

On Top of Trends: Why It Matters



As the economy slowly begins to thaw and more Americans return to dining out, restaurant operators must pay even closer attention to changing consumer preferences and trends. Companies that innovated to stay alive during the recession are now innovating just as furiously to get out in front of the competitive pack and “wow” their target customers.

As an independent operator, you have the advantage over chains in your intimate understanding of your own patrons and your own community. On the other hand, you may find it difficult to pull back and take in a “30,000-foot view” of consumer trends making their way across the nation. To help level the playing field, here are six key consumer trends for 2011, predicted by Technomic and other experienced industry watchers.

Trend #1: Healthful vs. Indulgent— New Twists in the Old Tug-of-War

A significant and growing group of consumers takes healthful eating seriously—at least part of the time. These consumers want to see detailed nutrition information, which is mandated by the new healthcare reform law and takes effect in 2011. While most chains already provided some form of nutrition disclosure, this labeling is a new challenge for many independent operators. One trend is to highlight better-for-you fare (such as gluten-free items or “under x calories” offerings) in a separate “healthy” menu. (“Skinny” adult beverages are a related low-cal trend.)

Conveniently both for operators and for diners who’d rather not to think about calories, limited-time offers don’t require posting of detailed nutrition information; that, along with growing interest in seasonal items, makes it a safe bet that we’ll see even more LTOs in 2011.

Trend #2: Frugality Fatigue

A couple of years ago, recessionary penny-pinching seemed virtuous and old-timey. Now it’s just tiresome. In 2011, consumers will kick up their heels with the occasional return to luxury dining—something that will have many meanings for different people and different pocketbooks. Some flashy high-end restaurants will likely

In 2011, “eating a little better” will translate into menu modifications such as slightly-lower-sodium or slightly-more-glamorous sea salt.

do well. So will reasonably priced but high-experience-value, thrill-a-minute restaurants with memorable menus. Even in midpriced, middle-of-the-road restaurants, menus will tempt diners with a few extravagant, indulgent specials.

Adult beverages will play a role, too: higher-end full-service concepts will continue to push bar menus, bringing in new customers at a lower price point, and even more fast-casual restaurants will add or expand adult beverage service.

However, consumers’ renewed desire to live it up doesn’t mean they’re now willing to accept across-

Trend #2: Frugality Fatigue— *continued*

the-board increases in menu prices. Diners have come to expect price deals everywhere they eat, and will continue to demand them in the new economy. As operators’ food input prices heat up this year, sustaining the bottom line may become an even more critical issue than it has been over the past couple of years. Many restaurateurs will get creative by restructuring price deals or tinkering with their menu mix.

Trend #3: Retro Revival

Hard times inevitably mean a spike in cravings for comfort foods. But as the economy begins to recover, these comfort foods are turning playful and creative. In 2011, consumers will respond to offerings like gourmet versions of grilled-cheese sandwiches; homestyle Southern fare (from grits to seafood); old-fashioned Southern Italian food, including meatballs (and meatloaf, for that matter); and for dessert, newfangled versions of kiddie favorites like donuts and popsicles.

Meanwhile, adult beverage menus are featuring more “Mad Men”-style retro cocktails, as well as cocktails with herbal or floral ingredients; high-end gin and bourbon; craft beers; and punch (including sangria).

Trend #4: The Celebrity Farmer

Celebrity operators and celebrity chefs have taken their turn in the spotlight; now, the farmer steps to center stage. A logical extension of the local sourcing trend has led consumers to take a more personal interest in a restaurant’s suppliers—farmers, ranchers, even local bakers or brewers. Farmers and artisan suppliers are being saluted in menu descriptions, ad campaigns and blog posts at every level of the industry, from fine dining to QSRs. Other tributes to farmers may include special menus highlighting the ingredients they supply, or visits to restaurants that showcase what they produce. Consumers’ keener interest in the supply chain goes beyond romanticizing farms and farmers; it also means more attention to food safety and product traceability as well as local sourcing.

Trend #5: Social-Media Powershift

"Eating better some of the time" will lead to more innovations like "Meatless Mondays" in 2011.

Restaurants have been promoting themselves through social media like Facebook and Twitter for a number of years, but now, power and control are shifting to consumers. One important power-transfer development is the growth of third-party couponing sites. Another is the rise of location-based social media, which allow smartphone users to interact with (and get deals from) individual restaurants. In 2011, restaurants will increasingly use the web and social media to engage their customers, create a community and provide incentives (such as downloadable deals or location-based suggestions on where to dine and who is nearby to dine with). Restaurants are learning to use social marketing to empower their customers and impact their lives by getting them involved in restaurant decisionmaking or charitable campaigns.

Paralleling these social-media developments are new technologies that streamline the customer's restaurant experience. Operators will experiment with technology that allows more restaurant touchpoints to be automated, including the entirety of the ordering and payment process—either at the table, from a mobile device or at an in-store kiosk. These options will increase opportunities for customization and engage young consumers.

Trend #6: Rethinking Restaurants

New capital investment will reflect blurring and redefinition of restaurant segments to meet new consumer lifestyle demands. Look for more fast-casual brand extensions by full-service restaurants and even non-restaurant brands; more ultra-niche eateries with narrowly focused menus and high-concept ambiance; and investment in brand refreshes and remodels instead of unit growth. New units will be smaller, sustainably built, with more efficient layouts, often in nontraditional locations.

Overturning the bricks-and-mortar paradigm, food trucks are proliferating around the country,

Trend #6: Rethinking Restaurants— *continued*

and now "land-based" restaurants are using them as brand extensions and catering aids. Other innovative forms of the restaurant are temporary or seasonal pop-up eateries and kiosks.

Meanwhile, the retail sector is competing in the foodservice arena even more effectively; one area to watch is convenience stores, which have been getting good consumer response to the upgraded quality, freshness, healthfulness and variety of their foodservice offerings.

Trendsurfing and How Sysco Can Help

These six consumer trends are complex and often contradictory. Some are evolutionary, others revolutionary. To capitalize on key national trends, independent operators must first translate them into affordable adaptations that will please their own local clientele. That's not an easy recipe.

As a Sysco customer, however, you have an important partner. Sysco Sales Associates, backed by Sysco's team of culinary, operational and financial experts, can help you make sense of today's trends and exploit them to stand out from the competition and please your target customers. During a Sysco Business Review, for instance, executive chefs will showcase new menu ideas and other specialists will offer you recommendations on menu analysis, inventory management, waitstaff coaching tips and other elements of running a restaurant, all with the goal of helping the operator grow profits and reduce costs.

In addition, Sysco's iCare suite of services provides restaurateurs with connections to business partners that help them compete in a rapidly changing environment. Local and national partners can assist operators with services in the areas of operations, finance, human resources and marketing.

For more information, contact your Sysco Sales Associate.

COMING NEXT: Atmosphere.

