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THE RESTAURANT INDUSTRY'S
Newest Profit Center
ISN'T FOOD

*It's the
beverage program's
time to shine.*



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3

***The Restaurant Industry's
Newest Profit Center Isn't Food***

6

The Buzz With Caffeine n 2026

11

***Smoothies, Fruity Flavors,
and Why Consumers are
Demanding More from Drinks***

16

***The Demand for Inspired
Cocktails and Mocktails***

20

***Branding, Private Label
vs. Licensed Brands***

24

***Engineering Beverage
Programs for Profitable Growth
in 2026***

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Ben Coley
QSR EDITORTory Bartelt
ART DIRECTORYa'el McCloud
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EDITORDanny Klein
EDITORIAL
DIRECTORCallie Evergreen
FSR EDITORPeggy Carouthers
EDITOR AND
VICE PRESIDENT OF
THE CONTENT STUDIOAbby Winterburn
EDITOR

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Tariffs on food and supplies. Increased minimum wages. Rising energy costs.

Restaurant operators are getting squeezed from every angle, and they're looking for new ways to protect profitability.

Price increases can only go so far, and though technology can help manage labor, there's a limit to how much optimization alone can deliver. And while food costs fluctuate with supply chain pressures, one area remains uniquely flexible, and increasingly central to financial performance: the beverage program.

Across both quick-service and fast casual, beverages are moving from a supporting role to a primary driver of revenue, margin, and guest engagement—and it's not hard to understand why.

Compared to food, beverages typically require less labor, generate higher margins, and offer more room for creativity without disrupting back-of-house operations. In restaurants, consistency and speed are everything, so that combination creates a rare kind of operational leverage.

The broader restaurant landscape underscores the urgency of finding new profit drivers. In its State of the Restaurant Industry 2026 Report, the National Restaurant Association projected industry sales will reach **\$1.55 trillion in 2026**—but growth remains modest when inflation and rising costs are factored in. More than **90 percent of operators** report ongoing cost pressures, from ingredients to wages to utilities. For many brands, maintaining profitability is no longer solely about growth. It's about implementing tighter systems, gaining clearer visibility into costs, more intentional menu design, and doing more with less throughout all aspects of the business.

Beverages offer a unique advantage in that equation. Unlike food programs that often require significant prep, cooking, and waste management, beverage programs can be engineered for consistency and efficiency from the start. Ingredients can be standardized, production can be simplified, and drinks can be assembled quickly at the point of service. That makes beverages one of the few menu categories where operators can scale revenue without a proportional increase in labor or complexity.

Unlike food programs that often require significant prep, cooking, and waste management, beverage programs can be engineered for consistency and efficiency from the start.



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That shift is prompting operators to rethink how beverage programs are structured. Rather than treating drinks as add-ons, many brands are building beverage platforms with the same level of discipline and intent as their food menus. That means harnessing the power of cross-use—using the same syrups, concentrates, or bases across multiple drinks—while also planning for speed, consistency, and flexibility. For instance, a single ingredient might support a core menu item, a seasonal LTO, and a limited-run promotion, all without requiring additional inventory or training.

This approach also makes it easier to respond to changing consumer behavior, which can shift quickly. Beverage occasions are expanding, not shrinking. Instead of ordering drinks solely to complement a meal, guests are seeking them out as standalone purchases throughout the day. Morning coffee remains a traffic driver, but it is now joined by midday refreshers, afternoon energy boosts, and cocktails and mocktails that feature adaptogenic ingredients. Each of these occasions represents an opportunity to capture incremental revenue without competing directly with core menu items.

Caffeine continues to play a central role in beverage program expansion, but it is evolving beyond traditional hot coffee. Cold brew, iced formats, and energy beverages are gaining traction across quick-service menus, offering operators new ways to drive traffic outside of peak breakfast hours.

Consumers are also showing increased interest in what is often described as “clean” or functional caffeine, including tea-based and plant-forward



Consumers are increasingly prioritizing ingredients and perceived benefits when making beverage choices, a shift that is influencing both menu development and purchasing behavior.

options. Smoothies, protein-enhanced drinks, and functional beverages that emphasize hydration, energy, or recovery are moving into the mainstream, particularly during morning and afternoon dayparts.

According to research from Mintel, consumers are increasingly prioritizing ingredients and perceived benefits when making beverage choices, a shift that is influencing both menu development and purchasing behavior. For operators, this creates an opportunity to expand into new use cases like snack replacements and post-workout offerings without fundamentally changing kitchen operations.

Cocktail-inspired beverages and zero-proof alternatives are gaining ground, allowing operators to offer elevated flavor experiences without the cost, licensing, or complexity of a full bar program. These drinks often rely on layered flavors—combining fruit, botanical, and sparkling elements—to create a sense of craftsmanship. Because they are typically built from relatively low-cost ingredients, they can deliver strong margins while supporting higher price points and increased check averages.

Consumers continue to gravitate toward combinations that feel both familiar and new: think fruit-forward profiles with herbal or floral notes, nostalgic flavors updated with modern formats, and customizable options that allow for extensive personalization.



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While all of this is good news for restaurant operators, there is one defining challenge: execution. Speed and simplicity are non-negotiable in quick-service environments, and the reality is that beverage programs must be built with those constraints in mind. Pre-batched bases, concentrated formats, and simplified assembly processes are helping operators deliver more complex drinks without slowing down service or increasing labor demands. In many cases, the most successful beverage programs are not the most elaborate, but the most repeatable—those designed to deliver consistent results across locations, shifts, and staff experience levels.

