

# BAUM + WHITEMAN

INTERNATIONAL FOOD + RESTAURANT CONSULTANTS

## CONSULTANTS PREDICT 11 HOTTEST FOOD & BEVERAGE TRENDS IN RESTAURANT & HOTEL DINING FOR 2020

**Friend or faux: Why people think fake foods  
are better than the real thing.**

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**Why millennials are killing your cocktail.**

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**How ghost kitchens could up-end the entire online food industry.**

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**Losing your privacy at the drive-thru.**

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**Did Russia really invent a lab-grown meatloaf?**

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• **Plus 15 buzzwords for next year.**

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Baum+Whiteman creates high-profile restaurants around the world for hotels, restaurant companies, museums and other consumer destinations. Based in New York, their projects include the late Windows on the World and the magical Rainbow Room, and the world's first food courts. They've recently been at work in Dubai, New York, California and Florida. Their annual hospitality predictions follow ...

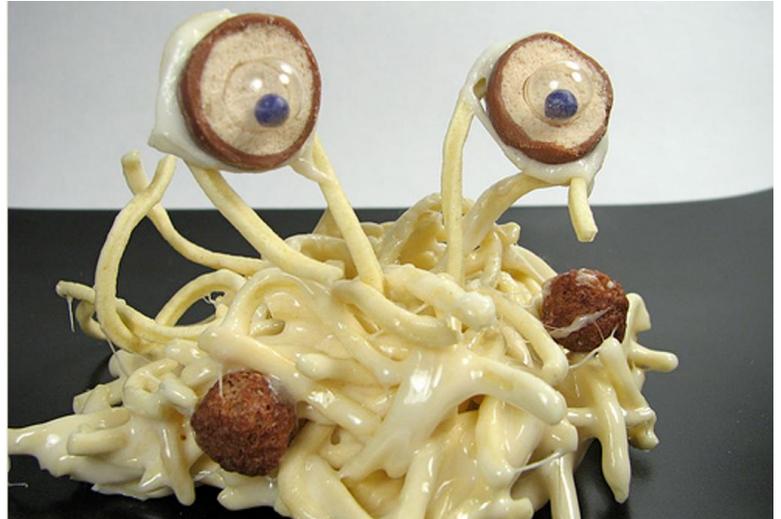
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## MANUFACTURED FOOD: FRIEND OR FAUX?

**Happening Now:** Wasn't it just yesterday REAL that consumers were clamoring for clean, unprocessed, fresh and natural foods ... raging at "franken-food" and thumbing their noses at Big Food's over-processed products?

We called "motherless meat" and plant-based food the top trends three years ago ... and we're saying it again for 2020: The dining tables have turned. America's consumers are on a *fake food quest* because they have been persuaded that the real thing is neither ecologically sustainable nor politically kosher ... even if made by Mother Nature herself. They're avidly seeking processed "food forgeries" ... and you see this playing out mostly in supermarkets and specialty food shops, and not so much in restaurants, except for plant-based hamburgers.



*Did you call me franken?!*

To view this *profound consumer mind-lurch*, look at the war on milk, for example ... which represents a thin edge of a scythe that threatens almost every player in the food industry. Supermarkets are selling almond and cashew milks, high-fiber milk, coconut milk, no-fat milk, high protein milk, oat milk, banana, hemp and lactose-free milks, and, we hear, quinoa milk ... all neatly arrayed in utter rebuke to the world's 250 million distraught cows.

As with milk, so with butter and eggs ... and next up is cheese. And chicken, fish, pork, shrimp and, who knows, maybe foie gras. Someone's going to be marketing lab-made coffee. It looks like entire categories of food are ripe for replacement.

