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 annual changes in consumers’ coffee shop visiting and purchasing habits.
- Coffee drinkers’ preferences when choosing which coffee to buy.
- Consumers’ usage and perceptions of key brands including Costa Coffee, Caffè Nero, Starbucks, McDonald’s McCafé and Pret a Manger.

Despite changes to many young consumers’ lifestyles and working patterns, their desire to continue using coffee shops is clear, as 70% of 16-34 year olds bought drinks from a coffee shop in the year to September 2021, versus 63% the year beforehand. This has also been helped by coffee shops’ efforts to reach a more dispersed consumer base with new channels of distribution in new locations to meet demand for coffee shop-style drinks.

Consumers are indeed changing their buying methods. The proportion of coffee shop consumers purchasing drinks in-store fell by 4 percentage points year-on-year as consumers continue to have a greater range of takeaway options than they did before the pandemic. Meanwhile the penetration of coffee shop drive-throughs grew by 6 percentage points to reach 25% of customers in 2021.

As almost half of Britons agree that food outlets/restaurants offer coffee drinks that are just as good as those sold in coffee shops, food-led venues that also sell coffee shop-style drinks have a competitive advantage as they are offering crowd-pleasing food choices while undercutting specialist coffee shops on the price of drinks. This can be managed if specialised coffee shops broaden their range of food options.”

– Trish Caddy, Senior Foodservice Analyst

“Food-led venues have a competitive advantage as they are offering crowd-pleasing food choices while undercutting specialist coffee shops on the price of drinks. This can be managed if specialised coffee shops broaden their range of food options.”

– Trish Caddy, Senior Foodservice Analyst

Empowered by digital devices and a deeper awareness of consumer choice, 33% of consumers are most likely to visit a coffee shop that allows them to customise an order. Coffee shops that offer more options to customise drinks...
can overcome the threat of greater competition as they are able to give their customers precisely what they want as opposed to the standardised drinks served at food-led venues.
Table of Contents

OVERVIEW

• Key issues covered in this Report
• COVID-19: Market context
• Economic and other assumptions
• Products covered in this Report

EXECUTIVE SUMMARY

• Impact of COVID-19 on the coffee shops market
  Figure 1: Short, medium and long-term impact of COVID-19 on coffee shops market, 2020-25
• The market
• The value of the coffee shops market still expected to be 23.5% shy of its 2019 level in 2021
• Coffee shops’ sales set to reach £4.5 billion by 2026
  Figure 2: COVID-19 scenario forecasts for the coffee shops market, 2016–26
• Companies and brands
• Brand awareness high across the board
  Figure 3: Key metrics for selected brands, 2021
• Despite slight drop in outlet numbers, Costa Coffee continues to dominate
  Figure 4: Selected UK coffee shops, market share by outlet numbers, 2019-21
• Potential spike in coffee prices
• The consumer
• Costa Coffee continues to lead in visitation
  Figure 5: Annual changes in venues visited for drink purchases, 2020 and 2021
• Consumers changing their drinks buying methods
  Figure 6: Retail formats used for drink purchases from coffee shops, 2020 and 2021
• App ordering fastest-growing trend
  Figure 7: ordering methods used for drink purchases from coffee shops, 2020 and 2021
• Hot chocolate takes second place
  Figure 8: Types of drinks bought from coffee shops, 2021
• Younger coffee drinkers are going against the grain
  Figure 9: Coffee drink preferences, 2021
• A seasonal food menu is the order of the day
  Figure 10: Coffee shop menu interest, 2021
• Under-45s drive mass personalisation
  Figure 11: Coffee shop visitation drivers, 2021

What’s included

Executive Summary
Full Report PDF
Infographic Overview
Powerpoint Presentation
Interactive Databook
Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit store.mintel.com

EMEA +44 (0) 20 7606 4533
Brazil 0800 095 9094
Americas +1 (312) 943 5250
China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
The coffee shop experience is important

Figure 12: Attitudes towards coffee shops, 2021

ISSUES AND INSIGHTS

- Catering to a dispersed consumer base
- Become more agile
- Next-gen workspace
- Broadening the range of coffee shop menu items
- Seasonal ingredients
- Frozen desserts
- HFSS-compliant food/drink
- Coffee shops’ fight back against food-led brands that sell coffee
- Be more food-led
- Offer hyper customisation
- Offer a caring coffee connection

