

Marketing as a service offered by the Directorate

The overall mandate of Coffee Directorate is to develop, promote and regulate the coffee industry in Kenya. Marketing Department is one of the three departments that are designed to help the Directorate achieve its mandate of promoting Kenya coffee. Promotion of Kenya coffee in both local and international markets, market research and product development and branding are some of the functions undertaken the Market Research and Product Deployment Department.

It is therefore imperative that dissemination of market information in a competitive business world is shared with the stakeholders of the Directorate in a timely and regular manner.

Trade facilitation is a very integral part of any government agency entrusted with trade promotion. To ensure that Kenyan coffee is well marketed to the consumers, the Department is tasked with identifying and advising on market linkages, trends and growth opportunities for new and existing target markets for Kenyan coffee.

There are four market segments key for the promotion of Kenyan coffee: The domestic market for local consumption; traditional markets which focus on foreign countries that have been buying Kenyan coffee for long time such as Germany, Norway, Sweden, Finland, UK and Belgium; specialty markets such as USA and Japan which buy Kenya's premium grades such as Kenya AA, AB and PB; and the emerging markets which are target countries with strong purchasing power and have the capacity to buy Kenyan coffee in small quantities progressively. These countries include the Gulf Region, China, Korea, and ASEAN countries and others.

To undertake exhibitions in these target markets, the Directorate facilitates participation of coffee stakeholders through procurement of booths and registration of coffee stakeholders for exhibitions and trade fairs free of charge apart from air tickets and accommodation which have to be catered for individually.

A number of Trade Fairs, Exhibitions and Trade Missions are identified at the beginning of every financial year for planning and implementation purposes.

Important international coffee exhibitions for Kenyan coffee

There are a number of exhibitions available worldwide for showcasing various products. The Directorate, however, participate in only a few of them which are

strategic and subsequently Kenyan coffee have built or likely to build a solid market share in these markets.

These markets include:

- (i) Global Specialty Market
- (ii) World of Coffee Exhibition
- (iii) Toronto Tea and Coffee Show
- (iv) Korea Food & Beverages
- (v) Gulfood Expo
- (vi) Malaysia International Tea & Coffee Expo
- (vii) Cairo International Trade Expo
- (viii) African Fine Coffee Conference & Expo

Coffee exporters, especially farmers are encouraged by the Directorate to exhibit in these markets for increased return.

Domestic Market

One of the fastest growing market segments in Africa is the domestic coffee market. Africa is one of the most resilient continent with innovative and creative business people in the world and therefore it has more entrepreneurs with a strong private sector.

While coffee is a classic example of the primary commodity and mono-crop which has a dependency of many sub Saharan African countries, coffee consumption in Africa is still low. This makes coffee producing countries susceptible to a number of exogenous factors prevalent in the international market.

The most unfriendly factor is unfair trade competition with the western world (Visa refusal is one strong form of Non- Tariff Barrier). This can be solved by developing a strong demand for Kenyan coffee locally.

Further to non-tariff barriers, global price fluctuations have also made domestic market lucrative for coffee trade in Kenya. Therefore, the Kenyan coffee domestic market has seen a rapid growth, owing to efforts by the Directorate, from 7 coffee houses in the year 1990 to 278 in 2017.

The Kenya's domestic market for coffee is thus vibrant and the demand for coffee is segmented into three market categories: conventional, differentiated and experiential. These segments are in most cases globally referred to as the first,

second and third waves. They differ in Kenya according to target consumers, product offerings and prices.

Coffee drinking in Kenya mainly revolves around the youth (millennials). The millennials consumers are usually the third wave market segment with discerning coffee tastes and is priced according to the tastes and ambience of the coffee shop. These aspects have, immensely, contributed to the growth of consumption of Kenyan coffee from less than 1% in the year 1990 to the current 3.8% of the national coffee production annually.

Instrumental in spurring this growth is partnership between Coffee Directorate and institutions of higher learning specifically Kenyan universities. Currently, there are ongoing partnerships between Coffee Directorate and Egerton University and University of Eldoret where the Directorate has facilitated the establishment of a coffee house in each institution with the provision of coffee brewing equipment to each of the two universities. The partnership is projected to help grow the demand for Kenyan coffee in the domestic market to about 5% in the year 2022.

“Drink Kenya’s coffee and tell others the experience”