Euromonitor International

Hot Drinks in Australia

November 2025

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Hot Drinks in Australia

EXECUTIVE SUMMARY

Hot drinks maintain steady value growth amid inflation easing and shifting consumer priorities

KEY DATA FINDINGS

INDUSTRY PERFORMANCE

Health, functionality and clean-label trends reshape product development

Ethical sourcing and sustainability strengthen brand positioning

Matcha shifts from niche trend to mainstream staple

WHAT'S NEXT?

Outlook shaped by stabilising prices, renewed confidence and evolving consumer priorities

Functional reformulation and wellness-led innovation to accelerate

Sustainability set to become a baseline expectation

COMPETITIVE LANDSCAPE

Nestlé maintains category leadership through breadth, innovation and domestic investment

Coffee stands as the most dynamic category, fuelled by both premium and affordable innovation

CHANNELS

Supermarkets remain the dominant channel supported by value seeking and private label expansion

E-commerce remains the fastest-growing channel through expanded fulfilment and digitally led retail execution

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Coffee in Australia

KEY DATA FINDINGS

2025 DEVELOPMENTS

Price-led value growth amid resilient café culture and evolving at-home consumption

INDUSTRY PERFORMANCE

Premiumisation at home and evolving value preferences
Strong momentum in fresh coffee beans

WHAT’S NEXT?

Expectations for steady but moderating value growth
Expansion of cold, ready-to-drink, and hybrid coffee formats
Sustainability and ethical sourcing as long-term growth drivers

COMPETITIVE LANDSCAPE

Nestlé maintains leadership through convenience, innovation, and café-style experiences
Private label strengthens position through value-led premiumisation

CHANNELS

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INDUSTRY PERFORMANCE

Tea sees moderate value growth as matcha drives renewed interest among younger consumers
Green tea emerges as the most dynamic category as matcha moves firmly into the mainstream

WHAT’S NEXT?

Tea expected to maintain steady value growth, driven by wellness-led innovation
Gifting culture becomes an increasingly important volume driver across premium tea
Functionality continues to shape innovation as tea broadens its role in daily wellness routines

COMPETITIVE LANDSCAPE

Twinings maintains leading position through broad portfolio, wellness focus, and strong brand equity
ITO EN emerges as the most dynamic company, supported by rising matcha demand and localised production

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KEY DATA FINDINGS

2025 DEVELOPMENTS

Inflationary pressure, cocoa volatility, and rising wellness trends shape category performance

INDUSTRY PERFORMANCE

High cocoa prices and health-led consumer behaviour constrain chocolate-based powders
Matcha latte emerges as the most dynamic segment as functional and lifestyle trends boost appeal

WHAT'S NEXT?

Modest category growth expected despite ongoing commodity volatility and rising competition
Functional diversification becomes central to category innovation as consumers seek nutritional indulgence
Sustainability becomes a key lever of differentiation as consumers expect planet-friendly indulgence

COMPETITIVE LANDSCAPE

Nestlé maintains leadership through strong brand equity, domestic production, and functional expansion
Morning Made accelerates growth through wellness positioning, digital engagement, and national retail expansion

CHANNELS

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