



Coffee & Tea Consumption & OOH Buying Behavior Pre-COVID vs Current

May, 2021



Study Details – Online Survey



WHO

- Adults 18-64 years
- 50/50 gender split
- Households who consumed out of home coffee or hot tea Pre-COVID
- Total sample: N=471



WHAT

- 15-minute interview
- Coffee consumption Pre and Post COVID, in-home and out of home. Morning Drive through and In-Café behaviours pre/post. Projected Post COVID behaviour



WHERE

- National US sample



HOW

- Online survey

Key Insight Summary

Behavior Changes

- Coffee/tea consumption is driven by either routine or social engagement - changes to both these behaviours have negatively impacted OOH coffee/tea purchasing
- Daily, more people are making their own coffee at home but weekly there is an increase in buying OOH – suggesting it's now a treat/activity/event
- 3/4 are buying branded coffee beans/grounds for home use, many specifically from the café/QSR they regularly visit
- There are more people drinking greater 4+ cups of coffee daily, though increased consumption appears to be among those who were already consuming 3+ cups/daily Pre-COVID
- Consumption of food made at home has increased and meal kits have a strong presence now

Implications for Coffee/tea consumption

- Since people are more comfortable creating food and beverage at home, OOH will need to be more unique to incentivize return
- Consider new offerings/combinations for the MDT that surpass home brewed
- Focus on great outdoor spaces for 'away from home' socializing that allow people to feel safe and comfortable in their own groups, while properly distanced from others



Key Insight Summary

Drive Through

- With new routines and more working from home, morning drive through (MDT) has declined
- More people are making their own coffee at home now and many don't expect that to change – it's become their new routine
- Where the MDT experience used to be about the routine itself and getting the day started, now it's more about the coffee
- There is also an increase in love for drive through as a reason to get out of the house
- People do think they will go back to MDT, especially heavy coffee drinkers
- Some things past MDT users claim will bring them back to regular use include shorter wait times, frequent user rewards/incentives, and daily deals

Implications for Drive Through

- Deliver on great coffee – MDT isn't a habit the way it used to be so the product itself matters more. As new routines develop, consumers may re-evaluate their MDT choice, and the coffee is the first thing that needs to deliver
- Make the drive through experience great – if it's an activity to get out of the house, make it engaging and enjoyable, with daily deals, eye-catching menu boards, short wait times, and rewards and incentives for heavy users



Key Insight Summary

In-Café

- Where socializing with friends, sharing coffee breaks or meeting clients used to be a draw to cafés and quick service coffee restaurants, with fewer people engaging in these behaviors in-café use has declined the most
- But the majority claim they will return to indoor and outdoor café use in the future, and the chance to socialize with friends over coffee/tea is what people are looking forward to the most
- However, 30% expect not to 'go in' for coffee as often as before, almost equally because they now make at home and because of health & safety concerns
- What consumers claim will help bring them back to cafés and QSRs are reward/loyalty programs, faster service and less crowded spaces

Implications for In-Café Use

- Create a space that feels comfortable for socializing but also reflects consumers' need for space
- Communicate the measures taken to ensure their health & safety in a way that feels welcoming and reassuring
- Incentivize with deals that encourage sharing and reconnecting with friends and family to help encourage people to come back together in safe, sanitized indoor and outdoor spaces



Key Insight Summary

Brands

- Starbucks, Dunkin' and McDonald's are the most popular chains, with almost 8 in 10 people claiming to be at least occasional visitors
- There are notable regional differences among the smaller chains like Seattle's Best, Peet's, Dutch Bros and Tim Horton's
- A chain's visitors are the most likely to buy branded coffee at home, especially Starbucks visitors, with 7 in 10 buying Starbucks brand for home use
- Women are less likely than men to be visitors of some of the smaller regional chains, and also under-index as Dunkin' visitors
- Starbucks has seen the greatest growth in love for their outdoor patios since COVID
- More consumers believe that Starbucks will do a good job of ensuring health and safety in the future than other coffee chains

Implications for Brands

- Consumers still seem to want to keep their pre-COVID habits as similar as possible, as seen by making the branded coffee they love at home
- Consider other ways to keep the brand top of mind in their new routines through on-line connections or cross-over incentives to have the brand both in-home and OOH
- Reassure women that there are safety protocols are in place – this is especially important for the smaller chains



Key Insight Summary

A View to the Future

- Once things open fully, the chance to socialize with friends over coffee/tea is what people are looking forward to the most about cafés and quick service coffee restaurants
- 2/3 of people expect to go back to using MDT and in-café as they did before, or perhaps more often
- But 1 in 10 consumers expect to use MDT less, and 2 in 10 in-café less, due to making coffee at home, new routines and health & safety concerns
- Heavier coffee consumers claim the highest likelihood to use MDT even more than before

Implications for Bringing People Back

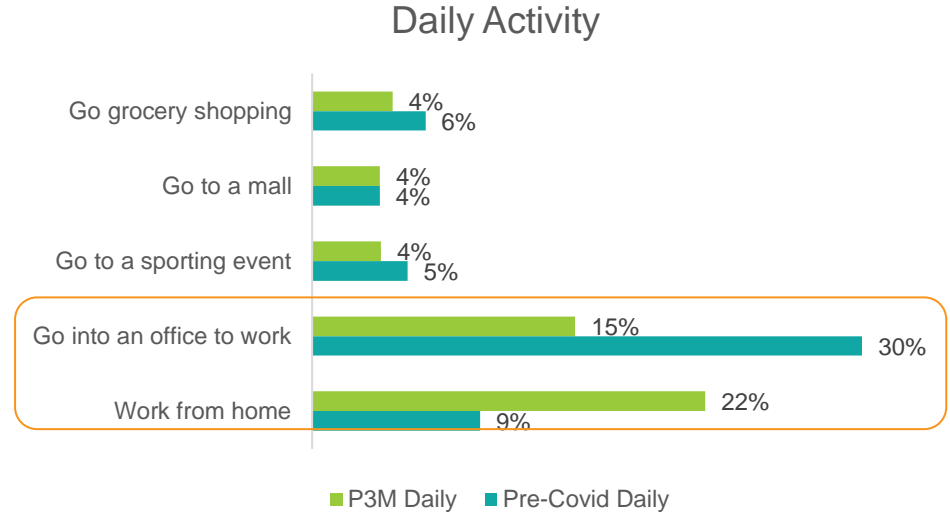
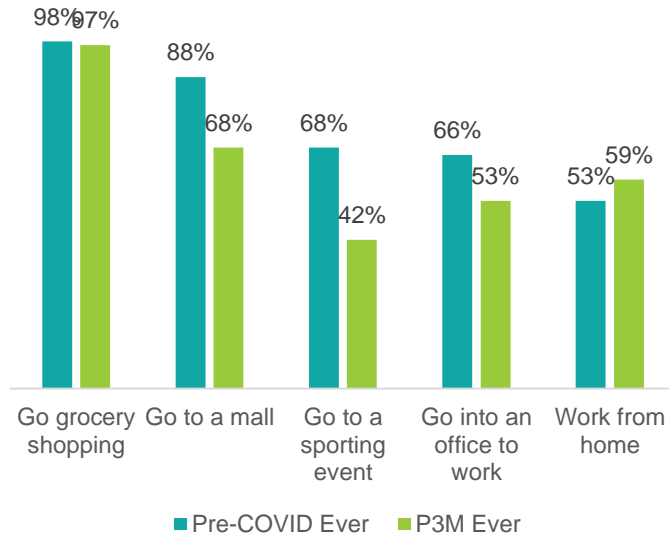
- Engage the consumer with brand experience – buying OOH coffee will not be done on auto-pilot in the routine way it used to
- Incentivize the heavy coffee drinker – give them bonuses for their loyalty and increased coffee consumption
- Create great outdoor spaces – use these spaces as a transition to increase comfort levels with health & safety protocols that will make them feel more comfortable to also return to indoor seating



The background image shows a person's hands working on a laptop. One hand is on the keyboard, and the other is holding a black disposable coffee cup. The laptop screen displays a software interface with various panels and data. A small cactus is visible on the desk to the right of the laptop.

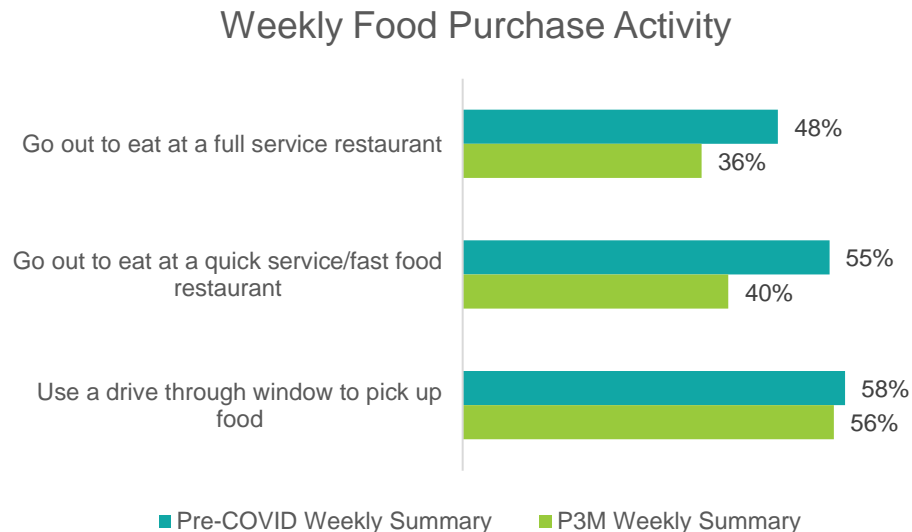
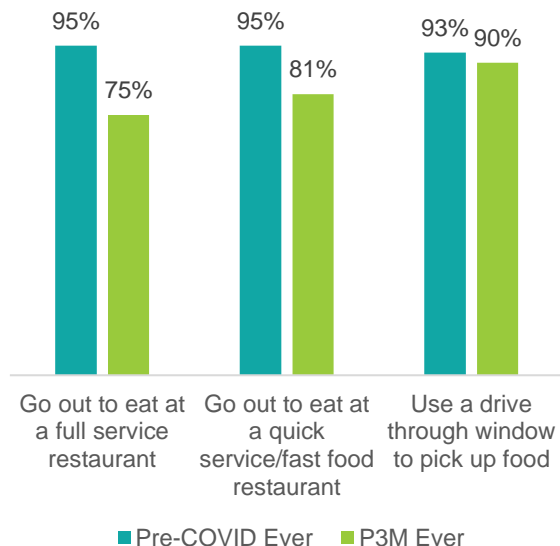
Pre-Covid vs Past 3 Month Behaviors

Except grocery shopping, most activities that take people out of the house have declined, including going to work in an office

