



New Concepts in Foodservice

Best of 2017

STEPHEN DUTTON

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New Concepts in Foodservice Best of 2017

CONCEPTS HIGHLIGHTED IN THIS STRATEGY BRIEFING ARE
EXTRACTS FROM THE FOLLOWING REPORTS

[New Concepts in Consumer Foodservice: Part 1—Redefining
the In-Store Experience](#)

[New Concepts in Consumer Foodservice: Part 2 – A Changing
Relationship to Food](#)

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CONCEPTS OVERVIEW



HYBRIDISING FORMATS FOR A BETTER DINE-IN EXPERIENCE

Okey Dokey—Taiwan

The Little Yellow Door—UK

Circle K New Concept Store—Hong Kong

TARGETING NICHE DINING OCCASIONS

Amélie + Moi—Belgium

La Picantería—Peru

Yoshinoya Menu for Seniors—Japan

INFORMAL OCCASIONS A CRITICAL PART OF GLOBAL DINING CULTURE

Achoclonados—Chile

Barra Chalaca—Peru

Polanco Neighbourhood Street Food—Mexico

INTRODUCTION



The concept of food is evolving from commodity to lifestyle choice and experience, and consumers' growing awareness of options is impacting the foodservice industry. This change has provided a license for operators in all global markets to experiment with concepts that get consumers excited about dining out.

Hybridising formats for a better experience

Now more than ever, consumers are turning to e-commerce and digital channels to shop for everyday goods and services. Retailers need to provide unique and engaging in-store and dine-in experiences to grow foot traffic, and foodservice has become a go-to for operators looking to enhance the experience.

Targeting the niche consumer

Shifting values and lifestyles have created a demand for underserved dining occasions. As a result, independent operators are creating concepts that target more niche consumer segments and address specific needs.

Informal occasions a critical part of global dining culture

As food-as-lifestyle trends take hold across the world, consumers want genuine, unpretentious experiences, where the food takes centre stage at any price point. Street food is appearing on more menus, while fine dining is becoming relaxed and approachable: this is the “new informal” in global dining.

As part of the 2017 edition of Euromonitor International's Passport Consumer Foodservice data, “New Concepts in Foodservice: Best of 2017” showcases global emerging concepts and explores how these new trends are being realised in the foodservice industry.

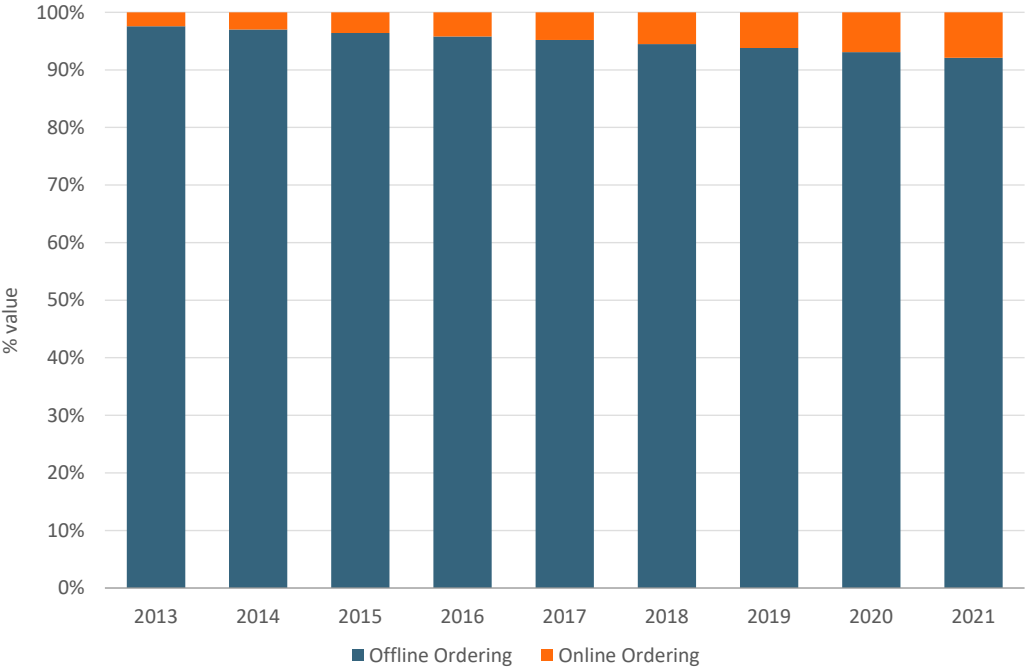
HYBRIDISING FORMATS FOR A BETTER DINE-IN EXPERIENCE

For brick-and-mortar concepts, getting consumers into the physical establishment has become challenging, as consumer shopping habits continue shifting toward e-commerce and digital channels.

