CONSUMER OF THE FUTURE — THE ARBITER OF SUCCESS OR FAILURE
I. Introduction

IFMA and The Hale Group conducted another session in the Foodservice 2020 Strategic issues Series (SIS). The SIS forum is to enable IFMA members to come together and explore the future operating environment to be better prepared for the future, its nature and requirements. The concept of SIS began with The Hale Group’s white paper – Foodservice 2020: Global, Consolidated, and Structured. The subsequent sessions focused on GPOs: Growth Segment; Distributor of the Future; and, Market Coverage Requirements by Foodservice Manufacturers.

In April 2013, another Strategic Issues Series was held in Chicago, the focus of this session was Consumer of the Future: The Arbiter of Success. This white paper contains the presentation and conclusion of the session. The Hale Group facilitated the meeting, but the primary content providers for the presentation were:

- A.T. Kearney and their Global Megatrends and Their Implications for the Food Industry
- Datassential and their New Foodservice Consumer

These companies were gracious and generous in sharing their research and insights which are captured in this white paper and its appendix.

II. Consumers are the Focus

The current outlook for the U.S. foodservice industry is that it will continue to expand, but at a growth rate that approximates population growth at best, i.e., 1% or less through 2020. In fact, after a sharp decline in sales and fewer consumer visits in 2008 to foodservice establishments, the consumer has returned but not nearly to the level of per 2008 visits. Further, the grocery retailers have benefited from the consumer retreat from foodservice and captured an expanding share of consumer expenditure on food.

So short-term, the foodservice play for foodservice operators, distributors and manufacturers is to participate in a share game, i.e., take business from the competitor. However, the real work to be done in the foodservice industry is to understand why the consumer has retreated from foodservice, and then, with this new understanding, work to address their needs and improve their foodservice experiences. Therefore, the

<table>
<thead>
<tr>
<th>YEARS</th>
<th>FOODSERVICE</th>
<th>RETAIL</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>1985</td>
<td>42.0%</td>
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<td>1995</td>
<td>47.1%</td>
<td>52.9%</td>
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<td>2007</td>
<td>49.9%</td>
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<tr>
<td>2008</td>
<td>49.0%</td>
<td>51.0%</td>
<td>100.0%</td>
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<td>2009</td>
<td>47.6%</td>
<td>52.4%</td>
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<tr>
<td>2010</td>
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<td>53.2%</td>
<td>100.0%</td>
</tr>
<tr>
<td>2011</td>
<td>46.0%</td>
<td>54.0%</td>
<td>100.0%</td>
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<tr>
<td>2012</td>
<td>46.0% (E)</td>
<td>54.0% (E)</td>
<td>100.0%</td>
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</tbody>
</table>

Source: Technomic Database
real opportunity for participants in the foodservice channel is to expand the overall pie, rather than just focusing the fight for a bigger piece of pie. It all begins with the consumer. The foodservice industry must focus on expanding the pie and gaining a bigger share of their total expenditure on food. The consumer will determine winners and losers, so they are the arbiter of your success.

III. Global Megatrends & Implications for the Food Industry

A key component of strategic planning is understanding the megatrends that are shaping the future macro environment. To begin that understanding, A.T. Kearney presented at the SIS session the large, social, economic, political, and technological changes that are permanently changing the course of our lives and then moved to a more specific focus demonstrating how these megatrends will affect the U.S. food industry.

A.T. Kearney selected four megatrends as having long-term implications for the U.S. food and foodservice industry and these foodservice trends cut across traditional domains.

These four megatrends focus on shifting economic power, demographic resources and consumers:

**Economic Power Shifts**

Power is shifting East and will be increasingly concentrated in urban areas. The “emerging” economies with their growing middle class are poised for long-term growth while the “developed” economies are mature and slowing. For the foodservice industry this means flat growth for North America and Europe. It also means that urban distribution and formats will prevail.

**Shifting Consumer Demographics**

The global population continues to grow both in numbers and in weight. The Western economies are aging and health concerns are becoming a major focus as medical systems are under increasing strain. The US food industry will have to adapt as the consumer becomes increasingly grey, urban, diverse and obese. Nutritional labeling will take on greater significance and there will be more institutional eating.

**Resource Availability**

The three interdependent resources – water, energy and food – are scarce and increasingly constrained on the planet. Companies and consumers will have to adapt. The implications of this increased food consumption with a dramatic increase in energy usage and water availability concerns for the food industry means resource access will be critical and commodity volatility will continue.
Networked Consumer

All reaches of the globe are now connected via the internet, mobile technologies are opening up emerging markets and consumers are connected and more powerful than ever. Speed, transparency, multi-channel two-way communication and vast quantities of data must be mastered. In the food industry, this means there must be a fast response to crisis, an ongoing conversation with the consumer and providing visibility into the origin of their food.

