



We Food Smarter.

 Connections

▶ April 16, 2024

Foodservice Session

Thank you for having us!

A little about me:

- Gordon Hanrahan
- Culinary Sales Support Inc.
- Bluebird Botanicals
- Hank's Texas Barbecue
- Connections

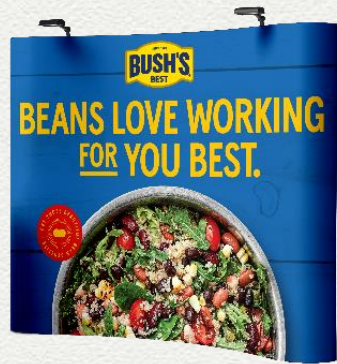


Connections

We Food Smarter™

Together, with **Acxion Foodservice**, we are the largest, most experienced sales and marketing agency in the foodservice industry with unmatched access & connectivity.

BIG IDEAS DRIVE BIGGER RESULTS



Brand Planning



Culinary Sales Support



Research, Integrated Marketing & Media



Creative Content



Digital Commerce



Sales Support

ONGOING ANALYTICS & OPTIMIZATION CONNECTIONS /3

▶ Examples of our Connections

Foodservice LTOs at National Chains



▶ **ECRM Foodservice Session**



What's New in 2024

► **What's New in 2024**

Foodservice will have some real growth in 2024.

Downgrades in economic forecast indicators have lowered growth prospects in several foodservice segments. However, the expectation still is that **foodservice will perform better on a real basis in 2024 than in 2023.**¹

In 2024, inflation will continue to fall, though **AFH inflation will remain higher than overall inflation.**²

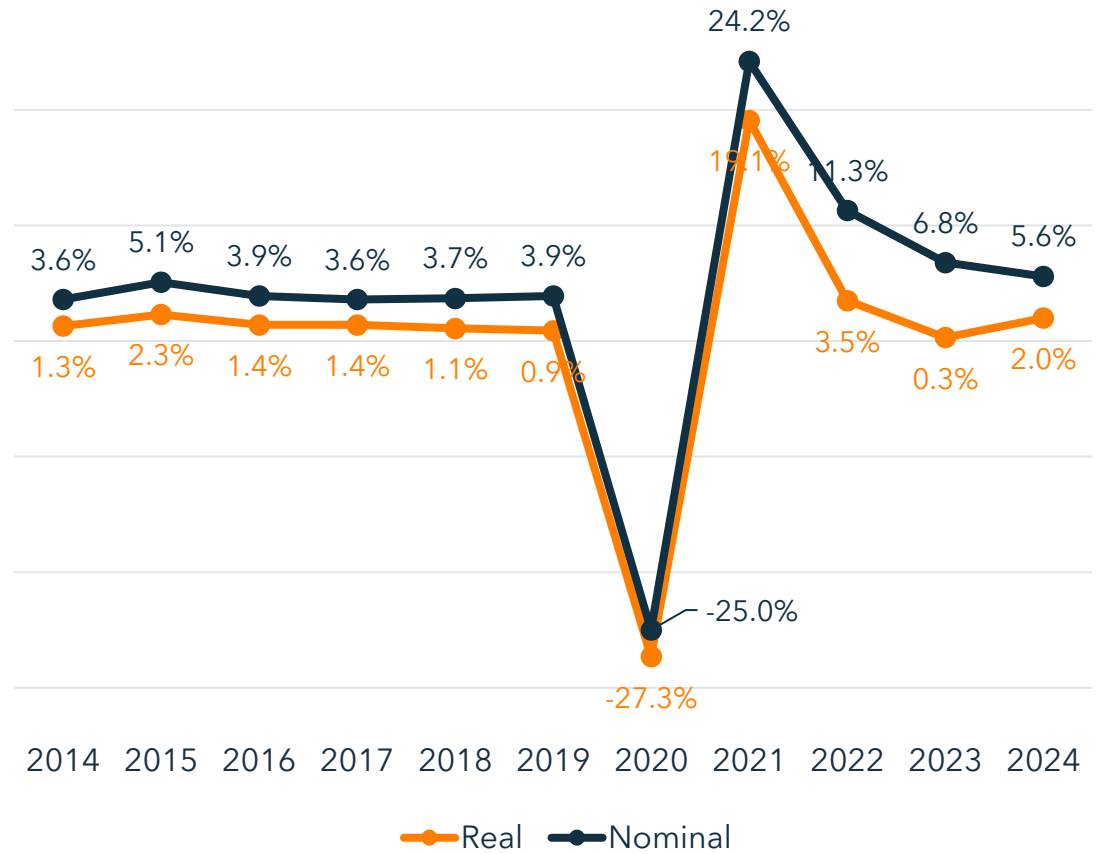
2024 will see limited growth in the year's first half before **improving in the second half.**²

INDUSTRY SEGMENT 2024 RSE GROWTH PROJECTION¹		
	2024 Nominal Growth	2024 Real Growth
TOTAL RESTAURANTS & BARS	4.9%	1.4%
Limited-Service Restaurants	5.5%	1.9%
Full-Service Restaurants	4.0%	0.5%
RETAILERS	5.9%	2.4%
TRAVEL & LEISURE	9.8%	6.1%
NONCOMMERCIAL	5.7%	2.1%
ALL OTHER FOODSERVICE	4.0%	0.5%
TOTAL FOODSERVICE	5.6%	2.0%

► What's New in 2024

After three years of pandemic recovery, **industry growth stabilizes.**

Foodservice Industry Growth



▶ What's New in 2024

Expert analysis suggests the worst may be **behind us in foodservice.**

Experts are watching economic numbers closely to determine whether we are in a recession, especially given **how much that can impact foodservice.**

There is discussion of a **rolling recession**, which is the idea that different industries in the economy are experiencing a reduction in spending (recession) but are **staggered and happening at separate times**, ultimately resulting in positive overall GDP growth.

