CHAIRE FOOD & BEVERAGE

A BRIGHT
FUTURE?

FOOD SERVICES IN 2030: SWITZERLAND

INNOVATION AND STAYING POWER

These two factors are at the heart of changes in society today. The Food & Beverage Chair, a partnership between the Ecole hôtelière de Lausanne and Saviva, conducted a forward-looking study about dining services in Switzerland to provide industry players with solutions to ensure the long-term viability of our sector, which is one of Saviva's major goals.

André Hüsler
CEO of Saviva

Conducted in 2017-2018, this prospective study by the Food & Beverage chair seeks to anticipate the future of the food services market in 2030 in Switzerland.

WHAT DOES 'PROSPECTIVE' MEAN?

Prospection is a participative process of imagining what the future might look like. Its purpose is to inform decisions made in the present that aim to prepare for the future.

A dozen experts with diverse backgrounds (economics, F&B, labor policy, technology, management, etc.) were asked to help us understand the most probable developments in a variety of aspects influencing society and the food service industry in Switzerland.

A survey was conducted involving 256 restaurant managers and owners as well as 649 F&B customers throughout Switzerland. The results provided insight into various F&B stakeholders and their expectations and needs as well as changes they would like to see. On the basis of their responses, we created concepts that reflect these wide-ranging perspectives. Finally, we made recommendations that aim to help restaurant owners and managers prepare for future changes more easily, especially in terms of meeting their customers' expectations.

The Saviva Food & Beverage Chair
December 2018
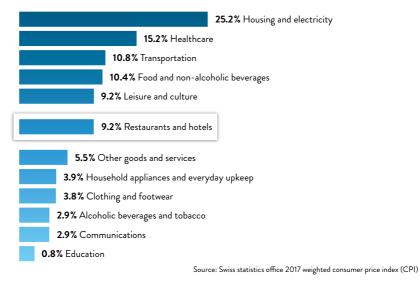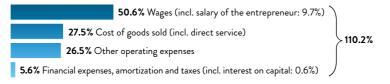
TABLE OF CONTENTS

THE F&B INDUSTRY IN SWITZERLAND

28,000
restaurants

CHF 14 bn
in revenues

5% offer
a delivery service

Source: Euromonitor and GastroSuisse

BREAKDOWN OF HOUSEHOLD SPENDING

25.2% Housing and electricity

15.2% Healthcare

10.8% Transportation

10.4% Food and non-alcoholic beverages

9.2% Leisure and culture

9.2% Restaurants and hotels

5.5% Other goods and services

3.9% Household appliances and everyday upkeep

3.8% Clothing and footwear

2.9% Alcoholic beverages and tobacco

2.9% Communications

0.8% Education

Source: Swiss statistics office 2017 weighted consumer price index (CPI)

RESTAURANT COSTS

50.6% Wages (incl. salary of the entrepreneur: 9.7%)

27.5% Cost of goods sold (incl. direct service)

26.5% Other operating expenses

5.6% Financial expenses, amortization and taxes (incl. interest on capital: 0.6%)

110.2%

Source: GastroSuisse

PROFITABILITY

65% of restaurants lose money
(incl. salary of entrepreneur and interest on capital)

Source: GastroSuisse

INDEPENDANTS   VS.   CHAINS

CHF 26 | **CHF 400,000**
average bill | in revenues

CHF 15 | **CHF 1,000,000**
average bill | in revenues

Source: Euromonitor

TRAVEL TO
2030

WHAT WILL SWITZERLAND LOOK LIKE IN 2030?

According to our experts and the 1,000 people who completed our survey, here is what Switzerland will look like in 2030:

Switzerland will be directly affected by the global developments that have rippled across the globe in recent years and by foreign policy decisions made by other global powers, on which Switzerland is highly dependent. Nevertheless, the flexibility of its economy will enable it to resist such turbulence.

To remain competitive, infrastructure will need to be maintained or revamped, leading to enormous cost overruns. Renewable energies will be increasingly important in Switzerland but also more expensive. Production generated by individual households will be very important. The agricultural sector will struggle and become unviable.

