



## [Through what channels can you get coffee onto the European market?](#)

The European coffee market can be divided into in-home (70% of the market) and out-of-home consumption (30% of the market). Speciality coffee represents a growing niche market in both segments, as consumers demand higher quality and are more willing to pay higher prices. Suppliers in developing countries still enter the European market through an importer. But there has been an increase in direct trade.

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## 1 . Which market segments to target?

### In-home consumption and out-of-home consumption

#### In-home consumption

This segment represents 70% of the market. It is becoming more and more diverse, as the market offers increasingly different qualities (standard and speciality coffees), origins, blends and product forms (whole beans, ground, capsules, pods, coffee extract, instant coffee and other). These developments offer opportunities for suppliers in less established origins, for more authentic marketing stories and for wide product portfolios.

Consumers are also getting more and more equipped, with grinding and sometimes even roasting machines. This allows them to buy less processed forms of coffee. This relates mostly to speciality coffee and follows the fourth wave in coffee trends, where consumers get more knowledgeable and demanding on the coffee they purchase (learn more about this development in [our study on trends for coffee](#)).

European consumers purchase (speciality) coffee at supermarkets and specialised retailers. Internet sales play an increasing role, being an especially interesting channel for more exclusive (speciality) coffees:

Supermarkets sell both standard coffees in a pre-determined price range and (increasingly) high-quality coffee; different forms are available: whole, ground, capsules, pods, instant. Supermarkets have also been offering an increasing range of coffees with speciality characteristics, such as single origins. Most supermarkets in Europe also offer web sales.

Specialised retailers and specialised web shops are known to offer speciality coffee which are often not found at mainstream retailers. Consumers may use these channels to purchase on basis of origin, quality or special blends. Examples of specialised shops are:

- [Simon Lévelt](#) (Netherlands);
- [Monmouth](#) (United Kingdom);
- [La Caféothèque](#) (France);
- [Ditta Artigianale](#) (Italy);
- [Johan & Nyström](#) (Sweden).

For examples of specialised web shops, check the websites of:

- [Nextdaycoffee](#) (United Kingdom);
- [Coffee Bean Shop](#) (United Kingdom);
- [The Bean Shop](#) (United Kingdom);
- [Koffie Centrale](#) (Netherlands) / [Kaffee Zentrale](#) (Germany).

## Out-of-home consumption

This segment represents 30% of the market. It is growing: more people are consuming coffee out of their homes, in coffee shops, restaurants and at the workplace.

Coffee shops, restaurants and hotels sell all types of coffee. Specialised cafés (often combined with specialised stores) offer the appropriate ambiance to enhance the experience of consumers. In recent years, especially [the number of \(speciality\) coffee shops increased in Europe](#) (see some examples on the [European Coffee Trip's City Guides](#)). More consumers demand quality and variety. However, the growth in small espresso bars and cafés is expected to stabilise in coming years. Several outlets are facing financial problems and may go bankrupt, while others may be incorporated into larger chains.

Consumption at work is also of great importance for the coffee market, but less so for speciality coffee. Larger offices often have coffee vending machines of standard quality. The market for coffee at large offices is dominated by a limited number of coffee companies, specialised in the catering sector. Smaller companies often buy coffee directly from distributors or retailers.

## End-market segmentation

The European coffee market can also be segmented based on the end markets:

1. Upper end: Excellent quality, speciality products such as special (single) origin coffee and coffee 'with a story' and micro lots. Sold through specialised retailers. Long-term contracts between suppliers and buyers. High quality Arabica, cupping score 85+. Exemplary retail price: €130 per kg (Panama Geisha), €165 per kg (100% Jamaica Blue Mountain Arabica - 500g packaging)
2. Middle range: Good and "commercial" quality. Sold in supermarkets and HORECA, as well as in specialised retailers. Arabica varieties; use of Robusta in some blends (example: high quality espresso). Sustainability certifications are important. Exemplary retail price: €23.16 per kg (Illy Italian brand coffee - 250 g packaging); €22.05 per kg (Peeze Rainforest Dark - 1kg packaging).
3. Lower end: Blended coffee, low quality. Sold through supermarkets and service channels, for example, at offices and other institutional channels. Blends and / or 40-100% Robusta. Pads, ground coffee and instant coffee. Exemplary retail price: €8.49 per kg (Albert Heijn Perla Aroma - 1 kg packaging).

