



COFFEE SHOP MARKET ANALYSIS



OUTLINE

1. Coffee Shop Market Overview
2. The Impact of Covid-19 on the Market (Highlands Coffee vs The Coffee House)

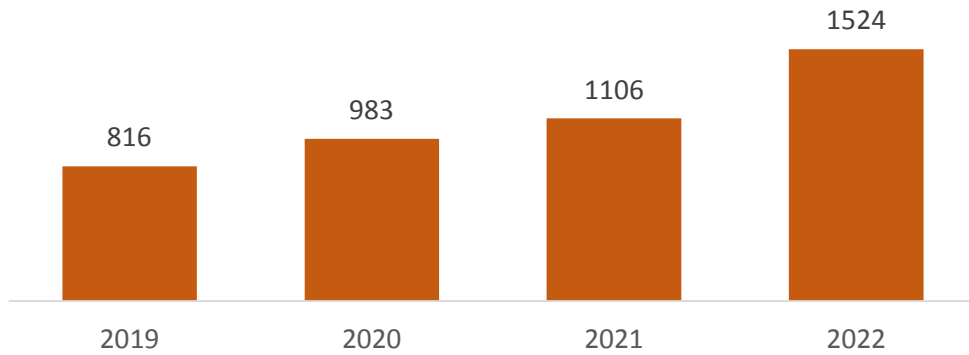


METHODOLOGY

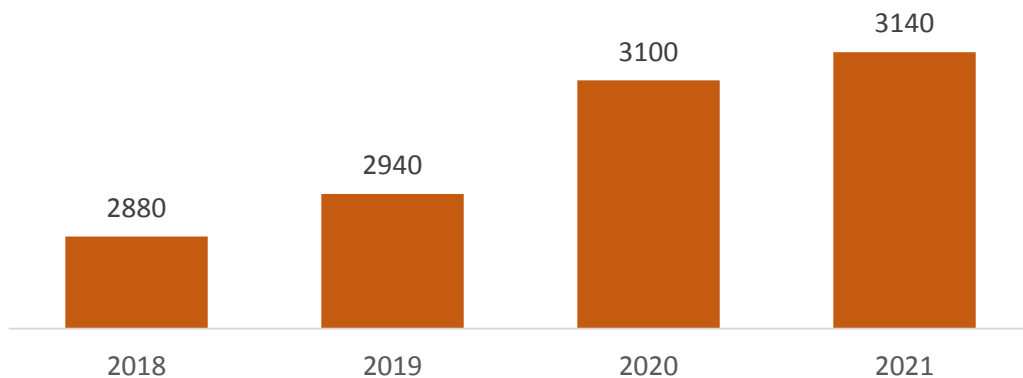
- Using (Selenium)Python to crawl data from websites.
- Cleaning data (changing data type, replacing data, grouping data...)
- Visualize data

1. Market Overview

Number of coffee chain stores in Vietnam from (2019-2022)

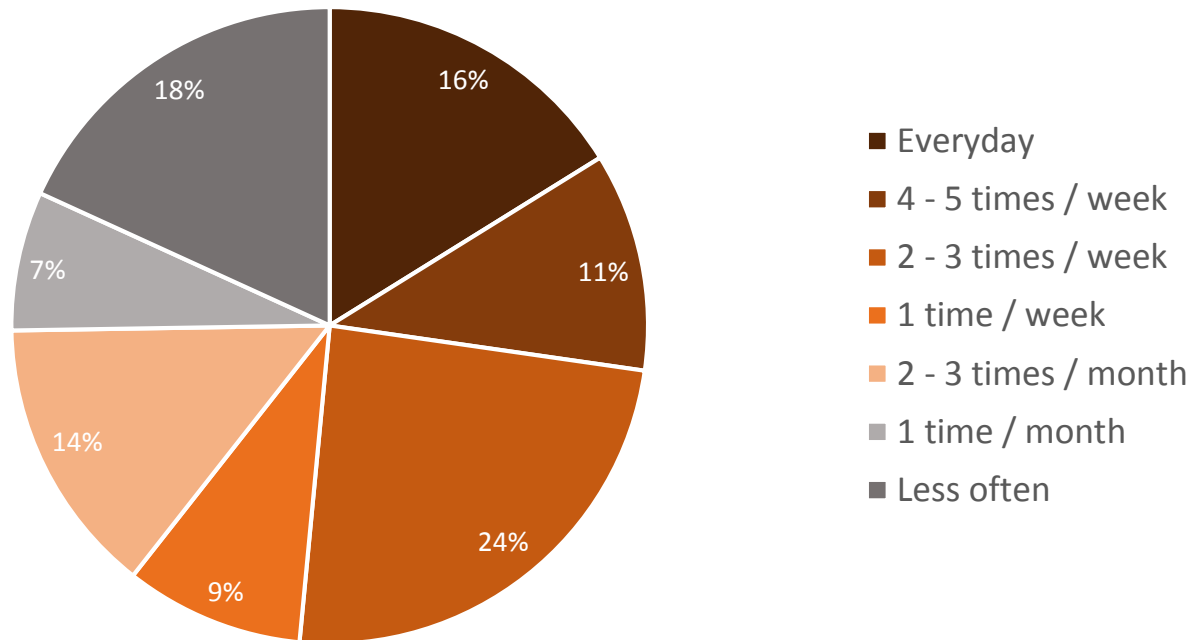


Total Coffee Consumption in 1000Kg Bags in Vietnam (2018 - 2021)



