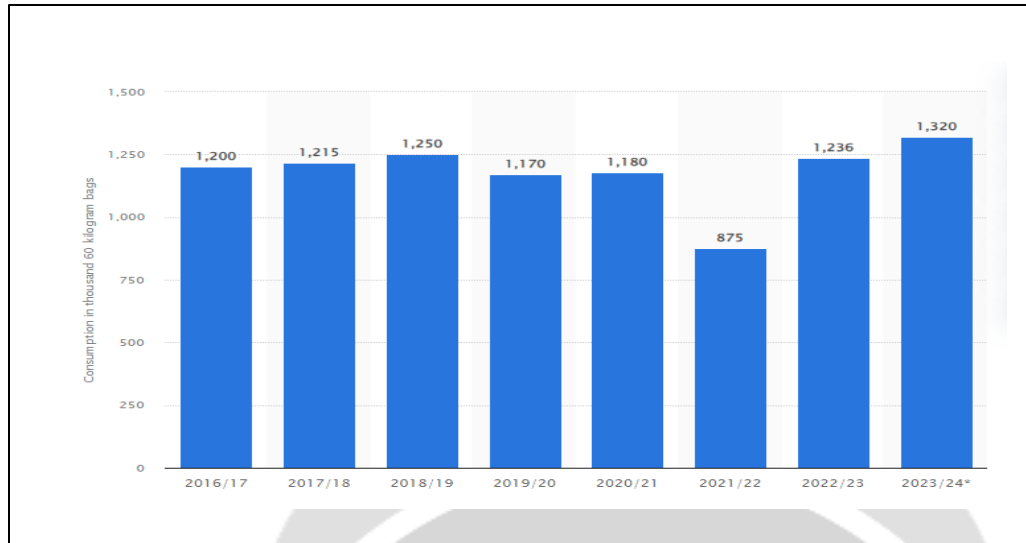


Figure 1.1

Graph of fig.1.1 represents coffee consumption, measured in thousand 60-kilogram bags, over a span of eight years, from the 2016/17 coffee year to a projection for 2023/24. The graph shows a general increase in coffee consumption over the years, indicating a growing demand for coffee. There is a noticeable decline in the 2021/22 coffee year, where consumption drops sharply to 875 thousand bags. This could be due to external factors like supply chain disruptions, economic downturns, or other market conditions. The bar graph indicates that despite a significant dip in 2021/22, coffee consumption has generally been on an upward trend over the past few years, with projections for 2023/24 suggesting continued growth. The dip in 2021/22 could be a response to unusual market conditions, but the recovery shows resilience in the coffee market.

India Coffee Market

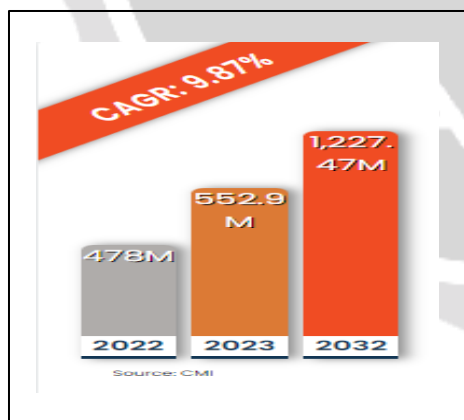


Figure 1.2

The major players of coffee in Indian Markets are Araku, Bloom Coffee Roasters, Blue Tokai, Bru, Café Coffee Day and others. The study period for the above graph is 2022-2032. India is the fastest growing market in terms of coffee. India Coffee Market was valued at USD 478 Million in 2022 and is expected to reach USD 1,227.47 Million by 2032 at a CAGR of 9.87% during the forecast period 2024-2033. Coffee is an important plantation crop in India and has high export potential. The Western Ghats in India is the major hub of coffee cultivation. The major coffee producing

states in India are Karnataka, Kerala and Tamil Nadu, which together contribute about 97% of India’s coffee production.

