Changes in the coffee culture - opportunities for multinationals coffee shops?

C-uppsats i Företagsekonomi,
Företagsekonomi 51-60 p
Slutseminarium: 2007-06-07
Författare:
Almqvist Emma
Hruzova Barbara
Olsson Kajsa

Handledare:
Max Lundberg
Preface and acknowledgement

We would like to thank our tutor Max Lundberg at the section of business and engineering at the University of Halmstad for his support and comments throughout the dissertation. We would also like to thank the personnel, managers and the barista for their answers to our questions. Finally we would like to thank the opponent group for their valuable criticism we would also like to take a moment and express our gratitude to the free software Skype that has enabled us to stay in touch despite the long distance between us.

Målilla, Düsseldorf, Helsingborg 2007-05-28

__________________________  ___________________________  ___________________________
Emma Almqvist              Barbara Hruzova                Kajsa Olsson
Abstract

The Swedish coffee culture is changing and bringing new business opportunities for multinational coffee shops. Our purpose with this dissertation was to describe the Swedish coffee culture and its changes. We wanted to increase our knowledge about how these changes can make Sweden a more attractive country for coffee shops, like Starbucks, wanting to establish in Sweden.

We choose to use a qualitative method with an abductive approach. To gather the primary data we interviewed one barista and sent questionnaires to staff at different big coffee shops in Sweden. The interview questions were made out of five categories of describing culture by Rugman and Hodgetts. These answers and a multiple of articles helped us to describe the coffee culture and the changes. In the conclusion several benefits for coffee shops were identified from the cultural changes. Among the benefits we could see more knowledgeable and demanding customers. We could also distinguish a market with competing coffee shops and supporting industries well adapted to provide material needed to make the coffee. The benefits that the changes in the coffee culture bring are multiple and we see a coffee culture highly adapted to the new trend.

This dissertation can be useful for foreign coffee shops to gain knowledge about the Swedish coffee market and its culture.

New markets are opening through cultural changes, so marketers and others searching for new marketing opportunities on the Swedish coffee market should read this paper to get ideas, advices and inspiration.
Sammanfattning


Denna uppsats kan vara användbar för utländska coffee shops som önskar utöka sin kunskap om den svenska kaffemarknaden och den svenska kaffekulturen.

Nya marknader öppnas genom kulturella förändringar, marknadsförare och andra som söker nya möjligheter på den svenska kaffemarknaden skulle kunna läsa denna uppsats för att få idéer, råd och inspiration.
TABLE OF CONTENTS

1. INTRODUCTION .............................................................................................................................. 7
   1.1 Problem background ......................................................................................................................... 7
   1.2 Problem statement ............................................................................................................................. 9
   1.3 Purpose: .......................................................................................................................................... 9
   1.4 Outline for the dissertation ............................................................................................................. 10

2. THEORETICAL FRAMEWORK ........................................................................................................ 12
   2.1 Definitions....................................................................................................................................... 12
   2.1.1 Coffee shop/coffeeshop .................................................................................................................. 12
   2.1.2 Barista .......................................................................................................................................... 12
   2.1.3 Culture ......................................................................................................................................... 12
   2.2 Presentation of models and theories used .......................................................................................... 13
   2.2.1 Kotler, culture and strategic management ...................................................................................... 13
   2.2.2 Hofstede’s cultural dimensions ....................................................................................................... 14
   2.2.3 Rugman and Hodgett’s cultural elements ....................................................................................... 15
   2.2.4 Porter’s diamond—illustration of competitive advantages of nations ......................................... 17
   2.2.5 The role of chance, government and culture .................................................................................. 20

3. METHODOLOGY .............................................................................................................................. 22
   3.1 Choice of method ............................................................................................................................. 22
   3.2 The research process ......................................................................................................................... 24
   3.3 Theory and data collection ............................................................................................................... 24
   3.4 Selection ......................................................................................................................................... 26
   3.5 Analysis ........................................................................................................................................... 27
   3.6 Criticism of the method .................................................................................................................... 27

4. EMPIRICAL STUDIES ...................................................................................................................... 29
   4.1 Swedish coffee culture ...................................................................................................................... 29
   4.2 Changes in the coffee culture ............................................................................................................ 30
   4.2.1 The demand for fair trade coffee is increasing .............................................................................. 31
   4.2.2 The interest for the barista is increasing ....................................................................................... 32
   4.2.3 The competition is getting tougher ............................................................................................... 32
   4.3 Introduction of interviewees ............................................................................................................ 33
   4.4 Data collected from interviews ......................................................................................................... 34
   4.4.1 Language .................................................................................................................................... 34
   4.4.2 Value, attitude................................................................................................................................. 34
   4.4.3 Habits, conduct ............................................................................................................................... 35
   4.4.4 Material things ............................................................................................................................... 36
   4.4.5 Education .................................................................................................................................... 37
   4.4.6 Development in 10 years ............................................................................................................... 38
   4.4.7 Final comments ............................................................................................................................. 38

5. ANALYSIS ........................................................................................................................................ 40
   5.1 Answers analysed with Rugman and Hodgetts’ five elements ......................................................... 40
   5.1.1 Language .................................................................................................................................... 40
   5.1.2 Value, attitude................................................................................................................................. 41
   5.1.3 Habits, conduct............................................................................................................................... 41
   5.1.4 Material things ............................................................................................................................... 42
   5.1.5 Education .................................................................................................................................... 43
   5.2 Answers analysed with Porter’s diamond ......................................................................................... 44

6. RESULTS .......................................................................................................................................... 46
   6.1 Conclusion ....................................................................................................................................... 46
   6.2 Discussion ....................................................................................................................................... 48
6.3 PERSONAL REFLECTIONS .................................................................................................................................... 49

7. IMPLICATIONS .................................................................................................................................................. 50

7.1 IDEAS FOR FURTHER RESEARCH .................................................................................................................... 50
7.2 PRACTICAL IMPLICATIONS .............................................................................................................................. 50

REFERENCES ..................................................................................................................................................... 51

ATTACHMENT 1 .................................................................................................................................................. 55

ATTACHMENT 2 .................................................................................................................................................. 57

TABLE OF FIGURES

Fig. 1 The outline of the dissertation .......................................................................................................................... 11
Fig. 2 Cultural elements by Rugman and Hodgetts .................................................................................................. 15
Fig. 3 Porter’s diamond ........................................................................................................................................... 18
Fig. 4 Model over our theoretical framework ........................................................................................................ 21
Fig. 5 Deduction, induction and abduction ............................................................................................................ 23
Fig. 8 Model over our analyse process .................................................................................................................. 40
1. Introduction

The first chapter will introduce the reader to the background of our problem, the present situation and why it is an interesting problem. We will continue by drafting the problem more specifically and explaining its purpose. To give a better overview over the whole dissertation, we will end this chapter with an outline for the following work.

1.1 Problem background

There is a coffee culture spreading all over the world with words like barista and frappuccino. Since 2000 there are people competing in world barista championships and it is commonly accepted to drink coffee out of a paper cup.

The new international coffee culture began with the so called coffee shops in USA that focus on the product and develop a large variety of coffee tastes and sizes, coffee in cans or served coffee with different temperatures depending on how fast you want to drink it.¹

Starbucks, the leading global coffee house- chain opened their first coffee shop in Seattle in the beginning of the1980’s and they are spreading this new culture of coffee shops all over the world.² During 2001 the rumors circulated in Swedish and Norwegian press that Starbucks would open up coffee shops in Scandinavia through a partnership with Narvense that run

1. Introduction

Pressbyrån and 7-eleven. The same rumors could be read in 2004 and in March 2006, but Starbucks still has not opened in Sweden.

Although Starbucks has not yet opened in Sweden we are not untouched by the developing international coffee culture. In the Swedish newspaper Dagens Industri we can read that the Swedish population drinks less boil- coffee in favor of a caffe latte. When they are asked to name an optional kind of coffee, 30% answer caffe latte, only 6 years ago just 3% chose this answer.

Swedish coffee culture is about to change. We can for example see that several Starbucks look-alike have popped up in different parts of Sweden like Wayne’s, Coffee Cup and The Espresso House.

When companies want to analyse how attractive a market is there are several theories and models available, one of the most commonly used theory is Michael Porter’s diamond model. It has been widely used by companies to analyse potential markets, but also by countries to identify qualities and specific advantages that can be used to attract an industry or a specific company.

According to C. Richard Panico culture is the most important competitive advantage for an organization. In his article he describes how companies today more than ever are searching for ways to become more competitive by maximising supply chains and restructure. Even if many leaders see how powerful influence culture has and how it can create a sustainable organizational performance, few allow it the time and attention it deserves. According to the writer there are some reasons for that. Two of them are Complexity (psychological, social and

---

3 http://www.dn.no/arkiv/article12971.ece (2007-04-20)
1. Introduction

practical) and the time required for the transformation. Transforming a culture requires a strong commitment from top management that cannot be delegated or outsourced. Two other reasons are lack of patience and lack of fortitude. Companies and investors have developed a so called “short-term” mentality and are in many cases less interested in the manners by which an organization is generating profits than they are in reaping immediate, personal financial benefits.

Without the proper nurturing, culture will not produce sustainable results and long term advantages: “the influence of culture, that is, the ability of people to collaborate in harmony to accomplish research, manufacturing, marketing, etc. will become increasingly important. In some cases, it will be the only, yet dramatic, competitive advantage. And, sorry to say, it’s the one asset you can’t buy!”  

This is the reason why culture has been brought under the spotlight in our dissertation.

