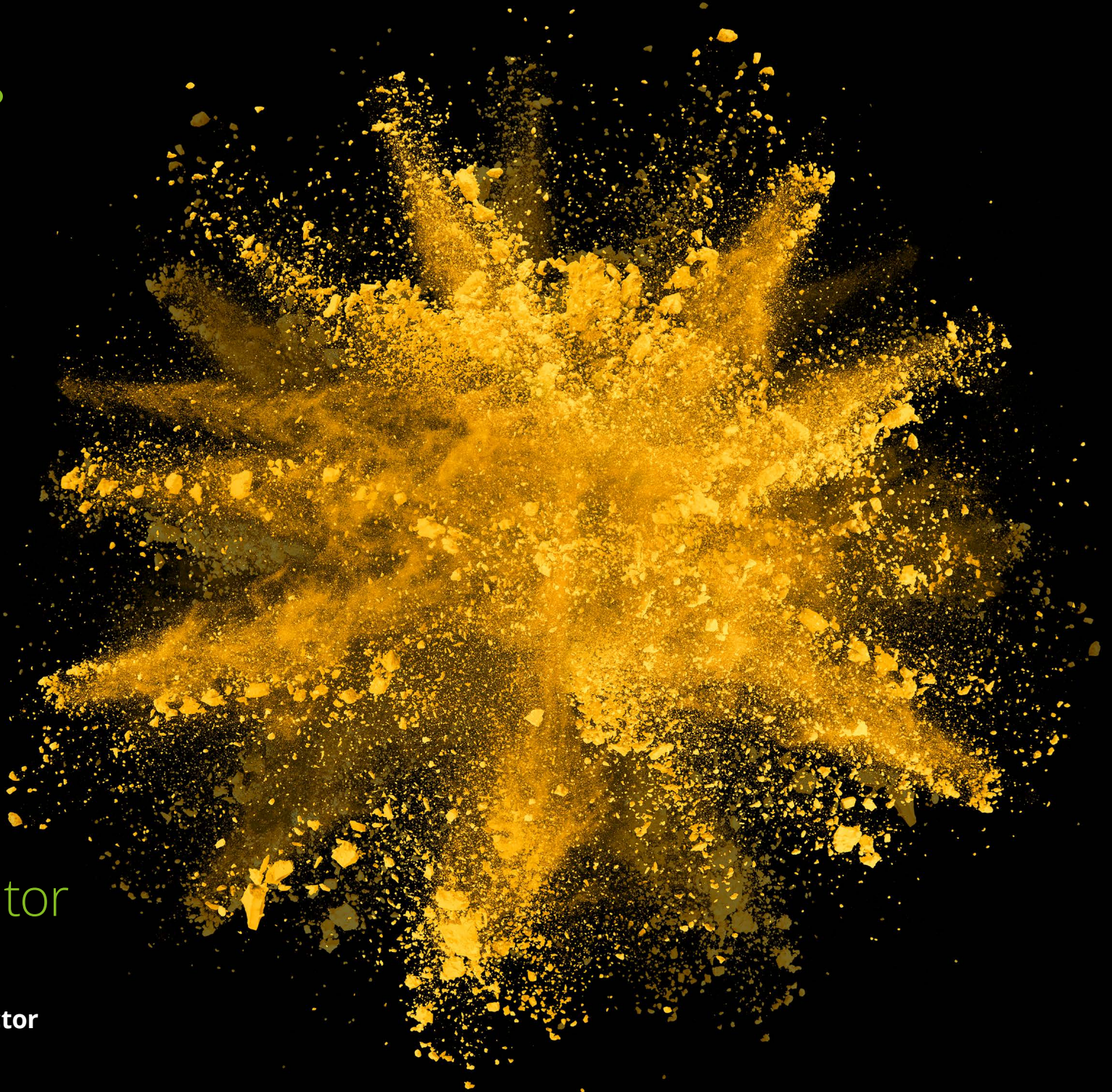


**Deloitte.**

Foodservice  
Market Monitor

**Evolutionary frontiers  
for the Foodservice sector**

2022 edition



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## FOODSERVICE MARKET EVOLUTION

- **Global Foodservice reached 2,221 B€ in 2021, with APAC covering 48% of the market. Full service restaurants the biggest type of restaurant, accounting for 48%**
- **The overall market showed a +15.6% growth in 2021 vs 2020, after the 2020 drop due to Covid-19; North America represents the highest growing region in 2021**
- **Focusing on type of occasion, Retail drove the 2021 rebound (+27.6%); in terms of consumption mode, delivery segment boomed in 2021 after 5y with double-digit growth**
- **Chains represent one third of the global market, showing a double-digit growth 2021 vs 2020 (+14.8%), mainly driven by Europe (+18.8%)**
- **APAC countries such as China, India and South Korea show the highest penetration of Full service restaurants, followed by Italy and France**
- **Top 10 countries represent ~84% of global FSR market. Italy is the first European country in FSR segment with a 2021 value of 31 B€**

## ITALIAN CUISINE IN THE WORLD

- **Italian cuisine worldwide is worth 205 B€ in 2021 (19% of global FSR market), with China and USA accounting for ~60% of the overall market value**
- **2021 showed a double-digit growth (30%) but**

**still below pre-pandemic values (2019) when the overall market size was estimated to be 236 B€ worth**

- **USA and Brazil are the countries with the highest penetration of the Italian cuisine on the overall Full Service Restaurant (respectively 33% and 28% of total), after Italy (94% of total FSR size)**
- **Analyzing top countries by Italian cuisine size, the Italian restaurants are mainly positioned as value for money, with Asian countries showing the highest incidence of premium price restaurants**

## CONSUMER TRENDS & MAIN CHALLENGES

- **Safety perceptions among consumers continue to reach new two-year highs, thanks also to the recent decrease of COVID-19 cases**
- **Consumers show an increased spending intent in Restaurants/takeout in most countries, even though UK & USA are slowing down**
- **Consumers are gradually returning to purchase offline, even though ~23% of them are still heavy online buyers of Restaurants/takeout**
- **Among consumption habits trends, wellness is driving the shift towards a more sustainable consumption**
- **The pandemic and now the war changed some dynamics in the FS industry, requiring restaurants operators to adopt new strategies to drive their growth path**

## FOODSERVICE MARKET OUTLOOK

- **Europe and RoW were the most impacted regions by COVID-19, but are expected to be the most dynamic regions after Pandemic; N. America is expected to return to pre-pandemic levels in 2022, APAC and Europe in 2023, Rest of World will recover in 2024**
- **Cafés and bars, street food and FSR will drive the growth in the next years with a CAGR 2021-2026 in a range of +5.6% and +8.1%; QSRs are expected to return to pre-pandemic levels in 2022, FSRs and Street food in 2023, Cafés and bars will recover in 2024**

## WRAP-UP ON BUSINESS OBJECTIVES

- **A series of industry trends are shaping business objectives of Foodservice operators: well being, digital drivers, liquidity, Integrated Front and Back Office Processes, Planning and Distribution Efficiency Enablers, Double-Digit Growth**
- **As technology transforms the broader consumer industry, the capabilities and tools in restaurants must also adopt new innovations that serve managers and staff**
- **Restaurant Transformation Imperatives to drive growth and profitability must include Front and Back of House Capabilities, Customer and Employee Engagement, combined with Next-Generation Digital Technologies**

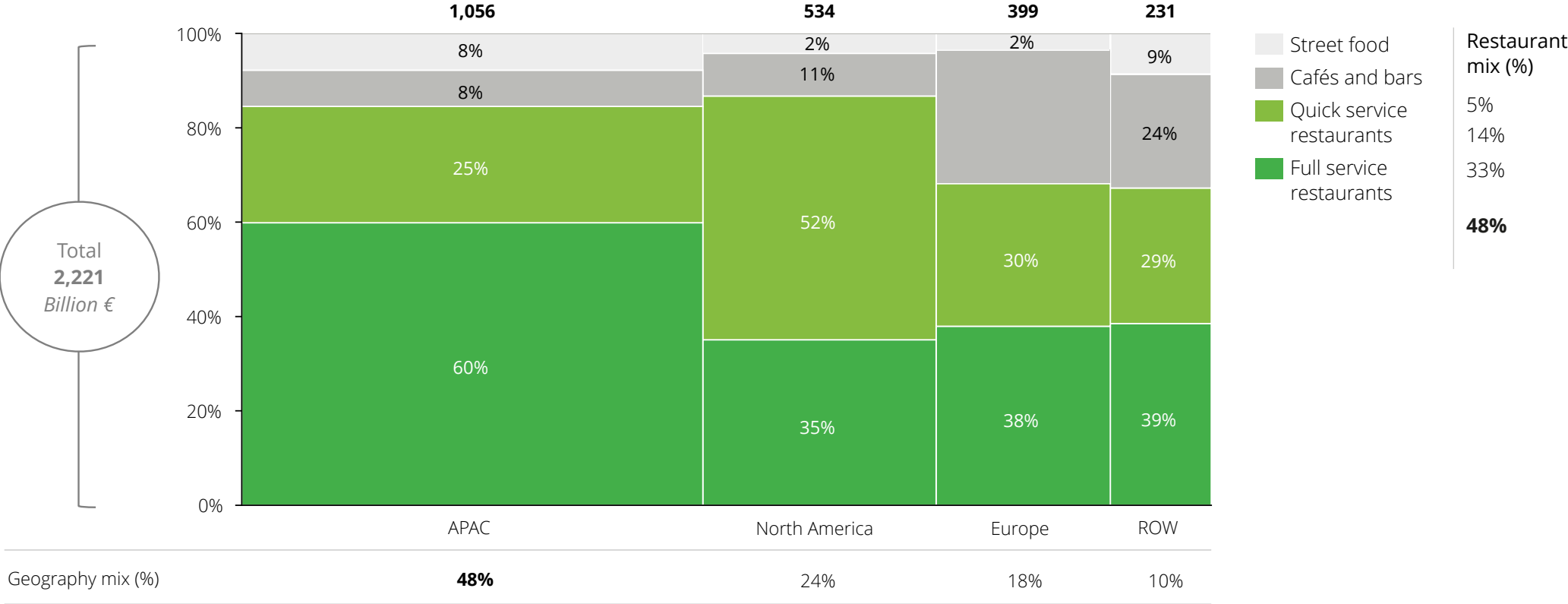
Market evolution



Global Foodservice reached 2,221 B€ in 2021, with APAC covering 48% of the market. Full service restaurants account for 48% of total

**Global Foodservice market by type of restaurant and geography 2021**

(Billion €; Percentage)

