



# Perking Up Coffee Sales

Cold is hot, and so is the experience surrounding that cup of Joe.

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Consumers are still crazy about coffee, but the contents of the cup are changing. Caffeine fans are increasingly grabbing a cold brew or iced coffee: These chilled drinks are overtaking specialty hot coffees, such as lattes, with cold brew growing 36% year over year, according to Technomic Ignite menu data. Check out these other trends brewing in cafes and foodservice venues.

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Freshness, sustainability and bean origin are becoming more important to coffee consumers.



## **The big chill**

Younger consumers are the ones boosting the popularity of cold brew and iced coffee drinks, according to Technomic. The craze started with cafes making their own cold-press iced coffee. Then technology made it possible to offer nitrogen-infused cold brew on tap. High-tech, design-forward nitro cold-brew systems are now available to make the process simpler and more interactive.

## **Adding health to the cup**

Gen Z and millennial consumers are also pushing chains to turn coffee into a better-for-you beverage option. Nondairy milks are a must-have, with menus touting the benefits of almond milk, coconut milk and the latest—oat milk. Some operators have taken health a step further, going in the direction of “food as medicine.” Peet’s Coffee and Tea introduced a Golden Caffè Latte, which gets its golden color from turmeric, an ingredient with anti-inflammatory properties.

## **Thought for food**

While coffee cafes are streamlining menus overall, food sales are becoming more of a focal point, Technomic revealed in its Bakery and Coffee Cafe Category Menu Insights report. Several concepts are innovating with breakfast sandwiches and snacks to boost checks and increase visits. The Dunkin’ Run snack menu tempts customers with items

such as Donut Fries and Pretzel Bites to get them in the door during off hours.

Nontraditional units with upgraded food are also part of Starbucks’ plan to provide more of a restaurant experience for customers and encourage lingering. In 2018, the chain opened its Princi concept in Seattle and Chicago, offering artisanal breakfast sandwiches, European-inspired baked goods and Roman-style pizza squares. A similar menu is served at Starbucks’ Roastery concept.

## **Trending flavors**

Coffee menus are showing a surge in ethnic flavors and spices. Both cardamom and German chocolate have increased 100% year over year as coffee flavors, according to Technomic. Maple is up 75%, and coconut is up 5%. But more familiar flavors are holding their own. Vanilla dominates, with 52% of consumers showing a preference for it. Caramel is close behind at 48%, followed by hazelnut (41%) and mocha (37%).

## **Is it Instagram-worthy?**

Starbucks’ buzzworthy LTOs, such as the Unicorn and Crystal Ball Frappuccinos, dominated Instagram during their short runs. While other coffee cafes haven’t gone that far, they aren’t shying away from photo ops. Both Caribou’s Cookies & Cream Snowdrift and Coffee Bean & Tea Leaf’s Speculoos Cookie

Butter Latte are hashtag-worthy in their own rights.

Aaron Jourden, Technomic’s senior research manager, global, believes U.S. coffee cafes will be tapping into Asia and the Middle East for the next Instagram beverage trends. Cheese coffee, inspired by cheese tea, is made by topping brewed coffee with sweet, creamy foam. And then there are Costa Coffee’s lattes topped with ready-to-eat cereal, as sold in Kuwait, which offer lots of color and crunch.

**»» Technomic’s recent Beverage Consumer Trend Report found that 18- to 34-year-olds are building sales of cold brew and iced coffee drinks.**