Unsurprisingly, baby boomers will have a major impact on the ageing population and, therefore, on consumption patterns. The ageing population coupled with the increasing number of unmarried individuals without kids will also affect the way we live.

Technology will play a key role in our new lifestyles, with artificial intelligence being the basis of most daily activities. People who fail to keep pace with tech trends run the risk of gradually being left behind.

Wage discrepancies will widen the divide between rich and poor and other social gaps. Freelancing will be an increasingly popular source of work as AI and the gig economy shake up the job market and send unemployment rocketing. Increasing overhead costs (healthcare, housing, etc.) will weigh on households' budgets to the detriment of leisure activities.

WHAT WILL THE F&B INDUSTRY LOOK LIKE IN 2030?

According to our experts and the 1,000 people who completed our survey, here is what Switzerland will look like in 2030:

Sagging household budgets will have a direct impact on the restaurant business.

Traditional concepts are expected to be overhauled completely, as a two-pronged consumption system takes effect (lunch = utilitarian vs. evening = experience) and the popularity of fast food and fast casual concepts continues to grow. Snacking will be ever more popular and healthy snacking too! Fast food and snacking will be increasingly upscale to meet consumers' needs.

When it comes to the food they eat, consumers will be very aware of sustainable development issues, especially the various labels such as organic, healthy and local food - a trend that is already underfoot and will have become even more important. At the same time, people will demand good, local food as part of a genuine dining experience. Concessions will have to be made to balance all of these different desires and convictions.

Given our individualistic society and new forms of work and consumption, personalization will be a crucial factor in consumers' decision-making.

Switzerland has been slow to develop meal delivery and take-out options due to the mountainous landscape and the dearth of big cities; yet, such services will become commonplace, especially in more urban areas. Meal delivery platforms will be developed via drop-off points in such areas as shops, or vending machines in train stations, for example.

The dining experience will be shaped by technology such as augmented reality, virtual nutritionists, etc. Tech solutions will occur during the meal (automation of service) and after (contactless payment, sharing the experience on social media). Technology will be in high demand although the human touch will remain important.
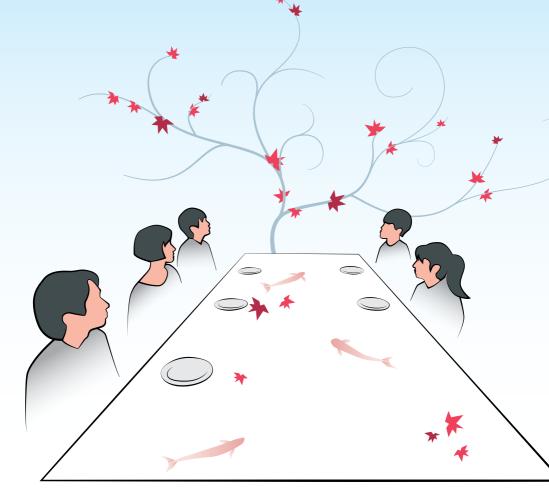
FROM THE RESTAURANT'S PERSPECTIVE

70% will offer delivery or take-out

29% believe that 30% of their revenue will come from delivery & take-out

39% anticipate tech will alter their concept

24% don't plan on changing anything

25% will start mechanizing service

57% plan to enable customers to order via smartphone

29% will enable customers to pay via smartphone when ordering

63% will serve local dishes

44% will have pure "pleasure" dishes on the menu

34% will offer healthy options

57% will offer different portion sizes

40% of businesses will have gone under

CONCEPTS ⇨

The following concepts, we believe, represent the future of the food service industry in Switzerland. They illustrate, to different degrees and in different ways, the four main F&B trends that come out of this study: flexibility, experience, commitment and efficiency.

FLEXIBILITY	EXPERIENCE	COMMITMENT	EFFICIENCY
Hours	Tasting pleasure	Sustainable development	Delivery service and take away
Space	Friendliness	Health	Digitalization of service and cooking
Portion sizes	Memorability		
Ingredients			
Preparation methods			
Personalization (including automation)			

These four trends are also the avenues we recommend restaurant owners and managers explore to prepare for the future. The concepts will aid them to decide how they wish to shape their concept to best meet their customers' needs.