*This is not a mere trend. It is a movement* ... skewed to the young, say 16 to 35. As older traditional-food consumers age out, this generation becomes the

commanding influencers. Behind this acceptance of manufactured plant-based food, and cell-grown food concocted in biochemical laboratories, lies an ideology that says: livestock's pooping and belching pollute our rivers and warm our climate, farming is environmentally destructive, the oceans are depleted of fish, rising temperatures could decimate traditional agriculture, we're being fed hormones and antibiotics that wreak havoc with immune systems, etc., etc.

That's why food packages now sprout "free-from" labels. Free from gluten-lactose-GMOs-bovine antibiotics-sugar-nitrates-cholesterol-grains-salt-fat. Rabid Instagrammers have created a religion out of avocados, spiralized squash, coconut water, last year's kale, pink salt, riced cauliflower, and humanely slaughtered vegetables (*right*).



The big players include old supermarket brands ... Purdue, Hormel, Tyson, Conagra ... who are gobbling up or investing in innovative plant-based startups.

For restaurants, the big news is the large beachhead for plant-based burgers. Burger King triumphed with its Impossible Whopper in the US and in Europe has launched Rebel Whopper made by Vegetarian Butcher (owned by Unilever). Carl's Jr and Denny's signed with Beyond Meat's products. At this writing, McDonald's was testing ... not happily ... a plant-based patty in Canada; and Wendy's (of "Where's the Beef?" fame) is trialing its Plantiful Burger there.

This momentum has other chains experimenting with plant-based pizza toppings, sausages, meatballs and maybe newfangled deli meats. KFC's tested a vegetarian chicken burger in England and chicken nuggets made by Beyond Meat. In 2020, we'll see plant-based substitutes (deli meats, for example) popping up as menu options in some major chains.

Don't look for real meatballs at Ikea this Christmas ... the company's going totally meatless and serving only vegetarian fare.

Is this a lot of hype? Do plant-based foods really use fewer resources than the real thing? Do they create fewer greenhouse gasses? Are plant-based foods better for you ... or even good for you? Will the sales bump by Burger King subsidize? (Note that Popeye's is setting sales records with *real* fried chicken sandwiches!) No one really knows ... yet.

*This sums it up:* Nestle is hawking a "bacon cheeseburger" made of faux beef, faux, cheese and faux bacon. You'll have to find your own faux bread.

### **Where It's Going:**

Lab-made meats, grown from animal cells in large fermentation tanks, are coming to market ... a couple in the next twelve months, lots more in three years. More than three-dozen companies around the world are racing to produce beef, chicken, pork and shrimp that, they hope, will not mimic the real thing but actually *be* the real thing. All without slaughtering a single animal.

As with plant-based meat substitutes, the idea is to wean the world off animals whose environmental costs appear unsustainable. A study found that three top US meat companies emitted more greenhouse gases in 2016 than all of France. You see why Memphis Meats' investors include Tyson and Cargill along with Bill Gates and Richard Branson. Bio-scientists at Memphis Meats, Aleph Farms, Higher Steaks, Just, Mosa Meat, Biotch Foods and Meatable are trying to scale up production and bring down costs. The food company Just says it is ready to bring lab cultured chicken nuggets to market ... they're not saying where ... at \$50 a pop. The first cell-grown hamburger cost \$325,000 but could be \$10 or less by 2021.



Lab-grown pork may be high priority because China's killing off vast numbers of pigs plagued by swine fever. The white coats at Harvard say they've produced motherless cow and rabbit meat.

Russia, perhaps tongue in cheek, claims to have made the world's first *in-vitro* meatloaf. We'll pass on that, for now.

### **MEAT-PLANT HALF-BREEDS**

Here's a halfway house for folks weaning themselves from all-meat diets ... or just curious about saving the planet from traditional ranching: Beef (and chicken, too) mixed with various "plant-based" ingredients. Biggest successes have been blending beef and mushrooms to create "lighter" hamburgers ... sponsored by the Beard House and the Mushroom Council.

