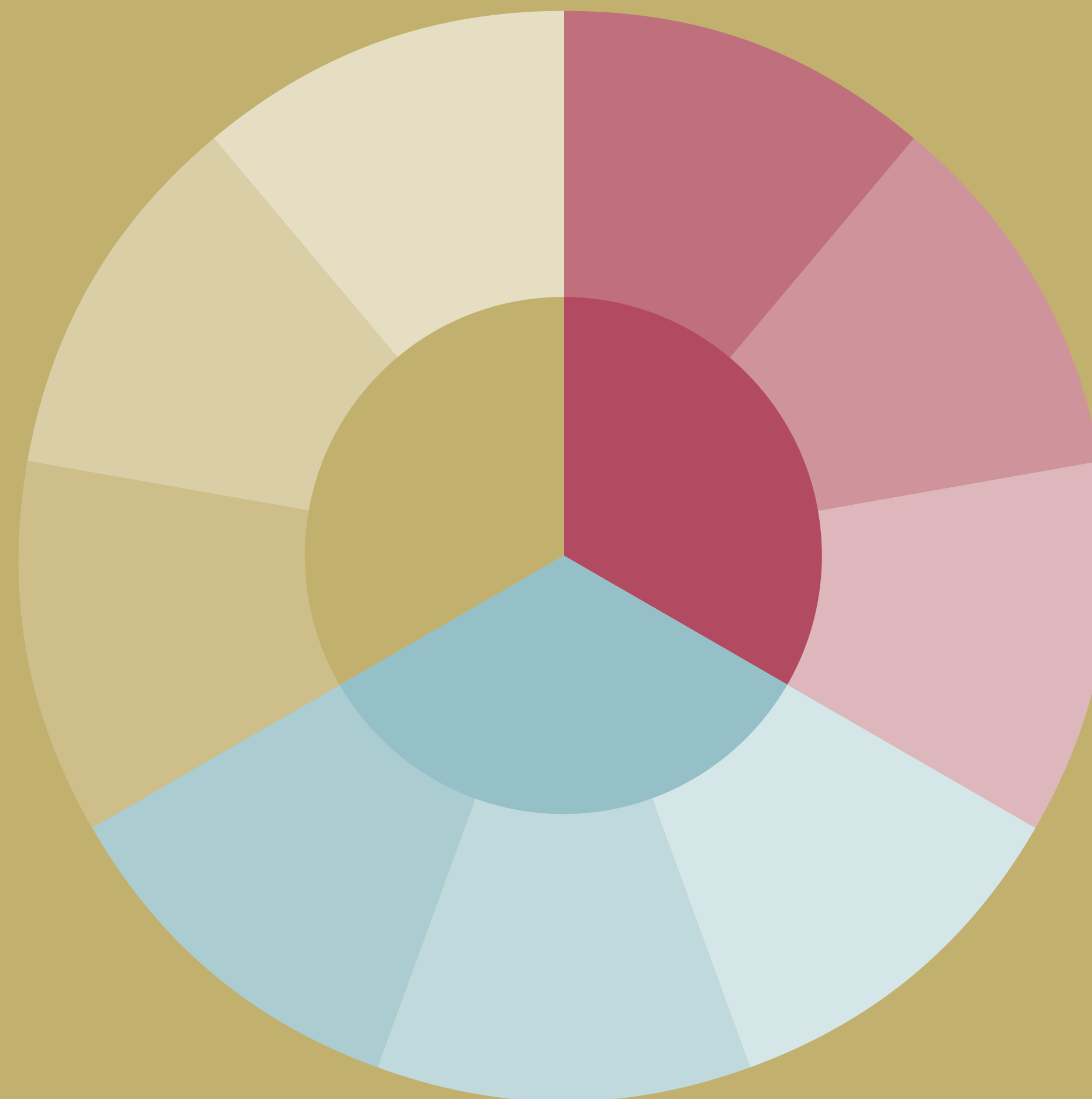


2023 Foodservice Trends



Index

This report aims to spot some of the most relevant food & beverage trends impacting the hospitality industry globally in 2023.

For more information visit our website
www.fdvconsulting.com/en

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Our research confirmed that we are now on the threshold of a definitive change in the way we eat, drink and live life; **global awareness & professionalization** are the only ways to succeed in our industry.

After doing our annual research in F&B trends, we found 2023 appears to be the year in which the industry is going back to “normal” after the pandemic. It is clear that the hospitality industry will survive the crisis, but that operations must change and adapt.

However, now we face a different scenario that is far from being easy. Upraised inflation rates, problems with supply chains, high food cost and a complicated labour market, are still obstacles we have to navigate. In addition, eating habits, traveller and consumer behaviour are changing at a rapid pace, influenced by generational changes and new demands related with dietary restrictions or ethical motivations.

F&B businesses must act fast to meet the new demands but also to survive in a changing environment that gets more competitive everyday. Our research confirmed that we are on the threshold of a definitive change in the way we eat and live life; global awareness and professionalization are the only way to succeed in our industry. We found some previous trends are still present, others have

disappeared and some have grown to the point they can not be named as trends anymore, but as pillars. It is the case of sustainability and technology.

In the past years, being sustainable and including technology in a business was an option and just a few decided to make the change. But both have become a must, key parts in F&B operations if they aim to develop and survive in the future.

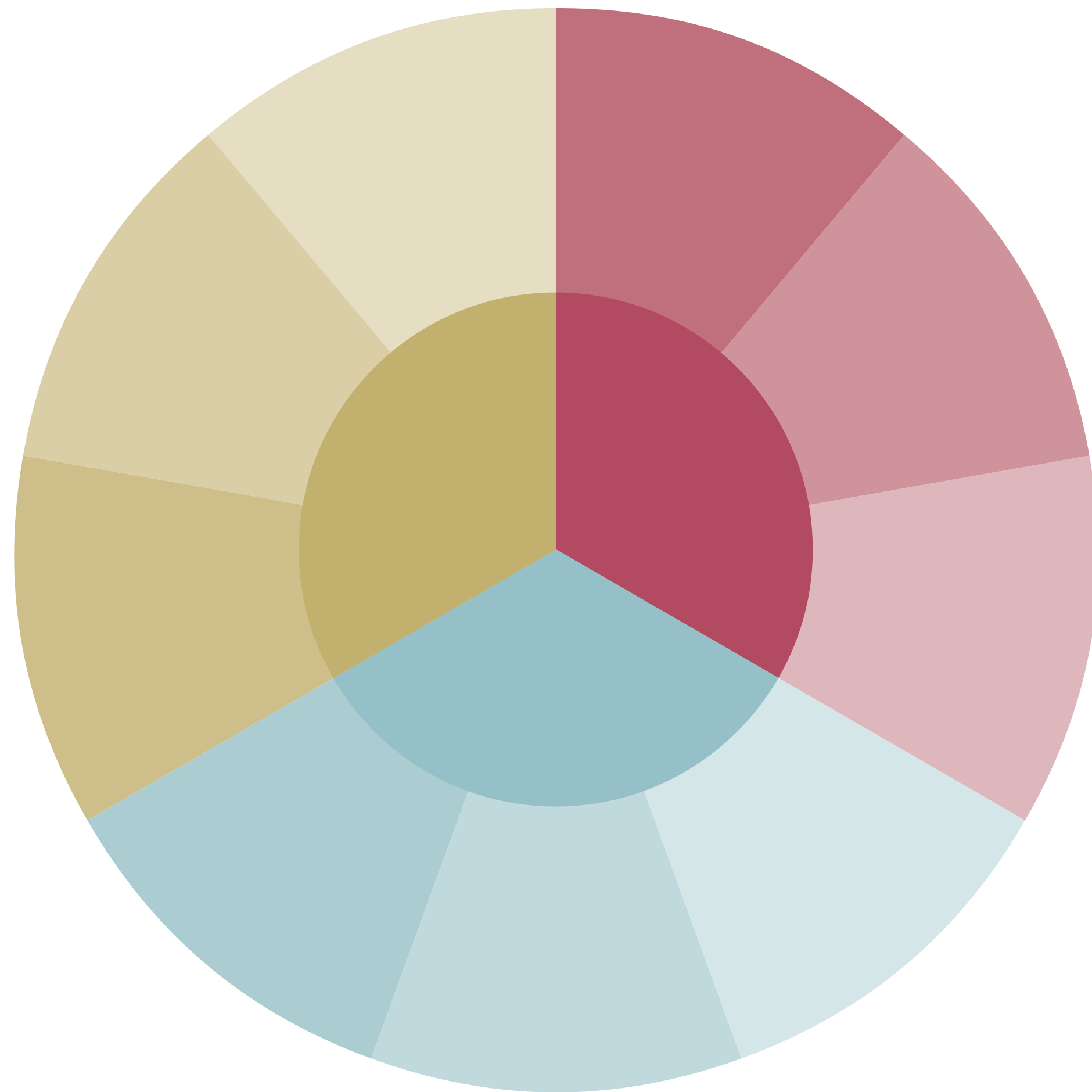
It is not a surprise that global climate change and the current situation have finally made us more aware of environmental issues and that the hospitality industry has a big responsibility.

