

# Restaurant Trends in 2020



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## Introduction

# Be Ahead of the Curve

Restaurant industry sales are expected to reach **\$863 billion** in 2019, which is up 3.6% from 2018's value of \$833 billion. Fueling this upward mobility is crucial for sustained growth, so it's important for operators to keep an eye on what's working for the restaurant industry and where it's headed. 2019 highlighted organic food and sustainable practices with a **40 percent** growth of establishments that provided organic foods and a **20 percent** increase in sales of sustainable foods.

Avocado toast, kale, and emerging plant-based meat alternatives made their mark last year and some of these staples will continue to solidify their place on menus for 2020, while others will be "so last year." To keep up with guests' evolving preferences and to get ahead of economic challenges, this booming industry is always shepherding in new trends each year. From plant-heavy menus and flavorful zero-proof cocktails to increasing delivery demands and robust tech, there's a whole lot of up-and-coming crazes you'll definitely want to capitalize on in 2020.



## Chapter

# What's on the Menu?

2020 is serving up a smorgasbord of trends when it comes to restaurant menus, dishes, and drinks. You'll begin to see smaller menus that are frequently changed to showcase specialty and popular dishes, while enticing repeat visits. This shift can positively impact your profitability by shaving down food costs and reducing food waste.

Portion sizes will continue to shrink and food that packs a healthy punch is expected to continue to grow in popularity. To not miss out on this audience, operators should clearly mark which items on their menu are vegan, vegetarian, nut-free, gluten-free, etc.

### **Healthy, Functional, and Global**

Overall, customers can expect to see menus boasting healthy dishes, functional beverages, and global flavor profiles in 2020.

It's no secret that healthy plant-centric diets like vegan, vegetarian, and flexitarian, are gaining more traction each day. Quick-service staples like the Burger King® WHOPPER® sandwich, Dunkin' Sausage, Egg, & Cheese Sandwich, and White Castle Original Slider® have been re-launched with plant-based meat alternative versions from companies such as Impossible™ Food and Beyond Meat®.

This increased consumer demand for healthier plant-based options has prompted many restaurants to up their veggie game this year. Jackfruit, cauliflower, seitan, tempeh, lentils, and meat-alternative products are sprouting up on menus in original dishes as well as incorporated into guest favorites like burgers, sandwiches, and tacos.

Healthier options aren't just limited to the main menu; parents are expecting equally nutrient-rich options for their kids. Look for elevated children's menus to be a continuing trend with reimagined healthy options for kid favorites like cauliflower tots, sweet potato wedges, black bean pasta, and salmon nuggets.

Health-conscious eating is anything but boring when global flavors are becoming a must have for 2020 menus. Specifically, Pan Asian (Asian dishes from different countries) and Middle Eastern cuisine is kicking it into high gear this year. Expect to see pho, banh mi, curry, kebabs, and desserts featuring dates and rosewater popping up on more menus.

## Trending Foods

**Trending foods** for 2020 include:

- **Tinned fish.** Taking a page out of the book of coastal countries like Portugal, tinned sardines, mackerel, anchovies, and octopus will begin to take their place on charcuterie boards and appetizer menus this year.
- **Nuts and seeds.** From flaxseeds and chia seeds to pepitas and nut milks, this dynamic duo is expected to surge in popularity on restaurant menus during 2020.
- **Shiso leaves.** A type of Japanese mint, shiso is a mainstay in sushi, noodle dishes, pickles, and salads due to the ingredient's versatility and flavor.
- **Mushrooms.** These fungi are getting a facelift with lesser-known varieties like trumpets, lion's mane, and chanterelles replacing the standard portobello.
- **Lettuce alternatives.** Long gone are the days of romaine and spring mix being a diner's only lettuce options. Trendier greens like little gem, celtuce, and kale hybrids are taking center stage in salads and entrees in 2020.