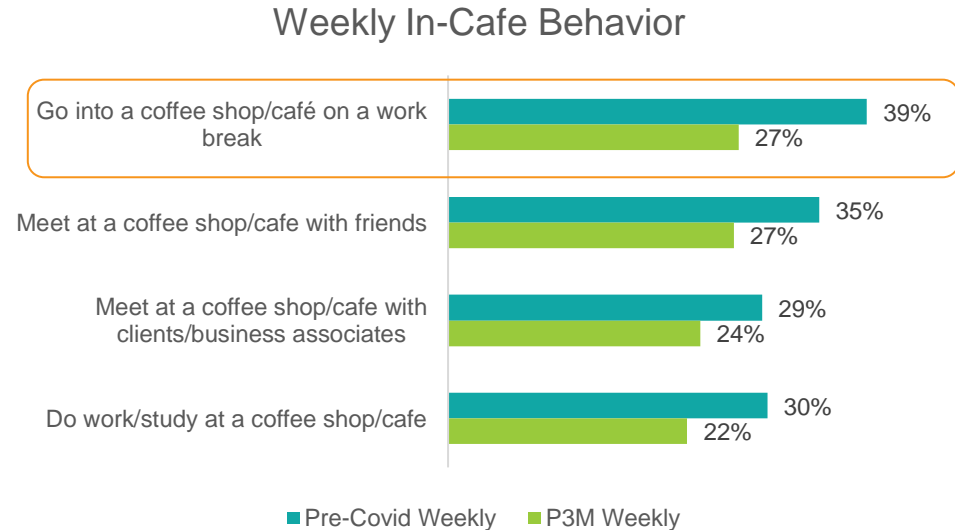
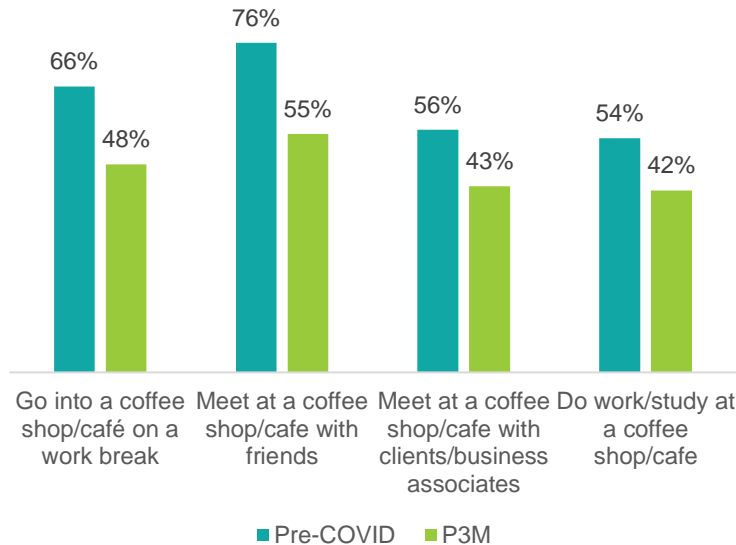


Daily, only half as many have gone into an office to work, and more than twice as many have worked from home in the past 3 months

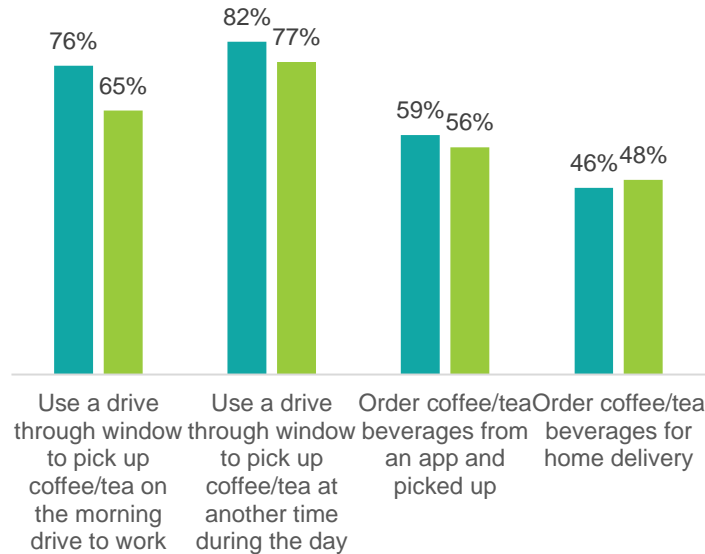
Going into locations for food/meal purchase has also declined, but using a drive through to pick up food has not



In-Café activities, like work breaks, seeing friends/clients and using as a workspace have declined, especially work breaks which correlates with fewer people going out to work



Drive through for coffee/tea has also declined, especially morning drive through. Ordering with an app for pick-up has not gained popularity, suggesting it's the OOH coffee purchase activity less than concern of contact



■ Pre-COVID ■ P3M

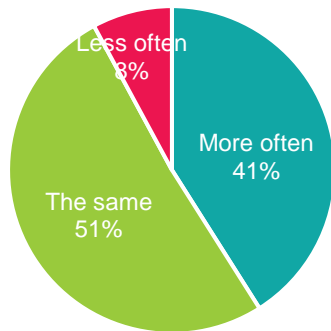
	Pre-Covid Daily	P3M Daily	Pre-COVID Weekly Summary	P3M Weekly Summary
Use a drive through window to pick up coffee/tea on the morning drive to work	8%	4%	46%	40%
Use a drive through window to pick up coffee/tea at another time during the day	7%	5%	48%	39%
Order coffee/tea beverages from an app and picked up	6%	5%	35%	33%
Order coffee/tea beverages for home delivery	6%	3%	29%	27%



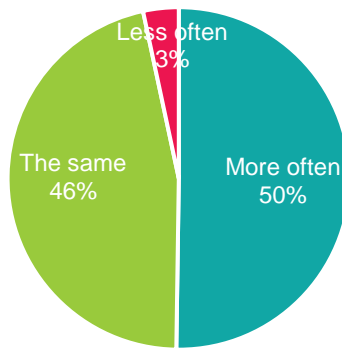
Pre-Covid vs Current Consumption

40% are drinking more coffee than pre-pandemic, but there is a clear shift to making coffee at home and buying out of home less often

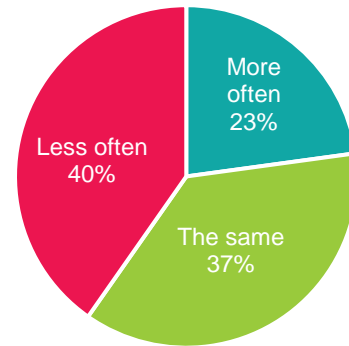
Current Coffee Consumption Vs Pre-COVID



Making Coffee at Home Vs Pre-COVID



Buying Coffee at Cafe or QSR vs Pre-COVID



But those who were weekly+ OOH coffee buyers Pre-COVID are satisfying their increased consumption by making more at home **as well as** buying more OOH

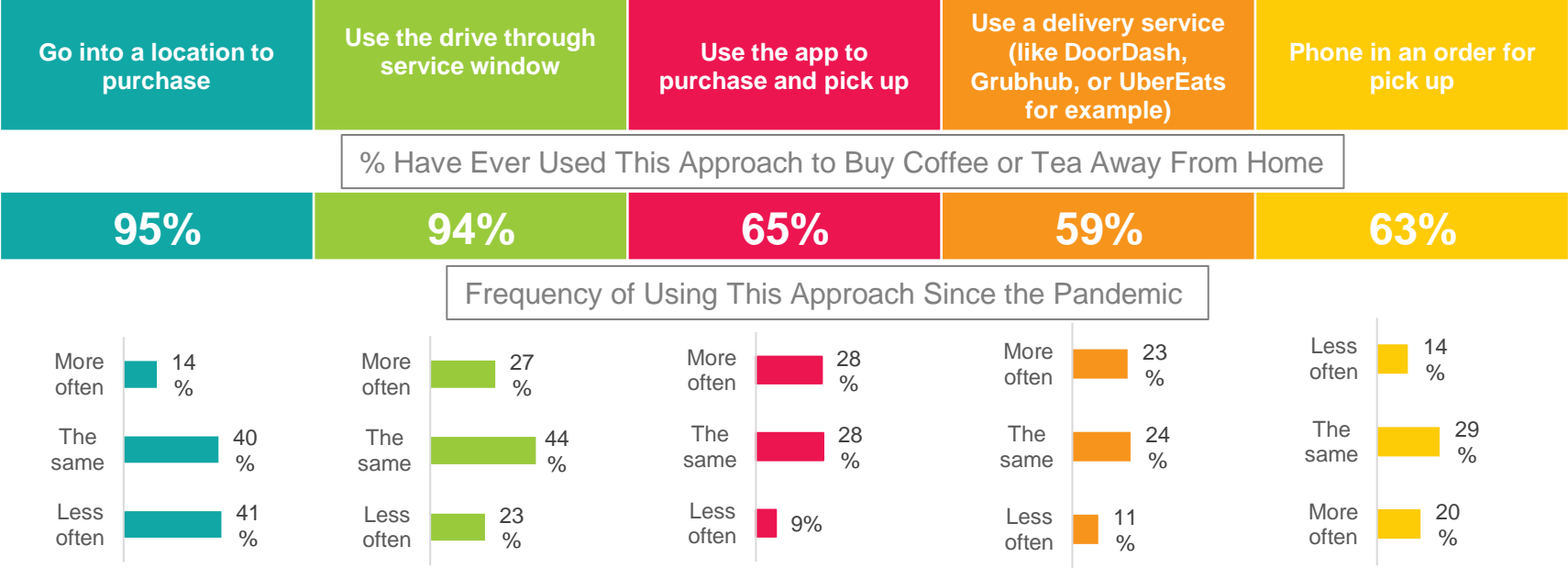
Pre-COVID Weekly+ Morning Drive Through Coffee Buyers N=215		Pre-COVID Weekly+ In-Café Buyers N=233	
Drink more coffee	58%	Drink more coffee	58%
Make more at home	62%	Make more at home	62%
Buy more OOH	40%	Buy more OOH	37%

Starbucks Visitors N=192		Dunkin' Visitors N=157	
Drink more coffee	49%	Drink more coffee	54%
Make more at home	55%	Make more at home	51%
Buy more OOH	31%	Buy more OOH	37%

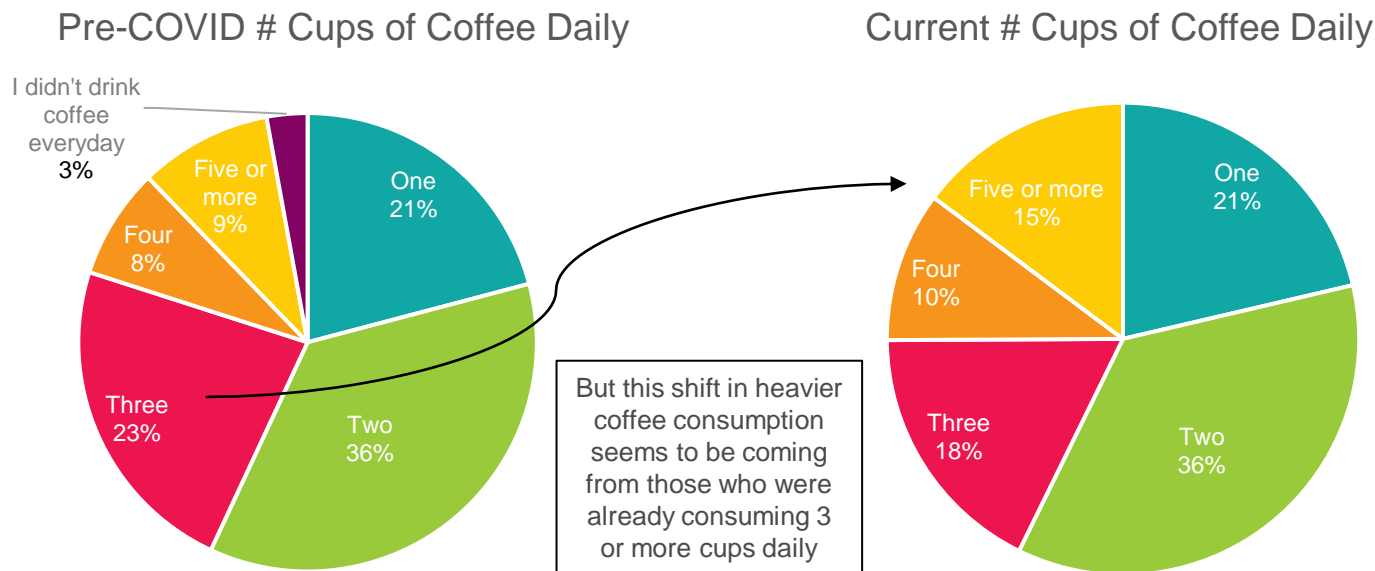
Dunkin' visitors are a little more likely to be getting their extra coffee OOH than Starbucks visitors – perhaps because more Starbucks visitors are buying Starbucks coffee to make at home now

