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## STUDY ON SALES OF COFFEE PREFERRED BY CUSTOMERS

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**Abstract:** *Coffee is one of the most popular brewed drinks in Indian culture. It is loaded with antioxidants and beneficial nutrients which improve health and burn fat. The coffee customers consume more coffee for relieving of frustration and mental depression, apart from get together. The consumers prefer different types of coffee with different taste and sales are rapidly increasing in Chennai for the past few years. The morning cup of coffee provides more than a jolt of caffeine and has a significant impact among the consumers.*

*In today's scenario one could find Cafe Coffee Day shops everywhere in the city apart from hotels and restaurants. The coffee shops introduce new flavours for the customers based on the seasonal fluctuations. It targets on the students, college goers, middle level Executives and the people who are addicted to coffee, mainly to promote sales.*

*This study mainly concentrates on the sales of coffee preferred by customers, regarding their choices and also to know the customers opinion about the stress relaxation and also to identify the need for preferring coffee. Due to variations in flavouring and taste, coffee is sold maximum in the morning and the evening times because after having it for the full day it gives relaxation and energy for the working people. In addition to it the employees who works in the organizations makes it a habit to consume more often to release their frustration and monotony. This study also identifies the consumption of coffee between 300-400mg of caffeine per day, and also to know the sales in terms of marketing and promotions of different types of coffee, which suits the customers. In the competitive world, the market players are concentrating in terms of building the belief based on trust to buy it. And this study is mainly concentrated on the above factors, which is considered as an important one.*

## INTRODUCTION

Coffee is one of the most popular one in Indian culture and it is a custom of every Indians to have it every day to gain some energy. That's true that the college goers and youngsters



consume more coffee in reliving the frustration or keeping the mind relaxed but apart from all these it has also become a great popular reason for get-together. Consumers prefer coffee on variety of taste, even though the quality is retained, More cafe coffee day has been developed, because of the preference which increases on a day to day basis. It can be said that coffee is more than a beverage. However in the midst of competition, each and every brand wants to promote the sales and achieve profit by giving various advertisements and promotion offers. The youngsters prefer coffee in order to have relaxation, avoid frustration and to have a break in the work place, which increases the motivation for the employees. The familiar morning routine that resonates in so many households across the country begins with the ringing of the alarm clock, and ends with that much anticipated cup of freshly brewed of coffee. Coffee used to have a bad reputation, but recent research suggests that drinking moderate amount of coffee provide a wide range of health benefits. Your palette may pick up hints of a taste that the most season cupper would not as each person can find different things in the cup. The Coffee contains caffeine, which acts as a stimulant.

Coffee contains an unknown chemical agent which stimulates the production of cortisone and adrenaline, the two stimulating hormones. Now a day's most of the Café Coffee Days, hotels and restaurants are bringing new flavours to attract customers as well as to make customers know about the changing coffee world. In the present trend any business has the goal of profit, where the promotion of coffee is also playing a vital role in the innovative world, where changes occur. So this study is considered as the important one, where the customers predict the future trends in coffee world.

### **SPECIFIC OBJECTIVES**

A study on preference of coffee by customers at Chennai coffee shop.

### **GENERAL OBJECTIVES**

- To study the types of customers visiting to have a cup of coffee.
- To study about the popularity of different types of coffee.
- To study about the sales of different types of coffee.
- To study about the promotions offered to customers.
- To study about the type of coffee preferred by different customers.



## **NEED FOR THE STUDY**

In the fast moving world different types of drinks boost the energy of youths and when we take into consideration about coffee, it access the relaxation for the individual. Now days in the fast moving world development of various types of coffee shops are opened one after another in addition to hotels and restaurants. The different brands of coffee create awareness in the minds of the customers to just taste and feel satisfied. Coffee is facing a competitive situation when it is compared to other drinks or beverages. Here the customer expects the quality of coffee because they are paying a lot for the same. This study brings out the importance of coffee preferred by customers where marketing plays a vital role in sales and offers variety of branded coffee to customers and also try to predict to what extent the coffee has made an impact in the life of customers.