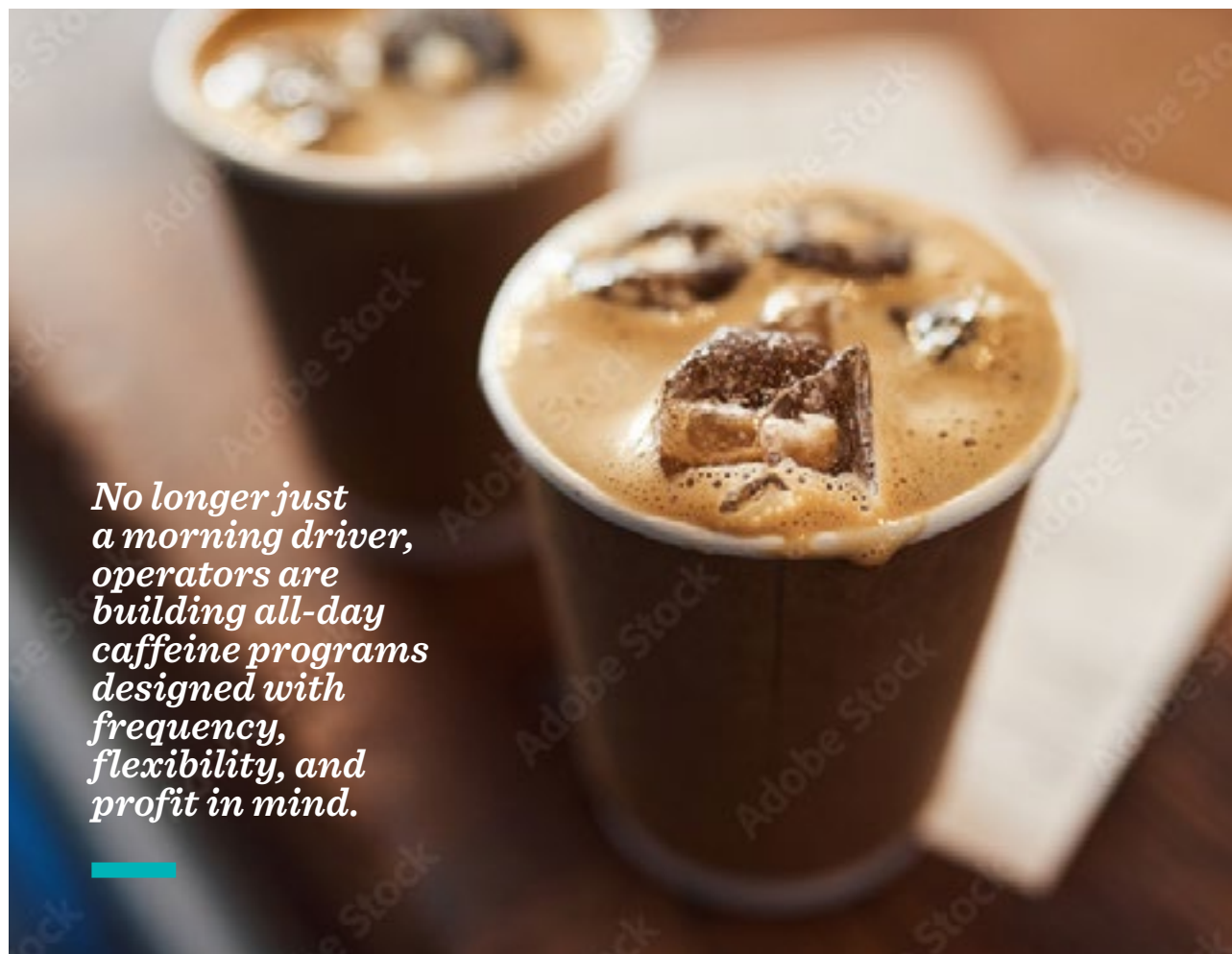
Branding decisions further shape how beverage programs contribute to profitability. Some operators are investing in proprietary drinks that offer greater control over pricing, margin, and menu flexibility. Others are leveraging licensed or co-branded partnerships to drive traffic and build credibility with consumers. Increasingly, brands are finding value in hybrid approaches that combine both strategies—using recognizable partnerships to attract guests while maintaining ownership over core beverage platforms.

Flavor development across all beverage categories is becoming more intentional and more efficient. Consumers continue to gravitate toward combinations that feel both familiar and new: think fruit-forward profiles with herbal or floral notes, nostalgic flavors updated with modern formats, and customizable options that allow for extensive personalization. For operators, this opens the door to menu variety without requiring a large expansion of SKUs. A well-chosen set of syrups, purées, and concentrates can support a wide range of flavor profiles across multiple beverage types, from caffeinated drinks to smoothies to mocktails.

Taken together, these shifts point to a broader evolution in how beverages function in quick-service and fast casual models. They are no longer just secondary items to be bundled with a meal. They are standalone products, repeat purchase drivers, and key contributors to both revenue and margin.

In 2026, the question is no longer whether to invest in beverages. It's how to design programs that align with changing consumer expectations while remaining efficient, scalable, and profitable.

THE BUZZ WITH CAFFEINE IN 2026



No longer just a morning driver, operators are building all-day caffeine programs designed with frequency, flexibility, and profit in mind.

Caffeine has long been a cornerstone of quick-service beverage programs, but in 2026, its role is expanding well beyond the morning coffee rush. What was once a predictable, daypart-specific category is shifting to an all-day revenue engine that operators can shape to drive traffic, increase check averages, and improve margins.

That evolution is not happening in isolation. It reflects a broader shift in how consumers are

engaging with beverages, and how operators are reinventing drink menus in response. Labor, ingredients, and utilities continue to put pressure on margins, and caffeinated beverages offer a rare combination of flexibility and control. They can be produced quickly, customized easily, and priced at a premium relative to their cost.

For many operators, that makes caffeine one of the most effective tools available for driving incremental revenue.

The biggest opportunity is frequency. Caffeinated beverages are among the few menu items that consumers return for multiple times a day. Morning coffee remains a routine purchase, but it is no longer the only one. Midday resets, afternoon energy boosts, and even early evening pick-me-ups are becoming more common, especially as work patterns become more flexible and consumers look for smaller, more frequent moments of consumption rather than a single anchor occasion.

For operators willing to expand beyond traditional coffee offerings, this creates new daypart opportunities. A guest who might not return for a full meal in the afternoon may still stop in for an iced coffee, a cold brew, or a tea-based refresher. Those incremental visits add up, especially when beverages are positioned as standalone purchases rather than simple meal attachments.

From an operational standpoint, this is a meaningful advantage. Driving additional food transactions often requires more labor, more prep, and more coordination across the kitchen. Conversely, beverage transactions can often be accomplished within the existing footprint and labor constraints of the operation. When designed correctly, beverage programs allow operators to increase throughput without significantly increasing complexity.

That distinction is becoming more important as operators look for ways to grow without overextending their teams. According to the National Restaurant Association, the majority of operators continue to face ongoing cost pressures, even as overall industry sales grow. In that environment, profitability depends not just on volume, but on how efficiently that volume can be produced.

