

How innovations acquired from the European coffee culture will influence the demand in the Maltese coffee shops?

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Abstract

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Abstract <p>The current paper focuses on how innovations acquired from the European coffee culture will influence the demand in the Maltese coffee shops. The methodology adopted for the current paper is online questionnaire and structured interviews. The coffee shop owners of Malta were interviewed, whereas consumers were asked to participate in online questionnaire survey. The results indicated that majority of the consumers were from Malta, and they are coffee lovers, who like to take 3-4 cups daily. However, consumers were also interested in new and innovative methods in coffee. The coffee shop owner's interviews depicted that they use European culture and are always willing to opt for new and innovative methods in coffee.</p>	
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Declaration of Authenticity



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Declaration:

I hereby declare that this research study is based on the outcome of my own research. I, as the author, declare that this research study is my own composition which has not been previously produced for any other qualification.

The research study was conducted under the supervision of Fleur Griscti.

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Student's Signature

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Table of Contents

1. Introduction	2
1.1 History of coffee in relation to Malta	2
1.2 Description of industry	3
1.3 Research question	6
1.4 Research Objectives	6
2. Literature Review	7
2.1 The demand for coffee on the European market	7
2.2 Consumption of coffee at different occasions	9
2.3 Companies are placing sustainability at the top of their priority lists	9
2.4 The new coffee reality	10
2.5 The trendy lifestyle	10
2.6 Additional Product Options	11
2.7 Utilizing Customer Loyalty	11
2.8 Cafes and coffee shops might expect major developments in the near future	12
2.9 Coffee trending countries	12
2.10 Cafeterias, a sector on the rise in Europe	15
2.11 Why is Europe an interesting market for specialty coffee?	16
2.12 Pre-covid, current and hopefully post-covid	16
2.13 National specialty market	17
3. Methodology	19
3.1 Research design	19
3.2 Techniques and instruments for data collection	20
3.3 Interviews	20
3.5 Questionnaire	28
3.6 Research limitations	28
3.7 Ethical considerations	28
4. Results	29
4.1 Results from the interviews with local coffee shop owners	29
4.2 Results from the questionnaire	30
5. Discussion	31
6. Conclusions	33
6.1 Recommendations	33

1. Introduction

1.1 History of coffee in relation to Malta

The coffee beverage was first introduced in Malta in the 16th century. When the Ottoman emperor failed to seize Malta in 1565, resulting in the imprisonment of Turkish Muslim slaves, Turkish coffee was adopted and imposed into Maltese culture. Subsequently, this resulted in the opening of numerous coffee shops on the island in the following years (Freitas et al., 2020). Thereafter, when the trade started with Muslims in Egypt and the Middle East by the Republic of Venice, African goods were transported by merchants of Italy. At that time, coffee became an exclusive drink for wealthy Venetians. From Venice, coffee was initiated into the rest of the continent. Although the arrival of coffee to Europe was primarily carried out by Turkish merchants, one of the events that left a trace in Ottoman history was more influential. In 1683 Second Siege also failed, and the Ottoman army retreated, but they left a trace of their culture, more specifically the coffee beverage. As a reward for his achievements during the siege, alongside all material rewards, Kolschitzky, a Polish spy, was given the opportunity to open a coffee shop. During visitations to Turkey before the war, he acquired some of the coffee cultures there. Thus, he presented the innovative drink to the people from Vienna and also, taught them how to prepare and consume coffees. The coffeehouses opened in this period set an example for many other countries and the awareness of the coffee beverage was spread around Europe (Peleo, 2021). Today, apart from Turkish Coffee, the consumption of creamy, milk, chocolate, and spiced, second-generation coffees emerged. The basic coffee scent gained a different presentation, taste, and variety by Europeans and acquired names such as 'latte', 'mocha', 'cappuccino', and yet, Turkish Coffee is the first generation of all these beverages.

In 2012, the Economic Studies group of the SIC (Superintendence of Industry and Commerce) carried out research on the coffee sector in Malta, with which it sought to analyze the behavior of the sector during the last decade and understand the problems that afflicted and experienced by coffee shops in Malta (Demirel and Danisman, 2019). The authors, within the multiple findings, found in terms of supply worldwide that at that time, there were 70 coffee-producing countries; however, 55% of the coffee was produced by three countries, Brazil, Vietnam, and Italy, and likewise that Latin America was the region with the highest coffee production and also the region that consumed the most. Furthermore, they found that the coffee market is regulated by an oligopoly dominated by large multinationals such as Kraft Foods and Nestlé. The mentioned have coverage of more than half of the world's consumption of instant coffee (Matrapazi and Zabaniotou, 2020).

Malta was among the first countries in Europe to import coffee during the times of the Knights Order of St John. The coffee plant originated in Ethiopia and spread to the Ottoman Empire from where it entered Europe. Dr. Joan Abela, a historian at the Notarial Archives, stated that documents in the archives include lists of ingredients that were imported, such as coffee, sugar, and drinking chocolate. She added that documents also reveal that some ingredients were introduced in Malta, among others, through thefts of merchandise from enemy ships. Dr. Abela added that during the Order's time it was thought that the coffee's vapor may be used for eye treatments. Coffee was also consumed by high society people, including the Knights. Coffee was not the only product considered to contain medicinal proprieties. In the 16th Century, sugar was imported for the Order's infirmary, was considered to be a precious product, and used only for patients who most needed it. Drinking chocolate has been used in Malta since the Order's time and was given to slaves as an energy product for their rowing skills aboard the Order's ships. These products, together with bread pudding and vegetable soup, will be among the exhibits which will be displayed by the Notarial Archives volunteers during the *Natalis Notabilis* at Rabat as part of the Christian village which will open on the eve of the Immaculate Conception feast and continues for six days. Other events include streets market, and theatrical and concert productions in historical buildings, including at the Ta' Ġiežu Church.

Due to the above, the coffee growers of the Southern Arabia municipalities have known how to take advantage of the benefits that the National Federation of Coffee Growers offers them by promoting the cultivation of organic coffee today (Matrapazi and Zabaniotou, 2020). These coffee growers seek to obtain a high-quality product at a lower cost because today, people have acquired a healthier awareness of their products. The population that buys healthier foods with fewer chemicals is growing more and more (To, 2018).

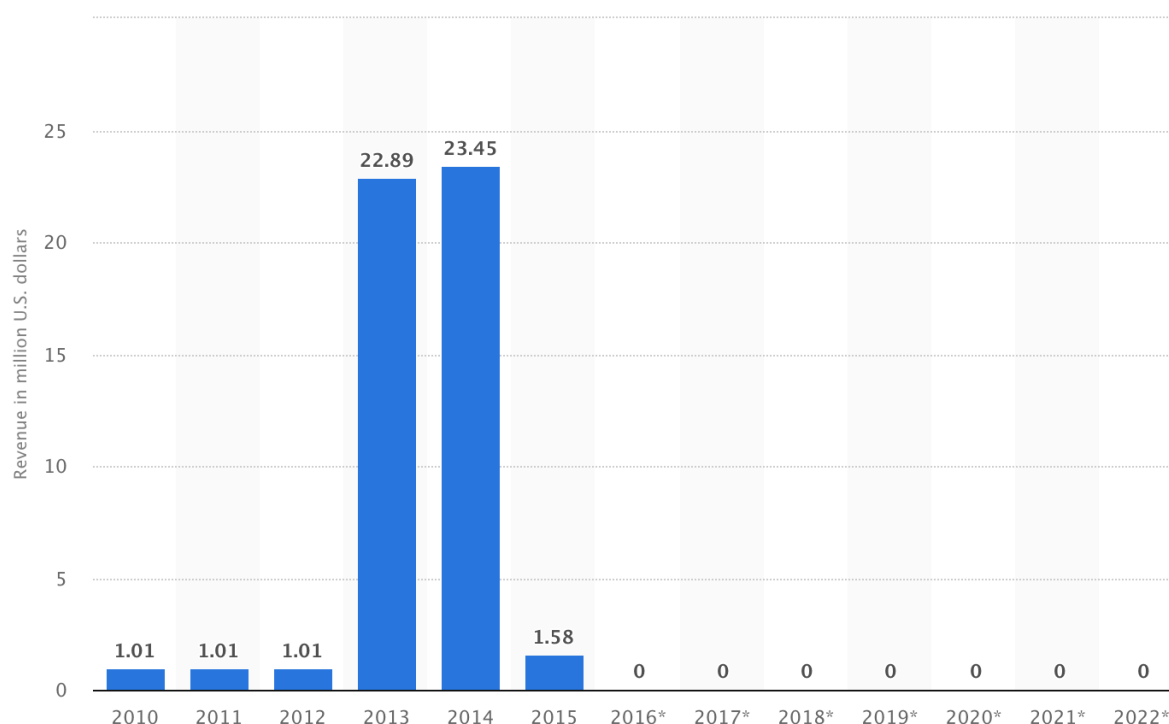
1.2 Description of industry

Coffee is a crop of great productive, social, and economic importance worldwide. Malta is an island country in Europe and its only 31,600 hectares. Its importance is estimated for the value of production and its environmental contribution by establishing agroforestry systems (shade management) and carbon capture, the generation of income in localities that correspond to those of high marginalization (Zieba, 2020). The roast coffee market in Malta was equal to 104.50 million USD (calculated in retail prices) in 2015. Until 2025, the coffee market in Malta is forecast to reach 200.65 million USD (in retail prices), thus increasing at a CAGR (Compound Annual Growth Rate) of 5.22% per annum for the period 2020-2025. This is a decrease, compared to the growth of about 8.78% per year, registered in 2015-2019.

