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2023 FOODSERVICE TRENDS

INTRO

The foodservice industry remains shaken since the pandemic. Operators are facing a four-headed monster: **labor shortages** and **supply chain disruption**, made worse by historic levels of **inflation** and **rising energy costs**. Meanwhile, consumers are demanding healthier, more sustainable options, and are less willing to compromise on value. Find out what 2023 has in store, and our tips to operators for keeping their business running successfully.

TACKLING LABOR SHORTAGE





Context

Working hard with hardly any workers

- The foodservice industry has historically struggled with high turnover, but since the pandemic, the situation has worsened, with no signs of slowing.
- The effects are taking a toll on both restaurant owners and their staff - as overall profits are down, customer satisfaction is down and employees are feeling overworked with little incentive to stay.
- The labor shortage is most acute in the kitchen — particularly for hourly positions, from prep cooks and line cooks to dishwashers. Two-thirds of outlets report that they don't have enough hourly cooks.^[1]

Did you know?

In Q1 2022, customers mentioned short staffing three times more often in their Yelp reviews than in the year-ago period.^[2]

Tips for tackling labor issues:

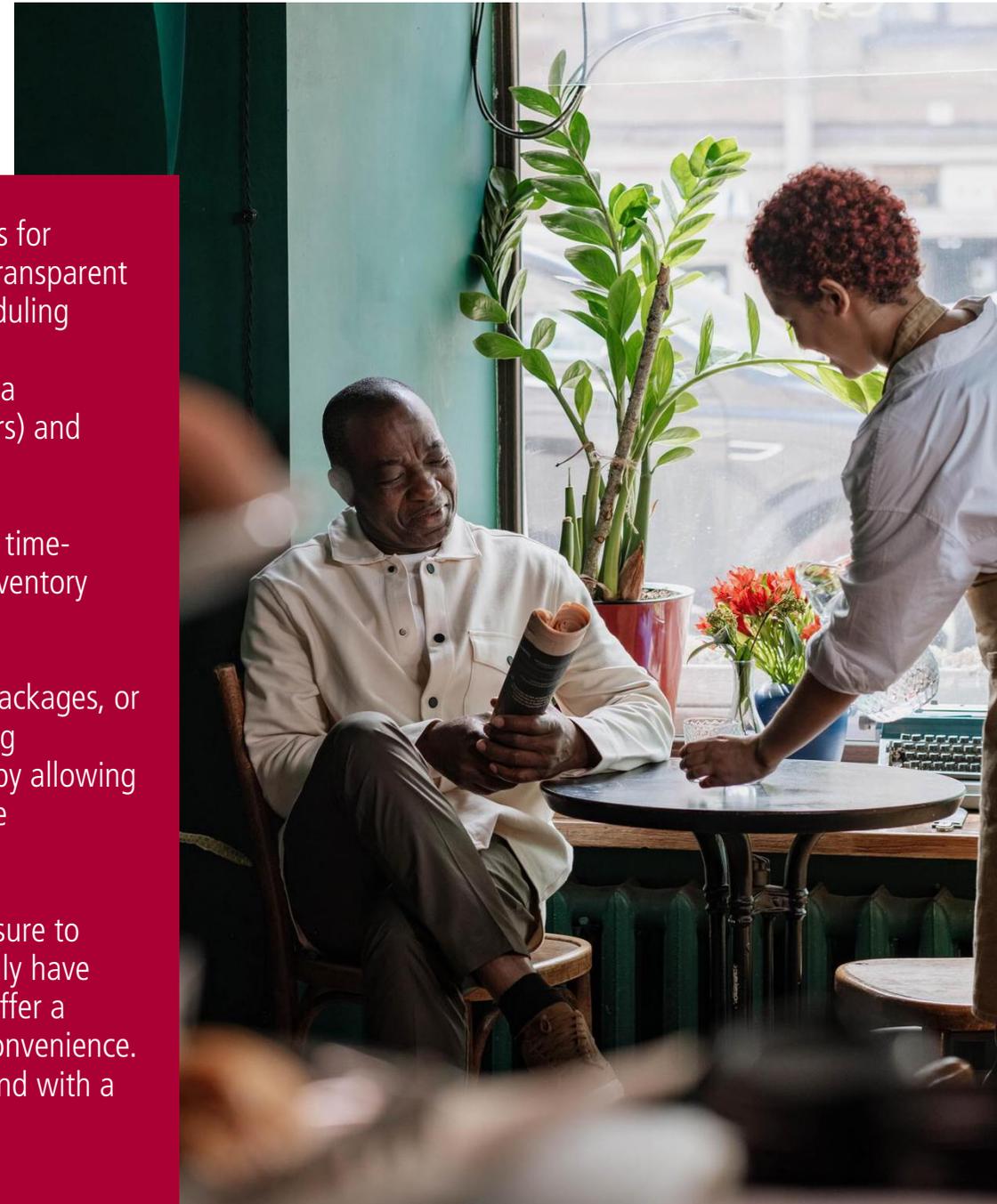
Find the right people: look for candidates that share the same values for service, and make sure they're committed to staying on. Be specific and transparent about the skillsets you require and what the role entails – including scheduling requirements.