Historically, many quick-service beverage programs were built around a narrow definition of caffeine: hot drip coffee in the morning, with limited variation beyond that. While that model still delivers consistent baseline traffic, it does little to drive incremental growth. It is predictable, but limiting.

Today, operators are moving toward a broader, more flexible vision of what a caffeine program can be. Hot coffee is still central, but it is no longer the only

anchor. Iced formats, cold brew, tea-based beverages, and energy-style drinks are joining the caffeinated drink ecosystem—one designed to capture demand across multiple dayparts and consumer needs.

Rather than building a menu around individual drinks, operators are increasingly building around formats. Cold brew, for example, is not just a single item. It is a base that can support a range of variations, from simple iced coffee alternatives to more layered, premium offerings. The same is true for tea concentrates, energy bases, and other caffeinated formats that can be adapted to different flavor profiles and use cases.



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This approach allows operators to create variety without adding unnecessary complexity. A single base can be used to produce multiple drinks, reducing the number of unique ingredients required while still giving customers a sense of choice and customization.

That balance between variety and simplicity is critical. Consumers expect more options than ever before, but operators cannot afford to introduce complexity that slows down service or increases the risk of inconsistency. The most effective caffeine programs are those that feel expansive to the customer but remain streamlined behind the scenes.

Cold brew is one of the clearest examples of how this model works in practice. Its smoother flavor profile and lower perceived acidity make it appealing to a wide range of consumers, including those who might not typically order hot coffee. Meanwhile, its production method lends itself to batching and concentration, making it easier to execute consistently across locations.

For operators, that combination of consumer appeal and operational efficiency is very attractive. Cold brew can be prepared in advance or sourced as a ready-to-use concentrate, reducing the need for on-demand brewing and minimizing variability. It also serves as a flexible base for additional flavors, from classic sweet profiles to seasonal variations.

That flexibility also changes how innovation is introduced. Instead of building entirely new drinks from scratch, operators can test new flavors and formats by layering them onto an existing base. This lowers the risk of new product development and makes it easier to adjust quickly based on performance. A successful variation can be scaled, while a weaker one can be removed without disrupting the broader system.

In practice, that flexibility typically shows up at the unit level. A multi-location fast casual brand, for example, might introduce a seasonal cold brew variation in a handful of stores first, using an existing concentrate and a limited-time flavor addition. Because the base product and build process are already familiar to staff, the test can be executed without additional training or equipment.

If the drink performs well, it can be rolled out systemwide with minimal disruption. If it doesn't, it can be pulled just as quickly, without creating excess inventory or operational confusion. That kind of test-and-learn approach allows operators to move faster and make more informed decisions, turning beverage innovation into a continuous process rather than a series of high-risk launches.

Operators are applying the same logic to the broader caffeine category. As beverage menus grow more complex, operators are turning to formats that prioritize speed and consistency without sacrificing quality.

Concentrates, pre-batched bases, and ready-to-use formats allow teams to produce a wide range of drinks with fewer steps and less variability. The goal is to reduce friction at the point of service, particularly during peak periods when speed matters most. That's because at

scale, even small efficiency tweaks matter. Over the course of a day, a drink that takes 30 seconds instead of 90 seconds to assemble can have a measurable impact on throughput.

These formats also support menu flexibility. Because the base is standardized, operators can layer in different flavors or enhancements without altering the core process. A single coffee concentrate can support a range of offerings—from a straightforward iced coffee to a flavored cold brew or a more premium, layered drink. This lets brands introduce variety without adding complexity.

The same logic applies to tea-based beverages, which are becoming an increasingly important part of caffeine programs. Tea concentrates like green tea and matcha provide a consistent foundation that can be adapted to different formats, from iced teas to more elaborate, café-style drinks. These options also align with growing consumer interest in “clean” caffeine—sources that feel lighter and more functional than traditional coffee.



Concentrates, pre-batched bases, and ready-to-use formats allow teams to produce a wide range of drinks with fewer steps and less variability.



That positioning resonates strongly with younger consumers. While coffee remains dominant, there is a shift toward beverages that offer energy without the intensity often associated with high-caffeine coffee drinks. Tea-based options and botanical blends provide an alternative that fits within broader wellness narratives, even when the final product still feels indulgent.

Operators are responding by broadening their menus to include both ends of that spectrum. Rather than forcing a choice between traditional and alternative caffeine sources, many are offering both, allowing guests to move between them depending on the occasion.

Energy-style beverages represent another area of growth, particularly as the line between restaurant and convenience store offerings continues to blur.

These drinks draw on the same principles—bold flavors, high customization, and functional positioning—but are often built in-house using syrups, concentrates, and carbonated bases. This gives operators more control over both flavor and margin, while also allowing them to differentiate from prepackaged products.

There is also a branding advantage. Proprietary energy-style drinks can become signature items, driving repeat visits and reinforcing brand identity. Because they are highly customizable, they also lend themselves to ongoing variation through seasonal flavors and limited-time offers.

That flexibility is especially valuable in a category where novelty drives engagement. Consumers are drawn to drinks that feel new, visually appealing, or slightly unexpected—particularly younger demographics who are more likely to share those experiences.

The challenge? Operators must balance that desire for novelty with the realities of execution. Drinks that look compelling on a menu or in a photo can be difficult to produce consistently at scale if they rely on too many steps, ingredients, or highly-manual processes. Drinks built on top of simple, repeatable components are better positioned to deliver both presentation and performance.

Limited-time offers (LTOs) remain an important tool, but they are becoming more strategic. Rather than introducing entirely new builds, operators are using LTOs to showcase variations on existing formats. A seasonal syrup, a new foam, or a different flavor combination can transform a familiar base into something that feels distinct or new without adding operational strain.

As these programs mature, a clear divide is emerging between brands that treat caffeine as a supporting category and those that build it into a core

part of their business model. The difference shows up not just in the menu, but in how drinks are structured, executed, and scaled.

At Starbucks, for example, cold foam is less about novelty than repeatability. It can be layered across multiple beverages with minimal disruption, supporting both customization and consistency. At Dutch Bros, energy drinks and flavored cold brews are built on a tight set of components that can be recombined in different ways, allowing for high customization while maintaining speed.

Other brands take a more controlled approach. Chick-fil-A, for instance, offers a relatively limited set of iced coffee and frosted beverages, but executes them with a high degree of consistency. The focus is not on breadth, but on reliability across locations.

These approaches reflect different strategic choices, but they point to the same underlying principle: the most effective caffeine programs are not necessarily the most complex. They are the most intentional.

