

# Business development analysis

## - Coffee market Romania -

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The goal of the project is to:

- ❖ analyze the potential development of the existing business ;
- ❖ support previously gathered data to get insight on the development of coffee market in Romania for last 30 years;
- ❖ project market development for the future.

# Survey objectives

## Phase 1

- ❖ Validate the business idea with the future market;
- ❖ Identify future customer needs/ problems;
- ❖ Propose real solutions to the identified problems;
- ❖ Identify the potential market;
- ❖ Identify future products & pricing;
- ❖ Properly tune in to the customers needs, in terms of location, products, services;
- ❖ Identify and analyze the competition.

## Phase 2

- Get insight on the development of the coffee market in Romania for the last 30 years - identify development opportunities.

# Business hypothesis

- ❖ New going out location, a concept space one size fits all approach, centered on coffee:
  - ❖ Coffee shop;
  - ❖ All-day brunch;
  - ❖ Cocktail bar;
  - ❖ Artist corner.
  
- ❖ Problems to solve:
  - ❖ Lack of cool places to go out with available seating at all times;
  - ❖ Lack of specialty coffee locations with a diversified menu of food and alcohol, at prices according to the target market;
  - ❖ Parking issues around good going out locations, heavy traffic in the city, parking is a challenge;
  - ❖ Not fully inclusive going out locations in the city (restrictions either on pets, remote working, limited availability for wheeled transportation: wheelchairs, strollers).
  
- ❖ Target market:
  - ❖ local people, aged 25-45 years old, medium-high income level, lovers of high quality products and services.

# Survey

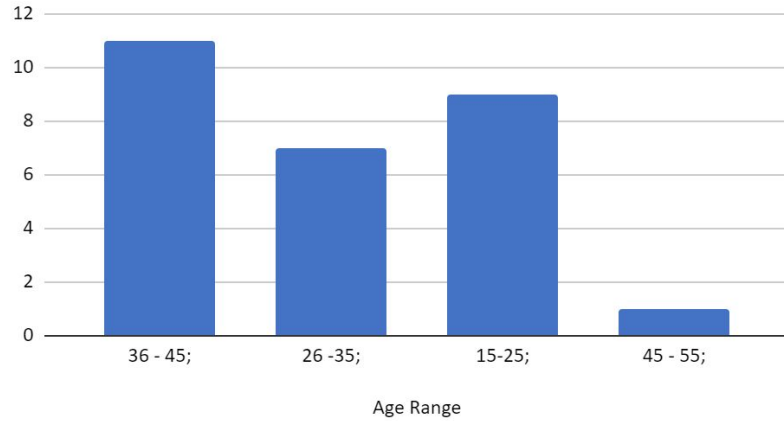
1. Please state your age.
2. How often do you eat/drink out?
3. What is your average going out spending budget/ person/ visit ?
4. And your income level?
5. What is your occupation?
6. Why do you select a location for going out?
7. What is your preferred entertainment option?
8. What products do you buy most when going out?
9. What are the most critical aspects in terms of accessibility of the place for you?
10. What is the most important aspect of customer service?
11. Do you have a favorite cafe/coffee spot in Bucharest?
12. What is your favorite coffee bar in Bucharest?
13. What do you like from your favorite coffee spot?
14. How often do you go there?
15. Does the place serve brunch or alcohol drinks (after 18:00)?
16. Is place pet friendly?
17. What is your favorite eating out location in Bucharest?
18. What do you like from your favorite eating out location?
19. Would you be interested in having easily accessible spot that combines a specialty coffee shop, brunch place, and art corner with cocktails at night in Bucharest?
20. How do you find out about about new locations or events in Bucharest?

