

future of coffee report

LA MARZOCCO



la marzocco
handmade in florence



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celebrating australian coffee culture

The conversation around coffee is changing.

The Australian coffee drinker leads the world. Educated consumers understand coffee is a luxury: there are fewer beans at higher prices, driving quality and sensible price signalling. Coffee is an “everyday miracle”, says René Redzepi in Apple TV’s Omnivore.

“coffee is key to australian life. it’s part of brand australia. the flat white is possibly our greatest export, not just as a beverage but because it sits in the context of australian hospitality and personality, and the fact that some of our cafes are as creative and city-defining as great restaurants.”

barry moore – managing director, la marzocco australia

People are drinking better coffee at home. They’re socialising around coffee differently. Their greater knowledge and expertise is driving - and is driven by - cafes, roasters and baristas to ever higher standards. Coffee is becoming an experience: expanded and elevated. We call this the Quality Loop (see page 23).

“Australia (and New Zealand) are studied and celebrated as market leaders by our headquarters in Florence,” says Barry Moore, La Marzocco Australia’s Managing Director. Demographic and immigration patterns mean Australia has been uniquely placed to meld European espresso culture with the 21st century’s ‘Third Wave’ of specialty coffee. Our ‘early adopter’ culture means we are now at the forefront of technological innovation. “We are a unique and developed market with a depth and breadth of artisan roasters producing specialty grade espresso, which is then served in high volumes to a per capita concentration of cafes unlike anywhere else in the world,” says Moore.



“People need to get away from the fact that coffee is a basic need. It’s a luxury and they need to treat it like that.”

sonam sherpa – co-founder, golden brown coffee

state of play 2025

1. global conditions mean less coffee at higher prices, prompting an industry push towards quality.
2. australian consumers are drinking coffee differently, including more and better coffee at home.
3. australian coffee culture leads the world in technological innovation.



“You don’t pay more for something you don’t understand.”
lauren williams – sales manager, la marzocco home australia

statistics: ibisworld: coffee bean distributors in australia 2025

- Premium coffee is often perceived as an affordable luxury that many consumers like to indulge in.
- Although Australia’s vibrant coffee culture has driven revenue growth, struggles among downstream cafes and coffee shops owing to the cost-of-living crisis and rising operating costs have weighed on industry growth.
- Profit margins have fallen as low coffee bean yields have plagued distributors, with green coffee now at an all-time high

businesses:	annual revenue:	profit margin:
564 (up 3% 2020-2025)	\$2.9B (up 3% 2020-2025)	3.7% 3.7% (down 0.8% 2020-2025)

about this report

Insights from the senior team at La Marzocco Australia were compiled in a facilitated round table discussion, augmented by insights from key coffee industry leaders and backed by data. This report is a state-of-play document, outlining the coffee industry’s key challenges and opportunities.

La Marzocco has been leading espresso culture since 1927 from its headquarters in Florence, Italy. La Marzocco Australia

supplies its equipment to the country’s best cafes and, for the past decade, has led the way in high-quality built-to-last home espresso machines.

“la marzocco is the only machine that campos would provide coffee for.”

geoff clarke – coffee program specialist, campos coffee

trends & opportunities: key insights

trend	opportunity
Data	Data will drive efficiencies, reduce wastage and trim staff costs.
Nights	Cafes will open into the evening, as Asian and Middle Eastern cafe culture becomes more entrenched, and alcohol-free night time options expand.
Low-caffeine	The low- and no-alcohol trend will spill into coffee culture, with new-style decaf and lighter brews tapping into a market that wants an experience without buzz.
Connection and community	‘Coffee as the new watercooler’ will continue its march into corporate, club and community settings, with quality DIY coffee set-ups prompting conversation and engagement.
Roasters as cellar doors	With people drinking fewer but better coffees out of the home, the cafe and roaster experience will be further elevated. Roasters will become more like cellar doors, and baristas like sommeliers.
Price	By the end of 2025, it will not be unusual for specialty coffee to cost \$7 a cup, enabling fair prices along the supply chain. Cafes will need to charge more, adapt their menu format to accommodate customised drinks, or close.
Sustainability is business	Environmental considerations are no longer an afterthought but threaded through every aspect of doing business. The new normal is expressed in durable machinery, technology that reduces wastage and travel, training that makes every cup count, and pricing that supports good practices and consistent quality.

coffee is everywhere



Brands, sporting teams and corporates are incorporating excellent coffee and cafe-like experiences into the everyday.

