

COFFEE 2021 Snapshot

THE COMFORT OF COFFEE: UNCERTAINTY BRINGS NEW OPPORTUNITY

COVID-19 has disrupted consumers' typical routines. According to Mintel, coffee has proved recession-resistant in the past because people have a psychological need to reward themselves with small, meaningful luxuries, especially during challenging times.

CONVENIENCE, TASTE DRIVE GROWTH IN INNOVATIVE RTDs

Consumer interest in iced and ready-to-drink coffee is driven by Millennials and Gen Z, who are seeking exciting flavors, formats and ingredients. Newer formats like cold brew, flash brew, nitro, or sparkling, and unique toppings or textures (like cold foam), can garner excitement in the space and offer premiumization to brands looking to differentiate.



Starbucks Honey Almondmilk Nitro Cold Brew is lightly sweetened with honey and topped off with almond milk for a balanced taste of energy. It can be customized with Powdered Sugar Funnel Cake Topping.

Source: Starbucks

TOP COFFEE FLAVORS TRENDING IN FOODSERVICE

| Keyword | Total Penetration | QSR Penetration | 1-Year Percentage Change |
|-------------|-------------------|-----------------|--------------------------|
| Irish Cream | 0.5% | 0.8% | +69.7% |
| Turtle | 0.4% | 1.8% | +30.9% |
| Hazelnut | 3.6% | 7.9% | +19.7% |
| Raspberry | 0.9% | 1.8% | +13.6% |
| Vanilla | 8.7% | 19.1% | +13.2% |

Source: Datassential

PLANT POWER: DO IT UP WITH DAIRY ALTERNATIVES

Plant-based milks like oat, almond, and coconut are trending in ready-to-drink lattes and coffee—providing creamy indulgence for consumers of all diets—not just vegans or those with dietary restrictions.



Starbucks RTD Frappuccino® is on the plant-based bandwagon. The line added a mocha almond milk and vanilla almond milk variety to its portfolio to supplement its other dairy-derived bottled coffee beverages.

Photo Source: Amazon.com

FUN WITH FUNCTIONALITY

The addition of functional ingredients can be a point of differentiation for coffee brands, and another reason to purchase from consumers' perspective. We're seeing vitamins, adaptogens, healthy fats, and protein being incorporated into coffee to support overall health and wellness. Companies can play up coffee's relaxation association by opting for decaf and adding adaptogens or CBD for a cup [of joe] that's calming. As beverage lines continue to blur, we're likely to see coffee-based beverages continue to make their way into energy, protein, and other functional beverages.



Monster Energy Company's Java Monster® line introduced its first vegan offering, **Farmer's Oats** in late 2019. The coffee-powered energy drink contains 100mg of caffeine per serving and oat milk from oats grown in North America. Other Java Monster varieties include: Mean Bean, Loca Moca, Kona Blend, Irish Blend, Vanilla Light, Salted Caramel, and Swiss Chocolate.

Source: Monsterenergy.com

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TOP 10 RTD FLAVORS (RETAIL)

1. Vanilla
2. Chocolate
3. Caramel
4. Salted Caramel
5. Peppermint
6. Cocoa/Cacao
7. Hazelnut
8. Pumpkin Spice
9. White Chocolate
10. Dark Chocolate

TOP CLAIMS

1. Kosher
2. Environmentally-friendly
3. Ethically-sourced Labor
4. Sustainably Sourced
5. Environmentally-friendly Packaging
6. Organic

TOP 10 HOT FLAVORS (RETAIL)

1. French Vanilla
 2. Hazelnut
 3. Caramel
 4. Pumpkin Spice
 5. Peppermint
 6. Vanilla
 7. Chocolate
 8. Salted Caramel
 9. Maple Pecan
 10. Irish Cream
-
7. Premium
 8. Seasonal
 9. Low/No/Reduced Allergen
 10. No Additives/Preservatives

FLAVOR IDEAS:

Elevated Favorites

- Honey Vanilla
- Dark Chocolate
- Salted Toffee

New-stalgia

- Snickerdoodle
- Peanut Butter Cup
- Campfire S'mores

Fruit Forward

- Chocolate Raspberry
- Blueberry Cobbler
- Dark Cherry Vanilla

Seasonal/LTOs

- Maple Creme
- Cinnamon Brown Sugar
- Pumpkin Chai

Looking for more inspiration or need help with your innovation pipeline? We can help.

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FLAVOR CATEGORIES

Keep it Classic: Elevated Favorites

Vanilla, caramel, chocolate and hazelnut remain the most-popular coffee flavors. Some brands may choose to focus on favorites with a new twist on the aforementioned classics. Here, caramel may become smoked butterscotch or vanilla may become creamy vanilla marshmallow.

Can't Say No to New-stalgia

Fun, memory-evoking flavor profiles are a unique way to stand out in a sea of classics. Consumers can't say no to nostalgia and may want to sip on interesting, indulgent flavors reminiscent of childhood...like s'mores or banana split.

Fruit Forward

Fruit profiles reign supreme in beverages. Pair fruit with chocolate or play up sweet brown baked notes for indulgence that just makes sense in consumers' 2 p.m. perk up beverage of choice.

There's No Limits with Limited Time Offerings

Creativity is key with seasonal and limited time offerings. Varieties such as the ever-popular pumpkin spice and maple have fall fans awaiting the season's arrival, but the spring and summer seasons provide opportunity for further exploration.