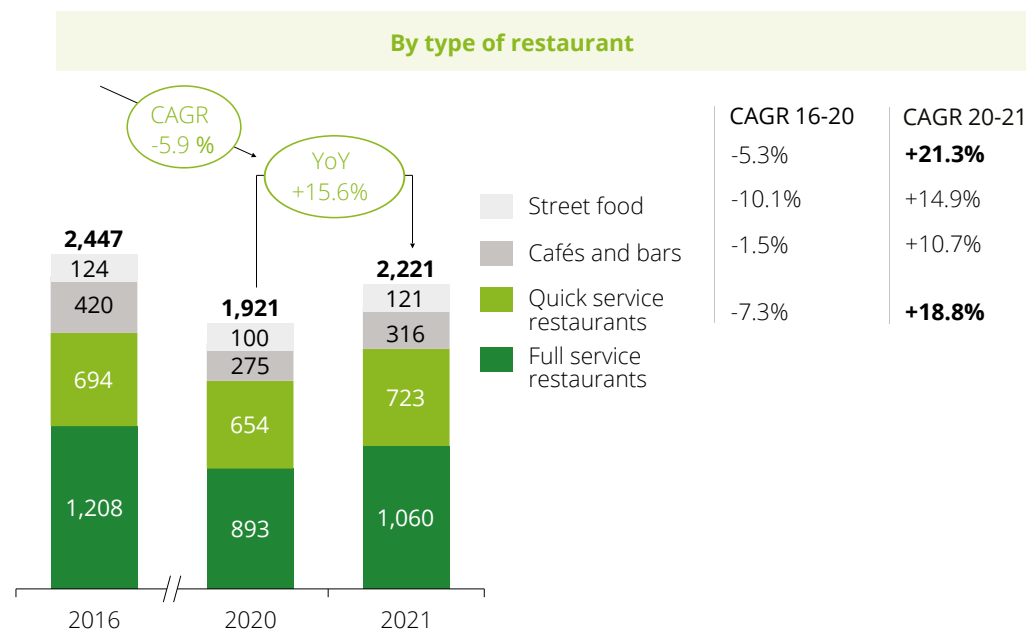
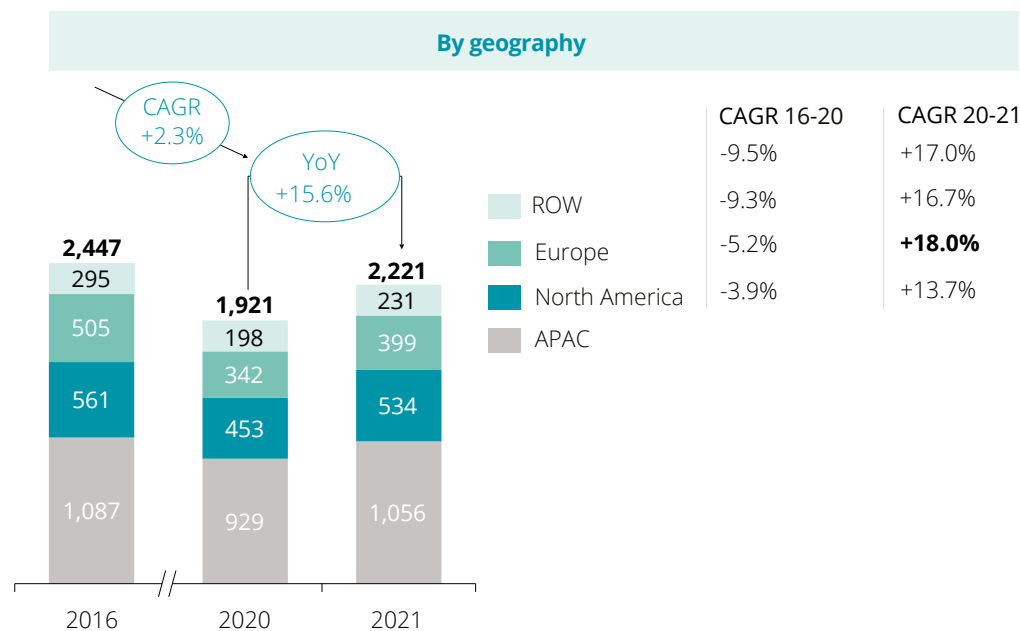



Note: numbers may not sum due rounding  
 Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)

The overall market showed a +15.6% Growth in 2021 vs 2020, with North America representing the highest growing region in 2021

### Global Foodservice historical market performance 2016-2021

(Billion €; Percentage)



 Full service restaurants drove the 2021 growth (+18.8%); Street food showed the highest 2021 growth rate (+21.3%), even though its absolute volume amounts to ~5% of total market

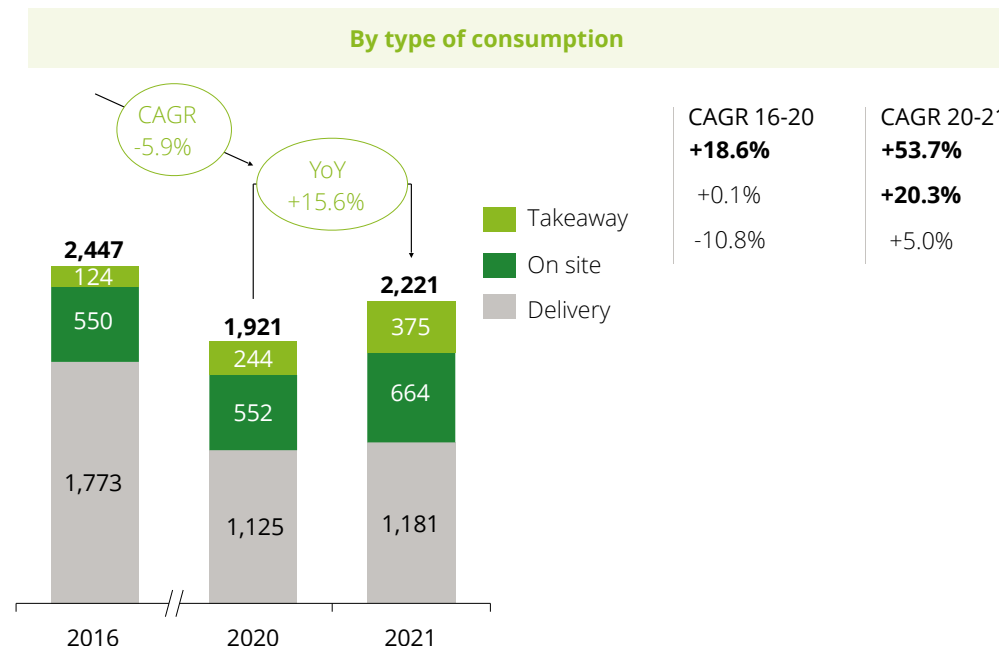
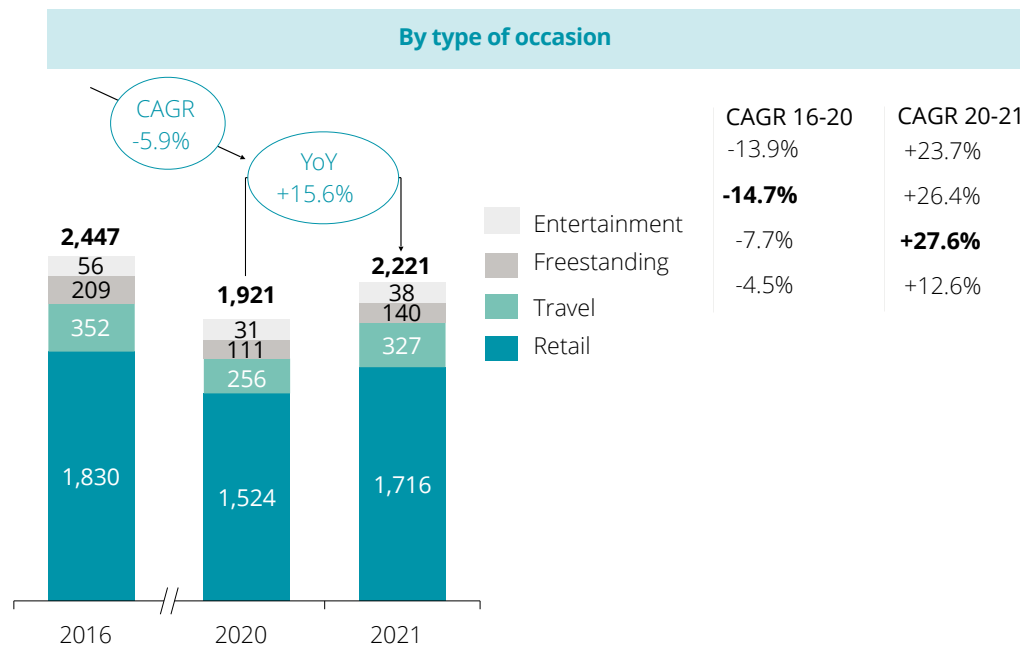
Note: numbers may not sum due rounding

Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)

Focusing on type of occasion, Retail drove the 2021 rebound (+27.6%); delivery segment boomed in 2021 after 5 years with double-digit growth

**Global Foodservice historical market performance 2016-20-21**

(Billion €; Percentage)



 On site consumption showed a lower growth rate in 2021 mainly due to Covid-19 in-restaurants restrictions