That intentionality becomes critical at scale. Drinks that rely on too many steps or too much manual input are harder to execute consistently, particularly during peak periods. What works in a controlled environment can break down quickly under pressure.

The brands that navigate this well are those that design for their busiest moments. They build systems that can hold up under volume, with processes that remain stable even as demand increases.

This becomes even more important across dayparts. Brands like Dunkin' have leaned into cold beverages and refreshers as all-day offerings, positioning them as extensions of their core platform rather than separate categories. This allows operators to capture demand beyond the morning rush while maintaining a cohesive system.

Expanding into new dayparts, however, requires alignment across operations. Equipment, workflow,

and staffing all need to support a broader menu. Without those adjustments, new formats can create bottlenecks rather than opportunities.

Ultimately the goal is profitability. Yes, caffeine-based beverages can offer strong margins, but they depend on execution. Programs that drive frequency, increase check size, and maintain labor efficiency are the ones that will deliver consistent returns.

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A well-structured caffeine program can shape how customers move through the menu, encourage incremental purchases, and create a more predictable rhythm of demand through-



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out the day—an advantage in an environment where traffic patterns are becoming less predictable.

That is where the next phase of caffeine innovation is headed. Not toward greater complexity, but toward greater alignment between consumer demand and operational reality.

In 2026, the brands that succeed will be those that treat caffeine as a platform—one that can evolve over time while continuing to deliver consistent, high-margin performance.

SMOOTHIES, FRUITY FLAVORS, AND WHY CONSUMERS ARE DEMANDING MORE FROM DRINKS

Health-forward, functional beverages are opening up new ways to drive traffic.

There was a time when drinks were simply about refreshment or hydration.

Not anymore. Nowadays, beverages are expected to do something—whether that’s provide energy, support recovery, replace a snack, or align with broader health goals. In quick-service restaurants, that demand is showing up most clearly in smoothies, fruit-forward drinks, and beverages positioned around function as much as flavor.

What was once considered a niche or “better-for-you” category has moved into the mainstream. For many consumers, particularly younger ones, health-forward beverages are no longer a bonus, but part of the baseline expectation of variety.

Smoothies and fruit-based drinks have traditionally occupied a specific lane—often tied to specialty concepts or limited menu placements. Today, they are appearing across quick-service and fast casual menus in formats designed to be faster, more flexible, and easier to integrate into existing operations.

The definition of “healthy” has also expanded. It is no longer limited to low-calorie or low-sugar claims. Instead, consumers are focused on ingredients,

perceived functionality, and how a beverage fits into their daily routine. Protein, fiber, vitamins, and hydration all factor into how drinks are evaluated.

According to the **National Restaurant Association**, consumers are increasingly seeking menu items that align with wellness goals, with better-for-you beverages ranking among the fastest-growing areas of interest—particularly among younger

diners. That demand is reshaping not just what appears on menus, but how those items are positioned and priced.

Unlike caffeine, which is often tied to habit, health-forward beverages are tied to intent. A smoothie isn't just a drink—it's a decision. It might replace breakfast, serve as a post-workout option, or serve as a mid-afternoon reset. Each use case carries a different expectation around ingredients, portion size, and perceived value.

That variability introduces complexity while creating opportunity.

Demand is expanding beyond the morning. Smoothies positioned as meal replacements still perform early in the day, but fruit-forward and functional beverages are gaining traction in the afternoon, when consumers are looking for alternatives to traditional snacks or sugary drinks. This is where the category expands.

A smoothie with protein can compete with a light meal. A fruit-based refresher with hydration benefits can stand in for soda. These drinks are no longer just complements to food—oftentimes, they are substitutes. That shift changes the economics of the transaction. Price points rise with increased perceived value. In these scenarios, beverages are the primary reason to visit, not just the incremental purchase.

Delivering on that value, however, is where things get complicated.

Blended drinks are inherently more labor intensive than poured beverages. They require equipment, prep, and time. In a high-volume restaurant, those extra steps can slow down service, especially during peak periods.

This is where many programs run into friction. A beverage that works in a lower-volume setting does not always translate cleanly into a quick-service model. Blending and prepping ingredients takes time, and portion variability can affect consistency and cost. Without a clear system, beverages can create bottlenecks.

In response, operators are rethinking how these beverages are built.

Pre-portioned ingredients, frozen fruit blends, purées, and ready-to-use bases are becoming more common, allowing teams to produce consistent results with fewer steps. These formats reduce prep time, limit waste, and improve speed while preserving the product's core appeal.



That operational shift also changes how these drinks are perceived internally. Instead of being treated as a specialty item that requires extra effort, they are positioned as part of the standard workflow—something that can be executed consistently alongside the rest of the menu. That distinction is subtle, but it has a real impact on how confidently teams can produce these more complex beverages during peak periods.

The same thinking shows up in menu structure. Rather than offering dozens of combinations, many operators are focusing on a smaller set of core drinks that can be customized through add-ons. A

base smoothie becomes the foundation, then protein, boosters, and flavors can be layered in.

This keeps the menu flexible and simplifies training. Employees learn a system instead of memorizing a long list of recipes, which improves consistency across locations and shifts.

It also gives operators more control over how the menu evolves. When new ingredients are introduced, they can be layered into existing builds rather than requiring entirely new recipes. This simplifies innovation and reduces the risk of slowing down execution as the menu expands.

Fruit-forward beverages follow a similar pattern, but with a different role.

Not every customer is looking for a protein-heavy smoothie. Many want something lighter that is hydrating and flavorful, but not filling. Sitting between traditional soft drinks and more functional beverages, juices, refreshers, and fruit-based drinks fill that gap.

For operators, these products expand the beverage program without adding much operational burden. For example, a single purée or juice base can be used across multiple drinks: blended into smoothies, mixed into refreshers, or layered into premium offerings. That kind of cross use keeps inventory tight and reduces waste while allowing the menu to feel more expansive.

It also supports seasonal rotation. Flavor changes are one of the simplest ways to keep a beverage program feeling current. Think citrus in the spring, strawberry in the summer, and apple, pumpkin, or cranberry in the fall. The base remains consistent while the flavor shifts, giving operators a way to introduce newness sans complexity. Because the flavors are familiar, customers understand what they're getting and may be more apt to try some-



Visual appeal does the rest. Bright colors, layered textures, and recognizable ingredients signal freshness and quality.

thing new.

