

Huhtamaki

2023 Q2 Trends Report



Artificial Intelligence



Omnichannel Accessibility



Energy Drinks



I. Artificial Intelligence

Artificial intelligence (AI) has helped progress society in art, culture and now, the fast-casual food industry. With fewer workers, generative AI models are **rapidly changing business structures** and, in turn, helping them gain dramatic productivity. Going forward, expect to interface with the restaurant industry's newest innovation in drive-thru lanes and ordering kiosks. Artificial intelligence is a **helpful tool** that all customers and service industry employees will need to start adapting to and utilizing in their **daily restaurant lives**.

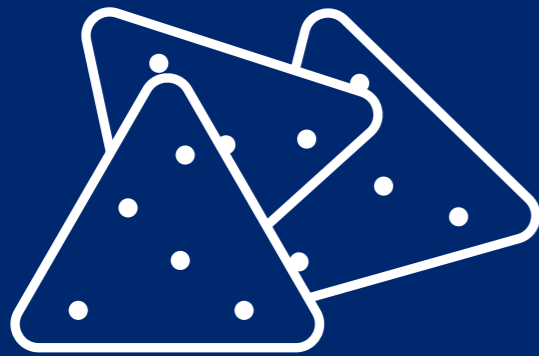


I. Artificial Intelligence

The “Restaurant Technology Report” recently stated that most restaurant leaders don’t use artificial intelligence; however, they are more willing to integrate AI than not. A full **28 percent** of the operators polled claimed AI is the tech tool they’re most interested in. As the restaurant industry battles with labor shortages and turnover, automation tools growing in popularity range from AI to robotics. According to the 2023 “State of the Restaurant Industry Report” by the National Restaurant Association, approximately **58 percent** of restaurant operators plan to use more tech and automation to help **solve the issue of labor shortages** this year.

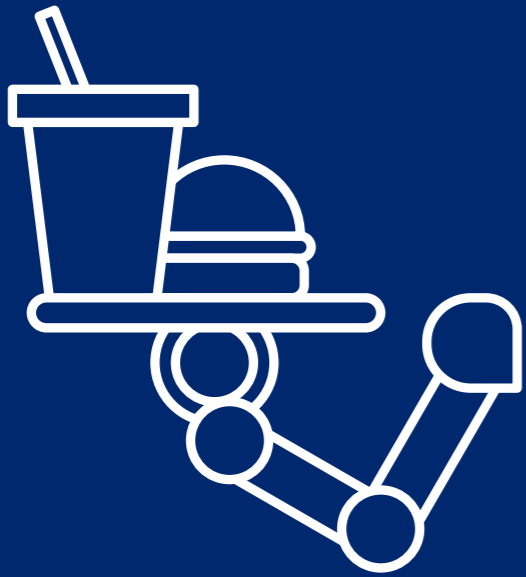
Wendy's

Chipotle



Introducing **Chippy, Chipotle's AI kitchen assistant** that helps make tortilla chips in restaurants. The autonomous robot will be deployed in a restaurant kitchen in California in October. Even though Chipotle could have, they decided not to make Chippy absolutely perfect. To **mimic his human counterparts**, the AI assistant is specifically programmed to have some inconsistencies and to have the same technique as the humans who currently produce the chain's chips. To help implement Chippy nationwide, the restaurant will continue to test and **take feedback** from both workers and customers.

CKE Restaurant Holdings



CKE is partnering with multiple AI companies (Presto Automation [PRST], OpenCity and Valyant AI) to **automate voice ordering** at participating drive-thru locations across the country. These AI systems will operate roughly 2,800 Carl's Jr. and Hardee's restaurants **across 44 states**. "Tori," OpenCity's AI proprietary voice-ordering platform, will be added to a select number of U.S. restaurants. Customers will order their meal with Tori and pay a CKE employee at the pickup window. "The AI technology has **transformed our drive-thru experience**, providing us with a competitive edge in the market and helping us to better serve our guests," Phil Crawford, the chief technology officer at CKE, stated.

Shake Shack



What can't AI do? This is one question Shake Shack answered when co-creating new menu items with artificial intelligence. "TheTakeOut" reported that all of Shake Shack's **new dairy-free**, plant-based desserts were thought up by an AI brain. After analyzing animal-based dairy on a molecular level, AI was able to identify the **plant-based molecules** that best copy the characteristics that make the food appetizing. And this **brilliant discovery** led to a non-dairy chocolate frozen custard and a non-dairy chocolate shake for all to enjoy.

Wingstop



The future is calling, and Wingstop is answering with AI. Phone orders for the infamous wings will be taken by **AI-powered voice bots** in multiple states. Digital sales for the chicken-wing chain represented **63.2 percent** of total sales in their latest quarter. Wingstop is working with **ConverseNow**, which also works with Domino's and Fazoli's.