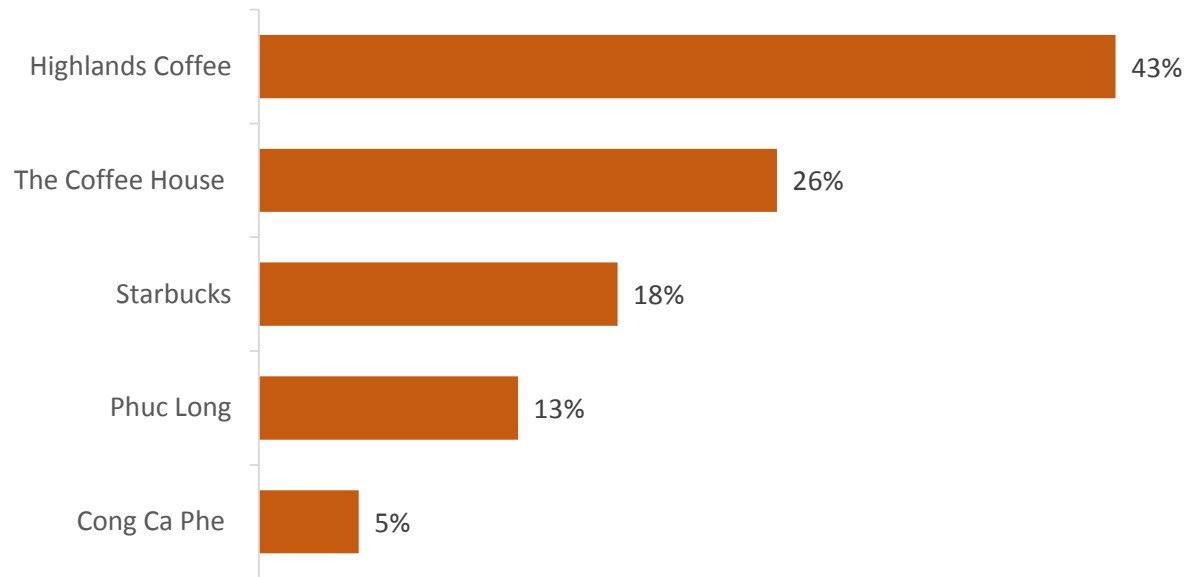
- From 2019 – 2022, the number of coffee chain stores in Vietnam increased year by year with many brands like Highlands Coffee, The Coffee House, Phuc Long, Starbucks... In 2022 this number increased by more than **86%** compared to 2019.
- Total coffee consumption also grew up.

Coffee Shop Visiting Frequency

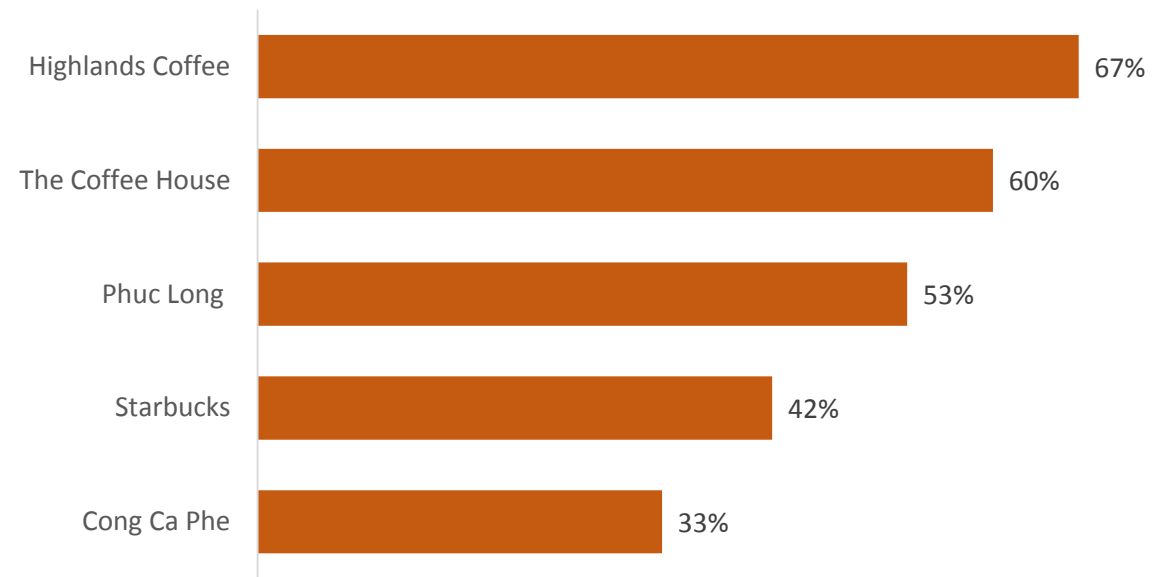


According to Q&M's report, the coffee shop visiting frequency is average. Over **50%** of people visit once a week at least.

