

Irish Foodservice Market & Consumer Insights

NOVEMBER 2019



Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

bordbia.ie

Report Organisation

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SECTION 1: INTRODUCTION



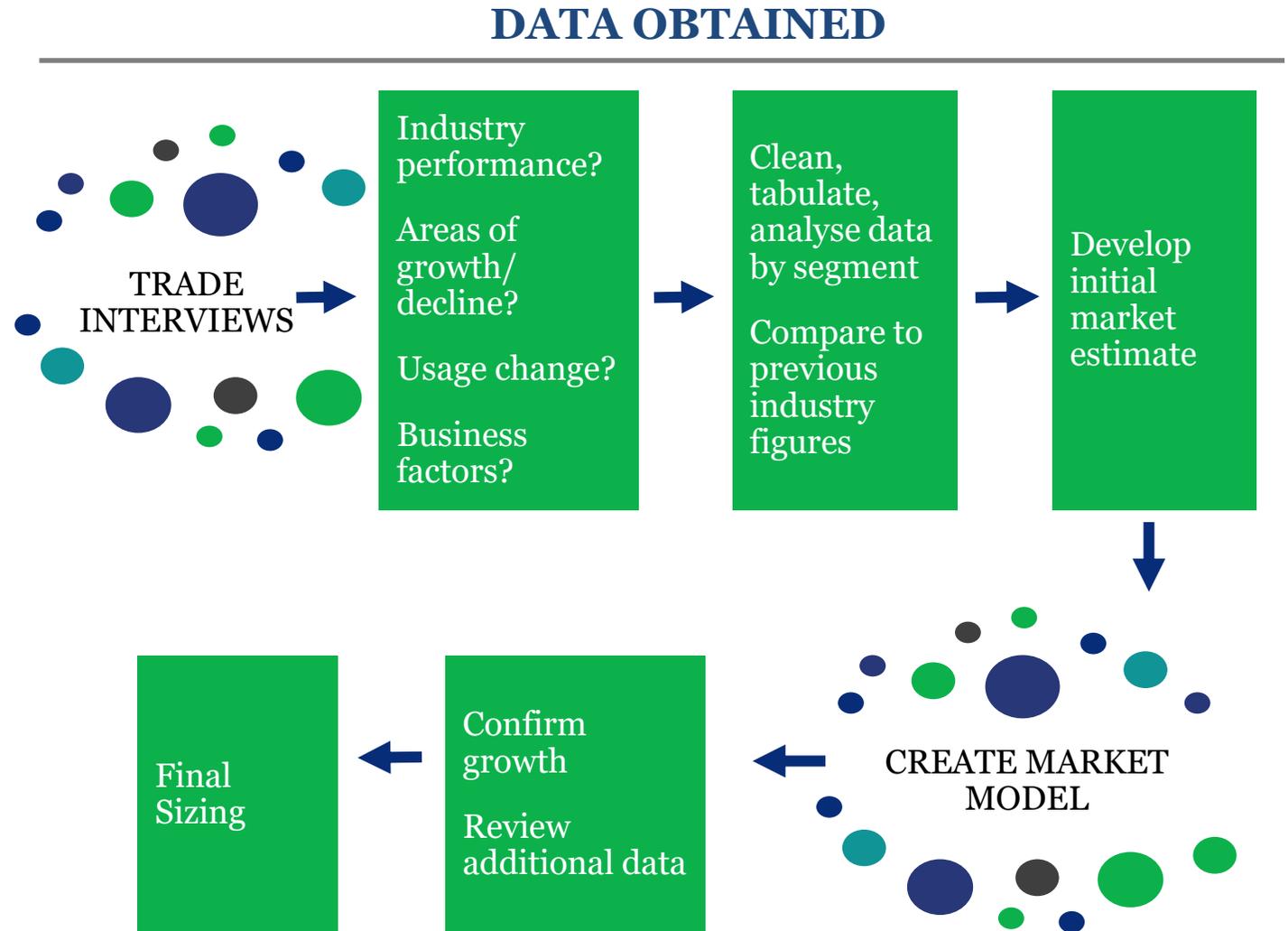
Irish Foodservice **Market & Consumer Insights**

Approach to Measuring the Irish Foodservice Industry

- As part of its dedicated **Ireland Market Foodservice Programme**, Bord Bia has operated a Market Intelligence programme since 2009—delivering resources to both client companies (Irish food and beverage manufacturers) and customers (domestic foodservice buyers) alike.
- For the development of this study, Bord Bia collaborated closely with Technomic, a global food consultancy with 50+ years of expertise in the out of home industry, to deliver insights necessary to assist in the development of market strategies and to highlight potential opportunities.
- Technomic used a robust, multi-step methodology to collect and synthesise information and to develop new insights on the foodservice market in Ireland, including:
 - One-on-one trade interviews with knowledgeable persons in companies throughout the foodservice supply chain
 - Data collection from numerous secondary sources, Technomic industry studies and Knowledge Center, Technomic international tracking and published materials.
- The combination of these sources allowed the Technomic team to better obtain industry performance metrics, understand the size and condition of the market in Ireland, detect issues and challenges, and identify future trends, drivers and predicted growth rates.

Market Sizing Methodology

The illustration outlines key steps in Technomic's market sizing and forecasting process as it relates to the foodservice industry and specific segments in both the Republic of Ireland as well as Northern Ireland.



Approach to Developing Consumer Insights

- In August and September 2019 as part of Bord Bia's partnership with Technomic to provide industry and consumer insights, Technomic conducted qualitative consumer research to provide a first hand look at the breadth of ways consumers use foodservice in their daily lives, and the factors that influence their dining decisions.
 - This research builds on, and explores key consumer trends identified in our 2018 research.
- Key research objectives in this section of the research included:
- Assessing the foodservice consumer journey
 - Identifying key consumer need states
 - Uncovering latent consumer needs
 - Reviewing the relationship between at-home and foodservice occasions
 - Probing key consumer trends:
 - Technology
 - Health/diet
 - Sustainability
 - Value/price
 - Identifying and understanding different consumer personas.

Approach to Developing Consumer Insights

- Respondents were sampled from Dublin and its neighbouring counties and represent a mix of demographics, lifestyle and foodservice usage patterns. Specifically, consumers were sampled to provide a range of usage across key foodservice segments.
- In the first phase of the research, respondents conducted online video diaries over the course of three days. In these video diaries consumers described their foodservice attitudes and usage, and virtually led Technomic researchers (via smartphone recordings) to visits to the foodservice locations and segments that they regularly frequent.
- In the second phase of the research, Technomic and Bord Bia met with six of the bulletin board respondents for in-depth ethnographic interviews in the home, followed by accompanied visits to foodservice locations of their choosing. These interviews were used to bring consumer trends to life by capturing a deeper understanding of consumers' daily lives and their attitudes on key topics.

Dine Along Locations

- Apache Pizza Beauparc, Rathdringh, Navan, Co. Meath
- Han Sung Asian Market, 22 Great Strand St, Dublin 1
- The Court Yard Hotel, Main St, Leixlip, Co. Kildare
- Bunsen, 3 South Anne St, Dublin 2
- Gotham Café, 8 South Anne St, Dublin 2
- Hot Sandwich Co., Unit 5 Ashbourne Town Centre, Ashbourne, Co. Meath

About Technomic

- Technomic is uniquely qualified to conduct this assignment. Since 1966, Technomic has been assisting clients with interests in the global food and beverage industries to obtain a better understanding of the marketplace and potential opportunities.
- Technomic is considered to be the leading research and consulting firm specialising in the foodservice or Out of Home (OOH) industry, Technomic is active in numerous international OOH markets. Technomic's broad based expertise and second-to-none knowledge of the OOH channels and categories establishes us as an industry leader in this growing marketplace.
- As part of Winsight, Technomic is positioned as a leader in multiple facets of the global foodservice industry. Winsight provides customers and audiences access to the most credible source of industry market intelligence with top industry print and digital media assets, world class events, and Technomic's channel-relevant strategic research and insights. Technomic's global monitoring, includes ongoing coverage of 25 foodservice markets globally and is an integral part of Winsight's Global Restaurant Leadership Conference that takes place every Autumn.
- Beyond Technomic, Winsight provides global reach and insights through its media (including Restaurant Business, CSP, Foodservice Director and others) and Events (including the Global Restaurant Leadership Conference, FARE, Outlook Leadership, FSTEC and others). In November 2018, Winsight acquired the rights to the National Restaurant Show that takes place every May in Chicago.



Technomic[®]

A Winsight Company

Glossary of Terms

Term	Definition
CAGR	Compound Annual Growth Rate: The average sales increase over a specified number of years incorporating compound growth.
Cash and Carry	A large outlet where foodservice operators and small retailers can come to purchase supplies.
Commercial foodservice	Channels where catering for profit is the prime objective.
Consumer Spending	Consumer spending accounts for spending by diners within all foodservice channels.
Contract	The direct supply of products to trade customers that buy centrally. Also known as “wheels only” in view of distributors that provide logistic support (delivery) but do not buy or sell.
C Store	Convenience store where hot food or food-on-the-go is sold to eat and take away.
Customer	The person to whom the supplier sells, usually the distributor or the operator, although the ultimate customer is the consumer.
Delivered Wholesale	Supply of product to outlets via wholesaler delivery vans, often on a daily basis.
Direct	Where operators buy from markets, producers or farmers direct rather than through intermediaries such as wholesalers.
Fast Casual	A subset of limited service restaurants; menus may feature prepared to order items; menu items are typically made with fresh, high-quality ingredients; price point is between quick service and full service venues.
Foodservice channel	The acknowledged grouping of foodservice outlets by type (each of the main channels is defined separately).
Food-to-Go	Includes premade, ready to eat menu items sold through various retail channels and consumed off premises.
Forecourt Convenience	Convenience store operations that are integrated with a fuel forecourt.

Glossary of Terms

Term	Definition
Full Service Restaurant	Restaurants that offer table service and waiting staff.
Institutional foodservice	Often known as cost catering, channels where catering is a service provided for free or with a subsidy.
IOI	Island of Ireland.
Limited Service Restaurant	Restaurants offering counter service where customers generally order or select items and pay before eating.
Occasion	The meal reason for visiting a foodservice outlet, e.g. breakfast, lunch, dinner, coffee, snack etc. This can also be referred to as a “daypart”.
Operator	The company or business running the foodservice outlet or chain of outlets.
Operator Purchases	Operator purchases represent the value of distributors’ sales to operators, including distributors’ margins.
Quick Service Restaurants	Also referred to as QSR, this channel is a subset of limited service restaurants, often with value price orientation.
Route to Market	How to get the product to the end consumer. Involves distribution and logistics.
Traffic	The number of consumers visiting a foodservice outlet. Also known as footfall, it is a key operator metric.
Transaction spend per occasion	The average spend per person per foodservice visit.
White Table Cloth	White table cloth restaurants, a sub segment of the full service restaurant channel representing the more traditional and premium restaurant outlets.

SECTION 2: EXECUTIVE SUMMARY



Irish Foodservice Market & Consumer Insights

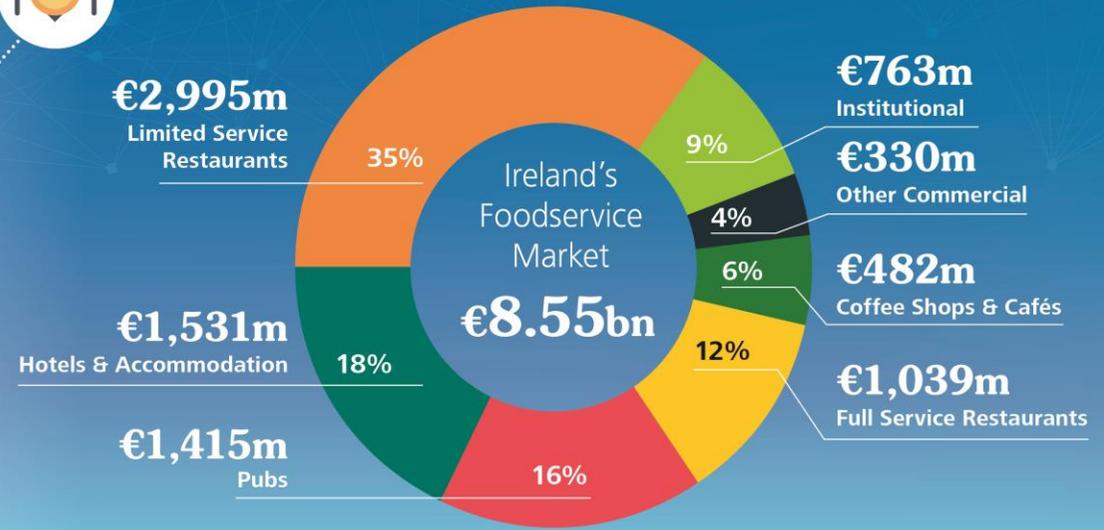
2019



What is Foodservice?

Foodservice or 'Out of Home' is the term used to describe all food consumed and prepared out of home. It includes everything from restaurants, pubs, hotels and coffee shops to workplace, hospitals and education catering.

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Source: 2019 Irish Foodservice Market & Consumer Insights Report

4.2%



Is the total island of Ireland market compound growth rate forecast between 2020 and end 2022. 4.5% for the Republic of Ireland and 3.4% for Northern Ireland.

Majority of spend is taking place in ROI
€6.32bn
 or **74%**



The value split between Commercial and Institutional Channels is

91% : 9%

Balance in NI
€2.23bn
 or **26%**

5 Macro Consumer Findings

- Growing consumer reliance on everyday foodservice occasions** (Icon: Food and coffee)
- Different decision-making process and value equation for pleasure-related occasions** (Icon: KTH logo)
- Consumers are accustomed to using technology to discover foodservice options** (Icon: Smartphone)
- Customer service is a differentiator** (Icon: Server)
- Little effort to prepare for uncertain times ahead** (Icon: UK and EU flags)

5 Unmet Consumer Needs

- 1 Healthy Options for all ages** (Icon: Apple)
- 2 Customisation** (Icon: Bell and menu)
- 3 Access to authentic global flavours** (Icon: Globe and leaf)
- 4 Reliable and competitive delivery services** (Icon: Delivery trolley)
- 5 Perceived goodwill from operators** (Icon: Handshake)

Overall Assessment of the Irish Foodservice Industry 2019

In 2019, Irish consumers will spend €8.55 billion on out of home food & (non-alcoholic) beverage. Of this, €6.32 billion is spent in the Republic of Ireland and €2.23 billion is spent in Northern Ireland (with the value in Sterling converted back to Euros). This represents an annual growth rate of 4.5% on 2018.

Ireland's foodservice industry is heavily oriented toward the commercial sectors; 91% of all consumer spending is found in venues such as quick service restaurants, hotels, coffee shops and cafes, full service restaurants and pubs. The non-commercial (or institutional sector) represents the other 9% and consists of business sectors such as business feeders, education and healthcare, among others.

Foodservice is closely tied to economic growth and tourism. Industry executives commented how the past several years has seen growth unlike any other time in recent past, and 2019 growth has been “good”, but not as robust as in previous years. Industry observers note that there are some cautionary tones starting to appear headed into 2020. Many of these relate to Brexit - the uncertainty around sourcing and the impact on tourism, and some of the impact is already being felt on the numbers as visitors both from the UK and other parts of the world are starting to taper off (and spend fewer nights in country). The restoration of the special 9% Hospitality VAT back to 13.5% in ROI has also created an additional challenge to an industry that is striving to remain competitive.

There remains three tiers of success within foodservice. Overall, Dublin is seen as a market unto itself, with continued strong growth as employers and tourists flock to the city. Secondary urban markets also appear generally healthy—but perhaps not as robust—and these areas are still seeing positive growth in foodservice. Rural areas remain more challenged, and restaurants and pubs in outlying areas are not sharing in the same strong growth as other parts of the country.

Northern Ireland's growth remains slower than the Republic of Ireland, but in 2019 the North saw positive consumer spending increases. Evaluated in its local currency (Sterling), Northern Ireland's foodservice industry has grown 3.6%, with strong urban performance (particularly in Belfast which continues to see benefits from investment and tourism growth).

Overall Assessment of the Irish Foodservice Industry 2019

Thirty-five percent (35%) of consumer spend in the Commercial channel is found in Limited Service Restaurants (LSRs), with 12% attributed to Full Service Restaurants (FSRs).

Pubs account for 17% of Commercial foodservice spend (excluding alcohol). The fastest growing segment in the Commercial space is Coffee Shops (up 5.9% in ROI and 5.3% in stg£ in Northern Ireland) and Hotels (up 6.2% in ROI and 5.4% in stg£ in NI). While overall growth is still relatively strong, these figures show a deceleration vs. growth rates from previous years.

Within Institutional foodservice, growth remains lower than Commercial foodservice, but is still generally positive. Business and Industry (business feeders) are the

category leaders, accounting for 43% of the Institutional market. This is also the area seeing the highest growth, as tech firms continue to hire more employees and invest in their foodservice offer. Healthcare is also a large player in the field, with hospitals and other health facilities accounting for 32% of institutional consumer spend. Education rounds out institutional foodservice, with 20% market share. Other sectors, such as defence and prisons also contribute to institutional foodservice sales, though are not high growth drivers within the channel.

Uncertainties are higher today than in the recent past; industry observers expect slower growth going forward. Expectations for the next three years have been revised

down since last year's study; while overall IOI forecasts still show growth, the industry should expect some maturity and deceleration through 2022. Republic of Ireland is forecasted to grow 4.5% in spending per year, while Northern Ireland is expected to grow 3.4% (as measured in Sterling). Overall Island of Ireland growth is forecasted to be 4.2% per year as measured in Euros through 2022.

Macro Consumer Findings

1

Lifestyle-based needs drive a growing consumer reliance on functional foodservice occasions

In consumer bulletin boards and ethnographies alike, consumers demonstrated how the logistics of everyday life can determine and undermine meal planning, resulting in an increased need for reliable, convenient meal solutions away from the home.

These ‘context-driven’ functional foodservice occasions appear resilient to changes in consumer confidence, as consumers display fixed behaviours and rely on foodservice for the fulfilment of basic daily needs.

2

Consumers articulate a different decision-making process and value equation for pleasure-related occasions

Consumers tend to be less price sensitive in pleasure-related occasions outside the routine of everyday life. In contexts like “date night”, carefree spending becomes a part of how consumers differentiate these experiences to take a break from ‘real life’. Consumers cite a tendency to stick to the same operators for indulgent occasions as they tend to be more reliable and pose less of a risk when it comes to ‘return on investment’.

3

Consumers are accustomed to using technology to discover foodservice options and place orders online and inside the restaurant.

Consumers are amenable to the idea of more technology in the front of the house and back of house as long as it doesn’t detract from the experience.

At the same time, whether at the office canteen, fine dining or a sandwich bars, consumers note that positive human interaction provides value as part of dining out.

Macro Consumer Findings

4

Customer service is a differentiator

Service was cited again and again as a differentiating factor. Instances where consumers were most loyal, were service-driven operators, where hospitality included reciprocity and respect. Achieving a human connection with the customer can lead to greater loyalty than any item can generate.

5

Little effort to prepare for uncertain times ahead

While Brexit was top of mind for all consumers we spoke to, few were actively making preparations on how it would affect their daily lives, citing a three-year build up with little action. The sentiment among some consumers we spoke to is that a recession may be coming, but that it was unlikely to be as extreme as the last and they felt unlikely to impact their lifestyle.

Others accepted that saving up for a downturn would be the responsible thing to do, but the realities and expenses of daily life make it difficult to act with this type of intentionality.

Unmet Consumer Needs

1

Healthy options for all ages

Respondents across all life stages indicated an increase awareness and desire to eat healthier foods. For some, this amounts to following a restrictive diet that excludes certain ingredients or calorie thresholds. For others, health relates to good tasting, correctly portioned kids meals that are easily consumed.

There are also those that think of health in terms of moderation. These consumers want their food to be fresh, and while they will indulge in the occasional fried food or routine treat (e.g. specialty coffee), the norm is to find better-for-you options for day-to-day occasions.

While there are concepts in the marketplace that satisfy this need, the availability of 'good tasting' and 'good for you' options at an everyday affordable price remains a consumer pain point.

2

Customisation

Consumers cite a desire for increased customisation in their foodservice options. The ability to prepare a meal the way they want it represents a level of control that consumers associate with at-home meals, and remains a whitespace for foodservice offerings.

3

Access to authentic global flavours

Primarily in foodservice moments of indulgence, consumers reported a desire to explore global flavours, including newer, more ethnically authentic cuisines as well as flavours that have been largely normalised to the Irish consumer palette.

