CHAPTER 3

SUPPLY CHAIN MANAGEMENT OF COFFEE AND CAFÉ COFFEE DAY.

3.1 Supply Chain Management of Coffee

Supply Chain Management of Coffee is a series of phases implicated to produce a product and deliver it to consumers. It starts with cultivation, harvest, pre-processing, post-processing, roasting and ends with distribution and consumption.

Fig 3.1: Indian Coffee


Coffee production takes place in coffee estates and small farms in approximately 60 countries in tropical and equatorial regions. This stage entails the planting, growing and harvest of the coffee cherry and initial processing is necessary to separate the green bean from the skin of the cherry. The result of this stage is a green bean. Since the majority of coffee is consumed in non-producing countries, coffee is exported to the consuming places largely in the form of green beans. Several firms may be involved in the international trade of coffee including exporters, importers and roasters. The trade can also take place directly from grower to the roaster. Moreover, growing and roasting can be vertically integrated into ownership and management. Green beans need to be processed in order to
display its flavor and aromatic characteristics. The process of heating the green coffee beans at high degree temperature that changes its physical look and chemical qualities into roasted brown coffee products is called coffee roasting. Finally, coffee is ground and brewed for consumption as a hot or cold beverage. Brewing methods include the use of a dip brewer, an espresso machine, a French press or a vacuum pot, among others. Coffee may be further processed to make instant coffee, which only requires adding water to consume (Donnet, 2007).

**Fig 3.2: Ripe Coffee**

![Fig 3.2: Ripe Coffee](source: www.robertharding.com)

The Coffee Supply Chain is very much required to manage better inventory in storehouses. Since Coffee is considered as one of the high-value commodity throughout the world. There by designing a proper supply chain, the interrelationship between the players involved could be enhanced (2016-future Supply Chain, Global Commerce Initiative).

A general supply chain is implemented to manage the processes involved in the conversion of raw materials into a finished output. It is also implemented to move the product successfully to the ultimate consumer. The supply chain management of coffee looks very complex and very difficult to manage. The main players in the coffee supply chain include:
3.1.1 Growers

The Coffee production plays a primary and major role. Throughout the coffee growing countries, the small growers are dominated in the production of coffee at the primary stage. In developing countries the coffee growers are more since the consumption rate of coffee is low compared to developed countries. Millions of small coffee planters depending on coffee plantation for their daily life (Rice, 2003), and by making the coffee commodity available in open market for international transactions (Lyon, 2006).

Coffee is a plantation crop that uses very small plots of land and is cultivated best in warm and humid climate. The requirement of temperature should be relatively constant for ideal growth. The coffee is grown more in between the Tropic of Cancer and the Tropic of Capricorn, where the weather is typically best which favors coffee production. Coffee growing is predominantly recognized as labour intensive and hence the risk level is very high especially in production. Coffee is a high value commodity traded globally, next to oil, which forces the growers to face massive market risk, due to volatility in the price of
coffee where the supply-demand mismatch is very far above the ground. Traditionally the Indian coffee growers (especially small growers) produce coffee on inherited land and is considered as an industry as in many of the coffee producing countries. It depends on the owners who grow coffee as a passion and therefore stability in terms of production and marketing is comparatively low and more challenging.

3.1.2 Intermediaries

An intermediary is considered as a major link in the coffee supply chain, which is very complex and complicated. They are involved in many of the different activities in the chain.

Intermediaries may buy the coffee cherries directly from the growers and sell them to processors, brokers, or exporters. The intermediaries of coffee often do some form of post-processing to the coffee, not inevitably have to. Intermediaries majorly buy the coffee from many different growers, and lead it to the other players in the supply chain.

In the Supply Chain Management of Coffee Intermediaries play an important role and they are involved in several activities in the supply chain. They buy coffee at farm level to processed level. The intermediaries are strong enough to do primary processing of Coffee. These people are ready to buy the coffee from the individual planter, from another intermediary, sell it to a processor, to a roaster or to an exporter. Some coffee intermediaries are selling coffee to coffee cafe companies too (Times 100, browsed on 14.10.2013).

Intermediaries in the form of agents, brokers and traders, perform several roles such as searching for buyers and sellers and negotiation on behalf of other participants. Intermediaries buy coffee beans directly from the planters and sell in larger lots at the online auction. An intermediary plays an important role in searching for coffee growers who produce a specific grade of coffee, negotiating prices on behalf of the buyers, arranging transportation and payment, and visually inspecting the product. The planters also enjoy a relatively easy selling process with the intricacies handled by the intermediary. The prominent role of the
intermediary results in lower margins for the buyers and planters. There is also a need for intermediaries to provide storage facilities, grading and certification services, and financing for planters (Banker et al., 2006).

