Nation's Restaurant News

52 trends to watch in 2024

WHAT'S LIGHTING UP THE RESTAURANT INDUSTRY IN THE YEAR AHEAD?

PLUS:
How equipment will change next year
Pizza and beer: Together at last
10 coffeehouse chains on the rise

Cooked cheese like this halloumi from Ava MediterrAegean in Winter Park, Fla., is one trend on the rise in 2024.

LAB-GROWN MEAT INCREASES ON SMALLER RESTAURANT MENUS

After its approval for sale in the U.S. and proceeding success at Dominique Crenn's and José Andrés' restaurants earlier this year, lab-grown meat is having a moment. According to market research firm Datassential, 17% of consumers say they would be open to trying lab-grown meat. And according to Mintel's Global Food and Drink Trends report, 34% of U.S. adults say highly processed food is a top concern of theirs when picking items — that may be good for lab-grown meat's future. – HP

The rise of in-house tech stacks

As restaurant tech stacks start stacking higher, the need for custom technology platforms grows. At the end of 2023, several restaurant chains, including Wingstop, Yum Brands, Sweetgreen, and Restaurant Brands International announced plans to implement proprietary technology, and these restaurants will likely not be the last.

In 2024, expect more restaurant chains (especially larger companies) to announce investments in proprietary technology. Despite the upfront expense, the unobstructed access to data and custom builds could be worth it in the long-run — especially with restaurants that can invest in the necessary personnel.

"As organizations push for greater personalization, look to act on troves of data, and turn to innovative technology applications to elevate experiences, in-house software will become more popular," said Jay Burdette, senior director of the Enterprise Process Innovation Center at Panasonic Connect North America. "This will open the door for new jobs ... and will increase demand for best-in-class hardware that can optimally run these solutions." – JF

Restaurants embrace unique personalities

Today's brands have to be involved in social media or they will miss valuable marketing opportunities. Think about Chipotle and the Taylor Swift/ Travis Kelce tweets, or the infamous Popeye's "you good?" at Chick-fil-A in 2019. It's crucial for brands to use social listening to be a part of a moment, especially smaller brands that could use the marketing power. Market research firm Datassential reports that 28% of participants in its 2024 trends survey said it's OK for brands to be funny or risqué online. – HP

MERGERS AND ACQUISITIONS ACCELERATE, BUT WITH LOWER MULTIPLES

"(Mergers and acquisitions) activity was slow in 2023, driven by sellers who were reluctant to go to market because of weakening earnings and traffic patterns. From a buyer perspective, with interest rates going up 300-400 basis points, that changes one's ability to pay with the same returns. I don't think we see a recession, but with interest rates up as much as they are, the pressure is on any company that's been leveraged and any concepts that are weak. There will be more M&A activity in 2024 than 2023, but sellers will settle for less. So, there will be more activity and deals getting done, but at lower multiples."
– *Mike Esposito, cofounder and managing partner, Franchise Equity Partners*

STAFF PICKS

HOLLY'S PREDICTIONS

HOLLY PETRE

DIGITAL EDITOR
X: @hollypetre
Instagram: @holly.petre
TikTok: @hollypetre
LinkedIn: linkedin.com/in/holly-petre

EATERTAINMENT'S RESURGENCE CONTINUES

These aren't your old eatertainment brands; the new bunch of eatertainment restaurants are all focused on sports. The very popular sport of pickleball is the subject of several concepts, while golf is another favorite. While the sport is the draw, the food is high-quality, too.

VIRTUAL BRANDS STICK AROUND AS A NICHE

While there has been much tumult in the virtual-dining industry, some smaller chains are making it work well for themselves. Salted, a virtual brand concept out of Los Angeles, just finished a Series B funding round of $14 million and acquired a new Mediterranean concept, Xenia.

"We really want to be the company that is focused on hospitality in this space," CEO Jeff Appelbaum recently told NRN. "Up until now, that has been a huge pain point. If you're ordering online, it's a roll of the dice ... and we want customers to know that when you order from a Salted brand, you are going to get an experience that's really consistent. ... We had to build software to win on consistency and quality at scale."