## Geographical segmentation

The European market can also be segmented geographically. Consumers have different tastes in different European regions.

One of the most significant variables relate to the type of coffee. Is it a single origin or a blend of Robusta / Arabica proportions? Another variable is the degree / darkness of roasting. Consumers in South European countries have a general preference for darker roasting and blends composed by Robusta varieties as a basis. North European consumers favour mild Arabicas and a lighter roasting. These differences can help you identify which part of Europe best matches your product offer.

Examples:

- Italy: Italians prefer dark roasted (espresso) coffee, mostly from a Robusta-type basis. But there are exceptions of Arabica-only espressos, such as [Illy](#), [Segafredo](#) and [Lavazza](#). There are also regional differences in roasts: in Northern Italy, the roast tends to be lighter than in Southern Italy. Read our study about the [Italian market](#) for more information.
- France: The classic cup of French coffee (a shot of espresso), is made of mostly Robusta beans that have undergone a high roasting degree. French coffee has a more bitter taste than the milder coffees containing a higher proportion of Arabica varieties found in other (North) European countries. But French consumers are gradually becoming more open towards other (milder) types of coffee. Read our study about the [French market](#) for more information.
- Germany: Germans prefer high quality Arabica coffee and lightly roasted coffee. In line with this preference, there has been a shift towards Brazilian Naturals and Other Mild flavours within the Arabica group. Read our study about the [German market](#) for more information.
- United Kingdom: Compared to most other countries in Europe, consumers in the United Kingdom are among the only to favour instant coffee over better quality fresh ground coffee. But specialty coffee and gourmet coffee shops have recently become very fashionable, and some consumers are shifting to higher quality roasted coffee from Arabica varieties. Read our study about the [United Kingdom's market](#) for more information.
- Netherlands: The Dutch drink (espresso) blends of Arabica and Robusta. Arabica is the most popular, accounting for approximately 60% of the market. Roasting in the Netherlands is medium. The roast is darker than Scandinavia, slightly darker than Germany, but lighter than in France. Read our study about the [Dutch market](#) for more information.
- Belgium: Belgians drink blends of Arabica and Robusta coffee. A typical coffee blend in Belgium consists of 75% of Arabica coffee and 25% of Robusta coffee. The roasting is similar to the one preferred in the Netherlands. . Read our study about the [Belgian market](#) for more information.
- The roasts preferred in the Nordic countries like Sweden and Finland are the lightest in Europe, using 100% Arabica blends or single origins. Read our study about the [Finnish market](#) for more information.
- Eastern Europe: Markets such as Poland, Hungary and the Czech Republic traditionally consume tea and instant coffee. The market for high-quality arabicas remains very limited, but it is growing fast with the emergence of specialty coffee outlets. Our study on the [Polish market](#) illustrates market developments in this European region.

Also consider the following:

Eastern Europe has a less saturated coffee market than Western Europe. Markets such as Poland, Hungary, Czech Republic, Bulgaria and the Baltic States could provide interesting opportunities. These are fast-growing markets and represent a considerable consumer pool. Nonetheless, it is a market which demands competitive price levels and high-quality coffees represent a very small share of the market. In these markets, instant coffee still plays an important role (see [our study on trade statistics for coffee](#) for a better overview on the European coffee market).

Demand for certifications varies across Europe

Next to coffee varieties and roast levels, certifications also have different markets in different European countries. North West European consumers are more aware of organic concepts and fair and ethical trading concepts than Southern European consumers. Speciality distribution channels catering the North West European market are more common. Germany, for example, is the largest market for organic coffee in Europe. The United Kingdom is the main market for fair-trade certified coffee. Read more about certification on our study on [trends](#) and [buyer requirements](#) for coffee.