Growth of India Coffee Market

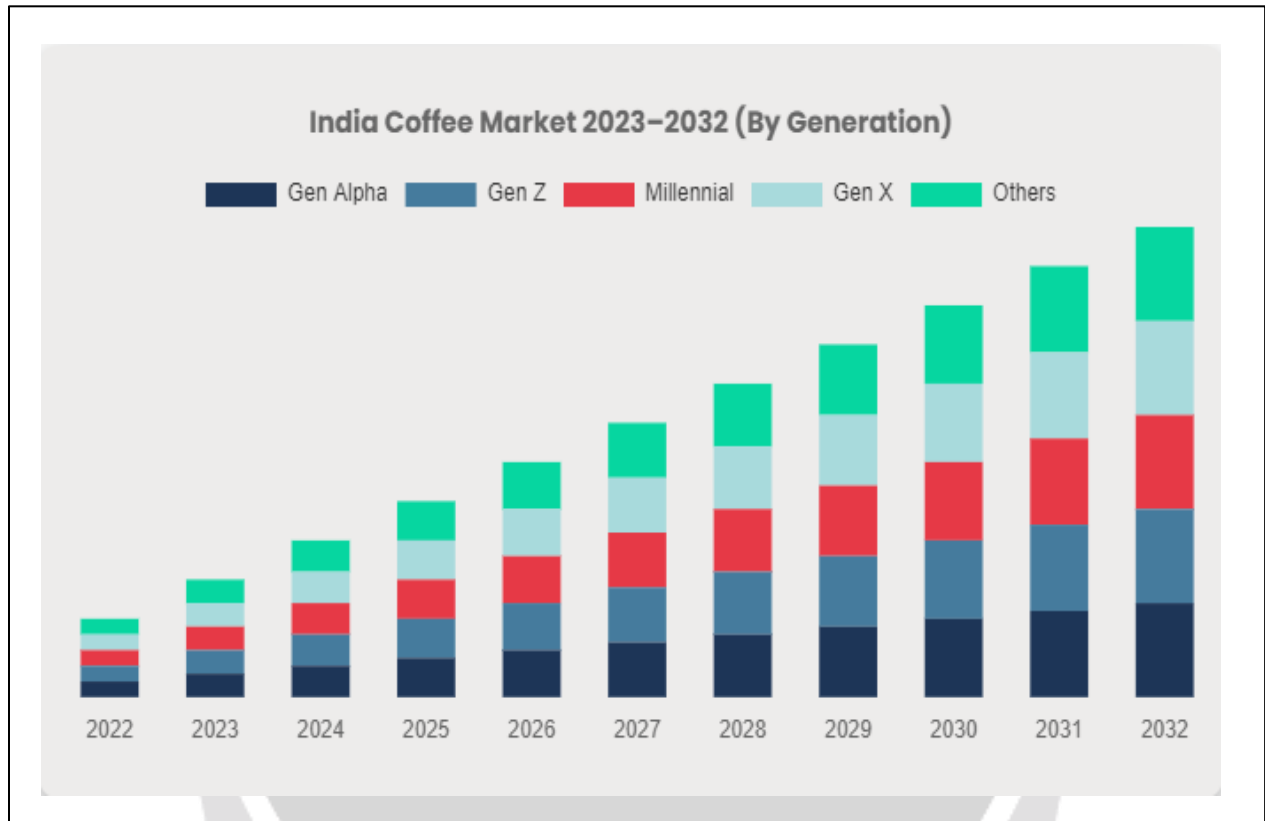


Figure 1.3

The bar graph of fig. 1.3 shows the growth of the India Coffee Market from 2023 to 2032, segmented by different generations. Generations represented: Gen Alpha (dark blue), Gen Z (blue), Millennials (red), Gen X (light blue), others (green). The coffee market is projected to grow steadily from 2023 to 2032. Each generation contributes to this growth, with notable year-on-year increases in market size. 2022 starts with relatively small market sizes, and by 2032, the bars have significantly grown, suggesting considerable growth across all segments. Gen Alpha (dark blue) and Gen Z (blue) seem to be consistent contributors across the years, with noticeable increases over time. Millennials (red) also show a strong and stable contribution across the years. Gen X (light blue) and others (green) have increasing roles in the market, particularly from 2028 onwards. The market sees a smooth upward trend, with all generational segments growing, and others (green) having the largest increase towards the end, indicating perhaps a rise in coffee consumption from non-traditional segments or other demographic factors. The graph indicates a robust and sustained growth in the Indian coffee market over the period, with all generational segments contributing, but varying in their share and rate of increase.

