

Foodservice Coffee and Tea: Incl Impact of COVID-19 - US - July 2020

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“Demand for premium made-to-order coffee was strong at the start of 2020 but the market was completely shaken by pandemic-related disruptions. High unemployment is encouraging consumers to choose affordable retail coffee products while the increase in remote working reduces many consumers’ need for AFH coffee.”

- Amanda Topper, Associate Director of Foodservice Research

This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and the foodservice coffee and tea market
- How foodservice coffee and tea operators will fare in a recession
- Coffee and tea menu trends and innovation opportunities
- Which demographics are driving the market forward

As 2020 started out, demand for prepared coffee drinks was strong and, in most cases, stable. More than a third of consumers had increased their foodservice coffee purchases year over year, prior to COVID-19. The foodservice coffee and tea market has become highly segmented, with three dominant chains – Starbucks, Dunkin’ and McDonald’s – selling the majority of coffee. C-stores and LSRs compete for the rest, while independent coffee shops fill niches for artisanal, specialized drinks. COVID-19 has made competition from retail options even more intense, with the dominant chains quickly recalibrating to respond to shrinking business and new service needs.

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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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Abbreviations

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