

Coffee - UK - October 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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



“Britain today is a nation of coffee drinkers as much as tea lovers, usage of each standing at four out of five adults. The industry stalwarts, however, face a challenge in that the younger age groups are noticeably less brand-loyal than older coffee lovers.”

– **Kiti Soininen, Category Director, UK Food & Drink Research**

This report looks at the following areas:

Compelling storytelling can win them over, but this is a sphere in which craft brands have taken the lead.

- **Storytelling has potential to engage the young**
- **Tangibility is needed for brands to capitalise on their ethical endeavours**
- **Coffee in the style of different countries interests half of users**

**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 - UK - October 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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
- Products covered in this Report
- Excluded

Executive Summary

- The market
- Falling prices see coffee volumes grow ahead of values in 2018 and 2019
 - Figure 1: UK retail value sales of coffee, 2014-24
- Further modest volume growth expected going forward
- Instant coffee remains dominant
 - Figure 2: UK retail value sales of coffee, by segment, 2017-19
- Household incomes are up but future remains uncertain
- Companies and brands
- Nescafé's sales dip, Kenco grows
 - Figure 3: Leading brands' sales and shares in the UK retail instant coffee market, by value, 2017/18 and 2018/19
- Taylors retains top position by value in ground coffee/coffee beans
- Environmentally friendly claims rise further
- Nestlé moves into coffee bags, organic and plant-based
- Rise in above-the-line spending in 2018
- 2019 themes range from curiosity to authenticity and coffee bags
- The consumer
- Four in five adults drink coffee
 - Figure 4: Types of coffee drunk at home in the last month, June 2019
- Favourite brand matters to half of coffee drinkers, ethical to one in four
 - Figure 5: Factors considered most important in coffee, June 2019
- One in three are interested in coffee to help them relax
 - Figure 6: Interest in product concepts in coffee, June 2019
- Coffee in the style of different countries interests half of users
 - Figure 7: Behaviours relating to coffee, June 2019
- What we think

Issues and Insights

- Storytelling has potential to engage the young
- The facts
- The implications
- Tangibility is needed for brands to capitalise on their ethical endeavours
- The facts

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 - UK - October 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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

The implications

Coffee in the style of different countries interests half of users

The facts

The implications

The Market – What You Need to Know

Falling prices see coffee volumes grow ahead of values in 2018 and 2019

Further modest volume growth expected going forward

Instant coffee remains dominant

Household incomes are up but future remains uncertain

Market Size and Forecast

Falling coffee prices see volumes grow ahead of values in 2018

Figure 8: UK retail value and volume sales of coffee, 2014-24

Further modest volume growth expected going forward

Figure 9: Forecast of UK retail value sales of coffee, 2014-24

Figure 10: Forecast of UK retail volume sales of coffee, 2014-24

Forecast methodology

Market Segmentation

Instant coffee remains dominant

Figure 11: UK retail value and volume sales of coffee, by segment, 2017-19

Ground coffee and beans continue to grow

Coffee pods remain stagnant in volume

Market Drivers

Ageing population will support retail coffee sales

Figure 12: Trends in the age structure of the UK population, 2014-19 and 2019-24

Coffee shops pose competition to retail coffee, but continue to inspire NPD

Public spotlight on packaging waste

BCA announces sustainability goals for coffee category

Household incomes are up but future remains uncertain

Figure 13: Annual percentage change in CPI and AWE (regular pay), monthly basis, January 2013-April 2019

Companies and Brands – What You Need to Know

Nescafé's sales dip, Kenco grows

Taylors retains top position by value in ground coffee/coffee beans

Environmentally friendly claims rise further

Nestlé moves into coffee bags, organic and plant-based

Rise in above-the-line spending in 2018

2019 themes range from curiosity to authenticity and coffee bags

Market Share

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 - UK - October 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Nescafé's sales dip

Figure 14: Leading brands' sales and shares in the UK retail instant coffee market, by value and volume, 2017/18 and 2018/19

JDE sees growth for most of its brands

Carte Noire back in growth under Lavazza

Taylors retains top position by value in ground coffee/coffee beans

Figure 15: Leading brands' sales and shares in the UK retail ground coffee/coffee beans market (excluding coffee pods), by value and volume, 2017/18 and 2018/19

Launch Activity and Innovation

Pods/bags continue to garner the most NPD activity

Figure 16: Share of new product launches in the UK retail coffee market, by format, 2015-19

Nescafé moves into coffee bags...