It is obvious that the coffee culture is changing. To be able to identify benefits with the culture we need to know what the culture looks like today. Since it is a relatively new topic there has not been done a lot of research and we hope to gain more knowledge through empirical studies.

This study can be useful for other multinational coffee companies that do not yet operate on the Swedish market, when they investigate the possibilities for a future establishment. Even though not all our points correspond to the companies’ products or services, it can still work as references to the Swedish system.

---

1. Introduction

1.2 Problem Statement

Starbucks does not yet exist in Sweden but they see the potential for their business on the Danish market where they according to a press release from the Copenhagen airport will open a coffee shop in the beginning of June this year. Since Starbucks has decided to open in Denmark it feels like only a matter of time before they cross the boarder and come to Sweden as well. We will through this dissertation explore which competitive advantages the changes in the Swedish coffee culture can bring to multinational coffee shops like Starbucks. These new competitive advantages could make Sweden seem like an interesting market to develop their business.

Our guiding question will be:

Which benefits can the changes in the Swedish coffee culture bring to multinational coffee shops that are considering establishing on the Swedish market?

1.3 Purpose:

Our purpose will be to describe the changes in the Swedish coffee culture and increase our understanding about how those changes can contribute to make Sweden an attractive market for international coffee shops. (eg. Starbucks).

1.4 Outline for the dissertation

---

### 1. Introduction

<table>
<thead>
<tr>
<th>Introduction</th>
<th>The first chapter will introduce the reader to the background of our problem, the present situation and why it is an interesting problem. We will continue by drafting the problem more specifically and explaining its purpose.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Theoretical framework</td>
<td>In this chapter we are going to describe the theoretical framework that will be used to treat the data collected during the empirical studies. The relevant models will be presented to provide a better understanding of our dissertation.</td>
</tr>
<tr>
<td>Methodology</td>
<td>In this chapter we are going to explain why we have chosen a specific method, how we are going to collect the data and how the data will be analysed. The authors will also discuss the possible negative sides of their choice of method and risk of misleading results.</td>
</tr>
<tr>
<td>Empirical studies</td>
<td>In this chapter we will firstly present the reader to the collection of secondary data and secondly our primary data. The data comes from literature studies and interviews.</td>
</tr>
<tr>
<td>Analysis</td>
<td>In this chapter we will analyse the empirical data based on the theoretical framework. We will present secondary and primary</td>
</tr>
</tbody>
</table>
### TABLE OF FIGURES

<table>
<thead>
<tr>
<th>Fig.</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The outline of the dissertation</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>Cultural elements by Rugman and Hodgetts</td>
<td>13</td>
</tr>
<tr>
<td>3</td>
<td>Porter’s diamond</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Model over our theoretical framework</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Deduction, induction and abduction</td>
<td>21</td>
</tr>
<tr>
<td>8</td>
<td>Model over our analyse process</td>
<td>37</td>
</tr>
</tbody>
</table>

### 1. Introduction

Data, connect the cultural changes to Rugman and Hodgetts and competitive advantages to Porter’s theory.

### Results

This chapter will with the background of the empirical and analytical chapters present the answer to the question of the dissertation. We are going to discuss the answers and conclude with personal reflections.

### Implications

To conclude the dissertation this chapter will present ideas for further research we will also explain how our work could be used by giving practical implications.

---

*Fig. 1 The outline of the dissertation*
2. Theoretical framework

In this chapter we are going to describe the theoretical framework that will be used to treat the data collected during the empirical studies. The relevant models will be presented to provide a better understanding of our dissertation.

2.1 Definitions

2.1.1 Coffee shop/coffeehouse
A coffee shop or a coffeehouse is a small restaurant in which coffee and light meals are served.\(^8\)

2.1.2 Barista
“A barista is a person who has acquired some level of expertise in the preparation of espresso-based coffee drinks.”\(^9\)

2.1.3 Culture
There are many definitions to the word culture, depending on which culture they are defining, for example the culture in a company, a branch or a country. The national encyclopaedia of Sweden also says that there are many narrow definitions of culture. But since 1990, anthropologists have started to use the old wide definition of culture from the 19\(^{th}\) century which is: “Culture is everything that human owns, acts and think. This includes material things, behaviour patterns and thinking”.\(^10\)

Already in 1952 Kroeber and Kluckhohn wrote an article only about the problematic of defining this word. In the article they present 164 different definitions.\(^11\)

We are going work with Rugman and Hodgett’s definition of culture throughout the dissertation. They define culture as: “the acquired knowledge that people use to interpret experience and to generate social behaviour. Additionally, culture is shared by members of a

\(^8\) Dictionary of the English Language, Uploaded 03/04/2007 from www.thefreedictionary.com
\(^10\) Nationalencyclopedin. Kultur. Uploaded 23.05.2007 from www.ne.se.
\(^11\) Kroeber/ Kluckhohn (1952)
2. Theoretical framework

group, organization, or society and as a result, we learn to form values and attitudes that shape our individual and group behaviour”.

2.2 Presentation of models and theories used

To introduce the reader to the models and theories we have chosen to focus on in the dissertation we are going to give the reader a brief explanation to them. We have chosen to focus on three models to define and explain culture and we will also describe Porter’s model of recognizing a nation’s competitive advantage.

2.2.1 Kotler, culture and strategic management

According to Kotler and Armstrong, two of the worlds leading authors in marketing, “the cultural environment is made up of institutions and other forces that affect society’s basic values, perceptions, preferences and behaviours. People grow up in a particular society that shapes their basic beliefs and values”.

Kotler and Armstrong also say that people have so called core- and secondary beliefs and values. A core value is for example that many Americans believe in work and getting married. A secondary belief could then be that people should get married early. Marketers have some chances to change the secondary values, but very little chance to change the core ones.

Although core values are fairly persistent, cultural swings do take place. Some examples for this are the 1960’s ”hippies”, the Beatles and Playboy magazine that had a major impact on young people’s hairstyles, clothing, sexual norms and life goals. This could be compared to the coffee culture that has changed from boiled to grounded coffee and today the espresso trend. Marketers have a big interest in spotting cultural shifts that might lead to new marketing opportunities.

To provide the reader with an overview of one of the most famous models when it comes to understanding and explaining culture we have chosen to describe Hofstede’s cultural dimensions next. These dimensions will however not be used in the dissertation but they are still very important to define culture.

---

13 Kotler/Armstrong, (1989)
2. Theoretical framework

2.2.2 Hofstede’s cultural dimensions

The famous sociologist Geert Hofstede is an influential expert on the interactions between national cultures and organisational cultures. He defines culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another”.\(^\text{15}\)

He has invented five dimensions of culture in his study of national influences:

- **Power distance** – concerns the differences in the levels of power in a society, the Latin American and Arab nations have been ranked as the countries with the biggest differences in the levels of power, and the Scandinavian and Germanic to have the smallest.
- **Individualism vs. Collectivism** – refers to the extent to which people stand up for themselves or act predominantly as members of a group.
- **Masculinity vs. Femininity** - Masculine cultures value competitiveness, assertiveness, ambition, and the accumulation of wealth and material possessions, whereas feminine cultures place more value on relationships and quality of life. Japan is considered by Hofstede to be the most "masculine" culture, Sweden the most "feminine." The U.S. and UK are moderately masculine.
- **Uncertainty avoidance** – reflects to which extent a society copes with anxiety by minimising uncertainty.
- **Long vs. short term orientation** - describes a society's "time horizon", that means how important the past, present and future are for the society. Long term oriented societies value thrift and perseverance more, while short term societies value tradition and reciprocation of gifts and favours more.

Eastern nations especially tend to be short term societies, while western are usually more long term oriented.\(^\text{16}\)

Next we will present a model by Rugman and Hodgetts to describe human behaviour, this model will be the foundation to our interview questions and will also be used in the analysis.

\(^{14}\) Kotler, (1994)
\(^{15}\) Hofstede, Geert H., (2001)
2.2.3 Rugman and Hodgetts’ cultural elements

To understand culture we can according to Rugman and Hodgetts\textsuperscript{17} look at seven different elements. Language, religion, values and attitudes, habits and conducts, material things, aesthetic and education.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{cultural_elements.png}
\caption{Cultural elements by Rugman and Hodgetts}
\end{figure}

- **Language** is the most important element when it comes to understanding a culture. The language spreads the ideas and information. Knowing the language can help you in three ways.
  1. Helps you understand the situation.
  2. Gives you a direct access to the locals who can be more open when spoken to at their own language.
  3. It is easier to understand the hidden messages when understanding the language in a culture.

In dealing with the language problem it is common to use a translator but even then some information will go missing. Therefore many multinational companies are making English to their official language.

- **Religion** has a strong influence on how people live, what they believe in, values and attitudes but can also influence how people treat each other within the culture and

\textsuperscript{17} Alan M. Rugman and Richard M Hodgetts (2003)
outside. The Religion can also influence the work ethic, which days people work and social habits. The main holidays are often connected to a religion.

- **Values** are everyday convictions of what is right and wrong, good or bad. An **attitude** is a constant way of acting towards others. Attitudes that come from a value have a direct impact in international business and it is important for a company to know how to position themselves right to make money.

- **Habits** are common accepted behaviour in a certain context. Habits tells you how something should be done and **conduct** dictates how you do it. It is common for visitors to get lost in the specific habits and conducts of a culture. If a company does not understand the specific habits or conducts of a culture they will probably have a hard time marketing their products in the culture.

