

Brewing Success Globally - Bacha Coffee's Marketing Strategy for Diverse Audiences

With its luxurious look and feel, the Singaporean coffee brand with Moroccan roots, Bacha Coffee, grew in popularity worldwide. What is the story and marketing strategy behind this lavish-looking brand?

At a Glance

Re-Opened

2019

Note: The Dar el Bacha in Morocco was built in 1910, but later restored and re-opened in 2019 including Bacha Coffee.

Countries Operating

6

with a total of 14 branches as of 2023

Group Company

V3 Group

Singaporean Company

Introduction

In today's dynamic world, coffee has evolved into convenience and innovation. But in this modern world, there exists a brand that puts tradition at the center. Bacha Coffee, popularized in Singapore, showcases Moroccan traditional coffee from flavor to design with a modern touch. Because of its growing popularity, the brand expanded and is operating in 6 countries around the world including Malaysia, Qatar, and even France.



▶ Bacha Coffee | Not Just Another Coffee, Another World | Source: Bacha Coffee via YouTube

Bacha Coffee's marketing approach is a blend of innovation and tradition, reflecting a unique synergy of the modern and the classic. This approach extends to not only cater to local consumers but also captivate international audiences, effectively utilizing digital and offline marketing channels to reach its intended target audience. Behind this tradition, Bacha Coffee is rooted in Marrakesh, Morocco, however, upon closer examination, the origins have their own exciting and complex story.

What's the story behind Bacha Coffee? How did Bacha Coffee entice and captivate local and international customers? What are the elements that form its distinct brand image and marketing approaches to stand out from the competition? This case study delves into the story of this traditional and luxurious-looking coffee brand from the marketing strategy to Country of Origin (COO) branding.

The Coffee Industry in Asia

The History of Coffee

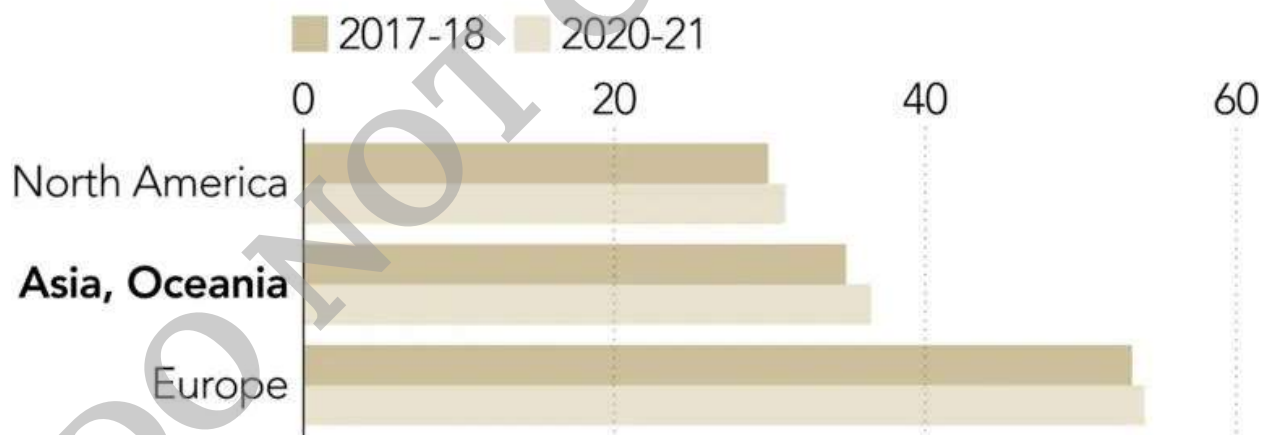
Coffee is said to have originated from Ethiopia. When it was slowly discovered, coffee made its way to the west to Europe. Eventually, coffee also made its way to the east, notably the Arabian Peninsula such as Yemen. Yemen has a long coffee history where the first coffee plants were introduced in the country in the late 1600s. Coffee is then said to have continued to make its way into Asia when Indian Muslim pilgrim, Baba Budan, smuggled coffee beans out of Mecca. While this is a widely told myth and story, there's no denying the growth and expansion of coffee across Asia with large coffee-producing countries such as Indonesia, Vietnam, and Thailand.