To that end, some predict foodservice may have experienced its 'part' of the recession in 2020 and will be **less likely to see steep reductions in spending.**

This is partly why foodservice is expected to be flat in real terms in 2024 and will **not see massive cuts in consumer spending.**

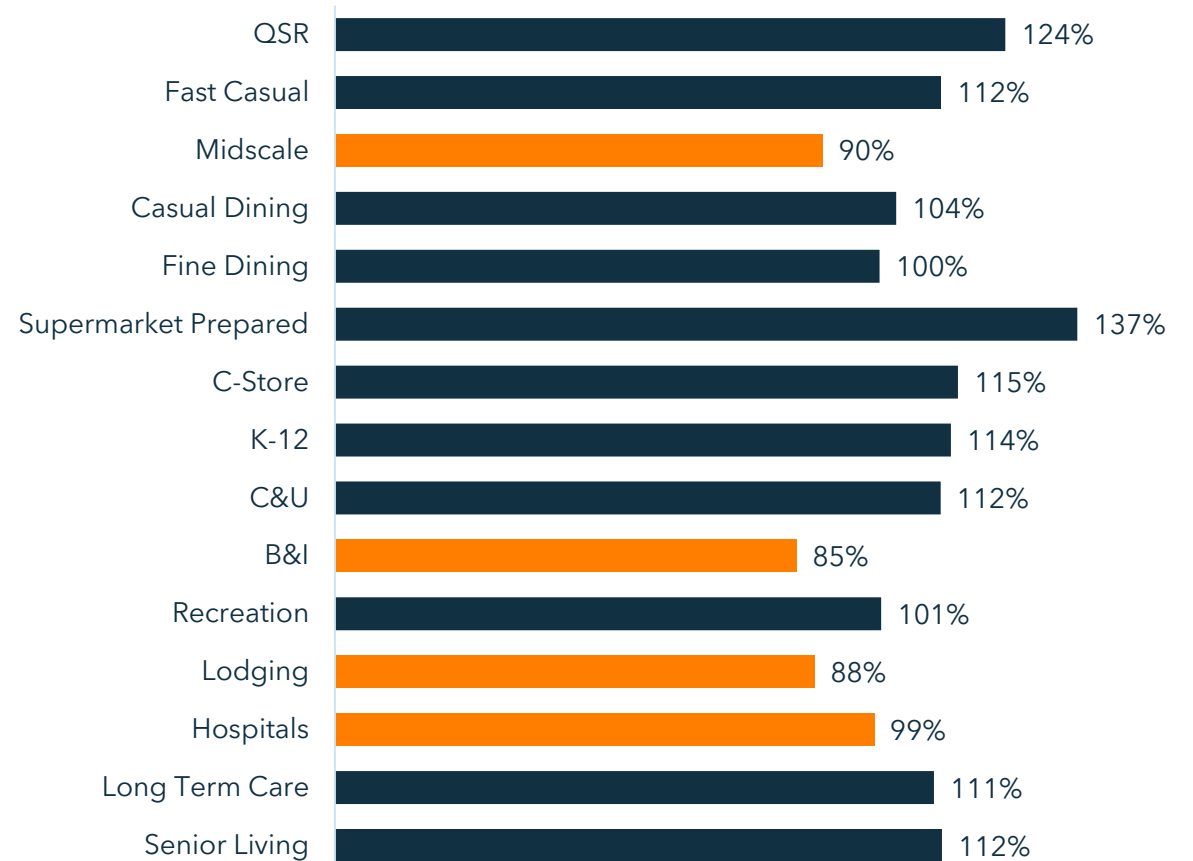


► What's New in 2024

Most segments have grown beyond pre-COVID levels, but midscale, B&I, lodging and hospitals are still adjusting.

Back to pre-COVID/2019 dollars?

nominal dollars in 2019 vs. nominal dollars in 2024



▶ What's New in 2024

Menu innovation will be key to creating **value for consumers in 2024.**

Operators began taking price in 2022 to recoup shrinking margins, but **pricing plateaued in 2023.**

In 2024, operators must continue to rethink value; innovation will be the key to survival **rather than a race to the bottom on price.**



