

Are SA coffee drinkers becoming more sophisticated?

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The life of the humble South African coffee mug is becoming somewhat precarious. This once cherished kitchen staple, generally emblazoned with whimsical caricatures or schmaltzy aphorisms (e.g. "World's Greatest Dad"), is slowly being cast aside, increasingly playing second fiddle to its cosmopolitan and paper counterparts.

Analysing the increasingly cultivated palate of the average South African coffee drinker, **Insight Survey's** latest **SA Coffee Landscape Report 2016** documents this tale of reverence and repudiation by fleshing out the constituent market drivers; in so doing providing a comprehensively nuanced understanding of the domestic industry environment and market dynamics.

So how did this tale of woe begin? Well, chicory-based instant coffees (e.g. Ricoffy and Frisco) have long been South Africans' preferred choice, and currently still hold a hefty 79% market share. However, this is rapidly being eroded by a 'culture of sophistication' which has seen ground coffee register the largest growth in per capita consumption over the past three years.



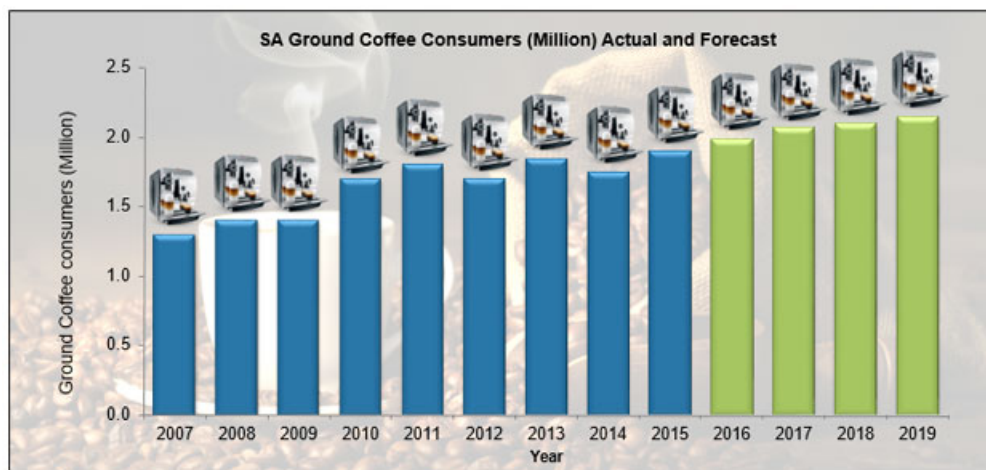
Source: [Insight Survey](#)

Commenting on this burgeoning 'culture of sophistication', Chris Brown (Director of the Daily Buzz) ratifies the aforementioned, stating: "We are seeing a change in the local coffee culture - people are becoming more discerning and aware when it comes to drinking coffee."

This is manifested in the growing demand for speciality coffees (including an emphasis on organic and 'ethically sourced' coffees). Fairtrade coffee sales alone have increased by R7 million in South Africa over the last year. Brown feels that this trend is here to stay, stating: "I believe we will [continue to] see a steady increase in the demand for Fairtrade and organic coffee." In response to this demand, niche artisanal roasteries such as Truth Coffee have introduced organic 'ethically sourced' coffees, as well as enticing concoctions infused with the likes of butter and MCT oil.

Ground coffee is also being driven by its strong links to conviviality, with artisanal roasteries such as Truth (which recently won the title of 'World's Best Coffee Shop'), providing trendy hangouts for the vogue hipster clique. This is echoed by Darren Levy, CEO of Vida e Caffé, who says, "People want to enjoy good coffee and they want it to be led by social engagement." As such, SA coffee shops peddling an array of ground coffees, have seen a sharp 7.1% increase in income since 2014 with impressive growth across the country.

However, the demand for ground coffee is not limited to coffee shops, given the exponential rise in the domestic sales of in-home 'single-serve' coffee machines such as Nespresso. As Judith Walter, Marketing Manager of Coffee Capsules Direct says, "Instant coffee is still very popular in SA, however, the demand for fresh coffee that is freshly brewed [in-home] is on the rise."



Source: [AMPS, Insight Survey](#)

Thus, this growth in the demand for ground coffee (as illustrated above), whilst by no means sounding the death knell for the humble ceramic mug (and its implied proletariat content), is seeing it increasingly playing second-fiddle to Italian espresso minis, ornate glass chalices and brand-name takeaway cups.

The **South African Coffee Landscape Report** (84 pages) provides a dynamic synthesis of industry research, examining the local and global coffee industry from a uniquely holistic perspective, with detailed insights into the entire value chain – from production right through to consumption.

Some key questions the report will help you to answer:

- What are the current market dynamics of the global Coffee industry?
- What are the SA Coffee industry trends, drivers, and restraints?
- What are the prices of Coffees at retail outlets, i.e. Lattes, Espressos, Americanos, and Cappuccinos?
- What are the prices of popular Ground and Instant Coffee brands across South African supermarkets?
- What are the statistics regarding the most popular Instant and Ground Coffee brands in 2015?
- What are the Instant and Ground Coffee consumer trends and forecasts (2007-2019)?

Please note that the 84-page PowerPoint report is available for purchase for R25,000 (excluding VAT). Alternatively, individual sections can be purchased for R7,500 (excluding VAT). For additional information simply contact us at info@insightsurvey.co.za or directly on (0)21 045-0202.

For a full brochure please go to: [South African Coffee Landscape Report 2016](#).

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