

FB

FOODBYTES

YOUR FREE DATASSENTIAL
TREND REPORT

2023

FOOD TRENDS

AI CHANGES EVERYTHING

A NEW THIRD PLACE

INTRODUCING GEN ALPHA

BUILD A BETTER BACK-OF-HOUSE

VIDEO KILLED THE INSTAGRAM STAR

IT'S TIME TO GET WEIRD

IS PLANT-BASED DEAD?

20 FLAVORS TO WATCH

AI MADE THIS

76% OF CONSUMERS ARE EXCITED FOR NEW FOOD & BEVERAGE TRENDS IN 2023



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What I'm Most Looking Forward To In 2023

Obviously we're all hoping to get to a point where COVID, inflation, supply chain issues, the labor crunch, etc. are behind us, but at the very least I hope we'll see some stabilization in 2023. It's hard to focus on innovation when you are focused on survival, but I'm ready to get back to work on new ideas, concepts, menu items, products, and trends with clients. That moment when you see the light bulb go off over someone's head as they create something new or come up with a groundbreaking idea is the best. I think there's reason to be hopeful — and consumers do, too. **When we asked consumers how they are feeling about 2023, 66% said they feel optimistic.**

AI MADE THIS, TOO

It's here. Datassential's look at the trends, concepts, ideas, foods, flavors, and ingredients that should be on your radar for 2023 and beyond. It's always our most anticipated and most read issue of *FoodBytes*, and this year we gathered our team of experts together to try to make sense of a confusing, often contradictory landscape.

When we asked consumers about the year ahead, they were both excited and worried. They already feel the high prices at the supermarket checkout counter or when the bill arrives at the table, and they don't always feel that those prices are being offset by higher quality or better hospitality. The majority of consumers think we're already in a recession or will enter one in 2023, while high prices are operators' top concern (and, in a sign of how things have changed, operators were the least worried about COVID of all the challenges we tested).

But consumers are also excited for new, exciting flavors, concepts, and experiences. Three quarters of consumers want to see new food and beverage trends in the year ahead, while nearly the same number of operators say trends will be important to their business in 2023.

What types of trends will be important? We've gathered together some of the ideas that will guide the industry in 2023 in the pages ahead. From macro trends like AI and Gen Alpha to more targeted trends like the shift to video and regenerative agriculture, these are the concepts that should be on your radar for the future. You'll also find one of the most popular forecasts we include each year — our 10 early-stage flavors and ingredients that should be on your radar before they hit it big. This year, for the first time, we're also including 10 flavors and ingredients that you'll see everywhere in the year ahead.

Hungry for more? Stay tuned for a full research deck with plenty of data on everything we're forecasting to release for Report Pro subscribers in late December. Not a Report Pro subscriber yet? Drop us a line at hello@datassential.com and we'll get you set up for 2023.

Mike Kostyo, Trendologist & Associate Director

2023 KEY INDICATORS

FROM A POSSIBLE RECESSION TO TECH TO SUSTAINABILITY, THESE FACTORS WILL IMPACT EVERYTHING IN 2023

- If we've learned anything from the past few years, it's to **expect the unexpected**. From pandemics to political upheaval, unexpected events are always going to create chaos. In 2023, businesses will have to continue to create nimble organizations that can quickly adapt and react to changes.
- A recession is on everyone's mind, though economists are still debating whether we'll escape a recession, enter a recession, or are already in one. According to our data, **over half of consumers think we'll enter a recession in 2023, while 27% think we're already in one.**
- What will a recession mean? **Economic inequality means it will look very different from consumer to consumer.** Luxury brands and premium products are still reporting record sales, but most consumers are already feeling the strain of high prices.
- **Technology will help operators survive.** While once there was a fear that tech and robotics would replace workers, the hospitality labor shortfall means many of those workers have moved on to other industries. As margins continue to be squeezed, tech investments will pay off in the long run.
- **Sustainability is back.** While it never truly went away, consumers gave the industry a pass as it focused on survival during the pandemic. But now consumers want to see brands using sustainable packaging, limiting food waste and/or engaging in upcycling efforts, and generally making positive environmental decisions.
- **There's no one-size-fits-all approach when it comes to health and what consumers want.** Instead, it's all about personalization, as each consumer considers the diet and foods that fit their goals, age, and lifestyle.
- Social media and younger consumers' desire for novelty means **fads have become microtrends**, or legitimate trends that have a place in the industry for a short period of time.
- **Pickup and delivery across foodservice and retail are here to stay**, with adoption levels well above where they were prior to the pandemic for the future. But high prices and fees, plus a sorting out of which brands and options are truly beneficial to consumers, will cause some delivery brands to shrink or close.
- Above all else, **innovation is essential.** Consumers want new, exciting foods and flavors. One lesson from the 2008 recession: don't lock yourself into low prices and value meals.