Popularity Rate of Coffee Chain Stores in Vietnam



Brand Identity of Coffee Chain Stores in Vietnam

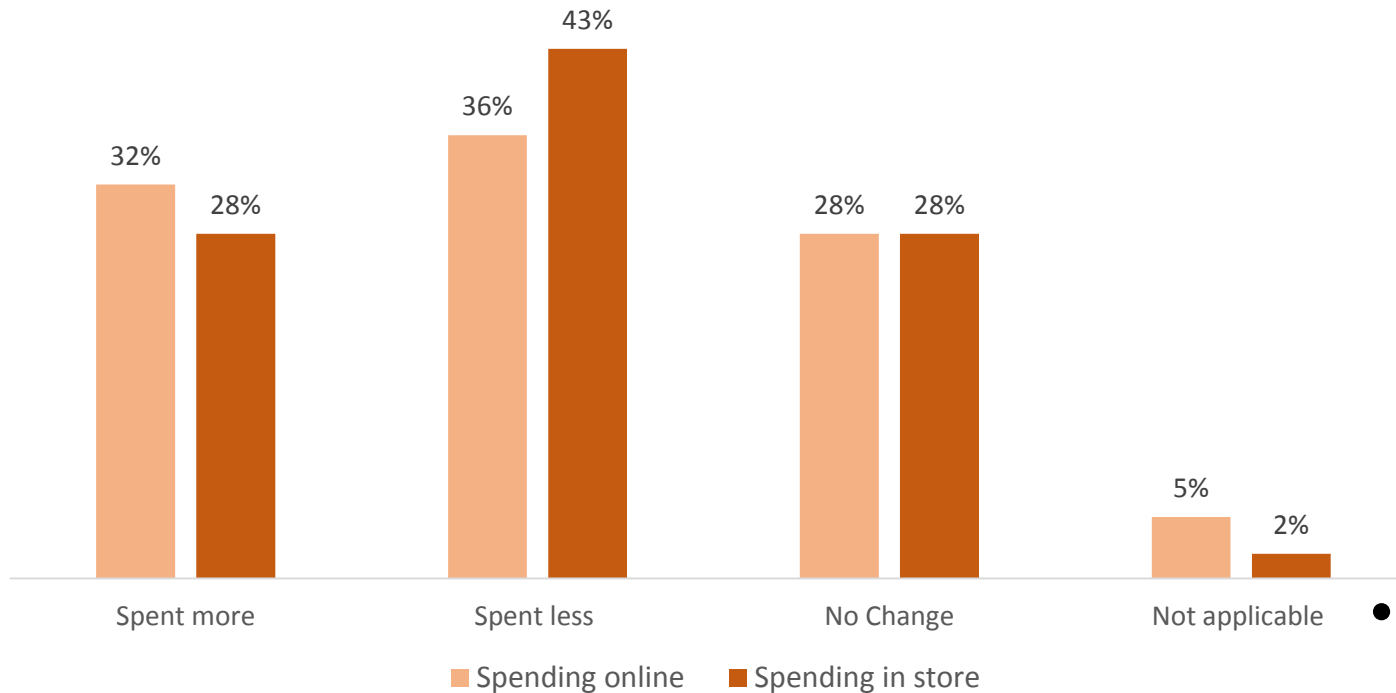


Highlands Coffee and The Coffee House were ranked 1st and 2nd in popularity rate list and brand identity list respectively according to Q&M's report.

