



The Future of Coffee

September 2022

Table of Contents

INTRODUCTION

Scope

The future of coffee: Five key takeaways

THE NEXT WAVE(S) OF COFFEE

The wave model of coffee: Advantages and limitations

The Fourth Wave: What could it look like? Does it even exist?

Physical location will mean less with each passing year

What does it mean to say the Fourth Wave means good coffee anywhere?

Cafés in the metaverse and the virtual third place

The human experience and the persistence of the physical third place

A Fifth Wave? The end of traditional supply chains

SUPPLY CHAINS AND MEETING FUTURE DEMAND

Inflation is temporary but supply challenges are not

The steady rise in global demand raises serious questions about future sourcing

Breeding of new strains of coffee will be the first choice for the industry

“Beanless coffee”: Plant-based without the halo

Lab-cultivation will be the real key to filling future demand gaps

Dairy alternatives are also very much a part of the shift towards new sourcing

Conclusion: The Leopard Principle and the future of coffee supply

KEY GLOBAL GROWTH OPPORTUNITIES

What are the most important global opportunities?

The growth in coffee shop spending dwarfs that of retail at a global level

The key categories for growth in some areas are major liabilities in others

The four types of coffee growth markets

Brazil's size and category mix makes it uniquely important to global coffee

The US is the epicentre of the global cold revolution

The untapped potential of China makes it a focal point for the future

The pods category continues to grow but is staring down market maturity in Europe

Preparing for the next “black swan” event

Map: Exposure risk to future crisis

THE BIG FOUR AND THE CONSOLIDATED INDUSTRY

The great consolidation wave has drawn to a close

Four blocs have formed that are in the commanding position in global coffee

Forces other than M&A continue to drive consolidation in the coffee industry

The future will be shaped by a relatively small number of companies

FUNCTIONALITY AND CAFFEINE IN AN ANXIOUS WORLD

An anxious world demands ever-larger amounts of energy

Where is the ceiling on caffeine consumption?

Nootropics: The next great coffee functionality

CATEGORIES OF THE FUTURE

“Coffee” will become a harder category to define

“+Coffee” will strain traditional category lines but be a major growth segment

Coffee and alcohol: A potent mix?

The maturity of the pod category will lead to a more diverse single-serve experience

“Fashion” coffee will go in and out of style in ever-shrinking cycles

About Euromonitor International

Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

For more information on this report, further enquiries can be directed via this link www.euromonitor.com/the-future-of-coffee/report.