# Survey - raw data

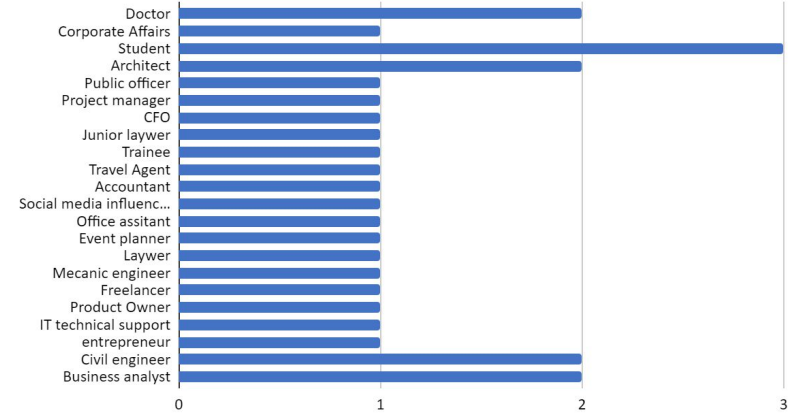
Primary Id	Please state your age:	And your income level?	What is your occupation?	How often do you eat/drink out?	What is your average going out spending budget/person/ visit ?	Why do you select a location for going out?	What is your preferred entertainment option?	What products do you buy most when going out?	What are the most critical aspects in terms of accessibility of the place for you?	What is the most important aspect of customer service?	Do you have a favorite cafe/coffee spot in Bucharest?	What is your favorite coffee bar in Bucharest?	What do you like from your favorite coffee spot?	How often do you go there?
1	36 - 45;	above 2500E;	Doctor	5 times/week	25 - 40E	Specialty coffee	Comedy nights	Alcohol	Nothing critical	friendly staff	Yes	Saint Roastery	The vibe	2
2	26 -35;	1500 - 2500E;	Corporate Affairs	1 time/week;	15-25E	Food	Live music	Coffee	Parking	prompt service	Yes	Saint Roastery	The coffee and the vibe	1
3	15-25;	Below 600E;	Student	1 time/week;	5 - 15E	Food	Live music	Food	Public transportation	friendly staff	Yes	Saint Roastery	Iced Chai latte	1
4	45 - 55;	above 2500E;	Architect	1 time/week;	25 - 40E	Terrace	Live music	Food	Parking	friendly staff	Yes	Saint Roastery	Vibe	3
5	36 - 45;	above 2500E;	Architect	1 time/week;	25 - 40E	Specialty coffee	Live music	Coffee	Location	friendly staff, prompt service, cleanliness	Yes	Saint Roastery	Music	1
6	36 - 45;	1000 - 1500E;	Public officer	1 time/week;	15-25E	Parking availability	Live music	Coffee	Nothing critical	friendly staff, prompt service	Yes	Saint Roastery	People around	1
7	36 - 45;	1500 - 2500E;	Project manager	1 time/week;	15-25E	Design & vibe	Theatre	Food	Nothing critical	friendly staff, prompt service, not overly friendly staff	No	Hard rock cafe	to have a no-cars surrou	1
8	26 -35;	above 2500E;	CFO	1 time/week;	15-25E	Design & vibe	Live music	Coffee	Location	friendly staff, cleanliness	Yes	Saint Roastery	People, vibe, great coffe	2
9	15-25;	Below 600E;	Junior laywer	1 time/week;	15-25E	Staff & hospitality	Theatre	Food	Nothing critical	friendly staff, prompt service, cleanliness	No	Starbucks	The friendly staff and gc	2
10	15-25;	Below 600E;	Trainee	1 time/week;	5 - 15E	Food	Live music	Food	Parking	friendly staff, prompt service	Yes	Starbucks	The coffee especially	2
11	15-25;	1000 - 1500E;	Travel Agent	3-4 times/week;	5 - 15E	Design & vibe	DJ	Coffee	Nothing critical	friendly staff	Yes	Ototo	Location and taste of co	1
12	26 -35;	1000 - 1500E;	Accountant	1 time/week;	15-25E	Alcohol	Live music	Alcohol	Public transportation	friendly staff, prompt service,	Yes	Saint Roastery	The vibe and the terrac	1
13	26 -35;	above 2500E;	Doctor	3-4 times/week;	15-25E	Specialty coffee	Live music	Coffee	Nothing critical	friendly staff, prompt service, cleanliness	Yes	Saint roastery	Vibe ul	1
14	36 - 45;	1500 - 2500E;	Social media influenc	1 time/week;	25 - 40E	Laptop friendly	Live music	Food	Nothing critical	friendly staff, prompt service, cleanliness	Yes	Saint Roastery	Enjoy some good time v	2
15	15-25;	600 - 1000E;	Office assitant	1 time/ month;	15-25E	Food,	Live music	Food	Public transportation	friendly staff, prompt service, cleanliness	Yes	Hard rock cafe	Orange fresh or lemona	1

