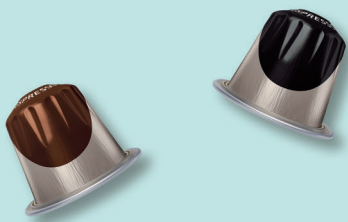


Hot drinks & cold brew

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JDE Peet's

JDE, Pret partnership grows

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KEY BRANDS

JDE Peet's
 Pret A Manger

 Jacobs Douwe Egberts (JDE) continues to add to its portfolio of trusted products through its pioneering innovation programme, explains Hannah Morris, category team leader at JDE. “Consumers are looking for quick and convenient ways of enjoying their favourite coffee shop-tasting coffee at home,” she says.

New coffee pods created

“With this in mind JDE Peet's, the world's leading pure play coffee and tea company¹ partnered with Pret A Manger (Pret) to launch a new range of aluminium coffee pods – using Pret's 100% organic and arabica coffee, made famous in their shops,” explains Morris. “The new coffee pods were created with consumer preferences at the forefront of development and are available in two coffee shop favourite blends: Espresso and Classic.”

Coffee shop brands favoured

The partnership could not have come at a better time, as 61.4% of consumers agree that they like to drink similar coffee at home to the ones they get in coffee shops², she reveals. “Organic coffee, in particular, has seen impressive growth of 12% in the UK, with value added sales of £26.6m (MAT)³.

“The strong rise in single-serve coffee, reaching a 19.7% share of total UK coffee sales⁴, has subsequently driven the trend of premiumisation within the UK coffee category. JDE Peet's and Pret have successfully tapped into this growing trend.”

Compatible with Nespresso®* coffee



“JDE Peet's partnered with Pret to launch a new range of aluminium coffee pods”

machines, the pods are available in Tesco and Sainsbury's supermarkets, online at Ocado and Amazon and from Pret shops across the UK.

Strong product development

“The aluminium coffee pods are the latest in the continued plan to support our brands with strong product development,” notes Morris. “With a series of consumer-packaged goods launched as part of Pret's business transformation programme, the pods follow successful launches of Pret's bake-at-home croissants and granolas last year.

“It also follows the launch of Pret's retail coffee beans range which are available in Tesco and Amazon.”

Source

¹ <https://www.jdepeets.com/aboutus/our-story/>
² Allegra World Coffee Portal, 2021
³ Nielsen, Value Sales Data for the Organic Coffee Category (MAT), GB Total Grocery Market, w/e 01.01.22
⁴ Nielsen, Share Data for the Total Single Serve Category, GB Total Grocery Market, last 52 w/e 01.01.22
 * Nespresso® is a trademark of a third party not related to Pret or Jacobs Douwe Egberts



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This supplement to The Grocer was published by:
 William Reed Business Media Ltd, Broadfield Park,
 Crawley, West Sussex RH11 9RT. TEL: 01293 613400
EDITOR: Ellie Woollven
DESIGNER: Michael Joslin; Stuart Milligan; Nick Figgins;
 Beth Johnson
PRINTERS: St Ives
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Analysis

A warm reception

Hot beverage suppliers continue to grow their repertoire in the UK market, meeting changing pre- and post-Covid consumer needs, while the trendy iced coffee and kombucha segments are gaining increasing traction

➔ Be it for reasons of warmth, comfort, stimulation or simply hydration, the popularity of hot drinks in the UK shows no signs of abating. Around 98 million cups of coffee¹ and 100 million cups of tea² are imbibed in the UK each day.

Over the past two years, with Covid-19 dominating working patterns, recreating the coffee shop experience at home has been a major trend for workers who would normally grab a from a shop on their way to work. Meanwhile, the increased focus on health has seen the search broaden for teas and other beverages that can offer a vitamin boost or help in terms of calorie reduction.

“In the last two years, we’ve seen 74% of Europeans work from home during the pandemic, 41% spending less on eating out, and unfortunately, an 18%

reduction in household income³, says Phil Smith, head of category & insight at Ueshima Coffee Company (UCC) UK. “This has resulted in a drastic shift in how we behave and consume. The new ways of working have meant that the UK coffee drinker is still consuming the same amount of coffee, just in a different setting. The sharp sales growth we saw in early 2020 continued throughout 2021 as consumers sought ways to replicate the quality coffee shop experience at home – proven by sales of coffee beans growing 6%⁴ in 2021 vs the previous year and Nespresso®-compatible capsules growing at nearly 8% in the same period⁴.”

“With consumers missing their out-of-home coffee moments, 2021 saw continued significant shifts in purchase and consumption patterns,” says Hannah Morris, category team leader

at Jacobs Douwe Egberts. “With the new normal way of living and many consumers still working from home, consumers have invested more money, time and enjoyment into preparing fresh, coffee shop-style coffee at home.” Given this, the company recently launched a range of Pret R&G and Nespresso®-compatible capsules, among other activity.

That barista experience is what consumers have sought to create at home so that they could continue enjoying a daily luxury and a little piece of normality during lockdowns, agrees Kelly Wright, senior brand manager at Taylors of Harrogate. As a result, she reckons roast and ground coffee continues to grow and accounts for £280.4m in value sales, up 19% on 2019⁵. “We’ve also noticed that people are ‘trading up’ their coffee buying.



£280.4m

Value of roast and ground coffee sales⁵

IRI and Kantar, 52 w/e 01.01.22

43%

of consumers cannot start their day without tea⁷

Tetley research, 'For the Love of Tea'

14%

of coffee consumed in 2021 was decaffeinated¹⁰

Allegra Coffee Portal 2021

+107%

Growth of caramel iced drinksⁱⁱⁱ

IRI Marketplace, 52 w/e 06.09.20

Those who previously bought only instant coffee are now trying formats that still offer ease and convenience but contain roast and ground coffee, such as coffee bags.”

Dualit marketing manager Debbie McIvor-Main says: “Understandably, demand for at-home coffee systems during the pandemic increased, but we expect this to continue to grow as working from home becomes a more accepted fixture even once we’re through the woods. Our capsule production in the UK has been running at full capacity since March 2020, and we doubled capacity of aluminium capsules by adding a new manufacturing machine last year. During this time, the demand has also rocketed for Dualit branded capsules and via our private label customers.”

Another company that has noticed

an increase in sales for its at-home barista-style coffee machines, in light of the new hybrid way of working, is illy UK. Managing director Stuart Holmes notes: “Consumers want to create that freshly brewed barista-style coffee from the comfort of their home. We have also continued to see sales of take-home coffees accelerating as consumers want to treat themselves to an illy coffee from their favourite coffee shop, as a way of getting out of the house.”

Nancy Sadler, senior brand manager at All About Food, which represents the Costa Coffee brand, says shoppers are buying coffee as often as ever and buying more packs than the prior year, demonstrating that new habits from the pandemic are here to stay. The Costa At Home range continued to gain momentum, she adds, up 45.3%⁶ across all its sub-categories.

“Despite the inconstancies of the last few years, the nation’s relationship with tea has remained resolute,” says Kieran Bridges, category development director for Tetley at Tata Consumer Products. “A recent Tetley survey, coinciding with its new market positioning For The Love Of Tea, found that 43%⁷ can’t start their day without it. Certainly, more hours spent at home as a result of working flexibly has increased opportunities for sales of a wider range of teas.”