► **What's New in 2024**

With inflation, segment and channel usage **will shift.**

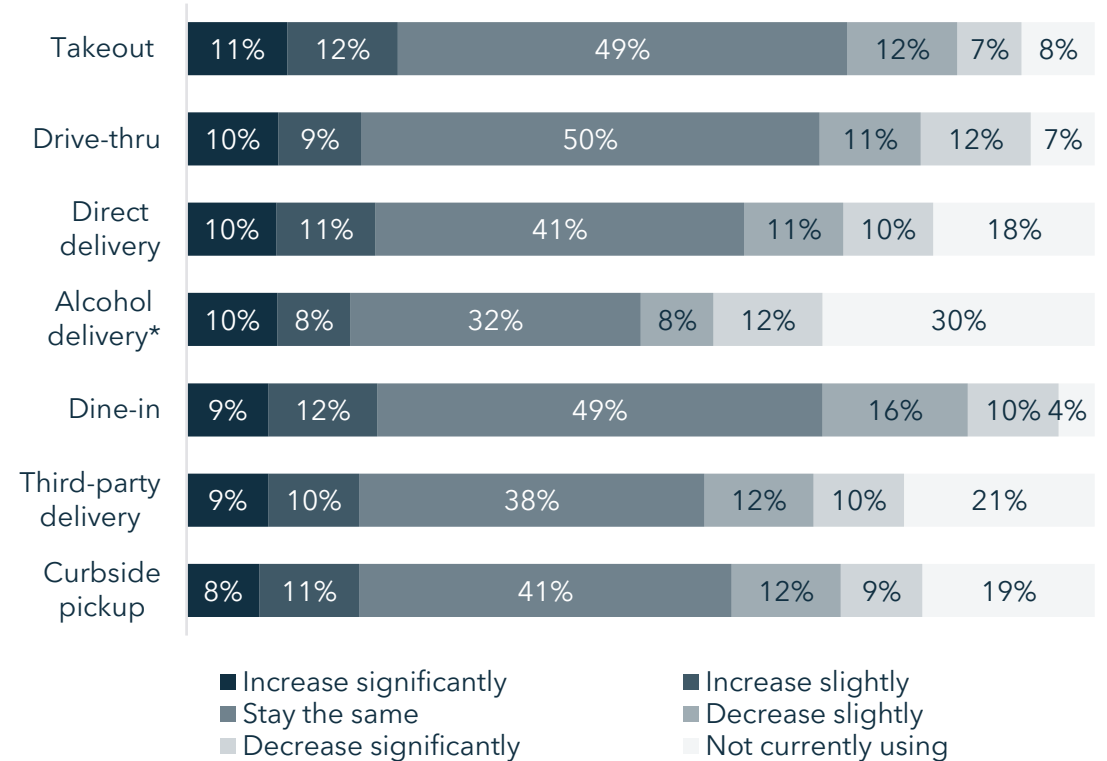
The approach to stretching one's foodservice dollar will **differ from prior economically challenged periods.**

In 2024, limited service will **benefit from trade down.**

Success for full-service restaurants will depend on the adopting competitive price positions and creating **exceptional value and experiences that are different and engaging.**

America's aging consumer base and slowing population growth will make **organic growth harder to come by in all segments.**

Expected Change in Channel Usage in Next Three Months



▶ What's New in 2024

Demographic shifts will impact the foodservice landscape.

The national median age is getting closer to 40.

Boomers in retirement have shown a renewed interest in food and are often choosing to age in more urban and food-forward locations than prior generations.

Gen X is more likely to seek out premium experiences, travel often, and regularly enjoy an alcoholic beverage.

Millennials -the 'foodie' generation are increasingly likely to have kids, which will change their relationship with foodservice.

Gen Z is graduating from college, entering the workforce, and making more purchasing decisions. Consider who Gen Z are as employees and consumers.

47%

of Gen Z say they are nervous about the future of technology.

1 in 5

Americans will be over 65 starting in 2030.

67%

of Boomers say their goal is to live at home for as long as possible.

▶ What's New in 2024

Labor & supply chain challenges continue in 2024.

Even with talk of a recession, the job market remains strong. **Foodservice operators cannot find workers.**

Wages continue to increase, as do benefits and other employee perks.

Operators look to automation not to replace employees but to **make their jobs better and more efficient.**

The shift to **more pre-made and convenience products** will not likely lose traction in the next few years.

Supply chain issues have eased somewhat, but operators will **continue seeing product shortages.**



▶ **What's New in 2024**

Consumers will demand more from delivery in 2024.

In the short term, delivery platforms must **make their value proposition clear**, going above and beyond what's expected to surprise and delight customers.

In the long term, there are **many pain points to resolve**, including customization, personalized instructions or requests that are not followed, poor quality or damaged orders, and inaccurate menu descriptions.

half

of consumers agree delivery is too expensive.

39%

say they've abandoned their cart when they saw the final price.

38%

of consumers want food delivered in less than 30 minutes.

▶ What's New in 2024

2024 is the year for **smart investments** in new equipment.

Operators want a **clear ROI** on equipment investments.

Operators want to **future-proof their kitchens**, whether purchasing electric and induction options in the face of changing legislation or ensuring the BOH can accommodate changing demands for off-premise.

More operators are interested in purchasing a **new generation of combi and speed ovens** than any other piece of equipment.



▶ **What's New in 2024**

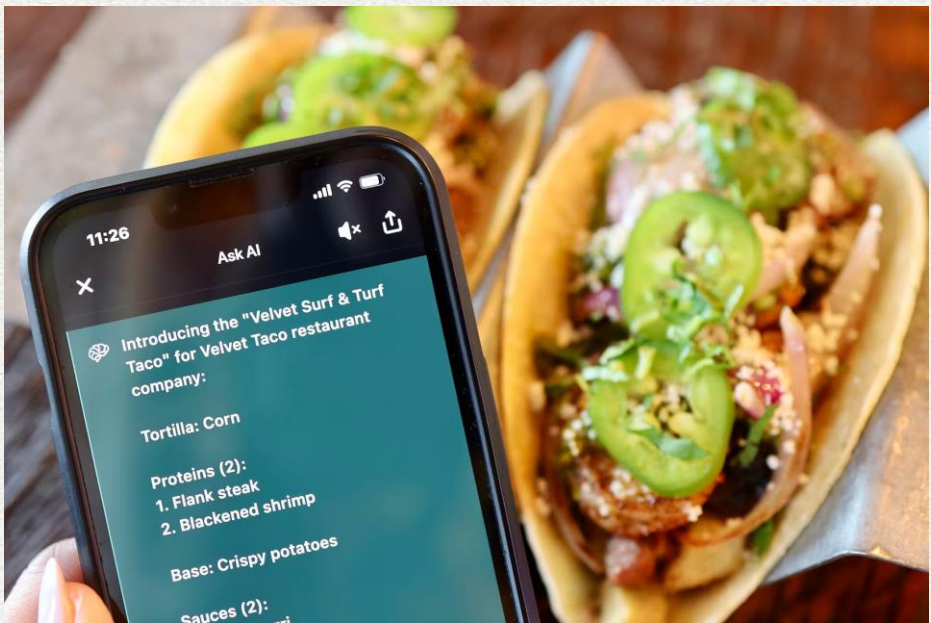
In 2024, we'll consider how the food industry will work directly with a new generation of robotics and technologies.