8%

Online orders forecast as a percent of total global foodservice orders by 2021

Offline vs. Online Ordering, 2013–2021



Source: Euromonitor International

At the same time, dining trends are focusing on enhanced in-person experiences. Consumers want to be engaged from the moment they enter an establishment, through entertainment or accessible, convenient and personal service. In many ways, the in-restaurant experience must be more enticing than the convenience of shopping or ordering meals online.

In order to drive foot traffic, operators are developing a hybrid of multiple formats, referred to as hybridisation, to create new concepts only available in-person. Brick-and-mortar retailers are using foodservice to attract consumers and keep them in-store longer, and restaurants are incorporating entertainment or travel components.

hybridisation
 combining foodservice with other
 channel formats to create new concepts

A blurring of food and entertainment

A popular hybridisation merges restaurants with entertainment concepts that promote a certain theme or lifestyle. The entertainment element provides a unique draw to the restaurant and an exclusive experience customers cannot get at home.

Name: Okey Dokey

Market, Launch: Taiwan, 2016



Source: Euromonitor International

Celebrating Korean food and culture

This multi-floor restaurant in Taipei promotes all things Korean, from the culturally inspired menu to the TV dramas projected onto walls around the dining floor.

Okey Dokey taps into k-pop and Korean culture—incorporating pop culture, music, television, food and fashion—which are popular, especially among younger generations of Taiwanese consumers. While Korean-inspired food is a chief draw at this restaurant, each floor captures the best of Korean culture, and diners are immersed in a cultural experience that goes beyond the menu.

Foodservice in home-like spaces

The cost of living is rising in many urban areas, and plenty of consumers are living in smaller spaces together with more roommates to save money. This has created demand for places that act as an extension of the home, appealing to consumers with these living arrangements. These restaurant concepts offer home-like spaces outside the home while also incorporating exclusivity and in-the-know appeal to enhance attraction.

Name: The Little Yellow Door

Market, Launch: United Kingdom, 2016



Source: eventopedia.com

Speakeasy with the comforts of home

The Little Yellow Door is a speakeasy-style bar in London. The concept resembles a private apartment and provides keys to regular customers to allow them to come and go as they please. The bar has themed events with various “hosts” that resemble private house parties, where patrons can be rewarded personalised mugs and access to specialty drinks free of charge. The Little Yellow Door also fully embraces social media and technology; emojiis are used to describe menu items and place orders via Whatsapp.

Foodservice important to chained convenience stores

Chained convenience stores (c-stores) represented the second-fastest growing category in global fast food by value in 2016, according to Euromonitor International. C-stores leverage global demand for convenience in all things, especially in fast-paced urban environments, where eating on-the-go is often a necessity. This has resulted in

improved foodservice offerings and services, including in-store seating and modern technology. Many c-stores now provide charging stations, Wi-Fi and smart screen technology to engage in-store diners who want to use social media, check email or surf the internet while eating.



Source: insideretail.hk

and modern amenities, this new concept store offers a convenient stopover for both consumers on-the-go and those who want a quick yet substantial dine-in experience.

Name: Circle K
Market, Launch: Hong Kong, 2016

Dining while on-the-go

The new two-story Circle K flagship store in Hong Kong has adopted key foodservice elements to enhance the company's offerings. With a self-service café, hot meals, a dedicated in-store dining space

TARGETING NICHE DINING OCCASIONS



Changing lifestyles and living arrangements create demand for unique dining opportunities in the market. Independent operators are typically more flexible in adapting to changing market conditions and better positioned to target niche consumer needs. Unlike independents, chained operators have a financial incentive and obligation to shareholders to appeal to the widest audience. In order to do so, chained operators will often develop strategies with foodservice elements to target millennials and generation Z.

On a micro-market level, there is room for independent operators to target potentially underserved consumer segments that have different needs and preferences from the mainstream; this includes concepts offering better dining options for the elderly or parents with young children, for example.

