

LEAHY INSIGHTS



This trend forecast brought to you by Tara Jewell

Title: Beverage Insights Associate

Demo: Gen X mom of two (not a regular one though, a cool one); NW side of Chicago

Beverage Obsessions: Anything w/ collagen, red wine, ice cold Lake Michigan water (tap preferred)

As we move into 2025, our proverbial cups overfloweth with inspiration thanks to the innovation we observed (and created!) this year.

Whether it's leveraging health-conscious behaviors, meeting the needs of underserved demographics, or forging unexpected brand collabs, the beverage landscape is rich with opportunity. Our team keeps a close eye on the trends to help operators and brands thrive in the never-a-dull-moment beverage market. Continuing with our 2025 trends series, here's the ones I'm predicting are poised to shape the beverage industry in the coming year.

1. Protein Gets Top Billing:

For years, nutritional claims leaned toward the adjective LOW. Low carb. Low sugar. Low cal. These days, consumers are focused less on what to avoid, and more on what to load up on. Whether it's athletes striving to make gains or everyday folks just trying to get through the day, the health-conscious among us all seem to agree on the need for one thing—protein.

Operators have responded. According to Datassential, beverages that call out protein are expected to grow on menus 20% over the next four years. I have a suspicion it's because operators know there is a whole new segment of the population they need to court:

GLP-1 users. As manufacturers innovate to make the drugs more accessible to a wider range of patients (to treat chronic illnesses beyond obesity), the number of users is poised to skyrocket. The Journal of the American Medical Association's polling indicates that 12% of adults in the US are taking or have taken a GLP-1 medication. Obviously, the main function of GLP-1 medications is to significantly curb the user's appetite and their overall desire for food. That's A LOT of not very hungry people.



Lots of people who suddenly aren't interested in eating needn't be a death knell for operators, however. Strategic menu planning can mean an expansion, not a reduction, of an operator's customer base when there's a paradigm shift in the works. Adequate protein intake is essential for GLP-1 users to help maintain muscle mass, a common side effect of rapid weight loss. Those not-as-hungry customers who might otherwise skip a meal will welcome a convenient, healthy offering that delivers that one nutrient they all need. One protein source we see on the rise is clear whey. It's ubiquitous on smoothie menus, and Datassential predicts it will grow 34% over the next four years. Our R&D team has been able to leverage this ingredient in high acid formulations, allowing for a protein refresher. A protein refresher is a lighter option than a protein smoothie or shake, a feature that will be attractive to GLP-1 users with diminished appetites.

2. Women's Health:

If you're not a woman in your 40s, this might come as news to you. But trust me when I tell you; women's health is having a moment. Gwyneth Paltrow called menopause "beautiful" on the Today Show. Naomi Watts started a beauty company targeting menopause-related skin conditions. Dr. Mary Claire Haver, a board-certified OBGYN and menopause expert, has nearly 5 million followers on TikTok and Instagram and is revered among women 40 and above. They, and others like them, have given women the permission to demand better menopause (and perimenopause) care. While not all women are ready to take the leap to prescription hormone medications, plenty of women in their 40s are willing to sample the huge influx of functional foods and beverages that are said to target menopausal and perimenopausal symptoms. Given that there is an estimated 83 million women over 40 in the US alone, these buyers (most of whom are in the oft-ignored Gen X demographic), present a huge opportunity for brands.

We saw brands answering the call. Experts like Dr. Haver are teaching women that they needn't suffer through the symptoms they're experiencing—and it's more than just hot flashes. Brands are eager to claim that many of those symptoms can be at least somewhat mitigated with the right diet—ideally one that includes large quantities of their beverage. If your skin laxity is waning, try one of the many RTD collagen beverages on the menu. Do you suffer from brain fog? There's a mushroom beverage for that. More anxious than usual? Try a CBD-infused beverage. In the café/bakery segment alone, Datassential says those ingredients will see four-year growth of 46%, 63% and 31%, respectively.

3. Collabs

One of the most ubiquitous trends at this year's tradeshow circuit wasn't necessarily a flavor or a function...it was a partnership. Brand collaborations were everywhere this past year on the retail level. At NACS, we saw C-stores get in the collaboration game. Cookie branded syrups, candy-branded slushies, chocolate-bar inspired coffee... the directions this can take are endless.

And, of course, the trend extends to menus, particularly in the QSR and café/bakery segments. As Mike mentioned earlier this week, Scooters currently has a perfectly nostalgic collab going with Hasbro's Candyland. McDonalds, no stranger to co-branding, had a hit with a Crocs collaboration. Taco Bell Collaborated with Cheez-Its, Subway with Lego and KFC with Build-a-Bear...they're all getting in on it.



Collaborations present a huge opportunity for operators. Choosing the right one has the potential to bring in an influx of new customers. Take the KFC/Build-a-Bear collaboration. Not only does that bring in elder Gen Z and Millennial customers who might be feeling nostalgic for the birthday parties of their childhood, it also has the potential to introduce a new generation to the brand. Little kids (who are notoriously hesitant to try new things) will be more willing to stray from their favorite burger-centric QSR chain if it means there's a cool bear in it for them.

As I look ahead, I'm excited to see the direction the industry is going. By staying attuned to trends and investing in forward-thinking solutions, our team seeks to create beverages that not only delight but also support the evolving needs of our customers. We're eager to make 2025 a year of innovation in the beverage space. **Cheers!**

Thank you for reading our 3-part series, we hope you found it helpful.

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.

Email us at info@leahy-ifp.com or call 800.669.8346

