



Coffee Drinkers Consuming Less Cups Of Coffee - Consumer Socialization

With the adoption of many work-from-home practices, global coffee consumption has seen a major decline since the onset of the pandemic. With the closing of many dine-in restaurants and coffee shops, the demand for coffee has not been sustained by at-home consumption. The U.S. Department of Agriculture conceives the coffee consumption trajectory to continue declining through the fall of 2020, which would be the first decline in consumption within the last decade.

The coffee shop culture provides a socialization experience that consumers have been driven to for years. Now a decrease in consumption amidst the pandemic has illuminated many consumer reliances and preferences. The decrease in sales corresponding to the temporary and permanent closings of many storefronts has drawn many consumers away from participating in consumption with the social aspect being removed.

Additionally, consumer fears regarding the virus and contamination have drawn many sales away from these businesses despite gradual transitions back into re-openings and business model reconfigurations. Recent consumption trends pose uncertainty for many growers. The International Coffee Association projects great concern for the livelihood of growers and laborers in foreign countries if the industry continues to decline.

Despite economic downturn and consumer hesitance to return to in-house dining and consumption, many companies are creating new models that would make business more accessible and efficient such as drive throughs, mobile orders, and store pickups. This transition into new business frameworks along with the rise of popular social media trends could ultimately lend the survival of the coffee culture and industry. It is projected that along with consumer practices, consumer preferences to coffee consumption will also change as many consumers begin to transition to cheaper and at-home alternatives.

Sources: U.S. Department of Agriculture, Bloomberg