



DINING OUT

A Year of Changes - What's Next?

Between global stay-at-home orders, dining restrictions, food and beverage shortages and surpluses, the dining industry has faced countless hurdles over the past year. And though the pandemic brought its challenges, the restaurant industry turned to innovation in food, flavors and new ways of dining to adapt and overcome. From how consumers' dining habits have changed to food and flavor trends such as comfort food and a healthy halo, we're taking a look at what trends in the restaurant space today can carry over to the grocery aisle. How can your brand take inspiration from the new state of dining? Let's take a look.

MOVING FORWARD

The pandemic caused much downturn in restaurant activity globally. Restaurant closures, dining restrictions and financial stressors on consumers heavily impacted the industry. In fact, according to the State of the Restaurant Industry, nationwide, the restaurant industry ended 2020 with total sales that were \$240 billion below the Association's pre-pandemic forecast for the year.

And through all of the changes, CPG developers continued to find inspiration from the dining industry. While many restaurants simplified their menus to reduce waste, other dining trends included cocktails and meal kits to-go, takeout groceries and more. The increased use of social media also influenced both at-home and in-restaurant dining trends and recipes, flavors and food formats.

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“Despite the pandemic, pent-up demand for restaurants remains strong. Customers have become used to ordering takeout, but indicate they really crave in-restaurant dining experiences. Nearly 8 in 10 adult consumers said their favorite restaurant foods delivered flavor and taste sensations that couldn't be duplicated at home, and 6 in 10 said restaurants are an essential part of their lifestyles.”

-STATE OF THE RESTAURANT INDUSTRY

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TOP SELLERS, TRENDS & BEYOND



Drastic impacts on the dining industry led to changes in consumer habits, food and beverage preferences and more. We're taking a look at top menu sellers, trends and more that can provide innovation in the CPG space.

2020 TOP MENU SELLERS

Fullservice (Fine Dining, Family Dining, Casual Dining)

1. Burgers
2. Seafood Items
3. Pizza
4. Steak
5. Chicken Items (excl. wings)

Limited Service (Quick Service, Fast Casual, Coffee & Snack)

1. Sandwiches/ Subs / Wraps
2. Pizza
3. Burger
4. Chicken Items (excl. wings)
5. Ice cream / Cookies / Cakes

Source: National Restaurant Association 2021

WHAT'S HOT

Bundled Meals

Bundled meals offer a way for consumers to enjoy a restaurant experience they can't get at home. These deals combine multiple courses such as a drink paired with an appetizer, entrée and dessert. There is opportunity for bundled deals to translate into the grocery aisle as well, providing a convenient way for consumers to cook special meals at home.

Take Home Meal Kits

Restaurant meal kits continue in popularity despite restaurant openings. In fact, more than half of adults surveyed say they'd likely purchase a meal kit if it was offered by one of their favorite restaurants according to the National Restaurant Association.

Restaurant Meal Subscriptions

Some restaurants offer monthly meal subscription deals at discounted rates for pickup or delivery. More than half of consumers surveyed say they'd sign up if their favorite places offered this option according to the National Restaurant Association.

OFFERING OF NOTE:

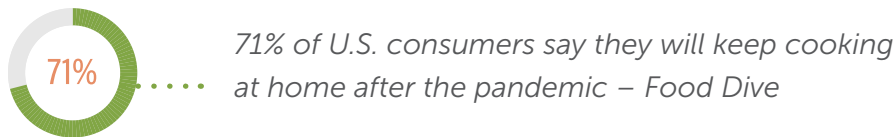
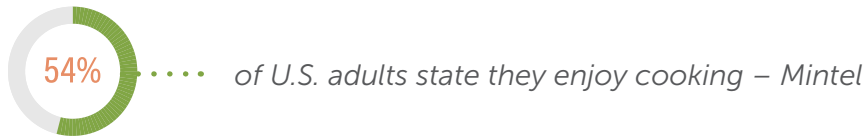
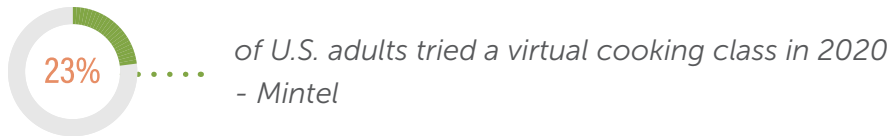


MEXICAN RESTAURANT BARRIO IN CHICAGO, IL offered a 5-course dinner special for Cinco de Mayo weekend. The offer featured a Margarita, chips, salsa and guacamole, tuna ceviche, chorizo and potato taquitos, three tacos, and dessert all for \$55 per person.

