

Office Coffee Service Is Becoming Pantry Service

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The humble office coffee service (OCS) industry has expanded its offerings and profitability, a survey of operators by *Automatic Merchandiser*, a vending industry magazine, has found.

“The addition of non-coffee products makes up a substantial percentage of the OCS industry revenues,” Emily Refermat, editor of the magazine’s annual “State of the Coffee Service Industry” report, says.

The expansion into “delivering snacks, soda and other products to a location that employees enjoy freely,” (paid by the company) is called pantry service, she adds. Operators’ revenue from providing snacks and soda have quadrupled, the survey found.

“Adding new services was motivated by operators wanting to be proactive . . . rather than due to customer requests/market pressure,” Ms Refermat reports.

OCS industry sales increased 5.5%, a record, in the mid-2014-mid-15 period reviewed to \$4.75 billion, the report says.

Although green coffee prices have fallen, 82.5% of companies surveyed said they raised prices – not on coffee, but on paper goods, snacks, soda and other products.

Single-Cup Gaining

While still only 23.2% of all coffee brewing equipment in use, adoption of single-cup machines is growing rapidly.

“Most new customers ask about single-cup and bean-to-cup options first,” Ms Refermat says operators told her.

It’s not hard to see why operators are happy about the trend. Their revenue per cup for single cup brewers is 45.5¢ vs. 12.4¢ per cup for plumbed-in or pour-over brewers, according to the report.

OCS is a little-noticed amenity in most workplaces, but can be disproportionately expensive if not watched. Clarion can help you gain control of this and other services. Contact Tom Mac Dermott, 603/642-8011 or e-mail us at

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