2. The Impact of Covid-19 on the Market Highlands Coffee vs The Coffee House

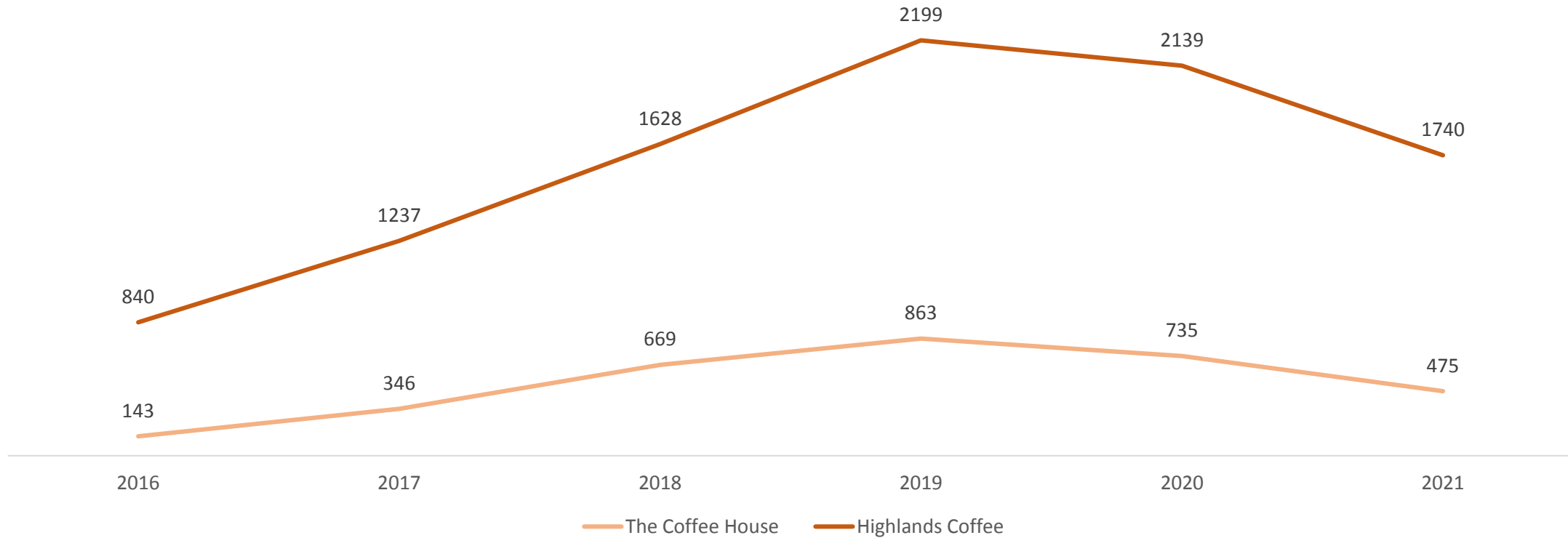


Spending online and Spending in store during Covid-19 in 2021



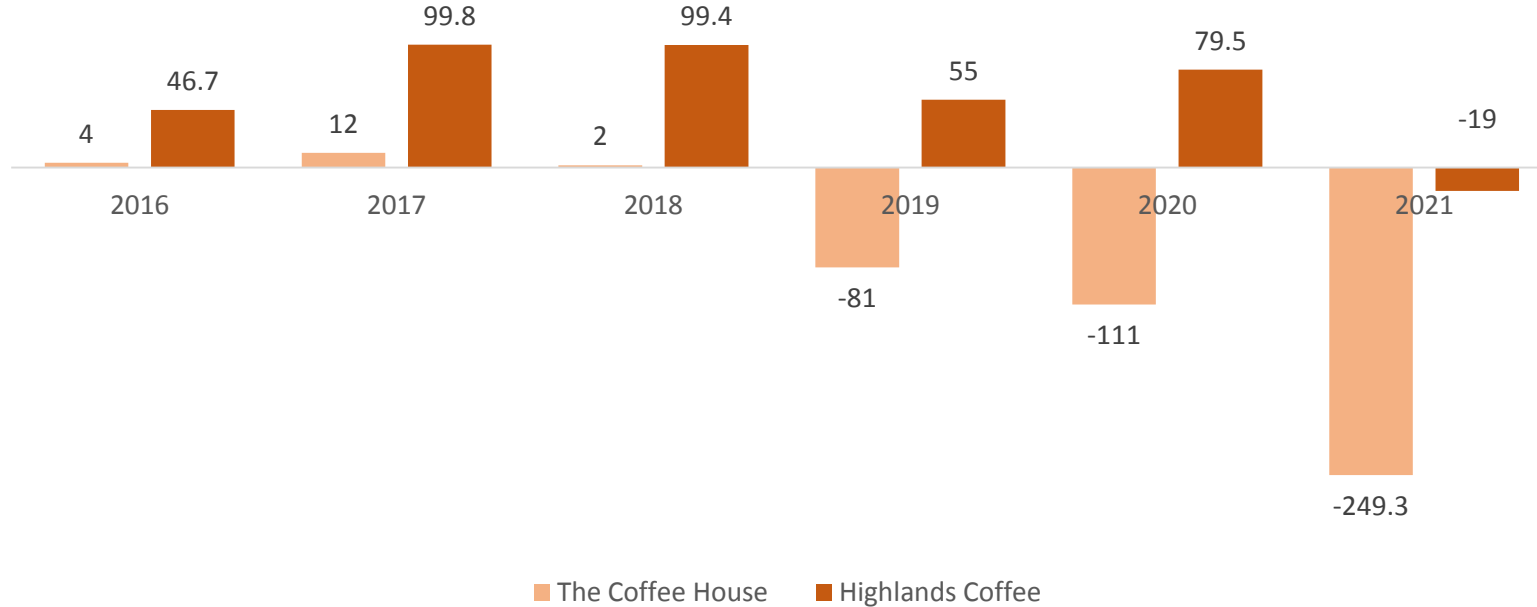
- Covid-19 has changed customer behavior. According to YouGov - market research company - almost half of the consumers (**43%**) spent less in stores during previous waves of the outbreak compared to around a third (**36%**) who spent less online.
- In the meantime, people spent more time at home and shopping online more (**32%**)

Net Revenue (2016 - 2021) (Billion VND)



Covid-19 disrupted the growth of F&B industry, Highlands Coffee and The Coffee House. From 2020 the net revenue of 2 coffee chain stores decreased.

Net Profit (2016 - 2021) (Billion VND)



- Although both Highlands Coffee and The Coffee House's net revenue decreased, The Coffee House's Net Profit dropped dramatically than Highlands Coffee's Net Profit (-249.3 vs -19 in the last year)
- The reasons are the impact of Covid-19, the competitive market and Seedcom – holding company of The Coffee House – is continuously making a loss.

