



Finlays

COLD BREW

COFFEE



COLD BREW TREND REPORT 2022

Discover the key trends shaping the future of Europe's coolest coffee craze.



IN EUROPE, **COLD BREW** IS THE FASTEST GROWING SEGMENT IN RTD/ICED COFFEE.



Cold brew coffee is leading the next global wave of coffee culture. In Europe, cold brew is the fastest growing segment in RTD/Iced Coffee, a market valued at €1.4bn¹.

Unlike other coffee extracts, cold brew coffee is made by gently steeping coffee in ambient or cold water for extended periods of time. This helps to extract the finest flavours from the bean, without using heat or pressure. This slow, gentle process creates a smooth, rich, roast and ground flavour profile. It is this premium, sensorial experience that differentiates cold brew from other iced coffee products.

Cold brew coffee is distinctive in its ability to tap into key consumer trends around health, premiumisation, natural energy and convenience. From beverages and beyond, we've outlined the key trends that are shaping the future of the cold brew.





COLD BREW TRENDS TO WATCH.



CONNOISSEURSHIP

Macro trend: Premiumisation



CAFFEINE REVOLUTION

Macro trend: Functionality



BIGGER AND BETTER

Macro trend: Convenience



ECO MATTERS

Macro trend: Sustainability



PERMISSIBLE INDULGENCE

Macro trend: Health & Wellbeing



HARD COFFEE

Macro trend: Experience



FUNCTIONAL BLENDS

Macro trend: Health & Wellbeing



CUSTOM CONCENTRATES

Macro trend: Personalisation





CONNOISSEURSHIP.

Macro trend: PREMIUMISATION

Cold brew is the premium, differentiated coffee experience that's about to take Europe by storm. A trade-up for consumers, cold brew extracts the complex nuances from the coffee bean to create a smooth, rich flavour profile that is less acidic and bitter than hot brew. Already a mainstay in the US, brand owners in Europe are starting to follow suit by tapping into the next wave of coffee with premium cold brew offerings.

Why cold brew?

89% are prepared to pay more for the premium, sensorial experience cold brew coffee provides². A significant value driver, the average price of cold brew in Europe is €9.31/litre vs. total RTD/iced coffee at €6.62 – an uplift of +40%³.



CONNOISSEURSHIP.

Macro trend: Premiumisation

Key Drivers

Taste is the key purchase driver for cold brew. The top descriptors of cold brew cited by consumers are “smooth” and “indulgent”⁴.

With 63% of European consumers actively seeking premium beverages and a further 68% looking for new and unique coffee experiences, it’s no surprise consumers are turning to cold brew for their fix⁵.

Even to the most discerning of coffee drinkers, the genuine roast and ground flavour is what captures consumers. So much so that once consumers try cold brew, it becomes a regular purchase and is consumed more regularly than iced coffee⁶.

One in five European consumers buy high-end and premium coffee products⁷

50% of European consumers consider themselves to be an ‘expert or connoisseur’ in the products they buy⁸



Pure Cold Brew

First Light’s ‘pure black’ cold brew is described as ‘handcrafted’, ‘smooth’, ‘nutty’ and ‘chocolatey’. Another variety of their cold brew is ‘processed with aceh gayo’, a type of black honey, for added sweetness.

Single Origin

La Colombe’s single-origin cold brew features Brazilian beans that are steeped in steel wine tanks overnight before being pressed. It is then double-filtered for a smooth, clean sip, with strong coffee flavours and a natural sweetness.

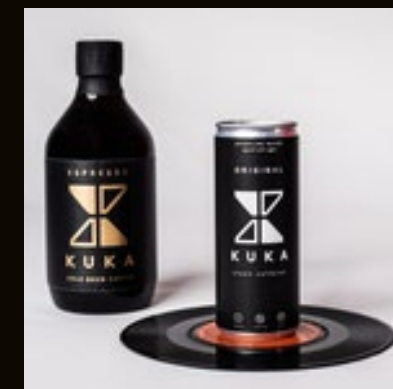
Kuka Concentrate

Kuka’s cold brew features single-origin, speciality grade coffee with triple filtered Herefordshire spring water. The cold brew is hand packed and said to be beautifully pure with natural flavour.