Coffee Products from 2023-2032

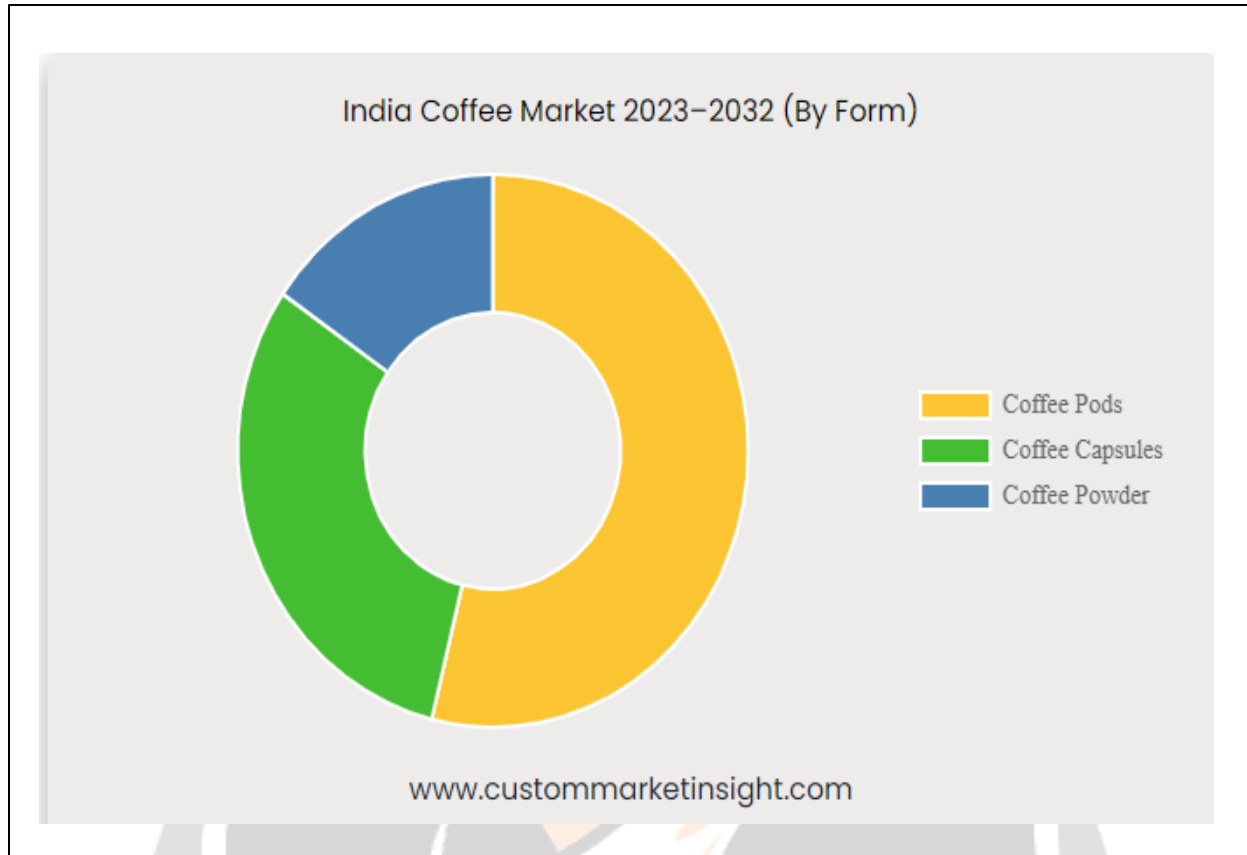


Figure 1.4

The pie chart in fig. 1.4 illustrates the India Coffee Market from 2023 to 2032, segmented by the form of coffee products. The three key forms are: Coffee Pods (yellow), Coffee Capsules (green), Coffee Powder (blue). **Coffee Pods (Yellow)**: This segment seems to represent a large portion of the market, indicating that **coffee pods** are a popular form of coffee consumption in India. This category also has a significant share, though slightly smaller than the coffee pods. It shows that **capsules** are another widely adopted form of coffee, perhaps driven by the increasing availability of coffee machines that use capsules. **Coffee Powder (Blue)**: While still important, **coffee powder** has the smallest share among the three forms. This suggests that traditional coffee forms, like instant or ground coffee powder, might be experiencing a shift as more modern forms like pods and capsules gain ground. The chart reflects a changing consumer preference in the Indian coffee market. Coffee pods and capsules, which are typically associated with convenience and premium coffee consumption, are outpacing traditional coffee powder in terms of market share. The growing interests in coffee machines and single-serve coffee solutions likely drives this trend.