The Coffee Market and Consumption in Asia

The coffee market in Asia is going through exciting changes, with growing demand and shifting preferences. Coffee has been getting more popular in Asia. Countries like Japan, China, and India are increasingly sipping on this aromatic brew. Japan, in particular, stands out as the largest consumer of coffee in Asia (Source: [World Treasures Coffee](#)). Its well-developed coffee culture and love for home-brewed instant coffee set an example.

In Japan, coffee is more than just a beverage; it's a part of daily life. Known for its well-established coffee culture, Japan boasts a thriving coffee scene with a plethora of cafes and restaurants dedicated to serving this beloved brew. Japanese people often enjoy coffee at home, and instant coffee is particularly popular. Japan's robust coffee culture has made it the largest consumer of coffee in Asia, spending approximately US\$34.45 billion on coffee in 2020, highlighting the nation's deep appreciation for this caffeinated delight.

Asia and Oceania's coffee consumption is rising faster than in Europe and the U.S. *(In millions of 60 kg bags)*



Coffee year ending Sept. 30
Source: International Coffee Organization

Coffee consumption in some regions in million kg | Source: [Nikkei Asia](#)

China is rapidly emerging as a coffee-loving nation. While tea has been the traditional favorite, coffee is finding its way into the hearts of the Chinese population. Chinese coffee consumers have a particular fondness for American-style coffee, such as lattes and cappuccinos. What sets China apart is that many coffee enthusiasts prefer to roast and grind coffee beans at home, adding a personal touch to their daily brews.

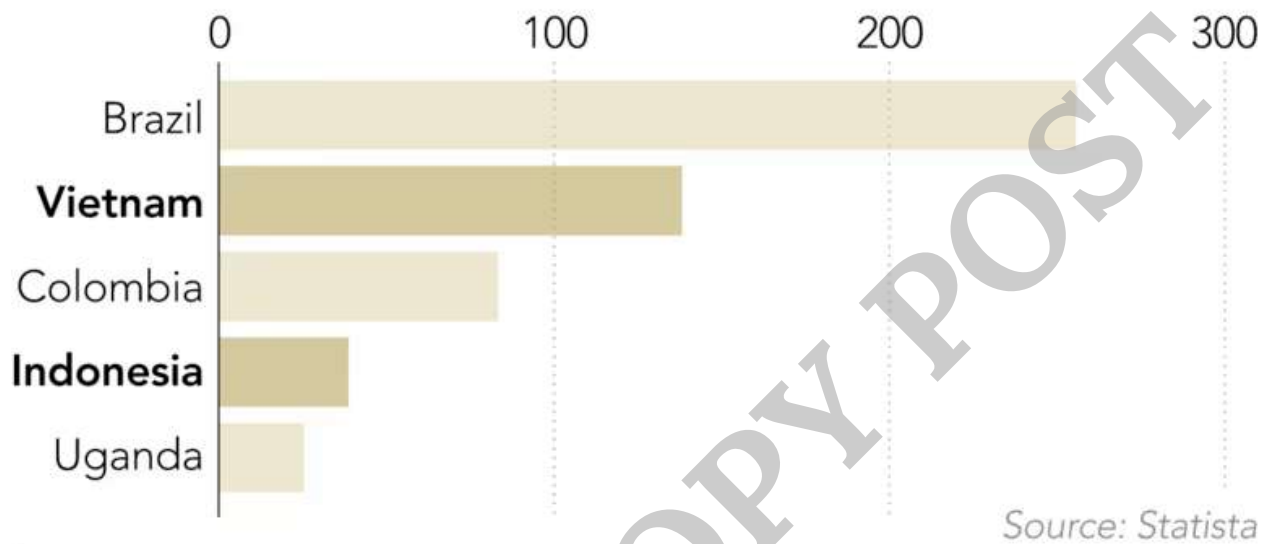
India is experiencing a significant surge in coffee consumption, with a growing demand for this caffeinated beverage. The nation has also ventured into coffee production, becoming the world's seventh-largest coffee producer. Instant coffee is a favored choice among Indian coffee drinkers, reflecting the changing preferences of the country's population as it embraces the coffee culture.

