

Driving Growth With Digitally Enabled Convenience

March 2018

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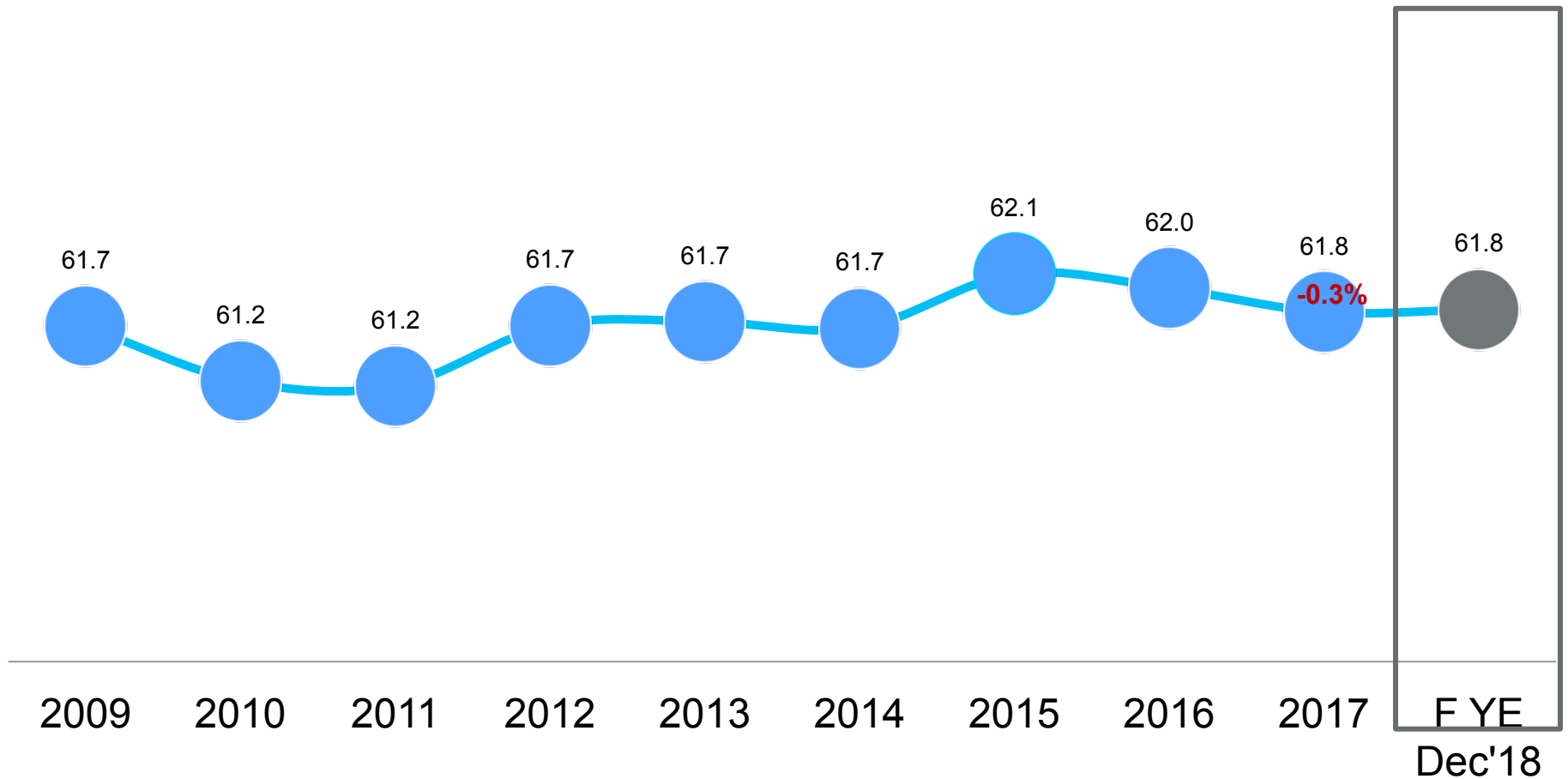




THE LAY OF THE LAND
WHAT'S GOING ON IN THE MARKETPLACE?

Commercial Restaurant Traffic (MM)

Progress in the restaurant industry has halted...and is not forecast to grow in the next year.



Source: The NPD Group/CREST® / Years Ending November and Forecasted data for Year Ending December'18

Convenience oriented services that consumers have embraced



Convenient

More

Dry
Packaged
Only

amazon PrimePantry

Jet

BOXED

Groceries
Including Fresh
and Frozen

amazon fresh

Peapod

Meal Kit Delivery
w/Fresh
Ingredients

Blue
Apron



Plated.

Groceries, Kits,
Prepared Foods

freshdirect

FOODKICK



Restaurant
Delivery

Availability expanding
via third-party delivery,
e.g.