Tea sales for home consumption soared in lockdown, while imposed restrictions meant that out-of-home tea sales all but disappeared overnight, adds Bridges. “During the year, the gradual return to work and the reopening of foodservice and catering outlets saw purchasing patterns return to more normal. The attraction of tea as an affordable treat for me moment

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remains, and we're seeing the ongoing shift towards premiumisation which began pre-pandemic.

"Escalating the simple, to a treat for me experience can be achieved very easily in tea," he says. "For a little more spend, consumers can achieve a step-change in taste and experience, an experiential journey that coffee drinkers have enjoyed for years."

Health considerations

Consumers are increasingly focusing on health and wellbeing, with 84%⁸ of consumers feeling that the UK needs to focus more on self-care, says JDE's Morris. "While coffee is not generally seen as an unhealthy category, consumers are drinking several cups a day, with around 71%⁹ of this being instant, so looking at the health considerations is important," she says. "At JDE, we have seen decaf growing ahead of standard coffee and growing fastest outside of its older heartland, especially within family groups. We also expect to see sales of decaf coffee increase. There is clearly a growing demand with sales surging from 8.9% in 2019 to 14%¹⁰ in 2020."

At illy UK, the company has also been focusing on its decaffeinated range of coffee beans and iperespresso coffee capsules, which Holmes says have become increasingly popular over the last couple of years due to consumers becoming increasingly more conscious of their caffeine intake. "To make these decaffeinated products, we use a CO₂ method – with sparkling water to extract the caffeine. This chemical-free process is especially important for consumers who are choosing to switch to decaf for health reasons (such as pregnancy)," he says.

"As consumers experiment with different kinds of drinks and add to their coffee buying repertoire, decaf coffee continues to grow, up 6.3%¹¹ year on year," says Wright at Taylors of Harrogate. "But decaffeinated coffee shouldn't mean compromising on flavour and so at Taylors of Harrogate, we have created a specific blend for this format. We also use a natural decaffeination process, the Pure Water Process. It takes longer but means there is no compromise on taste."

Understandably, the interest in healthy lifestyles, already apparent pre-Covid, has been heightened, says



Tetley's Bridges. Fruit and herbals and decaf teas continue to see strong growth with volume sales up 2.4% and 3.2%¹² respectively in the total market. "After a tough winter season, functional food and drinks are predicted to increase in popularity. Forecasters predict that functional products to address tiredness and gut health will be in particular demand," he adds. Tetley is addressing this with its Supers range, which contains added vitamins that relate to EFSA-approved health statements, such as reducing tiredness and fatigue, maintaining cognitive function and supporting the immune system. The company says its blueberry and raspberry Tetley Super Boost, with added vitamin B6 has been a strong performer.

Supply chain challenges

With Brexit in force and other supply chain challenges, such as a lack of HGV drivers and increases in raw material

prices, the going has been tough for some hot drinks suppliers.

"An extremely challenging aspect of our business that we have had to carefully navigate is managing our pricing in a way that supported our partners, throughout a difficult couple of years," says illy UK's Holmes. "However, with ever-increasing costs across every element of the supply chain it has been difficult for the company to continue to swallow the costs, which in turn has meant that we have seen a price increase in some areas of the business. At illy, we pride ourselves in going the extra mile when it comes to working with our customers... [so] we will continue to keep prices as fair as possible, supporting our valued partners as best as we can."

According to Dualit's McIvor-Main, the key to maintaining a good level of supply is seeing issues early and reacting fast. "The issues with shipping



Expanding on flavours

In terms of flavours, the popularity of caramel in the coffee sector and fruity or spicy combinations in the tea sector is becoming increasingly evident.

“Flavours make up a hugely important segment within the specialities hot beverages category,” says Jacob Douwe Egberts (JDE) category team leader Hannah Morris. “We expect to see this trend grow in popularity throughout 2022. In 2021, 42.7% of consumers said that caramel was one of their top three favourite flavours, followed by vanilla and gingerbread¹. JDE has stayed ahead of this evolving

trend with ranges such as, Tassimo Costa Caramel Latte, Tassimo Costa Vanilla Latte and Kenco Salted Caramel Duo, available in store.”

“Within the RTD iced coffee market, Latte, Caramel and Espresso flavours are leading the way, with 70% of sales from just those three flavoursⁱⁱ,” says Boost marketing and international business director Adrian Hipkiss. “In particular, caramel flavoured iced drinks are growing at 107% year on yearⁱⁱⁱ, making them the fastest-growing flavour out of all the other variants. Our latest Boost Caramel Latte flavour was launched to capitalise

on this heightened consumer demand, joining the existing Double Espresso and Caffè Latte Iced Coffee SKUs to make part of a strong offering for retailers.

Nestlé’s new premium instant coffee, Nescafé Gold Blend Roastery Collection, has seen its Dark Roast option characterised by rich dark chocolate and nut flavours, while the Light Roast offers notes of caramelised honey and toasted biscuit, it says.

Meanwhile, Tetley has launched its Discovery range at the end of last year, based on black teas from across Africa and enhanced with

flavour combinations, reveals Bridges. Three flavours are available: Lemon & Ginger; Apple & Vanilla; and Red Berries. In addition, the most popular flavours for Tata Consumer Products’ Good Earth brand, both in retail and out of home, are its Ginger, Turmeric & Lemon and Moroccan Mint.

Tetley also took a different approach and co-created a range with consumers, finishing up with six caffeine-free beverages in Fresh Mint; Zingy Lemon & Ginger; Pure Camomile; Rose, Rosehip & Hibiscus; Nutmeg, Rhubarb & Vanilla; and Turmeric & Echinacea.

in the past year have made it essential for companies to be organised with stock and to expect the unexpected which is why we have increased our stock holding by four weeks,” she says. “If orders are typically delayed by three weeks, we need to ensure that we are holding four weeks of stock to cover this. It really comes down to whether, as a company, you have the finances and space to store stock (hold four weeks’ more stock in the business). Dualit works closely with customers to get 12-18 months of forecasts now rather than four to six months, meaning we can prepare as much as possible to avoid issues caused by shipping delays.

“In terms of supply, we haven’t been able to source Fairtrade decaf coffee beans – they don’t seem to be available anywhere – so we have to be flexible and change our coffee blend marketing messages to maintain SKUs.”

“Our supply chain resilience plan, put in place pre-pandemic and

reviewed during the pandemic has meant we’ve been able to maintain supplies of tea throughout, and we currently foresee no major supply issues in the months ahead,” says Tetley’s Bridges. “Tea remains one of the best-value hot beverages available and we do everything we can to ensure this is maintained, but the whole industry is dealing with rising costs across the board, from shipping to packaging. With the level of cost increases the grocery industry is seeing, inflation is inevitable.”

On-shelf stand-out

In-store, meanwhile, the sheer level of competing brands in the hot drinks category can make it difficult for consumers to easily select their preferred styles of beverage.

“Often, the coffee category can be intimidating and an overcomplicated and confusing place for consumers to navigate,” says UCC’s Smith.

“Therefore, clear signage, simple on-pack messaging, and segmentation on-shelf are key to driving sales. And with consumers’ new confidence in making coffee at home, we know they want more than just a quick caffeine fix; they want a brand with a story to tell and strong stand-out on-shelf.”

“Retailers will also face increasing competition from coffee providers that adopt an omnichannel approach, says UCC Coffee Europe product innovation and strategy director Malcolm Hett. “Those online or with direct-to-consumer channels will offer shoppers a deeper sense of brand storytelling and encourage category exploration. It can connect consumers with the supply chain and farmers – a key motivation for quality coffee seekers and a growing segment that includes a lot of younger drinkers. Consumers are more knowledgeable about where coffee comes from and will pay a premium for a quality product, and retailers should

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demonstrate this more online and in-store.”