4

Perceived goodwill from operators

Consumers expressed a desire to visit operators that they feel good about. This good feeling can be the result of elevated hospitality, transparent practices, or mutual respect. Indeed, most of those we spoke to when asked

about why they visit the establishments to which they are loyal, the most common response was "because of the service".

5

Reliable and competitive delivery services

While 1st and 3rd party home delivery services have grown rapidly in popularity and reach, delivery remains a challenge for many who cite issues related to address, pricing and wait times.

Despite these challenges, consumers tend to use 3rd party websites as a tool for brand discovery, exploring options in the area before ordering 1st party for take-away. This highlights the importance for operators to develop a presence on 3rd party platforms.

Industry Imperatives

The Irish foodservice industry has been growing at robust levels for several years, but warning signs are on the horizon and industry participants should be examining options and alternative strategic plans in the event of a possible slowdown. The following are imperatives for companies involved in the foodservice industry:

1

Keep the consumer front and center

The consumer is the ultimate driver for the foodservice industry; as conditions evolve in Ireland there may be some shifts in how consumers utilise foodservice. Broadly, occasions can be separated into “entertainment” and “convenience” driven usage, and while convenience will always drive large parts of foodservice, it is the “entertainment” portion that is more discretionary and may be more at risk.

2

Contingency planning is key

Despite the fact that at time of writing, Brexit is still an unresolved issue, many companies have created contingency plans for alternative sourcing and cost control. More broadly, having an understanding of cost drivers and strategic alternatives should be a priority for all companies involved in the industry.

3

Identify solutions for the labour crisis

Every segment in foodservice is facing labour issues – shortages in qualified help, up to and including culinary and management personnel. New technologies exist and value-added products in the back-of-house that help operators create “speed scratch” menu items are becoming more critical.

4

Keep an eye out for major disruptors

Delivery remains one of the fastest-growing service areas, and 3rd party service providers are often seen as disruptive to the current situation. At the same time, the consumer is the ultimate driver and this disruption will continue to grow in importance. Companies must address disruptors and ensure that their strategies adapt to the industry as it evolves.

5

Don't become complacent

Years of growth have made growth seem inevitable, but becoming complacent and not investing in innovation/differentiation comes at a price.

The Winning Foodservice Formula

- As the industry looks to maintain relevance, focus on meeting consumer needstates and continue to grow, it will be important to keep the ‘Winning Restaurant Formula’ in mind.
- Through its global work, Technomic has identified 10 factors that – when excelled at – create a resonating and lasting point of difference that drives growth.
- All members of the value chain should understand how they can help create lasting value for consumers by focusing on the 10 areas that lead to success.

10 Factors that define the Winning Restaurant

- **1. Local focus**, with emphasis on provenance and providing food with a story.
- **2. Commitment to culture**, making the concept a preferred place to work for employees.
- **3. Tech-enabled**, using technology to enhance the guest experience.
- **4. Community support**, working to integrate and be part of the community in which it operates.
- **5. Craft**, focused on menu items that are perceived to have more care in their production.
- **6. Transparent**, with strong messages around ingredients, values and sustainability.
- **7. Simple**, with a focus on what creates differentiation.
- **8. Better/healthy fit**, with an offer of items that offer consumers a perception of wellness.
- **9. Broader beverage focus**, providing unique and craveable alcohol and/or non-alcohol drinks that are carefully crafted and curated.
- **10. Clean food**, with limited additives and ingredients that consumers perceive as “bad”

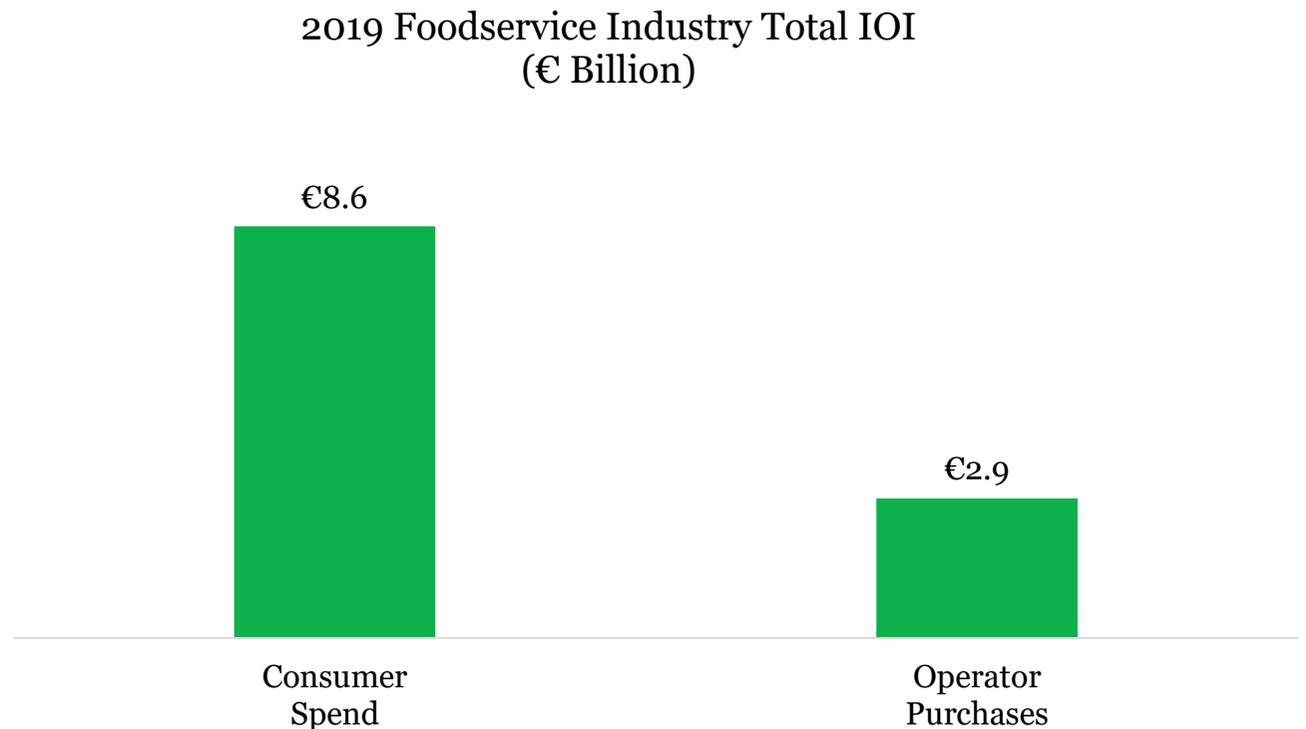
SECTION 3: SIZE AND SEGMENTATION OF THE IRISH FOODSERVICE INDUSTRY



Irish Foodservice
**Market & Consumer
Insights**

Total IOI Foodservice Industry: Consumer and Operator Spend

- The value of the Irish foodservice industry for 2019 is estimated to be €8.55 billion in terms of consumer expenditure and €2.9 billion in terms of operator purchases. This includes both the value of the Republic of Ireland and the converted value (from Sterling to Euro) of the Northern Ireland foodservice market.
- Note that when this report defines ‘consumer spending’, this refers to actual consumer spending by diners within all foodservice channels.
- In non-commercial channels such as education or healthcare, a retail sales equivalent value is assessed so that these channels can be directly compared to commercial restaurant sales.
- Operator purchases represent the value of distributors’ sales to operators, including distributors’ margins. These purchase values are derived at the channel level by using food cost ratios, which vary by foodservice channel.
- On an overall basis, operator purchases represent 34% of the value of all consumer expenditures in the IOI foodservice industry.

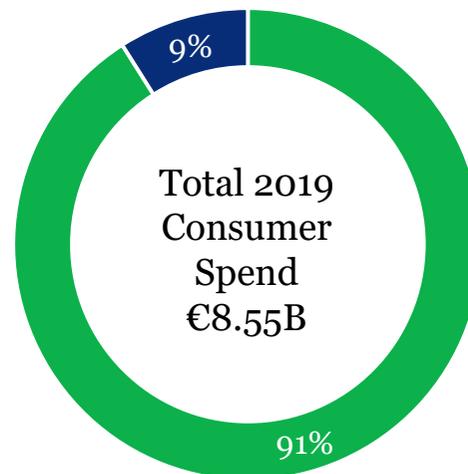


Commercial and Institutional Channels: Total island of Ireland

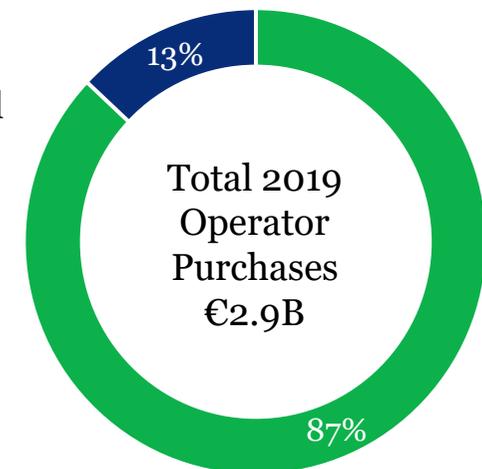
- **Consumers spent €8.55 billion on foodservice within ROI and NI in 2019.**
- **Operators spent €2.9 billion on food and beverage to generate those revenue figures.**
- The spending and purchases within foodservice can be divided broadly into two channels: Commercial and Institutional.
- Commercial channels include **quick service restaurants, full service restaurants, pubs, coffee shops/cafes, hotels** and other **commercial foodservice establishments** such as cinemas, theme parks, tourist attractions, sport venues and clubs, spas, events catering, recreational activities and cruises.

- Institutional channels include **business and industry** locations, **healthcare facilities, educational institutions** and **other institutional foodservice establishments** including government organisations, prisons and armed forces.

In 2019, Commercial channels accounted for 91% of the value of total consumer spending and 87% of the total value operator purchases, while Institutional channels account for the remaining 9% of total consumer spending and 13% of total operator purchases. These ratios have not changed since the last update in 2018.

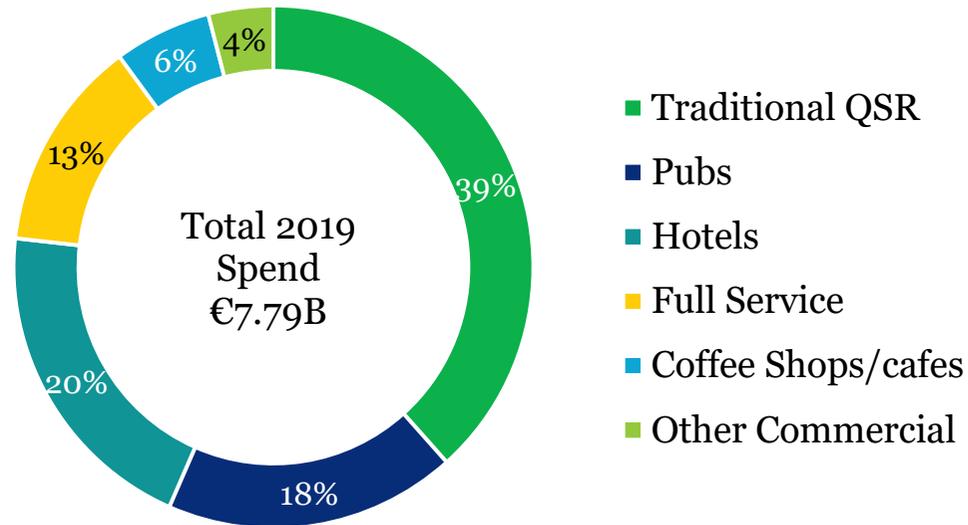


- Commercial
- Institutional



Commercial Channels 2019

- As noted on the previous page, commercial channels within IOI represent the vast majority of the value spend within the Irish foodservice channel. In 2019 this figure was €7.79 billion in consumer spending.
- Examining the Commercial channel in great detail, it can be seen that traditional Quick Service Restaurants (QSRs), pubs and hotels are the three largest segments and collectively account for over 75% of the total Commercial channel.
- Overall Commercial foodservice on the island of Ireland has grown 4.6% from 2018 into 2019, a marked slowdown from figures seen in the more recent past.



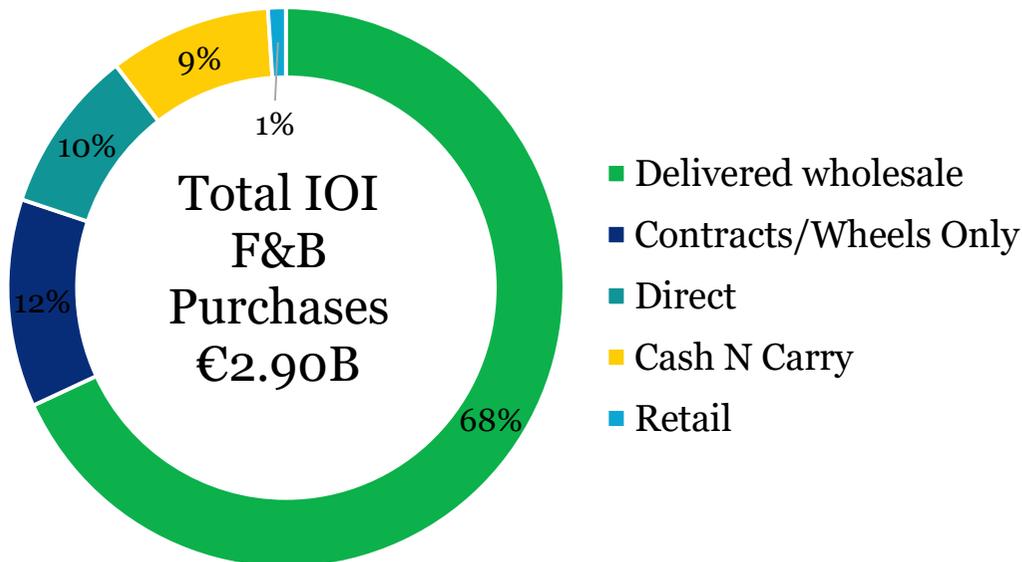
2019 Irish Foodservice Market	2018-19 CAGR
Limited Service (QSR, fast casual, food to go)	4.9%
Full Service Restaurants	4.6%
Pubs	2.0%
Coffee Shops and Cafes	5.7%
Hotels & Accommodation	6.0%
Other Commercial	6.2%
Total Commercial	4.6%

Route to Market 2019

- The most prevalent route to market in Irish foodservice continues to be wholesale delivery, which accounts for 68% of operator purchases in 2019.
- It also remains a fast growing sector, with a YoY increase of 5.6% as full line distributors add capabilities and grow their overall share of spend at the operator level.

- The Cash & Carry segment represents approximately 9% of the total value of purchases delivered and grew approximately 4.8% YoY.
- The contract “wheels only” channel grew by just under 1% over the review period.
- Wholesale distribution remains a very competitive segment of the market, with ROI-based

- distributors operating in the North and vice-versa. Acquisitions also continue to change the face of the industry.
- Brexit concerns are prevalent in distribution, given the possible disruption between Ireland and the UK and potential for increased transportation time and costs of goods.

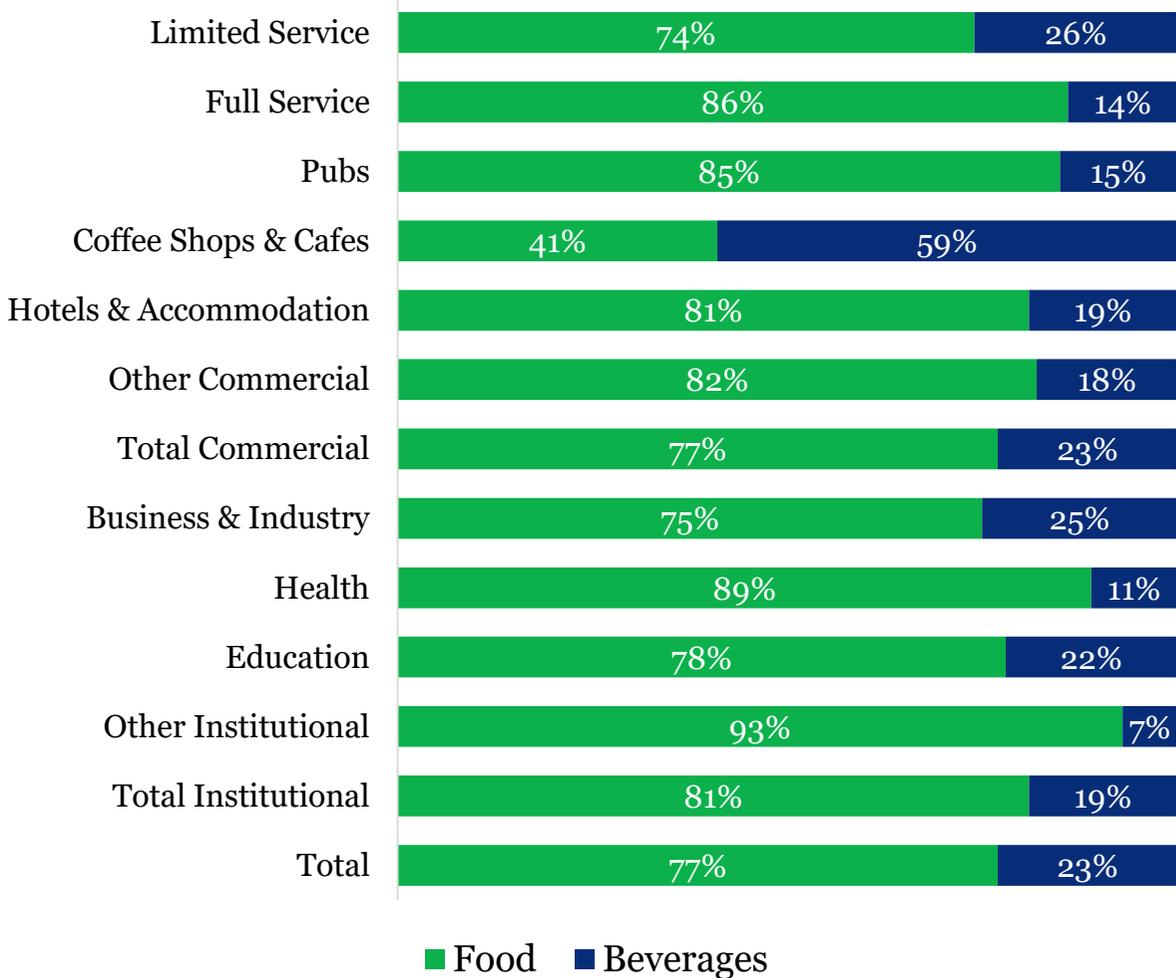


2019 Irish Foodservice Route To Market	2018-19 CAGR
Delivered Wholesale	5.6%
Contracts/Wheels Only	0.7%
Direct	1.8%
Cash N Carry	4.8%
Retail	3.5%
Total	4.5%

Food and Beverage Split Revenue

- In evaluating the sources of revenue for the Irish foodservice industry (total IOI), 77% of turnover is derived from food, with the remaining 23% coming from beverage (non-alcohol only). Note that these numbers shift only slightly over time and are in line with 2018 figures.
- The share of beverage revenue is higher in the Commercial channel, where Coffee Cafes and Limited Service (which includes takeaway and Food-To-Go) drive that percentage higher.

