



A Perfect Blend: How Gen Z is Reshaping the Coffee and Tea Market

October 2025

EXECUTIVE SUMMARY

Why read this report?

INTRODUCTION

Key findings

A generation with growing influence and the power to shape trends and demand change

Who is the Gen Z coffee and tea consumer?

GEN Z: WINNING THE NEXT WAVE OF COFFEE AND TEA CONSUMERS

Gen Z consumers seek more from hot drinks, prioritising novel experiences

Gen Z's growing influence is reshaping emerging regions

Gen Z's spending power impacted by high cost of living but set to grow in the long term

Caffeine consumption remains relevant for Gen Z consumers amidst health concerns

Gen Z consumers are reshaping the consumption of coffee and tea

PRODUCT PREFERENCES OF GEN Z CONSUMERS ARE REDEFINING COFFEE AND TEA CULTURE

Personalisation remains important for Gen Z's consumption of coffee and tea

Cold coffee remains appealing due to appeal for personalisation and convenience

Convenient formats are spilling over from cold coffee, exciting Gen Z consumers

Coffee beyond caffeine: new functional positioning in the form of focus and beauty

Fiboo is set to strengthen its competitive positioning by offering functional health claims

Sustainable coffee increasingly valued, despite high cost of living

Navigating product preferences of Gen Z consumers: Growth opportunities

GEN Z PLAYBOOK: COMPETITOR STRATEGIES FOR CRAFTING COFFEE AND TEA PRODUCTS

Digitally savvy Gen Z consumers increasingly regard social media as a trusted source

Identifying top flavours through social media is key to connect with Gen Z consumers

Starbucks launches Coco Matcha and Coco Brew to appeal to Gen Z consumers

Creative social media campaign serves to engage Gen Z consumers

Cross brand collaborations serve to create novel experiences for Gen Z consumers

Leveraging social media and influencers is critical to connect with Gen Z

NEW INNOVATIVE CHANNELS ARE CRITICAL TO CONNECT WITH GEN Z CONSUMERS

Gen Z's caffeine consumption is shaped by occasions and convenience

Home consumption: Gen Z consumers seek to replicate their café experience at home

Direct-to-consumer (D2C) serves as an attractive online platform for Gen Z

Rise of digitalisation has fuelled the trend of online takeaway and delivery options

Convenience stores serve as an alternative channel for a quick caffeine fix

Coffee Banhada's unmanned drive-through stores offer Gen Z convenience

Exploring new channels that appeal to Gen Z consumption occasions is important

CONCLUSION

Recommendations/opportunities for growth

Evolution of Gen Z consumption of coffee and tea

Questions we are asking

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