87%
OF FOOD INDUSTRY OPERATORS ARE WORRIED ABOUT INFLATION IN 2023

It's their top industry concern, above a recession, labor shortages, supply chain issues, and COVID.



2023 FOODSERVICE FORECAST

Which segments will grow in 2023 and which will decline? Find our 2023 segment forecasts here, produced in conjunction with the International Foodservice Manufacturers Association. These numbers reflect overall consumer spending in each segment adjusted for inflation, which we project will average 7.7% in 2023. Overall, we expect consumers to spend \$855 billion in prepared foods and non-alcoholic beverages in 2023, up from \$794.8 billion in 2022.

	2020	2021	2022	2023
QSR	-14.0%	+3.8%	+3.1%	-0.8%
Fast Casual	-24.0%	+8.6%	+1.5%	-1.3%
Midscale	-36.0%	+6.6%	+0.2%	-2.2%
Casual	-36.0%	+13.8%	+6.0%	-1.2%
Fine Dining	-44.5%	+19.0%	+11.0%	+0.2%
Supermarket Prepared Food	-2.6%	+2.8%	+3.4%	+1.2%
C-Store	-21.7%	+5.0%	+2.8%	+0.6%
K-12	-26.5%	+10.9%	+3.3%	+2.2%
C&U	-46.0%	+27.2%	+17.3%	+3.2%
B&I	-60.1%	+37.1%	+11.0%	+0.2%
Recreation	-64.1%	+63.8%	+19.3%	+3.7%
Lodging	-60.8%	+39.9%	+9.4%	+3.1%
Hospitals	-39.9%	+5.6%	+9.3%	+2.1%
Long Term Care	-11.1%	-2.8%	-2.9%	-1.9%
Senior Living	-7.0%	-4.0%	-3.5%	-3.0%

SOJU



Third fastest-growing spirit on menus.



SPICY MAPLE

The next hot honey.

LONDON FOG



UBE



Obviously ↗

Up 100% on menus in the last year alone.



MANGONADA

The fastest-growing item on menus last year.

RANCH WATER



10 FLAVORS & INGREDIENTS THAT WILL BE EVERYWHERE IN 2023

Driven by floral flavors and alternative milks in coffee and tea.

Keep an eye out for yuzu on more chain menus.

YUZU



Also obviously.



BIRRIA



Look for more mushroom snacks and unique varieties like Lion's Mane on menus.



MUSHROOMS

SALSA MACHA



+339% on menus in the past 4 years.

GENERATIONAL TREND

INTRODUCING GEN ALPHA

35%
of restaurant operators say that Gen Alpha is already important to their business

Is it too early to start caring about Gen Alpha? Is it ever too early to start thinking about what the future consumer will look like? In fact, Gen Alpha is already impacting household purchases, while a new generation of kid influencers are using social media to drive trends well beyond their immediate friends and family (Green Giant recently announced a partnership with Tariq the "Corn Kid"). The oldest members of this generation are also starting to hit their teenage years, when they begin to start making purchasing decisions for themselves and developing their own preferences.

So who is Gen Alpha? It goes without saying that they are more diverse than ever, while globally, much of this generation's growth will come from population centers like China, India, and Nigeria, according to Australia's McCrindle Research, which is credited with developing the "Gen Alpha" moniker. Their familiarity with technology is unparalleled, with many of them playing with iPads as babies, learning virtually during COVID, creating content for social media, and spending lots of time in virtual worlds like Roblox.

Gen Alpha is mostly comprised of the children of Millennials. They grew up with parents who were likely foodies and were concerned about options like clean ingredient lists and sustainable packaging. At the same time, their Millennial parents are raising them on the same nostalgic brands that they grew up with and reminisce about on social media.

There's a lot of uncertainty for Gen Alpha. As the first generation to be born completely in the 21st century, they didn't experience 9/11 or the 2008 recession, but they are already experiencing pandemics, possible new recessions, political conflicts, the climate crisis, and they'll be tasked with taking care of an aging population in the future.

It's impossible to fully know what Gen Alpha will look like, but a picture will start coming into focus in 2023. As you develop your long-term plans, consider what this future consumer group looks like. And stay tuned for Datassential's full *Gen Alpha Keynote Report*, launching in 2023.

<p>BORN BETWEEN 2010-2024</p>	<p>GEN ALPHA IS EXPECTED TO NUMBER NEARLY TWO BILLION PEOPLE BY 2025</p>	<p>THE OLDEST MEMBERS OF GEN ALPHA ARE JUST HITTING THEIR TEENAGE YEARS</p>
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AI can take this original cheeseburger concept...