‘Going in’ to get coffee has declined most, and while % of increase and decrease of drive through use are equal, other data points suggest that the increased activity is less frequent than the decreased

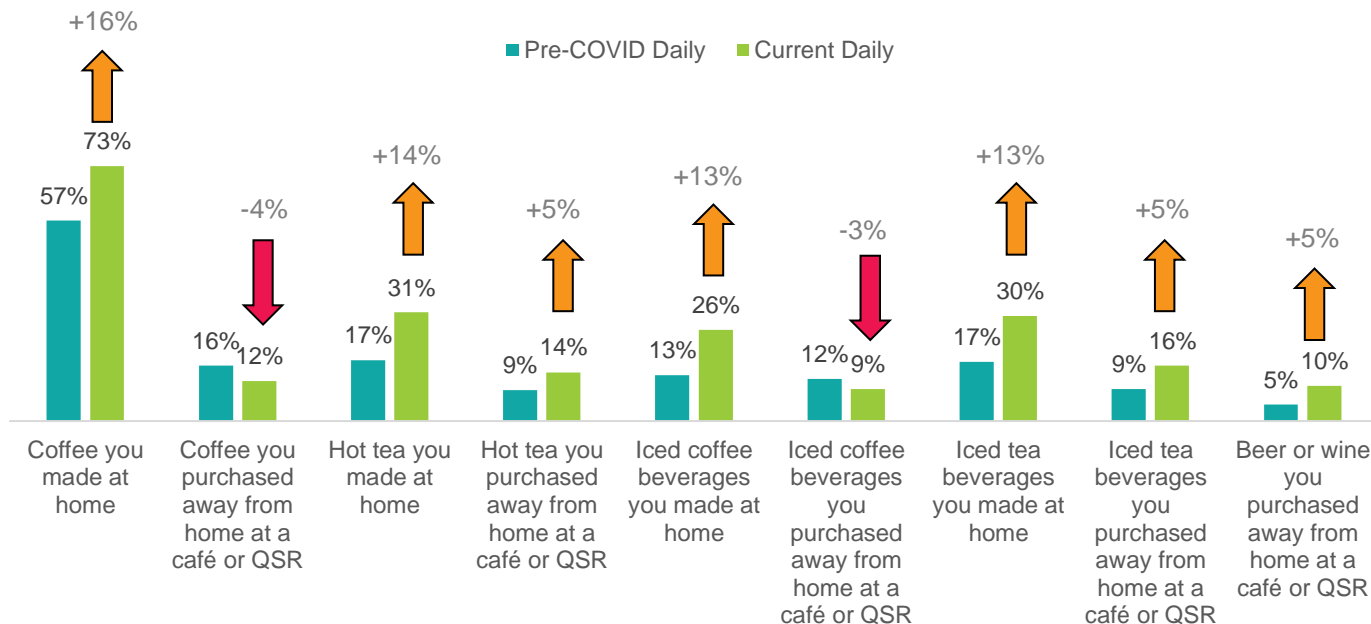
Approaches to Buying Coffee or Tea Away From Home



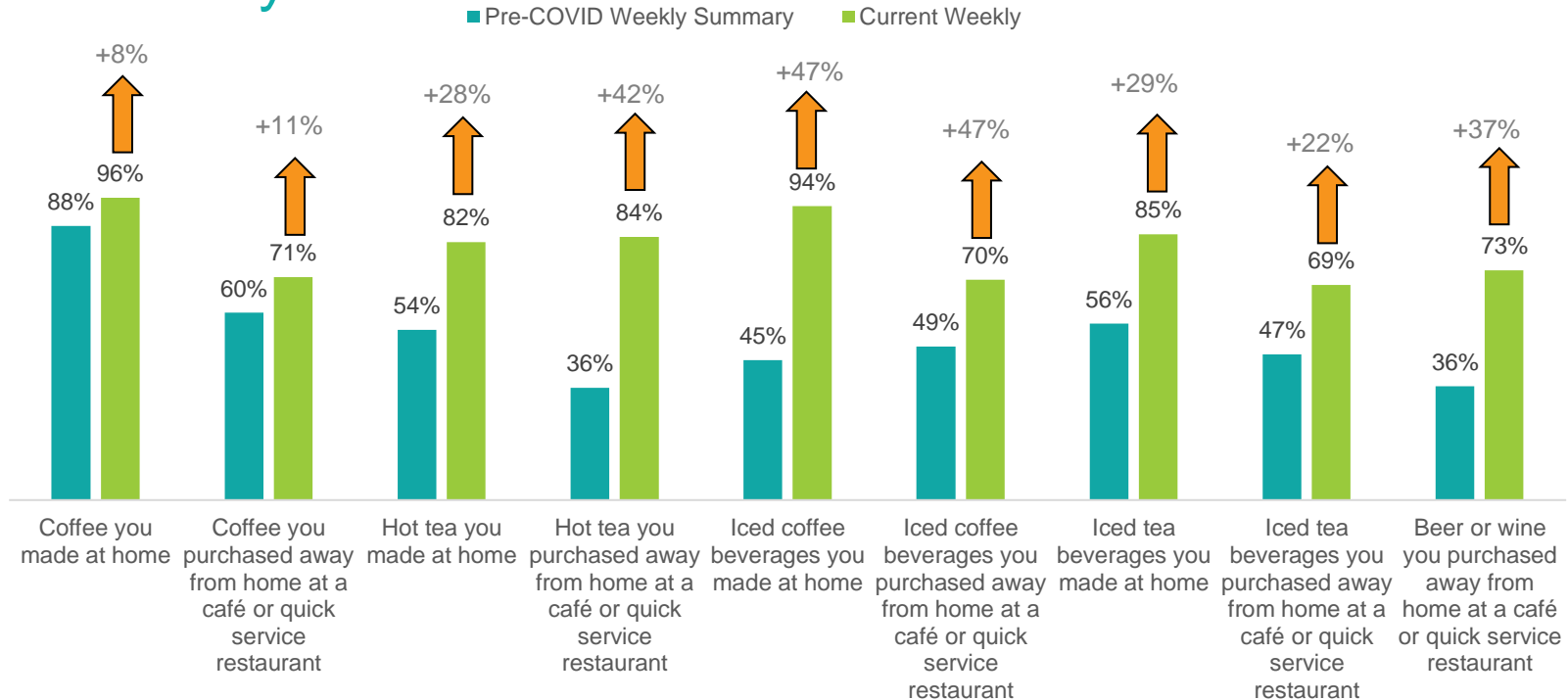
1 in 4 now drink 4+ cups of coffee a day, which is almost a 50% increase vs the number who consumed that volume Pre-COVID



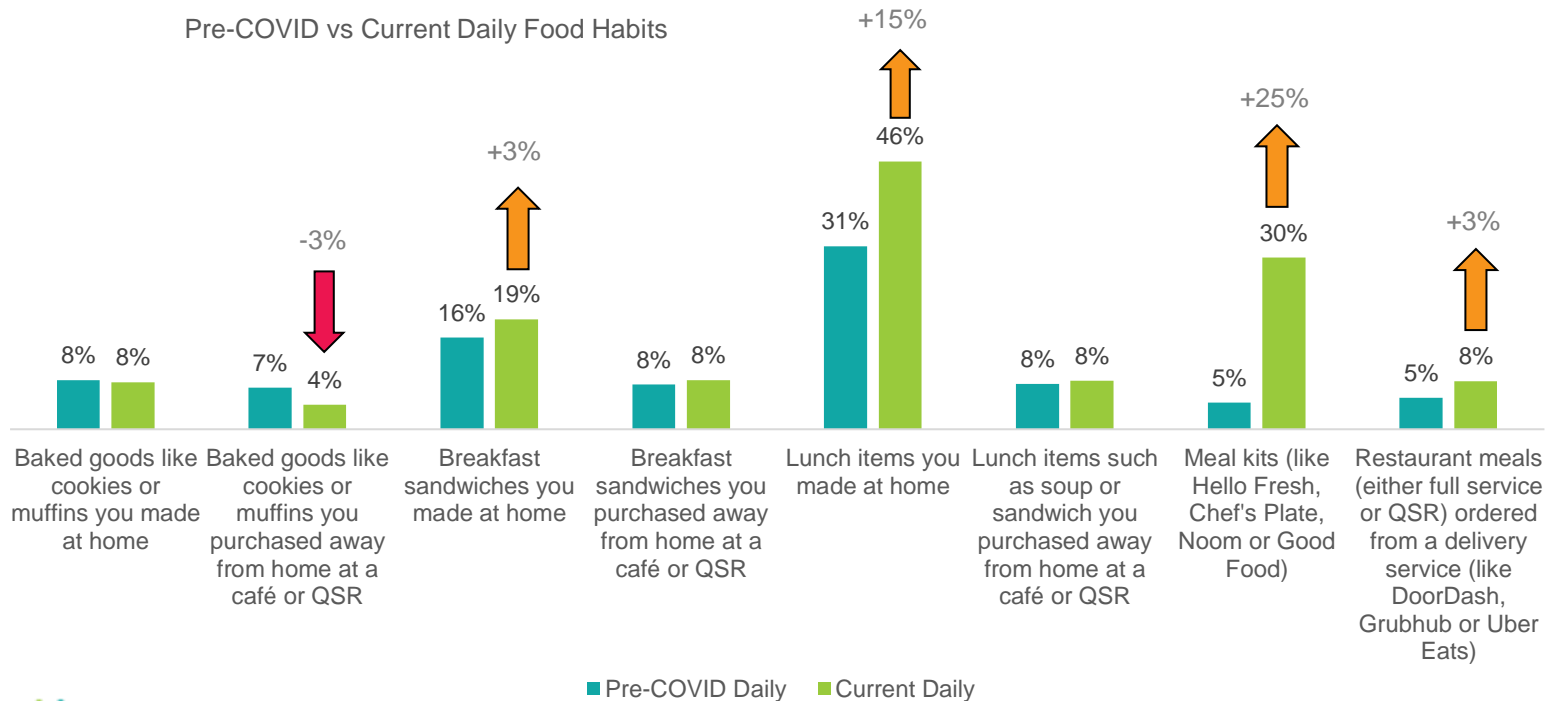
Daily, more people are now consuming coffee and tea made at home, resulting in daily out of home coffee consumption declining slightly