Even with the growing popularity of online food purchasing, in-store shopping still retains its value for many customers, so optimising the fixture in-store is a key priority, says Bryony Anderson, category manager at Taylors of Harrogate. “As roast and ground coffee offerings continue to grow, the category can sometimes seem confusing and difficult to navigate for many consumers. This presents a huge opportunity to demystify the category for new shoppers, in order to drive conversion and grow category penetration. Retailers can use shelf stripping to group products together, so that shoppers can better navigate the fixture, and aisle fins to signpost sub-categories. Education at the fixture is also fundamental in communicating how to find the perfect coffee, which can be explained through roast, strength and grind size guides.”

The use of block merchandising is a simple, yet effective way of helping shoppers find what they need easily, says JDE’s Morris. “Grouping related category products together such as tea, coffee and sugars/sweeteners creates a clear and effective shopping journey, as well as signposting both the category and leading brands.”

As coffee generates 67%¹³ of hot beverage value sales, she says allowing good space for the coffee display is important and maximising visibility can attract more consumers to a retailer’s range. Meanwhile, with 80%¹⁴ of convenience shoppers stating the brand is the most important factor when choosing coffee, offering a wide choice is important. And, with 60%¹⁵ of shoppers making their purchase decision once they are in-store, using eye-catching signage and POS to create intrigue is also vital, she notes.

Meanwhile Nestlé says larger pack formats, price-marked packs and stocking dairy alternatives or decaf coffees are advisable in the convenience sector, as shopper missions have changed in the channel, with more larger basket sizes and planned top-up shops leading to higher spend.

“With the impressive growth trajectory of the RTD iced coffee market, we strongly advise allocating a generous amount of fridge space to this growing category, positioning it



at eye-level and alongside other RTD drinks to increase impulse and cross-purchasing,” says Boost’s Hipkiss. “In addition, it is vital that retailers capitalise on fast-growing brands that consumers are looking for and offer future growth.

“Furthermore, it is key that retailers draw attention to attractive price points, deals and cross-promotions with eye-catching POS, which will in turn have an increase on basket spend in-store.”

Communication with consumers begins way before they reach the shop, says Tetley’s Bridges. Increasing the amount of social engagement pre-visit and reinforcing these messages in-store will provide maximum results.

In-store activity designed to inspire shoppers to explore all that tea offers and heighten awareness of Tetley has seen an increase in POS from front-of-store shrouds to drive footfall to the tea aisle, to aisle fins to interrupt and engage at point of purchase. Taking

this strategy online and winning in the e-commerce space is not only important as a brand, but also for the tea category as a whole, he adds.

Sustainable actions

Among the activity Tetley has undertaken recently is the drive to switch all its tea bags to biodegradable tissue, which it says is well under way following two years of technical development and rigorous testing. Tata Consumer Products’ sustainability and communications manager Cassie Shuttlewood reveals that 163 million+ Tetley biodegradable teabags are now in the market with no reports of splits that have been common to early adopters of this new type of tissue.

Another initiative has been its participation in the Tesco Loop trial in which it has brought biodegradable Tetley Original 80s to market in reusable tins. A £1 deposit for the tin is included in the cost, which

Playing the cooler card

Colder brews are continuing to gain traction in the market, with both iced coffee and tea-based kombucha sparking consumers' interest.

"Due to Covid restrictions and the sustained trend towards hybrid working continuing to limit the amount of time spent in office environments, the ready-to-drink (RTD) iced coffee market has continued to grow as consumers look for caffeine solutions while working from home," says Adrian Hipkiss, marketing and international business director at Boost Drinks. "As a result, iced coffee is now the fastest-

growing category in soft drinks^a, with sales surpassing £30m and the market growing by 28% in volume and 28% in value year on year^a.

"Within the RTD iced coffee market, products priced around £1 are up 221% in unit sales yoy and contribute towards 32% of total category growth^a. At Boost, we pride ourselves on combining fantastic taste with excellent value across our whole range, offering all three Double Espresso, Caffè Latte and Caramel Latte flavours in 250ml £1 PMPs. This has contributed towards us being able to proudly say that Boost is now the No.1

fastest-growing ready-to-drink iced coffee brand in unit sales^a."

illy UK managing director Stuart Holmes says the company has seen increasing popularity for milk-based drinks among consumers. Its illy Cold Brew is a 100% arabica coffee, cold brewed for 12 hours. The company also offers illy Crema, a cream containing micro particles of ice and illy espresso. "As cold brews continue to grow in popularity each year, our recommendation to retailers would be to ensure they are easy to find and positioned alongside other soft drinks options – often at the front of the

store as part of meal deals or as part of a multi-buy promotion online," says Holmes.

Tata Consumer Products reports that its Good Earth kombucha brand has been a strong performer, available through WH Smith outlets on the high street and via Ocado and specialist foodservice wholesalers. Offered in three flavours – Original, Ginger & Lemon, and Pomegranate & Blueberry, the brand combines organic black and sencha green teas from South India with natural juices, to create a 40-calorie soft drink with low sugar.



is 'redeemed' once the empty tin is returned to store where it's taken for washing and refill as part of the Loop zero waste system.

"With an increase in coffee creations at home comes an increased focus on domestic recycling," says Dualit's McIvor-Main. "Dualit as a brand no longer sells plastic capsules, and with the trend towards aluminium ever increasing, our EcoPress is the ultimate solution for what is a huge, worldwide problem. Consumer awareness is growing daily, and is reflected in EcoPress sales on Amazon doubling year on year. We have also seen that 9.5 out of 10 users are recycling the majority of capsules through kerbside waste streams as a result.

"Dualit and Sainsbury's worked closely to become the first manufacturer and grocer to be involved in the OPRL (On-Pack Recycling Label) scheme which delivers a simple, UK-wide, consistent recycling message for use

on both retailer private label and brand-owner packaging. This easily recognisable recycling label is printed on Dualit's own brand of recyclable aluminium capsules. Even making small changes such as reducing the thickness of capsule lid foils are important as these details on a large scale can make a big difference overall."

Retailers will feel the pressure from governments and customers to think and act more sustainably, says UCC's Hett. "Certifications and capsule waste are examples of challenges in our category – which is why the likes of our Ueshima brand is 100% Rainforest Alliance certified, with packaging that's recyclable through local waste streams or TerraCycle®.

At illy UK, sustainability in its supply chain is built on a system of selecting and working directly with arabica growers and transferring knowledge and expertise to them, both by training them at illycaffè's University of Coffee

(UdC) and through direct, hands-on work in coffee fields with specialised agronomists to achieve sustained, high-quality production while also respecting the environment, explains Holmes. In addition, the company introduced new eco-friendly items in 2020, starting with recyclable to-go cups, which equated to a reduction in plastic use of 175 tons per year, and made its IperEspresso tins to a more ecological 18-capsule cube pack, which reduced the impact of waste disposal by 70%. It is also working to become carbon neutral by 2033 through its #OneMakesTheDifference initiative – a multi-programme developing new products, removing all single-use sustainable materials and offsetting the carbon emissions from its transport of waste, which will then be made into outdoor furniture, construction, and even children's playgrounds.

According to Elle Tehrani, sustainability communications

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manager at Taylors of Harrogate, protecting the future of coffee has never been more important. “Coffee-growing regions such as Latin America and Africa are seeing the effects of climate change impact their crop due to rising temperatures and environmental threats such as erratic rainfall, more frequent droughts and extreme temperature variations. This is where coffee and innovation must go hand in hand, and where businesses who buy and sell coffee can work together with growers to make a difference.