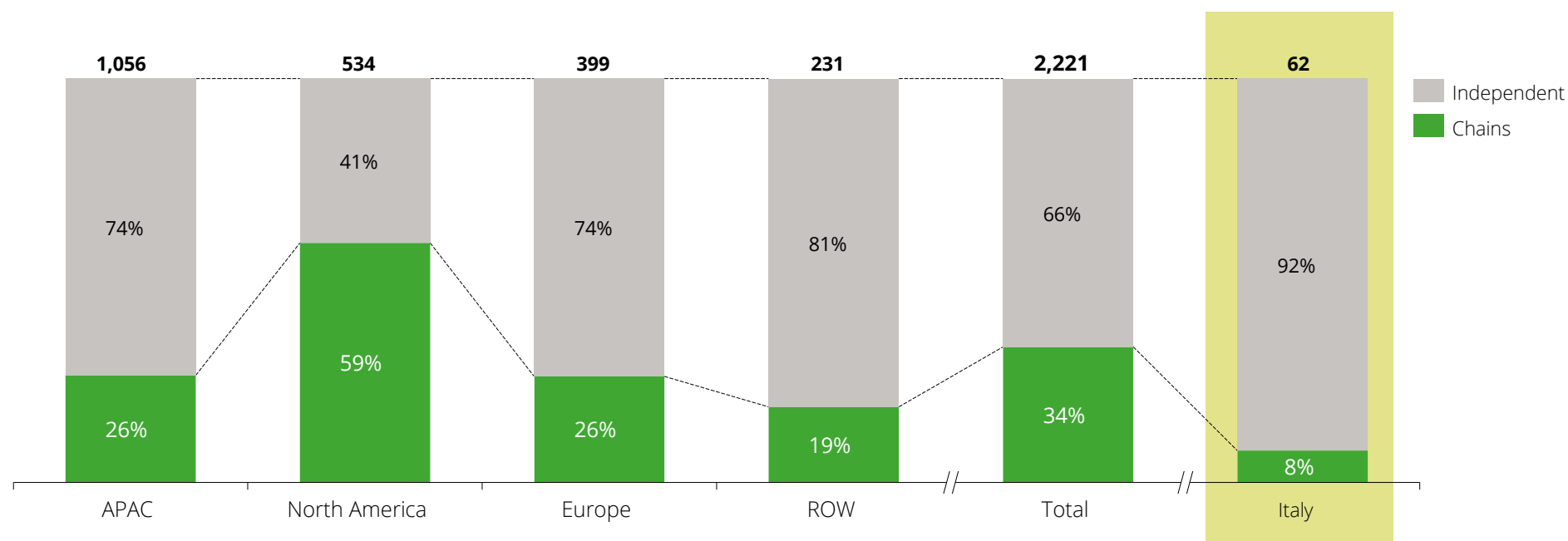
Note: numbers may not sum due rounding  
Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)



Chains represent one third of the global market, showing a double-digit growth in 2020-2021 (+14.8%), mainly driven by Europe (+18.8%)

### Global Foodservice market by ownership and geography 2021

(Billion €; Percentage)



YoY 20 -21 Chains (%)	+14.0%	+13.6%	<b>+18.8%</b>	+19.8%	<b>+14.8%</b>	+23.2%
CAGR 16 -20 Chains (%)	+0.0%	-2.3%	-5.4%	-5.8%	-2.1%	-7.5%

Note: numbers may not sum due rounding

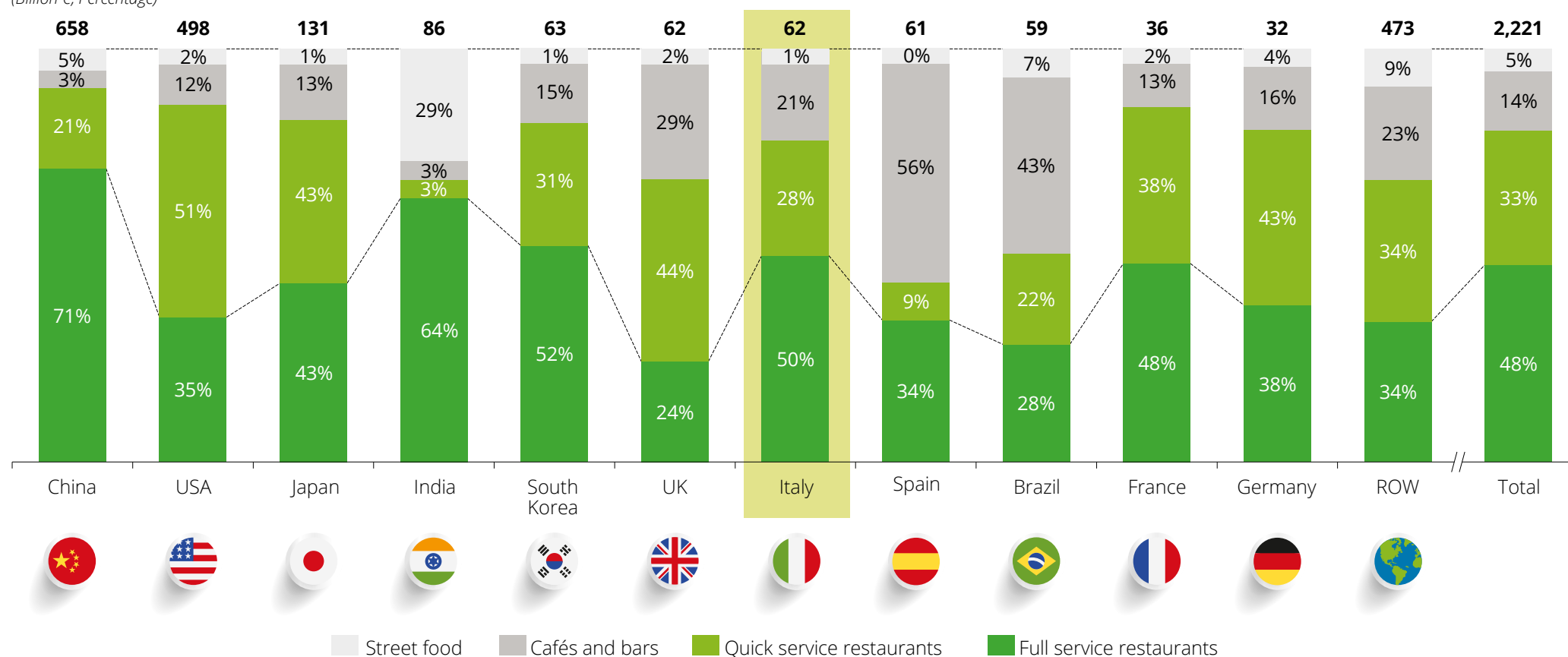
Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)



APAC countries such as China, India and South Korea show the highest penetration of Full service restaurants, followed by Italy and France

### Global Foodservice market by type of restaurant in Top countries 2021

(Billion €, Percentage)



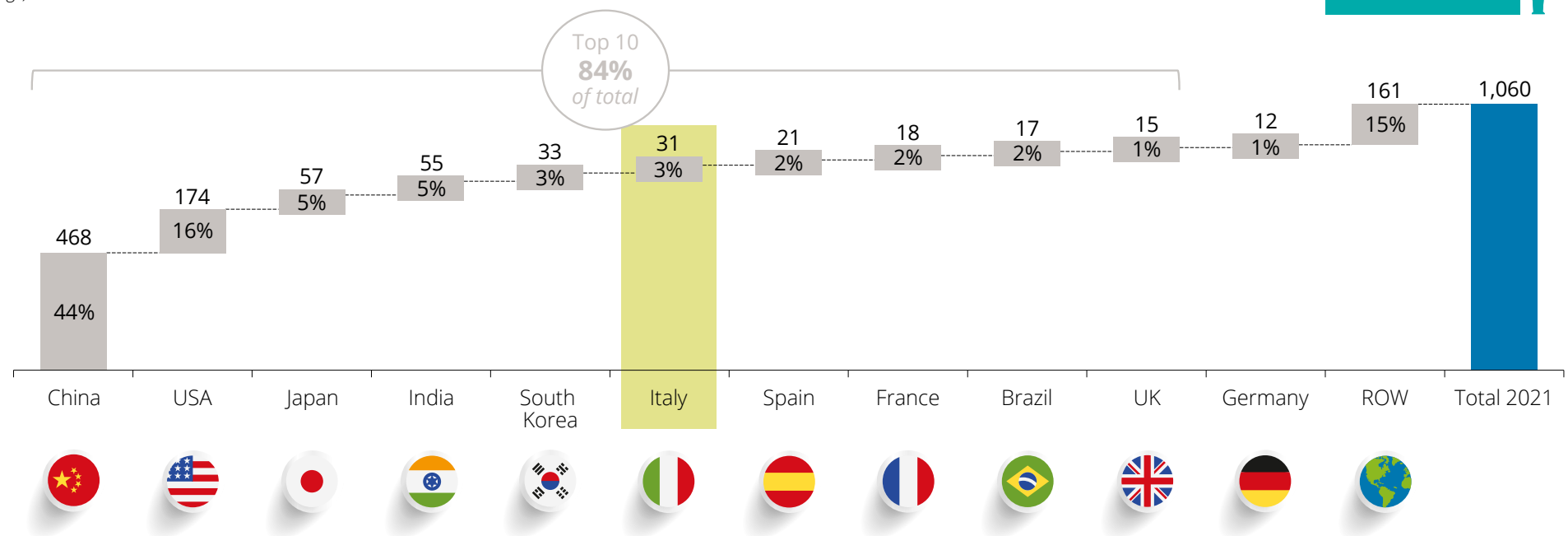
Note: numbers may not sum due rounding

Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)

Top 10 countries represent ~84% of the global FSR market. Italy is the first European country in the FSR segment with a 2021 value of 31 B€

**Global full service restaurant market by Top countries 2021**

(Billion €; Percentage)



YoY 20-21 (%)	+25.3%	<b>+39.3%</b>	-14.1%	+31.9%	-6.2%	<b>+14.4%</b>	+35.7%	+0.6%	+14.3%	+26.4%	-11.4%	+6.1 %	+19.8%
CAGR 16-20 (%)	-3.4%	-11.4%	-6.3%	-10.3%	-2.6%	<b>-11.1%</b>	-14.4%	-13.3%	<b>-9.5%</b>	-14.7%	-7.7%	-9.5%	-7.0%
Population 2021 (M. people)	1,412	332	125	1,358	52	59	47	65	213	67	83	3,964	7,778

Note: numbers may not sum due rounding

Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)

