Single-Cup Brew Beverage Products in the U.S.: Coffee Pods and Beyond, 2nd Edition

Description:

Single-cup coffee is playing an increasingly larger role in retail coffee sales. Single-cup sales growth comprised 74% of retail coffee sales growth of $761 million. Subtracting single-cup sales from the total, retail coffee sales grew only 1.6%, one-twelfth the growth rate of single cup.

In Single-Cup & Single-Cup Brewer Usage Trends, Packaged Facts provides context to this growth. We see a market undergoing major transition related to the migration of licensed branded single cup coffee onto the Keurig 2.0 platform, a broader influx of brands into the single-cup space, an increasing gap in pricing between branded and private label portion packs and Keurig's push into the private label space, and the emergence of new brewers—coffee and otherwise—keen to compete against the Keurig platform.

Consumers will benefit from exploding single-cup coffee variety, ranging from super-premium to value-oriented; a wider array of less expensive portion packs from which to choose, and the ability to purchase single-cup brews priced under $100. We believe tea and cold beverage innovations will add at least incremental sales to single-cup beverages. Down the road, we envision cold beverage platforms broadening the market for single-cups beverages to teenagers and children, providing a plethora of new potential drinking occasions.

Methodology

Data related to consumer demographics, attitudes and behaviors is derived from Experian Marketing Services' Simmons National Consumer Survey, a booklet-based survey of a large and random sample of consumers who in aggregate represent a statistically accurate cross-section of the U.S. adult population (age 18+). We analyze results primarily from its 12-month Spring 2015 survey; however, to trend household brewer and single-cup usage, we also draw from 6-Month Spring 2013, Summer 2013, Fall 2013, Winter 2014, Spring 2014, Summer 2014, Fall 2014, Winter 2015, Spring 2015 surveys. We also include results from Packaged Facts' proprietary August 2015 consumer survey. The survey consisted of 2,000 online respondents, who in aggregate represent a statistically accurate cross-section of the U.S. adult population (age 18+). The surveys were analyzed in aggregate via SPSS statistical software. Where applicable, results have been tested with Fisher's Least Significant Difference contrast test at a confidence level of 95%.

Contents:

