

How Switching to Branded Hot Beverages Can Boost Sales

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As consumers continue to pursue comfort in food and beverages by reaching for brands and flavors they know and love, convenience store shoppers want to be able to trust that their favorite drink will be in stock when they take the time to drop by on the way to work or during a lunch break. Supply chain disruptions, however, have forced many producers of dispensed beverage products to continuously reformulate their offerings, or have retailers seeking replacements, and not all changes have been welcomed by consumers.

A recognized brand adds value and ensures a consistent experience, and for retailers struggling to keep foot traffic up due to supply chain issues, switching to a branded hot dispensed beverage program can improve consumer confidence in the purchasing decision.

Advantages of branded products

Technomic's 2022 *Beverage Consumer Trend Report* notes that branded drink offerings boost consumers' perception of value, as preferred brands and flavors are more likely to connote quality to shoppers. Sales data supports this claim: Technomic's *State of the Menu 2022* report found that 28% of best-in-class menu items include a brand in the item name or description.

In addition, a 2021 report from The Hartman Group found that 64% of consumers say they purchase from name brands because they "know the taste will be great," 61% consider name-brand products to be high quality and 34% consider branded products as a premium option. In other words, branded products don't just instill a sense of trust among most consumers—they can underscore shoppers' sense of getting their money's worth on the purchase, too.

What's in a name?

Incorporating brands into a hot dispensed program can be a destination driver with consumers, as brands resonate with consumers who trust them to deliver flavor consistency. Even if a customer hasn't tried a specific drink, they may be more likely to expect great quality and taste when they recognize the brand name. In other words, branded offerings not only benefit customer retention, but they can leverage awareness and consumer confidence to attract new customers, too.

It's important to note, however, that not all brand names are created equal in terms of consumer perceptions—name brands can communicate great taste and quality more effectively than private brands. For example, Hershey's branded dispensed beverages see a

30% lift in sales over private brands, according to customer sales data from Sunny Sky Products. Reese's products are driving sales, too: According to IRI, Reese's will be a \$3 billion brand by the end of 2022 and is outpacing category growth in sales, making it the No. 1 confections brand overall.

C-store retailers can leverage the power of fan-favorite brands by incorporating cross-promotions into their hot dispensed beverage lineup. Try crave-worthy products from Sunny Sky such as branded hot chocolates and cappuccinos from Hershey's, Reese's, Rolo, York, Heath and Almond Joy.

Nostalgia can build up the familiarity factor, too. According to Mintel's *2021 Trend Driver Global Survey*, 71% of US consumers say they enjoy a food or beverage experience that is reminiscent of their childhood. Especially as comfort-food flavors remain in high demand, nostalgia is as effective at communicating craveability as it is quality.

In short, because trusted brands enhance value perceptions and offer consumers certainty in purchasing decisions, switching to a branded hot dispensed beverage program can help rebuild shopper loyalty and give c-store sales a boost.

Branded hot dispensed beverages from Sunny Sky Products deliver on all of the above. Hershey's branded cappuccinos and hot chocolates feature iconic candy bar flavors, including Reese's, Rolo, Heath and more.

To learn more about how solutions from Sunny Sky Products can help retailers leverage brand-name appeal to increase foot traffic and boost sales, click [here](#).

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