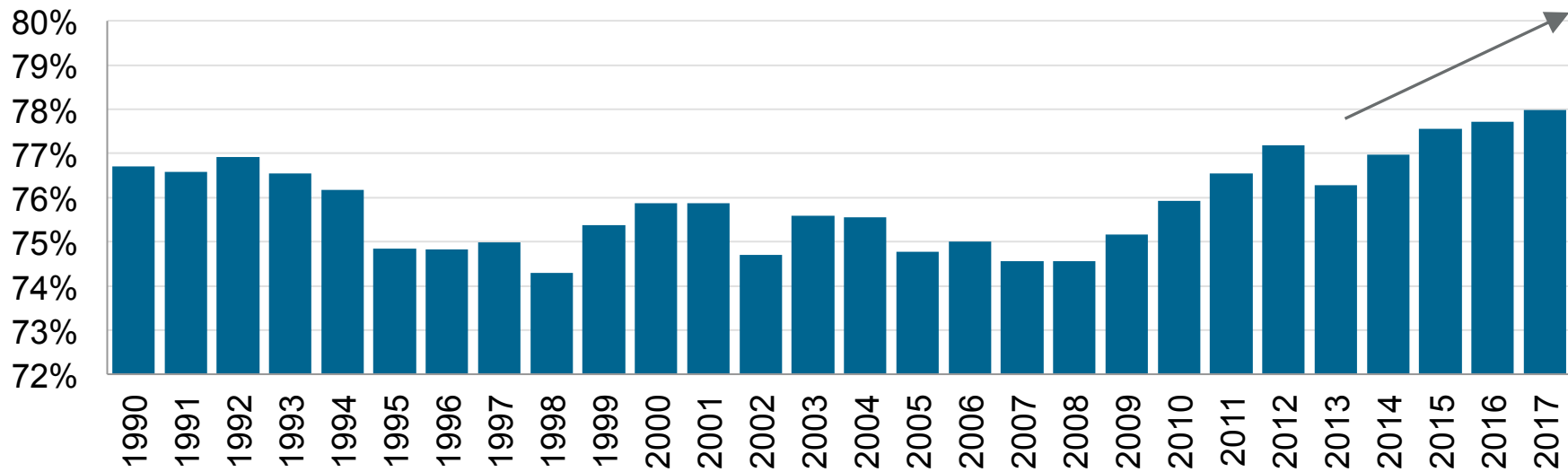
GRUBHUB

UBER EATS

DOORDASH

Regardless of where we source the meal, we increasingly consume it at home

Prepared and Eaten in Home
Purchased Away From Home but Eaten in Home
Share of Occasions



Source: The NPD Group/National Eating Trends®, Years ending February '13-'17

Foodservice marketers seeking to gain more visits and grow the bottom line must decide which **convenience enablers** are worthy of their investment.



Let's talk about “convenience enablers” – getting food on demand

1

Meal Kits – Fad Or Trend Worth Watching

2

Restaurant Industry's Bright Spot: Delivery

3

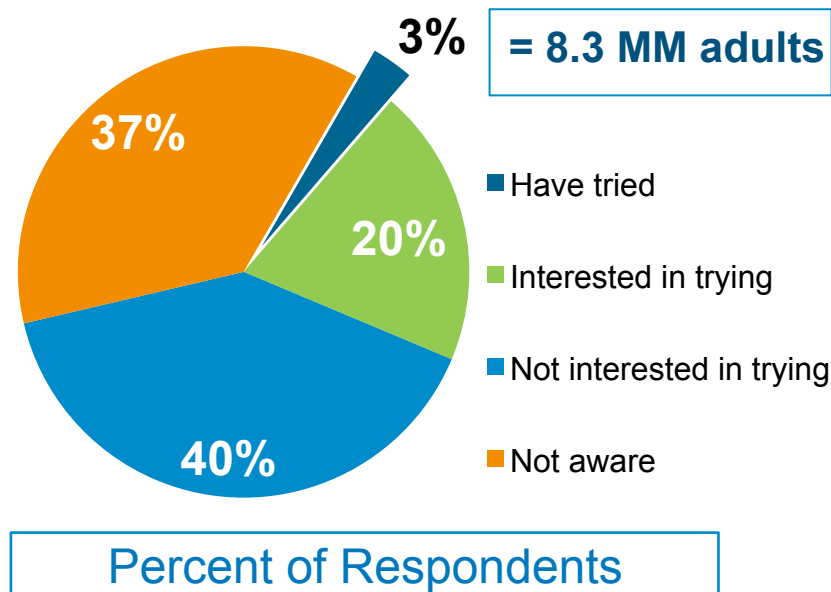
Digital Delivery And Third Party Apps

MEAL KITS

A PASSING FAD?



Delivered meal kits were designed to help consumers solve the age old problem of “what’s for dinner”, however, trial of these services is low.



Source: The NPD Group/A Fresh Look at Meal Kit Delivery Services report, May 2016,

Millennials were the most receptive to initial offerings of Blue Apron, HelloFresh, etc.

Experiential eaters at their **core**

Introduced to **global cuisines, specialty food markets, and unique restaurants**

Food is more than just **sustenance**



Source: The NPD Group/CultureWaves

What consumers liked about the initial meal kit offerings

Meal kit users extremely/very satisfied

81%

QUALITY OF
INGREDIENTS

80%

FRESHNESS
OF
INGREDIENTS

78%

ABILITY TO
CREATE MEAL
BY
FOLLOWING
RECIPE

77%

PACKAGING

Cost concerns, however, are a barrier to keeping some users engaged

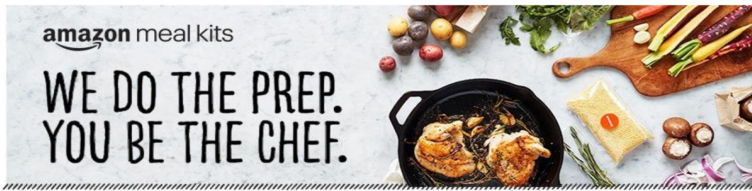
56%

of lost users stated kits were

“too expensive” as the top reason they no longer use them

Source: The NPD Group /A Fresh Look at Meal Kit Delivery Services report, May 2018

Enter – the game changers



No recipe hunting. No ingredient shopping. No unnecessary prep.

