



# NAVIGATING GROWTH: STRATEGIC ANALYSIS AND RECOMMENDATIONS FOR BEDFORD COFFEE ROASTERS IN THE UK SPECIALTY COFFEE MARKET



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## **Executive Summary**

Bedford Coffee Roasters is an emerging speciality coffee company established in the middle of the COVID-19 pandemic in 2021 that focuses on sourcing and roasting single-origin coffee beans and gaining a growing customer base in the UK speciality coffee industry. This paper focuses on market positioning analysis of the current strategy of the company and the plan to expand the business. Performing a business SWOT analysis identifies additional organization strengths like exceptional quality and eco-friendly approaches; but weaknesses like a small number of operational markets and overreliance on equipment suppliers. Beneath the opportunities, it is possible to name market expansion, e-commerce scale, and product diversification while threats consist of high competition, instability in the economy, and consequences of climate change.

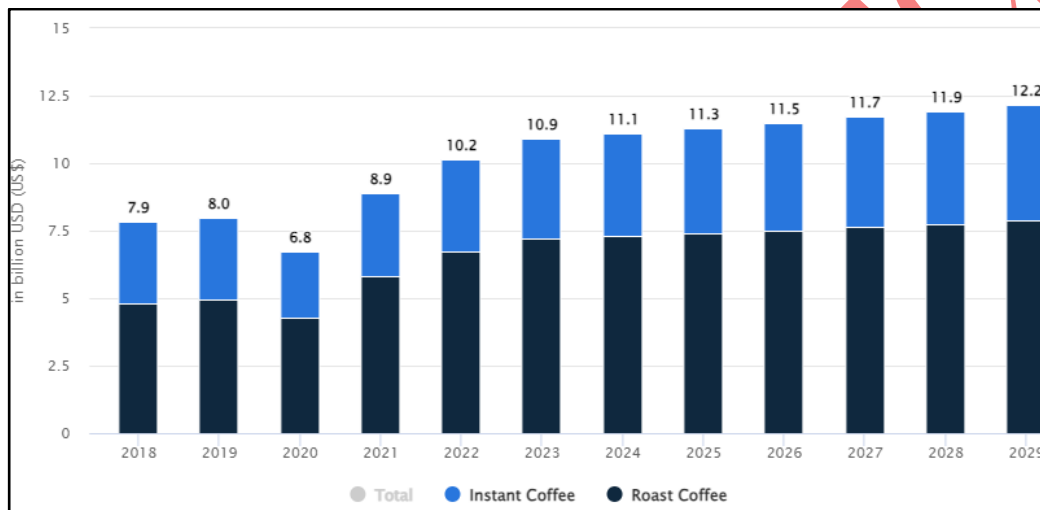
Thus, the report proposes a mixed approach that consists of market penetration and market development, which will help the company seize the opportunities and overcome the threats. This includes improving e-commerce, partnering with other firms, and launching new products like a coffee subscription plan and RTD cold brew. Thus, the application of the described strategies will provide the opportunity to strengthen the position of Bedford Coffee Roasters in the chosen market, as well as it will contribute to sustainable company development.

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## 1.0 Introduction

Bedford Coffee Roasters started operation on August 17, 2021, during the COVID-19 pandemic as a company that deals in speciality, single-origin drip coffee (Bedford Street Coffee, 2024). Located in the UK, the company aims to procure the best coffee beans and roast at the company, to achieve the best taste, and quality, and support the coffee growers. Emerging in a saturated UK market, coffee market with a current value of £11.1 billion with a growth rate of 5% per year, Bedford Coffee Roasters found its place in the market focusing on gourmet consumers, fair-trade principles, and the coffee's story (Statista, 2024).



**Figure 1: Coffee Market- United Kingdom**

(Source: Statista, 2024)

This report aims to evaluate Bedford Coffee Roasters' position in the context of the UK speciality coffee market and to identify further strategies. As proposed in the analysis, the main targets of this report are identifying and illustrating the company's internal and external opportunities and threats and, as a result, making recommendations that will be useful for advancing the company's position in the dynamic coffee industry.