Share of Total Revenue 2019
Total IOI Foodservice Market



Irish Foodservice Market Snapshot 2019

Total island of Ireland (IOI)

2019 Irish Foodservice Market	2019 Consumer Spending (€M)	2019 Operator Purchases (€M)	2018-19 CAGR (in €)	Total Outlet Count 2019
Limited Service (QSR, fast casual, food to go)	€ 2,995	€ 1,002	4.9%	9,035
Full Service Restaurants	€ 1,039	€ 343	4.6%	3,750
Pubs	€ 1,415	€ 410	2.0%	8,115
Coffee Shops and Cafes	€ 482	€ 140	5.7%	2,445
Hotels & Accommodation	€ 1,531	€ 520	6.0%	1,080
Other Commercial	€ 330	€ 115	6.2%	1,050
Total Commercial	€ 7,792	€ 2,531	4.6%	25,475
Business and Industry	€ 327	€ 159	4.4%	2,095
Healthcare	€ 241	€ 125	2.3%	1,140
Education	€ 152	€ 67	3.0%	4,940
Other Institutional	€ 42	€ 21	3.0%	200
Total Institutional	€ 763	€ 372	3.4%	8,375
Total IOI	€ 8,554	€ 2,903	4.5%	33,850
Republic of Ireland	€ 6,325	€ 2,140	4.9%	27,205
Northern Ireland	€ 2,230	€ 763	3.5%	6,645

Irish Foodservice Market Snapshot 2019

Republic of Ireland

2019 ROI Foodservice Market	2019 Consumer Spending (€M)	2019 Operator Purchases (€M)	2018-19 CAGR (in €)	Total Outlet Count
Limited Service (QSR, fast casual, food to go)	€ 2,266	€ 759	5.3%	7,075
Full Service Restaurants	€ 727	€ 240	4.7%	2,975
Pubs	€ 1,039	€ 301	2.4%	7,000
Coffee Shops and Cafes	€ 362	€ 105	5.9%	2,100
Hotels & Accommodation	€ 1,157	€ 394	6.2%	825
Other Commercial	€ 258	€ 90	6.5%	750
Total Commercial	€ 5,809	€ 1,889	5.0%	20,725
Business and Industry	€ 237	€ 115	5.3%	1,560
Healthcare	€ 151	€ 78	2.6%	655
Education	€ 95	€ 42	3.2%	4,140
Other Institutional	€ 33	€ 17	3.2%	125
Total Institutional	€ 515	€ 251	4.0%	6,480
Total Republic of Ireland	€ 6,325	€ 2,140	4.9%	27,205

Irish Foodservice Market Snapshot 2019

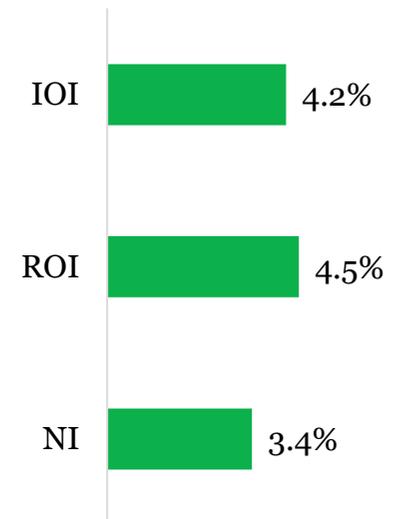
Northern Ireland

2019 NI Foodservice Market	2019 Consumer Spending (£M)	2019 Consumer Spending (€M)	2019 Operator Purchases (€M)	2018-19 CAGR (In Sterling)	2018-19 CAGR (in €)	Total Outlet Count
Limited Service (QSR, fast casual, food to go)	£645	€ 729	€ 243	3.6%	3.5%	1,960
Full Service Restaurants	£276	€ 312	€ 103	4.3%	4.2%	775
Pubs	£333	€ 376	€ 109	1.2%	1.1%	1,115
Coffee Shops and Cafes	£106	€ 120	€ 35	5.3%	5.2%	345
Hotels & Accommodation	£330	€ 373	€ 127	5.4%	5.3%	255
Other Commercial	£63	€ 72	€ 25	5.3%	5.2%	300
Total Commercial	£1,754	€ 1,983	€ 642	3.7%	3.6%	4,750
Business and Industry	£80	€ 91	€ 44	2.1%	2.0%	535
Healthcare	£80	€ 91	€ 47	2.0%	1.9%	485
Education	£50	€ 57	€ 25	2.8%	2.7%	800
Other Institutional	£8	€ 9	€ 5	2.5%	2.4%	75
Total Institutional	£219	€ 247	€ 121	2.2%	2.1%	1,895
Total Northern Ireland	£1,973	€ 2,230	€ 763	3.6%	3.5%	6,645

3 Year Growth Outlook 2020-2022

- The foodservice sector remains generally healthy, but there was a clear deceleration from 2018. In the first quarter, growth remained generally solid, but later into 2019 growth has faltered. Overall expectations for the next three years remain positive, but there are a great deal more concerns today than there have been for several years.
- Continued uncertainty around the impact of Brexit remains high; to date, there has been most impact around tourism figures from the United Kingdom and increased concerns around product sourcing.
- Tourism figures have been slowing; given the central importance of tourism, particularly in key markets such as Dublin, Galway and Cork (among others), slower tourism growth can cause some slowdown in foodservice growth.
- Another impact on growth has been the restoration of the special 9% Hospitality VAT back to 13.5% in ROI that came into effect in January; this has created an additional challenge to an industry that is striving to remain competitive.
- Within ROI, growth of approximately 4.5% per year is to be expected. The Commercial segments will continue to drive the overall industry, but there will likely be some deceleration across all segments of the business.
- Within Northern Ireland, the industry is expected to grow at approximately 3.4% per year over the next three years. (Note that the forecast is shown in Sterling and does not account for currency conversion issues).

2020-2023 Forecasted Growth in Foodservice Turnover (Consumer Spend)



Growth Outlook 2020-2022

Total island of Ireland

2019 IOI Foodservice Market	2019 Consumer Spending (€M)	2022 Forecasted Consumer Spending (€M)	Projected CAGR* 2020-2022	Total Change in Value (€M)	Share of Growth
Limited Service	€ 2,995	€ 3,442	4.7%	€ 447	40%
Full Service	€ 1,039	€ 1,174	4.2%	€ 135	12%
Pubs	€ 1,415	€ 1,486	1.6%	€ 71	6%
Coffee Shops and Cafes	€ 482	€ 567	5.5%	€ 84	7%
Hotels and Accommodation	€ 1,531	€ 1,791	5.4%	€ 261	23%
Other Commercial	€ 330	€ 390	5.7%	€ 60	5%
Total Commercial	€ 7,792	€ 8,849	4.3%	€ 1,057	94%
Business and Industry	€ 327	€ 369	4.1%	€ 42	4%
Health	€ 241	€ 257	2.2%	€ 16	1%
Education	€ 152	€ 162	2.1%	€ 10	1%
Other Institutional	€ 42	€ 46	2.4%	€ 3	0%
Total Institutional	€ 763	€ 834	3.0%	€ 71	6%
Total IOI	€ 8,554	€ 9,682	4.2%	€ 1,128	100%

SECTION 4: CHANNEL ANALYSIS



Irish Foodservice Market & Consumer Insights

Commercial Channels



Irish Foodservice
**Market & Consumer
Insights**

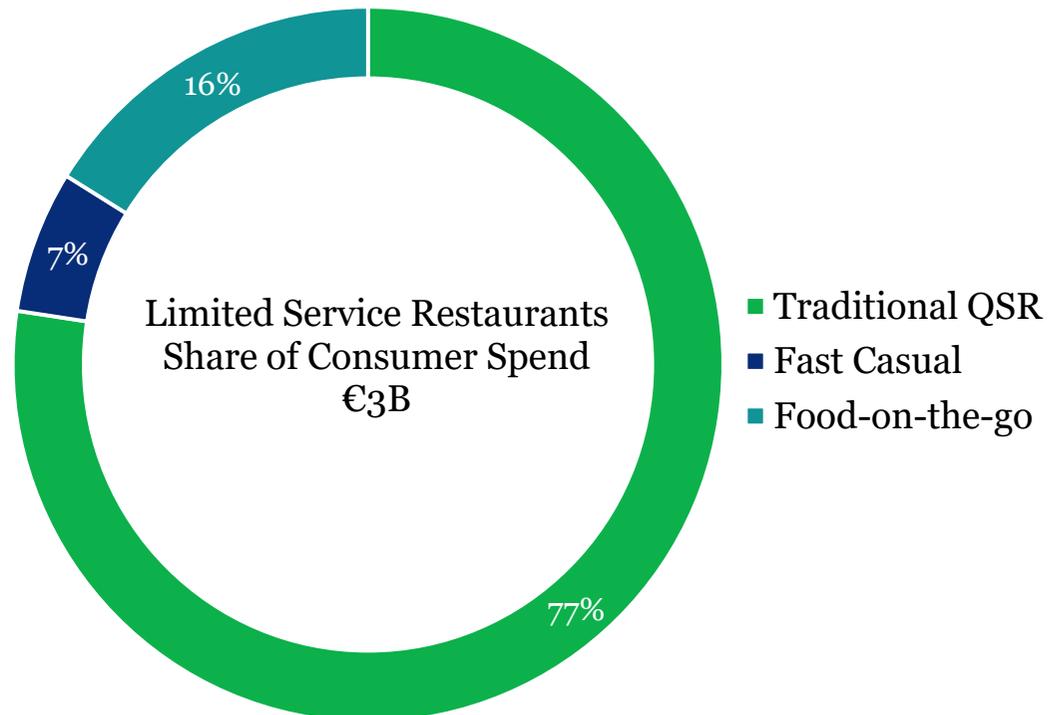
Limited Service Restaurants

- The limited service restaurant segment incorporates a number of sub-segments, including traditional **quick service restaurants** (QSR), **fast casual restaurants**, and **food on the go** (which encompasses convenience-driven items for takeaway in forecourt/ convenience operators and other grab-n-go products found in retail operations).
- The total Limited Service segment is valued at **€3 billion** in consumer spending in 2019 throughout the IOI, with a value of €1 billion in operator purchases. Traditional quick service restaurants

(QSRs) account for 77% of total consumer spending, with food-on-the-go making up 16% and fast casual accounting for 7%.

- The following pages show more detail on trends within each of the sub-segments of Limited

Service and as well as the differences in revenue and purchases between the Republic of Ireland and Northern Ireland.



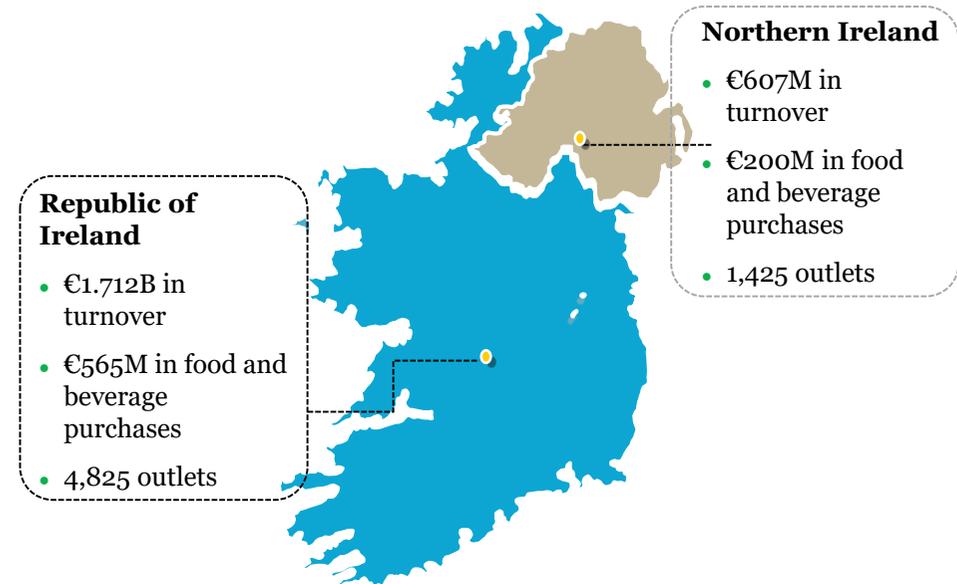
2019 Review of Quick Service Restaurants (QSR)

Segment Definition

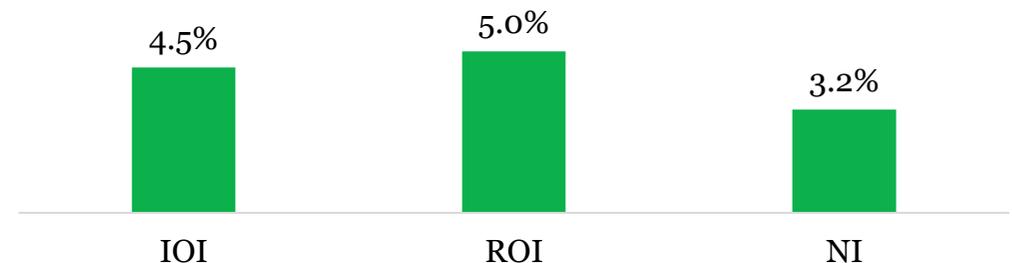
- Traditional quick service restaurants (QSRs) are limited service in nature and are primarily characterised by offering counter service and/or drive thrus.
- These figures include both chain operators and independent operators (including chippers and other small fast-food operations).

Key Trends

- Many large chains are moving more aggressively into non-traditional channels, including motorways and other retail channels.
- Straws and packaging continue to be areas that QSRs looking to reduce/eliminate. Single-use plastic is a focus area for reduction.
- Cashless technology is growing in importance.
- More emphasis on “fresh” EG meats (burgers), produce, etc to position better against other segments.



2020-2022 Forecasted Growth in Quick Service Restaurants (Consumer Spend)



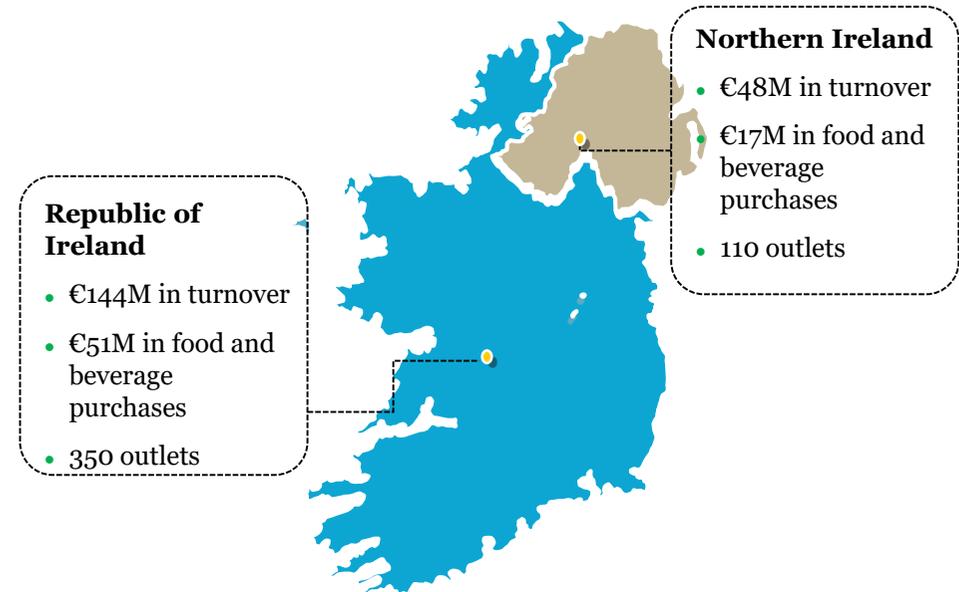
2019 Review of Fast Casual

Segment Definition

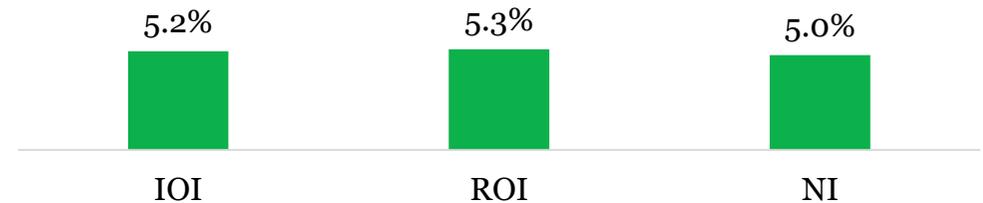
- Fast Casual restaurants are also limited service, but are generally more upscale, investing more in the design and ambiance of the operation.
- Food quality is generally perceived to be higher, and the price points tend to be €8 or higher per person. Similar to traditional QSRs, Fast Casual restaurants are often systemised with limited, focused menus.

Key Trends

- These operations tend to focus on fresh, healthier items with premium ingredients and as a result are able to command higher price points.
- Continued evolution and focus on salads and other fresh-prepared foods is a growth driver.
- Many fast-casuals cater to the customisation trend and offer a “build-your-own” approach to their menu.
- Outlets tend to have a more limited menu with a focus on specific type of dish; often with an ethnic focus (e.g. Mexican).
- Delivery and take-away is an important and growing part of turnover for many fast-casual operators.



2020-2022 Forecasted Growth in Fast Casual Restaurants (Consumer Spend)



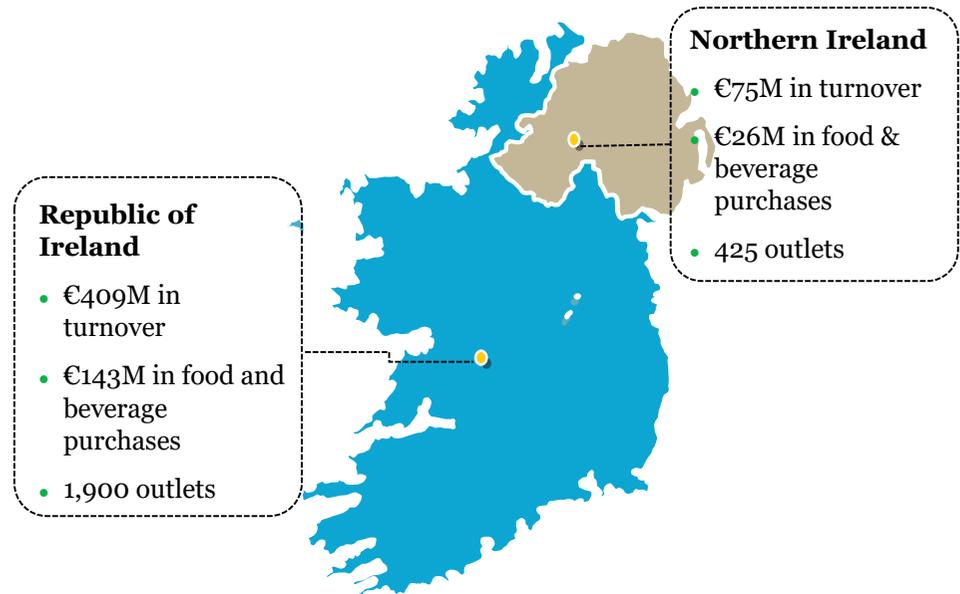
2019 Review of Food-To-Go

Segment Definition

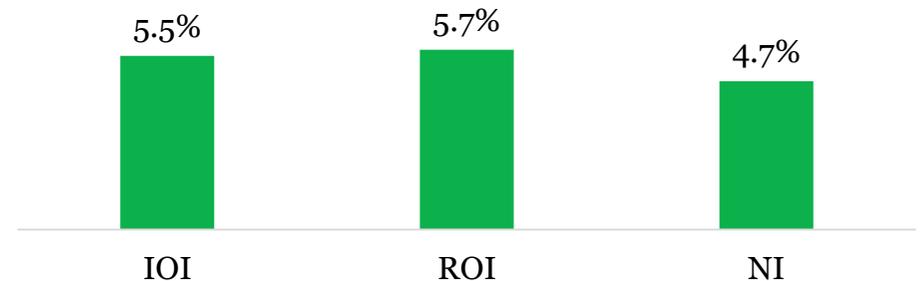
- This segment includes convenience stores, supermarkets, and petrol stations with forecourt convenience stores.

Key Trends

- Traditionally, the food offer in this channel have been pre-packaged; the focus over the past several years is to bring a renewed focus on freshly prepared items.
- Forecourt convenience continues to position itself as a destination for both breakfast and lunch occasions.
- Motorways a big focus area for key players.
- Supermarket prepared foods is still a small part of this segment, but continues to grow at above average rates.
- Coffee and other beverages are a huge driver for “grab-n-go” and represent a large share of overall visits.
- High levels of competition reported in most markets with saturation in city centres and many players looking for new avenues for growth.