...and add pizza sauce...



...and jalapenos...



...or transform it into a chicken sandwich...



...or a "taco sandwich"...



...or even a fried baloney quesadilla sandwich with kale, queso, red onion, and mayo.

TECH TREND 2023: THE YEAR AI CHANGES EVERYTHING

When DALL-E 2, an artificial intelligence system that can create images from text, was released to the public last year, something felt different. Powerful AI systems had been predicted for years — Datassential has included AI as part of our annual food trends multiple times — but the images that DALL-E 2 created felt like a huge leap forward, with the results both magical and useful at the same time. In fact, AI has been getting almost scarily good — it's writing songs and books, it's winning art awards, and it even created the image on the cover of this magazine. Now you can think of a recipe and AI can generate an accurate mockup of that product in seconds. Want to tweak it? Just change the wording, like we did in the burger at the left. Don't know where to start? Let AI write the recipe for you — **77% of consumers say they'd be open to trying a dish or product created by a computer.** Last month, *The New York Times* created a Thanksgiving meal based on recipes that an AI engine had created. While the results were still a little odd (one garlic clove flavored a 12-pound turkey), it's clear that creative, workable recipes are no doubt coming in the future. In the meantime, humans and AI engines are working together, with AI laying the groundwork or giving humans ideas to bounce off of (the AI engine developed a naan stuffing based on writer Priya Shah's Indian background). In the long term, AI will revolutionize many aspects of the food industry, from agriculture to food safety, concept development to production, marketing to personalization, and beyond.



7 WAYS AI IS ALREADY MAKING ITS MARK

1. Two Panera Bread locations in New York have been testing AI engines that take drive-thru orders.
2. Google uses AI to predict and detect floods and wildfires, allowing the company to notify those potentially impacted, including farmers and wineries.
3. An AI-enabled fish gate in Norway keeps invasive salmon out of waterways.
4. Plant-based meat company NotCo uses AI to tweak recipes in response to supply chain challenges.
5. Subway's new smart fridges use AI and natural language processing so consumers can interact with them and ask questions.
6. John Deere's fully autonomous 8R tractor uses AI to navigate, plow, and plant crops.
7. Datassential has been using AI for years. Haiku, our machine learning engine, projects menu penetration for foods and flavors four years into the future.

AI CAN DEVELOP NEW RECIPE OR PRODUCT ITERATIONS FOR IMMEDIATE CONCEPT TESTING

After years of media attention and new products hitting the market, have plant-based meat products hit a wall? Or, more seriously, are they on the way out? Not exactly. As we've been saying for years, changing meat consumption patterns is the type of shift that will take decades, not a few years. But if it's going to happen, the segment will have to create a clear and compelling reason for consumers to make the switch. According to our data, **1 in 5 consumers say they currently or previously purchased plant-based meat, but they don't plan to continue.** Why? The top reasons are that they only tried them out of curiosity and that they're too expensive, while a large number of consumers also say they still don't taste as good as animal-based meat. But a healthy portion of consumers — **40%** — **say they plan to purchase plant-based meat substitutes in 2023, with Millennials being the most likely (48%).** With new plant-based products, categories, and menu items on the horizon, the plant-based meat industry is still growing, but a clear and compelling message and products that are priced competitively and taste just as good — if not better — than traditional meat will be key.

Here's where consumers stand on a few other trends as we head into 2023:

- **What about the metaverse?** There was a lot of hype about the metaverse (**according to our data, 73% of consumers now say they've heard the term "metaverse"**), but recent stumbles by companies like Meta have called our digital future into question. As we noted last year, it all comes down to how you define it. A metaverse where digital information becomes an augmented part of our reality, instead of just something we interact with on a flat screen, is inevitable. As technology advances and tech-native consumers age, fully digital environments will also become more compelling.
- **Are digital finance tools like cryptocurrency and NFTs dead?** It's a question a lot of finance experts are trying to determine after the collapse of FTX, the cryptocurrency exchange. Meanwhile, many are asking the same thing about NFTs, or non-fungible tokens, the digital art/goods that can be bought and sold (the most famous being Bored Ape). In both cases a lot of hype and bad actors have shaken faith in the technologies. Whether they survive depends on whether trustworthy, legitimate organizations make use of the underlying technology and ideas. Regulation may be coming for cryptocurrency, while restaurants continue to announce new NFT initiatives.
- **Do consumers still want CBD?** Yes. **Today, 29% of consumers purchase CBD, with Millennials and Gen Z being the most likely to purchase.** That's a healthy number for a product category that barely existed nationally a decade ago. **But 64% of consumers agree that CBD has health benefits.** There is an opportunity to turn those consumers who believe CBD has health benefits, but don't currently purchase CBD products, into buyers by offering competitive products, innovative categories, and more concrete data on its efficacy.
- **Were ghost kitchens and virtual brands a pandemic flash-in-the-pan?** No. Like so many hyped up trends, some options are being winnowed out while the good ideas rise to the top. In a world where delivery is prevalent, there simply isn't a need for every restaurant to have a dining room. According to our data, **63% of consumers agree that a delivery-only restaurant is fine as long as the food is tasty, safely prepared, and a good value.** Major chains, which can lean on the trust they have developed with consumers, have seen particular success developing ghost offerings. In the short term, however, price sensitivity will make consumers' top complaint about delivery options even more painful — the high prices and fees.