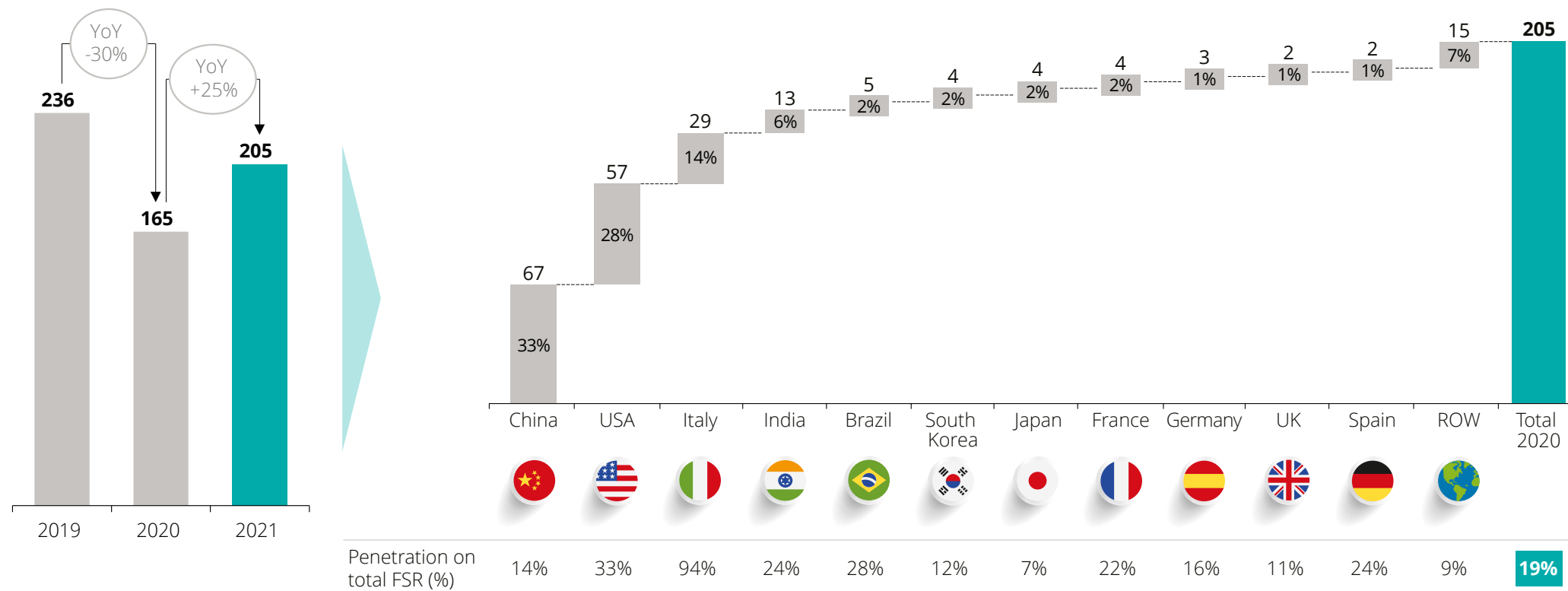
Italian cuisine in the world



Italian cuisine is worth 205 B€ in 2021 (19% of global FSR market); 2021 showed a double-digit growth but still below pre-pandemic values

**Italian cuisine market value 2019-21**

(Billion €; Percentage)



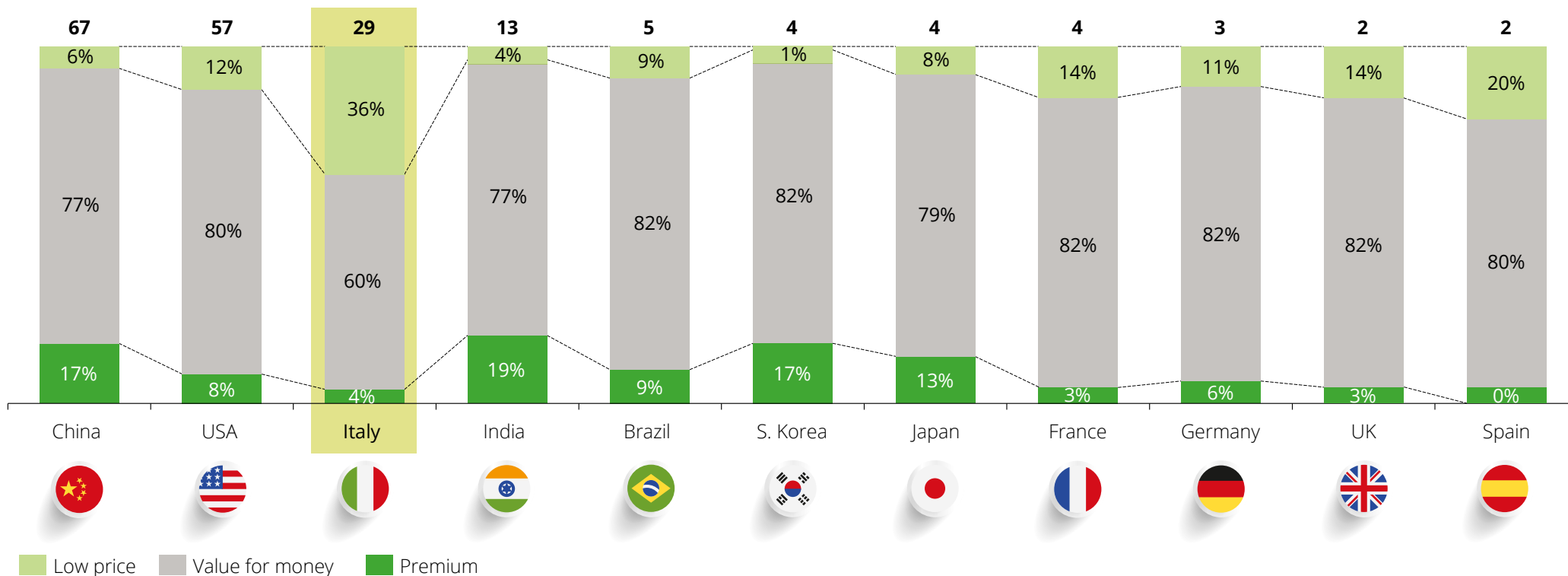
Notes: Italian cuisines mainly considers full service restaurants and fine dining formats (excluding street food, cafés and fast food)  
 Source: Deloitte Italian Cuisine Market Monitor




Italian cuisine restaurants are mainly positioned as value for money; premium price restaurants with highest incidence in Asian countries

**Italian cuisine market by price ranges restaurants in top countries**

(Billion €; Percentage)



 In Italy, a wide portion of Italian restaurants are positioned as low price, benefiting from raw materials supply proximity

Note: numbers may not sum due rounding  
Source: Deloitte Italian Cuisine Market Monitor

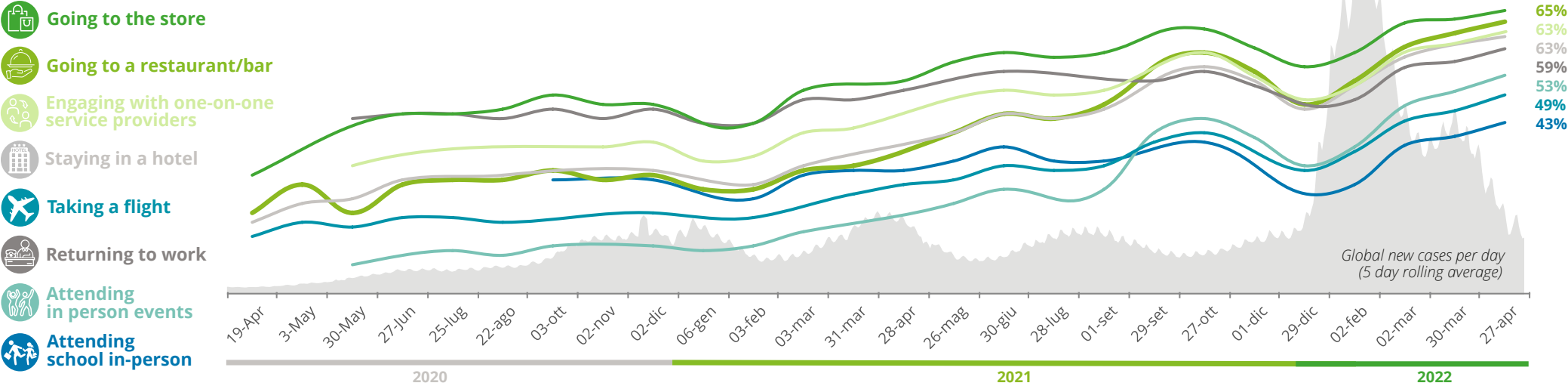
# Consumer trends and main challenges



# Safety perceptions among worldwide consumers continue to reach new two-year highs, thanks also to the recent decrease of COVID-19 cases

## I feel safe...

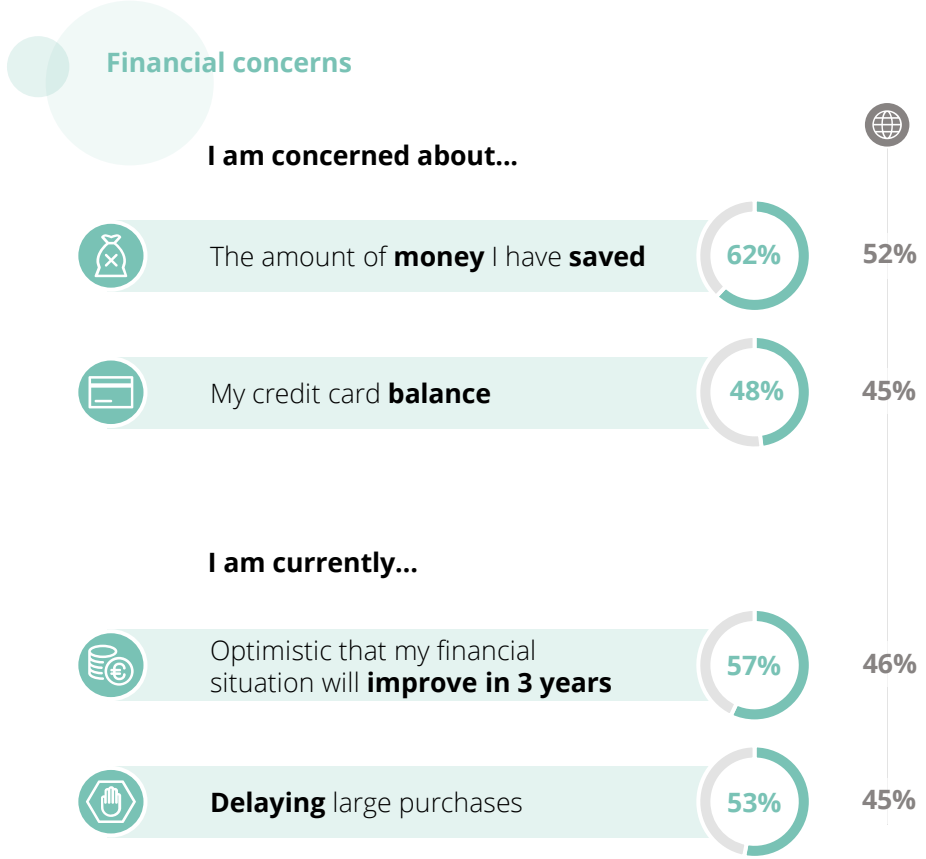
(Global Average)



Going to a restaurant/bar is among the safest activities perceived by consumers

Note: #Sum of agree/strongly agree values greater than 50% are considered safe  
 Source: Deloitte Global State of the Consumer Tracker as of April 2022

Italian consumer sentiment on daily activities has been recovering, as data show a gradual normalization of in person interactions.