- **Material things** are things made by man. In examining material things we examine how people act, which technology they use, who does what and why. When studying this factor it can be useful to look at:
  - Basic infrastructure like transportation, communications and electricity.
  - Social infrastructure of health, places to live and education system.
  - Financial infrastructure of banks, insurance and financial service to the inhabitants.

The technology in the country is also important for understanding the county’s values and believes. In a highly advanced country it is less likely to think that faith plays a big part in the people’s lives. They are probably controlling what will happen to them and they make things happen.

- **Aesthetic** is related to the esthetical values in art, literature and music. To understand a culture you have to understand its differences from other cultures.

- **Education** affects many aspects of the culture. With education you can better understand the world and why certain things are happening. Education also helps build the infrastructure and production of a country. There is a bigger market for more advanced products in an advanced and educated culture then in others.
We are not going to include religion in our dissertation because Sweden is a secular country and we judge it to be a relatively advanced country; according to Rugman and Hodgett’s in a highly advanced country it is less likely to think that faith plays a big part in the lives of people.\textsuperscript{18} We are not going to include aesthetic either since we do not consider it relevant to our purpose and find it hard to combine with coffee culture.

\textbf{2.2.4 Porter’s diamond– illustration of competitive advantages of nations}

When companies want to analyse how attractive a market is there are several theories and models available, one of the most commonly used theory is Michael Porter’s diamond model. It has been widely used by companies to analyse potential markets, but also by countries to identify qualities and specific advantages that can be used to attract an industry or a specific company.\textsuperscript{19}

The traditional theory to analyze a nation mentions the factors: land, location, natural resources, labour and size of the population as the important factors to analyse the competitiveness of a country or a region. Michael E. Porter, a Harvard business professor from Oxford, defined the competitive advantages of nations\textsuperscript{20} as the capacity to attract local or foreign firms to use the country as a platform from which to conduct business. He argued that a nation can have a lot more advantages than those mentioned above. In 1990, he made a model representing competitive advantages of nations called the \textit{diamond}. It illustrates the interlinked advanced factors, \textit{the four main ingredients}, which lead to a national competitive advantage.

\textsuperscript{18} Alan M. Rugman and Richard M Hodgetts (2003)
\textsuperscript{19} Ruth Rios-Morales, Louis Brennan. (2007)
\textsuperscript{20} Alan M. Rugman and Richard M Hodgetts, (2003)
The four main components are:

1. **Factor condition** - The first ingredient of national competitiveness is the availability or non-availability of things that contribute to the production of goods and services in a particular country.

Porter mention factors like *human resources* (quantity, skills, cost), *physical resources* (abundance, quality accessibility and cost), *knowledge resources* (the nation’s scientific, technical and market knowledge concerning the good or service), *capital resources* (amount and cost of capital available to finance industry) and finally the *infrastructure* (type, quality and user cost of the infrastructure available that affects competition).

Porter means that the most important to have a competitive advantage is neither the factors inherited nor the stock of factors that the nation possesses at a particular time. The main factors are the ones created within the nation, the rate at which they are created, upgraded and made more specialized to a particular industry.

A nation gain competitive advantage if they possess low-cost or high quality factors. The best is if a nation possesses factors needed in a specific industry that are both advanced and specialized.

---

21 *Porter’s diamond. (20.04.2007) from www.mindtools.com*
2. **Demand condition** – The second ingredient is the composition of home demand for the product or service, which is the basic of national advantage. Size and pattern of growth of home demand can increase this advantage by affecting investment behaviour, timing and motivation.

The composition of demand shapes how firms should perceive to respond to buyer need. Porter says for example that a small country can be competitive in segments which represent an important share of local demand but a small share of demand elsewhere, even if the absolute size of the segment is greater in other nations.

A nation has a competitive advantage if the domestic buyer are among the most sophisticated and demanding buyers for the product or service in the world. That kind of buyers works like a window into the most advanced buyer needs since they expect high standard in quality, features and service.

Porter also says that a nation have an advantage if the needs of the buyers in the country anticipate those of other countries because this can be an indication of buyer needs that will become widespread. He takes as an example the Scandinavian concern for social welfare and environment that tend to be bigger than in the USA.

3. **Supporting and related industries** – The third ingredient of national competitiveness is the presence or non presence of supplier industries or related industries that are internationally competitive.

A country can have a competitive advantage since they can offer efficient, rapid and sometimes more cost-effective inputs or machinery when there are supporting industries in the country. Another benefit of home based suppliers is the access to information, new ideas and insight, and to supplier innovation.

The presence of an internationally successful related industry in a country creates opportunities for information flow much like it does in the case with home based industries.

4. **Strategy, structure and rivalry** – The last one of the main ingredient is the characteristics that shape domestic competition; The typical size of companies, the way they are managed, and the way they compete are factors that can help companies succeed or fail. The goals, strategies and ways of organizing firms in industries vary a
lot among countries. According to Porter it takes a good match between these choices and the source of competitive advantage in a particular industry to gain a national advantage.

Different industries suit different types of organization. Many aspects of a nation influence the ways in which companies are organized and managed, and these often grow out of the educational system, social and religious history and family structure.

There are also huge differences among countries when it comes to the goals that the companies, their employees and managers seek to achieve. Countries will be attractive if the goals of owners and managers match the needs of the industry and if both employees and managers are motivated to develop their skills and make efforts to keep a competitive advantage.

Porter means that Sweden is not often successful in industries where an attitude towards wealth is important to competitive advantage, since Swedes are less motivated than for example Americans to seek fortune.

Domestic rivalry creates pressure on companies to improve and innovate and creates a fertile environment for creating and sustaining competitive advantage. This is difficult to reproduce through competition with foreign competitors.

2.2.5 The role of chance, government and culture

Chance events also play a role when it comes to determine why certain nations are successful in a specific industry, but it is not something a country can highlight to attract companies since it’s not possible to forecast those events.

According to Porter the role of the government is to influence the four ingredients either positively or negatively. It can for example influence by means like subsidies and policies toward the capital market and education.

Porter means that cultural factors are often closely knotted to economic factors. Social norms and values affect for example the local demand, the goals of managers and the way a company is organised. Cultural factors are important since they shape the environment where
the company work and cultural differences among countries play an important role in competitive advantage in many industries.

To conclude our theoretical information we will in the rest of dissertation use Rugman and Hodgetts’ definition of culture. “Culture is the acquired knowledge that people use to interpret experience and to generate social behaviour. Additionally, culture is shared by members of a group, organization, or society and as a result, we learn to form values and attitudes that shape our individual and group behaviour”. Rugman and Hodgetts also use seven elements to understand how people behave but we will only include five elements; language, values, habits, material things and education. With this information we will describe how the Swedish coffee culture looks today and which the changes over the past two years are. We decided not to use Hofstede’s or Kotler’s models in our work because the model from Rugman and Hodgetts describes their seven elements as a way of explaining behavioural differences among people which relates well to our purpose. However we did find it important to show the models and theories for examining culture since they are widely accepted cultural researchers. Finally we present the competitive advantages with Porters diamond model over factor and demand- conditions, related and supporting industries and firm strategy structure and rivalry to strengthen that the changes could have positive benefits for multinational coffee shops considering an establishment on the Swedish market.

We have made an illustration to conclude our theory chapter, in order to make it easier for the reader to follow our logic: first we have identified culture as being an interesting factor to look at when analysing competitive advantages. To define culture we chose to include five of Rugman and Hodgetts’ seven factors. Finally we present the competitive advantages with Porters diamond model:

Fig. 4. Model over our theoretical framework.

---

22 Michael E. Porter. (1998)
3. Methodology

In this chapter we going to explain why we have chosen a specific method, how we are going to collect the data and how the data will be analysed. The authors will also discuss the possible negative sides of their choice of method and risk of misleading results.

3.1 Choice of method

There are two ways to approach a problem; the qualitative- and the quantitative approach. There are some main differences in those two methods: the way of collecting the information, the presentation of the collected data and how the first analysis is made.

The qualitative approach express data in the form of for example texts or pictures, and the analysis is made in form of verbal discussions and mind maps. A qualitative approach is usually used when the researcher does not have any expectations about the results of the study and a wider and deeper research has to be done. The advantage of using the qualitative approach is that it takes the whole problem or situation into consideration in a way that the quantitative approach is not capable of.\(^\text{23}\)

The quantitative approach on the other hand expresses the data in form of numbers which are encoded, and the analysis leads to statistic compilations.\(^\text{24}\)

When the researcher uses the quantitative approach, he or she usually already has an idea about what the results of the study may be. Quantitative methods have two advantages, the first is that you get an objective measure of the reality and the final conclusions are correct, the second advantage is that the quantitative approach is both easier and less resource demanding.\(^\text{25}\)

\(^{23}\) [http://www.infovoice.se](http://www.infovoice.se) (2007-04-01)  
\(^{25}\) [http://www.infovoice.se](http://www.infovoice.se) (2006-02-26)
Another difference that we can discern from the both approaches is if they are inductive or deductive. The qualitative method is mainly inductive, that means that it develops a theory that can explain information that already exist. The inductive method has a weakness that it cannot generate any deep theory but only empirical summaries. The quantitative method on the other hand is mainly deductive. The weakness with the deductive method is that is has nothing but a guess as background knowledge which easily makes the structure abstract and not very connected to the theory.

However one method does not exclude the other and a third alternative is called abduction and is based on empirical facts just like the inductive method but it does not dismiss theoretical background. Abduction lies closer to the deductive method. By using abduction the researcher reads earlier literature to be inspired and to use it as background material to find a pattern which gives an understanding. This does also mean that the literature is not applicable in each case and it is advised to strengthen the abduction by several further studies.