According to the UN (2021), it contributes with 30% of greenhouse gas emissions. Despite saving the planet, sustainability also seems to be a way of saving costs and increasing profitability, by reducing risk and saving money. Reviewing old practices and implementing new actions is now almost an obligation for F&B businesses, turning into all three pillars of sustainability equally: social, economic and environmental.

Some ways in which the hospitality industry can be more sustainable are reducing waste, creating “honest food”, and reducing water and energy consumption. Sustainability challenges daily operations, but technology can help reach this without being labour intensive. Not only is the industry moving in this direction, but consumers care more about environmental balance and its effects. They therefore feel related and are loyal to a brand that share their same ethical and social values.

If a business wants to attract customer, increase sales and thrive, this should be taken into account. In this document we analyze what we consider are the main trends related to consumer behavior, product development and the F&B market. This information will aid you in decision making and take action in relation to the F&B industry.

Trends 2023



Based on our research we've identified the main trends in 2023 with some practical examples of how they fit into our foodservice & hospitality industry.

Keep in mind that context, technology, labor shortage and sustainability are now interwoven patterns that we find throughout all current trends.

Consumer

Sustainability as quality indicator

'Bleisure' travellers

Well being & relaxation

Market

Balance between technology & people

Engagement & sales strategies

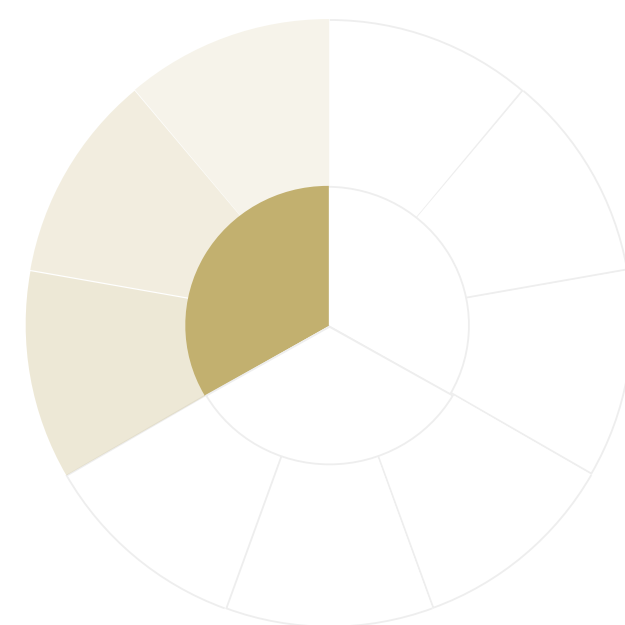
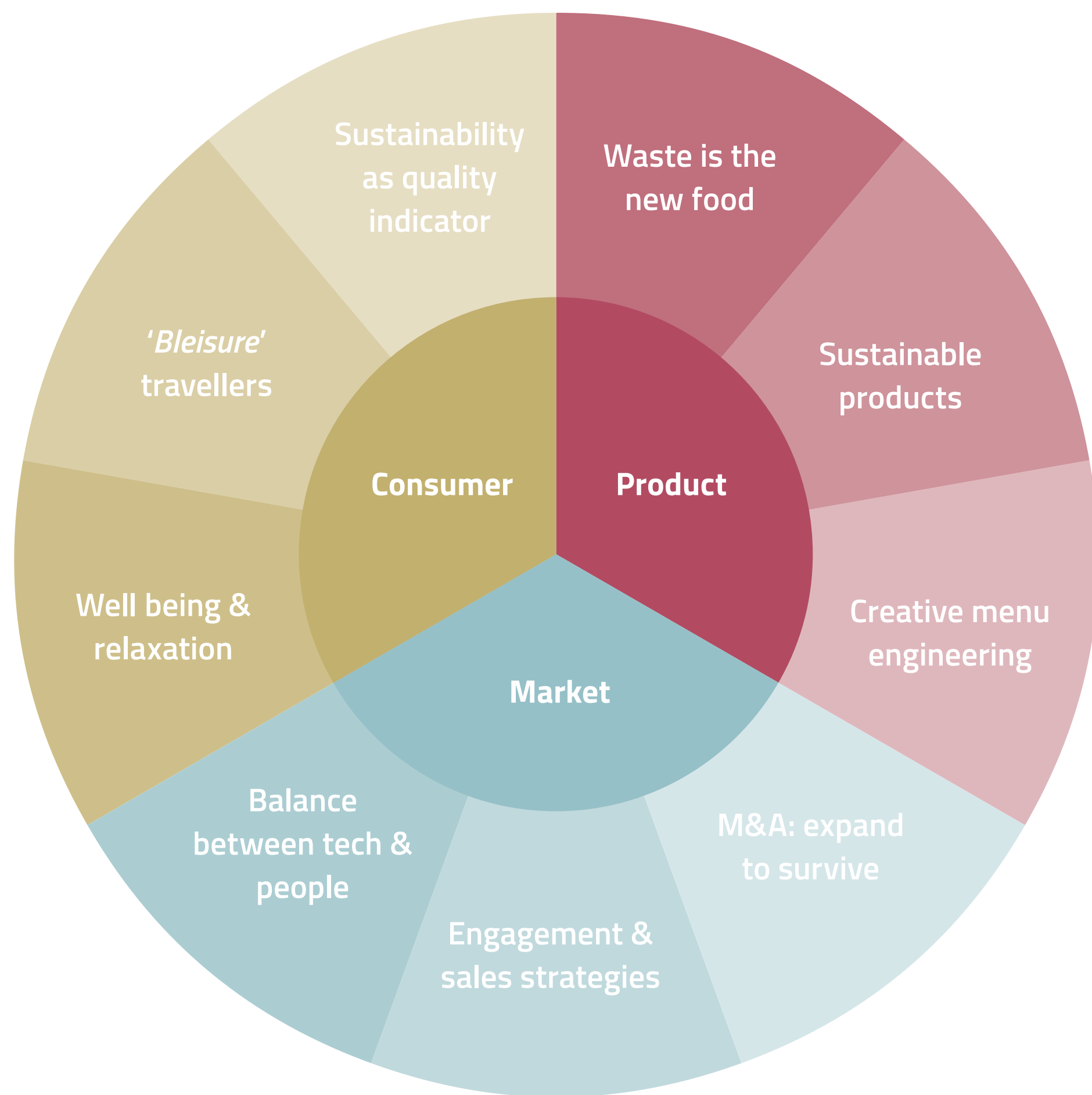
M&A: expand to thrive

Product

Waste is the new food

Sustainable products

Creative menu engineering



Consumer

Sustainability as quality indicator.

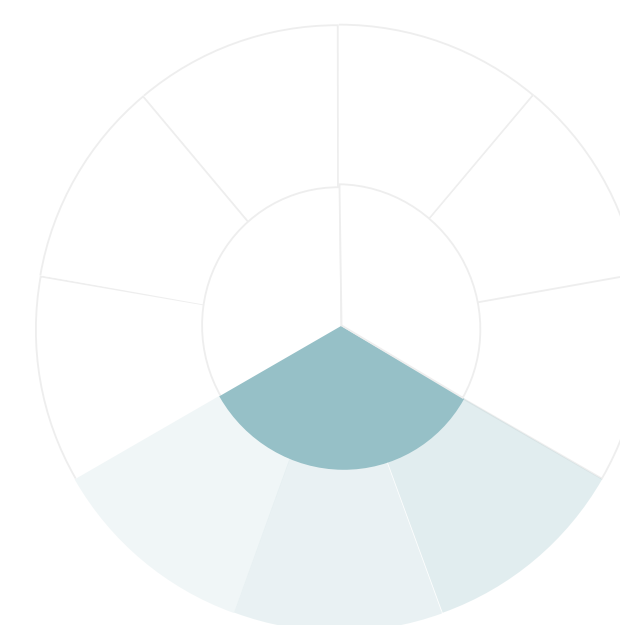
Sustainable practices are part of what customers perceive as overall quality and satisfaction, they are strong motivators that help create loyalty.

'Bleisure' travellers.

With leisure travel in boom and business travel recovering, the way we travel has changed and now leisure is blended with work, also known as "bleisure".

Well being & relaxation.

People care more about physical and mental health, while still looking for a general well-being and relaxed state of mind. F&B concepts should meet this new demand and offer solutions.