The average consumption per capita in value terms reached 245.63 USD per capita (in retail prices) in 2015. In the next five years, it grew at a CAGR of 8.36% per annum. In the medium term (by 2025), the indicator is forecast to slow down its growth and increase at a CAGR of 4.96% per annum (Suryadi et al., 2020).

Coffee production is carried out through traditional polyculture, planted in association with pepper, fruit trees (mango, banana, black sapote, orange), timber trees (oak, red cedar, mahogany), corn, and beans, which provide services environmental and economic income for the population (Rusti, Irham, and Suryantini, 2021).

Due to its commercial value, it is one of the leading agricultural products. It has a significant share in world trade and produces an annual income of more than 15 billion dollars for exporting countries and provides direct and indirect employment to just over 20 million people. It is dedicated to the cultivation, transformation, processing, and commercialization of the product worldwide.



The above statistics show the revenue generated by coffee and tea processing in Malta for the year 2010-2015, and its forecast for 2022.

Primary production, cherry, and parchment coffee is the main link in the production chain for agribusiness. Subsequently, the added value allows for preserving its physical and sensory attributes. Finally, marketing links the producer with the consumer willing to pay for a product with specific characteristics. Therefore, the raw material meets the quality standards required by the agroindustry and is in parallel with the final consumer's demand (Suryadi et al., 2020).

Therefore, the supplier (producer) is one of the key actors who guarantees good crop management and an adequate aromatic benefit. Therefore, both processes will largely determine the quality of the coffee.

Innovation has become a concept that is used more and more frequently, based on the acceptance that a sustained effort in generating and disseminating it is today a key factor, both for improving the competitiveness of companies and favoring development in the territories in terms of economic growth and from a perspective of quality of life of the population.

Technological innovations are those activities or processes that incorporate new technical alternatives in production, guided by the existence or identification of market opportunities or needs of the population. RUSTI (2021) establishes that, among the factors that positively influence technical change and the use of innovations, there is contact with commercial houses that distribute products for the countryside, the provision and use of credit and financing, contact with institutions of the agricultural sector, socioeconomic factors of the producers, relationship with the extension workers, exposure to the media and a recent study identified the market as a determining factor in the adoption of innovations in specific agrifood chains (Hamdani et al., 2020).

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people. It is dedicated to the cultivation, transformation, processing, and commercialization of the product worldwide.

1.3 Research question

Innovation is a social and territorial process in which knowledge users interact with producers of knowledge and innovation. Therefore, this paper aims to analyze coffee producers' productive and commercial innovation models in Malta, characterize them, and define technology transfer processes. Therefore, the question arises includes the implementation of the European coffee culture and innovations in the Maltese local coffee shops. Will the demand increase?

1.4 Research Objectives

The current work will focus on the Maltese local coffee shops; therefore the overall objective is to analyze the demand of coffee by implementation of European coffee culture along with new innovations.

To analyze the increase in demand through innovative models.

To examine the level of interest for innovative coffee preparation and brewing methods.

To analyze if the Maltese market is influenced by the European coffee culture.

2. Literature Review

The demand for specialty coffees coincides with a growing interest in ethically and sustainably produced products and consumers' curiosity about the history of their coffee. In recent years, a new coffee format emerged across the globe: ready-to-drink coffee (cold coffee). It is gaining impressive momentum among developed markets, reaching USD 21 billion in 2018 (Miles, Lee, and Sawatwarakul, 2018). This is favoring the progressive visibility of coffee growers since in the sale and service of these coffees it has become essential to tell the story behind each cup, its origin, and the other environmental and social aspects that surround it.

2.1 The demand for coffee on the European market

About a third of the world's coffee consumption occurs in Europe (Suryadi, N., Anggraeni, R. and Permadi, 2020). Even if consumption levels stabilize, Europe will remain a desirable market for coffee exporters in the long run. Specialty coffee's expanding market in Europe, in particular, presents exciting possibilities.

34% of worldwide coffee consumption was consumed in Europe in 2019, totaling 3,356 thousand tons of coffee (Miles, Lee, and Sawatwarakul, 2018). As a result, Europe has the world's biggest coffee market. A market share of 22 percent is held by Latin America, followed by Asia and Oceania with a combined 19 percent of the global market.

According to Eurostat data from 2018, Germany accounted for 26% of overall European consumption, followed by France at 13%, and Italy at 11%. Poland accounts for 6.7% of European consumption, whereas Spain accounts for 5.8%, and the Netherlands accounts for 5.6% (Fang, L., Adelakun, F. and Goetemann, 2022).

Because the European coffee market is already saturated, long-term demand is likely to be steady. The volume of Europe's coffee market expanded by just 1.8% year between 2015 and 2019. Despite the fact that the International Coffee Organization (ICO) has seen a fall in consumption by 2020, it shows that changes in consumer income have little impact on coffee demand. To put it another way: the global financial crisis will have little impact on coffee consumption in the long run (Aprilia et al., 2021).

However, COVID-19's immediate ramifications have been disastrous, particularly in terms of out-of-home usage. There has been a significant drop in consumption outside the house due to lockdowns and social distance measures. This has impacted coffee shops and (micro) roasters that provide better-quality coffee to the out-of-home market.

The global coffee market is still predicted to increase at a 5.5% average annual pace between 2020 and 2025, despite consumer desire for high-quality coffee and unique café experiences. Because of the rise of the middle and higher classes in local and regional economies, rising

nations such as Brazil, China, Russia, and South Korea may provide expanding potential for coffee suppliers. In the years 2020-2025, Asia and Oceania are predicted to have the greatest growth rates in the global coffee industry (Setiawan et al., 2020).

A little more than 5 kg of coffee is consumed per person each year by citizens of the European Union (EU). Finland is the global leader in coffee consumption per capita, with yearly consumption per person averaging 12 kilograms. Norway, Denmark, and Sweden all consume a lot of coffee per capita: 9.9 kg, 8.7 kg, and 8.2 kg, respectively. The Netherlands uses 8.4 kilograms of coffee per person, Switzerland 7.9 kilograms, and Belgium 6.8 kilograms (Méndez, B.G. and Velázquez, 2020).

It is doubtful that Nordic nations' average per capita consumption would rise dramatically, as it has in other Western European countries. Despite this, exporters in producing nations still have a lot to gain from these markets, as consumers are increasingly seeking out high-quality coffee. In Western Europe, where specialty coffee shops provide predominantly high-quality coffees, this is mostly due to an increase in consumption there. Sales of specialty coffee in Western Europe's coffee shops surged by 140% between 2010 and 2018 (Novitasari, D., Aryati, I. and Damayanti, 2021).

There are two major markets for specialty coffee in the world: European Union (EU) and the United States (US). Specialty roasters, coffee cafes, and local coffee brands are on the rise in Europe, and European coffee drinkers are becoming savvier and more demanding as a result. High-quality coffees are often introduced via small & mid coffee roasters and coffee cafes (Peleo, 2021).

The EU coffee house market was expected to increase at a 3.9% annual pace from 2020 onwards until the COVID-19 epidemic struck. It's impossible, at this point in time, to offer an up-to-date growth outlook for the various markets. Despite this, specialty coffee consumption in Europe was lower in 2020 than it has been in recent years. Despite an increase in internet sales, out-of-home consumption has decreased as a consequence of social separation measures and consumer health concerns. Although the demand for high-quality coffee is projected to stay consistent over the long term across all European markets, this will help it survive the crisis. As a result, when the COVID-19-related restrictions are repealed, demand for specialty coffees is anticipated to rise once again.