3.1.3 Co-operatives

Coffee cooperatives play a vital role in the supply chain of coffee at international level. Most of the producing countries are dealing the coffee business through the cooperatives. The cooperative is defined by the International Cooperative Alliance (ICA) as an independent union of persons combined voluntarily to resolve their common social, economic, and cultural needs and demands through a mutually owned and democratically-controlled enterprise (ICA, 2007).

In most of the coffee growing countries the coffee cooperatives are very strong. The management of cooperatives are systematically works for the growth and survival of the individual member. The cooperatives are well connected to the business of coffee cafés in the world. Top café companies periodically giving the guidance and other social supports to the coffee cooperatives. In India the Coffee cooperatives are not performing up to the expectation level. The coffee growing places are very limited in India; the active cooperatives are very few. But the active cooperatives are doing good things, periodically the members meet share their knowledge, design updated guidelines and well connected with the other members. In the Supply Chain Management of Coffee the cooperatives plays a good role, as they well connected and sharing the information with the other members of the supply chain.

3.1.4 Transporters

The transporter plays an important role in any kind of business especially when related to the supply chain management because more than a quarter of the work will be done with a better transportation facility. Especially when it comes to the food items (Jones, 2001; Pretty et al., 2005) which are perishable has to be reached to the given destination in the proper time. Hence, coffee is the product
which is especially grown in the hilly area which needs $15^0-25^0$ temperature and the process of transportation should be better.

The movement system of leading green coffee from the producing countries to the consuming countries may be similar to other foreign-grown food products. Universally, the coffee goes from the grower to the trader in the shipping ports and hence to the exporter. An importer acts afterwards in the consuming country.

3.1.5 Processors

After the coffee growers, the coffee processors play a vital role in the supply chain management of coffee. Processors are involved in the purchase of coffee directly from the growers, cooperatives and also from intermediaries of coffee.

Coffee cherries are converted into green coffee bean, which can then be sold for export or to roasters for domestic consumption. Processing can be done by two ways, either dry or wet. The growers themselves chose the method, based on the type of coffee they grow. The other members, like processors, do the most of pre-processing of coffee. The processing of coffee requires certain machineries and skills to perform, which is very limited to most of coffee growers. So the processing is done by processors since they are financially strong and have good relationship with the further leading routes.

3.1.6 Exporters

The exporters act as the major player in the coffee supply chain, they often buy coffee not only from cooperatives but also from growers, intermediaries and processors too. Through auction houses in various countries the exporters do transactions of coffee and then transport the beans to the desired places. Exporters are having excellent knowledge and information of where coffee is grown and how to transact with the other players of the coffee supply chain. They are monitoring frequently for the quality of the coffee sold to brokers and other related players for post-processing of coffee. Exporters play a vital role in
exporting coffee from the domestic market to international market. To export coffee is grade traded and some specifications like moisture content, size, color and number of damaged beans. They are divided into categories defined by the Coffee Board as “commercial grades”, “premium grades” and “specialty grades” (David et al., 2008). Giant exporters are having their own quality testing laboratory so that they make grading of the purchasing coffee themselves. Exporters of coffee are heavily visible in coffee growing countries, since most of the coffee consumption is very less comparatively in growing countries. Coffee exporters are the major players in the coffee supply chain process, provided the coffee should be exported totally. But exporters are excluded in the supply chain, if the coffee is transacted domestically.

3.1.7 Government Agencies

The government intervention is very must for the coffee since coffee is considered as a high value commodity by most of the countries, and also it improves the economic conditions of the country. By mediating they grade, certify, permit, and safeguard the business of coffee in the particular country. If there is a variation in the price of coffee these agencies are taking necessary actions to safeguard the growers. Major risks are bared by the government agencies in most of the coffee growing countries.

In India due to the II World War in the 1940s, the coffee industry was in a desperate state resulting very low prices and damaged by pests and diseases. For all these reasons, the Indian Government established the ‘Coffee Board’ through a constitutional act “Coffee Act VII of 1942” under the administrative control of Ministry of Commerce and Industry.

