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%.

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