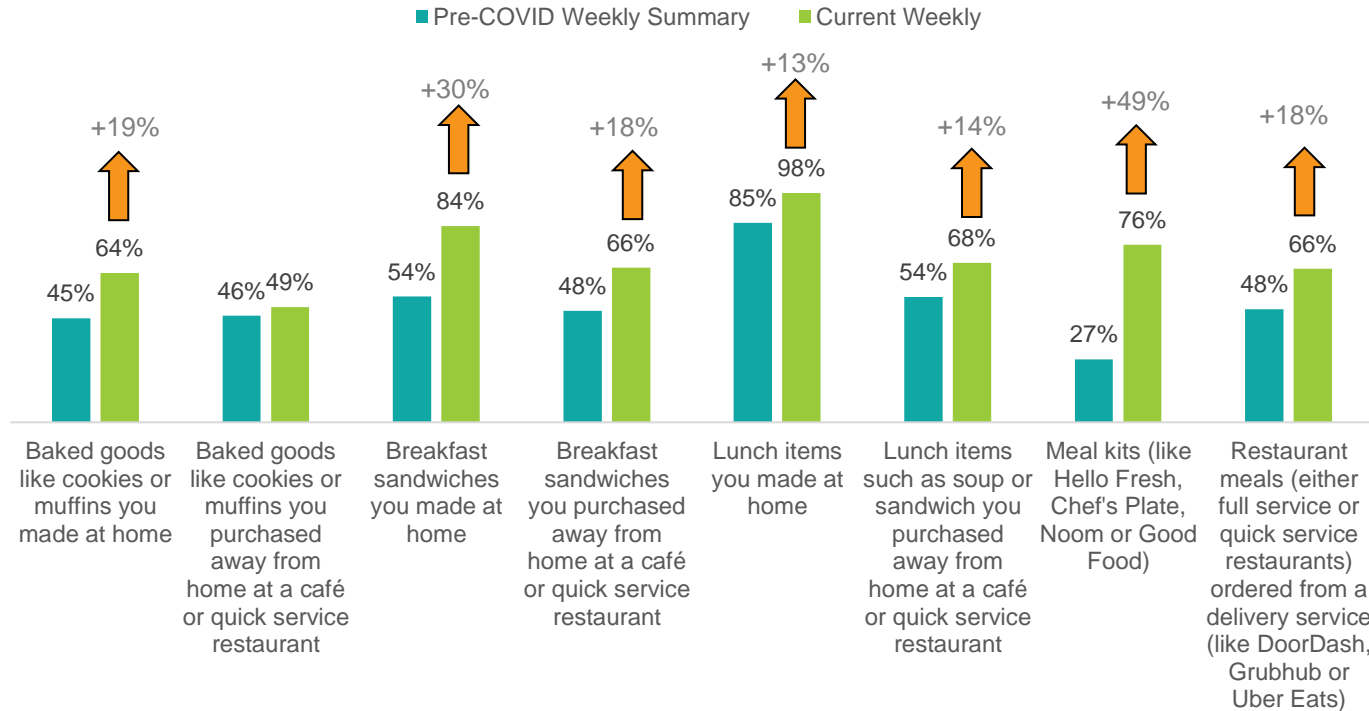
But there has been a rise in weekly OOH beverage consumption, suggesting it may now be more a treat/event than a daily habit



Consuming food made at home daily has also risen, especially use of Meal kits



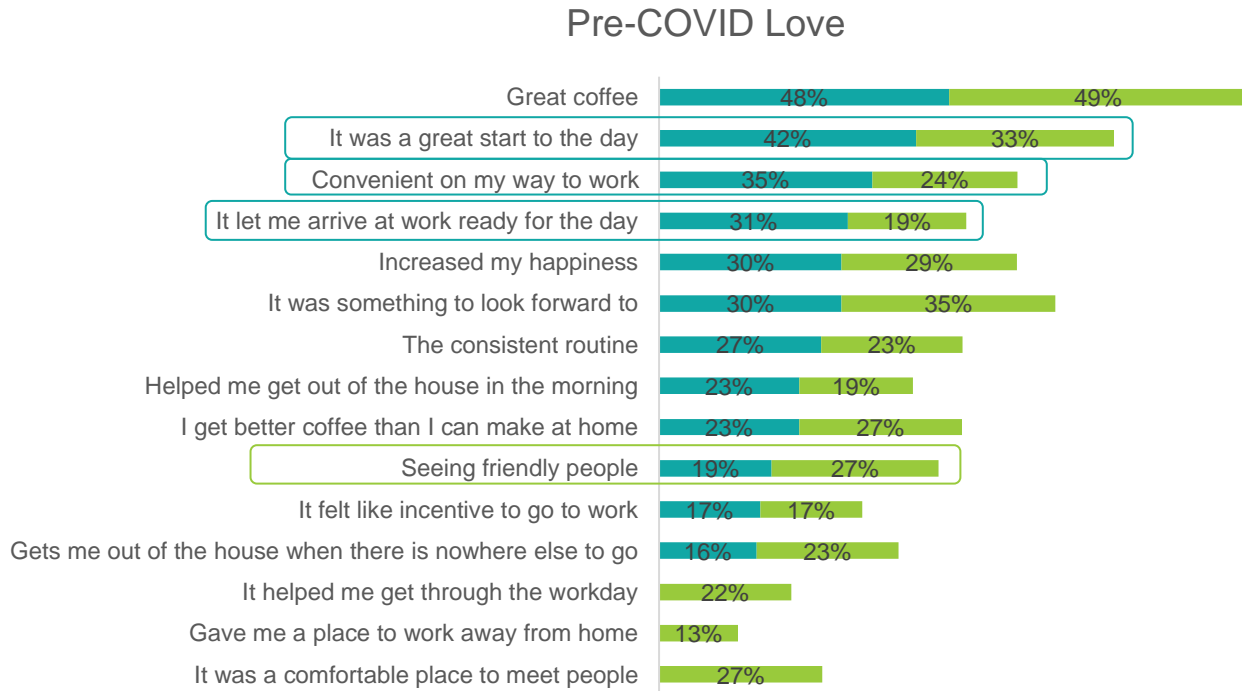
Weekly consumption of breakfast & lunch OOH food purchase has also risen, but to a lesser degree than beverages, perhaps due to increase in delivery service and meal kits at home



A close-up photograph of a dark asphalt surface. A yellow-painted smiley face is visible, with two white dots for eyes and a white curved line for a mouth. The smiley face is partially obscured by a teal banner on the right side of the image.

The Experience

Pre-COVID love for MDT was about getting the day started, while in-café love centered around seeing people and being a destination

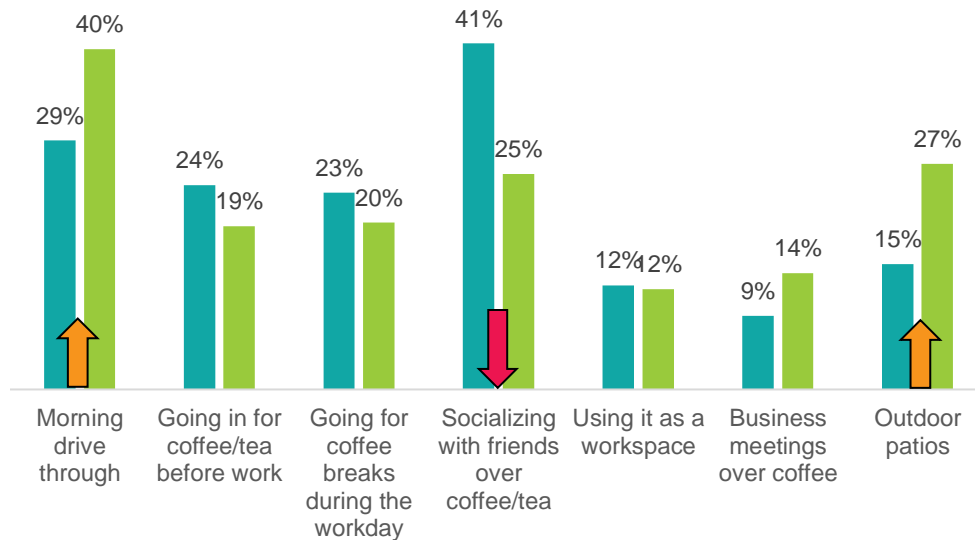


But COVID restrictions have changed what people love most about cafes and quick service coffee restaurants

From:



To:



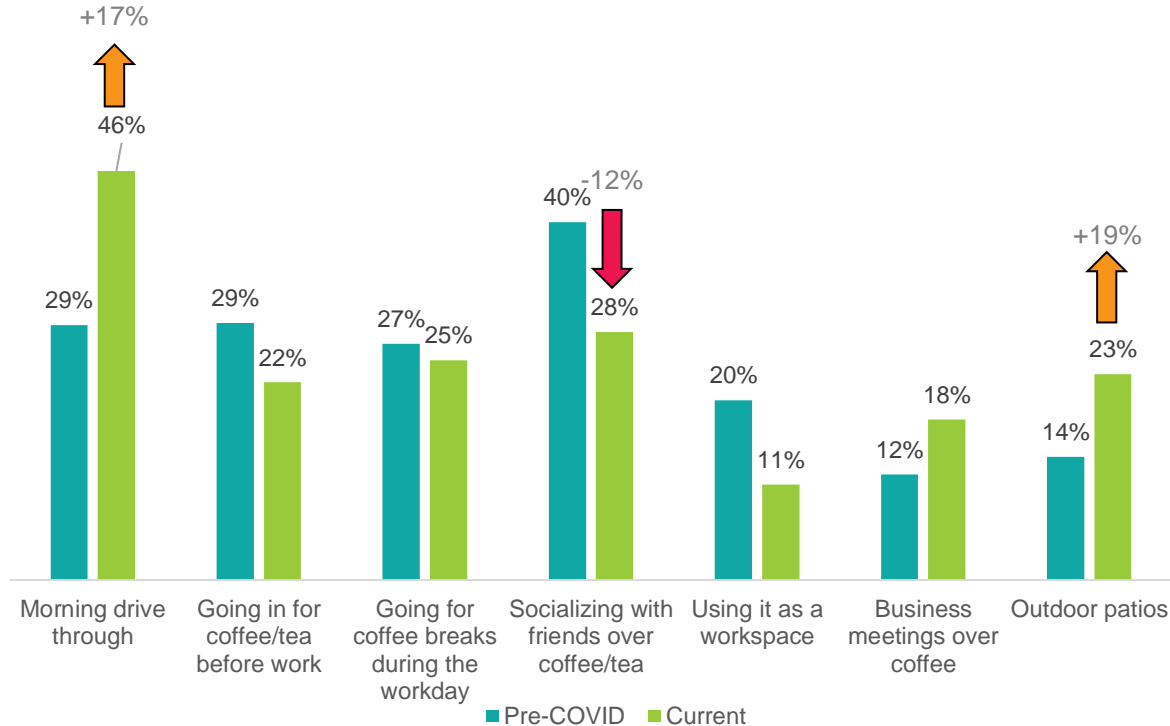
■ Pre-COVID ■ Current

For Starbucks visitors, outdoor patio love has grown the most, while going in for work breaks and socializing declined the most

