

Coffee - US - July 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"The \$14.4 billion coffee market continues on a positive path in 2018, buoyed by a thriving RTD (ready-to-drink) coffee segment and sustained growth in single-serve formats."

- **Mimi Bonnet, Director - Food and Drink, Foodservice**

This report looks at the following areas:

- **Traditional roasted coffee offers little growth, and instant sees sales and share decline**
- **National brands struggling to keep pace with innovation**
- **Competitive drink space gets energetic**

Millennials show strong category engagement, consuming a range of coffee products and show strong interest in innovative offerings, including RTD coffees with new ingredients and added functionality. There are challenges in the evolving landscape for more traditional roasted coffee providers and well-established national brands to remain relevant. Suppliers also need to help consumers navigate the sundry of hot and cold beverage options.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

China
+86 (21) 6032 7300

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Coffee - US - July 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

Continued growth in 2018 expected to continue through 2023

Figure 1: Total US sales and fan chart forecast of coffee, at current prices, 2012-22

The issues

Traditional roasted coffee offers little growth, and instant sees sales and share decline

Figure 2: Percent market share of coffee market, by segment, 2016 and 2018

National brands struggling to keep pace with innovation

Figure 3: Types of brands purchased, by type of coffee, May 2018

Competitive drink space gets energetic

Figure 4: Other drinks used for energy other than energy drinks/ shots, March 2018

The opportunities

Young consumers consume range of formats and are energized by new RTD coffees

Figure 5: Consumption of coffee, by age, May 2018

Opportunity to engage and cross-market with foodservice offerings

Figure 6: interest in RTD coffee innovations, May 2018

Interest in enhanced RTD coffee, especially BFY benefits, is high

Figure 7: Attributes in ideal RTD coffee drinks, May 2018

What it means

The Market – What you need to know

Coffee market grows in 2018 and positive forecast seen through 2023

RTD coffee stands out as dynamic, fast-growing segment

Creamer market's fairly stable trajectory projected to continue

Foodservice competes, but also shapes demand and innovation

Tea, soda and sports drinks widely used as energizing beverages

Market Size and Forecast

Growth climbs in 2018 and is forecast to continue through 2023

Figure 8: Total US sales and fan chart forecast of coffee, at current prices, 2012-22

Figure 9: Total US retail sales and forecast of coffee, at current prices, 2012-22

Market Breakdown

RTD coffee drives category growth

Figure 10: Percent market share of coffee market, by segment, 2016 and 2018

Roasted coffee dominates segment, but growth is stagnant

Single-cup continues to draw consumers and posts 6% two-year growth

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Coffee - US - July 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Dynamic RTD segment propels market forward as sales drop for instant

Figure 11: Total US retail sales of coffee, by segment, at current prices, 2016 and 2018

RTD coffee and single-serve forecast to drive market, build share through 2023

Figure 12: Total US retail sales and forecast of coffee by segment, at current prices, 2012-22

Supermarkets remain single-largest channel for coffee sales

"Other" retailers are growing share and expanding private label presence

Figure 13: Total US retail sales of coffee, by channel, at current prices, 2016 and 2018

Market Perspective – Cream and Creamers

Creamer market posts stable growth, increases projected through 2023

Figure 14: Total US retail sales and forecast of cream and creamers, at current prices, 2013-23

Market Perspective

Food service competes, but also shapes demand and innovation

Competition from energy drinks, including coffee-flavored options

Tea, soda and sports drinks widely used as energizing beverages

Figure 15: Other drinks used for energy other than energy drinks/shots, March 2018

Market Factors

Consumer economic confidence shapes discretionary expenditures on beverages

Figure 16: Consumer confidence and unemployment, 2000-may 2018

Younger consumers are shifting category leaders

Figure 17: Type of coffee consumed most often, for grounds, by age, May 2018

Figure 18: Type of coffee consumed most often, for RTD, by age, May 2018

Figure 19: US Population aged 18+, by age, 2013-23

Multicultural growth

Figure 20: Distribution of population, by age race and Hispanic origin, 2018

Studies suggest coffee's benefits to health and longevity

Key Players – What You Need to Know

Market leader JM Smucker loses share, Starbucks posts growth

"Other" suppliers build share, especially in RTD segment

Private label build share, especially with premium offerings

RTD segment grows, with many strong performers, especially in cold brew

Forward-looking innovation widespread in the RTD segment

Brand Sales of Coffee

In fragmented landscape, JM Smucker struggles, as Starbucks rises

Three major medium sized players also lose share

"Other" suppliers – including many niche brands – are fastest growing

Figure 21: Multi-outlet sales of coffee, by leading companies, rolling 52 weeks 2016 and 2017

What's Working?

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Coffee - US - July 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Restaurant and coffee shop branded roast and pods

Figure 22: K-cup Original Donut Shop Coffee Ad, 2018

Private label gains share, especially in single-serve pod and RTD segments

RTD coffee grows, with many strong performers, especially in cold brew

North American Coffee Partnership grows sales from leading segment position

Figure 23: Starbucks Mocha Frappuccino bottle – flavor like no other Ad, 2018

Range of food & beverage suppliers expand their reach into RTD segment

Smaller players build share and drive innovation, especially in cold brew

What's Struggling?

Legacy brands struggle, especially in roasted coffee and single serve

Instant coffee loses appeal and continues to see sales tumble

What's Next?