# Demographics and going out

Respondents age



Demographics - occupation

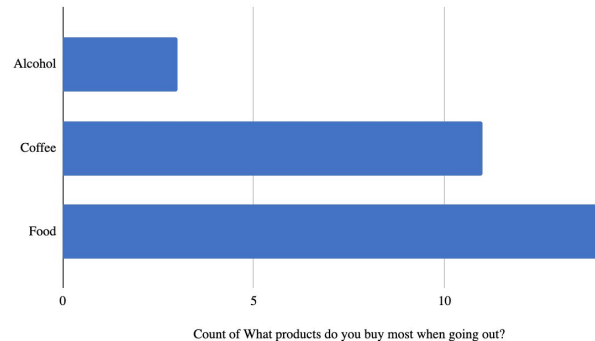


What is your favorite coffee bar in Bucharest?	1000 - 1500E;	1500 - 2500E;	600 - 1000E;	above 2500E;	Below 600E;	Grand Total
Stogo					3	3
Cafeneaua veche			2			2
Forma			4			4
Hard rock cafe			1	1		2
Origo			5		2	7
Ototo		1			1	2
Saint Roastery		2	6		10	19
Starbucks		2			1	7
<b>Grand Total</b>	<b>5</b>	<b>18</b>	<b>1</b>	<b>12</b>	<b>10</b>	<b>46</b>

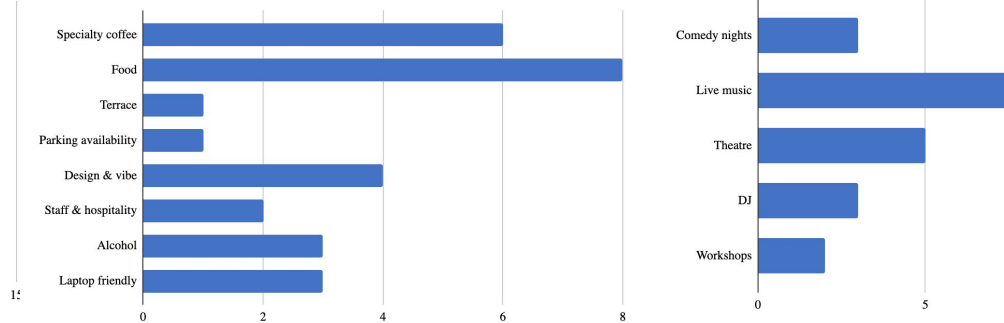
# Demographics and consumer behaviour

How often do you eat/drink out? Average going out spending budget/ person/ visit	Income level					Grand Total
	1000 - 1500E;	1500 - 2500E;	600 - 1000E;	above 2500E;	Below 600E;	
15-25E	2	6	1	2	1	12
25 - 40E	1	4		6		11
5 - 15E	1				4	5
<b>Grand Total</b>	<b>4</b>	<b>10</b>	<b>1</b>	<b>8</b>	<b>5</b>	<b>28</b>