What’s Next?

Hot coffee already holds a premium position with consumers, with even private label and mainstream brands offering small batch lots and exclusive origins.

We expect to see this focus on coffee quality, provenance and processing driving innovation in the cold brew coffee category. For example, a light roast cold brew coffee, or ranges of cold brew coffees with varying origins and flavour profiles – just as we see in hot coffee.





CAFFEINE REVOLUTION.

Macro trend: Functionality

Natural energy drink brands have seen triple-digit growth in recent years as consumers gravitate towards healthier alternatives to traditional energy drinks typically made with synthetic caffeine and other artificial ingredients⁹.

Natural energy drinks, no longer perceived as niche, are gaining huge share in mainstream markets, taking on dominant leaders with clean-labels and health claims.

Why cold brew?

Cold brew is a natural source of caffeine and also contains zero added sugar and few calories. Cold brew typically contains between 210-265mg of caffeine per 250ml, which on average, is x3 more than most leading energy drink brands, an ideal healthy alternative to traditional sugary energy drinks¹⁰.



CAFFEINE REVOLUTION.

Macro trend: Functionality

Key Drivers

In place of traditional energy drinks, which often contain high amounts of sugar and artificial ingredients, consumers are increasingly seeking out more natural alternatives. Brands in this space leverage claims such as 'clean', 'organic' and 'natural'.

Cold brew coffee is being used more commonly in energy drink formulations. It is naturally high in caffeine, contains zero added sugar and is low in calories. Furthermore, its smooth, refreshing taste pairs well with carbonated bases and fruity flavours commonly found in traditional energy drinks.

Energy drinks now make up 44% of the functional beverage market in Europe¹¹

Since 2016, the number of energy drink launches with an 'all natural' claim has increased by 178%¹²



Java Monster

According to IRI, Monster Energy's Cold Brew Java Monster latte is the 3rd biggest selling cold brew line in the US. They have two varieties – sweet black and latte of which both are nitro infused. Each can has 200mg of caffeine per serving.

Organic Energy

German brand Kaffee Tsch have launched an organic oat milk cold brew. Described as the first barista quality iced coffee, it contains more than 150mg of caffeine per can and is sweetened with oat syrup for an indulgent pick-me-up.



Energy Shots



Solo's 60 ml energy shots contain 127mg of caffeine and are made from speciality grade cold brew coffee. They can be bought in single shots in a number of UK retailers or in multipack of 10.

What's Next?

Products that claim to aid concentration and mental focus will emerge as the next phase in natural energy drinks. Some brands are also calling out the 'quality' of caffeine, claiming quality caffeine provides long-lasting, sustainable energy without the crashes or jitters.

We also expect to see greater references to 'nootropics', supplements claimed to improve cognitive function, such as L-theanine and natural caffeine.



BIGGER AND BETTER.

Macro trend: Convenience

Propelled by the pandemic, multi-serve formats have been gathering pace in the market. Designed for at home consumption, bigger pack sizes and multipacks drive better value perception and also offer convenience for consumers. In addition, multi-serve formats also expand cold brew's presence in other areas of retail stores, driving increased awareness. Single serve formats occupy a stronghold in grab and go fridges while multi-serves generally feature in main aisles.

Why cold brew?

Multi-serve formats make it easy for consumers to enjoy cold brew at home without the challenges of trying to brew it from scratch. Concentrate formats in particular can be diluted and paired with anything from oat milk to ice cream for ultimate customisation.



BIGGER AND BETTER.

Macro trend: Convenience

Key Drivers

As a nation obsessed with coffee, many consumers get their caffeine fix at home as well as their favourite coffee shops. This also extends to iced coffee with multi-serve formats making it easy for consumers to recreate their favourite cold coffee experiences at home.

In addition to convenience, multi-serve and multipack formats also offer perceived better value for money. Cold brew is particularly compelling for consumers as it is versatile across a number of drinking occasions, from working at home to working out. Offering a smoother, less acidic taste than iced coffee, cold brew provides consumers with a refreshing caffeinated pick me up which can be enjoyed black or with milk and added sweeteners.

