

# Contract catering trends and challenges in 2022

To inspire confidence and spread knowledge, we have developed BM's 'Recipe for Success' guides for workplace and contract catering. You can download other guides from our website too. [www.bmcaterers.co.uk/category/expert-guides](http://www.bmcaterers.co.uk/category/expert-guides)

This expert guide is based on an exclusive event Food Futurist, Simon Stenning<sup>1</sup> hosted for BM's clients. Simon outlined the challenges and trends he sees for food service operators in 2022.



## Customers at both ends of the spectrum

A consumer survey<sup>2</sup> by CGA identified two ends of the consumer spectrum, naming them the cautious 'homo-trepidations' and 'splash the cash'. 17% of consumers agreed that they plan to be more careful with their spending and 21% planned to treat themselves. Contract caterers will need to cater to both groups of customers.

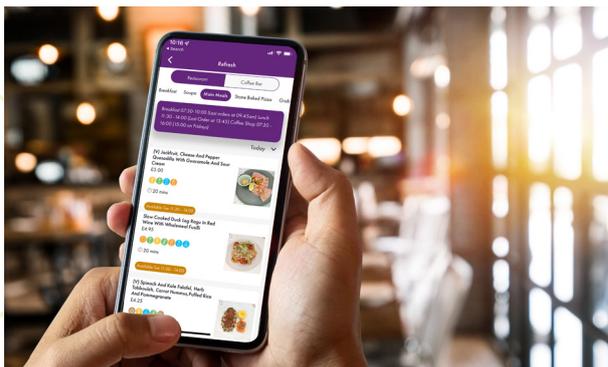


Of consumers strongly agree that they plan to "be more careful on how much they spend"

### HOMO-TREPIDATIOUS *VS* SPLASH THE CASH



Of consumers strongly agree that they plan to "treat themselves" when they go out to eat or drink again



## The changing consumer

Some of these changes in consumer behaviours that occurred during the pandemic will remain. Not everyone was in the same boat, in terms of keeping their jobs and working from home. There will need to be a careful balance in how operators respond to the diverse needs of clients and consumers. Covid-19's impact has led to a more polarised society: cash rich and time rich, versus cash poor and time poor. Contract caterers will need the agility to react, diversify and drive loyalty to create more experiences, and not just at the higher end of scale. Customers will expect true value from every experience.

### THE CHANGING CONSUMER COVID 19 has led to a polarised society Cash Rich & Time Rich VS Cash Poor & Time Poor

<p><b>EXPERIENCE LED</b></p> <p>Delivering the true value from the experience</p>	<p><b>MULTI FUNCTIONAL</b></p> <p>Meeting needs, wherever, whenever, whatever</p>
<p><b>ETHICAL, SUSTAINABLE &amp; LOCAL</b></p> <p>Purpose is more important than ever, not just 'lip service'</p>	<p><b>MULTI OCCASIONAL</b></p> <p>Changing patterns or consumption. Work and leisure interact</p>
<p><b>TECHNOLOGY ENABLED</b></p> <p>Adding value to the experience; with staff help to adapt and adopt</p>	<p><b>MULTI GENERATIONAL</b></p> <p>Boomerang kids, cautious elders; a more caring society</p>

As a result of working from home, consumers have enjoyed a better work-life balance. This is likely to culminate in more three/four day working weeks for offices. For contract caterers, Tuesdays, Wednesdays, and Thursdays will be the most important days. To bring value to clients, contract caterers will need to work hard at keeping customers in the building for their food and drink experiences.

Customer expectations have increased. They want more purpose to their food including ethical, sustainable, and local ingredients. Publishing an annual CSER report is no longer enough, ESG goals will have to be constantly lived by the whole organisation. Consumers can tell the difference between something that is genuine or just 'lip service'.

## Purpose

Research suggests that consumers looking for more purpose are four to six times more likely to purchase, protect and champion purpose-driven companies<sup>3</sup>, this includes choosing to work for them. An important point to note for anyone looking to recruit in a tight labour market. Read BM's expert guide on attracting and retaining talent in the hospitality sector [here](#).