 Currently the main concern is financial, with increases of both perception of savings erosion and intention to delay large purchases

Source: Deloitte Global State of the Consumer Tracker as of May 2022

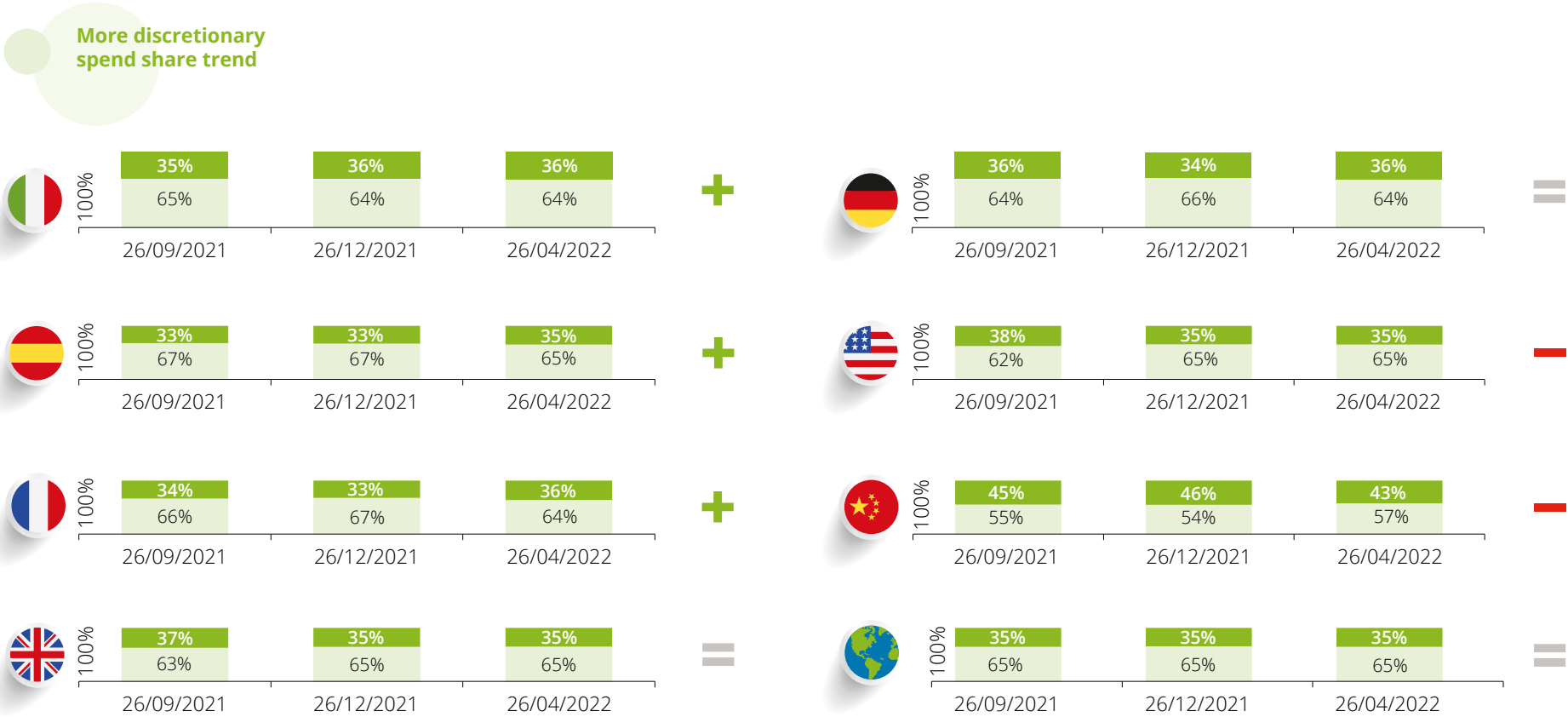


# Despite the rising cost-of-living, consumers plan to allocate roughly one third of their budget to more discretionary purchases

## Intended discretionary spending allocation in main Countries

(Percentage)

Q: "Could you allocate the proportion of your intended spending less discretionary spending and more discretionary spending in the next 4 weeks?"



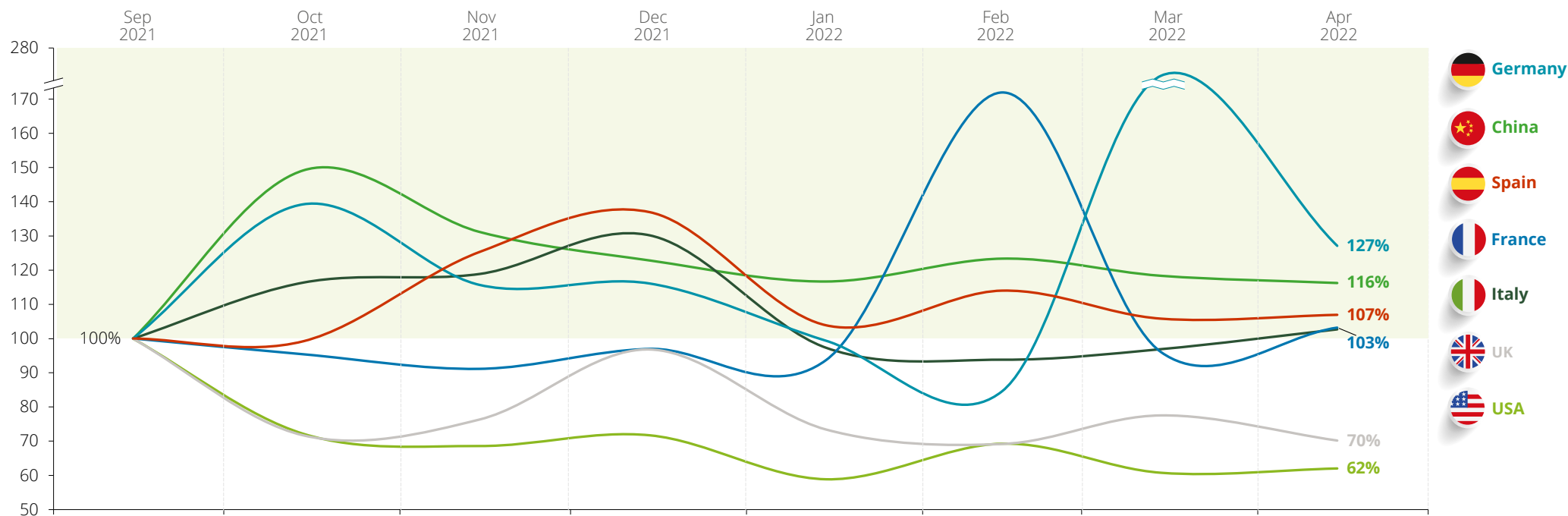
Source: Deloitte Global State of the Consumer Tracker as of April 2022 ■ Less discretionary Spend per consumer ■ More discretionary Spend per consumer

# Consumers show an increased spending intent in Restaurants/Takeout in most countries, even though UK and USA are slowing down

## Net spending intent<sup>1</sup> in Restaurants/Takeout in main Countries

(Percentage of variation vs September 2021)

Q: "How much do you plan to spend on Restaurant/Take out over the next 4 weeks compared to the last 4 weeks?"

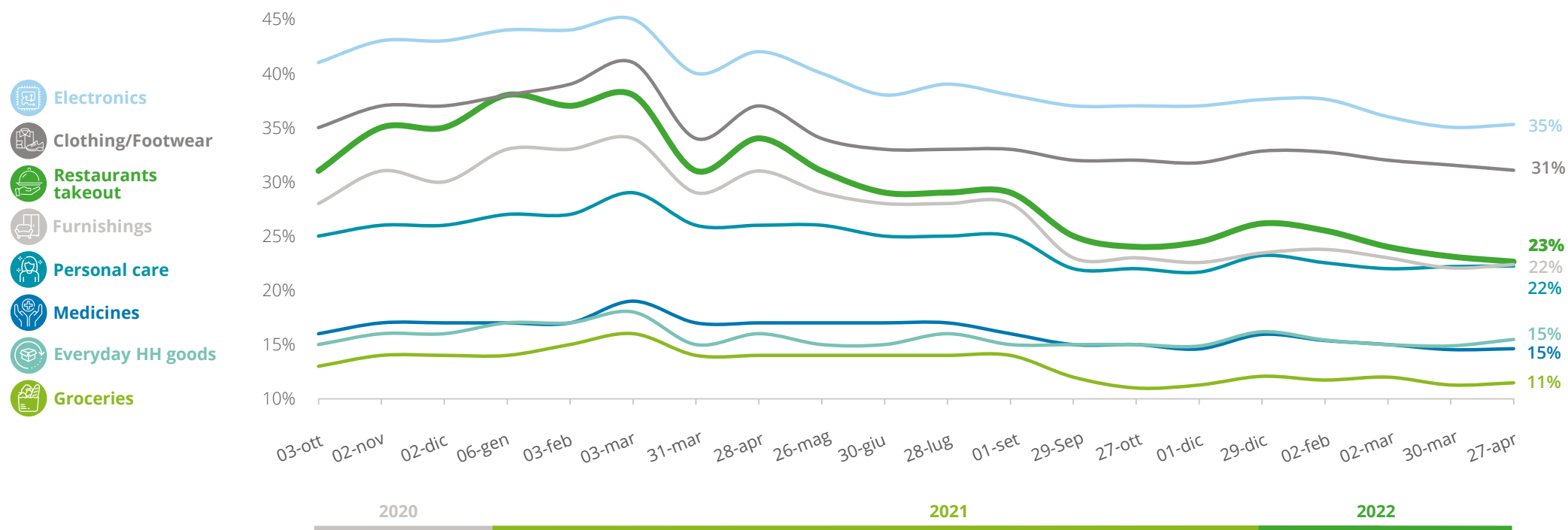


Notes: (1) propensity to purchase (Net Spending Intent) is computed as the product between more discretionary spend intent and the percentage of spending to be allocated towards Restaurants/Take out  
 Source: Deloitte Global State of the Consumer Tracker as of April 2022

# Consumers are gradually returning to purchase offline even though ~23% of them are still heavy online buyers of Restaurants/Takeout

## Consumers planning to purchase 50% or more online in the next 4 weeks

(Percentage)



Source: Deloitte Global State of the Consumer Tracker as of April 2022

# Among consumption habits trends, wellness is driving the shift towards a more sustainable consumption



## 1. Health and nutrition

After the Covid crisis, consumers are increasingly more concerned about their own health. Therefore, one third of Italians identify diet as a way to take care of their bodies and their well-being, recognizing that nutrition has a value that goes beyond mere physiological needs



## 2. Plant-based food

Plant-based meat alternatives and the rise of popularity of dairy free milks such as potato milk as a way of cutting out meat, are expected to grow exponentially in 2022



## 3. Global Cuisine

With people home-bound for most of 2021 due to the Covid-19 pandemic halting mainstream travel, consumers sought to get their dose of travel and culture through food they could recreate and order at home



## 4. Reduced sugar and fat snack

Due to life and work rhythms, between-meal snacks demand is increasing, especially healthy ones such as vegetables and rice snacks, legumes, bread chips and dried fruits



## 5. Less alcohol

Restaurants are increasingly focused on efficiency, perfection in the realization of dishes and cost optimization, so the trend is to concentrate the menus around a few favorite dishes.