More RTD choices made with nut-based milks and oils

Hybrid cold brew coffees

Functional coffee: added caffeine, protein, vitamins and other benefits

Figure 24: Starbucks Plus Coffee single serve pods Ad, 2018

Attention to ethical sourcing, already widespread, may go further

Figure 25: Green Mountain Coffee Ad, 2018

The Consumer – What You Need to Know

Grounds are most widely used, followed by pods and RTD offerings

Age shapes consumption, with users 18-34 using wider range

Consumers define premium coffee by superior taste first

Interest high in foodservice branded RTD choices

RTD coffee consumers eager for additives that can provide BFY benefits

Vanilla, hazelnut and chocolate top flavor interest

National, foodservice and premium private label are all widely used

Coffee Consumption

Grounds are most widely used, followed by pods and RTD offerings

Figure 26: Consumption of coffee – by type of coffee, May 2018

Caffeinated and brewed more popular than decaf or espresso

Figure 27: Consumption of coffee - grounds, pods and instant, May 2018

Flavored RTD coffees are most popular

Figure 28: Consumption of RTD coffee, May 2018

Older consumers stick to grounds, youth experiment and seeks RTD coffee

Figure 29: Consumption of coffee, by age, May 2018

More affluent HHs show preference grounds and pods

Figure 30: Consumption of coffee, by household income, May 2018

Hispanics show strong engagement, including high usage of RTD

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Coffee - US - July 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 31: Consumption of coffee, by Hispanic origin, May 2018

Qualities of Premium Coffee

Consumers define premium coffee by superior taste first

Figure 32: Premium coffee qualities, May 2018

Figure 33: TURF Analysis – Defining premium coffee, May 2018

Figure 34: Table - TURF Analysis – Defining premium coffee, May 2018

Younger consumers expect premium to have more natural, green profile

Figure 35: Premium coffee qualities, by age, May 2018

Affluent consumers may prioritize taste, seek small batch products

Figure 36: Premium coffee qualities, by household income, May 2018

Hispanic consumers value more natural, eco-friendly qualities in premium

Figure 37: Premium coffee qualities, by Hispanic origin, May 2018

Qualities Sought in RTD Coffee

Interest high in coffee shop/restaurant RTD creations

Figure 38: interest in RTD coffee innovations, May 2018

RTD coffee users 45+ especially interested in coffee shop, restaurant brands

Figure 39: interest in RTD coffee innovations, by age, May 2018

RTD coffee consumers eager for BFY benefits

Figure 40: Attributes in ideal RTD coffee drink, May 2018

RTD coffee with health/wellness additives build appeal to those 45+

Figure 41: Attributes in ideal RTD coffee drink, by age, May 2018

RTD coffee with high caffeine and protein likely to appeal to men

Figure 42: Attributes in ideal RTD coffee drink, by gender, May 2018

Hispanic consumers seek RTD coffee drinks with a health halo

Figure 43: Attributes in ideal RTD coffee drink, by Hispanic origin, May 2018

Flavors of Coffee

Vanilla, hazelnut and chocolate engage most interest

Figure 44: Coffee flavors interested in trying, May 2018

Interest high in flavors, except among those aged 55+

Figure 45: Coffee flavors interested in trying, by Age, May 2018

Hazelnut, banana and alcohol flavored coffees appeal to

Figure 46: Coffee flavors interested in trying, by Hispanic origin, May 2018

Brands

National, foodservice and premium private label are all widely used

Figure 47: Types of brands purchased, by type of coffee, May 2018

Usage of national brands highest in grounds and instant

Figure 48: Types of brands purchased, by type of coffee, May 2018

Figure 49: Correspondence Analysis – Coffee/tea brand type purchase, May 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com

Coffee - US - July 2018

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 50: Coffee/tea brand type purchase, May 2018

National brands used more exclusively by those aged 55+

Figure 51: Types of brands purchased, by age, May 2018

Income shapes brand choice, but is not necessarily dominant factor

Figure 52: Types of brands purchased, by household income, May 2018

Appendix – Data Sources and Abbreviations

Data sources

Sales data

Fan chart forecast

Consumer survey data

Direct marketing creative

Abbreviations and terms

Abbreviations

TURF methodology

Correspondence Analysis Methodology

Appendix – Market

Figure 53: Total US retail sales and forecast of coffee, at inflation-adjusted prices, 2013-23

Figure 54: Total US retail sales and forecast of roasted coffee, at inflation-adjusted prices, 2013-23

Figure 55: Total US retail sales and forecast of single-cup coffee, at inflation-adjusted prices, 2013-23

Figure 56: Total US retail sales and forecast of instant coffee, at inflation-adjusted prices, 2013-23

Figure 57: Total US retail sales and forecast of ready-to-drink coffee, at inflation-adjusted prices, 2013-23

Figure 58: Total US retail sales of coffee, by retail channel, at current prices, 2013-18

Appendix – Key Players

Figure 59: MULO sales of roasted coffee by leading companies and brands, rolling 52 weeks 2017 and 2018

Figure 60: MULO sales of single-cup coffee by leading companies and brands, rolling 52 weeks 2017 and 2018

Figure 61: MULO sales of instant coffee by leading companies and brands, rolling 52 weeks 2017 and 2018

Figure 62: MULO sales of ready-to-drink coffee by leading companies and brands, rolling 52 weeks 2017 and 2018

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 |

EMAIL: reports@mintel.com