Market

Balance between tech & people.

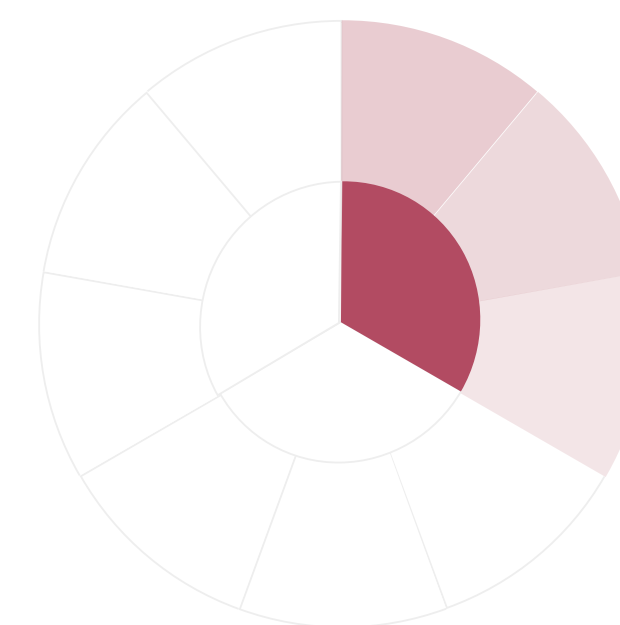
Workforce reduction is still a problem for the industry where technology can help. However, consumers are still looking for human meaningful interactions.

Engagement & sales strategies.

Technology will continue to be present in daily operations, but using it to diversify engagement and sales strategies can help to maximize revenue.

M&A: expand to thrive.

In the last couple of years transactions quickly set back but now companies are ready to make bigger movements. Tech start-ups & innovative brands are in the spotlight.



Product

Waste is the new food.

The cost of food waste is high and irreversible. By implementing zero waste strategies, businesses are not just saving the planet, but also saving money and being creative.

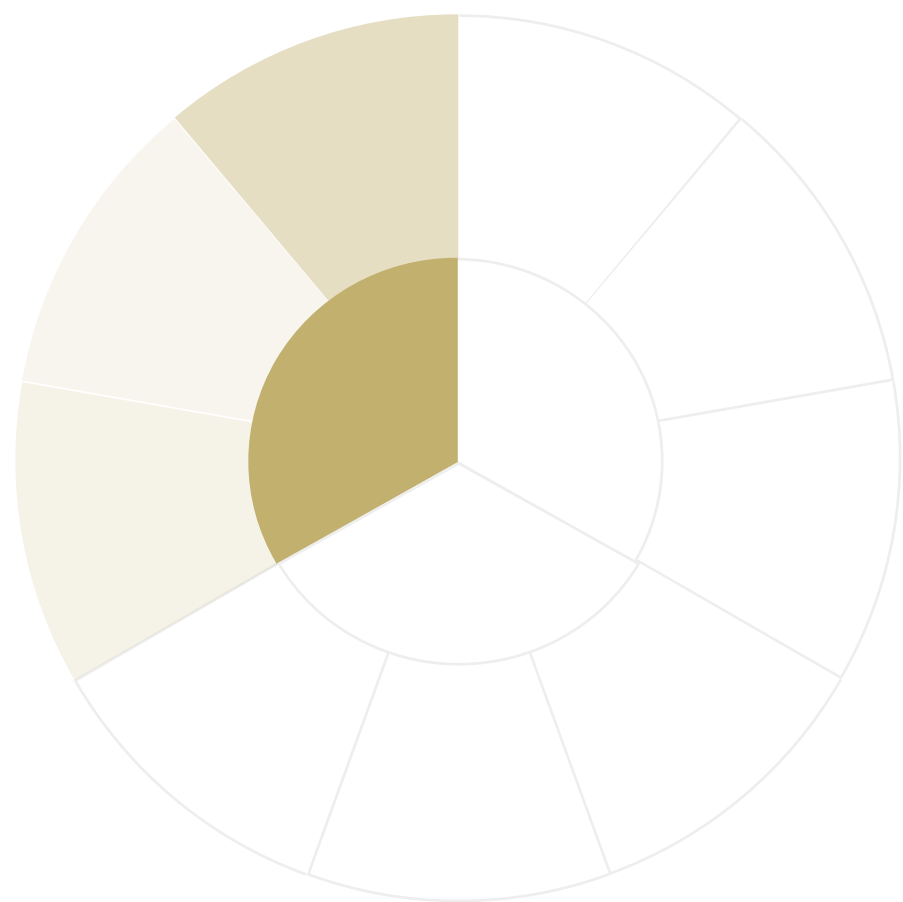
Sustainable products.

One way in which the industry can protect the environment is moving towards eco-friendly products, in ingredients, packages and even cleaning products.

Creative menu engineering.

Shorter and simpler menus are here to stay, with easier planning and production, less equipment and workforce requirement. Simplifying operations could be the key to success.

Sustainability as quality indicator



New customers have new values. Younger generations, especially Millennial and Gen Z, are more aware of environmental issues and care more about ecological balance. When eating out and travelling, consumers want to be proactive and progressive, they want to feel they are contributing for a positive change. Looking towards sustainable authentic experiences has become a demand and studies have shown these generations are much more willing to pay extra for eco-friendly experiences.

Regenerative tourism is gaining strength across the world. This type of travel takes sustainability a step further, its essence being to improve a destination instead of just preserving it. Sustainable businesses are now viewed more positively than those with bad practices. Taking steps to protect the environment helps save the planet but also can enhance reputation, widen clients base and optimize profits.

Case studies



01 Six Senses

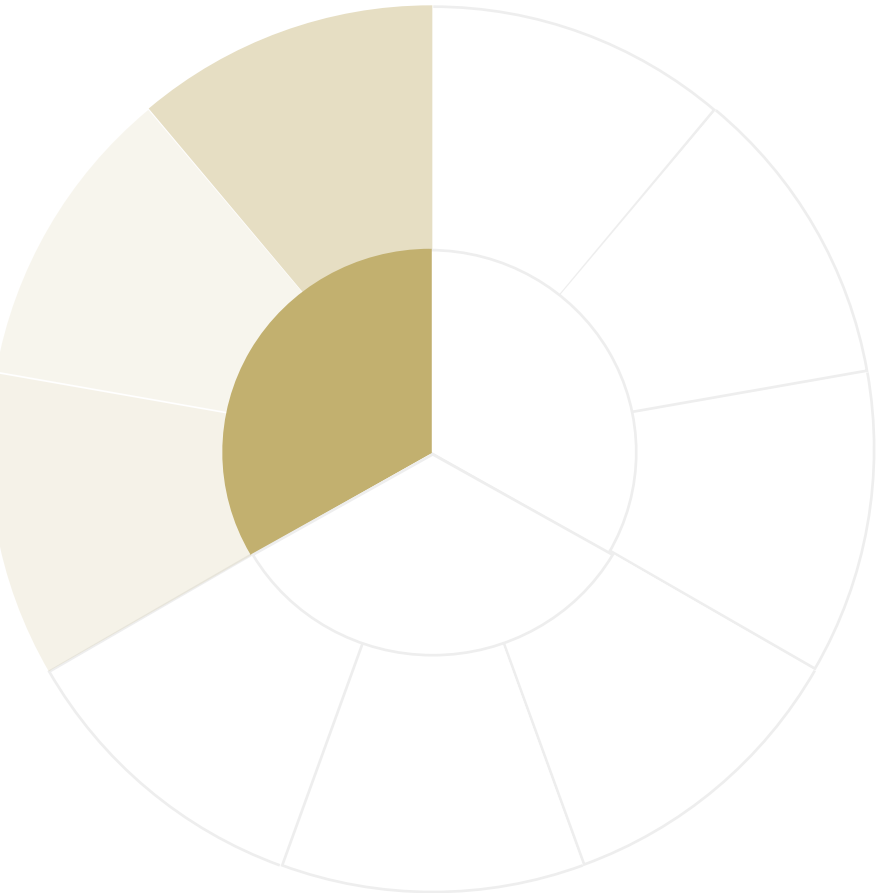
Located at the foot of the Svartisen Glacier, it is set to be opened in 2024 and become the first energy-positive hotel in the world. The entire hotel will be powered with solar energy and will have a waste and water management system and recycling infrastructure. Moreover, there will be a zero-waste restaurant and bar serving fresh local products from local suppliers.

02 Boragó

Winner of the Flor de Caña Sustainable Award 2021, Boragó offers seasonal menus that showcase the best of native Chilean products. With a focus in Mapuche indigenous culture, most of their ingredients are sourced from their biodynamic farm. The team gives special importance to zero-kilometer cooking, research, maintaining local ecosystems and working alongside collecting communities and small producers.