Special accommodation for children

Consumers with children want dining opportunities that provide both a kid-friendly space and enjoyable atmosphere for adults. These new concepts cater to parents and kids alike, with better-quality meals, safe playing environments, attentive staff and some special events for young families.

Name: Amélie + Moi
Market, Launch: Belgium, 2016



Source: hipsteadresjes.gent

Kid-friendly dining and shopping

Amélie + Moi is a café, restaurant and retail concept in Belgium that targets young parents and pregnant women. The concept provides a unique, trendy atmosphere while offering local and organic products for parents concerned with social and sustainability issues. Parents can socialise and arrange play dates in the common area with café-style seating, while their children engage in activities arranged by Amélie + Moi in the playroom. Amélie + Moi also sells books for kids from local authors, sustainable jewellery and clothes for babies and young children, creating a retail / foodservice hybrid. Amélie + Moi is also active on social networks and frequently promotes special events via social media.

Formats suitable for larger families

Larger families also expect accommodating dining choices. Parents are selective when dining out, now looking for safe and suitable options for their families. This means better-quality meals at affordable price points and environments appropriate for larger gatherings.

Name: La Picantería
Market, Launch: Peru, 2016

Menu collaboration and personalisation

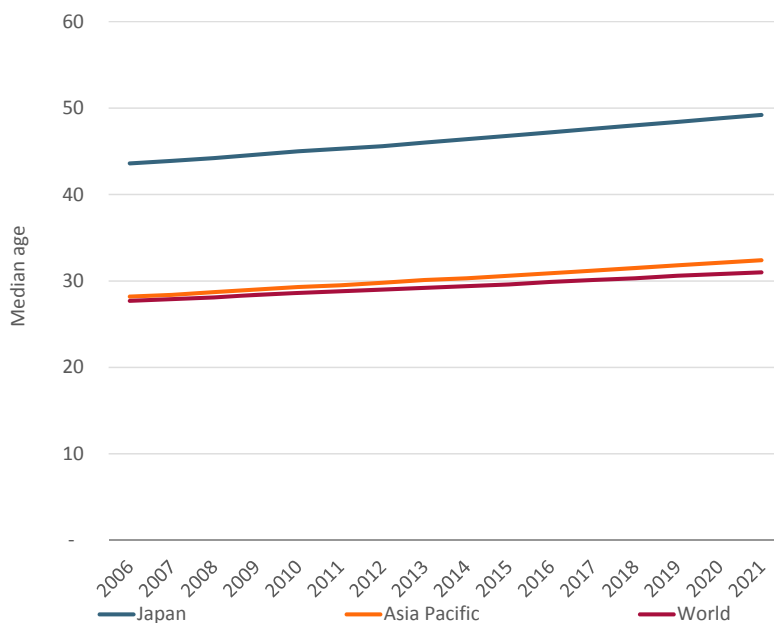
While La Picantería first opened in late 2012, the restaurant rebranded its concept and re-launched in early 2016. La Picantería specialises in local cuisine and offers an extreme form of customisation, as there is no set menu: consumers describe what they would like to the chef and negotiate a meal based on what is possible and the ingredients available for that day. The restaurant also revisits traditional dining culture in Peru in which meals were eaten together with friends and family around a large table.

La Picantería appeals to diners because it allows them to personalise the menu. The process of collaborating on a potential meal also connects consumers with the chef on an individual level, enhancing the dining experience and building trust.



