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Food And Beverage Preps For Post-Pandemic Future



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The pandemic isn't quite over but after a long journey, vaccines are arriving, the restaurant industry is getting a huge financial shot in the arm, and dining limits are being loosened – or lifted. “What will the new norm look like?” may be the single biggest question for the F&B industry. Who will win, lose, or draw and what does the future of F&B hold?

Although tech will continue to play a bigger role, crystal balls aren't part of that. Still, it's possible to predict based on what we're seeing. Many F&B businesses, especially restaurants, won't make it to whatever's next. As of late 2020, about 17 percent or 110,000 U.S. restaurants closed permanently or long-term, according to the [National Restaurant Association](#). “Our nation is

losing a generation of industry talent, knowledge and entrepreneurial spirit,” the group wrote, though there will be those that take advantage, buy low and fuel new ventures. Capital is sitting on the sidelines, waiting to go where the future looks bright. SPACs are going wild.

The federal government is setting aside \$28.6 billion in grants for restaurants, bars and food trucks. That will help ease any transition to a new norm. So some help is arriving although bills also await. There are some solutions – and some struggles.

A New York City Hospitality Alliance survey found 92 percent of restaurants said they couldn't pay full rent in December, and 60% of landlords haven't waived rent during the pandemic.

Returning safely also will be key. Consumers will dine and shop only where they feel secure. Starbucks for now is keeping masks in place, as states such as Texas lift mandates. Kroger reportedly is requiring masks until its workers are vaccinated. To some companies, doing things right matters more than doing them right now. Restaurant margins on alcohol, lost in take out, will boost income and offset losses from the buying-for-home-drinking trend.

You might say we're witnessing the creation of Generation D – delivery. Delivery, take out, ghost kitchens and outdoor dining will likely remain at high levels. Particularly since Millennials and Gen Z adults tapped takeout or delivery for dinner at higher rates than older generations, [according to Restaurant.org](#).

Outdoor dining is likely to be a bigger deal. Sidewalks — regulations permitting — will likely be for more than walking. Then there's compensation to restaurant workers, declared essential. The minimum wage wasn't lifted as

part of the latest relief package, but it remains in discussion and there are those that have taken the bold step to do it on their own.

Long lines, shortages and caution took their toll on supermarket satisfaction and fueled delivery services. The year ended as the supermarket industry's satisfaction index dropped 2.6 percent to 76 – with 17 of 20 major chains seeing declines, according to the [American Customer Satisfaction Index \(ACSI\) Retail and Consumer Shipping Report 2020-2021](#). Trader Joe's topped the entire retail sector at 84. However, the supermarket industry still had a banner year. Curbside pickup won't go away, and technology will play a much bigger role in supermarket strategy. [Amazon Go's](#) nearly 30 stores with “Just Walk-Out Shopping” let virtual and real shopping carts meet [with no checkout required](#). More Amazon Go stores could mean more impact, while other retailers are ramping up efforts that will revolutionize retail.

M&A activity will increase among manufacturers, as businesses position themselves post-pandemic. Companies will seek to buy growth or divest of what's not working. And direct-to-consumer, including online sales, which grew tremendously during the pandemic, will continue to expand.

An awareness of health will feed more healthy and nutritious food sales. Plant- and cell-based foods have been attracting capital and consumers at a dizzying pace. Impossible Foods says its Impossible Burger is only the beginning, as it seeks to [develop more plant-based foods](#). Environmentally friendly packaging, snacking, organic foods and private label all will continue to grow in this brave new world.

Distributors will continue to be squeezed by direct-to-consumer and online sales, and both major players and smaller players will only survive if they offer specialization. [AI and technology can increase the safety of a global supply](#)

chain, which has been under scrutiny during the pandemic. Companies are increasing transparency, impacting supply chains as a hunger for data grows. Blockchain will develop a bigger role in monitoring supply chains.

Climate change will continue to impact the sector. Sustainable agriculture's role will grow in the new norm. Indoor farming is in, as we seek to adjust to climate change. Vertical farming with hydroponics and other options could expand as warehouses supply, not just store, food. Money will flow in from investors to tech solutions, chasing growth.

From farm to fork, the changes have been vast and the pace of change has accelerated much like the vaccination process. So mask up for safety, buckle up for change and keep those seat belts fastened because the ride is about to begin.