## 6. «Clean» labels and sustainability

Consumers are more and more attentive to product labels, to be aware of the origin of ingredients, preferring products that meet environmental standards both in terms of packaging and production techniques



# The pandemic and now the war changed some dynamics in the FS industry, requiring restaurants operators to adopt new strategies



**1. Raw Materials cost**  
 Due to the war, price increases for food commodities have been the largest since 2008. Agricultural prices are projected to increase by almost 20% in 2022



**5. Ghost kitchen expansion**  
 During the height of the pandemic, the rise of ghost kitchens soared with restricted access to bricks-and-mortar venues, emerging restaurants took their services to dark kitchens to meet growing demands



**2. Workforce shortage**  
 FSRs are grappling with a new problem: finding and keeping employees. To attract and retain candidates, businesses will need to offer competitive wages and incentives, while investing more in work culture



**6. Increased penetration of chains**  
 In Italy, the market is highly fragmented and, with respect to Europe, is an unsaturated market. Moreover, there is a shift from smaller independent restaurants to restaurant chains, resulting in a high growth potential for chained food service operators



**3. Liquidity**  
 During the pandemic, FSRs generated a smaller fraction of their normal turnover, therefore a good cash management was crucial. The importance of liquidity resulted in postponement or renegotiation of payments and reduction of the cost of labor through hiring freezes



**7. Delivery post Covid**  
 The number of "delivery-first" (not necessarily delivery-only) operators will continue expanding, as more eat-in focused operators struggle to adapt to depressed sales and a host of costs associated with third-party delivery



**4. Digital customer experience**  
 The dining experience is becoming more and more digitalized. Restaurants are now providing online menus, apps through which customers receive discounts and special offers or can collect loyalty points

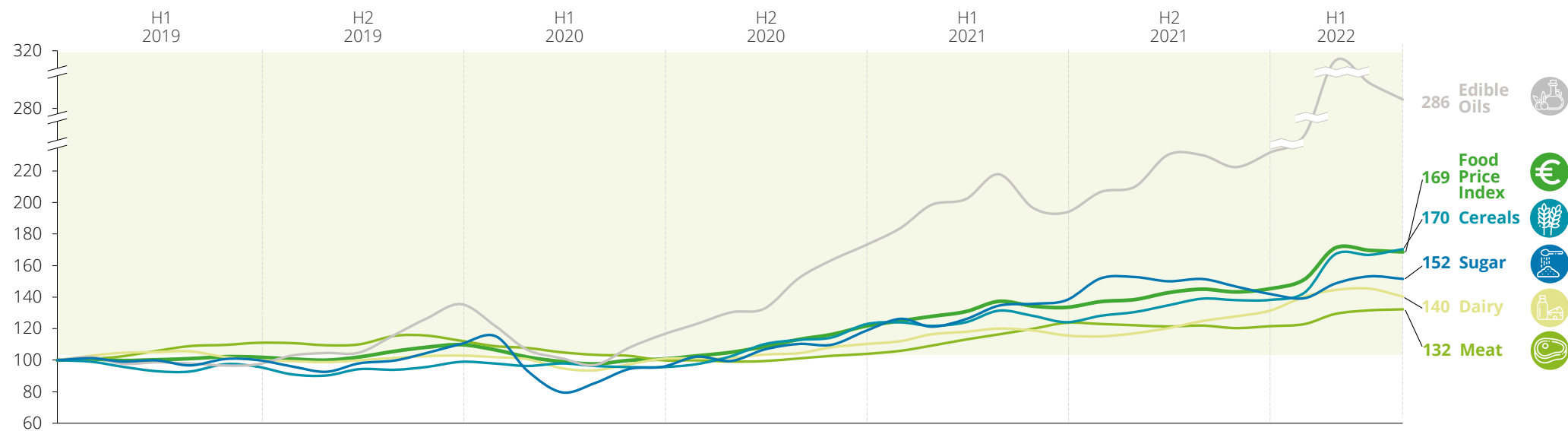


**8. Cost side efficiency**  
 Restaurants can exploit technology in order to increase cost efficiency through the provision of online training, digitalized supply management and innovative solutions for HR management

International food commodities prices have risen +68.6 p.p. in May 2022 vs January 2019, mainly driven by Edible oils prices

### FAO Monthly Food Price Index

(Index 100=January 2019)



Rising international food commodity prices, caused by the Covid-19 pandemic and the Ukraine vs. Russia war, are causing disruptions on the entire food supply chain

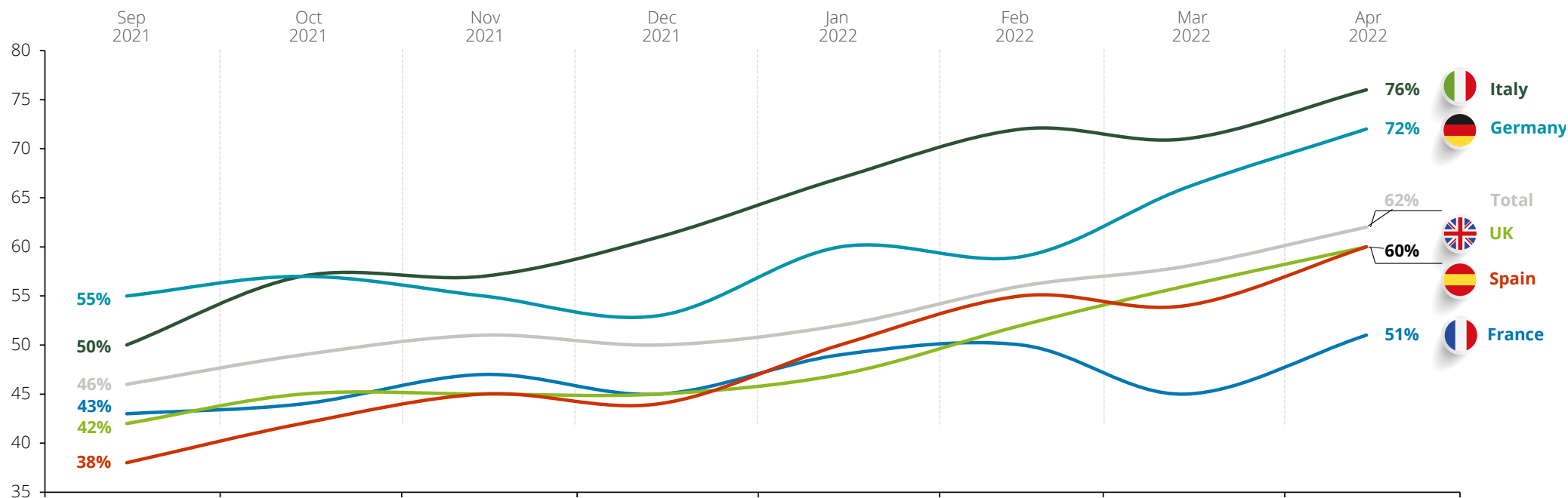
Source: Food and Agriculture Organization of the United Nations

Consumers perception of Restaurants' price increases shows a huge growth in since Sep. '21, with Italian being the ones with the highest %

**Consumers perceiving higher prices vs previous month**

(Percentage)

Q: "Do you perceive increase in price at restaurants vs previous month?"



Source: Deloitte Global State of the Consumer Tracker as of April 2022

# Major food industry players are responding to supply chain disruptions by implementing strategies in 4 main areas of action

## Major players strategies examples



### Menu price increase

Several players in the Foodservice market increased prices on their menu to offset the effects of shortages and higher operating costs.

After prices started climbing in 2021, significant rises on the menu were recorded from the first quarter of 2022 and further spread in the second quarter.

Some players expect this trend to continue until the end of the year and are therefore foreseeing further price increases.

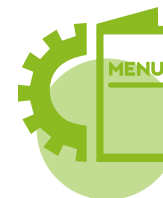


### Purchase optimization

Buying materials several months in advance and stocking them is one of the purchase optimization strategies adopted to maintain a competitive advantage in the market but also to face volatile prices.

With the same goal, some companies negotiate prices of key supplies in advance. This proves to be an effective measure to mitigate fluctuations but also to foresee costs.

Lastly, increasing the number of suppliers fosters resilience to market shocks, such as shortages or price volatility.



### Menu engineering

Menu optimization have been in place since the beginning of the pandemic. As a matter of fact, some restaurants have reduced the number of items offered on the menu by 30%.

Ingredients shortages have also pushed Foodservice players to reconsider their offer, for instance by substituting beef-based products with plant-based ones.

Other firms are also considering implementing Limited Time Offers on products that will see significant inflation in order to increase their margins.



### Technology implementation

Some Foodservice firms already rely on automation for organizational activities, such as employee scheduling, inventory management or equipment diagnostics.

To develop data-driven innovation, Foodservice players are eyeing technology firms. In this light should be seen the recent acquisition of an AI-specialized firm for consumer insights and marketing performance analytics by a Foodservice group.

Automation is also entering kitchens: some players are testing kitchen robots to automate part of the order fulfillment (e.g., frying food, fulfilling drink orders).



