



DINING OUT: 6 TRENDS TO TRANSLATE TO THE GROCERY AISLE

Alone, alongside family and friends, or even with their pets, consumers show a clear enjoyment for dining out. With trends showing 42% of American consumers agreeing they would rather spend time dining out than entertaining at home, food service and retail can use this information to their advantage. Though consumers love dining out, 34% plan to cook more at home in the upcoming year, providing opportunity for innovative retail products to emerge. From food delivery services to pet friendly restaurants, let's take a look at trends in dining that might help inspire YOUR "what's next."

CBD RISES, BUT LEGALITIES REMAIN

We detailed in a [recent report](#) how cannabis is primed to be a huge disrupter in the food and beverage space. It's true of consumer product goods, and it's equally true in the restaurant space.

From food and drink to skincare and essential oils, CBD (cannabidiol) has made its way into the market and in a big way. With health benefit claims such as reducing anxiety and increasing calmness, CBD products have intrigued consumers and developed a booming market, making their way into fine dining and retail. In 2018, industrial hemp and its derivatives were legalized, including cannabidiol (CBD), a cannabinoid of legal hemp. But the FDA has not yet (as of mid-May 2019) released or implemented new rules for CBD's use in food and beverage.

The complexities of using CBD have not stopped some brands from diving in, or stopped consumers from showing interest. In fact, 77% of chefs polled by the National Restaurant Association ranked cannabis/CBD-infused drinks as the No. 1 trend for 2019, while 76% ranked cannabis/CBD infused food as their No. 2 trend (restaurant.org).

Despite complications, CBD continues to be a growing market of interest for consumers. In fact, 32% of cannabis consumers aged 22+ living in recreational legalized states state they would like to see new product releases containing marijuana/cannabis.

SPOTTED

- We spotted CBD products in fine dining in Chicago such as a "Summer Smash" cocktail featuring vodka, lilet rose, green chartreuse, and lemon for just \$3 at the IO Godfrey Rooftop Lounge. (Eater Chicago)
- Though currently undergoing regulation difficulties in the CBD market, in April of 2019, Fresh & Co in New York City featured a limited time CBD infused menu offering a Blazed Beet Sandwich, Half-Baked Salad, and CBD chocolate truffles. (Nation's Restaurant News)



GOING GLOBAL

Younger consumers in particular are looking for more adventurous food options. According to a Mintel, 66% of consumers are interested in Middle Eastern foods at restaurants, while 55% of consumers are interested in African flavors at restaurants.

Global dishes and ingredients in food service such as falafel and harissa have shown great change from Q4 2015 to Q4 2018, showing +132% and +102% respectively. With greater exposure to new-to-them flavors in dining, younger consumers search to incorporate them into at home cooking as well.

Surprisingly, though global cuisines such as Middle Eastern and African flavors have been trending, global flavors are not showing nearly as much growth in the CPG space. For example, African flavor Harissa shows 102% growth as a flavor in restaurants from Q4 2015 to Q4 2018 yet only shows a 16% increase in retail products for the same time period, according to GNPD. Today's increasing consumer interest in global cuisine gives opportunity to translate into retail stores by providing consumers a way to bring far away flavors to a dish in the comfort of their own home.

SPOTTED

- In Los Angeles, we spotted global flavors at Culina, a fine-dining restaurant in the Los Angeles Four Seasons Hotel. The restaurant offers African inspired dishes such as shakshuka which features poached eggs in a spicy tomato sauce flavored with harissa.
- Similarly, in Seattle, Joule restaurant has a brunch buffet featuring changing global cuisines each month including dishes inspired from Thailand, Vietnam, and the Middle East. (restaurant.org)

Simply put by Chef Rachel Yang from Joule restaurant: "Food is an incredible medium, it's an everyday way to escape and explore different places." While globally inspired retail products have been introduced in the past, there is much room for growth moving forward. Consumers are increasingly exploring unfamiliar flavors and dishes and are ready to go global with their cuisine.



CONSUMERS GO PLANT-BASED

Like cannabis, it's a topic garnering great interest in just about every segment of food and beverage. We said it in a recent [two-part report](#): The move to plant-based food and beverage is not a trend. We believe it's a permanent shift in the way consumers are eating and purchasing. It's perhaps no surprise then to see plant-based interest is shaking up the restaurant space as well.

In fact, meatless options are becoming an essential inclusion on dining menus nationwide. Whether bean, soy protein, pea protein based, or other, many consumers search for meat alternatives for a variety of reasons. Though most consumers continue to eat animal products, Mintel states that 23% avoid animal products for health reasons, 19% avoid for ethical reasons, and 16% avoid for environmental reasons.