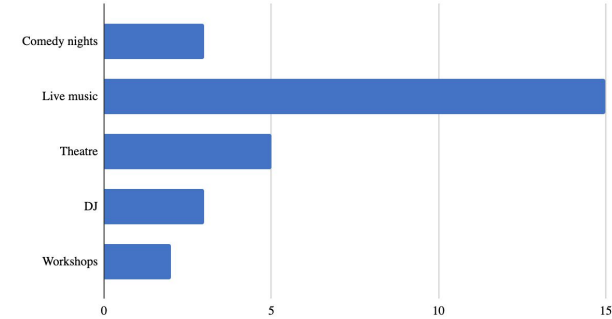
Products most bought when going out



Criteria for selecting a location for going out



Preferred entertainment option





# Data collection

- ❖ Data collection related to population, per capita consumption, and coffee imports is essential for a coffee shop.
- ❖ Population analysis helps understand the potential market size.
- ❖ Per capita consumption indicates the individual demand for coffee and assists in production adjustments and marketing strategies.
- ❖ Coffee import figures reflect actual consumption, since the country does not produce coffee beans.
- ❖ These insights inform strategic decisions, enabling the offering of products and experiences that cater to consumer needs.
- ❖ Data collection identifies growth opportunities and helps stand out in a competitive market.

# Data analysis

- ❖ The data was obtained from official European Union sources, considering a horizon of more than 20 years, correlating coffee importation and consumption data with the country's population.
- ❖ Information such as per capita coffee consumption, as well as the annual and accumulated growth of coffee consumption and imports are fundamental for the construction of assertive strategies aimed at the consolidation and growth of the Coffee Shop.

# Data - coffee imports & consumption in Europe

<https://docs.google.com/spreadsheets/d/1nehjDSgWNE-ui333yF2xFsbidXvkVU4e9-9gowWiOOk/edit?usp=sharing>

Disappearance (consumption) in selected importing countries In thousand 60-kg bags													
Calendar years	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
<b>European Union</b>	<b>31 882</b>	<b>35 522</b>	<b>35 724</b>	<b>37 759</b>	<b>34 210</b>	<b>36 535</b>	<b>37 635</b>	<b>36 911</b>	<b>37 376</b>	<b>37 008</b>	<b>36 008</b>	<b>36 376</b>	<b>36 778</b>
Austria	1 340	1 302	1 212	1 335	1 086	1 012	1 076	1 087	1 105	1 123	875	1 013	926
Belgium										834	1 133	884	1 484
Belgium/Luxembou.	1 124	708	696	789	958	1 073	1 039	886	1 309				
Bulgaria	102	17	175	327	353	393	246	275	324	363	275	350	341
Croatia			135	132	164	288	304	361	320	337	327	337	355
Cyprus	31	45	39	78	45	43	52	46	46	54	67	53	51
Czechia	659	525	472	448	509	511	475	485	523	558	560	633	642
Denmark	865	909	959	891	908	758	895	808	854	869	791	868	805
Estonia			13	44	63	83	84	99	90	95	97	107	111
Finland	1 070	966	1 030	1 129	1 050	735	901	939	1 001	979	967	947	970
France	5 205	5 557	5 614	5 507	5 111	5 313	5 512	5 487	5 351	5 578	5 402	5 253	5 526
Germany	7 279	12 377	9 570	11 325	8 214	11 231	10 594	9 670	9 976	9 748	8 770	9 059	8 498
Greece	631	387	320	148	356	383	715	739	668	641	687	548	827
Hungary	574	380	348	557	724	447	571	602	652	657	633	647	637
Ireland	120	113	91	107	127	107	87	97	92	135	83	146	136
Italy	4 832	4 254	4 132	4 888	4 774	4 644	4 776	4 913	4 936	4 919	5 149	5 243	5 182
Latvia			19	41	6	14	50	120	134	166	162	150	145
Lithuania			2	9	37	68	66	108	135	158	173	204	208
Luxembourg										61	144	133	172
Malta	20	13	16	22	12	21	9	9	7	9	9	9	9
Netherlands	2 383	2 488	3 261	2 719	2 122	2 293	2 509	2 367	1 961	1 471	1 860	1 677	1 574