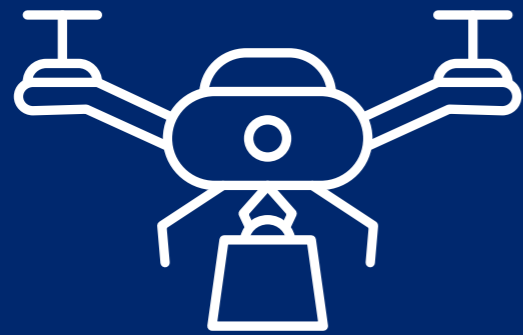


II. Omnichannel Accessibility

One word: omnichannel. Last year, you couldn't hear enough about how important it is to meet your customers where they are. For every restaurant brand, splitting your tech investment resources between on-premises dining, delivery, takeout, pickup and, possibly, drive-thru, is crucial because **customers' needs are different**.

However, the **perfect off-premises experience** is achieved only after a period of time. It's a long road to integrating multi-lane drive-thrus and building out a mobile user experience. Taking all of this into consideration, **new restaurant-vendor partnerships** have risen to the task to offer different types of ordering channels, from customers ordering in their car to those who want dinner delivered via an airborne droid.

Sweetgreen



Looking to the skies, Sweetgreen partnered with Zipline to offer **drone delivery to customers**. This is not the first aeronautics meal-delivery partnership to have been tested. Over the past several years, Brinker, Jersey Mike's and El Pollo Loco have experimented with drone-dropped meals, but the technology has not caught on everywhere. Sweetgreen is still delivering most food by couriers and the **occasional sidewalk robot**. But salad orders from the store to the doorstep can be handled by the emerging technology company Zipline for autonomous robot deliveries. Zipline differentiates itself from drone technology with its nearly silent hovercraft, which can **hover 300 feet** off the ground.

Panera



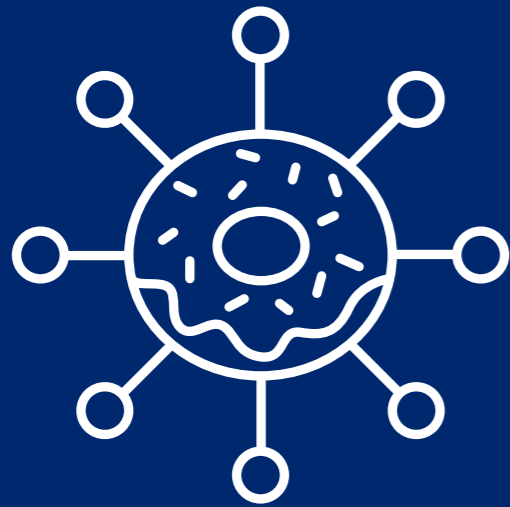
Panera chose to partner with **Amazon Alexa** right after they debuted Amazon's contactless palm payment solution, but this is just the beginning of their **beautiful collaboration**. Adding yet another perk to the Panera rewards program, MyPanera members are now able to **order through Alexa-enabled and Echo** show devices. Alexa is now a personal assistant that can add, customize and order Panera items for pickup or delivery using a stored payment method and delivery address in the MyPanera account.

Jack in the Box



Jack in the Box has its own unique humor and brand voice, so it makes sense that it created its own personalized and **seamless digital guest experience** across consumer touchpoints. Starting with the ordering experience, the quick-service restaurant moved its entire ordering system within its own brand framework to a custom ordering site and hybrid apps. Jack's digital framework allows the company to **receive every bit of data** related to each order. It's these key data insights that will help pivot Jack in the Box into creating **more engaging** and relevant experiences for guests.

Krispy Kreme



Krispy Kreme is making a major shift to an **omnichannel strategy**: pivoting from doughnut shops to hubs, spokes and doors, where customers can find their favorite doughnuts in places like grocery store aisles and **McDonald's drive-thrus**. In Charlotte, NC, the strategy was implemented for the fourth quarter, which ended Jan. 1. The company began to see **revenue growth of 9.2 percent and a 15 percent sales** per hub growth in North America.



