ICO World Coffee Conference

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U.S. Coffee Trends: 1991 to 2001

For the past ten years, the general trend has been an increase in the number of coffee drinkers on a daily and occasional basis. The majority of these new drinkers has appeared in the occasional category. In fact, since 1991 there are about 25 million new occasional drinkers, compared with a couple million new daily drinkers. This is likely due to the large variety of new coffee products that have been introduced into the marketplace by roasters and retailers in the instant, whole bean, roast and ground, and prepared beverage sectors.

A decade ago, the coffee menu in the United States could be described as a cup of Joe: a company's signature blend of regular, decaf or instant. Today, that threesome has been vastly expanded to include a dozen types of roasts, another dozen varietals, and another dozen types of flavored coffees, not to mention four types of espresso-based drinks plus iced and cold coffee beverages, both prepared and bottled.

This expansion of the coffee menu developed in tandem with the introduction and expansion of the gourmet coffeehouse in the United States, from fewer than 500 in 1991 to about 8,500 today. This doesn't include the increased accessibility of coffee for out-of-home consumers in the U.S. through such venues as: carts, kiosks, vending machines, cafes in bookstores, sporting events and transportation facilities.

As a result of this activity, the transformation of the coffee category in the United States has been profound – evolving from staple drink to gourmet beverage in a single decade, with choices to suit any social occasion any time of the day. These changes allow the coffee sector to compete more fully with all the other non-alcoholic beverages for "share of throat."

What has mostly driven the twin proliferation of the coffee menu and the coffeehouse is a focus on quality coffee in the specialty coffee segment of the industry.

In the past several years, the National Coffee Association survey has tracked small decreases in both instant and decaffeinated consumption on a daily basis, while witnessing a significant increase in daily consumption of specialty coffee beverages, in particular, the premium whole bean and categories.

In fact, daily consumption of specialty coffee has grown from 3% of the adult population in 1997, claiming 7 million drinkers, to 14% and 29 million daily drinkers in 2001 – a fourfold increase in just five years. At the same time, occasional consumption of specialty coffee has surged during the past five years in the United States, increasing from 35% of the adult population in 1997 to 62% in 2001 – from 80 million to 127 million drinkers.

Looking deeper into the American attraction to specialty coffee, one finds that in 2001, 10% of American adults say they drink gourmet coffee every day, that is, premium whole bean or ground varieties – exactly double from a year ago. In human terms, it means that more than 20 million American adults now drink just gourmet coffee every day.

This size of market enables the aggressive marketing of specialty grade varietals, whether Guatemala Antigua, Arabian Sunani, or Hawaiian Kona, for single-origin coffee varietals now have a well-educated and therefore very receptive consumer audience in the United States. Equally important, it augurs well for producing and consuming countries at every level, for it firmly establishes an educated consuming market that provides economic incentives for producers to focus on quality.

In the United States, the specialty sector also includes specialty drinks like the espresso-based beverages –latte, espresso, café mocha, and cappuccino – as well as iced coffee beverages. When these other specialty drinks are combined with gourmet coffee, the gourmet coffee beverage market becomes even more impressive – 14% of American adults drink gourmet coffee beverages every day, up from 9% a year ago.

This translates into 29 million daily drinkers. It also encourages the continued investment in recipe development, for the sector's on-going introduction of new coffee beverages has demonstrated that coffee has the essential elements to appeal to the widest possible variety of taste profiles.

Proof of this was recently demonstrated with the introduction of iced/frozen coffee beverages several summers ago. In four years, this market has generated more than 8 million weekly drinkers and another 2 million daily drinkers. The considerable consumer acceptance of iced coffee beverages is now being taken to the next stage of market development—introduction of the bottled cold coffee drink, which can compete directly with soft drinks as a prepared beverage for the office and home markets.

Looking at the larger picture, total volume of coffee consumed in the U.S. has grown during the 1990s given the millions of new coffee drinkers. On a daily basis, cups per coffee drinker increased from 3.1 to 3.3 cups per day in the past year, though it remained steady on a per capita basis at 1.7 cups per person per day in 2001.

The most recent annual roasting levels demonstrate further evidence of the increase in coffee consumption. For the first time in 9 years, U.S. roasting activity topped 18 million bags for the year 2000.

During the decade of the 1990s, volume has ranged between 3 and 3.5 cups per drinker per day, while per capita consumption has stayed between 1.6 and 1.9 cups per day.

The other major characteristic of American coffee consumption during the decade of the 1990s has been the dramatic growth of the occasional coffee drinker, especially for specialty coffee, where the ratio of occasional to daily drinkers is four to one. With a market of 25 million new consumers now experimenting with a diverse coffee menu, it is expected that many will convert into daily drinkers after deciding which coffee best suits their taste preference.

In general, specialty coffee's appeal to the palette rather than the pocketbook has reversed the downward trend in consumption experienced during the 1980s, when price consciousness succeeded in decreasing both product quality and price, and then in driving away consumers.

The occasional drinker also is the mainstay of the gourmet coffeehouse, which has provided American adults with a totally new type of venue for the social consumption of coffee. At the same time, the occasional drinker has helped fuel the expansion of the coffee menu for in-home as well as out-of-home consumers.

The size of the coffee cup in the United States is also notable; the American cup has continued to grow over the decades – increasing from an average of 5 ounces in the 1960s to 8 ounces today based on the official serving size used by the US Food and Drug Administration. The NCA annual surveys actually show a more aggressive growth in cup size – an average sized coffee cup in the United States now contains 9 ounces of coffee for the daily coffee consumer.

The future of coffee consumption in the U.S. is very positive, with challenges that also provide avenues for major growth, as the enormous pool of occasional consumers are primed for transformation into becoming daily drinkers.