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- **Unusual seafood.** Health-focused consumers are craving more seafood in their diets. Expect to see the unexpected in this category with sea urchin, abalone, octopus, and turbot making appearances on menus.
- **Fermented foods.** Kimchi, a traditional Korean dish of veggies and cabbage that's fermented with spices, is positioned to be a customer favorite this year. Keep an eye out for koji, miso, and sake as well.

## Trending Drinks

Drink fads that are predicted to be on the rise for 2020 include:

- **Sober-curious cocktails.** The healthy living movement isn't just affecting the food that restaurants are serving. Intricate **non-alcoholic beverages** featuring bitters, apple cider vinegar, or spices paired with an effervescent base are taking the form of mocktails at many bars.
- **Foreign spirits.** Bartenders can look forward to a few new staple bottles popping up in their domain such as **Cachaça**, a rum-like spirit hailing from Brazil. A bitter Italian liqueur, **amaro**, is trending as an after-dinner digestif and **mezcal** is still going strong as a guest favorite in a variety of smoky cocktails.
- **Korean rice liquor.** **Makgeolli**, a Korean rice liquor that tastes sweet and sour with a slightly sparkling texture, is predicted to make its debut with bar goers this year.
- **Biodynamic wine.** This isn't your average wine. **Biodynamic wine** has to meet a rigorous set of standards for being grown without pesticides, unnatural processes, or chemicals. The grapes also tend to be planted and grown according to the moon phases.
- **Spritzes.** Born in the Mediterranean, **low-alcohol spritzes** featuring light and bright flavors combining herbs and spices will round out bar menus in 2020.
- **Canned alcoholic beverages.** Many bars are choosing to offer canned hard seltzers to meet consumers' low-calorie/low-carb alcoholic beverage demands. Mid- and high-end **canned beer and wine** are also poised for success this year.



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## Chapter

# Go Even Greener

Consumer awareness surrounding sustainable and environmentally friendly practices in the restaurant industry is continuing to grow exponentially. When choosing a place to dine, customers are doing their homework and looking into how restaurants reduce waste and maximize use of resources. According to a recent [study](#) done by Feeding America, \$218 billion worth of food is being thrown away each year in the United States, so it's no wonder that sustainability and conservation are top values for both guests and restaurant owners.

Look out for these green-living trends in 2020:

- Local sourcing of ingredients, especially seasonal produce, will be a trending
- Responsibly grown, harvested, and prepared food is also becoming a requirement. It's farm-to-table with the highest environmental and sustainability standards.
- Be transparent on how your restaurant is effectively minimizing waste and maximizing your use of food and beverage ingredients. Guests want to see how you're actively combating negative environmental issues to do your part. Social media and digital communication

are excellent ways to jumpstart this conversation with your patrons.

- The most literal way to be transparent with your diners is to have an open-concept kitchen. Customers want to see how clean and efficient the kitchen is along with the expertise of your chefs and the quality of ingredients being used.
- Reusable versions of restaurant staples like plastic straws, plastic cups/lids, and takeout containers and bags will swell in popularity during 2020. Biodegradable wares such as paper straws, wax paper cups, and compostable to-go containers are sure to be crowd pleasers.
- Zero-waste, composting and avoiding buying foods/ingredients with excess and wasteful packaging, is expected to be a big buzzword for this year. [Research](#) done by Unilever revealed that 72 percent of U.S. diners care about how restaurants handle food waste and 47 percent would be willing to spend more to eat at a restaurant with an active food recovery program. Diners will want to know how you're transforming food scraps, damaged produce, and leftovers into killer dishes.
- Some establishments will take this movement a big step further with hydroponic vegetable production — growing their own vegetables in a closed system with liquid solution that contains all the minerals the plant needs to thrive. The water used can be recycled through the system, creating no waste.







Chapter

# Deliver on Delivery

Delivery has steadily increased as a major industry trend over the past couple of years and is expected to continue in 2020. Restaurant delivery sales are predicted to rise with a compound rate of at least **22 percent** annually for the next four years. Patrons want their restaurant favorites from burgers and fries to sushi and steak to be available on demand with prompt service that doesn't sacrifice food quality.