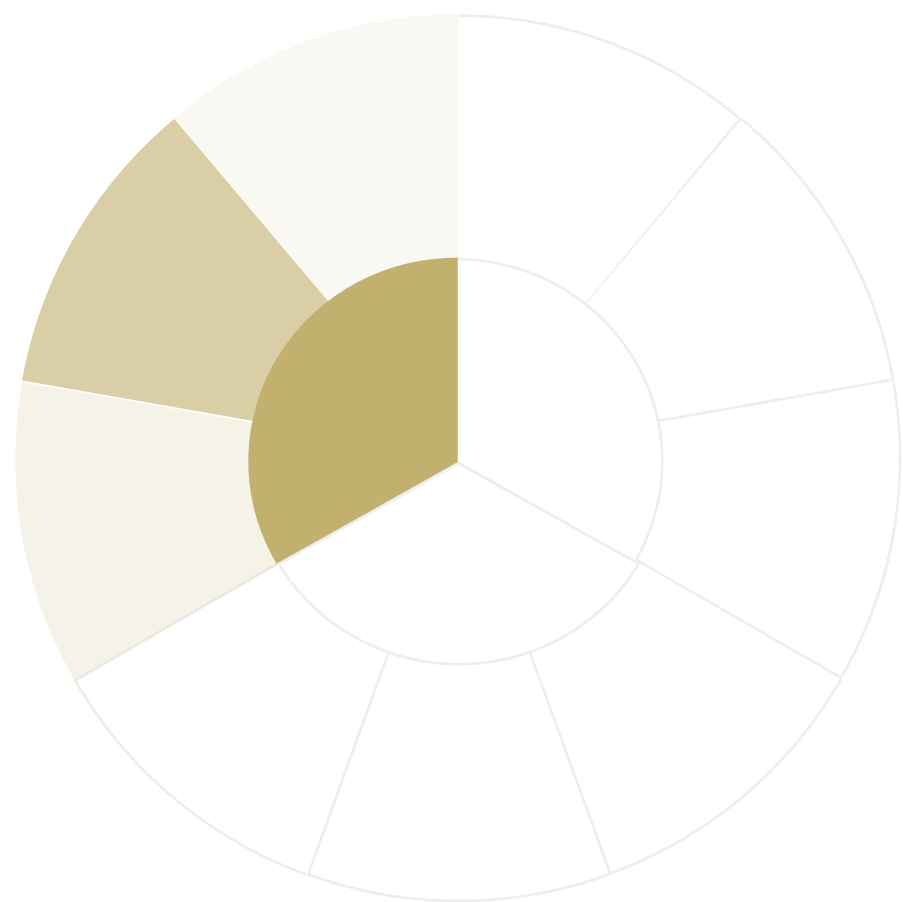
03 Michelin Green Star

The Michelin Guide has created a new recognition which rewards restaurants that combine culinary excellence with sustainable practices worldwide. Even though each restaurant has different approaches depending on the regions conditions,, inspectors are looking for those with a strong commitment with sustainable gastronomy. In the first edition of 2021, 23 restaurants received the distinction.



Consumer

'Bleisure' travellers



Despite last years' restrictions and inflation being a major concern, travel demand will recover completely and is expected to even surpass 2019 levels. However, there has been an increasing trend in hybrid travel. Digital nomads and bleisure travellers are looking to change their work environments and add entertainment to business trips. By understanding their needs and desires, hospitality businesses can adapt to new demands. These types of customers are

attracted to co-working spaces in hotels and restaurants. Both are expected to be technologically equipped, have affordable prices, flexible payment options, fast service and convenient food. Besides working, they also want to unplug, get to visit the city they are living in, enjoy the local culture and build a community to avoid loneliness. The key is to focus on local experiences and destination events, since bleisure travellers want to feel as natives.

Case studies



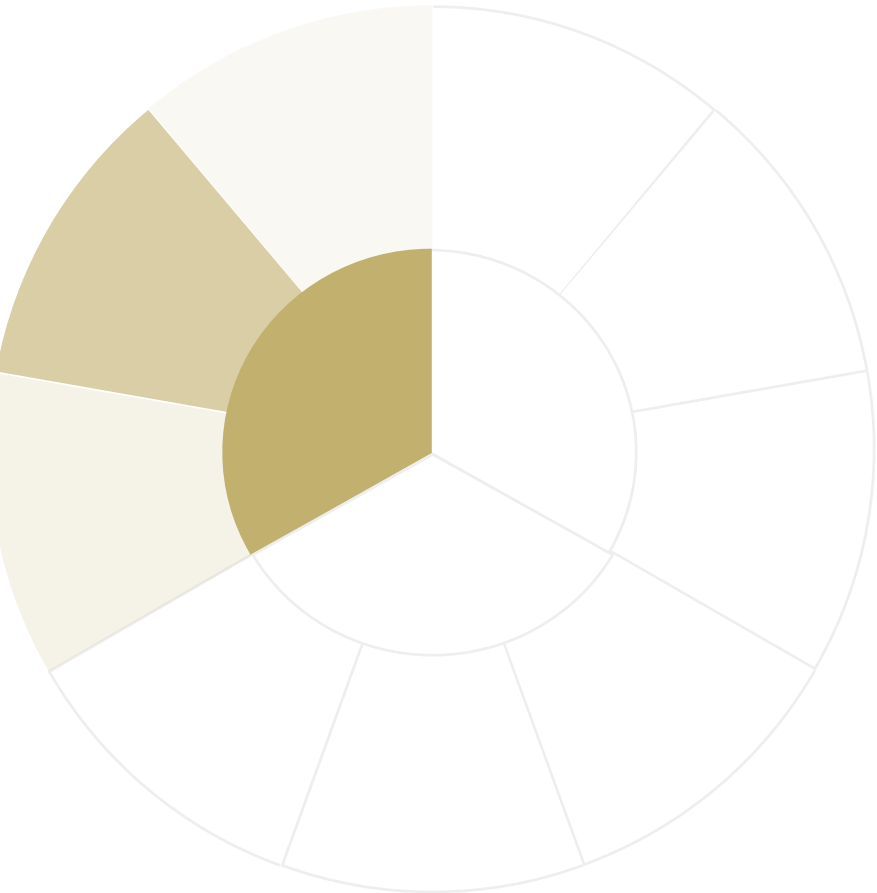
01
Catbird - Denver

This urban hotel located in Denver’s RiNo district aims to erase the line between hotel and home. They reach to digital nomads by offering extended-stay ergonomic studios with kitchenettes, better workspaces and social attractions such as a rooftop bar, playrooms and rental gears like scooters.



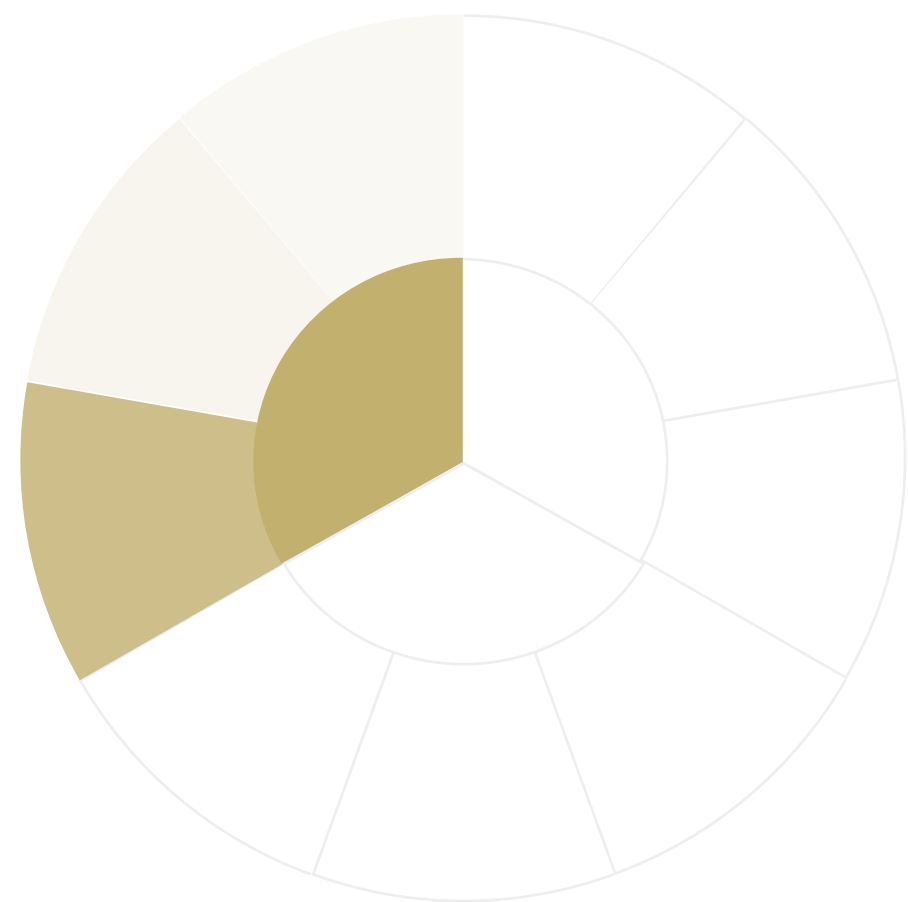
03
WorkChew

In 2021, two female entrepreneurs raised \$2.5 Million to turn hotels and restaurants into on-demand flexible workspaces. Currently active in 18 cities in the US, this app helps businesses to drive revenue during slow hours. Fees vary depending on the company size and both restaurants and hotels can keep 100% of the money made on F&B sales.