Chapter 1: Executive Summary
Report Scope
Report Summary
Market size, segmentation and forecast
Beyond coffee
Tea complements single-cup sales; modest growth expected
Cold beverages: the black box
Brewer trends
Opportunities & challenges
The power of single-cup pricing
Migration to single-cup lifts retail coffee sales
Private label onslaught
Private label the new segment power player
Keurig wears branded and private label hat, but will it work?
Margins and pricing dynamics
Keurig holds its own in pricing wars; private label suffers
Keurig own brand and partner brand pricing remains firm
The holdouts
Widening the target audience
Market growth potential: HH income hypothetical
What we know
What could happen if more mainstream households used single serve/pod brewers?
Markets growth potential: Racial/ethnic diversity
What could happen if marketers grew multicultural usage?
Widening beverage scope
Gourmet hot beverage expansion
Single-serve cold brew beverage expansion
Beyond beverages: Pod possibilities
Brewer diversity
Can iCoffee deliver a higher-quality cup?
Can Keurig Rivo help espresso—and Lavazza—grow in U.S.?
Nespresso Vertuoline
Can Lipton do for tea what Keurig has done for coffee?
Flavor and variety trends
Coffee flavors
Hot tea flavors
Single-cup private-label innovation
Single-cup packaging and branding introductions
Beyond coffee and tea: beverage variety trends
Single-cup & single-cup brewer usage trends
The coffee landscape: an overview
The single-cup/pod user
Single-cup brewer households
Automatic drip coffeemaker ownership falls with growth of single-cup systems
HH purchasing trends of brewing systems
Single-cup purchase patterns reach parity with drip coffee makers
Single-cup purchase patterns also suggest inroads among middle class
Keurig/pod users: home versus work
Younger workers likely tasked with procuring office coffee
The generational divide
Methods used to make coffee at home
Methods used to make tea at home
The at-home battle for brewer system and coffee type usage
Household cross-use of coffee types
HH income influences coffee type cross-use preference
Hispanic/Latino households provide single-cup opportunity
Single-serve brewer only households vs. drip brewer only households
Drip coffee system-only households dominate, but in decline
Single-serve-only brewing system usage spikes
Consumers & single-cup growth potential
Interest in cold K-Cup beverages
Demographic analysis
Keurig users: rationales for using k-cups/pods more often
Demographic analysis
Single-cup beverage marketer & brand analysis
Single cup moves coffee market forward
Leading single-cup coffee marketers
Leading single-cup coffee brands
Top growing single-cup coffee brands
Up-and-coming single-cup coffee marketers
Keurig Green Mountain
Licensing partnerships key to growth
Coffee and non-coffee brand growth
Coffee sales provide the foundation
Foothold in tea
Partner brands grow in importance
Occasion expansion
Channel expansion
Tapering sales growth—and even declines
Starbucks
Single cup a key growth driver and image enhancer
Premium positioning translates to strong whole bean and single-cup presence
The Keurig connection
J.M. Smucker
But growth has not been on the menu
K-cups key to boosting company revenue
Kraft Heinz
Keurig relationship
McCafé off to a strong start
Chapter 2: Market Size, Segmentation and Forecast
Single-cup beverages: retail sales
Beyond coffee
Tea complements single-cup sales
Cold beverages: the black box
Graph 2-1: Retail Single-Cup Coffee Sales, 2013-2018
Single cup moves coffee market forward
Table 2-1: Retail Coffee Sales and Share, by Segment, 2014-2015
Single-cup tea hasn’t come to a boil
Table 2-2: Retail Single-Cup Tea Sales, 2015
Private-label sales have strong momentum
Table 2-3: Private-Label Retail Coffee Sales and Share of All Private Label Coffee, by Segment, 2014-2015
Table 2-4: Private-Label Retail Coffee Sales and Share Increase, by Segment, 2014-2015
Branded single-cup sales decline
Table 2-5: Branded Retail Single-Cup Coffee Sales and Share, by Segment, 2014-2015
Brewer trends
Single-cup systems on the rise
Graph 2-2: Coffeemaker Household Ownership, by Equipment Type, 2013-2015
Office brewer placements
Table 2-6: Office Coffee Service Brewer Placements, by Brewer Type, 2012-2015
Keurig placements still tops in office coffee
Table 2-7: U.S. Single-Cup Brewer Placement Market Share, by Marketer, 2011-2015
Chapter 3: Opportunities & Challenges
The power of single-cup pricing
Table 3-1: Retail Coffee Sales, Units, Volume, and Price per Pound, 2015
Migration to single-cup lifts retail coffee sales
Table 3-2: Retail Coffee Sales, by Type: Actual vs. Hypothetical Single-Cup Volume Migration, 2015
Private label onslaught
Why it matters
Private label the new segment power player
Keurig wears branded and private label hats, but will it work?
Margins and pricing dynamics
Why it matters
Keurig holds its own in pricing wars; private label suffers
Partner losses?
Bad timing
Table 3-3: Private-Label Retail Single-Cup Coffee Price per Volume: Green Mountain, All Other Brand Marketers and Private Label, 2014-2015
Keurig own brand and partner brand pricing remains firm
Table 3-4: Keurig Green Mountain Private-Label Retail Single-Cup Coffee Price per Volume: Own Brands by Brand and Partner Brands by Brand, 2014-2015
The holdouts
Table 3-5: Unlicensed Single-Cup Coffee Marketers, by Sales, 2015
Widening the target audience
Why it matters
Market growth potential: HH income hypothetical
What we know
Table 3-6: Table 6-1: Coffee Usage: Coffee Type by HH Income, 2015
Table 3-7: Household Usage of Coffee Brewer Types, by HH Income, 2015
What could happen if more mainstream households used single serve/pod brewers?
Table 3-8: HH Single Serve/Pod Brewer Usage, Actual vs. Hypothetical, by HH Income, 2015
Lower-priced machines to boost usage?
Racial/ethnic groups underrepresented
Table 3-9: Single Serve/Pod Brewer HH Ownership, by Race/Ethnicity, 2015
Asians and Hispanics show preference for espresso/cappuccino
Table 3-10: Coffeemaker Household Ownership: Equipment Type, by Race/Ethnicity, 2015
Table 3-11: Coffeemaker Household Purchased Past 12 Months: Equipment Type, by Race/Ethnicity, 2015
Instant flavored coffee and espresso/cappuccino provide window of opportunity