Indonesia, a country known for its lush landscapes, is not only a major producer and exporter of coffee beans but has also witnessed a rapid growth in domestic coffee consumption. A USDA report in June 2021 revealed that Indonesia's domestic coffee consumption had soared, surpassing the likes of Australia and the UK, both countries with already high per-capita coffee consumption. This trend showcases the increasing popularity of coffee as a daily drink among the Indonesian population, signifying a promising future for the coffee market in the country.

Vietnam stands as the coffee production leader in Asia. With a rich history of coffee cultivation, the country has grown to become the world's second-largest coffee producer. Vietnamese coffee is characterized by its unique flavors and strong presence in the global market. The coffee industry in Vietnam is currently undergoing rapid expansion, with a focus on providing high-quality beans to coffee enthusiasts both locally and internationally.

The world's top five coffee exporters

(In December 2020, in millions of kilograms)



Top 5 Coffee Exporters Globally | Source: [Statista via Nikkei Asia](#)

The Competitive Landscape

The coffee industry in Asia is witnessing robust competition as it experiences rapid growth and transformation. Several key players and coffee shop chains are striving to capture a share of this burgeoning market.

Global Giants and International Chains

Major global coffee brands like Starbucks and Dunkin' Donuts have expanded their presence in Asia. Starbucks, for instance, operates a vast network of coffee shops in countries like Japan, China, and South Korea. Their extensive menu offerings, from classic coffees to innovative concoctions, cater to diverse tastes and preferences.



New Age Players

Grab-and-go coffee chains like Kopi Kenangan, Janji Jiwa, and Fore Coffee are tapping into the need for affordable and fresh coffee options. These agile startups are gaining considerable attention, not only from coffee enthusiasts but also from global investors. This demonstrates the potential and allure of innovative, homegrown coffee ventures in the evolving Asian coffee market. These new entrants often bring a modern, convenient twist to the coffee culture, aligning with the preferences of a younger, on-the-go generation.



Specialty Coffee Brands

The rise of specialty coffee is a notable trend in Asia's coffee landscape. Companies like Blue Bottle Coffee, a prominent player in the specialty coffee sector, emphasize quality and sustainability. They have been gaining traction among discerning coffee enthusiasts who seek premium, ethically sourced coffee beans and unique brewing methods.



Local Coffee Chains

Local coffee chains and independent cafes have carved out a niche for themselves. These establishments offer distinctive experiences, blending the essence of local culture and flavors with international coffee trends. Customers often gravitate towards local businesses that provide a unique, personalized coffee experience.



Instant Coffee and Household Brands

In countries like India, the demand for instant coffee remains strong, and brands like Nescafé cater to this segment. Local brands in various Asian nations also contribute significantly to the market. These options provide a convenient choice for people who prefer coffee on the go or at home.



Competitive Landscape in the Coffee Industry

As the coffee market in Asia continues to evolve, competition intensifies, with companies focusing on quality, sustainability, and varied consumer preferences to gain a foothold in this growing industry.

Coffee Trends

One remarkable trend is the increasing popularity of specialty coffee. This shift is said to be part of the Third Wave of Coffee, where emphasis is placed on quality, direct trade, sustainability, and innovative brewing methods. The Asia-Pacific region is expected to be the fastest-growing specialty coffee market, set to grow annually by 15.3% from 2023 and expected to 2030 (Source: [FHA-FnB](#)). Specialty coffee is known for its exceptional quality and meticulous cultivation.

Another trend in the coffee market is that in recent years, coffee consumers have become more conscious about the origins of their coffee. This trend is driven by ethical and environmental concerns. According to Mintel Global New Products Database, almost half of new coffee products launched in 2020 emphasized ethical or environmental claims. Ethical certifications like Fairtrade, USDA Organic, and others are gaining trust among consumers (Source: [FHA-FnB](#)). Moreover, younger consumers are increasingly showing less tolerance for waste, leading to an expected rise in "greener" coffee pods.