## Delivery Apps and Vendors

A recent study found that **62 percent** of consumers who have a bad food delivery experience blame both the restaurant and the delivery company. In addition, a survey shows that **55 percent** of customers say that a previous experience with a restaurant

influences where they dine moving forward. This could explain why some establishments are cutting their third-party delivery service vendors loose and opting to add their own independent delivery service to their business.

Restaurant owners who are still opting to work with third-party delivery services, or create their own delivery app, should make sure apps can integrate with their POS system. If not, it could be time to start searching for a new one. Many of the newer POS systems include built-in features for managing food delivery orders, making it easier for restaurant owners to keep up with delivery demand.

## Ghost Kitchens

Ghost kitchens are becoming more practical for restaurants as these delivery demands continue to increase. The commercial kitchen facilities are specifically built to produce food for delivery orders. They are sometimes also known as cloud kitchens, shared kitchens, or virtual kitchens and anywhere from one to several restaurants may run out of one shared space.

A Technomic study claims that 78 percent of restaurant operators consider off-premise sales to be a strategic priority this year.

Some restaurant owners will create specific menus for their ghost kitchen, choosing items that are optimized for ease of production and still hold up during the delivery journey. There are numerous benefits that come along with ghost kitchens such as lower overhead costs, no service staff expenses, and digital brand awareness without the marketing spend. A ghost kitchen also offers flexibility when it comes to testing potential new menu items and promotional ideas for your in-house dining guests.

In fact, some restaurant owners believe that ghost kitchens are a way to **gain enough incremental revenue** to offset the fees they pay to third-party delivery service apps, which can be as high as 30 percent per order. Some delivery app companies like Grubhub and Uber Eats even help restaurants set up ghost kitchens and provide insights for viable menu items from the data they've gleaned from nearby customer searches. Uber Eats has actually helped launch close to 2,000 of these virtual kitchens in the U.S. and Canada. Studies project that restaurants not offering delivery may lose **70 percent** of their customers this year, so definitely expect to see more of these standalone commercial kitchens sprouting up in 2020.

## Off-Premise Sales

A Technomic study claims that **78 percent** of restaurant operators consider off-premise sales to be a strategic priority this year. This aligns with the National Restaurant Association's 2019 State of the Industry report that shows half of consumers, including **67 percent** of millennials, say the availability of delivery makes them more likely to choose one restaurant over another.

To help offset the robust delivery demands, restaurant owners will need to get creative this year to drive more on-premise traffic through their doors. For example, LTOs and dine-in only deals can be used to generate more in-restaurant revenue.



## Chapter

# Workforce Challenges

This year isn't without trials and tribulations for restaurant owners — **35 percent** of operators indicate that they currently have job openings that are difficult to fill, with back-of-the-house positions being the toughest. There are currently **15.1 million** restaurant industry employees in the United States and the industry is only growing with **1.6 million** new restaurant jobs to be created by 2028.

Even though there are a large number of employees within this workforce group, turnover rates are high for the restaurant world. From 2015 to 2017 the official Bureau of Labor Statistics turnover rate for the restaurant sector was **81.9 percent** with industry estimates more than 150 percent.

It's more imperative than ever that restaurant owners place a renewed focus on employee retention and satisfaction. A **study** surveyed restaurant employees in varying positions and found the following critical insights:

- 60 percent of workers felt that a promotion would drastically improve their workplace happiness.
- 67 percent of employees would like to receive paid bonuses as recognition from management.
- 70 percent of restaurant workers reported they would like more hands-on training from managers.

- Restaurant employees that are planning to quit their job are not satisfied with the amount of recognition they receive from management. They want to receive recognition as paid bonuses (72 percent), verbal kudos (36 percent), and promotions (32 percent).
- 40 percent of restaurant employees report a lack of team-building events and activities.

Restaurant owners and managers will be actively combating the above concerns in 2020 to boost retention, satisfaction, and overall commitment in their employees.

