



# International Eating Out Trends & Drivers

*Learnings for the  
Irish Market*

PREPARED FOR:

***Bord Bia***

Irish Food Board

**TECHNOMIC<sup>®</sup>**

4 NOVEMBER 2014 | DUBLIN, IRELAND

# By Way of Introduction – Technomic

**1** Technomic was established in 1966 and is a fact-based consulting and research firm focused on the food industry.

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**2** Our clients include restaurant operators, suppliers, distributors and allied organisations.

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**3** In addition to an experienced staff, we also possess extensive databases on the North American and European foodservice markets.

# Today we Want to Look at Global Trends...

A hand in a suit sleeve points towards a bar chart with a red trend line. The chart shows 12 bars of increasing height, with a red line connecting the tops of the bars, showing an overall upward trend with some fluctuations. A horizontal dotted line is drawn across the chart at the level of the 7th bar.

1 ...That impact ***what*** the consumer is eating

2 ...That impact ***how*** the operator serves

# Top Global Trends in Consumer Demand

1

Foodservice globalisation

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2

Localisation

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3

Premiumisation

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4

Healthy leading to functional foods
















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5

Expanding daypart demand

# 1. Globalisation

## % of Sales

Top Global Companies	International	US
 i'm lovin' it®	60% 	40% 
	38% 	62% 
	35% 	65% 
	82% 	18% 
	48% 	52% 



Global markets considered strategically important, are driving growth for these chains



# Many Smaller Chains Look Globally For Growth As Well



**As domestic market growth slows, more chains will look to new countries, further blurring the lines**

## 2. “Local” Is Major Factor That Consumers Associate With...

socially  
responsible

**fresh**

better

**artisanal**

natural

**high quality**

healthier

**sustainable**



### 3. Healthy Trending to Functional

#### Yesterday

- Low calorie
- Low fat
- Low saturated fat
- Not good tasting
- Denial

*“What you can’t have”*

#### Today

- Wholesale
- Natural
- No preservatives
- Made-to-order
- Nutritious
- Better-for-me
- Moderation