Simple robotics that save on labor, often from trusted suppliers, will be critical (think less robot servers and more robot drink fillers).

It's time to think of tech as an integrated tool for everyone in the industry, with **new solutions designed to assist each job and improve results.**

Consider how Chipotle **employees will work on the same line as the chain's new bowl-making robot** or how brands are using **AI to develop new ideas tweaked and executed by chefs and R&D teams.**





▶ Innovation

Cobots



▶ Cobots

With cobotics, the adoption of robotics in foodservice is more accessible than ever.

The media has been reporting on the progress of robotics in the foodservice industry, but it has **not been easily accessible for many operators.**

However, in the year 2024 and beyond, we are likely to **see more operators embracing robotics with the introduction of Cobots.**

Cobots are collaborative robots specifically designed to **work alongside humans in a shared workspace.**





▶ Cobots

Cobots bridge the gap between man and machine, working alongside humans to assist in various tasks within shared workspaces while ensuring safety and efficiency through advanced automation and interaction capabilities.

▶ Cobots

Why cobotics?

Traditional robotic systems are mostly pre-programmed and autonomous, but **cobots are built around collaboration.**

They have **complex safety measures and user-friendly interfaces.** Workers with little programming experience can interact with, repair, or adjust their functionalities.

A cobot can be an **intelligent robotic arm** or a **vision-based or wearable system**, assisting humans with real-time information and enhanced functionalities.



▶ Cobots

Cobotics are making headlines in commercial foodservice.

Last year, Chipotle tested two cobots to **streamline operations and relieve labor concerns.**

The Autocado performs the more tedious tasks of making guacamole, **including cutting, coring, and peeling avocados.** Employees then mash the avocados with salt, lime juice, and jalapenos.

Chipotle employees **work on the same line as the chain's new bowl-making robot.** With the new digital makeline, intelligent automation builds bowls and salads while Chipotle employees operate the top makeline to make burritos, tacos, and quesadillas.



▶ Cobots

In the non-commercial space, cobots provide a unique opportunity to relieve labor shortages and improve foodservice employee satisfaction.

▶ Senior Living

Two foodservice robots utilized at Mayo Clinic's Charter House retirement facility in Rochester, MN **assist kitchen staff by delivering orders across nearly two dozen floors.** They **spare employees the need to traverse the facility's two dozen floors to ferry dirty plates.** They can also play music, sing "Happy Birthday," and display photos and videos.

▶ Business & Industry

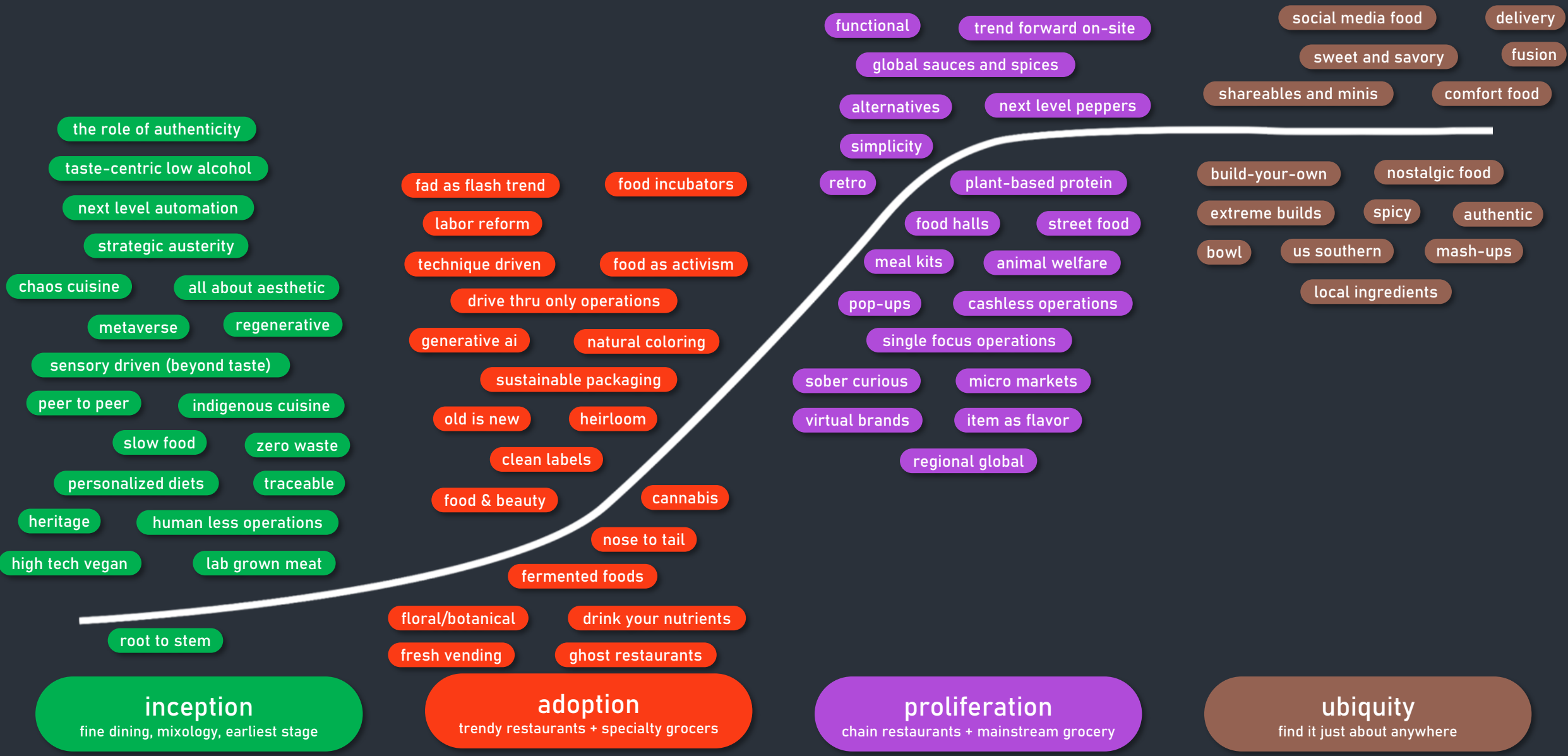
Compass Group utilizes several SoftBank Robotics collaborative robots throughout its global HQ restaurants and conference rooms. These cobot models **transport items throughout the back-of-house, deliver meals to customers, remove empty plates, and utilize sound and voice features to interact with guests.**