“In 2015, we began working with World Coffee Research (WCR) and continue to do so to find new strains of coffee that will survive in hotter climates as we inevitably move towards a warmer planet. For those who produce coffee, it’s so much more than just a drink, it’s a livelihood, so this work allows us to support farmers by finding new coffee varieties that can survive so they don’t have to abandon their farms.”

In addition, all Taylors of Harrogate products are carbon neutral, she reveals, and the company started a partnership programme with TerraCycle last year to recycle all of its current coffee film, ground, beans and bags.

JDE, meanwhile, has committed to responsibly sourcing 100% of its green coffee, tea and palm oil, alongside making 100% of its packaging recyclable, compostable or reusable by 2025, reveals Morris. “JDE currently funds a number of projects in Africa, Asia and Latin America to develop sustainable agricultural practices and reduce the impact of climate change,” she says. “We have also committed to an emissions reduction target through Science Based Target Initiative, the most robust and credible emissions framework for manufacturers.”

For Costa, all of its coffee is Rainforest Alliance certified and its roastery meets BREEAM sustainability certification, says All About Food’s Sadler. Sustainability improvements made over the past years include a total of 1,314t of CO₂ saved through transport and packaging improvements, as well as 74t of packaging switched to recyclable alternatives.

Looking to 2022 and beyond

“Within the hot beverages/cold brew market we predict that consumers will continue to evolve and grow their coffee



knowledge which may spike an interest in trying new varieties,” says Dualit’s McIvor-Main. “This may include guest blends and limited editions that showcase beans from different geographical locations. Alongside this, we see a definite trend away from dark, almost charred roasts to lighter roasts. We also expect to see further seasonal blends becoming popular and different variations of these, for example the gingerbread latte, and fun twists on cold brews such as the Biscoff Iced Latte, which we saw rise in popularity in 2021.”

Ben Mortimer, head of brand innovation at Taylors of Harrogate, believes consumers are becoming increasingly discerning in their search for the perfect cup of coffee. “Throughout the pandemic, people upgraded their existing coffee equipment to replicate the coffee-shop experience, which gave them more scope to try out new tastes, aromas, and roasts,” he says. “While many

people still enjoy a simple black coffee, others are seeking indulgent and innovative flavour combinations, specialist coffees from independent coffee shops, or are subscribing to roast-to-order services. Many people now experiment with adding flavour to their at-home drinks using syrups, spices, or natural extracts. Consumers therefore want a great base to begin with but want to add an element of fun to their everyday drinks.”

“Consumers continue to prioritise flavour and quality as deciding factors for how they choose their drink choices,” says illy UK’s Holmes. “In recent years, we have also seen health become a strong factor for consumers when choosing what they drink. Therefore, illy Cold Brew is perfectly positioned to meet these needs, being naturally low in sugar, yet smoother and sweeter than many chilled-down hot brewed drinks, which can often taste slightly bitter.”

Hot right now

Hot drinks suppliers have been keeping a weather eye on the changing economics in the UK market, introducing variety and different price options to their offer.

“In 2021 a big focus has been expanding and streamlining our coffee ranges,” says Dualit marketing manager Debbie McIvor-Main. “Most recently, we launched our Compostable Coffee Bags which offer a fast, mess-free way of making café-quality coffee from the comfort of your home without any barista tools.

The company has also created variety packs for its capsules and coffee bags, so consumers

can ‘taste the range’ before choosing their favourite flavour. “We have also changed the way we pack and sell our coffee capsules,” she adds. “On Amazon, our packs have been reduced from 100 to 50 which offers a better selling price to consumers and the streamlined pack size is more cost-effective to manufacture.

“Elsewhere on the coffee front, as buying habits change among consumers and purchasing larger at a lower price is more appealing, in addition to our 10-pack tube design we now include a 20, 30 and 50 bulk pack option for private-label customers.”

Costa At Home launched into a new category beyond coffee with Costa Hot Chocolate introduced in July last year. “The hot chocolate category saw incredible growth over the pandemic as consumers looked to indulge and comfort themselves while spending more time at home,” says All About Food senior brand manager Nancy Sadler. Meanwhile the brand also increased its range of coffee shop-style milky drinks with a Flat White variant added to Nescafé Dolce Gusto compatible pods, as well as adding a Dark Amazonian Blend – Colombian and Brazilian 100%

arabica coffee beans – to its ground coffee, coffee beans and Nespresso®-compatible pods.

Tetley has brought in several new teas to its portfolio, designed to “enhance the black tea journey beyond the norm”, says category development director Kieran Bridges. These include Tetley Gold Brew, a blend of African and Assam teas, as well as its Tetley Discovery range (see flavours panel). The company has also redesigned packs of its classic Tetley English Breakfast and Earl Grey 50s teas to better highlight the provenance and quality of these tea blends.

“We expect to see the growth and popularity of premium coffee formats, such as pods, ground and beans, continue in the year ahead as consumers look to elevate their coffee experiences at home in a more affordable way,” says All About Food’s Sadler. “We also anticipate a continuing shift into recreating coffee shop classics, as well as a growing trend for indulgent flavours as consumers look to treat themselves and enjoy a moment of calm in a period of economic uncertainty.”

“The pandemic has had a significant impact on the consumption occasions for coffee,” says JDE’s Morris. “We saw great gains in the at-home occasion, with over 61%¹⁶ of coffee shop consumers looking for their favourite café blends to drink at home.

“As consumers return to coffee consumption on-the-go, with pandemic restrictions lessening, consumers are increasingly valuing the barista’s skill,

so are looking for premium products and authentic coffee experiences. We have seen a strong rise in single-serve coffee, demonstrating 4.2% value sales growth, reaching 19.7% share of total coffee sales¹⁷. Though consumers are looking for convenience, they are also looking for quality, which looks to be a trend that will continue to evolve over the year ahead.

“Health and wellbeing is another trend that is becoming more important and holistic to consumers, as a way to increase nutrition, self-care and wellness. Decaf and plant-based options are becoming quite relevant for the coffee category, and with the number of vegans in the UK quadrupling since 2014 to 600,000¹⁸, this is a trend that is set to continue.

“Single-serve solutions such as capsules and coffee bags are set to continue as home drinkers seek quality, consistency, and convenience,” says UCC’s Smith. The

more invested consumer shopping the bean category is now fully devoted to making great coffee at home. This should continue to drive positive coffee bean growth throughout 2022 and beyond.”