*It’s All About “Fresh”*



**“Fresh” is the new “healthy.”**



# What Does “Healthy” Mean Today?



Additive

NUTRITIONAL/  
FUNCTIONAL

QUALITY



Traditional

Health Halo



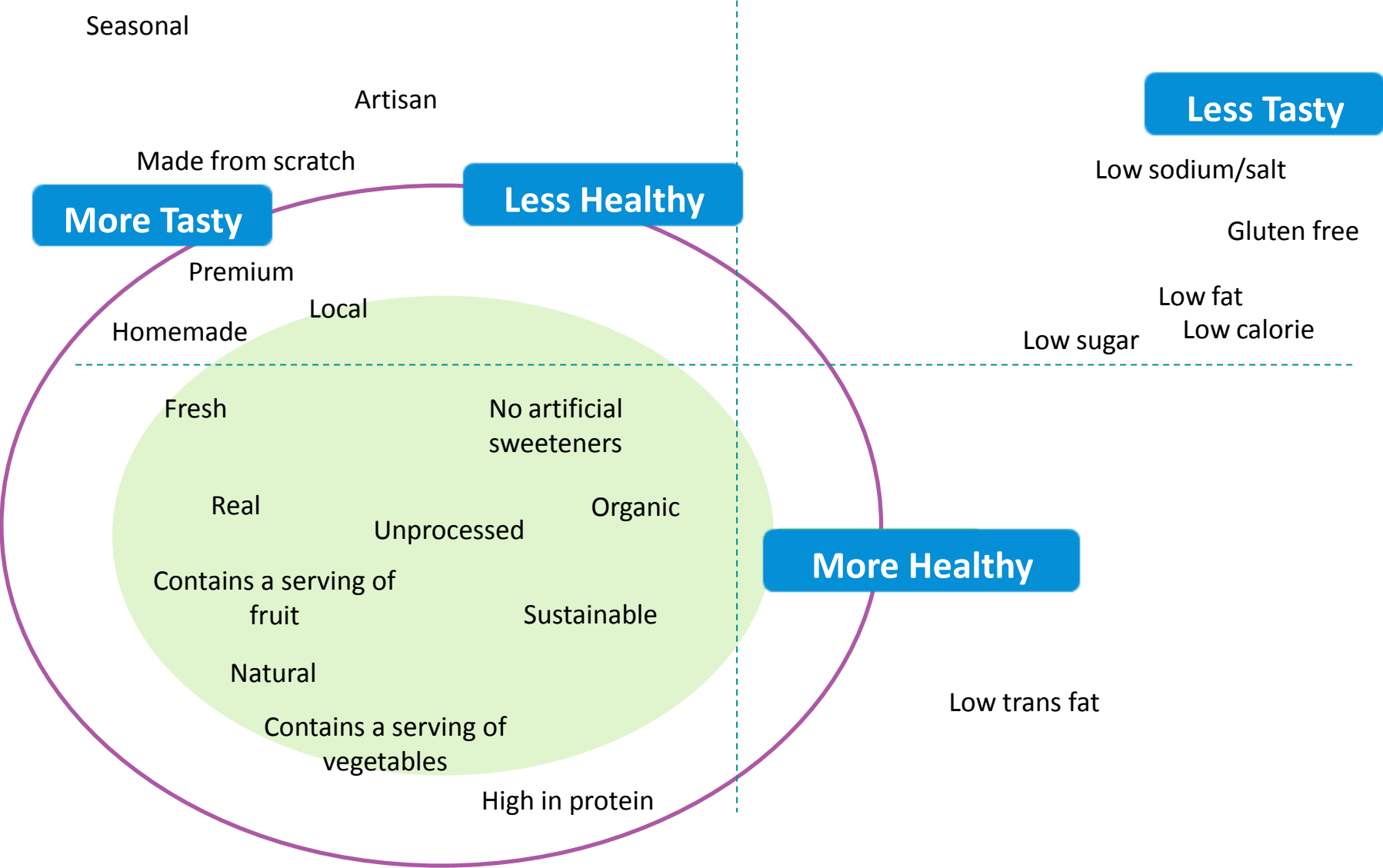
“LOW IN”

NATURAL/  
UNPROCESSED



Avoidant

# Healthy Can Mean Tasty



# 4. Expanded Daypart Demand

Daypart driving tactics include:

- Happy hour
- Late-night
- Snacking
- Breakfast



**Consumers demand food at all hours; operators look to daypart expansion to drive incremental sales**

# 5. Premiumisation

**Authentic = Quality**

**Ethnic ingredients and  
cooking methods**

**“Real” ingredients,  
local sourcing**

**Hand-crafted  
preparation**

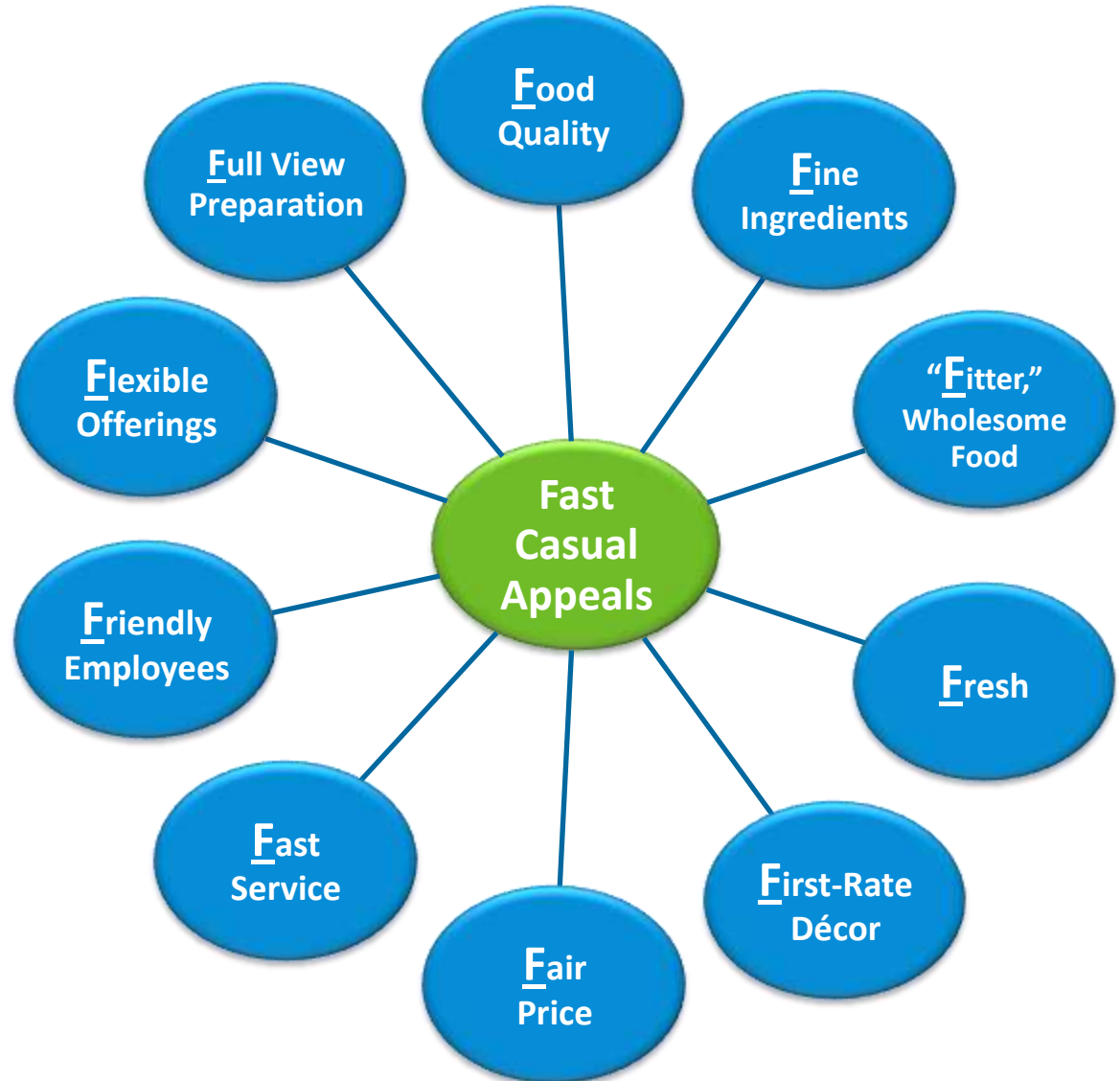




# Spotlight on Fast Casual

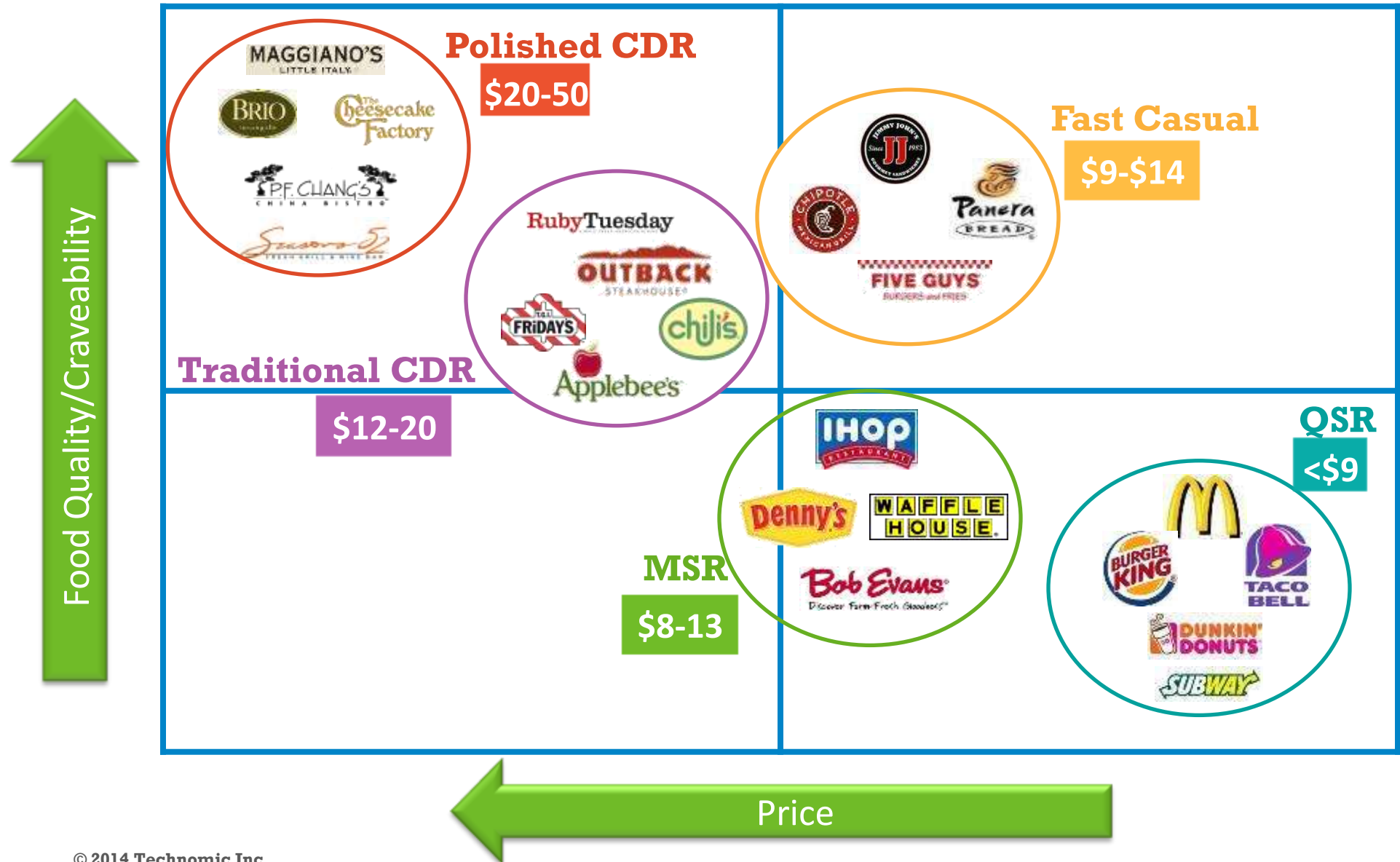


## The 10 Fs of FCR





# Fast Casual Will Take Share From Other Restaurant Segments



# Top Operational Trends

A hand in a suit sleeve points upwards with the index finger. A thick red arrow starts from the bottom left and points towards the top right, passing through the list items. In the background, there is a bar chart with 12 vertical bars of increasing height from left to right.

**1 Transparency and food safety**

**2 Customisation**

**3 Technology**

**4 Grab-N-Go**

**5 Building value beyond price**

# 1. Transparency and Food Safety

## Radical Transparency Becoming Imperative

### Products



- Ingredients, additives
- Growing, processing methods
- Origins
- Sustainability

### Pricing



- “True” net cost
- Unbundling
- E-commerce

### People



- Living wages
- Fair trade
- Diversity
- Executive compensation

# Sustainable

## Chipotle

*"Food with integrity means serving the very best sustainability raised food possible with an eye to great taste, great nutrition and great value"*