Table 3-12: Coffee Usage: Coffee Type, by Race/Ethnicity, 2015
Hispanics seek out brands made for them
Table 3-13: Ground/Whole Bean Coffee Brands Used Most, by Race/Ethnicity, 2015
Table 3-14: Instant Coffee Brands Used Most, by Race/Ethnicity, 2015
Table 3-15: Espresso/Cappuccino Brands Used Most, by Race/Ethnicity, 2015
Coffeehouse brands can draw from foodservice user base
Table 3-16: Coffeehouse Brands Used/Used 3+ Times in Past 30 Days, by Race/Ethnicity, 2015
Market growth potential: harness interest of multicultural users
Table 3-17: Single Serve/Pod Brewer HH Ownership Projections, by Race/Ethnicity, 2015-2020
A likely scenario
Table 3-18: Single Serve/Pod Brewer HH Ownership Projection, by Race/Ethnicity: Higher Black, Asian and Hispanic Growth Projection, 2015-2020
Widening beverage scope
Why it matters
Gourmet hot beverage expansion
Single-serve cold brew beverage expansion
Beyond beverages: Pod possibilities
Brewer diversity
Why it matters
Can iCoffee deliver a higher-quality cup?
Can Keurig Rivo help expresso—and Lavazza—grow in U.S.?
Nespresso Vertuoline
Can Lipton do for tea what Keurig has done for coffee?
Integrating brewers into the broader household picture
Chapter 4: Flavor and Variety Trends
Coffee and tea on the menu
Coffee flavors
Table 4-2: Top Coffee Flavors, Incidence by Restaurant Segment, 2015
Hot tea flavors
Table 4-3: Top Hot Tea Flavors, Incidence by Restaurant Segment, 2015
Single-cup private-label innovation
Single-cup packaging and branding introductions
Eco-friendly packaging
Sustainable efforts
Unique branding partnerships
Maximizing flavor
Beyond coffee and tea: beverage variety trends
Add a little sparkle
Infuse flavor
Give them a treat
The takeaway
Chapter 5: Single-Cup & Single-Cup Brewer Usage Trends
The coffee landscape: an overview
Graph 5-1: Household and Personal Coffee Use by Coffee Type, 2013-2015
The single-cup/pod user in context
Table 5-1: Household and Personal Coffee Use by Coffee Type and Demographic, 2015
Single-cup brewer households
Automatic drip coffeemaker ownership falls with growth of single-cup systems
Graph 5-2: Coffeemaker Household Ownership, by Equipment Type, 2013-2015
HH purchasing trends of brewing systems
Graph 5-2: Coffeemaker Household Purchase Past 12 Months, by Equipment Type, 2013-2015
Moving beyond the affluent demographic
Graph 5-2: Single Serve/Pod Brewing System Household Purchase Past 12 Months: Purchase Share by HH Income, 2013 vs. 2015
Keurig/pod users: home versus work
Graph 5-2: Keurig/Pod Brewer Use: Any, Home and Work, 2015
Demographic analysis
Younger workers likely tasked with procuring office coffee
Table 5-3: Keurig/Pod Brewer Use: Any, Home and Work: Gender, Age and HH Income, 2015
The generational divide
Table 5-3: Keurig/Pod Brewer Use: Any, Home and Work: Generation by Gender and HH Income, 2015
Methods used to make coffee and tea at home
Methods used to make coffee at home

Graph 5-3: At-Home Coffee Making Methods: Used and Used Most, 2015
Methods used to make tea at home
Graph 5-4: At-Home Coffee Making Methods: Used and Used Most, 2015

Chapter 6: At-Home Battle for Brewer System and Coffee Type Usage
Household cross-use of coffee types
Table 6-1: Coffee Usage: Coffee Type by HH Income, 2015

Demographic analysis
Income influences coffee type preference
Table 6-2: Coffee Cross-Use: <$50K HH Income, by Coffee Type, 2015
Table 6-3: Coffee Cross-Use: $50K-$99K HH Income, by Coffee Type, 2015
Table 6-4: Coffee Cross-Use: $100K+ HH Income, by Coffee Type, 2015