Market Share of Café Coffee Day (DHRP)

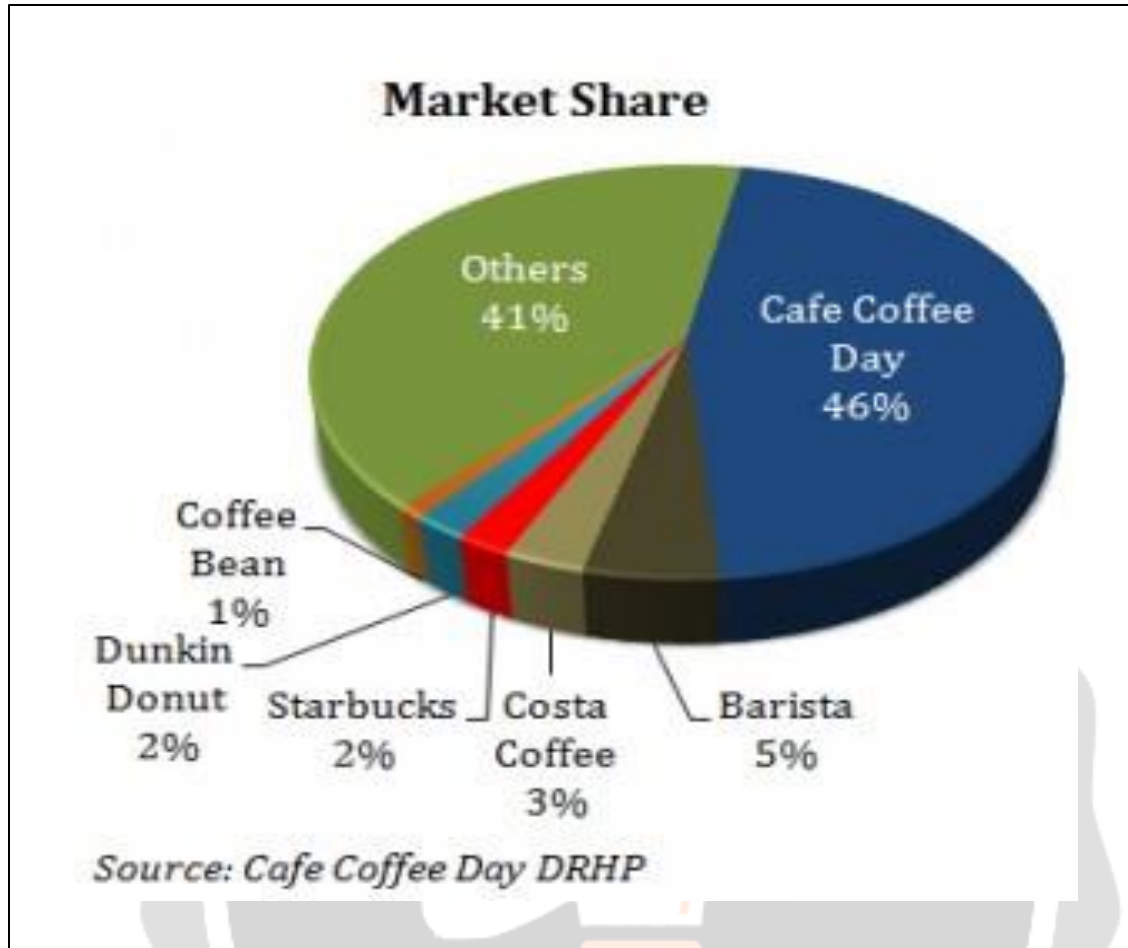


Figure 1.5

Cafe Coffee Day (CCD) holds the largest market share in the Indian coffee market, accounting for 46% of the total. This indicates a strong brand presence and customer loyalty. The category "Others" comprises 41% of the market, suggesting a fragmented landscape with several smaller players competing for a share. Dunkin' Donut and Barista occupy moderate market shares of 2% and 5% respectively. These brands have a niche presence in the market. Starbucks, Costa Coffee, and Coffee Bean have relatively smaller market shares of 2%, 3%, and 1% respectively. This suggests that they are still establishing their presence in the Indian market.