## **RESEARCH METHODOLOGY**

The data collected for the survey consists of both primary as well as secondary sources. Primary sources are the sources which is prepared in terms of collecting the questionnaire. Whereas secondary sources are those which are collected in terms of magazine, books, journals, websites, etc, the questionnaire been analysed by using statistical techniques such as percentage, pie chart and bar diagram, and advanced techniques like chi-square.

## **OUTCOME OF THE STUDY**

Due to the development in technology the preferences of the customer for consuming coffee has been changed. In the innovative world money is not much valued for anything to buy where coffee has become an extraordinary one to consume it. The instant foods which accompanies it make an impact in the preference of consumers, though youngsters prefer it but in terms of spending they get the quality and relaxation which takes them to the other world. In terms of marketing 4p's like product, price, place and promotion plays an important role to identify which type of customers prefer different types of coffees and which brand promotes sales in marketing, the advertisements offered for customers in promoting the business, so that the profit could be analyzed.

## **REVIEW OF LITERATURE**

1. According to **India International Coffee Festival** in the titled "**Coffee and You**" (2012) states that coffee has played an integral role in shaping the life style of New Delhi. Be it work, or pleasure, people meet and talk over a cup of Coffee. Coffee culture is becoming



a part of the lifestyle of Gen next, Coffee connects. Coffee is excuse to meet and talk. Coffee keeps person alert and helps in performing better in conversation in studies at work, whenever. From this study it could be concluded that coffee is an excuse to hangover with relatives, official personnel and it can also be used as a great tool in promoting the business

2. According to **R. Singaravelvan** in the book Food and Beverage service titled **“Coffee”** (2011) states that coffee is an international drink consumed throughout the world. It is natural product grown in many countries of tropical and sub tropical belt in Southern Central America, Africa and Asia. Brazil is the world largest grower of Coffee, Columbia is second and Ivory Coast and Indonesia 3<sup>rd</sup> and 4<sup>th</sup>. He also states that coffee is continental’s popular drink. Two types of coffee i.e. Arabia and Robusta are famous. From this study it could be concluded that Coffee is the International drink consumed throughout the world and also being marketed all over the globe, and being sold all over the world. e.g. Costa coffee is an international brand which belongs to British Multinational coffee company, opened a restaurant in Besent nagar, Chennai, India
3. Accordingly to **Sally Norton** the News paper “The Hindu” titled **“The many moods of coffee”** (2014) states the merits and demerits of coffee. It can be bad for the heart, some studies shows it can reduce blood flow in the coronary arteries. It disturbs the sleep. People who drink more than three cups of coffee per day are scientifically proven to have less than restful sleep. It is bad for mood. Caffeine increases the catecholamine’s such as adrenaline, known as the fight or flight hormones. No surprise that, caffeine can make tense and jittery in high qualities. It can impact the fertility. Drinking more than five cups of coffee a day can be linked with lower fertility. It can improve the sports performance. It can increase the mental alertness. It may reduce risk of some disease. It may protect the liver. Caffeine can cheer up. From this study it is viewed that coffee is good for health as well as also bad for health.
4. According to **Sayoni Bhaduri** in the Magazine titled **Express Hospitality** on the topic **“Coffee Market”** (2011) states that India is a complete different scenario, it is on the cross road when it comes to the coffee business. India needs to develop ideas and at the same time consolidate for a future. The focus need to be on developing various facts of coffee industry and become more versatile in marketing criteria. ‘There has to be a process of planting seeds and developing them. With coffees it is about assisting the



market and opening dialogues with international players, presenting and developing new concepts. It is all about unearthing and showing what coffee truly is. The Indian market with knowledge of coffee, has presented wedge with a unique proposition, he believes that the country has an untapped business potential. At the same time, there is an evolution that is happening within India's coffee market, that its demand on the basis of consumption is going high and high.