3.1.8 Roasters

Roasters are the main player of the supply chain of coffee; they play a role and have the responsibility of converting the green beans of coffee into brown roasted form. It is supplied to the retail market next. Giant Roasters of the world are getting the lion share profit from the business of coffee. They are connected to the domestic players and also international players in the retail market of coffee.
Roasters convert the green coffee beans into roasted coffee that is a marketable product. The major share of coffee profits are gained by roasters worldwide, most of the giant roasters are placed in consuming countries.

The roasted and ground coffee industry has grown rapidly in India during the past decade. As lifestyles have changed, people, especially in metropolitan areas, are drinking more coffee. A recent research study in India reveals that the average rate of coffee consumption among Indians has increased. More and more coffee processing plants have been set up due to the increasing demand. Coffee importers and international franchises have turned as roasters themselves for managing the proper flow of consumable coffee into the market.

Higher inventory of roasted coffee or finished products to handle increasing and fluctuating demands was not considered due to two main reasons: (1) The products must be produced and sold as fresh as possible because they might lose some critical sensory characteristics (e.g. taste and flavour) as they stay in the warehouse longer and (2) Important customers (large retailers) would not accept the products whose lives have passed some certain percentage (e.g. 25–30%) of their shelf lives. Investing in an inventory of roasted coffee or finished goods would add risk of product rejection by the customers, especially when the demands are highly uncertain.

3.1.9 Retailers

In the supply chain of coffee, the retailers are the final players, who sell the final product to the consumer. India is a coffee producing country, since liberalization after 1991 there was a dramatic change in the social behavior of the people can be seen. The economical condition of the Indian population is gradually increased, the habits of western culture is cultivated with the young Indians. This is an advantage for the retailers in all sectors. The international giants in the coffee retailing have entered the Indian market, since there is an increase in the demand of coffee. The only original Indian brand Café Coffee Day (CCD) is leading in the coffee café retailing, the others are Costa Coffee, Barista Lavazza, Starbucks and others can be seen in the Indian market. Cafés are considered as a meeting place for many rather than drinking coffee. India is now
one of the fastest growing markets for coffee in the world. India exports more coffee than supply to the domestic market, this as an advantage to the coffee café retailers, they can easily access to get the coffee either directly or indirectly from the players of the coffee supply chain.

Aggressive brand extension by selling a variety of different branded products, from mug to mineral water, has accompanied the growth of these chains. As a consequence, café bars do not sell only coffee. The reason for the success of these outlets has to be found in the ambience they offer and the possibility for the wealthy young generation to chat and hang out.

As a result, coffee does not represent an important share of the total sales of these café chains. However, they also promote a new way of consuming coffee in India. Cappuccino, espressos, milk shakes, cold coffee, lattes, café crème are some of a long list of these new coffee-based products. Doing so, café bars act as discovery places for coffee taste. Important features driving domestic consumption include the growth of a wealthy socio-economic class that is permeable to western way of consumption.

**Fig 3.4: Costa Coffee**  
**Fig 3.5: Indian Coffee House**

3.2 Café Coffee Day

Café Coffee Day, the largest coffee retailing business in India, which is owned more than 11,000 acres of the coffee plantation situated in the highest peak points of coffee growing places in India. The high quality coffee comes from the traditional growing places of Chickmaglur, Karnataka, India. The ancestors of Amalgamated Bean Coffee Trading Company Limited (ABCTCL) in the name of Café Coffee Day (CCD) performing the café retailing in an organized way in India and also some places of other countries. At CCD, the coffee what they serve is comes directly processed and delivered from their own plantations. The world class coffee is served in CCD at affordable prices. Mr. V.G Siddhartha, Chairman CCD, who created the world known brand from the exporting business to the retailing business of coffee in the year 1994. The Café Coffee Day has entered the market with its brand Fresh n Ground, freshly roasted and grounded coffee serving the customer directly from their outlets in the retail market. After some period Café Coffee Day entered the Indian market as a fully loaded café retail chains. Basically it is the division Amalgamated Bean Coffee Trading Company Ltd (ABCTCL). ABCTCL is one of the major exporter of coffee certified with ISO 9002, clients covering USA, Europe and Japan.

The best Indian coffees are growing in the highest places of Chikkamagalur, most of the CCD coffee plantations placed in this region. CCD is the only original Indian brand having good interrelationships with the other players of the coffee supply chain. It is broadly covered India by increasing more than 2000 retail outlets. The different divisions ABCTCL are Coffee Day Fresh n Ground with 543 Coffee bean and powder retail outlets, Coffee Day Xpress with
Café Coffee Day (CCD) entered the retail market in India by opening its café at Bengaluru in 1996. The coffee drinking habits were restricted to the south Indians till late 1990’s, now almost in every place of India coffee is available in the retail market. The consumers of coffee frequently visit the cafes not only for drinking coffee but also have fun and relaxation. The youth population of India is highest in the world; this is an added advantage to CCD to focus majorly on this group.