Visual appeal does the rest. Bright colors, layered textures, and recognizable ingredients signal freshness and quality. They also translate well to digital channels, where aesthetics play a critical role in how menu items are discovered and shared.

In many cases, these beverages function as visual anchors for the brand. They show up in marketing, on menu boards, and in customer photos, reinforcing a perception of freshness and variety that extends beyond the drink itself. Downstream, this can influence how the entire menu is perceived.

The downside is that this creates very specific expectations. A drink that looks vibrant in a photo needs to look the same in real life. If the color is off or the consistency varies, the experience is sullied. Standardized bases, consistent ratios, and clear build steps help maintain that consistency.

Functional add-ins add another layer of value. Protein, energy boosters, and hydration-focused ingredients give operators a way to increase check size while reinforcing the purpose of the drink. These add-ons often carry strong margins and can be integrated into existing builds with minimal disruption.

That margin potential is part of what makes the category so attractive. Insights from Deloitte have consistently pointed to beverages as one of the most profitable menu categories, largely due to their relatively low ingredient costs and high perceived value. When combined with functional positioning, that value can increase even further.

The key is keeping them simple to use. Pre-portioned formats or clearly defined additions keep the process efficient, allowing customization without slowing down service.

As more brands move into this space, the gap between strong ideas and strong execution becomes more visible.

Some concepts are built around getting this right. At Smoothie King, the menu is organized around use cases—fitness, wellness, energy—rather than just flavor. That clarity helps guide the customer while keeping the menu manageable, even with a wide range of options. The operation is designed to support that structure, with prepped ingredients and workflows aligned to the volume of blended drinks.

For traditional quick-service operators, replicating that model requires adaptation.

A smoothie-focused concept is built for blending. A burger or chicken concept is not. Adding a blender station into an existing footprint introduces new demands on space, staffing, and workflow. Unless they are carefully managed, those demands can slow down throughput during peak periods.

For example, pressure can show up during peak service windows. During a busy lunch rush, a quick-

service kitchen may be built to move food efficiently from line to pickup, with clear roles and steady pacing. Introducing blended beverages into that flow can disrupt that rhythm if the process is not clearly defined.

One team member may be pulled off the line to operate a blender, another may be responsible for portioning ingredients. Suddenly, a drink that should take a minute to produce starts to slow down multiple points of service. If possible, designate a specific station or role for beverage production to keep the workflow contained.

Some operators are addressing this by limiting complexity. Smaller menus, fewer add-ins, and tighter builds can help keep service moving. Others are leaning into hybrid models, where a few blended options are supported by fruit-based and functional beverages that require less intensive prep.

Brands like Panera Bread have taken this approach, offering fruit-forward beverages with functional positioning that are easy to produce and visually distinctive. These drinks meet many of the same





consumer needs without requiring a full smoothie program. This structure allows operators to expand their beverage offerings without overextending staff.

Programs tend to struggle when they do too much at once. A menu that includes smoothies, juices, refreshers, and multiple functional add-ins can become unruly if each drink relies on a different process—and customers will notice. A drink that tastes different each time or takes too long to prepare undermines trust. Over time, that inconsistency limits repeat visits, no matter how strong the initial concept may be.

That's why many operators are pulling back on breadth and focusing on structure. A tighter menu built on shared components is easier to execute and easier to scale. It also creates a more stable foundation for introducing new items over time.

Ingredient strategy plays a role as well. Fresh fruit, dairy alternatives, protein powders, and functional boosters all come with different storage and handling requirements. Without careful planning, this can lead to waste or stock imbalances. Programs that perform well tend to standardize where possible—using frozen fruit, shelf-stable bases, and pre-portioned add-ins to keep costs predictable.

Positioning matters just as much as execution. Not every brand needs to lean heavily into health mes-

saging. In some cases, leading with flavor and layering in functional benefits works better. In others, the beverage is framed around its role in a daily routine.

Brands like Tropical Smoothie Cafe strike that balance, offering drinks that feel both indulgent and functional. For operators adding these beverages to an existing menu, the goal is to make them feel like a natural extension of the brand, not a separate category.

That alignment shows up in naming, marketing, and placement on the menu. From a business standpoint, the opportunity comes into focus when these elements combine. A smoothie or functional beverage should feel like it belongs alongside the rest of the offerings.

These beverages carry strong margins, particularly when positioned around function and supported by add-ons. They can drive higher check averages, create new daypart occasions, and attract customers who are looking for more from what they drink.

That opportunity, however, depends on how well the program is designed from the start. Without a clear structure, even strong demand can translate into slower service, inconsistent execution, and missed revenue. With the right system in place, those same beverages become one of the most flexible and reliable growth drivers on the menu.

Programs built on clear systems—shared ingredients, repeatable builds, and manageable menus—are easier to scale and more consistent in performance. They support both speed and quality, which are essential in high-volume environments.

That's where the category is headed—not toward endless variation, but toward smarter integration, where smoothies, fruit-forward drinks, and functional beverages work together as part of a larger beverage ecosystem designed to deliver both profits and performance.

THE DEMAND FOR INSPIRED COCKTAILS AND MOCKTAILS

For years, alcohol set the standard for premium beverage experiences.

Layered flavors, thoughtful presentation, and a sense of occasion were largely confined to bars and full-service concepts. But that dynamic is changing.

Cocktail-inspired beverages and zero-proof mocktails are moving into quick-service and fast-casual spaces, bringing with them a different set of expectations around taste, variety, and perceived value.

Consumers are no longer separating “everyday drinks” from “special drinks” the same way they used to. They want beverages that feel elevated and special, even in casual settings. That might mean a sparkling citrus spritz with botanical notes, a fruit-forward refresher, or a nonalcoholic drink that mirrors the complexity of a cocktail.

For operators, this creates a world of new opportunities. These beverages carry many of the advantages of traditional soft drinks—low ingredient cost, fast assembly, and high margin potential—but with the added benefit of premium positioning. When executed well, they can command higher price points, drive incremental purchases, and create a stronger sense of differentiation.



Today, beverage demand is driven not just by function, but by inspiration.

The demand is being shaped, in part, by changing attitudes toward alcohol.

Younger consumers, particularly Gen Z, are drinking less or choosing to moderate their intake. But that doesn't mean they are less interested in the experience of drinking. It means they are looking for alternatives that deliver on flavor, complexity, and presentation without relying on alcohol as the primary driver.