Get creative with recruitment: post jobs online and on social media channels. Recruit within your local community (schools, community centers) and offer incentives to employees who bring you qualified candidates.

Leverage technology: lighten the administrative load by outsourcing time-consuming tasks to apps, like online reservation services or automated inventory system.

Offer perks and flexibility: offer competitive salaries and benefits packages, or training and development opportunities, company parties or team-building workshops to boost morale. Find ways to offer flexibility to your workers by allowing last-minute shift changes and embracing payroll systems that compensate employees the next day, or at the end of each week.

Train your staff: short staffed shouldn't mean short on service. Make sure to train your staff to be attentive and sensitive to customer needs, as you only have one chance to make a good impression. If a problem arises, be quick to offer a solution – both in the form of a freebie and a sincere apology for the inconvenience. Be open to feedback and if a customer complaint arises, be sure to respond with a token of apology as quickly as possible.



RISING COSTS AND INFLATION



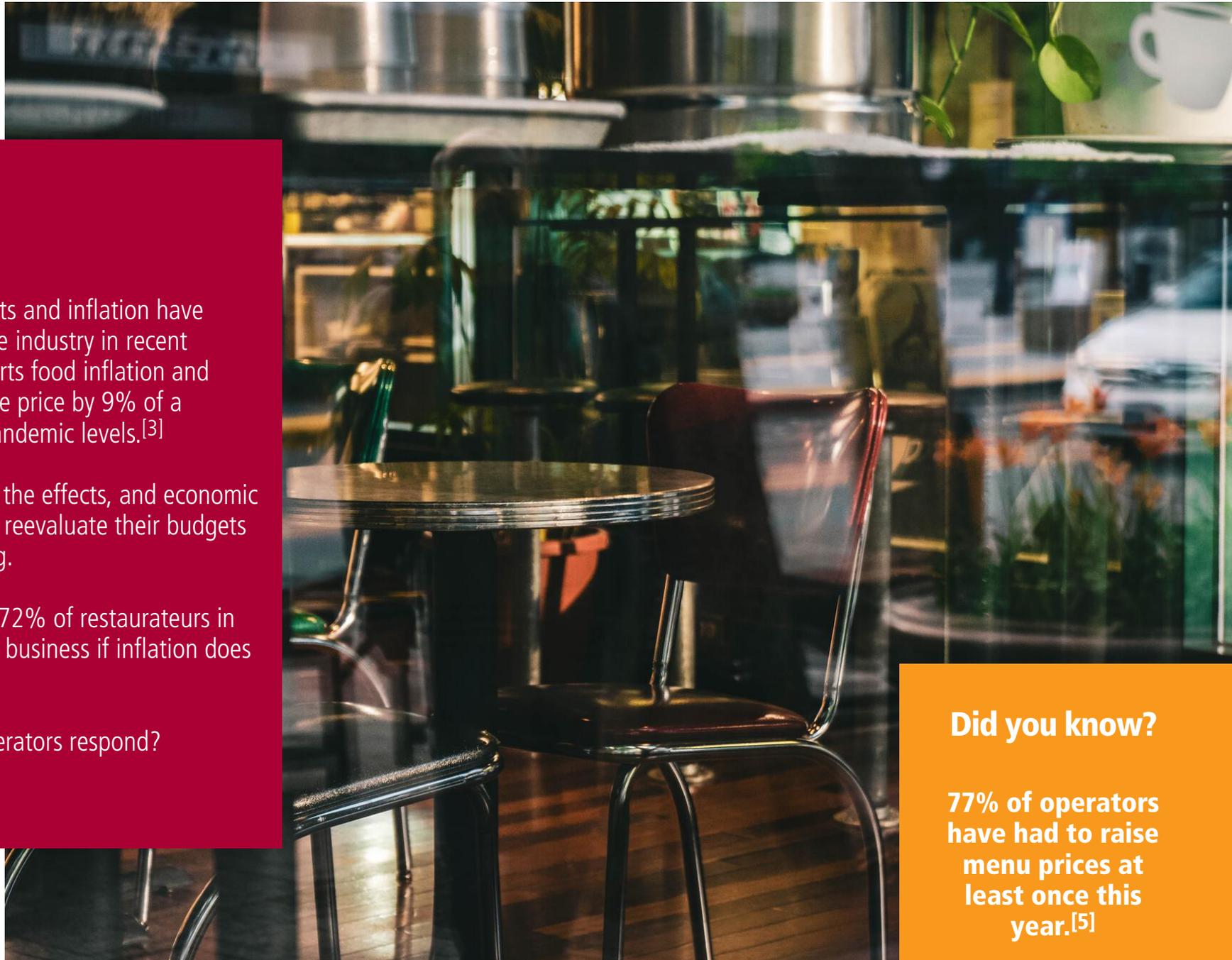
Context

- It's no secret that rising costs and inflation have taken a toll on the foodservice industry in recent months. The NPD Group reports food inflation and rising costs have increased the price by 9% of a foodservice meal since pre-pandemic levels.^[3]
- Consumers are also feeling the effects, and economic pressures are forcing them to reevaluate their budgets in and reign in their spending.
- A recent survey found that 72% of restaurateurs in the US say they will be out of business if inflation does not moderate.^[4]

So how should restaurant operators respond?

Did you know?

77% of operators have had to raise menu prices at least once this year.^[5]