The method of abduction emphasizes the way in which the researcher looks only at hard facts but also at already empirical “infected” theory (Fig 5).  

<table>
<thead>
<tr>
<th>Theory (deep structure)</th>
<th>Deduction</th>
<th>Induction</th>
<th>Abduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empirical facts (basic structure)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empirical data</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fig. 5 *Deduction, induction and abduction.*

*Alvessin and Skäldeberg (1994)*

We chose to use Abduction for our dissertation. By collecting qualitative data via interviews we have strengthened the earlier literature in the research area. We read news papers and articles to gain more knowledge about our subject and to find a pattern to know how to best approach the subject but also to get an idea about which kind of questions we should ask in the interviews.

26 M. Alvessin and K. Skäldberg (1994)
3. Methodology

3.2 The research process

We wanted to put ourselves in the position of an actor wanting to attract foreign coffee shops like Starbucks to Sweden. Therefore we started looking at relevant information concerning competitive advantages and found Porter’s diamond model as being the most relevant. We have chosen not to focus on the disadvantages since we are limited in time and it is irrelevant for our purpose.

After recognizing culture as an important competitive advantage we searched for information and theories related to this somewhat abstract subject. With this information we could define culture. We decided to use five elements of Rugman and Hodgetts’ elements of culture (language, values, habits, material things, education) in order to describe the coffee culture and its changes over the past two years and also create relevant questions for our interviews.

The purpose with the interviews was to strengthen the secondary data, that the coffee culture is changing, and to find out more in what ways the coffee market is changing and to see how it looks today. When we had enough information about Swedish coffee culture, we identified the competitive advantages that those changes bring to a coffee shop like Starbucks hesitating to establish on the Swedish market. The final step was to connect the answers to the theories, to strengthen the advantages that we found with Rugman and Hodgetts cultural theory and with Porters theory of competitive advantages of nations. By analyzing the answers we have been able to describe the changes in the Swedish coffee culture and increase our understanding about how these changes can benefit multinational coffee shops.

3.3 Theory and data collection

For our initial theory and data collection we have searched information through different sources mainly databases and articles also books like Porter’s competitive advantages and Rugman and Hodgetts International Business. We felt that there was a limited access to updated books with relevant information for our subject and we relied mostly on databases as well as recently written scientifically articles. The databases used are ABI/Inform, Emerald and also the local database at Halmstad University, HULDA as well as the national database

---

27 Michael E. Porter. (1998)
LIBRIS. In our search for literature we also used the resources from the University library in Düsseldorf.

There are four different ways of collecting data for a qualitative research approach: Individual interview, open group interview, observations and document study. Since it is important to get some primary data especially designed for our purpose we have conducted interviews with different persons that we thought could be able to give us more information concerning changes in the coffee culture based on their experiences.

The interviews have been conducted either over the phone or via mail. The authors were well aware of the problems this might cause, technical but also regarding the level of influence over the interview. A phone interview is more anonymous than a personal interview but the answers might be more truthful during a personal interview and sensitive topics can be easier to discuss. We also had to choose between an open or structured interview. An open structure might generate more information than a structured, closed interview but there is a risk of getting too much information during an open interview.\(^{29}\) We thought about the risks with open and closed interview questions and tried to make the interview questions as well balanced as possible.

Another factor is the location of the interviews. Since we did not make any personal interviews that factor was less important for us. We did however notice some distractions when conducting the telephone interview like people talking in the background. There is a choice between an artificial and a natural environment. This is called the contextual effect and in general it leads to artificial answers in an artificial environment.\(^{30}\) We were aware of the choice of environment when we conducted the interviews.

By using both primary and secondary data we made sure that the information we gathered is correct. By using several sources we also made sure that they complement and control each other.\(^{31}\) We are aware that the secondary data, in shape of articles and web pages etc, might not be completely reliable; actors on the market could for example mislead consumers or rivals with false information to make them act in a favorable way. But since the information was strengthened by the primary data, we think this risk is minimal.

\(^{29}\) Jacobsen (2002)
\(^{30}\) Jacobsen (2002)
\(^{31}\) Jacobsen (2002)
3. Methodology

3.4 Selection

We wanted to talk to people who have good insight in the changes in the Swedish coffee culture. We agreed that people, with at least two years of experience of working in coffee shops, would be the most suitable to help us, firstly because they know a lot about resent changes in the coffee culture, and secondly because they are relatively easy to get in contact with.

To gather data about Swedish coffee culture, we contacted coffee shops from cities in different parts of the country to get a good mixture of respondents all over the country.

To make it easier for us to identify advantages for a coffee shop like Starbucks we contacted four big Swedish Starbucks look alike; Espresso house, Wayne’s, Robert’s coffee and Coffee house by George. We also thought it could be good to have some coffee shops not being too much influenced by Starbucks in order to see if there were any big differences in their answers. In this case Kaffe Paus was willing to help us.

From the beginning we wanted to conduct personal interviews by phone, but since we had a hard time to find people both wanting and having time to help us, we finally decided to send the open interviews via mail, or postal for those who preferred. The five coffee shops; Wayne’s in Luleå and Norrköping, Robert’s coffee, Coffee house by George and Kaffe Paus accepted to answer our questions this way.

To make our information collection more reliable we wanted to make at least one personal interview and we got in contact with a barista and coffee consultant who agreed on giving us an interview over the phone. Before we used the questionnaire we asked three persons (unfortunately not in the café business) to read it through and comment difficulties and structure.

To make our interview and the questionnaire we have used the five cultural factors in Rugman and Hodgetts model that we judged relevant for our purpose, and from these we have built twenty questions (attachment 1). These are fixed but open and we have the same questions for the barista as well as for the cafés. In the end of the questioner we have a question allowing the interviewed person to mention things that he or she find relevant but that we did not cover with our questions.
We are aware of the risks of making wrong interpretation when analyzing written answers. Since the interviewed person did not have the possibility to ask directly about things that were not clear, and since there were no interviewer that could go deeper in some of the questions, there is a risk that we have missed important information and that the analysis will not be as rich and reliable as if we had made only personal interviews. We realize that the people or organizations we have decided to talk to is not extensive but we still think that these sources of information can give us some valuable information to fulfill our purpose.

3.5 Analysis

The analysis of a qualitative approach consists of three phases, describing, systemizing and categorizing as well as a combination. The first phase will consist in making comments and summarize the interviews. The second phase consists in categorizing the information found during the interviews and during the third phase the information gathered will be analyzed and connected to different phenomenon to see if there is a connection.

Firstly we summarized the interviews and compared our data to the secondary data we had collected by reading articles. We also compared the answers from the different coffee houses and the barista. Then we categorized the answers under the five different elements by Rugman and Hodgetts also used to make the questionnaire and analyzed the material by connecting collected data to their model.

3.6 Criticism of the method

We had a hard time to find people in the café industry that both wanted and had time to give us a personal interview. We are aware that we could have gained more detailed information by making only personal interviews. However, after studying only a couple of the questionnaires collected, we felt as if we did not get any new information.

Most of the questions have been useful and served the purpose to describe the coffee culture. However there are some questions like no 9 (attachment 2) that apparently has not been clear to the respondents: A majority of the answers to no 9 do not respond to the question we believed to have asked.
Swedish has been the language that we have used when conducting the interview and questionnaires. We are aware of the risk that we might have wrongly interpreted answers, but also that information can have been mutated during the translation process from Swedish to English. We are also aware of the limitations of our work. We have described three models among many others to describe culture, we do not claim that the models are complete but they serve our purpose well.
4. Empirical studies

In this chapter we will firstly present to the reader the collection of secondary data and secondly our primary data. The data is collected through literature studies and interviews.

4.1 Swedish coffee culture

The first time we know for sure that coffee had come to Sweden was in 1685 when someone brought half a kilo and it was noted by the customs. Two years later coffee was on the list as a medicine at the pharmacy. It was King Karl XII who made the Swedish people drink coffee, he hade discovered the beverage during his time in Turkey and it is said that he consumed three kilo coffee a day. During the middle of the 18th century coffee got forbidden because the drink was getting too popular and threatened the consumption of alcohol. Coffee was however too popular to stop and the law had no effect. Today Sweden imports about 75 million kilos of coffee each year mostly from Brazil. Coffee has secured its place in the Swedish culture. We drink it at breakfast, after lunch and as a “coffee break” in the afternoon.

Calculated on the total population Finland has the highest coffee consumption with 3,5 cups per person and day. Sweden comes in second with 3,2 cups per person and day. Norway and Denmark are not far behind with 3 cups per person and day.  

Statistics from SCB the statistical bureau of Sweden show that the coffee consumption during last year was the highest in the past ten years. It also shows the Espresso (the main component in many of today’s popular coffee drinks) as a percentage of the total coffee consumption is on a constant raise.

4. Empirical studies

**Fig. 6** Coffee consumption in Sweden calculated per inhabitant and year.
Calculated as 1 litre beverage per 60 gram coffee. Source SCB via “Svensk Kaffeinformation” updated 2007-04-05

**Fig. 7** Espresso’s part of the total coffee consumption.
Source SCB via ”Svensk Kaffeinformation” updated 2007-04-10
4.2 Changes in the coffee culture

The first espresso bar came to Sweden in the 40\textsuperscript{th} but the real break through for coffee drinks came 1992 when Robert’s coffee opened the first coffee shop in Stockholm. Today Stockholm has more then 50 coffee shops where the most popular drink is caffe latte. The traditional Swedish grounded coffee could already be on its way out in favour of the coffee shop culture.\footnote{http://www.beige.nu/2.1.asp(2007-04-27)}

The caffe latte has also become the new way of measuring how the world’s exchange rates can be translated into real purchasing power. It is measured in a big cup of caffe latte at Starbucks which now exists in about 40 countries all over the world. The caffe latte index is supposed to take over from the Big Mac-index where the price of the most famous burger from McDonalds is compared.\footnote{www.kaffeinformation.se (2007-04-27)}

In Sweden the most popular drink to order on a first date is the caffe latte. 42 \% of the Swedish population prefer ordering a latte on the first date according to a study done by Wayne’s Coffee.

