



CHILL OUT! Smoothies, Shakes and Frozen Drinks

Overview: The made-to order (MTO) frozen beverage market

Frozen Beverages Heat Up

Carbonated beverage sales are fairly flat, but smoothies, once a novelty treat, have been revived as slightly better-for-you (BFY) treats and functional, nutritious specialty drinks show up on more menus.

Smoothies Styles Split

As the market has evolved, smoothies have developed a split positioning: on one side, fruity frozen drinks are infiltrating quick-service restaurants (QSRs); on the other, functional, vitamin-boosted meal and snack replacements ride a wave of interest in BFY options like yogurt, juice and energy drinks.

Shakes Add in Indulgence

Shake formulations and recipes have moved beyond milk and ice cream to bring other dessert elements, like pie, cookies and cake batter into the mix.

Frozen Drinks to Watch

Other frozen beverages—lemonade, coffee, teas—add to a growing category of specialty beverages that support snacking and all-day eating opportunities in foodservice.

Frozen drinks rise on menus as soda fizzles

Despite slowing and declining menu presence of many traditional beverages, the total number of beverage types on menus has risen 3% over the past 4 years, fueled by growth in specialty beverages like smoothies and shakes.

Functional smoothies show 38% growth from Q4 2008 to Q4 2011, a sign of more BFY to come.

Beverage consumption patterns in restaurants

Regular soda still rules, but MTO frozen drinks can tap new consumer demands and a thirst for innovation.

Frozen beverages include a variety of non-alcoholic beverage types. As the market evolves, operators must continue to make clear distinctions among shakes, smoothies and other frozen beverages so consumers know how to use these beverages to meet their needs as a main meal component, dessert, healthy snack, etc.

Mintel finds usage by restaurant-goers for frozen beverages is moderate: 26% order shakes/malts, 19% order smoothies, and 10% order other frozen non-alcoholic beverages. With continuing growth in number of frozen beverages on restaurant menus, operators continue to give more consideration to premium MTOs as a way to encourage treat-based sales and to capture some snacking momentum.

Smoothies

An overflowing market means innovation is key.

QSRs getting a lot more smooth

60% of smoothies are found in QSR settings, which includes both smoothie-centric concepts as well as the many drive-thrus that have entered the smoothie market in the past 2-3 years. Fast-casual is a distant second at 23%, though places like **Panera** and **Au Bon Pain** have added more smoothies in recent years. With most smoothies menued at QSR and fast-casual, operators will need to develop ways to make their versions stand out.

Traditional Smoothies: A need to differentiate

Smoothies were once a specialty drink found mostly at stand-alone concepts like **Jamba Juice** and **Smoothie King**, but now the options and availability are overflowing. As more QSRs, fast-casuals and even full-service settings add smoothies, operators will need to differentiate with top quality ingredients, BFY additions, different flavors and interesting combinations.

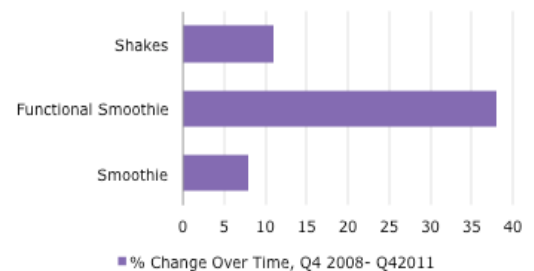
Functional Smoothies: The BFY, the better

Health-minded snackers want satiety, health boosts and not empty calories.

Top 10 Drinks on Restaurant Menus

Rank		% Change '08-'11
1	Cola	3
2	Lemon Lime Soda	-1
3	Tea	-19
4	Coffee	-12
5	Smoothie	8
6	Lemonade	9
7	Shake/Milkshake	11
8	Root Beer	-7
9	Milk	6
10	Pepper Soda	0
	TOTAL	3

Functional Smoothies in Growth Mode



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Wellness Sells: Health-minded smoothies boost nutrition

A look at the health-promoting attributes of the **top 6 nutritional boosts** added to smoothies (both traditional and functional) finds that increased energy and metabolism are high on the list of functions. While some of these health claims are not scientifically proven, these WebMD descriptions reflect the accepted views:

1. **Ginseng:** Boosts immune system and lowers blood sugar
2. **Ginkgo Biloba:** Improves blood flow to the brain and improves circulation
3. **Chromium Picolinate:** Controls blood glucose levels and boosts metabolism
4. **Echinacea:** Fights colds and infections and builds immunity
5. **Iron:** Fights fatigue, improves blood and cell health
6. **Calcium:** Improves bone health, heart rhythm and muscle function

Jamba Juice has Fit 'n Fruitful smoothies with 14 essential vitamins and minerals. The concept also has Fruit & Veggie smoothies with a full serving of vegetables and two servings of fruit. The Berry UpBEET, a combines carrot, beet, broccoli, and lettuce juice.

Roxberry Juice's Smart Blends includes a Flu Fighter with orange juice, peaches, banana, orange sherbet, flu fighter shot and a vitamin C shot; Brain Power has raspberries, strawberries, banana, nonfat yogurt, and a brain shot.

Shakes: Blending in more indulgence as competition picks up

More bells and whistles keep customers interested in a classic treat

QSRs shaking up the market

While family/midscale dining venues menu nearly half of the shakes in foodservice (49%), QSRs are gaining market share (31%) and are upgrading to capture more snackers.

More Ways To Chill Out

A look at other frozen beverage styles to watch.

Top 10 other frozen drinks Excluding smoothies and shakes

1. Slush/Frozen Drink
2. Latte
3. Coffee Frappe
4. Coffee
5. Non Alcoholic Cocktail/Mocktail - Daiquiri
6. Lemonade
7. Non Alcoholic Cocktail/Mocktail - Pina Colada
8. Tea
9. Cappuccino
10. Chai Tea

Frozen Beverages: Styles and trends to watch

More Meal Like

Smoothie Bowls keep the smoothie moniker, but sound more like yogurt bowls, like **Planet Smoothie's** Crazy Carnival Bowl—Sambazon açai blended with mangos, raspberries, apple juice, topped with sliced banana and granola

The BFY, The Better

Tropical Smoothie's Triple Berry Oat blends strawberries, blueberries, cranberries, multi-vitamin, ground flax seed, whole grain oats, whey protein and Splenda.

Adult-only Versions

Red Robin had a recent LTO of a Grasshopper Shake: Mint Brownie Shake, spiked with vodka. **Greene Turtle's** Irish Float features stout rum and vanilla ice cream topped with chocolate syrup.

Top 20 Smoothie Flavors

	Rank	% Change '08-'11
1	Strawberry	5
2	Banana & Strawberry	-2
3	Mango	38
4	Chocolate	11
5	Peach	0
6	Banana	-20
7	Raspberry	-16
8	Berry	6
9	Orange	0
10	Banana & Berry	0
11	Mocha	-29
12	Banana & Chocolate	-8
13	Vanilla	75
14	Piña Colada	63
15	Açai	29
16	Pineapple	-25
17	Wild Berry	-29
18	Pomegranate	133
19	Cherry	25
20	Grape	25

Smoothies For Health; Shakes For Indulgence

Top 10 Smoothie Marketing Claims

1	Low Fat
2	Creamy
3	Low Calorie
4	Non-Alcoholic
5	High Protein
6	Classic
7	Real
8	Signature
9	Low Carb
10	Fat free

Top 10 Shake Marketing Claims

1	Thick
2	Creamy
3	Old-Fashioned
4	Classic
5	Premium
6	Rich
7	Original
8	Non-Alcoholic
9	Hand-Crafted
10	Homemade



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