## 2.0 Current Situation Analysis

### 2.1 Internal Analysis

#### *Company Overview and Core Values:*

Bedford Coffee Roasters is a new speciality coffee company that started operating on 17th August 2021 and has since established itself as a strong contender in the UK market (Morland, 2017). It exists in a very strategic time when almost all business operations were affected by the COVID-

19 lockdown; overall, the firm has shown flexibility from the beginning. In essence, the company's purpose is to offer the finest single-origin coffee, increase sustainability, and empower communities of producers. These values are thoroughly rooted in the company's business environment:

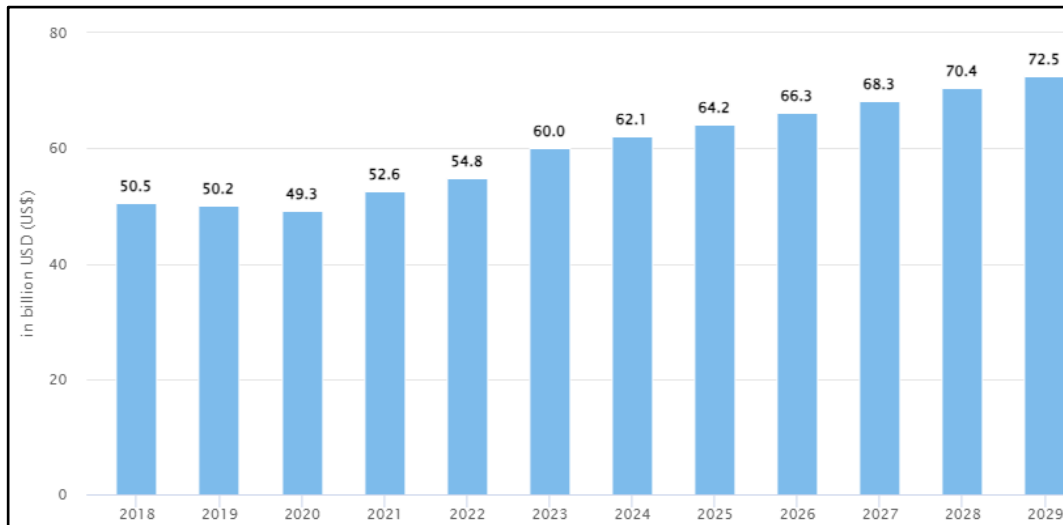
- **Quality:** Selecting and high-temp roasting the highest quality of single origins to achieve great-tasting coffee.
- **Sustainability:** Developing proper ethics in selecting suppliers and suppliers' responsible management of sustainable environmental regulation.
- **Transparency:** Apparently, specifying customers with more information about where their coffee comes from and how it is manufactured.
- **Community Support:** Supporting imagery that could help foster the production of coffee globally starting from the regions where it is produced.

***Target Market and Customer Segmentation:***

Target Segment	Description
Gourmet Coffee Enthusiasts	Clients who prefer the taste and quality of coffee do not mind what it would cost them to acquire a cup of coffee of their choice (Samoggia and Riedel, 2018).
Ethical Consumers	Those who look for environmentally friendly and rightly sourced products are synonymous with fairly traded products.
Origin-Conscious Buyers	Targeted consumers who want to taste the coffee's background and tradition, looking for novelty from particular areas.
Millennials and Gen Z	Millennial and Gen Z consumers who are interested in organic, locally produced handcrafted products (Huh and Kim, 2024).

Bedford Coffee Roasters specializes in conforming to the select group of consumers who are interested in quality coffee (GOV.UK, 2023). Some of their customer segments are speciality coffee drinkers who are willing to pay more for quality, social justice-minded consumers who care about fair labour practices, geographic location-conscious buyers, and the young or the Millennials and Gen Z cohorts who appreciate the craft of the product. This way, the company targets a

particular segment that would enjoy premium coffee from a particular region and would be ready to spend a bit more money to get a better taste, quality and, also, an ethical choice of coffee beans. By locating these segments, Bedford cuts off directly the mass market competition and targets the market segments which are on the rise in the sphere of speciality coffee.



**Figure 2: Roast Coffee Market Valuation**

(Source: Statista, 2023)

**VRIO Analysis:**

Resource/Capability	Valuable	Rare	Inimitable	Organized
High-quality single-origin beans	Yes	Yes	No	Yes
Sustainable practices	Yes	Yes	Yes	Yes
Local UK roasting	Yes	No	No	Yes
Unique supplier relationships	Yes	Yes	Yes	Yes
Expertise in sourcing and roasting	Yes	Yes	Yes	Yes
Brand story and authenticity	Yes	Yes	Yes	Yes
Sourcing network	Yes	Yes	Yes	Yes

Roasting expertise	Yes	Yes	Yes	Yes
Brand reputation	Yes	Yes	Yes	Yes
Strong supply chain management	Yes	No	No	Yes
Sustainability integrated into company culture	Yes	Yes	Yes	Yes
Quality control processes	Yes	No	No	Yes