The caffe latte or just latte as it is also called can be considered as the new Swedish common drink. It is also called “vuxenvälling” which can be translated into the drink you give babies in a bottle since it tastes more like boiled milk than coffee.\footnote{www.kaffeinformation.se(2007-04-27)}

4.2.2 The demand for fair trade coffee is increasing

The media debate about the treats of global warming and its causes have raised discussions that we can see have an effect on customers demand of more “healthy” products. According to “Svensk Kaffeinformation”, during the past ten years, the faire-trade coffee has raised from a market share of 0,2\% to 1\% in 2006. In the beginning of the period the raise was quite modest, the big change has been during the last three years. \footnote{www.kaffeinformation.se(2007-04-27)}
In 2006 the brand Zoèga’s coffee launched a new coffee certified by faire trade\(^{37}\) and more and more cafés offers this product: for example Wayne’s coffee decided in 2006 that one of their two bryggkaffe brand always will be faire trade since it was much appreciated by their clients.\(^{38}\) Coffee cup is also one of the big coffee chains offering faire trade coffee since 2006\(^{39}\)

In September 2006, the café Barista fair trade coffee opened in Uppsala and in Mars they opened a second one in Malmö\(^{40}\). If we believe what they say in the report that coffee shops will develop in the same direction as the other segments in the fast food industry, then we can expect that the chains that do not yet offer “healthy” alternatives (in shape of fair trade, light, organic etc.) will have to do so in the future in order to satisfy the more and more demanding customers.\(^{41}\)

### 4.2.3 The interest for the barista is increasing

Today the word barista is part of the Swedish encyclopaedia and is the definition of a bartender who serves only coffee and who is an expert on making different coffees based on espresso. Since 1998 there are barista championships each year in Sweden.\(^{42}\) There is also a World Barista Championship that takes place each year since 2000. The competitors from the Nordic countries have since the start been among the top three.\(^{43}\)

### 4.2.4 The competition is getting tougher

According to the latest rapport made by fast food,\(^{44}\) the Swedish population has always been drinking a lot of coffee. Today, you can find a coffee chain in most of the cities in Sweden.

---


\(^{40}\) Måltidsrapporten 2007.

\(^{41}\) Måltidsrapporten 2007.

\(^{42}\) Barista. uploaded 2007-04-28 from www.nationalencyklopedin.se


\(^{44}\) Måltidsrapporten (2007).
and forecasts of the future market say there are more to come. There are new actors coming in to the market but few disappear. The growth of many of the chains was up to 40% in 2006, for example Wayne’s coffee having 73 stores today. The chain espresso house grew with 38% in 2006. Today they have 44 stores but they plan to have 150 within five years.

The coffee shop market is well established and mature in Sweden but there is still space for growth even though the profitability will decrease. According to Claes Lindblom there will be no more space for new coffee chains the day Starbucks steps in to the Swedish market.  

4.3 Introduction of interviewees

We have interviewed one quite famous Swedish barista and coffee consultant. He has worked in the restaurant business for 14 years and professionally in coffee for seven years. He has won several prices for his coffee skills and is now working as a coffee consultant educating the staff at coffee shops in how to work with espresso.

Wayne’s coffee is according to themselves the leading coffee shop chain in Scandinavia with about 25 000 guests every day. They serve their own coffee brand at the coffee house, as take-away or deliver to the customers. Wayne’s was Sweden’s first coffee shop and opened in Stockholm 1994. We interviewed the owner from Wayne’s coffee shop in Luleå and a staff member from Wayne’s in Norrköping.

Robert’s coffee was founded 1987 in Helsinki in Finland. They are gourmet coffee roasters of different types of coffee but also tea. Robert’s coffee is the biggest coffee shop chain with their own roastery in the Nordic countries. They have coffee shops in Finland, Sweden, Estonia, Denmark and now also in Turkey. We interviewed the manager of Robert’s coffee in Östersmalmshallen in Stockholm who has worked with Robert’s coffee since the beginning 20 years ago.

To get the opinion from a café that is stand out from the average coffee shop we interviewed one of the staff members at Kaffe Paus in Jönköping. The person in question has been working in the café industry for six years.

45 Claes Lindblom. Är du rätt i tiden. (2007)
Coffehouse by George is one of Sweden’s leading coffee shop chains with 29 coffee shops in central locations. They opened their first coffee shop in Stockholm in 1997. We interviewed one of the full time staff who has been working at Coffehouse by George in Uppsala for seven years.

4.4 Data collected from interviews

4.4.1 Language

According to two of the coffee shops the customers have picked up words that are usually only used within the café industry as an example the term “barista” has become more known. They have also noticed how cafés are called coffee shops. One of the coffee shops describes an international development of Italian names like Ristretto and Machiato. Before that, names like Café au lait and Cappuccino dominated. The barista agreed with the development of the word barista but also said that this new work category is a group under development. The movements in the business has been too fast for many coffee shops and they have not yet had the time to adapt. He also says that it is more common to communicate the origin of different coffee mixes then the actual brand like in Sweden were Zoégas is a well known coffee brand.

4.4.2 Value, attitude

At one coffee shop it is mostly fair trade coffee that has been put in focus and they use many “Krav” labelled products. Another coffee shop states that they have not noticed any increase in the demand for fair trade coffee but the demand for light products has gone up. Products like light milk, but also other kinds of milk like soya milk and oatmeal milk. A highly appreciated product is the week’s fair trade coffee that has generated a lot of positive feedback. They also say that they try to think of the environment but that some things are hard to change. The coffee shops generally seem to have little knowledge about how their suppliers contribute to the environment. Yet another coffee shop described it as the more aware the customer get the higher the demand for fair trade coffee, quality and decaf. According to the barista the decaf coffee has not increased in demand but there has been an increase in demand of fair trade coffee. He does not consider this to be a long term solution and sees fair trade

coffee as just another brand the customers has to pay for. The alternative would be full transparency in the business. This would make coffee more expensive but it would also generate higher quality and a better quality of life for the farmers.

According to one of the coffee shops it depends on where you are in Sweden how much the customer is willing to pay for a coffee. Generally they have noticed that people are willing to pay more now than four years ago. A coffee shop with internationally set prices has experienced similar development even though they keep the international price level. The barista compares coffee to a good wine. In the 80th people only knew if they liked red or white wine it was seen as snobbish to know the names of quality wines. Today this has changed and the customers know if they like wine from Australia or France and they can name a few wine labels. The same thing has happened to coffee, to get the coffee you want at a good quality the customer is willing to pay a few euros extra.

4.4.3 Habits, conduct

At one coffee shop people in general spend more time at the coffee shop during the weekend. There are also more groups coming in during the weekends while as during the week it is dominated by couples. Another coffee shop has noticed an increase in customers in the evenings after 18.00. Saturday has always been a busy day and seems to be continuing that way. They have also seen an increase in customers on Sundays. However they have noticed a decrease on Friday afternoons after 17.00. The time the customers spend varies from week to week but in general customers spend more time drinking their coffee during the afternoons and weekends. At lunchtime and Saturdays most customers come and leave again within less than an hour. It is most common for the guests to come in groups of two to four people. However there are more and more people who come alone which was not very common a year ago. The lonely guests start to talk to other guests or simply read the news paper. Bigger parties of six to eight people have also increased.

There was a contradiction between the answers from the barista and the coffee shops when it came to the question “trends of the take-away coffee”. The barista claims that the take-away trend was slowing down while as the coffee shops says that it is constantly rising especially mornings and weekends but also during the summer. This however depends on the interior
4. Empirical studies

design of the coffee shop. If it is designed to sit down and relax the barista does not think that the coffee shop would have a problem filling such an environment.

All but one place have changed different things to meet the customers needs. At one place they have bought in a few new syrups, started selling fair trade coffee and decaf. Another place has brought in more light products. Yet another place constantly markets new coffee drinks based on caffe latte with different kinds of syrups depending on the season.

They all agree on caffe latte being the most popular coffee right now. It reaches a wide range of people from the people who taste coffee for the first time to middle aged people. They have all also seen an increase in older people coming in to drink their coffee mostly 65+. There has also been an increase in younger customers from the age of 15 coming to them. One coffee shop also sees an increase in the demand for soya milk in the caffe Latte as well as “normal coffee” which has almost become trendy again.

The number of customers increases for all the coffee shops. According to the barista this change could be due to the fact that there is a trend of going to a coffee house to have coffee rather than sit at home. It is possible to compare coffee shops to the local pub in Great Britain as a place to meet after work to socialise. One coffee shop confirms this by seeing more people coming in after work and this emphasis the social aspect of coffee.

4.4.4 Material things

When it comes to new machines or equipment in general two of the coffee shops have recently changed their espresso machines emphasising that it is extra important to all the time have good working equipment. One of the coffee shops bought more refrigerators, and the remaining have not bought or changed anything.

All coffee shops answered that take away has increased a lot which has led to an increased use of paper mugs.