...in a step needed to engage younger coffee lovers

Figure 17: Selected coffee bag launches, 2019

Nestlé expands its offering

Starbucks-branded launches roll out in 2019

Nescafé Gold moves into organic...

... and embraces plant-based trend

Figure 18: Selected coffee launches by Nestlé, 2019

Nespresso showcases rare coffees with "Reviving Origins"

Nescafé Azera revamps packaging

Figure 19: Nescafé Azera previous and revamped packaging, 2018 and 2019

Environmentally friendly claims rise further

Environmentally friendly packaging claims rise

Half of launches make environmentally friendly product claims

Figure 20: Share of UK coffee launches featuring ethical claims, 2015-19

Lavazza launches compostable coffee pods

Smaller brands explore sugarcane and lignin

Figure 21: Examples of compostable coffee launches, 2019

Coffee looks to plants for a boost and alternatives

Mushrooms and beetroot make their way to coffee

Figure 22: Mushroom and beetroot coffee launches, 2018-19

Competition ramps up further in RTD coffee

Leading soft drinks conglomerates enter RTD coffee

Own-label and brands from outside coffee also heat up competition

Figure 23: Selected iced coffee launches, 2019

Advertising and Marketing Activity

Rise in above-the-line spending

Figure 24: Total above-the-line, online display and direct mail advertising expenditure on coffee, 2016-19

Figure 25: Above-the-line, online display and direct mail advertising expenditure on coffee, by top advertisers, 2016-19

Nescafé Azera focuses on curiosity in brand overhaul

**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 - UK - October 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Taylors of Harrogate campaign puts the spotlight on coffee bags
JDE continues to support L'OR and steps up spend on Kenco
Lavazza highlights Italian origin in "More than Italian" advert
Lavazza announces football partnerships
Nielsen Ad Intel coverage

The Consumer – What You Need to Know

Four in five adults drink coffee
Favourite brand matters to half of coffee drinkers
Ethical factors valued by just one in four
One in three are interested in coffee to help them relax
Coffee that is good for digestion appeals to one in three
Coffee in the style of different countries interests half of users
Subscription services appeal to one in three

Types of Coffee Drunk at Home

Four in five adults drink coffee
Instant leads, other formats are making headway among younger groups
Figure 26: Types of coffee drunk at home in the last month, June 2019
Decaf gains modest ground
Figure 27: Drinking of standard and decaffeinated coffee, June 2019

Factors Most Important in Coffee

Favourite brand matters to half of coffee drinkers
Figure 28: Factors considered most important in coffee, June 2019
Storytelling holds potential to engage the young
Figure 29: Coffee launches spotlighting the brand story, 2018-19
The 'technical' details of coffee spark limited interest
Figure 30: 'Discover a world of coffee' map at Sainsbury's, March 2019
Ethical factors valued by just one in four
Organic can fuel interest by spotlighting tangible aspects
Figure 31: Source Climate Change Coffee and Arvid Nordquist Giusto Espresso highlight sustainability, 2019

Interest in Innovation in Coffee

One in three are interested in coffee to help them relax
Figure 32: Interest in product concepts in coffee, June 2019
Marketing holds potential to help align coffee brands with relaxation
Figure 33: Coffee launches calling out relaxation on-pack, 2018-19
Coffee that is good for digestion interests one in three
Calling out lows and highs to forge digestion-friendly connotations
Figure 34: Examples of international coffee products linking with digestive benefits, 2018-19
Pesticide-free farming chimes with 28%

**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 - UK - October 2019

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 35: Cafédirect Organic Peruvian Reserve and CRU Kafe Organic Espresso Blend, 2018-19

Behaviours Relating to Coffee

Flavour descriptions leave coffee drinkers wanting

Figure 36: Behaviours relating to coffee, June 2019

Coffee in the style of different countries interests half of users

The young show the keenest interest in international coffees

Subscription services appeal to one in three

Numerous small brands offer subscription schemes

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Forecast methodology

Figure 37: Total UK retail value sales of coffee, best- and worst-case forecast, 2019-24

Figure 38: Total UK retail volume sales of coffee, best- and worst-case forecast, 2019-24

Appendix – Market Share

Figure 39: Leading manufacturers' sales and shares in the UK retail instant coffee market, by value and volume, 2017/18 and 2018/19

Figure 40: Leading manufacturers' sales and shares in the UK retail ground coffee/coffee beans market (excluding coffee pods), 2017/18 and 2018/19

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