In supermarkets, Purdue is selling nuggets made of chicken blended with cauliflower, chickpeas and plant proteins ... *an idea that could pop over to restaurant in a flash*. Tyson's selling beef burgers blended with pea protein. Misfit Foods has sausages with equal amounts of chicken and vegetables ... squash, kale, sweet potatoes kale.

Prediction: Quite possibly, the next generation of these products will be part plant-based and part cell-based. They're all aimed at a mass market of Americans who seek flexitarian ways of cutting back ... but not giving up ... on meat.

These hybrids could backfire, satisfying neither avid meat eaters nor rabid vegetarians ... so it is an interesting gamble on the part of producers seeking to have it both ways.

Meanwhile, contrarian 12-unit chain Slater's 50/50 sells massive amounts of its "blended" burger ... 50% ground beef mixed with 50% ground bacon ... topped with pepper jack, avocado, a runny fried egg and chipotle mayo. Delectably real, it's a blend sure to terrorize your cardiologist.

**ITS NOT FAKE ANYTHING. ITS REAL SPAM.**

Hawaii has sent more trends that poke to the mainland. We've been eating Spam for generations ... since the 1937 depression, to pinpoint a date. It has a terrific foothold in Hawaii (and Manila) ... where it qualifies as a national staple. Now we're seeing it in dishes like sushi, *right*, fried rice, patty melts, caramelized with



scrambled eggs, fried Spam tacos ... and replacing filet mignon in katsu sandos. Try the house-made version at [Liholiho Yacht Club](#). Trendy enough so that we're putting it on the menu of a giant American diner next year. *Next up from the Islands, we're predicting ... loco moco.*

**WHY MILLENNIALS ARE KILLING YOUR COCKTAIL?**

They're taking the word "adult" out of adult beverages. Low-proof and zero-proof cocktails are on the rise. Boozeless packaged beverages are imitating flavors of gin-and-tonic and martinis ... and they're marketing canned and bottled drinks that mimic flavor profiles of rums, bourbons and various whiskeys.

Some say these faux products defeat the purpose of drinking in the first place ... but we're facing millennial and younger generations that are cutting back on alcohol for health



reasons while not wanting to appear party-poopers. They now can drink wine-flavored water ... or hard seltzer lite ... and look like real swells. (This also facilitates daytime imbibing.) Consumption of alcohol is on the decline ... perhaps because drinkers are switching to the illusory pleasures of CBD. Which is why beer companies are throwing money at hemp companies.

Will this evaporate like Smirnoff Ice? Does anyone remember Zima? Will Starbucks' fans switch to coffee-flavored beer? Truth is ... Americans are suckers for anything with added flavors.

Let's look again next summer.

## **OLD COW MEAT**

We discovered recently that Spaniards know something about old cows that we don't. When they're too old to give milk or produce calves, Spain's geriatric cows aren't ground into cat food ... because they are a source of fabulous steaks. Unlike ours ... cut from animals lucky to last two years ... Spaniards eat fabulous steaks from cows that are eight to ten years old (or much older).



Their steaks are denser than ours, a bit drier, less flabby, and a bit chewier ... but their bold, intense flavors more than compensate for a lack of butter knife tenderness. They're corn-finished and dry aged ... with some gaminess,

less marbling, and deep red-purple meat with yellowed fat. They are sensational.

A few producers in California and Texas are selling limited amounts of *vaca vieja* and some savvy farmers occasionally sell sides of an aged cow to forward-thinking steakhouses. You can find old cow steaks at some of Jose Andres's restaurants, and occasionally at Spanish-run steakhouses around the country. It is very expensive ... right up there with wagyu.

## **GHOST KITCHENS ... THE NEXT GENERATION**

Ghost kitchens ... aka “virtual kitchens” and “phantom kitchens” ... are the hottest segment of the already hot online restaurant delivery biz. They're basically WeWork for restaurants that rent small kitchen space to concentrate on just deliveries ... or to try new concepts without building entire high-overhead restaurants.