Sources

- ¹ <https://britishcoffeeassociation.org/coffee-facts/>
- ² <https://www.tea.co.uk/tea-facts>
- ³ PWC 2020, Global Insight Survey
- ⁴ The Guardian, September 2020: McKinsey and Company Consumer Confidence Survey 2020
- ⁵ IRI and Kantar, 52 w/e 01.01.22
- ⁶ IRI, 52 w/e 04.12.21, Kantar 36 w/e 04.12.21
- ⁷ Tetley consumer research
- ⁸ Hearst, March 2021
- ⁹ Nielsen, Value Sales Data, Total GB Grocery Market, last 52 w/e 04.11.21
- ¹⁰ Allegra World Coffee Portal 2021
- ¹¹ Kantar Worldpanel, 52 w/e 26.12.21
- ¹² Nielsen, Total Coverage, Volume Sales, 01.01.22 vs 2 years ago
- ¹³ Nielsen, Value Sales Data, Total Grocery Market, last 52 w/e 01.01.22
- ¹⁴ HIM CTP 2018
- ¹⁵ JDE and HIM 2019 – Coffee in Convenience bespoke research
- ¹⁶ Allegra Report 2021
- ¹⁷ Nielsen, Value Sales and Share Data, Total GB Grocery Market, Total Single Serve, last 52 w/e 01.01.22
- ¹⁸ The Vegan Society, 2021

Flavours panel

- ¹ Allegra World Coffee Portal 2021
- ¹¹ IRI Marketplace Data, Symbols & Independents, 52 w/e 05.09.21
- ¹¹¹ IRI Marketplace, Symbols & Independents, Volume data, 52 w/e 06.09.20

Playing it cool panel

- ¹¹ IRI Marketplace, Symbols & Independents, Volume data, 52 w/e 05.09.21

All About Food

Seeing Instant success

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KEY BRANDS

Costa Coffee
 – Ground
 – Beans
 – Premium Instant
 – Nespresso compatible pods
 – Nescafé Dolce Gusto compatible pods
 Costa Hot Chocolate

↙ Total coffee category value sales are declining slightly by -0.5% as well as penetration by -2.2%¹ as the world opens back up again for business in 2021, says Nancy Sadler, senior brand manager at All About Food. “However, shoppers are buying coffee as often as ever and buying more packs than the prior year, demonstrating that new habits from the pandemic are here to stay,” she notes.

All About Food, in partnership with Costa Coffee, has continued to roll out quality Costa Coffee shop products across grocery over the year, continuing to gain momentum and outperforming the category, up 45.3%¹ across all sub-categories – Costa Nespresso compatible pods, Costa Nescafé Dolce Gusto compatible pods, Costa Ground, Costa Beans and Costa Premium Instant. “In the latest six months, Costa has grown penetration faster than any other brand, demonstrating consumers’ continued drive for quality coffee shop-style quality experiences in the comfort of their homes,” reveals Sadler.

“Costa’s recent launch into Premium Instant has been a big success, with the range of two products Smooth Medium Roast and Dark Intense Roast now on sale in all key retailers and significantly stepping on share over the year,” she adds. “Similarly to Costa at a total level, Premium Instant has seen excellent penetration growth, driving shoppers into the category at a faster rate than any other brand in the category, demonstrating consumers’ desire to enjoy the ease and convenience of instant coffee, but the premium quality expected from a brand like Costa.”

In 2021, Costa At Home expanded its coffee shop offering into a new category with the launch of new Costa



“Costa’s mission is all about inspiring the world to love great coffee, by developing a coffee shop-inspired range and supporting it to drive maximum awareness and trial”

Hot Chocolate, which Sadler says will premiumise the hot chocolate category by bringing an out-of-home coffee-shop favourite consumers know and love straight to their homes.

“While the Costa brand continues to grow, sustainability remains at the forefront of everything we do,” she adds. “All of our coffee is Rainforest Alliance certified, helping to protect forests, improve the livelihoods of farmers and forest communities, and assist them in adapting to climate change. In addition, the Costa roastery meets world-leading BREEAM certified standards, with zero waste going to landfill, rainwater harvesting, and solar panel generated electricity.

“Costa’s mission is all about inspiring the world to love great coffee, by developing a coffee-shop-inspired range and supporting it to drive maximum awareness and trial,” says Sadler. “Over 2022 Costa has an ambition to drive more people into the category by tapping into Costa’s loyal fan base, increasing the amount of occasions for coffee by providing inspiration and quality, and delivering differentiated activation on a number of platforms to drive excitement and awareness and trial of the Costa At Home range.”



Source
¹ Kantar, 52 w/e 18.01.22

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COSTA
COFFEE

Boost Drinks

Keen eye on category trends

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Boost Sport
Boost Coffee
Boost Protein.

“At Boost, we’re constantly looking to stay ahead of the curve and evolve through a continuous NPD/EPD strategy,” says Adrian Hipkiss, marketing and international business director, Boost Drinks. “We place a firm focus on launching new products that are not only delicious, but that cater to the upcoming trends and flavour demands within the market. In 2021, we added to our seven-flavour 250ml energy SKU range with the tropical mango flavour. We are the only mainstream brand to offer this on-trend mango flavour in a 250ml size can, which is one of the fastest-growing flavours in the energy drinks category, up 22% year-on-year in volume sales¹.

“Throughout 2021, the Boost brand has continued to establish itself as one of the biggest players in the market, while standing strong on our firm community values,” reveals Hipkiss. “We celebrated our growth within the industry through our 20th birthday celebrations. This included a platinum party where we hosted stakeholders, staff, press and some of our fantastic independent retailers. Through our local legends competition, we whittled down entries from nearly 200 independents across the country and rewarded winners with cash prizes and stock to thank them for their continued support of Boost, along with all of the hard work they have done in their local communities.

Brand performance

“Our focus on community does not take away our laser focus on creating best-selling products,” he adds. “We are incredibly proud to be the third-largest selling energy simulation SKU and the second-largest selling sports drink brand². We are still the only brand operating in all four of the energy stimulation, sports drinks, RTD iced coffee and protein drinks categories³ – again, showing our desire for constant development and expansion.

“Our RTD Iced Coffee saw the successful launch of our three flavours: Double Espresso, Caffè Latte and Caramel Latte. Following this launch,



“The ready-to-drink iced coffee market is currently worth £30m⁵ and is growing at 28%⁶ year on year, so this is a clear trending market, which we are proud to have helped grow”

we are proud to hold the title of the No.2 fastest-growing RTD Iced Coffee brand in unit sales⁴. All of these products are available in PMP format, a sector Boost has supported for a long time, allowing retailers to communicate value to customers, while also maintaining a strong cash margin for themselves. The ready-to-drink (RTD) iced coffee market is currently worth £30m⁵, and is growing at 28% volume and 28% value year on year⁶, so this is a clear trending market which we are proud to have helped grow.

Major marketing campaign

“In terms of marketing and advertising, we are continuing our ‘Choose Now’ campaign into 2022, making it our biggest marketing campaign to date,” says Hipkiss. “The campaign is wide-reaching and features across out-of-home advertising, as well as TV and broadcasting video on-demand adverts. These are targeted towards programmes with a strong student and young adult viewership, driving further awareness of the Boost range and brand.

“We continually seek opportunities to add value to the category, having recently acquired the sales, marketing and distribution rights for the soft drinks brand Rio, and have ambitious plans for both the Boost and Rio brands for 2022 and beyond, so keep your eyes peeled for what is coming next.”



Source

¹ IRI Marketplace Data Symbols & Independents, Volume sales, 52 w/e 06.09.21

² IRI Marketplace Data Symbols & Independents, Unit sales, 52 w/e 05.09.21 *Wholesale shipment sales out cases 52 w/e to August 2021

^{3,4,5,6} IRI Marketplace Data Symbols & Independents, Volume sales, 52 w/e 05.09.21

⁴ IRI Marketplace Data Symbols & Independents, Sales, 52 w/e 26.12.21

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KEY BRANDS

Dualit

“2021 was another fantastic year for the Dualit brand, with particular emphasis on our hero product lines such as toasters, kettles and coffee accessories,” says Debbie McIvor-Main, marketing manager at Dualit. “The stand-out products include our Classic Toaster, which still has our in-house toaster assemblers working extra shifts to keep up with the high demand, and our ingenious EcoPress, which prepares aluminium coffee capsules for kerbside recycling.”