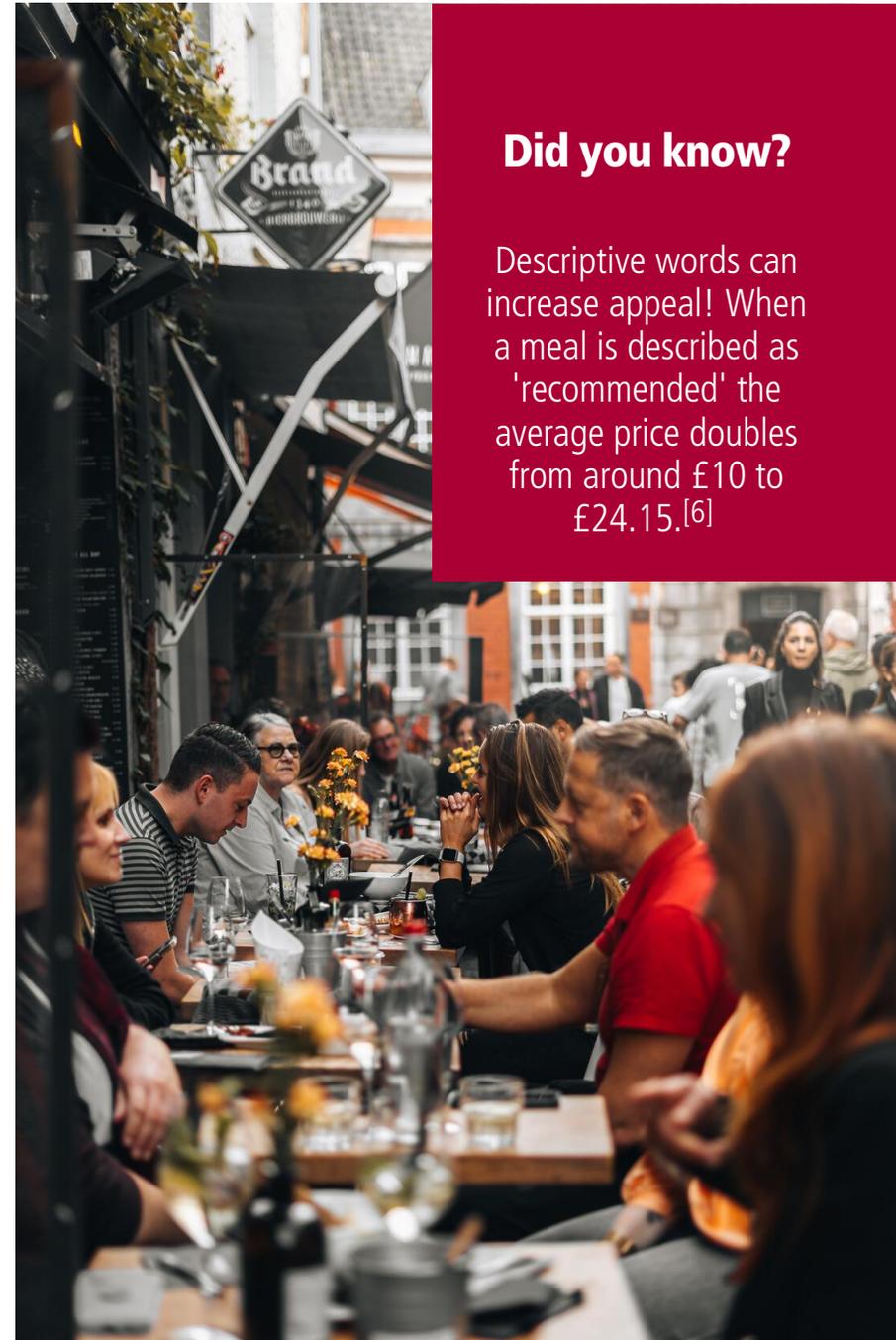


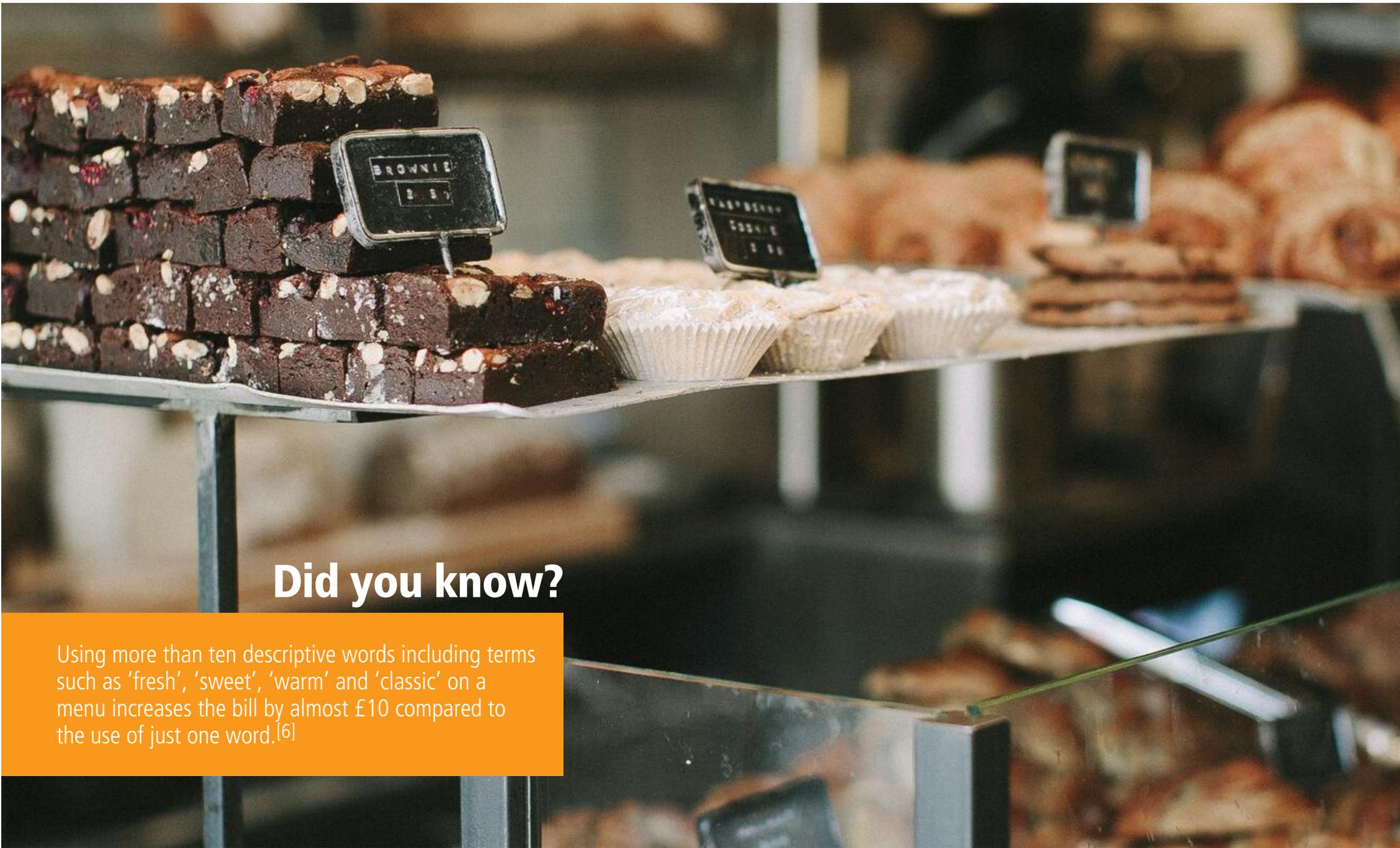
Tips to maximize menu price efficiency

- Raise standard menu prices but keep specials priced low, offering something of value to the bargain hunters in the customer base.
- Introduce new menu items at a higher price point, so consumers can't compare.
- Get quotes from different suppliers to make sure you're getting the best prices.
- Keep the prices the same but resize menu items down, especially if you experience consistent food waste from those items. If customers miss the larger size, offer them the option to upsize for a small premium.
- Train your staff to respond when diners point out the price or size changes. Be open and transparent, and communicate that you're simply responding to inflation.
- Revisit your menu design and highlight your most profitable items using the 'golden triangle' rule for menu design.
- Golden Triangle: our eyes automatically start in the middle of the page – then move to the top right corner and focus on the top left. Menu items should be organised by priority in this order.
- Use descriptive menu labeling to enhance the perception of uniqueness and value.

Did you know?

Descriptive words can increase appeal! When a meal is described as 'recommended' the average price doubles from around £10 to £24.15.^[6]





Did you know?