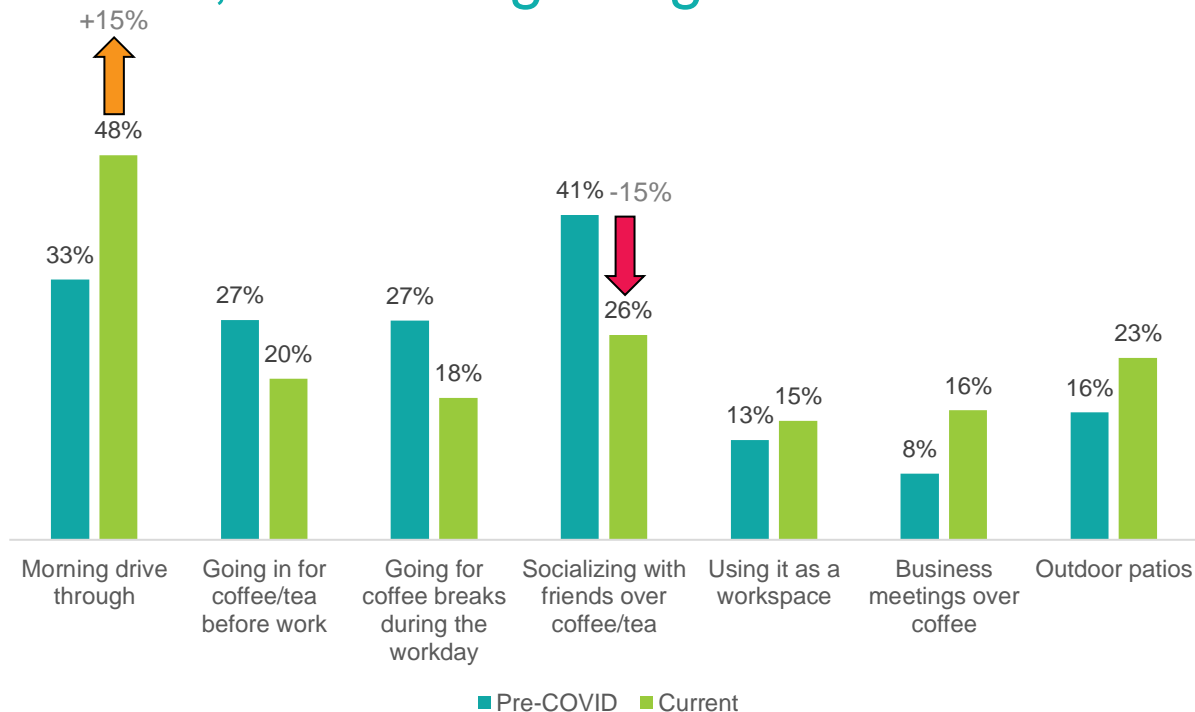


For Dunkin' visitors, patios and morning drive through love increased equally, while only socializing saw a notable decline

DUNKIN'



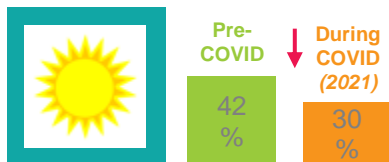
For McDonald's visitors, drive through has the greatest increase in love, socializing the greatest decline



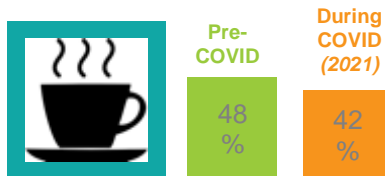
Morning drive through doesn't play the same positive role getting the day started as it did pre-COVID

REASONS TO LOVE MORNING DRIVE THROUGH

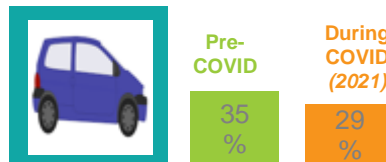
It's a Great Start to the Day



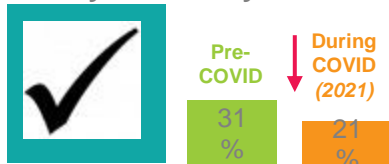
Great Coffee



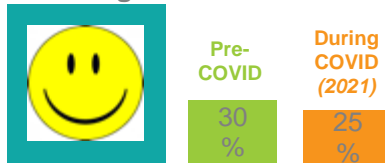
Convenient on Way to Work



Lets Me Arrive at Work Ready for the Day



Increases My Happiness in the Morning



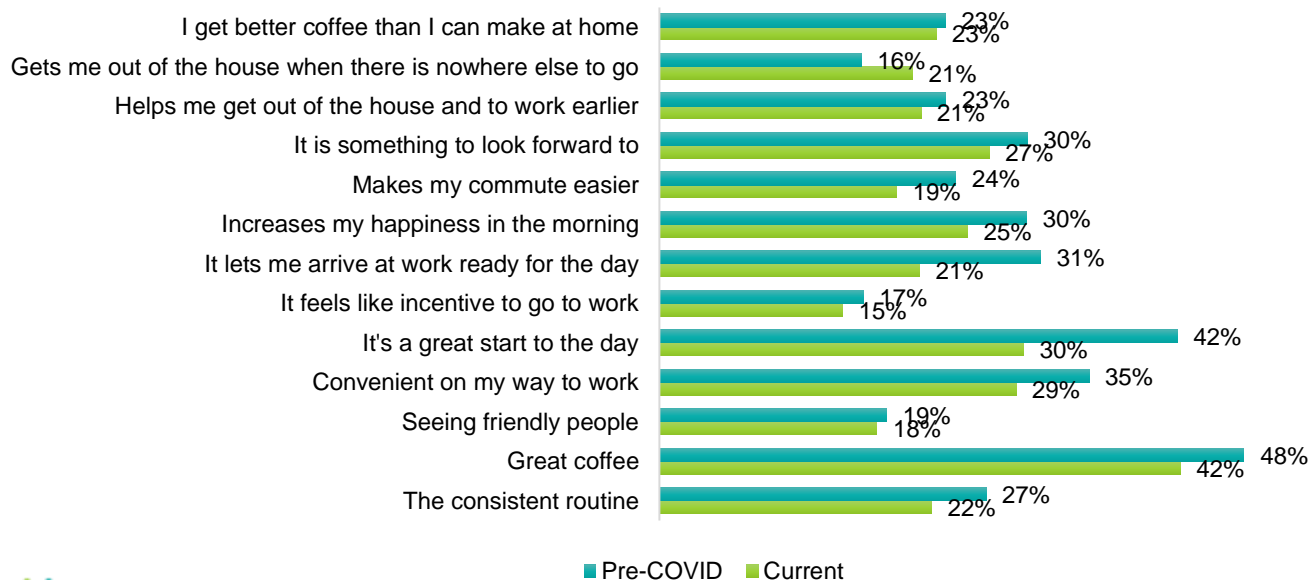
Gets Me Out of the House When There is Nowhere Else to Go



↓ Significantly fewer participating versus pre-Covid years at 95%

But aside from that, it's loved the same or only slightly less on most factors; and loved even more as a reason to get out of the house!

Reasons to Love Morning Drive Through Service



Consumers who use morning drive less often now, equally miss the great coffee and the routine that started their day off right

Things Missed Most About Using Morning Drive Through Less Often Than Pre-COVID



"I missed that fresh cup of coffee treat in the morning to start my day off right"

"It represented the routine of getting ready for work and the ability to work away from home - both of which I miss."

"Warm coffee in the car"

"Just every morning getting my good coffee"



"It was a consistent routine. I really enjoyed the time, and it helped me prepared myself for work"

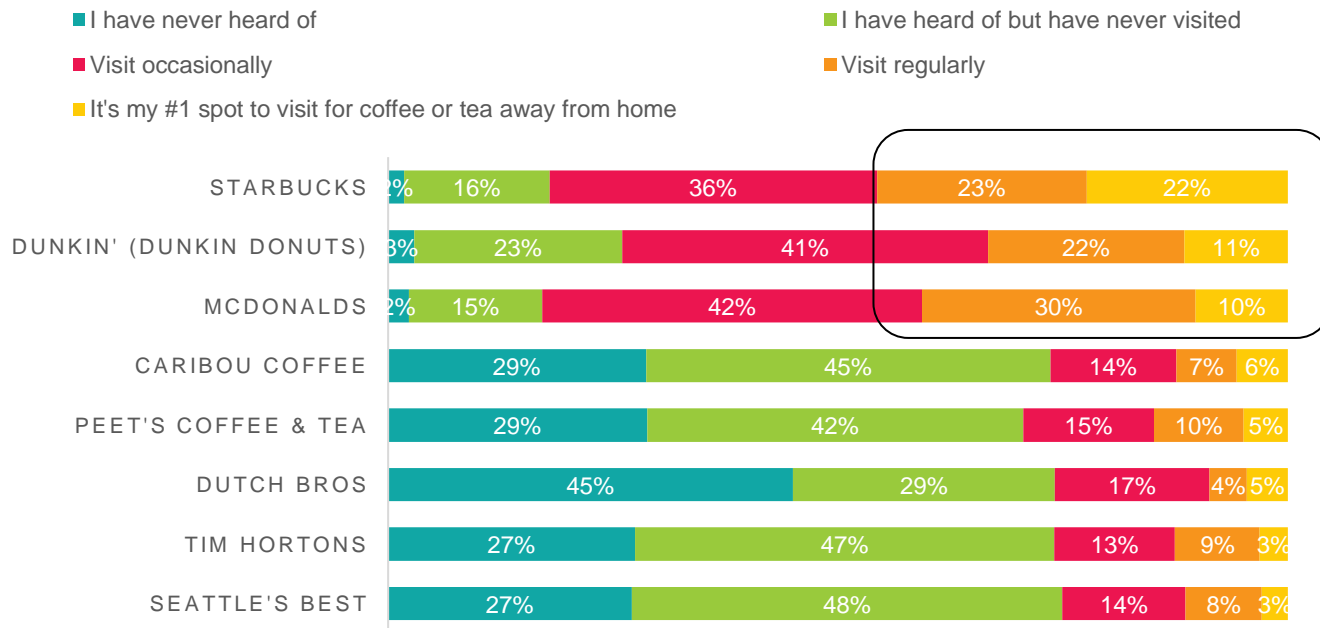
"The good feeling I used to get on way to work"



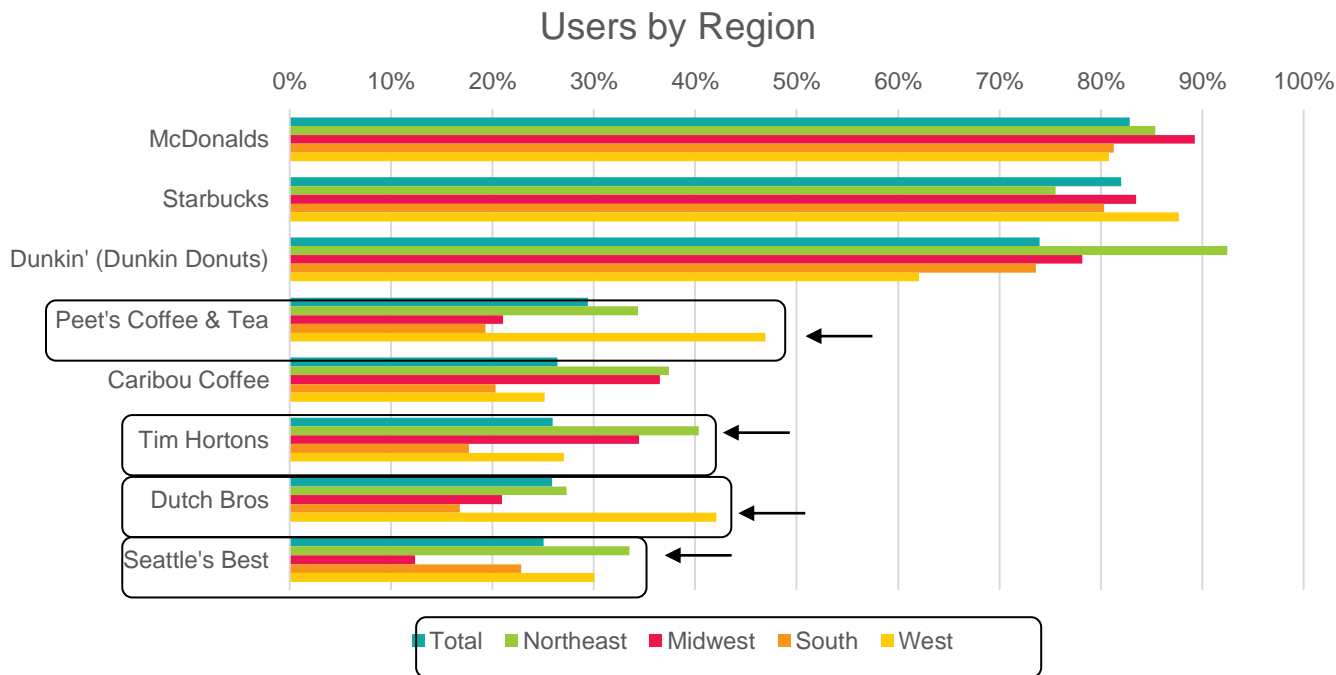
Brand Familiarity & Use

Starbucks, Dunkin' and McDonald's rule for being 'regular' and '#1 spots' for out of home coffee