Consumer

Well being and relaxation



Consumer behaviour and eating habits have turned to a more conscious mentality, choosing food for its nutritious value and what it does to our bodies, not just for the taste. Alcohol consumption is decreasing and some say we are approaching the year where many would switch to low or no alcohol options.

As alternatives, metabolic, prebiotic, calming and functional drinks are rapidly gaining popularity. Relaxation and mindfulness is at the top of mind of many consumers, not just through food,

but also related to the whole experience in the hospitality industry, where businesses can get creative.

Case studies



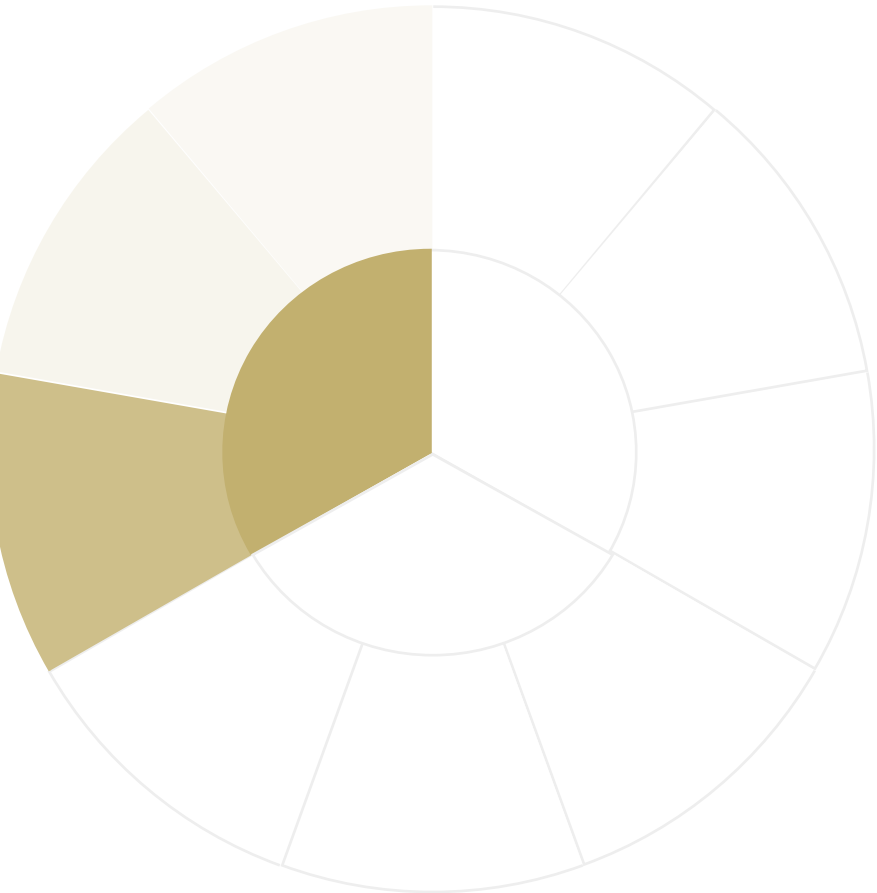
01 Kula Café

This is a place to explore all kinds of connections and enhance wellbeing in a fun way. Kula is an all day café in Rotterdam that serves breakfast, lunch, drinks, snacks and pre-yoga dinner, but also hosts daily yoga classes and weekly spiritual and personal development workshops.



03 Healing Hotels Of The World

Since 2006, this brand has partnered with 100 urban hotels and resorts around the globe to promote healing hospitality. They aim to be a space for learning and practising holistic health for their guests through different activities and experiences like yoga, journaling, fasting, among others; going beyond the average wellness vacation, taking care of their bodies, minds and souls.



02 Mayawell

These prebiotic sodas made with organic and hand-harvested agave, feed and nourish gut bacteria, which helps in having a better digestion, stronger immune system and healthier metabolism.



04 Kin Lightwave

Made with mind-calming ingredients, such as reishi mushrooms, L-theanine and L-Tryptophan, these euphoric non-alcoholic drinks help you transcend stress, open a portal to calmness and have long-term brain balancing effects.



Balance between technology & people



The hospitality industry is facing a complex crisis with work force reduction. Many previous workers switched to more stable jobs during the pandemic and others are hesitant to return. Even though technology can help businesses deal with the situation, robots are not meant to replace human interactions. Finding the right balance between technology and people is important, in order to simplify processes and let teams focus on the work that matters. If companies want to regain the workforce, they

must attract employees with better and flexible working schedules, work-life balance, benefits, lifelong learning and higher salaries.

Case studies



01
Starbucks

There are multiple ways of solving labour shortage; one of them is focusing in human talent. Starbucks announced a \$200 million investment in workforce, much of it going to additional raises and benefits. They plan on offering better conditions in order to attract, motivate and retain talent.

02
Blendid

Opposing the idea of balance, Blendid believes the future of the industry is 100% contactless. The company features 6 autonomous robot kiosks around the US, which prepare and serve smoothies. Building cost investment is around \$100-\$125k plus a 16%-22% service fee. Their vision is to expand their food operative system and serve soups, salads, sandwiches and bowls.



03
Bear Robotics

This company develops robots that can take charge of repetitive tasks and extra work, such as running dishes. The Servi robot has 12h battery life and can carry up to 30kg. It was created with the purpose of relieving employees from simple tasks and allowing them to bring attention to other valuable operations.



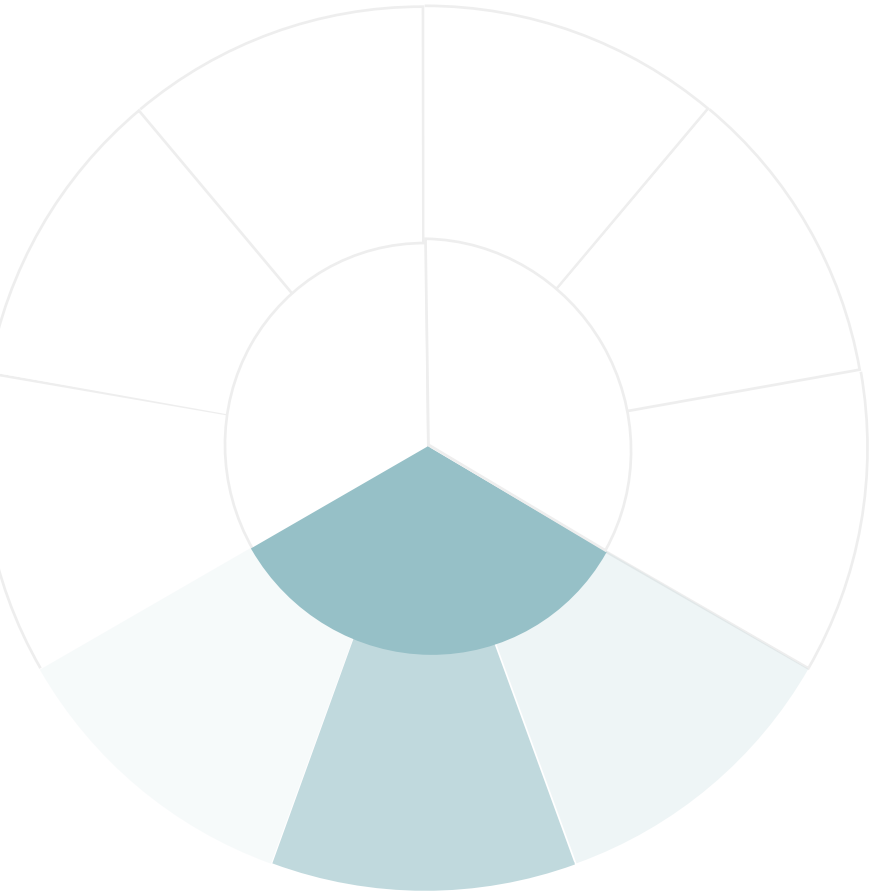
Engagement & sales strategies



It is not a surprise that technological development was accelerated in the past couple of years. Contactless technology was implemented in almost all restaurants and has come to stay. However, technological development is not only about automation and devices, but it is also be used to enhance the customer experience. Some strategies such as subscriptions, memberships and loyalty programs are becoming popular in the industry as a way to increase revenue and attract more

clients. Moreover, this eases communication between restaurants and clients, allowing them to learn more about guests through data and personalize offers in response. Venturing into the Metaverse could also become the most efficient way of reaching new generations.

