



While the Covid-19 pandemic slowly fades, we are still dealing with other factors such as economic fluctuations and significant global events. These issues have changed some of our consumer behaviors and attitudes. Consequently, we have become more educated in our choices, focusing on environmentally friendly products that can boost or maintain health. A report from Mintel (2022) identified that 88% of US shoppers say that they value the importance of clear nutritional information (such as calories and sugar) on food packaging, which highlights the consumers' needs for protection and how we will see an increase in demand for products that help both short- and long-term health goals. Immune health will continue to be a sought-after food and drink claim.

Keeping all of these in mind, let's look at what is happening in the coffee/tea, hot and cold beverages field and what aligns with this current trend.

Tea

Following the Covid-19 pandemic, consumers are starting to show more interest in botanical ingredients, and this trend was spotted in the food and beverage market in 2021, as noted by Innova Market Insights. According to their data, 54% of consumers have been educating themselves on ingredients and procedures to boost their immune health. As a result, they are now choosing foods and beverages that are high in vitamins, minerals, and antioxidants with a focus on getting enough sleep and being more focused and concentrated. Because of lockdowns and quarantines, consumers have become more educated in their food choices and have gotten used to cooking at home (alongside working from home).

Some of us have explored the world of baking; others have enjoyed preparing our own drinks. Big retailers have noticed this trend and have launched subscription boxes as well as do-it-at-home kits.

F&B Newsletter | June 2022

An example is what Lipton did for bubble tea; they have created a kit that will allow the consumer to enjoy the nutty taste of both Brazilian and Ethiopian coffee beans alongside Lipton's unique blend of coffee milk tea with the addition of chewy instant pearls.

Alongside this kit, during the pandemic, Lipton launched a new variant of its Lipton Tea brand that is focused on Immune Support. When consumers feel vulnerable, a product that boosts immunity can be very well received.



Lipton's Immune Support blend is enriched with Vit C, ginger, and turmeric. This product will deliver at least 15% of daily vitamin C requirements per cup. It was first launched in Poland, but is now available worldwide.



Alternative Coffee Beverages and Dairy Alternatives

Coffee is indeed a trendy drink worldwide; for most of us, it is more of a ritual than a beverage itself. However, we are all familiar with the concerns related to excessive caffeine consumption. With the rise of demand for organic and natural ingredients, many opportunities opened for alternative beverages with similar energizing lifts to coffee without possible side effects. Let's have a look at some of the current trends and some novel products that consumers might enjoy if looking for an alternative.

Chicory Root

Chicory root has been widely used in complex food formulations as a source of fiber and in some bakery applications as a fat replacer too. But chicory root (and its fiber inulin) is not only very versatile in baking, it is also an interesting alternative for coffee-like beverages. This ingredient is projected to witness a significant market size increase by 2025 (valued at USD 685 million in 2020 and projected to reach USD 905 million by 2025, according to Markets and markets). Chicory root can be roasted, ground, and blended with coffee (or used alone). This alternative to coffee is gaining popularity among consumers thanks to its health-promoting characteristics as it is a source of inulin, a prebiotic fibre that will positively contribute to gut health. If you happen to be in the New Orleans area, look for the legendary **Café du Monde**.

You will realize that their coffee have an interesting flavor and that won't be because you are having an issue with your taste buds; the difference is because they serve chicory root coffee.

If you are in the Chicago area, instead, you can try some delicious chicory root coffee at **Junebug café**.

Peet's Coffee is another coffee chain where you will be able to taste the so-called **Black Tie**, a cold brew formulated with a hint of chicory, condensed milk, and coffee.

If you are interested in trying some at home and you are interest in cold brewing, you can look for Cold Brew Course Ground Coffee Blend with Chicory sold by: **The Coffee Bean and Tea Leaf**.

Chicory root can also be used in

combination with other functional ingredients. It is often blended with other ingredients in order to produce more alternatives to traditional coffee.