LEXICON

Type	Lunch Mon-Fri	Dinner Mon-Fri	Weekend
Location	Urban	Country	
Price	Inexpensive	Average	Expensive

THE ARTÉMIS

A GOURMET RESTAURANT AND EXPERIENCE

Flexibility

Experience

Commitment

Efficiency

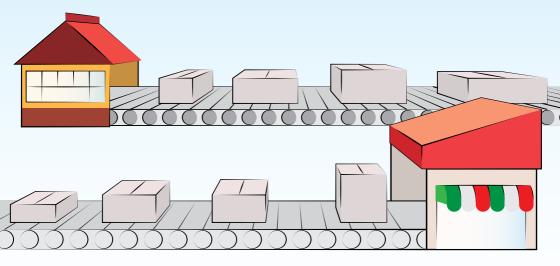| Type	Location	Price

The Artémis epitomizes all that is gourmet: luxury and expertise extend beyond the meals that are served: they shape an experience.
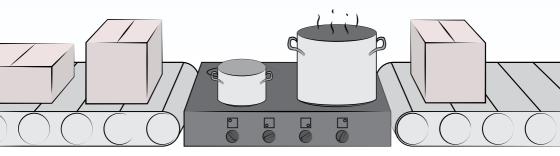
The philosophy behind Artémis is that people no longer go to a gourmet restaurant just to eat but rather to live a unique all-encompassing experience. Its team creates artistic installations more than menus, and its chef shares the spotlight with other professionals who come together to make the customer's visit an indelible one.

At the Artémis, the atmosphere changes over the course of the meal. For instance, flat screens or projections and everything from the tableware to the décor to the music would be designed to create an immersive experience. The traditional layout of the typical restaurant will be challenged. In addition to the dining room, the kitchen, garden, basement or roof will become spaces that can also be used to delight customers.

The Artémis has also realized that chefs can no longer unilaterally decide what to serve customers. In this era of personalization, it has become unthinkable to impose a dish on a client. The excellence of a Michelin-starred chef is also reflected in his or her ability to tweak a dish to suit the needs and wants - or dietary restrictions - of the customer.

Gastronomic restaurants may be the guardians of culinary tradition and excellence but they cannot snub social media. In fact, the décor and dishes at the Artémis are designed to be both distinctive and reflect current trends.

ORAPLUS

THE MINI-CHAIN FOCUSING ON VARIETY

Flexibility

Experience

Commitment

Efficiency

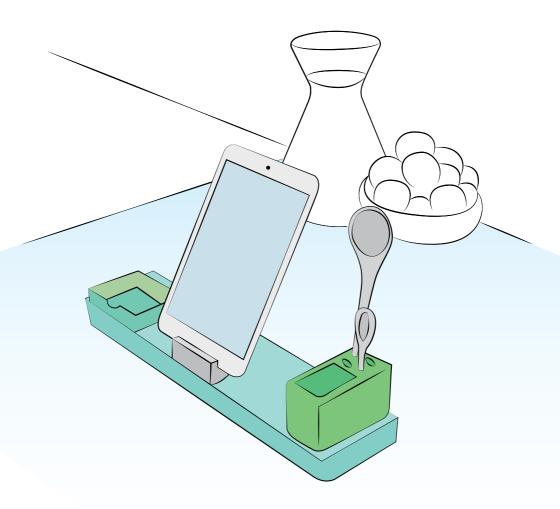|		
Type	**Location**	**Price**

Successful independent restaurants will generally develop their business by multiplying points of sale, often in a small geographical area, and by adapting to the location and clientele (hours of operation, menu, etc.). In order to optimize production and maximize their operations' efficiency, these mini-chains will tend to have just one production site but several points of distribution (sit-down restaurants, drop-off/collection points, 3D printing points, etc.).

Oraplus took the mini-chain concept a step further when it developed an 'optimized variety' system. The food is different from one point of sale to the next but the main ingredients, which have been prepared identically in a centralized kitchen before being dispatched to various points of sale, are the same.

Artificial intelligence and robotization will play a crucial role in this system, facilitating the management of stocks (reducing food waste), purchasing, quality control, coordination of the preparation and transportation, and the setup.