All of the coffee shops also answered that they do not have any problems with their suppliers. One of the coffee houses is a part of an international franchising chain international and get a
big part of their products abroad. They have everything they need, some things for example from Finland.

Another one also does all the purchases within the chain, some from abroad and some within Sweden.

The remaining coffee shops are satisfied with their Swedish suppliers.

Three of five coffee shops have noticed a raise in the coffee prices, but one of them has fixed prices by their suppliers so the raise did not affect them.

According to the Barista this raise in the prices is a due to the better quality of coffee that we have today compared to earlier.

Two coffee shops have not seen any increased competition; they both try as much as possible to adapt to the market and to anticipate the new trends to meet the customers’ needs. However one coffee shop says that competition comes from the smallest take-away restaurants; they all have caffe latte on the menu. To meet the competition one coffee shop states that the one who survives has to know what it is they are selling and to who with a clear business concept, a central location, high quality and a customer approach. They constant have to look out for what happens in the world around them. According to one coffee shop the coffee culture is very active and the customers go to a place that fits them, for instance they have a children’s corner that attracts many customers. Even though there are a lot of coffee shops close the one with the best coffee win many customers.

4.4.5 Education

According to the barista all people within the business are becoming more aware of the quality and taste of coffee. Only the culture in the different countries can limit the development of coffee.

The coffee shops have also noticed a change. Three of the coffee houses have seen an increase of the knowledge within all three groups, buyers, suppliers and staff. They are now all more interested in how coffee is made, which machines are used and where the coffee beans come from.
One of the coffee houses has seen a bigger interest but did not mention anything about the knowledge and another one did not see any change in the knowledge of people but they say that the their customers are more fastidious about latte.

**4.4.6 Development in 10 years**

Development towards better quality is what the barista wants for the future. He would also like to diminish the gap between restaurants and cafes. Usually they serve the worst coffee in the best restaurants, but the coffee is a part of a dinner as a whole. To make this “whole” better the barista would like to see an improvement. It does not necessarily have to mean that there has to be a barista in each restaurant but a development to make the coffee have the same standard as wine. According to the barista it is possible to give coffee the same standard as wine. We will in the future require higher quality and therefore go from the big actors to involving the smaller farmers. He also thinks that the taste trend will go more towards light roasted.

One of the coffee houses think that they still will be the biggest in Sweden. The culture will be much more mature than today and there will be many different coffee concepts.

A second coffee house thinks that sales of light products and ecological products will increase a lot since people are getting more and more aware of health and environment.

The third coffee house did not dare to answer what will happen and the fourth thought that the coffee drinking would increase, specially the coffee drinks.

The fifth coffee house finally thought that the coffee culture will become more and more international and more international chains will come to Sweden. The people will be more aware of the environmental and health questions and that will lead to more natural products.

**4.4.7 Final comments**

At one of the coffee shops they think that after the latteboom the trend will tend back to more dark coffee again.
Another one says that in Scandinavia we are extra good in this business since we take the best from coffee cultures in countries like Italy and France and combine it with the trends from USA.

We are the worlds best in barista competitions, we drink the biggest amounts of coffee in the world and we have changed our habits from boil and grounded coffee to espresso based coffees and special coffee.
5. Analysis

In this chapter we will analyse the empirical data based on the theoretical framework. We will present secondary and primary data, connect the cultural changes to Rugman and Hodgetts and competitive advantages to Porter’s diamond.

In the empirical chapter we described different changes in the coffee culture that has been taking place over the last three years. We compare similarities and differences between the primary and secondary data and thereafter connect them to the theoretical framework. We will work in the order of the five included cultural aspects described by Rugman and Hodgetts. To conclude the analysis we will identify competitive advantages for the multinational coffee shops and connect those to Porter’s theory.

To make it easier for the reader we here illustrate the analysis process:

![Analysis Process Diagram]

**Fig. 8 Model over our analyse process.**

### 5.1 Answers analysed with Rugman and Hodgetts’ five elements

**5.1.1 Language**

The answers from all the interviews show that there has been a change in the coffee culture language. New products and work titles have been introduced in a very short time. According to Rugman and Hodgetts language is the most important thing in understanding a culture. It helps you in three ways; to understand the situation, to give you a direct access and makes it easier to understand hidden messages. The coffee shops have seen that the new words have
become more commonly known. People now know what a caffe latte means, they know what the ingredients are and the problems of translation where some information might go lost seem to be gone. Rugman and Hodgetts also describe the translation of a language as a problem but by calling it caffe latte in every coffee shop the customers know what to expect.

5.1.2 Value, attitude
From the interviews we saw that all coffee shops think of the environment in different ways, by using “Krav” labelled product, serving fair trade coffee as the week’s special coffee, with environmental friendly take-away cups or by sorting the household waste. According to “Svensk Kaffeinformation”, during the past ten years, the faire-trade coffee has raised from a market share of 0,2% to 1% in 2006. In the beginning of the period the raise was quite modest, the big change has been during the last three years. To be thinking of the environment could be seen as a value of what is right and wrong, good or bad described by Rugman and Hodgetts. The coffee shops values the environment and they act from that value by using recyclable take-away cups. Rugman and Hodgetts describe how a value that comes out of an attitude has a direct impact on international business and it is important for a company to know how to position themselves to make money. The secondary data also states that the coffee shops that do not yet offer “healthy” alternatives (in shape of fair trade, light, organic etc.) will have do so in the future in order to satisfy the more and more demanding customers.

Another value that comes out of an attitude did the coffee shops as well as the barista describe when talking about the quality of coffee as a value that has changed. People in Sweden have always been drinking a lot of coffee but know we are also interested in the quality of the coffee. The barista compares it to wine, we want to know where it comes from and people have different preferences. The attitude towards quality coffee has changed and we now value knowing where the beans come from and how they have been roasted.

5.1.3 Habits, conduct
According to Rugman and Hodgetts all countries have their habits telling how things should be done and conducts dictating how you should do something in a specific context. Our primary and secondary data concerning habits and conducts on the Swedish coffee market confirm each other: The statistical bureau of Sweden show that the coffee consumption during
the last year has not been that high in ten years and our survey confirm that the number of clients has increased.

According to our survey, the habit of drinking coffee in coffee houses is something common for customers of all ages, and those asked have noticed an increase especially among the youngest and the oldest. The result also show that it is more common today to see customers coming alone as well as in big groups.

Traditionally Swedes drink coffee at any time in the week and at any time of the day. Our survey show that this has not changed and that customer tend to visit coffee houses more often during the week-end and in the evening. It also shows that customers either sit for a longer time or choose the popular take away option, especially when the weather is nice, in the morning and on Saturdays.

The statistical bureau of Sweden shows that the Espresso (the main component in many of today’s popular coffee drinks including latte) as a percentage of the total coffee consumption is on a constant raise. All coffee houses asked agreed that the most demanded coffee by all customer groups is the latte.

Our survey shows that customers demand new tastes of syrups but they have also noticed an incensement of the demand for healthy alternatives like fair trade coffee. This information can be strengthen by “Svensk Kaffeinformation” claiming that, during the past ten years, fair-trade coffee has raised from a market share of 0,2% to 1% in 2006, with the biggest change during the last three years.

5.1.4 Material things

The result of the information we have collected by studying articles and homepages is coherent when it comes to existing coffee houses in Sweden and the competition among them. According to the report by fast food, you can find a coffee chain in most of the cities in Sweden, and forecasts of the future market say there are more to come. The coffee shop market is well established and mature in Sweden, but two of the asked coffee houses said they have not noticed the tougher competition while the rest did. This might be because the competition is diverse in different cities and depending on the concept and different efforts done to diversify from each other. Most of our respondents say they make efforts to improve all the time by developing or offering new “healthy” products or offering services, like playground for children.
The increased usage of paper cups that all the coffee shops had recognised is a clear sign for the changing coffee culture with more and more popular take-away. However the response on the take-away trend from the barista was not the same as from the coffee shops, he claims that the take-away trend has reached its peak and is now decreasing. The coffee shops did not support this statement according to them the trend is continuing upwards.

One of the coffee shops bought some extra refrigerators; this could be understood as due to the increased usage of milk. Today the consumption of milk is three times higher then the consumption of coffee in the coffee shops.

Independent of if the coffee shops have national or international suppliers they seem to be satisfied and get everything what they need. Infrastructure is one of the factors to look at when studying material things described by Rugman and Hodgetts to determine if it is an advanced culture where people make things happen rather than rely on faith.

Three coffee shops have recognised a raise in the coffee prices; this change is according to the Barista due to the increased quality of coffee.

We can read in a rapport from Fast food that the customers’ demands for coffee are increasing all the time. Those demands force the coffee shops to have a higher quality and that finally leads to higher prices.

5.1.5 Education

The coffee shops have recognised an increased knowledge about coffee from customers, staff as well as suppliers. They are all more interested in the whole process from the beans growth to how it is prepared in the coffee shop and which machines are used on the way. Rugman and Hodgetts describe how education affects aspects of the culture. They also agree that in a more advanced culture which the coffee culture is today there is a bigger market for more advanced products.

At “Svensk Kaffeinformation” we can read that the people demand “healthy” coffee and that fair-trade coffee is highly demanded.

But the knowledge and interest is not only growing around the coffee itself but also the whole coffee culture. A good example is the Barista. Not too long ago we only had people serving coffee in different cafés, today they are coffee experts working in coffee shops and even competing in their own championships.

5.2 Answers analysed with Porter’s diamond

According to Porter the basic of national advantage is the national demand for the product or service. Size and pattern of growth of home demand can increase this advantage by affecting investment behaviour, timing and motivation.