Consumption of Coffee by Urban Vs. Rural

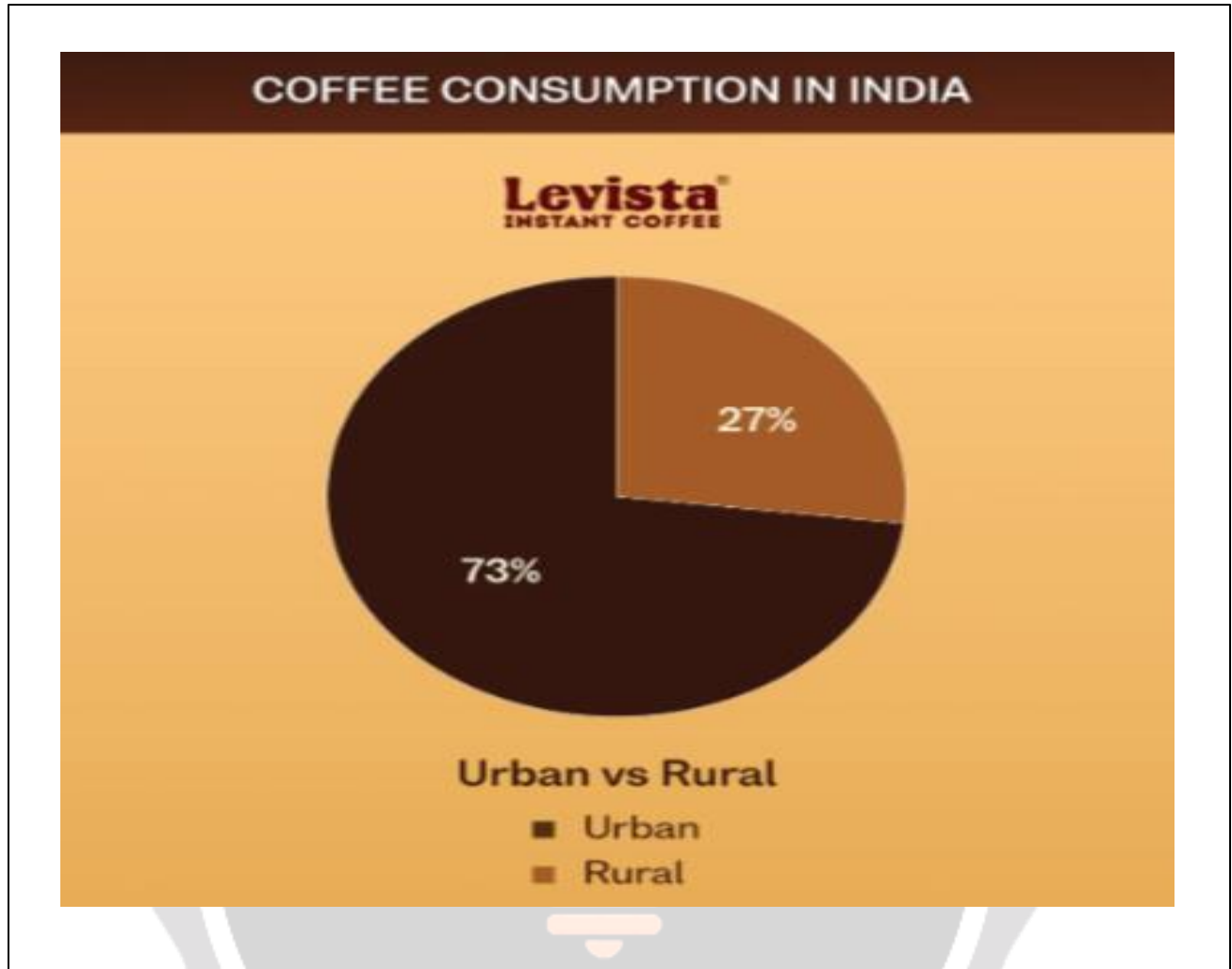


Figure 1.6

The pie chart in fig. 1.6 indicates that 73% of coffee consumption in India occurs in urban areas, while only 27% is in rural areas. This suggests a strong preference for coffee among urban populations. The significant difference between urban and rural consumption highlights a disparity in coffee consumption patterns across India. Factors such as income levels, lifestyle, and cultural preferences might influence this divide.