**Given the global megatrends and their implications for the food industry, the following five implications represent the near term significant changes A.T. Kearney envisions for the U.S. food industry:**

1. **SHifting CONsumer PREFERENCES**

   - **Convenience:** The growth of single households, changing gender roles and a working lifestyle are intensifying demand for “quick & easy”.
     - Snacking is gaining popularity driven by hectic work schedules
     - Studies indicate that snacking is associated with a more nutrient dense diet - total fruit, whole fruit, whole grains, oils, and milk
     - Shift toward ready-to-eat food products and ready-to-drink beverages, which help save time and offer convenience
     - Fast and convenience breakfast options gain importance as most important meal of the day
     - 52% of fathers now identify themselves as the primary grocery store shopper - Some supermarkets are experimenting with “man-aisles” – aisles that feature male oriented foods and products to make shopping and impulse buying more targeted

   - **Local Fresh Organic:** Growing customer segments are willing to pay a premium for high-quality, fresh, organic and sustainably produced food
     - According to Whole Foods survey - 47% of the people are willing to pay more for locally produced fruit, vegetables, meat, and cheese
     - Innovations like “Cold Press” or High Pressured Pasteurization allow for other food categories to remain fresh for longer
     - Amazon Fresh is expanding to 20 major markets with a combination of home delivery and pick-up locations, with same-day delivery
     - According to the National Grocers Assoc., 86% of consumers indicated that availability of local foods greatly influenced where they shopped
     - “Local retail is the biggest food trend we’ve seen in decades.” Deputy Secretary of Agriculture Merrigan


Single Households

Work Intensity

Nutrient Density

The Role of Male Shoppers

Diversity: Demand for a more diverse, socially-connected food experience is rising

- Globalization, internet connectivity and travel are boosting interest in ethnic foods
- Hosting and sharing the food experience with others is gaining popularity
- Younger generations are already accustomed to certain foods and product attributes considered novel or unique only recently
- Connective technology is providing information, convenience and a personal “food lab” to every shopper
- Taste and novelty are increasingly in demand, for example “meatless grilling” and exotic produce such as cactus and seaweed are increasingly popular

EMPOWERED FOOD ACTIVISM

Food Activism: NGOs are more active, better organized and increasingly able to wield significant influence

- Consumers increasingly expect environmental stewardship, animal welfare and fair pay for workers
- Anxiety over unknown health impacts has consumers demanding to know whether foods contain genetically modified ingredients
- Waste is an increasingly significant and consumer visible issue: 40% of all food in the United States goes uneaten – waste of $165B each year
- Connected consumers can now use technology to gauge performance in these domains.
- Safeway pledges to sell only certified humane “cage-free” eggs
- Whole Foods Market’s “5-Step Animal Welfare Rating” program encourages meat producers to improve animals' living conditions

INCREASED REGULATION

A Changing USG Approach: State and Federal Governments will continue to promote transparency and regulation across the food supply chain

- As the USA increases food regulation so will the rest of the world due to the large consumer demand in USA. China has incorporated food safety in its 5-year plan as a result of USA and Europe pressure
• The Food Safety Modernization Act increases the industry’s responsibility for overseeing the safety of products, and provides the FDA with new and enhanced enforcement authority to prevent food risks

• New York City’s ban on large sugary drinks is set to take effect in March, and other states and cities will follow

• The number of food recalls has increased since more stringent labeling standards started in 2006

Healthy and Healthy Eating: Given the challenge of healthcare costs, government appears poised to use policy instruments to drive healthier eating

• Healthcare spending has grown from 5% of U.S. GDP in 1960 to about 17% ($2.4 trillion) in 2008, and is expected to double by 2018 (20% of GDP)

• The healthcare system is under increasing financial pressure as the population ages – healthy eating is seen as an approach to constrain future healthcare cost

• Government organizations are working on nutrition literacy to address the nutrition information problem, for example through the Family Nutrition Program (FNP)

• Government is increasingly active in regulating “bad” ingredients: salt, sugar, trans fat, gluten, and artificial ingredients or colors

4 ENHANCED COLLABORATION

The Food Industry Bottleneck: Competition is now between supply systems as consolidation and resource availability drive collaboration.