“coffee is the new watercooler. it breaks down every barrier.”

jets (anita) langlands – head of marketing,
la marzocco australia

People expect a better cup of coffee, wherever they are. Corporates can’t get away with instant coffee in a boring kitchenette anymore. Offering a great coffee experience is a competitive advantage for organisations that invest in it. A work perk creates a sense of community and belonging, leading to higher satisfaction and lower attrition, offsetting cost of living pressures and contributing to the creation of a workplace of choice.

case study 1 the new office

JLL is a commercial real estate company with 300+ employees at 101 Collins Street, Melbourne. Ryan Spaccavento from Coffee on Cue manages their in-house cafe, which supplies barista-made free coffee.

“JLL reimagined their modes of teamwork and collaboration. They saw coffee brings people together: it fosters connection. We have created a cafe environment on their reception level, serving our own premium espresso blend and bringing in a different local roaster every month to showcase filter coffee. It’s a corporate context with the feel of a cafe, creating a social hub. Team members

commingle between floors and meet people in different departments, rather than flocking to the elevators. It’s also an inviting anchor to bring guests and stakeholders.

Since introducing JLL Melbourne’s in-house cafe, attendance is up and there has been a noticeable buzz in the office. More than 90% of their team have recognised that internal and business opportunities have increased with this new space. As well as feeling good, it’s a competitive advantage.

“Longtime Sydney Swans coach John Longmire told me about a top coaches’ workshop in Europe. There were coaches from the NBA, English Premier League, all the big ones, around the table. At the end, everyone was asked about the most important driver of culture at their club. John said it was the coffee machine.”

barry moore – managing director, la marzocco australia



case study 2 the new team

A premium coffee set-up is a key element at Sydney Swans HQ, designed to foster community and cross-organisation connection, says Drew Arthurson, the club's Chief Operating Officer. Modbar is La Marzocco's under-counter coffee system with customisable workflows and mix-and-match espresso, steam and pour-over stations.

"We are a high-performance organisation and coffee is essential to performance. We also wanted to create a great campfire environment at Sydney Swans HQ and make it feel like everyone's second home. We wanted to produce amazing coffee and promote cross-team, cross-functional relationships. It's amazing to see the stronger bonds and connections we've formed since deploying Modbar.

It's easy to use and produces amazing coffee. We have 180 athletes and staff making coffee on a daily basis, ranging from skilled baristas to complete novices. We were intentional about our coffee strategy. We introduced a 'coffee captain' model, training up a select

group of athletes and staff in making coffee. From there, all those coffee captains were responsible to pay it forward and train everyone else across the club, so they can make themselves and all our visitors a great cup of coffee. I would tell any organisation to invest in your people and an experience we know Australians love."

Leading Australian athletes incorporate La Marzocco Home machines into their travel kits, seeking routine, consistency and quality on the road. The Wallabies and Australian women's and men's cricket teams all cite coffee as key to their touring culture, and baristas are valued members of Olympics squads.

"On every tour, the La Marzocco machine comes with us, along with 50kg of beans and a few slabs of milk. You can bet we go through all of it," cricketer Marnus Labuschagne told The Guardian.

case study 3 the new hotel

Ben Creek is Accor's Director of Food & Beverage for the Pacific, overseeing a portfolio of 400 properties across 20 brands, from approachable Ibis to premium Pullman, and partnering with Qantas across their lounges. The coffee program is as targeted and segmented as the destinations, with a focus on meeting customers where they are.

"coffee can make or break someone's stay. it's mission critical to get it right."

ben creek – director of food and beverage (pacific), accor

"We serve upwards of 30 million coffees a year across hotels, lounges and conferences. We aim to deliver an amazing best-in-class experience whether it's Sofitel Wentworth or Ibis Campbelltown. There's not one bean across the whole territory: it must be specific.

We are focusing and segmenting, being more intentional. Some hotels need artisanal coffee so we look at specialty roasters. Customers might be happy to pay a premium in the CBDs but if you go regional, it can be more sensitive.