Chick-fil-A, Starbucks, Red Lobster, Panera *et al* have ghost kitchens ... and smaller operators take space with others their size in large communal kitchens launched by upstart entrepreneurs who are the new darlings of Wall Street.

But: The entire restaurant industry could be turned inside out ... with ghost kitchen operators merging with delivery outfits ... or starting their own restaurant chains ... or being acquired by credit card companies ... or merging with online reservations companies.  
*This is our number-two trend for 2020.*

Simply put: Instead of renting out space to restaurants, owners of ghost kitchens and delivery companies could pull a switcheroo and become their tenants' biggest competitors.



*spooking the online restaurant world*

Ghost Kitchen entrepreneurs are industrializing on a global scale. Ousted Uber exec Travis Kalanik used his exit riches to acquire a big English company running a raft of what are called, over there, “dark kitchens.” He’s merging them with his own well-funded US startup called Cloud Kitchen ... which just raised \$40,000,000 from the Saudis. In India, Rebel Foods ... with 235 kitchens ...raised \$125 million. German operator Keatz also raised a potful this year to expand its kitchens across Europe ... selling only Keatz’s own-brand food.

Delivery companies are exploring opening their own ghost kitchens (DoorDash already has). That would make them both landlords ... extracting rent at one end of the deal, and delivery experts .... extracting commissions at the other end of the deal, and giving them enormous leverage over their meager 3-4000 sq. ft. tenants.

And we mention ... not in passing ... that American Express this year acquired Resy, OpenTables’ major competitor in online restaurant reservations.

These linkups create tantalizing possibilities for vertical integration ... with restaurants consigned to the low-margin, labor-intensive grunt work of fabricating meals for companies that charge layers of fees for every step of the reservations-order processing-rent- delivery-billing cycle.

Even more ominous, many ghost kitchen companies are launching their own “virtual” restaurant brands ... often with strong Instagram marketing ... and threatening to replace real restaurant in the online world.

And finally, all these middlemen will own the “consumer interface” ... data that’s captured by their online systems. They’ll know everything about a restaurant’s customers ... what they order during bad weather vs. balmy evenings, who orders only gluten-free food, whether they’re bingers or sport freaks, how often they dine in, how they respond to upselling, what items are trending, etc. Restaurants making the food will have none of this.

We could be looking at an integrated data-driven world owned by tech companies ...to the peril of individual restaurants.

Just sayin’.

## **LIFESTYLE BOWLS AND THE NEED FOR SPEED**

Building your custom salad bowl at fast-casual restaurants gums up the works as chains press for increased customer through-put. Instead, in 2020 they'll be pushing customers to order pre-set bowls ... "I'll have number two, please." Following Chipotle's lead, more fast-casuals will add pre-set "lifestyle bowls" ... constructed for diets like keto, paleo, high-protein and plant-based.

Note: Sweetgreen has a test store with no assembly line at all! All bowls are ordered from nearly two dozen pre-set choices ... so customers are no longer dazzled by glistening food choices while they queue to have their salads custom-built ... *which until now was the essence of the fas-cas experience.* Instead, people order at staffed kiosks, then gather at a wall of alphabetically ranked cubbyholes where their orders are delivered. Early reactions are mixed.

Worth watching: Leon ... a popular 17-chain fas-cas in London with an outpost in Washington ... has a vast menu of pre-set lifestyle food. Their online menu lets you click one of nine boxes (I'm vegan, I'm feeling adventurous, good for your gut) ... and their system will filter what fits your need.

The lifestyle concept is spreading to pizza chains ... and one could argue that plant-based burgers represent lifestyle choices.

Will other fas-cas chains scrap their assembly lines ... saving labor and space?

## **BLOWFISH TAILS**

This could be just a trendlet that puffs away but we've noticed that blowfish tails ... also known as sea squab ... invariably sell out as specials in hot restaurants. These hindquarters of non-toxic pufferfish have a lobster- or shrimp-like flavor. A bit larger than jumbo shrimp and more fun than frog legs, they're perfect for snacking or for sharing by the dozen.