One in ten European consumers are buying coffee in bigger packs or more frequently post-pandemic¹⁴

1litre SKUs are the fastest growing cold brew pack sizes in UK retail, achieving +237% volume sales YOY 2020-21¹⁵



Extra Shot Espresso

Califia Farms XX Espresso comes in a 750ml bottle. The smooth cold brew is combined with velvety almond milk to give consumers a 'plant-powered boost any time of the day'.

Concentrated to Customise

Solo's 1 litre cold brew coffee concentrate contains 20 double shot servings. The carton promises the perfect foam and features speciality grade 100% Arabica, giving consumers the flexibility to serve black or with their choice of milk and/or added flavours.

Variety Cold Brew

Cool Cold Brew's multipack contains a variety of 4 flavours; Mocha, made with semi-skimmed milk, sweetened with cocoa and date nectar, Coconut Milk, Black and Latte. Each product contains Arabica coffee steeped for over 17 hours and is triple filtered for a 'whiskey-like clarity'.

What's Next?

The European cold brew market is fast-growing. As the market matures we expect to see an increased variety of pack sizes available in stores in a multitude of flavours.





ECO MATTERS.

Macro trend: Sustainability

Sustainability is a major purchase driver and consumers expect brands to demonstrate transparency, social responsibility and offer certifications on-pack. Now more than ever, supply chain visibility is crucial as consumers becoming increasingly interested in availability, origin, quality and sustainability of products.

Why cold brew?

For all of its explosive growth, brands should be meticulous in sourcing a cold brew partner who can demonstrate traceability and commitments to sustainability. They should provide assurance that their coffee is directly sourced through trusted, traceable and ideally, integrated supply chains in order to pass the benefits onto consumers.



ECO MATTERS.

Macro trend: Sustainability

Key Drivers

Sustainability is a major purchase and loyalty driver for consumers. In 2020, 48% of coffee launches made at least one sustainability claim¹⁶.

Consumers are increasingly demanding that brands demonstrate clear evidence of what actions they are taking to minimise their environmental impact throughout the supply chain.

Consumers are also turning away from single-use plastics in favour of more sustainable options that are recyclable, biodegradable or compostable.

94% of European consumers are concerned about sustainability¹⁷

75% of consumers in Europe are willing to pay more for sustainable products¹⁸



Climate Neutral Packaging

German brand Yfood's range of innovative ready-to-drink bottled meals, including cold brew coffee, are made from 30% recycled materials and packed in 100% recyclable HDPE.

Community Benefits

UK based cold brew brand, Bottleshot, use Rainforest Alliance Arabica coffee and donate the leftover coffee grounds to a local community project which recycles them to grow vegetables.

Certified Organic

Danish brand ZoZozial and Austrian brand Amaroy have both launched organic cold brew coffee products. Both 250ml products are black and are made with 100% Arabica coffee beans and are certified organic.

What's Next?

Finding the best way to inform customers how their purchases impact the planet is becoming an increasing focus area. Carbon labels, which provide information about a product's carbon footprint, are becoming more common. Similar to nutrition labels, they help consumers consider the environmental impact of products they purchase. QR codes are also a way to expand the limits of labelling, providing more detailed information about a product's sustainability.



PERMISSIBLE INDULGENCE.

Macro trend: Health & Wellbeing

The rise of working from home culture has driven an increase in snacking frequency. Now more than ever, consumers want sweet treats that provide sensory pleasure, but are 'guilt-free', fuelling the rise of 'permissible indulgence'¹⁹.

As snacking needs have broadened, hybrid frozen treats are increasingly entering the snacking space, particularly those that combine indulgence and health.

Why cold brew?

Cold brew naturally contains no added sugar and is low calorie whilst also boasting a smooth, rich, full-bodied flavour making it a great base for indulgent formats.



PERMISSIBLE INDULGENCE.