Using more than ten descriptive words including terms such as 'fresh', 'sweet', 'warm' and 'classic' on a menu increases the bill by almost £10 compared to the use of just one word.^[6]

THE LOOMING ENERGY CRISIS



Context

The global foodservice industry is being hard-hit by rising coal, oil and natural gas prices, resulting in a widespread energy crisis.

Natural gas prices have seen the biggest increase, with European and Asian benchmark prices hitting an all-time record – around ten times higher than this time last year, and US prices more than tripling since October 2020. International coal prices have seen a five fold increase over the past year, and coal power plants in China and India, the world's two largest coal consumers, have very low stocks ahead of the winter season.^[7]

In the UK, 3/4 of hospitality businesses have been forced to raise their prices as a result of the energy crisis, and operators are taking a much closer look at the way they're running their business.





Tips for reducing your energy use:

- Go digital: install energy counters that connect to an app so you can track your energy consumption and remotely control each electrical outlet.
- Switch to low-energy LED lighting instead of halogen lights.
- Go solar: consider investing in solar energy to take your restaurant off the energy grid.
- Turn off your appliances when they're not in use, and unplug them so they're not using electricity when in idle mode.
- Turn down the thermostat; heating accounts for 60% of a restaurant's energy costs, and even a 1°C reduction could shave 10% off your energy bill.^[8]
- Clean and service your equipment regularly to make sure they're operating properly.
- Install timers and motion detectors on lights – especially in the bathroom and stockroom.
- Switch out old appliances for newer, more eco-friendly models.
- Train your staff so that energy-saving becomes a habit.

THE DEMAND FOR HEALTHIER OPTIONS



Context

The pandemic has introduced well-being as a major global concern, with consumers increasingly looking for healthier options when they eat away from home. The functional wellness and protein trends are driving a growing demand for foods that support brain health, immunity and overall well-being.

Additionally, the rise in different diet requirements (allergens, food restrictions and plant-based diets) has brought on the trend of personalized health, with consumers looking to customize their meal choices at every turn. Add on a growing list of regulatory pressures and restrictions on sugar, salt, fats and calories, portions and junk foods - and you've got a complex foodscape that's becoming increasingly challenging for operators to navigate.

So how can you support the global fight for better public health without compromising on quality, taste and the overall experience?

Did you know?

Worldwide, 60% of consumers say the pandemic has made them more conscious of preventing health problems by leading a healthy lifestyle.^[9]





How to deliver healthier options:

- **Use 'better for you' ingredients:** Offer brown rice instead of white rice, more fruits and vegetables, lean proteins or plant-based foods. Try to use herbs, flavors or even umami to boost taste while reducing the usage of salt.
- **Rethink portion sizes:** minimize calories by making portions more nutritionally-balanced: 50% fruits and vegetables, lean or plant-based protein.
- **Offer more sizes on the menu** to allow guests to self-select the right amount of food for their hunger. Think half sandwiches, smaller main dishes and sides or miniature desserts.
- **Go steady:** portions or ingredients don't have to change overnight. Consider making the change gradual, with a 10-15% reduction in the first year, choosing lighter ingredients in the second, and further reducing the portions in the third.
- **Play with the optics:** when serving meat, try cutting it into smaller pieces and fanning it out to give the impression of abundance.
- **Use oils sparingly:** bake or grill foods instead of frying them. Offer lighter dressing and use healthy oils (avocado oil is currently trending!).