Case studies



01 Quince

The three Michelin Star restaurant based in San Francisco, launched the Quince & Co. membership for \$5000 USD a year, which granted benefits such as a \$1000 dining budget, produce boxes, trips to farms and exclusive reservations which also applied to their two sister restaurants. Despite the price, slots were sold-out in a few days.

03 Jimmy John’s

The American sandwich chain ventured into the metaverse by creating an interactive version of a restaurant location in Decentraland, a virtual reality platform, where users can create their own “Metasandwich” that can be picked up later in a real establishment. This way of advertising could be more efficient for reaching Gen Z customers, who spend twice more time in the metaverse than in real life.



02 Panera Bread

The Unlimited Sip Club is an all beverage subscription that allows getting unlimited coffee, soft drinks, iced tea, etc., in all Panera Bread stores, with a monthly rate of \$11. Results showed members visit approximately 8 times more than regular customers and usually buy food to pair their drink, which helped the company increase sales.



M&A: expand to thrive



After the drop of restaurant stock values during the pandemic and the activation of the hospitality industry, mergers and acquisitions are back as part of business strategies to improve engagement, adapt to new consumers, expand the portfolio and gain presence worldwide. Giants are taking advantage of today's situation by purchasing small organizations that are being sold at low prices or merging with fast growing partners to gain strength. Restaurant movements seem to

be on hold mainly because of bad cash flows. However, the hotel industry is expected to keep active as a means to compete when travelling demand is recovering. Large companies are looking to diversify and innovate, so it might be the time for small startups to shine.

Case studies



01 Choice Hotels

As part of the strategy for expanding their portfolio, the brand will acquire Radisson Hotel Group Americas by the end of the year. The transaction will add 624 hotels in North, Central and South America to Choice Hotels’ holdings and will help them develop their upscale and upper-midscale segments especially in the West Coast and Midwest of the U.S.



03 Sweetgreen

The American fast casual salad chain acquired the kitchen robotics start-up Spyce, to eventually implement automation in all their 120 locations across the country, to improve food quality and store efficiency. Salads will be prepared and served entirely by robots, which reduces the need of workforce.



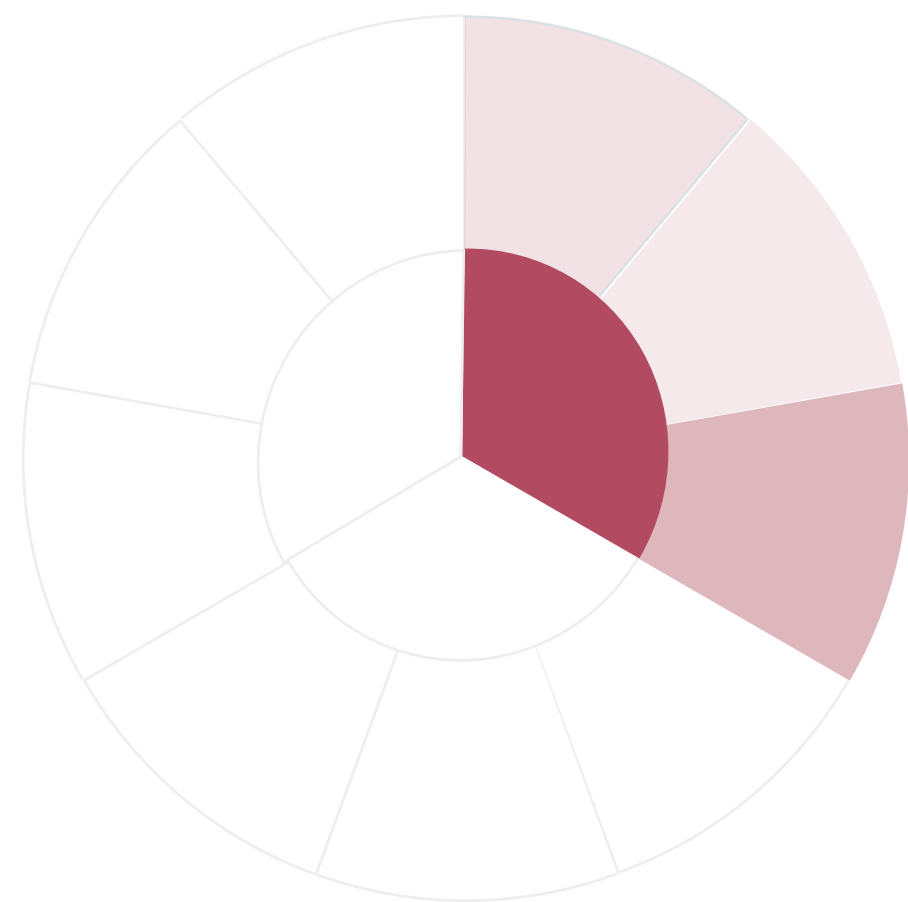
02 Ennismore

The merger with Accor will expand the reach of existing brands and use local expertise in a wider portfolio of 14 hotel and co-working brands with 187 properties worldwide. Hybrid models that incorporate hotels, co-working spaces and rooftops are having success in the post-covid world. The merger will benefit from Ennismore’s lifestyle hospitality and Accor’s growth and distribution knowledge, providing customers with differentiated products and experiences.



Product

Waste is the new food



Wasting food is not an option in today's context, not just for food waste itself, but also because it wastes the money, water and energy that were used to produce those products. According to the United Nations, 1/3 of food produced worldwide is wasted and contributes up with 10% of man-made greenhouse gas emissions. The hospitality industry has to find ways to reduce food waste such as improving management strategies or being creative to recycle, compost, regenerate or even up cycle

ingredients to create new dishes through food waste and even promote it as an added value to the brand & product experience.

Case studies

01
Re Bar

Re is a cocktail bar with a zero-waste philosophy, everything from the materials used in the interior to the ingredients of the menu are regenerated. Their Never Wasted Program uses waste from other 8 hospitality businesses to create new cocktails, and hopes to grow to working with 50 or 100 establishments. Winner of The Ketel One Sustainable Bar Award 2021 from The World’s 50 Best Bars.



image @ delicious.com.au

02
Rest

Their entire menu is built out of imperfect products that would otherwise be rejected by supermarkets and restaurants. Their set menu (not a la carte) experiments with fish, shellfish and meat, under Asian, South American, Italian and Spanish flavours, changing daily depending on ingredients’ availability. Rest has been rewarded with a Michelin Green Star.



image @ restaurantrest.com

03
Nolla

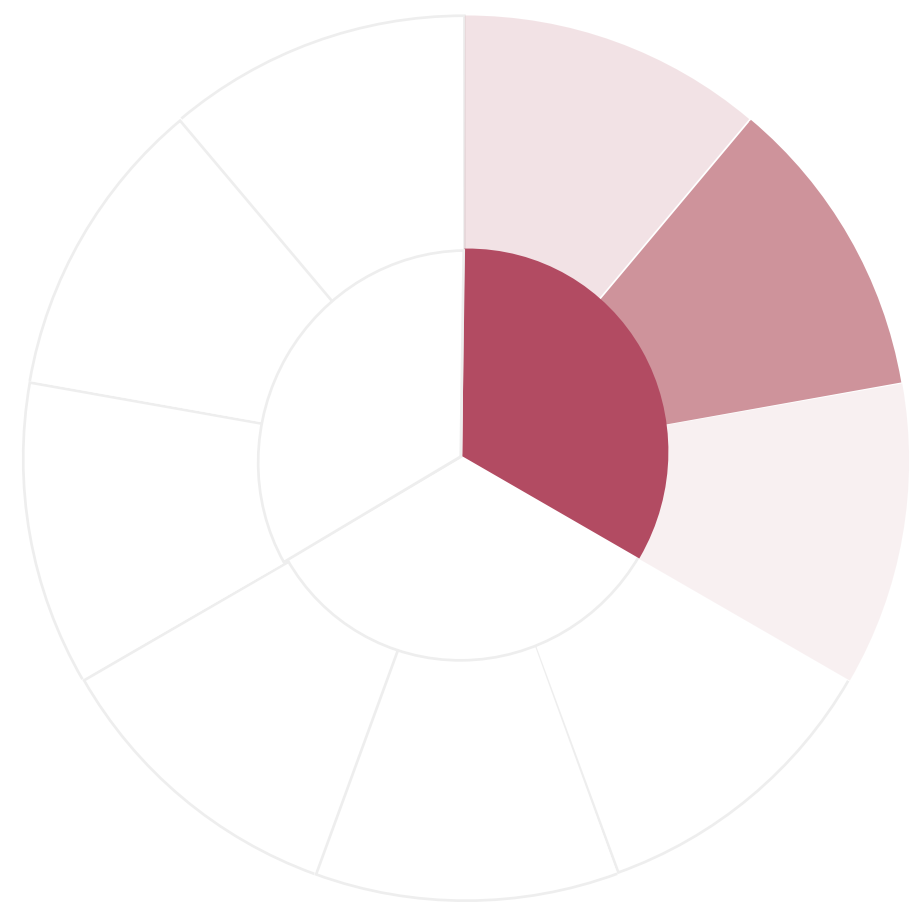
As part of their commitment to sustainability, ingredients are sourced locally and seasonally from local farmers, fishermen and producers. Nolla has a waste-free ideology: they prepare their own beer and compost with an in-house composter, which allows them to implement circular economy and give back composted soil to their suppliers. It is recognized as a Bib Gourmand and worthy of a Green Star by the Michelin Guide.