40%

of consumers say they plan to purchase plant-based meat substitutes in 2023



PLANT-BASED TREND

IS PLANT-BASED MEAT DEAD?

AND THE OUTLOOK ON OTHER KEY TRENDS, FROM NFTs TO THE METAVERSE, GHOST KITCHENS TO CBD

CHICKEN N PICKLE

DESIGN TREND A NEW THIRD PLACE

Humans are still social creatures. While the pandemic made that difficult for a few years, it didn't fundamentally alter the fact that people still want to go on dates, meet friends, have a meal with family, engage in their community, and get out of the house. As Starbucks realized years ago, consumers need a "third place" beyond work and home to do that, which has often been a restaurant or cafe. But now that many Starbucks locations are mainly used to pick up drinks ordered online and restaurants have gone all-in on delivery and drive-thrus, there's an opening for a new generation of third places that fit modern consumer needs. That's even more true now that many consumer's "second place" — their school or office — has moved into their first place, their home. According to our latest data, **only 35% of people are going into an office or job 100% of the time post-pandemic.** Now restaurants are becoming co-working spaces during the day (and offering up social experiences when the clock hits 5 p.m.); massive eatertainment venues focused on tech-centric mini golf and America's favorite new sport, pickleball, are opening; and even new builds primarily focused on pickup and delivery are including bean bag games and picnic tables.

Elaborate pickleball venues like Chicken N' Pickle, which has six locations and six more on the way, are exploding across the country.

"IF YOU'RE A BRAND, YOU'RE NOT GOING TO ACHIEVE SOMETHING UNLESS YOU ARE GOING TO TAKE RISKS AND DO SOMETHING THAT NO OTHER BRAND HAS EVER DONE IN THE PAST."

Abel Czupor, CMO of the relaunched RadioShack, to Input

It's time to get a little weird. After a few sobering, serious years, consumers are ready for brands to have a little fun again. In fact, we're entering a new "golden age of weird," where social media platforms like TikTok are forcing brands to be more authentic and irreverent. In an environment where consumers can easily call out BS and algorithms only let the most engaging content through, brands need to get creative. Coca-Cola has released a number of experimental varieties based on abstract concepts like "space" or "dreams," which showcase a remarkable trust in the consumer to try

something a little avant garde. Brands like Simulate often aren't even recognizable as food brands, with an Instagram feed that is full of surreal memes. A new generation of chefs are also rethinking the staid concept of a restaurant, opening up new, irreverent spaces in their own image. Chef Imana proudly calls her Oakland fine dining restaurant "vulgar," while Telly Justice and Camille Lindsley who opened New York's HAGS restaurant encourage patrons to bring food for the team. Post-pandemic, the worst thing you can do is go back to business as usual.

BRANDS THAT CONSUMERS SAY HAVE AUTHENTIC PERSONALITIES

Earlier this year we asked consumers which brands they thought had particularly weird, authentic, or original personalities. Some of the common themes that popped up over and over again were brands with particularly strange marketing campaigns or over-the-top marketing (Liquid Death), brands that used real people in marketing (Culver's), brands with unique products or menu items (the Kraft/Van Leeuwen Mac n' Cheese Ice Cream partnership), brands with distinct cultures or rituals (the Aldi quarter), and brands that stood for something (Ben & Jerry's). Other food brands consumers mentioned multiple times included Soylent, Trolli, Johnsonville Sausage, Mommy's Time Out Wine, Voodoo Bakery, Jones Soda, Trader Joe's, Hip Hop Chips, and Doritos.