Company Background: Bacha Coffee

Quick History



Dar el Bacha Palace, Marrakech, Morocco in the 1900s | Source: [Bacha Coffee](#)

Bacha Coffee is said to have a long history dating back to the 1910s in Marrakech, Morocco. However, the first Bacha Coffee branch in Marrakech was established in 2017 when part of a historic *Dar el Bacha* palace, or the house of *Pasha* (a high-ranking noble in Morocco), was made into a cafe. *Dar el Bacha* palace was closed after the 2nd World War in the 1940s but was later renovated and awakened in 2017 as the Museum of Cultural Confluences by the *Fondation Nationale Des Musées*, or the National Museum Foundation, an independent non-profit institution. The cafe was also built in what used to be a gathering room called a salon presumably by Singaporean group company, V3 Group. Then in 2019, the Bacha Coffee cafe in Marrakech, Morocco re-opened. The cafe now specializes in 100% Arabica coffee.

Bacha Coffee in the 2010s

Bacha Coffee is one of the portfolio brands of the Singaporean company, V3 Group, which manages brands and businesses in the segments of well-being, luxury gourmet, capital markets, real estate, and integrated healthcare services. The company is guided by 3 visions that drive 3 core units of the company - V3 Brands, V3 Capital, and V3 Assets. Another notable brand with Bacha Coffee is TWG.

According to an interview with CNA Luxury, V3 Group Founder and Executive Chairman, Ron Sim, said that the Bacha Coffee brand seen today is new and a reconceptualization of its heritage in Morocco, and is now owned by the Singaporean company. Bacha Coffee now has a total of 15 locations, however, the store in Morocco is temporarily closed as of 2023 due to the earthquake that happened in September 2023.



Bacha Coffee Locations Worldwide | Created by Nikkei BizRuptors using the Bacha Coffee website as a source

Bacha Coffee offers a wide variety of coffee products but also offers non-coffee products like bakery and tea. Customers have the option of dining in, but with beautifully intricate designed packages, Bacha Coffee also offers coffee products as gifts and souvenirs or for self and home brewing.



Serving Bacha Coffee | Source: [Bacha Coffee](#)

Bacha Coffee's Marketing: Reaching The Market

The Market

Bacha Coffee is often referred to as a luxury business. Looking at the brand itself from products to cafe storefronts, it does give off the impression that it holds history and luxury. With that said the market that Bacha Coffee targets doesn't name a specific group, however, tourists seem to commonly frequent Bacha Coffee, especially in Singapore. This doesn't mean that Bacha Coffee branches don't attract the local market. For example, when Bacha Coffee opened in Malaysia and Hong Kong, they were new to the market and gave opportunities to locals to try the coffee without flying to Singapore or other countries.

[In an interview with CNBC](#), V3 Gourmet CEO, Taha Bouqdib shared that Bacha Coffee's first overseas flagship store opened in Singapore as a gateway and hub to reach the Asian market. Singapore's population as of June 2023 has reached 5.92 million people. Compared to other

Asian countries, Singapore's population is fairly small, so it isn't a surprise that V3 Gourmet pushes their brands, including Bacha Coffee, towards the bigger Asian market for a greater reach.

Bacha Coffee has also expanded globally, opening stores across Asia and the world from France to Singapore's neighbor, Malaysia. With luxury in mind, Bacha Coffee's prices are on the relatively high side compared to many coffee players in Asia (see Pricing Strategy). With the price and overall look of the brand, Bacha Coffee seems to target the higher middle-income earners, possibly also targeting this same group but tourists looking to experience and bring back luxurious coffee and souvenirs. There is a Bacha Coffee store in Changi Airport in Singapore, indicating that the brand is targeting travelers be it Singaporean locals or foreigners to buy them as gifts and souvenirs.

The Beauty of Bacha Coffee

The look and feel of Bacha Coffee exude luxury and sophistication from their stores to the products they sell. They sell various types of coffee, bakeries in their cafes, and coffee-related products sold as gifts and souvenirs. The use of gold and orange colors, and attention to detailed designs make the brand look vibrant, but also quite grand.