CCD has identified the potentiality of café culture in India and created the distinct brand in the minds of coffee consumers. The café business was very dull when CCD entered the market, in the first five years the business was steady. The changes in the strategic actions and identifying the potential locations have made the CCD to become No.1 premier café in the Indian market, with 2000 cafes in 318 cities around the country.

3.2.1 Early History and Evolution of Brand

Early History

In 1993, Amalgamated Bean Coffee Trading Company Ltd. (ABCTCL) was established by Siddhartha V.G., an entrepreneur who holds highest coffee plantations in Karnataka, India. Café Coffee Day (CCD) is the sister concern of ABCTCL. Before entering into the café retailing market as CCD, ABCTCL was doing purely the export of coffee. Drinking coffee was not very familiar to the Indians during those days. In India, prior to liberalization coffee was traded only
by the government enterprise, Coffee Board. It was like a monopoly business, every related player of coffee should abide by the conditions applied by this enterprise. After liberalization in the year 1991, coffee commodity enters the open business market. It was the turning point for the growth of coffee business in India. Siddhartha utilized this opportunity and set up ABCTCL, within two years after inception the company has become one of the largest exporter of coffee in Asia.

The exporting business is considered as it connects from B to B, opens very limited opportunities. After 1995 the retail business in India was booming, so ABCTCL decided to enter the consumer market. The retail market is considered as it connects from B to C, opens vast opportunities for growth. It entered the consumer market in two ways as ‘fresh n Ground’, where a freshly grounded coffee as a product and ‘Café Coffee Day’, a coffee café chain was available. In the year 1996, ABCTCL launched the first Cafe Coffee Day (CCD) in Brigade Road, Bangalore.

Fig 3.9: ABCTCL Divisions

Source: Adopted from tejas@iimb.ac.in.
Evolution of Brand

When CCD entered Indian market experienced a slow growth rate, as global café giants laid their stone as competitors. Until 2002 CCD didn’t place any achievements in café market, afterwards by applying repositioning strategies the company has gained positive advantage against the competitors. Now CCD is the number one in the country as largest café chain. The CCD company can be seen in every major city across India, with more than 2000 outlets. Cafe Coffee Day is recognized as a best coffee brand in India and has owned several awards and recognitions. In 2011 by 3rd Global Youth Marketing Forum awarded “the most popular hangout joint amongst youth”. And also bagged "India's most popular coffee joint" in 2011 by the Indian Hospitality Excellence Awards.

3.2.2 Location Strategy and Characteristics

The CCD outlets are located in unique places like High Ways, high value companies, fuel stations, reputed educational institutes etc. focusing mainly the young aged group. Café Coffee Day usually goes for high or high-medium footfall area. The size of the store may vary between 500-2000 sq. ft. The frequency of customers are more at weekends, during week days the business can be expected less in the morning compared to evening.

3.2.3 International Presence

Cafe Coffee Day has also entered the global market after 2009 in cities like Karachi, Vienna, Dubai and Prague. Café Coffee day stepped forward in the global market by acquiring some café joints like Café Emporio, a café chain from the Czech Republic in June 2010.

3.2.4 Executing the Repositioning Exercise

Identifying the Target Segment

The real game changer for CCD was the identifying the appropriate target market segment. Unlike the initial phase, where CCD targeted the people
belonging to the 30 plus age bracket, in this phase the CCD targeted the people belonging to the 16-35 age group.

**Reposition by Landor Associates**

When CCD introduced to Indian market the performance of the business was not up to the expectation, it was focusing the 30 plus age group. The other competitors in the market were attracted by the young generation, like Gloria jeans, Barista Lavazza, Java Green and Starbucks. To attract this particular group, the company CCD decided to reposition its marketing strategy. The CCD identified Landor Associates, the best consulting firm in the market, with the objective of developing the Image of the brand. Landor made a market research, with the resulting conclusion of the young generation of India are rapidly adopting the Western cultural habits, the frequency of Indian youths visiting the other countries are very high. So the café visitors are increased, it has become a habitual behavior of young generation in India. Landor targeted this group so that CCD will be their socially meeting and hang out place.