HEALTH TREND BUILDING A BETTER BACK OF HOUSE

How do we make the food and restaurant industry a better industry to work in? As the hospitality sector has struggled to bring workers back after pandemic cuts, operators across every segment are rethinking what a job in the food industry can and should look like. Companies are increasing pay, adding more perks and benefits, creating more stable schedules, and developing clear opportunities to learn and grow. Designers and builders are rethinking every aspect of the kitchen, creating a space that is safe and less taxing on the body. Faced with rising instances of customer abuse, some employers are rethinking the "customer is always right" mentality, allowing employees to push back or rethinking how they are trained or the positions they are put in. Taking care of employees' mental well-being is also taking center stage, with some companies adding free therapy services or dedicated self-care spaces to take a break. According to our data, **84% of industry operators say taking care of their employees' mental health is important to them, and nearly half offer mental health benefits like access to a therapist or apps for mental health.** There's a long way to go, but it's clear that the industry can't go back to the way things were.

87%
of consumers say working in the restaurant/hospitality industry is a difficult job



SOCIAL MEDIA TREND

VIDEO KILLED THE INSTAGRAM STAR

It seems like the food industry only just figured out how to cater to the importance of photography and Instagram and now it's all being replaced by video. The rise of short-form video like TikTok, in particular, and its sway over younger generations, means video is impacting everything from marketing to what users want from a restaurant or product experience. **While 41% of consumers overall say they have used TikTok, nearly 80% of Gen Z has, with nearly half of them saying they have uploaded content to the platform.** Now consumers don't just want that static shot of a colorful dish on a pretty background, they want action — cheese pulls, sauce drips, drink pours, tableside preparations. Restaurants are taking videos of a dish being prepared for social media and even linking to them with QR codes on menus, while major brands and chains are also featuring more videos on digital menu boards. A third of industry operators say they've already showcased their business in an online video.

43%

of consumers have taken a video of a dish at a restaurant or a meal at home

67% of Gen Z
54% of Millennials
40% of Gen X
18% of Boomers

What are consumers using?

- 77%** — YouTube
- 48%** — Facebook Stories
- 45%** — Instagram Stories
- 44%** — Instagram Videos
- 41%** — Facebook Live
- 41%** — TikTok
- 38%** — Instagram Reels
- 35%** — Snapchat Video
- 27%** — Twitter Video
- 25%** — TikTok Live
- 11%** — BeReal

CUISINE TREND NUANCED AUTHENTICITY

What does it mean for a food, recipe, or dish to be authentic? It has been a fraught topic in recent years, as consumers and chefs debated everything from mashups to cultural appropriation. But that initial furor is giving way to a more nuanced conversation about what authenticity means. That often means understanding how a chef or cook's total background, heritage, and wide range of experiences inform their restaurant concept or menu. It means acknowledging that foodways and cuisines have changed as people have moved around the world and communicated with each other. And sometimes it means chefs are just looking to have some fun with bold, brash flavors again, wherever they come from. So what makes this movement different today? It still means continuing to center and celebrate marginalized groups, giving them access to the kitchens and development labs where they have the latitude and resources to showcase their full background and viewpoint in a way that is authentic to them and celebrates quality and technique.



SUSTAINABILITY TREND REGENERATIVE AGRICULTURE GROWS

Look for the term "regenerative agriculture" to show up everywhere in 2023. What is it? Regenerative agriculture or farming refers to a wide range of farming principles and practices that, taken together, aim to restore crop and soil biodiversity, remove carbon from the atmosphere and sequester it in soil, improve water quality, and ultimately make agriculture sustainable. While it's an old idea in practice, it takes many modern sustainability practices found in agriculture and considers how they can work together holistically. **Today only 20% of consumers say they've heard the term "regenerative agriculture,"** but that's about to change as it shows up more often in the media, on food packaging and in marketing, and even on menus. Indeed, **while the term may be new to consumers, 70% of them agree that the food they eat should be grown on farms that use sustainable practices.**

VERJUS



Chefs are rediscovering this ancient grape juice.

PLUS

10

FLAVORS & INGREDIENTS

TO HAVE ON YOUR

RADAR

BEFORE THEY HIT IT

BIG

Growing in winter baked goods

CHESTNUT FLOUR



The path to legalization is driving new strains, flavors, and products.

NEXT-LEVEL CANNABIS



Dramatic color

BLACK TAHINI



Trickling down from fine dining

PICKLED STRAWBERRIES



Making its way from Japan (where it's called sakura) to the U.S.

CHERRY BLOSSOM



WHITE COFFEE



There's always room for coffee innovation on menus and retail shelves.

SISIG

Driven by the growth of Filipino cuisines.



MSG



Many consumers understand it got a bad rap, and now chefs are calling it out on menus and in drinks.

SAVORY GRANOLA



See it on breakfast menus and in savory bowls.

