Five Most Promising Markets in Coffee

DNA Café – Seminário Internacional 2018

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Research Coverage
Euromonitor International

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OVERVIEW

1. Global Coffee Landscape
2. Top Five Coffee Markets
3. Global Trends and Product Launches
4. Key Takeaways
1. Global Coffee Landscape
US$ 83 billion
Retail coffee sales in 2017

4th beverage
Most consumed in the world considering total volume sales

US$ 11 per capita
Average expenditure in retail coffee sales per year

2.3 million cups
Of coffee are consumed every minute worldwide

Highly concentrated
Five largest markets account for 50% of total volume sales

839 cups in Brazil
Average consumption 5x higher than the global average

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Global market valued at US$ 83 billion in 2017

Coffee

Market Size
Retail Value RSP, USD million, Current 2017, YOY 2017 Ex. Rates, 2017

Global Figure
2017, USD million
82,993,8

Regional Comparison
2017, USD million
Asia Pacific 15,279,4
Australasia 1,167,3
Eastern Europe 8,077,9
Latin America 11,808,3
Middle East and Africa 10,291,6
North America 15,276,1
Western Europe 21,093,2

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Developed markets still present the best opportunities

Coffee in the world: Current and forecast total volume sales
How has the global coffee market been changing?

1st Wave – The Coffee Discovery

2nd Wave – Coffee Shops Direct To Premium

3rd Wave – Innovate To Survive

4th Wave – Coffee Omnipresent

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2. Top Five Coffee Markets
Introducing the five most promising coffee markets

TOP FIVE COFFEE MARKETS

USA
Brazil
Germany
Japan
Indonesia
Brazil and Indonesia presents growth above global average

Coffee in the world: Annual growth rate of total volume sales
Brazil surpass the USA in 2014 and becomes the largest coffee market in the world

Total volume sales reached 1.1 million tons in 2017

15% of total global volume sales

Fresh ground coffee dominates the market, but other formats gain relevance

Stable growth despite economic recession

Currently in the 2nd coffee wave, but with economic growth country will likely move to the 3rd wave
USA: Growth opportunities from added-value products

- Total volume sales reached 951 thousand tons in 2017
- Strong growth in the foodservice with retail sales retreating
- Standard fresh ground coffee still relevant, but pods have become the 2nd most important format
- Currently in the 4th wave with strong growth in value sales and consumption diversification
- Coffee shops and specialized retailers increase relevance in the market
Indonesia: Urbanization boost sales of instant coffee mixes

Total volume sales reached 710 thousand tons in 2017

Standard fresh ground coffee still most relevant, but instant coffee mixes gain relevance by reproducing at home the foodservice experience

Currently in the 1st wave in which retail brands still determine the market path

Coffee shops and specialized retailers are still restricted to most affluent consumers
Germany seeks innovation and new brands

Total volume sales reached 416 thousand tons in 2017

Retail strength creates opportunity for new regional brands

Equilibrium among all coffee types

Currently in the 3rd wave with pods reaching market maturity and migration to standard fresh ground coffee

Sustainability and traceability are important factors in the purchasing decisions
Japan: Coffee will double tea consumption by 2022

Total volume sales reached 212 thousand tones in 2017

Currently in the 4th wave with demand for on-the-go and convenient products increasingly predominant

Coffee shops and specialized retailers are highly relevant for the Japanese lifestyle

Limited space in Japanese households for appliances restricts sales of pods
3. Global Trends and Product Launches
“Middle Class Retreat”: Private labels gain relevance in the coffee market

Images: Euromonitor International and Solimo (Amazon/press release)
Nescafé Dolce Gusto

“Personalisation”: Use of technology to increase efficiency in the customization of orders
4. Key takeaways
Foodservice
It has become a new distribution channel and trend setter for coffee in retail

Market maturity
It demands deep comprehension about internal scenarios and particularities of each coffee wave, but it can also present opportunities

Experience
It has become an important factor in the purchasing decision to create brand loyalty. It includes the aroma, packaging, preparing method, product purchase, and waste.

Technology
It can generate efficiency to understand consumers, in the production process, in the product delivery and usage.
For more information about coffee, access:

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ADDITIONAL REPORTS:
- Coffee in 2018: The New Age of Coffee Everywhere
- The Global Coffee Pods Market in 2017: The End of an Era?