

Coffee - UK - September 2018

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“Coffee drinking is ingrained among Brits, with usage on-par with the quintessentially British tea. However, a plateauing in pod machine ownership has put the brakes on coffee pods’ growth and slowed the overall volume performance.”

– Anita Winther, Research Analyst

This report looks at the following areas:

- Green credentials of packaging warrant attention also in the coffee category
- Cold brewing can open new usage occasions for coffee
- Reusable pods could polish green credentials of pod machines

While the retail coffee market has enjoyed volume growth of 5% over 2013-17, performance across the segments has varied. Coffee pods were the main driver of growth over 2013-14; however, pod machine ownership has now plateaued, putting a dampener on volume growth. Meanwhile, ground coffee and coffee beans have seen volume sales grow on the back of Brits’ connoisseur interest in coffee. Against this backdrop, instant coffee saw sales chipped away over 2013-17 as consumers switched to the other two segments. This trading up, combined with rising inflation, has seen value sales grow ahead of volumes.

There remains notable interest in owning coffee pod machines among current non-owners; however, unlocking this potential is proving challenging with prices of both the machines and the pods a barrier, while the current spotlight on packaging waste is also not working in their favour. Meanwhile, interest in cold brewing coffee at home could open up new usage occasions for ground coffee.

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DID YOU KNOW?

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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