5. According to **Javk D. Ninemeier** in the book titled "**Management of Food and Beverage Operations**" (2011) states that Blends of coffee used in food service operations are specially designed to maintain quality for relatively long period of time. Coffee normally is made in an urn or in an automatic coffee-maker. Procedures for using an automatic coffee maker are similar. Coffee should be heat at approximately 185F, it should never be allowed to boil. And it should not be held longer than one hour. Coffee makers should be rinsed after each use and cleaned regularly. Coffee to be used as ice coffee is always made double strong for the dilution with milk. Usually coffee beans are marketed to the coffee shops and hotels as pure, and they are being mixed with the local coffee beans available in the market and sold for higher costs
6. According to **William H. Ukers** in the book titled "**All About Coffee**" (2009) states that Coffee is universal in its appeal. It has become recognized as a human necessity. People love coffee because of its two-fold effect—the pleasurable sensation and the increased efficiency it produces. Coffee has an important place in the rational dietary of all the civilized peoples of earth. It is a democratic beverage. Not only it is the drink of fashionable society, but it is also a favourite beverage of the men and women who do the world's work, whether they toil with brain or brawn. It has been acclaimed "the most grateful lubricant known to the human machine," and "the most delightful taste in all nature." "No "food drink" has ever encountered so much opposition as coffee. But coffee is something more than a beverage. It is one of the world's greatest adjuvant foods.
7. According to **Francis Crowley Bernard** in the Book titled "**Punch**" (2010) states that First, the coffee cherries must be harvested, a process that is still done manually. Next, the cherries are dried and husked using one of two methods. The dry method is an older, primitive, and labour intensive process of distributing the Cherrie, in the sun, racking them several times a dry, and allow them to dry. When they have dried to the point at



which they contain only 12% water, the beans husks become shrivelled. At this stage they are hulled, either by hand or by a machine. Cleaning and grading the beans. The beans are then placed on a conveyor belt that carries them past workers who remove sticks and other debris. Next, they are graded according to size, the location and altitude of the plantation where they were grown, drying and husking methods, and taste. All these will be able to select thanks in part to the grade in different methods of marketing in different countries.

8. According to **Hank Newer** in the book titled **“Rendezvousing with Contemporary Writers” (2009)** states that Though Palayam is a small town, one of its eating places started serving a new drink called Coffee. It has been introduced by the British rulers and there were many stories about it. Some argued that, since it was of European origin, it must necessarily be unclean; others said that it might be alcoholic. In any case, very few tried it, since tumbler full costs as much as half an Anna, while butter-milk was served free in many places and coconut water including the tender coconut meat was only a paisa. Only the most daring or the wealthy could afford the exotic brew. These were animated conversation about this and about various other things among the men who were slowly gathering in the temple courtyard. And it became good business for the people who vend beverages.
9. According to **Stephen Brecher** and **Hughes** in the Journal Food and Beverage titled **“First Choice Coffee” (2010)** states that Best for business sites to review how their coffee is served. He recommends a bowl style cappuccino cup and saucer, an espresso cup and saucer for the same brand and a tall latte glass”. Says Brecher as with a restaurant plate, white always looks appealing and more premium. Some operators serve biscotti alongside a coffee to add value. While this is very traditional in Italy. I’d urge operators to consider the cost of implications of doing this. What matter to the customer is the quality of the coffee in the cup, if they have a wonderful cup of coffee, they’re likely to order another one or their next visit, but if they have a bad cup they won’t order another just for the free biscuit. From this study it is viewed that serving of coffee in cup and saucer is also important to attract the customer as this is a good marketing strategy to market their cup of coffee.
10. According to **Jubiet Gray** in the book Nutrition and Food Science titled **“Caffeine, Coffee and health”** States about coffee and its physiological effects on the drinkers. Coffee



recommends a safe level of consumption at between 300 – 400 mg of caffeine per day which translates to four or five cup of average strength coffee. From this study it is viewed that only four or five cup of coffee per day is good for health. The marketing personnel gives the nutritional values and facts of their own products along with the product they are marketing.