Macro trend: Health & Wellbeing

Key Drivers

Consumers are snacking more frequently throughout the day, creating new snacking occasions and opportunities. Frozen snacks, particularly low sugar, low calorie and dairy-free varieties are being increasingly consumed outside of traditional evening occasions.

Unique and complex flavours are particularly appealing to adult palates. Cold brew offers a premium experience and delivers genuine roast and ground coffee flavour, ideal for elevating ice cream, yoghurts and snack offerings.

3 out of 4 consumers look for options that are healthy and indulgent²⁰

59% say they purchase frozen desserts as a snack²¹

Adult Pops

GoodPops Cold Brew Latte flavour is made with organic, Fairtrade cold brew coffee and coconut cream while Perry's cold brew coffee premium Barista Bars claim to contain as much caffeine as a cup of coffee.

Lighter Desserts

UK brand Hesper have created a Icelandic-style skyr yoghurt with smooth, rich cold brew blended with Madagascar vanilla. It is high in protein and low in fat.

Low-Calorie Ice Cream

The leading statement of Enlightened's low calorie ice cream is that it boasts "true coffee flavour" thanks to cold brew. It is gluten-free, contains 70% less sugar, 65% less calories and 85% less fat than leading brands, offering a sweet treat without the guilt.



Coconut Bliss Dairy-Free Cold Brew Frozen Dessert



Talenti Cold Brew Coffee Dairy-Free Sorbetto



Enlightened Cold Brew Coffee Light Ice Cream



GoodPop Cold Brew Coffee Ice Lollies



Hesper Cold Brew Coffee & Vanilla Skyr



Perry's Cold Brew Coffee Premium Ice Cream Barista Bars

What's Next?

Expect more brands to blur the lines between desserts and snacks, combining better-for-you ingredients with sophisticated flavours that better appeal to adults. Think plant-based milkshakes with added vitamins, energising dessert bars and frozen breakfast style pots.



HARD COFFEE.

Macro trend: Experimentation

What better pairing than alcohol and coffee? Thanks to the growing appeal of cold brew, we're set to welcome a new generation of coffee-infused alcohol beverages that promise to elevate and modernise this winning combination.

Why cold brew?

With its distinctly smooth, deliciously rich taste, cold brew elevates existing offerings. On a mission to premiumise, Tia Maria changed their signature liqueur recipe back in 2020, replacing the coffee with cold brew. They leveraged 'exclusive cold brew extraction' to offer an 'intense coffee aroma' and 'distinct taste' using 100% Arabica cold brew. Even when paired with alcohol, cold brew enables the quality of the coffee bean to shine through, delivering a nuanced espresso flavour profile with distinct smoothness.



HARD COFFEE.

Macro trend: Experimentation

Key Drivers

Chilled coffee and alcohol RTD categories are both growing at lightening speed. To tap into growing demand for new, exciting and indulgent experiences, hybrid beverages that combine the two are growing.

Consumers are increasingly looking for ways to replicate elevated versions of classics at home and create 'insperiences' that offer the same taste and experience as those crafted by expert mixologists.

RTD formats are also appealing to younger consumers, extending to both alcohol and coffee categories, as they seek out convenient, innovative beverages to fit their busy lifestyles.

Alcohol launches with coffee ingredients or notes have grown +55% in the last five years²²

RTD cocktails is the fastest growing spirits category, growing by 28% YOY²³



Nitro Beer

Guinness Nitro Cold Brew Coffee is said to be the perfect marriage of beer and coffee. Infused with notes of coffee, chocolate and caramel and balanced with the creamy textures of nitro, the combo is said to be a taste sensation.

Rum Infused Cold Brew

Coffee liqueur brand Kahlua launched 100% Arabica cold brew coffee with rum and coffee liqueur. Each 80 calorie can has a nitro widget, providing foam in under three seconds to replicate the out of home experience.

Pre-Mixed Cocktails

Funkin Espresso Martini Pre-Batched Cocktail Mixer retails in a 950ml pack and is vegan friendly. The carton contains cold brew coffee extract and is said to pair well with coffee liqueur, vodka, amaretto, bourbon and rum.

What's Next?