The VRIO analysis shows that there are some resources and capabilities that are valuable, rare, inimitable, and organization-specific to Bedford Coffee Roasters (Kaukab *et al.*, 2020). Specifically, their supplier relations, sourcing/roasting capabilities, and brand attract Hess Nichol's resources and are beneficial, scarce, imitable, and organized. All these points offer a good starting point for differentiation in the highly saturated market of coffee products. Nevertheless, there are some factors like local UK roasting and certain quality control procedures, which might be valuable and well organized, but do not meet the criteria of being unique and difficult to imitate (Maksimowski *et al.*, 2022). This poses indications of weakness in being able to fend off competition in this view. Thus, the company should pay more attention to resource enhancement and sheltering and report more about success stories about the company's sourcing strategies, environmental initiatives, and brand narrative.

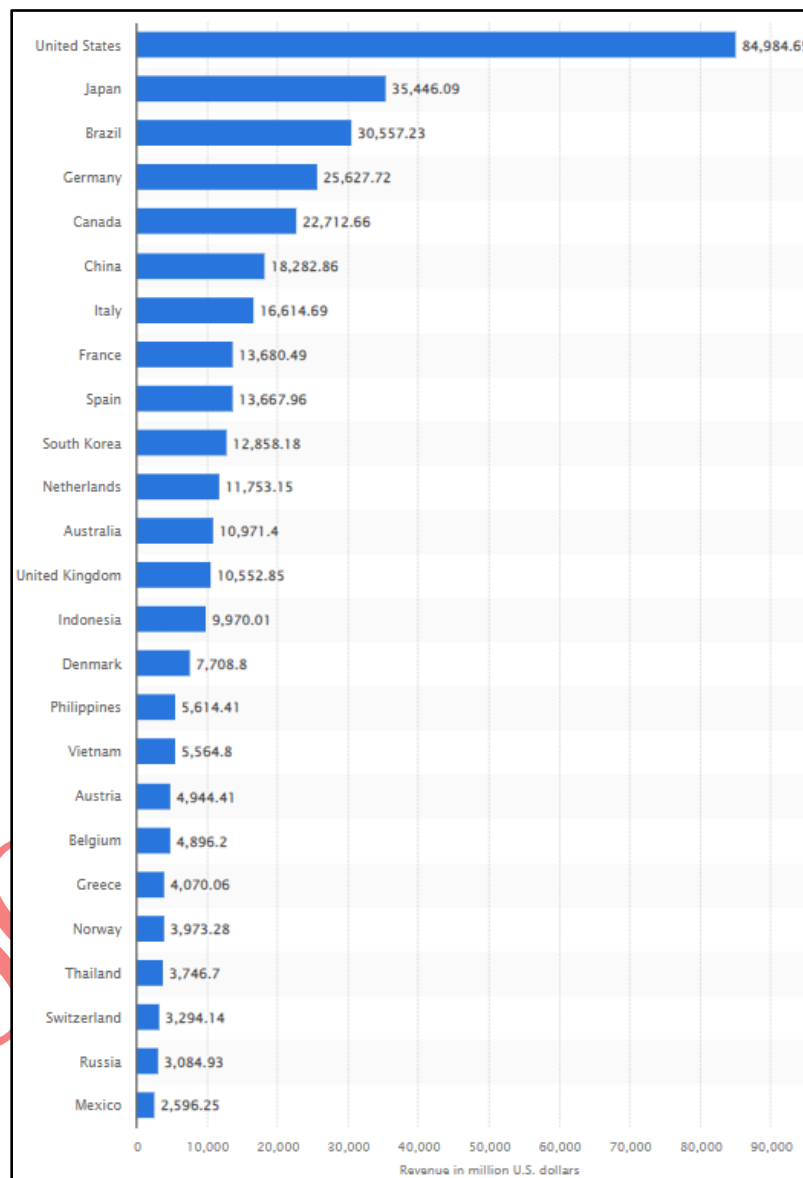
Therefore, future competitive advantage in this industry requires continuing focus on differentiating activities where the firm has a near-monopoly resource advantage, for Bedford Coffee Roasters that includes supplier relationships and roasting capabilities. Further, the company should explore how it can better differentiate its more routine activities, like local roasting, to enhance the breadth and depth of its competitiveness.

## 2.2 External Analysis

### *Industry Overview:*

The coffee market globally has continually expanded, and it is currently worth over \$100 billion (Statista, 2024). The coffee market in the UK, which is the operating environment of Bedford Coffee Roasters, is rather saturated and flexible with an overall value of £11.1 billion and annual growth of 5% (Statista, 2024). Alternatively, the map below reveals that this growth continues

even in the face of economic fluctuations, which shows that the coffee sector is quite robust. The speciality coffee segment which targets Bedford Coffee Roasters has expanded dynamically. This is because today's consumer demands high-quality, environmentally friendly products and non-traditional places for consuming coffee. Based on it is calculated that the number of coffee outlets in the UK has reached 7,869 as of 2023 due to the market saturation and increase in competition (IBISworld, 2023).