## RESEARCH METHODOLOGY

The Research is a descriptive one and the study involves both primary and secondary data. The primary data consist of structured interview schedule in the form of questionnaires, where the customers have been met and taken the interview. The places which have been interviewed where the hotels, coffee shop and other places where the customers take coffee. The Secondary Data include books, journals, and magazines etc. which have been reviewed previously. The Stratified random sampling method is applied to stratify the customers towards the service offered. The total number of samples used for the study is 100 respondents. The data collected for the study been analyzed by using advanced statistical method such as percentage, bar diagram, and other advanced statistical techniques like correlation test, T-Test been opted for the study.

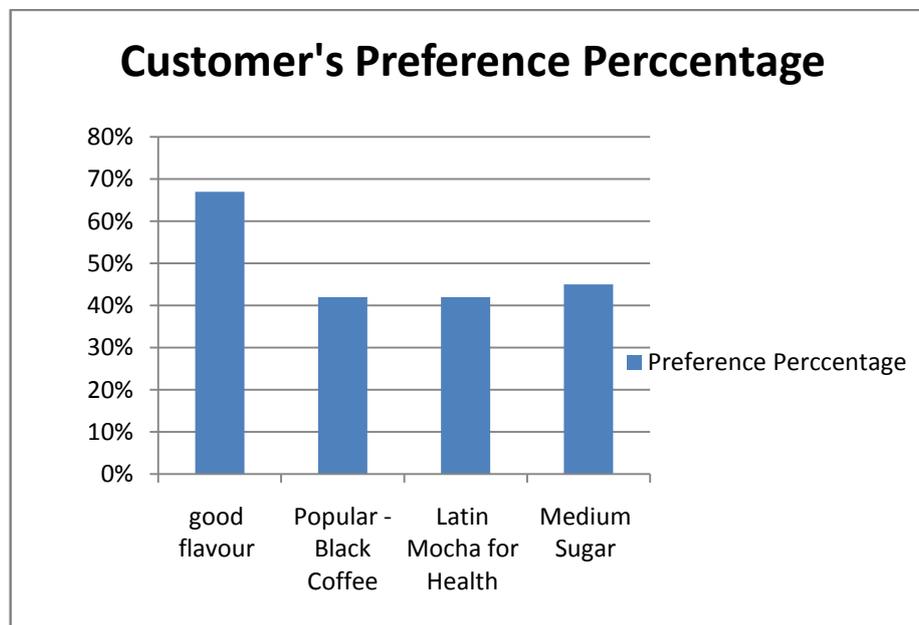


Figure 1 Interprets that the coffee 67 percentage of the respondents prefer coffee for its good flavour and they need the coffee to be served with medium sugar. Among the coffee varieties Black Coffee is considered the most popular by 42 % of the respondents and Latin Mocha is preferred for his characteristic for good health