III. Energy Drinks

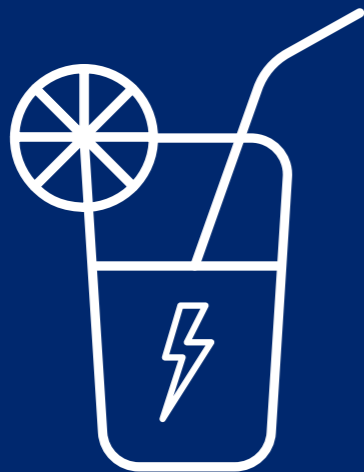
Major consumer-branded companies are pivoting toward creating a multi-functional beverage **primarily focused on energy**. With consumers raising the bar for the beverage industry, the benefits are sounding more and more like an all-inclusive spa: more energy; **better sleep**; enhanced focus; gut, bone and cardiovascular health; weight management; and classic hydration. Datassential reported **80 percent** of U.S. consumers are seeking beverages that offer specific health benefits, and **42 percent** say they're "extremely" interested.

PJ's Coffee



The Big Easy brand, PJ's Coffee, is introducing six brand-new specialty energy and tea drinks into the market. Consumers can expect three new boosted teas and three **Red Bull infusion** drinks that feature a perfect mix of fruity and tropical flavors, in addition to their usual line of premium roasted hot and iced coffee. "We're so excited to be rolling out these **six refreshing and unique drinks** that will have everyone ready to take on summer in a big way," says PJ's Coffee Vice President of Brand Strategy Reid Nolte. "We know that everyone has big plans this time of year, so what better way to **gain the energy** to do it all than by grabbing one of our boosted teas or Red Bull infusion drinks?"

Javo Beverage



People are looking to **live healthier**, and Javo Beverage's new line of drinks offers innovative, new lemonade-based energy drinks and premium flavored iced teas. Their main focus is **mental focus**. Within each serving, you'll find natural caffeine and **natural L-theanine**. Flavor profiles include pomegranate pineapple, peach honey and blackberry lemon. "Our energy lemonades are different from anything on the shelf; we're thinking outside of the can to benefit our foodservice operators," says Chris Johnson, executive vice president of sales and marketing at Javo Beverage. "We offer a hand mix format that delivers flexibility in **menu development** and the ability to own the beverage at the restaurant or brand level."

Bad Ass Coffee of Hawaii



Bad Ass Coffee of Hawaii is known for its premium sourcing of Hawaiian coffees and memorable cafés, and it just announced the **national rollout** of a new handcrafted energy drink line: **Mana**. This new drink line propels the standout premium coffee company as a differentiator in brand experience. The energy drink line, which is powered by **Lotus Plant Energy** and features organic adaptogenic botanicals, including the coffee cherry (cascara), lotus flower, rosea, Schizandra berry, and caffeine derived from green coffee beans. However, the **three new energizing flavors** are meant to share with the mainland. They can be found across the United States at participating Bad Ass Coffee of Hawaii franchise locations.

Ziggi's Coffee



To meet consumer demand, Ziggi's Coffee has created its own energy drinks: Ziggi's Energy and Ziggi's Energy **Zero Sugar**. Simplicity is key for the coffee company. The handcrafted energy drink was designed to provide its customers with a way to enjoy new and **familiar flavors**. By inventing its own energy drink, Ziggi's Energy allows more flexibility with how the company's drinks are prepared and allows it to provide a **wider variety of sizes**. Ziggi's Energy is available at Ziggi's locations throughout the country.

Ellianos Coffee



Ellianos Coffee looked to nature to create a new line of plant-based energy drinks called **Ellianos Edge**. The new line of beverages offers an energy boost **without the fear of a midday crash**. The science behind Ellianos Edge involves a unique plant-based energy concentrate that's formulated to provide a **natural energy boost**. Because the energy concentrate comes from plant-based sources, it's proven to be a healthier alternative to other energy drinks on the market.

IV. Sign-off

Expanding into new territories such as AI technology, omnichannel accessibility and energy drinks requires an **innovative partner**. Huhtamaki North America can strengthen your position by helping you navigate the new frontier of an **ever-changing foodservice industry**. Together, we can make a difference where it matters most by designing a more **promising future** through sustainable packaging.

Q2 2023 Trends Report Sources by Slide

Slide 2: <https://www.consumeraffairs.com/news/ai-is-coming-to-a-fast-food-restaurant-near-you-051023.html>

Slide 3: <https://www.businessinsider.com/mcdonalds-subway-chipotle-add-tech-robots-ai-to-speed-up-orders-2022-12>

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Slide 9: <https://www.nrn.com/technology/tech-tracker-omnichannel-accessibility-keeps-expanding-new-ways>

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Slide 12: <https://www.qsrmagazine.com/outside-insights/your-restaurants-omnichannel-experience-par>

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Slide 17: <https://www.qsrmagazine.com/news/bad-ass-coffee-hawaii-launches-energy-drink>

Slide 18: <https://www.qsrmagazine.com/news/ziggis-coffee-launches-handcrafted-energy-drink>

Slide 19: <https://www.qsrmagazine.com/news/ellianos-coffee-releases-plant-based-energy-drinks>