Specialty coffee consumption is on the rise in Europe, with both Arabica and Robusta seeing an increase in demand. Exported high-quality Arabica and Robusta that fulfill the Q requirements may take advantage of these possibilities. Specialty coffee may be found throughout our research of the European coffee industry, as well as in the market segment section below.

2.2 Consumption of coffee at different occasions

Coffee is experiencing a premiumization phenomenon as coffee shops grow and provide better coffee to customers. The Internet has also made it possible for customers to learn more about coffee. For instance, Starbucks is using reinforcement learning technology to bring innovations in the coffee on demand of customers. Reinforcement learning technology is machine learning, which helps to get feedback from customers (Peleo, 2021). Furthermore, although sustainability is a top priority for most consumer items, in the case of coffee, it extends to both the product and the container (Satariano, 2019).

Sustainability challenges in the business model demand companies to look at new packaging types (recycled/biodegrade/compost/refillable) and solve them, but they must also take into account the diversity of coffee in their product line.

When it comes to consumer lifestyle, there are two trends that emerge: the first is the desire for more sustainable labeling (such as organic, single-origin, Fair-trade, or Rainforest Alliance certified goods), and the second is the desire to learn about the brewing process (coffee pod, pour-over, and cold-brew). Brands must continue to address both convenience and functionality in their product offering if they are to generate value growth in mature coffee markets (Larysa et al., 2019).

Many coffee businesses are putting more emphasis on the quality of their goods. All coffee forms have embraced single-origin, from instant to beans to ground to pods and everything in between. Single-origin coffee pods with ecological packaging have just been introduced by Italian firm Lavazza, addressing convenience as well as functional needs.

2.3 Companies are placing sustainability at the top of their priority lists

The sustainability of consumer goods firms is becoming more important to them all over the globe. Single-use plastic has become a major subject in the retail and restaurant industries due to its widespread usage and environmental hazards. The level of concern is high regarding the environmental implications of the coffee pods issue. New solutions are being sought by a number of coffee manufacturers. This is done by creating their own recycling programmers and others attempting the compensability/biodegradability road. Several firms in the United Kingdom have made investments in biodegradable coffee pods or provide ground coffee in 100 percent recyclable packaging.

2.4 The new coffee reality

Most companies in the beverage industry are now moving toward the functional realm. At the beginning of 2019, Coca-Cola, the world's largest soft drink company, debuted its Coca-Cola Drinks Plus with Coffee. A greater number of companies are releasing new products in each coffee category, giving customers a bigger selection to choose and a new taste (Larysa et al., 2019).

Moreover, coffee goods are becoming more widely accessible, with expanded shelf space in shops, increasing availability in vending machines, and increased visibility via e-commerce channels in addition to new brands and cross-category innovations.

2.5 The trendy lifestyle

Global health and wellness lifestyle trends will have an impact on how people drink in the future. When it comes to beverage consumption, consumers are turning away from "sugary" beverages like soda and toward healthier options like tea or water. They are also drinking less alcohol (Novitasari, Aryati, and Damayanti, 2021).

Coffee-to-go consumption will rise as people's schedules get busier, giving another growth potential for the coffee industry. The growing popularity of frappuccinos in North America and Western Europe shows that increased coffee demand will also lead to more extravagant consumption situations. Brands are launching cold brew varieties in the cold (RTD) coffee, boosting protein content, or introducing new taste variants.

The aroma of coffee is largely responsible for its flavor as well. The sense of taste with the taste buds can only perceive sweet, salty, bitter, and acid flavors. The complete experience occurs when the sense of smell and the aroma receptors present in the nose are also involved. The taste of coffee is the sum of the olfactory, gustatory, and texture sensations. In this sense, when preparing a coffee infusion with hot water, new molecules are released and this makes it possible to obtain a coffee with a complete aroma and flavor.

There are more trends that may be included here:

- Drinks with milk alternatives as a healthier option, plant-based milk is popular among younger crowds. Non-dairy milk used in coffee needs to function as close to actual dairy as possible.
- Coffee is used as an ingredient in ice cream, popsicles, chocolate bars, and even mixed drinks.
- Preparation of cocktails with coffee

- Mix soft drinks with an espresso
- Various roast levels of the coffee beans
- Serving the coffee with chocolate cutlery or in a cup made with chocolate

Many more trends are available in the European market and they constantly change. However, some of them become a lifestyle for the consumers.

2.6 Additional Product Options

Modern coffee drinkers are growing more adventurous with their coffee choices. The younger generation is more open to trying new tastes and varieties of coffee since they care more about the quality and sustainability of the product. When coffee businesses expand their selection, they increase their chances of attracting new consumers (Satariano, 2019). Large and small coffee shops alike have responded by offering a variety of distinctive beverages, like

- Dalgona Coffee and Boba Tea.
- Coffee with Eggs from Vietnam.
- Coffee from Turkey.

In addition, many are looking for healthier, caffeine-free options. Smoothies and cold-pressed juices are becoming popular at coffee shops, and this trend is expected to continue as the significance of coffee shops develops.

2.7 Utilizing Customer Loyalty

Getting new customers to become regulars is critical for any coffee establishment. When it comes to the highly competitive coffee sector, customer loyalty reigns supreme. Customers are more daring than ever before. Therefore, businesses must find new strategies to promote repeat business. According to the coffee industry's predictions, people want more than just a good cup of Joe when they visit a coffee shop (Fang, L., Adalakun, F. and Goetemann, 2022). Modern customers also take into account the company's brand values, as well as how those values are displayed within the coffee shop itself.

Consumers are driving the coffee industry's shift towards sustainability forward. In order to be at the forefront of this revolution, coffee shops need to reflect this in both their goods and their environment. Eco-friendly design elements such as recyclable cutlery and recycled furniture serve to attract the current eco-conscious customer while inspiring them to become brand advocates.

2.8 Cafes and coffee shops might expect major developments in the near future

Stockton's coffee business has had a wild year in 2021. These bizarre trends are ones to keep an eye on and seize on if one is planning of being viable in the near future. A study was prepared with the notion of the primary goal of determining what devices should be purchased and installed at local cafés and restaurants (Dennis, 2017). A variety of products are sought by customers in coffee shops. Meanwhile, the Covid-19 pandemic affected many businesses and led to a decrease in clientele and losses.

Researchers discovered that there are three major trends that would have a direct impact on the sustainability of a cafe or coffee shop (Fang, L., Adalakun, F. and Goetemann, 2022): increasing assistance both quickly and slowly and making calls. Coffee is everything that can be done by a machine at a café or restaurant. The researchers believe that the art of coffee has greater importance in order to create a better relationship with clients. Therefore, that machine might put the future of coffee in jeopardy. An excellent example of this is the squeezing coffee grinds into a filter or creating steaming milk automatically.

Even only in the previous two years, the sector has seen the release of two or three new equipment. A reason for this is their major setting serving technology used to prepare coffee beverages quicker and without requiring attention. However, researchers believe there was one major reason why this would take off within the next five years. Given that it is becoming increasingly difficult for cafes and restaurants to retain staff in the cafe, it was discovered that for over 45 percent of respondents, the biggest fear, and insecurities that Cafe owners have in their business is retaining in training (Aprilia et al., 2021).

They will have a bigger impact in the future because of this. It is not only in terms of tasting coffee to ensure that it remains in the state it should be but also in terms of being able to interact with people when they come in to purchase coffee (Schmitz, 2012). Recent years have shown that we're entitled to drink coffee in Australia, and thus the per capita consumption of kilograms of coffee has increased. But this growth has remained flat, and it is decreasing.

2.9 Coffee trending countries

Prior to attempting to link this island country with coffee, most people would probably answer tea when talking about hot caffeinated drinks. One of the most distinctive contemporary cultures is slowly but certainly emerging in Japan. Compared to other countries, the United States is rapidly increasing its coffee consumption and overall imports. Since the Dutch and

Portuguese merchants brought top-notch Baristas to Japan centuries ago, he today plays a multifaceted role in the local Rollin Society (ZURAW, 2013).

When it comes to coffee shops or social centers, Japanese equipment is a status symbol. It is an old-school 'kiss' at the end coffee house, and there is genuine attention to detail across the board. Head to Turkey for a cup of coffee unlike any other; here, it is made extra strong and thick and filtered. In general, Sire isn't a part of the experience, but sugar is added during the brewing process, so the sweetness of the coffee is determined by the person who prepares it rather than by the consumer's preferences. There are still a lot of individuals who like it unsweetened, so it might be that this would not be the right choice of coffee beverage for them. When it comes to coffee, those who are picky may be put off by the idea of trying something new, but Turkish coffee is a unique cultural experience that everyone should at least give a shot at (Guterres, 2020).