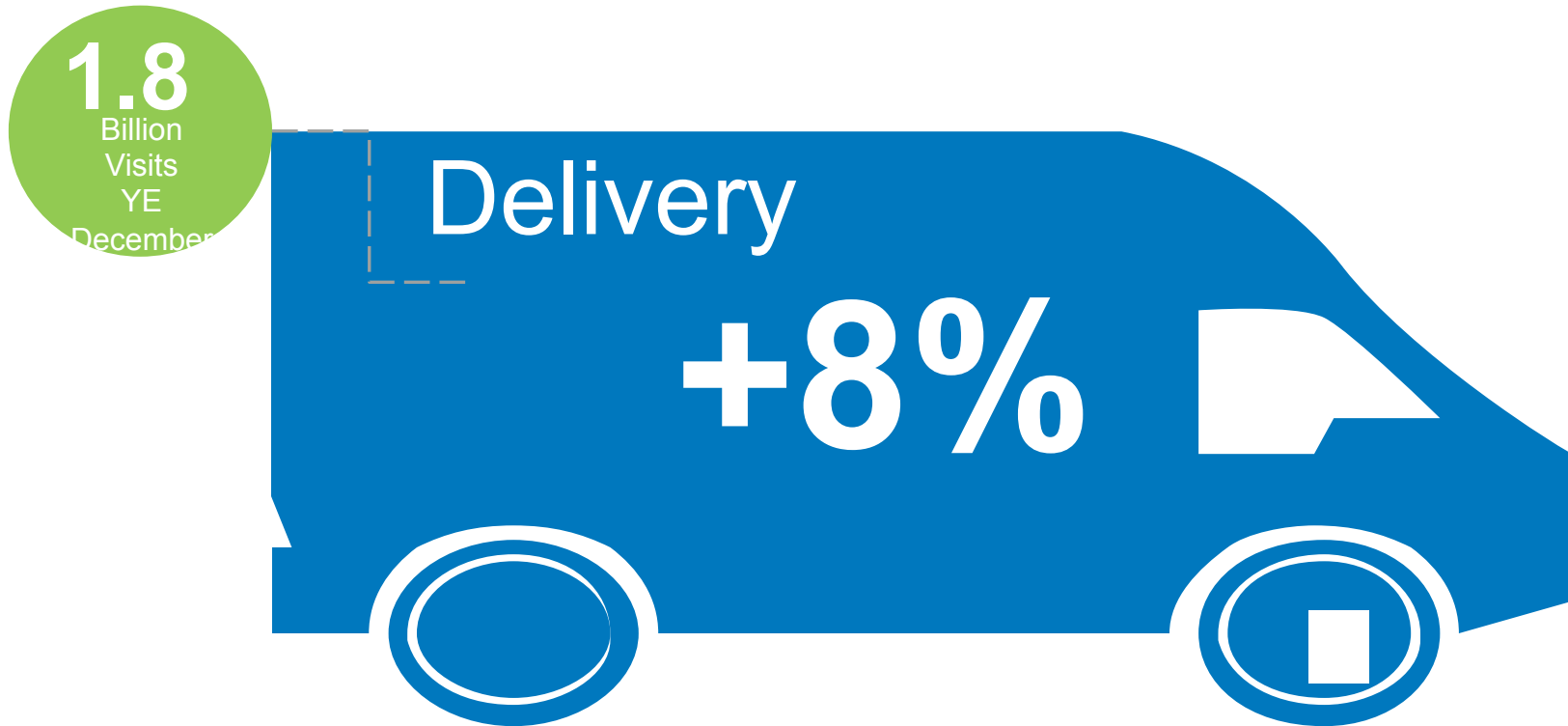


A photograph of a delivery person riding a red bicycle on a city street. The person is wearing a blue shirt, dark pants, and a white helmet. A large, bright green delivery bag is strapped to the back of the bicycle. The entire image is overlaid with a semi-transparent blue filter. Centered over the image is the text "RESTAURANT INDUSTRY'S BRIGHT SPOT: DELIVERY" in a white, bold, sans-serif font.