Zero-proof and low-ABV culture has moved beyond niche status. It is now influencing how beverage menus are structured across segments. In quick-service restaurants, that influence shows up in drinks that borrow from cocktail formats, but are designed for speed and scalability.

This behavioral shift is also changing how occasions are defined. Drinks that once signaled a specific moment—happy hour, dinner, celebration—are being reinterpreted as everyday indulgences. A sparkling mocktail ordered at 2 p.m. is not replacing alcohol; it is creating a new kind of occasion altogether. For operators, that opens up incremental demand that did not previously exist within the quick-service model.

This is not about replicating a bar program. It is about translating the appeal of cocktails into a format that works within the constraints of quick-service operations. That translation starts with flavor.

Cocktail-inspired beverages tend to rely on layering—combining fruit, acidity, sweetness, and often a botanical or herbal element to create a more dynamic profile. In a traditional bar setting, that layer-

ing might involve fresh ingredients and multiple steps. In quick-service, it is achieved through systems.

Syrups, purées, concentrates, and sparkling bases become the building blocks. A citrus base might be paired with a bitter tonic and a hint of herbal flavor. A berry purée might be combined with carbonation and a touch of acidity to create a spritz-like drink. Each component is designed to be easy to use on its own, but capable of creating something more complex when combined. That approach allows operators to deliver depth of flavor without adding operational strain.

Cross-use plays a central role here. The same ingredients used in a smoothie or refresher program can often be repurposed for cocktail-inspired beverages. A mango purée might appear in a smoothie, a lemonade, and a sparkling mocktail. A simple syrup might be used across multiple drinks, each with a different expression.

This keeps inventory manageable and reduces waste, while still allowing the menu to feel varied. Plus, it supports speed.



Drinks can be assembled quickly because the components are already prepared. Instead of building a beverage from scratch, staff are combining a small number of standardized inputs. That keeps production consistent and allows these drinks to fit seamlessly into high-volume environments.

It also changes how complexity is managed. Instead of asking staff to execute intricate builds, operators are front-loading that complexity into the product itself through pre-developed flavors and ingredients. The result is a drink that feels layered to the customer, but is straightforward to execute.

One of the defining characteristics of cocktail-inspired beverages is their appearance. Things like clear cups that show layered colors and garnishes that signal freshness contribute to perceived value. These elements might not depend on complex preparation, but they do require consistency.

Operators who succeed in the beverage space treat presentation as part of the system, not an afterthought. For instance, even garnishes should be standardized. Otherwise, the experience becomes inconsistent for the guest.

Seasonal variation is another driver of engagement. Cocktail-inspired beverages inherently lend themselves to limited-time offers (LTOs). Flavor profiles can be adjusted to reflect the season—lighter, citrus-forward drinks in warmer months, richer or spiced profiles in cooler months. Because these drinks are built on a shared set of components, new variations can be introduced without significant operational changes.

This creates a steady cadence of newness. Customers have a reason to come back and try something different, while operators maintain control over complexity.

There is also growing overlap between cocktail-inspired beverages and functional drinks.

Consumers are not always choosing between indulgence and wellness. Increasingly, they expect both.

A beverage might deliver a refreshing, slightly indulgent flavor while also being positioned around hydration, energy, or another benefit.

Botanical ingredients are having a moment for this very reason. Herbal notes, lightly bitter profiles, and more complex flavor combinations give drinks a sense of sophistication while aligning with broader interest in plant-based or functional ingredients. This dual positioning—indulgent but intentional—only adds to a beverage's appeal.



From a pricing standpoint, mocktails occupy a unique space. They are not as inexpensive as soft drinks, but they aren't constrained by the same expectations, either. Customers are willing to pay more for something that feels crafted.

The margin potential follows. Ingredient costs are relatively low, particularly when built around concentrates and syrups. When beverage systems are designed correctly, labor costs are modest. The result is a category that can deliver strong profitability while enhancing the overall perception of the brand and meeting evolving guest expectations.

That combination is driving broader adoption. Quick-service brands that historically focused on speed and simplicity are beginning to invest more in beverage programs that offer variety and a sense of experience. Cocktail-inspired drinks provide a way to do that without fundamentally changing the operation.

The challenge is maintaining balance. Operators must take care not to overcomplicate these beverages in an effort to make them feel more premium. Too many ingredients, too many steps, or overly intricate builds can slow down service and create inconsistency, and guests don't like that. Instead, focus on a few well-defined formats, then execute them consistently.

Training plays a role as well. Employees need to understand how to build these drinks quickly and consistently. When each component has a defined role and each step is repeatable, training becomes more straightforward. New hires can get up to speed faster, and variability across shifts is reduced.

Competition is increasing, not just from other restaurants, but from convenience stores and specialty beverage concepts that are heavily investing in drink offerings. Standing out requires more than adding a few new items; businesses need to have a

point of view. For some brands, their beverage positioning centers flavor. For others, it may be about customization or presentation.

A beverage program that feels cohesive and thoughtfully designed contributes to the overall perception of the brand. It signals that the operator is paying attention to detail, that they understand what customers are looking for, and that they are willing to invest in delivering it.

That perception carries beyond the beverage itself. It influences how customers view the rest of the menu, how they evaluate value, and whether or not they return.

From an operational perspective, the path is clear. Build on systems that already exist. Use ingredients that can serve multiple roles. Introduce variety through flavor and presentation rather than complexity. Keep the menu tight enough to execute consistently, but flexible enough to evolve.

Operators who approach this category with that level of discipline are doing more than adding new beverages. A well-structured mocktail or cocktail-inspired program can shift perception, elevate the overall brand, and create new reasons for customers to visit beyond traditional meal occasions.

This shift is less about recreating a bar experience and more about adapting its most compelling elements—layered flavors, visual appeal, and a sense of occasion—into a format that works within the pace and constraints of quick service.

Customers are no longer satisfied with single-note drinks. They are looking for options that feel intentional, balanced, and part of a broader experience. Meeting those expectations means moving away from isolated items and toward a cohesive beverage program built on repeatable systems and shared ingredients.

When executed well, this does more than expand a restaurant's menu. It strengthens margins, sharpens brand identity, and creates a more consistent, scalable way to deliver premium experiences—even in a quick-service setting.





From private label to licensed partnerships, beverage branding decisions are shaping margin, flexibility, and long-term control.