2020-2023 Forecasted Growth in Food To Go (Consumer Spend)



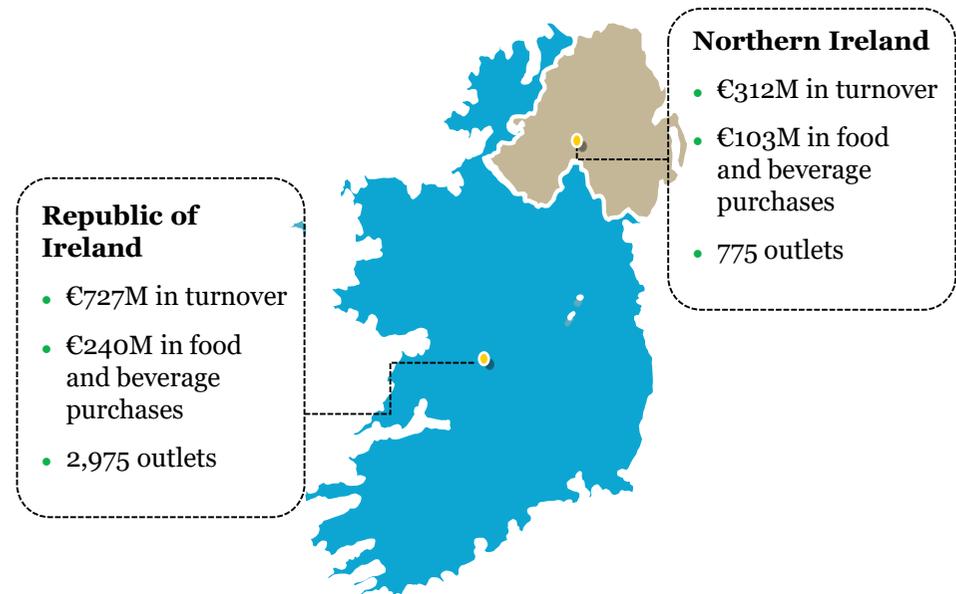
2019 Review of Full Service Restaurants (FSR)

Segment Definition

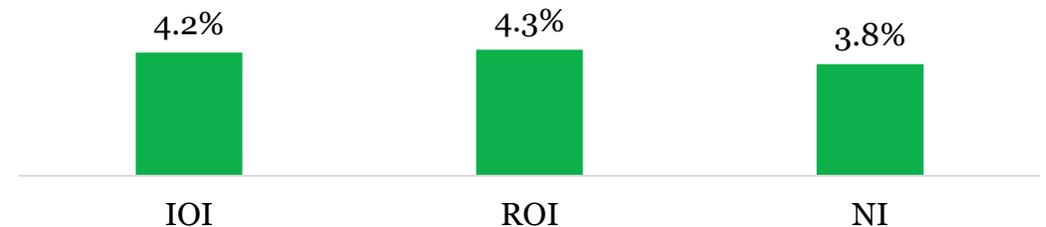
- Full service restaurants generally focus on serving lunch or dinner. Sub-channels include both casual dining and white table cloth restaurants.
- Menus offer a complete range of items often using fresh ingredients—appetisers, soups, main courses and desserts. Meals are often accompanied by a wine or beverage list.

Key Trends

- Restoration of the special 9% Hospitality VAT back to 13.5% in ROI has challenged overall growth and also the cash flow of many restaurants.
- Slowdown in tourism is also having an impact on restaurants in certain ROI cities.
- Claims of reaching saturation point within Dublin; number of eateries has “exploded”, making incremental growth more challenging.
- Rising costs, particularly rent, is impacting profitability. Along with VAT rate increase, operators have found it hard to pass along price increases to cover increased costs.
- Staffing/labour and shortage of chefs remain an ongoing issue.
- Engaging with home delivery is increasingly a necessity but cost/margin structure are concerns for operators.



2020-2022 Forecasted Growth in Full Service Restaurants (Consumer Spend)



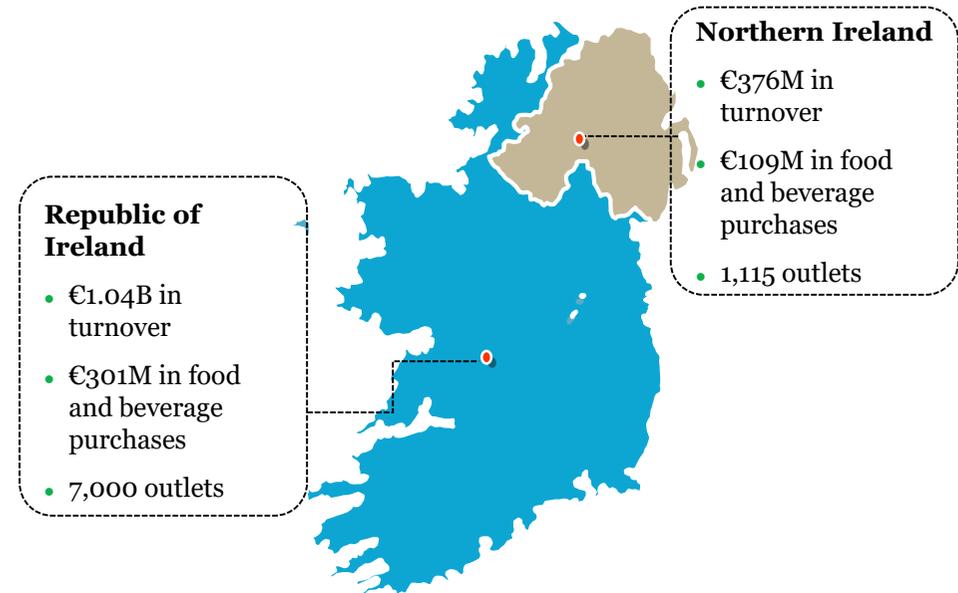
2019 Review of Pubs

Segment Definition

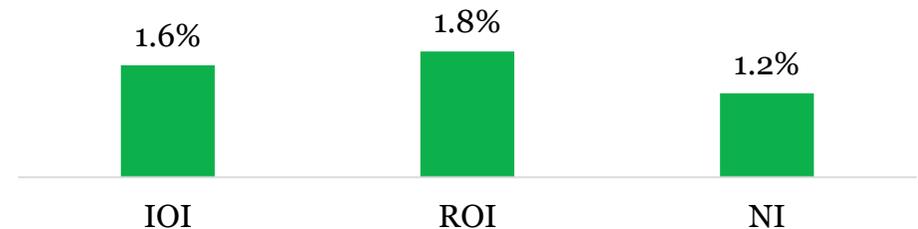
- Licensed pubs includes drinking establishments that are outlets built specifically for (and largely dependent on) the sale of alcohol for on premise consumption.
- Pubs are characterised by a bar service and are often seen as social meeting places, rather than a place of pure consumption.

Key Trends

- Most pubs are still drinks-led, but are increasingly adding food (which tends to be the growth area for pubs that have a food offer).
- Urban pubs (especially Dublin-based) appear well-positioned for growth; other areas of Ireland are seeing lower growth.
- Drink driving laws are having a big impact, particularly on rural pubs.
- Non-alcohol options growing in importance; the appearance of Ireland's first alcohol-free pub in Dublin suggests consumer demand for "mocktails" and no-alcohol drinks is gaining acceptance.



2020-2022 Forecasted Growth in Pubs (Consumer Spend)



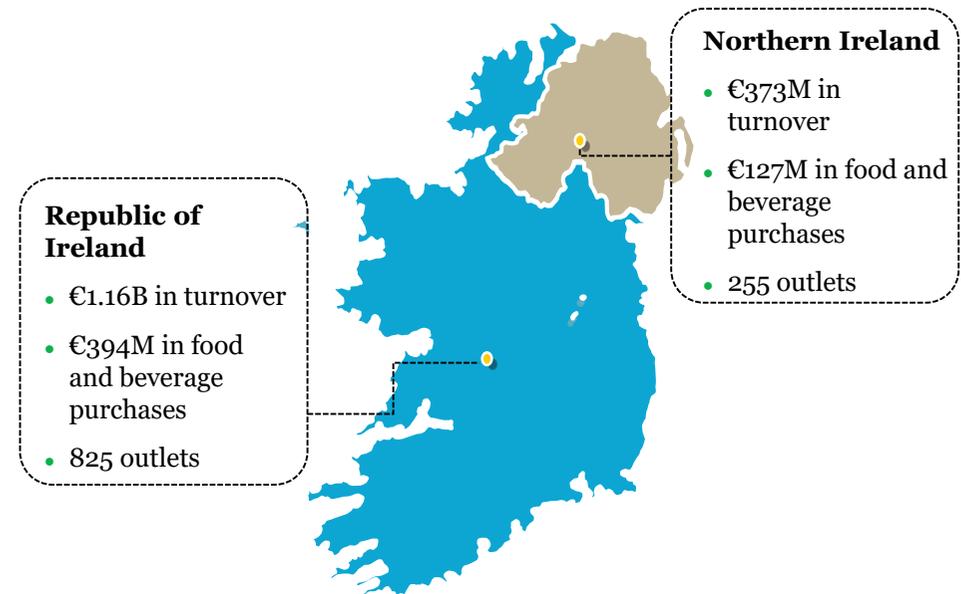
2019 Review of Hotels & Accommodation

Segment Definition

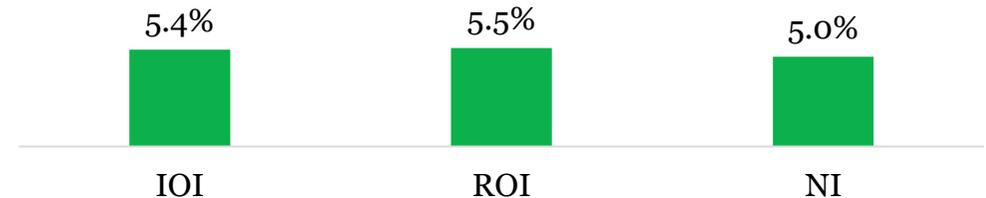
- Food and beverage programmes in the hotel and accommodation channel are heavily focused on the hotel part of the channel, which accounts for 95% of the market.
- Other accommodation forms, such as guest houses, are included, but only where they are large enough (10 rooms or more) and these are few in number. This excludes B&Bs as well.

Key Trends

- Hotels are heavily tied to tourism; 2019 F&B revenue growth has been slower in 2019 than in previous years.
- Breakfast is the key daypart focus as this touches the highest number of guests; most operators report steady guest participation, but little growth here.
- Banquet business appears relatively strong with personal events and business events both still showing growth (particularly in big urban markets).
- Greater weakness in overall F&B business outside major cities (where food plays a more central role in importance to the overall hotel business).



2020-2022 Forecasted Growth in Hotels & Accommodation F&B (Consumer Spend)



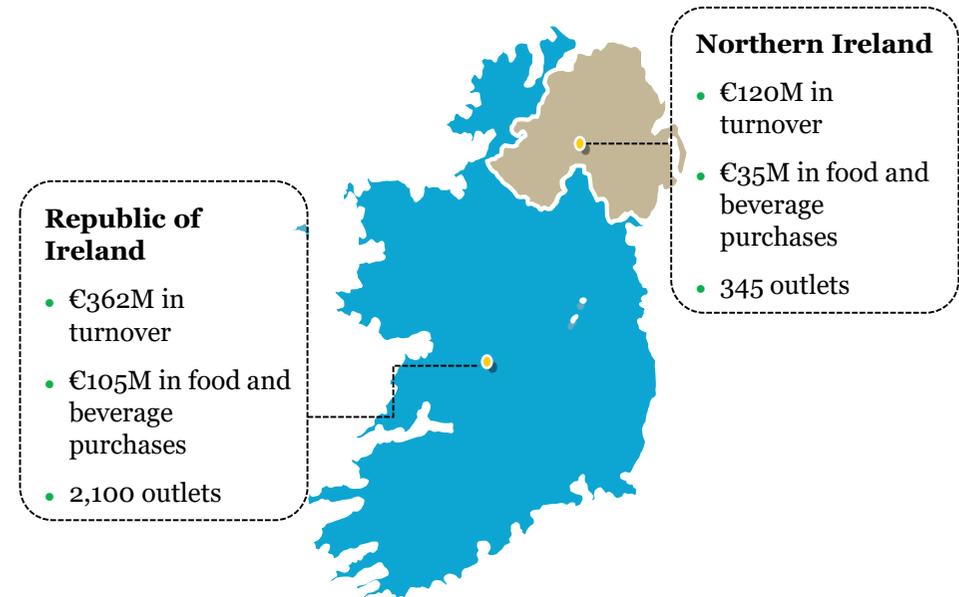
2019 Review of Coffee Shops/Cafes

Segment Definition

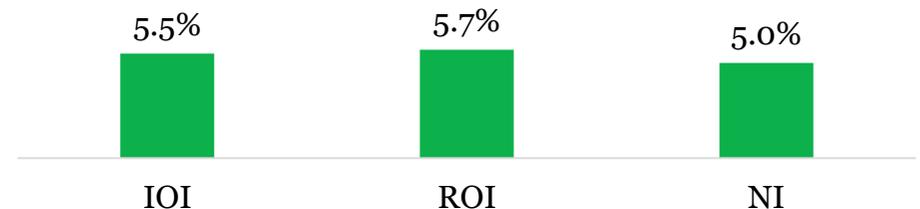
- Coffee shops and Cafes are quick service restaurants without table service that emphasise coffee and other hot beverages. Typically there is a limited selection of cold and hot foods such as pastries, sandwiches and breakfast items on offer.
- Their distinguishing feature is that they allow customers to relax, work and socialise on their premises for long periods of time, without the pressure to leave promptly after eating.

Key Trends

- Coffee remains an extremely popular and growth-oriented beverage.
- Higher prices as ROI operators pass along VAT increases.
- Some operators experimenting with delivery services such as Deliveroo.
- Sustainability initiatives are front and center as single-use disposables – especially coffee cups – fall out of favour.



2020-2022 Forecasted Growth in Coffee Shops/Cafes (Consumer Spend)



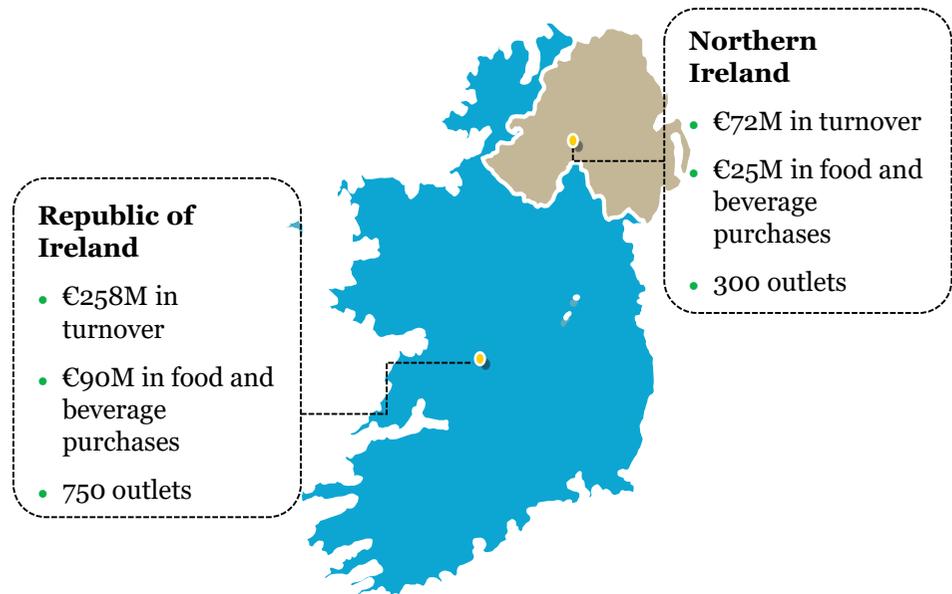
2019 Review of Other Commercial Foodservice Operations

Segment Definition

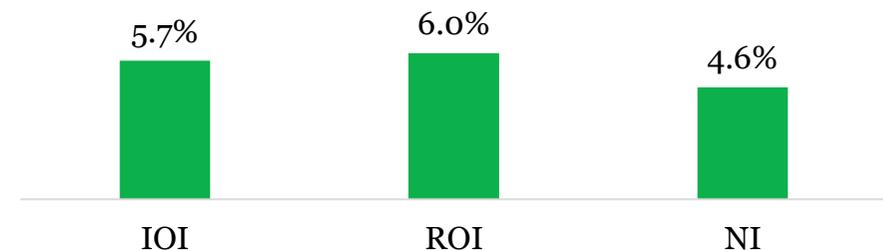
- This channel is diverse and comprises cinemas, theme parks, tourist attractions, sport venues and clubs, spas, event catering, recreational activities and cruises.
- The largest sub channel is represented by sporting events; the other key sub-segment is the travel channel which includes on board and terminus catering for flights, trains, ferries and buses.

Key Trends

- Many of these venues are highly dependent on tourism – both internal from Irish consumers and from external tourists. There are some concerns about future growth as visitor numbers may start to flag.
- Urban centres putting more emphasis on festivals, which has helped support overall growth figures.



2020-2022 Forecasted Growth in Other Commercial (Consumer Spend)



Institutional Channels



Irish Foodservice
**Market & Consumer
Insights**

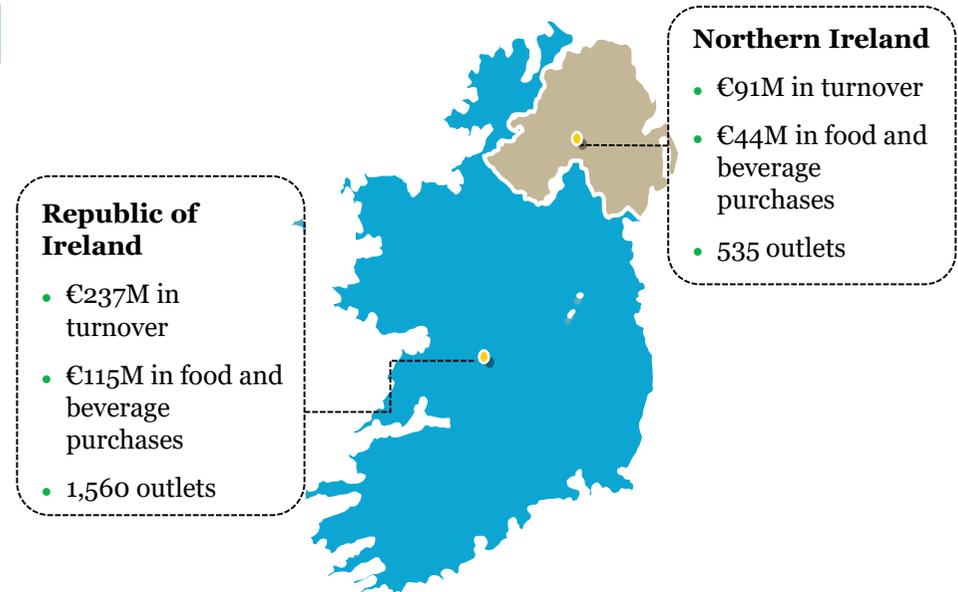
2019 Review of Business and Industry

Segment Definition

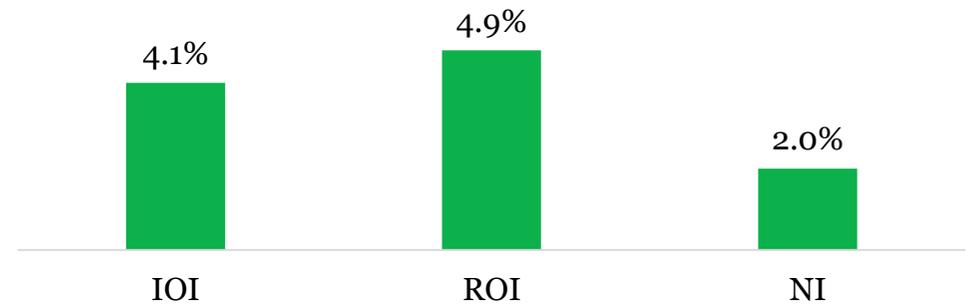
- Business and Industry (B&I) is defined as catering to the workforce and includes food offered within offices, factories and remote sites.
- Menus are generally offered in three formats: fixed menus (mostly in factories), self-service menus offering choice (mainly in office catering units and canteens/cafeterias), and grab-and-go or vending operations offering predominantly beverages, adjacent to their place of work.

Key Trends

- Relatively strong growth as employment remains strong in ROI; slightly less robust in NI.
- Tech firms leading the way in trend-setting, creating high quality dining options to build loyalty and keep employees on site.
- Non-tech firms are less dynamic, but seeing some moderate growth.
- Food is often viewed as a differentiator in recruitment and retention.
- Sustainability and health/wellness continue to be areas of emphasis for employee feeding programs.
- More interest in plant-based proteins in this sector.
- New offices often don't have kitchens; as a result there has been a growth in central kitchen usage.