▶ Innovation

Trends to Watch



MACRO TRENDS



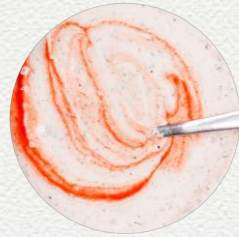
▶ What's New in 2024

2024 food trends to watch.



Flowers

Floral flavors, from lavender to violet, continue to blossom.



Spicy Ranch

Put it on everything.



Spam

The hip chef's nostalgic secret ingredient.



Cresto De Gallo

The "it" pasta shape of 2024.



Mexican Beers

The growth leaders for the category.



Mustard Seeds

A flavorful crunch and crust enhancer.



Caesar Everything

Kale, asparagus - anything but romaine.



Shawarma

And just about any meat carved off a spit.



Shaved Ice

Look for new globally-inspired options, flavors, and toppings.



Sweetened Condensed Milk

From desserts to drinks, SCM is taking center stage.

Cold Beverage Revolution

TRENDS AND INSIGHTS

Specialty cold beverages are a **traffic-driving, growing food service occasion.**

Gen Z consumers embrace cold beverage moments, especially **on the go in grab-and-go, counter order, or drive-thru formats.**

Younger generations crave **unique, refreshing cold drinks** like iced coffees, cold brews, energy drinks, boba teas, dirty sodas, and other fruity concoctions over traditional hot options.

Customizability and visual appeal add to the appeal of specialty cold beverages for Gen Z. With their clear plastic cups showing off the drinks' layers and the ability to add various attractive creams, syrups, and drizzles, these drinks are a **shareable social media moment.**¹

Specialty cold beverages **drive afternoon traffic** and are a **high-margin category** (particularly with upcharges for customization), making them highly attractive for foodservice operators.²



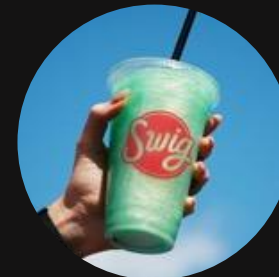
CosMc's

A new specialty beverage concept by McDonald's, CosMc's is designed to 'solve the 3 p.m. slump.' The menu includes Signature Galactic Boosts, iced teas and lemonades, slushes and frappes, brews, and fountain and bottled drinks as well as sandwiches, bites, baked goods, soft serve, and items 'From the McDonald's Universe.'²



Dutch Bros Coffee

Dutch Bros Coffee is a drive-thru coffee chain known for customizable drinks. The company offers a wide variety of coffee drinks, including espresso drinks, brewed coffee, iced coffee, and blended coffee, in addition to teas, energy drinks, and smoothies.



Swig

Recently named one of Restaurant Business's Future 50 up-and-coming concepts, this drive-thru soda chain has since grown to over 60 locations since 2010. It's known for dirty soda — a customizable drink combining fountain soda with flavored syrups, creams and toppings.

27 ¹ Business Insider, [Coffee chains are betting big on cold drinks as Gen Z turns its back on old-school coffees](#), August 2023
² Nations Restaurant News, [Why McDonald's created CosMc's: 'Specialty beverages is a space we have the right to win'](#), December 2023

FROM SOCIAL
MEDIA TREND TO
IRL
(IN REAL LIFE)
TREND

Don't sleep on social media trends. They *don't* just stay on social media.

The Sleepy Girl Mocktail, which went viral back in April 2023, combines sparkling water, tart cherry juice, and sometimes magnesium powder, and was heralded on social media as a sleep-promoting mocktail. The obsession had over 50 million views on TikTok and caught the attention of Smoothie King, which took inspiration from the trend in releasing The Sleepy Girlzzz Smoothie in January. Smoothie King's version features bananas, tart cherry, dairy whey blend, pear passion fruit juice blend, and turbinado sugar.



