

Huhtamaki

2022 Q1 Trends Report



Ghost Kitchens



Plant-Based Food



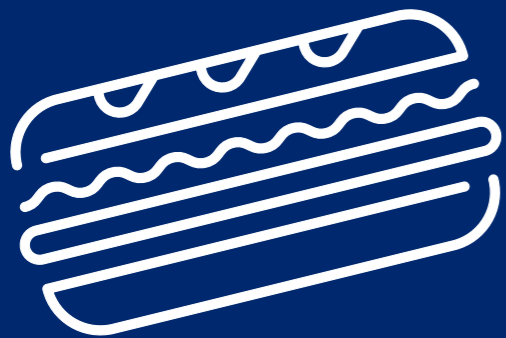
Automated Restaurants



I. Ghost Kitchens

As dine-in activity in restaurants across the nation has declined, virtual kitchens have continued to be popular. More than half – 51% – of restaurateurs have already made the shift in response to changing consumer habits. Ghost kitchens, once a technological curiosity, have become a mainstay in the industry. Restaurateurs have found them to be a less-expensive way to expand their brands while avoiding the financial ties and risks that come with a brick-and-mortar location.

Jersey Mike's



Partnering with **ghost kitchen** industry leader Kitchen United, Jersey Mike's opened its very first one in New York City in **November 2021**.

Guests who want more of Jersey Mike's fresh-sliced and grilled subs have the option to order at a kiosk inside the **virtual food hall at Kitchen United MIX**. Guests also can continue to order through the Jersey Mike's website and app for pickup and delivery.

Wingstop

America's **fastest-growing** wing chain plans to take on Manhattan with a goal of opening **20 locations** in the city over the next three years.



Wingstop opened their first **ghost kitchen** in Times Square and plan to develop a mix of **traditional brick-and-mortar dining rooms with ghost kitchens** in Manhattan. They hope to replicate the success they found in the UK where they opened their first ghost kitchen in June 2020.

Another Wing



Like musicians Mariah Carey and Wiz Khalifa, Grammy-winning artist **DJ Khaled** is getting in on the **ghost kitchen craze**.

Khaled has partnered with tech company **Reef Kitchens** to launch a new virtual brand known as **Another Wing**. The brand's launch last November took place simultaneously on three continents. It features a flavorful wing menu named after some of Khaled's songs.

Philly's Best

Husband-and-wife team Bruce and Latrina Hopson opened their first Philly's Best location in 2020. The longtime Oakland residents and restaurateurs offer what they call California's most authentic Philly cheesesteak to even more people after opening their **first ghost kitchen** in the Oakland Food Hall.

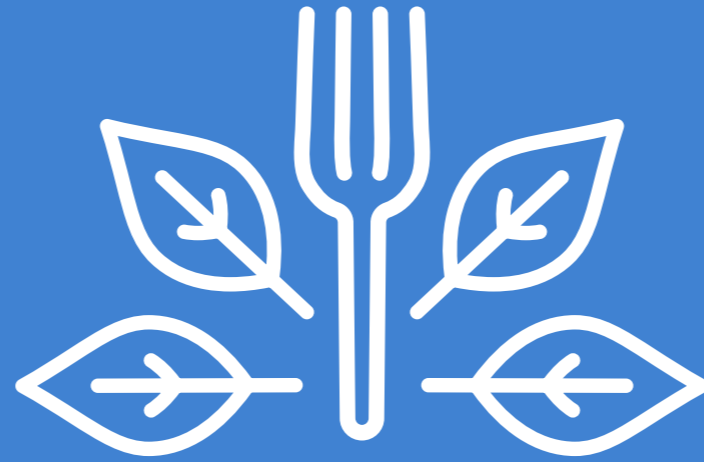


Diners looking for authentic East Coast cheesesteaks can **order at kiosks** on-site at the ghost kitchen or through an **app** or **website** for third-party delivery.

New Ghost Restaurant Brands



Traditional brands also are getting into the **ghost kitchen game**. Both **Arctic Circle** and **Legal Sea Foods** are expanding into new cities using ghost kitchens such as Kitchen United and other partner kitchens.