• Further consolidation will concentrate the commodity trading, food manufacturing and retail/food service markets globally.
  – Few companies will have the capital and talent resources to manage volatility and regulatory requirements.
• Given the importance of integrated supply networks, companies must increasingly address a new set of questions:
  – Who are the most relevant and dynamic ideation/innovation partners?
  – How can we incentivize partners and keep them engaged?
  – How can we create safe, trusted environments for joint innovation?
• Outside-in innovation through open-sourcing will be a crucial capability. Building it involves answering another set of questions including:
  – What sectors are most prone to impactful open innovation?
  – How to effectively combine/merge/build ideas?

4 BLURRING COMPETITION

› Cross Channel Competition: Competition will intensify as players cross channels to capture emerging, non-traditional customer needs.

• The rise of the “convenience restaurant” as retail and C-stores evolve into convenience restaurants and gathering place for customers to relax and enjoy
  – Whole Foods Market sells fresh, unpackaged take-out
  – Trader Joe’s packages and brands restaurant-quality refrigerated food
• During the recession, customers flocked to stores for their Retailer Meal Solutions (RMS) but now they have slowly gone back to restaurants
• Restaurants prepare grab & go meals locally using their kitchen resources. Retailers and restaurants are in a battle for fresh/convenient meal share.

› New Entrants: ...and with the entry of wholly new market entrants and product concepts.

• Foodservice, C-stores and retailers are competing with each other for meals, and with the trend towards fresh ready-to-eat meals
• Walgreens’ "Up Market: Fresh" experience is leaping outside the bounds of traditional Mass Drug with convenient and accessible fresh food and beverage
• AmazonFresh is expected to make a big push in 2013, expanding to up to 20 major markets with a combination of home delivery and delivery to pick-up locations
Given these implications for the food industry, the table below demonstrates the implications and considerations relative to the consumer, operators and the distributors.

And taking a closer look at the major relevant food culture trends, we see that the trends support a transition from traditional to convenience formats.

<table>
<thead>
<tr>
<th>Megatrend</th>
<th>Implications &amp; Considerations</th>
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<tbody>
<tr>
<td></td>
<td>Consumers</td>
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<tr>
<td>Urbanization</td>
<td>Mass transit and walkability</td>
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<td></td>
<td>Singles &amp; couples</td>
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<td></td>
<td>More institutional feeding</td>
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<tr>
<td>Social Media</td>
<td>Share experiences and reviews</td>
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<td>Health/Wellness</td>
<td>Nutritional labeling</td>
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<td></td>
<td>Good for you menus</td>
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<tr>
<td></td>
<td>Focus on ingredients</td>
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<td></td>
<td>Smaller portions</td>
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<tr>
<td>Food Activism</td>
<td>Safe foods</td>
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<td></td>
<td>Origination &amp; integrity of ingredients</td>
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<td></td>
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<tr>
<td>Raw Material Volatility</td>
<td>Shift diets based on price and season</td>
</tr>
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<td></td>
<td>Look for substitutes</td>
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**Snacking:** Of consumer eating occasions, 47% are alone which is up 7% since 2010. Consumers are eating smaller meals more often, seven meals per day versus three and consumers’ meals are not necessarily planned out given that 63% of eating decisions are made within one hour.

**Prepared Foods:** There is a major reduction in scratch cooking. Consumers use prepared food at 77% of their eating occasions and they want their food to be easily “doctored”.

**Occasion-based Shopping:** Consumers are shopping for eating occasions rather than for inventory. In fact, 51% of trips are for eating occasions compared to 23% of trips for pantry fill.

**Curated Assortment:** Shoppers are seeking exploration with 62% of shoppers looking for stores with unique products; they want retailers to be curators of selection, quality and experience.

**SUMMARY OF A.T. KEARNEY’S MEGATREND IMPLICATIONS**

This shifting of consumer behavior has created a higher fragmentation of consumer markets from the last decade to this decade as singles and couple households outweigh families; snacking replaces three meals; and ingredients and cooking are replaced by occasions and eating. The net effect is a blurring of channels as foodservice and grocery distribution will
compete for the growing retail perimeter markets as well as the fully finished ready-to-eat products placement.