RESTAURANT INDUSTRY'S BRIGHT SPOT: DELIVERY

Delivery provides the ultimate convenience for diners

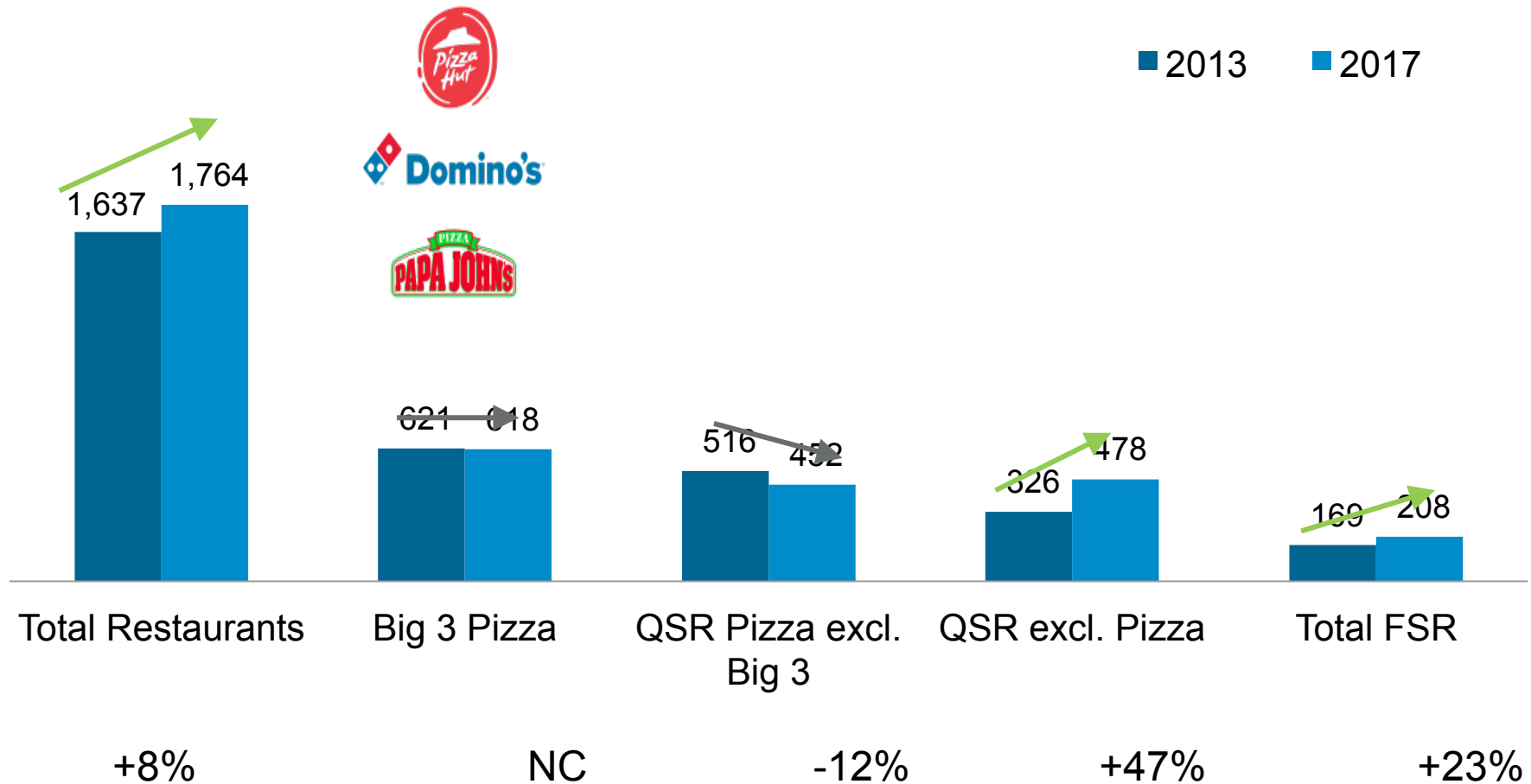
Restaurant Traffic Percent Change 2017 vs. 2013



Source: The NPD Group/CREST®, YE December

Delivery Traffic (Millions)

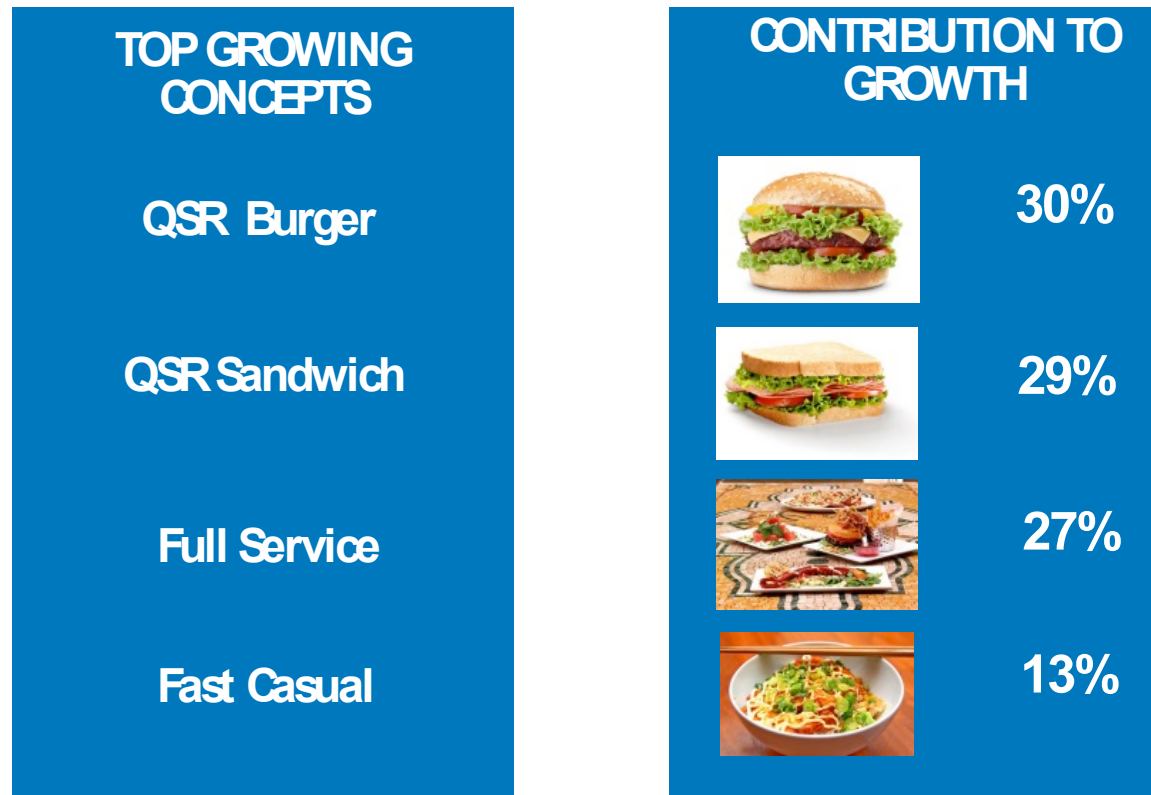
Delivery traffic is up almost everywhere over the past five years