Compare Highlands Coffee and The Coffee House

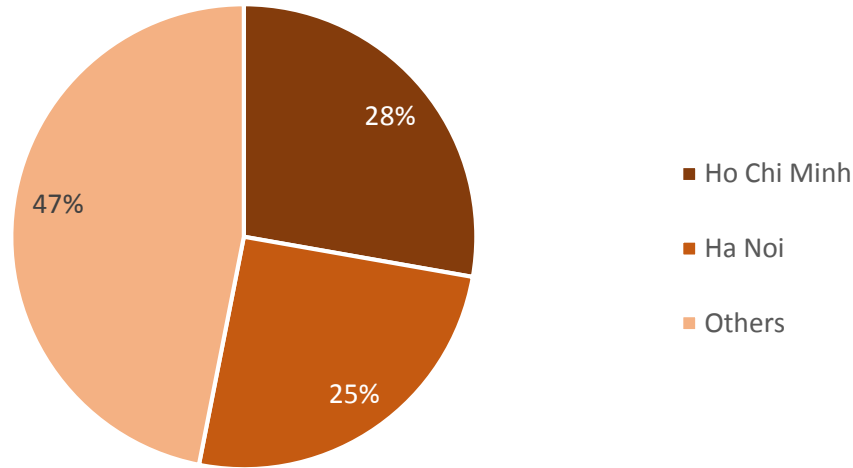


533 stores (2022)
64 provinces/cities

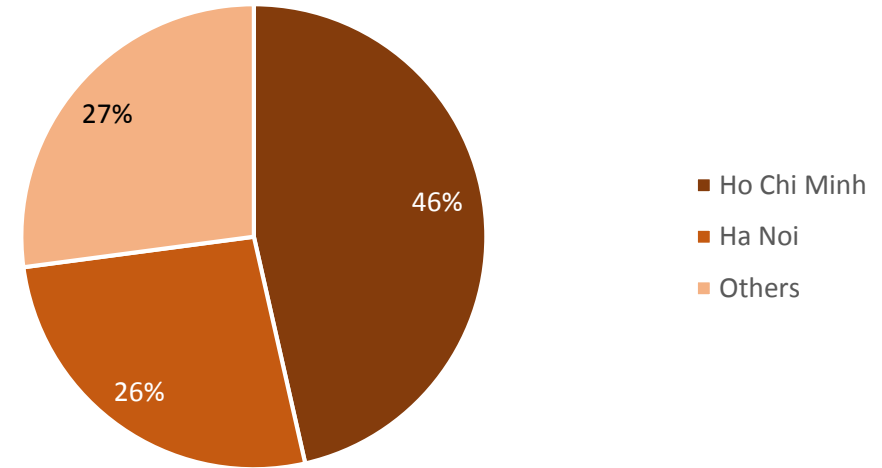


154 stores (2022)
18 provinces/cities

Highlands Coffee's Store Coverage Percentage

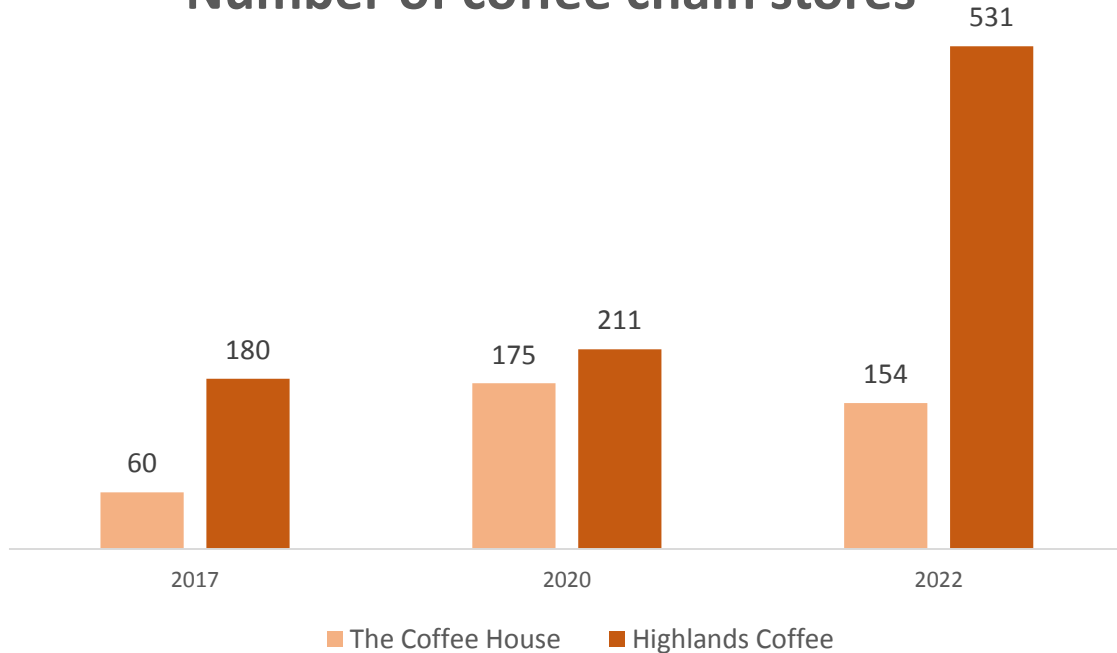


The Coffee House's Store Coverage Percentage



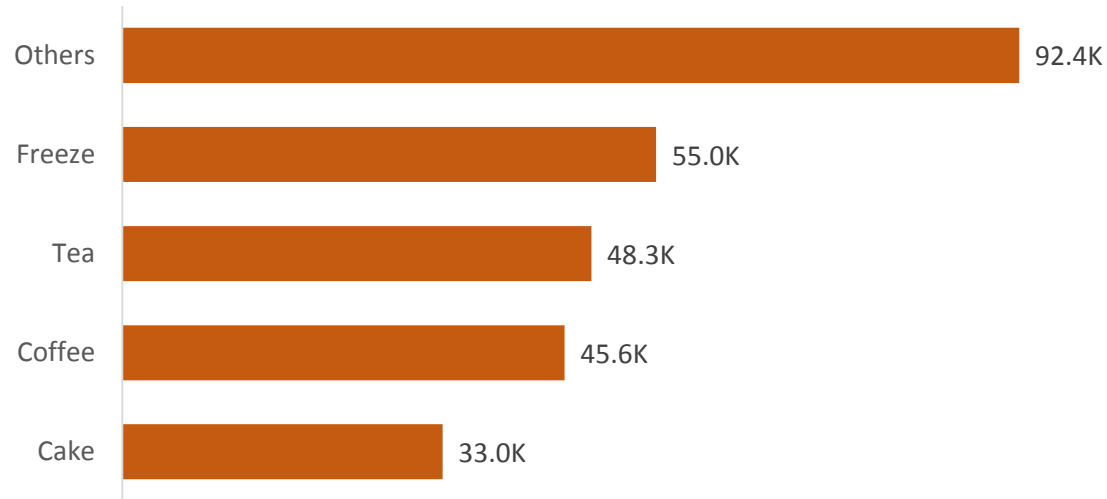
- The coverage of Highlands Coffee is in all provinces and cities in Vietnam. This coffee chain stores focus over **50%** in Ho Chi Minh City and Ha Noi.