Bacha Coffee Store in Malaysia | Source: [Bacha Coffee](#)

While most of their locations offer sit-in dining experiences to enjoy their coffee, bakeries, and an array of savory dishes and desserts, customers have the option for takeaway. Even as a takeaway, Bacha Coffee tries to give it as much of an experience as possible. The packaging is as luxurious as sitting in at their cafe, with a side of cream and sugar stick. The brand also offers a wide selection of gifts and souvenirs, all with the same level of luxury.



Dine-In Savory Dish | Source: [Bacha Coffee via Facebook](#)



Festive Morning Coffee Gift Set | Source: [Bacha Coffee](#)

On top of its luxurious-looking products and stores, Bacha Coffee also offers a luxurious experience. From YouTube to TikTok, many customers and influencers such as [Comfort Chomper \(video review in 2020\)](#) and [Team Tatlonghari \(video review in 2021\)](#) have documented their experiences at Bacha Coffee, and while opinions may differ, the Bacha Coffee experience often begins with that alluring coffee smell, a signature to all coffee shops.

Depending on the store and day, Bacha Coffee can be very busy and the queue can be long, especially if customers want to dine in the stores. It is here that the anticipation grows.

When finally getting a table, customers are presented with a long list of coffee varieties that are offered by the pot, ranging from US\$7.38 (approx. 10 SG dollars) to US\$44 (approx. 60 SG dollars). They also have another menu for food, ranging from savory dishes to pastries and desserts. If customers are lost in the abundance of coffee choices, waiters also offer recommendations based on the customers' personal preferences.

Once the customer orders, the anticipation increases. The whole experience is a sensory experience from the smells to the sights. The smell of coffee in the air, the luxurious and classy decor that gives customers a sense of awe, the sounds of cutlery and conversations filling the room, and the premium touch of luxury.

Finally, the order arrives. The coffee is brought to the table in luxurious golden pots and served in a small cup. Customers have the option of adding raw sugar, chantilly cream, milk, and ground chocolate from the grinders, all placed as table sides for convenience. Customers can drink the coffee straight or customize it with the table sides.



Bacha Coffee and Desserts | Source: [Bacha Coffee via Facebook](#)

If customers enjoyed the experience, the good news is that they can buy most of the items from cups and pots to coffee to take back home to bring back the luxurious experience for themselves or family and friends.

If customers simply want to take away coffee, the experience isn't any less luxurious. Bacha Coffee offers a variety of coffee choices, allowing customers to smell various coffee beans from the containers before making their final choice. The takeaway packaging is luxurious looking and offers customers the same chantilly cream with a sprinkle of chocolate and raw sugar (stick) to customize their coffee experience on the go. [A YouTube channel by the name of Leigh Lee Channel](#) shows viewers the full experience of coffee takeaway at Bacha Coffee.



Bacha Coffee Takeaway | Source: [Bacha Coffee via Facebook](#)

Pricing Strategy

By simply looking at the stores and products, the brand makes Bacha Coffee look like a luxury brand. But luxury isn't just about look and feel, it can also be about the way the products are priced. For example, Louis Vuitton and Chanel are considered luxury brands for their quality and that is reflected in the price of their products.

Bacha Coffee Ethiopia, Sidamo Mountain Coffee - Pot (750ml/25fl. oz.) Approx. US\$7.38 - SGD 10	The Coffee Academics Ethiopia Yirgacheffe Pour Over Coffee Approx. US\$9.98 - HKD 78	Starbucks Singapore Brewed Coffee Venti Approx. US\$3.78 - SGD 5.10
Flash Coffee Americano - Bottled (500 ml) Approx. US\$3.66 - THB 130	Kopi Kenangan Kopi Klasik - Iced Large Cup Approx. US\$ 1.28 - IDR 20,000	Highlands Coffee Traditional Iced Back Coffee - Large 16 oz. Approx. US\$1.06 - VND 39,000

Pricing of Coffee Products | Multiple Sources¹

Bacha Coffee's prices compared to those in the market are considered relatively high in Asia among premium brands such as The Coffee Academics and Starbucks (note that Starbucks prices in Asia may be considered premium and may not reflect other regions such as North America and Europe).