MARKET SIZE AND PERFORMANCE

- Impact of COVID-19 on coffee shops market
  Figure 13: Short, medium and long-term impact of COVID-19 on coffee shops market, 2020–25
- The value of the coffee shops market still expected to be 23.5% shy of its 2019 level in 2021
  Figure 14: UK forecast for the value of the coffee shops market, at current prices, 2016–21

MARKET FORECAST

- Coffee shops’ sales set to reach £4.5 billion by 2026
  Figure 15: UK forecast for the value of the UK coffee shops market, at current prices, 2016–26
- Market drivers and assumptions
  Figure 16: Key drivers affecting Mintel’s market forecast, 2020–26
- Forecast methodology

COVID-19 SCENARIO PERFORMANCE

- Mintel’s approach to predicting the impact of COVID-19
- Fundamental differences in how COVID-19 is affecting consumer markets
- The coffee shops market is highly reactive to COVID developments
  Figure 17: COVID-19 scenario forecasts for the coffee shops market, 2016–26
- COVID-19 market disruption: risks and outcomes

What’s included

Executive Summary
Full Report PDF
Infographic Overview
Powerpoint Presentation
Interactive Databook
Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now
Visit store.mintel.com
EMEA +44 (0) 20 7606 4533
Brazil 0800 095 9094
Americas +1 (312) 943 5250
China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
Figure 18: Summary of Mintel scenario expectations and the impact on the coffee shops market, 2021

MARKET DRIVERS
- Impact of temporary interruptions in supply chain on coffee shops
- Underlying climate change impacts coffee beans production
- Spending on non-alcoholic drinks bodes well for coffee shops
  Figure 19: Spending on alcoholic drinks vs non-alcoholic drinks, 2021
- Impact of a dispersed workforce on coffee shops
  Figure 20: Retail formats used for drink purchases from coffee shops, by current working location, 2021
- Inflationary pressures are mounting
- Consumers’ financial wellbeing has slipped from its recent high point...
  Figure 21: Household financial wellbeing index, 2016-21
  ...and concerns over inflation are coming to the fore
  Figure 22: Consumer concerns over cost-of-living changes, 2021

KEY PLAYERS AND MARKET SHARE
- The big chains’ COVID-19 recovery
- Costa Coffee
- Starbucks
- Caffè Nero
  Figure 23: Selected UK coffee shops, market share by outlet numbers, 2019-21
- Drive-throughs help Tim Hortons make inroads in the UK
- Black Sheep Coffee’s start small, think big story
  Figure 24: Selected modern independent coffee shops, by outlet numbers, 2019-21
- Department of Coffee and Social Affairs enters liquidation
- Food-led concepts expanding on the back of coffee sales
- Visitation to a bakery or sandwich shop continues to grow
- Carluccio’s launches food and coffee vending machine
  Figure 25: Carluccio’s Grab and Go Vending Machine at Budgens Supermarket
- Pret a Manger also launches vending machines

LAUNCH ACTIVITY AND INNOVATION
- Sustainable solutions
- Reusable cup schemes

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

Did you know?
This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.
• Food waste-not
• Synthetic coffee
• Coffee innovations
• Cold coffee
• Fortified coffee
• Diversifying occasions
• Alcohol
• Be more food-led

ADVERTISING AND MARKETING ACTIVITY
• Starbucks’ adspend jumped 119% in 2020
  Figure 26: Advertising expenditure by selected coffee shops, 2017-21
• Costa Coffee’s Olympic moment
• Caffè Nero stops spending on above-the-line
• McDonald’s continues to poke fun at coffee shops
• Nielsen Ad Intel coverage

BRAND RESEARCH
• Brand map
  Figure 27: Attitudes towards and usage of selected brands, 2021
• Brand awareness high across the board
  Figure 28: Key metrics for selected brands, 2021
• Higher income groups drive usage
  Figure 29: Usage of brands in the last 12 months, by socio-economic group and household income, 2021
• Younger generations are core users
  Figure 30: Usage of coffee shop brands in the last 12 months, by generation, 2021
• Brand attitudes: McCafé outranks the others in value
  Figure 31: Attitudes, by brand, 2021
• Brand personality: 42% consider Costa Coffee to be ethical
  Figure 32: Brand personality – macro image, 2021
• Pret represents a healthy food-led brand that sells coffee
  Figure 33: Brand personality – micro image, 2021