Source: Euromonitor International

Alternative consumer segments in Japan
A Sharply Ageing Japanese Population

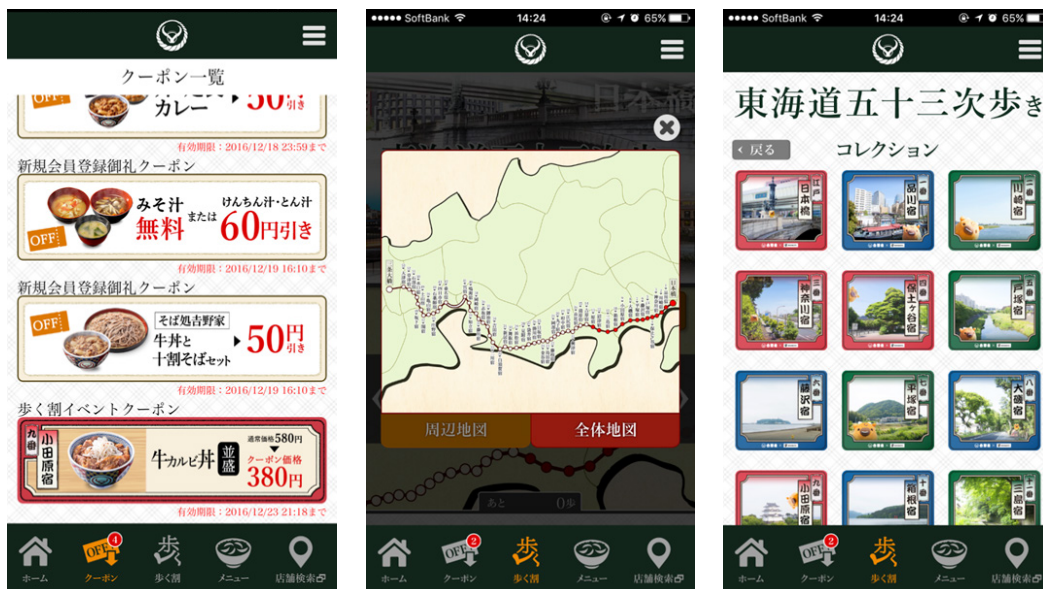


Source: Euromonitor International

Japan's rapidly ageing society has put a damper on economic growth, real wage growth and the country's productive population. As a result, millennials and younger consumers in Japan have shifted from a mindset of spending to saving. The unique Japanese term that captures this change in spending habits is known as merihari: how consumers determine if the spending or not spending of money aligns well with their values and financial objectives. Japanese consumers are willing to spend, but only on occasions they can justify, and foodservice operators have to provide a service that consumers consider worthy of spending on within a merihari mindset.

merihari
 heightened awareness of
 what is and what is not worth
 spending on

Name: Yoshinoya
Market, Launch: Japan, 2017



Source: Screenshot of yoshinoya.com

Concept: Food products targeting seniors

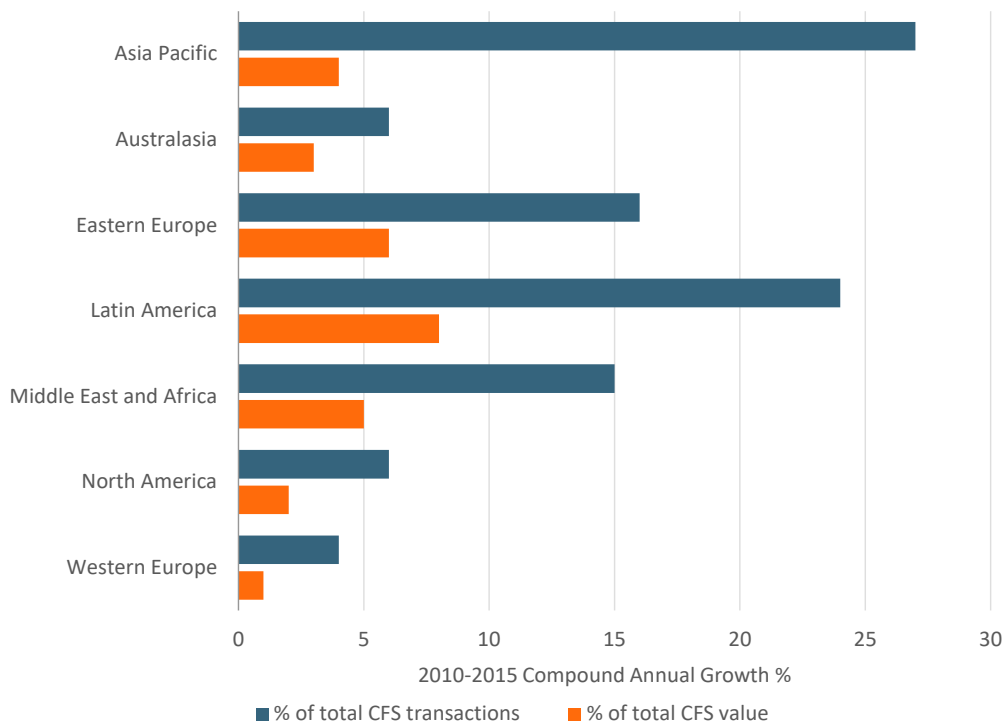
Yoshinoya, the Japan-based fast food chain, developed a set of bowls for seniors that are easier to eat, incorporating softer, healthier ingredients. As a trial, Yoshinoya is selling these bowls into institutional channels, such as hospitals and senior care centres; if successful, these menu offerings could be incorporated into the chain's more traditional outlets.