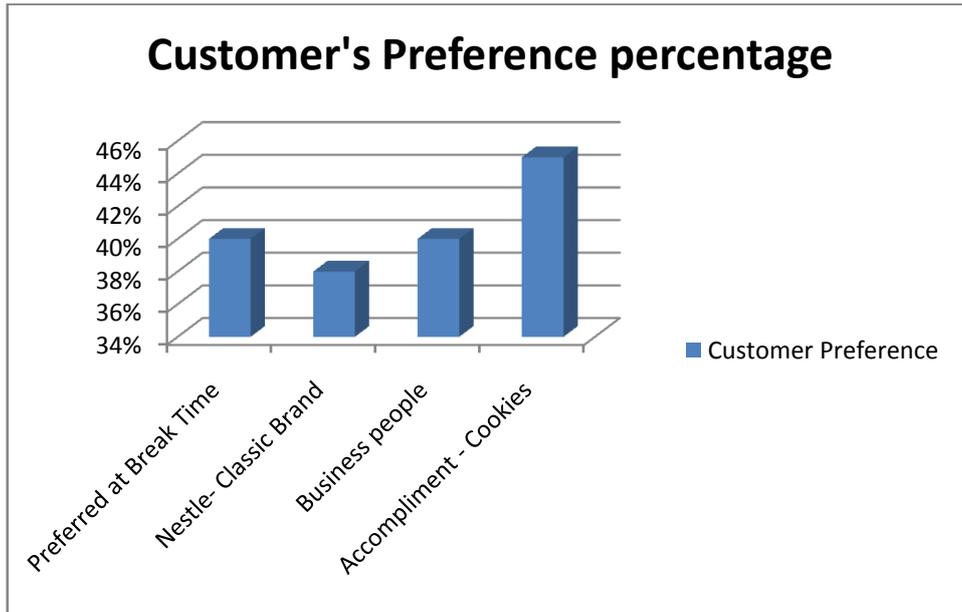


Figure 2 shows that the brand mostly liked by the customers is Nestle-Classic and 38% percentage of the customers likes to have during their break time and around 40% of customers likes cookies to accompany with their coffee. 45% of the respondents feels that coffee is mostly preferred by the business peoples

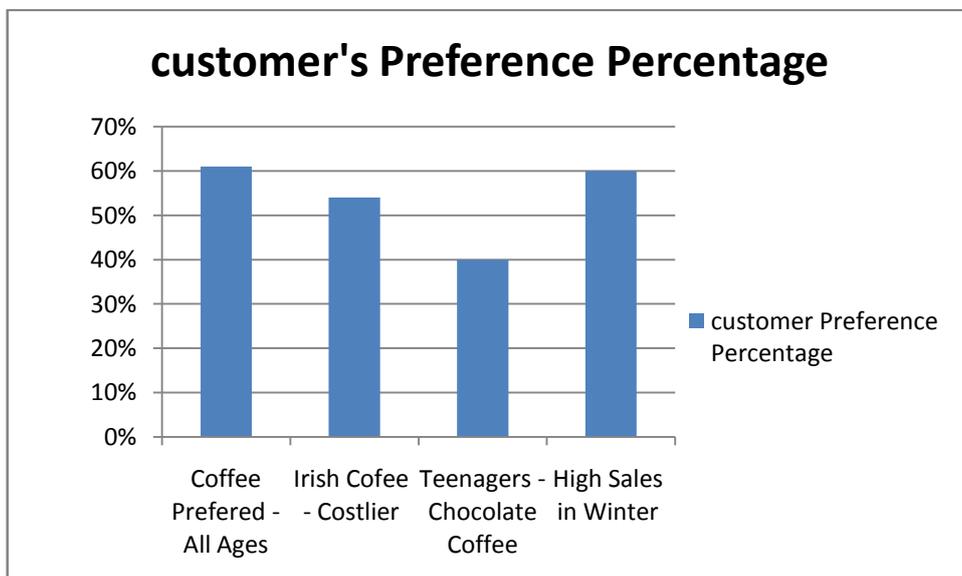


Figure 3 shows that the 61 percentage of the respondents feels that coffee is preferred by customers of all ages. Irish coffee is considered to be the costliest of all brands. The Teenagers like to have chocolate coffee the most. 60 percentage of the respondents considers that the coffee is mostly sold in the winter season than other season

**CHI-SQUARE**

H0: the coffee is preferred uniformly in all the income groups.



<b>Observed frequency:</b>	17	33	26	24
<b>Expected frequency:</b>	25	25	25	25
<b>Calculated value:</b>	33.04			
<b>Tabulated value:</b>	7			

**RESULT:** Since Cv is LESS the table value the hypothesis is rejected because the coffee is not uniformly preferred

HO: There is no significant relationship between the popularity and coffee suitable for health