ANNUAL CHANGES IN VENUES VISITED
• Out-of-home drinks visitation grew slightly in 2021
  Figure 34: Coffee shops vs non-specialist venues visited, 2020 and 2021
• Costa Coffee continues to lead in visitation
  Figure 35: Venues visited for drink purchases, 2020 and 2021
Coffee Shops - UK - 2021

ANNUAL CHANGES IN MOST POPULAR COFFEE SHOP RETAIL FORMATS

• Consumers changing their drinks buying methods
• Drive-through penetration grew 6 percentage points
• Home delivery and mobile kiosks serve 25-44 year olds
  Figure 36: Retail formats used for drink purchases from coffee shops, 2020 and 2021

ANNUAL CHANGES IN MOST POPULAR COFFEE SHOP ORDERING METHODS

• Technology is driving new ways of drink ordering
• App ordering fastest-growing trend
  Figure 37: Ordering methods used for drink purchases from coffee shops, 2020 and 2021
• 25-44 year olds continue to order from websites
  Figure 38: Costa Coffee’s online ordering, 2021
  Figure 39: Caffè Nero’s online ordering, 2021

TYPES OF DRINKS BOUGHT

• Hot chocolate takes second place
  Figure 40: Types of drinks bought from coffee shops, 2021
• Customers in the South West are the top coffee drinkers
  Figure 41: Coffee bought from coffee shops, by region, 2021
• A premium chocolate drinks menu is where it’s at
• Starbucks hits the sweet spot with hot chocolate
  Figure 42: Venues visited for drink purchases, by types of drinks bought from coffee shops, 2021

COFFEE DRINK PREFERENCES

• Younger coffee drinkers are going against the grain
• Older Millennials more likely than others to prefer decaf
  Figure 43: Coffee drink preferences, 2021
• Non-dairy milk in cities and large towns
  Figure 44: Starbucks’ non-dairy year-end festive drinks range
• Syrup for the sweet tooth
• Cold coffee for the Gen-Zers

MENU INTEREST

• A thoughtful food menu is the order of the day
• Seasonal
  Figure 45: Coffee shop menu interest, 2021
• Alternative sweet treats
  Figure 46: Food models of frozen dessert in a display cabinet, as seen in Coffeesmith (Singapore)
• Guilt-free indulgence

VISITATION DRIVERS
• The age divide
• Over-45s seek a caring coffee connection
  Figure 47: Coffee shop visitation drivers, 2021
• Under-45s drive mass personalisation
  Figure 48: Starbucks (US) drinks customisation
• Fuelling the next-gen workspace
  Figure 49: Hertford Coffee Lab
  Figure 50: Coffee shop visitation drivers, by current working location, 2021

COFFEE SHOP ATTITUDES
• The coffee shop experience is important...
  Figure 51: Attitudes towards coffee shops, 2021
• ...so is the convenience of takeaway coffee
  Figure 52: Coffee shops – CHAID – tree output, 2021

APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION
• Abbreviations
• Consumer research methodology

APPENDIX – CENTRAL FORECAST METHODOLOGY
  Figure 53: Value of the coffee shops market, 2016–26
• Market forecast and prediction intervals
  Figure 54: Coffee shops market forecast and prediction intervals, 2021–26
• Market drivers and assumptions
  Figure 55: Key drivers affecting Mintel’s market forecast, 2020–26
• Forecast methodology
• CHAID analysis Methodology
  Figure 56: Coffee shops – CHAID – table output, 2021

APPENDIX – COVID SCENARIO PERFORMANCE METHODOLOGY AND ASSUMPTIONS
• Scenario performance
  Figure 57: Coffee shops market scenario performance, 2016–26
• Rapid COVID recovery, central and extended COVID disruption scenarios outline
• Scenario methodology

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

Did you know?
This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now
Visit store.mintel.com
EMEA +44 (0) 20 7606 4533
Brazil 0800 095 9094
Americas +1 (312) 943 5250
China +86 (21) 6032 7300
APAC +61 (0) 2 8284 8100
About Mintel

Mintel is the **expert in what consumers want and why**. As the world’s leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster.

Our purpose is to help businesses and people grow. To find out how we do that, visit mintel.com.