21%
OF CONSUMERS ARE
INTERESTED IN TRYING
SLEEPY GIRL MOCKTAILS
*Datassential November 2023 consumer survey;
sample size 1,500*



FROM SOCIAL MEDIA TREND TO IRL (IN REAL LIFE) TREND

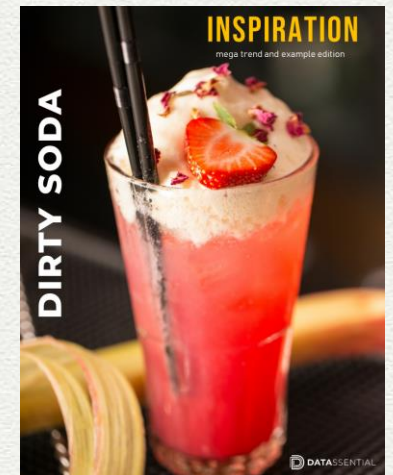


17%
OF CONSUMERS ARE INTERESTED IN TRYING DIRTY SODA

Datassential November 2023 consumer survey; sample size 1,500

COFFEE MATE GETS DIRTY WITH DIRTY SODA CREAMER

Dirty soda is a regional beverage staple in Utah. The mocktail traditionally featuring Diet Coke, coconut syrup, lime juice, and either half-and-half or creamer was created by Mormons, and Utah-based Swig opened in 2010 to specialize in the drink. Dirty soda has gone viral in recent years thanks to a post of pop star Olivia Rodrigo holding a version from Swig, and now, Coffee Mate is getting in on the action with Coconut Lime Dirty Soda Creamer designed to pair with Dr Pepper.



More 'dirty' inspiration [here!](#)

▶ **What's New in 2024**

Experiential Dining

No matter how convenient food becomes or how constrained budgets get, consumers are resilient and will remain intentional about **keeping food a mainstay in their lives.**

Most consumers treat themselves to a meal out at least once a month, and **nearly 60% attend a premium or unique dining experience at least once a year**, usually when they have something to celebrate.

3 in 4

Consumers find concepts like tasting menus, live entertainment, cultural dining experiences, and dinner theater **very or extremely appealing.**

2 in 3

Consumers typically seek out unique dining experiences **when celebrating a special occasion.**

67%

Over two-thirds of consumers - especially Boomers - say quality service and presentation are most effective at making a dining experience **memorable or worthwhile.**

▶ Experiential Examples

Third Space



Racing-themed F1 Arcade is one of Emerging's first investments. | Photo courtesy of F1 Arcade



Americans will be able to try their hand at hitting a "bowl" at Sixes Social Cricket./Photo courtesy of Sixes Social Cricket.



Spin recently opened a location in Manhattan that brings ping pong to a lounge setting. |Photo courtesy of Spin.



► What KT is keeping an eye on

Indigenous Cuisine

- **Mainstream media representation:** Cynthia Glasses for Ralph Lauren, Lily Gladstone *Killers of the Flower Moon*, Marvel's *Echo* starring Alaqua Cox, *Reservation Dogs*, *Fry Bread* *Face*, Season 4 of *True Detective*; *Letterkenny!*
- **2022** Chef Sean Sherman The Sioux Chef won Best New Restaurant James Beard Award
- **2023** Sherry Pocknett made history as the first indigenous woman to win a James Beard Award for culinary excellence.

Chef honors Guatemala's Indigenous culture, foodways

The availability of ingredients from local farmers and ranchers dictates what's on the menu at Diaca, the Guatemala City restaurant that's part of chef Debora Fadul's mission to inspire pride in Guatemala's Indigenous cuisine. Fadul's efforts include championing regenerative agriculture and heirloom crops like multicolored piloy beans, cooking education, and a kitchen built on respect for colleagues and ingredients.

Full Story: [Los Angeles Times \(tiered subscription model\)](#) (1/25)



Once in decline, Indigenous food culture in Borneo thrives again



By Rebecca Tan

Updated March 22, 2024 at 10:37 a.m. EDT Published March 22, 2024 at 9:23 a.m. EDT

It's all First Foods when Ketapanen Kitchen returns to Monday Night Football

Check out Jessica Walks First's all-Indigenous menu at the Reader's weekly chef pop-up at Ludlow Liquors.

'Hey, I grew that': the Native American school that's decolonizing foodways

In the Umoⁿhoⁿ Nation, teens learn about nutrition and build tribal sovereignty by farming for their school and community

by Kate Nelson

► What KT is keeping an eye on

Tocabe an American Indian Eatery

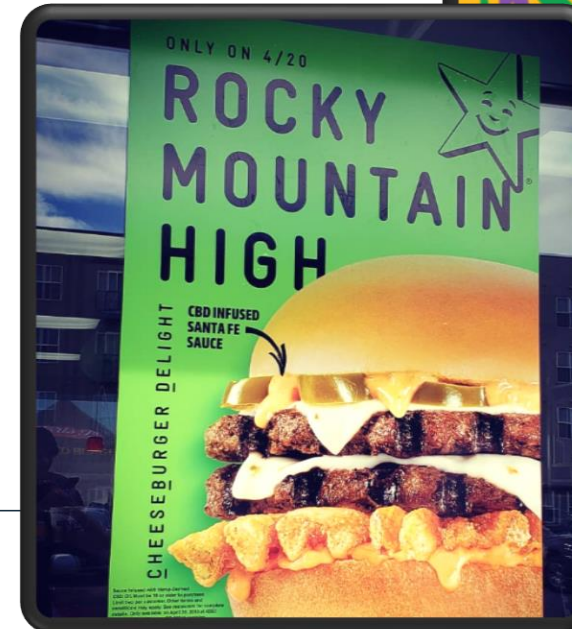
- Tocabe is in a unique position when it comes to the restaurant industry. **Tocabe is the only American Indian restaurant in the Denver metro area** and one of only a handful throughout the United States.
- Features an online marketplace where you can buy **Harvest Meals and Indigenous products to try at home.**



▶ What KT is keeping an eye on

Cannabis Cuisine

- Operators take advantage of the 420 holiday, Earth Day, etc.
- **Cannabis is a superfood:** a complete protein, perfect ratio of omegas for human digestion, a vegetarian source of Vitamin D
- Plus, over 100,000 uses – you could **create an entire concept on nothing but cannabis**
- Wing Stop, Jack in The Box, Protein Bar, CPG brands, Patagonia, Hempcrete, Victory Hemp Foods



▶ Operator Archetypes

Knowing your Targets



▶ Operator Archetypes

We understand operator purchasing habits.