	A	B	C	D	TOTAL
A	6	4	2	5	17
B	7	13	12	10	42
C	3	12	7	3	25
D	4	2	7	3	16
TOTAL	20	31	28	21	100

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
6	3.4	2.6	6.76	1.988235
7	8.4	-1.4	1.96	0.233333
3	5	-2	4	0.8
4	3.2	0.8	0.64	0.2
4	5.27	-1.27	1.6129	0.306053
13	13.02	-0.02	0.0004	3.20E-05
12	7.75	4.25	18.0625	2.330645
2	4.96	-2.96	8.7616	1.766452
2	4.76	-2.76	7.6176	1.600336
12	11.76	0.24	0.0576	0.004898
7	7	0	0	0
7	4.48	2.52	6.3504	1.4175
5	3.57	1.43	2.0449	0.572801
10	8.82	1.18	1.3924	0.157868
3	5.25	-2.25	5.0625	0.964286
3	3.36	-0.36	0.1296	0.038571
			TOTAL	12.38101

**RESULT:** Since the Calculated Value is less than the Table Value, the hypothesis is accepted because that there is no relationship between the popularity and coffee suitable for health.

X	Y	X-X'	Y-Y'	(X-X') <sup>2</sup>	(Y-Y') <sup>2</sup>	(X-X')(Y-Y')
22	31	-3	6	9	36	-18
18	21	-7	-4	49	16	28
45	34	20	9	400	81	180
15	14	-10	-11	100	121	110
100	100			558	254	300



	X' =	25		
	Y' =	25		
	r =	0.79687		
13	13.68	-0.68	0.4624	0.33801
8	6.84	1.16	1.3456	0.196725
1	1.9	-0.9	0.81	0.426316
7	7.38	-0.38	0.14444	0.019566
7	6.48	0.52	0.2704	0.041728
3	3.24	-0.24	0.0576	0.017778
1	0.9	0.1	0.01	0.011111
			TOTAL	13.541214

**RESULT:** since the Calculated is less than the Table Value the hypothesis is accepted that there is no relationship between the faults and complaints faced by the staffs.

Ho: There is no relationship between the type of coffee sold and the brand coffee preferred by the guest.

X	Y	X-X'	Y-Y'	(X-X') <sup>2</sup>	(Y-Y') <sup>2</sup>	(X-X')(Y-Y')
31	21	6	-4	36	16	-24
11	11	-14	-14	196	196	196
21	40	-4	15	16	225	-60
37	28	12	3	144	9	36
100	100			392	446	148
	X' =	25				
	Y' =	25				
	R =	0.353958				

**RESULT:** The Calculated Value is less than the Table Value the hypothesis is Accepted because there is no relationship between the type of coffee and the brand coffee preferred by the guest.

Ho: There is no relationship between type of guest come regularly and the type of coffee sold.

X	Y	X-X'	Y-Y'	(X-X') <sup>2</sup>	(Y-Y') <sup>2</sup>	(X-X')(Y-Y')
22	31	-3	6	9	36	-18
18	21	-7	-4	49	16	28
45	34	20	9	400	81	180
15	14	-10	-11	100	121	110
100	100			558	254	300
	X' =	25				
	Y' =	25				
	r =	0.79687				

**RESULT:** The Calculated Value is less than the Table Value the hypothesis is accepted because there is no relationship between the types of guest come regularly and types of coffee sold.



## **CONCLUSION**

It is concluded that coffee is gaining popularity and this cannot be managed till the human beings serves the earth. Though the price seems to be of greater heights but still the preference of coffee is increasing because it has got an impact with regards to the human body. The preference of customers with regards to different hotels, outlets and restaurants is increasing when it is compared with other food industry, customers prefer different varieties of coffees based on the pricing and promotion offers. Customers prefer coffee due to regular habit and this has made them to take coffee often to get themselves relaxed. Though the competition is of very crucial, each has its own form of selling, buying, marketing and promoting the business at the right time. In due course the customers will come to analyze the market position of the coffee.

## **SUGGESTIONS**

It is suggested that Coffee brewers should have a clear knowledge about the type of coffee. Cost of coffee should be reduced. Adulteration should be avoided. The Quality of Coffee should be improved and it should have health impact. More offers and promotions should be offered to the customers, More researches could be conducted in terms of marketing mix.

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