2020-2022 Forecasted Growth in Business and Industry (Consumer Spend)



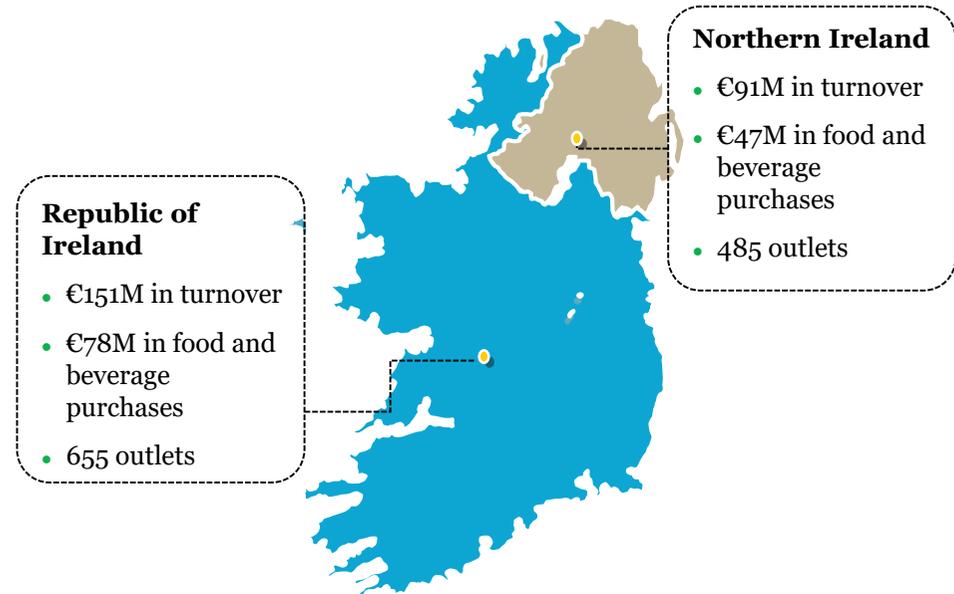
2019 Review of Healthcare Foodservice

Segment Definition

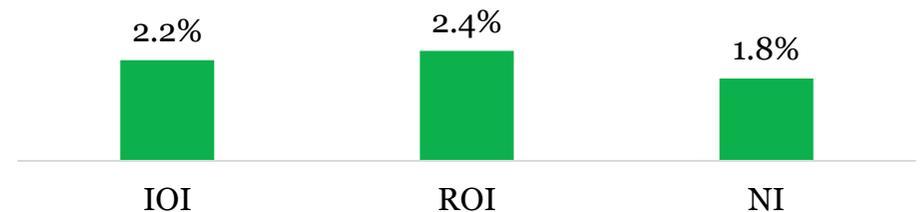
- Hospitals are institutions that serve and feed patients undergoing medical care, their guests, and the staff.
- This segment includes hospitals, rehab clinics, and retirement homes. It is further sub-classified into private or public hospitals which, depending on the rating will offer different culinary experiences.
- Additionally, they offer customised menu alternatives for specific diets.

Key Trends

- Little growth in patient feeding; more investment and growth in retail and à la carte operations catering to visitors and employees.
- HSE growth is flat; private healthcare organisations investing more in foodservice.
- Some attempt to establish branded concepts to compete against high street and keep visitors and guests on site.



2020-2022 Forecasted Growth in Healthcare (Consumer Spend)



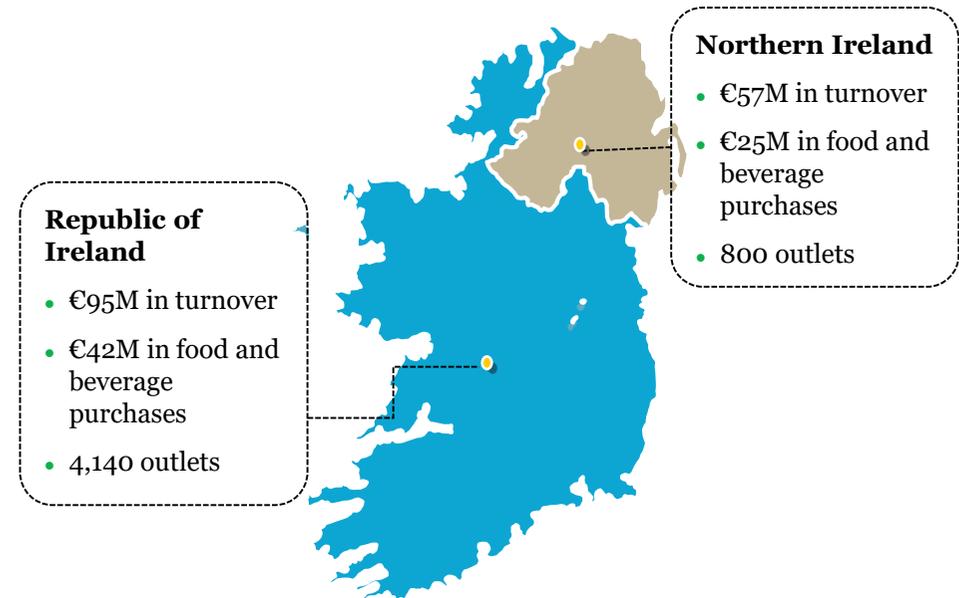
2019 Review of Education Foodservice

Segment Definition

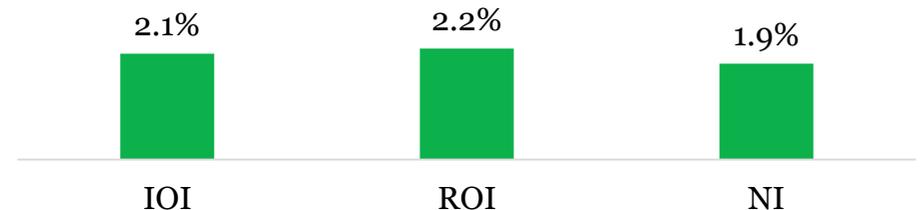
- Primary schools, secondary schools and universities make up the three key operator segments. They are in the business of providing food and beverage services to students and faculty in their place of learning. Menus are generally offered in two main formats: fixed menus, or cafeteria/self-service, although ala carte operations are also included.
- The channel covers state, religious and privately funded and owned institutions

Key Trends

- Growth generally described as “slow” or “flat;” sector is highly driven by demographics.
- Plant-based protein movement seeing strong growth in this segment; sustainability initiatives also gaining prominence.
- Labour issues remain a challenge; more focus away from culinary creations and toward pre-made or “speed scratch” applications.



2020-2022 Forecasted Growth in Education (Consumer Spend)



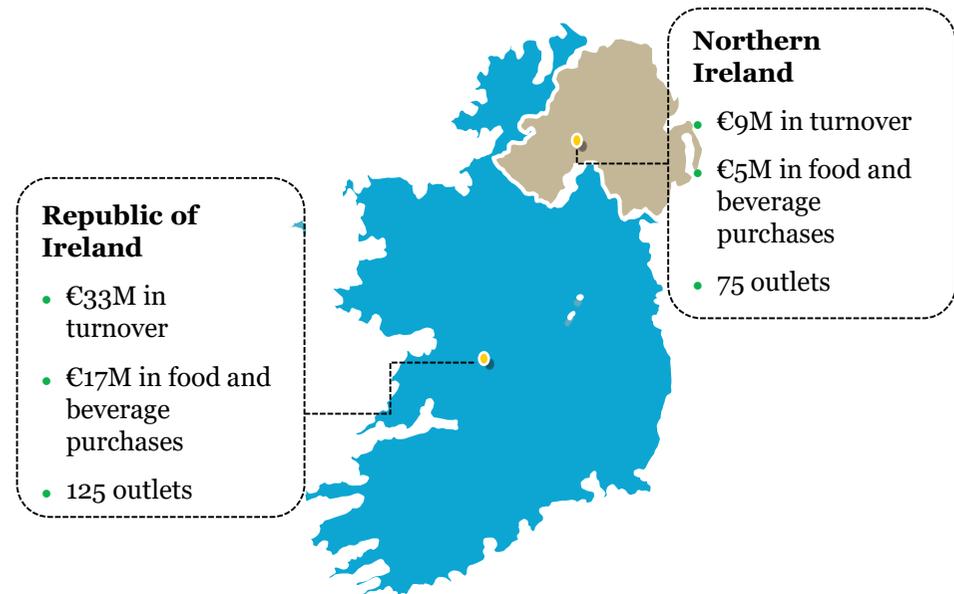
2019 Review of Other Institutional Foodservice Operations

Segment Definition

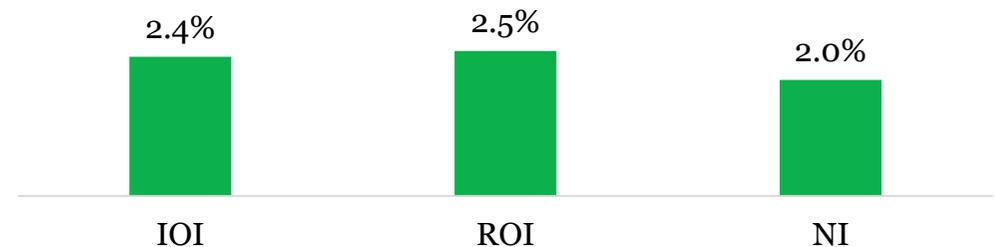
This channel includes Government organisations and in particular prisons and armed forces (military messes, in-field canteens and soup kitchens).

Key Trends

- Both prisons and the armed forces have large manpower at their disposal and view catering as an efficient use of “built-in” labour pools.
- Highly focused on cost containment.



2020-2022 Forecasted Growth in Other Institutional Foodservice (Consumer Spend)



SECTION 5: PRODUCT INSIGHTS



Irish Foodservice Market & Consumer Insights

Overarching Foodservice Product Trends

1. Margin pressure remains a challenge for operators of all types

Food costs tend to make up about 1/3 of the cost of a menu item, and while the costs continue to see increases – particularly items sourced from outside Ireland – other costs such as labour and rent are rising faster than the operators' ability to raise prices. Coupled with the ROI VAT increase at the beginning of 2018, operator profitability continues to be under pressure.

2. Vegan/vegetarian options growing in importance

Operators of all types continue to see the need for offering vegan options. While many acknowledge that strict veganism still only accounts for a small % of consumers, it is important to cater

to those consumers looking to for wider choices when eating out.

3. Beverages remain a driver for growth

Beverages – especially hot beverages – remain a solid strategy for growth, and operators continue to invest in high quality coffee and tea programmes. “Virgin” cocktails are also becoming more popular across segments that have been drinks-forward, including pubs, hotels and full-service restaurants.

4. Alternatives to sourcing from UK being sought

Uncertainty remains regarding Brexit in 2019, but operators and distributors both acknowledge that they've been actively working to identify alternatives

to sourcing products from the UK. This may include both focusing more on Irish goods as well as evaluating continental Europe or even North America as a source for certain products.

5. Chilled foods remain on trend

The continued demand toward fresh by consumers has meant that chilled items continue to exceed overall industry growth, and chilled items now represent 59% of total purchases made. Frozen space remains limited back-of-house and operators have switched over to chilled wherever possible. Grocery/ambient products are growing slower than average.

Product Category Segmentation

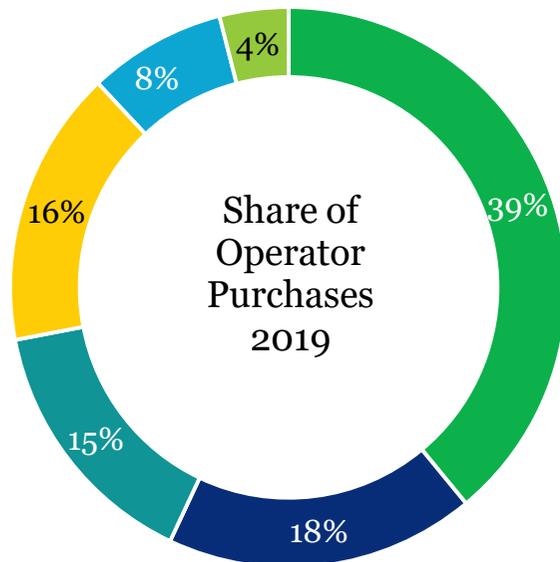
- Proteins account for the greatest share of operator food purchases (39%). Bakery, fruit and vegetables, and beverages represent the next leading shares. These figures remain largely unchanged from the past several years.
- Purchases have been growing under 5% and are impacted by

the broader issues described elsewhere in this report. There has been some food cost inflation as Brexit impacts the supply chain, and many industry participants worry about future price shocks depending on the outcome of Brexit.

- Note that “all other” includes non-foods as well; growth has

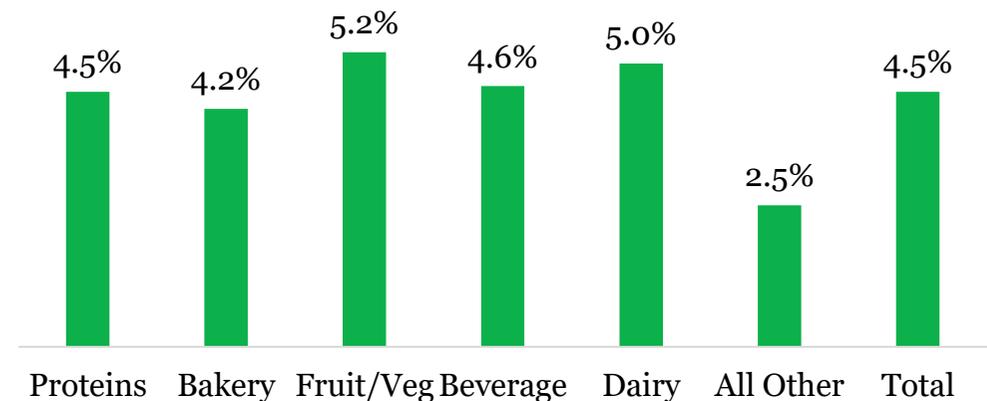
been impacted by a general move away from single use disposable items.

- The figures shown here include both ROI purchases as well as food and beverage purchases made in Northern Ireland and converted to Euro.



■ Proteins ■ Bakery ■ Fruit/Veg ■ Beverage ■ Dairy ■ All Other

2017/18 Growth in Operator Purchases



Foodservice Product by Value

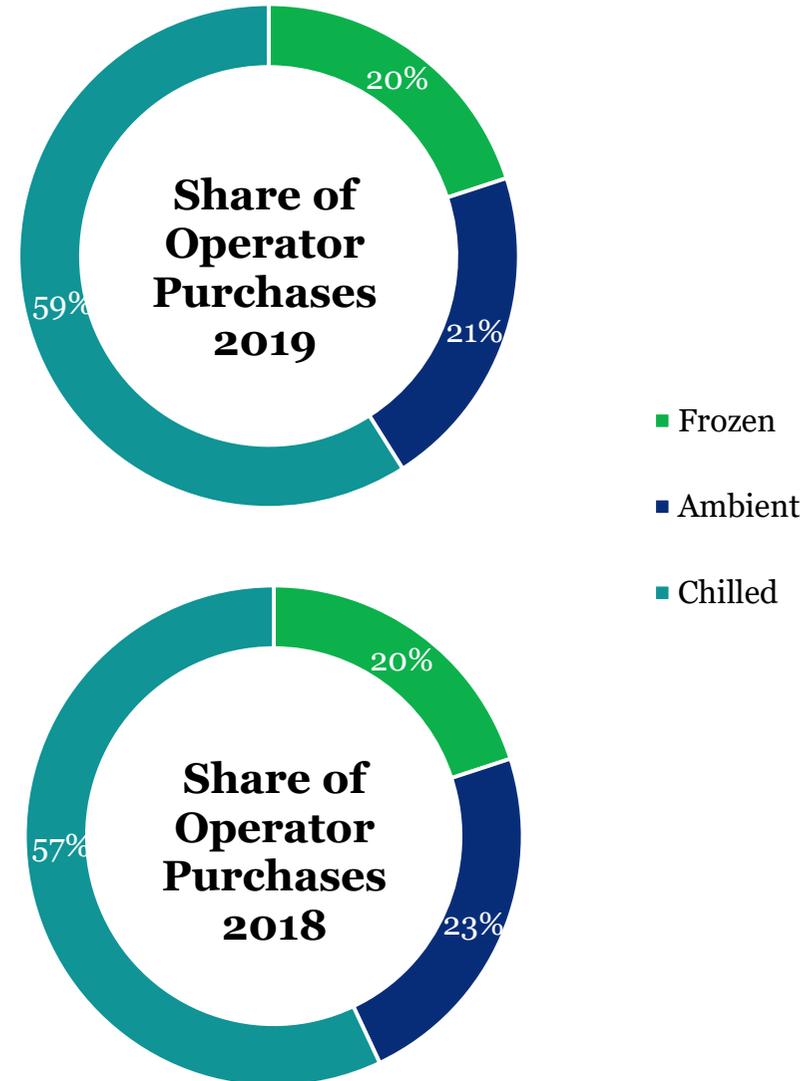
Fruit, vegetables, poultry, beef and bread/bakery (non-sweet) account for nearly half of operator purchases. These figures haven't changed significantly since last year's study.

The figures shown here include both ROI purchases as well as food and beverage purchases made in Northern Ireland and converted to Euro.

Product Category	2019 Operator Purchases (€ millions)	Share of Total (%)
Fruit & Vegetables	€ 444	15%
Poultry	€ 339	12%
Beef	€ 313	11%
Bread/Bakery Savoury	€ 305	11%
Bacon	€ 244	8%
Dairy	€ 236	8%
Sweet Bakery	€ 158	5%
Pork	€ 116	4%
Seafood	€ 90	3%
Grocery	€ 47	2%
Confectionery	€ 34	1%
Desserts	€ 36	1%
Lamb	€ 24	1%
Beverage	€ 454	16%
All Other	€ 64	2%
Total	€ 2,903	100%

Temperature Mix

- Fresh continues to be a focus for operators throughout the foodservice sector, and as a result there continues to be a gradual shift in the share of chilled food and beverage purchases by operators.
- Over the past year, the share of chilled has grown by 1 percentage point (which equates to an annual growth of 5.7%), while frozen has remained relatively constant and ambient has declined by a percentage point.
- Note that these figures are based on the Euro currency and include Northern Ireland purchases which have been converted from Sterling to Euro.



**SECTION 6:
DEEP DIVE ON THE IRISH
FOODSERVICE CONSUMER**



Irish Foodservice
**Market & Consumer
Insights**

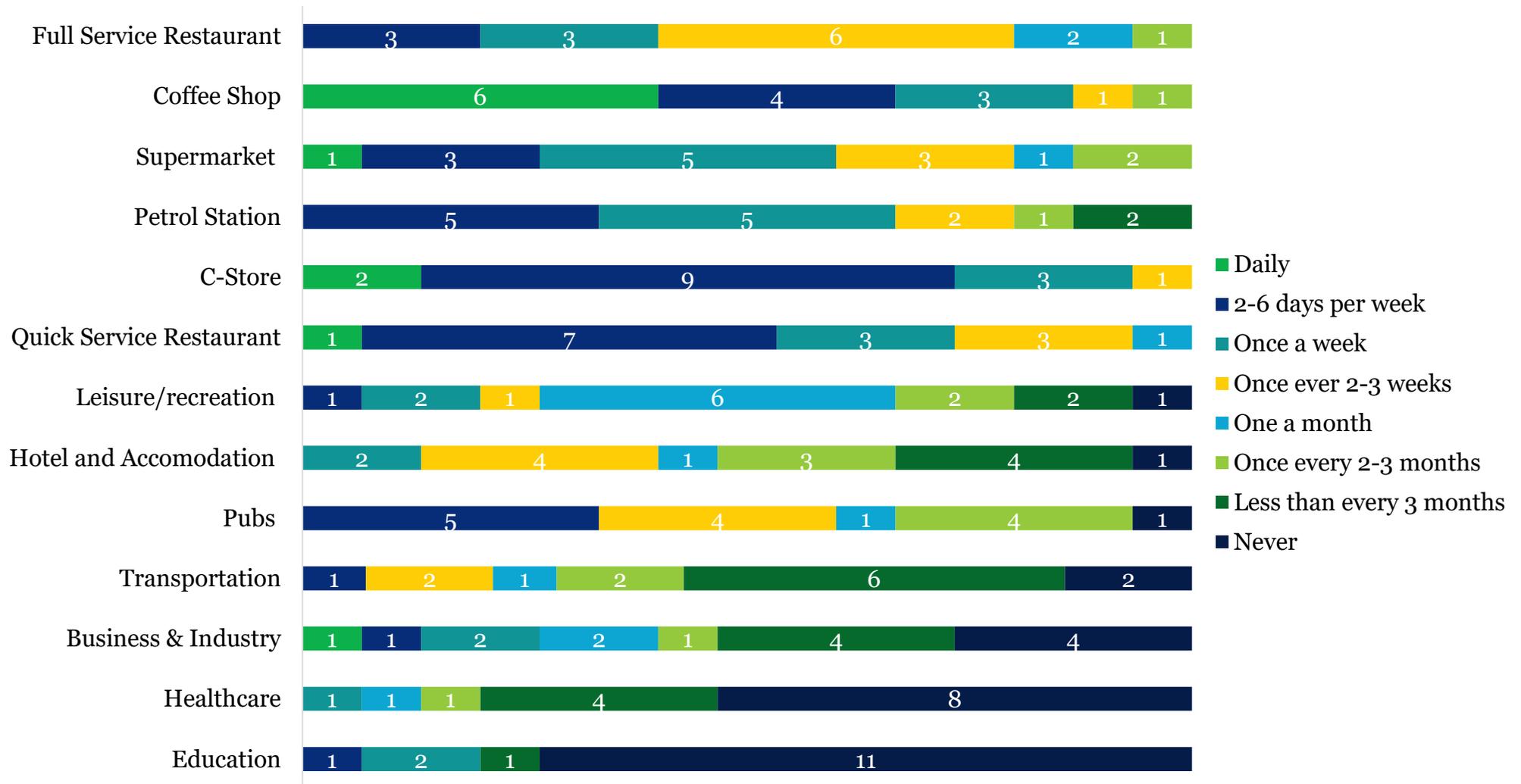
KEY CONSUMER FINDINGS

Respondent Summary

- 14 Respondents sampled from Dublin and its surrounding counties.
- Respondents were screened for a balance of demographics, location and occupation.
- Please note that the following consumer findings should be treated as indicative, given the small sample size involved.
- **Respondents in bold were selected for in-person dine-alongs with Technomic and Bord Bia.**

Name	Age	Gender	County	Urbanicity	Household Composition	Occupation
Bukky	20	Female	Dublin	Urban	Other adult family members	Student
Niamh	23	Female	Kildare	Suburb	Other adult family members	Junior professional
Sophie	27	Female	Dublin	Urban	Just myself	Junior professional
John	30	Male	Dublin	Urban	Just myself	Skilled worker
Catherine	30	Female	Dublin	Urban	Just myself	Intermediate professional
Catriona	30	Female	Dublin	Urban	Friends/non-related roommates	Junior professional
Sorcha	31	Female	Meath	Rural area	Minor Children under 18	Junior professional
Vinny	31	Male	Kildare	Town	Spouse/Partner only	Junior professional
Suzanne	33	Female	Meath	Suburb	House	Senior professional
Mark	34	Male	Dublin	Urban	Spouse/Partner only	Senior professional
Ronan	38	Male	Kildare	Rural area	Spouse/Partner with Minor Children under 18 living at home	Junior professional
Peter	38	Male	Dublin	Suburb	Spouse/Partner Minor Children under 18	Skilled worker
Damien	48	Male	Meath	Town	Spouse/Partner with Minor Children under 18 living at home	Intermediate professional
Emer	56	Female	Kildare	Suburb	Spouse/Partner with Minor Children under 18 living at home	Skilled worker

Respondent Frequency of Foodservice Usage by Channel



Despite concerns over the national outlook, consumer foodservice usage shows no signs of slowing

Consumers acknowledge doubts about the health of Ireland's economic outlook, driven by instabilities brought on by Brexit.