BRAND FAMILIARITY - NATIONAL

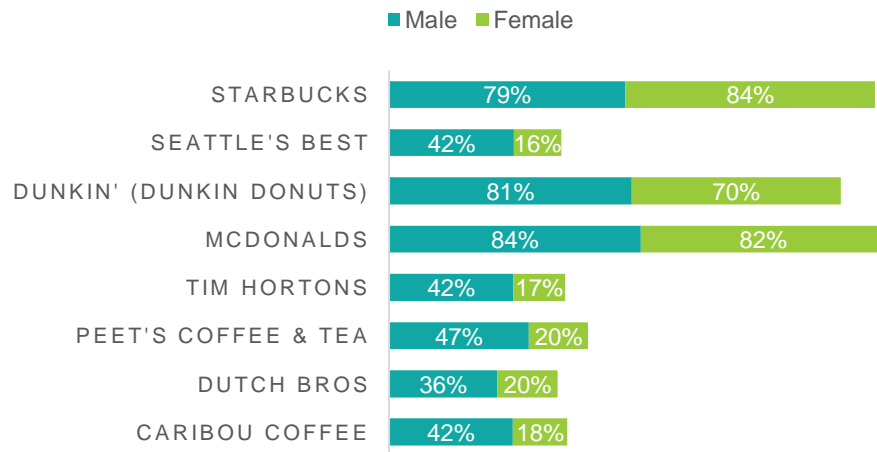


Regionally, some of the smaller brands have strengths, notably Peet's and Dutch Bros in the West, and Seattle's Best and Tim Horton's in the NE

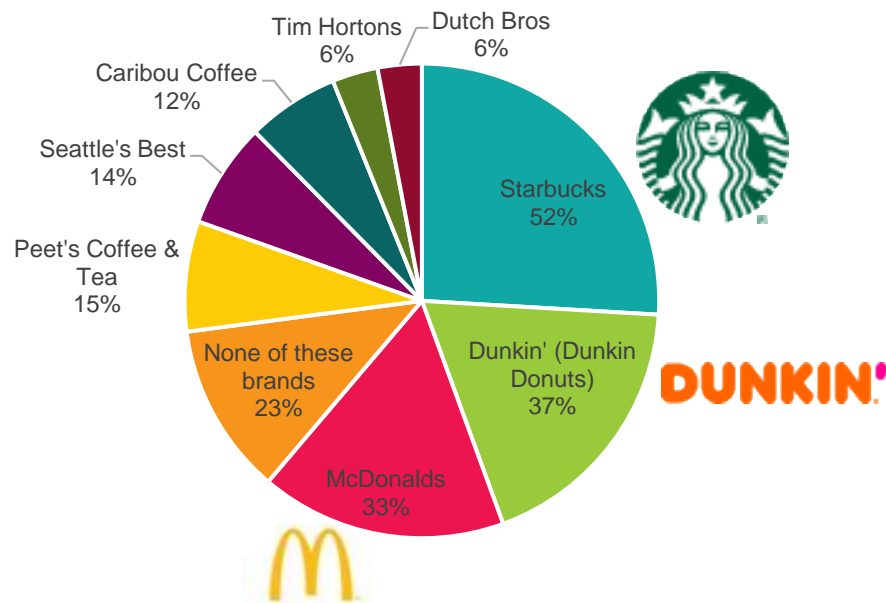


Women are on par with men in their use of Starbucks and McDonald's but under-index in their use of Dunkin' and the smaller QSR coffee chains

USE BY GENDER

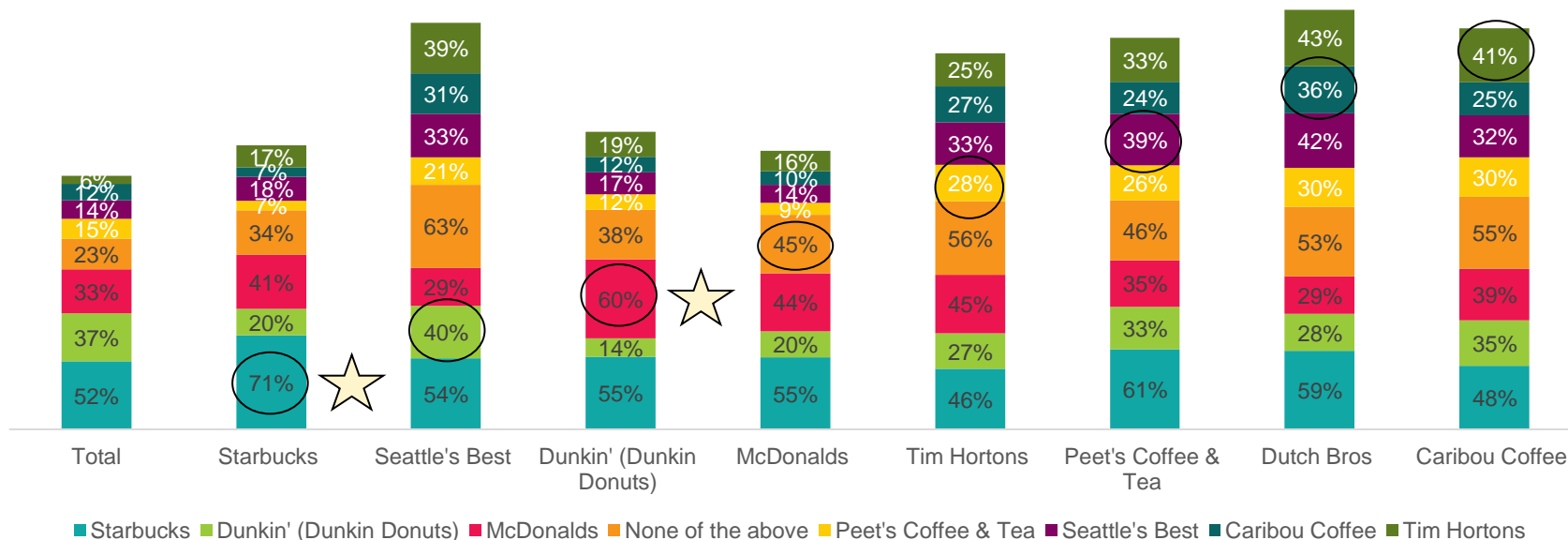


In the past 6 months, $\frac{3}{4}$ of OOH coffee buyers have bought a coffee chain's brand for home use, with half choosing Starbucks, and about $\frac{1}{3}$ selecting Dunkin' or McDonald's



Buying coffee for home use based on a preferred chain is popular, especially among Starbucks and Dunkin' visitors

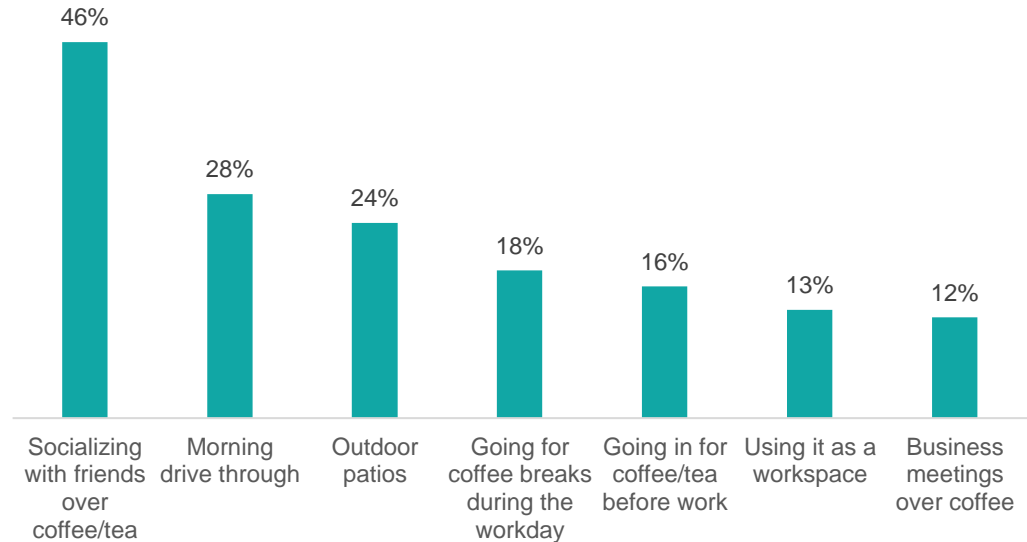
Branded Coffee Bought for Home Use Among Coffee Chain Visitors



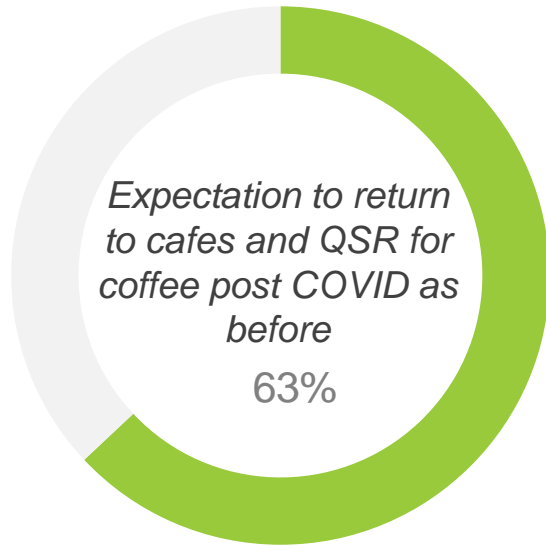


Future Habits

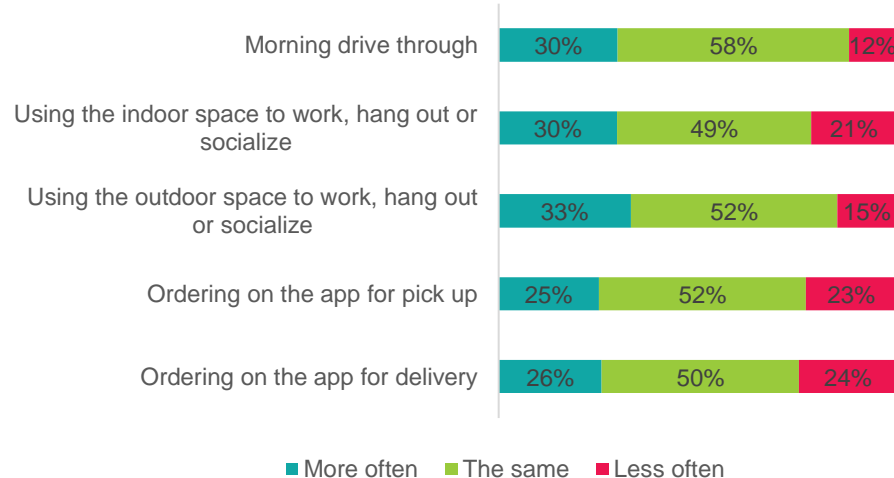
Once things open fully, the chance to socialize with friends over coffee/tea is what people are looking forward to the most