II. Plant-Based Food

Another growing trend, which appears to be staying for the foreseeable future, is the **plant-based food market**. According to a new survey conducted by the Harris Poll, **more than half** (52%) of Americans believe the future of food will be plant-based products. Jennifer Bartashus, senior consumer staples analyst at Bloomberg Intelligence, credits the rising popularity to the expanding number of options in plant-based foods, which make them a viable **long-term alternative** for consumers.

Generation Z and **millennial** consumers are helping drive the interest in **plant-based foods**, citing **environmental** and **animal welfare** as reasons they are seeking healthier meals and reducing their meat consumption.

Impossible Foods



This **plant-based** food company launched its first **vegan meatballs** in partnership with **3,000 Walmart stores**. Impossible Meatballs combine the same beef alternative that's in Impossible Burgers with their pork alternative Impossible Sausage. Walmart will offer Impossible Meatballs in a new, **dedicated plant-based frozen food section** along with the company's other products.

It's not the first time **Impossible Foods** has partnered with brands known for their meat products. These well-known brands have all introduced Impossible products on their menus in recent years:



Amy's Drive Thru



With plant-based food becoming more mainstream, **Amy's Drive Thru** President Dave Wolfgram is confident in his plans to open **25** to **30** additional locations in the next five years.

Amy's, a leader in the **organic food industry**, offers customers a completely vegetarian menu in a fast-food format.

Chipotle Mexican Grill

Proving that you don't have to sacrifice flavor when going meat-free, **all 2,700 Chipotle locations** now offer a **plant-based chorizo**.



The new item was developed in house with **vegan-certified meat** formulated with **pea protein**. The plant-based chorizo is Chipotle's second vegan meat option after the sofrita, which was launched in 2014.

Nestlé

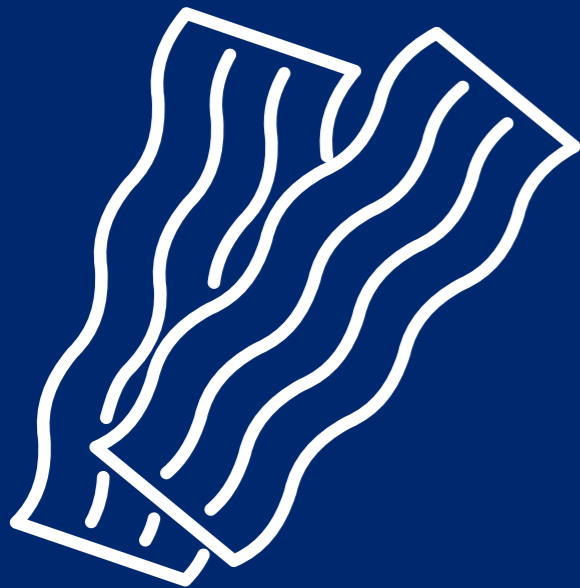


California startup **Sundial Foods** got a big boost from the Swiss food giant when **Nestlé** helped raise **\$4 million** to bring Sundial's realistic vegan chicken wings to the American market.

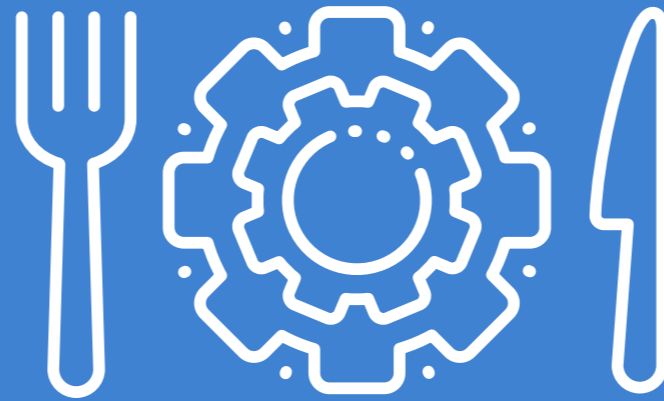
These alternative chicken wings mimic traditional wings – including skin and bones. Made entirely from **plant-based ingredients** like chickpeas and sunflower oil, they contain about as much protein as regular wings but with less saturated fat and more fiber.

Hooray Foods

The San Francisco-based company has been bringing home the **vegan bacon** since October 2020 when it launched its **plant-based** version of the **breakfast meat** in **300 Whole Foods stores** nationwide.



Since then, they've sold **1.3 million** strips of bacon that looks, cooks and tastes like its animal-derived twin. With that success, **Hooray Foods** is expanding into Canada, bringing their vegan bacon to **180 Canadian grocery chain locations**.