Hispanic/Latino households provide opportunity for single-cup
Table 6-5: Hispanic/Latino Household and Personal Coffee Cross-Use, by Coffee Type, 2015

Single serve only households vs. drip only households
Table 6-6: Households with Automatic Drip Brewing System Only, by Demographic, 2013 vs. 2015
Table 6-7: Households with Single Serve/Pod Brewing System Only, by Demographic, 2013 vs. 2015

Chapter 7: Consumers & Single-Cup Growth Potential
Overview
Keurig users: interest in cold beverages
Graph 7-1: Interest in K-Cup/Pod Cold Beverages, by Beverage Type, 2015

Demographic analysis
Single-cup cold beverages have opportunity to reach wider demographics
Table 7-1: Interest in K-Cup/Pod Cold Beverages, by Beverage Type & Demographic, 2015
Keurig users: rationales for using K-cups/pods more often
Graph 7-2: Rationales for Using K-Cups/Pods More Often, By Degree of Agreement, 2015

Demographic analysis
Recycling and quality coffee important rationales among Millennials
Table 7-2: Recycling as Rationale for Using K-Cups/Pods More Often, Generation by Gender, 2015
Table 7-3: Recycling as Rationale for Using K-Cups/Pods More Often, Generation by HH Income, 2015
Table 7-4: Better Coffee as Rationale for Using K-Cups/Pods More Often, Generation by Gender, 2015

Chapter 8: Single-Cup Beverage Marketer & Brand Analysis
Segment summary
Single cup moves coffee market forward
Table 8-1: Retail Coffee Sales and Share, by Segment, 2014-2015

Leading single-cup coffee marketers
Table 8-2: Top 12 Retail Single-Sup Coffee Marketers, by Marketer, 2014-2015
Leading single-cup coffee brands
Table 8-3: Top 15 Retail Single-Sup Coffee Brands, by Marketer, 2014-2015
Top growing single-cup coffee brands
Table 8-4: Top 15 Retail Single-Sup Coffee Brands, by % Annual Growth, 2014-2015
Up-and-coming single-cup coffee marketers

Keurig Green Mountain
Growth strategy
The brewers
Table 8-6: Keurig Green Mountain Brewers and Brewer Licensee Timeline, 2012-2015
The beverages
Own-brands and license/partner brands
No license: no Keurig 2.0
Table 8-7: Keurig Green Mountain Single-Cup Brands, Own vs. License/Partner, 2009-2015
Dozens of coffee brands from which to choose
Table 8-8: Keurig Green Mountain Single-Cup Canadian Brands, 2009-2015
Table 8-9: Keurig Green Mountain Single-Cup Coffee Brands, 2007-2015
Non-coffee expansion
Non-coffee brand portfolio
Table 8-10: Keurig Green Mountain Single-Cup Non-Coffee Brands, 2007-2015
Major brands on board
Sales analysis
Coffee provides the foundation
Table 8-11: Keurig Green Mountain Retail Single-Cup Coffee & Tea Sales, 2014-2015
Single-cup, of course!
Table 8-12: Keurig Green Mountain Retail Coffee Sales, by Segment, 2014-2015
Foothold in tea

Table 8-13: Keurig Green Mountain Retail Single-Cup Tea Sales: Owned/Partner Brands, 2015
Partner brands grow in importance

Table 8-14: Keurig Green Mountain Single-Cup Coffee Sales: Own Brand vs. Partner Brand, 2014-2015
Led by Green Mountain and Original Donut Shop, owned-brands still a market force

Table 8-15: Keurig Green Mountain Single-Cup Coffee Sales, Own Brands, 2014-2015
More mature partner brands a mixed bag; newer partner brands poised for growth

Table 8-16: Keurig Green Mountain Single-Cup Coffee Sales, Partner Brands, 2014-2015
Occasion expansion
Make mine carafe sized
K-Mug

Channel expansion

At home versus away from home
Table 8-17: Keurig Brewer Placements & Attachment Rate, by Location Type, 2013
Regional retail skew
Table 8-18: Keurig Brewer Penetration, by Region, 2013

Sales performance

Table 8-19: Green Mountain Coffee Roasters, Net Sales by Geography, 2009-14
Table 8-20: Green Mountain Coffee Roasters, Net Sales by Product, 2009-14
Table 8-21: Green Mountain Coffee Roasters, Net Sales by Product and Geography, 2014-2015