image @ lily.fi

Product

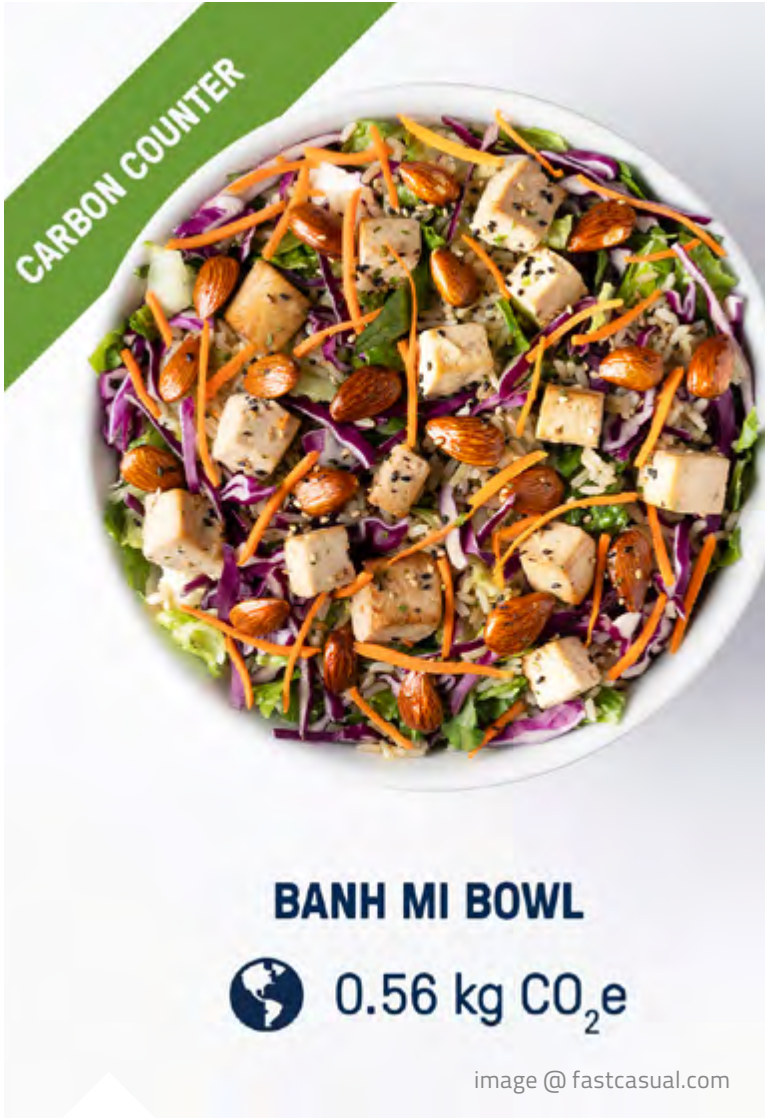
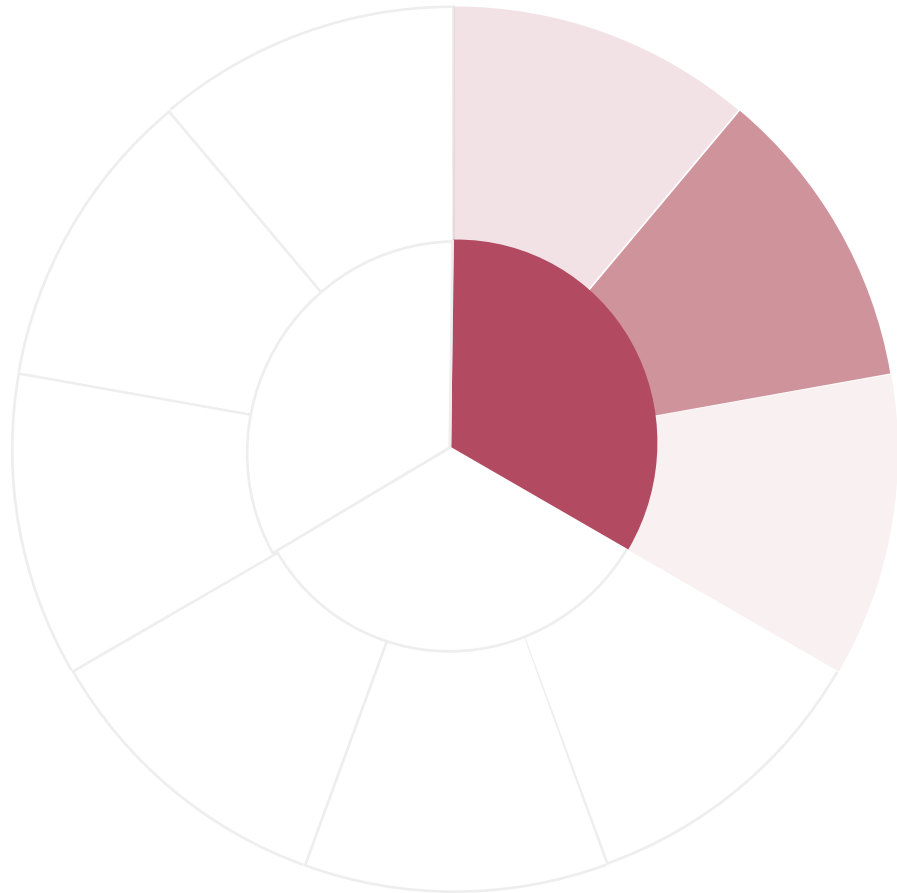
Sustainable products



Sustainability touches many areas of F&B operations, products being some of the most versatile and popular. Choosing eco-friendly products that are climate friendly and with a low carbon footprint, might at first seem complicated, but these are drawing customers' attention and will soon be a must. Sustainable products also refer to those that are produced under sustainable farming practices, like organic foods, that are locally grown and seasonally bought. Packaging can also be

sustainable if it's recyclable or if it is avoided if possible. Going green and communicating it online will be a strong differentiating factor and will help improve reputation.

Case studies



01
JustSalad

Just Salad is an American food chain which has implemented an interesting way of showing their customers their salads’ carbon emissions in the menu, based on each ingredient’s land and water use, and agriculture practices.

02
Redefine Meat

Enjoying meat in a more sustainable way seems possible in the near future. With advanced technology, this company is on the mission of creating food that resembles and tastes like animal meat using plant-based ingredients. Along with Selina hospitality brand, both have partnered to provide 100% plant based menus to their young and environmentally-conscious clients.



03
Manolo Bakes

Since May 2022, Manolo Bakes launched edible coffee stirrers in all their locations in Spain. This sustainable product is made from rice flour, is vegan, allergen free and doesn't affect coffee's flavour. It's the only 100% biodegradable solution to an item normally made from plastic and thrown away, assuring environment protection.