Regardless of reasoning, consumers who are meat-free still prioritize taste, quality, and variety in their food. With 1 in 5 consumers wanting to see more plant-based options on menus, this is an important note to keep in mind in product development from food service and retail alike. Taste matters.



CONSUMERS GO PLANT-BASED, continued

BURGER KING MAKES THE *IMPOSSIBLE* POSSIBLE

Originally planned as an April Fool's prank, Burger King partnered with Impossible Foods to offer their "Impossible Whopper", a meatless burger option for consumers. After having a select number of consumers unknowingly try the meatless whopper, the experiment's results shocked consumers. Consumer feedback showed the taste test of the Impossible Whopper being nearly indistinguishable from a regular Whopper.

With such great success, Burger King plans to launch the Impossible Whopper in all 7,200 of its U.S. restaurants by the end of 2019 (Mercury News). The Impossible Burger itself has had a +342% menu incidence growth from Q1 2018 to Q1 2019, showing not only the meatless burger's potential but plant-based alternative products' astounding potential in the market.



TACO BELL GOES VEGETARIAN

Taco Bell has not shied away from the plant-based movement either. In addition to new plant-based offerings, Taco Bell has implemented a function on their app called "Make it Meatless" which offers a convenient way for consumers to rid of meat product options on their order. No longer are consumers limited to salads or lack luster taste but are now able to spice up their meal through complete customization. The chain's vegetarian menu offers 13 items certified by the American Vegetarian Association (AVA) such as a veggie power menu bowl, black beans and rice bowl, and a 7-layer burrito. Consumers can opt for different sauces, add-ons, and upgrades to spice up their meal.

"EAT MOR CHICKIN" NOW MORE MEATLESS

Known for its solely chicken based offerings, Chick-fil-A may be looking to innovate. According to Business Insider, the chain is said to be researching vegan and vegetarian menu items to cater more to specific consumer interests. With research and development already underway, Chick-fil-a hopes to go beyond eliminating chicken from salads and wraps and find a way to offer a meatless alternative protein.

GO NUTS FOR DONUTS

Though health conscious consumers are on the rise, there's still room for the sweet stuff (because balance is key, right?). On the top of the list – donuts. In fact, cake donuts have grown +69% on menu incidences from Q1 2016 to Q1 2019 according to Mintel reports. This growth may show that although the average consumer is more health conscious, there is still a space for innovation in indulgent snacking products.

Donuts' sweet taste and low-price points make them snack worthy especially with younger generations, providing potential for an originally craft product to turn convenience. With an increasing snacking occasion frequency per generation, retail stores may find opportunity in offering donuts in their snacking aisles. Regarding fast casual dining, we have seen multiple donut product introductions within the past year.



GO NUTS FOR DONUTS, continued

FAST CASUAL INNOVATION

DUNKIN' DONUT FRIES

Of course, coffee company and donut shop, Dunkin' offers a wide range of donuts that are tasty and convenient for consumers to enjoy. In July 2018 though, Dunkin' launched Donut Fries nationwide in attempt to create a more innovative product and excite consumers. The fries are described as "individual pieces of buttery croissant-style donut dough tossed in cinnamon sugar and served warm."

MCDONALD'S DONUT STICKS

Following suit, McDonald's released their McCafé Donut Sticks in mid-February of this year. After testing the item, McDonald's added the product to the menu as a limited time breakfast item.

TACO BELL CHURRO DONUTS

Providing a unique twist on a favorite Spanish cuisine, Taco Bell joined in on the donut craze when launching their Churro Donuts in March 2019 in their Kansas City stores. Retailing at \$1, the limited-edition product fits both the convenience and low-cost demand of consumers.

FINE DINING DONUTS

Years into the craft donut movement, fine dining is still featuring some unique options.

ACORN RESTAURANT in Denver, Colorado offers unique donuts in fine dining. From flavors varying from mint-bourbon to five spice and pomegranate, the restaurants' sweet treats have become a hit with customers. The eccentric flavors sell like hot cakes, often making it difficult for customers to purchase them before they're gone.

Located in Illinois and California, **STAN'S DONUTS & COFFEE** offers gourmet craft style donuts in a wide range of tasty flavors. The donut shop has a donut sure to fit each customer's taste ranging from specialties such as a lemon pistachio old fashioned and caramel marshmallow pockets to standards including glazed or plain cake donuts.