## Fulfilment

Purpose guides us towards fulfilment rather than achievement. BM puts purpose and fulfilment in action - collaborating with social enterprises like Migrateful, an award-winning charity. They use cookery classes to rebuild the lives of refugees and migrant chefs from around the world. This collaboration is a brilliant example that allows BM to meet consumer desires for purpose and authenticity.



## New propositions

Different consumer demands need different propositions. Expect to see more of the following.

**Hybrid hubs** - combining residential, office, retail and/or hospitality space

**Social refuelling** - informal, fast, casual and on-the-go consumption

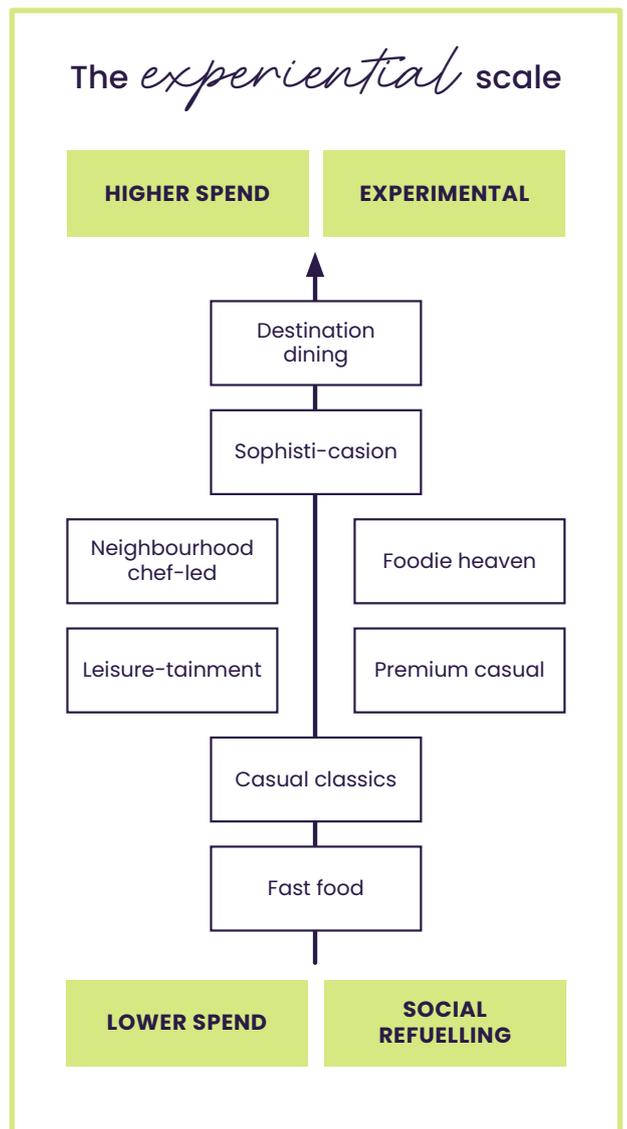
**Food markets/halls** - for an artisan food and drink experience

**Leisure-tainment** - for group occasions and competitive socialising

**Destination dining** - for expert service and specialised cuisine

**Hospitality at home** - offering an on-premises experience at home

All these can influence and inspire a contract caterer's offering.



## Paradigm shift in technology



The pandemic has accelerated digital ordering systems in hospitality, which appear to be driving up spend-per-head. Smart operators will increase the use of automated machinery to do repetitive tasks to create a more tailored and personalised experience. For example, by switching their labour away from processing order and payments toward the front counter and production of tailored personalised fresher food.

Technology also takes us into a brand-new era - the rise of virtual brands.

Rapper and Emmy award-winner DJ Khaled launched Another Wing, the biggest virtual restaurant launch in history. The delivery-only model launched simultaneously with more than 50 kitchens in five countries!

It shows what's possible with a virtual brand that has massive recognition with consumers.

TikTok partnering with Virtual Dining Concepts (VDC) launched TikTok Kitchens, a delivery-only service that will deliver a menu inspired by food trends popularised on TikTok. TikTok Kitchens will make use of a restaurant brand's existing kitchen and employees but will provide the training, food packaging, and TikTok-sourced recipes.

Virtual Hero launched virtual food brand - Sides. It was developed in collaboration with YouTube content creators, The Sidemen. The concept combines pop-culture references with chicken dishes. Facilitated by REEF, the world's largest operator of virtual restaurants, it was initially available for delivery-only but has now opened in Boypark.