Source: The NPD Group/CREST®, YE December'17

Contribution to Delivery Traffic Growth

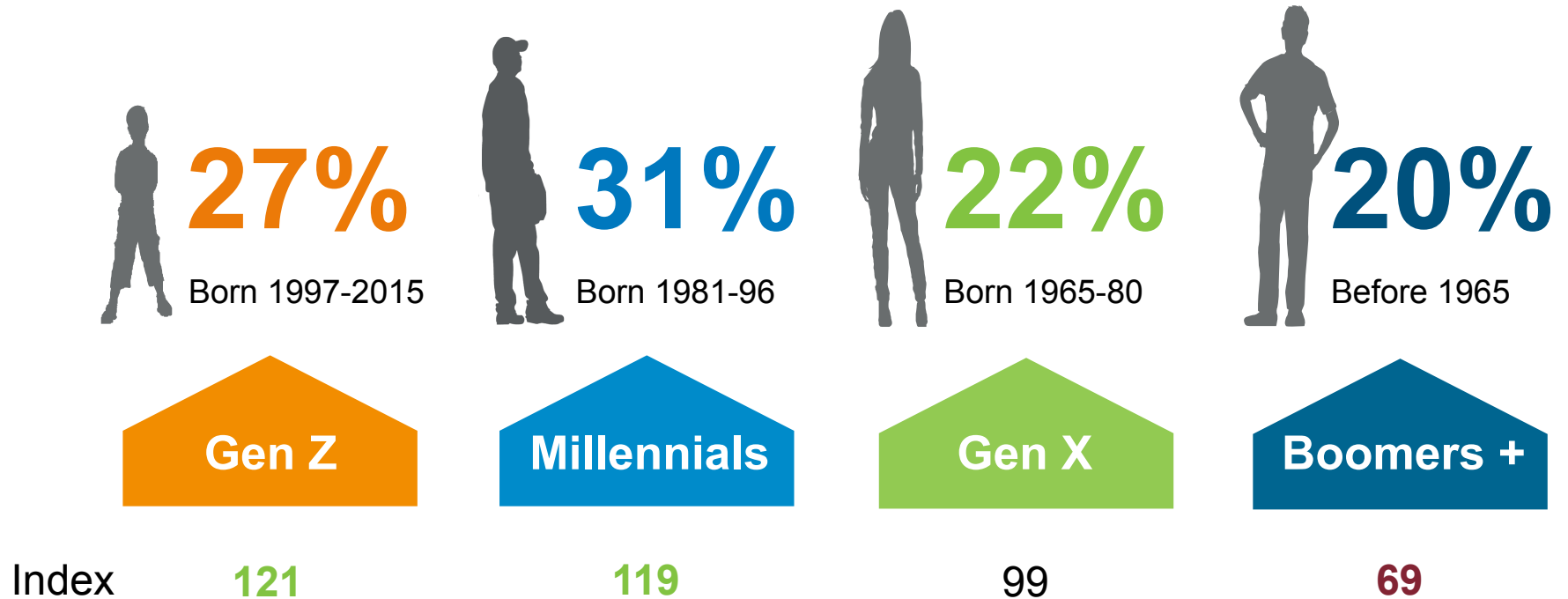
Independents are able to obtain more than their fair share of delivery traffic with the help of “menu aggregator”



