

Coffee Houses and Tea Shops - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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



"Coffee remains one of America's most popular beverages and the influence of coffee houses are still growing. These chains are using more technology than ever before, testing the delivery waters, and are adopting some of the practices of the third wave coffee chains."

- Caleb Bryant, Foodservice Analyst

This report looks at the following areas:

- Heated competition in the coffee and tea market
- Caffeine concerns among the health conscious
- Coffee and tea from abroad

For the purposes of this report, here's how we've defined this topic and market

It includes: this report focuses on coffee houses and tea shops, both independents and chains (eg, Starbucks, Peet's, Argo Tea, and Stumptown). It will also cover coffee and tea within foodservice in general and will include examples and analysis of non-coffee or tea specific locations such as Dunkin' Donuts, McDonald's, or Panera Bread. Please note this report builds off of the *Coffee Houses and Donut Shops – US, December 2014* report. While donut shops will not be explicitly covered, there is some analysis surrounding Dunkin' Donuts.

It excludes: detailed analysis of retail coffee or tea (eg, bagged coffee in a grocery store or RTD tea). Some retail examples will be in the report, but it is not an area of focus. For more information on coffee or tea in retail, please see Mintel's reports: *Coffee – US, September 2015* and *Tea & RTD Tea – US, July 2015*.

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 Houses and Tea Shops - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

The issues

Heated competition in the coffee and tea market

Figure 1: Purchased a coffee or tea beverage from segment in past three months, October 2015

Caffeine concerns among the health conscious

Figure 2: Coffee house and tea shop statement agreement, any agree, October 2015

Coffee and tea from abroad

Figure 3: Coffee house and tea shop statement agreement, "I'm interested in visiting internationally-based coffee house chains in the US," any agree, October 2015

The opportunities

Consumers are open to new/innovative beverages

Figure 4: Coffee house and tea shop statement agreement, "I like trying new/innovative coffee and/or tea drinks," any agree, October 2015

Evening offerings may increase visitation

Figure 5: Coffee/tea evening visitation motivators, October 2015

Millennial parents are key consumers

Figure 6: Coffee house and tea shop statement agreement, any agree, October 2015

What it means

The Market – What You Need to Know

Price of coffee falls

Turning to tea

Millennials are having kids

Market Factors

Cheaper coffee may not lead to cheaper drinks

Figure 7: Monthly average price for raw coffee supplies, January 2012-September 2015

Tea imports, retail consumption raise

Figure 8: US imports of tea and mate in metric tons, 1999-2013

Parental Millennials

Key Players – What You Need to Know

Third wave coffee

Globalization of coffee houses and tea shops

Tea time

Third Wave Coffee and Tea

History of the coffee "waves"

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 Houses and Tea Shops - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Third wave coffee players

What it means

Fourth wave on the horizon?

International Chains

Foreign players enter the market

Tea Shops

Tea shop chains

MMI Analysis

Espresso beverages on the rise

Fruity tea flavors experience growth

What's Working?

Mobile payments pay off for shops

Cold brew coffee

What's Next?

Coffee to you

Beverages to watch

Consider functionality

Food for thought

The Consumer – What You Need to Know

Older Millennials are passionate about coffee and tea

Hispanics are visiting coffee and tea chains; prefer bold drinks

Highlight natural claims

Coffee and Tea Segment Visitation

Coffee house chains most visited; tea shops trail behind

Figure 9: Purchased a coffee or tea beverage from segment in past three months, October 2015

Tea shop visitors

Figure 10: Purchase a coffee or tea beverage from segment in past three months, October 2015

Gender Differences

Men are willing to pay; women want deals and are less enthusiastic

Figure 11: Coffee house and tea shop statement agreement, any agree, October 2015

Figure 12: Most important factors when choosing a coffee house or tea shop

Parents

Parents care more about secondary factors

Figure 13: Coffee house and tea shop statement agreement, any agree, October 2015