Expect to see more hard coffee offerings enter the market with even more experimentation from brands who don't currently have coffee propositions.

Hard cold brew kombucha and cold brew tonic innovations have also been brewing in niche corners of the market, indicating carbonated cold brew infused alcohol might be the next phase of development.





FUNCTIONAL BLENDS.

Macro trend: Health & Wellbeing

Across FMCG categories, health-conscious consumers are opting for the convenience of functional beverages. Expect to see consumers paying more attention to ingredient lists that feature potent superfoods and active ingredients to bolster health claims.

Why cold brew?

Cold brew contains no added sugar and is also low calorie. As a result, it is a versatile base for crafting functional beverages with perceived benefits that offer on-the-go enjoyment.



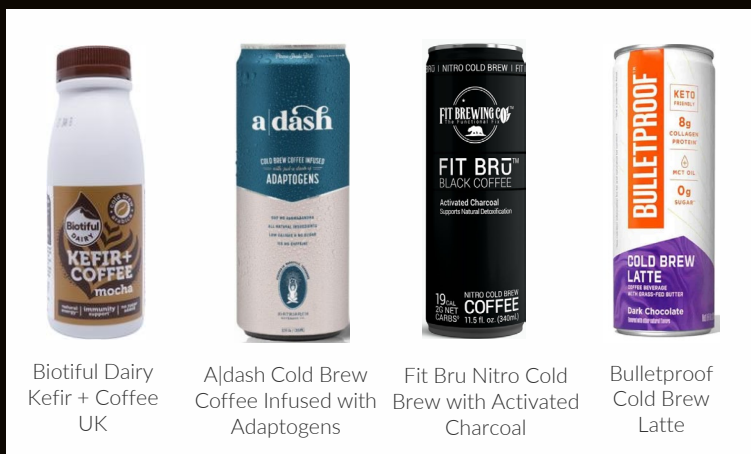
FUNCTIONAL BLENDS.

Macro trend: Health & Wellbeing

Key Drivers

Consumer interest in healthy beverages has been on the rise for years and the pandemic has only accelerated the thirst for beverages with added health benefits. Millennial and Gen Z consumers in particular, are seemingly adopting a more holistic approach to health and are reaching for beverages that combine or elevate health credentials without compromising flavour and indulgence.

When working with the right supply partner, cold brew coffee taps into the demand for clean-labels, free-from and low sugar claims, making it easier for consumers to incorporate added functional benefits into their diet.



Biotiful Dairy
Kefir + Coffee
UK

A1dash Cold Brew
Coffee Infused with
Adaptogens

Fit Bru Nitro Cold
Brew with Activated
Charcoal

Bulletproof
Cold Brew
Latte

62% of consumers want healthier beverage options²⁴.

54% of consumers pay a high amount of attention to the ingredient list on products they consume²⁵.

Mushroom Mania

Revered as powerful superfoods, mushroom infused coffee has been a growing trend for some time. Califia Farms recently launched their cold brew coffee version, containing cordyceps and lion's mane to help enhance focus and energy.

Adaptogen Infusions

Adaptogens are a group of herbal pharmaceuticals reported to help relieve stress and anxiety. They pair well with coffee as they help consumers feel the energising effects of coffee but reportedly lower the body's cortisol levels to create a balanced, non-jittery effect.

Bulletproof Brews

Bulletproof's new Cold Brew Latte is elevated with collagen protein, MCT oil, sourced from coconuts, and contains 4-6g net carbs. The beverage is said to help curb cravings and boost energy as well as support healthy skin, bones and joints.

Box-Checking Goodness



- PURE UNSWEETENED
- WITH CORDYCEPS & LION'S MANE MUSHROOMS
- INCREASED ALERTNESS & FOCUS
- SIP STRAIGHT OR WITH PLANT MILK
- PANTRY-STABLE PACKAGING

What's Next?

Look out for more health benefits added to cold brew RTDs. Since cold brew is rich in flavour yet low in calories and sugar, it pairs well with clean-label propositions. In convenient, RTD cans, it's a one-stop health shop that makes it easy for consumers to incorporate herbs, vitamins and protein into their diets without taking it in pill or powder form separately.