The NPD Group/CREST® YE June'17

Delivery Traffic Share by Generation

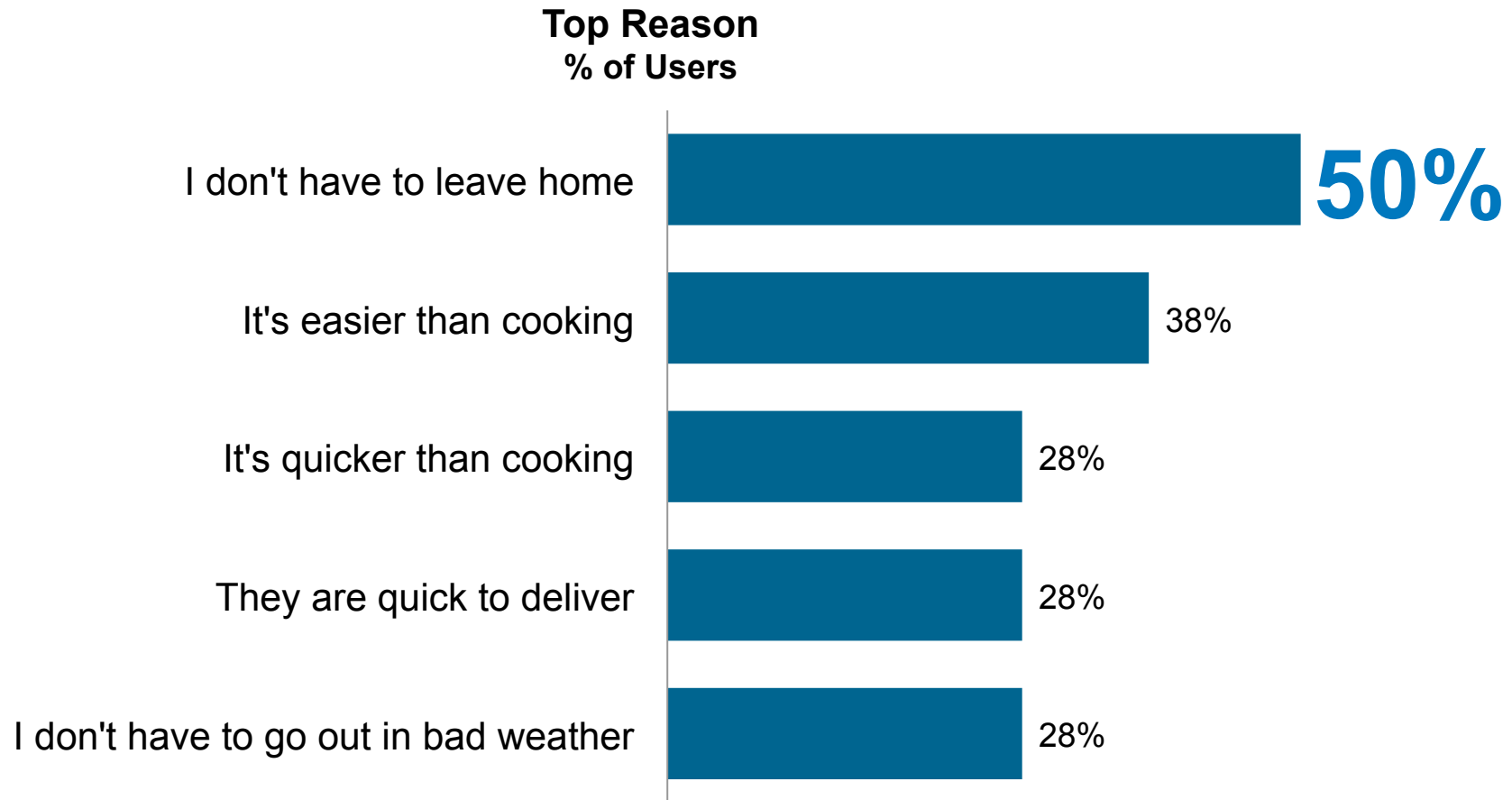
Younger generations are heavier users of delivery



Index to Total Traffic Share
Source: The NPD Group/CREST®, YE June'17

Top Five Reasons for Choosing to Use

Delivery is all about convenience; consumers say they don't want to leave home and it is easier than cooking



