



The dalgona coffee craze is just one of the many drivers of coffee-based beverage innovation.



■ BY AMY MARKS-MCGEE,
Trendincite LLC; amy@trendincite.com

Forward Thinking: 3 Beverage Trends for 2021 and Beyond

Rapidly diversifying coffee iterations, emerging plant-based milks and immune-boosting drinks lead innovation opportunities for the new normal.

“**F**orward Thinking: Beverage Buzz,” which appeared in the February 2020 edition of *Perfumer & Flavorist*^a, and “Forward Thinking: Plant Power,” which appeared in the October 2017 edition^b of the magazine, explored trends in coffee, hard coffee and plant-based milk alternatives. These three trends remain relevant amid the pandemic and are a hotbed of innovation. In addition, beverage activity is being driven by new plant-based milk and creamer sources as well as functional immunity beverages.

^aPage 19; https://perfumerflavorist.texterity.com/perfumerflavorist/february_2020/

^bPage 22; https://perfumerflavorist.texterity.com/perfumerflavorist/october_2017/

1. Coffee Innovation Expands

Coffee sales are going strong. According to IRI, refrigerated ready-to-drink (RTD) coffee reached \$487 million in sales in total U.S. multi-outlets and convenience stores for the 52 weeks ending May 17, 2020, up nearly 20% compared with the year prior. The shelf-stable RTD cappuccino/iced coffee segment increased approximately 3% in dollar sales and totaled nearly \$2.9 billion^c.

Fortune Business Insights^d estimated the overall RTD coffee segment will reach \$42 billion by 2027, from \$22 billion in 2019, at a compound annual growth rate of 8.3%.

Furthermore, Mintel^e has estimated that the at-home coffee market grew by 4.9% in 2020 to reach \$15.6 billion, compared to a 3.9% growth average experienced between 2015 and 2019. The pandemic is an obvious culprit in this uptick.

Instant coffee, traditionally a sleeper, is estimated to have experienced a 5% rise in sales growth in 2020 thanks to the dalgona coffee craze. Originating in South Korea, dalgona is a whipped beverage made from instant coffee, sugar, water and milk. There are a variety of whipped and frothy interpretations ranging from chocolate to strawberry and, for the holiday season, pumpkin spice.

Notable Coffee Launches

Trader Joe's has debuted Instant Cold Brew Coffee made with 100% arabica beans, using a natural proprietary extraction method developed over a period of two years, which reportedly yields a fine, dark powder.

YouTuber and Gen-Z influencer, Emma Chamberlain, launched Chamberlain Coffee in Careless Cat, Early Bird, Night Owl and Social Dog varieties. The products feature fair trade-certified, organic coffee beans, which are sustainably sourced from around the world.

Virginia Gold Peanut Coffee is a new product that is formulated entirely with roasted peanuts that are ground and prepared like coffee. It is available in Original Caffeine-Free and Original Caffeinated. While there is no actual coffee in the formula, the brand claims the flavor is remarkably similar to beans of the *Coffea* genus.

WW International, Inc. (formerly Weight Watchers) has launched two RTD coffees in Café Latte and Mocha Latte flavors. The Mocha Latte formulation comprises coffee, reduced-fat milk and milk protein isolate, natural flavors, chicory root extract, and cocoa powder.



Formulated with roasted peanuts that are ground and prepared like coffee, Virginia Gold Peanut Coffee is available in Original Caffeine-Free and Original Caffeinated varieties; courtesy of Virginia Gold Peanut.

Bulletproof has unveiled refrigerated cold brew latte RTDs in three varieties: Dark Chocolate, Original and Vanilla. The beverages are formulated with 8 grams of collagen protein and MCT oil.

Available in two profiles, Unlocked by Coffee-mate is a new product made to cut the bitterness of traditional black coffee with the taste of a gourmet roast and added creaminess. Classic Colombian features “flavors of richly roasted beans and bright, fruity notes,” while the Italian Espresso Roast has “subtle notes of cocoa, smoky aromatics.”