- The Coffee House also opens in 18 provinces and cities. This brand focuses almost **50%** of stores in Ho Chi Minh City.

Number of coffee chain stores

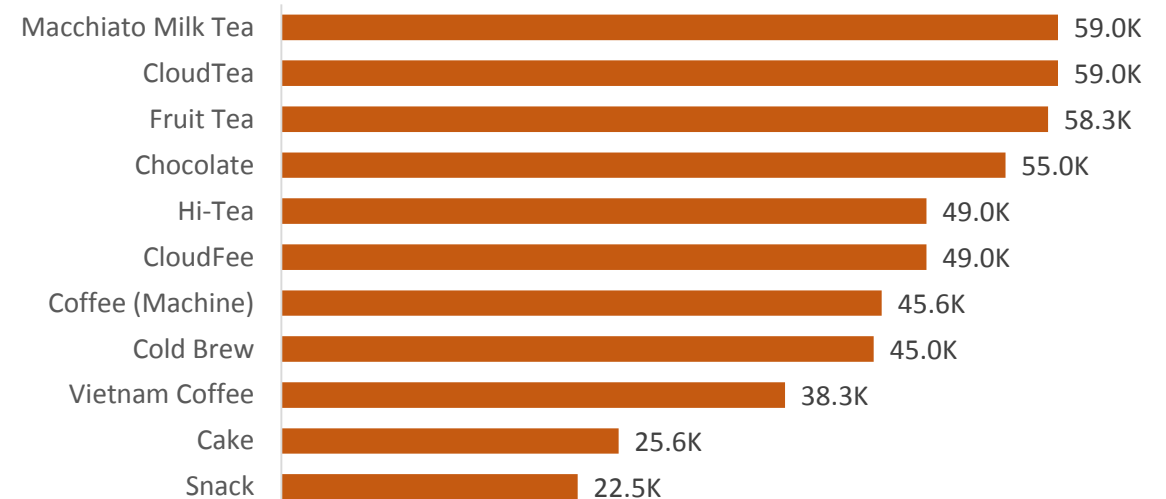


- Although the market was impacted by Covid-19, Highlands Coffee increased the number of stores by over 150% compared to 2020 (the first year of Covid-19).
- Different than Highlands Coffee, The Coffee House had to close 12% of its stores compared to 2020.