At Café Coffee the coffee is presented as more than a beverage, it is treated as more than as a product. The cafés are very convenient and safest places for youngsters to meet and chat, mostly attracted by its interior decoration. The provision of spaces and ambiance made CCD a memorable brand in the minds of young people in India. The Café is such place not only for drinking coffee but also a place for business discussions, political debating, philosophical thinking, the creation of new ideas and so on. Landor Associates reshaped the strategies with each and every activity of the company. The Logo of the company, the furniture and fixtures, the interior graphics, crockery, cutlery Menu cards, waiters’ aprons and more are revised. The wordings used at the café have adopted the same as practice with the youngsters. The phrases applied by the CCD have become one of the driving forces of this target group.

**Outputs of Repositioning**

The new repositioning strategies that are applied to the market to attract the customers have been worked out; it has started giving good results. There is a
massive increase of outlets so that the competitors are not able to find a proper place for setting up an outlet for them. The Company achieved the most preferred brand of India in the year 2010. The brand is stored in the memory of the young generation of India, the increase of the café visitors become more. The company implemented some more extra strategy of retaining the customers and also creating new customers, by giving them a world class service. The repetitive visit of the same customers shows that the repositioned activities are worked out.

### 3.2.5 Analysis of product

#### Table 3.1: Product List of Café Coffee Day

<table>
<thead>
<tr>
<th>Coffees &amp; Teas</th>
<th>Refreshing Alternatives</th>
<th>Eatables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot coffee</td>
<td>Granitas</td>
<td>Melting Moments</td>
</tr>
<tr>
<td>Espresso</td>
<td>Blood Orange</td>
<td>Banana n’ Walnut Cake</td>
</tr>
<tr>
<td>Espresso Americano</td>
<td>Cool Blue</td>
<td>Banana Chocolate Mousse</td>
</tr>
<tr>
<td>Macchiato</td>
<td>Pineapple Crush</td>
<td>Banana Caramel Pie</td>
</tr>
<tr>
<td>Cappuccino</td>
<td>Emerald Ice</td>
<td>Chocolate Doughnut</td>
</tr>
<tr>
<td>Cafe Latte</td>
<td>Ruby Surprise</td>
<td>Cookies</td>
</tr>
<tr>
<td>Chocochino</td>
<td></td>
<td>Marble Cake</td>
</tr>
<tr>
<td>Cafe Mocha</td>
<td></td>
<td>Pineapple Gateaux</td>
</tr>
<tr>
<td>Irish Coffee</td>
<td></td>
<td>Chocolate Cake</td>
</tr>
<tr>
<td>International Coffee</td>
<td>Smoothies</td>
<td>Ice Creams</td>
</tr>
<tr>
<td>Columbian Juan Valdez</td>
<td>Mango Colada</td>
<td>Vanilla</td>
</tr>
<tr>
<td>Ethiopian Qahwah</td>
<td>Strawberry Colada</td>
<td>Chocolate</td>
</tr>
<tr>
<td>Kenyan Safari</td>
<td></td>
<td>Seasons Best</td>
</tr>
<tr>
<td>Cold Coffee</td>
<td>Cremosas</td>
<td>Quick Bites</td>
</tr>
<tr>
<td>Sweet Mint</td>
<td>Litchi</td>
<td>Samosa</td>
</tr>
<tr>
<td>Cold Sparkle</td>
<td>Ginger Spice</td>
<td>Puff</td>
</tr>
<tr>
<td>Branded Banana</td>
<td>Pina Colada</td>
<td>Pizza</td>
</tr>
<tr>
<td>Tropical Iceberg</td>
<td></td>
<td>Croissant</td>
</tr>
<tr>
<td>Iced Eskimo</td>
<td></td>
<td>French Fries</td>
</tr>
</tbody>
</table>

*Source: Adopted from www.cafecoffeeday.com.*
3.2.6 Competition to the brand

Indian Café Market- A snap shot

The lifestyle of Indians has changed, the disposable income has increased, the influence of western culture is more, access to a number of products is improved, as the entry of global companies. The population of young visitors to the coffee shops influenced to the emergence of increase in numbers of coffee cafes. According to recently published report ‘India Coffee Shops / Café Market Forecast & Opportunities, 2017; the market is expected to grow to a whopping Rs 2,250 crore by 2017- thanks to the café culture among urban youth. The domestic market of Coffee cafes is estimated to Rs 1,700 crore, is dominated by outlets like Café Coffee Day, Barista and Costa Coffee. The competition faced by these companies are very high, the entry of global leader in café Starbucks also entered the Indian market in the market threatening the others.