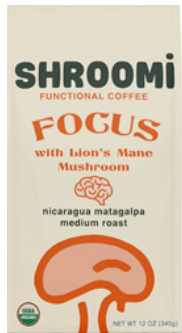


Atomo Coffee is a Seattle-based company that produces ready-to-drink coffee alternatives made from a blend of date seed, chicory root, and grape seed. Atomo focuses on replicating coffee's flavor and effects without the negative environmental impacts (they use upcycled ingredients). Atomo's coffee has a coffee taste profile without the coffee's bitterness.



Functional Mushrooms

It is not just about chicory root as, nowadays, we are seeing more interests in other alternatives to coffee that have functional mushrooms in their formulation. According to data from **Allied Market Research**, the global functional mushroom market will reach \$19.33 billion by 2033 and is an up-and-coming area of product development. Mushrooms indeed saw significant growth since 2020, driven mainly by the advent of the global pandemic and consumer interest in immune health-promoting products.



Lifeway Foods Inc, a US supplier of kefir and fermented probiotic products, has announced in the recent months a new line of adaptogenic functional mushroom beverages. Their line is called MSHRM Oat line and is the latest addition to their portfolio. This new line has consumers' physical and mental well-being in mind with ingredients that boost immune support, relaxation, and concentration (using stress-reducing adaptogens, L-theanine, turmeric, and other functional ingredients).

Dairy Milk Alternatives

As for dairy alternatives, plant-based non-dairy drinks are one of the most innovative subcategories, with 28% more launches in the last year among plant-based products. This is accompanied by a rise in consumption of plant-based products as a consequence of consumers adopting a more flexitarian diet, with 62% of US households now buying plant-based products.

Barley and Hemp

Companies that produce plant-based foods and milk alternatives are experimenting with many novel plant-based bases, from peas to cashews. **Take Two Foods** uses spent barley (great use for beer brewing by-products) to make barley milk.

In Europe, according to Mintel (2021), consumers tend to consume almond (61%), soy (56%), and coconut (43%) milk alternatives. The flavor is the primary differentiator for dairy alternatives. We can find barley (as stated above) and hemp among the novel bases. The latter hasn't reached mainstream market yet, as consumers still need to be educated about it. **Manitoba Harvest** is one of the largest north-American hemp-foods-only manufacturers, and one of their products is **Hemp Bliss**.

Potato

Another non-mainstream dairy alternative that has been developed in Sweden is a potato-based milk alternative. It has been developed by Prof. Eva Tornberg at Lund University and is commercialized under the name **Dug** from a company called **Veg of Lund**. They produce a barista potato beverage to use as a sweet and unsweetened milk alternative.

Artificial Intelligence and Unexpected Ingredients

But it is not just about ingredients, it is also about processes. **Starbucks Columbia** has recently announced a new plant-based milk option that is produced using artificial intelligence. What the giant coffee chain has done is partner with **Notco**.

But what is the advantage of using AI for alternative milk production?

Notco AI technology (called '**Giuseppe**') recreates the taste and texture of animal-based products by analyzing the properties of more than 300,000 edible plants from the molecular point of view. With their database, they can combine many ingredients to replicate the mouthfeel and taste of traditional dairy milk.

NotMilk can have in it unexpected formulation ingredients such as pineapple or cabbage.



The Subscription Boom

Many consumers are feeling fatigued from the pandemic and are looking for ways to spend their time away more wisely. QSR and restaurant chains are introducing annual and monthly subscriptions that will give consumers access to Chef-curated meals, special events, entertainment, pantry boxes, and more.

The subscription model has grown within the restaurant sector, and customer appetites for subscription commerce have expanded since March 2020. At least one subscription service is now used by 205 million Americans, up 13% from 182 million in the first quarter of 2020. Last year, subscription commerce sales climbed 41%, and experts estimate their value at \$28 billion. For restaurants, the approach could not come at a better time. This model not only helps retain customers, but it is also more "sticky" and increases the total spending per customer.



Taco Bell, **Panera**, **SweetGreen**, and **Caribou Coffee** are a few of the QSR companies that are venturing out into this space, hoping to retain more customers.

