

US restaurants shifting their beverage strategies

Variety may be the spice of life, but more and more US eateries are tending to drop marginal items to concentrate only on the most profitable items.

Limited-service restaurants, in general, have reduced the number of beverage items on their menus compared to the prior year, reports US-based foodservice consultants Technomic in their *Beverage Consumer Trend Report*. The greatest drop occurred in customised beverages like specialty coffees, teas and smoothies. At the same time, there has been a corresponding increase in limited-time only (LTO) beverages.

“Limited-service operators are rationalising their offerings to focus their regular beverage menus on the most profitable, popular and unique drinks,” says Darren Tristano, Executive Vice President of Technomic Information Services. “They’re introducing new, innovative beverages through LTOs, rather than bulking up their everyday beverage menus with long lists of specialty drinks.”

On the other hand, Tristano noted that full-service restaurants, which tend to focus primarily on traditional meal accompaniments such as iced tea and soft drinks, did show a modest increase in the total number of menued beverage items. One particularly hot area of innovation was in so-called mocktails, typically featuring lemonade in combination with other fruit flavours.

The company’s Beverage Consumer Trend Report combines data from extensive quantitative consumer research, menu analysis from its proprietary MenuMonitor database and restaurant data from its *Top 500 Report* to generate fresh and timely insights into the non-alcoholic beverage segment.

Other interesting findings include:

- Using the terms “100% fruit juice” and “natural ingredients” makes consumers more likely to purchase those beverages when dining out. Nearly four out of 10 consumers (38%) said that seeing the term “100% fruit juice” would make them more likely to order it; about one-third (32%) said the same of the term “natural ingredients.”
- More than half (57%) of consumers aged 18-24 reported purchasing food or a beverage from a higher-end fast-food restaurant in the past month, compared to an average 30% across other age groups.
- Consumers may be motivated by health considerations to drink more of certain beverages when dining at a foodservice venue. The top two beverages they believe should become a larger part of their diets are plain bottled water (35%) and tap water (31%). Almost half of consumers (44%) said they should be drinking fewer regular carbonated soft drinks
- Only 36% of full-service restaurants and 34% of limited-service restaurants had bottled water on their menus as of the period ending December 2007. The research also shows that not all operators that offer bottled water include it as a branded menu item.

The *Beverage Consumer Trend Report* was developed to give operators and foodservice suppliers vital market and consumer insights to drive business-building efforts in this category. It provides extensive consumer and operational data on non-alcoholic beverages in away-from-home settings.

The report is based on more than 1,500 consumer interviews conducted during January 2008, plus trend data from a wide range of industry and consumer media. Specific areas of focus include consumer attitudes related to beverages, new product developments and trends; beverage trends in beyond restaurant and retail channels (e.g., convenience stores); and innovations in beverage equipment by operator segment. To purchase or learn more about the *Beverage Consumer Trend Report*, go to www.foodpubs.com.

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