Café Coffee Day- Direct Competition

Barista Lavazza

Barista Lavazza is one of the oldest in Indian coffee café retailing company. But it is failed in the market to create value and share, as it has suffered a lot in changing the ownership repeatedly. The company is making good profits but unable to sustain in the market. Because of frequent fluctuations in the ownership it has either implemented expansion strategy or growth strategy. Barista sold 34.3% of equity. In the year 2007 the Italian, Lavazza purchased the total equity from Sterling group. Now this company operates moderately in India with more than 225 outlets with the estimation of Rs. 200 crores of annual revenue. Lavazza planned to introduce another 50 outlets in the coming years. Today Lavazza holding a market share of 12 per cent in the country as compared to CCD, which holds a market share of 70%.

Costa Coffee

Costa Coffee is a well known brand in the western countries. It is the second largest coffee café retailer in the world after Starbucks. It is a British company and owned by Whitbread PLC. It is running more than 10000 outlets.
worldwide. In the year 2005 Costa Coffee entered the Indian market with exclusive franchisee tie-up with Devyani International Ltd. As of now Costa Coffee owns more than 100 outlets across India, planning to extend more in the coming years. Costa Coffee company is also one of the direct competitors of CCD, but the major drawback of most of the competitors is the shortage in the coffee supply. Since CCD is very strong in procuring raw materials compared to the other brands in India.

**Starbucks**

The Starbucks Company is the largest coffee café retailing company in the world. The origin of Starbucks is in the USA, holding more than 20000 cafes worldwide. With the partnership of Tata Global Beverages, they entered the Indian market in the year 2012. Starbucks is operating its business in 61 countries. The strategies applied by Starbucks are very different compared to CCD. Though CCD is very strong in Indian market, it cannot be compared to Starbucks as it is the leader of the world.

Some part of the competition is faced by the companies like Beyond Coffee, Gloria Jeans, Minerva Coffee Shop, Café Mocha, etc.

**Indirect Competition**

- McDonald’s
- KFC
- Pizza Hut
- Local Coffee shops

**3.2.7 Marketing**

**In store Promotion**

Café Coffee Day is very stronger for its differentiated marketing techniques. Café Coffee Day is very familiar to Indians from past 19 years and a very low intensity of promoting the company through Electronic media. CCD
invests a low percentage to its promotional activities, with a budget of Rs 8-10 crore per year.

**Fig 3.10: Café Coffee Day In-Store Marketing 1**

![Image of Café Coffee Day In-Store Marketing 1]

*Source: landor.com.*

The in-store advertisements of CCD are very much expressed in every outlet. The graphically contrasted posters with eye-catching and youth rich statements are placed perfectly at every outlet of the CCD. These techniques are strategically designed to catch the youth segment and most of the posters highlighting the food that are available in their outlets.

**Fig 3.11: Café Coffee Day In-Store Marketing 2**

![Image of Café Coffee Day In-Store Marketing 2]

*Source: landor.com.*
Outdoor Promotion

The CCD is not focusing much on promoting its products in electronic media. Through television advertisements the company mainly focused on promoting the newly entered products in its menu. Billboards are another main promotional strategy that is usually used by the company on highways and high frequency circles.

Fig 3.12: Café Coffee Day Sit-Down Advertising

The CCD’s communication partner, Creativeland Asia promoted a television advertisement ‘Sit Down’. It shows the CCD customer the meaning of hanging out at the café. Inside the store when you sit down, a lot of things can happen rather than standing up. The ad is using the habit of youth spending more time in chatting with their friends, with sharing and celebrations.

3.2.8 Role of Store Location in the Success

The retail location is the main driver of any kind of business; the CCD is very aggressive and smart in selecting the location for its outlets. The company selects the retail outlet where the frequency youths are more, since the company is youth centric. The stores are very spacious and very convenient and visible; this strategy is very much affected positively towards the consumer buying behavior. The early decision of selection of location is a very strong competitive advantage for Café Coffee Day.
3.2.9 The Future Directions for the Brand

The coffee consumption rate is gradually increasing in India. The CCD is covering all the main cities of the country to promote the café culture. As compared to the western countries, the consumption rate is low, but the entry of café companies to India is more. That shows the Indian coffee retailing business a lot more attractive and competitive.

Fig 3.14: Coffee Consumption in India-Estimated

Source: Coffee Board & CARE Research  (E): Estimated (P): Projected