

Monday 18 December 2017

New research shows coffee shops fuel high street spending

But potential cup tax threatens life-line for local economies

- *75% of Britons spend in other local shops when they pop out for a coffee*
- *On average, they visit two shops and spend £15*
- *More than a third said a tax on take away cups would negatively affect how often they visit the high street*

As the tills ring out for Christmas, new research indicates that coffee sales are cushioning local retailers from a tough festive season but this life-line is threatened by a potential latte levy.

With October's retail sales falling at the quickest rate since 2009 – the height of the financial crisis – (according to the CBI Distributive Trades Survey) and online sales volumes expanding, high street retailers are feeling the pinch. Data from Retail Futures shows, in the six years between 2012 and 2018 some 22 per cent of shops will have closed.

Against this backdrop of doom and gloom, new evidence, commissioned by the UK's market-leading paper cup manufacturers, suggests that our habit of popping out for a coffee on-the-go is fuelling wider consumer spending on the high-street.

Three quarters (75%) of Britons said they were likely to pop into other shops on their high street when they went to get a coffee or hot drink. On average, they visit two other shops spending around £15 but 7% visited many more (an average of five).

However, indications are that introducing a tax on coffee cups will significantly deter shoppers. Over two in five Britons polled said a tax on cups would affect how often they stop for a coffee and over a third said that this would negatively affect how often they visited their local high street.

Men were more likely than women (36% / 32%) to say the proposed tax would negatively affect how often they visit their local high street.

Neil Whittall of Huhtamaki and a member of the Paper Cup Alliance, said:

“Paper cups are the most sustainable and safe solution for drinks on-the-go. Consumers want to do the right thing and we're taking steps to support that through new infrastructure and country-wide initiatives. Taxing the morning coffee run will not address the lack of infrastructure but it will hurt consumers and impact already struggling high streets.

“We are committed to increasing recycling rates. Over 3,000 new recycling points were created this year and a new country-wide initiative is launching in January increasing options for consumers to recycle.”

Commenting on the findings Chris Stemman, Executive Director of the British Coffee Association said: “These figures are no surprise. Independent cafes and coffee chains are playing an important part in regenerating local high streets and shopping centres, providing focal points for communities. In tough and uncertain times a cup of coffee is an affordable

treat. A cup tax is a real threat to local economies and doesn't solve this as a long term sustainability issue that needs to be dealt with through innovation, recyclable packaging, and recycling processes.”

People in the North East are hitting the shops hardest with 88% of those polled visiting other shops when out for a coffee whilst people in the West Midlands spend the most (over £20 per visit).

On average consumers are visiting their local high street twice a week with over half (55%) saying they normally grab a coffee while they are there. Younger people (25-35) spent the most, averaging almost £20.

- Ends -

About the research

The research was commissioned by the Paper Cup Alliance conducted by Censuswide, with 2,003 Britons aged 16+ in GB between 27.11.2017 - 01.12.2017. The survey included UK adults, nationally representative based on gender, age, and region. Censuswide abide by and employ members of the Market Research Society which is based on the ESOMAR principles.

About the Paper Cup Alliance

The Paper Cup Alliance (PCA) is made up of the eight market-leading paper cup manufacturers in the UK today, employing over 1,700 people across the country. The group was formed in 2017 to coordinate industry efforts to address the issue of paper cup recycling. PCA members are working hard to increase recycling in the UK through a variety of initiatives and through supporting the right behaviours. It aims to better communicate the industry's efforts on paper cup recycling to reassure stakeholders that the industry takes its environmental responsibilities seriously.

PCA members are part of Pack2Go, the European Association for convenience food packaging, but are specifically focused on the issue of paper cups in the UK.

For further information contact:

Tim Field

Email: tim.field@instinctif.com

DD: 01869 353 805

Tel: 01869 353 800