Captivating The Market

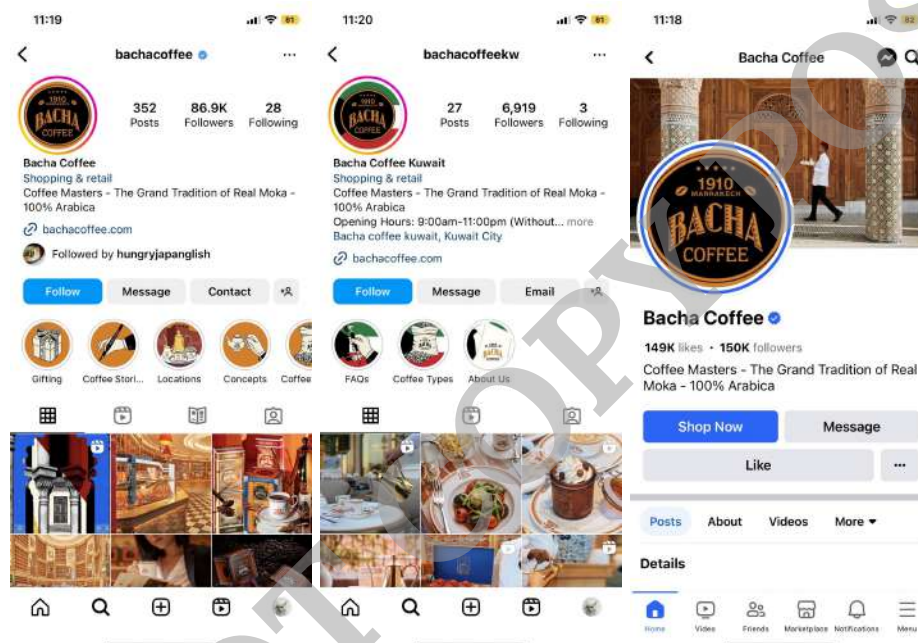
Bacha Coffee reaches its audience through social media such as YouTube, Instagram, and Facebook, however, it relies heavily on word-of-mouth. A little bit of public relations is seen through their interviews as well as much press coverage of the brand. With the grandness of the stores and overall brand, most customers may be curious about Bacha Coffee. It is not like any other coffee company or shop. In addition to the design of their products and stores, Bacha Coffee stores are located in convenient areas for easy access and high foot traffic such as malls and even in the airport in Singapore. The brand keeps its consistent luxurious image throughout all its channels and maintains a heritage brand image tied to the *Dar el Bacha* Palace.

¹Official websites and Google Maps menu images of the respective brands

[Dar El Bacha](#)

