

Rise and Shine Beverages

Morning cues for juice, tea, coffee, and milk offerings. By Jody Shee

Value, health, and social consciousness drive drink success at breakfast time. Add to the mix something globally inspired, seasonal, or highly flavored, and everyone wakes up. These are the same trends research-and-development chefs evaluate when developing new food products, so it's no surprise that it extends to the first gulp of the day—whether that be juice, tea, coffee, or milk.

One of the next breakfast beverage trends to watch is the thoughtful pairings of beverage with breakfast items much like fine-dining restaurants do with food and wine for dinner, says Ron DeSantis, project director for CIA consulting at the Hyde Park, New York, campus of the Culinary Institute of America (CIA). "You're already starting to see it in casual-dining chains for other dayparts," he says.

For nearly five years, the CIA has partnered with Coca-Cola, which owns Minute Maid. Together they developed food- and beverage-pairing suggestions for some of the cola company's casual-dining customers. It's not too far of a stretch to envision that happening for breakfast in the fast-casual and quick-serve segments, DeSantis says.

Nutrition and flavor drive the breakfast juice category. Orange juice fits the bill, but other juices—blueberry, pomegranate, raspberry, and cranberry—are making inroads.

Even the exotic is coming into play. DeSantis talks about the rich flavors of mango juice, mango/banana mixed, and nectar, combined with the bright notes of pomegranates or açai. "These could lend a lot to breakfast items," he says.

As it develops new juice flavors, Minute Maid looks at three key consumer trends: fresh and natural, ethnic flavors, and health and wellness, says senior brand manager David Best.

The result is Minute Maid Orange Guava Passionfruit and Orange Strawberry Banana, which have been available for a few years. The company is just introducing Pomegranate Blueberry flavored 100 percent juice (a blend of five juices) to the foodservice industry.

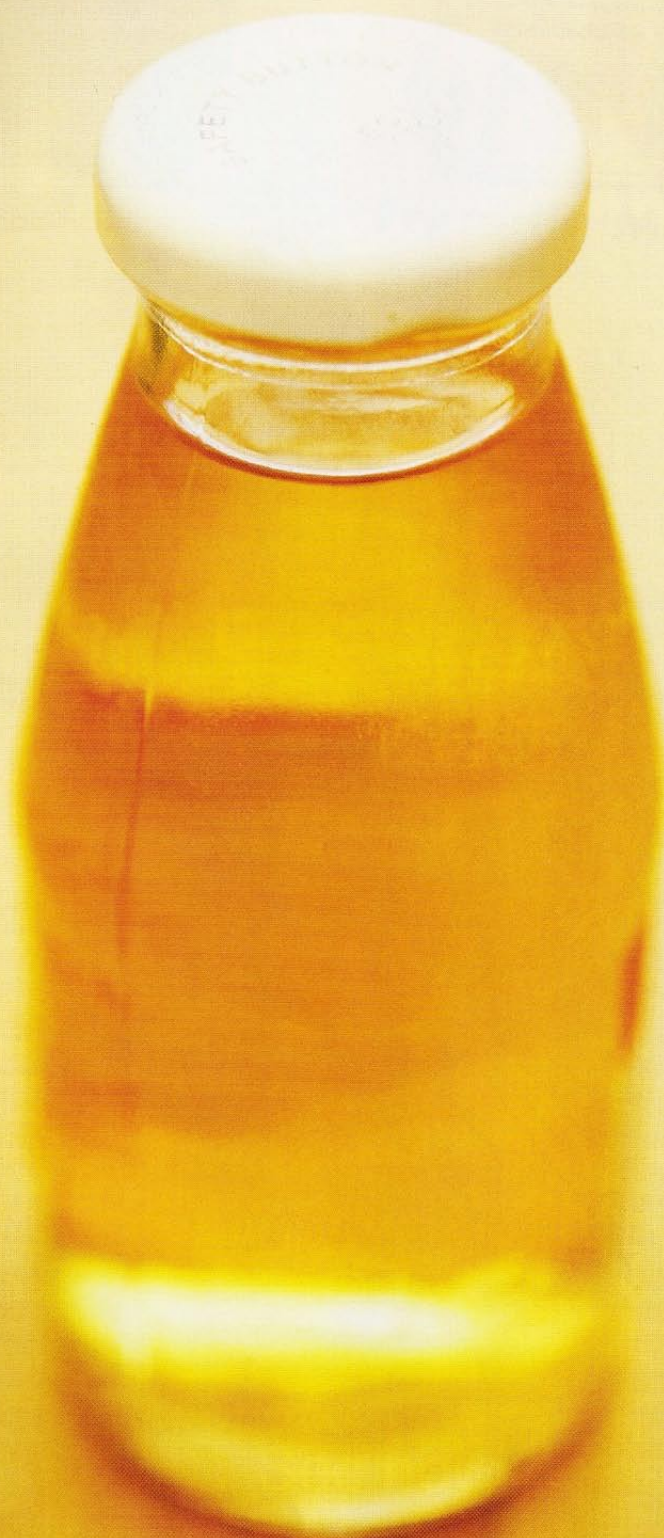
Minute Maid's Specialty Beverage Group works with individual chains to develop specialty blends. One willing partner is Denny's, which is in the midst of overhauling its breakfast beverage program.