**Figure 3: Revenue of the coffee market worldwide by country**  
(Source: Statista, 2024)

***PESTLE Analysis:***



From the PESTLE analysis section presented in *[Refer to Appendix 1]*, it is evident that the operating environment of Bedford Coffee Roasters is rather challenging. Political factors, especially due to Brexit, complicate sourcing and pricing as a result of changes to the trade environment (Steinberg, 2019). In the economic aspect, the market has high growth tendencies while in the economic risks, the tendencies of the customer's consumption of such a product as premium chocolate are at high risk. Socially, there appears an inclination towards the moral consumption of products alongside embracing experimental tastes and experiences of coffee, which are fitting to Bedford. These are development areas where technology could unlock potential for enhanced operations and, or direct modality of communicating with the target clientele.

In terms of legal issues, the firm faces numerous legal complexities that it must adhere to regardless of the cost. On the environmental aspect, climate change poses severe threats to the production of beans. According to this analysis, Bedford should maintain its flexibility and try to capitalise on the opportunities of sustainability and technology when necessary while at the same time managing threats from an unstable economy and environmental factors.

#### ***Porter's Five Forces Analysis:***

The application of Porter's Five Forces Analysis for the coffee industry of the United Kingdom shows that the intensity of rivalry is moderate to high *[Refer to Appendix 2]*. The condition of the threat of new entrants is middle level because although the initial cost is low, but it is very high to capture brands and distribution. Suppliers are moderate in the context of bargaining power because the availability of superior-quality beans is scarce and the impact of climate fluctuations is relatively similar (Njonjo, 2022). The bargaining power of buyers is also high because of the presence of several trading partners and growing customer awareness. Threats of substitutes, for instance, tea and energy drinks, range from moderate to high, but coffee has a rich cultural element. Industry rivalry is also high when global giants and small stores struggle to hold the attention of consumers with better quality, sustainability and innovation.

### **3.0 Competitive Landscape**

#### **3.1 Key competitors**

The main competitors that Bedford Coffee Roasters has to deal with are the multinational chains and other local speciality coffee shops in the UK market. Key competitors include:

**Starbucks:** Starbucks alone has more than a thousand shops in the United Kingdom thus occupying the market largely. Starbucks UK for instance earned £449.3 million in revenue in 2022 to show the company's performance (Starbucks, 2023).

**Costa Coffee:** One of the biggest British fast food companies with a network of more than 2600 cafes (Filimonau *et al.*, 2019). In 2021, Costa claimed to have generated £1.3 billion in revenues although the operations were affected by the pandemic.

**Caffè Nero:** The largest chain store in Great Britain with attached shops over 650 all across the United Kingdom (Hanton, 2024). They recorded £ 239.7 million in revenues in the fiscal year ending in 2021.

**Pret A Manger:** Offering healthy meals and organic coffee, Pret currently has more than 400 locations in the UK and generated £299m in revenue in 2021.

**Specialty roasters:**

- Union Hand-Roasted Coffee: Robust direct trader with a concentration on the sustainability of their coffee (Bozzola *et al.*, 2021).
- Monmouth Coffee Company: A large London-based speciality coffee roaster that has already carved a niche for itself in the market.
- Origin Coffee Roasters: Ethical sourcing and quality as their focus with specialty coffee as their main product (Gerard *et al.*, 2019).

While these speciality roasters are much smaller than the chains, they also directly challenge Bedford Coffee Roasters within the sustainably sourced, premium coffee category. The big guys always have a loyal market base and good market reputation that is known for quality goods thus, posing stiff competition in the identified market segment in Bedford.

### **3.2 Market positioning**

Bedford Coffee Roasters is still a company of a special kind that occupies a niche market in the UK and offers only premium types of coffee separated for origin, paying extraordinary attention to the social responsibility aspect (gov.uk, 2023). This positioning is easily fitting with the current market trends that involve more consumption of speciality coffee and that which can be managed by consumers in terms of health implications.

**Quality and Taste Profile:**

In its range, the company expands the unique opportunity to try exceptional single-origin coffee profiles (Valerevna, 2022). Bedford sees it as an advantage over the mass-market chains that

intermix beans from different sources since they can offer single-origin that brings out good notes originating from a given region. This is appealing to gourmet coffee lovers and anybody who would love to have that special blend of well-selected and roasted coffee beans.

