Welcome

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The Four ‘S’ Process of Recovery

- **Survival**: Getting the industry going again
- **Start**: Industry recovery
- **Strengthen**: Long-term investment and growth
- **Surge**: Innovation returns post-pandemic
Survival State

- Feeding students that are still on campus, or returning to campus
- Providing community assistance
  - Donations to local charities
  - Partnerships with YMCA to serve K-12 schools
  - Off-campus deliveries
  - Student connection via social media
The Four ‘S’
Process of Recovery

Survival
Where we have been

Start
Getting the industry going again

Strengthen
Industry recovery

Surge
Long-term investment and growth

NEXT UP

The Four ‘S’ Process of Recovery

Survival Where we have been

Start Getting the industry going again

Strengthen Industry recovery

Surge Long-term investment and growth

NEXT UP
Colleges announcing a variety of plans

- Most are planning for some in-person campus activity
- Possibilities:
  - “Dedensified” residence halls
  - Contingency plans by day, modified to reflect risk levels
  - Staggered class dismissals
  - Changing start, end dates
  - Choice of virtual

Source: The Chronicler of Higher Education
Retrieved May 27, 5:00 p.m. EST

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Operational Changes Necessary

- Fewer locations
- Limited seating

<table>
<thead>
<tr>
<th>Solution</th>
<th>Already implemented</th>
<th>Will implement</th>
<th>Considering implementing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing the number of tables</td>
<td>40%</td>
<td>47%</td>
<td>9%</td>
</tr>
<tr>
<td>Limiting the number of guests at a table</td>
<td>29%</td>
<td>53%</td>
<td>18%</td>
</tr>
<tr>
<td>Providing a designated takeout area</td>
<td>27%</td>
<td>53%</td>
<td>16%</td>
</tr>
<tr>
<td>Developing rotating schedules when certain guests are allowed to visit to keep crowds down at any one time</td>
<td>33%</td>
<td>29%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Base: 51 C&U Operators
Q: Below is a list of potential procedures, policies or initiatives related to dining & ordering reconfiguration that operators are implementing or considering implementing due to COVID. Once your business reopens, please indicate what your plans are regarding each of these
Efforts to Simplify

- Tech investment
- Focus on grab and go, smaller menus
- Need to add variety without adding complexity
Restaurants Went First

Data updated June 5, 2020

May 8, 2020
- Dine-in service closed statewide
- Dine-in service open in some capacity
- Announced concrete plans for reopening restaurants

June 5, 2020
Restaurants Can Provide Perspective

The New Frictionless:
- Sacrifice speed for safety
- Hyper-sanitation
- Employee well-being

Reduced Menus
- 63% of operators have or plan to reduce the number of menu items after they reopen*

Comfort and Value
- Popeye’s Netflix ’n Chicken
- Krispy Kreme Saturdays
- Taco Tuesday at Taco Bell
- Even high-end restaurants: Alinea $35 comfort food

*Source: Technomic Foodservice Impact Monitor 2020
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Greatest Success During Pandemic

Chains that are Built for Delivery, Low Touch

Domino’s

WING-STOP

PAPA JOHNS’S
Initial Dine-in Experience May Create Second Thoughts

36% of operators report experiencing challenges in ensuring guests adhere to required and suggested practices.

62% of consumers say that if a restaurant looks too busy/full, they will order takeout instead.

Source: Technomic Foodservice Impact Monitor 2020
© 2020 Technomic, Inc.
Delivering Safety at C&U

Low Touch, Worry Free

<table>
<thead>
<tr>
<th>Service</th>
<th>Offered Pre Pandemic</th>
<th>Will Delay Return</th>
<th>Will Not Offer Again</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table top condiments</td>
<td>84%</td>
<td>12%</td>
<td>70%</td>
</tr>
<tr>
<td>Self serve cold food bars</td>
<td>92%</td>
<td>11%</td>
<td>74%</td>
</tr>
<tr>
<td>Water station</td>
<td>84%</td>
<td>9%</td>
<td>74%</td>
</tr>
<tr>
<td>Self serve coffee</td>
<td>84%</td>
<td>2%</td>
<td>81%</td>
</tr>
<tr>
<td>Self-serve fountain beverage</td>
<td>88%</td>
<td>2%</td>
<td>84%</td>
</tr>
<tr>
<td>Self serve hot food bars</td>
<td>84%</td>
<td>12%</td>
<td>77%</td>
</tr>
<tr>
<td>Real silverware</td>
<td>84%</td>
<td>2%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Base: 51 College & University Operators
<table>
<thead>
<tr>
<th>Feature</th>
<th>Student Appeal</th>
<th>Offered by Operators (Pre-Pandemic)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build-your-own stations</td>
<td>57%</td>
<td>34%</td>
</tr>
<tr>
<td>Made-to-order stations</td>
<td>54%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Base: 1,227 students ages 18+ who ever eat on campus, 400 operators
Q: Which of the following are appealing to you for on-campus restaurants or cafeteria/dining halls? Select all that are appealing.
Q: Which of the following do you currently offer in on-campus restaurants or cafeteria/dining halls? Select all that apply.
Creating New Experiences

- DIY Kits
- Movie, Date Nights
- Music: Live, Playlists
- Customer Challenges

Tallboy Taco (Chicago, Illinois)
3 DIY Kits Allow for Customization: Tacos, Guacamole, Margaritas
Cultural Concerns Part of Feeling Safe

- More than half of students are paying attention to news on Coronavirus

- Many other issues as well
  - Climate change
  - The 2020 Election
  - Immigration
  - Gun Policy
  - Civil Rights

- Requires consideration across communications, menu, etc.

