

Coffee: Inc Impact of COVID-19 - UK - September 2020

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“COVID-19 has provided the coffee market with a temporary boost, as the nationwide lockdown brought out-of-home coffee to the home overnight. As the lockdown continues to be eased, however, more coffee occasions are expected to shift back out of home, albeit to a lesser extent than previously.”

– Amy Price, Senior Food and Drink Analyst

This report looks at the following areas:

- The impact of COVID-19 on the coffee retail market
- Launch activity and opportunities for 2020
- Frequency of usage of coffee
- Reasons to drink coffee and factors influencing choice
- Consumer behaviours and attitudes related to coffee

Price is a consideration for 64% of coffee buyers, reflecting the array of choice available for shoppers in this highly competitive market. With the UK entering into a recession in 2020, however, this is likely to become more of a determining factor as people look to tighten their purse strings, with 44% saying a lack of funds would prompt switching to a cheaper coffee brand.

The boost to the retail coffee market brought about by the nationwide lockdown is expected to continue as consumers face further restrictions, are encouraged to work from home and are keen to save money on non-essentials. A reluctance to visit foodservice venues has also boosted the market. The expected shift towards more home working long term will see more at-home coffee occasions going forward, which should continue to fuel the premiumisation trend.

As a 'new normal' is reached, competition from out-of-home coffee occasions will return, although to a lesser extent than previously. Furthermore, the recession and income squeeze will see consumers looking to make easy savings in their grocery shops, dialling up the need for coffee brands at retail to prove their value proposition.

The continuing consumer focus on health provides opportunities for the category to tap into. Coffee featuring indulgent flavours, for example, inspired by treats or coffee-shop style favourites offers an alternative way to treat oneself, with 19% drinking coffee as a treat. Meanwhile, that 29% state they drink coffee to relax or de-stress offers scope for brands to bolster their links to emotional wellbeing, pertinent in the context of the pandemic.

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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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