"We won't turn a blind eye to consumers looking for a better flavor experience and beverages that are more healthful in their eyes. That's how we will increase our relevance. We will understand what they are looking for and properly menu those items," says Andy Dismore, senior director of product innovation at Denny's. He has taken note of the increase in juices available on grocery shelves and how consumers are willing to pay more for flavor with nutraceutical benefits.

Already mango juice is one of the best-selling juices at Denny's. "How do we build on that and push further out?" Dismore asks. The answer might lie in blending the juice in with other flavors, such as popular tastes like guava or pineapple.

In fact, Denny's plans to launch a new line of breakfast juice blends by the end of 2009.

While some see the future of breakfast juices in the realm of exotic fruit blends, others are looking at fortification.



Orange or apple juice fortified with vitamins C, A, B, and calcium aren't as glamorous as exotic fruits, but it's what operators increasingly ask for, says Katie Whiting, marketing manager for Juice Tyme, a Chicago-based bag-in-box juice concentrate company. Restaurants want to highlight that their juices contain 100 percent of the recommended daily intake for certain nutrients.

That health halo extends to tea, which is also having its day in the breakfast sun. "It could be the next coffee," says Joe Pawlak, vice president of Chicago-based Technomic.

A decade ago, tea was boring, and sales were flat, Pawlak says, adding that with the introduction of variety, the category is poised to move forward in the next few years, especially green tea for its health benefits.

"Tea is a true wellness beverage," says Nels Storm, manager of product development for Caribou Coffee, where tea is gaining momentum. Storm predicts that with all the press about tea's health benefits, popularity will grow beyond green tea. Rooibos, an African red tea, is already making waves. "But there's also been talk of going back to the traditional basic teas. Earl Grey and Darjeeling are a few sometimes-forgotten teas making another flight," he says.

Tea is also popular at Comet Café in Milwaukee partly because it comes from a local company, Rishi Tea, that has developed a reputation and a following for its quality and social consciousness. Rishi Tea sells fair trade and organic, loose-leaf, flavored artisanal tea from Asia.

One of the most popular varieties is Scarlet tea. Café co-owner Valeri Lucks describes the blend as a refreshingly fruity. Green and mint teas also sell well, Lucks says.

Part of the rise in tea popularity comes from tea-bag improvements, says CIA's DeSantis. The introduction of the pyramid-shaped tea bag opened the floodgates for whole-leaf teas.

"Big-name manufacturers are coming out with great, high-end, whole-leaf pyramid bags with hand-picked, first-growth teas," he says.

Milking Milk

Nothing speaks for morning like milk. Thirty-eight percent of milk distribution in commercial foodservice occurs at breakfast, according to NPD Crest research. (Dinner accounts for 29 percent.)

While organic milk sales in the foodservice realm are generally flat, a few operators, like Starbucks and Panera Bread, give customers the option.

Though small, there is a consumer segment looking for organic, antibiotic-free milk, says Pawlak with Technomic. "Operators need to be cognizant of that to meet the needs of customers from diverse bases."

The greatest surge in milk's popularity has come from coffee varieties like lattes, mochas, and cappuccinos. This trend has led to at least two companies betting

that the time has come for coffee-flavored milk.

At the retail level, Caribou Coffee has partnered with St. Paul, Minnesota-based milk manufacturer Kemps, to develop Kemps Caribou Coffee Milk, which launched at the end of September 2008. The product uses fat-free milk as its base.

"It's the ultimate high-energy milk with as much caffeine as a cup of black coffee," says Randy Fricke, marketing manager for Kemp's branded fluid dairy and cultured products. It's a product he believes will appeal to teens and tweens, who already are into energy drinks.

Kemps also introduced a chocolate mocha flavored milk at the same time. The new items are available at retail in the Minnesota area, with plans to expand from there.

Beverage leader Nestlé is choosing a different direction. The company is looking at healthier and lighter versions of its existing milk offerings, says Stacey Kirkbride, Nestlé Professional marketing intelligence manager.

One of its most recent successful breakfast products is Nestlé Chocolate Abuelita, created with the Hispanic market in mind. The spicy, cinnamon-flavored chocolate drink is based on a similar beverage popular in Mexico.

The Coffee Buzz

Coffee has been making its appearance at breakfast for decades, but what's new is that nearly every market segment has developed specialty coffee programs over the past few years, Pawlak says. "From an operator standpoint, it's a very good margin," he says. "Anything they can do to bring in more customers when traffic is slow with a high-margin item is great."

While overall coffee sales remain flat, specialty or gourmet coffee sales continue to increase about 20 percent a year, says Husein Kitabwalla, senior vice president for Sodexo Inc.'s Retail Brand Group subsidiary, which runs about 200 Jazzman's Cafés.

