



World Market for Hot Drinks

January 2024

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Scope

The top five trends affecting global hot drinks

STATE OF THE INDUSTRY

Hot drinks returns to moderate growth after a tumultuous pandemic

In retail terms, hot drinks is a small industry compared to other consumer goods

Hot drinks play a major role in global share of throat

Coffee leads tea in most markets, but not in the most populous Asian countries

Spending in the hot drinks industry skews heavily towards coffee

Coffee dominates value growth even as tea has the edge in consumption

Asia Pacific is both the largest market and the largest source of growth

Brazil to lead the hot drinks industry in retail growth in the coming years

China's role is underplayed because of the role of foodservice in its local industry

Population growth is the most important driver of global hot drinks growth

Supermarkets hold on as the leading channel for hot drinks sales

LEADING COMPANIES AND BRANDS

Hot drinks is consolidated in many markets, but not China

Nestlé retains a wide lead over all of its nearest competitors

Inflation affects large hot drinks companies in many key markets

Another quiet year for a now-consolidated coffee industry

The four major blocs in global coffee

The names may change, but the leaders in global tea remain the same

The new Lipton confronts the same challenges that dogged Unilever and Ekaterina

The global tea market has a pyramid-like shape

A fragmented set of other hot drinks is led by Nestlé

TOP FIVE TRENDS SHAPING THE INDUSTRY

The top five trends affecting global hot drinks

Trend 1: shifting back to volume growth after years of prioritising price

Price increases have damaged consumer willingness to look for value-added attributes

The permissible indulgence remains important even as budgets tighten

Trend 2: technology and the search for a frictionless hot drinks experience

Holding onto the human in a technological world

Trend 3: self-optimisation through functionality in an uncertain world

Does caffeine consumption have a ceiling?

Trend 4: sustainability as future-proofing

The industry will be affected by climate change regardless of consumer preferences

Many large claims struggle, while more rigorous ones gain share in the overall mix

Trend 5: the internet remains a major growth area, even with post-pandemic turbulence

Trends are rising and falling more quickly than ever in the TikTok era

MARKET SNAPSHOTS

Global snapshot of coffee

Global snapshot of tea

Global snapshot of other hot drinks

Regional snapshot: Asia Pacific

Regional snapshot: Western Europe

Regional snapshot: North America

Regional snapshot: Latin America

Regional snapshot: Middle East and Africa

Regional snapshot: Eastern Europe

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