France, a Western European nation, has had a significant impact on coffee, and drinking coffee while watching the world go by is one of the most memorable experiences outside of a café. Cafe culture began to take root in the mid-seventeenth century; by the time King Louis the 15th was equipped with these miraculous tiny beans, there were already 600 such outlets around the land (Jones, 2018). Aside from the earliest percolator and an early patent on what would become the French press and be later made a reality by Italian innovators, the French have also given us such preparations as then was it and popularized the Cafe Au Lait. They have made other contributions to the world of coffee.

There are few places in the world where one can get an unique and incomparable taste of locally made, locally produced coffee like the mentioned above does. Sugar cane, cotton, cashews, and tobacco are among the most important crops grown in East Africa. The fact that everything is manufactured in a coffee center is part of the charm, even though the overall production is a little lower.

The trip to Tanzania Beans may be purchased at local markets directly from the growers, and plantations can be visited for a day trip. Roasted and brewed coffee in Tanzania is an art form because of the meticulous attention to detail that goes into every phase of production, from cultivation to roasting to brewing. Ninety percent of the country's coffee crop is produced by half a million local farmers, making it the greatest and most rewarding destination for coffee tourism in the world (Nestlé, 2012). The Vietnamese regard Turkey with favor. Coffee was introduced to the Vietnamese people by French colonists in 1857 and quickly became a significant cash crop by the early twentieth century (Aprilia et al., 2021).

To begin, she is typically, and instead of fresh milk or cream, coffee is white and sweetened with condensed milk, and the part it has played inside the country's own boundaries is what's most captivating after its introduction for many reasons, including war and local preferences. Iced coffee is also quite common, as is an egg-whipped version of it.

Vietnam will fulfill Italy's need for a taste of homegrown beans or a distinctive recipe for country number five. Since coffee is the lifeblood of the Italian economy, to find a terrible cup of coffee in Italy would be hard. In fact, in an Italian coffee house, one can be spoiled for choice when it comes to how the coffee is prepared and served. If espresso beans suddenly became unavailable, Italy will come to a grinding stop.

It can also be obtained as something akin to a drip coffee if desired, and it comes in the shape of the charmingly titled wonderful coffee, which can be found in cafes all throughout the nation in addition to Espresso and cappuccino, and macchiato. In the current Italian coffee scene, Milan is unquestionably the hub. This is a culture that takes great pride in its brew and that shows through in every step number (Aprilia et al., 2021).

It's a New Day for Coffee Culture the United States is at the forefront of inexpensive coffee consumption in locations like Seattle and San Francisco, where a gallon costs around \$2. While Portland and New York City may be Australia's copy capital, they take pride in the quality of their Brew standouts (Zhenmin, 2019). According to several sources, Melbourne has elevated the whole nation in terms of modern coffee trends. Melvin may be the world's coffee capital, with world-renowned artisanal and independent coffee cafes such as Kettle Blacktop Paddock and Higher Ground.

Australia is still a major producer and consumer of coffee. The only actual brew which will be hard to be found is one from a large international chain, number three. Finland cracks the top three and takes a seat on the podium. Although it has a thriving coffee culture, it lacks Australia's or the United States' international renowned or Italy's or France's long history with coffee (Kotler, 1999).

While they do not cultivate coffee, Finish enjoys it more than any other nation on the planet, as seen by the record consumption per capita (Geneva, 2020). The typical Finnish individual would drink around 10 cups of coffee a day. Regardless, the Finns know how to prepare a mean cup of coffee. It is impossible to visit a big city such as Helsinki without running across a local or independent café.

Brewing of coffee the nation produces a whopping 5.7 billion pounds of coffee annually, which accounts for about one-third of all the coffee consumed worldwide. Considering Brazil has been the world's leading coffee-producing nation for the last century and a half, it's safe to say that coffee runs in the country's vein (Arbour, 2017). Of course, quantity isn't everything, and one of the best parts of visiting Brazil for coffee lovers is the abundance of opportunities to taste farm2cup bruise. This will give a better understanding of where the coffee comes from. However, specialists say that Ethiopian beans are unmatched due to their high altitude and coffee-friendly climate, which puts them in 5th place in the world (Hanbury, 2018).

Coffee was not discovered and consumed in Ethiopia until about 850 years ago by a local goat herder, and today the cross represents about 60% of Ethiopia's foreign income, so

whether its farmers can produce beans of unparalleled quality because of so many genetic diversity in terms of Ethiopia's various types of coffee, the variety is equally impressive.

2.10 Cafeterias, a sector on the rise in Europe

The improvement in economic stability in Europe this past year has favored the hospitality segment, which is gradually recovering customers and billing. Specifically, the coffee shop market in Europe grew by 6% in 2018, reaching a total of 33,745 points of sale in 24 national markets, including Malta.

Expectations are that in the next five years, the average growth rate will be 4.8%, which would place the coffee shop market in Europe in 2023 at the threshold of 42,000 stores (Aprilia et al., 2021).

Romania, Denmark, and Cyprus are the three countries with the highest coffee shop growth rates, while the UK, since 2018 did not qualify for a high number of new coffee shop openings. Even so, the future of this market, the most developed in Europe, is, according to analysts, at least worrying, since the sustained uncertainty of Brexit means that companies must face very volatile commercial conditions at the moment, at the once consumer confidence begins to slow down, waiting to find out what their situation may be after the United Kingdom leaves the European Union (Suryadi, N., Anggraeni, R. and Permadi, 2020). According to European coffee shop operators, the biggest impact on their business performance is a good location, followed by the quality of the coffee and the atmosphere of the establishment, in that order.

Furthermore, Allegra's surveys of more than 400 European operators indicate that the main concerns for this sector are rent and ownership costs.

As many analysts have noted, 2020 is less about ushering in a new era of radical change than it is about accelerating changes that were already underway. People were already starting to make the shift to more flexible employment arrangements before COVID. As the concept of "working from home" has gained traction, businesses across all sectors have had to adjust to this fundamental shift in people's daily routines (Suryadi, N., Anggraeni, R. and Permadi, 2020).

Coffee shops' normal busiest hours, such as the morning and noon, may become less important in the future. As long as these high points are important (and will be covered more in this article), coffee shops must maintain a high level of quality service throughout the day to stay up with the current trend of greater flexibility in their business models. All sectors will be affected by changes in people's employment and spending habits (Diouf, 2011).

2.11 Why is Europe an interesting market for specialty coffee?

Although there are no specific data available at a European level on the consumption of specialty coffee, neither at home nor outside the home, basically because there is no industry consensus on a clear definition of the coffees that should be included in this category, what is certain is that the continent is home to a growing number of coffee establishments and micro-roasters, and a growing number, too, of consumers who appreciate and prefer the excellent organoleptic qualities of these differentiated coffees for which they are willing to pay more.

Thus, this new demand for specialty coffees has brought with it new ways of acting in European coffee, from the very obtaining of the product to the menu offering of these coffees. Some coffee shops, for example, after becoming large enough, begin to source their green beans directly from the source, often relying on their old supplier, usually an importer, for financial support, quality control, and logistics. While these same establishments and others, present their clients with never-before-seen coffee menus, with origins and preparations that attract the attention of the consumer.

2.12 Pre-covid, current and hopefully post-covid

Before the COVID-19 crisis, it was estimated that the European coffee shop market would continue to grow at an average annual rate of 3.9% between 2020 and 2025. However, this segment has been greatly affected by the effects of the crisis that has forced temporary closures and social distancing measures. This has led to a sharp reduction in consumption outside the home, which has particularly affected cafeterias and (micro) roasters that supply the food service segment (Zieba, 2020).

For example, in Germany, coffee consumption in cafes and restaurants decreased by around 76% during the months of March and April 2020, while in Malta, in the same period, the state of alarm decreed to deal with the pandemic resulted in the closure of establishments and a reduction in sales of all types of products in the hospitality sector, including coffee, of more than 4,300 million euros (Zieba, 2020).

Almost 50% of that amount corresponded to the segment of full-service restaurants and 30% to bars and cafes, which has been the second hardest hit segment. These circumstances have accelerated the trend toward online shopping for home consumption. Roasters have started to sell through their own webshops or through platforms and in general, it has been shown that micro roasters and independent coffee shops tend to show a

higher level of innovation, marketing power, and consumer loyalty to combat the crisis (To, 2018).

2.13 National specialty market

However, aside from 2020, all European markets had so far shown a growing demand for specialty coffees, highlighting the more pronounced size of the segment represented by the countries of northwestern Europe. This area is marked by higher levels of income and consumer awareness, as well as a more developed coffee culture than the rest of the countries on the continent. In general terms, the interest of Europeans in other cultures, derived, in part, from the greater ease of travel, globalization, and virtual connection has favored greater consumer curiosity about the origins of coffee (To, 2018).