Preference of Caffeine Drink

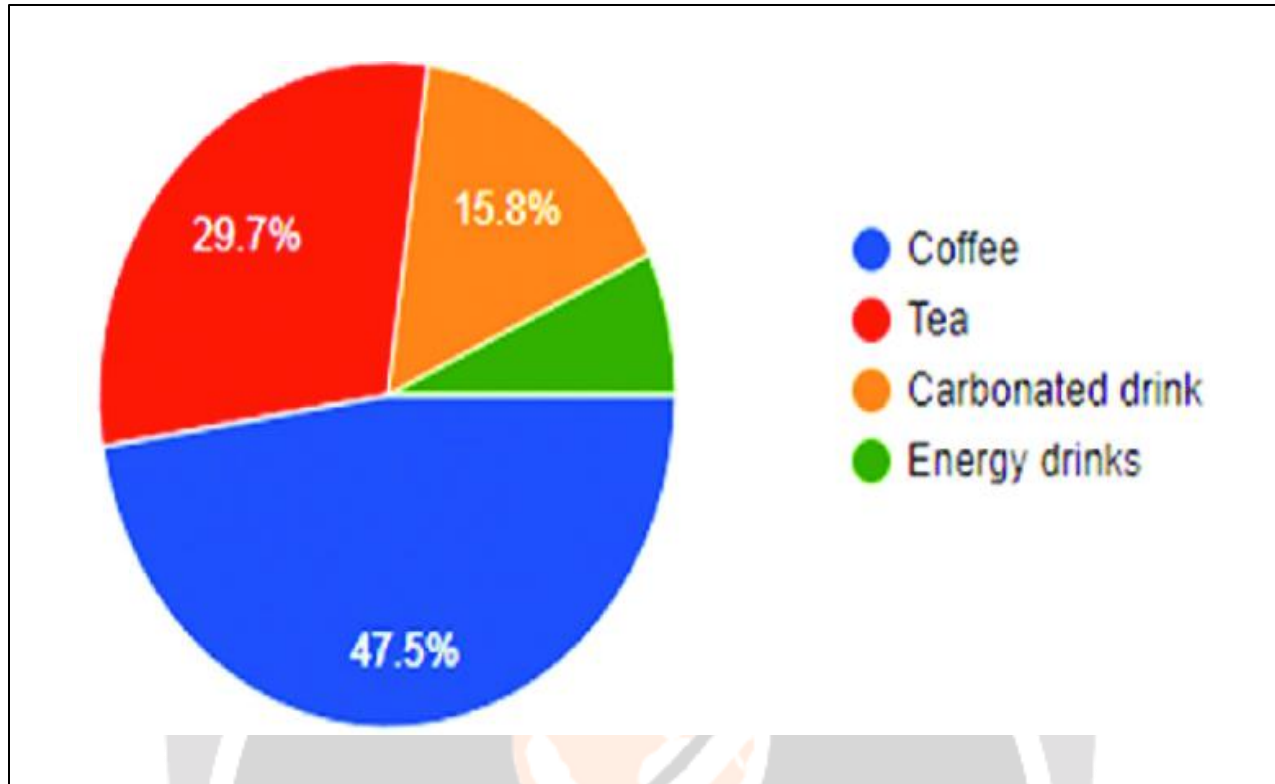


Figure 1.7

This pie chart illustrates the distribution of preferences for different beverages among a group of people. Coffee (Blue - 47.5%) - Nearly half of the group prefers coffee, making it the most popular beverage. This dominance suggests coffee is a key preference, possibly due to its association with energy boosts and daily routines. Tea (Red - 29.7%) - Tea comes in second, with nearly one-third of the group favoring it. This reflects tea's popularity as a comforting and versatile drink, often consumed throughout the day. Carbonated Drinks (Orange - 15.8%) Carbonated drinks are less favored, accounting for about 16% of preferences. Their lower share could indicate they are viewed more as occasional treats rather than daily beverages. Energy Drinks (Green - 6.9%) - Energy drinks are the least popular, with under 7% of the group's preference. Their low share might be due to health concerns or limited use cases (e.g., during intense physical activities). The chart suggests that traditional beverages like coffee and tea dominate daily consumption habits, possibly due to cultural significance and broader accessibility. Carbonated and energy drinks, while popular in certain demographics, are seen as less central to everyday beverage consumption.