### ***Sustainability and Ethical Sourcing:***

It is also noteworthy that the company is committed to environmentally friendly and ethical practices. As the awareness of buyer accountability to the environment and society rises, practices such as clearly defined supply chains and fair trade are appealing to customers. For instance, the National Coffee Association report on coffee consumption conducted in 2022 reported that 53% of coffee consumers prefer to purchase coffee that has been certified to have been sourced sustainably (Jones *et al.*, 2024).

### ***Local Roasting:***

Bedford Coffee Roasters controls the quality and freshness by roasting beans locally and in the United Kingdom (DNB, 2024). This local approach also tends to meet the consumer's demand to purchase local produce and minimize the use of energy to transport food items from one region to the other.

### ***Price Point:***

Bedford establishes their products with a premium branding strategy in order to portray the quality workmanship and the ethical manner in which it sources its beans. It locates them a step higher than the low-end brands, but they offer products at reasonable prices given the range of the speciality coffee market. To put this into context, a latte from one of the large franchise operations such as Costa could cost anything in the region of £2.45, whereas a coffee from a micro-roaster such as Bedford's could be in the £3.50-£5.00 range depending on the type of bean and preparation.

### ***Target Market:***

Bedford Coffee Roasters focuses on consumers who are conscious of what they consume and want high-quality coffee. This includes:

- Urban professionals aged 25-45
- The millennial and Generation Z customers care about the quality of products that translators produce.
- Coffee lovers, connoisseurs and those people who would like to discover new and different kinds of tastes.

### ***Brand Story and Experience:***

The company builds on its story stating that the company was founded during the 2021 lockdown which makes it a product of innovation (Gasparin *et al.*, 2022). It makes sense to use storytelling to establish empathy with the customers so Bedford would not look like a corporate giant company as opposed to the small-scale producers.

#### ***Distribution Channels:***

While most of the major chains target access to a high street, Bedford Coffee Roasters underlines:

- Direct-to-consumer sales through e-commerce
- These can be made with speciality cafes and restaurants for the sales of cakes and desserts respectively.
- Located thus in relatively limited but targeted food malls in large-population cities

#### ***Market Share and Growth:***

Several weaknesses have been pointed out for the Bedford Coffee Roasters, among which one can discuss the fact that a relatively young company is operating in a market that is already highly saturated by giants. However, they are placed in a segment, which is experiencing high growth rates. There are forecasts that the UK speciality coffee market is annually growing at a 13% rate, surpassing the general coffee market growth at a rate of 5% (CBI, 2023).

#### ***Competitive Positioning:***

- **Vs. Large Chains (Starbucks, Costa):** In particular, Bedford relies on a differentiation strategy based on quality, origin, and a more traditional style (Sakal, 2018).
- **Vs. Other Specialty Roasters:** Bedford seems to compete on the simplicity of single-origin beans, a great brand narrative, and the fact that they are sustainable.

Moving towards quality and sustainability along with establishing a separate brand identity, Bedford Coffee Roasters has successfully positioned itself within the premium coffee segment. Thus, it enables them to compete both against massive chains and other speciality roasters while targeting a constantly expanding number of customers who are willing to spend their money only on high-quality beans roasted by ethical companies offering exceptional and unforgettable experiences.

### **3.3 SWOT Analysis**

According to the SWOT analysis for Bedford Coffee Roasters, the company has numerous advantages, including superior quality of single-origin coffee, sustainable approaches, UK roasting, as well as a powerful brand narrative *[Refer to Appendix 3]*. However, some of them

have shortcomings such as having little market outlet, relying on other suppliers, expensive products, restricted products offered, and fewer brick-and-mortar shops (Hoskins, 2020). Chances stem from expanding speciality coffee, extending e-commerce, sustainability, new product offerings, and affiliate relationships with speciality cafes and consuming restaurants. Some of them are increased competition, fluctuating economic conditions, climatic risks, shifts in customers' attitudes and legal factors. Bedford must learn to maximize its strengths and opportunities and also minimize weaknesses and threats if the firm is to win in the tough UK coffee market.

#### 4.0 Scenario Planning

##### *Scenario 1: Booming Premium Coffee Market*

**Description:** Britain's speciality coffee market has been growing at a fast pace and is now growing by 20% annually by the year 2025 (Grieco, 2022). Thus, the quality markets, sustainably grown and processed coffee products expand as consumers become more knowledgeable, and their income levels rise.