We can see a positive pattern of the growth of home demand towards a bigger demand for coffee; especially espresso based ones. The incensement of customers of all ages and at any time of the day or in the week is also something positive.

There is without any doubt a big demand for espresso based coffee, even though Sweden is a relatively small. Porter claim that a small country can be competitive in segments which represent an important share of local demand but a small share of demand elsewhere, even if the absolute size of the segment is greater in other nations.

We argue that the increasing competition on the Swedish coffee market is something positive for coffee shops considering establishing on the market. Porter says that a country with tough competition and domestic rivalry can have a competitive advantage because this creates pressure on companies to improve and innovate; it also creates a fertile environment for creating and sustaining competitive advantage. Something that is difficult to reproduce through competition with foreign competitors.

Porter also say that a nation have a competitive advantage if the domestic buyer are among the most sophisticated and demanding buyers for the product or service in the world. That kind of buyers works like a window into the most advanced buyer needs since they expect high standard in quality, feathers and service. We argue that Sweden is among the most sophisticated and demanding countries in the world and therefore Sweden should be an attractive country for coffee shops considering establish on this market.

Porter say that a nation gain competitive advantage if they possess low-cost or high quality factors like human, physical and knowledge resources.

We believe that you can consider Sweden as a nation possessing high quality factors; peoples scientific, technical and market knowledge concerning the good or service is good and is improving all the time. People are getting more and more aware about heath issues and gain more knowledge about coffee.
5. Analysis

Porter say that the best is if a nation possesses factors needed in a specific industry that are both advanced and specialized, and we argue that Sweden is advanced when it comes to health and environmental issues and specialized in coffee culture as the second nation in the world where the population drink most coffee.
6. Results

This chapter will with the background of the empirical and analytical chapters present the answer to the question of the dissertation. We are going to discuss the answer and conclude with personal reflections.

6.1 Conclusion

The Swedish market has not gone untouched by the growing international coffee culture, we could read about it in different newspapers and to support the secondary data we conducted interviews and could quickly support the information we had already found. To understand which benefits the changes could bring to new multinational coffee shops on the Swedish market we chose our question:

Which benefits can the changes in the Swedish coffee culture bring to multinational coffee shops that are considering establishing on the Swedish market?

Cultural changes:

- Language- Customers understand new international words such as barista and caffe Latte.
- Values and attitudes- Customers are getting more and more demanding and are willing to pay for quality and “healthy” products such as fair trade- and organic products.
- Habits and conducts- The coffee consumption is the highest in ten years. The demand for coffee, especially espresso based ones, is increasing and that especially among older and younger generations. Customers come more often alone or in big groups.
- Material things- The usage of paper-cups for take-away coffee is increasing as well as the usage of refrigerators and espresso machines.
- Education- Customers, suppliers and staff have better knowledge of coffee, where the beans come from and how they are being roasted and processed.
The benefits the changes in the coffee culture bring are multiple and we see a coffee culture highly adapted to the new trend:

People in Sweden understand and use international terms such as “latte” and “barista”, it makes it easier for international coffee shops to communicate and for the consumers to understand hidden messages, in advertising for example. In Sweden there are also high quality factors such as well educated workforce which is a competitive advantage for a country.

The basic of a national advantage is the national demand for the product or service. Size and pattern of growth of home demand can increase this advantage by affecting investment behaviour, timing and motivation. Sweden is the second biggest coffee drinking country in the world and there is no doubt that there is an increasing demand for espresso based coffee among people in all ages. Customers demand for “healthy” coffee products (fair trade, light organic etc.) is also increasing. It would be good for a multinational coffee shop to come here since they would work within an environment where buyers are among the most sophisticated and demanding buyers for the product in the world.

Coffee in Sweden has gained a certain status, similar to the wine, and people are willing to pay a higher price for good quality and for their favourite coffee bean.

There is also a good access to supporting and related industries for coffee shops in Sweden which is an advantage since there are suppliers ready to provide all the supplies necessary to respond to the customers’ demands for different kinds of coffee.

Sweden is a country with tough competition and well developed coffee shops. Domestic rivalry can have a competitive advantage because this creates pressure on companies to improve and innovate; it also creates a fertile environment for creating and sustaining competitive advantage.
6.2 Discussion

We consider that our purpose to describe how the coffee culture has changed and looks today has been fulfilled. We have improved our knowledge and understanding about how the changing coffee culture can compose advantages for multinational coffee shops wanting to establish on the Swedish market. By defining the coffee culture today we could compare certain facts to Porter’s model and understand how these changes are positive.

Before making this dissertation we looked at though competition on the coffee market as something negative for a coffee shop considering an establishment in Sweden. But now we know that though competition can also be seen as an advantage.

Since we focus on only advantages we are aware that our result might give a misleading impression that all changes in the Swedish coffee culture would be something positive. It is up to the specific organisation to judge whether those changes is beneficial for them or not, but we judge them to be advantageous for a big coffee shop chain like Starbucks. But we shall not forget that those advantages are not absolute; to make a complete and truthful evaluation, you should not ignore eventual disadvantages, but weigh possible disadvantages to the advantages. But that is another dissertation.

It is possible that if we had chosen, instead of Rugman and Hodgetts, another definition of culture, we might have identified other cultural changes and advantages on the Swedish coffee market.

When we called the different coffee shops to ask if they were willing to help us by answering some questions, twelve accepted to do this. Only five of the interviews that we sent came back to us, even though we sent mails to remind them. The reasons for this could be many; a lack of motivation from their side, us not highlighting the importance for us to get their answers or other factors. We surely could have made an effort to get more respondents and more detailed answers by insisting on doing personal interviews, but on the other hand we believe that we would not get any new information. Already after a couple of answers we felt that there was no new information so we still feel that the answers from the five interviews are enough.
6. Results

6.3 Personal reflections

Since we normally do not hear much about culture when it comes to business, we did not expect to find so many different definitions and models of culture when we began this study. Finally we found what we thought was the right definition and model for our work and that was the one developed by Rugman and Hodgetts.

Since we had seen the changing coffee culture and the secondary data was telling us about it as well, we were expecting to get those or at least similar answers from the interviewed coffee shops. What was a bit surprising was that they had not felt any stronger competition; this is on another hand positive for international coffee shops that are thinking about coming to Sweden since it shows that there is still place for them at the market. Another factor that we noticed was that the coffee shops are not very concerned about being environmental friendly, they do care about health issues and serving light products but only a few of them were really doing something for the environment. We were also amazed by the size of the coffee culture and how serious the business is with competitions all over the world. We feel that if this study would be done again it would according to us end up with the same result since we already after a few answers to our questions found similarities.
7. Implications

This chapter will conclude the dissertation with ideas for further research we will also explain how our work could be used by giving practical implications.

7.1 Ideas for further research

Our first idea for further research would be to try to contact an international coffee shop and examine how interesting they think that the Swedish market would be for them. Maybe a future research group could contact a company that needs help with such a project. Although this might be hard since the information is often classified and not open for the public. It would also be interesting to do further research about what kind of models a company use for examining a market’s or nations potential and how effective the models are.

Another idea would be to go further in the coffee culture and look for possible reasons to why espresso based coffee drinks have became so important if it has to do with fashion, trends or other aspects. Which is the target group for coffee shops and how they market themselves to this group?

The last idea is to analyse any inconvenient with the cultural changes on the Swedish coffee shop market? To look at the disadvantages instead of the advantages of the changes in the coffee culture and further examine how a coffee shops handle these points.

7.2 Practical implications

This dissertation can be useful for foreign coffee shops considering establishing on the Swedish market to gain knowledge about Swedish coffee market. New markets are opening through cultural changes, so people searching for new marketing opportunities on the Swedish coffee market should read this paper to get ideas, advices and inspiration.
References

Literature

Mats Alvessin and Kaj Skäldberg (1994) *Tolkning och reflektion* published by Studentlitteratur


Kroeber/ Kluckhohn, S.75-145 (1952)


Scientifically articles


Panico C. Richard, Culture the greatest competitive advantage, Global Cosmetic Industry Magazine, Dec 2004. (electronic copy)


Internet


DN.no 01.06.2003 uploaded from http://www.dn.no/arkiv/article12971.ece (2007-04-20)


Kultur, Nationalencyclopedin.. Uploaded 23.05.2007 from www.ne.se.

Press release Copenhagen Airport 2007-03-20. uploaded from


(2007-05-16)


World Barista Championship Ltd 2006 The World Barista Championship uploaded from

Interviews

Manager of Wayne’s coffee in Luleå, mail interview (2007-05-05)

Staff member of Wayne’s coffee in Norrköping mail interview (2007-05-05)

Barista and coffee consultant, telephone interview (2007-05-07)

Manager of Robert’s coffee in Stockholm, mail interview (2007-05-10)
Staff member at Coffeehouse by George in Uppsala, mail interview (2007-05-10)

Staff member at Kaffe Paus in Jönköping, post interview 2007-05-11
Intervju om den svenska kaffekulturen

Vi är tre tjejer från Halmstads högskola som skriver ett examensarbete om svensk kaffekultur. Vi vore hemsikt tacksamma om ni ville hjälpa oss genom att besvara denna enkät så utförligt som möjligt. Alla svar kommer naturligtvis behandlas konfidentiellt och användas endast till denna undersökning.

Samtliga frågor gäller de två senare åren därför är det viktigt att personen som besvarar enkäten har minst två års erfarenhet av kafébranschen!

