

# Bubbling Under

It's no longer acceptable to offer an uninspiring soft drinks menu – Hotel F&B reports on how the UK's non-alcoholic beverage market is growing



To underestimate or to undervalue the range of soft drink and water options available at a hotel is unacceptable. Water is now an expected part of sitting down to a meal and with the onus on venues to provide healthier options away from alcohol, there is a real growing market for F&B managers to tap into.

What's more, adding a poor quality mixer to an alcoholic beverage

or cocktail could both ruin the taste of a drink and the customer's experience at the hotel.

There is a healthy profit margin to be made on non-alcoholic beverages so making sure you pick the right range for your hotel could really boost your bottom line.

"More than one in five adults (21%) don't drink alcohol and this number is increasing," explains Amanda Grabham, the market-

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ing director at SHS Drinks. "In addition to this, there are those who aren't drinking alcohol due to religious or health reasons or on specific occasions such as when they are driving or they are mums-to-be."

But this doesn't mean that venues should just increase the amount of stock they have for standard soft drinks like colas and fruit juices – Grabham argues that more premium thirst quenchers should take their place on the menu.

"There is a clear commercial benefit to hotels stocking premium soft drinks," she explains. "During 2014, premium soft drink sales increased by 16% in volume and 14% in value while soft drink sales as a whole actually fell by 3% and 1%, respectively.

"They tend to deliver higher margins

than standard soft drinks, and they certainly enhance the dining experience for the customers, so the opportunity for hoteliers to maximise soft drinks sales is quite considerable."

## STYLE

Clearly the days of just offering the standard soft drinks are numbered, so finding options that can make you stand out from the competition is significant. But just how central is it to stock a brand of water or soft drink that matches the hotel's style?

"I think it is important that any hotel considers the type of image they are trying to convey to guests in all things and the soft drinks range should be no exception," says Lawrence Moore, sales director for Belvoir Fruit Farms.

Steve Carter, sales and marketing director at Frobishers Juices, agrees and believes that a luxury hotel should offer a luxury product.

"While style and the aesthetic appeal of packaging is important, what we're seeing more is hoteliers looking for brands



that match their own business ethos," he reveals. "Whether that's a commitment to stocking 'premium' or luxury products, having more unusual juice and soft drink flavours available, or choosing producers who champion quality."

The importance of the drink fitting the style of the hotel is equally true for the water offering.

"The food and beverage served by a hotel says a great deal about their operation. If they aspire to offer their guests a high quality experience, then the brands they serve need to match or exceed this standard," says Paul Proctor, managing director of EcoPure Waters.

"A hotel's own brand must represent the ultimate mark of excellence for guests."

Proctor argues that a hotel can really boost its water menu by bringing its production in-house and eliminating the use of plastic bottles.

He explains: "Filtering your own water

and serving it in your own branded bottles allows you to place your name in front of customers wherever they are in your hotel: in the restaurant, in bedrooms or in the conference, banqueting, spa or health-club settings."

Paul Colebrook, sales director of Zip HydroTap, also believes that customer's tastes have become just as discerning when it comes to water as they are with soft drinks and alcoholic beverages.

"It is key that you get your water provision right and provide only the best quality by investing in high spec equipment to ensure you have the edge," he argues. "The days where bottled water was a luxury

product are gone; it's now seen by many consumers as unsustainable and expensive.

"Research shows that 56% of consumers are willing to pay more for a sustainable

meal – this extends to their beverages too. The margins on water from an installed filtered system can offer a worthy additional revenue stream."

It is becoming increasingly vital, especially in hotels with spas, to sell soft drinks that are classed as 'healthy'.

Simon Speers, managing director of Bottlegreen Drinks, says: "With all of the focus on healthier lifestyles, consumers are increasingly looking to reduce alcohol consumption and as part of that lifestyle

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change they are prepared to pay more for adult/premium soft drinks which contain natural and better quality ingredients.

"The vast majority of soft drinks consumers say they want to see a wider range of healthier drink options; 50% are keen to see more premium soft drinks; and 46% say they would like to see more adventurous flavours, so the facts speak for themselves."

Carter adds that F&B managers need to be right on-trend and be aware of the healthier soft drink brands.

"There's greater awareness about health and the sugar content in drinks, so consumers will look for more natural alternatives with no added sugar," he says. "I expect we're going to see a move towards more healthy drinks in the coming years - those that may contain more water but still have a good taste profile and therefore are attractive to a wider range of consumer."