BRANDING, PRIVATE LABEL VS. LICENSED BRANDS

Branding decisions around beverages carry real financial and operational consequences. Whether a drink is proprietary, built on private label inputs, or tied to a licensed partnership affects margin, menu flexibility, and long-term control.

That decision used to be more straightforward. In the past, branded beverages drove traffic. Fountain partnerships and recognizable names offered built-

in credibility. For many operators, the tradeoff—giving up some margin in exchange for consumer trust—made sense.

That dynamic is shifting.

As beverage programs become more tied to profitability, operators are taking a closer look at what they gain—and what they give up—when they rely

on external brands. Private label and proprietary beverage programs are gaining traction because they offer something licensed products don't: control.

When a drink is built in-house using syrups, concentrates, and other inputs that are not tied to a specific brand, operators have more flexibility in how they position it. They can adjust flavor profiles, introduce seasonal variations, or respond to shifts in consumer demand without renegotiating contracts or reworking supplier relationships.

That flexibility has a direct impact on margin. Private-label inputs like flavored syrups and concentrates typically cost less than branded equivalents,

especially when purchased at scale.

Over time, those savings add up. Additionally, this approach reduces reliance on external partners, which can be an advantage as costs and supply chains continue to fluctuate.

Beyond cost, this level of control gives operators more influence over how value is perceived by the guest. Because proprietary beverages are not tied to external brand standards, pricing can be set based on positioning rather than expectation. A drink can be framed as premium, functional, or indulgent depending on how it is described and presented, even when the underlying cost structure remains relatively stable. That flexibility allows operators to protect margin while still adapting to shifts in consumer behavior.

It also changes how quickly operators can respond to performance. If a drink is not selling, it can be reformulated, repositioned, or removed without disrupting the broader menu. That kind of agility is difficult to achieve when beverages are tied to licensing agreements or fixed brand standards.

Menu flexibility is another benefit. Proprietary beverages can be designed to fit seamlessly into a broader program. A single syrup or concentrate can support multiple drinks across categories—caffeine, smoothies, refreshers, mocktails—creating a cohesive system rather than a collection of disconnected items. This kind of cross utilization is harder to achieve with licensed products, which often come with more rigid requirements around how they are used and presented.

That cohesion also improves day-to-day operations. When ingredients are used across categories, purchasing becomes more predictable, inventory is easier to manage, and consistency improves. Instead of managing different preparation processes, staff all work from the same playbook.

A drink is built in-house using syrups, concentrates, and other inputs that are not tied to a specific brand, operators have more flexibility in how they position it.



That said, licensed brands still play an important role.

Recognition matters, and a familiar brand name can drive traffic in a way that a new or unfamiliar product can't. A co-branded beverage or a well-known partner can signal quality and reduce hesitation at the point of purchase.

For some operators, that immediate credibility is worth the tradeoff.

Licensed partnerships can also simplify execution in certain cases. Branded products often come with standardized formats, established supply chains, and clear guidelines, which can reduce variability and make it easier to maintain consistency across locations.

That consistency becomes especially important for multi-unit restaurant operators. When beverage programs rely heavily on licensed products, much of the execution is standardized externally. With proprietary programs, that responsibility shifts in-house. Clear build processes, training, and ingredient management are essential to maintaining consistency across locations. The benefit is greater control, but it requires a more intentional operational approach.

They can also play a strategic role in marketing. A recognizable brand can anchor a menu, serve as a point of entry for new customers, and create promotional opportunities that extend beyond the store level. In high-traffic stores, that visibility can translate directly into volume.

The value each provides is different: Private-label programs offer control and margin. Licensed brands offer recognition and reach. The question for operators is not which one is better, but how to use each effectively.



Licensed partnerships can also simplify execution in certain cases. ... which can reduce variability and make it easier to maintain consistency across locations.

Some brands continue to lean heavily on licensed products, particularly in categories where consumer expectations are already well established. Fountain beverages are the clearest example. Customers often have strong preferences tied to specific brands, and replacing those options with proprietary alternatives is risky.

In other parts of the menu, however, operators are finding more room to build their own identity.

Specialty beverages like iced drinks, refreshers, smoothies, and mocktails are less constrained by brand expectations. Oftentimes, customers are more open to trying something new when it is positioned as a signature item. This creates space for proprietary drinks that can differentiate the brand while delivering stronger margins.

The most effective programs are combining these approaches.

A hybrid model allows operators to capture the benefits of both. Recognizable branded beverages anchor the menu and provide a sense of familiarity. Proprietary drinks build on that foundation, offering higher-margin options and a distinct point of view.

This balance is showing up more clearly across the industry.

At Taco Bell, for example, branded fountain beverages coexist with proprietary drinks like freezes and refreshers that are built around unique flavors and formats. The branded products draw customers in. The proprietary drinks drive incremental purchases and differentiation.

At Panera Bread, the beverage program combines recognizable elements with signature offerings

that carry their own identity. The result is a menu that feels both familiar and distinctive, with different entry points depending on what the customer is looking for.

This hybrid approach extends beyond the menu itself. It influences how beverages are marketed, priced, and integrated into the overall brand experience. Proprietary drinks can be highlighted in promotions, tied to seasonal campaigns, or positioned as part of a broader story around quality or innovation. That level of integration is harder to achieve with licensed products, which are often marketed at a national level and may not align perfectly with a specific brand's messaging.



From an operational standpoint, hybrid models also offer more resilience. If one part of the program is affected by cost increases or supply issues, operators have other levers they can adjust. Proprietary drinks can be reformulated or repriced more easily than licensed products, providing a degree of flexibility that can help protect margins over time.

It also creates more room for experimentation. Operators can test new flavor combinations, formats, or price points before rolling them out more broadly. Because the inputs are not tied to fixed brand requirements, those adjustments can happen quickly, allowing teams to respond to performance data in real time, rather than waiting for larger menu resets.

This becomes increasingly important as beverage programs grow in complexity. More formats, flavors, and daypart coverage create more opportunities—but also more variables to manage. The goal is not to maximize options, but to find the sweet spot that works for your brand.

A beverage program should feel cohesive. Whether branded or proprietary, each component should have a clear role. Customers should understand what is being offered, while staff should be able to execute consistently without navigating conflicting processes or requirements.

Looking ahead, branding decisions will play a critical role in how beverage programs evolve. As consumers become more open to trying new formats and flavors, the opportunity to build proprietary offerings will expand, but name brands aren't going anywhere.

