

2020 Foodservice Trends Driving Food & Beverage Innovation

Every year at Mattson we release our New Years Trends, but this year we're doing it in two phases. This first phase is focused on food away from home, where about half of all dining dollars are spent. Next up will be consumer packaged goods.



1. Restaurants, Reimagined

In 2020, restaurant operators will grow their businesses mostly outside their restaurants, by reimagining what that word can mean.

The sky's the limit, thanks to third party delivery services such as DoorDash, GrubHub, and up-and-comer, Uber Eats. In 2019, data firm Second Measure reported restaurant delivery services grew 52% year-over-year.

These companies allow any restaurant to deliver fresh, hot food to your home. When a vacuum exists, something new comes in to fill it. The new thing, which is an old thing called *commissaries*, is alternatively called ghost kitchens, cloud kitchens, dark kitchens, and other sinister names for what is a pretty smart business model. Restaurants can rent as much or as little *offsite* cooking space (and sometimes, even chefs) as they need, without having to deal with real estate or renovations to accommodate a growing delivery business.

The buzziest one is from Uber founder Travis Kalanick called CloudKitchens, with hundreds more coming soon from Kitchen United, who will install 5,000 virtual kitchens to serve operators like Chick-fil-A and Sweetgreen, who has announced other plans to grow their B&I "outpost" locations for food drop off, en masse, at a central location. DoorDash has opened its own commissary kitchen in Silicon Valley, a harbinger of things to come.

02. Work: Where To Go For Fresh Food

As worklife has evolved, so has workplace dining. Companies are sprouting up to help employers too small to afford a contract management company (like Sodexo), or run their own (like Google).

Byte supplies "a tiny market in your office," by providing self-serve stocked refrigerators with grab and go fresh food options. LeanBox offers a similar service. Eat Club calls itself a "virtual café" that delivers fresh, individual hot meals to the office. ZeroCater offers something similar to third party restaurant delivery, with a focus on corporate customers.

These services are highly coordinated via apps, tech, and personalized service, positing that employees are more productive, out of the office less, and build a more family-like culture when they eat well, together.

After 42 years of providing meals, Mattson can attest to this!





03. Re-imagining Menu & Packaging for Delivery

As the #1 side dish in the restaurant channel, it's time someone has addressed the fate of to-go French fries: steaming into mush, yearning to be free of the sleeve, insulated bags, and time that renders them limp. McCain's new line of SureCrisp® fries were built to deal with the inhospitable conditions of delivery.

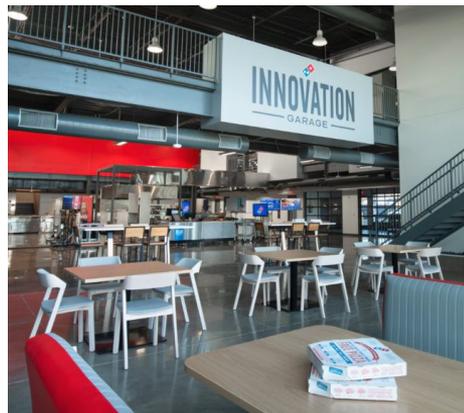
Many companies are working to solve the problem of packaging, beyond French fries. Anchor Packaging's Crisp Food Technologies utilizes a patented technology that claims that "temperature and texture of fried foods fare better in their containers during a 30-minute delivery." (Thank goodness, since fried chicken sandwiches are having a moment.) Zume's patented sugarcane fiber Pizza Pod has raised ridges inspired by a panini press. Parent Zume, Inc. is now focused on selling this optimized and sustainable packaging.

With growing off-premise consumption, these supply chain innovations around pizza and fried food are just the beginning of what's to come in 2020.

04. Innovation Out in the Open

In 2019, 7-Eleven debuted a "lab store, where customers can try and buy the latest innovations" including The Cellar, an alcove dedicated to an expanded selection of wines and craft beers, a growler station...and made-to-order coffee drinks, cold-pressed juices, smoothies and agua frescas." Coca-cola has started an Insider's Club, where consumers can sign up for a subscription box of limited-edition drinks, "most before they hit the shelves." Domino's Innovation Garage is a space focused on testing new technologies such as autonomous vehicle delivery and GPS tracking. I'm guessing, though, that they'll also be testing new delivery-optimized menu items and packaging, in an effort to deliver better quality pizza, which matters just as much—if not more—than snazzy tech.

Testing new products and technology with consumers is not a groundbreaking technique, but the marketing of it is. What used to happen internally is now being done with an-external, transparency-focused exuberance.