The implications for manufacturers can be summarized into three categories:

**Shifting Eating Occasions:**
- Healthy snacking occasions
- On-the-go consumption
- Help retail be more like restaurants (Retail FS)
- Help restaurants be more like grocery (take-out meals)

**Commodity Volatility**
- Manage price and availability risk
- Risk sharing and supply partners

**Industry Consolidation**
- Align with growth channels and operators
- Longer-term contract and joint NPD
- Develop products that solve chain operator needs
- Integrated, agile supply systems for additional traceability, sustainability and ingredient integrity

### IV. The New Foodservice Consumer

With the global megatrends and their implications for the U.S. Food industry identified, the focus now shifts to an in-depth look at the new foodservice consumer. For the success of today’s channel partners will hinge upon a clear understanding and alignment around the consumer and their preferences. Datassential, a leading consumer research organization serving the food and foodservice industry, offers the insights they have isolated in recent research for IFMA members. Entitled *The New Foodservice Consumer*, Datassential presented their insights around four broad categories: **Occasion & Eater Types, Menu Adoption Cycle, Consumer Nuances and New Dining Adventures.**

#### 1 OCCASION & EATER TYPES

Occasions are important because day-parts alone lack fidelity and day-parts are static. Occasions are important because they describe motivation. Occasions dictate attitude, how consumers order and what they choose from the menu. For example, this chart on the right shows high incidence occasions versus low incidence occasions.

In addition to identifying the key occasion driving consumers, there are four basic away-from-home consumer types, i.e. four eater types. When answering the question “who is the consumer”, understanding the characteristics of each of the four eater types becomes critical in making occasions matter by activating against these profiles.

<table>
<thead>
<tr>
<th>HIGH incidence occasions</th>
<th>LOW incidence occasions</th>
</tr>
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<tbody>
<tr>
<td>Impressing someone</td>
<td>Cheap bite</td>
</tr>
<tr>
<td>Formal dinner</td>
<td>Quick bite</td>
</tr>
<tr>
<td>With co-workers after work</td>
<td>Last minute dinner</td>
</tr>
<tr>
<td>Festive / party-like</td>
<td>Relaxing at home</td>
</tr>
<tr>
<td>Celebration / special occasion</td>
<td>Shopping / errands</td>
</tr>
<tr>
<td>Guy’s night out</td>
<td>Dinner on the way home</td>
</tr>
</tbody>
</table>

Source: Datassential
**Basic Eater**
- Lower income; wants affordability
- Often baby boomers
- Eat out of necessity
- Care less about ambiance or interesting foods
- Higher usage of QSR’s and C-stores

**Experientialists**
- Younger
- Eat out frequently
- Highest ratio of AFH dining
- Focus on ambiance
- Less concern for NHW

**Progressives**
- Foodies
- Health-conscious
- Local focus
- Moderated female skew
- Ahead of the curve

**Quality Essentialists**
- Quality matters, but only to a point
- Food should be “right”, but not necessarily progressive
- Not usually foodies
- Consistency is key
- Skews older

**IMPACT & STRATEGY.** These four consumer types have fundamentally different behavioral patterns. The experientialist and the progressives account for 58% of all away-from-home occasions and their propensity to revisit a venue as a “loyal customer” is considerably higher than the basic eaters or quality essentialist as shown in the graph to the left.

The characteristics of the new foodservice consumer require an approach that “makes OCCASIONS matter” and this is done by:
- Developing concepts that target specific occasions
- Evaluating menu ideas relative to the BREADTH of occasions that satisfy
- Promotional activity that’s specific to occasions
- Occasion-based framework for operator presentations

The characteristics of the new foodservice consumer also require an approach that “activates against PROFILES”:
- Identifying the right target profiles for operator customers
- Focusing on trends that match each operator’s desired consumer profile mix
- Building word-of-mouth among Experientialists and Progressives
- Showing operators something new

![Bar graph showing % Truly Loyal](source: Datassential)
The menu adoption cycle both in restaurants and retail is comprised of four stages:

- **Inception:** fine dining & authentic ethnic independents; ethnic grocers; otherwise likely to be uncommon
- **Adoption:** casual dining independents and fast-casual; Whole Foods, Williams Sonoma, specialty grocers
- **Proliferation:** casual dining chains and QSR chains; greater presence on grocery store shelves
- **Ubiquity:** midscale dining, trends may be watered down; available in the frozen foods aisle

An example of the stages in the menu adoption cycle is shown in the graphic to the left.

The trends that drive this menu adoption cycle are accelerating and there are three underlying currents that are driving this acceleration and they are macro, food culture and technology.

