

Limited-Service, Unlimited Possibilities

# QSR SmartChain

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## Drink Up

Specialty beverages help restaurant operators boost the bottom line

Offering a Healthier Option

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# Healthy Choice

## Specialty beverages can offer a healthier option all day long

Many consumers experience a gastronomic form of buyer's remorse after indulging in a treat. A particular item might not fit in with the dietary regimen, but it looked so good on the menu board, they just couldn't resist. They leave the restaurant with a mixture of guilt and resolve to eat better next time.

Specialty beverages can offer a better choice. Often, consumers are looking for a healthy alternative rather than simply refreshment in a specialty beverage such as a smoothie or shake, says Suzanne Gardner, director of marketing at **YoCream International**, a producer of fruit and yogurt smoothies, frozen beverages, and frozen yogurt.

"Research shows that approximately 28 percent of smoothie drinkers polled identify health as the main reason they purchase a smoothie," Gardner says. "Yogurt fits in well at smoothie and milkshake establishments."

Gardner says one of the biggest trends in yogurt is Greek-style. YoCream offers Greek-style Touch of Honey as a frozen yogurt and as a base for smoothies and shakes. It is non-fat and contains 7 grams of protein and just 11 grams of sugar. It is also a good source of calcium, in addition to the beneficial live and active cultures already available in yogurt. Greek-style yogurt is a bit heavier in consistency and is not quite as sweet as other yogurts, which is the preferred taste profile in Europe and Canada. "Because Greek-style isn't quite as sweet, the natural yogurt flavor comes through and provides a great balance for fruity smoothies," Gardner says. Like YoCream's other frozen yogurt, the product can go into a smoothie blender or milkshake machine in a restaurant. Operators can also use the product in self-serve machines as a dessert to round out their beverage menu.

"Greek really hits the spot with consumers because of the lower calorie and sugar counts, yet high protein and culture counts," Gardner says. "Consumers can make a healthier choice while enjoying a dairy occasion and a probiotic occasion with beneficial yogurt cultures."

Smoothies also appeal to the valued 18-24-year-old consumer. According to



Gardner, research shows that 84 percent of consumers age 18-24 would like to see more fast food restaurants offer smoothies.

YoCream offers over 80 flavors of frozen yogurt for beverage or smoothie applications.

"This variety can help restaurant operators set themselves apart from the competition and also encourage regular or repeat visits by customers," Gardner says. "It's a choice that consumers can feel good about."

YoCream offers a variety of other products, including frozen yogurt, sorbet, ice cream, frozen custard, smoothies, and frozen drink mixes. Its beverage choices include non-fat, low-fat, no-sugar-added, non-dairy, vegetarian, and gluten-free varieties, and the Portland, Oregon-based company is continually working on product development for quick-service restaurants to offer healthier choices for their customers. Many of YoCream's products are currently present in convenience stores and other retailers that want to build their beverage and dessert business.

For those who want a bit more taste tingle, concentrated fruit and dairy mixes are available for blending in the restaurant or other retail establishment.

Healthy drink sales are expected to surpass indulgent drink sales within five years, with 58 percent of consumers planning to consume more yogurt-based drinks within the next two years, according to the 2010 Beverage Consumer Trend Report by Technomic. In addition, 28 percent of consumers plan to try a yogurt-based drink in the near future.

"There is a real push towards frappes' and smoothie drinks," says James Mann, product manager, beverage brands at **Kerry Food & Beverage**. "If the big chains are doing it, there is a market there. People are looking for healthier beverage options and it just takes a blender to get started."

In January 2011, Kerry Food & Beverage acquired Caffe D'Amore. This adds to Kerry's other beverage products, which include DaVinci Gourmet syrups and sauces, Oregon Chai, and Jet smoothie. Caffe D'Amore introduced the first instant cappuccino mixes and the original coffee frappe, Frappe Freeze. It also boasts the first frozen cappuccino recipe, called Frappecinno. Recent innovations include Fiesta Amore horchata mixes and award-winning Bellagio hot cocoa and sipping chocolate. The complete line of Caffe D' Amore gourmet beverage mixes are ideal

for specialty coffee shops, snack bars, casual dining, and quick service.

Mann says operators can capitalize on the explosive growth of yogurt and healthy drink sales by adding to their menus Jet Non-Fat Yogurt Smoothies, which combine bold flavor with the creamy, wholesome goodness of yogurt. Jet Non-Fat Yogurt Smoothies are available in five flavors—strawberry, peach, mixed berry, mango, and strawberry banana—and are packed in shelf-stable aseptic packaging. All are made from all-natural fruit puree and yogurt with only 100 calories per serving, and they are high in Vitamin C, include probiotics, and contain zero fat, preservatives, and cholesterol. With simple pour-over-ice-and-blend preparation, it can be easy to add a high margin business-builder to beverage offerings.

