

COFFEE – INDIAN CONSUMER – 2018

Coffee's trendiness and energy credentials will be key to growing the category in India in the coming years.



Saptarshi Banerjee,
Senior Research Analyst –
Lifestyle, India



Report Content

EXECUTIVE SUMMARY

- What you need to know – Summary
- Focus on functional benefits, pride in local varieties to unlock the potential for coffee in India
- Address varying levels of familiarity with coffee among Indian consumers through different formats and variants
- Call out health benefits of coffee other than energy-boosting
- What it means

KEY TRENDS

- What you need to know

Key drivers

- Graph 1: Retail market volume, tea and coffee, 2017
- APAC retail market overview: coffee 2017
- Coffee shops drive the perception of coffee as an aspirational drink
 - Graph 2: Year-on-year volume growth, % by segment, coffee, 2014-17
 - Graph 3: Coffee drinkers, by city tier, May 2018
- Urbanisation in India has been far slower than its peer group
 - Graph 4: Annual percentage of population at mid-year residing in urban areas, 1960-2018
 - Graph 5: Share of coffee launches with chicory as an ingredient, Nov 2013-Oct 2018

Global trends and how they are playing out in India

- Take an ethical stand for coffee consumers so they don't have to
 - Graph 6: Coffee innovations featuring select ethical & environmental claims, 2013-18

CONSUMER INSIGHTS

- What you need to know
- 61% of urban Indians say they have consumed coffee on at least one occasion

Back to basics: Promoting coffee's energy and focus attributes

- Tired Indian consumers want help managing their need for extra energy
 - Graph 7: Association of coffee with the attribute "energising", by gender and region, May 2018
 - Graph 8: Coffee drinkers who associate coffee with helping them focus, by employment status, May 2018

Regional variation: Targeting consumers at different stages of evolution

- Graph 9: Coffee consumption on any occasion in the last three months, by region, May 2018

- Graph 10: Select attitudes towards coffee preparation, by region, May 2018
- Graph 11: Use of packaged filter coffee/ready-to-use decoction, by region, May 2018
- Graph 12: Consumption of coffee with a salty snack, by region, May 2018
- ITC operates in salty snacks and coffee, and can potentially capitalise on bundled packs even though target audiences are very different
 - Graph 13: Select attributes associated with coffee, by region, May 2018
 - Graph 14: Coffee production in the North Eastern region, 2015-2018
- Coffee production in the North East will open up new avenues of income
 - Graph 15: Interest in buying ready-to-drink coffee products, by region, May 2018

Gourmet claims: Riding India's 'third wave' in coffee

- What is the 'Third Wave'?
 - Graph 16: Agreement with select statements about coffee, May 2018
- Taste and choice is important for consumers of third-wave coffee
 - Graph 17: Agreement with select statements on coffee, by interest in gourmet coffee, May 2018
 - Graph 18: Interest in third-wave coffee, by preparation style, May 2018
 - Graph 19: Interest in third wave coffee, by type of coffee consumed, May 2018

MARKET APPLICATION

- Opportunity: key areas of focus

Opportunities

- Be more overt in terms of highlighting coffee's energising credentials
- Very few Indian coffee brands talk about the drink's energising capabilities
 - Graph 20: Select statements on place of origin of coffee, all vs coffee drinkers, May 2018
- Niche, homegrown coffee brands communicate place of origin within India
- As coffee consumption grows in India, emphasise health benefits to increase value of the brew
 - Graph 21: Coffee NPD featuring a functional claim, 2013-18
- Highlighting inherent health benefits: Peaberry coffee is high in vitamins and minerals

Who's innovating

- iD expands its breakfast portfolio with ready-to-use filter coffee decoction
- Promote the slimming benefits of green coffee to Indian consumers looking to manage their weight
- Green coffee is marketed as boosting metabolism and aiding weight loss
- Introduce cold-brew to new coffee drinkers to ease them into the overall category
- Sleepy Owl launches innovative reusable kit to make cold-brew at home

Global innovators

- Take inspiration from global coffee launches that play up the energy connection

- Brew-in-bag coffee does away with the need for special equipment
- Coffee brands provide detailed information about the communities and CSR projects they support
- Consumers are willing to pay more for ethical brands
- Expect a cold coffee revolution to hit India, mimicking global markets
- Global cold-brew innovation incorporates multiple health trends

APPENDIX

- Consumer survey methodology

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