Los Angeles Sweetgreen is jumping on the subscription bandwagon via **Sweetpass**. With a \$10 subscription, a customer will receive \$3 off each \$9.95 purchase (or more) per day when ordered from the app or website.

Panera has made the unlimited coffee subscription experience a reality—at least since last winter. For just \$8.99 a month, consumers can enjoy "free" unlimited coffee; apparently as often as once every two hours.



Food for Thought: How can your company or brand utilize a subscription model post pandemic?

Dairy Milk Alternatives Delivery Format

Alternative milks' popularity has resulted in brands offering these plant-based milks in powdered form. These powdered vegan milks are easier to travel with, and keep longer than their liquid counterparts.



Food for Thought: How could your products be more experimental with the functional and plant based trends as well as their delivery formats?

Drive-in Culinary

As consumers continue to deal with safety concerns due to the ongoing pandemic, they're increasingly seeking out ways to enjoy recreational activities while keeping safe. Drive-in culinary experience is a new trend we are seeing. **Burger king**, **Taco Bell**, and a few other QSR have recently revealed the design of such concept.

Food for Thought: How is your brand prioritizing both recreation and safety?

QSR Solutions

As QSR brands begin reopening around the world, tech-integrated solutions are giving them the opportunity to ensure consumer and employee safety with COVID-19 still being a threat. These innovations include everything from lid-dispensing units to contact-free drink dispensers.

The 'Lid Boss' touchless lid dispenser is reported to help prevent pathogen spread, while also curbing unnecessary waste by only providing one lid at a time and preventing customers from taking more than they need.



KFC Canada entered into a partnership with an AI analytics organization, named Manthan, which centralizes data for restaurants. The partnership allows KFC Canada to access the Analytic Solution for dashboards, as well as algorithms related to inventory, operations, e-commerce, marketing, and more.

Another solution that prevents contacts is developed and patented by the Azkoyen Group. The contactless technology works on coffee or vending machines to allow customers to make choices without having to actually touch the screen. The system detects the user's choice from 2cm away to prevent contact.



References:

Food Ingredients – North America – Tapping into the latest North American food and beverage trends (2022): Fi North America | The largest gathering of Food ingredients professionals in Las Vegas (figlobal.com)

<https://insights.figlobal.com/trends/and-coming-trends-coffee-alternatives>

<https://insights.figlobal.com/trends/shining-spotlight-trends-dairy-and-dairy-alternatives>

<https://www.digitaljournal.com/pr/chicory-market-growth-by-emerging-trends-analysis-forecast#ixzz7WBNkxkIS>

<https://www.bevnet.com/news/2022/lifeway-foods-introduces-new-line-of-adaptogenic-functional-mushroom-beverages-at-the-2022-winter-fancy-food-show/>

<https://www.lipton.com/us/en/our-teas/tea+-probiotic-immune-support-powdered-tea-sachets.html>

<https://www.fastcasual.com/news/sweetgreen-offering-discounted-salad-scripts/>

<https://www.usatoday.com/story/money/food/2020/02/27/unlimited-coffee-panera-bread-new-coffee-subscription-program/4882655002/>

<https://www.koita.com/usa-en/>

<https://www.atomocoffee.com/>

<https://www.bevnet.com/news/2022/this-weeks-new-products-barista-designed-oat-milk-fruity-summer-flavors-and-brisks-first-sparkling-tea/>

<https://www.digitaljournal.com/pr/chicory-market-growth-by-emerging-trends-analysis-forecast#ixzz7WBNkxkIS>

<https://www.innovamarketinsights.com/blog/trending-now-covid-19-sparks-immunity-interest-and-innovation/>

<https://www.globenewswire.com/news-release/2021/11/15/2334409/0/en/Global-functional-mushroom-market-to-reach-19-33-billion-by-2030-Allied-Market-Research.html>

<https://rebusonline.com/taco-bell-to-reinvent-drive-thru-concept-with-futuristic-restaurant-in-brooklyn-park-minnesota/>