The analysis by country indicates, once again, that high-quality coffee is the main focus of the Scandinavian market. Countries such as Sweden, Denmark, and Norway are considered important players in this market regionally and internationally (Norway was the founder country of the Association of Specialty Coffees in Europe). They hold the record for the highest growth rates in retail sales of coffee shops since 2010 and as a result, the number of coffee chains and micro-roasters in these territories continues to grow. In Sweden, in non-COVID-19 circumstances, around 10 new small roasting companies are opened each year. While Denmark leads the highest growth rate of new coffee shops with a record store growth of 14.5%, in 2018 (Demirel, P. and Danisman, 2019). Examples of specialty coffee shops in Scandinavia include Kafferäven and Drop Coffee Roasters (Sweden), Coffee Collective and Sonny (Denmark), and Lippe and Fuglen (Norway). These roasters serve customers who are interested in coffee and follow the principles of direct trade, transparency, and high-value products.

A case that draws attention in Europe with respect to specialty coffee is the good expectations for this product in Malta. And it is that although this market took a long time to take off, in 2019, the estimated share for these coffees in Malta reached 2% to 3% of its total coffee market, it is growing rapidly, so much so that it is expected that the share of coffees specials on the French market increases to approximately 10% in 2025 (Demirel, P. and Danisman, 2021).

Another country where the specialty coffee market is growing is Germany, and it is doing so, also thanks to the growth in consumption outside the home, which in 2019 increased by 5% more than the previous year. In that year, 2018, around 12% of the total annual consumption of coffee in Germany was produced in hotels and restaurants, this country being the second in the number of coffee shops in all of Europe. It is also noteworthy that as the niche market for specialties begins to flourish in this region, a large number of coffee festivals organized

by local operators and international organizations also take hold, which accounts for the interest and potential of these markets for specialty coffee.

3. Methodology

This chapter is structured to describe the methodological strategy, where the procedure that was used within the framework of this research is explained. Thus, the content of this section is developed from the process of how the problem was introduced to the empirical field and that through the first hypothesis it had been answered. In the first place, the types and methods of research that are implemented in the field of the problem of study in the social sciences are specified. Subsequently, the topic of qualitative research on which this research is based is addressed, for which an approximation to the concepts was made to subsequently enter the case study.

In the same way, the techniques that were used are addressed, the central instrument to obtain the data is the application of a structured interview, with the elaboration of open questions as well as a questionnaire conducted online. Finally, the technique that was used for the processing of the information analysis was established. The data from the interviews and the questionnaire is analysed using content, narrative, and discourse analysis.

3.1 Research design

Scientific research allows the researcher to produce new knowledge and helps solve problems. According to Kerlinger (cited by Hernández, Fernández, and Baptista, 2014), this kind of research is systematic because it implies discipline to carry out the research, leaving nothing unspecified; empirical because data is collected and analyzed; and critical because it is constantly evaluated and improved. Two research approaches have been recognized in the literature since the last century: quantitative and qualitative. Quantitative research is based on numerical data that can be measured. Qualitative studies, on the other hand, focus on personal stories or documentation that describe how individuals think or behave within society (Demirel, P. and Danisman, 2019).

The current research is located within the qualitative approach because it sought to analyze a phenomenon by focusing the study on the meaning and interpretation of the research participants (Hernández, Fernández, and Baptista, 2014). The research is based on the design of a structured interview. In the case of this study, the information can be measured and interpreted using concrete numbers, which provide objective conclusions in their entirety.

3.2 Techniques and instruments for data collection

The interview is a technique to collect information, as well as is one of the most used strategies in the research process in general and in qualitative research in particular. The main objective of an interview is to obtain oral and personalized information about the person's opinion based on their experience and experiences within the phenomenon. The participation of an interview occurs through two people: one is the interviewer, and the other is the interviewee, generating interaction between both towards the subject of study; It is very important that the person being interviewed feels in an environment of trust to generate deep and sustainable answers in the investigation (Cerdeira, 1991).

3.3 Interviews

There are different types of interviews: the structured interview, which is based on a script of sequential questions with information to be delimited; second, there is the semi-structured interview, which is based on the development of a script of open questions, in this type of interview it is necessary that the interviewer has the ability to be a good listener with an open and flexible attitude; as a third, the in-depth interviews that consist of generating a conversation on a topic without the need for a guide (Folgueiras, 2016).

Normally, an interview is structured in three phases: first, it is the elaboration of the content of questions in sections in order to conduct the interviewee well; the second phase is the application in a timely manner, and later the data analysis is carried out. It is of vital importance to anticipate the people who are being interviewed that the information that is being obtained through their participation will be used in a confidential manner, solely for terms of the work that is being carried out.

Based on the above, the structuring and application of the interviews for this research were carried out. Structured interviews were applied because this method ensures consistency in the information gathered. In this case, identical questions were asked to ensure the same insight from all the interviewees. The conducted interviews are concentrated on the topic of innovations in the coffee industry and the way they are acquired. The questions are concerned with the type and locality of the business, customer perception of the business, the current method of operating, and openness to explore and adopt new ideas. The reason for the question selection is explained in the following matrix.

Question	Reason / Purpose	Connection to Literature Review <i>The literature review says that...</i>	Topic / Refers to...
1. How would you describe your business (As a family run, a chain, or a franchise)? —	<ul style="list-style-type: none"> • To know the background of coffee shop owners. 	<ul style="list-style-type: none"> ➤ 34% of worldwide coffee the global coffee market is still predicted to increase at a 5.5% average annual pace between 2020 and 2025, despite consumer desire for high-quality coffee and unique café experiences. Because of the rise of the middle and higher classes in local and regional economies, rising nations such as Brazil, China, Russia, and South Korea may provide expanding potential for coffee suppliers. In the years 2020-2025, Asia and Oceania are predicted to have the greatest growth rates in the global coffee industry (Setiawan et al., 2020). 	Demand for coffee
2. Is your business located only in Malta? If not, where is it	<ul style="list-style-type: none"> • The coffee shop owners were 	<ul style="list-style-type: none"> ➤ This aims to study the impact of Coffee experiencing a premiumization 	Consumption of coffee at different occasions.

located, and is Malta the country of origin where the business was established? —	considered for interviews only to know what methods they are opting for.	phenomenon as coffee shops grow and provide better coffee to customers. The Internet has also made it possible for customers to learn more about coffee (Peleo, 2021).	
3. Would you say that your business is influenced by the coffee culture in Europe or rather by a country outside Europe? —	<ul style="list-style-type: none"> • The coffee culture of Europe is very strong and liked by people. 	<ul style="list-style-type: none"> ➤ Modern customers also take into account the company's brand values, as well as how those values are displayed within the coffee shop itself. ➤ Consumers are driving the coffee industry's shift towards sustainability forward. In order to be at the forefront of this revolution, coffee shops need to reflect this in both their goods and their environment (Fang, Adelakun, and Goetemann, 2022). Eco-friendly design elements such as recyclable cutlery and recycled furniture serve to attract the current eco-conscious customer while inspiring them to become brand advocates. 	Utilizing customer loyalty
4. What innovative coffee preparation and	<ul style="list-style-type: none"> • People like innovative ideas 	<ul style="list-style-type: none"> ➤ Researchers discovered that there were three major trends that would 	Cafes expect major development

<p>serving methods does your company adopt? Are these preparations influenced by other international cultures?</p>	<p>related to coffee and they are willing to accept new innovations.</p>	<p>have a direct impact on the sustainability of a cafe or coffee shop (Fang, Adelakun, and Goetemann, 2022): increasing assistance both quickly and slowly and making calls. Coffee is everything that can be done by a machine at a café or restaurant. The researchers believe that the art of coffee has greater importance in order to create a better relationship with clients. Therefore, that machine might put the future of coffee in jeopardy.</p>	<p>in near future.</p>
<p>5. What benefits do these methods bring to your company?</p>	<ul style="list-style-type: none"> • The methods could help in getting better results in bringing innovation to the coffee lover. 	<p>➤ Even only in the previous two years, the sector has seen the release of two or three new equipment. A reason for this is their major setting serving technology used to prepare coffee beverages quicker and without requiring attention. However, researchers believe there was one major reason why this would take off within the next five years. Given that it is becoming increasingly difficult for cafes and</p>	<p>Growth of cafes in near future.</p>