The success of the EcoPress is down to its neat and easy-to-use design, but predominantly its potential to save millions of capsules ending up in landfill annually, she explains. “Our initial feeling on this product was that it would be a small project that appealed only to real coffee buffs, but we are extremely happy to have been proven wrong. Thanks to its mainstream appeal, it is now stocked by Sainsbury’s, Costco and is a best-seller on Amazon. These sales, as well as customer feedback, have encouraged us to work on designs for additional models. So watch this space.”

Private-label growth

Another growth avenue has been Dualit’s Private Label offering. “We now provide a 10-pack tube design in addition to the chocolate box style packaging,” she says, “This style of box is instantly associated with coffee capsules and that ‘Nespresso®’ style makes it an easier switch to a compatible brand for a consumer.

“Our capsule machines have been running at full capacity since March 2020 and, in September 2021, we added a new production machine, doubling the capacity available for manufacturing



“Thanks to the mainstream appeal of our EcoPress, it is now stocked by Sainsbury’s and Costco and is a best-seller on Amazon”

aluminium capsules, which mirrors the trend for consumers opting for this material. This produces capsules in all of the new box formats we are offering.

“As we make both coffee consumables and the appliances using, we have a holistic approach to the wider coffee-making process. We look at every stage from the whole bean right through to extraction, and this allows us to genuinely innovate for the whole experience.

“Dualit has moved in exciting ways, particularly in the last couple of years and we wish to continue this by designing, engineering and marketing more top-quality products that meet the demands of today’s customers.

“We’ll continue to innovate, adding to our hall of fame as the first business to produce Nespresso® compatible capsules, compostable capsules and compostable coffee bags. We never struggle to know what to do next, the only issue we have is how to fit it all in.”



* Compatible with all domestic drop through Nespresso® machines excluding professional and ‘built in’ models. The Nespresso® trademark is owned by Société des Produits Nestlé

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Ecotone UK

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Kallø
Mrs Crimble's
Almond Breeze

Having a bad day? Make a tea. Weather miserable? Warm up with a cuppa. Need a break? Put your feet up with a brew. A good cup of tea makes everything better, says Clipper brand owner Ecotone. That's why it's so important to choose the best quality tea. Tea that tastes good and does good too.

This is the motivation behind Clipper's new marketing campaign. "Our integrated, 360-degree campaign calls on consumers to make tea the best way," says Bryan Martins, Clipper Teas marketing & category director. "That means choosing tea that is bursting with flavour, using the best natural blends that are better for the planet. That's Clipper down to a tea."

Great-tasting tea

Clipper sales have gone from strength-to-strength, growing by 20%¹ over the last couple of years, he reveals. This has helped drive category value and cement its position as one of the fastest-growing brands in the tea category. The campaign builds on Clipper's strong taste credentials, where the brand achieves a 46.3% repeat rate – outperforming its competitors².

"Once consumers discover its great taste, they become loyal Clipper drinkers," adds Martins. "Through our new campaign, we wanted to celebrate Clipper's delicious, natural and fair tea, and make more people aware of it."

Clipper, which has won over 65 Great Taste Awards in the last 20 years, sources its teas from the finest organic tea estates in the world, located in regions that offer the ideal growing conditions, he says. They are blended and packed in the company's Dorset tea factory.



“Organic tea is growing faster than conventional tea³, so there is a clear demand from a growing number of consumers”

Better for biodiversity

Tea created in harmony with the environment is less harmful to the planet and can help wildlife to flourish, says Martins. Organic tea is made using no harmful pesticides or fertilisers. The soil is healthier, and plants and wildlife positively thrive. "Organic tea is growing faster than conventional tea³, so there is a clear demand from a growing number of consumers," he says. "The organic tea estates where we source our tea are alive with biodiversity which is protected and nurtured using sustainable farming practices."

Better for tea workers

Drinking Clipper also makes it better for the workers who pick the tea, he adds. Clipper is the largest global Fairtrade tea brand⁴, standing for better pay and working conditions for tea farmers and their communities," he says. "In 2021, Clipper signed the Fairtrade pledge for COP26, calling on world leaders to support farmers dealing with the brunt of the climate crisis. Through Fairtrade, tea workers can learn about and access sustainable farming practices that protect them from extreme weather caused by global warming.

"People shouldn't settle for less," says Martins. "Why stick to the same old tea, when you can switch to a great-tasting tea that does good for people and the planet too."

Source

¹ IRI, 52 w/e 04.12.21 vs 52 w/e 07.12.19
² Kantar, 12 w/e 26.12.21
³ IRI, 52 w/e 04.12.21 vs 52 w/e 07.12.19
⁴ Fairtrade Foundation

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illy Classico
illy Decaf
illy's E.S.E. Machine & compostable E.S.E Pods
illy's Nespresso compatibles
illy's Ready to Drink Cold Brews

➔ In April last year, illycaffè was the first Italian coffee company to obtain the B Corp certification, awarded to companies that meet the highest standards for social and environmental performance, transparency and responsibility, reveals managing director UK Stuart Holmes. “illy’s mission has always been to offer the best coffee to the world, producing a unique 100% Arabica blend made from combining nine of the best varieties, while using a sustainable business model,” he says.

“Sustainability has always been an operating principle at illycaffè. It is applied to the company’s entire supply chain, which is built on a system of direct relations with smaller suppliers on the basis of four pillars: selecting and working directly with the best Arabica growers; transferring knowledge and expertise to the growers, training them at illycaffè’s Università del Caffè (University of Coffee); and through direct, hands-on work in coffee fields with specialised agronomists to achieve sustained, high-quality production while also respecting the environment.

“illycaffè is a company at the forefront of sustainability in the coffee category and, since 2013, it has been the only Italian company included in the Ethisphere Institute’s list of the World’s Most Ethical Companies and most recently the first Italian coffee company to receive B Corp certification,” says Holmes. “The launch of the new E.S.E. pods in certified compostable paper is one more step within illy’s



shop at illy.com



“Illycaffè is a company at the forefront of sustainability in the coffee category. Most recently, it became the first Italian coffee company to receive B Corp certification”

#OneMakesTheDifference initiative, which will continue developing products and solutions to respond to consumer needs with a lower environmental impact at its core.”

Over the coming year, one of illy’s goals is to re-educate the UK coffee consumer about the quality of illy coffee. “Customers want the best in every aspect of life and, at illy, we guarantee the highest standards of service and products so that customers receive an impeccable coffee every time,” he notes.

“We have seen increasing popularity in consumers purchasing milk-based drinks, such as the illy Cold Brew, which is naturally low in sugar, yet smoother and sweeter than many chilled-down hot brewed drinks, which can often taste slightly bitter. The illy Cold Brew is made from illy’s 100% Arabica coffee and is cold brewed for 12 hours, with the longer extraction time giving the coffee a lower acidity and enhancing its aromatic notes.”



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KEY BRANDS

Nescafé Gold Blend
Nescafé Gold Blend
Roastery Collection
Nescafé Original
Nescafé Azera
Nescafé Dolce Gusto
Nescafé In1's

Hot beverages is a prominent category with 97.2% of UK households purchasing at least one hot beverage product in the last year¹, says Nestlé. This incredible reach means that, across the UK, over 61bn cups are enjoyed each year².

2020 saw many consumers spend more time at home, which caused the hot beverages category to have an exceptional year across all grocery outlets as the category grew value sales 6.2% versus 2019³. This was largely driven by coffee, the No.1 segment within hot beverages, which dominated the category with over 63% market share, up 2.2% vs 2019⁴.