Almost 2/3 expect to go back to cafés and QSR for coffee as they did before, with the same or greater use of morning drive through, indoor and outdoor spaces

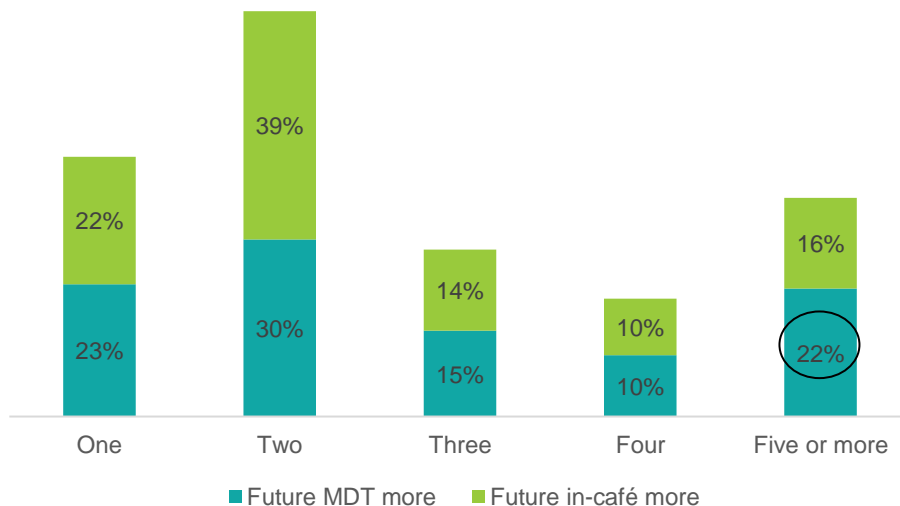


Expected Future Use

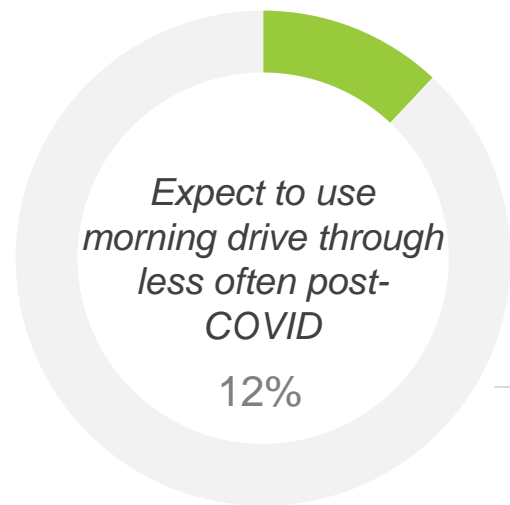


Heavy daily coffee drinkers may frequent MDT even more often, while light to moderate daily consumers show similar expectation to frequent in-café and MDT in the future

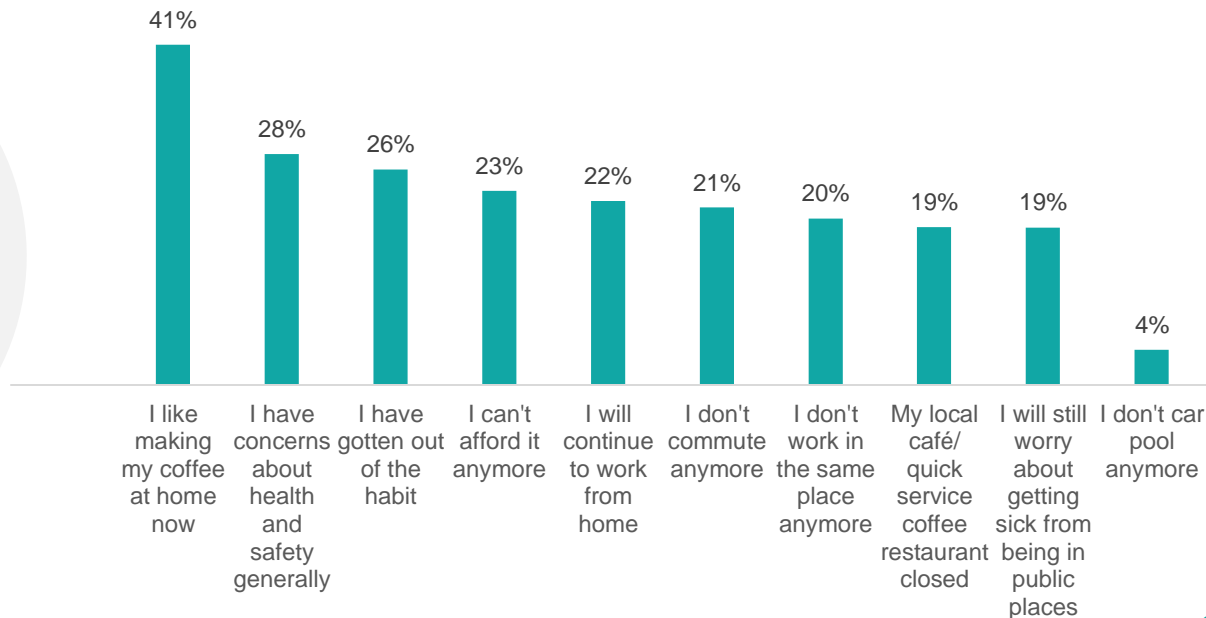
Expected Future Use of MDT and In-café by
Cups Coffee Currently Consumed Daily



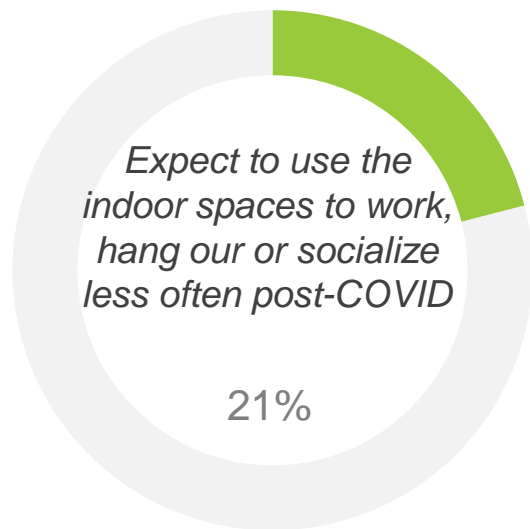
Of the 12% that expect to use MDT less in the future, mostly due to making coffee at home, but also new routines, and health & safety concerns



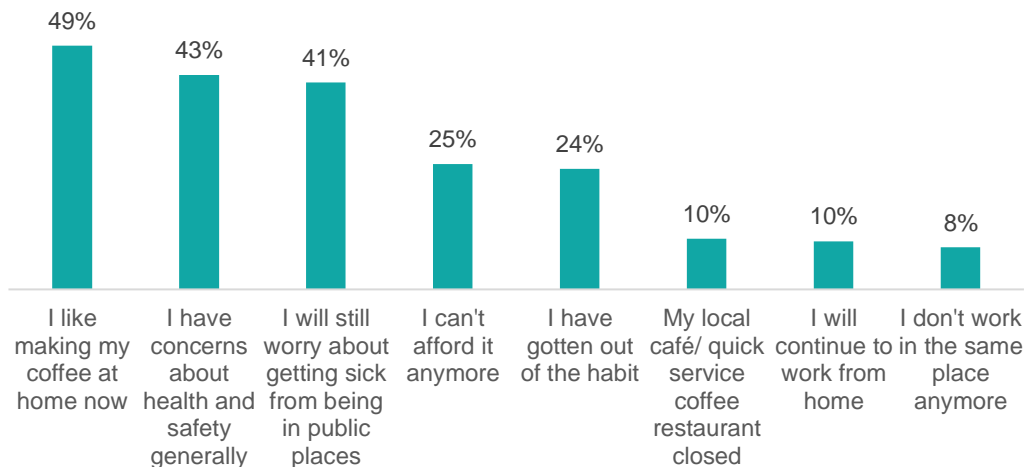
Reasons for Expecting to Use Morning Drive Through Less Often*



Health & Safety concerns play a bigger role in why people might use indoor spaces less than it does for a decline in morning drive through use

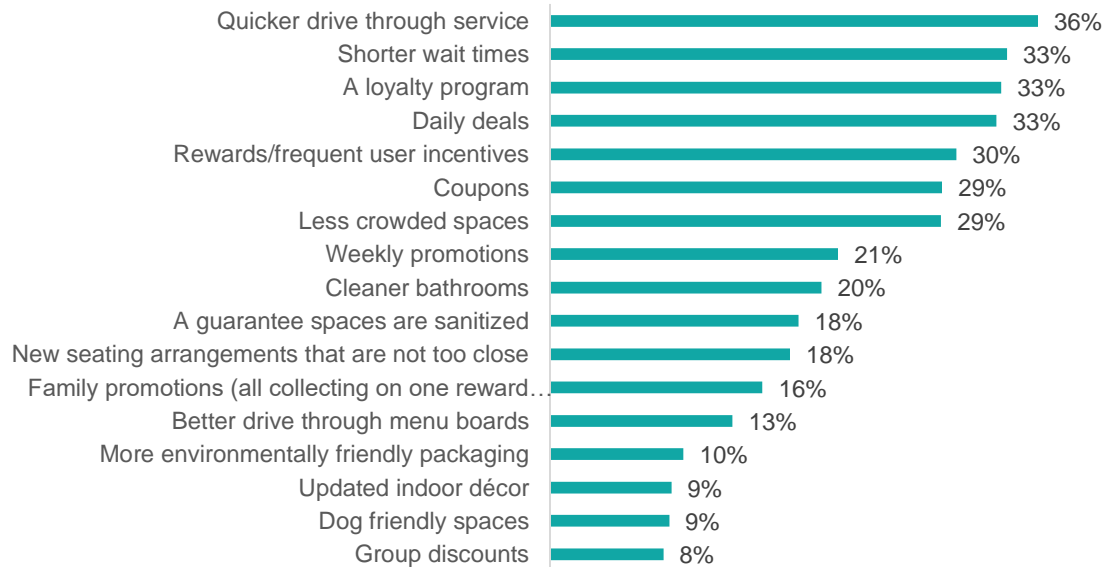


Reasons for Expecting to Use Indoor Spaces for Work, Hanging Out or Socializing Less Often