DATA INTERPRETATION

The coffee market in India has shown significant growth and transformation over the years, with consumption steadily rising from 2016 to 2024, except for a dip in 2021/22 due to pandemic-related disruptions. This growth is fueled by urbanization, café culture, and increasing consumer interest in premium coffee options. Major players such as Café Coffee Day (CCD), with a commanding 46% market share, dominate the landscape, while brands like Starbucks and Costa Coffee hold smaller yet growing shares. India's coffee market, valued at USD 478 million in 2022, is projected to reach USD 1,227.47 million by 2032 at a CAGR of 9.87%, driven by Millennials and Gen Z as key consumer segments. Preferences are shifting toward modern formats like coffee pods and capsules, which are outpacing traditional coffee powder, reflecting a demand for convenience and quality. Urban areas account for 73% of coffee consumption, highlighting a lifestyle-driven market, while rural regions remain an untapped opportunity. Among caffeinated beverages, coffee leads at 47.5%, underscoring its growing appeal as a daily essential among youth and working professionals. The market's resilience, adaptability, and evolving consumer preferences position India's coffee sector for robust future growth.

CONCLUSION

The coffee market in India has emerged as a dynamic and rapidly growing sector, reflecting significant changes in consumer preferences, socio-economic factors, and cultural norms. Traditionally a tea-dominated country, India has seen coffee evolve from a regional specialty to a mainstream beverage that resonates with diverse demographics. Youth are drawn to coffee as a symbol of modernity, socializing, and lifestyle; adults appreciate its role in productivity and wellness, signaling its versatility as a beverage.

Urban areas dominate coffee consumption, accounting for 73% of the market, driven by café culture, convenience, and premium experiences. However, the potential for growth in rural regions remains largely untapped, representing an opportunity for market players to expand through awareness and accessibility. The diversity of offerings, from traditional coffee powders to innovative formats like coffee pods and capsules, highlights the adaptability of the industry to meet evolving demands.

Domestic brands like Tata Coffee, BRU, and Café Coffee Day have established strong footholds, while international players such as Starbucks and Costa Coffee bring global appeal, enriching the competitive landscape. The increasing consumer focus on sustainability, origin, and quality further signals a shift towards more conscious consumption patterns.

Looking ahead, the Indian coffee market is poised for significant expansion, with a projected CAGR of 9.87% by 2032. This growth will likely be fueled by continued urbanization, rising disposable incomes, and innovations in product formats and delivery channels. The resilience of the market, as seen in its recovery from the temporary dip in 2021/22, reflects strong consumer loyalty and the ability to adapt to challenges.

To sustain and amplify this growth, stakeholders must focus on bridging the rural-urban divide, promoting sustainable practices, and catering to the distinct preferences of various generational cohorts. By leveraging these opportunities, the Indian coffee market can not only thrive domestically but also strengthen its position as a key player on the global stage.

SUGGESTIONS

Exploration of Rural Markets - Investigate the barriers to coffee adoption in rural areas, such as income levels, cultural preferences, or lack of exposure to coffee culture. Assess how affordable pricing, localized marketing strategies, or smaller packaging could cater to rural consumers.

Sustainability and Ethical Sourcing – We can analyze how Indian consumers perceive sustainability in coffee production and how this influences purchasing behavior. Study the impact of initiatives by Indian coffee brands to promote fair trade, organic farming, and eco-friendly packaging.

Influence of Technology – By examining the role of e-commerce platforms in expanding the reach of coffee brands, especially during and after the pandemic. Explore the potential of AI or IoT in enhancing customer experiences in cafés or through personalized recommendations in online stores.

Health and Wellness Trends – Investigate the rising popularity of healthy coffee options, such as cold brews, decaf, or fortified coffee (e.g., iron-enriched). Study how coffee consumption is influenced by health-related advertising or awareness campaigns.

Impact of Café Culture – We can conduct a comparative analysis of consumer behavior in domestic vs. international coffee chains. Study the social and economic impact of the growing café culture on urban areas, particularly among Gen Z and millennials.

Generational Preferences - Explore deeper generational insights, identifying factors that shape preferences for traditional vs. modern coffee products. Evaluate the potential of cross-generational marketing strategies to attract a broader audience.

New Product Innovations - Assess the market potential for ready-to-drink coffee products, coffee-infused beverages, or exotic blends (e.g., flavored or spiced coffees). Investigate consumer receptiveness to subscription-based models for specialty coffee delivery.

Competitor Analysis - Provide an in-depth comparison of domestic players like Tata Coffee or CCD with global giants such as Starbucks or Costa Coffee. Identify how smaller, niche brands are differentiating themselves in a crowded market.

Cultural Shifts in Consumption - Examine how cultural perceptions of coffee (beyond a beverage to a lifestyle statement) are evolving in India. Study how social media trends, influencer endorsements, and digital campaigns are reshaping consumer choices.

