

WITH INCREDIBLE GROWTH POTENTIAL STILL ON THE HORIZON, COLD BREW COFFEE CAN HELP RESTAURANTS ATTRACT YOUNGER DINERS.

Cold Brew: The Beverage That Attracts Millennials

BY CHUCK GREEN Today, outside of alcohol sales, coffee and tea represent the largest margin return for dining establishments, says Bill Bowron, President, Chairman, and CEO of Red Diamond®. With the potential for up to 30 percent of the market moving to cold brew, restaurants shouldn't overlook the drink and its possibilities, notes Bowron, who expects cold brew coffee drinks to eventually become the hottest item on the beverage menus of eating establishments, from fast food to formal dining.

Research firm Mintel reported cold brew sales—part of the ready-to-drink coffee segment—were estimated to reach \$38 million in 2017, representing a single-year increase of 137 percent from 2016 and up from \$2.6 million in 2012. While it remains a small niche of the category, booming growth suggests that cold brew may be the next big trend to shake up the coffee market. Cold brew is cur-

rently mentioned on 4 percent of U.S. menus, but has grown rapidly, reports Datassential. It's up 425 percent over the past four years.

Restaurants should highly consider including cold brew on their menus given the popularity of the beverage among millennials, who have money to spend. After all, Bowron says, millennials make themselves at home at the coffee shop, just as previous generations did in malt shops back in the day. This generation helped increase sales of cold brew by 115 percent from 2014 to 2015, resulting in \$7.9 million in total revenue, Millennial Marketing reports.

"As millennials grow older and continue to have money to spend, that's a wave you need to ride with," Bowron says. Millennials hold \$200 billion in purchasing power each year, according to the National Coffee Association USA, so restaurants should have cold

brew coffee squarely on their radar. It's one easy way restaurant operators can further strengthen their bottom line. Millennials, as well as other consumers, typically have plenty of dining options and are likely to spend their dollars at restaurants that provide the choices they're looking for.

Additionally, the growth of cold brew shows no signs of slowing. Total U.S. coffee consumption is projected to reach a record in 2017–18, up 1.5 percent. Market penetration for cold brew rose to 21 percent in 2017 among those drinking coffee daily in the U.S., up from 15 percent in 2015, according to data from the National Coffee Association.

With this in mind, it appears restaurants should incorporate major trends like cold brew coffee into their menu strategies, emphasizes Bowron. "That's why there are so many discussions about the beverage." Over a cold brew, no doubt. ☕