A SEAMLESS GUEST EXPERIENCE



Context

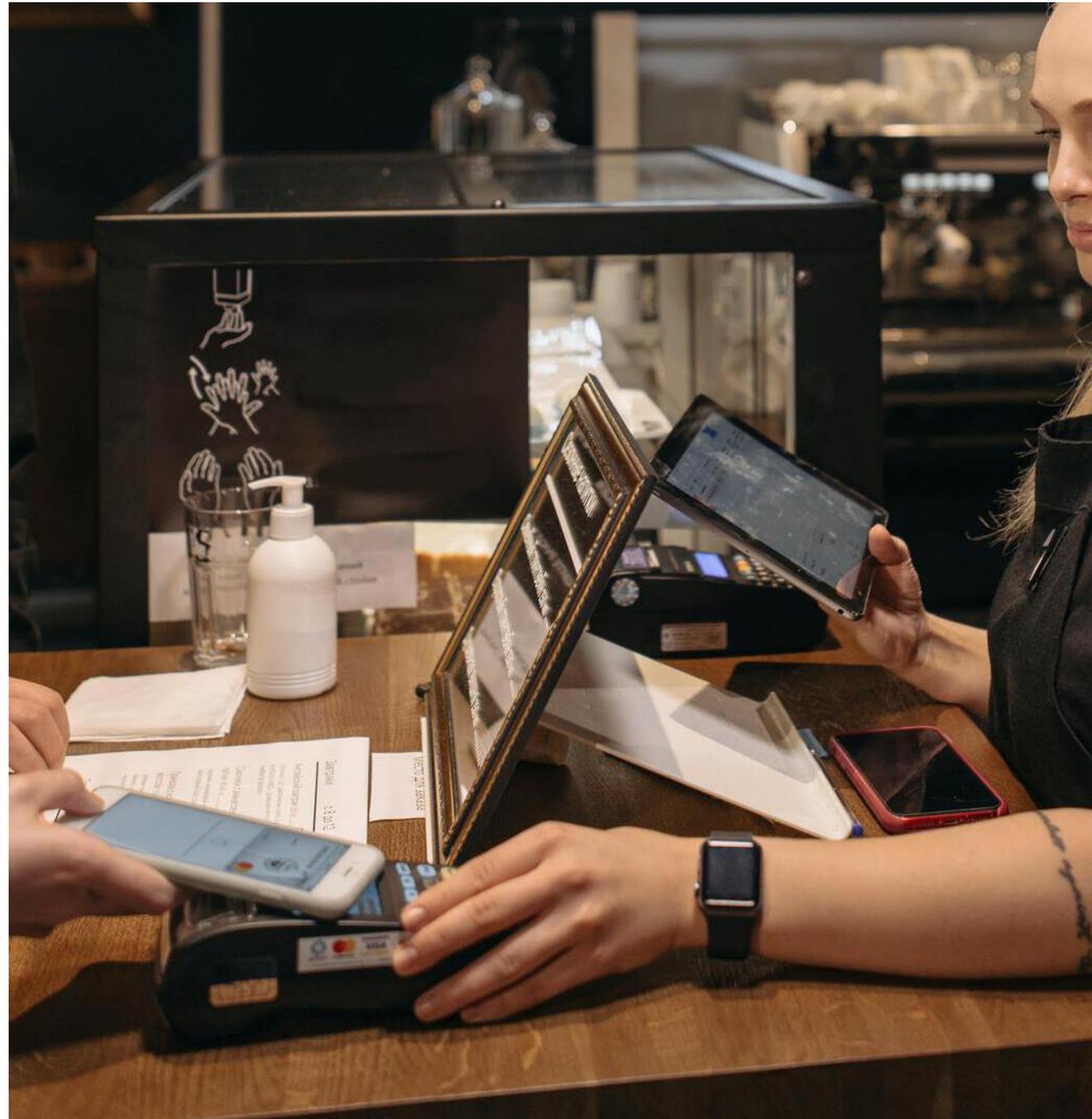
The digital guest experience is no longer second to the physical experience; it's front and center and it's revolutionizing the foodservice industry.

The last few years has brought on the rise of digital ordering, take-away and delivery services and contactless payment – resulting in a growing demand for convenience and a seamless customer experience.

Everything is trending towards integration and automation. And while once seen as a risk or threat to the job market, these technologies are now becoming critical for operators to help fill the gaps and deliver on the expectations of their guests.

Did you know?