WHAT ADVICE WOULD CONSUMERS GIVE TO THE FOOD INDUSTRY FOR THE YEAR AHEAD?

“I am more interested in what is in food that what is not in it. I care more about vitamin content, calcium, protein, and the like than I do calories and fats. Nutrition density is important.”

“I want **new and exciting spicy dishes.**”

“**Better farming practices and less recalls** and more inspections at food facilities. There are so many recalls because of microbial contamination.”

“I would like to see **more sustainable seafood dishes** prepared in a healthy way.”

“Stay strong because the economy has been rough, but **they are appreciated.**”

I would like to see **more healthy items in supermarkets.** I would like to see less processed food and more natural foods from the food industry.”

“I want **scalable meals**, or the ability to order smaller or larger portions than the regular meal. I order a child’s plate when it is allowable.”

“**Pay your employees a good wage.** Be careful with your employees who deal directly with the customers; they reflect heavily on your business.”

“Prices are high due to inflation, but service and food quality are also down. This is disappointing and if it continues I will just choose to stay home. **I go out mainly for the experience.**”

“**Lower prices.** I know you are all hurting, too, but it’s simply become unaffordable. Possibly offer smaller portion sizes for a lower price.”

“**Deliver to rural areas** where people really need your services.”

“I am fine with plant-based food, but please **try to make it healthier than the regular meat**; otherwise, it’s not beneficial to switch.”

“I am really interested in seeing **more fusions of food** like the sushi burrito, or there is an ice cream and waffles place near me. Just being more creative with food.”

“**Stop using numbered dyes** in your products.”

“**I want to see more in-restaurant dining.** It totally irritates me that most Pizza Huts you can’t dine-in anymore. Pizza Hut is an experience. Without the experience, I won’t pay their prices.”

“I challenge the food industry to **make french fries always look like Gordon Ramsay made them from scratch.**”

“I would like to see **the return of the soup and salad bar.** I love all-you-can-eat soups and salads.”

“Please **do not decrease the size of the servings or decrease package sizes while raising prices.**”

“Be authentic, be creative, be honest, and **respect your customers.**”

“**I still see such incredibly unhealthy food being promoted on restaurant menus** and I really have an issue with the amount of saturated fat and sodium that’s present in a lot of vegan ‘substitute foods.’”

“I would like to see **more rewards or discounts** for recurring/subscription types of purchases.”

“I would scream to the food industry to **use fresh, high-quality ingredients and buy locally!**”

“**Don’t throw away so much food.**”

“I love trying new foods, so **keep creating!**”

“I would love to see some **old classics from the '90s and early 2000s** come back, but I am also excited to see new and innovative foods coming out.”

“I want **ample, simple meals** that are well-seasoned and thoughtfully prepared.”

“**Smaller packaging.** Not these big packages that I have to repackage myself.”

“I have gotten used to **heightened cleaning protocols** and want to see them continue.”

“Just **bring back the McDonald’s Snack Wrap**, please.”

2023 TRENDS

Print Me!

AT-A-GLANCE



Introducing Gen Alpha: Born between 2010 and 2024, the oldest members of Gen Alpha are just entering their teens. They already impact what their family buys, while a generation of kid influencers are having wider impacts. This generation was largely raised by their Millennial parents, will be more diverse than ever, and have used technology since they were babies.

The Year AI Changes Everything: Artificial intelligence is progressing quickly and will have huge impacts on the food industry. Platforms like DALL-E 2 mean that any dish or product imaginable can be immediately brought to life, and these systems will develop new dishes or products themselves in the future.

Are These Trends Dead: Options like plant-based meats, cryptocurrency, NFTs, the metaverse, and ghost kitchens saw a lot of hype, but were they overhyped? For most of them, they are hitting a natural part of the trend process where the bad ideas die off and the truly good ideas stick around, though each has hurdles to overcome. For plant-based meats, **40% of consumers plan to purchase them in 2023.**

A New Third Place: Humans are still social creatures and need a third place — a place beyond home and work — more than ever. A new generation of restaurant, retail, and eatertainment concepts can fulfill that need for a place to get work done, go on dates, engage with the community, and have a meal with friends and family.

Let's Get Weird: After a few sobering, serious years, it's time to get a little weird and playful again. Consumers are looking for brands that are authentic, which often means cutting through the noise by taking risks.

Creating a Better Back-of-House: As the hospitality sector has struggled to bring workers back after pandemic cuts, operators across every segment are rethinking what a job in the food industry can and should look like. That means reconsidering every aspect of the job, from pay to the design of the back-of-house to mental health and well-being.