With the menu adoption cycle speeding up and the availability of information causing an acceleration of trends, there may be a casualty in the form of a casual dining shakeout. Some of the reasons for this shakeout include:

- Declining suburban population (relative to urban)
- Declining food quality perception
- Existing footprint / layout may not work
- Fast-Casual leads in true loyalty
- Upper-casual restaurants are gaining momentum
- Further competition from emerging chef-casual segment

As new AFH venue types emerge, casual dining may get caught in the middle – more expensive and time consuming than fast casual, but not nearly as premium as upper casual restaurants.

### NUANCED CONSUMERS

When defining today’s consumer, it is critical to study the nuances within consumer segments that point to potential opportunities as the new foodservice consumer emerges.
**HISPANICS.** It is well-known that the Hispanic population is growing three times faster than the overall population accounting for over one-half of all population growth. The Hispanic population is estimated to total 30% of U.S. population by 2050. What is not as well understood is that when referring to the Hispanic population of 50.5 million today that only 31.8 million are Mexican and the other 18.7 Hispanic people are South American, Central American, Dominican, Cuban, Puerto Rican and others. Hispanics should not be thought of as a homogeneous group. The foods, for instance, can vary significantly from one Hispanic culture to another as shown in the graphic to the right.

Foods common to multiple Hispanic cultures are often executed quite differently from country to country. One example of this is the empanada which is popular all over South America with each country putting its own special touch on the pastry. The variations on the empanada are also seen in Mexico and Cuba.

**MORE THAN JUST MILLENNIALS.** Another example highlighting the importance of the nuanced consumers is with regards to demographic cohorts. The MILLENNIALS might be all the rage these days, but let’s not forget about GEN X and BOOMERS.

In the last ten years, the Boomer population has grown 32% more than double any of the other groups. It is also important to consider that the Gen X and Boomers have more money to spend and account for a big portion of the key progressives segment. The progressives as mentioned earlier in the report account for 23% of all AFH eating occasions and when measuring “customer loyalty,” the progressives score the highest among other eater types.
NEW DINING EXPERIENCES

The new foodservice consumer is seeking out dining experiences. There are several ways this desire on the part of the consumer is being met.

**BOTTLED SAUCES.** One of the ways operators are distinguishing themselves is by creating their own unique bottled sauces as shown in the graph to the right. Noteworthy independents are making bottled sauces cool again. Common applications include sauces, marinades, rubs, honey, jelly/jam, ethnic sauces, spices, mixes, and coffee/tea.

Some of the implications of this trend are that progressive operators may look to develop their own sellable sauces in favor of traditional brands and the potential for sauce/flavor innovation as more operators experiment increases leading to markets for new sauce profiles. This trend highlights the importance of understanding regional and local flavor trends.

**THE CHEF MAKES THE RULES.** Variety and customization have been the norm in recent years but we are now witnessing a counter-trend where the chef makes the rules. In a world of unlimited options and customization, these chefs are not compromising on their menus either. The Chef-Casual segment continues to grow in both number and influence. The implications of this countertrend are that the democratization of fine dining continues and that the chef is viewed as an artist with the “omakase” approach to food. Another implication may be that we see chain prix fixe shift from value to thematic dining.

**UPSCALE DINER.** As shown in the graphic to the right, another new dining experience that is growing is the Classic Diner. The classic diner is reborn as fine dining chefs bring innovative comfort food made from premium, source-named ingredients as shown in the graphic on the right. The implications of this growing trend are accelerated comfort food innovation and a new wave of upscale breakfast foods.

**PEASANT FOCUS.** Another dining experience that is gaining relevance is Elevated Peasant Food. We are seeing upscale renditions of hearty, rustic dishes from around the world. For example, French bistro classics are back in vogue and there has also been a renaissance in Southern cooking.

**COMMUNAL DINING.** The next evolution of farm-to-table and shared plates are social communities built around dining. This Communal Dining trend adds to the “experience” creating the restaurant as the social destination. It invites experimentation as consumers look to see what others are ordering and contributes to the evolution of small plates. This dining trend is also polarizing as many consumers are still averse to communal dining.
Lastly, new dining experiences are shared via the NEXT GEN MOBILE environment and this has created a culture of photo sharing as a means of food & restaurant discovery. These photo sites and apps are beneficial to some degree, but are subject to the perils of user-generated content in the form of inconsistent presentation, incompleteness in the information sharing and most important, beyond the operator’s control.

V. Summary

There is no question the consumer is key to the business health of the foodservice industry. The consumer then is the central focus to drive growth and viability of the foodservice industry. The Hale Group believes the consumers and multi-unit operators will be the dominant force to driving changes in growth rates, foodservice offering, and the business practices among foodservice trading partners. The graphic below demonstrates the value-added by channel participants in both foodservice and retail. In the foodservice channel, the demand, the value-added is created at the operator level for the consumer. Alignment of all channel partners around the characteristics of the new U.S. Foodservice consumer will be the key to success. The consumer needs are changing and they will decide the winners and losers in this share battle game.