CONVENIENCE AT YOUR FINGERTIPS AND TO YOUR DOOR

Food delivery services are revolutionizing the dining industry, offering food delivery at a click of a button. Consumers want their favorite food and they want it now, and with services such as Door Dash, Grub Hub, Post Mates, and even Amazon, consumers are getting just that. According to a Mintel report, 26% of consumers state they are high frequency users, ordering at least a couple times a month.

When it comes down to it, convenience can be key to a brand's survival. Top motivators for delivery and carry out included not having time to cook, saving time, and not having to leave the house. Even retailers such as Walmart, Target, and Amazon are jumping on the skyrocketing trend, offering grocery pickup and delivery services to their customers. It is likely that more food services and retailers will begin to offer these services as convenience and efficiency become priorities for consumers.

WHAT WE ORDER

Aside from being convenient, consumers find interest in the ability to order nearly anything at their fingertips. According to Grubhub, in 2018 bean burritos topped their list of Foods of The Year, rising 267% from 2017 to 2018. What else are diners ordering?

1. Bean Burritos (hello, meatless movement)
2. Poke, (a global taste)
3. Chicken sliders
4. Baby back pork ribs
5. Chicken burritos



FOUR-LEGGED FRIENDS

Man's best friend becomes man's best dining partner with up and coming pet-friendly restaurants. In the pet care sector, we at FONA have noticed and pointed out a movement toward the humanization of pets. This shift shows "pet parents" making the four-legged into a true and often equal part of the family, rather than providing pets with only pet-like products and experiences.

With a \$64 billion pet industry and a changing consumer perception of pets, product and service developers in the pet care industry must innovate. Mintel states, "Clearly, pets are no longer confined to the kennel, which means there's a wealth of products, services and experiences that could be re-imagined with pets in mind." Dog lovers seem to be benefitting the most in the market today with a greater number of pet-friendly restaurants catered to canines, but could feline-friendly restaurants be the next breakthrough?

What kinds of experiences can you create that will capture the hearts of consumers and their four-legged friends? Knowing that "sharing an experience" is of consumer interest can help as you innovate your products in the future.

WATERING BOWL

According to Restaurant Hospitality, dog friendly restaurants have been increasing in the US with large numbers of restaurants in states such as Texas, Colorado, and Oregon. For example, The Watering Bowl in Denver, CO, provides an off-leash dog park experience for the pooch, selling treats for 80 cents or dog birthday cakes for \$18, and beer, wings, and appetizers for the pooch's parent — a win-win for all. Similar restaurants provide pet-friendly food and beverage options such as pup-friendly cookies, ice cream, and even beer.

CAT TOWN CAFÉ

Taking the consumer interest in pet friendly experiences to its advantage, Cat Town Café in Oakland, California provides customers the opportunity to hang out with feline friends while enjoying coffee, pastries, and cat-friendly treats. Cat Town also uses its services as a way to promote adoption and fostering of cats, allowing customers to adopt right in store.





THE TAKEAWAYS

Though food delivery services and at home cooking are gaining popularity with consumers, dining out is not dying out just yet. In fact, dining services not only provide entertainment for consumers, but also provide valuable insights for retail product development. We have seen trends from food and beverage to pet care and pet services that are gaining traction within the food services market, presenting great opportunity for retail flavor and product growth. Vastly differing trends from pet-friendly experiences to the rise of plant-based alternatives and an increasing CBD craze offer valuable lessons such as the important bond of a pet and its owner, the rise of the health-conscious consumer, and the desire for convenience in food delivery. These lessons propose an impactful question to be answered no matter the market - How can we help you translate these trends in dining to the grocery aisle?

SOURCES

- Mintel
- Thrillist
- Grubhub
- Restaurant.org
- Restaurant Hospitality
- Eater Chicago
- Nation's Restaurant News
- Thrillist
- Food Network
- Stan's Donuts
- <https://www.cattownoakland.org/>

YOU DESERVE MORE. LET'S GET STARTED.

What does true partnership look like? You deserve a flavor partner ready to turn these trends into the tangible.

Let FONA's market insight and research experts get to work for you. Translate these trends into bold new ideas for your brand. Increase market share and get to your "what's next." Our technical flavor and product development experts are also at your service to help meet the labeling and flavor profile needs for your products to capitalize on this consumer trend. Let's mesh the complexities of flavor with your brand development, technical requirements and regulatory needs to deliver a complete taste solution.

From concept to manufacturing, we're here for you — every step of the way. Contact our sales service department at 630.578.8600 to request a flavor sample or chat us up at www.fona.com/contact-fona/