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<b>European Union</b>	<b>31 882</b>	<b>35 322</b>	<b>35 724</b>	<b>37 759</b>	<b>34 210</b>	<b>36 535</b>	<b>37 635</b>	<b>36 911</b>	<b>37 376</b>	<b>37 008</b>	<b>36 008</b>	<b>36 376</b>	<b>36 778</b>
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Malta	20	13	16	22	12	21	9	9	7	9	9	9	9
Netherlands	2 383	2 488	3 261	2 719	2 122	2 293	2 509	2 367	1 961	1 471	1 860	1 677	1 574

Sources:

International Coffee organization <http://www.ico.org/>

<https://icocoffee.org/>

<https://ec.europa.eu/eurostat/>

<https://www.euromonitor.com/coffee-in-romania/report>

Romania Statistics Institute: <https://insse.ro/cms/ro>

# Cleaned data

Calendar years	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Coffee import	441.53	335.45	603.21	425.35	347.45	551.34	696.56	630.98	595.30	511.42	551.56	633.17
Coffee import (in KG)	26,492.04	20,127.00	36,192.48	25,521.00	20,846.82	33,080.58	41,793.48	37,858.62	35,718.12	30,685.38	33,093.42	37,990.32
Population	23,201,835.00	23,001,155.00	22,794,284.00	22,763,280.00	22,730,211.00	22,684,270.00	22,619,004.00	22,553,978.00	22,507,344.00	22,472,040.00	22,442,971.00	22,131,970.00
Coffee import per capita (in grams)	1.141807974	0.8750430457	1.587787594	1.121147784	0.917141498	1.458304823	1.847715311	1.6785784	1.586954028	1.365491539	1.474556095	1.716535839
Accumulated growth		-23.36%	58.09%	28.70%	10.50%	69.51%	96.21%	87.06%	81.60%	67.64%	75.63%	92.04%
Anual growth		-23.36%	81.45%	-29.39%	-18.20%	59.01%	26.70%	-9.15%	-5.46%	-13.96%	7.99%	16.41%

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
	738.26	755.34	828.32	874.36	854.26	839.76	826.10	811.46	838.86	844.18	902.87	971.48
	44,295.47	45,320.42	49,698.97	52,461.81	51,255.56	50,385.31	49,566.21	48,687.74	50,331.31	50,651.09	54,172.35	58,288.62
	21,730,496.00	21,574,326.00	21,451,748.00	21,319,685.00	21,193,760.00	20,882,982.00	20,537,875.00	20,367,487.00	20,246,871.00	20,147,528.00	20,058,035.00	19,983,693.00
	2.038401403	2.100664511	2.316779422	2.460721541	2.418427134	2.412745179	2.41340496	2.390463688	2.485881121	2.514010317	2.700780583	2.916809439
	110.79%	113.85%	124.14%	130.35%	128.63%	128.39%	128.42%	127.47%	131.46%	132.59%	140.02%	148.02%
	18.75%	3.05%	10.29%	6.21%	-1.72%	-0.23%	0.03%	-0.95%	3.99%	1.13%	7.43%	8.00%