"It's also been **reported** that restaurant industry employee turnover is lowest in states with higher minimum wage. Especially in southern states that don't have a mandatory minimum wage law like Alabama, Louisiana, Mississippi, South Carolina, and Tennessee, you can expect to see a spike in turnover rates this year. With restaurant workers making up **10 percent** of the overall U.S. workforce, these trends will affect much more than just restaurant owners in 2020." *Peter Miletic*



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## Chapter

# Creativity Meets Strategy

To combat these challenges, restaurants will need to get creative and strategic with ways to optimize their bottom line in 2020. This can be as simple as curating out-of-the-box promotional offerings and giveaways aimed to heighten your location's buzz, or as multi-faceted as establishing a relationship and event schedule with your local influential food bloggers.

Essentially, you'll want to drill down to discover which tactics fit the marketing industry's **80/20 rule**. This simply means that 20 percent of your initiatives should garner 80 percent of your return on investment. The cumbersome part is the guess and check work that goes into discovering which strategies work for your specific business, but when you finally crack the code it's well worth the wait.

### Themed Pop-Ups

One way restaurants are expected to continue to grab diners' attention is with a themed pop-up restaurant.

Often tied to the revival of popular fandoms like the Central Perk locations from "Friends" in New York or the Luke's Diner coffee shops that popped up across the country for the re-launch of "Gilmore Girls," these restaurants offer customers feelings of nostalgia and exclusivity.

Pop-ups are a great on-trend method to drive business back into your brick and mortar establishment. They also provide the perfect setting to ramp up your social media content and local influencer outreach.



## Social Media-Worthy Decor

2020 customers are on top of their social media game like never before. In fact, **90 percent** of them will research a restaurant online before actually going there and once there, **12.5 percent** of guests will post about their experience. Restaurant owners will want to strategically showcase Instagram-worthy décor and dishes along with providing stellar service to ensure these social-media focused regulars feel encouraged to share positive content about their venue.



## Chapter

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# Trending Tech

Similar to 2019, this year will also see more resources allocated to customer-facing and service-focused technology in the restaurant industry. A tech-savvy establishment can offer a more efficient, streamlined, and convenient dining experience for guests, prompting them to return.

## Customer-Facing Tech

The 2019 State of the Industry **report** found that 70 percent of quick-service operators were planning to invest more in customer-facing technology this year. In fast casual, 62 percent planned to make such investments, with 59 percent in casual dining, 54 percent in family dining, and 49 percent in fine dining.

## Online Capabilities

Specifically, you'll see restaurant owners putting their dollars toward online ordering, online reservations, mobile payment, and delivery management. All of these offerings are designed to bolster the ease and convenience in which a guest can dine at your restaurant.

Operators will also begin testing out wearable technology for their servers, along with tablets at the tables and self-service electronic kiosks designed to minimize the "pain of payment" for customers. With there being a whopping **90 percent** of consumers who like to spend money in restaurants, you'll want to remain mindful of walking the line between technological convenience and compelling face-to-face interactions.

## Leveraging Your POS System

There really is no greater tech tool than your restaurant's own POS system. These devices are becoming smarter and better equipped to integrate with your other platforms and technologies. Leverage its data this year to fuel strategic business decisions, unearth specific trends in your establishment, and to test new concepts and products.







## Conclusion

# Stay in the Know

Guests' preferences and restaurant industry fads are always shifting. As a business owner you'll want to be on the pulse of this ever-changing landscape, so you can offer regular patrons the best dining experience possible, while simultaneously attracting new customers.

Be sure to strategically assess the viability of implementing each new trend in your specific establishment before diving in headfirst. Stay vigilant in reviewing the success rate of each new tactic you try out and modify or cut these initiatives when necessary.

Remember that testing out these new approaches is just that, a test. Remain true to the initial vision you had for your restaurant, allowing new trendy initiatives to bolster its success rather than define it.



“[Rewards Network] is a good platform for us to see where we’re at with our customer base. It allows us to find areas of improvement — and areas where we’re excelling — in both front of house and back of house needs, food, and customer service.”

— Phallon Miller, General Manager  
15L, Sacramento, CA  
*Rewards Network client since 2009*

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