Let’s Talk About Food and Drinks

*Trends and Outlook in the Era of COVID*
Since 1966, Technomic has produced in-depth research focused on the food and beverage industries. We provide insights into consumer, industry and menu trends in the U.S. and 25 countries around the world.

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Our Goals Today

• Discussion of big trends impacting the food and beverage industry
  • Changes during COVID
  • Sustainability
  • Health & wellness
  • Convenience vs. experiential
  • Changing eating patterns and growth of new cuisine types
  • Channel blurring

• Industry expert panel discussion
Three Pillars of Sustainability

Planet

People

Products
As a Society, We’re Moving from a Linear Economy to a Circular Economy

Linear Economy

- Make
- Use
- Dispose

Circular Economy

- Make/Remake
- Reuse/Repurpose/Recycle
- Use
- Dispose
Consumers Seek Comfort, Cleanliness and Value

- Craving more comfort foods: 47%
- Only feel safe ordering from restaurants that market food: 47%
- Seeking value items: 46%
- Seeking meals that will provide leftovers: 41%
- Seeking meals that can feed a family: 38%
- Seeking delivery-friendly meals that travel well: 36%
- Craving more healthful foods: 32%

Plant-Based Innovation on the Horizon

264%
Increase of plant-based meat grocery sales in the U.S. from March to May

Source: Nielsen
67% of consumers say that visiting restaurants is a form of entertainment.
Experience

Convenience

61% of consumers agree that they’d be interested in a grab-and-go, tech-driven system.
43,000-square-foot Starbucks Reserve location in Chicago’s Magnificent Mile shopping district
Takeout- and delivery-focused Starbucks Now location in New York

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Two Axes of Competition In the Food Industry

- Experiential
  - Eatertainment
  - Tasting Rooms
  - Polished/Upscale CDR

- Express
  - Food Halls
  - Food Trucks
  - “Grocerants”
  - Fast Casual
  - Delivery
  - QSR
  - C-store

- Traditional CDR
Consumers Were Spending More on Away From Home Through 2019

Retail Sales Dollars ($B)

1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017 2019
$300 $400 $500 $600 $700 $800 $900

Foodservice vs. Retail Sales* Time Series

3 Historic Inflection Points

1998 2011 2015

$300 $400 $500 $600 $700 $800 $900

Foodservice Grocery

*Food & nonalcohol beverages only

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2020 Has Caused A Seismic Realignment of Consumer Spend

*Food & nonalcohol beverages only

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COVID and consumers’ eating habits

Half of consumers are still using foodservice, and they’re looking for comfort foods, value and an emphasis on clean and hygienic practices.

Consumers are getting bored of eating at home. They’re willing to increase visits to restaurants offering foods that they normally don’t prepare themselves, such as innovative mashups and premium items.

Consumers are primarily going to be eating off-premise via drive-thru, takeout and delivery orders even once lockdowns are lifted. Consumers want to recreate the restaurant experience at home, such as special occasion-themed meals, and improving carryout-friendly fare.
Our Panel Will Discuss Trends and Outlook in Key Areas...

- Changes during COVID
- Sustainability
- Healthy vs. indulgence
- Convenience vs. experiential
- Channel blurring
- Changing eating patterns and growth of new cuisine types

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OUR WHY: We believe there is a better way to feed our future.

Present: Senior Vice President - Strategy and Planning, Global Partnership

BEYOND MEAT

global brand promise: making delicious feel-good moments easy for everyone.

Past: Corporate Vice President – Global Menu Strategy and Innovation
Thank you so much for your wonderful bottle of SOMRUS COFFEE. We loved it. Velvety smooth, caressing the tongue, with delicious notes of coffee and chicory. It's one of the best cream liqueurs I have ever tasted. And it's great to see someone treating cream liqueurs as serious drinks. There's a danger that the category is lapsing into silliness and triviality. SOMRUS continues to fly the flag for quality. Thanks again. David

October 2020
Sober Curious Movement – No to Low Alcohol

Biodegradable Bottles

At-home Delivery

ReserveBar.com
GOOD SPIRITS. DELIVERED.

Born of India, Made for the World™

At-home Bartending & Mixology

Health & Wellness

Sustainability

Convenience & Omni-channel

Ethnic Trends

COVID-19 Implications
Manny Favela
Entrepreneur, Board Member & Retired CFO – McDonald’s Latin America
Thank you!