

Tea Shops - China - November 2018

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“Consumers are mostly taste-led when choosing tea shop drinks, and they would like to pay more for natural and fresh ingredients. The seemingly non-stop innovation activity in this foodservice area has been driving much of the business revenue.”

– **Belle Wang, Associate Analyst, Food and Drink**

This report looks at the following areas:

- Younger consumers like blended drinks while older like pure drinks
- Potential collaboration with different service shops
- IP collaboration has potential to enlarge consumer scope

The market value of tea shop drinks has experienced a surge over the last five years and is estimated to be RMB48.5 billion with a CAGR (Compound Annual Growth Rate) of 14.1% from 2017-18, followed by a falling CAGR in the following years. Compared with the value, volume will retain a relatively stable CAGR after reaching 1,293 million litres in 2017-18.

Mintel's research shows that consumers' choices of tea shop drinks are mostly taste-led, and they would like to pay more for natural and fresh ingredients. Going out shopping and hanging out with friends are the main consumption occasions; also most consumers would treat tea shops as a meet-up point or a resting place. Just over a third of people have bought tea shop drinks in working occasion, but this occasion has the potential to grow further.

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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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The facts

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