

## Trending Coffee: A Growth Opportunity

The American coffee palate seems to be increasingly open to exploring a wider range of food and beverage options. Who would have guessed five years ago that iced latte would today rank as the most popular morning beverage among younger consumers? In fact, of the 50 billion beverage servings in the United States in 2012, nearly 1.4 billion were iced coffee-based drinks.

As mentioned above, iced coffee drinks trend towards the key younger demographic with 70-percent of servings coming from the age range of 18 to 49-year-olds. The popularity of the beverage is fairly evenly spread across the country. The western region accounts for 35-percent of servings while both the south and east account for 24-percent.

More telling though is that iced coffee drinks are a key driver of the ever-growing PM Snack boom or servings which occur after 1 p.m. They account for 32-percent of sales in that time period. Surprisingly, the 35-49 age group overtakes the younger consumers in this time frame and leads the sales in this daypart.

While the iced coffee-based beverages are increasing, its hot counterparts aren't showing any signs of slowing down either. Over 1.3 billion servings of hot coffee-based beverages occurred last year, a jump from slightly over 1 billion five years prior. Many equate hot coffee-based beverages with mornings, and it did garner a strong 66-percent of the serving share in that time frame. But like its iced brethren, hot coffee-based beverages are also a part of the PM Snack range, accounting for 24-percent of beverage servings after 1 p.m. Showing as a popular day-long beverage, hot-based is just as strong across the age profiles. A stellar 74-percent of hot coffee-based beverage servings are for the age range of 25 to 64-years-old.

The NPD Group is one of the world's leading consumer market research, report, and analysis companies. Their statistical data is the basis for much of this report. "Consumers are responding to new beverage introductions and the aggressive promotion of beverages and, as a result, beverage-only has become a significant growth opportunity for the foodservice industry, said Kyle Olund NPD's Director of Foodservice Product Development.

Finally, the nation is becoming ever increasingly mobile and coffee-based beverages continue to hang along for the ride. Off-site sales, meaning the consumer purchases the beverage and then leaves the establishment, of iced coffee-based drinks accounts for a whopping 83-percent of sales while hot coffee-based beverages are close behind with 74-percent.

*Source: NPD Crest Data.*