No matter the price point, people are generally wanting better coffee and more types of coffee experiences, so we meet them where they are. Sometimes it's about speed: in conferencing, for example, people want a coffee within a couple of minutes. We know speed can impact the interaction, and we also know a great chat with a barista can make someone's day. The right equipment helps with that and we are doubling down on training. We weave in messages about sustainability, and the love, care and passion that goes into the cup. People will pay more for an experience if there's messaging around the cost and it doesn't feel like an arbitrary figure."

case study 4 the new brand

Brands such as Prada and Porsche are incorporating premium coffee experiences into their stores and showrooms, signalling quality and drawing potential customers into their orbit.

"Great coffee is a common denominator for people who put themselves in the position of connoisseur or style leader. Brands can leverage off coffee culture: it's familiar and people lower their guard when gathering around a beverage." Sonam Sherpa, Golden Brown Coffee

"Not everyone can buy a Porsche or a Prada outfit but brands can broaden their reach by offering coffee. It's about making your

brand more accessible, the experience more familiar and welcoming. Excellent coffee is understood by a large market segment so it's a signal to the overall quality of a brand. High fashion and luxury stores may offer high-quality coffee rather than the traditional glass of Champagne: the customer is changing, they're not all drinkers, but they do want a high quality coffee or high quality tea." Jets Anita Langlands, Head of Marketing, La Marzocco Australia.

coffee is always

Australian coffee culture has always responded to immigration, demographic and cultural shifts. Combined with an 'early adopter' outlook, this means the industry is always ripe for change. In Asia and the Middle East, coffee is a drink for later in the day and well into the night too. "In Dubai, people are drinking coffee at 2am," says Golden Brown's Sonam Sherpa. In Tokyo or Bangkok, it's easier to get a coffee at 7pm than 7am.

Cafes are limiting their audiences and business growth by closing in the late afternoon. "People are looking for coffee experiences beyond 4pm, and they are also looking for night-time options that don't include alcohol," says David Sale, Head of Sales and Operations at La Marzocco

Australia. "Coffee is a way of gathering and hosting a wide range of people and ensuring everyone is comfortable."

Specialty coffee roasters are also taking low- and no-caffeine beans, replicating the trend to non-alcoholic wines, beers and spirits. World Barista Champion 2013 Pete Licata and coffee competitor Maria Licata have just launched Caffeine Control Coffee, offering decaffeinated, lightly caffeine and moderately caffeinated blends, as well as a full-strength coffee. "Decaf is no longer a dirty word," says Jets Anita Langlands, Head of Marketing, La Marzocco Australia.

"People are looking for coffee experiences beyond 4pm, and they are also looking for night-time options that don't include alcohol."

david sale – head of sales and operations, la marzocco australia



drinking in data



“Consistency is a brand message.”
sonam sherpa – co-founder, golden brown coffee

The journey to better coffee means acknowledging and celebrating every hand from soil to cup: a coffee bean can go through 40 hands from soil to soy latte. Agricultural methods, picking protocols, fermenting, storage, shipping, roasting, grinding, brew methods, machine, milk choice and barista... There are so many ways coffee can go right - and wrong.

At its best, the supply chain supports the people at every step and results in a high-quality beverage showing the consistency prized by growers, roasters, cafes and customers.

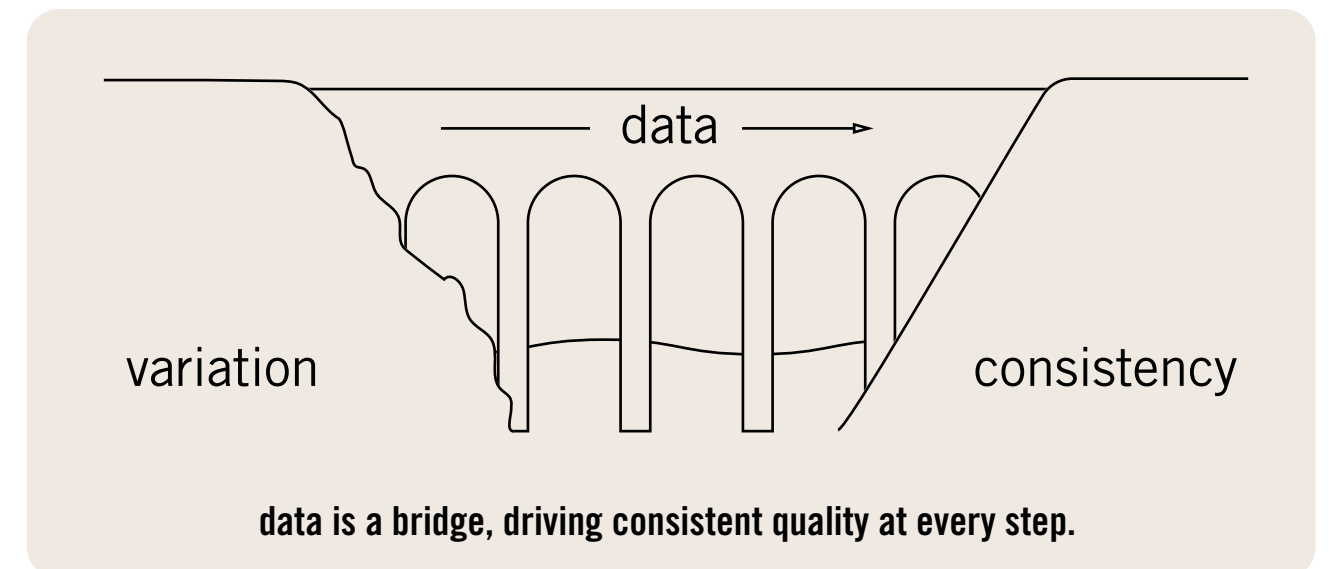
More and more, the human touch can be supported by technology. Data is a bridge, driving consistent quality at every step.

