

LEAHY INSIGHTS



This trend forecast brought to you by De'Airus Salibi

Title: Director of Innovation

Demo: Barely-a-Millennial; Newlywed; Chicago (importantly, by way of Iowa)

Beverage Obsessions: Hydration; caffeine alternatives

The beverage industry is at a crossroads, shaped by the convergence of consumer expectations, economic pressures, and creative innovation. As an ideation manager at a company dedicated to pushing the boundaries of beverage development, I'm constantly inspired by the trends reshaping our market.

Here's my take on what trends are revolutionizing the beverage industry. Join me as we dive into what's next for beverages—and what it means for manufacturers, operators, and consumers alike.

1. Sustainability: The Green Revolution in Beverage Packaging

Sustainability is now a core priority for beverage companies, with a focus on reducing environmental impact while meeting consumer expectations for eco-friendly products.

Aseptic Carton Packaging: Aseptic cartons, made from renewable materials such as paperboard, are increasingly used for plant-based beverages, juices, and dairy products. They reduce food waste by extending shelf life up to 12 months and have a lower carbon footprint compared to traditional plastic or glass packaging.

Recyclable and Compostable Packaging: Industry leaders are introducing biodegradable materials and emphasizing recyclable content to align with consumer demand for a circular economy. For example, over 70% of aseptic cartons are designed for recyclability, appealing to environmentally conscious buyers.

Water Stewardship: Brands, including ours, are reducing water use during production, with some achieving up to 20% savings by implementing water recycling systems. We're focusing on water use as well. Leahy-IFP has implemented water saving strategies at both its West and Midwest facilities.



Sources: Packaging Gateway Towards Packaging Fortune Business Insights

2. Adding Value: Deals, Rewards, and Customer Engagement

Value has become a critical factor as consumers seek more bang for their buck, especially amid economic uncertainties. Companies are reimagining loyalty programs and pricing strategies to enhance customer satisfaction.

Strategies Driving Value:

Digital Loyalty Programs: Programs that reward purchases with redeemable points or discounts—accessible via apps—are surging. A McKinsey study highlights that 76% of consumers consider receiving personalized communications a significant factor in brand consideration, and 78% are more likely to repurchase after receiving such communications. Additionally, Epsilon research indicates that 80% of consumers are more inclined to do business with a company offering personalized experiences.

Subscription Models: Beverage subscriptions are growing, offering convenience and cost savings. By 2025, subscriptions are expected to generate significant growth, particularly for products like functional drinks and coffee.

Dynamic Pricing and Bundling: Discounts for bundled purchases, such as meal-and-drink combos, continue to attract cost-sensitive consumers. This strategy boosts sales while creating perceived value.

Sources: Ninetailed

3. Nostalgia and Old Categories: Reimagining the Classic

Nostalgia is a powerful marketing tool, especially during periods of uncertainty. Beverage companies are reviving old favorites and creating new spins on timeless classics.

Notable Trends:

Retro Packaging and Flavors: Re-releases of vintage sodas and retro-inspired designs tap into sentimental value. A Nielsen study highlights that nostalgia-driven advertisements generate a 10% higher engagement rate and a 15% increase in conversion rates compared to non-nostalgic campaigns. This demonstrates the power of evoking emotional connections with consumers by tapping into fond memories of the past.

Artisanal Revivals: Craft sodas, stick packs, and specialty teas are being reintroduced with modern twists, such as infusions of prebiotics, adaptogens, and botanicals. This hybrid of nostalgia and health trends resonates with younger, health-conscious demographics.

Soda Fountain Classics: Traditional soda fountain drinks, such as root beer floats and cream sodas, are gaining popularity in craft forms. These nostalgic flavors are being reintroduced with premium ingredients and unique twists like lavender-infused cream soda or chai-flavored root beer.

Powdered Drink Mixes: Products like powdered drink mixes, which were once synonymous with the 1980s and 1990s, are making a comeback with healthier formulations. Brands are now offering low-sugar, organic, or functional variants that cater to today's health-conscious consumer. These drinks not only evoke fond childhood memories of Tang and Kool-Aid but also tap into a growing interest in hydration and functional beverages.

Tea-Time Staples: Classic tea-time beverages, such as spiced chai, herbal infusions, and floral teas made with real fruit, are being modernized with cold-brew options, sparkling varieties, and functional ingredients like adaptogens.

Instant Coffee: Instant coffee, once seen as a quick but inferior alternative to fresh-brewed coffee, is seeing a revival. Premium instant options with single-origin blends and even cold-brew versions are hitting the market. This modern take on an old favorite meets the demand for convenience without compromising on quality.

Fruity Punches and Carbonated Beverages: Fruity punches, reminiscent of childhood parties, are also making a comeback. Brands are offering sparkling versions with natural sweeteners and exotic fruit blends. These fun, colorful drinks are appealing to consumers seeking nostalgic refreshment with a modern twist.



Source: Link Exchange Amazon Ads

4. Collaborations Across Industries: Cross-Brand Synergies

Collaborations between beverage companies and brands from other sectors are sparking unique innovations and creating new markets.

Recent Collaborations:

Candy-Inspired Beverages: Partnerships between beverage brands and candy companies (e.g., energy drinks inspired by popular candy flavors) cater to younger audiences and create social media buzz.

Retail Brands Entering Food Service Chains: Large retail brands are increasingly making their way into food service chains through co-branding partnerships. For example, well-known grocery store brands or retailers are teaming up with popular fast-food chains to offer exclusive beverages, snacks, or desserts. This synergy not only creates a unique product but also drives customer traffic to both the retail brand and the food service chain. These partnerships serve as a win-win for both industries, with food chains enhancing their menu offerings and retail brands gaining exposure in a new setting.



Fashion and Lifestyle Brands: Collaborations with fashion houses and streetwear brands elevate beverages into lifestyle icons. Limited-edition releases, such as themed bottles or cans, generate exclusivity and collector appeal.

Entertainment and Gaming Crossovers: Brands are tying products to popular games, movies, or anime to reach niche audiences. These crossovers often involve unique packaging or limited-edition flavors inspired by the partnered intellectual property.

As the beverage industry continues to evolve, one thing remains constant: the importance of connecting with consumers on multiple levels—through sustainability, nostalgia, value, and collaboration. By embracing these trends, beverage manufacturers and operators can not only meet but exceed customer expectations, creating products that are both innovative and meaningful. At our company, we're committed to transforming these insights into actionable strategies and tangible products. Let's work together to shape the next wave of industry success—one great idea at a time.

Look for the final installment in our 3-part series Trends 2025 – Leahy Insights Part 3!

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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