Photo Source: Barrio

HOME COOKING THRIVES

As consumers spent more time at home, many turned to at-home cooking as well taking advantage of meal kits offered from restaurants. And while consumers are excited restaurant dining's return, they now embrace home cooking as entertainment and enjoyment:



For food and beverage developers, much opportunity lies in the home cooking space. Many consumers now enjoy creating tasty at-home meals that mimic the flavors and food formats they might expect at a restaurant.

“Brands have the opportunity to cater to more confident home cooks with products that teach them a skill or allow them to create social media-worthy showstoppers to show off their culinary credentials.”
-MINTEL

PRODUCTS & OFFERINGS OF NOTE



AUSTIN, TX BASED MEXICAN RESTAURANT, **COMEDOR** offers take home meal kits with virtual guided dining experiences. Each meal kit comes with an instructional video from chef/owner Philip Sper and chef Gab Erales.
Photo Source: Comedor



ITALIA'S PIZZA KITCHEN PIZZA KIT comprises pizza dough, pizza sauce and mozzarella cheese. The frozen and ready to use product features cooking instructions for easy at-home cooking.

34% of consumers responded that they likely or definitely would buy this product.



TAYLOR FARMS LEMON PESTO VEGGIES WITH PASTA & SAUCE MEAL KIT is a microwaveable and ready to enjoy kit that features carrots, broccoli, cauliflower, shaved parmesan, linguine noodles and lemon basil pesto sauce. The kit cooks in seven minutes.

41% of consumers responded that they likely or definitely would buy this product.

CONSUMERS STILL WANT COMFORT

Comfort through food and beverage was important to many during the ups and downs of the past year. Mintel reports that 62% of adults are spending on indulgences to help get them through this period. Catering to that demand, restaurants created offerings that evoked nostalgia, as well as some with modern twists that consumers might not be able to create as easily themselves at home.

The balancing act between unique and familiar tastes appeals to consumers' desire for comfort in a time of uncertainty and search for something adventurous while spending more time at home. Just as there is an opportunity for operators in this space, food and beverage developers can innovate in pre-packaged or ready-to-eat comfort products.

Menu incidences of classic indulgent baked treats increased from Q3 2017 to Q3 2020

- Chocolate Chip Cookie +59%
- Brownie +11%
- Cupcake +1%

59%

of U.S. diners say comfort foods appeal to them on restaurant menus

- MINTEL

OFFERINGS OF NOTE



CRUMBL COOKIES offers 4 different specialty flavors each week to taste and enjoy. The cookie shop has received much attention on social media recently and offers unique flavors such as Berry Crunch, Churro, German Chocolate Cake and more.

Photo Source: capefearweekend.com



URBAN PLATES CHOCOLATE PEANUT BUTTER PRETZEL CRUNCH CUPCAKE

features a chocolate cupcake topped with peanut butter frosting, peanut pretzel caramel crunch and a chocolate ganache drizzle.

Photo Source: Urban Plates



BIG KIDS CHICAGO FRIED BOLOGNA SANDWICH features a nostalgic and comforting sandwich with bologna, mayo, mustard, lettuce and American cheese.

Photo Source: Big Kids

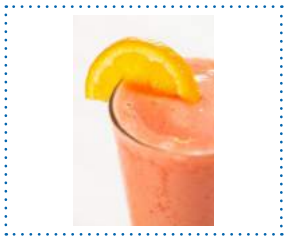
“In times of uncertainty and stress, it’s no secret people seek solace in food. Cooking, sharing, experimenting and reviving old family or classic recipes have brought small joys to lives and extended time at home.”