Given the higher price point of the espresso/latte/mocha category juxtaposed against a fledgling economy, Kitabwalla sees a solution in the breakfast bundling of the drink with a hot breakfast sandwich or muffin. "It's critical to provide a one-stop shop," he says.

The free-spirit sense of tailor-made coffees is driving increased coffee consumption among students at the Jazzman's Cafés located on college campuses. There, Oreo mochas and other coffee-based drinks with added protein and energy boosters and fat burners are making a splash. The combination of coffee and chocolate play to the more dessert-like breakfast alternatives students go for, Kitabwalla says.

In the sea of coffee choices, lighter options rise to the top as readily as rich flavors. Here again nutrition plays a role. While Starbucks is famous for its plethora of indulgent choices, the company branded its nonfat, sugar-free varieties "Skinny" last January. The nonfat

latte with sugar-free syrup is available in mocha, vanilla, hazelnut, caramel, or cinnamon dolce and brought media—and consumer—attention to the chain when it debuted.

Unusual, seasonal, and ethnic flavors also make coffee offerings successful for some operators, especially with the evolution of the flavored-coffee bean industry.

Big Apple Bagels based in Deerfield, Illinois, is known for its unusual-flavored coffees, like the quirky Valencia Sunshine coffee. The blend's citrus flavor is accented by elements of ginseng, chamomile, and guarana. "It was popular and niche. We received so many e-mails from customers," says Leslie Walters, director of marketing for the company, which franchises about 130 outlets under the names Big Apple Bagels and My Favorite Muffin.

The impetus for the coffee flavor came from the growing chicness of tea. "Why can't we do something like that with coffee? Our roasters thought we were nuts at first," Walters says.

Big Apple Bagels changes its featured coffee every two months. The January/February feature is Tiramisu to go with a storewide Italian theme. Big Apple stores have also featured Michigan Cherry and Mountain Blueberry blends. "It sounds crazy, but they are very popular," Walter says.

Jazzman's also offers proprietary blends. Patrons have the choice of vanilla, hazelnut, and crème brûlée. Chocolate is in the works, Kitabwalla says.

At Caribou Coffee the flavor is in the syrup, rather than the beans. Ho Ho Mint Mocha, the December flavor, used a mix of mint and white chocolate syrups. In March 2008, the brand promoted an orange flavoring in anticipation of spring. The fruit-flavored syrup was incorporated into an Orange Mocha, Chocolate Orange Mocha, and White Chocolate Orange Mocha.

And there is still room for growth in the espresso category. New York-based LaVazza Premium Coffees Corp. recently added to its lineup three versions of coffee-making equipment that will allow any operator to make authentic espresso, cappuccinos, lattes, and mocha lattes. The company's proprietary BLUE technology uses a single-serve cartridge in each of the units.

The new equipment was designed for operations wary of offering espresso because of its cost and complexity. "This makes it very affordable and convenient to use," says national accounts director Robert Coco. "Now we're into cruise ships and self-service applications. It's very appropriate for quick-serves," he says.

Socially Speaking

If morning and coffee is a match made in the kitchen, coffee and social responsibility is a match made in the media.

Before Blue Dot Café & Coffee Bar in Alameda, California, opened in September, co-owner Megan Hume added fair trade and organic coffee to her dream list. She worked with her roaster to make sure all espresso and drip coffee met her two criteria. The fact that all blends are organic and fair trade is written on the menu board. Customers comment on how pleased they are with that, Hume says. And many who don't see the menu board ask whether the coffee is certified.

"Cause coffee" is the common term, and foodservice companies like Sodexo are already onboard. All Sodexo blends come from a range of sustainable sources, whether they are fair trade, USDA Organic, or bird-friendly certified by the Smithsonian Migratory Bird Center. "You can't read a magazine without coming across articles on corporate citizenship and responsibility," says Kitabwalla with Sodexo.

Caribou Coffee is also riding the wave of social awareness. In addition to offering fair trade and organic coffee, the chain is delving into fair trade and organic cocoa.

"It's a great movement in the right direction, and it's been very interesting to watch that entire end of the business change," Storm says.

THE RIGHT TOOLS

BREW A FEW

USE TOOLS LIKE THESE TO MAKE SURE YOUR BASIC CUP OF JOE STANDS OUT.

AUTOPOD BREWER

The brewer works with pre-portioned coffee pods to assure a 16-ounce cup of coffee in less than a minute.

MANUFACTURER: BUNN

GRIND' N BREW

The space-saving design combines a dual bean grinder and brewer into one machine.

MANUFACTURER: GrindMaster

CBS-2032E

This version uses a pulse-brew intermittent spray shower technology and has programmable brew volume, brew time, and pre-wet percent.

MANUFACTURER: Fetco

MILANO DIGITAL SINGLE BREWING SYSTEM

The thermal coffee maker has a hide-away cover for cleaning tools and an attached drip tray so that spills and drips are minimized.

MANUFACTURER: Wilbur Curtis