Opportunity exists to market coffee house/tea shop food to parents

Figure 14: Most important factors when choosing a coffee house or tea shop, any agree, October 2015

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 Houses and Tea Shops - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Figure 15: Coffee house and tea shop statement agreement, any agree, October 2015

Age Differences

The youngest consumers

Figure 16: Purchased a coffee or tea beverage from segment in past three months, October 2015

Older Millennials: The key demographic

Figure 17: Coffee house and tea shop statement agreement, Coffee/tea beverages should be made with all natural ingredients, any agree, October 2015

Figure 18: Coffee house and tea shop statement agreement, any agree, October 2015

Boomers: Provide them a quality coffee and tea menu

Figure 19: Coffee/tea evening visitation motivators, October 2015

Figure 20: Most important factors when choosing a coffee house or tea shop

Hispanic

Hispanics are heavy coffee/espresso drinkers

Figure 21: Coffee beverages consumed in the past three months (both at home and away from home), Q3 2015

Hispanics are coffee/tea chain users, show interest in evening options

Figure 22: Purchased a coffee or tea beverage from segment in past three months, October 2015

Consumers and Third Wave

Will third wave catch on?

Figure 23: Coffee house and tea shop statement agreement, any agree, October 2015

Key driver analysis

Methodology

True coffee lovers will pay for single-origin beverages

Figure 24: Key drivers of agreement: Single-source coffee or tea beverages are worth paying more for, October 2015

What it means

Coffee and Tea Flavors and Condiments

Coffee roasts

Figure 25: Condiment/flavor appeal – Coffee roasts, October 2015

Coffee flavors

Tea flavors/varieties

Figure 26: Condiment/flavor appeal – Tea flavors/varieties, October 2015

Sweeteners

Creamers

TURF analysis – Condiments

Methodology

Provide a mix of natural and artificial options to satisfy all consumers

Figure 27: TURF analysis – Sweeteners, October 2015

Figure 28: TURF analysis – Creamers, October 2015

Coffee and Tea Tracker

At home versus away from home

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 Houses and Tea Shops - US - December 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

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

Figure 29: Coffee beverages consumed in the past three months (both at home and away from home), Q3 2015

Coffee and tea consumption: Demographics

Coffee Shop and Tea House Evening Visitation

Evening visitation strategies: Focus on price

Figure 30: Coffee/tea evening visitation motivators, October 2015

Evening visitation strategies: Serve alcohol

Evening visitation strategies: Relaxation beverages

Figure 31: Yogi Bedtime Tea

Figure 32: Counting Sheep Coffee 40 Winks Blend

Natural and Low-Caffeine Beverages

Highlight natural products

Figure 33: Coffee house and tea shop statement agreement, "Coffee/tea beverages should be made with all natural ingredients," any agree, October 2015

Potential may exist for lower caffeine beverages

Figure 34: Coffee house and tea shop statement agreement, any agree, October 2015

Qualitative Analysis – Brand Personification

Methodology

Starbucks: Young, fit, and professional

Dunkin' Donuts: The choice for working Americans

McDonald's: Parent needing a boost

Independents: A place for hipsters

Qualitative Analysis – Additional Topics

The ideal coffee house or tea shop app

Coffee and Tea Delivery

Delivery viability and marketing strategies: A quantitative and qualitative perspective

Figure 35: Coffee house and tea shop statement agreement, "Coffee houses and tea shops should offer delivery services", any agree, October 2015

Appendix – Data Sources and Abbreviations

Consumer survey data

Consumer qualitative research

Abbreviations and terms

Abbreviations

Appendix – TURF

Figure 36: Table – TURF Analysis – Sweeteners and creamers, October 2015

Appendix – Key Driver Analysis

Interpretation of results

Figure 37: Key drivers of agreement: single-source coffee or tea beverages are worth paying more for – Key driver output, October 2015

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