

Dunkin' Donuts Looks to Spread Iced Coffee Habit

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NEW YORK (AP) — Dunkin' Donuts is on a quest to get more people in the habit of drinking iced coffee, regardless of how warm it is outside, as many do in its hometown in the Northeast.

As anyone who regularly visits a coffee shop knows, iced coffee usually costs a dollar or two more than a cup of hot, brewed coffee. That makes it more profitable for chains such as [Dunkin' Donuts](#) [1], which is based in Canton, Mass., and has more than 7,700 locations in the U.S.

In the latest quarter, sales at established Dunkin' Donuts edged up 1.2 percent as bad weather dampened results. But the company stood by its outlook for sales to grow by 3 to 4 percent for the year, in part because of the strength it's seeing in pricier items like iced coffees.

Dunkin' doesn't disclose what percentage of coffee orders are iced versus hot, but CEO Nigel Travis said in a phone interview that iced is on the rise.

"It's moving at quite a good rate," he said. "The migration is happening."

Still, he noted that the year-round iced coffee habit remains more common in the Northeast.

"In different parts of the country, you have to get people used to iced coffee," said Travis, who is from the United Kingdom. "I'll be quite honest — 'til I came to this company, I never tried iced coffee."

To encourage people to switch over to iced coffee as a habit, Dunkin' regularly runs promotions offering it at a discounted price. It also plays up different flavors like butter pecan and cookie dough from its sister chain, Baskin-Robbins. On its website, Dunkin' describes its iced beverages as "Year-Round Cool."

Later this year, Dunkin' plans to open its first traditional store in California, where the weather is typically warmer and there are many transplants from the Northeast. But Travis thinks the company will still need to "encourage them to try the iced coffee as fast as we can." He noted that Dunkin' gets more business from hot coffee when it first opens in a region, but that people eventually start switching over to iced coffee.

Dunkin' isn't the only one pushing iced coffees, of course. Chains including McDonald's and Starbucks also benefit when people order pricier iced coffees or other specialty drinks. Starbucks, for instance, is well known for its lattes and Frappuccinos that cost \$4 or more. McDonald's dominance over its fast-food rivals in recent years has been attributed in part to the success of drinks including fruit

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smoothies and flavored iced coffees.

Back at Dunkin' Donuts, limited-time doughnuts such as the heart-shaped varieties it offers around Valentine's Day are another way to boost profit. Not only are they popular, but they cost a little more, too.

"People really like these odd-shaped doughnuts," Travis mused.

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[1] <https://twitter.com/DunkinDonuts>