Average Price by Highlands Coffee's Menu

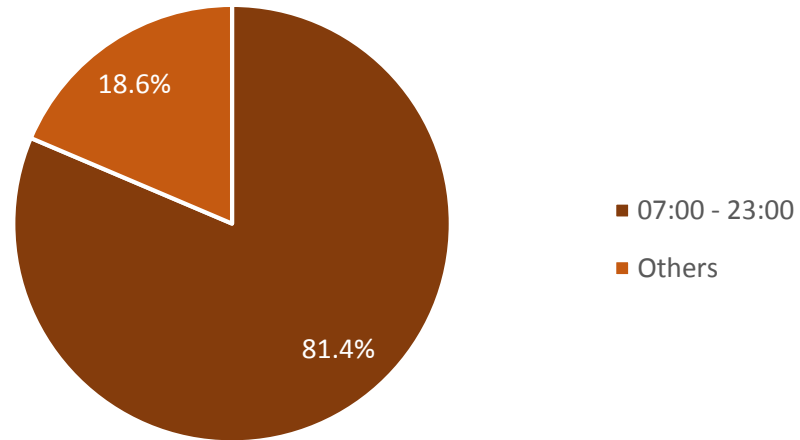


Average Price by The Coffee House's Menu

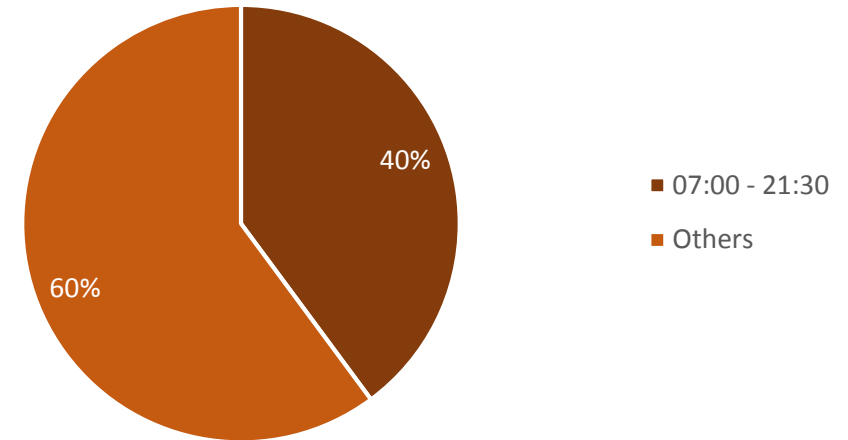


- In general Highlands Coffee's menu is more simple than The Coffee House's menu.
- Average prices for drinks at Highlands are 45k – 55k VND. At The Coffee House, the average prices are 38k – 59k VND.

Percentage Opening Time in Highlands Coffee

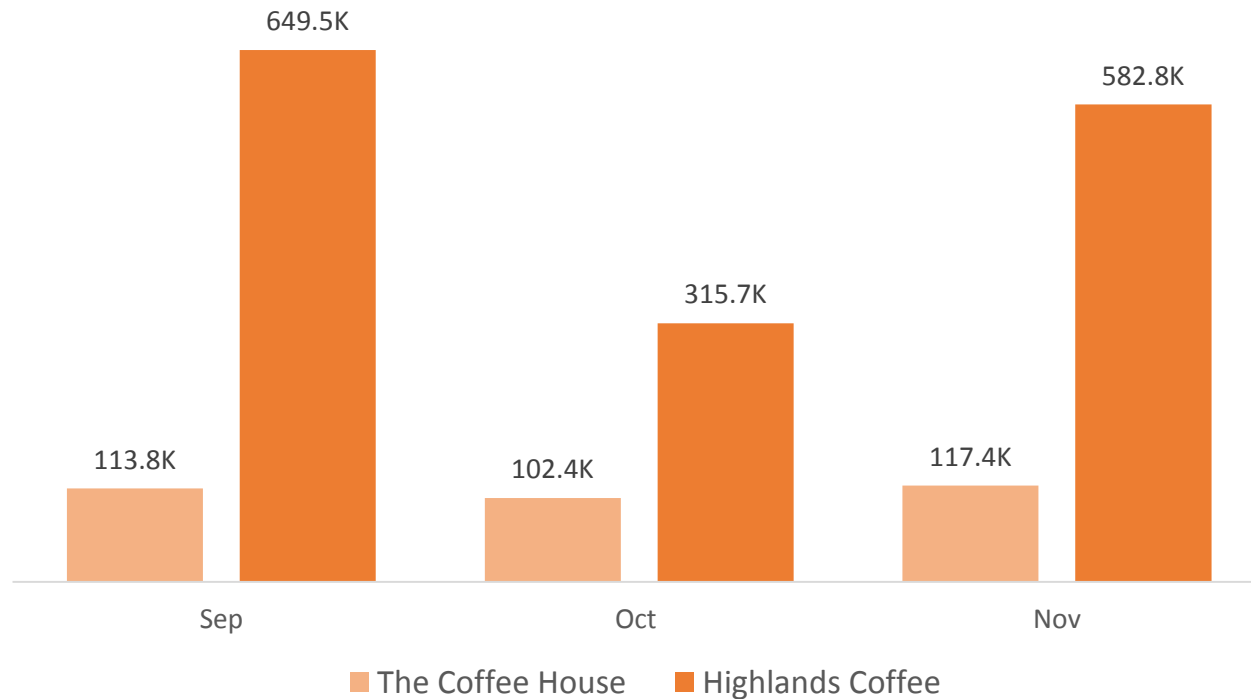


Percentage Opening Time in The Coffee House



The opening time of Highlands Coffee is longer than The Coffee House's opening time.

