



Breaking News on Beverage Technology & Markets

Healthy and handcrafted beverages add to appeal of fast casual dining

By Mary Ellen Shoup+, 09-Jun-2017

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Fast casual restaurants are tapping into the increasingly time-crunched, yet health-focused schedule of consumers, by providing healthy, guilt-free beverage options while satisfying their desire for occasional indulgence.

Purchases at fast casual chains have been on the rise while visits to traditional sit down restaurants have declined, according to The Hartman Group.

"Fast casual represents fresher, higher quality, less processed, open production, all of those things that consumers have been saying they want and haven't been able to get from traditional sit down or QSR," Melissa Abbott, VP of culinary insights at The Hartman Group, told BeverageDaily.

Fast casual chains such as Freshii and Protein Bar have beverage offerings that reflect the consumer palate for house crafted, clean ingredient drinks.

For example, Freshii sells housemade cold pressed juices for grab-and-go consumption and Protein Bar (in Chicago, Washington D.C., and Denver, Colorado), has a traditional CSD soda fountain but with naturally sweetened carbonated beverages reflecting simple, clean ingredients.

"It doesn't matter how evolved the consumer is in terms of their health and wellness practices," Abbott said. *"When they're going out for that grass fed burger or artisan pizza, they're going to be looking for that house-made and house-crafted beverage."*

Gig economy shakes up beverage consumption

The sharing-oriented "gig economy" is upending consumption habits and fast casual dining options are benefiting from the growing social phenomena.

The gig economy (which broadly refers to a prevalence of short term contracts or freelance work) means that millennial and working consumers are prioritizing health and convenience and view time as a precious commodity.

For example, it is now more typical for a consumer to pick up a single serve cold pressed juice or naturally sweetened soda on their way to work and fast casual restaurants are able to fill those immediate consumption needs.

"We're not planning the way that we used to in terms of going to the grocery store once a week and stocking up on our large format juices and those type of things," Abbott said. *"We're eating and drinking much more in the moment."*

Carbonation here to stay, sugar still top concern

Beverage options at fast casual restaurants are trending towards zero sugar or lightly sweetened drinks as consumers look for the least processed form of sugar as possible such as organic cane or turbinado sugar, Abbott added.

"Consumers don't want to drink their calories and if they are drinking things that are sugar sweetened they want it to be 'real,'" Abbott said.

"They want it to be real juices from high quality fruit or something that's more global in nature or culinary inspired."

For example, vegan fast casual restaurant Native Foods offers a range of botanical-infused lemonade sweetened with organic sugar.

Beverages as a complement, not a replacement

Abbott sees trends like a juice cleanses and meal replacement smoothies as more of a fad than lasting lifestyle habit.

"Despite happening once or twice a year (at the beginning of the new year and before the summer months), liquid diets are never going to be a long-term trend," she said.

The fast casual restaurant market in the US is expected to reach \$66.87bn by 2020, growing at a CAGR of 10% driven by aging millennials age who have less time to cook at home, according to Technavio.

"As humans we like to chew, and what we're seeing is that the beverages are complementing something a little bit more substantial."

Health-oriented beverages with culinary and globally-inspired flavors that can complement a healthy, unprocessed meal are growing in popularity in the fast casual dining environment, according to Abbott.

Botanicals and herb-infused beverages like ginger and root beers are examples of the expanding palate and willingness of consumers to try more nuanced flavors.

Abbott called out Seattle-based Rachel's Ginger Beer as an example of a culinary-inspired, flavor-forward beverage that has expanded from retail to food service with a variety of seasonal flavors such as pink guava and caramelized pineapple on tap for customers at fast casual dining locations.

"This notion of botanicals is really taking off because it represents this notion of discovery and this whole return towards global, culinary inspiration and customization."

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