

## Coffee Shops - UK - December 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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“In a market with low brand loyalty, operators could benefit from building a deeper relationship with fans to foster real loyalty rather than just catering to consumers’ bargain-hunting and promiscuous spending behaviour.”  
– Helena Childe, Senior Foodservice Analyst

### This report looks at the following areas:

- Diversifying selling formats offers scope for growth
- Operators must tap into brand personality trends to foster loyalty
- Scope for further menu expansion
- Diversifying drinks ranges could help create standout

Consumers’ overall frequency of purchasing hot drinks out of home has remained relatively unchanged between 2013 and 2014 despite improvements in consumer confidence over the period. That said, the largest player in the market, Costa Coffee, has managed to continue to increase customer transactions in 2014.

Developments such as expanding food menus and mobile apps to push promotions are increasingly common as specialists fight for market share of the out-of-home hot drinks market, not just from each other but also from non-specialist competitors increasingly targeting this occasion.

Outlet diversification continues to be a key trend as operators look to develop a stable of different outlet formats in order to cater to the contrasting demands of various locations and help bolster usage. For example, express/self-service units cater for grab-and-go occasions while at the other end of the spectrum, café/restaurant-like venues target more leisure-focused locations. Various operators are also working with retailers to create in-store catering outlets to benefit from the shared footfall.

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