



HOT BEVERAGES

Hotting up

THE UK'S LOVE OF A HOT DRINK IS UNWAVERING – BUT TODAY'S CONSCIOUS CONSUMERS ARE SPENDING THEIR MONEY ON QUALITY, LAUREN FITCHETT FINDS

As consumers spent months at home, they found simple pleasures where they could. These included perfecting home-made bread, whipping up batches of scones and, as businesses and workplaces shut down, turning their attention to producing the barista-style coffee to which they were accustomed.

The pandemic has created a wave of more discerning consumers, with greater awareness of what they are eating and drinking and higher expectations of quality, a shift contract caterers will need to keep pace with. "As the popularity of tea and coffee continues to grow, so have the expectations of consumers," says Steve Buckmaster, director of sales for Brita Professional. "More people have had to get their fix at home over the past 18 months; therefore, it's fair to say that knowledge and expectation of taste, quality and appearance is higher than ever.

"Denied access to barista-prepared options in lockdown, today's tea and coffee drinkers expect a greater variety of hot drinks with more information on the quality of what's available. In fact, independent research conducted

by Brita Professional found that a greater consumer interest in coffee is a top factor impacting businesses, according to operators."

THE HOTTEST DRINKS

In 2020, the value of the hot drinks market in the UK sat at £2.2bn, according to Kantar. It's well-established that the UK is a nation of drink-lovers, known in particular, of course, for its enduring love of a good cup of tea. Brits consume roughly 100m cups of tea every day and, according to Nielsen, lockdown increased consumption by 38%. But coffee is hot on its heels, with the British Coffee Association estimating consumers drink 98m cups a day.

While more than half, 53%, is drunk at home, according to a Centre for Economics Business Report (CEBR), published in November 2021 for the Coffee Association, the next biggest category is in the workplace, at 28%, followed by coffee shops and cafés, at 19%. "This represents a clear opportunity for caterers to get involved in the action, especially as the country continues to emerge from the Covid-19 pandemic," says Buckmaster.

There's no denying it's big business, but even the hot drinks market is shifting in the wake of the pandemic. Covid has accelerated a wider drive towards a healthy lifestyle, with consumers now more carefully considering what they eat and drink, and how it affects both their physical and mental health.

"We know that more and more people are looking to lead healthier lives, paying more attention to their diet and nutrition," says Liz Forte, health, wellness and sustainability director for Eurest. "That was true before Covid, and even more so now. The health benefits of coffee are already well known, but recent developments include the addition of spice and vegetables to increase the nutritional value while also improving taste and texture."

Studies also point to a rise in conscientious consumerism in the post-pandemic world, with the public putting greater weight on the ethical credentials of where they shop and what they eat and drink. Provenance and a product's journey are more important than ever. "I have a lot more conversations now about the ethics around coffee than I did before the pandem-

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KEEPING COOL

As we head into spring, caterers could consider putting hot drinks on ice to refresh their menus. Iced drinks have long been popular in America, but that demand has arrived on British shores.

Historically, the popularity of iced drinks has largely been most prevalent among younger adults, influenced in part by television shows and films. Pre-pandemic, there were already signs of growth – the Allegra World Coffee Portal penned the Project Iced UK 2019 report, which highlighted a 14.3% increase in iced drinks sales in the UK from 2017 to 2018.

Last summer, supermarket Waitrose said it had seen a spike in iced coffee ingredients, a trend it put down to ITV's reality TV show *Love Island*, which often features contestants drinking the

beverage. The inclusion of cold brew options on menus at brands including Starbucks, Caffé Nero and Costa Coffee has also gone some way to drive its popularity.

"The hottest trend in hot beverages is cold beverages," says David Rees, marketing manager for Hubbard Systems and Taylor UK (HTG). "Iced coffees are now part of the 'hot' beverage menu all year round.

