



**Euromonitor
International**

Hot Drinks in Australia

November 2025

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EXECUTIVE SUMMARY

Hot drinks maintain steady value growth amid inflation easing and shifting consumer priorities

KEY DATA FINDINGS

INDUSTRY PERFORMANCE

- Health, functionality and clean-label trends reshape product development
- Ethical sourcing and sustainability strengthen brand positioning
- Matcha shifts from niche trend to mainstream staple

WHAT'S NEXT?

- Outlook shaped by stabilising prices, renewed confidence and evolving consumer priorities
- Functional reformulation and wellness-led innovation to accelerate
- Sustainability set to become a baseline expectation

COMPETITIVE LANDSCAPE

- Nestlé maintains category leadership through breadth, innovation and domestic investment
- Coffee stands as the most dynamic category, fuelled by both premium and affordable innovation

CHANNELS

- Supermarkets remain the dominant channel supported by value seeking and private label expansion
- E-commerce remains the fastest-growing channel through expanded fulfilment and digitally led retail execution

FOODSERVICE VS RETAIL SPLIT

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KEY DATA FINDINGS

2025 DEVELOPMENTS

Price-led value growth amid resilient café culture and evolving at-home consumption

INDUSTRY PERFORMANCE

Premiumisation at home and evolving value preferences

Strong momentum in fresh coffee beans

WHAT'S NEXT?

Expectations for steady but moderating value growth

Expansion of cold, ready-to-drink, and hybrid coffee formats

Sustainability and ethical sourcing as long-term growth drivers

COMPETITIVE LANDSCAPE

Nestlé maintains leadership through convenience, innovation, and café-style experiences

Private label strengthens position through value-led premiumisation

CHANNELS

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E-commerce remains the fastest-growing channel

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[Tea in Australia](#)

KEY DATA FINDINGS

2025 DEVELOPMENTS

Growing wellness demand and matcha-led momentum reshape category performance

INDUSTRY PERFORMANCE

Tea sees moderate value growth as matcha drives renewed interest among younger consumers

Green tea emerges as the most dynamic category as matcha moves firmly into the mainstream

WHAT'S NEXT?

Tea expected to maintain steady value growth, driven by wellness-led innovation
Gifting culture becomes an increasingly important volume driver across premium tea
Functionality continues to shape innovation as tea broadens its role in daily wellness routines

COMPETITIVE LANDSCAPE

Twinings maintains leading position through broad portfolio, wellness focus, and strong brand equity
ITO EN emerges as the most dynamic company, supported by rising matcha demand and localised production

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[Other Hot Drinks in Australia](#)

KEY DATA FINDINGS

2025 DEVELOPMENTS

Inflationary pressure, cocoa volatility, and rising wellness trends shape category performance

INDUSTRY PERFORMANCE

High cocoa prices and health-led consumer behaviour constrain chocolate-based powders
Matcha latte emerges as the most dynamic segment as functional and lifestyle trends boost appeal

WHAT'S NEXT?

Modest category growth expected despite ongoing commodity volatility and rising competition
Functional diversification becomes central to category innovation as consumers seek nutritional indulgence
Sustainability becomes a key lever of differentiation as consumers expect planet-friendly indulgence

COMPETITIVE LANDSCAPE

Nestlé maintains leadership through strong brand equity, domestic production, and functional expansion
Morning Made accelerates growth through wellness positioning, digital engagement, and national retail expansion

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