### Tips:

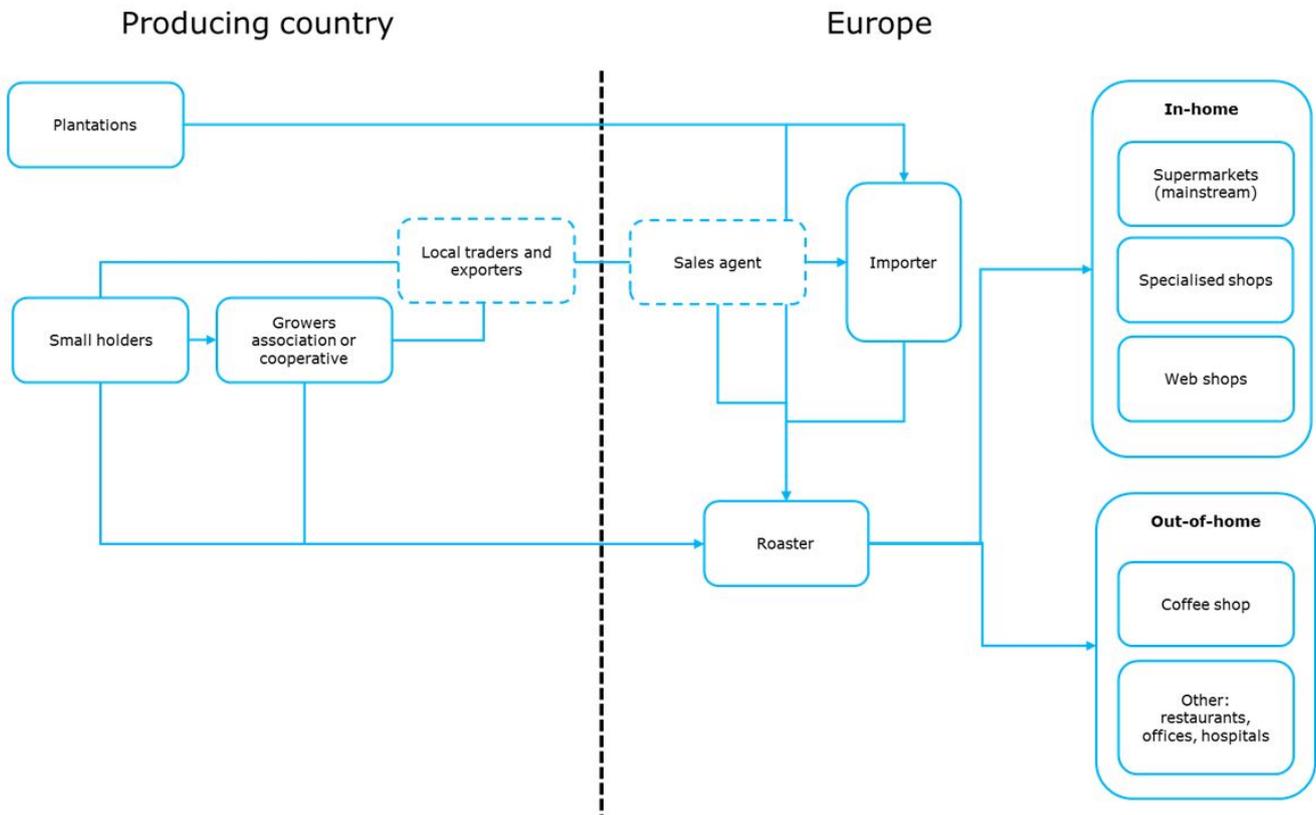
- Target specific market segments depending on the quality of your green coffee and your volume capacities. If you for example have very high-quality micro-lots and are working through an importer, discuss the possibility to get into contact with high-end small roasters. You can also explore direct trade possibilities and sell to specialised roasters. If

you work with bulk coffees, discuss certification trajectories and linkages to larger roasters operating on the mainstream market. Some more ideas and market access scenarios are given in the section below, dealing with market channels.

