This report looks at the following areas:

- Market growth and competitive landscape of on-premise coffee.
- Innovative product launches and marketing activities for on-premise coffee.
- Consumers’ usage and drink selection in on-premise coffee.
- Consumption occasions and purchasing behaviour in on-premise coffee.

Thanks to the quick recovery of foodservice consumption, the market value of on-premise coffee is expected to rebound from COVID-19. As key players continue expanding and investment flows into the on-premise coffee market, the total number of outlets is estimated to increase in 2021 to 187,000 units.

On-premise coffee enjoys a penetration of 65%, the highest among all types of coffee. However, on-premise coffee brands, especially coffee houses, are failing to stand out amid the competition due to homogeneous offerings. Also they are confronting competition from instant coffee and RTD coffee in weekdays consumption, where on-premise coffee is less preferred by consumers.

Though on-premise loses out in the competition for weekdays, consumers prefer delivery service and on-premise coffee for the noon and afternoon occasions at weekends, reflecting the potential of convenience and on-premise coffee’s crucial place in social occasions.

Apart from taste, consumer preferences in other factors such as roast degree and origin are not yet fully developed. In contrast, consumers who prefer black coffee have demonstrated that they are more knowledgeable in coffee, showing premiumisation opportunities in black coffee. However, this group still make up a minority of consumers. Therefore, consumer education still has a long way to go.

“Thanks to the recovery of foodservice, on-premise coffee rebounded from COVID-19 quickly with the continued expansion of key players and investment flows in the industry.”

– Rika Huang, Research Analyst
Table of Contents

OVERVIEW

• What you need to know
• Key issues covered in this report
• Covered in this report

EXECUTIVE SUMMARY

• The market
• Quick rebound from COVID-19
  Figure 1: Forecast of on-premise coffee industry, by value sales, China, 2016-26
• Expansion is rapid but uncertainty prevails
  Figure 2: Forecast of on-premise coffee industry, by coffee house numbers, China, 2016-26
• Companies and brands
• Key players invest more
• Money influx empowers expansion
  Figure 3: Number of renowned brands’ coffee house outlets, China, 2019-20
• The consumer
• Higher penetration but fewer daily users than instant and RTD coffee
  Figure 4: Consumption usage – by category penetration, 2021
  Figure 5: Consumption usage – by consumption frequency, 2021
• Dense channels distribution benefits penetration
  Figure 6: Consumption channel and frequency, 2021
• Rising homogeneity among coffee houses
  Figure 7: Drink selection, 2021
• Lack of coffee knowledge leads to vague understanding of tastes
  Figure 8: Purchase factors, 2021
• Home delivery for weekdays, in-store service for weekends
  Figure 9: Purchase behaviour, 2021
• Food pairing is preferred and coffee-related products gain popularity
  Figure 10: Spinoff products at coffee houses, 2021
• What we think

ISSUES AND INSIGHTS

• Turn on-premise coffee into social currency via crossover marketing
Figure 11: Seesaw & Museum of Art Pudong, China, 2021
Figure 12: HABITAT, China, 2021
Figure 13: COS cooperates with coffee baristas, China, 2021
Figure 14: Examples of DOE’s one day barista event, China, 2021
• Enhance digitalisation and standardisation for convenience
  Figure 15: Example of Starbucks cooperating with Hema, China, 2021
• Reinterpret on-premise coffee’s function beyond refreshing
  Figure 16: Example of coffee designed to improve exercise performance, 2020
  Figure 17: Claims related to weight management of RTD coffee new launch products, China, 2016–2021
  Figure 18: Example of bulletproof coffee, 2020
  Figure 19: Example of Blueglass and Lululemon cooperation campaign, China, 2021

MARKET SIZE AND FORECAST
• Market value rebounds after COVID-19
  Figure 20: Forecast of on-premise coffee industry, by value sales, China, 2016–26
• Active expansion of key players boosts volume growth
  Figure 21: Forecast of on-premise coffee industry, by coffee house numbers, China, 2016–26

MARKET FACTORS
• Eating out consumption is trending up
  Figure 22: Change in spending – spent more, 2020–2021
• Higher income has positive impact on the penetration of on-premise coffee
  Figure 23: Consumption frequency, by personal income level, 2021
  Figure 24: National personal disposable income, China, 2019–20
• Famous Yunnan coffee beans enhance coffee localisation

MARKET SHARE
• Starbucks continues expanding both online and offline
• Luckin is reinventing its brand awareness
  Figure 25: Outlets of Luckin’s self-operated stores and partnership stores, June 2020 – June 2021
• McCafé and Par Café leverage existing channels to expand quickly
• Costa shifts focus to RTD coffee