Starbucks
Single cup a key growth driver and image enhancer
Premium positioning translates to strong whole bean and single-cup presence
Table 8-22: Starbucks Retail Coffee Sales, by Segment, 2014-2015

Starbucks versus Seattle's Best
Table 8-23: Starbucks Single-Cup Coffee Sales, by Brand, 2014-2015

The Keurig connection

J.M. Smucker
Coffee drives the Smucker engine
But growth has not been on the menu
K-cups key to boosting company revenue
Ground coffee share decline; single-cup share increase
Table 8-24: J.M. Smucker Retail Coffee Sales, by Segment, 2014-2015

Single cup invigorates Folger's
High hopes for Dunkin' Donuts
The ace in the hole: Cafe Bustelo

Kraft Heinz
Single cup and instant coffee player
Table 8-26: Kraft Heinz Retail Coffee Sales, by Segment, 2014-2015

Keurig relationship
McCafé off to a strong start
Table 8-27: Kraft Heinz Single-Cup Coffee Sales, by Brand, 2014-2015

Appendix
Methodology
Consumer survey methodology
Report table interpretation
Color coding
Indexing

Ordering:
Order Online - http://www.researchandmarkets.com/reports/3512740/
Order by Fax - using the form below
Order by Post - print the order form below and send to

Research and Markets,
Guinness Centre,
Taylors Lane,
Dublin 8,
Ireland.
Fax Order Form
To place an order via fax simply print this form, fill in the information below and fax the completed form to 646-607-1907 (from USA) or +353-1-481-1716 (from Rest of World). If you have any questions please visit http://www.researchandmarkets.com/contact/

Order Information
Please verify that the product information is correct and select the format(s) you require.

Product Name: Single-Cup Brew Beverage Products in the U.S.: Coffee Pods and Beyond, 2nd Edition
Web Address: http://www.researchandmarkets.com/reports/3512740/
Office Code: SCH3FGSR

Product Formats
Please select the product formats and quantity you require:

<table>
<thead>
<tr>
<th>Product Format</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic (PDF) - Single User</td>
<td></td>
<td>USD 3995</td>
</tr>
<tr>
<td>Electronic (PDF) - Enterprisewide</td>
<td></td>
<td>USD 7990</td>
</tr>
</tbody>
</table>

Contact Information
Please enter all the information below in BLOCK CAPITALS

Title:  Mr  Mrs  Dr  Miss  Ms  Prof
First Name: ____________________________  Last Name: ____________________________
Email Address: * ____________________________
Job Title: ____________________________
Organisation: ____________________________
Address: ____________________________
City: ____________________________
Postal / Zip Code: ____________________________
Country: ____________________________
Phone Number: ____________________________
Fax Number: ____________________________

* Please refrain from using free email accounts when ordering (e.g. Yahoo, Hotmail, AOL)
Payment Information

Please indicate the payment method you would like to use by selecting the appropriate box.

☐ Pay by credit card: You will receive an email with a link to a secure webpage to enter your credit card details.

☐ Pay by check: Please post the check, accompanied by this form, to:

Research and Markets,
Guinness Center,
Taylors Lane,
Dublin 8,
Ireland.

☐ Pay by wire transfer: Please transfer funds to:

<table>
<thead>
<tr>
<th>Account number</th>
<th>833 130 83</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sort code</td>
<td>98-53-30</td>
</tr>
<tr>
<td>Swift code</td>
<td>ULSBIE2D</td>
</tr>
<tr>
<td>IBAN number</td>
<td>IE78ULSB9853308313083</td>
</tr>
<tr>
<td>Bank Address</td>
<td>Ulster Bank, 27-35 Main Street, Blackrock, Co. Dublin, Ireland</td>
</tr>
</tbody>
</table>

If you have a Marketing Code please enter it below:

Marketing Code: ____________________________

Please note that by ordering from Research and Markets you are agreeing to our Terms and Conditions at http://www.researchandmarkets.com/info/terms.asp

Please fax this form to:
(646) 607-1907 or (646) 964-6609 - From USA
+353-1-481-1716 or +353-1-653-1571 - From Rest of World