- Refer to the websites of retailers like [Albert Heijn](#) (the Netherlands), [Sainsbury's](#) (the United Kingdom) and [REWE](#) (Germany) to learn more about the promotion of standard quality and speciality coffees by mainstream supermarkets.
- See our factsheet for more specific information on the end markets for coffee ([France](#), [Italy](#), [Belgium](#), [Finland](#), [the Netherlands](#), [the United Kingdom](#), [Germany](#) and [Poland](#)). Learn about channels, certification requirements and consumer preferences.
- Do not send roasted coffee to a potential buyer in Europe, as your roast degree might well be wrong or unsuitable to the target market. It is highly recommended to submit a green coffee sample instead. Read more on [our study on doing business with European coffee buyers](#).
- See our study on [trade statistics for the coffee sector](#) for more information about the European consumption, roasting, imports and exports of coffee to investigate the trade flows to and from your target market(s).
- Check the website of the [Speciality Coffee Association \(SCA\)](#) to learn more about this market segment, its market trends and main players.
- See our study on [sustainable coffee](#) to learn more about the sustainable coffee market in Europe and the use of certifications.

## 2 . Through what channels can you get coffee on the market?

Figure 1: Market channels for coffee in Europe



Almost all coffee imported into Europe comes in the form of green beans, which will then be roasted. Around 85% of the end-market consists of roasted coffee, while the remaining consumption relates to instant coffee and extracts.

There are a few European countries that serve as important trade hubs for green coffee beans. The three largest importers of green coffee beans are Germany, Italy and Belgium. The main entry ports in Europe are Antwerp, Hamburg, Genoa, Le Havre and Trieste.

The trade channels discussed here related to roasted coffee, with a focus on speciality coffee. As a coffee exporter you can use different channels in Europe to access roasters:

## Importers

Importers have a vital role within the coffee market. They maintain wide portfolios from various origins, functioning as supply chain managers. Importers pre-finance operations, manage price fluctuations and establish the contact between producers and end buyers (roasters).

Large-scale importers usually have minimum quantity requirements starting at 10 containers, operating on wide ranges of qualities. At the same time, they provide strong support on logistics, marketing and financial operations. Examples of large-scale importers include: [Neumann Kaffee Groupe](#), [Benecke Coffee](#) and [List & Beisler](#) (Germany); [Daarnhouwer](#) and [Douqué](#) (Netherlands); [BELCO](#) (France); [Blasercafé](#) and [ECOM](#) (Switzerland); [NAF Trading](#) (Denmark); [Sandalj](#) (Italy)

Specialised importers are able to buy smaller volumes of higher quality coffee or single origin coffee. They can be interesting if you have evidence of a high cupping score (at least 80, while higher 85+ scores might be required by some buyers), sustainability certification (such as organic, Fairtrade and Rainforest Alliance) or sell coffee with a single origin. Examples of specialised importers include: [CARE Naturkost](#) and [Rapunzel](#) (Germany); [Trabocca](#) and [This Side Up](#) (Netherlands), [Ethiquable](#) (France); [Nordic Approach](#) (Norway); [Falcon Coffees](#) (UK).

## Roasters

Large roasting companies buy their own coffee beans at the country of origin and often source through importers too. They roast the green coffee beans and process them further if necessary.

Roasters distribute the final product to the retailer and food service industry. They might operate under their own brand or private labels. Examples of large roasters include: [Jacobs Douwe Egberts](#) (Netherlands and Germany); [Neuteboom](#) (Netherlands); [Tchibo](#) and [Dallmayr](#) (Germany); [Paulig](#) (Finland); [Lavazza](#), [Illy](#) and [Segafredo Zanetti](#) (Italy).