		<p>restaurants to retain staff in the cafe, it was discovered that for over 45 percent of respondents, the biggest fear, and insecurities that Cafe owners have in their business is retaining in training (Aprilia et al., 2021).</p>	
<p>6. Do you plan to adopt or use any other innovative preparation and serving methods from the European coffee culture?</p>	<ul style="list-style-type: none"> • The methods adopted by European coffee culture are unique and help in bringing loyal customers. 	<p>➤ When it comes to coffee shops or social centers, Japanese equipment is a status symbol. It is an old-school 'kiss' at the end coffee house, and there is genuine attention to detail across the board. Head to Turkey for a cup of coffee unlike any other; here, it is made extra strong and thick and filtered. In general, Sire isn't a part of the experience, but sugar is added during the brewing process, so the sweetness of the coffee is determined by the person who prepares it rather than by the consumer's preferences. There are still a lot of individuals who like it unsweetened, so it might be that this would not be the right choice of coffee beverage</p>	<p>Coffee trending companies.</p>

		for them. When it comes to coffee, those who are picky may be put off by the idea of trying something new, but Turkish coffee is a unique cultural experience that everyone should at least give a shot at (Guterres, 2020).	
7. Do your main competitors use the same methods? Please clarify which methods are used by both you and your competitors? (If applicable) In what way does this influence your business and why?	<ul style="list-style-type: none"> • The competitive advantage could bring more customers and new innovative ideas for coffee methods. 	<p>➤ The improvement in economic stability in Europe this past year has favored the hospitality segment, which is gradually recovering customers and billing. Specifically, the coffee shop market in Europe grew by 6% in 2018, reaching a total of 33,745 points of sale in 24 national markets, including Malta.</p> <p>Expectations are that in the next five years, the average growth rate will be 4.8%, which would place the coffee shop market in Europe in 2023 at the threshold of 42,000 stores (Aprilia et al., 2021).</p>	Cafes, a sector of rise in Europe.
8. What type of clientele frequent your	<ul style="list-style-type: none"> • People who like to drink coffee. 	<p>➤ Thus, this new demand for specialty coffees has brought with it new ways</p>	Why is Europe interested in

<p>coffee house/cafeteria?</p>		<p>of acting in European coffee, from the very obtaining of the product to the menu offering of these coffees. Some coffee shops, for example, after becoming large enough, begin to source their green beans directly from the source, often relying on their old supplier, usually an importer, for financial support, quality control, and logistics (Suryadi, Anggraeni, and Permadi, 2020). While these same establishments and others, present their clients with never-before-seen coffee menus, with origins and preparations that attract the attention of the consumer.</p>	<p>new coffee markets?</p>
<p>9. In your opinion, how would be perceived the implementation of innovative coffee beverage serving and preparation methods by your target audience?</p>	<ul style="list-style-type: none"> • To know if people are willing to adopt new ideas and methods for coffee. 	<p>➤ All European markets had so far shown a growing demand for specialty coffees, highlighting the more pronounced size of the segment represented by the countries of northwestern Europe. This area is marked by higher levels of income and consumer awareness, as well as a more developed</p>	<p>Specialty markets.</p>

		<p>coffee culture than the rest of the continent. In general terms, the interest of Europeans in other cultures, derived, in part, from the greater ease of travel, globalization, and virtual connection has favored greater consumer curiosity about the origins of coffee (To, 2018).</p>	
<p>10. Overall, would you prefer using methods that are already accepted by the Maltese population or rather implementing new ones?</p>	<ul style="list-style-type: none"> • The choice of people is important in bringing new methods for coffee. 	<p>➤ A case that draws attention in Europe with respect to specialty coffee is the good expectations for this product in Malta. And it is that although this market took a long time to take off, in 2019, the estimated share for these coffees in Malta reached 2% to 3% of its total coffee market, it is growing rapidly, so much so that it is expected that the share of coffees specials on the French market increases to approximately 10% in 2025 (Demirel and Danisman, 2021).</p>	<p>National specialty market.</p>

3.5 Questionnaire

A questionnaire was conducted online and the purpose of it was to understand the informants' perspectives regarding their lifestyle, experiences, or situations related to coffee, expressed in their own words. This instrument contributed to the facilitation to connect with a large group of people both locals and foreign permanent residents of the country. The survey consists of 10 questions, mixed between multiple choice and open answers. All questions required answers. The first few questions aim to collect information about the age, gender, and length of residence in Malta. The following, on the other hand, are more closely related to the consumers' preferences for coffee beverages, and the usual daily amount of coffee they drink. Through SPSS (statistical software), the information from the questionnaire was put in graphs so as to facilitate the performance of the analysis. According to Zieba 2020, simple random sampling or chance is the most common element in obtaining a representative sample. Any individual of a specific population can be chosen like another population. The current study sample is 74 individuals, and the population targeted for the current research is Maltase.

3.6 Research limitations

It is important to comment that the development of this research also presented limitations during its elaboration, mainly in the number of interviewees and questionnaire respondents. In addition to the interviews as the main instrument to enrich the study, it is also necessary for the researcher to become more closely involved within the study area. Moreover, the strategic selection of the information obtained through the interviews and direct observation allows verifying that the owners are mostly involved in the productive area in which they strengthen their capacities. Caused of the Covid-19 pandemic, face-to-face interviews were not accepted by the selected interviewees. Thus, the information acquired might be less detailed consequently to the lack of firsthand impressions.

3.7 Ethical considerations

The respondents were ensured that their personal information will not be breached, and their privacy would be guaranteed. This was agreed beforehand the interviews and questionnaire were conducted. Hence, names of individuals, businesses, and locations are not mentioned.

4. Results

This chapter will explain the results accumulated from the interviews and questionnaire. During the interviews, it was observed that new methods and innovations in coffee production are important in the region.

4.1 Results from the interviews with local coffee shop owners

The interview questions displayed in the above-mentioned matrix were asked to the coffee shop owners and the following responses were gathered. The first question was related to the description of a business and indicated that all the participants were owners of a small chain, family-run business, or independent coffee shops. All businesses are located on Maltese island. All the interviewees agreed that their business is influenced by the European culture; however, one of the interviewees specified a strong influence by Italian culture and one of them relies strongly on the Maltese traditions. The question related to preparation and service methods gave mixed responses. One of the respondents described their coffees as classic, however, they offer various types of alternative milk. Other respondents outlined the importance of the different types of coffee beans from different countries that they offer. Another interviewee's answer was that they adopt an artistic coffee preparation method that contributes to the visual perception. Furthermore, they offer different types of coffee beverages such as cold brew and coffee drip. Upon further asking about the benefits gained by the adopted methods, it was observed that various selection of coffee beans allows customers to enjoy their favorite coffee beverage with the blend they prefer. Respondents said that they ensure that clients who are intolerant or allergic to lactose can also enjoy the perfectly prepared coffee beverages. The variety of choices brings the business an excellent reputation, and people with good energy and vibes. The following question is related to the plan of adoption of other services and preparation methods. The majority of respondents are willing to do so as one of them is planning to adopt methods even out of Europe.

Furthermore, the interviewees were asked regarding the competitor method, for which respondents said that some of their competitors offer similar methods, however, the interviewees agreed that this does not influence their business and unique atmosphere. The answers included:

'Yes, as only good coffee shops, we see them as competitors, which are the ones who provide specialty coffee drinks. The method uses freshly roasted, organic, highly graded arabica coffee beans.'

‘At the moment, there are not many specialty coffee shops like ours, and in the Maltese coffee market, people still understand coffee in the most traditional Italian way of preparing coffee (dark roasted, robust beans, creamy, bitter espresso).’

‘In general, our competitors and we are influencing the Malta market by providing a new way and better way of coffee preparation, so from what I see is, we compete but in a positive way to bring the people the best coffee and make improvement of coffee culture.’

When questioned about the type of clientele who frequent their coffee house/cafe/tereria, the interviewees answered that their clients vary by age, social status, and occupation. Regarding the innovation brought in coffee and its acceptance by the audience, the respondents said that overall innovation and changes are welcomed as their clientele is excited about alternative or healthier choices. Upon asking about the methods of implementation and adoption, the respondents said they believe that they need to be flexible, and offer their customers basic coffee beverages as well as innovative ones. Also, implement both classic and innovative methods.