Large players, although characterized by a slower reaction time due to their size, have a higher bargaining power with their suppliers, and are therefore able to minimize the final negative impact towards end consumers

# Ghost kitchens are no-dine restaurants which enable brands to utilize synergies of common space, equipment and workforce to cook food

## Deep-dive about ghost kitchens

### Brief about Ghost kitchens

Ghost kitchens are a new business model in which virtual or existing restaurants use equipped kitchen spaces with **no dine-in facilities** and **directly connect with delivery platforms** to enhance their online food delivery capabilities

### Difference between Cloud and Ghost kitchens



- Kitchen may or may not have a physical outlet
- Food is prepared for all sorts of deliveries
- Number of restaurants operating is generally more than one
- Owner could be the same person or different people



- Kitchen spaces virtually located in different destinations
- Operates in a hub and spokes model – one central kitchen where food is prepared and delivered to subsidiary kitchen
- Ability to produce multiple menus and multiple brands out of one kitchen with common staff and rent

### Types of Ghost kitchens

#### Incubator/ Pop-up kitchens

- It is **attached to a traditional restaurant** but is **only utilized for online orders** (and deliveries)
- They are ideal for existing restaurants that need **dedicated spaces to fulfill online orders, new revenue streams, structured way to test a food concept**

#### Commissary/ Shared kitchens

- These are ghost kitchen **spaces owned by resourceful entrepreneurs** which can be rented out by restaurateurs
- In this model, **multiple restaurants share** kitchen space, appliances and tool

#### Commercial kitchens

- In this set up there **is no need to rent out specific time slots** or concern regarding sharing space
- There are **dedicated space to prep orders** whenever needed



# Although both formats provide some common advantages, the difference lies in ownership and utilization criteria of space

## Deep dive on the differences between virtual restaurant formats and associated advantages

Parameters	Virtual restaurants / Cloud restaurants			Kitchens as service (KaaS) or Ghost kitchens	
Operation space	Self-owned partnership with an existing restaurant. They generally have a brick-and-mortar presence which can be identified			Operated by a <b>third party</b> which can be restaurant, commercial space or service. Brick-and-mortar presence is very difficult to locate	
Utilization criteria	<p><b>Single parent</b></p> <p>Multiple small brands operated by a single parent company</p>	<p><b>Similar process</b></p> <p>Operations out of an existing kitchen due to similarity of ingredients/cooking process or target audience</p>	<p><b>Unutilized capacity</b></p> <p>Utilization of down-time or available resource whitespace to process few extra orders</p>	<p><b>Restaurant brands</b></p> <p>Restaurant brands which have a menu but do not have front-of-house space or staff</p>	<p><b>KaaS providers</b></p> <p>Commercial space operators with expertise to set up shared kitchens for multiple purposes</p> <p>Some restaurants which have extra space also operate as KaaS providers</p>
Advantages	<p>Both virtual restaurants and ghost kitchens offer some common advantages like:</p> <ul style="list-style-type: none"> <li>Share service costs</li> <li>Easy expansions</li> <li>Lower overheads</li> <li>Better resource utilization</li> <li>Higher audience reach</li> </ul>				<p>Ghost kitchens provide additional advantages like:</p> <ul style="list-style-type: none"> <li>Faster brand launch</li> <li>Ease of concept testing</li> <li>Extended delivery capabilities</li> </ul>

Source: elaboration on market reports, desk analysis and interviews with industry operators



Market outlook

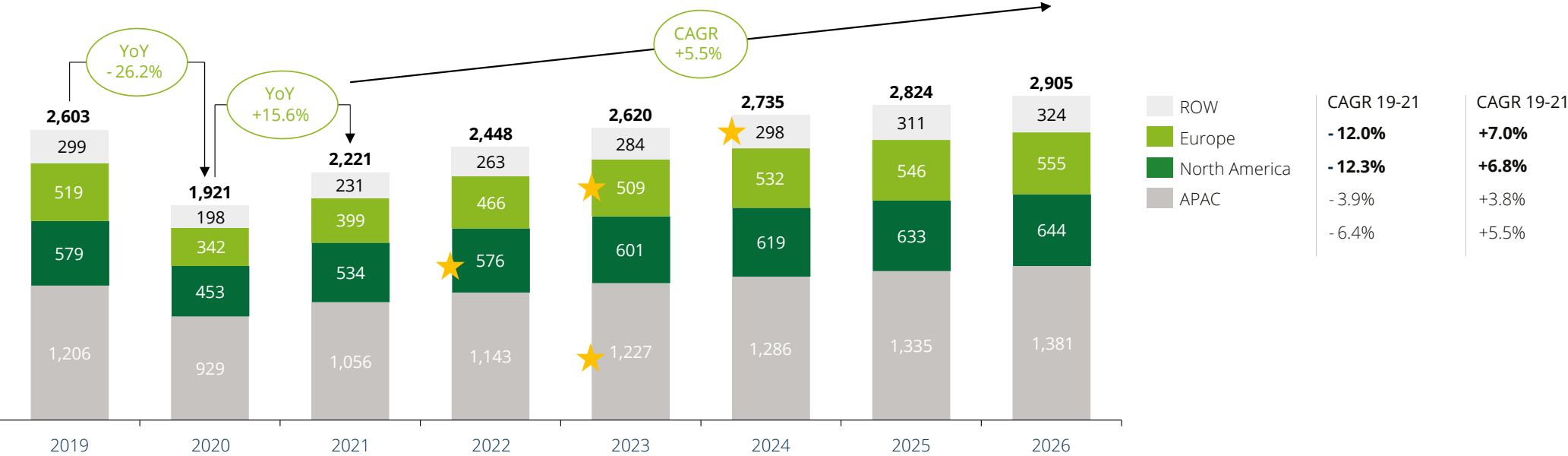





# Europe and ROW were the most impacted regions by COVID-19, but are expected to be the most dynamic regions after Pandemic

## Global Foodservice market outlook by geography

(Billion €; Percentage)



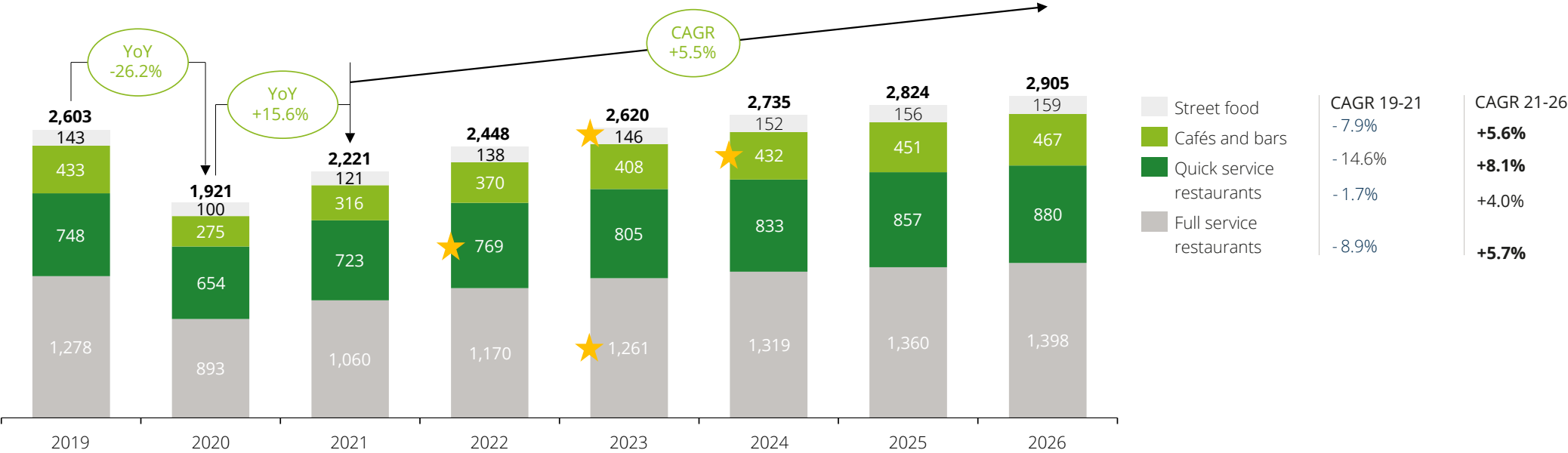
 N. America is expected to return to pre-pandemic levels in 2022, APAC and Europe in 2023, Rest of World will recover in 2024

Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)

Cafés and bars, street food and FSR will drive the growth in the next years with a CAGR 2021-2026 in a range of +5.6% and +8.1%

**Global Foodservice market outlook by type of restaurant**

(Billion €; Percentage)



 Quick service restaurants are expected to return to pre-pandemic levels in 2022, FSR and Street food in 2023, Cafés and bars will recover in 2024

Source: elaboration on secondary data sources (Euromonitor, Allied Market Research and Statista)

Wrap-up on business needs





# A series of industry trends are shaping Business needs of Foodservice operators

## Industry trends shaping business needs

### Industry trends

#### Health & Transparency

- Consumer focus tilting towards **healthy eating** regimen
- Empowered consumers via Technology with **ability to influence**

#### Digital Platform

- Consumers adeptly navigating digital channels to get what they **want, when they want** it in a **new on-demand environment**.

#### Financial Health

- COVID crisis has heightened importance of maintaining sound Financial health, that ensures not just survival, but also pursue growth options

#### Pricing, Customer Loyalty & POS Management

- Omnichannel & Multichannel programs are replacing traditional means of engaging customers

#### Supply Chain disruption

- Supply shortage and price increase putting pressure on restaurants
- "Food Safety & Quality Commitments" required by customers, imposes high quality standards by Food & Utilities distributors

#### Global Expansion

- Extending focus to international locations to gather sense of consumers in their brand, and signature menu items

### Business needs

#### Well Being

- Enable **Touchless delivery** and **Kiosks**
- Ensure "**Beyond the Restaurant**" solution with convenient options to increase traffic & repeat orders

#### Digital Drivers

- **Mobile is first; cashless is the norm;** and brands need to go where consumers are going
- Enforce agility, speed, customer-facing technology, etc.