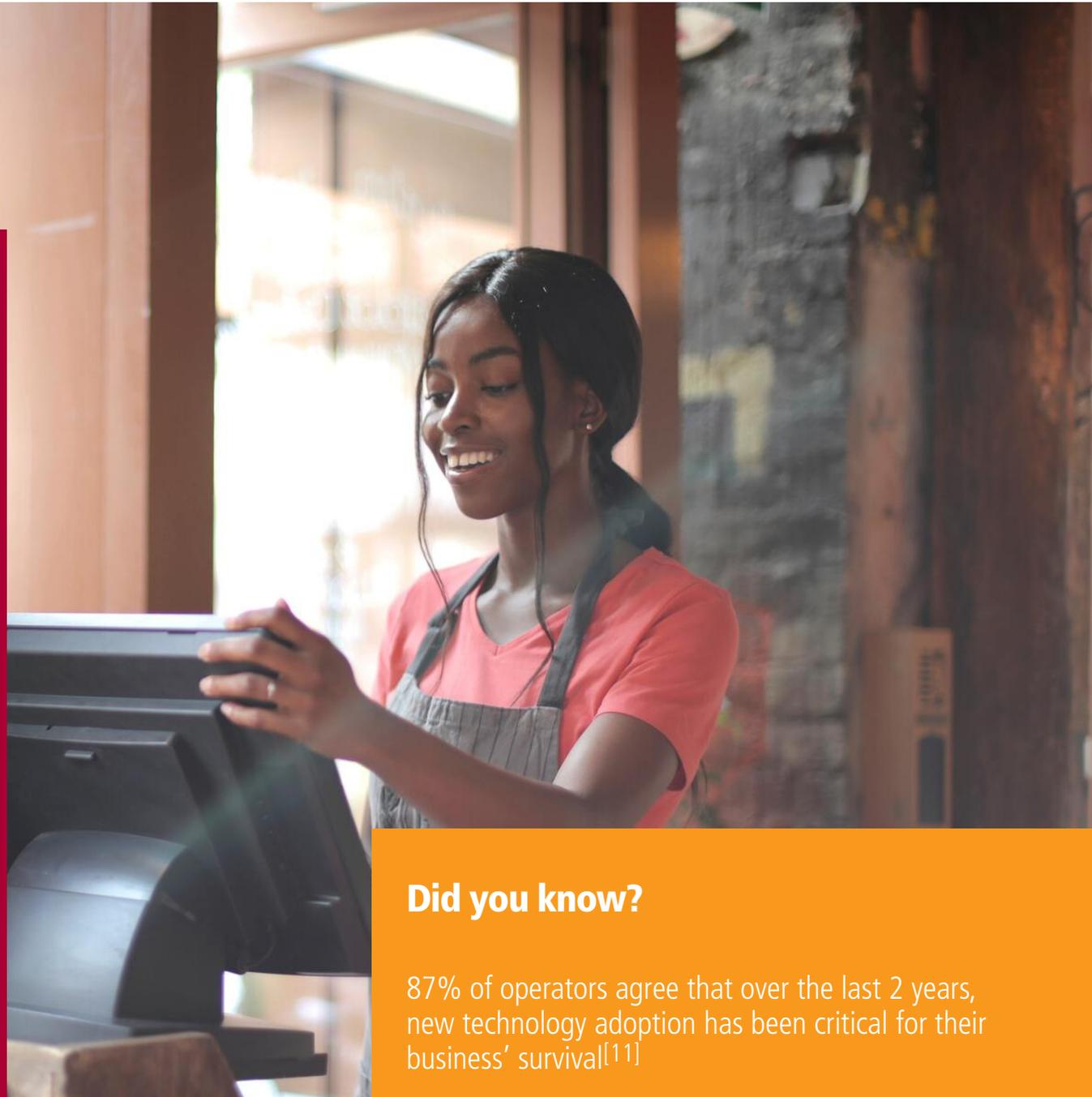
Digital orders now represent one-third of restaurant food orders, and take-out represents 55% - a trend that only appears to be increasing.^[10]



Tech tips for a seamless experience:

Design a digital experience that meets the customer wherever they are in their journey:

- Make ordering easier, by use digital kiosks, tablets, QR code menus, automatic voice recognition and cameras.
- Offer cashless checkouts, options to order-ahead via their phones, drive through and curbside collection to make picking up orders easier.
- Don't forget the back of house: leverage smart inventory management systems or use robots to help with meal prep, temperature regulation or mopping up after a busy day in the kitchen.
- Develop your own app: most customers want to support companies by ordering directly from their app – so if your business isn't on board with a POS-integrated online ordering system, it's time to invest in one. Apps are also a great way to collect data and learn from your guests, and in turn offer loyalty programs with targeted rewards and promotions.



Did you know?

87% of operators agree that over the last 2 years, new technology adoption has been critical for their business' survival^[11]

PLANT-BASED CONTINUES TO GROW



Context

As the plant-based sector continues to evolve and offer a wider range of culinary options, so is the appetite for culinary creativity and worldwide flavor profiles when it comes to vegetarian or vegan options. Green gastronomy will blossom as a standalone sector in 2023, giving brands significant opportunities to diversify and expand.

The growing consumer base will continue to evolve and adopt new style of plant-based eating – vegans, flexitarians, pescatarians, lacto-vegetarians...the list continues to grow.

Consumers will want brands to push the boundaries and deliver improvements in taste and texture, alongside plant-based versions of traditional, local cuisines.



Did you know?

38% of consumers are avoiding or reducing meat^[12]

Take-aways

Experiment with how you're incorporating plant-based foods into your menu. Offer a range of more 'traditional' options and spice it up with some creative plant-based innovations that will surprise your guests and leave them wanting for more.

Pull out all the stops and make dishes visually appealing and delicious.



5 reasons to use meat alternatives in your kitchen^[13]:

1. They give you an easy way to satisfy the growing number of consumers who want something besides meat.
2. They're quick and easy to prepare.
3. Their wide range of choices provide a blank slate for your creativity.
4. Plant-based meat alternatives usually contain protein and fiber, which helps nourish your consumers and satisfies their hunger.
5. Their familiar look and flavor lets you swap them into standard dishes without overhauling your recipes.