- **Impact on Bedford Coffee Roasters:** In most instances a significant opportunity to increase market share and awareness of a specific company. High chance for growth in the number and size of sales.
- **Strategic Response:** Market deeper, diversify the product portfolio, and build more adequate supplier networks to guarantee a high-quality bean supply constantly.

##### *Scenario 2: Economic Recession*

**Description:** According to the snapshot, the contraction of the UK economy is likely to last much longer as GDP is expected to shrink by 2% in 2025 and the unemployment rate will reach 6% (Siddiqui, 2024).

- **Impact on Bedford Coffee Roasters:** A cut in the quality of products and services which the consumers buy, might lead to lowered sales being made therefore leading to a change of price.
- **Strategic Response:** Expand on the offered products by introducing cheaper versions that do not have a lower quality, emphasize the importance of loyal customers, and increase efficiency.

##### *Scenario 3: Regulatory Changes*

**Description:** The UK government adopts even tighter measures on sustainability issues, including the regulation that the packaging material of any product sold in the UK must be fully recyclable,

and CO2 emission labelling should be eventually specified at a very detailed level by the end of 2026 (Allwood *et al.*, 2021).

- **Impact on Bedford Coffee Roasters:** Compliance costs that are higher than anticipated and possibly disrupted supply chains.
- **Strategic Response:** Focus on preemption to integrate sustainability into the supply chain, use environmentally friendly packaging materials, and find ways to market compliance.

#### **Scenario 4: Technological Disruption**

**Description:** The use of smart home brewing systems that use AI to automatically brew beer from home will increase; this will reach 15% of households in the UK by 2027 (Mukherjee *et al.*, 2022).

- **Impact on Bedford Coffee Roasters:** Possibility of reduction in coffee consumption out of home and the change in consumption pattern.
- **Strategic Response:** Create coffee pods or grounds for high-end brewing systems, seek collaborations with technological companies, and keep the customers interested with online communications.

### **5.0 Strategic Options**

The particular strategic directions at the consideration for the Bedford Coffee Roasters are the following:

#### **Option 1:**

Market Penetration means focusing on the existing speciality coffee market in the United Kingdom and increasing the level of activity. Potential opportunities are the further development of the existing e-commerce site, investing 30% more in advertising, and entering into collaborations with established cafes and restaurants. For instance, working with Gail's Bakery an organization with cricket locations in various parts of the UK, having not less than 79 branches could greatly contribute to expanding Bedford's network (thecontractchair.co.uk, 2023).

#### **Option 2:**

Marketing is a related function which emphasizes the organization's ability to add to current product offerings. This might mean creating coffee subscriptions which are up a quarter annually in the UK or growth of ready-to-drink cold brews, a sector up three-quarters year-on-year. Also, introducing a series of coffee accessories may suit the home brewing segment, which grew by 17% amid the COVID-19 crisis (Kwame Opoku *et al.*, 2023).

#### **Option 3:**

Market Development involves expanding the market by introducing the company's products to new geographical territories or other target customers. This could include venturing into the European market such as Germany where they projected that specialty coffee is growing by 18% annually or targeting the office coffee services market, predicted to be £318 million by 2025 in the United Kingdom (Slavova and Georgieva, 2019).

***Option 4:***

Consequently, diversification entails venturing into product-related businesses. This might mean introducing a range of specialty teas given the UK tea market was valued at £650m or creating coffee-flavoured snacks indexing the global market for coffee-infused snacks which was anticipated to be worth \$4.5 billion by 2027 (Prihodko *et al.*, 2022).

## **6.0 Recommended Strategy**

The best Strategy for Bedford Coffee Roasters is the Market Penetration and Product Development Strategy (Muriuki *et al.*, 2023). This strategy, therefore, focuses on the company's strengths while at the same time, considering the market opportunities and threats.

***Proposed strategic route:***

- Improve volume-related e-commerce skills, the goal is to boost e-commerce sales by 50% within 18 months.
- Form business relationships with 20-30 more upscale cafes and restaurants in the United Kingdom.
- Start a subscription services model, to attain 5,000 subscribing members in the first year.
- Introduce certain novelties of fairly limited breadth, such as accessories and ready-to-drink cold brews.

***Justification:***

This strategy is in line with the increasing speciality coffee market in the UK it is expected to reach £1.4 billion by 2025. It meets the forecasted 13% annual growth in the need for speciality coffee and oversized 25% month-on-month coffee subscription growth. The emphasis on e-shopping ensures that it targets a segment of UK consumers who frequently make their coffee purchases via the internet and stands at 46%.