"For iced coffee, you obviously need ice – and one of the biggest issues around ice machines and ice handling is hygiene. Every year there are stories in the media about what's been found on ice in pubs, coffee shops, fast food outlets and so on."

HTG warns operators to be mindful of hygiene issues around ice, adding they should explore systems that minimise the risk.



ICED DRINKS ARE INCREASING IN POPULARITY

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sics are hard to unseat. Nickerson-Smith says his best-sellers are Americanos and lattes, though the caffeine boost of espressos is popular and filter coffee demand has grown, while Forte says tea is its most-ordered drink, followed closely by lattes.

MILK IT

Whether they opt for a modest splash or hefty pour, milk is an essential part of hot drinks for most consumers. Caterers will have already seen requests for dairy alternatives – Mintel research from last year found that 32% of people drank plant-based milk, up from 25% in 2020. The figure is even higher among 25- to 44-year-olds at 44% – today's consumers expect to see a range of milks on offer. Craig Jukes, sales director for Planet Vending's Evoca Group, says: "Plant-based milks are more popular than they've ever been and there's no end in sight to the upward curve. Worldwide sales are projected to exceed £25bn by 2024.

ic, with more people willing to pay more for a product that they know is sourced with higher ethics," says David Nickerson-Smith, who runs Quaff East Coffee in Beccles, Suffolk.

"The coffee we sell is a great example, with us paying more to work with coffee roasters that source theirs either through direct trade – working directly with farmers, ensuring more money is received by the farmer themselves – or through importers who also ensure that the farmers are paid well enough to sustain a higher quality of life."

Forte agrees, adding that provenance is fast becoming a key driver of sales. "Ethical consumption is becoming more common than ever as we look to support our communities and do good where we can," she says. "We have three blends of coffee under our Eurest brand, for example, which are all either Fairtrade- or Rainforest Alliance-certified. This demonstrates their compliance with rigorous social, environmental

and economic standards to our customers."

Consumers' greater knowledge of, and demand for, quality provides opportunities for sales – while hot drinks will remain popular, selling bags of coffee beans or fresh tea alongside drinks could boost trade. "We sell brewing gear here, as well as offering courses in how to get the most from the beans that are bought from us at home and they have been really popular, with people wanting to spend more but to get a high-quality product," Nickerson-Smith says, adding that at the start of the pandemic, 10 bags of coffee for the home user would last a month. Now, he sells 20 bags a week, including 17 in one day on one occasion.

"Over the pandemic, and with a shift to people working from home, there has been a much larger demand for beans and brewing equipment as people miss being able to nip out to grab a coffee from their office," he adds.

When it comes to hot drinks sales, the clas-



AIMIA HORLICKS



PASTRY PAIRINGS

Schulstad Bakery Solutions has unveiled the nation's top five drink and sweet pastry pairings

According to recent research – which partnered Schulstad Bakery Solution's Thaw and Serve range with a variety of hot and cold drinks – pairing a drink with a sweet pastry is more likely to encourage 87.6% of consumers to make a purchase. But with 71.6% of consumers considering the flavours that pair well together when making that purchase, it is important for contract caterers to ensure they have the right flavour pairings available.

The research asked consumers to choose and rank their favourite drink and sweet pastry pairings, enabling Schulstad Bakery solutions to identify the nation's top five drink and pastry partners. They are:

1. Maple pecan plait and vanilla frappuccino
2. Vanilla crème crown and hazelnut hot chocolate
3. Apple crown and caramel frappuccino
4. Mini cinnamon swirl and iced almond latté
5. Mini raspberry square and vanilla latté

For more information on the Schulstad Bakery Solutions Thaw and Serve range, visit www.lantmannen-unibake.com.



LANTMÄNNEN

THE UK'S HOT DRINKS MARKET WAS WORTH £2.2BN IN 2020



There are some wonderful decaf coffees available now



COFFEE'S POPULARITY SHOWS NO SIGN OF DIMINISHING

FILTERING OUT

Examining the core of hot drinks – water – could be key to sales, says Buckmaster. Brita research found that 84% of coffee shop professionals say unfiltered water is the most important factor in terms of adversely affecting hot drinks.