Technology is also integrated in the front office in order to enhance practicality and flexibility.

····} Meals can be eaten on the premises, taken out
 or delivered (via a partnership with a delivery service);

····} Reservations and orders will me made ahead of time on a dedicated
 app or chatbot, or inside the restaurant using a tablet;

····} Customers will be able to pay when they order, when
 they receive their food or after the meal;

····} Meals are easy to adapt to the client's request, and the servers
 (few in number but with strong social skills) are there to
 guide and advise customers should they need help.

COOK 'N' PLAY

A HIGH-TECH AND SOCIAL DIY CONCEPT
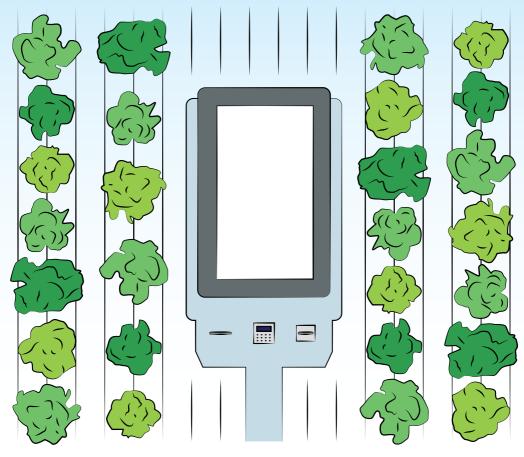
Flexibility   Experience   Commitment   Efficiency

| | Type | Location | Price |

Cook 'n' Play is a mini-chain that offers customers the chance to prepare their meal themselves. At their table, they are given the raw ingredients and follow, if necessary, the instructions that appear on a touchscreen attached to the table. They build the meal they've ordered however they want. The points of sale are focused on a particular type of cuisine (barbecue, fondue, sushi, etc.) but offer variations (e.g., North American BBQ vs. Asian or South American BBQ).

Web-enabled devices and specially-designed software monitor the quantity of ingredients, temperature, cooking time and nutritional information to help customers prepare their ideal meal. The devices can be stowed away, put in sleep mode or adapted in a variety of ways in order to meet customers' needs.

The ambiance reflects the aesthetic norms of the most popular social networks so customers can easily share their creations. Some or all information regarding the preparation (time, techniques, equipment used, etc.) and the meal itself (ingredient list, calories, nutritional content, carbon footprint, etc.) can be published automatically alongside the photo.

SWISS FOOD CENTER

A CONNECTED AND RESPONSIBLE FOOD MARKET

Flexibility

Experience

Commitment

Efficiency

Type	Location	Price

Food markets certified as Swiss Food Centers (SFC) will focus on responsibility, practicality and variety. In addition to different types of food, they will offer various solutions throughout the day (morning, lunch, afternoon and evening).
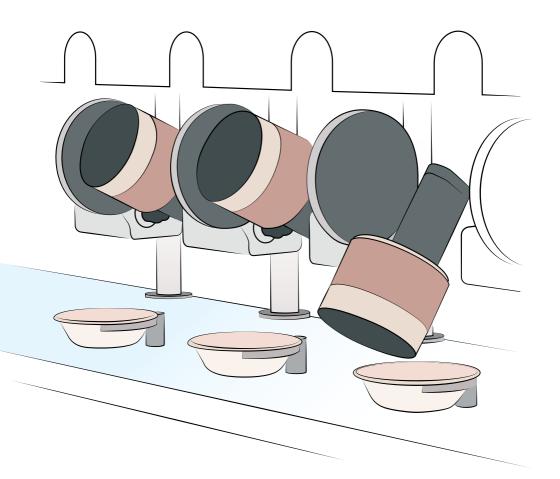
Customers can order at one of the booths and go sit down with their meal or order and pay at a machine, which automatically assigns them a table and then informs them when their food is ready. In this case, a chatbot helps them personalize their order if necessary.

In addition to the machines, customers can also use the SFC app for smartphone, which enables them to order food, check their loyalty points/promotions, monitor the preparation of their order, and pay. The app will also make delivery possible.