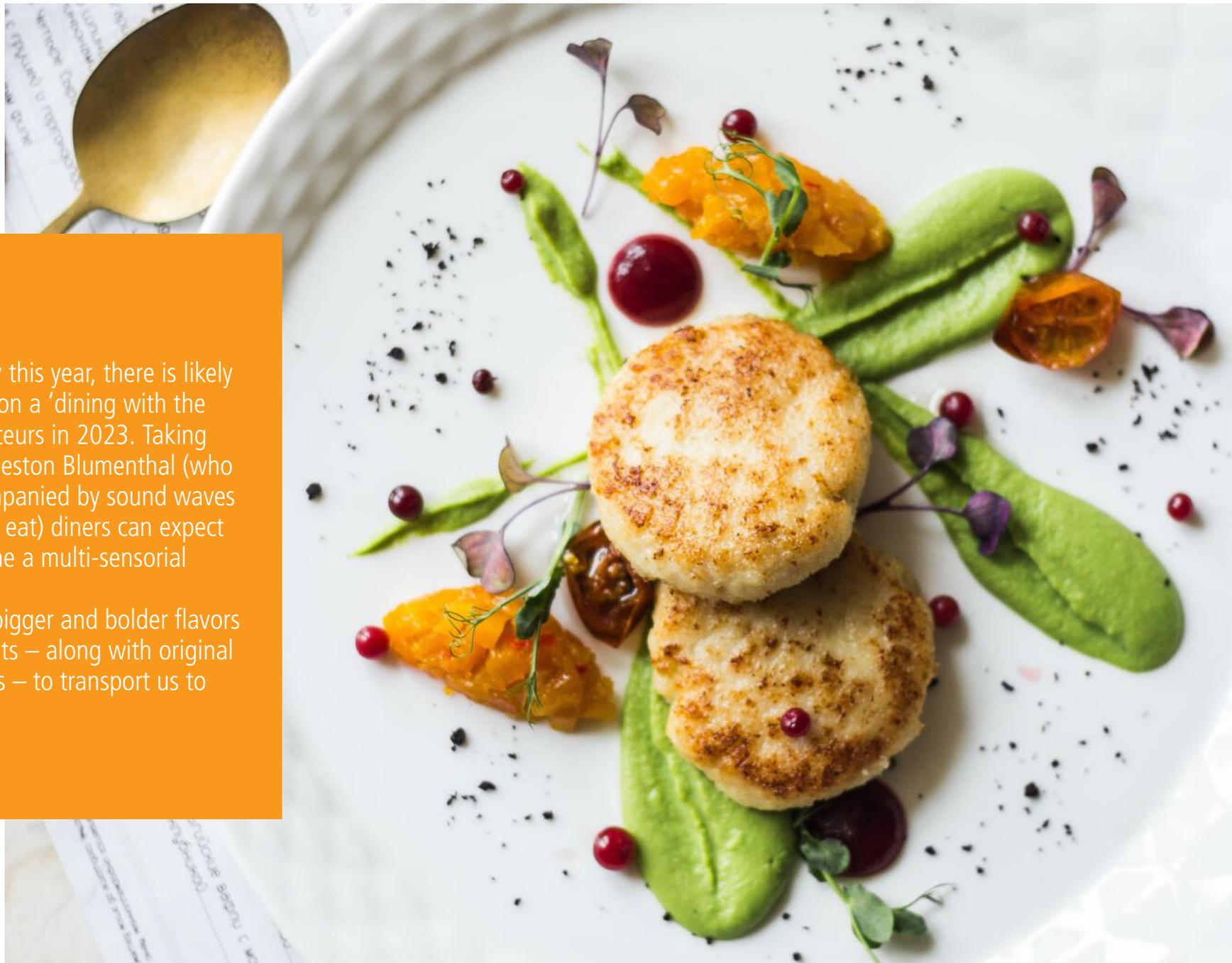
DINING WITH THE SENSES



Context

Already growing in popularity this year, there is likely to be an increased emphasis on a 'dining with the senses' approach by restaurateurs in 2023. Taking inspiration from the likes of Heston Blumenthal (who serving seafood dishes accompanied by sound waves crashing on the shore as they eat) diners can expect visiting a restaurant to become a multi-sensorial experience.

Dishes will be elevated with bigger and bolder flavors and brands will be using scents – along with original design and ambiance features – to transport us to happy places...



It's time to think outside the box!

Consider how you can bring the senses into your dining experience to offer something unique for your customers:

- **Go bold:** use unique and original flavor combinations that surprise the senses, and don't hold back on the spices. Experiment with different textures, too.
- **Cater to the senses:** use scents, sounds, and play with lighting. Use the restaurant space in a creative way and leverage design – including bright colors – to support the menu theme.
- **Make it theatrical:** cook tableside, offer interactive experiences where diners are involved in preparing their meals, or feature a greater focus on the presentation of the food itself.
- Use storytelling, augmented reality, virtual reality, robotics, opera, electronica, poetry, olfaction, performing arts, singing, painting, cinema, music – **the possibilities are endless.**



SOURCES

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Sources

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- [8] SEFE energy, 2015
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2023 Foodservice Trends Report!

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