Starbucks created a tee for employees to wear if they choose

Source: Technomic Coronavirus Monitor, Week 12
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The Four ‘S’ Process of Recovery

**Survival**
Where we are now

**Start**
Getting the industry going again

**Strengthen**
Industry recovery
- Order ahead standard
- Adapt seating to facilitate connection
  - Outdoor, separate study vs. lounge areas?
- Return to customization, by staff only?
- Menu optimization

**Surge**
Long-term investment and growth

2021

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Looking Forward: Enhance Craveability

% who Agree & Agree Completely

33%
My school offers foods/beverages that I often crave

30%
My school offers foods/beverages I am excited to eat

Base: Approximately 911 students ages 18+
Q: Please indicate your level of agreement with the following statements.
Source: Technomic 2019 College & University Study
LTOs That Resonate

- Craveable = sweet and portable
  - Krispy Kreme Butterfinger Original Filled Doughnut
    - Purchase Intent 52%
    - **Craveability 87%**
  - Scooter’s Coffee & Yogurt Iced Cinnamon Dolce Caramelicious
    - Craveability 83%

Source: Technomic Concept Screen March 2020
LTOs That Resonate

- Craveable= Comfort Food
  - Papa John’s Meatball Pepperoni Papadia
    - Draw 62%
    - Craveability 75%
  - El Pollo Loco Double Chicken And Avocado Pollo Fit Bowl
    - Craveability 57%
Meats, carbs, coffee and tea remain inexpensive options for operators.

Still highly craveable and affordable for consumers.

PERCENT CHANGE IN ITEM INCIDENCE DURING THE GREAT RECESSION

<table>
<thead>
<tr>
<th>Item</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pizza Appetizer</td>
<td>33%</td>
</tr>
<tr>
<td>Macaroni and Cheese Entree</td>
<td>24%</td>
</tr>
<tr>
<td>Mojito</td>
<td>23%</td>
</tr>
<tr>
<td>Tomato Soup</td>
<td>22%</td>
</tr>
<tr>
<td>Omelet Sandwich</td>
<td>21%</td>
</tr>
<tr>
<td>Alfredo/White Pizza</td>
<td>18%</td>
</tr>
<tr>
<td>Iced Coffee</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Technomic Ignite menu data, Q3 2008-Q3 2010
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The Four ‘S’ Process of Recovery

Survival
Where we are now

Start
Getting the industry going again

Strengthen
Industry recovery

Surge
Long-term investment and growth
- Return to pre-pandemic initiatives
  - Menu innovation (functionality)
  - Local
  - Sustainability

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Meeting Higher Level Student Needs

MASLOW’S HIERARCHY OF NEEDS

- **Physiological needs**: air, water, food, shelter, sleep, clothing, reproduction
- **Safety needs**: personal security, employment, resources, health, property
- **Love and belonging**: friendship, intimacy, family, sense of connection
- **Esteem**: respect, self-esteem, status, recognition, strength, freedom
- **Self-actualization**: desire to become the most that one can be

Back to the Basics: Must meet these needs first
Then we can move up the pyramid
Social Responsibility
Worker Rights a Priority

“"I would like my school to reduce...” (agree & agree completely)

- Treats its workers right: 42%
- Waste reduction: 40%
- Promotes recycling, uses recycled materials or biodegradable packaging: 38%
- Gives back to/supports students: 33%
- Gives back to/supports the local community: 29%
- Uses local, organic or sustainable ingredients: 29%
- Gives back to/supports communities elsewhere: 26%
- Animal welfare: 23%
- Water conservation: 23%
Q: How do the following food attributes affect your purchasing decision at any type of restaurant, cafeteria or retail location?

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage</th>
<th>Change from 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-protein</td>
<td>67%</td>
<td>Up from 57%</td>
</tr>
<tr>
<td>Socially responsible</td>
<td>67%</td>
<td>Up from 58%</td>
</tr>
<tr>
<td>Sustainable</td>
<td>67%</td>
<td>Up from 60%</td>
</tr>
<tr>
<td>Low-sugar</td>
<td>57%</td>
<td>Up from 49%</td>
</tr>
</tbody>
</table>

Base: Approximately 560 students ages 18+

Source: Technomic 2019 College & University Study
Health will Become More Important

What is Healthy to Gen Z?

- Functional
  - Immunity boost
- Portable
- Does not sacrifice sweet flavors
- Dairy substitute
- 66% of Gen Z find fruity flavors appealing
- Plant based protein and dairy now mainstream

Sip the super(food). New Almond Milk Smoothies

Limited time only

Image credit: Tropical Smoothie Cafe
Final Thoughts
Start By Building Confidence

● Health Related:
  - Hyper-clean, then communicate to students and parents
  - Employee well-being
  - The New Frictionless
  - Cultural Sensitivity

● Economic:
  - Value positioning

Banu Hot Pot Phone Ordering at Table
Monitor Restaurants

- They can teach us about operating during the pandemic
- Menu and operational inspiration
- Necessity has been the mother of invention
  - Novel Uses for Ingredients
  - New Sources of Revenue

ABC Bakery (Vietnam)
Pink Bread made from extra dragon fruit

Norms (Regional Chain)
Care Packages
Rely on Partners

- Best Practices for
  - Portable, cost effective menu ideas
  - Revenue generation (e.g., pantry)
  - Waste reduction, versatile use for ingredients
  - Procurement, packaging and single serve options!
  - Supply solutions (e.g., extra chicken wings on hand?)
  - Promotion and communication ideas (e.g., digital engagement)
Since 1966, we have produced in-depth research focused on the foodservice industry.

We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world. Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

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