Source: The NPD Group /Delivery Custom Survey, June 2016

Delivery Traffic Forecast – Excludes QSR Pizza

Restaurant
Delivered
Meals
Excluding
Pizza

Traffic
Forecast
2022 vs.
2016

+100%



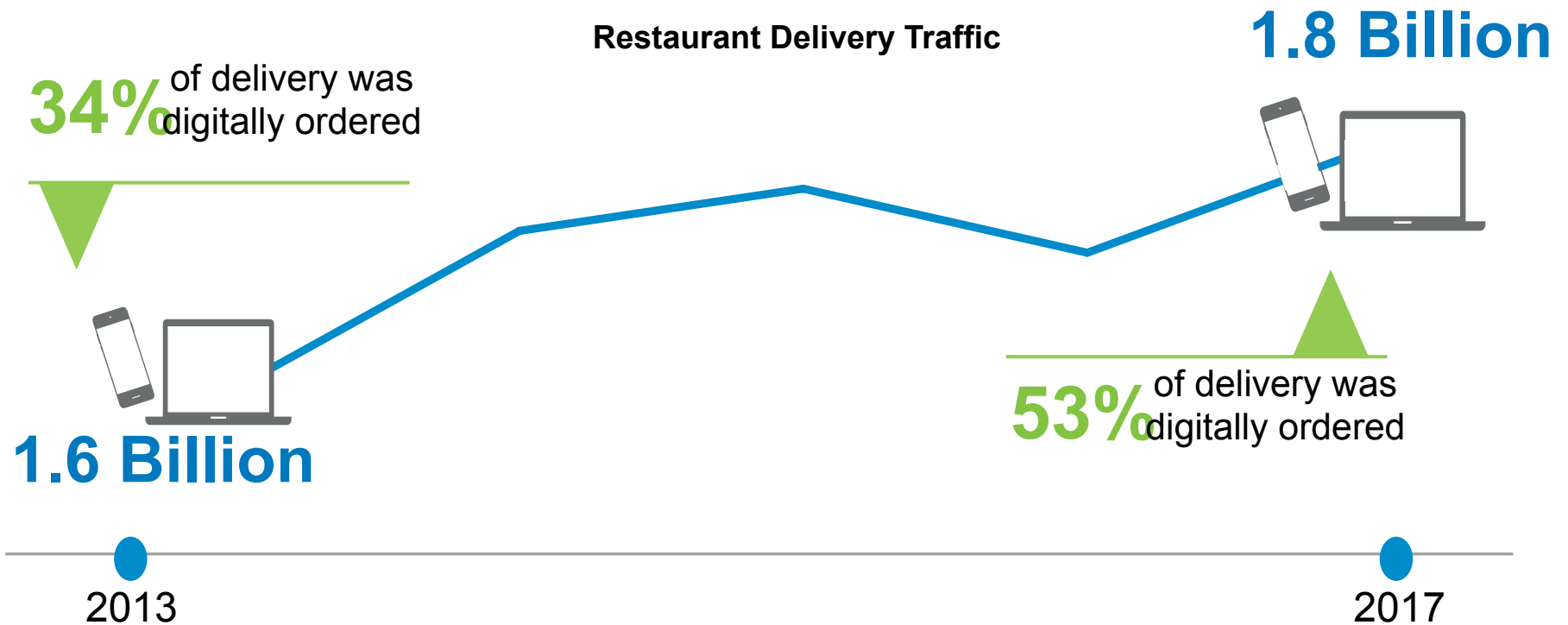
Source: The NPD Group/CREST®, 2022 vs. 2016

A person's hand is shown holding a smartphone. The image is overlaid with a semi-transparent blue filter. In the center, there is a faint circular logo containing a fork and a knife, suggesting a restaurant or food-related theme. The text "DIGITAL DELIVERY AND THIRD-PARTY APPS" is prominently displayed in white, bold, uppercase letters across the middle of the image.

DIGITAL DELIVERY AND THIRD-PARTY APPS

Delivery Traffic and Digital Ordering

More than half of all delivery is now digitally ordered. Operators pursuing delivery must offer a seamless digital ordering experience.

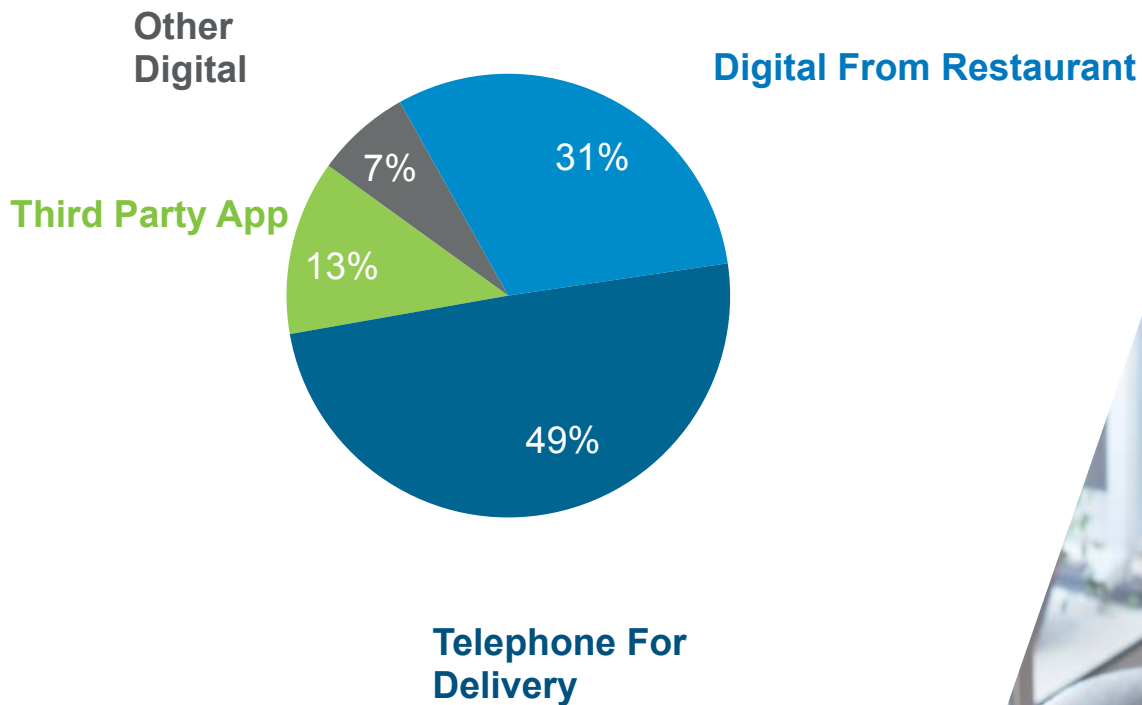


Digital Orders = Internet, Mobile App, Text Message, and Kiosk
Mobile App was added in 2013, Kiosk was added in 2017