Roasters usually perform analysis and cup testing to check the evenness of the roast and to identify any defects which can occur in post-harvest processes such as fermentation, drying and storage. Roasters blend different (qualities of) green coffees. Packaging of coffee can be done in a range of different packages, pads or capsules.

After the coffee has been roasted and possibly ground, it is packed and distributed among retailers and the food service sector. Since storage is expensive for retailers, their goal is to carry as little inventory as possible while avoiding out-of-stocks.

Supplying directly to large-scale roasters is only interesting if you are able to supply large volumes and consistent quality.

The number of smaller roasters importing green coffee directly from origin has increased in recent years, though they still buy substantially via importers. These roasters are often specialised in certain blends or single origins with a higher quality. Supplying to smaller roasters is interesting if you have a special product and are willing to engage in a long-term partnership.

Smaller, specialised roasters, will normally require a higher quality coffee (with a cupping score of at least 80, while 85 or higher is usually perceived as speciality and might be the aim of some roasters). They might also require some type of sustainability certification. Example: demand for organic is increasing in some markets like Germany. Working with smaller-scale roasters might also be interesting for developing top-quality micro lots. Examples of small roasters include: [Wannenmacher's röstfrisch](#) and [Flying Roasters](#) (Germany); [Beans Coffee](#) and [Boot](#) (Netherlands); [Artisan Roast](#) and [Triple Co Roast](#) and [Rave Coffee](#) (United Kingdom).

## Agents

Local traders / exporters can play a very important role if you have limited quantities available or when your coffee doesn't fall in the specialty category. They can also be suitable for companies which lack financial and logistical resources to carry out trade activities.

Agents act as intermediaries between coffee exporters and larger roasters or other coffee companies. Some are independent whilst others are hired to make purchases on the behalf of the companies. Examples of agents include: [Eugen Atté](#) and [Euroca](#) (Germany); [Marex Spectron](#) and [Sucden Financial](#) (United Kingdom). They can be interesting if you:

- Have limited experience on how to export to European countries and you therefore need guidance on your export activities.
- Need an intermediary with the knowledge to evaluate and select interesting buyers.
- Need a partner who is trusted and reputable within the coffee sector.
- Are prepared to pay an extra commission.

## Direct trade

Direct trade schemes are becoming more and more common. As a result, more and more coffee shops and sustainability-driven brands are looking for a direct link to the farmer. For example, there are coffee shops that import green coffee beans directly from the country of origin and roast locally at their own shop. Examples are [Back to Black](#) (the Netherlands) and [200 Degrees](#) (the United Kingdom). However, this is a very small fraction of the market.

In addition, most multinational coffee companies have their own buyers based in the main coffee-producing countries. They might also hire trading companies to make purchases on their behalf. These agents and buyers have instructions for the quality, quantity and the date of delivery of the coffee.

However, there is a growing concern in the industry that [direct trade might have led to “self-enforced, self-regulated and firm-led schemes” without any form of control or substantiation](#). This has resulted in a shift from firm-led schemes to a greater transparency towards consumers, since they are becoming more and more critical.

### Tips:

- Invest in long-term relationships. Whether you are working through importer or roasters, it is important to establish strategic and sustainable relationships. This will help you manage market risks, improve the quality of your product and reach a fair quality/price balance.
- Provide your buyer with the right information about the type of coffee, type of processing that was used for your coffee, the country of origin and the official grading standard.
- Find buyers who match your business philosophy and export capacities (in terms of quality, volume, certifications). See our study on [finding buyers in Europe](#).
- See our study on [how to do business with European buyers](#) for more information about compliance with buyer requirements, how to send samples and how to draw up contracts.
- See [our study on market trends for coffee](#) for more information on developments in the coffee trade structure. This includes topics like direct trade, consolidation of the mainstream market and the changing role of importers.
- See our study on [buyer requirements for coffee](#) to learn about which European market standards and requirements you need to comply with when supplying to Europe.

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