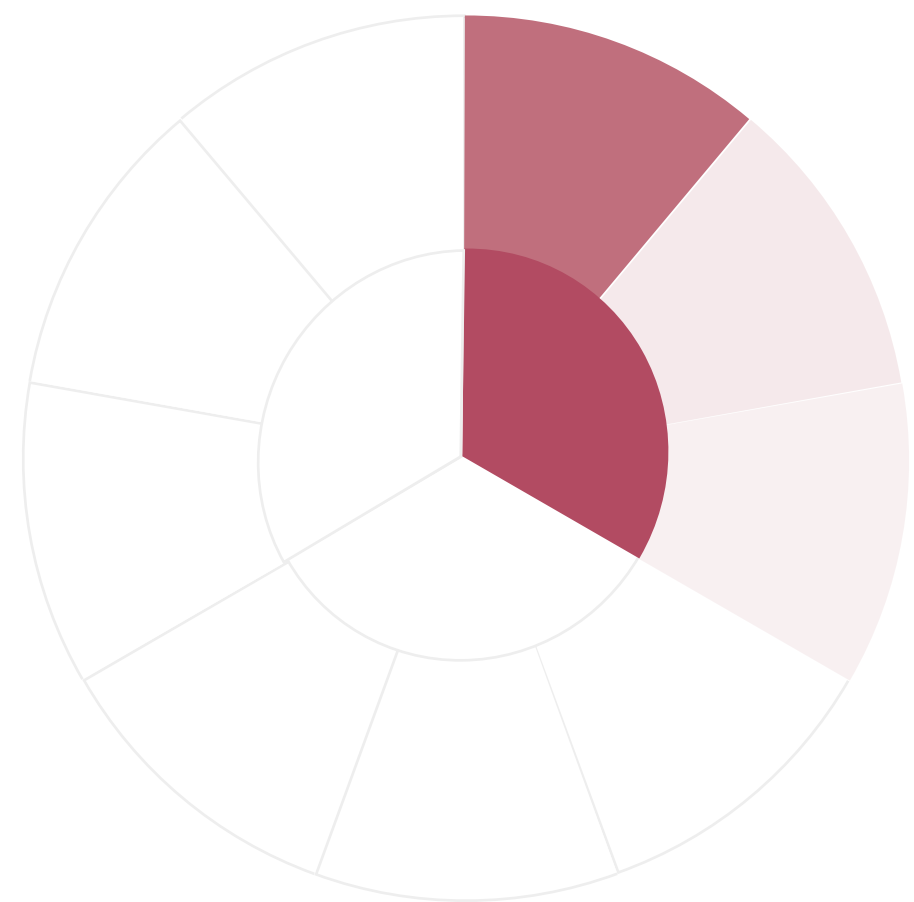


04
Good Bank

Good Bank is a German restaurant and franchise program with a self-sufficient menu sourced in-house from a vertical farm, where they grow all the ingredients for their salads and serve them directly to the table. With this concept, packaging, transportation and energy consumption related with food conservation, are minimized to their maximum.



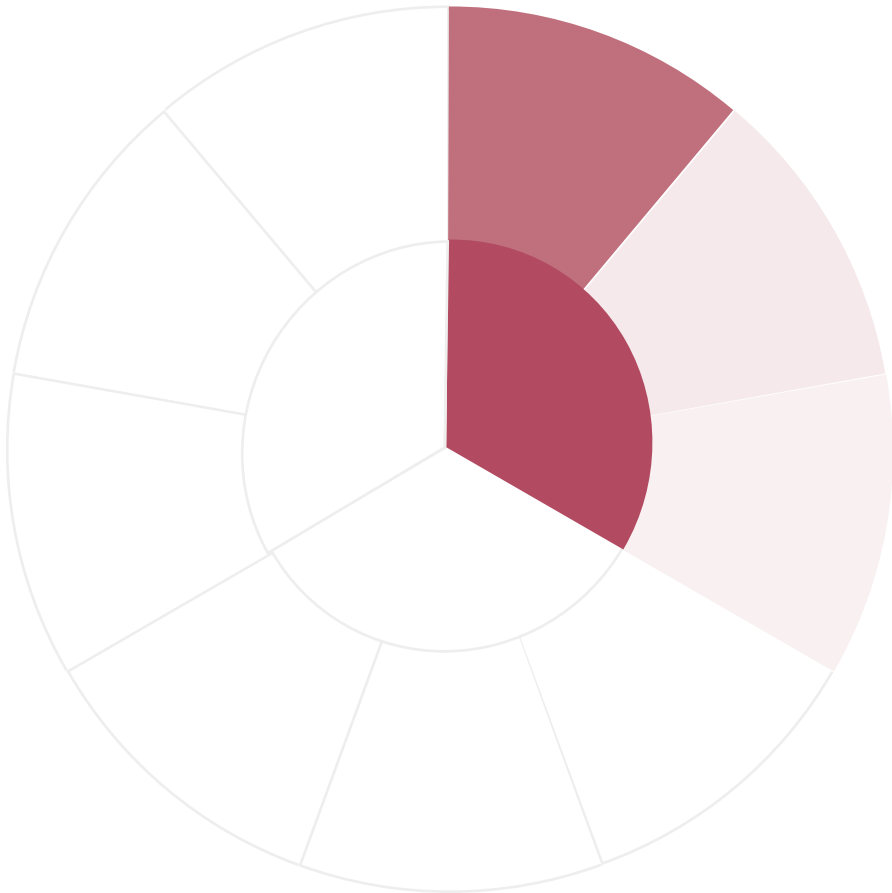
Creative menu engineering



Targeting all a wide range of consumers with menu options to match is a thing from the past. Today's restaurants must focus and develop a niche business concept, centering on quality rather than quantity. Creating short, simple and attractive menus is one of the best solutions to face labour shortage and inflation, since this type of production requires fewer employees and equipment. Mono product and specialty restaurants will gain strength in the next couple of years, leading the way in profitability. Being

creative with menus by matching familiar ingredients with unexpected ones or allowing customization, are ways to add value to your business.

Case studies



01
Chipotle

Today’s customers are looking for convenient and specific offerings, hence the success of fast-casual chains that focus on a particular cuisine with a limited-menu. Shorter menus leave place to customization. Chipotle has just four main items on their menu, however customers can personalize their order with 20 ingredients. They have 3.016 locations around the world, all company-owned. At the moment franchising is not available.



02
Ramen Shifu

Created in 2017 in Madrid, Ramen Shifu specialises in this asiatic soup under a concept of Japanese street food. Their menu offers 20 variations of ramen, from the most traditional to more innovative flavors, and also vegan options. Aspiring to position as the ramen reference in Europe, the franchise nowadays has 17 locations in Spain, 1 in Milan and more coming soon.



03
The Avocado Show

As it name says, this mono product restaurant has an entire menu with avocado as main ingredient, with versatile, nutritious and beautiful dishes. Created in 2017 in Amsterdam, the brand has expanded internationally as a franchise to 19 locations across Europe and is planning to establish in UK and India.



04
Jon Cake

Currently one of the best desserts in Barcelona, Jon Cake went from selling 60 to 600 cheesecakes per week in just a few months. Their specific offer allowed them to focus on developing the perfect recipe, that makes people line up everyday waiting to try their hand crafted, soft and delicious cheesecakes made from different types of cheese.



About
FDV Consulting

A global network-based consulting firm providing strategy and operations services to Food & Beverage destinations.

Through our hybrid teams of experienced independent consultants and in-house partners, we support foodservice and hospitality organizations developing high-performance restaurants & bars.

With more than 10 years of international experience and a wide variety of food & beverage consulting projects, we aim to guarantee a customized solution for all types of projects.

We provide our strategy and operations consulting services to national and international clients.

For more information, please contact us at info@fdvconsulting.com or visit our website www.fdvconsulting.com.





Foodservice trends 2023, co-author interview.

Ana María Vargas

jr. consultant in FDV

from Bogotá to Barcelona out of passion for hospitality.

Hi Ana! Nice to meet you, could you briefly explain your professional background?

- I have worked both in back and front of the house operations in Colombia and in New York City, as well as in customer service and my own entrepreneurial project.

How would you describe your current profile?

- I'm a Junior Consultant for F&B and hospitality projects. Doing this report was the perfect way to begin specializing in trends scouting and market research.

How has been your experience in Barcelona so far?

- Barcelona lives from tourism and has a strong F&B tradition. Studying & working here has helped me learn from really experienced people and strengthen my professional career.

What do you like the most about F&B consulting?

- I believe F&B consulting is the perfect space for putting into practice diverse knowledge while also allows to keep learning from different projects and people.

How do you feel working in consulting?

- I really like that I have learned many soft skills too, such as flexibility, organization, discipline, curiosity and not being afraid of taking risks.

Why do you think keeping up with F&B trends is important?

- This research confirmed how fast the hospitality industry is changing and how competitive it is. I believe constant learning and evolving is important in order to face uncertainty and navigate challenges.

What do you think is the biggest challenge for the hospitality industry in 2023?

- Remaining flexible and adapting to new consumer behaviours, technological developments and keeping the pace with market trends. I think it's time to reevaluate strategies and implement cross-cutting actions that impact all areas of operations.

How do you believe the younger professionals can contribute to the industry?

- With flexibility, adaptability and optimism. New generations are very much aware of social, economic and environmental problems, but we still believe our actions can change the course of things. We're passionate, motivated and eager to learn.

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