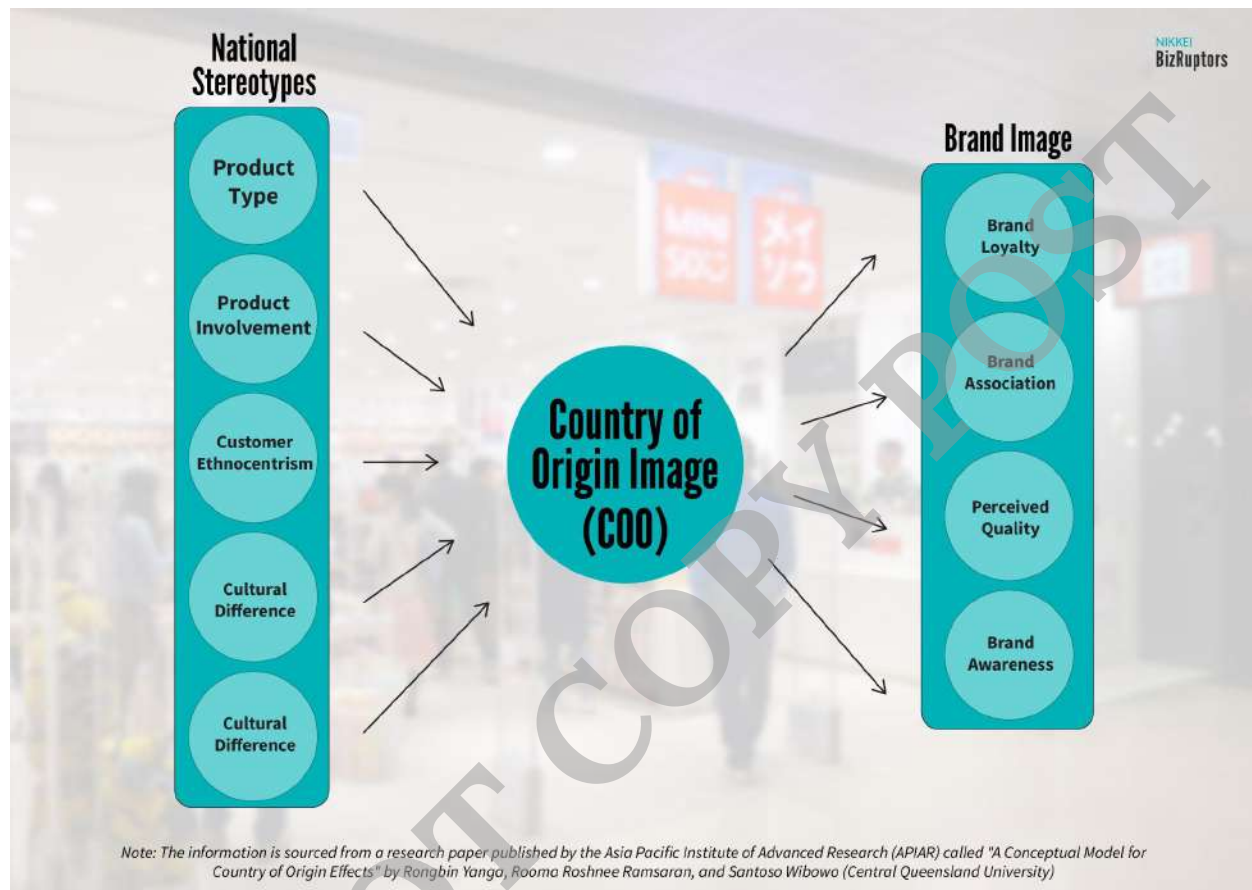


Bacha Coffee | Discover Fashion Avenue at The Shoppes at Marina Bay Sands | Source: Bacha Coffee via YouTube



Bacha Coffee Social Media Accounts | Source: Bacha Coffee Social Media

The Country of Origin (COO) Image of Bacha Coffee



Note: The infographic above is sourced from a research paper published by the Asia Pacific Institute of Advanced Research (APIAR) called "A Conceptual Model for Country of Origin Effects" by Rongbin Yanga, Rooma Roshnee Ramsaran, and Santoso Wibowo (Central Queensland University)

For a little context, COO Image was introduced in the 1960s and is how consumers see a product based on its associated country. Qualities like quality and innovation are linked to the product's believed origin. COO Image significantly influences consumer behavior. Products from countries with positive images are often seen as high quality, even if this perception isn't entirely accurate. While individual opinions may vary, there's generally agreement that a brand's country of origin shapes its overall image. To benefit from the COO Image, companies can integrate the product's origin into their identity, highlighting aspects of the country's culture, history, and values. Due to increased globalization, the COO image's boundaries have become less clear as many companies operate globally with offices worldwide.

The COO image of Bacha Coffee is somewhat complex. There's no disputing that the brand is from Morocco, but it is often referred to as a Moroccan coffee chain. In reality, the company is owned by a Singaporean group company. While the claims are that the brand is from Morocco, it is more of a heritage brand that was revived by V3 Group in 2017. The history of the past is there, however, the *Dar el Bacha* Palace and Bacha Coffee Cafe in Morocco were asleep for a long time until its revival in 2017.