Consumers indicate that they know they ought to be making arrangements for a downturn, however few indicate any real change in behaviour.

Some note the enduring nature of the Brexit issue, refusing to let politics dictate their daily lives, while others have lifestyles that simply do not allow for decreased usage of foodservice.

“Definitely I purchase a lot more food and beverages myself. My life has completely changed within the last year. Number one, I've got a much busier job and I have to work through lunches an awful lot, it's a very demanding job, a very

stressful job...I've also purchased my own place so I do find that I'm on my own, I'm not on house share anymore...I'm not very confident [about the economy]...I would prefer to save than spend money.”

—Catherine, 30

Functional foodservice occasions serve to alleviate the stress brought on by the demands of consumers' everyday lives.

As the economic outlook and consumer lifestyles become simultaneously de-stabilised, rather than bracing for a downturn in consumer spending, it is important for foodservice operators to be proactive in serving the needs that consumers will increasingly look to fulfill away from the home.

Chief among these needs are reliability, ease and convenience within the foodservice experience.

“My overall reasons for purchasing food and beverages rather than dining at home would mainly be for the convenience factor. As time goes on, there are more responsibilities. I find myself using convenience foods more often...there are a lot of things going on in terms of study, professional life, and so on that required that.

Things are very tumultuous at the moment, Brexit is a couple of months away...the economy is very stormy now at the moment and no one really knows what's around the corner.”

—Mark, 34

Reliability is key as consumers look to integrate foodservice occasions into their routine

In line with decision-making based on the contextual needs of consumers' lives, **convenience** is a foodservice driver worth exploring in-depth.

Consumers will often talk about convenience in the same breath as notions of consistency. This entanglement between convenience and consistency speaks to two equally important facets of consumer expectations when it comes to convenience: ease and quality.

In the first sense, reliability has to do with ease – the foodservice option that is on the way home and takes little time out of the day.

“For me, quick-service restaurants are always easiest and the best, only because they are convenient to get to coming home from work on a late afternoon...I prefer quick service restaurants simply because I can see the menu, exactly what I want, I know what I want. It’s quick and usually I’m in and out in less than five minutes with the food I want...it is convenient, and it is easier than having to go home and cook a dinner. That’s the thing about it – convenience.”

–Ronan, 38

Consumers do not always behave rationally and tend to take the easiest (versus the best) path to achieving a desired outcome. Key to harnessing this principle is understanding how consumers define the outcome they hope to fulfill. In addition to ease of use,

there are quality standards that feed into the consumer definition of convenience that have the ability to drive repeat visitation and form habitual behavior.

“Convenience is a big thing, plus the value. With a well known brand...you know what you’re getting, it’s a standard quality of food that you always like and you always enjoy. So that would be the main factors of dining out...we’re very routine in the way we structure our weeks and months.”

–Damien, 48

Note that this standard does not necessarily imply higher-quality offerings or optimal ambiance, but rather it delivers a regimented, replicable experience based on previous visits.

The dual functions of health and social responsibility put enhanced focus on vegetarian and plant-based alternatives

Vegetarian and plant-based foods are top-of-mind for many consumers, especially as these alternatives begin to emerge within certain markets. Operators should expect these options to grow as consumers drive demand, for both sustainability and health reasons.

“When I go out I’m always looking for vegetarian options, but it’s very limited here. I think nowadays a lot of people are interested in vegetarian options...if there was a great vegetarian dish or two I would eat out more, definitely. More varied salads and vegetables, I think that’s where a lot of people are heading these days, anyone that’s health-conscious.

–Emer , 56

At the same time, the growing trend of vegetarian and vegan offerings prompts some to question operators’ intentions behind this shift. Moving forwards, solidifying brand messaging and communication around clear, demonstrable values will be critical, especially as a younger consumer base grows support for a variety of social responsibility initiatives.

“I feel like many companies lately are trying to follow along with the vegan, plant-based, vegetarian options now but they’re not doing it too well. It’s something that I had difficulty with when I was vegan before and someone that has an issue with dairy and certain meats that I can’t eat, it is nice to see when

a restaurant can cater to that. But most of them don’t, and I don’t think they understand...it’s not even genuine, it’s just for the fact of making more money, or for publicity. It’s not like they truly get to the source of how to make it better for people, to cater to those needs of certain customers that they have.”

–Bukky , 20

Consumers are highly invested in the brand-driven experience of concepts they frequent

Consumers are looking to make a connection with restaurant brands, pointing to the importance of messaging that goes beyond the menu.

As priorities and trends within foodservice continue to shift, it is imperative for operators to align themselves with a strong brand message that stands out among proliferating competitors, yet remains genuine and connected to their customers.

“Personally for me when it comes to foodservice I much prefer the smaller, more independent restaurants as opposed to the bigger chains...they know they’re competing against the bigger chains, they want to make an

impression, they want you to come back, they want you to leave talking about it, they want you to spread the word...I just find that when you’re dealing with the smaller restaurants, they’re just more personable.”

–Sophie , 27

In addition to brand positioning, **experiential and interactive elements drive consumers to participate further in their foodservice experience**. Global food and beverage items are one way to provide differentiation, while employees also play an important role in engaging consumers and sparking conversations.

“It’s kind of open-plan, it’s loud, it’s social, the food is class. I like the way it comes in segments, also you’re getting a slice of another culture cause it’s Japanese food and they come to your table and they can explain things...they make it very accessible and very fun to eat, you know? They can kind of guide you along and turn eating the exotic kind of stuff on the menu into a bit of an experience in itself so it’s kind of playful in that sense and everybody is talking about the food...so it all just becomes kind of recreational activity, something that’s just kind of fun when you get there to engage in.”

–John , 30

Consumer trade-offs between quality and convenience may give way to demands for an optimised experience of both

Currently, some consumers see themselves making a compromise within foodservice in which they prioritise either quality or convenience.

In the case of this specific foodservice journey they were prompted to take, consumers cite that proximity to a convenient foodservice solution took them away from a concept that held more appeal in terms of higher-quality or health-focused options.

As options continue to proliferate and restaurant brands seek to differentiate themselves from competitors, operators should

expect consumer standards to encompass more than a single solution.

“I’ll either have to compromise on going out of my way over getting something tasty and good quality, so that’s something that I’m compromising on.”

–Catherine , 30

“I have decided to go to a fast food outlet because I had ended up basically doing some shopping and it’s the closest thing to me here...so that’s disappointing considering I originally had the plan to go with a more healthy option, but it did the trick.”

–Mark , 34

“I’m at a drive-thru, it’s the only thing that’s open at midnight or later where I live. I actually wish there was more options because I don’t necessarily love it, it’s purely chosen because it’s the only option I feel. I definitely wish there was more drive-thru options and 24-hour options outside of Dublin.”

–Niamh, 23

While foodservice can play into consumers' routine, it can also act as an excuse to behave differently

In the case of some consumers, **contextualising a foodservice occasion as a novel experience motivates them to act outside of everyday dietary habits.**

Within a larger context, however, positioning foodservice as a special occasion can put an increased emphasis on the importance of creating value. This suggests that operators will have to consider how to position key innovations and trends so exceptions can be made by consumers who feel empowered, rather than restricted, by their choices.

“Especially over the last two years, I try to eat more veggie-packed meals and vegan meals. If I’m out, generally the price of a vegetarian meal is going to be the same as one with meat and if I’m heading out to dinner, I want to make sure that I get value for money, and that I’m full and satisfied and very often I wouldn’t feel that way choosing the vegetarian option.”

–Catriona, 30

In addition to getting outside of their culinary routines, foodservice visits also provide consumers with a venue to act differently, or remove themselves from the stress of daily life. Sorcha, for example, visits the restaurant of a local boutique hotel

for a casual but peaceful moment to herself.

“My main motivation was just to chill out for a few minutes and get a little bit of headspace. Wasn’t after a big meal, just something quite small, generally a cup of tea would be just fine, wasn’t really going there for the purposes of filling myself up.”

- Sorcha, 31

Consumer expectations are framed around positive past experiences

When it comes to specific menu items that consumers have ordered in the past, expectations tend to be set around their best experiences.

Consumers remember times when restaurant brands executed their orders to a high standard, and use these best-in-class examples as a point of reference.

Moving forwards, consistency will be key in driving brand loyalty, as positive experiences only serve to amplify occasions that do not meet the same standard.

“I got what I ordered, it’s just the quality of what I ordered wasn’t to the standard that I’m used to getting.”

–Bukky, 20

“I was just looking for a certain quality, I suppose, and it wasn’t there. I would not feed food that was that greasy to a child, not even myself, let alone a child.”

–Sorcha , 31

Outside of food quality, **menu and portion size variety are other factors consumers reference in their foodservice experience**, especially within segments where packaged foods see more focus.

“They didn’t have the portion size that I wanted, I think just because of the day of the week they obviously hadn’t got stuff in stock...really disappointed that they didn’t have it because I was really looking forward to having it.”

–Suzanne , 33

Consumer Feedback on Critical Issues



Irish Foodservice
**Market & Consumer
Insights**

Critical Issues Facing Foodservice

As identified in 2018, there are a number of long-term trends that were identified as Critical Strategic Issues and that should be addressed by all participants within the foodservice industry.

During the Dine-Alongs, consumers were probed on four of those critical issues that were most relevant to the consumer and their journey in deciding what, where and how to dine out-of-home.

The following pages discuss consumer reactions to these key issues, as well as including operator examples that highlight the trends, and some key take-outs per trend.

The four trends probed were:

1. The role of **technology** in the foodservice occasion
2. **Health and wellness** impact on the foodservice occasion
3. Growing importance of **sustainability**
4. Demand for, and definition of **value**.

TECHNOLOGY

Technology Sound Bites

Consumers look to technology to streamline the process of ordering and receiving food.

Mobile and online amenities have undergone constant evolution over the past few years, encouraging perception of off-premise capabilities as more of an expectation rather than a perk.

“With the introduction of new smart phones making it as simple as possible for the consumer to order the food through online and social media...to order food as easy as possible. That’s where I see the primary incentive ...if you’re able to cut down the steps for a consumer to go “I’m hungry” to it arriving at the door or them getting it in front of them is the way to go.”

–Damien, 48

“You have things like apps that you can use to order food, so for example you’ve got Deliveroo, you’ve got Just Eat, you have websites to look at food menus, that’s very important...that seems to be the way the world is going...a lot of restaurants are using apps so the technology side of it definitely has improved and has improved peoples’ time management.”

–Suzanne, 33

In addition to increasing foodservice accessibility, **technology has also created new paths for foodservice brand discovery** through digital word of mouth and social proof of past visits.

“I don’t recall being caught by an ad...but more so feedback from someone that had visited the restaurant before me”

– Vinny 31

Moving forward, consumers expect their dependency on technology to grow, especially as their increasingly busy schedules necessitate innovative solutions.

“If there were technology advances for me, I would go to a place immediately. For example...the self-service outlets completely changed my opinion about going to a place I didn’t like. If that was brought forward and even advanced technologically, in my opinion, it would completely change my consumer habits. So basically, self-service kiosks would be a huge thing, even more knowledge-based apps that know your habits more, that could deliver to work or outside work, or had your order ready to go...that is completely something that I’m interested in.”

–Catherine, 30

Technology: Operator Spotlight

- Tech is becoming a more important part of restaurant experience, and big chains are willing to spend more to enhance their digital offerings and to better incorporate technology.
- McDonald's recently acquired Dynamic Yield and Apprente -
- Apprente is a voice-based app intended to make the drive thru ordering system more seamless and easier.
- Dynamic Yield is an artificial intelligence (AI) platform that will enable the chain to better target consumers depending on factors such as weather, restaurant traffic trends, time of the day, and other factors.

We're investing in talent and technology to make the customer and employee experience better



Dynamic Yield

We acquired Dynamic Yield, a company that makes our customers' and employees' order taking experience better than ever.



Transforming the Restaurants

We're testing to see how tech innovations can alleviate pressure on restaurant employees, making it simpler and more enjoyable to serve our customers.

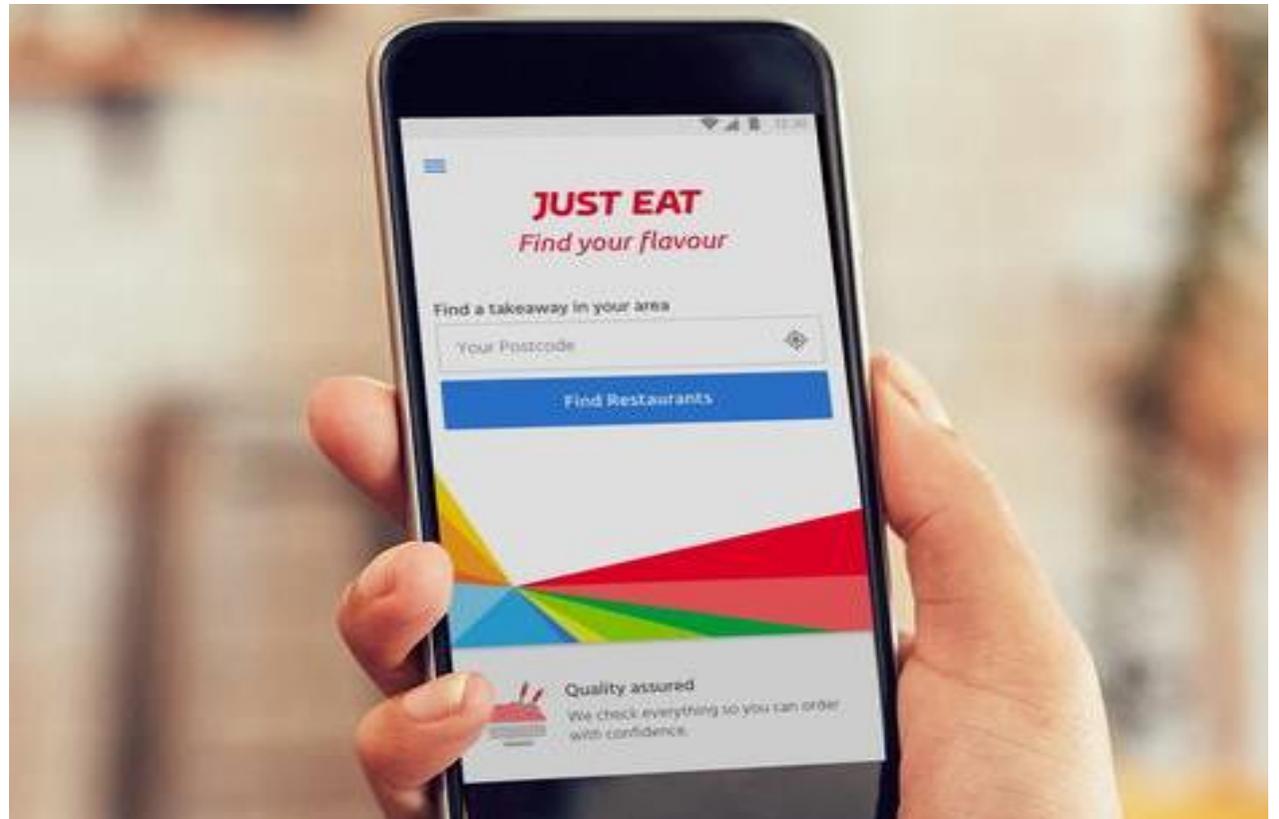


McD Tech Labs

We're investing in the future of McDonald's through our agreement to acquire Apprente, a voice-based tech start-up. This technology will allow for faster, simpler and more accurate ordering at the Drive Thru.

Technology: Operator Spotlight

- 3rd party delivery continues to grow and expand on the island of Ireland.
- Earlier in 2019, Deliveroo announced that it was adding over 1,000 restaurants to its platform.
- It has also launched Virtual Brands in Ireland – this allows current restaurant kitchens to re-purpose its space during off hours to create virtual restaurant brands that only reside on the Deliveroo platform.
- Meanwhile, Just Eat reported a 25% increase in orders in the 3rd quarter of 2019. It has also announced plans to merge with Takeaway.com, a Dutch rival, as it looks to continue to consolidate and grow its European operators.



Technology Take-Outs

Key Trends

- In general, consumers indicate that technology is well-integrated into their foodservice experience, aligning with a growing focus on off-premise.
- A desire to save time and optimise convenience are key drivers of tech amenity usage.
- In addition to delivery services, additional capabilities like self-service kiosks and predictive functions spark consumers' interest.
- Significant pain points remain that have to be addressed prior to widespread adoption of delivery services.

Implications

- An increased reliance on delivery may change not only the digital experience of an operation but also the physical layout of the store, as brands continue to explore specialised formats such as drive-thru only locations and ghost kitchens (professional kitchens set up for the preparation of delivery-only meals).
- The prevalence of popular apps such as Just Eat, Deliveroo, and Uber Eats will likely pave the way for additional services to further enhance the everyday foodservice occasion outside of delivery.
- Potential services to explore include updated ordering options (via text message, via wearable tech, etc.), pay-ahead functions and touch-screen ordering.

HEALTH/DIET

Health/Diet Sound Bites

Consumers reference online searches as a primary avenue to inform them of operators and menu offerings that accommodate different dietary criteria. Clear labeling on menus benefits both larger parties likely to have a wider range of restrictions and individuals looking to meet their own standards of health-conscious eating.

“I always like it as well if they have their health laid out [online], I like to know the amount of sodium because high blood pressure runs in my family.”

–Bukky, 20

“I have a few friends that are vegetarians and so usually when I’m looking for a new

restaurant...I’ll look to make sure there’s a vegetarian option or a few vegetarian options.”

–Niamh, 23

“I do find it helpful to have nutritional information and calorie counts on menus, and I will suss out a menu off a place I’m going to eat at before dining there, that’s really just a way to sort out the healthiest option.”

–Catriona, 30

“I like to look for healthier options lately so I’m interested if there are vegetarian or vegan options, or a good range of salads and quiches...and then in my family we have two gluten-free people...and also I have two lactose-intolerant people...so we have to consider that

when we’re going out to eat, that there’s gluten-free and lactose-intolerant options on the menu.”

–Emer, 56

While consumers with strictly vegetarian and vegan preferences remain in the minority, consumers expect either the ability to find offerings free from certain ingredients or at a minimum, the transparency to understand what ingredients are in items when dining out.