At night (11pm to 6:30 am), SFC Club members will be able to scan their personal bar code (available on the app) and enter a restricted area of the food court and take their meals (which they will have ordered in advance on the app) from a vending machine.

SFC showcases its commitment to the environment and the community by sourcing its restaurants from different urban farms and working with a delivery service that has self-driving vehicles to optimize travel. The company will also have signed a novel partnership with an association that redistributes food products, and will allow them, for example, to use their refrigerated storage units to facilitate their operations.

In the back office, robots, artificial intelligence and sensors will manage the reception of ingredients, control quality, manage inventory and purchases.

TRUECHOICE

HEALTHY AND AUTOMATED FAST FOOD

Flexibility

Experience

Commitment

Efficiency

Type	Location	Price

TrueChoice is a concept that is well accepted but still unusual, because it is fully automated. This restaurant lets customers build their own bowls. They choose a starch and vegetables, a protein, a sauce and other ingredients (dried fruit, cheese, etc.). They can also choose the size of their bowl.

Customers build, order and pay for their bowls at a machine. The meals are then prepared immediately using robotics. The ingredients that are delivered to the restaurant are pre-cooked so they just need to be mixed together and heated up. Once the bowl is ready, the order number is automatically printed on the biodegradable packaging in which the meal is served.
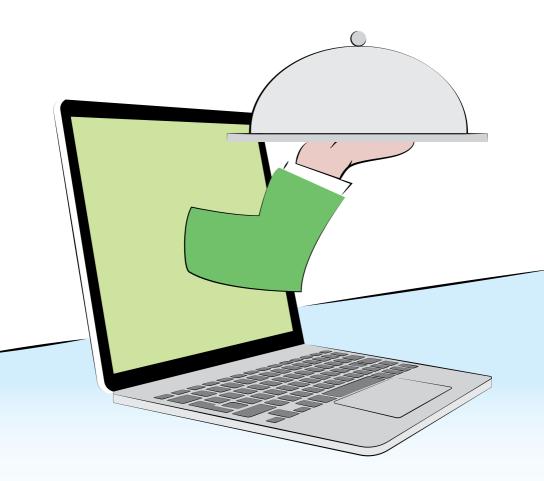
The order can also be placed and paid for on the restaurant's website or app. If the customer decides to pick it up all he has to do is swipe his telephone at the restaurant to start the preparation. This guarantees that the meals are as fresh as possible. Delivery is also possible via a partnership with an external service provider.

Automatization extends beyond preparing the bowls: for health-conscious customers the meal can be adapted to nutritional needs. They can create their profile on the company's website where they input information about their body profile, health, lifestyle and objectives (losing weight, balanced diet, protein boost, etc.). Using this information, the software program automatically chooses the right combination of ingredients.

The profile can be connected to social networks, which allows willing customers to publish their bowl's ingredients and how they ranked their dining experience. The most popular combinations are automatically offered on the restaurant's order machine.

In terms of beverages, the restaurant offers a big vending machine featuring local brands and original products. The system will automatically make a suggestion as to which drink pairs best with your order.

ASAPPÉTIT

DELIVERY TO COMPANIES

Flexibility

Experience

Commitment
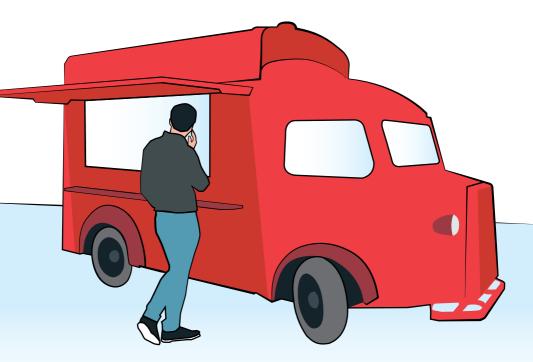

Efficiency

Type	Location	Price

ASAPpétit is a virtual restaurant that delivers meals at lunchtime, mostly to companies. The kitchen brigade prepares several starters, mains and desserts every day including a vegan/vegetarian option and a 'balanced' option. A host of robotic arms and machines contribute to the preparation of the meals, minimizing staff costs. In addition, orders, purchases and stock management is automated thus reducing waste and keeping food costs low.

