Technomic

What's to Come in 2021

By Aimee Harvey
Senior Managing Editor, Technomic

By Lizzy Freier
Senior Research Manager, Menu, Technomic

It's not easy to forecast the future when the ground keeps shifting underneath. The foodservice industry has had to be more nimble than ever this past year, and everyone is eager to bounce back and embrace a clear sense of normalcy. Yet several big questions loom large: Is a COVID-19 vaccine on the horizon soon? Which areas of the country will recover quickest? And when will consumers feel comfortable about dining indoors again?

Despite the many ambiguities that exist, our outlook for the industry remains optimistic. Up-to-the-minute strategies are positioning foodservice segments to kick off a wider resurgence through 2021. Optimizing the menu, directly addressing burgeoning consumer needs and concerns, investing in technology to streamline transactions, continuing to put guest safety and health at the forefront--all of these priorities will be paramount in prepping foodservice operations for a comeback.

Read on to discover seven avenues we believe will guide the industry toward innovation and growth in 2021.

1

Menu Cleansing

Cleansing will manifest itself in multiple ways on menus. We'll see more optimization efforts that include reducing SKUs, highlighting core items and launching safer LTOs. But innovation won't take a backseat entirely: Expect more items that cleanse the body, such as immunity boosters and new leafy greens, and purify the environment, such as next-level nondairy milks and plant-based proteins (e.g., corn milk, plant-based bacon, etc.), as well as reduced-emissions fare.

2

Investing in Digital Differentiation

From facial recognition ordering systems and app-enabled beverage machines to Wi-Fi available in the parking lot, technology is presenting restaurant chains with unique solutions and fresh points of differentiation. We're already seeing leading chains develop drive-thrus that make use of artificial intelligence, with digital voice assistants for ordering and payment, license plate recognition software and dedicated lanes for app orders and delivery. In an environment where contactless transactions are more crucial than ever—and convenience remains a core guest expectation—the newest digital tools will be central to keeping the experience safe and seamless.

3

Revisiting the Big 3 International Hotspots

Travel restrictions from the pandemic are sparking a renewed interest in the top three perennial global favorites—Italian, Mexican and Chinese. These craveable cuisines are more likely than other international fare to survive the veto vote among families ordering food and drink for home consumption. In addition to tried-and-true consumer picks and new twists on these classic offerings—such as non-pasta cacio e pepe dishes, churro in savory formulations or General Tso's beyond Chinese applications—operators will spotlight less familiar ingredients, dishes and beverages, such as the Italian salmoriglio condiment, Mexican sotol spirit or Chinese roujiamo sandwiches.

4

Social Justice: Beyond the Buzzwords

We've experienced the ebb and flow of protest movements before, but the urgency of Black Lives Matter and the call to address historic inequities has never resulted in as much immediate corporate buy-in. Across industries, companies are communicating definitive messages around where they stand on social justice issues. In response, customers—especially younger, more diverse Gen Zers—won't merely allow restaurant companies to rest on the hot hashtags of the moment. Going forward, they'll demand deeper, more specific layers of transparency on fairness and inclusion. Expect to see clearer evidence of diversity in marketing, hiring, recruitment and restaurant leadership, as well as heightened exploration of Caribbean and Sub-Saharan African (especially West African) cuisines and celebration of specialties from Black American chefs.

Deep-fried crispy enokitake mushrooms

5

New-mami Flavor Exploration

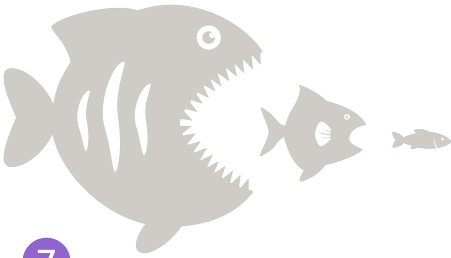
As consumers increasingly look to comforting menu options during these unprecedented times, enter new umami applications. Intense, mouthwatering fare that will find momentum include nontraditional fruit vinegars (beyond apple cider), new mushrooms (e.g., candy cap, enokitake, etc.), protein swaps (e.g., fish/seafood meatballs or ragus, etc.), eggs on eggs, tomato jam, tamari sauce and trendy umami components in cocktails, such as kosho, seaweed, fish and soy sauces and gochujang. Further, chefs will find more visually showstopping ways to plate recognizable umami ingredients.

6

What Will Stay and What Will Go?

Has 2020 signaled the end of the food hall, the communal table or the fun and games of the "eatertainment" restaurant? Modern concept trends that

once revitalized sectors of casual dining, emphasized social interaction and relied on experiential and sensory appeal just a few years ago have swiftly surrendered to a new reality that must presently prioritize distancing, off-premise initiatives and stringent sanitation practices. While major brands in the eatertainment category, for example, have recently announced plans to revamp their service models to address regulations and ongoing customer concerns around safety, 2021 may reveal a shakeout of other concepts without a successful pivot strategy.



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An Industry Unleashed

While the COVID-19 pandemic has steamrolled foodservice, the industry is still gearing up for the beginning of a recovery in 2021. Capacity constraints, service suspensions and lingering guest hesitation may persist, but ongoing consumer and operator adjustments--along with the expectation for medical advances--will result in a positive outlook for the industry.

Savvy organizations will assess the current climate as a green light to take advantage of prime buying opportunities not only in real estate, but in the acquisition of brands. Overall, we foresee aggressive strategies such as these to be front and center in 2021, resulting in strong growth over the next 12 months, yet still amounting to sales less than 2019 levels.

Technomic®

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We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world. Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

Contact us to learn more, **info@technomic.com**