Mainstream Magnets

MOST LIKELY TO:

- Buy low-tier-priced produce
- Leverage online videos
- Look to food shows and trade publications for inspiration

MOST LIKELY TO BE:

Commercial: QSR, Fast Casual

Noncommercial: K-12, Healthcare, Hotel/Lodging, Recreation, B&I



Fence Sitters

MOST LIKELY TO:

- Look to independents
- Focus on best quality products
- Worry about qualified staff retention

MOST LIKELY TO BE:

Commercial: Midscale, Casual Dining

Noncommercial: C&U



Controlled Explorers

MOST LIKELY TO:

- Seek promo/merchandising support
- Address specific dietary needs
- Track popular items at large chains

MOST LIKELY TO BE:

Commercial: Casual Dining

Noncommercial: C&U



Culinary Adapters

MOST LIKELY TO:

- Seek menu and recipe support
- Monitor social media trends
- Prioritize better-for-you/sustainable

MOST LIKELY TO BE:

Commercial: QSR, Fast Casual

Noncommercial: C&U, K-12, Healthcare



Cutting Edgers

MOST LIKELY TO:

- Be a highly culinary/chef driven kitchen
- Seek high-tier price beverages
- Be influenced by peers

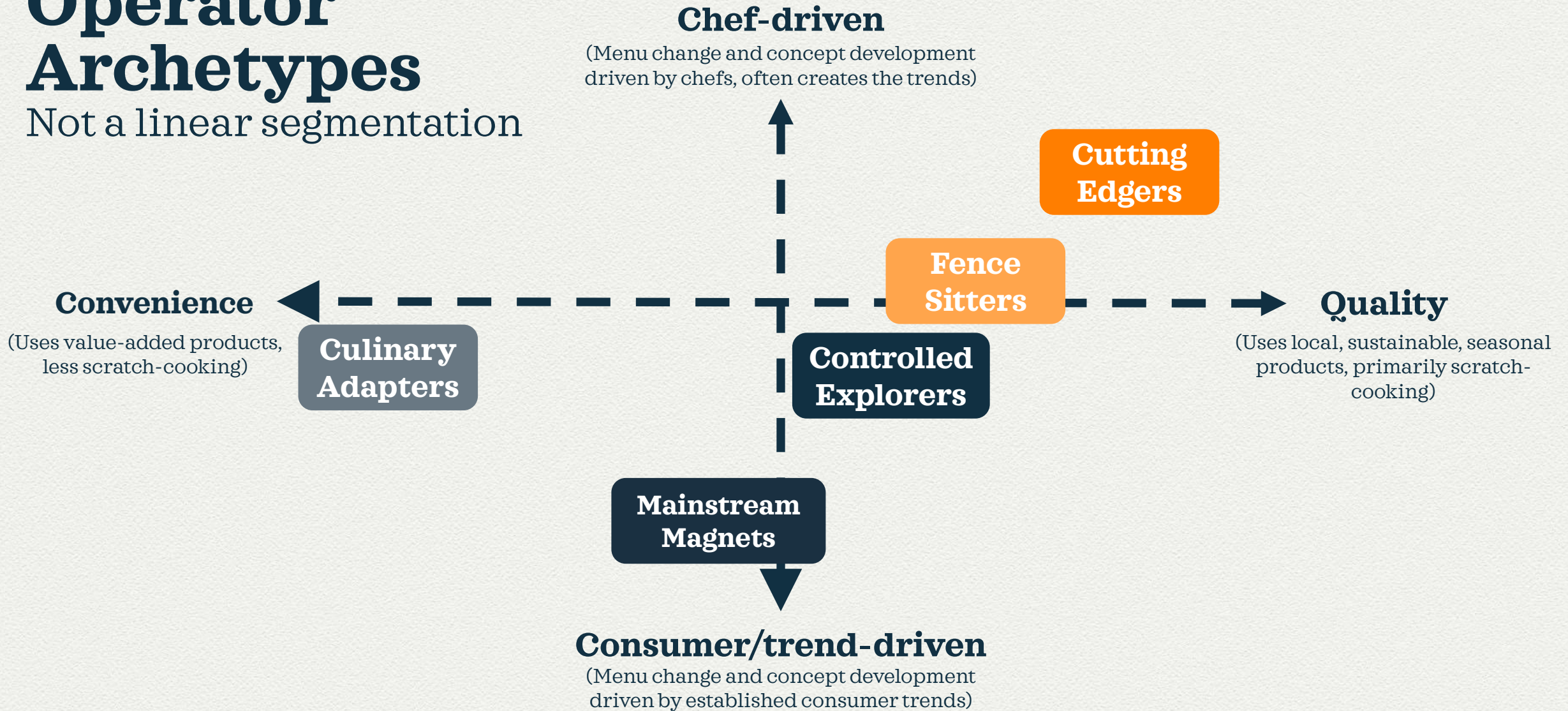
MOST LIKELY TO BE:

Commercial: Midscale, Casual Dining, Fine Dining

Noncommercial: Hotel/Lodging

Operator Archetypes

Not a linear segmentation



▶ Interactive

Time to chat

ECRM - The Foodservice Session

Session ID: 168-563-894

Join at:
vevox.app

ID:
168-563-894



▶ **Additional Detail**



More About Us

▶ 1758 W Lake St., Chicago, IL



Restaurant
Conference
Center



▶ 1758 W Lake St., Chicago, IL



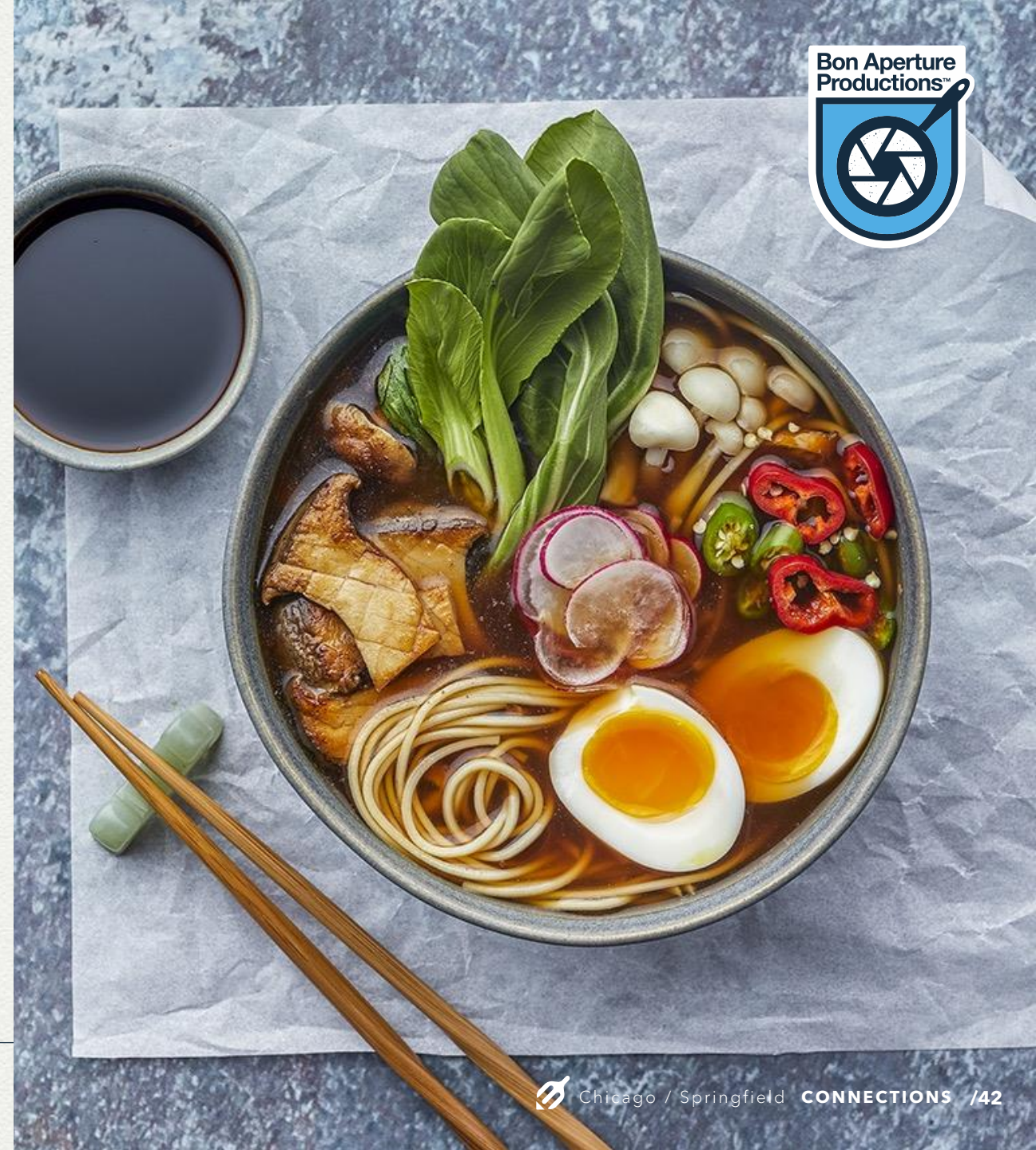
Culinary
Center



► Capabilities: **Content Generation**

We Bring Food Ideas to Life.

- Turnkey, one-stop content creation
- Chef-led, food stylist
- Videos, photos, motion graphics, animation
- GS1 support
- Two central U.S. locations: Chicago and Springfield





CIRQUE
FIRE
+ ICE

MAY 19, 2024



We Want To Party With You.

The most exclusive, networking event during Chicago's NRA show weekend

2023 featured 575 Attendees, 110 Operators, 21 Custom Food & Beverage creations, 10 Media reps & 9 Food & Beverage Manufacturer Sponsors

Sponsorship packages –
Premier Sponsorship: \$35,000

- Event access for up to 10 company representatives
- Up to 2 food and/or beverages items, custom created by Connections to highlight key products
- Prominent branded signage at event (print, digital and video)
- Digital invitation for operator guests, with all pre-and post-event communication to attendee database
- Management of Connections-curated operator guest list/provision or post-event attendee contact list

2024 SPONSORS INCLUDE:



Contact Alexa.Olvany@cssiculinary.com to get started.

▶ Keep in touch!



Thank You!

Katherine Thompson (KT)

Account Supervisor

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