What’s included
Executive Summary
Full Report PDF
Infographic Overview
Powerpoint Presentation
Interactive Databook

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Inflow of investment accelerates expansion of emerging brands
Figure 26: Number of renowned brands’ coffee house outlets, China, 2019-20

MARKETING ACTIVITIES

• A café in the daytime, a bar at night

• Leading brands pioneering environmentally friendly and sustainable stores
  Figure 27: Manner’s eco-friendly pop-up store in Huaihai TX, China, 2021
  Figure 28: Starbucks Greener Store, China, 2021

• Instant coffee brand competing with on-premise coffee spaces
  Figure 29: Coffee house of Saturnbird Coffee - Into_the force, China, 2021

NEW PRODUCT TRENDS

• Unconventional coffee cups
  Figure 30: Examples of on-premise coffee with various packaging, China, 2021

• Highlighting the foam texture in white coffee drinks
  Figure 31: Examples of on-premise coffee featuring rich foam, China, 2021

• Seasonings with rich taste
  Figure 32: Examples of on-premise coffee featuring seasonings, China, 2021

• Regional flavour innovation
  Figure 33: Examples of on-premise coffee featuring regional flavour, China, 2021

• Tastes from Yunnan originated beans are increasing
  Figure 34: Share of instant coffee with “Yunnan” in product description, China, 2016-21
  Figure 35: Examples of brands communicating Yunnan origin, China, 2021

CONSUMPTION USAGE

• Penetration outperforms instant and RTD coffee
  Figure 36: Consumption usage – by category penetration, 2021
  Figure 37: Consumption usage – by cross-category penetration of top 3 coffee categories, 2021

• Consumption frequency limited by convenience and availability
CONSUMPTION CHANNELS

- Increase penetration via existing channels
  Figure 39: Consumption channel – by consumption frequency, 2021
- New Retail and independent coffee houses expand in penetration
  Figure 40: Ranking of channel penetration, China, 2020-2021

DRINK SELECTION

- Convenience stores dazzle with RTD options beyond coffee
  Figure 41: Drink selection, 2021
- Coffee houses’ competitiveness hampered by homogenous offerings
  Figure 42: Drink selection, by selected channels, by selected types of drinks, 2021
- Premiumisation opportunity in Americano
  Figure 43: Drink selection, by selected channels, by monthly personal income and city tier, 2021
- Gen-Z and females favour innovative coffee drinks
  Figure 44: Drink selection, by selected channels, by gender and age, 2021

PURCHASE FACTORS

- Consumers rely on taste due to lack of coffee knowledge
  Figure 45: Example of detailed flavour description, China, 2021
  Figure 46: Purchase factors, 2021
- More affordable caffeine
  Figure 47: Purchase factors - by consumption frequency, by functions, 2021
  Figure 48: Ranking of purchasing factors, by consumers who care about function, 2021
  Figure 49: Purchase factors, by function, by age group, 2021
  Figure 50: McCafé Wake-up Coffee, China, 2021
- Differentiate between black and milk coffee
  Figure 51: Purchase factors, by consumers who prefer black or white/milk coffee, 2021
  Figure 52: Pairing interest, by consumers who care about milk base, 2021
DRINKING BEHAVIOUR

- Noon and afternoon are heavy coffee consumption periods
  
  Figure 53: Example of Starbucks weekday discount
  
  Figure 54: Drinking behaviour – by drinking occasion, 2021
- On-premise coffee wins with weekend socialising attribute, but losses out in weekday convenience
  
  Figure 55: Drinking behaviour – by drinking occasion, by top three penetration coffee categories, 2021
- Home delivery brings more flexibility
  
  Figure 56: Drinking behaviour, by purchase behaviour, 2021

SPINOFF PRODUCTS AT COFFEE HOUSES

- On-premise coffee brands endorse coffee spinoff products
  
  Figure 57: Spinoff products at coffee houses, 2021
- Enhance in-store experiences with professional courses
  
  Figure 58: Spinoff products at coffee houses, selected products by city tier and education level, 2021
  
  Figure 59: Examples of on-premise coffee brands with barista training class
- NPD in cups focuses on young women’s demand
  
  Figure 60: Spinoff products at coffee houses, selected product, by gender and age, 2021
  
  Figure 61: Examples of seasonal Starbucks cups on social media, China, 2021

APPENDIX – MARKET SIZE AND FORECAST

- Figure 62: Market value of on-premise coffee, 2016–2026
- Figure 63: Total outlets of on-premise coffee, 2016–2026

APPENDIX – METHODOLOGY AND ABBREVIATIONS

- Methodology
- Abbreviations
About Mintel

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