Total Visits by Brands



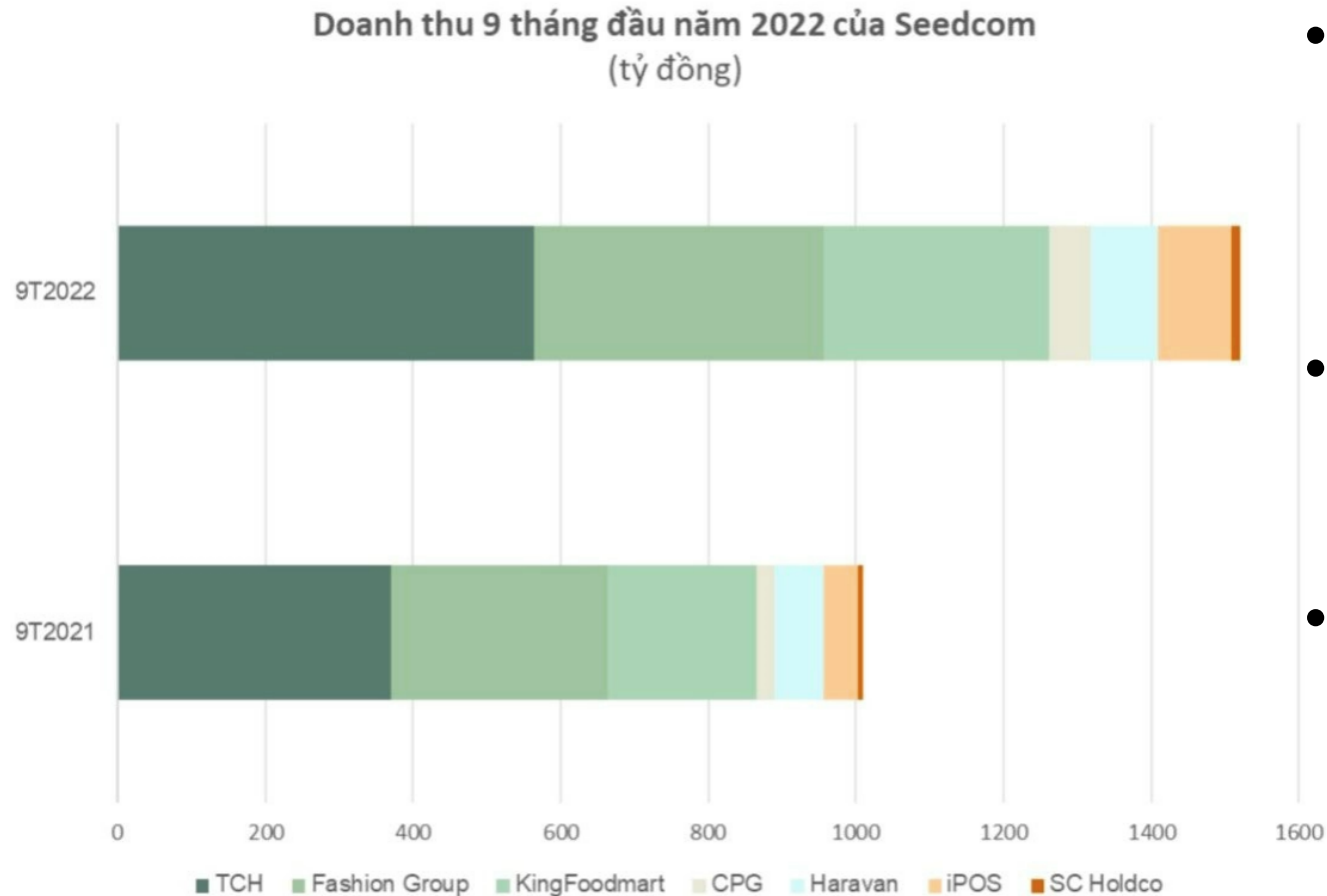
- In the last 3 months, The Coffee House's total visits didn't change significantly.
- Highlands Coffee's total visits are larger than The Coffee House's total visits but there was a significant drop in October. The total visits decreased by **51.4%** compared to the previous month.

Highlands Coffee's Strategy



The purpose of changing the logo is not only sell coffee but also become a community brand that connects people together.

Coffee House's Strategy



- In the first 9 months of this year, The Coffee House's net revenue grew. This number was accounting for **37%** of Seedcom's net revenue.
- Continue to launch new products like Hi-Tea healthy, CloudFee, CloudTea...
- Sell products by delivering on its system and multiple channels (grab, now, loship...)

APPENDIEX

- Number of coffee chain stores in Vietnam from (2019-2022):
<https://bit.ly/3G1r4Ja>
- Total Coffee Consumption in 1000Kg Bags in Vietnam (2018 - 2021):
<https://bit.ly/3Gmbola>
- Coffee Shop Visiting Frequency : <https://bit.ly/3hPqBlz>
- Popularity Rate of Coffee Chain Stores in Vietnam & Brand Identity of Coffee Chain Stores in Vietnam: <https://bit.ly/3I7079U>
- Percentage of Spending online and Spending in stores: <https://bit.ly/3RYC925>
- Net Revenue and Net Profit: <https://bit.ly/3YL38Cq> , <https://bit.ly/3G1ry1W>