Legacy soft drink brands are getting into the game, too. Originally expected in April 2020, Pepsi has announced plans to launch Pepsi Café, “an unexpected flavor medley of roasted coffee infused into the refreshing, crisp flavor of Pepsi,” available in Original and Vanilla variants. Similarly, Coca-Cola with Coffee combines regular Coke with Brazilian coffee in Caramel, Dark Blend and Vanilla flavors. The beverages are expected to launch in 2021. Each 12-ounce can will contain 69 milligrams of caffeine.

In the summer of 2020, Dunkin’ tested a variety of trendy coffee beverages, with a focus on Cold Brew, in select stores in Connecticut, Massachusetts, New Hampshire, New York and Rhode Island. Sparkling Iced Coffee highlighted sparkling water with cold brew extract and sugar, Cold Brew Shandy featured cold brew coffee mixed with lemonade, and Coconut Cocoa Infused Cold Brew used ground coffee beans, coconut and cocoa that steeped for 12-15 hours. Additional products included Extra Charged Coffee with 20% more caffeine from the addition of green coffee extract, as well as Bubble Iced Coffee and Tea.

^cwww.iriworldwide.com

^dwww.fortunebusinessinsights.com

^e<https://news.mintel.com/2174-7164L-9494EA34C23C3B79M256DHC803DE0189DC992F/cr.aspx>

Hard Brew Advances

According to Nielsen CGA^f, hard coffee sales for the 52-weeks ending July 18, 2020, hit \$18.9 million, up more than 11,000% compared with the same period of 2019-2020. Hard coffee activity continues with new launches.

Rebel has added Hard Coffee to its portfolio, available in Hard Cold Brew, Mocha Hard Latte, Vanilla Hard Latte and seasonal Pumpkin Spice Hard Latte flavors. Pabst Blue Ribbon is at it again with the launch of PBR Hard Cold Brew, which is slightly sweet and dairy-free with a 4.2% ABV. It debuted in Wisconsin, Ohio, Pennsylvania and Illinois with expectations to further expand.

Kahlúa has launched a Nitro Cold Brew RTD cocktail that highlights a coffee cocktail made with rum, coffee liqueur and 100% arabica cold-brew coffee that has been steeped for 18 hours. Additionally, Kahlúa released Kahlúa Blonde Roast Style, a new flavor with “a sweet, refreshing taste and a hint of citrus.”

Jameson joins the fray with the introduction of Jameson Cold Brew-Flavored Whiskey, inspired by the combination of Irish whiskey and coffee. It is formulated with 100% arabica beans from Brazil and Colombia with “toasted oak and dark chocolate” tasting notes.

^fwww.nielsencga.com



Unlocked by Coffee-mate, offered in Classic Colombian and Italian Espresso, is made to cut the bitterness of traditional black coffee with the taste of a gourmet roast and added creaminess; courtesy of Nestlé.



Kahlúa launched a Nitro Cold Brew RTD cocktail that highlights a coffee cocktail made with rum, coffee liqueur and 100% arabica cold-brew coffee that has been steeped for 18 hours; courtesy of Pernod-Ricard.

Coffee Crossover

Coffee as a flavor is popular in non-alcoholic and alcoholic beverages served hot or cold. Now it's spilling into other applications such as cookies, candy and cereal.

In April 2020, Oreo released a limited-edition Tiramisu-flavored cookie featuring a classic chocolate Oreo cookie with two layers of cream—tiramisu and classic cream. In January 2021, Oreo launched Java Chip cookies featuring light-brown coffee-flavored cream swirled with chocolate chips and surrounded by Oreo's classic cookies. This cookie flavor is now permanently added to the Oreo collection.

In November 2020, Kit Kat added Kit Kat Duos Mocha + Chocolate to its permanent collection. The candy bar features Kit Kat wafers coated in mocha crème with coffee bits and a bottom half coated in chocolate.

Dunkin' collaborated with Post Consumer Brands on the launch of two Dunkin' cereals with very small amounts of caffeine, roughly a 10th of a cup of coffee per serving. Modeled after two of its most popular iced coffee drinks, Post Dunkin' Caramel Macchiato cereal contains cereal pieces with caramel-flavored marshmallows, while Post Dunkin' Mocha Latte cereal includes chocolate and latte-flavored marshmallows.

Huel, the meal replacement brand, has expanded its nutrition line with the release of Coffee Caramel Black Edition, a vegan protein powder high in protein and low in carbohydrates.