The operators who get this right will be the ones who treat branding as a strategic layer within the beverage system, not just a sourcing decision. They will use licensed products where recognition drives traffic, but lean into proprietary builds when flexibility and margin are the primary concerns.

One area where this balance becomes especially visible is in how operators approach menu innovation. Branded partnerships can bring immediate recognition, but they often limit how far a concept can stretch. Proprietary builds, by contrast, give operators more room to experiment with formats, flavors, and pricing in ways that reflect their specific customer base. Over time, that experimentation can lead to signature beverages that customers associate directly with the brand, rather than with an external partner.

As competition increases, that distinction matters more. When many brands have access to similar ingredients and formats, differentiation can come down to how those elements are combined and presented. Beverage programs that rely too heavily on external branding can struggle to stand out, but those that develop a clear internal point of view have more opportunity to create something memorable.

ENGINEERING BEVERAGE PROGRAMS FOR PROFITABLE GROWTH IN 2026



No longer just an add-on, drinks can be a central part of how a restaurant grows.

Today's beverage programs are unrecognizable from just a few years ago. What was once a supporting category is now one of the most flexible and reliable ways for operators to drive growth.

This change is not tied to a single trend. Rather, it's the result of multiple forces converging at once. Consumers are ordering beverages more frequently and across more dayparts. They're also looking for drinks that not only deliver refreshment, but also energy, nutrition, and an experience. Meanwhile, operators stay under pressure to find new revenue streams that don't add significant labor or operational strain.

Beverages sit at the intersection of all those needs.

Across caffeine, smoothies and functional drinks, and cocktail-inspired offerings, the same pattern is emerging. The programs that perform best are not built around individual items. They are built around systems that support speed, consistency, and adaptability.

That system starts with format.

Operators are moving toward beverage platforms that can support multiple drinks from a shared set of components. For instance, a cold brew base can become several different drinks depending on how it is finished. A fruit purée

can be used in smoothies, refreshers, and sparkling beverages. A syrup or concentrate can appear in multiple SKUs.

This kind of cross-use does more than simplify the menu. It reduces inventory complexity, limits waste, and makes it easier to introduce new items without disrupting the operation.

Perhaps most importantly, it protects margin. When ingredients serve multiple roles, purchasing is more predictable and cost fluctuations are easier to manage. When processes are standardized, training is simpler. Execution is also more consistent. Those efficiencies add up, especially in high-volume stores where small gains are multiplied across hundreds of transactions.

The other side of the equation is speed. Successful beverage programs are designed with daypart rushes in mind. Drinks can be assembled quickly, with clear steps and minimal variation. Even when menus expand, the underlying process remains the same. That stability allows operators to increase output without increasing complexity.

It is also what makes innovation sustainable. New flavors, seasonal variations, and limited-time offers can be introduced by building on existing formats rather than creating entirely new ones. This way, a familiar base can become the foundation for something new, and guests experience variety.

That balance between newness and repeatability is what defines a strong beverage program.

Consumer expectations continue to push that balance further. Health-forward beverages have moved from niche to expectation. Smoothies, protein drinks, and functional beverages are now part of how customers structure their day, not just occasional choices. These drinks carry higher perceived value and can support higher price points, particularly when they are positioned around clear use cases.

Caffeine has expanded in a similar way. Coffee is no longer limited to the morning. Cold brew, iced formats, and alternative caffeine sources have

extended demand across the day, creating more opportunities for repeat visits. The most effective programs capture those moments without over-complicating execution, using formats that can be adapted across multiple drinks.

Cocktail-inspired beverages are adding another layer. They bring a sense of experience into quick-service environments—layered flavors, visual appeal, and a feeling of something more intentional. These drinks allow operators to introduce premium options that are still operationally efficient, often built on the same syrups, purées, and bases used elsewhere on the menu.

Cocktail-inspired beverages are adding another layer. They bring a sense of experience into quick-service environments—layered flavors, visual appeal, and a feeling of something more intentional.



It's important to note that these categories are not competing. In fact, they reinforce each other.

A single beverage program can now support mul-

tiple use cases: energy, recovery, refreshment, and indulgence. The structure behind that program determines how effectively those use cases translate into revenue.

Branding decisions play a critical role in that structure.

Private-label inputs and proprietary beverages give operators control. They allow for greater flexibility in pricing, formulation, and menu evolution. They also support stronger margins, particularly when ingredients can be used across multiple drinks.

Licensed brands offer a different kind of value. They bring recognition and familiarity, which can

branding—come together in how beverage programs are managed day to day.

The operators seeing the strongest results are those who treat beverages as a core part of their business rather than an extension of it. They design programs with the same level of discipline they apply to food menus: clear structure, defined roles for each item, and a focus on consistency across locations.

They also recognize that not every opportunity needs to be pursued. Adding more drinks does not necessarily lead to better performance. In fact, it can introduce complexity that slows down service and increases variability. The programs that scale successfully are those that build depth within a clear system rather than expanding outward without structure. This approach allows beverage programs to evolve without becoming harder to manage.

Looking ahead, the role of beverages will continue to expand, but the fundamentals will remain the same. Guests will continue to seek drinks that fit into their routines and deliver on multiple expectations at once. Operators will continue to look for ways to drive revenue without adding cost or complexity. The programs that succeed will be those that align



drive traffic and reduce friction in the ordering process. For many operators, they remain an important part of the beverage mix, particularly in categories where consumer preferences are well established.

The most effective programs do not choose one over the other. They combine both.

Branded products provide a foundation of familiarity. Proprietary drinks build on that foundation, offering differentiation and higher-margin opportunities. This hybrid approach allows operators to capture both traffic and profitability while maintaining flexibility over time.

All of these elements—format, execution, and

those goals through thoughtful design.

Beverages are uniquely positioned to meet the current economic and cultural moment. They require less labor than food, and offer more flexibility in pricing. They can be adapted quickly to reflect new trends or seasonal changes. When built on a strong system, they can consistently scale across locations.

That's what makes them one of the most effective tools available to operators today. The opportunity now is not just to sell more drinks, but to build beverage programs that function as strategic profit centers—ones that drive traffic, increase check sizes, and strengthen the brand overall.



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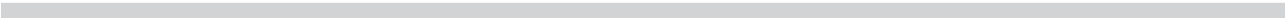
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