

# **Coffee Machine Market Forecast, Trend Analysis & Competition Tracking - Global Market Insights 2018 to 2027**

In August 2018, Dualit Limited, a key player in the [coffee machine market](#), launched a new CaféPro Capsule Machine which is compatible with company's NX coffee capsules and other popular beverage brands such as Fine Tea capsules and Nespresso coffee capsules. Digital display and ease of use of the new machine is Dualit's strategy to deliver a professional experience to consumers and expand its consumer base.

In October 2018, Italian coffee maker illycaffè and German conglomerate JAB Holding Company announced collaboration to produce illy-branded coffee pods compatible with Nestle's Nespresso machines. While illycaffè's coffee pods were compatible with the company's own coffee machine, stronger Europe market position of Nestle machines has led illycaffè to introduce Nespresso compatible capsules.

On November 21, 2018, Nestle Nespresso announced an investment of CHF 43 million for the development of two new production lines in company's Romont factory in a bid to meet the growing demand for coffee system Vertuo. The company has also inaugurated the Product Development Center and Coffee Campus which will develop innovative machines and coffees from rare origins.

In March 2018, De'Longhi, a leading player in consumer appliances announced the introduction of specialty coffee machine category which also includes Dinamica Fully Automatic Coffee Machine. De'Longhi has been a traditional player in specialty coffee machines and the new additions are expected to further expand the brand popularity.

In February 2018, JURA Elektroapparate AG announced a 14% rise in the sale of company's automatic coffee machines. In July 2018, the company launched Jura Giga X8's updated version at The H&C EXPO. The new introduction is an automatic bean-to-cup coffee machine line whose original version is highly embraced by consumers.

## **Large Players Consolidating their Position through Breakthrough Innovations**

Prominent players continue to hold a hefty revenue share in the coffee machine market with their classic product portfolio as well as continual technology adoption aligned with consumer expectations. Koninklijke Philips N.V. is the front-runner in the coffee machine market whereas De'Longhi S.p.A and JURA Elektroapparate present strong competition with their consistent product developments.

Along with the delivery of breakthrough customer experience, manufacturers are aiming at delivering a value-added product. A new trend of introducing coffee pods that are compatible with coffee machines or vice-versa is observed in the market to relieve machine owners' recurrent bemusement. In addition, owing to the popularity of automation, in the past few years a meteoric rise in the introduction of automatic coffee machines with features like digital display and personalization facility has been observed.

## **Key Insights**

### **Demand Trends in Coffee Machine Market Differ among Tier 1 and Tier 2 Cities**

While coffee machine plays a crucial role in the coffee shop industry, adoption trends of different types of coffee machines differ according to the location of the café. Coffee shops make their own coffee machine selection across cities. For instance, in Tier 1 cities, famous brands of coffee shops prefer high priced premium coffee machine brands.

On the other hand, coffee shops in Tier 2 cities, with their tight budget cannot afford coffee machines whose prices are comparable to the capital investment involved in shop opening. The differing levels of adoption lead to variable purchase prices of coffee machines across cities.

### **Brand Image and Consumer Sentiment Play Crucial Role in Coffee Machine Sales**

Coffee shop industry is flourishing with a significant number of cafes being built globally. As cafes and specialty coffee shops deliver extra features such as unique service, breakfast options and superior coffee quality, popularity of western brands such as Starbucks and Costa Coffee has increased significantly. Success of these coffee shop brands plays a crucial role in the growth of the coffee machine market, owing to their strong domestic presence in major world countries.

In the commercial sector, coffee machines are the most important equipment. Commercial infrastructures prefer either automatic or semi-automatic coffee machines wherein purchase of coffee machine is decided on the basis of cost, coffee volume and consumer sentiments.

### **Increasing Number of F&B Chains Present Lucrative Opportunities for Coffee Machine Market**

Growing fast food demand and evolving needs of time-pressed consumers have led to an impressive growth of F&B chains in major world countries. The growth is further fuelled by mushrooming of convenience stores, fast food chains and bakeries. In particular, convenient stores are the prime destinations of coffee purchase among coffee lovers. Quick serve and automatic machines that deliver high-quality coffee determine the success of these convenient stores. While coffee shops attract a specific population of coffee lovers, F&B chains serve a wide range of consumers from mid to high standard. Considering the distinct needs of F&B chains and specialty coffee shops, manufacturers in the coffee machine market are introducing multiple models of coffee machines.