Although not a food or beverage, a notable product inspired by coffee is “Overpriced Latte” Play-Doh, which is humorously described as: “Skip the line of coffee snobs with Overpriced Latte coffee scent.” The product is one of six scents in the new Play-Doh Grown Ups collection.

2. Plant-based Milk’s Massive Growth

The demand for plant-based dairy-free milks and creamers have escalated and innovations abound. According to SPINS U.S.^g, retail sales of plant-based milk rose 17% to \$2.362 billion in measured channels in the 12 months ending September 6, 2020.

Per the SPIN U.S. data, almond milk sales reached \$1.497 billion, while oat milk surpassed soy—once the category leader—with \$213.35 million in sales compared to \$202.25 million for soy. According to Tastewise, as quoted by Vegconomist, 184% more restaurants added oat milk to their menus between 2019 and 2020, while consumers showed 146% more interest in the milk alternative^h. Plant-based milks are so popular they now have their own food holidays. World Plant Milk Day is celebrated on August 22, while National Oat Milk Day is on May 16.

Latest Oat Milk Launches

Califia Farms introduced Protein Oat milk in Original and Vanilla flavors. The beverages are enhanced with pea, oat and sunflower proteins that are low-sugar and gluten-free.

^gwww.spins.com

^h<https://vegconomist.com/market-and-trends/184-more-restaurants-adding-oat-milk-options-as-consumers-show-146-more-interest-in-oat-products/>



Inspired by Dunkin's popular iced coffee drinks, Dunkin' and Post Consumer Brands teamed up on the launch of Post Dunkin' Caramel Macchiato and Post Dunkin' Mocha Latte cereal; courtesy of Post Consumer Brands.

Nestlé has unveiled Nesquik GoodNes, its first plant-based RTD chocolate oat milk, made from a blend of oat milk and pea protein.

Starbucks and Nestlé have partnered on a line of Starbucks vegan creamers at retailers nationwide. The non-dairy creamers contain a blend of almond and oat milk and are offered in Hazelnut (inspired by the Hazelnut Latte) and Caramel (inspired by the Caramel Macchiato) flavors.

Avocadomilk debuted a vegan version of its avocado-based milk made with oats and freeze-dried avocado. According to the company, “the milk is created with a patented technology that maintains the nutritional integrity of the avocado fruit.”



Made from upcycled barley, a by-product of beer brewing, Take Two Barleymilk is available in four variants: Chef's Blend, Chocolate, Original Unsweetened and Vanilla; courtesy of Take Two.



Mooala added several new shelf-stable plant-based milks and creamers to its portfolio, which are certified USDA organic, dairy-free, gluten-free, carrageenan-free, and non-GMO; courtesy of Mooala.

In the United Kingdom, Mars launched Mars Oat Drink, inspired by the iconic chocolate bar. The beverage is certified free from animal products by The Vegan Society and “is made with oat milk, a hint of caramel and chocolate.”

Also, in the United Kingdom, dairy brand Carnation released a vegan version of its condensed milk made with oat and rice flour, which took 18 months to develop.

Even beer wants in on oat milk. Dogfish Head Brewery worked with Elmhurst 1925 on the new Hazy-O IPA, which features four different types of oats, including malted, rolled, naked and milk, to enhance a variety of textures and flavors.

Emerging Plant Milks

Take Two offers the world’s first Barleymilk, a plant-based milk alternative with a base made from upcycled barley, a by-product of beer brewing. Take Two Barleymilk is available in four variants: Chef’s Blend, Chocolate, Original Unsweetened and Vanilla.

Lavva, the maker of dairy-free pili nut yogurts, has expanded its range and released pili nut milk

and creamer in Chocolate and Unsweetened varieties exclusively at Whole Foods. The Chocolate nut milk is formulated with organic coconut water, filtered water, pili nuts, unsweetened Fair Trade cacao powder, maca root powder, dates, mesquite powder and Himalayan sea salt, while Unsweetened contains organic coconut water, filtered water and pili nuts.

Mooala has added several new shelf-stable plant-based milks and creamers to its portfolio that are certified USDA organic, dairy-free, gluten-free, carrageenan-free and non-GMO. The Original Bananamilk is made with bananas and sunflower seeds. The Unsweetened Almondmilk is offered in Original and Vanilla Bean varieties. The brand also launched Unsweetened Coconut Oatmilk. Mooala creamers are available in Banana Nut, Oats ‘N’ Crème and Vanilla Bean flavors and made with a coconut cream and almond base.