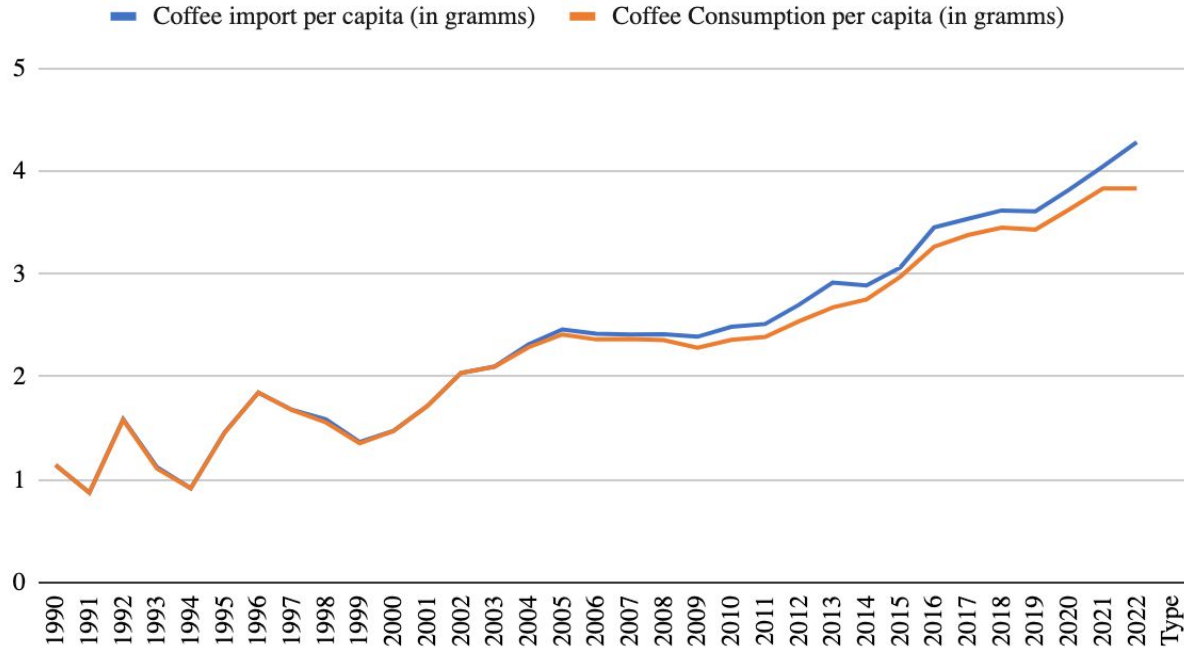
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	958.48	1,011.64	1,133.70	1,154.57	1,174.14	1,165.06	1227	1289	1358
	57,508.99	60,698.59	68,021.93	69,274.40	70,448.57	69,903.68	73,601.86	77,344.51	81,497.60
	19,908,979.00	19,815,616.00	19,702,267.00	19,588,715.00	19,473,970.00	19,371,648.00	19,265,250.00	19,122,059.00	19,031,335.00
	2.888595887	3.063169637	3.452492698	3.536444348	3.617576175	3.608556002	3.82044677	4.04477955	4.282284925
	147.06%	153.10%	165.81%	168.24%	170.53%	170.29%	176.16%	182.03%	187.90%
	-0.97%	6.04%	12.71%	2.43%	2.29%	-0.25%	5.87%	5.87%	5.87%