“Given the highly competitive nature of today’s hot beverage market, caterers need to ensure there’s no compromise on the quality of their offering,” he says. “While well-sourced tea and quality roasted beans are important, your customers won’t experience the benefits if your drinks are prepared using unfiltered water. After all, unfiltered water can contain impurities such as chlorine, lead and limescale, all of which can impact on flavour and dull the appearance of a hot drink, making it less appealing.

“The mineral content and chemical make-up of water has the potential to make or break every beverage. The challenge for caterers is that water conditions vary across the UK and the world, and consistency of taste is hugely important.

“Using the right water filter – and exchanging it on time – is the key to keeping beverage equipment in peak condition. It also enhances the water quality used in tea and coffee and makes significant time and money savings in the long run.

“Water filters are also essential for reducing limescale, which is vital for the protection of equipment. If left to build inside a machine, it can cause expensive breakdowns further down the line, while limited efficiency can, of course, cause a huge drain on profit margins over time, not to mention the impact on the environment.”

“One of the main drivers underpinning this surge in popularity is concern for the environment. Apparently, a single cup of coffee using cow’s milk has roughly double the CO2 of a cup made with a dairy-free alternative. Many coffee shops are offering a selection of non-dairy ‘milk’ these days. Sales of oat milk, in particular, have soared in recent years and soya, almond, coconut, cashew and rice alternatives are also out there.”

With so much choice, variety will be key for caterers looking to have wide appeal, says Karen Green, marketing manager for Aimia Foods. “No matter the season, hot beverages make up a large portion of a contract caterer’s offer, hence why it’s important that a wide variety of options are offered throughout the course of the day,” she explains, adding that its Horlicks brand has produced a vegan foodservice blend in response to the shift.

Health-conscious consumers are more likely to

take greater heed of signs and branding that emphasise the benefits of a product. According to Mintel research from 2021, coffee products with functional benefits – such as helping people to relax – appeal to 48% of drinkers and buyers, with energy and focus being key motivations.

But a desire to manage energy throughout the day has seen the decaf market grow in recent years, which Nickerson-Smith has seen reflected in sales. “The process of decaffeinated coffee has changed drastically and there are some wonderful decaf products available now,” he says. “More and more people are seeing the benefits of being able to drink a great tasting drink but without the caffeine kick. The process is very natural and can create a drink that stands up to a lot of coffee nowadays. I have seen many people, especially ones staying for more than one drink, shifting to decaf after their first.”

While what goes into a hot drink is crucial, so is



what happens around it. Operators may boost sales by creating community-focused spaces, perhaps with welcoming seating areas and inviting decor. The CEBR report notes: “Naturally, people don’t go to coffee shops to simply drink coffee. They act as broader social and collaborative spaces that people use for working and socialising. In many ways the price people are willing to pay for a cup of coffee includes these broader services. Hence, by considering the amount people spend on coffee, we are implicitly including these benefits.”

Replicating that atmosphere could bring more value to a caterer’s hot drinks offering. “Lockdown has made people realise that sitting around a table for a coffee with friends is a luxury that we took for granted and, for the majority of people, the quality of the beverage is a by-product of the place it is served, with atmosphere being just as important as the quality of the produce,” Nickerson-Smith says. “We work hard to create a space where all are welcome, be it to work, socialise or any other reason.”

Forte adds that workplace caterers in particular should ensure it is as easy as possible for customers to grab a drink during a busy day. She suggests including sited coffee points around a building, providing a meeting place for co-workers.

Tea and coffee will always be in demand – but whether it’s a case of prioritising provenance, considering health credentials or revamping your environment, there are plenty of opportunities for caterers to upgrade their options in 2022. ☕



LATTE ART CAN ADD TO A DRINK'S APPEAL

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