“There’s a shift away from this idea of coffee as a mysterious art form, something you had to feel to understand, and a drive towards

consistency,” says La Marzocco’s Barry Moore. “That consistency is supported by tech and data.”

Sistema is La Marzocco’s connected machine system, enabling owners to monitor fleet performance and optimise support remotely. By providing real-time data, it helps troubleshoot issues, reducing on-site visits and ensuring consistent machine operation. Roasters can identify setup errors and brewing inconsistencies, allowing for targeted training.

With servicing insights based on usage, Sistema extends machine lifespan and enhances maintenance efficiency. It also helps baristas track wastage and service patterns, enabling café owners to adjust staffing and improve operations.



“Our goal is for a cup of coffee to taste the same at any cafe using Campos beans.”

geoff clarke – program specialist, campos coffee

“In the cafe setting, data from our modern generation of espresso equipment provides a window into what’s happening with every shot of coffee,” says La Marzocco’s Jets Anita Langlands. “These days, we talk about making coffee to a recipe, and our new Sistema IoT interface allows us to collect data from every shot. A roaster can check on their phone to see if a barista or cafe is perfecting a recipe. They can be dialled in on a daily basis rather than coming for a three-monthly visit and wondering how long the grind or temperature or time has not been quite right.”

The data collected can catch technical issues before they turn into problems and show where baristas may need extra training. “Australia is a uniquely large continent, and we have roasters on a national scale,” says Langlands. “Technology gives them visibility so they can advise cafes how to serve the best possible product. Carbon miles are reduced with remote assistance and on-site visits can be more about upskilling and business development.”

“Sistema helps us 24-7,” says Geoff Clarke from Campos, which supplies beans to around 700 venues around the country. “The oversight allows us to prioritise, train, focus our energies and reward customers that do it well, plus find places that might need a machine upgrade or more training.” At a cafe level, the information empowers owners. “Quantified data allows them to look at what’s happening in their business,” says David Sale, Head of Sales and Operations at La Marzocco Australia. “Because they know

more, they can make sensible decisions around their labour, or maximize the return on investment in their equipment.”

“australians are savvy coffee drinkers. quality and consistency builds loyalty.”

geoff clarke – program specialist, campos coffee

“Machine learning and AI is coming,” says Geoff Clarke from Campos. “Water filters are sending telemetry back to base, we have grind-by-weight technology, and grinders, water filters and espresso machines can all capture data. The coffee industry is working out what is useful and embracing where it makes sense. The next big step will be linking and aggregating the data.”

One opportunity is in cross-matching coffee order data captured by POS systems and grinders that capture coffee bean throughput. “The POS tells you how many coffees are ordered, each with a 23-gram dose. You could calculate how many kilograms of coffee should be used, and therefore how much waste there is. There are financial and environmental impacts to wasting coffee.”

“With the fragility of the environment and climate change, we need to be more precise and not waste any coffee at all.”

helen hale – wholesale marketing lead, allpress espresso



the new workflow

Innovative equipment allows hospitality venues to hand over some tasks to machinery and focus more on customer interaction. Small spaces are no barrier to quality coffee, with two-group machines from La Marzocco providing signature performance in a compact footprint, while signalling to customers that excellence is a priority.