III. Automated Restaurants

A look at the statistics suggests that automation is a key to success going forward in the restaurant industry:

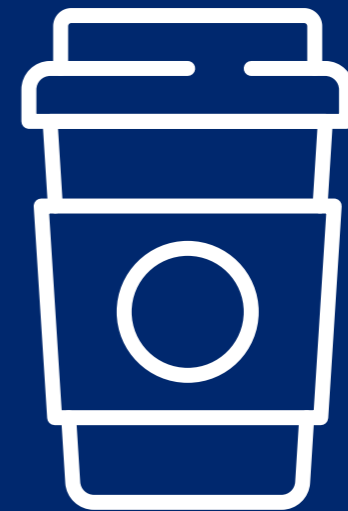
87% of industry operators, owners and managers say adopting technology has been vital to their survival throughout the pandemic (Lightspeed report, “Global State of the Hospitality Industry”)

Technology helps ease labor pressure – the quit rate among hospitality workers has reached **6.8%** – more than double the national average

Full-service restaurants now operate with **6.2% fewer** kitchen employees than in 2019 (Bureau of Labor Statistics)

Starbucks

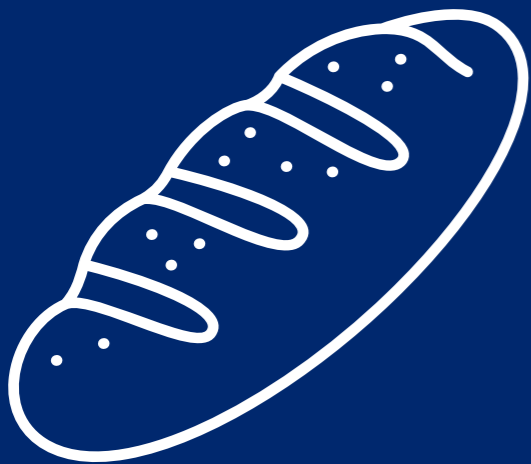
Consumers can have a “**Just Walk Out Shopping**” experience as **Starbucks** partners with **Amazon Go** to create a convenient, effortless way to enjoy their products.



Customers **place** their orders and **pay** through an app ahead of time. When they arrive, their order status is displayed on a digital screen. Customers can still eat in or take out the order. The first co-branded store opened in New York City, with plans for two more this year.

Panera

With the opening of its first **next-generation** restaurant design, **Panera** is focusing on the customer experience, both inside and outside the dining room.



The new design elevates the dine-in experience while upgrading the **off-premises experience**.

Features include a **dual drive-through** with a dedicated rapid pickup lane, **contactless** dine-in and delivery, **updated kiosks**, a **fully digitized** menu, and **automatic loyalty** identification.

Stellar Pizza



Founded by a trio of former SpaceX engineers, **Stellar Pizza** is definitely out of this world. The innovative, **robotic-powered** mobile restaurant is set to launch in Los Angeles this spring. Their technique takes raw pizza dough and turns it into a gourmet pizza in **under 5 minutes** to produce a pizza every **45 seconds**. This already gives them an edge over their brick-and-mortar counterparts.

Inspire Brands

The development of self-service and contactless service over the past two years has proven to be essential to the brand that owns **Arby's, Baskin Robbins, Buffalo Wild Wings, Dunkin', Sonic Drive-In, Rusty Taco** and **Jimmy John's** restaurants.



Inspire Brands intends to continue making large investments in **technology** to keep them competitive especially during challenges like the pandemic.

Shake Shack



Increasing **digital capabilities** became necessary for most restaurants during the pandemic, and **Shake Shack** was no exception. Many of the early changes the company made, such as **enhanced digital pre-ordering** and **multi-channel delivery**, have become permanent.

The chain was successful in weathering that storm and has now opened its **first drive-through** featuring a digital menu board, two-lane ordering system and a separate pickup window.

The company plans to open 10 more by the end of 2022.

Sign-Off

As leaders in the foodservice industry, it's important to stay on top of the trends your customers care about, whether it's the increasing demand for plant-based products or more convenient ways to enjoy the dining experience. Huhtamaki North America stays at the forefront of these trends to help your business navigate the ever-changing foodservice landscape.

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