***Alignment with company resources and capabilities:***

Special emphasis is placed on sourcing and roasting high-quality beans, and hence, the growth of product portfolios. There is a good match of the company's sustainability agenda with consumers,



with 60% of coffee drinkers in the UK stating that ethical sourcing is important (Proença *et al.*, 2022). This local roasting mechanism is vital in the subscription and partnership business models to provide the customers with fresh and quality products. Bedford's brand story and the company's focus on delivering quality beverages and experiences align it with the 37% of British consumers who are ready to pay more for premium coffee.

## 7.0 Implementation Plan

Key Actions and Initiatives	Timeline	Resource Allocation
Enhance e-commerce platform	Q3-Q4 2024	£50,000 for website redesign and optimization 2 full-time web developers
Develop and launch subscription model	Q4 2024 - Q1 2025	£30,000 for software integration 1 product manager, 1 marketing specialist
Establish partnerships with high-end cafes and restaurants	Q3 2024 - Q2 2025	£25,000 for relationship building and onboarding 2 business development representatives
Introduce ready-to-drink cold brew line	Q2-Q3 2025	£100,000 for product development and initial production 1 food scientist, 2 production staff
Develop coffee accessories line	Q3-Q4 2025	£75,000 for design and initial inventory 1 product designer, 1 supply chain manager
Implement targeted digital marketing campaign	Q4 2024 - Q4 2025	£120,000 annual marketing budget 1 digital marketing manager, 1 content creator
Expand roasting capacity	Q1-Q2 2025	£200,000 for equipment and facility upgrade 2 additional roasting technicians



Sustainability certification process	Q3 2024 - Q2 2025	£40,000 for certification fees and process implementation 1 sustainability coordinator
Staff training and development program	Ongoing from Q3 2024	£30,000 annual training budget External trainers and internal mentorship program
Customer feedback and product iteration system	Q4 2024 - Ongoing	£20,000 for feedback software and analysis tools 1 part-time data analyst

## 10.0 Risk Assessment and Mitigation

Risk	Probability	Impact	Mitigation Strategy
Economic downturn reducing consumer spending on premium coffee	Medium	High	Introduce more affordable product lines without compromising quality. Enhance loyalty programs to retain customers. Focus on value proposition in marketing.
Supply chain disruptions due to climate change affecting coffee-growing regions	Medium	High	Diversify supplier base across multiple regions. Implement climate-resilient sourcing strategies. Maintain 3-6 month inventory buffer.
Intensified competition from large chains entering the specialty coffee market	High	Medium	Emphasize unique brand story and ethical sourcing. Accelerate innovation in product development.

			Strengthen partnerships with local cafes and restaurants.
Technological disruption from AI-powered home brewing systems	Medium	Medium	Develop compatible coffee pods or grounds for smart systems. Explore partnerships with technology companies. Enhance digital presence and online customer experience.
Failure to meet quality standards consistently	Low	High	Implement rigorous quality control processes. Invest in staff training and development. Regularly audit suppliers and production processes.
Cybersecurity threats to e-commerce platform	Medium	High	Implement robust cybersecurity measures. Conduct regular security audits. Provide staff training on data protection. Maintain cyber insurance coverage.
Negative publicity or social media backlash	Low	High	Develop a comprehensive crisis management plan. Maintain transparent communication with stakeholders. Regularly monitor and engage on social media platforms.

## 11.0 Conclusion

Bedford Coffee Roasters occupies a significant position in the highly saturated UK speciality coffee industry. By following the suggestions on market penetration and product development strategy, the firm has an opportunity to cash in on increased demand for speciality coffee, organic and fair-traded coffee. On the same note, e-commerce enhancement, strategic partnerships, and an

extension of the product line all maintain a good fit with Bedford's competencies and market trends. But these things depend much upon, how effectively that implementation plan is being accomplished and how well the above-mentioned risks are managed. Thus, by remaining faithful to its values that include quality, sustainability, and innovation, Bedford Coffee Roasters has a great opportunity to consolidate the company's position and gain sustainable organic growth in the ever-evolving coffee market.

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## **Appendices**

### ***Appendix 1: Detailed PESTLE analysis***

#### **Political:**

- Trade relations and tariffs influence the import/export of coffee in relation to prices and their availability.
- Brexit has complicated the trade relations and it poses variables to sourcing materials from the European Union countries.

#### **Economic:**

- The market is worth £10 billion and the 5% annual growth of the UK coffee market signifies a great economic tradition.
- Behavioural patterns may be affected by inflation and cost of living, and such instabilities affect consumers' willingness to spend on a luxury item.

#### **Social:**

- Increasing demand from consumers to source products in ethical and sustainable ways.
- Becoming more experiential, focusing not only on the quality of coffee but also on the message and the story behind it.
- The general public's greater awareness and appreciation of coffee, particularly among the younger population in the future.