In fact, a recent survey by Mintel revealed that eight in 10 consumers believe food and drink operators should stock more

healthy soft drinks. Antonio Vigorito, F&B manager at Grace Belgravia, notes that the introduction of more healthy beverages to the soft drink selection will become more important in the future.

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He says: "The market demand for healthy drinks is increasing and it's a category which should not be underestimated. It is important for hotels to respond with an adequate drink offer and evaluate the potential business which this category can generate."

#### BRANDS

Bearing in mind that there is a need to keep both the style in keeping with hotel's ethos as well as staying on top of current trends, should there be consistent brands carried throughout the hotel?

Sandro Bevilacqua, vice chairman of Continental Quattro Stagioni, believes that hotels should offer the same brands across the hotel whether they are in the bar, restaurant, spa or in their rooms.

He says: "This is as much about ensuring a good quality product to your customer regardless of where they are.

"So, for example, offering the same still mineral water in the restaurant, bar and in a mini bar means that not only will you be able to save money by ordering in bulk, but you will know that you customers will be able to enjoy consistent quality of product."

Alternatively, Carter believes that customers like to see new and varying brands on offer, and are more willing than

ever to give something different a try.

"Consumers are becoming more adventurous and are trying new blends and mixing longer drinks," he says. "Within the soft drinks market, there's likely to be a shift towards the new 'challenger brands' and the 'old guard' will still remain large but slip back in overall sales."

When it comes to carbonated soft drinks there is still a debate over whether to use syrup tap dispensers or bottled products.

Each has their positive and negative aspects, but Moore believes that customers prefer soft drinks from a bottle.

"Syrup dispensers are undoubtedly attractive from a profit perspective, but the customer experience isn't always consistent," he says. "Bottled soft drinks immediately convey consistency of experience to a guest and a feeling of 'getting what they have paid for' which is often worth a premium."

Bevilacqua also believes that the style of establishment and the clientele who use the venue will dictate whether carbonated drinks are offered on tap or via bottle.

"It goes back to understanding your customers and what their preferences are," he explains. "A younger clientele who wants a splash of coke in an alcoholic drink is less likely to want a full bottle of coke, however, someone who would prefer a gin and tonic using one of the high-end gins that are very popular at present would probably prefer a freshly opened bottle of tonic."

Vigorito believes it's down to the each individual venue to choose which suits them.

"Generally speaking, bottled products

are slightly better in flavour than from a tap dispenser," he says. "But the cost price for bottled products is higher and venues need more storage room for the cases of stock."

**TOP TIPS**

Hotel F&B managers are charged with finding soft drinks and water that will align with the style of their hotel as well as finding the balance between price, big name brands and how it should be served to the customer.

So the experts have given their own top tips on what a good soft drinks offering should provide.

Speers says that whatever the range of drinks, visibility is an important sales driver.

"It sounds obvious, but ensuring that your customers know what is available is key," he adds.

"That means increasing visibility by making use of point-of-sale materials such as table talkers, chalkboards and menus and training staff to communicate the choice you offer. Also, train both bar and restaurant staff to upsell by suggesting either cocktail or 'mocktail' options."

Moore encourages F&B managers to be adventurous and look past the standard soft drinks to create an original offering.

"There is life outside the mainstays of

cola, water and mainstream juice drinks," he argues. "Guests are often open to much wider choices in the hotel environment.

"Not that many people will drink martini or bellini's at home, but in a quality upmarket hotel, it's not a big leap to make! The same can hold for more interesting soft drinks, so hotel F&B managers should try new brands and flavours, as they can help deliver category growth."

Bevilacqua believes that each soft drinks offering should be tailored to the clientele of the venue, but also that F&B managers should be on top of rising drinks trends.

"Know your customers and understand what it is they are looking for in terms of the quality and range of drinks," he advises.

"Work closely with suppliers to keep abreast of new products and trends.

"They will have a lot of suggestions about what consumers are looking for, how best to serve it and how to make the most of your

soft drinks without incurring a lot of waste."

Carter encourages all F&B managers to closely evaluate their offering to make sure they are getting the most out of what can be a very lucrative product.

"Premium soft drinks offer the potential to increase cash margins by up to 20% compared with margins that can be achieved from the more mainstream 'made from concentrate' brands," he adds.

"Operators who are tapping into this trend are reaping the rewards, providing their customers with a taste of affordable luxury and at the same time benefiting from the increased margins achieved through supplying a higher price point product."

So, far from offering the standard soft drinks and water and playing it safe, both suppliers and hotel F&B managers agree that going that extra mile to understand your customers and jazz up your soft drinks and water menu can really boost sales.

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