4.2 Results from the questionnaire

During the online survey, 74 individuals participated who shared their experiences as consumers of coffee. 62.2% of the respondents are Maltese citizens, whereas 37.8% are from other origins but residing in Malta. Less than 6% of the respondents are residents of Malta for less than a year. According to age and gender group, the percentage is evenly shared. The majority of respondents, more specifically, 70.3% drink 1 to 3 coffee beverages per day, 18.9% drink between 4 and 6, and 6.75% do not drink coffee, only 4.5% have more than 7 drinks per day. 63.6% of the individuals prefer to take their coffee in the coffee shop, while 29.8% order on the go, and for 5.4% of the respondents the choice depends on the situation or the time they have. Most of the respondents prefer to drink Cappuccino (39.2%), Espresso (24.3%), Latte (16.2%), and Filtered coffee (5.4%). The rest (14.9%) prefer different types of coffee such as Flat White, Americano, Decaffeinated coffee, etc. 58.1% of the participants would like to try a unique coffee beverage instead of their usual choice, while 40.5% would consider depending on the beverage type. Moreover, 39.2% said they consider themselves coffee lovers, 27% said they do not consider themselves coffee lovers, and 23% said they have preferences for the way of preparation. On the last question, 67% of the respondents answered that the innovative method of brewing and serving would rather increase their satisfaction. On the other hand, 27% of them prefer their coffee beverages in the traditional and classic way. Only 5% answered that they do not have a preference and both ways would be good for you as for some of them it depends on the situation.

5. Discussion

The current research focuses on the implementation of the European coffee culture and innovations in the Maltese market and examines the changes in the demand if such are used by the local businesses. For this purpose, interviews and questionnaires were conducted. The aim was to initially validate whether people were willing to consume and buy a different coffee than the one usually obtained in commercial establishments. As feedback from this first attempt, it was obtained that the segment is broad since there are many people with a pronounced taste for coffee, who seek and care about the Maltese culture, and who are willing to pay a fair price for it as well.

According to the information obtained from the interviews with the local coffee shop owners, the implementation of innovations is essential for attracting new customers and retaining the existing ones. To do so each of the owners uses a different approach and has different values; however, all of them adopt various innovative methods from the European coffee culture. Some are even open to experimenting with methods from countries out of Europe. In addition, the responses from the questionnaire show that these innovations are certainly accepted by the consumers. A study by Canaran (2018) carried out indicates that coffee awakens a positive emotional charge among the people who drink it, and its consumption is linked, in this order, to the emotions of pleasure, activity, energy, and happiness. This study makes it possible to identify new market niches and marketing models, enables companies to develop new products that provide the most accepted and demanded experiences by consumers, and is an essential tool for designing communication and marketing. Providing hitherto unknown tastes and presentations to the consumers is crucial for the Maltese coffee shops in present days due to the growing demand and curiosity of the population. The rapid popularization of specialty coffee, spiced or flavored beverages, and plant-based alternatives, to mention a few, can be easily noted. Another reason for the need for consistent development in the competition. Competitors always are the best way to contend for a market share. Maltese local coffee shops have direct and indirect competitors.

According to respondents, the influence of competitors is rather positive than negative. This is due to the fact that, by competing, the coffee shop owners, in fact, aim to provide a new and better way to prepare and serve coffee and by means, they develop their business, thus, they improve the coffee culture in Malta. Similar to the current study was carried out by Malta et al. (2020) in which it was observed that improvement in coffee can lead to better an outcome for a business and attract more customers. According to the same study, people are willing to try new and unique coffee methods. This supports the findings of the current research that the Maltese population is open to experimenting with innovative products and looking for new experiences. Furthermore, considering the results of the questionnaire it can

be noted that a large percentage of the individuals are coffee lovers or either have specific requirements about their coffee beverage, also, an insignificant percent of individuals do not consume coffee. This information suggests that the implementation of innovations and variations is strongly needed and demanded in the Maltese market. On the other hand, the classic style of coffee preparation should not be forgotten. The basic methods are the roots of specialty coffee, creative preparation, and the modern taste of the coffee. These methods are still demanded and even preferred by some consumers. The flexibility, in this sense, is a crucial factor for the sustainability and retention of the local businesses in the Maltese market.

6. Conclusions

The current paper focuses on the impact of European coffee culture on coffee shops in Malta. The methodology for information collection adopted is structured interviews conducted online with local coffee shop owners, and consumers participated in an online questionnaire. The information acquired from the interviews indicates that most coffee shop owners already embrace some innovations from the European culture. Furthermore, it is clear that most Maltese citizens/residents respond positively to the offered services. Through the questionnaire, it was observed that the majority of the population in Malta are coffee lovers who are willing to experience something different from their usual cup of coffee. Whereas coffee shop owners are forced to opt for new and innovative European coffee culture methods in order to fulfill the consumers' expectations. Another aspect that incites the coffee shops to seek something innovative is their competition. This puts the businesses in a cycle of constant development and improvement according to the consumers' needs and desires.

6.1 Recommendations

In coffee production, innovation models have been implemented in the technical-productive field, encouraged by the incidence of diseases and pests and the need to increase production. Innovations are transmitted through training and technical assistance; particularly, in the models (strata) of producers that register a higher level of organization. It should be noted that processes of generation and transmission of knowledge between peers (producers and family members) are maintained, and there is a constant exchange and transmission of traditional knowledge.

Marketing models are traditional, so it is necessary to innovate based on the needs of consumers in order to develop new market niches of greater value. The identified models are closely related to the cohesion and organization work that the Maltese cooperative has developed with coffee producers. Therefore, this work shows the importance of the organization for the marketing of coffee in marginalized regions. Based on the findings of this study, technology transfer mechanisms can be implemented and developed based on the functionality and importance of the organization in Malta.

The current research can develop further in various directions. It can be examined in detail the influence of the implementation of innovative marketing strategies by the local coffee shops.

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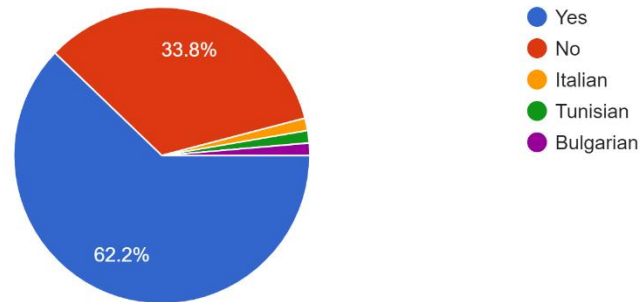
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Annex

Questionnaire results charts

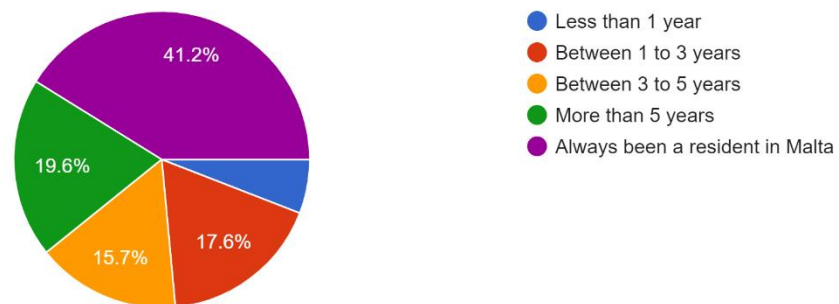
Are you a Maltese citizen?

74 responses



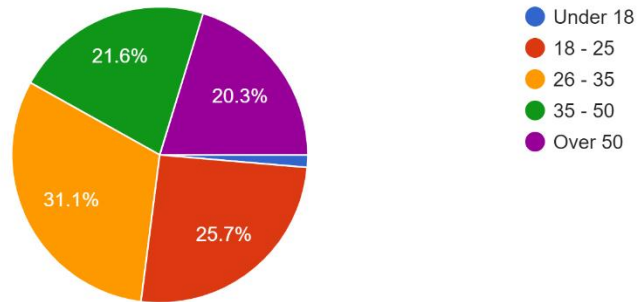
If no, how long have you been residing in The Maltese Islands?

51 responses



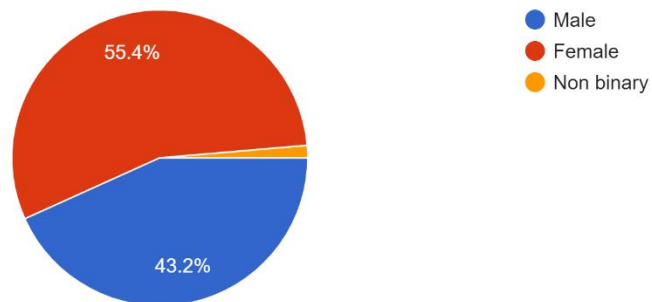
What is your age?

