

# LEAHY INSIGHTS



**This trend forecast brought to you by Mike Lojkutz**

**Title:** Director of Marketing

**Demo:** Millennial dad of two; Naperville, proudly

**Beverage Obsessions:** Coffee; the perfect old fashioned

The beverage industry is in the midst of a transformation fueled by automation, innovation, and evolving consumer preferences. As the Director of Innovation, I'm excited to offer my take on some of these groundbreaking trends and share insights on what's driving the future of beverages.

## Automation: Next-Gen Dispensed Systems Enter the Chat

New and innovative automated and dispensed technologies are popping up everywhere. One reason we're seeing this is that consumers have become accustomed to the on-demand nature of modern life. To keep up, operators must find ways to automate. Automation also has the potential to help their bottom line because it can reduce labor costs. When done well, automation has the potential to make everyone's life a little easier.

## Taking a Big Swing With Custom Systems

The industry always keeps a finger on the pulse of what Starbucks is doing. When they unveiled their new Siren Craft System, we all noticed. The system's purpose is to help baristas get through their busiest dayparts, improve customer transparency, and enhance accuracy or wait times in the app. Source: NRN

## Disruptive Tech Making Operations Less Disruptive

Sidework introduced its "intelligent beverage dispenser that can serve any drink." A first-of-its-kind, all-encompassing beverage dispenser, Sidework promises a versatile solution that consolidates multiple drink categories into a single unit, simplifying the most complex drink builds for service staff. It's uniquely designed to fit under most counters and combines refrigeration, carbonation, and dispensing technology. They have begun rolling out in growing coffee chains (see NY-based Gregory's Coffee, for example), offices, and B&I establishments. We don't expect to see this type of tech slowing down.



## Familiar Products Presented in New Ways

We are seeing a wider range of products than ever before being offered in vending. This allows wellness brands to get in front of mass-market consumers. Companies like Kadeya, which combine sustainability and hydration, are changing the way everyday office workers get fresh water. AG1 is another example. They introduced vending in airports so travelers can get their greens before taking off.

## Coffee & Tea Move Beyond the Basics

The coffee and tea categories continue to find ways to grow, bringing renewed interest to legacy categories.

## Nothing Is Out of Bounds

Lines are increasingly blurring in the beverage world. Operators are offering more than just seasonal LTOs we've all come to expect (I'm looking at you, pumpkin spice). Like us, they've likely noticed that a blockbuster LTO has tremendous value. That means they are churning out experiential LTO concepts year-round. According to Mintel, 41% of U.S. consumers are motivated to try new flavors when the new flavors are offered in a beverage they like and know, meaning the ubiquitous platforms of coffee and tea are low-hanging fruit for flavor innovation.

## Collabs Moving the Needle

There is no doubt food and beverage are in their collab era. We've seen mega brands do this for years (hello, Happy Meals), but we are niching down and getting more creative (see Oreo partnering with Lady Gaga this year). We are loving the creativity that has come out of the Hasbro Candyland and Scooter's Coffee collab. The Ghost and Welch's grape collaboration was a fun aesthetic. And let's not forget Dunkin', who not only gave us the Dunkin' Terns but also made cleaning more fun with Scrub Daddy. Operators should see this as an opportunity to present unique flavor combinations in the market, opening up buy-in, brand loyalty, and exposure to new customer bases.



## Coffee and Fruit

Exciting things are happening by combining fruit and coffee, and it makes a lot of sense. The chocolaty notes of cold-brewed coffee or black tea complement the sweet and juicy flavors in ubiquitous fruits. These combinations have moved out of third-wave shops and are being embraced by some of the larger players. Blood orange and cold brew in sparkling applications; espresso over ube; iced coffee and blueberry; apple crisp with espresso and oat milk. These are exciting coffee innovations—especially for an aficionado like me. We are looking forward to seeing a lot more of this in 2025 and beyond.

## Zero ABV Evolves

The wave of zero Alcohol by Volume analogs to cocktails, wines, and beers is finally starting to carve out its own space. Dare I say the best ones taste like something anyone would want to drink—regardless of their sober status.

## Menus Embrace NA

There has been a 66% increase in specific zero ABV options being called out on menus since 2020. Whether they're billed as mocktails, virgin, NA, or zero proof, NA is moving the needle. Datassential predicts that "mocktails" will grow 99% in the next three years.

## Follow the Money

The space is expected to grow to \$11.6 billion in the coming years. NA beer companies are raising hundreds of millions of dollars for growth. When major beer, wine, and spirits companies invest significant time and resources into NA offerings, you know it's a major opportunity for growth.

## Proof in Zero Proof

25% of consumers said they enjoy a no-ABV beer, wine, or spirit weekly. With 57% saying they feel comfortable ordering, it's clear the stigma of abstaining from alcohol is on its way out. NA wines now represent a category being covered by publications like The New York Times, Forbes, and even Food & Wine, lending credibility to a once-mocked category.

**The beverage industry is undergoing a remarkable transformation, driven by automation, innovation, and evolving consumer preferences.** I'd say there's never been a more exciting time to be part of this dynamic field. At Leahy, we're proud to be at the forefront of these trends, helping operators deliver exceptional products and experiences to their customers.

## Look for our next installment in our 3-part series Trends 2025 – Leahy Insights Part 2!

**At Leahy-IFP, we are committed to making a more fruitful life for everyone. If you're interested in learning more about the latest beverage trends, just let us know, we'd be happy to discuss with you and your team.**

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