"I was in Marrakech with the King of Morocco when I first learned of the heritage brand at the historical palace of Dar el Bacha, which means "house of the Pasha". The story captivated me in an instant. I was fascinated by its history and was interested to revive it on a global scale," - Taha Bouqdib, CEO of V3 Gourmet (Source: [Tatler Asia](#))

Bacha Coffee constantly claims roots in Morocco's *Dar el Bacha* palace which was built in 1910, however, according to a 2020 document from The National Foundation of Museums Morocco, the present-day Bacha Coffee is a relaunch of the coffee house that existed in the palace.

In an interview with Bloomberg News, (marketing agency) China Skinny's Managing Director, Mark Tanner, who worked with brands such as Adidas and Nike to expand their presence in China, mentioned that Bacha Coffee's communication and positioning make assumptions that the brand was founded in 1910. However, the location along with the palace was closed for 60 years and was only revived in 2017. It is said in a report by Bloomberg News that Taha flew architects from Singapore to renovate part of the palace and now a museum to open Bacha Coffee there. If the claim is true, Bacha Coffee's COO is truly complex. On the one hand, the brand was truly first built in Morocco based on a coffee shop before its revival, but on the other hand, the brand was built by a Singaporean company. The question of its claimed establishment in 1910 may also be questionable in a sense, but it still is based on the coffee shop in the palace in 1910.

The Challenges and Future of Bacha Coffee

Bacha Coffee, though considered a heritage brand from Morocco's decades of history, is considered a new player in the market since its return and entrance to the market in 2017. The brand has gained traction and was able to expand overseas with new locations in Asia, with

Hong Kong as the latest branch opened in August 2023. The company has been able to gain the attention of customers in the branches, especially those visiting the country and looking to have a different coffee experience.

Brand Identity and Historical Significance

Bacha Coffee, anchored in the historical significance of Morocco's Dar el Bacha palace, faces the dual challenge of maintaining an image deeply rooted in the past while carving a niche in the contemporary coffee market. The brand's commitment to the year 1910, symbolizing the palace's grand legacy, presents a unique positioning but demands careful communication to avoid potential misconceptions.

Legal Battles and Industry Competition

The luxury beverage landscape is not without its legal intricacies. The co-founders' experience with trademark disputes with another brand, TWG, hints at the challenges Bacha Coffee might encounter. As competitors take note of the brand's rapid expansion, the potential for legal challenges and disputes over branding, product names, and market presence could happen. Navigating these legal waters while ensuring brand integrity becomes an element to keep in mind for Bacha Coffee.

Operational Expansion and Profitability

The bold bets on the brand's expansion, including the investment of US\$100 million in TWG, Bacha, and other brands, underscore the financial risks associated with building a global luxury brand. While TWG's return to profit in 2022 signals a positive turn as reported in a Bloomberg article, Bacha Coffee's ability to turn a profit this year is a significant milestone.

The Future and Beyond

Bacha Coffee's journey in the realm of luxury coffee is a testament to the intricate challenges faced by emerging brands. Balancing historical authenticity, legal complexities, and financial sustainability, the brand navigates a path toward becoming a timeless symbol in the world of coffee. As Bacha Coffee continues its expansion, the lessons learned from these challenges

will undoubtedly shape its future trajectory in the competitive and evolving luxury beverage market.

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Discussion Questions

Question 1

Discuss the elements of Bacha Coffee's branding and sensory customer experience. How do these elements such as overall brand look and sensory elements differ from traditional coffee brands?

Question 2

What were the key drivers behind Bacha Coffee's decision to expand into multiple countries? How did it choose its target markets? Discuss the challenges and opportunities of operating in diverse markets.

Question 3

Explore Bacha Coffee's marketing approach and how it adapts these strategies to cater to local and international consumers. How does Bacha Coffee use digital and offline marketing channels to reach its target audience?

Question 4

What role does COO branding play in Bacha Coffee's strategy? What are the advantages and disadvantages of the approach Bacha Coffee takes?

Question 5

Identify a target market for Bacha Coffee in a specific location. How does this affect its marketing strategies and brand perception? Prepare a recommendation plan for Bacha Coffee to reach this target market.

Sources

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