**EYE SPY: YOU'RE BEING WATCHED. VERY CLOSELY.**

Google Glass (remember it from 2013?) hasn't gone away ... it's evolving, along with other competitors, becoming less bulky and easier to use. This includes restaurant use. Among other things, this means that if Mr. Westerbank appears at a restaurant's check-in desk, the host ... along with many other data scavengers ... may discover that his arm candy tonight isn't Mrs. Westerbank ... that the steak Bearnaise he ordered violates his health insurance parameters ... oh, yes, and that he's an illegal immigrant.



He's not alone in feeling he should be looking over his shoulder. KFC is toying with scanning your license plates at the drive-thru. In theory, they might: personalize your order based on what you last purchased; leverage that knowledge for effective upselling; add your loyalty points; and tie your license plate to your credit card for instant payment.

McDonald's this year shelled out big bucks for two tech outfits to play games at the drive-thru ... and we assume it wasn't just to get your car out of the way in 15 fewer seconds, although that might amount to 30 extra vehicles a day. Facial recognition could augment "spying" (in China they can identify you by the way you walk) by sensing your mood from your facial expression and adjusting menu suggestions accordingly. Voice-plus-facial recognition systems already are in use at kiosks in some fast-casual chains. Once they know it is you, they'll speed your ordering, since most people spend 30 or more seconds dithering at the order station ... and then buy precisely what they had last time. They'll automatically bill your credit card. And recognize you next time you're there ... with or without your spouse.

## **BIODYNAMIC WINES.**

Biodynamic wines sound spiritually enticing even if 99% of imbibers don't know what they are. Pruned, watered and harvested according to phases of the moon, these vines are inherently organic and (theoretically) composted with manure stuffed into bulls' horns. The entire process is at least as spiritual as it is agricultural ... but that the grapes are picked only at midnight and only by Druids turns out to be fake news.

## **TWO MEXICAN ITEMS:**

*BIRRIA.* If you live near a Mexican neighborhood, go prowling for birria. It is a meaty stew claimed by both Jalisco, usually with goat. Your *birria de res* will probably be beef ... perhaps with meat from the animal's head ... slow-braised with cinnamon sticks, bay leaves, garlic cloves, and herbs, alarmingly red with several kinds of chilis, and highly aromatic. Shredded and stuffed into a griddled semi-crispy taco, birria comes with a braising liquid for dunking ... that sometimes is sold by the cup on its own. More prevalent in California and Texas than New York.



*PAPALO.* A Mexican herb much used by people of Pueblo, making its way north. In flavor, it has a big nose ... tasting like a combination of cilantro, arugula and nasturtium leaves. Great in salads and salsa, it also inserted whole into *cemitas* ... those complex, layered Mexican sandwiches you also should know about. It probably preceded cilantro in guacamole. Heat doesn't kill its character, often happens with cilantro.



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**BUZZWORDS:** **Fancy churros** ... **Over-the-top** breakfast sandwiches ... **Chef-branded sneakers** ... **Amba**, an Israeli condiment, roughly equivalent to Indian mango pickle and next year's shug; traditional with falafel and shawarma, great for out-there sandwiches ... **Plant-based deli meats** on chain restaurant menus ... **Burnt cheesecake** from Basque country ... **Shawarma** ... Too many developers adding **too many food halls** to too many failing shopping malls ... **Ethical butcher shops** ... Needlessly ingesting loads of **collagen-boosting food** until the next forever-young comes along ... **Reusable bowls** at fast-casual chains, reducing trash ... **Alternative flours** for pizza crusts ... **Fiber** may get hot when people learn they're consuming excess protein ... **Algae** and **seaweed** ... **Celtuce**, an exclusively cheffy vegetable used instead of kale, cucumber, asparagus.

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