**Accumulated Growth (1992-2022) : 187,90%**

**Average growth (1992-2022): 3,52%**

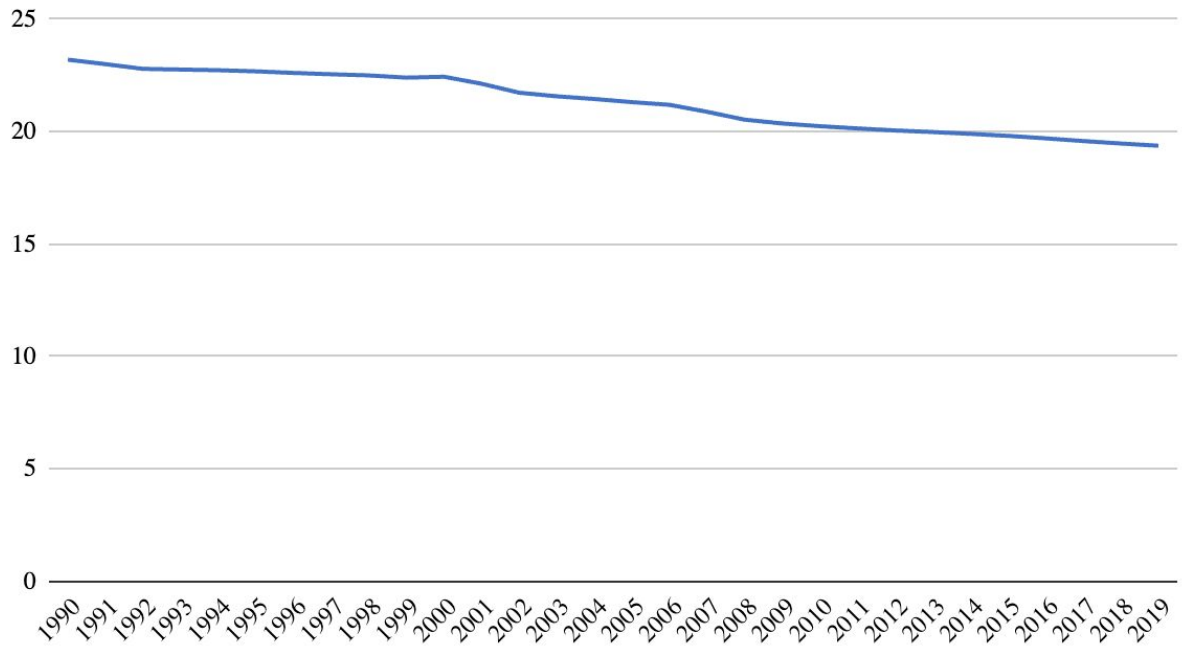
# Outcome - coffee import&consumption/capita - Romania