Om ni har några frågor kan ni kontakta oss på 070-2941357 eller chilisister@hotmail.com

Tack på förhand Barbara, Emma och Kajsa

Hur länge har du jobbat inom cafébranschen?

1. Har ni märkt någon utveckling/förändring av språket inom kaffebranschen? (Ex nya term, namn på produkter). I så fall hur?
2. Hur har efterfrågan förändrats när det gäller ex rättvisekaffe, ekologiskt odlat kaffe, kvalitet på bönor, lightprodukter och koffeinfritt?
3. Har intresset bland kunderna för kaffe/caféer förändrats på något sätt? Hur märks detta i så fall?
4. Har kundernas uppfattning om kaffet och dess värde som dryck förändrats (ex. priset kunden är beredd att betala) Hur har ni i så fall märkt detta?
5. På vilket sätt är ni/era kunder/era leverantörer miljömedvetna? Hur har detta förändrats?
6. Har ni märkt av att konkurrensen har hårdnat? Hur märks det i så fall?
7. Har ni vidtagit några åtgärder för att handskas med eventuellt hårdnande konkurrens? I så fall hur?
8. Är det någon skillnad när det gäller kundernas dryckes/besöksstider? (tid på dygnet/i veckan/om året)
9. Är det någon skillnad på hur länge kunden stannar per besök? (sitter de i flera timmar eller köper de snarare take-away) Hur går trenden?

10. Kommer kunderna oftare i grupp eller ensamma? Har detta förändrats och i så fall hur?

11. Är det någon skillnad på hur mycket och vad kunderna äter till kaffet?

12. Har ni gjort några ändringar i ert kaffesortiment, beroende på vad kunderna efterfrågar eller pga eventuellt förändrad målgrupp? Om ja, vilka?

13. Har ni gjort några ändringar i ert tilltuggsortiment beroende på vad kunderna efterfrågar? Om ja, vilka?

14. Vilken kaffedryck är den mest populära och vilken målgrupp efterfrågar denna dryck?

15. Har antalet gäster ökat/minskat de senaste två åren?

16. Har ni märkt någon skillnad på kundernas ålder? Hur i så fall?

17. Har ni köpt in/bytt ut exempelvis kaffemaskiner eller andra redskap?

18. Används något material mer/mindre idag? (ex pappersmuggar)

19. Har ni förändrat inredning för att tillmötesgå/locka en viss målgrupp? I så fall hur?

20. Har ni stött på svårigheter att hitta kaffe, materiel och tillbehör i Sverige? Har detta lett till att ni importerat från andra länder?

21. Hur har inköpspriset av kaffe och annat materiell förändrats?

22. Har ni märkt någon skillnad när det gäller kundernas/leverantörernas/personalens kunskaper och intresse för kaffedrickande?

23. Hur tror ni att kaffekulturen kommer att se ut om 10 år? Vilka kommer vara de stora skillnaderna?

24. Har ni något ni skulle vilja tillägga?
Attachment 2

Conclusion of five questionnaires and one personal interviews

(Answers written in italics are answers that we suspect to have been wrongly interpreted)

1. Has the language changed in the coffee industry, if yes how?

   1. more barista terms
   2. customers use more terms used traditionally by the staff
   3. more international names of coffee drinks like ristretto and cappuccino.
   4. new names of coffee drinks like cappuccino and espresso
   5. people has started to say coffeehouse instead of café.
   6. the word barista is more known

2. How has the demand changed for products like, organic, fair trade, light, quality and caffeine free?

   1. especially fair trade products are in focus
   2. we don't have any demand for fair trade or organic but for light products and alternatives for milk, like soya milk
   3. the demand is increasing for organics, fair trade, caffeine free and quality.
   4. we have noticed an increasing demand for quality coffee, customer are more aware of how coffee is supposed to taste.
   5. we offer fair trade coffee as the coffee of the week and we have caffeine free espresso that is popular.
   6. increasement for all those mentioned except from the caffeine free.

3. Did customers perception of coffee and its price change?

   1. people are willing to pay more for coffee today.
   2. we didn't notice any difference
   3. customers are willing to pay more today, for example they ask more often for Jamaican blue mountain even thought it is a lot more expensive..
   4. customers can bee critical about the price but they gladly pay when they notice the good quality
   5. people are willing to pay more for good and better coffee.
   6. people are more aware of the origins of the coffee, like wine, and they are willing to pay more for the coffee they like.

4. In what way do you and your suppliers take care of the environment, has it changed in any way?

   1. we use more organic products
   2. we try to think about the environment but some thing are hard to change.
3. everybody talk about being more environmentally friendly. But it is not easy to know how to do.
4. we sort our garbage and have environment friendly take always.
5. many of our customers demand environment labeled coffee and milk.
6. no answer

5. Did the concurrency get tougher, how have you noticed that?

1. no I can't say we noticed tougher concurrency.
2. no not really, but we have a strategic placement in the city center.
3. yes, it is getting tougher all the time, almost every day there are new cafés and wholes in the wall opening.
4. the coffee culture is strong and there is a place for every taste and need.
5. we have about 8 cafés within a radius of 50 meters.
6. no answer

6. have you done any changed to cope with tougher concurrency?

1. we try to get better all the time because what was good yesterday is not good tomorrow.
2. we order product that our customers demand, like light products.
3. we collaborate with cultivators and producers and together we develop new products with awareness and a sense of responsibility.
4. we have a place for the children to play.
5. no
6. no answer

7. Are there any difference when it comes to customers visiting times?

1. no
2. we have noticed an increasement of visitors in the evening after 18 o'clock and on Sundays.
3. People tend to choose take away more often during day and stay for a drink in the coffee house after work.
4. no
5. no
6. depends if the environment attracts people to stay for a long time or not.

8. Are there any changes in the time that your clients stay during a visit?

1. they tend to sit longer during week-ends.
2. customers stay shorter time in the morning and Saturdays, times when we sell more take-away.
3. more take-away especially in the morning, at lunch and during summer.
4. people stay longer in the evening and choose more take away when the weather is hot.
5. we have a lot more take-away today.
6. there were a lot of take away a year ago, but I believe the boom has slowed down.

9. Does people come more often in group or alone?

1. there are more groups during week ends and most couples during week.
2. we have noticed an increasement in customers coming alone as well as in big groups.
3. visitors in group are increasing
4. it's about 70% in group and 30% alone.
5. they come mostly in group of 2-3, but some come alone.
6. no answer

10. Did you do any changes in your assortment because of changing demand?

1. we have started with fair trade and caffeine free coffee. We have more syrups.
2. no
3. we have new coffee drinks with different syrups and also different menus.
4. no
5. we follow a concept.
6. dark coffee like espresso is more and more demanded.

11. which is your most popular drink at the moment?

1. latte
2. latte is the most popular especially among youngsters
3. latte for everyone
4. latte for all ages
5. latte for everyone
6. latte for everyone up to their middle age.

12. Do you have more or less customers today?

1. we have more every year since the start
2. we have noticed a small increase
3. customers are increasing all the time
4. more
5. can't say since we took over in September last year
6. people go out more often to drink coffee, it's a bit like the local pub in England where people meet after work.

13. What changes have you noticed with customers age?
1. more elderly people are coming to us.
2. there is an increasement of youngsters around 15 as well as of people older than 65.
3. before it was most common for youngsters while today all ages come to us.
4. we haven’t noticed any difference
5. we have customers between 16-75
6. no answer.

14. have you bought or changed any machines and tools?

1. no
2. a year ago we changed our coffee mill and espresso machine.
3. we have change the espresso machine twice during the last ten years and bought a mixer for cold drinks.
4. more fridges.
5. no
6. we have machines since the latte boom, but since the barista profession develops we need more advanced machines.

15. Do you use any materials more today?

1. take away that increase all the time.
2. we use more paper cups and plastic cutlery
3. we use more paper cups and espresso coffee.
4. more take away
5. much more take away
6. no answer.

16. Did you have troubles finding materials in Sweden that has led to import?

1. we buy everything together within the chain, some things from Sweden others are imported.
2. no problem, we have good suppliers.
3. we do our business international and have no problem at all to find, there are plenty of suppliers.
4. no problem.
5. no problem.
6. no problem.

17. How has the prices for coffee and other tools changed?

1. the coffee is more expensive.
2. we have contacts with our suppliers so prices stay more or less the same.
3. the coffee price hasn't increased the last years but other good increase with a few % each year.
4. it hasn't changed much.
5. a small increase.
6. high quality leads to higher prices.

18. have you noticed any difference in customers/suppliers/staffs knowledge and interest in coffee?
   1. all three are definitely more aware and know a lot more today.
   2. all parts have absolutely more knowledge today, they want to know what kind of beans it is and where they come from.
   3. everyone is more interested and aware of origins and methods of making coffee. Our suppliers are specialist.
   4. people are more interested.
   5. people are getting more demanding.
   6. people are more concerned about the quality.

19. How do you think the coffee culture will look like in ten years?
   1. ways will still be the biggest and there will be more different coffee concepts.
   2. the demand for light and organic products will absolutely increase.
   3. the culture will be more and more international. And there will be a general trend with awareness of the importance of taking care of our health and our planet.
   4. people will drink more coffee, especially more coffee drinks.
   5. i can't guess.
   6. better quality that will lead to the same status for coffee as for wine.

20. do you have something to add?
   1. i’m sure there will be a demand for stronger coffee after this latte boom.
   2. no
   3. in the northern countries we are champions in barista championship and we have taken the best from old coffee cultures like Italy and France and mixed it with trends from the USA.
   4. there is a positive change
   5. no
   6. no