## 2. Customisation

**51%**

say customisation is important in creating good value

**Especially WOMEN**



**And those UNDER 35**



**Customisation means value for consumers**





**Subway:  
Your Own  
Creation**





# Fast Casual Excels at Customisation





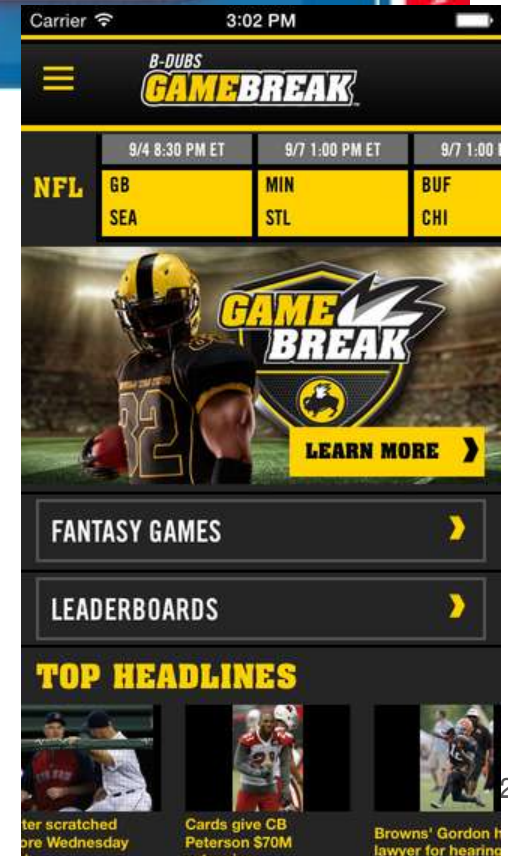
# 3. Technology Changing the Game



The Domino's Pizza Tracker interface features a blue header with navigation links: ORDER, MENU, COUPONS, and LOCATIONS. The Domino's logo is in the top left. The main title is "PIZZA TRACKER". A text block explains: "You've got 30 minutes and you've got Domino's coming your way. The delivery experts at Domino's have specifically engineered the Pizza Tracker to keep you up to date on the status of your order from the moment it's prepared to the second it leaves our store for delivery. Now, you got tracking where no tracking has ever gone before." Below this is a progress bar with five stages: 1. ORDER PLACED, 2. PREP, 3. BAKE, 4. BOX, and 5. DELIVERY. The first four stages are highlighted in green. A "SHARE ON FACEBOOK" button is on the left. At the bottom, it says "YOU GOT IT ON THE WAY - Our delivery expert, Derrick, left the store with your order at 10:11 PM".



The Taco Bell Mobile Ordering advertisement features a smartphone displaying the app's interface. The phone screen shows a burrito with the "ADD TO ORDER" button, a list of "WHAT'S INCLUDED" and "ADD-ONS" (BEEF, EXTRA CHEESE + \$0.30), and a "DOWNLOAD NOW" button. The background is a dark blue night sky with colorful fireworks. The Taco Bell logo is in the top right.



The B-Dubs GameBreak app interface features a black header with the "B-DUBS GAMEBREAK" logo. Below the header is a table of NFL games. The table has three columns for game times: 9/4 8:30 PM ET, 9/7 1:00 PM ET, and 9/7 1:00 PM ET. The rows show the teams: GB vs SEA, MIN vs STL, and BUF vs CHI. Below the table is a large image of a football player in a yellow and black uniform, with the "GAMEBREAK" logo and a "LEARN MORE" button. Below this are sections for "FANTASY GAMES" and "LEADERBOARDS", each with a right arrow. The bottom section is "TOP HEADLINES", featuring three small images of football players and their names: "ter scratched", "Cards give CB Peterson \$70M", and "Browns' Gordon H. lawyer for hearing".

	9/4 8:30 PM ET	9/7 1:00 PM ET	9/7 1:00 PM ET
NFL	GB SEA	MIN STL	BUF CHI

# Beyond Websites and Mobile Apps



## IN-STORE TOUCHSCREENS

- Avoid app “clutter” of smartphones
- Facilitate server interaction
- Offer better visual appeal, navigation
- Improve through-put
- Capture various payment methods



# 4. Grab-N-Go

## Top Global Consumer Drivers for GNG



**“Food everywhere” means more competition for operators from non-traditional venues**



# 5. Building Value Beyond Price

$$\text{Value} = \frac{\text{Food} + \text{Hospitality} + \text{Ambiance}}{\text{Price}}$$

## Food and Beverage

- Preparation
- Taste
- Uniqueness
- Variety
- New products

## Hospitality

- Accuracy
- Attentiveness
- Server knowledge
- Speed of service

## Price

- Discounts
- Loyalty marketing
- Meal deals
- Specials

## Ambiance

- Comfortable
- Contemporary
- Friendly
- Clean, sanitary environment
- Quality image



Focus for  
many

# Final Thoughts

- World getting smaller; trends converge as markets mature
- Critical to watch not only domestic market but what happens globally
- Everything discussed here has been observed in Ireland

# Please Contact Me With Any Questions

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