#### **Technological:**

- Advancements in roasting and brewing engineering complex improve the quality and productivity of the product.
- B2C and direct selling strategies continue to grow, and the role of e-commerce has become even more crucial due to the COVID-19 crisis.

#### **Legal:**

- The rules and regulations existing in the food law concerning food safety and fair trade laws affect the operations and procurement.
- Adjustments in labour laws can impact the range of costs related to staffing and the company's organisation.

#### **Environmental:**

- The impact of climate change is potentially very dangerous to the growth of coffee beans in the producing countries.

- Continued demand for environmentally friendly packaging to minimize the environmental impact of the complete packaging process.

***Appendix 2: Detailed Porter's Five Forces analysis***

Force	Level	Description
Threat of New Entrants	Moderate	Networks in the coffee industry indicate that the enterprise structure is mixed for enthusiasts to venture into the market. It is relatively easy for small firms to enter the roasting business with little initial capital but it is difficult to create a brand and access the market. Speciality and organic coffee consumption are rising as a new trend in coffee consumption; however, the rationales for entering the market are stiff.
Bargaining Power of Suppliers	Moderate	Suppliers indeed have a moderate amount of power because only a few producers of high-quality single-origin beans exist. Since the quality and sustainability of supplies are critical to Toyota, they have some negotiation power in these relationships with the suppliers. Climate change and crop variability remain key causes of change referencing since both the suppliers and roasters are at risk.
Bargaining Power of Buyers	High	The UK coffee market is highly competitive and due to this consumers hold a lot of power. Thus, although there is moderate price sensitivity, this is somewhat compensated by brand loyalty and product quality differences. The level of consumers' knowledge and differentiation also rises, which adds to their power since they have many similar options.
Threat of Substitute Products	Moderate to High	Various threats affect the coffee industry, however, the coffee industry is vulnerable to threats posed by substitutes. Close substitutes such as tea and energy drinks are available in the market to grab the same consumers' attention. Thus, there are at-home brewing solutions and coffee pods which can be considered as the representatives of the same horizontal market. However, coffee is a part of people's culture and people consume it frequently this gives a certain measure of protection against such substitutes.

Industry Rivalry	High	The main competitors are operating in the strongly competitive UK coffee market. Starbucks and Costa Coffee companies are the most prominent due to their huge resources and popularity among the clients. At the same time, the multiplicity of outlets of everyday and speciality coffee places competition for share. Hence, competition forces organizations to focus on how they can make products unique based on quality, sustainability, and innovation as a way of winning the consumer's loyalty.
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*Appendix 3: SWOT Analysis*

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Strengths	Weaknesses	Opportunities	Threats
High-quality single-origin coffee: Bedford's focus on premium, single-origin beans sets it apart in taste and quality.	Limited market presence: As a relatively new entrant, brand awareness and market share are still developing.	Growing specialty coffee market: UK specialty coffee market growing at 13% annually, outpacing overall market growth.	Intense competition: Presence of established chains (e.g., Starbucks, Costa) and other specialty roasters in the UK market.
Sustainable and ethical practices: Strong commitment to fair trade and environmental sustainability resonates with conscious consumers.	Dependence on external suppliers: Vulnerability to supply chain disruptions and price fluctuations in the coffee bean market.	E-commerce expansion: Potential to reach a wider audience through online sales and subscription models.	Economic uncertainty: Potential impact on consumer spending for premium products due to inflation and economic challenges.
Local UK roasting: Ensures freshness and appeals to customers preferring locally processed products.	Higher price point: May limit accessibility to price-sensitive consumers in a competitive market.	Sustainability trends: Increasing consumer preference for ethically sourced and sustainable products.	Climate change: Risks to coffee bean production in source countries, potentially affecting quality and supply.
Strong brand story: Founded during the 2021 lockdown, providing a unique narrative of resilience and innovation.	Narrow product range: Focus on premium coffee may limit appeal to broader consumer base.	Product line expansion: Potential to introduce complementary products (e.g., coffee accessories, specialty teas).	Changing consumer preferences: Shifts in coffee consumption habits or emergence of new beverage trends.
Expertise in sourcing and roasting: Specialized	Limited physical retail presence: Potential challenge in reaching	Partnerships with specialty cafes and restaurants:	Regulatory changes: Potential new regulations on imports, food safety, or

knowledge in selecting and processing premium beans.	customers who prefer in-store experiences.	Opportunity to increase brand exposure and sales channels.	sustainability practices that could impact operations.
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