#### Liquidity

- Consolidations and Acquisition
- Balance Sheet Management
- Tighter Spend Controls, Collections and DSO

#### Integrated Front and Back Office Processes

- Innovate means to engage and build customer loyalty
- Build "No-Checkout" POS using AI to complete transactions
- Offer cleaner ingredients, more healthy options

#### Planning and Distribution Efficiency Enablers

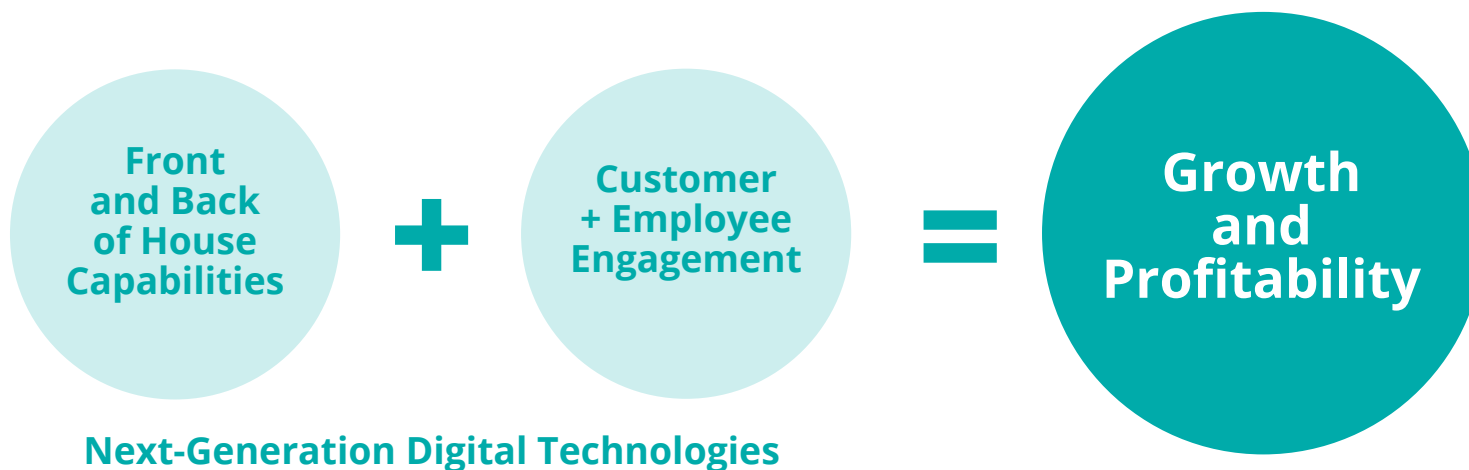
- Procurement excellence as the key to maintain margins without affecting customers and brand value
- Elasticity in distribution is key driver of sustainability and expansion

#### Double-Digit Growth

- Optimize and Consolidate back-office functions
- **Maintain authenticity,** and **preserve brand value**

# Restaurants Transformation Imperatives to drive growth and profitability

As technology transforms the broader consumer industry, the capabilities and tools in restaurants must also adopt new innovations that serve managers and staff. Employees are consumers of technology too and have grown to expect greater flexibility and capability delivered through smartphones and tablets with seamless cloud-based information



**User Experience** – stodgy and poor user interfaces are no longer tolerated for employee facing systems. Tech adoption is driven by ease of use and disconnected and difficult to use tools are being retired.



**Automation** – focus on reducing time spent on compliance activities and low value tasks. As labor costs continue to squeeze margins, it becomes more critical to optimize processes and direct resources to customer service.



**Data & Analytics** – introduction of new data sources and integrations to broader tools will enable managers to see more about upcoming demand, customer preferences, and key profitability measures.



**External Disruptors** – between delivery service aggregators, social marketing, and other new tech entrants; Back-of-House solutions must be ready to connect to a variety of systems.

# Restaurants should set a consistent Value Creation map to sustain top line growth, gain market share while improving margins

<p><b>Brand strategy</b></p> <ul style="list-style-type: none"> <li>• Brand image awareness and positioning</li> <li>• Brand portfolio rationalization</li> <li>• Brand extension and right targeting</li> </ul>		
<p><b>Customer strategy</b></p> <ul style="list-style-type: none"> <li>• Customer survey</li> <li>• Customer experience redesign</li> <li>• Drivers of loyalty and defection monitoring</li> </ul>	<p><b>Product strategy</b></p> <ul style="list-style-type: none"> <li>• Value proposition expansion</li> <li>• Sales mix improvement</li> <li>• Menu reengineering</li> </ul>	<p><b>Pricing strategy set up</b></p> <ul style="list-style-type: none"> <li>• Pricing optimization</li> <li>• Discount strategy review</li> </ul>
<p><b>Go to market re-design</b></p> <ul style="list-style-type: none"> <li>• Restaurant network transformation plan                             <ul style="list-style-type: none"> <li>– New openings in strategic locations</li> <li>– Closure of low potential locations</li> <li>– Sales incentives scheme</li> <li>– Salesforce assessment</li> <li>– Visual merchandising strategy</li> </ul> </li> </ul>	<p><b>Marketing strategy</b></p> <ul style="list-style-type: none"> <li>• Tactical marketing campaign to accelerate traffic levels</li> <li>• Media plan optimization</li> </ul>	<p><b>Digital transformation</b></p> <ul style="list-style-type: none"> <li>• Digital transformation plan to optimize key processes and sustain overall organization</li> <li>• Adopt advanced IT systems in terms of                             <ul style="list-style-type: none"> <li>– E2E automation solutions using RPA capabilities, chatbots, blockchain,...</li> <li>– Embedded Analytics and Collaboration</li> <li>– KPI dashboards &amp; social collaboration features to deliver real time insights</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Hiring vacant key figures</li> <li>• Re-design organizational structure</li> <li>• Right sizing</li> </ul>	<p><b>Organization re-design</b></p> <ul style="list-style-type: none"> <li>• Collection development process optimization</li> <li>• Change management</li> <li>• Talents' recruitment strategy</li> </ul>	<p><b>Cost transformation</b></p> <ul style="list-style-type: none"> <li>• Cost transformation in terms of                             <ul style="list-style-type: none"> <li>– Procurement excellence</li> <li>– Demand planning</li> <li>– Inventory management</li> </ul> </li> </ul>
<p><b>Operating working capital and CAPEX optimization</b></p>		

Source: Deloitte elaboration

# Market segmentation

## By type of restaurant



### *Full service restaurant*

FSR encompasses all sit-down establishments characterized by table service and a relatively higher quality of food compared to quick-service units. Menus offer multiple selections and may include breakfast, lunch and dinner. Restaurants types catalogued in this segment refer to table-service only (wait staff attending customers and taking orders at the tables). It includes fine dining and casual dining restaurants.



### *Quick service restaurant*

It combines fast food and 100% home delivery/takeaway outlets. These outlets offer limited menus with items that can be prepared quickly. QSR tend to specialize in one or 2 main entrees such as hamburgers, pizza or chicken, but they usually also provide drinks, salads, ice cream, dessert, etc.



### *Cafés and bars*

It comprises all establishments where the focus is on drinking (either alcoholic or non-alcoholic beverages). While a wide variety of snacks and full meals are offered, it is not uncommon for consumers to only order a drink. This segment also includes outlets where there is no (or limited) service content. There are food-serving counters/stalls where customers take the food they require as they walk along, placing it on a tray<sup>2</sup>.



### *Street food*

Small, sometimes mobile, Foodservice providers characterized by a limited product offering and by low prices. Includes street stalls, street hawkers and Foodservice kiosks where food is prepared in some way and served through a hatch or over a display counter to take away. Also includes kiosks and carts located externally or internally (e.g. in shopping malls, etc.).

<sup>2</sup> Self-service cafeterias resemble contract catering self-service cafeterias such as canteens, dining halls and cafeterias located within institutions such as a large office building, school and universities. However, fully captive contract self-service cafeterias are excluded from consumer Foodservice

## By type of occasion



### *Freestanding*

Standalone foodservice establishments, not operating in a travel, leisure, lodging, or retail location.



### *Retail*

Establishments located in retail locations including supermarkets, grocery stores, convenience stores, hypermarkets, dept. stores and mass merchandisers.



### *Travel*

Establishments located in travel locations including motorway service or fuel stations, airports, rail stations and coach stations<sup>3</sup>. This segment also includes establishments located in hotels<sup>4</sup>.



### *Entertainment*

Establishments located in leisure locations including museums, health clubs, cinemas, theatres, theme parks and sports stadiums.

## By type of consumption



### *On site*

Food and drink consumed on the premises.



### *Takeaway*

Food and drink consumed off the premises (excluding home delivery). It also includes purchases made by customers from their cars, often from a dedicated intercom system<sup>5</sup>.



### *Delivery*

Food and drink sales which are delivered to the consumer by an employee of the outlet or by a third party<sup>6</sup>.

## By ownership



### *Independent*

Independent units comprise small businesses that count on up to 10 outlets, including branded ones.



### *Chain*

Chained units are defined by 10 or more units. An exception is made for international chains that have a presence of fewer than 10 units in a country. In this case, they are still considered to be chained units.

3. This excludes all in-flight or on board service which would be considered fully captive | 4. All food that is included in the accommodation price as well as catering services for private parties are considered fully captive and are excluded | 5. Orders made inside a restaurant and then consumed in a car would be considered takeaway purchases | 6. Does not include takeaway sales, transported off-premise by the consumer



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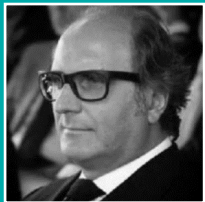
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# Key contacts



## **Eugenio Puddu**

Equity Partner  
Consumer products  
Sector Leader

[epuddu@deloitte.it](mailto:epuddu@deloitte.it)



## **Tommaso Nastasi**

Equity Partner  
Value Creation  
Services Leader

[tnastasi@deloitte.it](mailto:tnastasi@deloitte.it)



## **Amedeo Lenti**

Director  
Value Creation  
Services

[amlenti@deloitte.it](mailto:amlenti@deloitte.it)

# Value Creation Services – Top line acceleration

**Our approach can generate an increase in Top line growth with tangible results within 3-6 months**

## Capability

- We support you across the breadth of Top line topics: understanding the current performance, identifying the strategic and tactical growth opportunities through the identification and prioritization of revenue and sales operation acceleration levers
- We assess the product range, salesforce effectiveness, pricing, promotion & marketing efficiency as well as managing churn & loyalty and how they can drive/maximise revenue and improve sales related costs
- We can provide rapid and implementable support as well as ensure that the business can operationally mobilise to deliver the growth agenda

## Top line acceleration

### Diagnostics

- Provide **insights** and **prioritization** into **all areas** of the **business related to organic growth**
- Define **must-win battles**
- Identify «**red flags**»

### Transformation

- Prioritize «**red flags**» and identify **quick-wins**
- «**Deep-dive**» diagnostics on specific **levers**, through the execution of Deloitte **toolkit** for:
  - *Product/ category management*
  - *Pricing*
  - *Churn reduction & loyalty*
  - *Marketing & promotions effectiveness*
  - *Salesforce effectiveness*
- Design of **solutions** and **top line acceleration plan**

### Execution

- Execute top line acceleration action plan
- Realize **quick-wins** through proven Deloitte **toolkit** aimed at delivering **tangible results**
- Set tools within the client company aimed at **generating long-term** and **repeatable results**

## Embed results

### Clarity:

- Create a **clear path** to **achieve** your **growth objectives**

### Expansion:

- **Increase share of wallet** from **existing customers**

### Growth:

- **Generate EBITDA gains** by **addressing multiple commercial opportunities**: increasing share of wallet, product and customers prioritisation, streamlining channel programs, improving pricing and sales related costs



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