Health/Diet: Operator Spotlight

Health-oriented restaurant chain plans rapid Irish expansion.

- LEON, a UK-based chain well known for its health-oriented menu, is opening two units in Dublin in 2019 and has plans for up to 20 over the next five years.
- LEON sees a gap in healthy menu items in Ireland that are not necessarily salad-based.



Health/Diet Take-Outs

Key Trends

- Accessibility continues to play a key role in the consumer experience, this time in the context of nutritional information. Many of today's consumers expect the ability to make informed decisions even before visiting a foodservice outlet.
- Detailed menu information appeals to consumers who have special dietary needs as well as those looking to prioritise healthier options.

Implications

- Transparent, convenient resources that inform and educate increasingly digital-savvy consumers are crucial.
- Operators can start small by calling out high-level claims like gluten-free, and work up to more in-depth menu information such as calorie counts and other specific nutritional facts.

SUSTAINABILITY

Sustainability Sound Bites

When asked to define sustainability in their own words, **some consumers call out the general goal of environmental conservation.** While this broadened and generalised scope of sustainability seems to amplify the appeal of moral and ethical solutions, at the same time it takes away from definitive actions that consumers can take.

“Whatever way you can make food just good and appealing and ethically made...something that doesn’t cause too much environmental damage, but still is absolutely delicious.”

–John, 30

“In terms of sustainability then, as regards to how I define it, it’s that it’s ethically sourced...that it is produced so in such a way that it can continue into the future, and it doesn’t destroy habitats, things like that...people feel they have a moral or ethical obligation and are willing to pay more to ensure that their food adheres to these standards.”

–Mark, 34

At the same time, others have specific initiatives in mind when thinking of sustainability, namely waste reduction.

“Only in the last year has sustainability been something I’ve taken into account when choosing restaurants. It still wouldn’t be a

huge priority for me but if I was to see that the place is making an effort I’d take that into account. I like to see places where they’re not using straws or using the paper straws instead.”

–Niamh, 23

“For me, sustainability is restaurants having processes that reduce waste, like food waste, their use of water, electricity, and then choosing ingredients and produce that is Irish-grown and plastic-free as far as possible, that has low food miles...another aspect of that would be providing food that is package-free, so no plastic packaging...we need to reduce, not just recycle.”

–Catriona, 30

Sustainability: Operator Spotlight

Artificial Intelligence to aid in food waste

- Food waste continues to grow as an issue for both operators and consumers.
- Food waste is seen as avoidable and an issue that is “solvable.”
- Winnow Vision has developed a

system to use cameras and smart scales to recognize and keep track of food items being disposed of, helping commercial kitchens reduce the waste.

- Currently in test in Ikea in Ireland and the UK.



Sustainability: Operator Spotlight

- Trinity College and its caterer Sodexo has introduced new plant-based menu items, following a successful 2 day pop event.
- An existing member of Bord Bia's Origin Green programme, Sodexo is also the first global foodservices company to connect its financing to action to prevent food waste.
- In May 2019, Sodexo announced the deployment of its data-driven food waste prevention programme, WasteWatch with the objective to deploy the programme to all relevant Sodexo sites by 2025.



Sustainability Take-Outs

Key Trends

- Generally, a divide exists in consumer definitions of sustainability. Some understand sustainability in terms of its ties to moral and ethical solutions, while others look to specific initiatives and actions.
- Given the nebulous definitions of sustainability, consumers find it difficult to prioritize.
- There is desire to act sustainably, but pain points remain in practicing responsible environmental consumer behavior.

Implications

- As sustainability becomes a growing expectation, operators should expect consumers to cultivate a deeper understanding of what this means to them.
- Demand for clear and measurable indicators and initiatives will likely grow.
- Focusing initial efforts on packaging developments will benefit operators as consumers see this as a top-of-mind issue, especially due to its physical placement and presence within the outlet.
- Creating default options and tangible incentives will help consumers create the habits they wish to form.

VALUE

Value Sound Bites

Consumer definitions of value are often multi-faceted and undergoing evolution, going beyond price to include components such as ambiance, food quality and customer service. Due to the subjectivity of value, operators have an opportunity to influence their customers' perceptions.

“I would be very conscious of getting value for money. I don't like the feeling of spending lots of money on something that isn't great quality or great taste, great service. So if I went to a restaurant, I'd expect good service, good food, good atmosphere, and relaxing [ambiance].”

–Emer, 56

“I do like my price, taste and service, it's very important and it's built in all together in [value].”

–Catherine, 30

For example, delivering highly on service and atmosphere can encourage perceptions of good value, even when menu price points are generally higher. As such, the experiential elements of foodservice can create value by justifying the sense, and price point, of a special occasion.

“If you're going out for a meal and making an occasion of things, to me anyway price is less important because of the fact that you're paying for those extra things like atmosphere and so on. And to me, even though you're paying more,

that is better in terms of overall value because you're getting more than just the food in that case which warrants the extra price.”

–Mark, 34

Consumer point to freshly prepared, made to order foods as a point of value versus prepackaged alternatives.

“I'd prefer to go and get one made, rarely if ever would I buy a [pre packaged meal], unless you're at a conference...if I'm going out, I'd prefer to go out and have something nice. I'm not going to feel better about the experience because I saved a euro.”

- Vinny, 31

Value: Operator Spotlight

- Bujo, a Dublin-based fast casual operator, highlights value in multiple ways.
- While the operator is not a low-priced quick-service restaurant, the meal is priced fairly for the experiential elements that are present.
- Offering fresh beef patties along with draft beer and a Coca-Cola Freestyle machine, it has become a neighborhood favourite for sports clubs, business meals and families looking for value in their dining-out experience.
- It also positions itself well against other critical issues, including sustainability.



Value Take-Outs

Key Trends

- Value is an expansive concept that typically involves the components of quality, price, atmosphere and service.
- Price sensitivity is largely effected by whether an occasion is functional or hedonic. Spending can be part of the indulgence when it comes to hedonic occasions.

Implications

- Operators will need to assess how to realistically address shifting value equations that often differ on a person to person basis.
- Given existing shortages in qualified culinary personnel, investing in methods to actively engage and educate staff are critical, especially as customer service involves not only an attentive staff but also those capable of providing menu expertise.

Dine-Alongs



Irish Foodservice
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Voice of the Consumer Profiles



Sorcha



Age: 31

Hometown: Slane, Co. Meath

Household: Living with partner and two young children ages 3 and under

Employer: Remote worker in retail

Character:

- Multi-tasker
- Decisive

Restaurant: Apache Pizza, Slane

Lifestyle

Friends would describe her as a good multi-tasker, but maybe not the most social since the kids. She tries to have things planned out far in advance and doesn't suffer indecision. "Know where I'm going, knowing what I'm going to eat". She's decisive – "we're meeting at this location, doing this, at this time".

"I try to be as prepared as possible, you know, with small kids, you can't really make decisions as impulsively as you used to. You need to know what you're eating from day to day and where you're going from day to day"

Foodservice Usage

Before the kids came along she was office based and would go out for a sandwich almost daily. Working at home, this no longer happens, though convenience still remains a large driver for her choice of foodservice outlet. Parking, stairs, and "kid friendly" are all strong considerations when deciding on a convenient location. This leads to repeat visits to places she knows won't result in unnecessary stress.

Even on "date night" she tends to be a creature of habit, visiting the same place about once a month to avoid disappointment. She would like to be a bit more adventurous, but this type of pleasure-related occasion is used to alleviate stress, not cause more, and she likes to know what she can expect.

For Sorcha, she is most likely to try a new restaurant if she is dining out with friends, where trying the new spot is part of the experience. In these situations, she would still research the restaurant and the menu ahead of time.

Why Apache Pizza?

"I didn't even know that they did breakfast until the other day a friend of mine had a post up on Facebook – and she took a snap of it and I'm like if I'm out for breakfast that would be somewhere I would go"

Sorcha



Age: 31

Hometown: Slane, Co. Meath

Household: Living with partner and two young children both ages 3 and under

Employer: Remote worker in retail

Character:

- Multi-tasker
- Decisive

Restaurant: Apache Pizza, Slane

Topics

Price

The influence of price is context dependent. For date night, price is not a factor, but for the everyday meal, she keeps price in mind when selecting a restaurant and her choice off the menu.

Value

The quality of the food, the presentation, the portion size and the service all register as aspects of the overall value equation.

Unmet needs

- Variety –She has to travel up to 15 kilometers for Thai food
- Different sizes for kid’s meals
- Healthier options

Irish Suppliers

“Unless there was a producer name on the menu that I recognize it doesn’t really resonate with me. I have a couple of friends who are familiar with suppliers, but it’s not a deciding factor.”

Brexit

“I probably should be more conscious and saving money, but to be honest I haven't just yet. It’s been going on so long now, and personally I’m not making any preparations for it.”

Bukky



Age: 20

Hometown: Dublin

Household: Living at home with parents and sisters

Employer: Radiography student at UCD

Character:

- Confident
- Outgoing

Restaurant: Han Sung, Dublin

Lifestyle

As a student, Bukky doesn't have a lot of disposable income, but she is curious and doesn't like to stick to the same thing "cause it just gets boring".

She is influenced by the culture and foods that she sees in movies and television, and is eager to try them out. Travel is important to her and sampling food (both chains and independents) local to that market is a big part of the experience for her. She is often the one to introduce those around her to new foods and flavours.

Foodservice Usage

While Bukky likes dining out, she still prefers eating at home because of the personalization you can have in your own kitchen.

In trying new places, she has learned that restaurant Instagram ads and reviews can be very deceiving, and that word of mouth

is still the gold standard. Her faith in word of mouth extends to the orders she places at restaurants.

Trying a restaurant for the first time, Bukky is likely to ask staff about their favorite dish and order whatever it may be.

Why Han Sung?

Bukky admits that she is going through a bit of a Korean phase at the moment – watching all the TV and movies she can find. Seeing the culture and food on screen she had to try it and sought out a place in Dublin that offers that cuisine. She likes it for its reasonable prices, good portions and made to order food. Her only complaint is that it's cash only.

Bukky



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Character:

- Confident
- Outgoing

Restaurant: Han Sung, Dublin

Topics

Value

Bukky takes pride in finding establishments where she can get the best product for the best price: *“I want to enjoy myself but I still want to do it at a reasonable price”*

During the summer she had a job across the street from a fast food outlet and would opt for the student deal 2-3 times a week.

In addition to price, service also plays a large role in her value equation: *“I don’t like to see one person treated one way and someone else, another. I wouldn’t want to support that business.”*

Unmet needs

Displaying ingredients in menu items for those who are health conscious or have an allergy, as well as offering items with the option to have those ingredients removed.

Irish Suppliers

“Not usually, I think the fact that we’re here in Ireland where agriculture is a big thing, the meat would be coming from here hopefully and be all tested and safe.”

Delivery

Delivery is an option for her, but she doesn’t use it because of the price difference between menu prices and it takes longer than takeaway. Coupled with the fact that very often, delivery operators can’t find her house.

Damien



Age: 48

Hometown: Ashbourne, Co. Meath

Household: Living with partner and 9 year old son

Employer: Business Analyst, Technology

Character:

- Balanced
- Positive

Restaurant: Hot Sandwich Co., Ashbourne

Lifestyle

Damien's life is fairly regular and he identifies as a creature of habit: work, school, errands. This routine results in foodservice occasions that include fast food operators 9 times out of 10 as he tends to be on the run.

Damien leads a balanced life, which includes indulgences here and there, including lattes from the partially subsidised coffee shop at work, and the occasional fried food on the weekend.

Foodservice Usage

Damien's foodservice visits entail trips to the nearby service station for their branded concessions as well as lunch at fast food outlets as a treat a couple of times a week. He regularly cooks dinner at the house, though on a Friday he is likely to order Thai take-away for him and his wife and pizza for his son.

He views foodservice visits as either a treat or functional. These treat occasions are the first thing to go when money is tight or he is saving up for a large purchase.

“When times are hard, when we were getting the extension done, the treats were the first to go. If we're going away on holiday, that would be the first thing to go.”

Why Hot Sandwich?

Originally, Damien had intended to bring Technomic and Bord Bia to O'Briens. We discovered on arrival that this location had closed and Hot Sandwich had opened in its place.

Damien had originally picked O'Briens for a particular bagel item he had been craving, but after looking at the menu board and the ingredients on display at the counter, he was able to find a good alternative to fulfill this craving.

Damien



Age: 48

Hometown: Ashbourne, Co. Meath

Household: Living with partner and 9 year old son

Employer: Business Analyst, Technology

Character:

- Balanced
- Positive

Restaurant: Hot Sandwich Co., Ashbourne

Topics

Health

Moderation is Damien's policy. He's never had a particularly poor diet and recognizes the importance of diet to overall health and wellbeing. Once a week is fine for a 'treat' and a couple of pints on the weekend is OK. He did try a paleo diet at one point, did it for about a month or two and dropped off.

Value

"A good time. If my wife and I came out thinking we had a good time."

This "good time" comes down to service for Damien. His go-to spot for date night is one where the operator develops rapport and reciprocity with guests, which makes all the difference.

Irish Suppliers

"I like to know that it's coming from somewhere in Ireland, but

I'd just assume it does. And if it looks nice, it doesn't bother me where it comes from."

Sustainability

"Paper straw, plastic straw, be an adult – drink out of the cup".

Technology

Prefers to order on a kiosk at quick-service, though at fast casual, where human contact is part of the value, he would prefer to be served by people. It all comes down to the intended experience.

Brexit

I don't believe there's going to be shortages, I don't believe we're going to be queuing up. I'm not a doom and gloom kind of person. It's been going on three years now.

Sophie



Age: 27

Hometown: Dublin

Household: Living with partner

Employer: Central Housing

Character:

- Independent thinker
- Convenience driven
- Fussy eater
- Creature of habit

Restaurant: Gotham, Dublin

Lifestyle

Sophie lives a ten minute drive away from the office.

She tends to be so busy during the day that she doesn't get to eat until she is starving and her conservative food choices reflect that urgency.

She doesn't look at reviews, "cause what everyone else likes I'll probably be like no"

To make up her mind about something, she has to try it out for herself. She's a self proclaimed fussy eater who orders things as plain as possible, and has always been this way.

Foodservice Usage

Sophie doesn't eat breakfast and 9 times out of ten goes across the road to a deli for lunch or eats something from the night before.

Most days it's the same chicken sandwich. On pay day people at the office will go out for a longer lunch at the pub around the corner – however, they no longer offer a 'bill splitting' service so they've started going elsewhere.

Seldom would she go to the pub outside of a Sunday carvery, when she would go for a Sunday dinner after a late Saturday night out

Why Gotham?

She knows the waitstaff, and her friends go here. The food here always looks good, and she wishes she was a bit more adventurous.

Sophie



Age: 27

Hometown: Dublin

Household: Living with partner

Employer: Central Housing

Character:

- Independent thinker
- Convenience driven
- Fussy eater
- Creature of habit

Restaurant: Gotham, Dublin

Topics

Technology

Likes to order from people Vs. kiosk, because of the queue of people who don't know how to use them and in Dublin she finds most of the kiosks are broken in one way or another.

Would not be too bothered by automation in the kitchen in place staff.

Uses Facebook and Instagram, but not to discover new restaurants.

Unmet needs

More basic/plain options for prepared grocery takeaway.

Irish Suppliers

Quality of protein doesn't come to mind very often when dining out, and where the protein is coming from is less relevant.

Delivery

Uses JustEat app for Chinese takeaway.

Healthy Eating

"Never" considers health content of what she's eating. As for her diet, "It's non-existent!"

"The main reasons I eat the likes of crisps and chocolate its because it's convenient. I'm all about convenience and ease."

Brexit

"When Brexit does kick in, it would start to affect me everyday and then I would look into it. If it isn't affecting me everyday than I wouldn't...I get paid on a Friday – I have no money to squirrel away."

Emer



Age: 56

Hometown: Leixlip, Co. Kildare

Household: Living with partner and 18 year old daughter

Employer: Supermarket doing food demos

Character:

- Health conscious
- Frugal

Restaurant: The Court Yard Hotel, Kildare

Lifestyle

There has been a lot of change to Emer's weekly routine. She has left her teaching job to work part time, her youngest child will turn 18 next month, her husband is about to retire, and they just bought a camper van. She has just re-started the 5-2 diet, which requires fasting (no more than 500 calories) for two days out of the week.

All these factors combine to disrupt normal foodservice patterns – decreasing delivery usage on the weekends and increasing foodservice usage during the week.

Foodservice Usage

Emer's consideration set is limited. She visits The Court Yard and the pub across the street, as well as a pub and a fast food outlet in Lucan – both within walking distance of her home. These types of visits are increasing since now that she is older, she doesn't feel like cooking and cleaning. Other foodservice occasions include times when she is visiting her children, dining out with her

husband and visiting her mother who likes to go to a coffee shop chain outlet.

Like others we spoke with, Emer uses previous orders as her default choice. At the local fast food outlet, Emer always gets the same thing – a chicken sandwich meal with a coke. When she is dining elsewhere, she will look at the menu as part of the dining decision process, though she often reverts back to a simple Caesar salad, something her daughter likes to tease her about.

Why The Court Yard?

Emer chose The Court Yard for its familiarity. Sometimes she comes for a quick lunch or a drink in the evenings, and likes the atmosphere. "We've always come here you know, and the food's been good." Customer service, atmosphere and food earn Emer's loyalty.

Emer



Age: 56

Hometown: Leixlip, Co. Kildare

Household: Living with partner and 18 year old daughter

Employer: Supermarket doing food demos

Character:

- Health conscious
- Frugal

Restaurant: The Court Yard Hotel, Kildare

Topics

Health

Health drives many of Emer's dining decisions. In the 5-2 diet, 2 days a week you eat 500 calories. For other days you can eat what you want. On fasting days she would just get a coffee, and on others she just tries to eat well. Some stand out examples include flavourful vegetable sides and a bun-less option. Lately she has been eating more fats, including butter and meat.

Irish Suppliers

"If I was going to a nice restaurant it would be important to know where the meat is coming from but a chained coffee shop it wouldn't be."

The importance of sourcing varies by importance of the dining event and size of check. In less formal settings, having Irish produced proteins and other ingredients would be a value add, however it may not be something she goes out of her way to pay more for.

Brexit

"I think there's going to be another crash like there was. The cost of everything is crazy here in Ireland. I'm not really worried about Brexit."

Delivery

Used to get Chinese, but doesn't anymore because of reports about food safety and hygiene.

Vinny



Age: 31

Hometown: Naas, Co. Kildare

Household: Living with partner

Employer: Previously military, now civil servant

Character:

- Disciplined
- Value driven
- Likes to make things simple

Restaurant: Bunsen, Dublin

Lifestyle

Vinny lives a commuter lifestyle, traveling 2 hours door to door. Vinny seizes control over his day when he can, by eating breakfast and preparing a packed lunch. But his plans are often thwarted by his hectic commute and he misses his train home more days than not, leaving him stranded at the train station.

Times are changing for Vinny, who has just got engaged and bought a house, and is eating out a bit less often as a result to reduce his spending.

Vinny is a foodie, though he doesn't describe himself that way. He watches cooking shows in his free time and searches YouTube to learn new recipes.

Foodservice Usage

When Vinny gets stuck at the train station there are few options beside unhealthy fast food, which he tries to avoid (sometimes unsuccessfully).

A wider variety of options or a delivery provider servicing the train depot would be a nice improvement from his perspective.

Why Bunsen?

"When you find somewhere good it can be hard to break away from...do I really want to roll the dice here?"

Vinny is a creature of habit, though his habits form more around establishments than specific menu items. He chose Bunsen for simplicity and its ability to do a few things very well.

Vinny



Age: 31

Hometown: Naas, Co. Kildare

Household: Living with partner

Employer: Previously military, now civil servant

Character:

- Disciplined
- Value driven
- Likes to make things simple

Restaurant: Bunsen, Dublin

Topics

Technology

Is all for ordering at kiosks. *“I wouldn’t have such a unique order that I would need to speak to someone.”*

Delivery

Goes on Just Eat to find the place and then rings up the restaurant. Avoids delivery until the technology has improved. His house is new and delivery services seem to have issues with locating the address on Google maps!

Irish Suppliers

“I probably don’t, I never really consider it that much...if it looks like a duck and quacks like a duck.. I wouldn’t really think about where it comes from.”

Sustainability

He uses a reusable coffee mug and *“...I only realized when I went to a different place that they gave me money off when you use your [reusable]...if there’s 50 cent off, I’ll go back and get it, I’d be more willing to go back [for it].”*

Vinny, is all for supporting sustainability, however there has to be a tangible incentive to creating a shift in his everyday behavior.