Popular sectors

As we move forward into 2022, consumers within the wholesale channel will continue to trade up, demanding listings of super-premium, frothy, roast and ground, and pods segments. These segments allow for increased distribution, NPD and promotions.

With super-premium one of the fastest growing segments in coffee, Nescafé Azera has added £0.5m in value to the category in the last year in independents and is the No.1 brand in the super-premium sector⁵.

Frothy coffee growth – up 6.8% in value and 12.9% in volume year on year⁵ – demonstrates the expandability of coffee consumption as a pleasurable treat. Nescafé Gold Frothy Coffee is the No.1 best seller in the segment (+26% value sales growth from 2017 to 2020)⁶, at a higher price point than other products.

New products and launches

Nescafé Azera has partnered with independent Manchester-based coffee roastery, Grindsmith, to create the UK's first craft coffee in an instant format. Through this unique partnership, Nescafé Azera and Grindsmith combined the worlds of instant and craft, to develop instant coffee with all the quality you would expect from your local coffee shop, says Nestlé.

“Craft coffee shop sales grew a whopping 24% over the last five years⁷



“While some consumers will hone their barista skills with fancy tech, the majority are looking for simple ways to recreate their favourite craft coffee”



and, with an increasing number of consumers working from home, coffee-lovers are looking for ways to get a cup without leaving the house,” says the company.

“While some will hone their barista skills with fancy tech, the majority are looking for simple ways to recreate their favourite craft coffee experience. Nescafé Azera’s co-created blend does just that, inviting us to rethink what we know of instant coffee.”

Nescafé Gold Blend Roastery Collection is a range of two new premium instant coffees for people looking for a refined, high-quality coffee at home, it adds. “Crafted by the Nescafé Gold Blend master roasters in Tutbury in Derbyshire, the new collection gives consumers the opportunity to experience the refined taste of expertly roasted coffee from the comfort of their own home.”

The new range is available in two blends: ‘Dark Roast’ with notes of rich dark chocolate and roasted nut for those who love an intense-tasting coffee; and ‘Light Roast’ with notes of caramelised honey and toasted biscuit for those who love a smoother profile. “Each blend is rich in arabica and roasted in two batches for a new unrivalled flavour and rich aroma,” adds the company.

Source

¹ Kantar Worldpanel, Hot Beverages penetration percentage, 52 w/e 27.12.21

² Kantar Worldpanel, Hot Beverages volume, 52 w/e 27.12.21

³ IRI, Grocery Outlets, Hot Beverages value sales, % change vs YA 52 w/e 24.12.21

⁴ IRI, Grocery Outlets, Hot Coffee value sales, % change vs YA, 52 w/e 08.01.22

⁵ Millward Brown, FY Deep-Dive 2020 & IRI (super-premium best seller by value sales in independents)

⁶ Kantar Worldpanel, Hot Beverages Frothy Coffee volume, 52 w/e 27.12.21

⁷ Mintel, The Future of Coffee Report, January 2020

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Tata Consumer Products

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- Tetley Decaf**
- Tetley Premium Blacks**
– Gold, Earl Grey, English Breakfast & Extra Strong
- Tetley Flavoured Blacks**
– Discovery range
- Tetley Greens**
- Tetley Herbals**
- Tetley Supers**
- Tetley Redbush**
- Tetley Cold Infusions**

Whatever the ups and downs of the last few years, the nation's genuine love of tea has remained strong, a love encapsulated by Tetley with its new positioning For The Love of Tea.

The black tea space, where brand loyalty is particularly strong, continues to dominate sales. But greater attention to food and drink choices, as part of a healthier lifestyle, and increased home time have seen shoppers embrace a wider range of teas, with healthier tea segments and premium tea choices offering a step-change in taste experience for just a little more spend.

Increasing consumption and driving premiumisation of tea are central to Tetley's strategy, says the company.

The tea journey

To drive interest for new and light tea consumers, familiar teas in a mix of pack sizes with smaller entry packs and balanced promotions will help support household budgets, retain tea drinker loyalty and encourage repeat purchase, says Tetley.

Providing a route to a higher level of tea experience, to complement existing tea choices, is critical, and Tetley's new product development programme delivers this experiential journey.

Moving up from the simple, hydrating joy of Original Tetley, the brand has enhanced its range of premium blacks with new Tetley Gold, offering a fine blend of African and Assam teas. Other premiums – Tetley Earl Grey and Tetley English Breakfast 50s – have also benefited from a redesign to highlight the provenance and quality of the teas.

In the fastest growth sector in tea, Tetley has a new range of premium flavoured black teas, the Tetley Discovery range – each with a base



“Providing a route to a higher level of tea experience, to complement existing tea choices, is critical”

of black tea from estates across Africa, enhanced by different flavour combinations: Lemon & Ginger; Apple & Vanilla; and Red Berries.

Harnessing the tea moment

Tailoring a retail range to cater to different tea moments throughout the day can benefit sales of both tea and complementary categories.

Breakfast continues to dominate as a tea occasion, with 43% of consumers¹ saying they can't start their day without it, and opportunities for cross-selling with breakfast items are strong here. For a more cleansing start, a green tea fits the bill and Tetley continues to hold the number one slot with sales of Tetley Green Pure 50s, up 11.4% year on year².

Wind-down moments and health overall are big drivers of tea sales. Tetley decaf accounts for a quarter of all decaf sales in a sector that has grown 18.2%² yoy². Fruit & herbals are also causing a stir; particularly popular with younger drinkers, sector sales are up 5.7%².

Environmental care

Consumers also want brands to meet their environmental values, and the phased roll-out of plant-based bags, easily disposed of via food waste collections, is well on its way. Beginning with Tetley Original 120s and 240s, 163 million quality bags are in the market so far, with more being added every minute.



Source

¹ OnePoll 2021
² Nielsen Data, Total Coverage, Volume Sales, 01.01.22 versus 2 years ago



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Taylor's of Harrogate

The rise of coffee bags

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Taylor's Coffee Beans
Taylor's Coffee Bags

↙ If the last couple of years have taught us anything, it's that life's little luxuries, such as a great cup of coffee, are so important. However, with many people now leading even busier lives, consumers are looking for great taste and outstanding quality, with very little fuss. "That's why, at Taylor's of Harrogate, we believe coffee bags have found a home in so many kitchens, lunch boxes, briefcases and travel bags," says Kelly Wright, senior brand manager at the company.

"Taylor's Coffee Bags contain fresh roast and ground coffee and work just like a tea bag, brewing in only two minutes, making it easy to enjoy a delicious cup of coffee wherever you are," explains Wright. "There's no measuring and no equipment involved; all that's needed is a cup and a kettle."

"So, it's no surprise that coffee bags are one of the fastest-growing sectors in the category, having increased four times in size over the last five years, up from £3.2m in 2017 to £12.4m in 2021," reveals Wright. "Taylor's of Harrogate accounts for 93% of the total market growth² and is the UK's number-one coffee bag brand with a 75% sector share³," she adds.

Expanding repertoire

With consumers keen to try new products, more people are expanding their at-home coffee repertoire. In fact, 46% of coffee bag sales are incremental to the hot drinks category⁴, with more than half of coffee bag purchases being



“More than half of coffee bag purchases are made by consumers who are trading up, predominantly from freeze-dried instant coffee⁵”

made by consumers who are trading up, predominantly from freeze-dried instant coffee⁵. "We believe this is because coffee bags provide high-quality roast and ground coffee, just in a handier and more convenient format," says Wright.

