

Coffee Shops: Inc Impact of COVID-19 - UK - November 2020

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This report looks at the following areas:

- The impact of COVID-19 on the coffee shops market, with a focus on consumers' decision-making process.
- The impact of COVID-19 on consumers' coffee shop visiting and purchasing habits.
- Consumers' satisfaction levels towards their most recent coffee shop drink purchase.
- Consumers' attitudes towards the four Ps (product, place, price, promotion) of coffee shops.

As of September 2020, 23% of coffee shop consumers intended to buy drinks from these venues less often in the next three months compared to the previous three months. A further 8% did not intend to buy drinks from coffee shops at all, suggesting that some consumers may have found alternative ways of getting their caffeine fix, including making their own coffee shop styled drinks at home and shifting to other types of drinks.

COVID-19 has dealt a devastating blow to the market, not just in terms of enforced closures in 2020 but also in terms of the longer-term damage to the economy as well as the impact of consumers' lifestyle habits. Coffee shops based in major cities and near to offices or train stations will be most badly hit by a drop in footfall as a result of more flexible working practices and the decline in use of public transport.

The encroachment of food-led venues such as Pret and McDonald's on the market is also evident as more Britons who buy drinks out of the home are purchasing from non-specialist coffee shops rather than from coffee shops (62% vs 56%).

However, the drive-thru concept in particular is making strides in appealing to city and large town consumers. While coffee shop home delivery services and mobile kiosk concepts are still very new and demand remains low, there is



"Consumers' interest in coffee shop products for at-home use is driven by changes in their daily lives as many are spending more time than ever inside their homes and shopping more online, unlocking opportunities for coffee shops to bring their brands into people's homes through e-commerce."

– Trish Caddy, Senior Foodservice Analyst – 20 November 2020

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growth potential for these new distribution channels if more consumers start to move out of cities, or those already living in large towns spend less time commuting in to city offices.



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