

Coffee - China - August 2014

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"Brands can market the western coffee culture to Chinese consumers, but still need to localise their products to fit Chinese palates. For the dominant instant coffee segment, growth opportunities come from expanding usage occasions and upgrading the majority medium users to heavy users through product innovation and advertisements."

- Hao Qiu, Research Analyst

This report looks at the following areas:

- How can brands encourage more habitual consumption of instant coffee?
- How can brands overcome the taste and cost barriers of fresh coffee?
- How to change consumers' negative perception of RTD coffee?
- How to motivate young consumers to drink more coffee?

China's coffee market has enjoyed a rapid rise and its retail market value almost doubled from 2009 to 2013. The market has benefited from China's ongoing urbanisation, the rising income levels of Chinese consumers and greater affinity towards western culture and lifestyles. As coffee products become more and more accessible and affordable to a larger population, the market is forecast to keep growing in the coming five years.

Brands can market the western coffee culture to Chinese consumers, but still need to localise their products to fit Chinese palates. For the dominant instant coffee segment, growth opportunities come from expanding usage occasions and upgrading the majority medium users to heavy users through product innovation and advertisements. Moreover, there exists opportunities to encourage consumers to drink more premium products, such as premium instant coffee and fresh coffee.

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

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