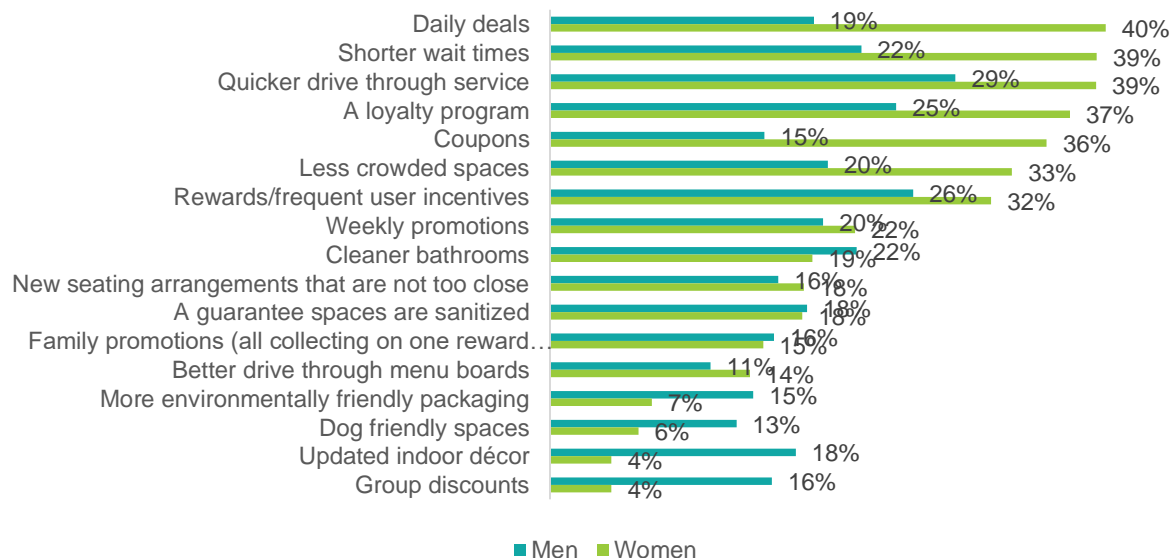
Service and promotion aspects are the most interesting incentives to return to pre-COVID habits, despite people suggesting health & safety concerns might keep them away

What Might Bring Them Back



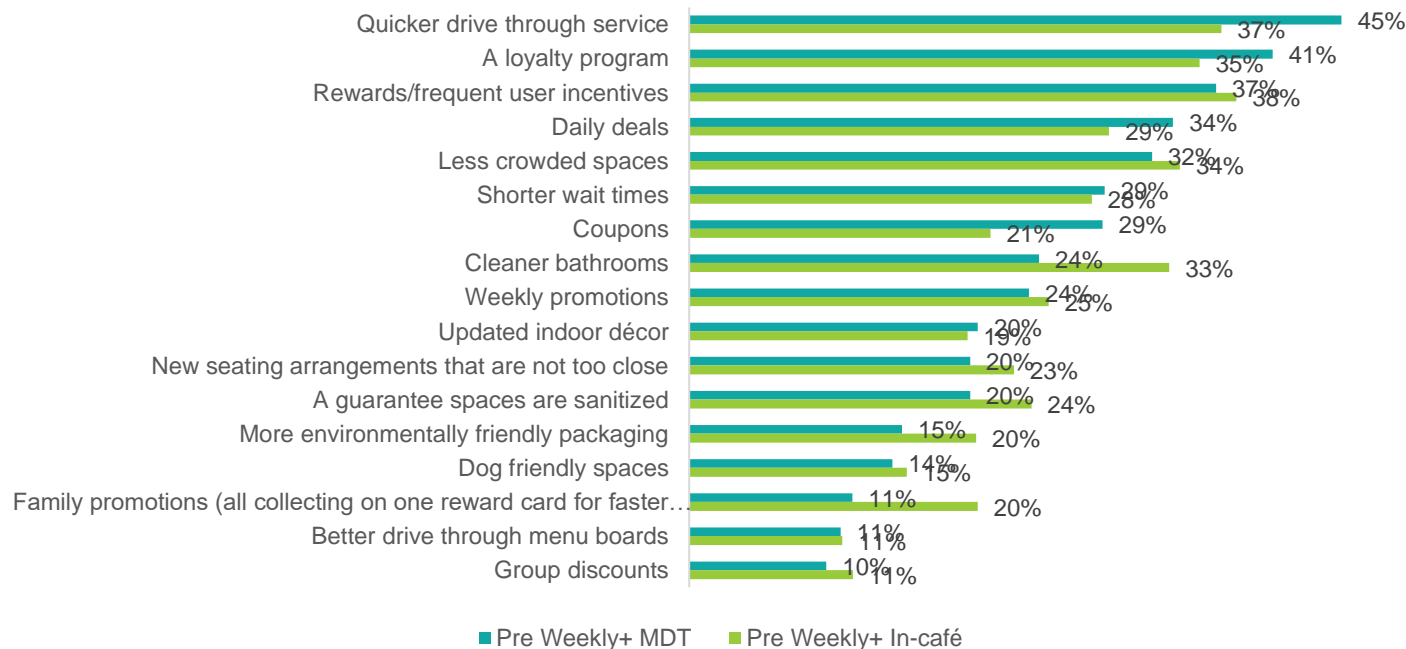
Women are more likely to be enticed back with deals, better service, and less crowded spaces than men

What Might Bring Them Back - Women vs Men



Everyone wants rewards, loyalty programs and deals but past MDT users also want quicker drive through service and past in-café users also want cleaner bathrooms

What Might Bring Them Back - Pre-COVID Weekly Users



Regardless of favorite spot, everyone wants to wait less, with quicker drive through service being especially important to Starbucks users



Starbucks Visitors

Quicker drive through service	47%
Rewards/frequent user incentives	44%
Coupons	39%
Daily deals	38%
A loyalty program	37%



Dunkin' Visitors

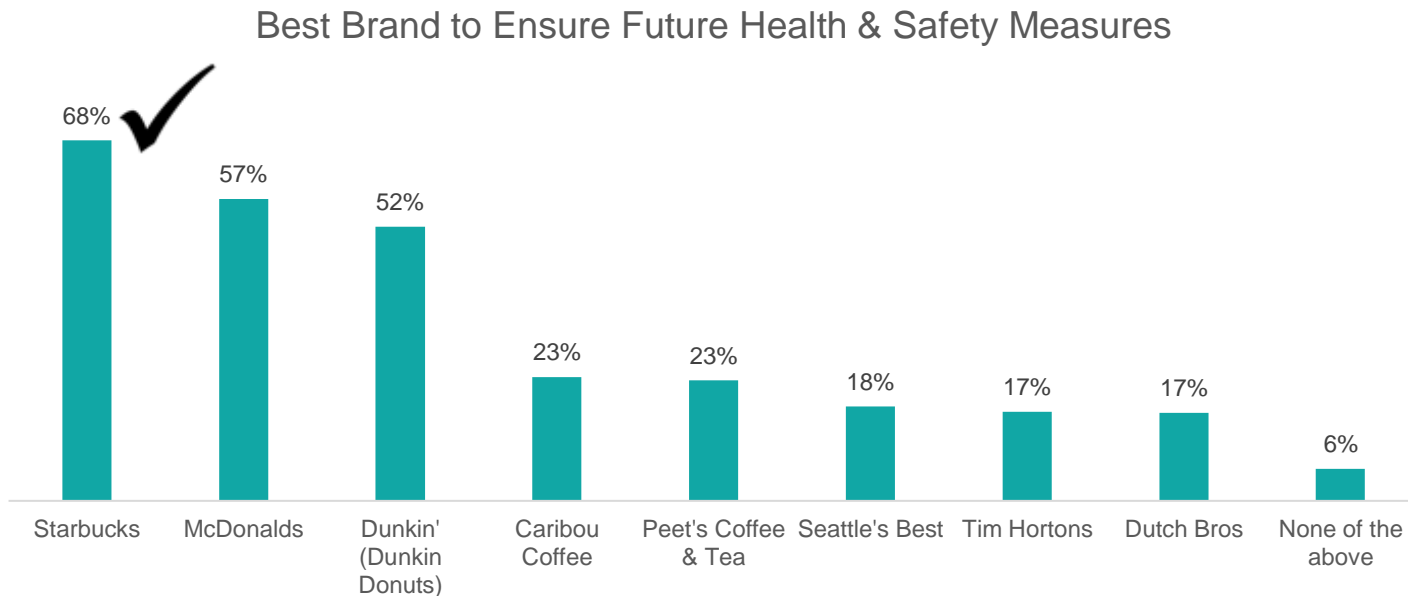
Quicker drive through service	41%
Rewards/frequent user incentives	39%
Daily deals	37%
Coupons	33%
A loyalty program	33%



McDonald's Visitors

Shorter wait times	42%
Daily deals	34%
Quicker drive through service	32%
Coupons	31%
Less crowded spaces	28%

More consumers believe that Starbucks will do a good job of ensuring health and safety in the future than other coffee chains

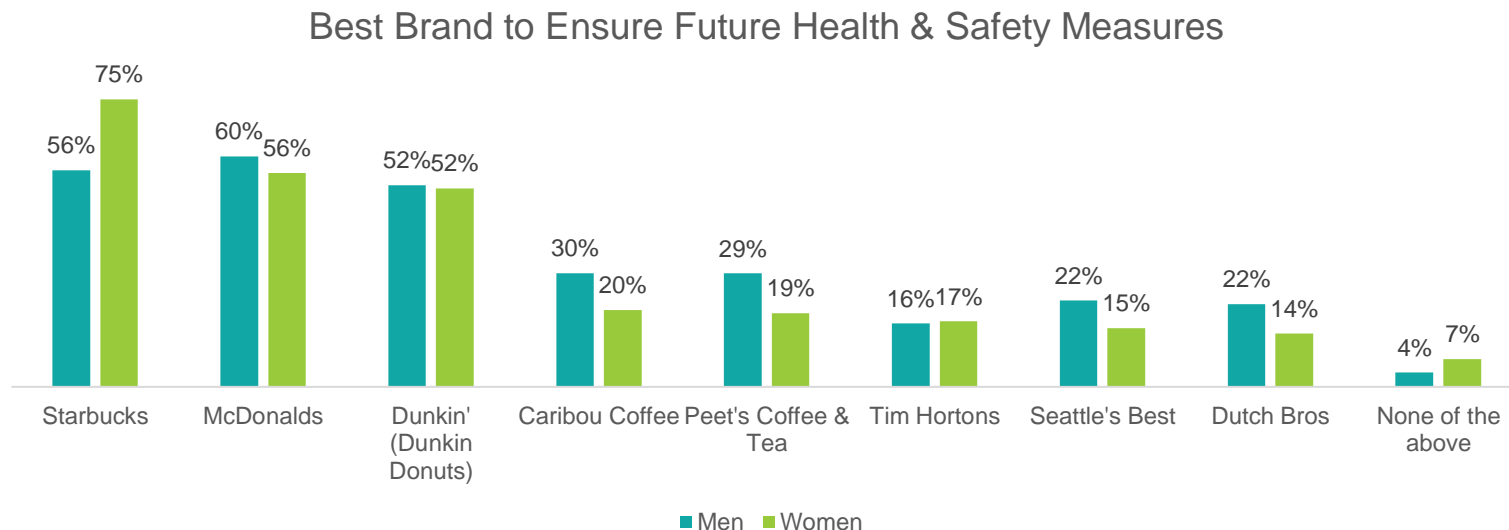


But there are regional differences that are reflective of where brands have stronger development of regular visitors

Best Brand to Ensure Future Health & Safety Measures - Index to Total

	Total %	Northeast	Midwest	South	West
Starbucks	68%	0.89	1.07	1.03	0.97
McDonalds	57%	1.27	1.21	0.98	0.78
Dunkin' (Dunkin Donuts)	52%	1.12	0.98	1.13	0.74
Caribou Coffee	23%	1.01	1.16	1.00	0.91
Peet's Coffee & Tea	23%	1.13	0.75	0.86	1.28
Seattle's Best	18%	1.60	0.71	0.74	1.23
Tim Hortons	17%	1.47	1.18	0.86	0.88
Dutch Bros	17%	1.27	0.85	0.66	1.47
None of the above	6%	0.84	0.88	1.08	1.01

Women have greater confidence in Starbucks, while more men, who are more familiar with the smaller chains, are more likely to feel they will also deliver health & safety measures





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