

Huhtamaki

Q1 2019 Trends Report



Generational Snapshot | Operations Overhaul
Employee Emphasis | Government Shutdown



Generational Snapshot

Different generations. Different demands. Now, more than ever, balance is key in determining which group of consumers to listen to in regard to decisions made on foodservice menus, packaging and more.

A Look at Baby Boomers

1946-1961

Born 1946-1961, boomers have the highest population at **74.1 million**, but those numbers are expected to *drop to 16.6 million by 2050*. Dwindling in **number and influence**, their *spending power is relatively still high*.



The Facts:

\$ *interested* in
value & deals.



prefer **comfort foods.**

tend to dine
at *traditional,*
full-service 
restaurants.

5 million
HOUSEHOLDS living in

POVERTY. 

The Stats:

32% look up *restaurant menus online* before ordering.



27% *eat out for lunch.*



six percent are utilizing **on-the-go foodservice** more than two years ago.



A Look at Generation X

1961-1981

Born 1961-1981, Gen X has the **smallest population** but the ***strongest spending power***, as they are typically still working, providing for their household and saving for retirement.



The Facts:



least worried
about price.

interested in **larger**
portions & convenience.




spends more
than any other
generation on
a night out.



typically the **head of the family**,
thus influencing & financing
the eating habits of Gen Z.

The Stats:

48.2%

have saved \$10,000+
while 26.7% have saved
\$100,000+. 



48% look up *restaurant*
menus online
before ordering.

24% *eat out for*
lunch. 

12%

are utilizing
on-the-go
foodservice
more than
two years ago.

A Look at Millennials

1981-1997

Born **1981-1997**, millennials continue to be the *leaders in setting food trends*, such as **social media meals** and food brand merchandise, despite having *relatively low spending power*.



The Facts:

interested in **adventure**
and **experience** when dining.



likely to dine
in large groups.

nearly 5.3 out of 17 million

HOUSEHOLDS living in

POVERTY.



The Stats:

35%

would compromise
their values a bit
to save some money.

75%

value the “*experience*”
of food far more
than its nourishment.



Millennials eat **52% more**
vegetables than baby boomers.

The Stats:

49% *spend more on*
restaurant food than
savings for the future.



41% *eat out for*
lunch.

30%
are utilizing
on-the-go
foodservice
more than
two years ago.

A Look at Generation Z

1997–present day

Born **1997–present day**, Gen Z has the *second largest population* and is expected to **outnumber boomers** as *early as 2019*.
Though not as **financially stable as Gen X**, this is a **group to watch** for *upcoming trends*.



The Facts:

\$ *Roughly* **\$828 billion**
in spending power total.

\$78 *billion spent at*  **restaurants.**



*interested in
global flavors &
healthier, natural
menu alternatives.*



*prefer
online
ordering
& digital
marketing.*

The Stats:

43% *eat out for*
lunch.



38%
are utilizing
on-the-go
foodservice
more than
two years ago.



Operations Overhaul

As digital continues to dominate, restaurant operators are working to keep up with consumer demands for quick, convenient transactions both on- and off-premise.

The Need for Speed



Food prep in *parkas*? **The University of Michigan kitchen staff** works in **walk-in freezers** to keep perishables *fresh and ready* for **immediate delivery**.



The Veggie Grill in Chicago completes orders *quicker* with *computer monitors* that **display customers' choices** to the **kitchen as they order**.

Trading Spaces

Businesses' real estate needs are changing to reflect a boost in off-premise sales.



Firehouse Subs looks for spaces with *less room for tables and chairs* and a **larger counter area designated for to-go orders.**





Cloud kitchens or virtual restaurants: Dining concepts without the dining rooms or waitstaff. These businesses utilize delivery apps like **UberEats** and **Door Dash** to sell their food.



Chick-fil-A opened a *delivery-only* prototype with a **5,800-sq.-ft. kitchen** and **no dining room**.



Employee Emphasis

Companies are investing in employees through training programs, wage hikes and other incentives to help improve performance in the workplace.

In 2019, more than 20 states will raise their minimum wage, benefiting 17 million workers.

Minimum wage is projected to continue to increase nationwide *as high as \$15.*





Tender Greens: This national chain provides an internship program for young adults in foster care programs.



DUNKIN' DONUTS®

Franchisees with **10+ years** are **rewarded** by having their store number **replaced with their name**.

Young staffers have **weekly mentor meetings** to get advice and discuss problems with **experienced colleagues**.





The KFC Foundation gives employees access to financial advisors and teaches them skills like budgeting.





Government Shutdown

From the loss of federal program funding to the loss of consumer dollars, America's foodservice industry suffered several economic blows as a result of the longest shutdown in the government's history.

Loss of Federal Funding

Furloughed federal employees *aversely affected* those dependent on federally funded programs.



Federally funded programs benefiting children and schools *lost funding* during the shutdown, **affecting millions of students.**

Federally Funded Programs

School Lunch | School Breakfast | Child & Adult Care Feeding
Summer Food Service | Special Milk

22 *million students are signed up for*
free or reduced-price meals.

29.7 *million students participate in the*
National School Lunch program.

Before the shutdown, some school districts ***scaled back food offerings to prepare for the worst.***

The Vance County School District in North Carolina **revised lunch menus to conserve food and funding.**



No bottled drinks (water or juice) or ice cream, **only milk.**

Loss of Community Support

Furloughed consumers *spent less money* due to uncertainty caused by the shutdown.

consumer spending
makes up about 70%
of economic activity in the U.S.



Dining out and entertainment spending
are among the first cuts
consumers make during economic downturns.

restaurants experienced declining sales due to lack of inspection and low consumer confidence and/or funds.



households with a *furloughed member* **slashed spending by 15%-20%** **opting to cook** instead of eating out.

most purchases, such as clothes or toys, were merely delayed while losses for dining out will never be recouped.



Companies responded to the shutdown in a **positive** way by *offering discounts and/or freebies* for furloughed employees.

FAZOLI'S

Free baked spaghetti with the purchase of a drink.



One day only **free** Combo Meal or Breakfast Combo Meal.



BOGO sandwiches.

Huhtamaki

While generational differences and governmental turmoil are creating uncertainty industry-wide, business trends are shifting toward efficiency and employees to strengthen internal operations.

Huhtamaki North America stays at the forefront of these trends to help your business navigate the ever-changing foodservice landscape.