Clever design reduces wear and tear on bodies, with portafilters locking smoothly into place without wrist twisting. A puck press automatically tamps, reducing muscle strain. “Baristas these days don’t understand my janky shoulder from making coffee back in the day,” says Jets Anita Langlands from La Marzocco.

Automated milk steaming assists cafes to ‘crush the rush’. The Wally Milk system steams milk according to one of 90 different recipes that accounts for everything from alt-milks to ‘extra hot’ requests. “It can make life easier for staff, or it can replace a person in that role,” says David Sale, head of sales and operations at La Marzocco Australia. “Instead of someone standing there steaming milk, the cafe can be more creative with their staff experience, or cut down costs.”

“specialty cafes will use automation to embrace the customer experience. barista will spend more time with each customer, creating better experiences.”

geoff clarke – program specialist, campos coffee

“Automation can help to create a stress-free environment,” says Golden Brown’s Sonam Sherpa, especially if staff are not highly trained. “The anxiety is taken away and it’s a more pleasurable experience for the team and customers. Staff can focus on customer service and creating an amazing space that someone will want to come back to again and again.”

“Australia sells three times as many Wally Milks as any other territory.”

david sale – head of sales and operations, la marzocco australia

statistics: ibisworld: cafes and coffee shops in australia 2024

- Australia’s strong coffee culture has cushioned the industry in challenging economic conditions. Many consumers consider coffee an affordable luxury they’re unwilling to lose. However, they have reduced the number of visits they make to cafes and coffee shops.
- An emphasis on fair trade and ethical sourcing is intensifying. Consumers are becoming increasingly particular about product provenance and ethical consumerism.
- An emphasis on quality across the industry has led to independent coffee houses growing at a faster rate than coffee chains, as many consumers perceive independent establishments to be of higher quality.
- The industry’s focus on quality will be particularly strong for coffee products because of increasingly discerning customers.
- As competition focuses on price and quality, cafes and coffee shops will need to control expenses to support profit margins.

cafes and coffee shops:

25K

employees:

3.3%

(up 1.6% 2020-2025)

profit margin:

134K

revenue:

\$10.8B

sending customers home

Roasters and cafes are wholeheartedly embracing customers who choose to drink coffee at home. “There’s a narrative change,” says David Sale, Head of Sales and Operations at La Marzocco Australia. “For years, cafes saw it as a threat to in-house coffee sales. Now they have realised it’s actually an extension of their cup sales. Now they see customers happily pay for one coffee in a cafe environment then extend that experience at home across the rest of the day.”

It’s a win for engagement. “The cafe can have a conversation with the customer about how they brew and what flavours they like,” says Helen Hale from Allpress Espresso. “Fostering that curiosity helps drive loyalty and the cafe may well pick up another coffee sale.” Research agency IBISWorld points to coffee subscriptions as an attractive model for suppliers, as they create consistent revenue and allow customers to try different coffee beans. “We’ve seen a big leap in subscriptions,” says Fleur Studd, founder of Market Lane.

“We find it exciting that customers are making coffee at home,” says Studd. “They become more connected to that product because they make it themselves. They consciously choose their beans. They think about the recipe: are they getting the best out of their coffee? The intimacy of the product is enhanced and the ritual can be so special.”

Engagement is a crucial part of communicating price rises to customers. “The cost of coffee is doubling and cafes will have to put prices up 50c to \$1 over time,” she says. “By the end of the year, it won’t be unusual to see \$7 or \$7.50. As roasters, we are trying to support cafes to have those conversations with customers and give context to higher prices.”



ibisworld:

The only way for cafes and coffee shops to survive has been to significantly raise their menu prices. A cup of coffee that used to cost \$4.00 on an average pre-pandemic is now sitting at around \$5.50. However, due to the cost-of-living crisis, customer expenditures and frequency of visits to cafes and coffee shops have diminished.

pre-pandemic average price of coffee

\$4.00

current average price of coffee

\$5.50

the quality loop

La Marzocco Home has seen double-digit growth in home espresso machinery sales since 2020.

Consumers are investing more in coffee at home, opening a learning journey that can be supported by their local cafe and roaster. “When they purchase machinery, the next question is about beans: where do I get them? What do I buy?” says Lauren Williams, Sales Manager – La Marzocco Home Australia. “We use the analogy of wine. You might really love a bold Shiraz, but your partner might like a lighter white wine. They come to understand that different coffees have different flavours and that this is a discussion they can have with their barista. They build an ongoing relationship of trust and education. The cafe works as a provedore or delicatessen as well as a place for hospitality.”