Brand support

Coffee bags are now a key part of Taylor's coffee portfolio and have broad appeal, loved by coffee drinkers of all ages. "At Taylor's of Harrogate, we're championing our coffee bag offerings throughout 2022, beginning with TV advertising, on screens nationwide from 7 February," reveals Wright. "Consumers will also be directed to the benefits of coffee bags through trade advertisements and in-store point-of-sale. During the last Taylor's Coffee Bag media campaign, coffee bags grew five times faster than the overall coffee category, growing by a staggering 62%⁶.

"The ease and convenience of Taylor's Coffee Bags have positioned them as the perfect in-room solution within the accommodation sector," adds Wright. "They are stocked in many independent and boutique hotels across the country, as well as premium establishments. This further extends the reach of Taylor's Coffee Bags to even more consumers, who may then already know the product even before they see the bags on the supermarket shelves."



Source

^{1,3} IRI, 52 w/e 04.12.21
^{4,5} Kantar, 52 w/e 26.12.21
⁶ IRI & Kantar, 52 w/e 30.01.21

Ground coffee, in bags. Why didn't we think of them before?



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IN 2022**

Proper coffee with no fuss

No.1 brand in coffee bags with a 75% market share*

Supported throughout 2022 with a multi-media campaign

*Source: IRI, Value Sales 52 w/e 1 Jan 2022

Ueshima Coffee Company

Japan's best kept secret

DETAILS

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KEY PRODUCTS

Coffee beans
Ground coffee
Nespresso® compatible
capsules
Coffee bags

↙ In January 2021, UCC Coffee Europe launched a new coffee brand, backed by UCC Group (Japan) – a global coffee company worth €2bn. The launch of Ueshima Coffee Company brought Japan's number one coffee¹ to the UK and, for the first time, challenged the European coffee brands that are currently driving the global coffee market, says the company.

Much like in the UK, Japan is famed for its love of tea. But delve deeper into its illustrious history, and you'll discover a rich culture of coffee to rival Paris, Seattle and Rome. As a nation, they've not only loved coffee for centuries, but they've been perfecting it too, in a practice known as Takumi – the pursuit of perfection without compromise.

Stephen Gregory, marketing director UCC Europe, comments: "We have capitalised on the rich experience of our Japanese coffee business to develop the brand, which has been honing its craft for over eight decades. Ueshima Coffee Company, or UCC as it is commonly known in Japan, has been an essential part of Japanese coffee culture – from creating the world's first ready-to-drink canned coffee to cutting-edge roasting and filtering techniques.

"We brought Ueshima into the European market last year under its founding principles of craftsmanship, innovation and sustainability," he adds. "The range delivers a line-up of unique, sustainable and premium coffees that represent the authentic taste of Japanese coffee culture. Crafted by our Japanese coffee masters, the blends have been



“2022 is all about building at scale to make Ueshima unmissable, and we have an exciting story to tell”

developed using our original Japanese recipes and techniques, with modern roasting profiles to suit European tastes.

"We've had an exciting first year," reveals Gregory. "Highlights include debuting on e-commerce, launching our 'Respect the Ritual' integrated marketing campaign, entering two markets (UK and Switzerland), and securing key retail listings in Waitrose, Ocado and Harvey Nichols, while launching across foodservice. The response has been extremely positive. We are seeing our customer base grow quickly and a high rating on TrustPilot.

"Looking ahead, 2022 is all about building at scale to make Ueshima unmissable, and we have an exciting story to tell. We're investing heavily into new products and sustainability, robust retailer plans, and a direct and high-reach integrated marketing campaign that will cover all consumer touchpoints across broadcast, events, PR, social media, and influencers, to shoppable ads, PPC and Google Ad Words.

"Ueshima is building momentum, with more markets planned for 2022," notes Gregory. "We've got a quality product, an engaged audience and unrivalled expertise. For us, coffee is much more than just a drink – it's about sharing coffee mastery from one culture to another, inspiring progress and educating consumers about the unique Japanese coffee culture."



Source

¹ SRI 2020 (Jan-Dec), Coffee Sales Data

Japan's No.1 coffee could be your No.1 seller



Coffee mastered in Japan. Three distinct blends, characteristically smooth and bold in flavour. Available as beans, Nespresso® compatible capsules, ground coffee and coffee bags.



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Unilever – ekaterra

Regenerative plant power

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KEY BRANDS

PG tips
Pukka

ekaterra, the tea division of Unilever, is the biggest tea business globally, with world-class purpose-driven brands including PG tips, Pukka, Lipton, T2 and Tazo, says the company. With 11 production factories in four continents and tea gardens in three countries, ekaterra is growing a world of wellbeing through the regenerative power of plants.

Net zero emissions target for 2030

“ekaterra set the bar high last year, announcing its climate and nature commitments in Glasgow during the UN Climate Summit, COP26,” says chief executive John Davison. “We are one of the first major businesses to take steps in becoming climate-positive while setting a clear target for net zero emissions by 2030. Alongside reducing greenhouse gas emissions, other goals include: ensuring all packaging is recyclable, compostable or reusable by 2025 and deploying regenerative agriculture for sourcing raw materials by 2023.

“In the tea category, we have a unique opportunity to become climate-positive through the regenerative power of plants.”

The power of plant-based

ekaterra’s tea brands are already playing a pioneering role with sustainable business practices across the value chain, says Davison. “PG tips, the UK’s most loved tea brand¹, was the first major brand to introduce biodegradable tea bags in 2018. Now it has transitioned to a fully plant-based range, complete with biodegradable tea bags and boxes without plastic wraps.”

This has already made an impact, he says, with a massive 757 tonnes of



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oil-based plastic² saved from using biodegradable tea bags and 46 tonnes of plastic saved from the plastic wrap being removed³. “With shoppers now five times more likely to buy sustainable products⁴, there’s a clear demand for a cuppa that not only tastes good but also does good for the planet.”

Pukka – sustainability at heart

Pukka, now the UK’s No. 1 herbal tea brand⁵ and growing 11.6% YOY⁶, has the health of people, plants and the planet at the heart of its purpose, explains Davison. One of the first UK businesses to certify as a B Corp in 2016, Pukka has been working alongside the growing global community of almost 4,000 ethical and sustainable businesses ever since. Additionally, Pukka allocates at least 1% of annual turnover to environmental and social initiatives, ensures 100% ethical sourcing for all aspects of the business and, in 2020, £352,000 went to farmers as FairWild and Fair for Life premiums.

Collective action across the tea industry is the only way to reach ambitious climate-positive targets, says Davison. “Real leadership today, means mobilising and transforming the entire tea industry for a positive impact.”



Source

¹ Kantar, MAT number of cups, Dec 2021
^{2,3} Saving of traditional oil-based plastic based on 5g standard carrier bag
⁴ Harvard Business Review, Research: Actually, Consumers Do Buy Sustainable Products. June 2019
⁵ Nielsen, Grocery Multis, Value Sales MAT to 04.12.21
⁶ Nielsen, Total Grocery Multis, Fruit & Herbal Tea, excl Cold, Lattes and Rooibos, 52 w/e 01.01.22



Soil Association
organic certified



Growing a world of wellbeing

through the regenerative
power of plants

ekaterra, Unilever's tea division, is targeting net zero by 2030. By blending the best of science and nature, ekaterra aims to give back more to the planet than we take.



Fully plant
based



Learn more about
our Wellbeing
Promise here
ekaterratea.com



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