Source: The NPD Group/CREST®, YE November 2017

Delivery Traffic by Order Method

Third party apps currently account for 13% of all delivery visits

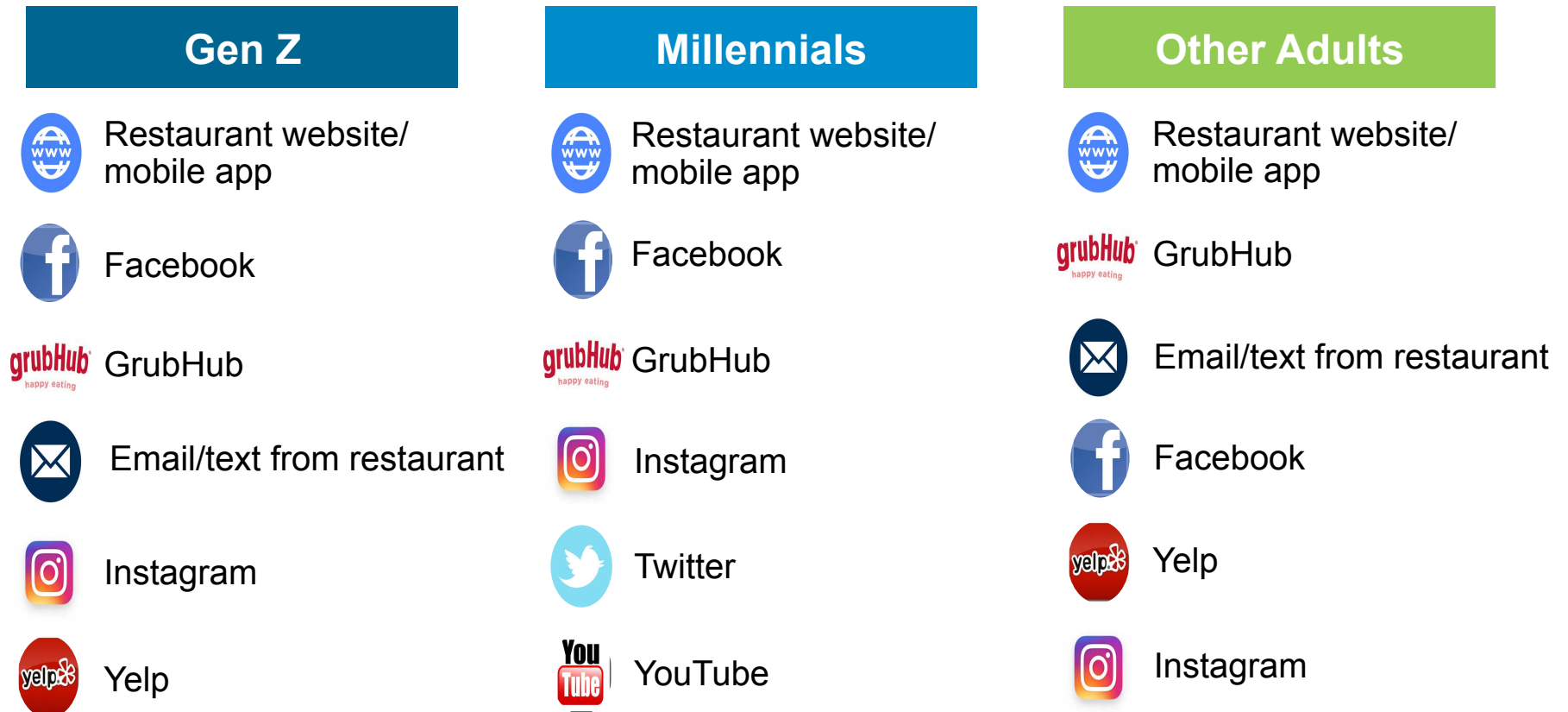


Source: The NPD Group/CREST®, Oct/Nov 2017



Delivery Site/Mobile App Influence

Restaurant's website/mobile app is the largest influencer across generations, followed by several social media sites



Source: The NPD Group/CREST®, year ending Dec'16

Delivery Site/App Influence Type

Operators need to keep sites updated and focus promotional info on key customers.

% of Site/App Influenced Visits by Type



Source: The NPD Group/CREST®, year ending Dec'16

Key Takeaways

- There is growing demand for **convenient meal solutions**
- Additional meal kit options are wide and varied addressing the age old question “**what’s for dinner**”
- Foodservice online delivery is only in its “second inning,” it will **continue to grow**
- Delivery and digital ordering attract visits from **younger generations**
- Delivery and digital will drive **demand** in a market that is showing little to no growth

Bottom Line

Providing the ability to easily order food “on demand” from restaurants or other venues is no longer a nice to have, it is a need to have.

Thank you

- Apparel
- Appliances
- Automotive
- Beauty
- Books
- Consumer Electronics
- E-commerce
- Entertainment
- Fashion Accessories
- Food Consumption
- Foodservice
- Footwear
- Home
- Juvenile Products
- Mobile
- Office Supplies
- Retail
- Sports
- Technology
- Toys
- Travel Retail
- Video Games
- Watches / Jewelry