Video Killed the Instagram Star: Just when the industry got a handle on photography, consumers have now shifted over to short-form video platforms like TikTok. Video will be increasingly important to the food industry in the future, from creating videos of dishes or products being prepared to creating items and spaces that are video-friendly.

Nuanced Authenticity: Authenticity has been a fraught topic in recent years, but that initial furor is giving way to a more nuanced conversation about what authenticity means. Today it often means taking a chef's full background and experience into account while still centering marginalized voices.

Regenerative Agriculture Grows: The term "regenerative agriculture," which is a holistic look at farming practices in relation to soil health and overall sustainability, will show up in the media, on products, and even on menus more in 2023.

2023 KEY INDICATORS

- We project **consumers will spend \$855 billion in prepared foods and non-alcoholic beverages in 2023**, up from \$794.8 billion in 2022.
- If we've learned anything from the past few years, it's to **expect the unexpected**. In 2023, businesses will have to continue to create nimble organizations that can quickly adapt and react to changes.
- According to our data, **over half of consumers think we'll enter a recession in 2023, while 27% think we're already in one**.
- What will a recession mean? **Economic inequality means it will look very different from consumer to consumer**. Luxury brands and premium products are reporting record sales, but most consumers are already feeling the strain of high prices.
- **Technology will help operators survive**. As margins continue to be squeezed, tech investments will pay off in the long run.
- **Sustainability is back**. While consumers may have given companies a pause during the pandemic, now they want to see brands using sustainable packaging, limiting food waste, and generally making positive environmental decisions.
- **There's no one-size-fits-all approach when it comes to health** and what consumers want. Instead, it's all about personalization, as each consumer considers the diet and foods that fit their goals, age, and lifestyle.
- Social media and younger consumers' desire for novelty means **fads have become microtrends**, or legitimate trends that have a place in the industry for a short period of time.
- **Pickup and delivery across foodservice and retail are here to stay**, with adoption levels well above where they were prior to the pandemic for the future. High prices and fees, plus a sorting out of which brands and options are truly beneficial to consumers, will cause some delivery brands to shrink or close.
- Above all else, **innovation is essential**. Consumers want new, exciting foods and flavors. One lesson from the 2008 recession: don't lock yourself into low prices and value meals.

10 FLAVORS & INGREDIENTS THAT WILL BE EVERYWHERE IN 2023

- Mangonada
- Yuzu
- Spicy Maple
- Ube
- Mushrooms
- Birria
- Salsa Macha
- Soju
- London Fog
- Ranch Water



10 FLAVORS & INGREDIENTS TO HAVE ON YOUR RADAR

- **Cherry Blossom/Sakura**
- MSG
- Verjus
- Next-Level Cannabis
- White Coffee
- Savory Granola
- Pickled Strawberries
- Sisig
- Black Tahini
- Chestnut Flour





WHAT ELSE ARE THE DATASSENTIAL EXPERTS PREDICTING FOR 2023?

"Wacky brand collaborations brought smiles to our faces this year and we will see even more of them in 2023.

As a kid I had a Mr. Bubble and Goldfish T-shirt among my prized possessions. There is something magical about making these brands that are household names a part of our identity. Clothing, accessories, makeup, and more — we've only scratched the surface of what is possible."

Ann Golladay
Senior Director

"Whether it's focusing on foods that benefit the mind — both emotionally and cognitively — or avoiding those that are detrimental to mental health, eating and drinking for mental health is a trend that I predict will continue to take center stage."

Jessica Werley
Research & Insights Manager

"Can this maybe really be the year of the modern relish tray?"

Pickled, fermented, preserved, and marinated foods of all kinds are trending. Any and all types of boards are having a moment. It is time for the Midwest holiday and potluck staple, the relish tray, to have a resurgence."

Claire Conaghan
Associate Director

"For 2023, I predict we will see more introductions of classic, but no longer menued favorites from large chains (thinking fondly of you Taco Bell and your recently reintroduced Mexican Pizza). Beloved dishes like McDonald's McRib, KFC's Double Down, and Pizza Hut P'Zones once brought unabashed joy to happy customers. Let us hope this joy returns."

Gerald Oksanen
Research & Insights Manager

"Focaccia. If 2020 was the year of sourdough, I'm hoping that 2023 is the year of focaccia and everyone can realize its versatility and deliciousness. From a side item, sandwich bread, to a full entree, focaccia can do it all. Want something savory? Top it with pepperoni, onions, olives, or cheese. Something sweet? Drizzle honey over it, add figs, plums, or hazelnuts. An underappreciated miracle bread, in my opinion."