ASAPpétit's corporate clients pay a monthly fee, which is a sort of contribution that enables their employees to get relatively inexpensive meals. On Fridays, the employees of these corporate partners are sent the menu for the following week. They can place their order from their PC or smartphone for the coming days of their choice. Every month, the total amount of their orders is automatically deducted from their wages.

The orders are delivered by a self-driving truck in isothermal containers. Customers use their smartphones when they receive their order and when they return the containers they've used. The various ingredients (sauces, sides, etc.) are delivered separately to best handle dietary intolerances and allergies, and to optimize the production/delivery processes (standardization of packaging, etc.). This type of system also optimizes food quality.

To diversify its revenue streams, the company rents out part of its kitchens and storage space to entrepreneurs who are just starting out in the F&B industry and only need a place on an ad-hoc basis (e.g. food truck or pop-up restaurant).

SLICE
OF STREET
FOOD

CULINARY AND ARTISTIC HUBS

Flexibility

Experience

Commitment

Efficiency

Type	Location	Price

Slice of Street Food (SOSF) offers an area where managers of food trucks or booths can rent a space that suits their needs, for a duration of at least one day. More than just a place to eat, these areas are lively: eating, drinking a cup of coffee or discovering local artisans and artists.

On the premises of an SOSF, the customer chooses the food truck or booth she wants then places an order and pays using a touchless payment system, which speeds up customer flows.

The meals can be eaten on or off the premises. There are lots of different places to eat, including large tables in the center of the area, small tables sprinkled between the trucks, spaces with couches, armchairs, bar tables, cozy corners for some peace and quiet...At the end of the meal, customers are asked to pick up behind them and use the smart trash cans to optimize sorting and recycling waste.

In addition to spots for food and arts & crafts, SOSF offers a platform dedicated to street food accessible both on the Internet and via an app. Each restaurant manager who rents a spot at SOSF automatically benefits, for a few months, from a free webpage where he can publish his menu and any promotions (including the daily spots available to food trucks). These websites are very easy to personalize and can be linked to social networks to simplify communication.

The platform is also useful for back office functions. It enables restaurants to order supplies because it is linked to a distribution service that promotes local and ethical products. The use of this service is not mandatory but recommended because the centralization of orders minimizes transportation needs for supplying the food trucks or food stands.

RECOM MENDA TIONS

In addition to the concepts we outlined above, we have made a series of recommendations to provide simple and concrete examples of the changes restaurants could consider implementing today to best meet the expectations of consumers and to prepare for the future.

FLEXIBILITY

ADAPTING SERVICE

- ⋯⟩ Adjusting hours of operation to fit new lifestyles
  (depending on the neighborhood, type of clientele, etc.)
- ⋯⟩ Create a variety of atmospheres over the course
  of any given day via spaces that can be rearranged

THE PERSONALIZATION OF MEALS

- ⋯⟩ Create a menu that is easy to personalize
  (e.g., choose a base, then garnishes, toppings and how they'd like it cooked)
- ⋯⟩ Print on the menu the ways in which customers
  can adapt their meal to fit their nutritional constraints
- ⋯⟩ Offer different portion sizes (S, M, L or XL)
- ⋯⟩ Use an app where customers can save their health profile
  (nutrition, genetic info, lifestyles, objectives, etc.) to
  automatically adapt their meals to their needs

VISIBILITY AND PROMOTION

REGISTER WITH ON-LINE SERVICES

⋯⟩ Create a complete profile, with the type of food,
    price range, contact info, website, hours of operation, etc.

⋯⟩ Virtual visit of the restaurant (e.g. Google Street View)

⋯⟩ Think about how evaluations will be managed

GET ACTIVE ON THE BIGGEST SOCIAL NETWORKS

⋯⟩ Focus on digital communication (newsletter, social networks)

⋯⟩ Manage your profile every day on all social media
    (Instagram, Facebook, TripAdvisor, LaFourchette, etc.)