3. Immunity Boosters

As a knee-jerk reaction to COVID-19, consumers are seeking food and beverages with the promise of a healthy immune system. According to Google

Trends data, searches for the combined terms, “food” and “immune system” skyrocketed by 670% between February and March 2020 aloneⁱ.

It’s no surprise, then, that “In Tune with Immune” was one of Innova Market Insights’ top trends for 2021^j. According to the Innova Consumer Survey 2020^k, six out of 10 global consumers are increasingly looking for food and beverage products that support their immune health, with one in three saying that concerns about immune health increased in 2020 over 2019. In response, many manufacturers are introducing beverages with functional ingredients such as elderberry, probiotics and zinc to help boost individuals’ immune systems.

Immune-boosting Launches

Karma Water has debuted a new flavor in its Wellness Water line, Elderberry Starfruit, which features berry extracts from acai, pomegranate and cranberry, vitamin C, zinc, and tea polyphenols. Using the brand’s patented, protective Push Cap, the proprietary blend of superfruits, antioxidants and vitamins are reportedly delivered at optimal potency.

ⁱ www.forbes.com/sites/daphneewingchow/2020/07/31/the-latest-trends-in-immunity-boosting-what-works-and-what-doesnt/#588814e79457

^j www.innovamarketinsights.com/covid-19-drives-prioritization-of-immune-health/

^k www.prnewswire.com/il/news-releases/innova-identifies-top-10-food-and-beverage-trends-to-accelerate-innovation-in-2021-301155638.html



Karma Water’s latest launch is Elderberry Starfruit Wellness Water, which features berry extracts from acai, pomegranate and cranberry, vitamin C, zinc, and tea polyphenols; courtesy of Wellness Water.

The beverage has 110% of seven essential vitamins and is non-GMO, gluten-free, lactose-free and vegan.

Weller, the CBD Sparkling Water brand, launched its first non-CBD product, Sparkling Immunity, anchored by elderberry. The elderberry sparkling beverage is available in Lemon-Lime, Peach and Strawberry flavors and highlights freshly squeezed elderberry juice with vitamin C, vitamin D3, zinc and magnesium “for a healthy daily habit that provides immune support in every sip.”

Bolthouse Farms has expanded its portfolio with a new Superfood Immunity Boost fruit juice that blends elderberry, cranberry and echinacea with vitamins C and D and zinc.

Remedy Organics has launched Berry Immunity, a new plant-based, gluten-free, dairy-free and soy-free protein beverage. The beverage is formulated with “immune-boosting ingredients including elderberry, echinacea, camu camu, lion’s mane mushroom and 10 grams of plant protein, along with prebiotics to further support immunity.”

Propel Immune Support is a new line extension to PepsiCo.’s Propel brand and is marketed to “support a healthy immune system.” Offered in Lemon Blackberry and Orange Raspberry sugar-free flavors, the drinks are said to contain 100% recommended daily intake of vitamin C and 30% of the recommended daily dose of zinc.

Molson Coors has introduced Huzzah Probiotic Seltzer, a new non-alcoholic line. The seltzers are available in three varieties—Juicy Pear, Raspberry & Lemon, and Strawberry & Hibiscus—that are formulated with added probiotics to help support a healthy gut.

In August 2020, Poppi added Watermelon as the eighth flavor in the brand’s prebiotic soda range, which offers “prebiotic benefits for gut health, immunity and beauty.” Poppi Watermelon is made with sparkling filtered water, apple cider vinegar, watermelon juice, lemon juice, organic cane sugar, natural flavors and stevia.

Beverages On The Horizon

Beverages are a fast-moving category with constant innovation. Coffee leads beverage activity with a concentrated interest in RTD and hard coffee, while plant-based milks and creamers continue to evolve with new plant-based sources. Meanwhile, immunity-boosting beverages with functional ingredients are en vogue as health and wellness remain top-of-mind for consumers. Expect to see continued beverage introductions in these categories with a variety of new flavors, new functional ingredients and new applications, as well as crossover into other categories.