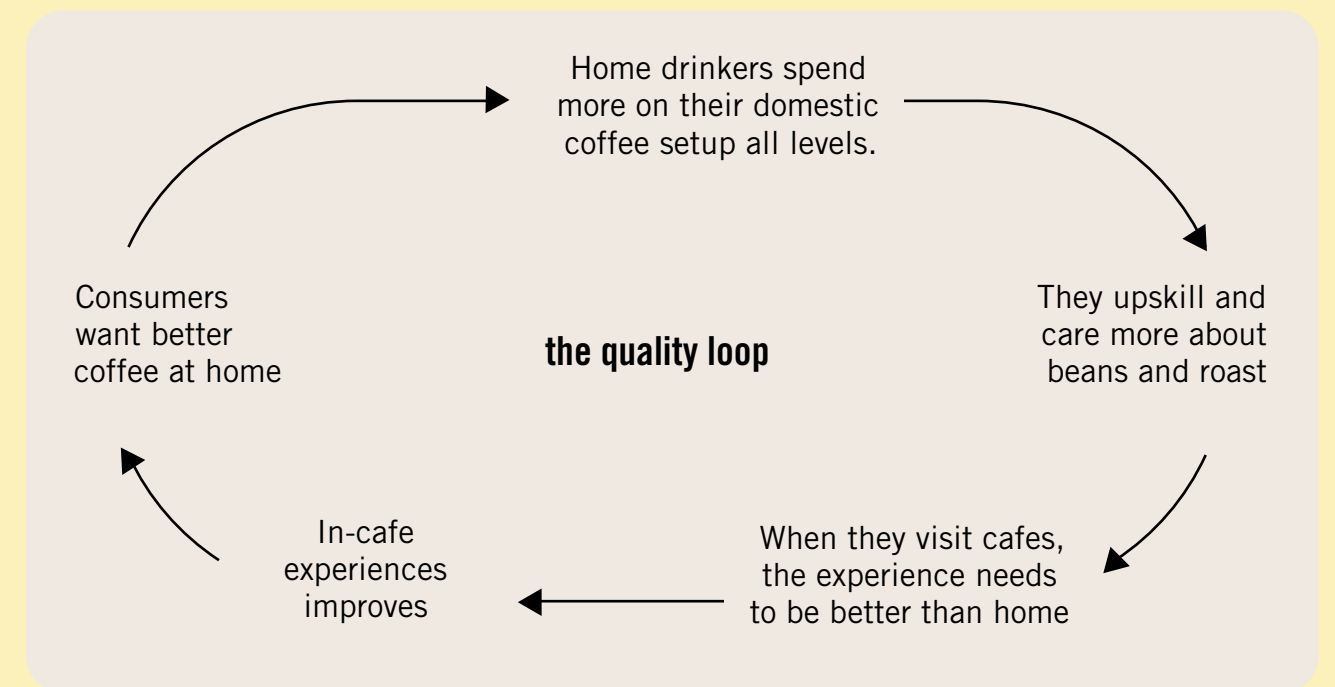
Making coffee at home can be ritual, romance and outreach. “You can’t imagine an Australian living space without a coffee

machine,” says Williams. “It’s how we host and entertain. Coffee is the new barbecue.”

“it will be the last machine you ever need to buy.”

lauren williams – home sales executive, la marzocco australia

The more customers learn about coffee, and the better their home experience, the more they demand from their cafes. “They want an experience, not just a coffee,” says David Sale, Head of Sales and Operations at La Marzocco Australia. “We are starting to see roasters operating more like cellar doors, unlocking narratives and knowledge for coffee drinkers.”



“People are moving away from coffee as a basic need and treating it more as a luxury. They take time to learn how to brew it. They take more time to enjoy it. They really get to know it and engage on all levels. And then they will pay more.”

lauren williams – home sales executive, la marzocco australia

“Coffee is a handcrafted, handgrown product, processed like a crafted drink. Why should it be a third of the price of an average pint of beer?”

brydon price – sales manager, la marzocco australia

“Our equipment allows people to take a journey.”

brydon price – sales manager, la marzocco australia

“Coffee should be compared to a great glass of wine.”

barry moore – managing director, la marzocco australia



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handmade in florence