Coffee Houses and Donut Shops - US - October 2012

Scope and Themes

"As the economy rebounds, are consumers returning to their pre-recession ways or do operators need to create a new, more compelling reason to get consumers to unplug the home coffee maker? Operators are turning their attention from their core coffee/donut business to be all-day dining options. Also, while different demographic groups exhibit different preferences, attitudes, and behavior regarding coffeehouses and donut shops, they oftentimes do not compete, making it possible to meet the specific needs of many target groups."

– Bethany Wall, Foodservice Analyst

In this report we answer the key questions:

- **How can restaurants break free of breakfast-only sales?**
- **Do restaurants have to be all things to all people?**
- **How has the economy affected consumer behavior?**
- **What can coffeehouses and donut shops do to beat competitors?**

Mintel's *Coffeehouses and Donut Shops—U.S., October 2012* estimates that overall on-premise sales at these establishments in the U.S. hit $28 billion in 2012, a 6.8% gain over 2011, and are expected to reach $33 billion by 2017. Coffeehouses and donut shops are introducing more food items focusing on baked goods and breakfast items that include a host of better-for-you (BFY) options. They are also adding a greater variety of specialty beverages including teas, juices, and alcoholic drinks, such as beer and wine. While home brewing, grocery stores, and other restaurants pose a threat, coffeehouses and donut shops have entered their own products into these areas, which has added to overall sales instead of cannibalizing market share. New delivery methods and advances in technology will be a strong driver of growth while the economy, health legislation, and commodity prices pose a challenge.

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 Houses and Donut Shops - US - October 2012

Scope and Themes

Among the topics covered in this report are:

- What is driving the current coffeehouse and donut shop market as well as future projections
- Marketing strategies across many advertising media as well as menu and pricing promotions
- Menu trends over the past three years covering multiple daypart and menu sections
- Consumer ordering behavior, including time of day, items purchased, and activities at restaurants
- Data revealing consumers' preferences and what influences purchase decisions
- Usage group breakdowns by demographic and their corresponding attitudes and behaviors

This report builds on the analysis presented in Mintel's *Coffeehouses and Donut Shops—U.S., October 2011,* as well as the June 2010, May 2009, and July 2008 reports of the same title.

The report focuses on coffeehouse and donut shop trends and menu analysis using Mintel's Menu Insights database as well as consumer survey analysis revealing behavior and attitudes toward the segment.

This report covers two types of foodservice operations in which prepared coffee beverages are often the primary sales item: coffeehouses and donut shops.

- **Coffeehouses** include freestanding stores, kiosks, and coffee carts, as well as those located in malls, office buildings, and hospitals, if operated independently of the facility that houses them. Coffeehouses may sell other items in addition to coffee, such as sweets, tea, travel mugs, and coffee beans, but the main product is coffee and coffee-based beverages.
- **Donut shops** are similarly housed units where donuts, coffee, and baked goods are featured prominently on the menu.

The report excludes other types of outlets that sell coffee, such as restaurants, bagel shops, smoothie shops, truck stops, convenience stores, gas stations, and diners (although some of these outlets are considered throughout the report as part of addressing the competitive landscape).

Coffee Houses and Donut Shops - US - October 2012

Contents

Coffee Houses and Donut Shops - US - October 2012

Contents

Coffee Houses and Donut Shops - US - October 2012

Contents

Coffee Houses and Donut Shops - US - October 2012

Contents

Coffee Houses and Donut Shops - US - October 2012

Contents

Coffee Houses and Donut Shops - US - October 2012

Contents