⋯⟩ Propose visual content and update it regularly

⋯⟩ Friendly and timely interaction with customers

DEVELOP A WEBSITE

THE WEBSITE MUST:

⋯⟩ be complete, updated and easy to use

⋯⟩ be optimized for cell phones

⋯⟩ include – at least – a video of the establishment

⋯⟩ have an on-line order feature, including via smartphone

⋯⟩ be optimized for search engines

CREATE AN APP, WITH THE FOLLOWING FEATURES:

⋯⟩ rewarding repeat customers

⋯⟩ storing their past orders and re-ordering the same meal in just one click

⋯⟩ take a virtual visit of the establishment and reserve a specific table

⋯⟩ upload customers' nutritional profile to offer them
    a meal that suits their restrictions

⋯⟩ browse upcoming events

⋯⟩ etc.

EXPERIENCE

BROWSE UPCOMING EVENTS

- ⤍ Propose a clear culinary concept
- ⤍ Offer tasty meals even when the concept is more utilitarian than gourmet
- ⤍ Minimize procedures for customers
- ⤍ Keep abreast of trends and continue to develop your concept

GENERATE A BUZZ

- ⤍ Create a special décor/atmosphere
- ⤍ Make the experience a memorable one
- ⤍ Make your restaurant "Instagram ready" (meal presentation and décor)

INVOLVE THE CUSTOMER

- ⤍ Prepare the meal in front of the customer to make it a fun experience

MAKE THE RIGHT DECISIONS IN TERMS OF DELIVERY

- ⤍ Focus on world food
- ⤍ Avoid 'terroir' cuisine, which is more popular for table service

CHOOSE PACKAGING THAT IS ADAPTED TO DELIVERY

- ⤍ It will keep the food warm, protect the texture, etc.
- ⤍ It will ensure that the overall experience is a positive one

COMMITMENT

TRANSPARENCY IS IMPORTANT!

- Inform yourself about the production methods of your suppliers to be able to answer customers' questions
- Print on the menu where food is coming from (country of origin, etc.), allergy information, and if a product is homemade
- Integrate a digital paper trail where all product info is kept (the use of augmented reality, etc.)

GO LOCAL!

- To the fullest extent possible, source your products locally and promote them

HEALTH

- Include the nutritional info of meals on the menu
- Offer and promote 'balanced' meals

TAKE ACTIVE STEPS TO REDUCE FOOD WASTE AND GARBAGE

- Always offer a doggy bag
- Use biodegradable bags
- Create re-usable packaging with the restaurant's name/logo
- Use the customer's containers when asked, instead of the restaurant's packaging

EFFICIENCY

TAKE ORDERS DIGITALLY

⇢ Enable customers to place their orders, by themselves,
on their smartphones or from their table

AUTOMATE MANAGEMENT

⇢ Use management software to facilitate and optimize
the management processes of the establishment

⇢ Integrate artificial intelligence in the production/order processes
(e.g. smart refrigerators, automatic orders when inventory gets low, etc.)

IMPLEMENT A DELIVERY OPTION

⇢ Propose a delivery/take out option,
even for traditional table service restaurants

⇢ If it is impossible to set up a delivery service, register with a
delivery platform to enable your customers to order on-line

⇢ Choose dishes that are easily transportable and
suit the budgets of consumers using this type of service

⇢ Do not impose a minimum amount per order,
or other types of extra fees/constraints, on individuals ordering alone

⇢ Set up drop-off points where customers can pick up their orders

⇢ Sign agreements with companies so you can deliver food to their employees

MAKE PAYMENT FLEXIBLE

⇢ Enable payment by credit card

⇢ Implement contactless payment

⇢ Offer solutions where customers pay when they order,
especially for deliveries and to-go meals

Since its creation in 2010, the Saviva Food & Beverage Chair at the École hôtelière de Lausanne has supported professionals in the food service industry by preparing theme-based studies that provide them with the tools they need to understand and adapt to market changes.

AUTHORS OF THE STUDY

Find us on LinkedIn!

Dr. Christine Demen Meier
Head of the Saviva F&B Chair

Stéphanie Buri
Coordination & Research

Clémence Cornuz
Research

Morgane Voumard
Research