## Coffee import per capita & Coffee consumption per capita



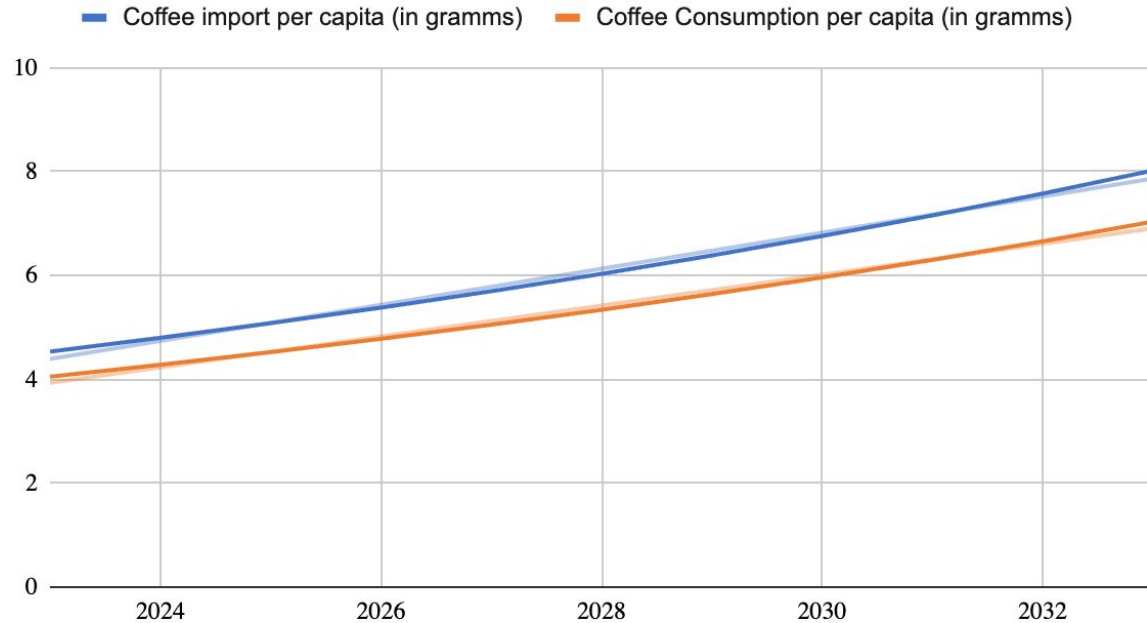
# Outcome - Population in Romania

Population in Millions



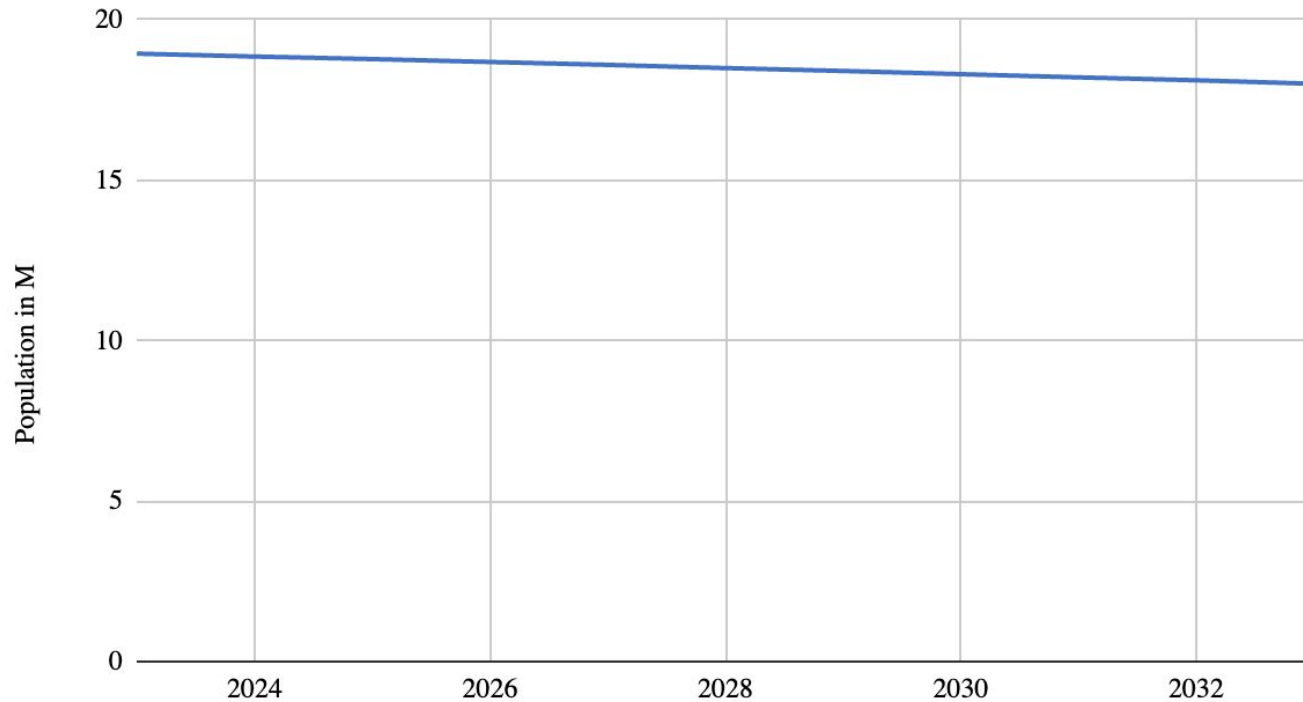
# Coffee consumption&import projection - Romania

## Consumption & Import projection



# Population Projection - Romania

Population in M





# Conclusion

- ❖ The analyses show that the per capita coffee consumption market maintains a stable growth trend, even considering a reduction in the population of Romania over the last few years.
- ❖ In this way, considering the projections based on a historical series of more than 20 years, we can consider that there will be a market opportunity, including the expansion of the business to other regions of the country.
- ❖ <https://docs.google.com/spreadsheets/d/1nehjDSgWNE-ui333yF2xFsbjdXvkVU4e9-9gowWiOOk/edit#gid=769493330>

**Thank you!**