In the grocery channel, the branded consumer packaged goods manufacturer and marketers are the primary drivers of the consumer franchise. The CPG firms also have the primary responsibility of creating demand for the products/services. While the supermarket provides a marketplace for these products, the supermarket is not responsible for demand creation for these CPG products.

In the foodservice industry, the retailer or foodservice operator is the owner of the consumer franchise in most instances. While the operator has the primary responsibility for creation of value and demand, the successful foodservice operators recognize they do not and cannot have all the insights, innovation, knowledge and know-how to operate successfully without strong, knowledgeable supply-chain partners. So the foodservice industry recognizes the best practice is a more collaborative, co-creation model. Unless, foodservice adopts this best practice – collaborative, co-creation model – it will present a sub-optimal value proposition to consumers of the foodservice occasion as the preferred choice.

<table>
<thead>
<tr>
<th>Value-Added</th>
<th>Foodservice Channel</th>
<th>Grocery Channel</th>
<th>Value-Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>25–35%</td>
<td>Manufacturer</td>
<td>Brand Manufacturer</td>
<td>45–60%</td>
</tr>
<tr>
<td></td>
<td>Distributor</td>
<td>Wholesaler</td>
<td>3–6%</td>
</tr>
<tr>
<td>60–70%</td>
<td>Operator</td>
<td>Supermarket</td>
<td>25–30%</td>
</tr>
</tbody>
</table>

Key: Gross profit margin is used as a surrogate for value added at each level.
=Consumer Franchise Ownership and primary responsibility for demand creation

Source: The Hale Group estimates
VI. Break-Out Groups’ Discussion Notes

At the conclusion of the presentation, the attending IFMA members separated into breakout groups and were given twenty minutes for individual group discussions and twenty minutes for report-outs and discussions with the larger group. The breakout groups were asked to discuss the following question: “Based on the changing consumer and the impact on operators, what do believe the implications will be to manufacturers?”

Following a robust two hours of report-outs and discussion, the following summarizes the participants’ conclusions:

- **Foodservice Manufacturers Utilize Data and Insights**
  
The IFMA members in the breakout groups discussed the critical role of using data to create insights about the new U.S. foodservice consumer. These insights will enable the foodservice manufacturers:
  
  - To understand the barriers to consumers eating out more and understand the decision trees in how consumers choose segments
  - To think in terms of occasions and eaters types
  - To recognize how the blurring of foodservice and retail channels creates a blurring of competition and this requires a new approach in defining the areas of opportunity
  - To understand how to communicate with the consumer on the issue of “what’s in my food” and speak to the requirement for “healthy” food options – manufacturers and their operator customers will need consistency in their approach
  - To identify the key drivers in consumers’ requirements for convenience in their away from home occasions – allowing foodservice manufacturers to plan for and execute against these consumer requirements through business processes and systems
  - To gain a better understanding of demographic shifts and create a vision/focus for how to activate against this information

  The data and insights need to be standardized and more readily and cost effectively available. This information, customized for foodservice, will allow IFMA Members to better compete with retail (that has IRI and Nielson) for the consumer food dollar.

- **Foodservice Manufacturers Co-create Value with Operators**
  
The IFMA members in the breakout groups reflected on the need for a unified approach with their operator customers in addressing the changing consumers’ needs and discussed specific ways that foodservice manufacturers can collaborate with their customers:
  
  - Foodservice manufacturers will need to assist their operator customers with consumer insights, behavioral information and other market-based information, These actionable insights increase the operator's ability to achieve greater satisfaction and greater reach.
• Foodservice manufacturers need to provide operators with solutions versus products only and this involves understanding the operational requirements and possessing the intellectual capabilities to generate the desired outcome for customer and consumer.

• Foodservice manufacturers need different go-to-market strategies that are customized by operator and have the ability to customize product based on different cooking platforms and how the product is used on the plate.

• Foodservice manufacturers must have an organization that is properly resourced and aligned with their customers, understand their roles and be equipped to complete the delivery task.

• Foodservice manufacturers need standardization and a common language in order to collaborate more effectively with operators.

In order to more effectively collaborate with operators, foodservice manufacturers need standardization, proven methodologies and a common language to better compete with retail for the consumer food dollar.