Like specialty coffees, smoothies and frappes can be a snack opportunity as an afternoon business gap-filler for slow times between lunch and dinner.

“It’s a great opportunity to increase revenue in traditionally slow times,” Mann says. Mann also suggests that both quick-service and casual-dining outlets can build sales by offering yogurt drinks and frappes as a to-go item to take back to the home or office to enjoy later.

Iced coffee drinks are a hot trend and are being consumed morning, noon, and night. Coffee is not usually considered an unhealthy beverage choice, especially if it is decaffeinated or sweetened with sugar substitutes. The most significant trend in the specialty beverage market is the growth of iced espresso-based coffee beverages including traditional iced coffee, iced lattes, and frozen/blended drinks. All are helping to fuel growth within the specialty beverage category and within the quick-service channel specifically, says Greg Immell, director of marketing for the beverage division at **Sara Lee Foodservice**. Sara Lee’s Douwe Egberts brand offers a variety of coffees.

Plain black coffee is on the decline, Immell says. Younger consumers, who are fueling growth in the category, prefer flavored coffee drinks over black coffee.

“We anticipate that some of these younger consumers will develop a taste for black coffee as they age, but right now the trend is pointing away from black coffee towards flavored offerings,” Immell says.

Many consumers are looking at coffee as an all-day potential, either as a quick pick-me-up, as a grab-and-go, or as an indulgent treat to linger over in mid-



morning or late afternoon. Consumers may drink hot, black, espresso-based beverages in the morning, iced in the afternoon, and a frozen slushy or milkshake-style drink for snack time. Consumers can even treat coffee as a dessert with the variety of coffee/ice cream builds that some operators have launched. Whether coffee is the main ingredient or a flavor component, its popularity with consumers remains strong, all day long.

Immell says iced coffee drinks are increasing in popularity for the morning meal. “Surprisingly, this is true in cold-weather markets as well as warm-weather markets, sometimes even more so. From a demographic perspective, the growth of iced coffee can be attributed to its popularity with younger consumers, who prefer iced coffee in the morning rather than soft drinks,” Immell says.

As a result of these trends, some operators are promoting specialty coffee with unique merchandising and promotional campaigns including free coffee days, innovative LTO beverages, bundling, and value pricing. Sara Lee Foodservice has several premium coffee blends under its Douwe Egberts brand that work well in iced coffee applications and can help operators capitalize on this growing trend. These include Douwe Egberts Red Ribbon, Douwe Egberts 100% Colombian, and Douwe Egberts Espresso.

The demographic trends suggest increased opportunities for specialty beverages in 2011 and beyond.

“Operators should get into the specialty beverage space if they are not there already,” Immell says. “The executions are easy to

fulfill and can be quickly customized and adjusted, offering operators the ability to refresh their menus regularly.”

Sustainability is a trend that often goes hand-in-hand with consumers who choose healthier options, and it continues to grow. The specialty beverage industry has again taken a giant step toward incorporating and capitalizing on organic/natural products and sustainability. In the custom formulation side of the business, Denver-based **Mont Blanc Gourmet**, a provider of syrups and frozen drink mixes, continues to get inquiries from specialty coffee and quick-serve restaurant operators about how to make and launch high-quality beverages that have natural and sustainable characteristics, from all-natural and organic to Fair Trade and Rainforest Alliance certified, says Rebecca Gelston, marketing director at Mont Blanc Gourmet.

“These qualities and attributes are becoming increasingly important to the customer, and our business model allows for maximum flexibility to use organic and natural products during formulation, and source sustainable packaging and distribution in the manufacturing stage,” Gelston says. Working with a variety of trusted partners throughout the custom formulation process, Mont Blanc Gourmet is not hindered by commercialization capabilities, and that allows it to thrive with regard to the organic/natural and sustainability trends. Having a partner with that kind of flexibility is critical to capitalize on the organic trend, and Mont Blanc Gourmet will be presenting at the Organic and Natural Pavilion at the National Restaurant Association show in May, Gelston says.

Another major update for Mont Blanc Gourmet is its expanded beverage offerings.

“In the past year, we’ve expanded our capabilities and partnerships, so we now provide an entire spectrum of specialty beverages, including smoothies, tea, frozen blended drinks, as well as chocolate and coffee,” Gelston says. “We view smoothies as a smart menu enhancement for operators to extend dayparts and capture those looking for a refreshing and healthful afternoon pick-me-up, and tea is another area that we see a lot of opportunity for operators. This move to expand our offerings again highlights the Mont Blanc Gourmet commitment to innovation and flexibility, and our customers are already working with us to look beyond chocolate and coffee beverages.”