



Euromonitor
International

Coffee Premiumisation in an Inflation-Weary World

January 2025

EXECUTIVE SUMMARY

Why read this report?

Recommendations/Opportunities for growth

INTRODUCTION

Coffee in the era of high prices

The coffee industry has become very reliant on premiumisation to drive growth

Consumers lose interest in premium attributes as grocery prices rise...

...and grocery inflation is the reality of the coming decade

Persistently high price levels will dominate consumer mindsets for the rest of the 2020s

ROUTE 1: LUXURY

High-income consumers represent the largest proportion of spending growth

An intensified focus on high-end products is the endpoint of third wave coffee

Sae Coffee shows how high the price point of luxury coffee can go

Luxury brands looking to extend into coffee are emphasising the sit-down experience

The personal touch will become a luxury in an atomised, digital world

ROUTE 2: FUN AND UNCOMPLICATED

The "fourth wave" is about speed and convenience, not another jump in quality

Speaking to mental health concerns with vibes and not functionality

Happy Coffee addresses the mental health crisis without functional ingredients

The RTD explosion in the context of the desire for simplicity

The pod slowdown and the changing face of at-home coffee

Has instant coffee finally made the jump into premium?

ROUTE 3: WELLNESS

Wellness holds as a spending priority amid consumer cutbacks

Energy remains dominant, but other functional spaces are on the rise

The collapse of weight loss as a category and the opportunities in GLP-1s

Cognition is the most promising emergent category for coffee to focus on

London Nootropics focuses on tailored cognitive boosts in coffee

Beauty, digestive health and beyond: Demand exists, but should there be supply?

CONCLUSIONS

Recommendations/Opportunities for growth

Evolution of coffee premiumisation

Questions we are asking

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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/coffee-premiumisation-in-an-inflation-weary-world/report.