Economic Contributions - Analyze the coffee industry's contribution to India's economy, including its export potential and employment generation in key states. Evaluate government policies affecting the coffee sector, such as subsidies for growers or export incentives.

LIMITATIONS OF RESEARCH

Sample Representation - The research primarily focuses on urban demographics, which may not fully capture the consumption patterns, preferences, and challenges of rural consumers, where coffee consumption is comparatively low.

Scope of Analysis - The study predominantly examines consumer preferences and market trends, leaving out a detailed exploration of factors like production challenges, export dynamics, and the impact of policy changes on the coffee industry.

Limited Brand Coverage - Although key players such as Café Coffee Day, BRU, Tata Coffee, and Starbucks are discussed, the study may not comprehensively cover smaller, niche brands or emerging players that are gaining traction in the market.

Geographical Focus - The study focuses on India as a whole but may not adequately address regional differences in coffee consumption habits and preferences, which are influenced by cultural, economic, and climatic factors.

Influence of External Factors - The impact of global market fluctuations, supply chain disruptions, and economic changes (e.g., due to COVID-19 or inflation) on the Indian coffee market has been mentioned but not analyzed in detail.

Technology and Digital Influence - Although social media and e-commerce are discussed as influencing factors, a deeper analysis of how digital platforms shape consumer decisions and brand strategies could further enhance the study.

Bias in Consumer Insights - The reliance on self-reported consumer behavior could introduce bias, as individuals may not always accurately reflect their preferences or motivations.

REFERENCES

1. Selvaraj, M. Joseph (2003). A Study on Some Selected Economic Aspects of Coffee Cultivation in Tamil Nadu with Special Reference to Kodaikanal Hills of Dindigul Anna District. Madurai Kamaraj University (P.261).
2. Rekha Chinnappa, K. (2013). Marketing problems of coffee growers in Karnataka a study. University of Mysore.
3. Beena, S.N. (2014). Institutional finance for coffee plantations in Karnataka. University of Mysore.
4. Poonkodi, T. (2016). Development and evaluation of iron fortified instant Coffee powder. University of Mysore.
5. Koppa B., Krishna (2022). Business History of Coffee in Karnataka and its Forward Linkages. Jain University.
6. Sudarman, D. (2023). Cultural Shifts And Social Impacts Of Coffee Shops On Millennials. *Santhet (Jurnal Sejarah Pendidikan Dan Humaniora)*, 7(2), 318-326.
7. Gangwal, U., Mir, M. T., Gupta, R. K., Gupta, R., Kailu, C., Dhadawad, M. S., ... & Naik, K. H. (2024). Caffeine consumption among medical students: an exploratory study in a medical school in a sub-Himalayan state of India. *International Journal of Community Medicine and Public Health*, 11(7), 2799.
8. <https://www.statista.com/statistics/1227458/coffee-consumption-india/>
9. <https://www.custommarketinsights.com/report/india-coffee-market/?srsltid=AfmBOopxV3XgR4kOMLQSHbSFmh3C30uNCAnuZpNe34S9KyvejjE3egw>
10. <https://www.custommarketinsights.com/report/india-coffee-market/?srsltid=AfmBOopxV3XgR4kOMLQSHbSFmh3C30uNCAnuZpNe34S9KyvejjE3egw>
11. <https://www.custommarketinsights.com/report/india-coffee-market/?srsltid=AfmBOopxV3XgR4kOMLQSHbSFmh3C30uNCAnuZpNe34S9KyvejjE3egw>
12. <https://www.sanasecurities.com/cafe-coffee-day-ipo-review/>
13. <https://levista.in/blogs/news/indian-coffee-market>
14. https://www.researchgate.net/figure/Distribution-of-participants-as-per-their-preference-of-caffeine-drink_fig1_338421630
15. <https://www.who.int/southeastasia/health-topics/adolescent-health>
16. <https://www.tatacoffee.com/>
17. <https://www.hul.co.in/brands/nutrition/bru/>
18. <https://www.cafecoffeeday.com/>
19. <https://ragecoffee.com/>
20. <https://www.bevzilla.com/>
21. <https://www.indiancoffeehouse.com/>
22. <https://www.starbucks.in/dashboard>
23. <https://countrybean.in/collections/coffee>
24. <https://sleepyowl.co/collections/>