-PR NEWSWIRE

HEALTH HALO

Consumers are still interested in healthy dining, but many turned to comfort more during the pandemic. Better-for-you options remain an important part of restaurant menus and will surely ramp back up and maintain long term as we return to a more normal state. Healthy halo offerings such as functional ingredients, customizable diet options, and plant-based dishes will remain key players in this space. In fact, 39% of consumers stated being interested in healthy menu options such as entrees with customizable protein options.

OFFERINGS OF NOTE



ETERNITY ENERGIZER DRINK FROM SOUL VEGETARIAN RESTAURANT in Chicago features a high protein powdered drink with wheatgrass and distilled water or wheatgrass and vegetable juice.

Photo Source: Original Soul Vegetarian



VEGGIE GRILL, PLANT-BASED FAST CASUAL CHAIN, offers The Family Meal Deal, which includes a choice of shareable starters/sides along with four entrees for \$39.95. Options include entrees such as an immunity bowl, Kale + Quinoa Power Salad, Santa Fe Chickin' and more.



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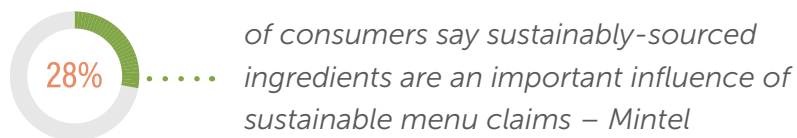
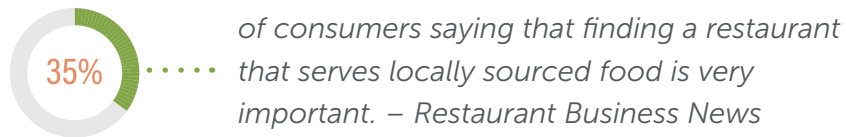
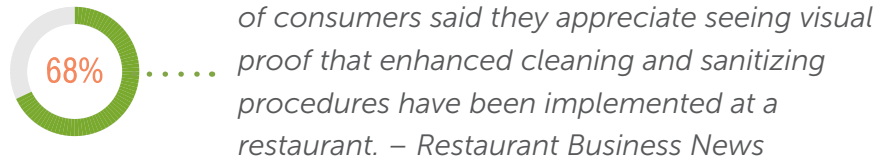
“The majority of diners continue to select healthy menu items at least some of the time. However, the COVID-19 pandemic has caused a decline in balanced dining, with more consumers going with indulgent choices. Still, interest in healthy swaps has held steady throughout 2020, and increased demand for BFY options is likely to continue moving forward.”

-MINTEL

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MORE THAN JUST DINING

Beyond consumers' flavor and food preferences, their values have also shifted. Operator safety precautions, social issues, brand ethics and sustainability are all contributors in consumer purchase decisions today. Now more than ever before, consumers are aware of how their purchase decisions impact their health, the environment and others.



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“Driven by more activist-minded Gen Zs and Millennials, these consumer concerns and demands for more sustainable restaurant products and processes will only grow with time. Indeed, Gen Zs and Millennials care more than their older counterparts about QSRs offering more plant-based items, reusable packaging and sustainably farmed ingredients, and Older Millennials in particular want to see more recyclable packaging at QSRs”

-MINTEL

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THE TAKEAWAYS

Dining trends that evolved during the pandemic are likely to continue to flourish as we move into a more normal state with loosened restrictions and mandates. From flavor inspiration to food formats, product developers can take note from restaurant operators who have innovated throughout dining closures and restrictions. And as consumers have developed and learned to love their at-home cooking skills, they will search for innovative products that allow them mimic restaurant dishes and flavors straight from home. The question is – where can you find inspiration in the dining space to capitalize on your brand?

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](tel:630.578.8600) to request a flavor sample or [chat us up at www.fona.com/contact-fona/](http://www.fona.com/contact-fona/)

SOURCES

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- Mintel GNPD
- Food Dive
- Restaurant.org
- Nutritional Outlook
- Austin 360
- Restaurant Business Online
- Crumbl Cookie
- Capefearweekend.com
- Urban Plates
- Big Kids
- Barrio
- Comedor
- PR Newswire

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