CUSTOMISED CREATIONS.

Macro trend: Personalisation

Products that offer personalisation are increasingly appealing to consumers. 'Secret menus' have become internet sensations as consumers share their hacks on how to create custom beverages on social media. Some have become so popular, like Starbucks' Pink Drink, they are now official menu items.

Although replicating this kind of personalisation is operationally challenging, if brands make consumers feel like they understand them, they are likely to return the favour with loyalty and endorsement.

Why cold brew?

Cold brew provides unique opportunities to customise, from bean and blend variety to caffeine strength and format type like ready-to-drink or concentrate and is versatile across countless applications.



CUSTOMISED CREATIONS.

Macro trend: Personalisation

Key Drivers

The evolution of technology has driven new capabilities and with it, new consumer demands. Consumers want ample choice and ways to personalise. This can help brands differentiate in competitive markets and demonstrate they understand their consumers though they will have to be clever about how they offer it on a large scale.

Offering template-driven solutions and limited edition ranges could be the key to reduce operational complexities. E-commerce can also help accommodate range extensions while sales data garnered can provide justification of range extensions to increase distribution among retailers.

70% of consumers will buy exclusively with brands that personally understand them²⁶.

42% of consumers interested in customised products want to be led by brands with select options²⁷.



Build Your Brew

Explorer Cold Brew allows consumers to build their personalised concentrate with a choice of four caffeine levels, different serving sizes and accompanying 'elixir' flavours ranging from crushed candy cane to Himalayan sea salt caramel. They are available as one off purchases or subscriptions.

Personalised Labels

Mr. Black are giving consumers the limited chance to personalise their coffee liqueur bottles, hailing it the perfect gift for coffee lovers.

Cold Brew Concentrates

Cohoma's range of cold brew concentrates are available in 1.5 litre bottles, with flavours ranging from French Vanilla, Original Roast and Cinnamon, allowing consumers to customise with their own milks and sweeteners at home.

What's Next?

While personalisation may seem counter-intuitive to mass production, brands and manufacturers can find clever solutions to innovate in this space.

Expect to see more subscription based models whereby consumers can customise a base product with different flavours and add health benefits, similarly to what we have seen with meal kits and personalised vitamin programmes.



TREND SUMMARY.

What could be next for cold brew in 2022 and beyond?

Convenience

Consumers crave immediacy and speed, fuelling the rise of on-the-go formats.



Nitro Cans

Starbucks Nitro Cold Brew Coffee in ready-to-drink cans offers consumers a quick, failsafe way to enjoy nitro on-the-go, delivering a creamy texture and velvety smooth taste.

Functionality

Consumers want products that offer tangible benefits in convenient, enjoyable formats.



Superfood Cold Brew

Ancient Nutrition's Keto Cold Brew Drink Mix is infused with ancient botanicals, adaptogens and superfoods to support provide energy, reduce fatigue, boost mental clarity and concentration. It can be added to water, milk and smoothies.

Customisation

Consumers want brands to understand them and in doing so, offer personalised experiences.



Customised Collabs

Teaming up with organic cold brew coffee brand Chameleon, Häagen-Dazs are tapping into the personalisation with their Cold Brew Float which can be customised with an ice cream flavour of their choice and a whipped cold foam in their U.S stores.

Experimentation

Social media has propelled the demand for new, exciting products worthy of sharing online.



Cold Brew Cereal

OffLimits cereal features micro-roasted Intelligentsia coffee and organic cocoa. Social media users have discovered the cereal, once milk is added, is a quick, way to make chocolate flavoured cold brew coffee.

Sustainability

Consumers are drinking coffee with a conscious, choosing products that reduce environmental impact.



Cold Brew Bags

Presto's cold brew coffee bags are made from 100% Rainforest Alliance coffee in fully recyclable and compostable paper and plastic bags. For every bag purchased there is also a donation made to food banks.



READY TO TAP INTO COLD BREW?

To discuss how Finlays can help you
email info@Finlays.net



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