

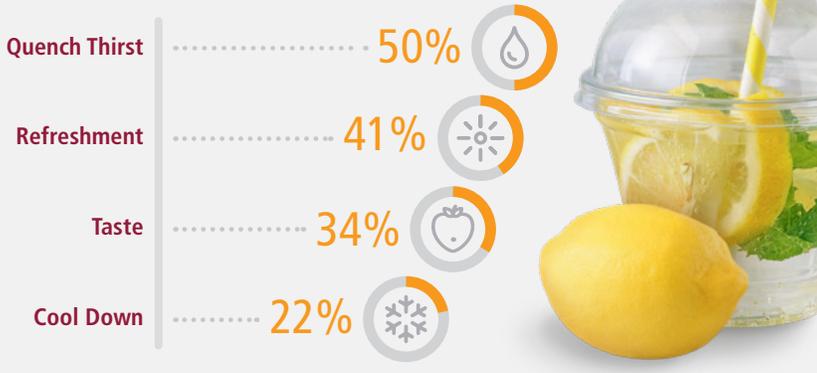
WATER, WATER EVERYWHERE...

...and all kinds of flavors and forms to drink. In their quest to move customers from “just tap” to more interesting—and profitable—thirst quenchers, operators are tapping into specialty waters, including flavored and enhanced H₂O products. This growing category fulfills multiple beverage need states, namely Hydration + Function + Flavor.



Why Customers Choose Specialty Water

Flavored and enhanced waters are ideal offerings for satisfying key cold-beverage selection motivators:



What Better Water Does

Flavored and enhanced waters continue to grow in foodservice, as the category resonates across all consumer segments, providing:

- + VARIETY AND FLAVOR INTEREST
- + FOOD PAIRING OPPORTUNITIES
- + CLEAN LABEL PROFILE
- + HEALTH & WELLNESS BENEFITS
- + FUNCTIONAL ATTRIBUTES



Flavored water is the **FASTEST-GROWING BEVERAGE** in limited-service restaurants, having grown 19% in the two-year period ended June 2018.



Flavored water is **UP 100% OVER THE YEAR-EARLIER PERIOD**. Popular flavors include strawberry and peach (16.7% each), raspberry (8.3%), blackberry, cherry, mango, and passionfruit.



MORE THAN 40% of consumers say they would be likely to try enhanced waters at retail.

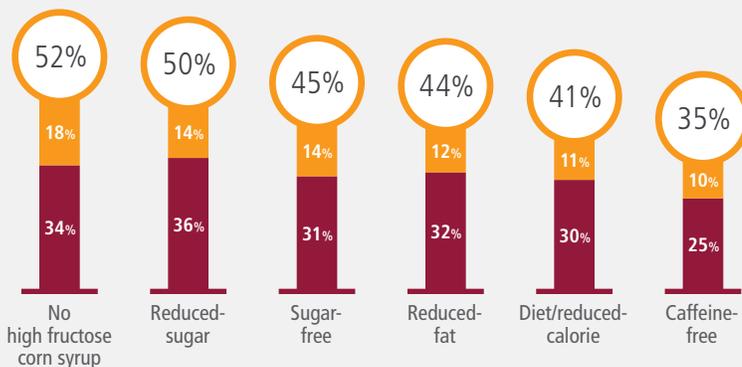
TO THEIR HEALTH

The relative growth of beverages like kombucha (up 55%), coconut water (up 42%), and flavored sparkling water (up 32%) suggests that consumers would like to see more “feel-good” options on menus that promise the added bonus of health benefits.

What They Don't Want Is Important

Consumers are increasingly interested in beverages offering a number of traditional health attributes.

“I WOULD BE MORE LIKELY TO PURCHASE BEVERAGES WITH/THAT ARE...”



...AND PAY MORE FOR THIS CLAIM **...BUT NOT PAY MORE**

Waters Ideas

- Focus on seasonal flavors like watermelon in the summer, citrus in the winter
- Merchandise flavored and enhanced waters on both beverage and bar menus
- Offer a balance between familiar flavors (like lemon-lime), and those that are more unique (mango or basil)
- Consider menuing housemade flavored sparkling waters, and emphasizing their hand-crafted appeal
- Investigate the emerging category of plant waters such as coconut, birch, aloe, and maple



Sources: Datassential 2018 Cold Beverage Consumption Report; Nestlé Professional; Technomic's MenuMonitor Q2 2016–Q2 2018, 240 LSR operators, operator incidence; Datassential TIPS, Winter 2017/2018; Datassential SNAP! Flavored Water (2019); Technomic 2018 Beverage Consumer Trend Report