74 responses



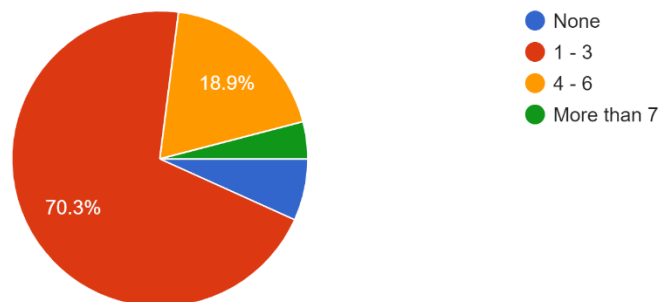
What is your gender?

74 responses



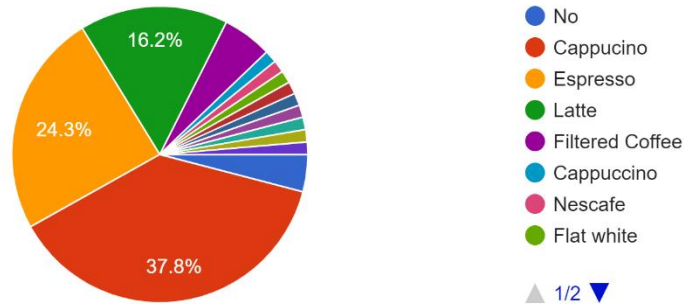
How many coffee beverages do you drink per day?

74 responses



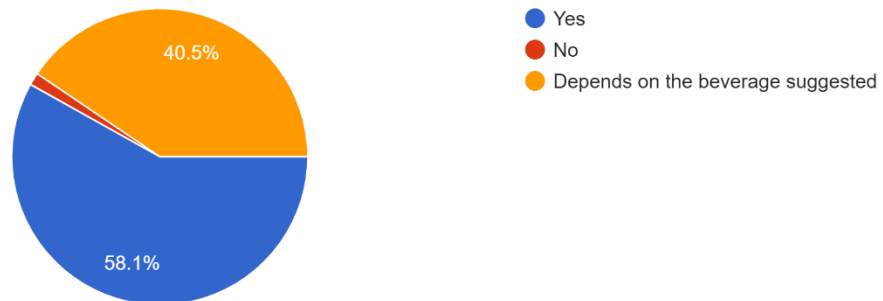
Is there a particular type of coffee that you prefer?

74 responses



Would you try a different sort of coffee beverage if the coffee shop offered you something unique and new on the market instead of your usual choice?

74 responses



Do you consider yourself a coffee lover (for instance: you have preferences for type of coffee beans used or particular method of preparation of y...st the barista's (Coffee Specialists) suggestions?

74 responses



Structured interviews

Interview 1:

1. How would you describe your business (As a family run, a chain or a franchise)?

It's a family run business as we are an independent small coffee shop.

2. Is your business located only in Malta? If no, where is it located and is Malta the country of origin where the business was established?

Yes, my business is only in malta

3. Would you say that your business is influenced by the coffee culture in Europe or rather by a country outside Europe?

Yes , my business is influenced by the coffee culture in europe and very much influenced by the specific country of malta. because each country's understanding and behaviours about coffee is much different.

4. What innovative coffee preparation and serving methods does your company adopt? Are these preparations influenced by other international cultures?

We adopt artistic coffee preparation method which makes our products not only looks tasty and pretty but also very much healthy, organic, delicious to drink.

5. What benefits do these methods bring for your company?

These methods bring us very good reputation , people with good energy and vibes.

6. Do you plan to adopt or use any other innovative preparation and serving methods from the European coffee culture?

Yes, it is always very important for us to keep my business innovative and creative and try to learn and adopt the best way of prepatation of coffee as we are young business and focused on young ones.

7. Do your main competitors use the same methods? Please clarify which methods are used by both you and your competitors? (If applicable) In what way this influence your business and why?

Yes, as only good coffeeshops we are seeing them as competitors, which are the ones who provide specialty coffee drinks. the method is to use freshly roasted, organic, highly-graded arabica coffee beans. (at the moment there are not many specialty coffeeshops like ours, and in the maltese coffee market people are still understanding coffee in the most traditional italian way of preparing coffee (dark roasted, rubusta beans, creamy, bitter espresso) in general our competitors and we are influencing the malta market by providing a new way and better way of coffee preparation so from what i see is we are in a competition but in a positive way to bring the people best coffee and making improvement of coffee culture.

8. What type of clientele frequent your coffee house/cafeteria?

Young people and teenagers, laptop users, pet owners, couples

9. In your opinion, how would be perceived the implementation of innovative coffee beverages serving and preparation methods by your target audience?

As most of our customers are very open-minded and young people, and they like to try everything new and keep an healthy lifestyle, it has been proceived very well.

10. Overall, would you prefer using methods which are already accepted by the Maltese population or rather implement new once?

For me as an innovative coffee shop we are surely prefer usng the innovative way instead of the traditional way accepted by the maltese population.

Interview 2:

1. How would you describe your business (As a family run, a chain or a franchise)?

Small chain

2. Is your business located only in Malta? If no, where is it located and is Malta the country of origin where the business was established?

Maltese brand

3. Would you say that your business is influenced by the coffee culture in Europe or rather by a country outside Europe?

Our business is influenced mainly by Italian coffee culture

4. What innovative coffee preparation and serving methods does your company adopt?
Are these preparations influenced by other international cultures?

We offer various types of alternative milk. However, our style would be better described as "classic"

5. What benefits do these methods bring for your company?

We ensure that our clients who are intolerant or allergic to lactose can also enjoy perfectly prepared coffee beverage

6. Do you plan to adopt or use any other innovative preparation and serving methods from the European coffee culture?

We might consider it in the future

7. Do your main competitors use the same methods? Please clarify which methods are used by both you and your competitors? (If applicable) In what way this influence your business and why?

Yes, some of our competitors offer alternative milk. However, this does not influence our business drastically.

8. What type of clientele frequent your coffee house/cafeteria?

Our clients are people from every age, families with children, elderly, youngsters.

Mostly Maltese

9. In your opinion, how would be perceived the implementation of innovative coffee beverages serving and preparation methods by your target audience?

It will be confusing for them

10. Overall, would you prefer using methods which are already accepted by the Maltese population or rather implement new once?

We prefer to use classic methods

Interview 3:

1. How would you describe your business (As a family run, a chain or a franchise)?

Chain

2. Is your business located only in Malta? If no, where is it located and is Malta the country of origin where the business was established?

Only in Malta

3. Would you say that your business is influenced by the coffee culture in Europe or rather by a country outside Europe?

Europe

4. What innovative coffee preparation and serving methods does your company adopt? Are these preparations influenced by other international cultures?

We offer different types of coffee bean from different countries. Also, we offer different types of chai tea. Our methods are inspired by the Lithuanian coffee culture.

5. What benefits do these methods bring for your company?

Our various selection of coffee beans allows our customers to enjoy their favourite coffee beverage with the blend that they prefer.

6. Do you plan to adopt or use any other innovative preparation and serving methods from the European coffee culture?

We are planning to implement filtered coffee for the coffee lovers.

7. Do your main competitors use the same methods? Please clarify which methods are used by both you and your competitors? (If applicable) In what way this influence your business and why?

Some of our competitors also, have variety of coffee blends. However, our selection is wider.

8. What type of clientele frequent your coffee house/cafeteria?

Art personas, families, youngsters

9. In your opinion, how would be perceived the implementation of innovative coffee beverages serving and preparation methods by your target audience?

Our audience is open to innovations and changes

10. Overall, would you prefer using methods which are already accepted by the Maltese population or rather implement new once?

We believe that we need to be flexible. We offer to our customer the basic coffee beverages as well as innovative ones.

Interview 4:

1. How would you describe your business (As a family run, a chain or a franchise)?

Family run

2. Is your business located only in Malta? If no, where is it located and is Malta the country of origin where the business was established?

Yes

3. Would you say that your business is influenced by the coffee culture in Europe or rather by a country outside Europe?

Europe

4. What innovative coffee preparation and serving methods does your company adopt? Are these preparations influenced by other international cultures?

Cold brew, coffee drip

5. What benefits do these methods bring for your company?

Clients have more choice

6. Do you plan to adopt or use any other innovative preparation and serving methods from the European coffee culture?

Yes, and not only from Europe

7. Do your main competitors use the same methods? Please clarify which methods are used by both you and your competitors? (If applicable) In what way this influence your business and why?

There are few companies which use the same methods. However, this do not influence our business that much as we rely on unique atmosphere as well.

8. What type of clientele frequent your coffee house/cafeteria?

Mostly young people, art clients, tourists

9. In your opinion, how would be perceived the implementation of innovative coffee beverages serving and preparation methods by your target audience?

They would be curious to try something new

10. Overall, would you prefer using methods which are already accepted by the Maltese population or rather implement new once?

We prefer to implement new methods