INFORMAL OCCASIONS A CRITICAL PART OF GLOBAL DINING CULTURE



Street Stalls / Kiosks as a Percentage of Total Consumer Foodservice by Region in 2016

Value vs. Transactions



Source: Euromonitor International

A demand for less pretentious, food-first dining experiences has created a level of informality in foodservice—good food in an atmosphere that feels genuine, relaxed and approachable.

Consumers see dining out as an experience worth spending on, but it must be sensible and accessible. Most importantly, food remains fundamental at any price point.

Informal dining occasions, such as street food, are highly attractive to consumers wanting to experience the best of local culture. Food typically found among street stalls and kiosks appear more frequently on menus across foodservice channels.

High-quality food offerings in simple formats

Consumers expect the best from the food they eat, even in the simplest formats, which is a reflection of their changing perception of food. This trend has led to premium street food options without the premium price as well as experimentation with street food to enhance traditional restaurant menus.

Name: Achoclonados

Market, Launch: Chile, 2015



Source: Screenshot of Instagram; @achoclonados

Creating healthy street food

This Santiago-based food kiosk chain offers a healthy approach to street corn; customers can create bowls and customise with quality ingredients, such as salsas, fresh avocado and other vegetables or premium meats. The stall is located in a busy metro station and positions itself as a premium-oriented product at an affordable price point.

Restaurants generate excitement with street food on the menu

Traditional restaurants may offer street food on the menu to tap into global dining culture and to make the experience feel more approachable and informal. The appeal of street food can be repackaged and repurposed in a format that best suits the targeted consumer.

Name: Barra Chalaca
Market, Launch: Peru, 2016

Upscale affordability

Lima-based Barra Chalaca is a cevichería that offers street food in an upscale environment. Barra Chalaca specialises in local, Peruvian-style fish commonly found among informal street stalls in the market. Backed by Gaston Acurio, a well-known chef in the city, this concept provides the experience of eating casual food types in a premium setting with outdoor seating and bar.



Source: Euromonitor International

Better dining experiences in unconventional places

Urbanisation, especially in developing markets, has an effect on physical space. Urban planners and developers are looking for creative ways to effectively use available land. At the same time, consumers want to dine in easily accessible and interesting environments. Customers now expect good food anywhere.

Foodservice is becoming a go-to option for urban planners, looking to enhance neighbourhoods, fill vacant urban blocks or provide better, more convenient dining opportunities in office parks or premium shopping areas. Urban planners utilise foodservice to take advantage of unused spaces while still providing benefit to the community.

Name: Polanco Street Market
Market, Launch: Mexico, 2015

High quality under a highway

This street food park opened under a highway overpass in the Polanco neighbourhood of Mexico City in 2015 as part of a government initiative to restore formerly vacant and underdeveloped areas.

This premium street market houses a collection of fast food, full-service and street stall concepts with common area seating

available in an open-air environment. Underpasses are frequented by consumers on their way to work, creating steady foot traffic for these outlets. Similar food parks can house different formats, such as convenience stores and specialist coffee shops as well as a variety of chained and independent concepts.



Source: yelp.com

CONCLUSION



Consumer-driven demand for convenience means more shopping and ordering food online. In reaction to this shift, restaurant operators are incorporating elements from other formats to create a unique in-person experience and grow traffic. Hybridised shopping experiences enhance the food-as-lifestyle trend and motivate consumers to dine in over delivery or take-away.

Restaurant operators are catering to niche consumer segments that want more from their dining occasions. Especially in markets that are saturated with foodservice options, operators can find room for growth with concepts relevant to a more targeted consumer, creating a tailored experience that enhances appeal.

Media and travel are fuelling a global culture of food, exposing consumers to new cuisines and formats. This growing awareness of food leads to consumers expecting higher quality and dining options that suit their needs. This trend is changing the way consumers see food and how it fits into their lives.

Consumers want genuine, authentic and memorable dining experiences at any price point. Formats built on convenience, such as street stalls, fast food and other price-friendly options, are improving in terms of quality. At the same time, high-end restaurants are adapting to provide an informal dining experience that feels more attainable. How consumers dine is a reflection of how they want to live, and food is at the front and centre of their experiences.

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