Stephen Davis
Senior Specialist

"The growth of Baru nuts! These 'healthiest nuts in the world' are high in protein, fiber, and antioxidants and have fewer calories than other nuts. They're delicious and healthy, and not only great for human health, but planet health, too."

Marie Molde
Senior Manager, Product Marketing

"Borscht! This builds off of last year's prediction for Eastern European trends. There are so many varieties, but I'm partial to the red beet version that can include beef or be vegetarian. Borscht reminds of that Mean Girls quote where Gretchen Weiners is talking about Caesar (or, really talking about Regina George), and to borrow that phrasing, I'll say 'Borscht is just as cute as tomato soup; borscht is just as smart as tomato soup!' and why can't there be more borscht?"

Emily Murawski
Manager, Client Services

"I'm going to go out on a limb here and say that with everything being about high prices and inflation nowadays, there's going to be a second wave of nose-to-tail, offal, and off-cuts in general. I think this also ties in with sustainability efforts."

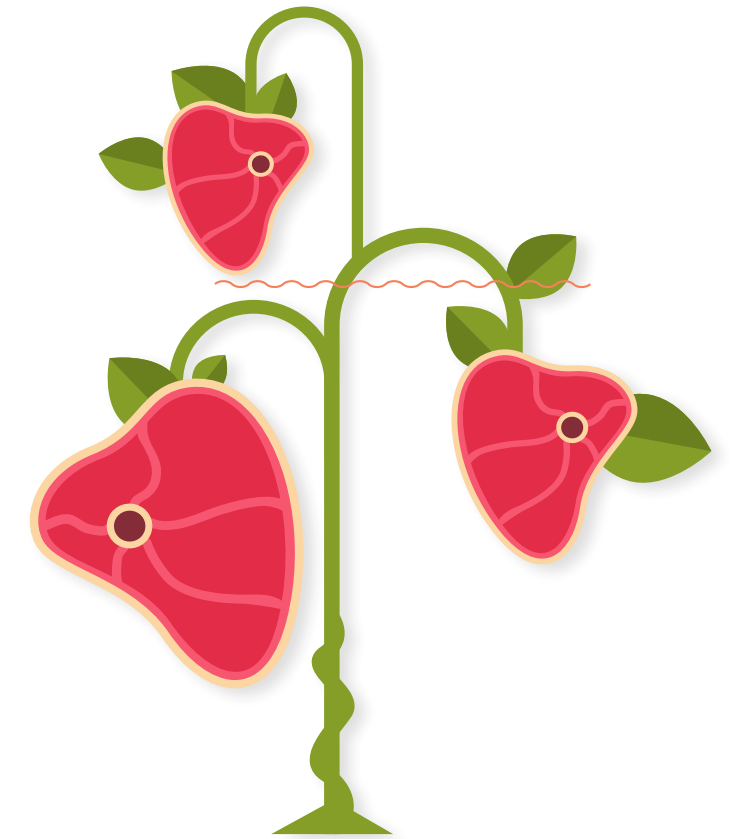
Renee Lee Wege
Senior Publications Manager

"I think a trend that's going to continue to decline is meal kits. As an alternative to meal kits are restaurant-prepared family meals, which I think will stick around post-pandemic, since they're easily reheated at home and require no prep whatsoever, making them truly convenient options for busy families."

Jaclyn Marks
Publications Manager

WHAT'S COMING UP NEXT MONTH?

Get a sneak peek at Datassential's new *Plant-Based Keynote Report* (one of the most-asked for topics by readers) in next month's edition of *FoodBytes!* Explore consumer and operator insights, and see what's growing and declining in interest when it comes to plant-based items.



HUNGRY FOR MORE TRENDS? Check out these related Report Pro releases!



The State of the Menu 2022
In *Datassential's annual State of the Menu Report*, discover what post-pandemic menu trends look like.

Explore menu sizes across segments as well as menu parts from a year of both positive and negative forces. Historical analysis, a look at the trajectory of LTOs, and a deeper dive into persevering trends show that the road has been tough, but post-COVID recovery is in view.



TIPS: 2022 Midyear Trends
Our *Midyear Trend Report* is a great companion to our 2023 trends.

Released this summer, *Datassential's annual Midyear Trends Report* features plenty of data and trends that informed or set the stage for our 2023 trend forecasts. From menu winners to surprising data points, it's all still relevant to modern consumers and operators.




FoodBytes: 2022 Trends
Wondering if we got last year's forecast right? Dive into the *2022 Edition of our trend report*.

The trends and ideas featured in the previous edition of our annual trend report are still making an impact today, from the long-term impacts of COVID on consumers to the future of mental and mind health to how generational taste preferences are changing.




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