Best Things I Ate in 2019

Barb Stuckey,
President & Chief Innovation Office

- SF: **Che Fico's pizza, Niku's crispy potatoes**
- DC: **Hay Adams' oatmeal breakfast souffle**
- Denmark: **Noma's asparagus "cheese" (koji mold)**
- Sweden: **Oaxen Krog's Tasting Menu**
- Wine Country: **Chalkboard's fried chicken thighs w/black vinegar**
- Nashville: **Mop/Broom's chickpea fries** (now closed)
- CPG: **Donostia's Tinned Spiced Sardines**
- Istanbul: **Cigkofteci wrap on the street at Happy Cow**

Food Forms & Flavors We're Watching

- Continued fear of and flight from sugar
- Porchetta
- Hard kombucha and hard cider
- Cacao fruit everything
- Okonomiyaki (yes, every year this makes our list)
- Avocados everywhere
- Bowls, bowls, bowls, bowls, blah...
- Egg snacks and apps (deviled, Scotch, crisps, wraps, dipping)
- Plant-based _____
- Romanesco (dare we say the next kale?)
- Korean fusion



05. Green Kitchens & Packaging

ReFED reports that 52MM tons of food are sent to landfill annually in the US, plus another 10MM is discarded or left unharvested. Given this waste of valuable resources, restaurants and suppliers are trying to reduce waste, and repurpose what they can't.

McDonalds' sustainability team connected Ford Motor Company and announced a partnership to use coffee chaff, a byproduct of McD's coffee roasting process, to make auto parts. McDs is also working on an evolved paper straw, after backlash from their first attempt, in part for not being recyclable.

Technology company [Winnow](#) uses an AI system so operators can identify what's being discarded, giving them data on when and where waste occurs: the first step in eliminating it. Startup [Mobius](#) is working on repurposing spent restaurant fryer oil, turning it into the compostable plastic bags that hold third party delivery food as it's being shuttled around.

Companies are finding new life in waste by repurposing it into functional ingredients. [Renewal Mill](#) sells flour from soymilk processing, [Planetarians](#) makes a protein flour from sunflower seed byproduct and [Renmatix](#) makes a functional fiber from maple waste. Our vision is that more of these ingredients will come online in 2020 to deliver triple bottom line benefits.



06. Self-Serve 2.0 and Grab-and-Go

Chain operators like McDonalds have spent millions developing and implementing solutions like their automated smoothie and McCafe drink machines. However, a team member has to push a button and deliver them to the guest. The holy grail is Self-Serve 2.0, where the consumer does the hand-crafting.

In 7-eleven's new lab store (see previous), there's a self-serve cold treats bar with frozen yogurt, ice cream and multiple toppings, not unlike a lot of the yogurt chains who have moved service from back of house staff to self-served guest.

App-enabled Amazon Go are cashier-less stores, using technology to allow consumers to get in and out with zero hassle. The entire Go experience is self-serve. For sale are C-store foods, like bars and bottled beverages, but also an extensive collection of well-curated grab-and-go items to eat cold or microwave (yourself... in-store) and meal kits to take home to cook for dinner. It's no wonder their tagline is, "No lines, no checkout--just grab and go!"

Early results from Mattson's 2020 proprietary research study, show 99% of the population has purchased a grab-and-go food or beverage item within the last week; 95% buy grab-and-go items for themselves, and 86% buy both food and beverage together across a wide variety of segments and operators ([let us know if you're interested](#)). With broad behaviors like this, coupled with a labor shortage, we're at the beginning of something big for grab-and-go.

To hammer home the message that self-serve 2.0 and grab-and-go will soon be replacing employee-crafted food, Farmer's Fridge, a self-service salad vending machine, is now subject to the same food safety inspections as restaurants. A Health Department spokesman said it best, "Companies like Farmer's Fridge signal new changes to the NYC food space."

And beyond.

What We Are

North America's premier
**food & beverage innovation
company**

Employee-owned / Founded in 1977

Based strategically at the epicenter of
Silicon Valley entrepreneurship and
innovation, Berkeley food activism,
wine country aspiration, and
San Francisco culinary vibrancy



What We Do

We Make Food Happen

- + From brand and product strategy
- + To new product conceptualing
- + To product formulation and process development
- + To brand development and design
- + To co-man identification
- + To factory scale-up
- + Informed by consumer research along the way
— exploratory and/or evaluative



Who We Are

Food Scientists
Culinary Experts
Strategists
Commercialization Specialists
Brand Marketers
Designers

With a common passion for great food
And a commitment to making a difference in the world

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What We Believe

Prototype Prolifically

get to the food as fast as possible

Stand Out

create a powerful point of difference that people talk about

Create Crave

trial is easy; repeat is what drives sustained success

Solve a Need

nutritional, sensory, emotional, or otherwise

Build for Scale

formulate with clear line-of-sight to profitable scale-up