Healthy Eating

Tries to keep an eye on what he eats, stay away from “jarred stuff”.

Tries to eat well both at home and at out of home, but sometimes loses the battle when deciding between fast food and waiting until he gets home.

Value

“€14 or €15 is a bit on the upper side for this, but I’d be willing to bend on it because I know it’ll be really good. If I’m just in a normal restaurant I’ll see there’s an early bird or whatever “The better the deal, the more likely I am to go for it.”

APPENDIX: ECONOMIC INDICATORS AND STATISTICS



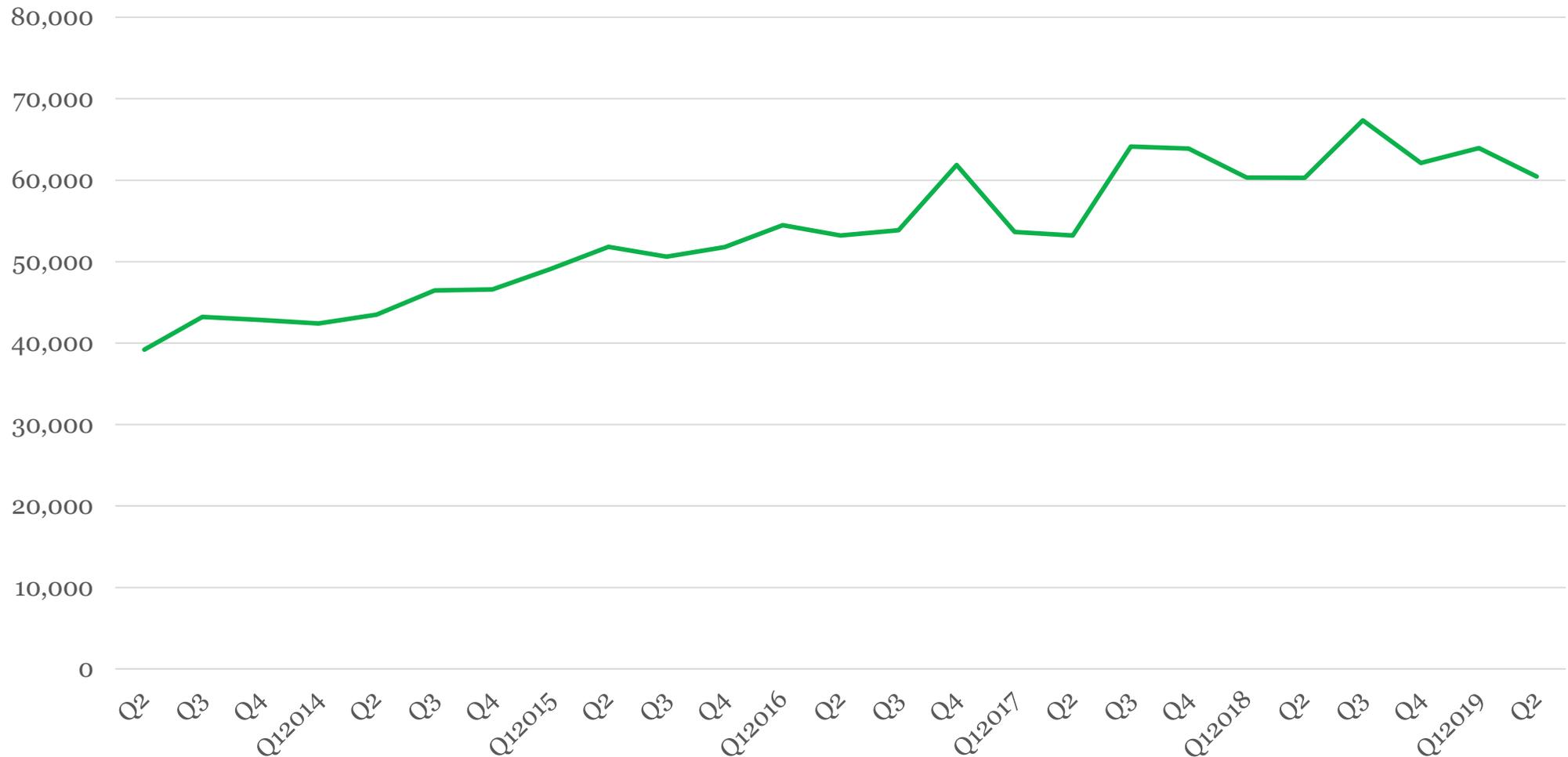
Irish Foodservice **Market & Consumer Insights**

Macroeconomic Factors

Term	Definition
Gross Domestic Product (GDP)	The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory. GDP is commonly used as an indicator of the economic health of a country, as well as to gauge a country's standard of living.
Employment—All Industries	Represents the share of the labour force that is employed. The employment rate is one of the economic indicators that economists examine to help understand the state of the economy.
Consumer Price Index (CPI)—All Items	An index of the variation in prices paid by typical consumers for retail goods and other items.
Consumer Price Index (CPI)—Food and Non-alcoholic Beverages	An index of the variation in prices paid by typical consumers for food and non-alcoholic beverages.
Consumer Price Index (CPI)—Restaurants and Hotels	An index of the variation in prices paid by typical consumers for foodservice items purchased at restaurants and hotels.
Tourism	Data on the number of visitors to ROI and NI based on region, as well as the share and growth of visitors from each region.

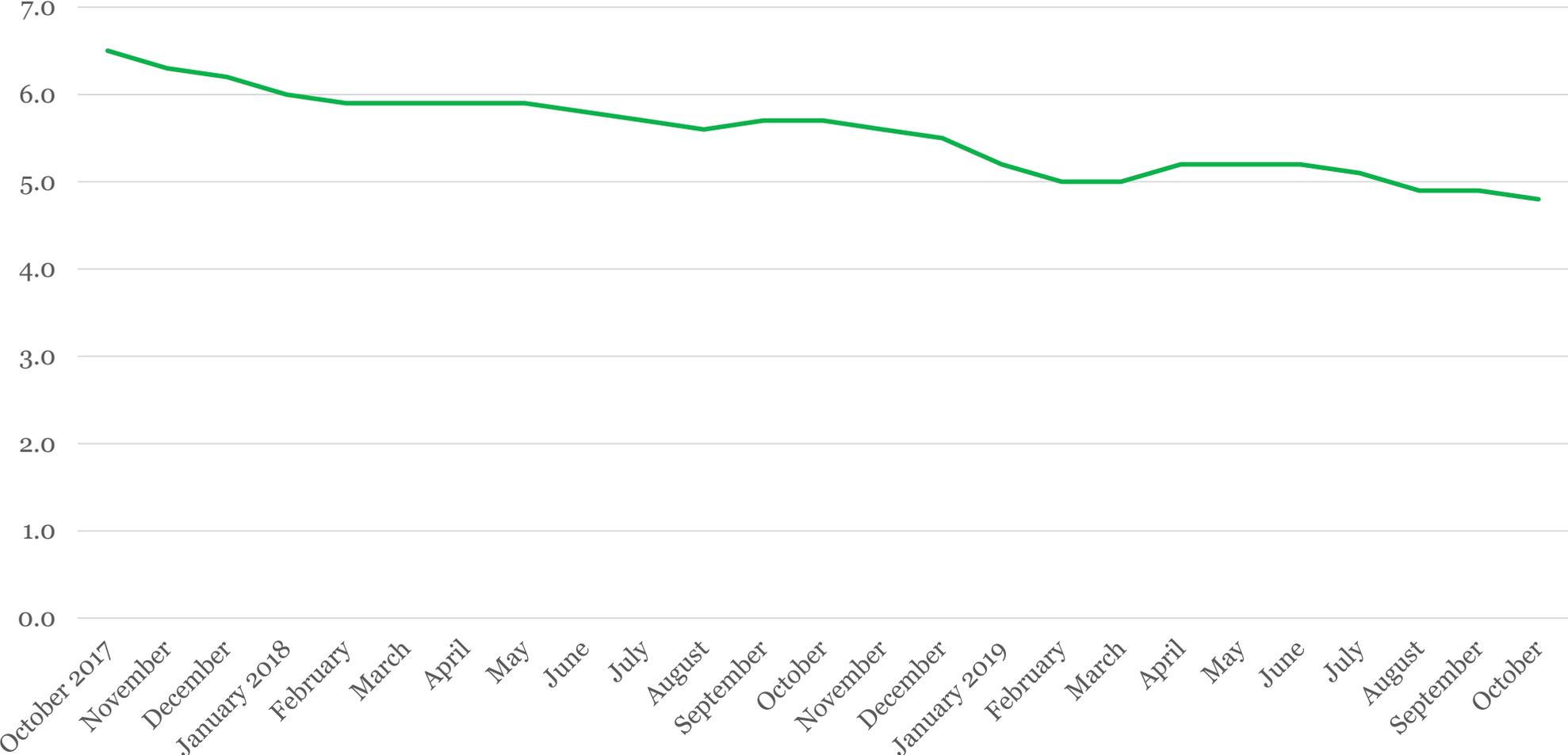
Gross Domestic Product

GDP at Constant Factor Costs
Chain linked annually ref to 2017
Euro (€MM)



ROI Unemployment Rate

Seasonally adjusted monthly unemployment
All persons aged 15-74 years)



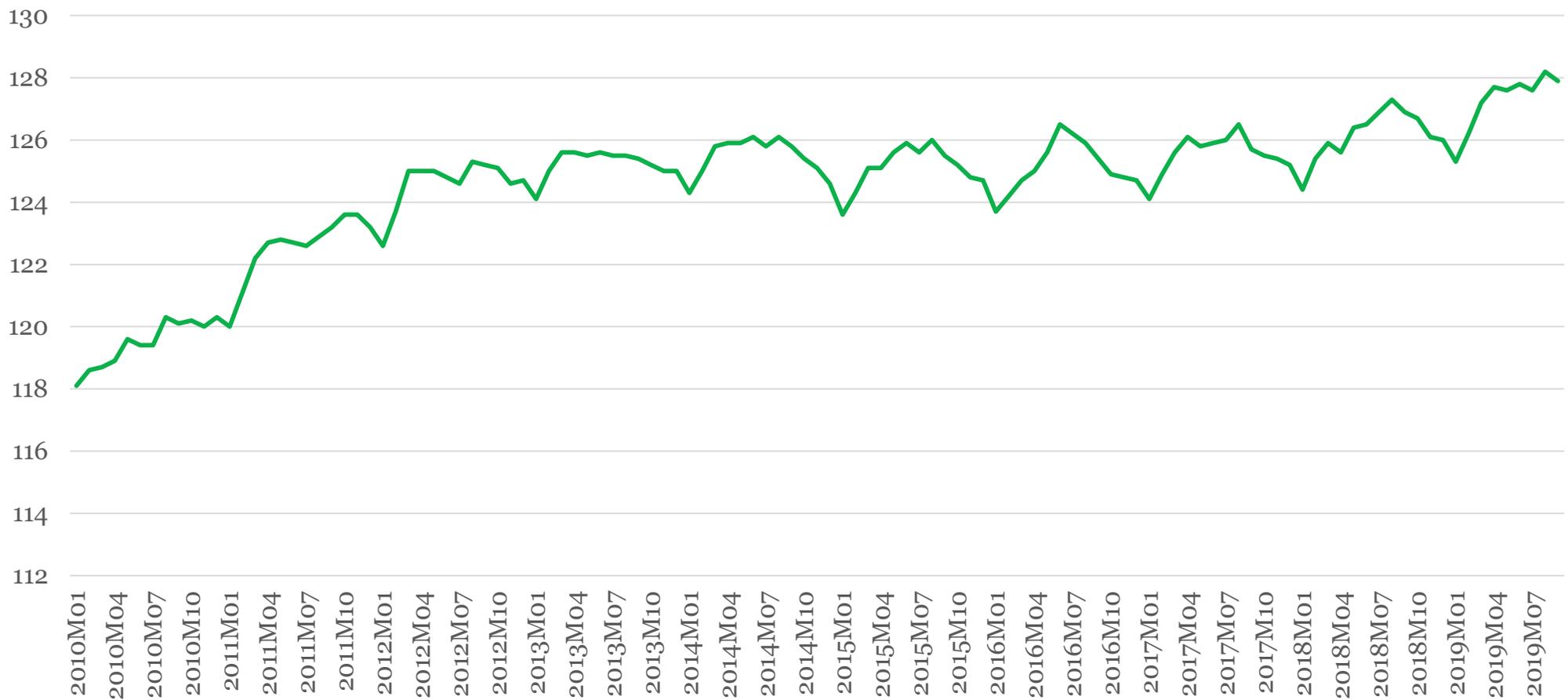
Source: Central Statistics Office

Consumer Price Index

All Items - ROI

Percent Change v. Prior Year

Consumer Price Index (Base Dec 2001=100)

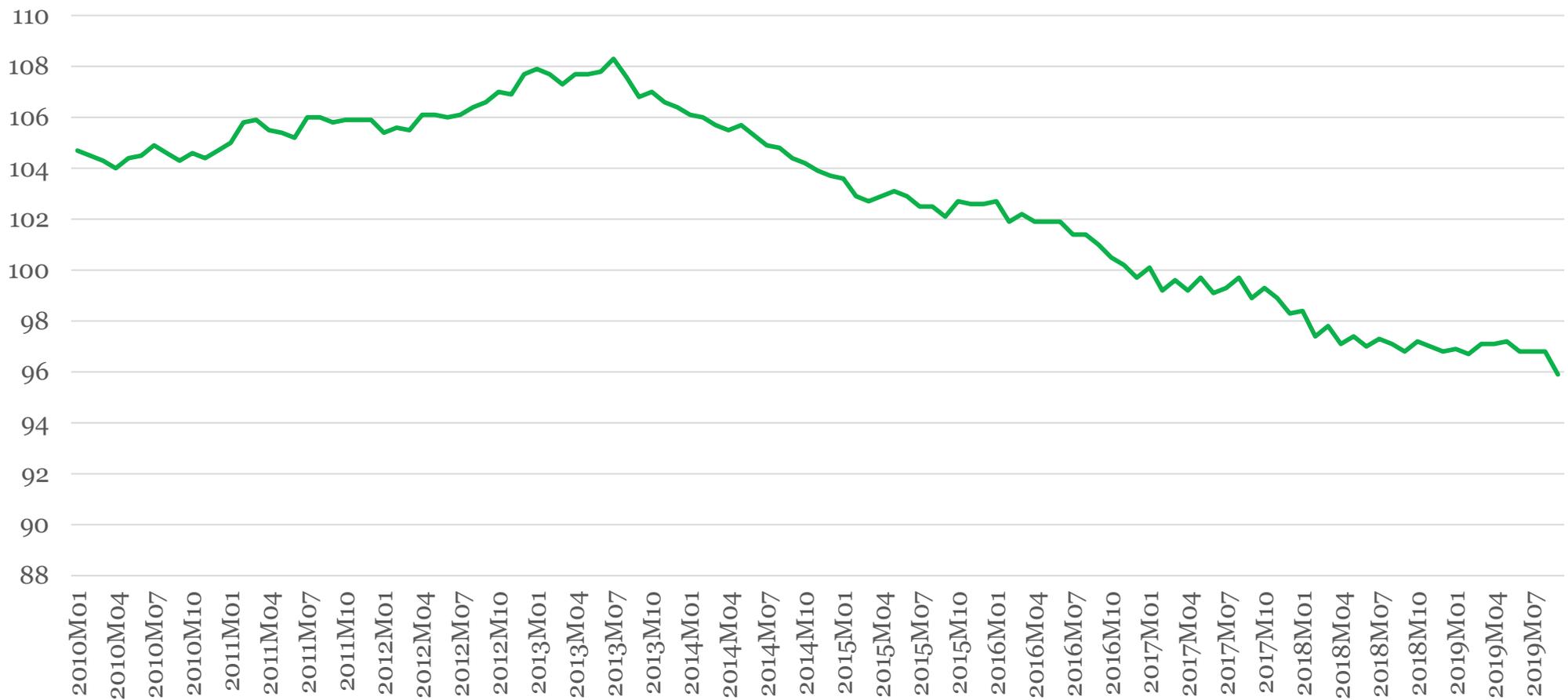


Consumer Price Index

Food and Non-Alcohol Beverage - ROI

Percent Change v. Prior Year

Consumer Price Index (Base Dec 2001=100)

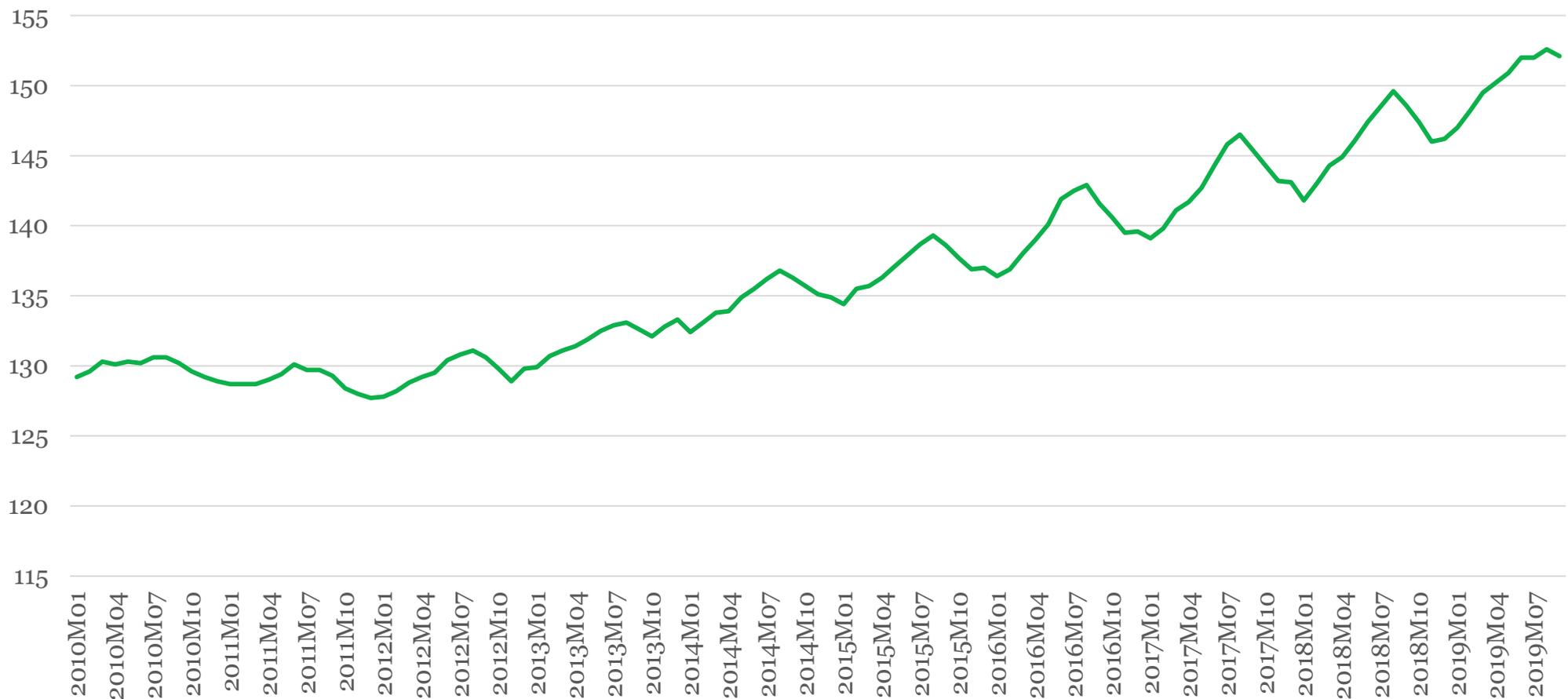


Consumer Price Index

Restaurants and Hotels - ROI

Percent Change v. Prior Year

Consumer Price Index (Base Dec 2001=100)



Tourism Data 2018

Country/ Region	IOI 2018	Vs. 2017	Share	ROI 2018	Vs. 2017	Share	NI 2018	Vs. 2017	Share
United Kingdom	4,748	+1%	42%	3,480	+1%	36%	1,425	+2%	64%
European Union	3,668	+7%	33%	3,512	+8%	37%	333	-8%	15%
USA	1,804	+14%	16%	1,739	+15%	18%	237	+21%	11%
Canada	244	+8%	2%	224	+10%	2%	66	+8%	3%
All Other	723	+5%	6%	654	+8%	7%	158	0%	7%
Total	11,188	+5%		9,609	+6%		2,218	+2%	

Source: Tourism Ireland