All these examples show how the latest digital technology is impacting foodservice.

### Americanisation

US inspired or US franchised brands have been a trend for a long time, but it has increased significantly recently. Over 100 new outlets opened in the last six months, mainly replacing casual dining brands.

## What's next?

Operators must create more 'wow' and incredible eating out experiences. Examples include Red's True Barbecue donut burger! But consumers will want to balance their food 'debit and credit', which also means eating 'worthy' food.

### Worthy and wow

We'll see demand for more plant-based and ethical food alternatives. Customers will expect to see concepts like the impossible burger, a plant-based substitute for traditional meat-based burgers that mimics the flavour, aroma, and texture of beef.

Customers have learnt to cook at home, unsurprisingly they now want more of an experience when they eat out. How about offering drinks that provide collagen infusions or hyaluronic acid?! They definitely answer the requirement for "I want to feel good and look good" or in the words of the L'Oréal advert, "because I'm worth it!"

### Worldly

Customers will be even more worldly in their food expectations. Everything from Japanese katsu sando to Korean fried chicken to visiting Alkebulan. Opening in London this year, it's the world's first African dining hall, celebrating an untapped cuisine. The evidence for a consumer appetite for authentic and varied worldly cuisine is seen in the huge queues for street food trucks, contrasted with quiet scenes at old high street staples.

### Woke

Customers want worldly food but at the same time they know that they've got to be a bit more local, sustainable and ethical. And they know it's not possible for the hospitality industry to go out foraging all the time! But there is a theme. Consumers are becoming more aware of the bigger picture and the carbon footprint of what they're eating. Waitrose describe this food trend as 'climatarianism'. This means selecting food that has the least environmental impact and avoiding those with a high carbon footprint. BM has developed **Eat with the Earth in Mind**, little gentle nudges and education to help customers make lower earth impact choices.



### Wacky

Food presentation is changing. How can operators create fully immersive experiences? Foremost it's about delivering an experience consumers can't replicate at home.

## Industry impact factors

### Positive



RETURN TO OFFICES



RETURN TO NORMALITY



MORE SPENDING



CELEBRATIONS

### Challenging



INFLATION



INCREASED TAXATION



RISING WAGES /  
EMPLOYMENT



VALUE

## About bm

BM Caterers is a multi-award-winning contract caterer. Our experienced, energetic and enthusiastic team takes a fresh approach to food and drink – with delicious results for you and your business.

We've grown steadily to a team of over 900 experienced foodies, serving 45,000 customers every day in over 90 locations in the UK.

We're also a responsible company, and can help yours to be one, too. We were the first contract caterer to achieve the Sustainable Restaurant Association Three Star Champion Status, known as the Michelin stars of sustainability.

### Fresh ideas every time

Because we're an entrepreneurial business, we don't have a one-size-fits-all template that we attempt to force on each client. Our catering focuses on tailor-made solutions driven by innovation. We take time to develop bespoke concepts which match the client culture, employees' tastes and the physical environment.

We also recognise the importance of value for money. We work as a tight, agile team to develop solutions that reduce costs and use resources more smartly.



## The ingredients for success

To provide everything from 5-star dining to fast food 'Americanisation', contract caterers will need agility.

If consumer incomes go down, value and loyalty will become even more important. It's not just the price, food service operators will need to deliver tangible value. The successful contract caterers will do this by understanding exactly what consumers want and value.

To discuss how BM can help you find workplace solutions to capitalise on these trends and challenges please contact [hday@bmcaterers.co.uk](mailto:hday@bmcaterers.co.uk)



#### References

1. [www.futurefoodservice.com](http://www.futurefoodservice.com)
2. [www.ogastrategy.com/2021-hospitality-consumer-forecast-part-1](http://www.ogastrategy.com/2021-hospitality-consumer-forecast-part-1)
3. [www.forbes.com/sites/afahelaziz/2020/06/17/global-study-reveals-consumers-are-four-to-six-times-more-likely-to-purchase-protect-and-champion-purpose-driven-companies](http://www.forbes.com/sites/afahelaziz/2020/06/17/global-study-reveals-consumers-are-four-to-six-times-more-likely-to-purchase-protect-and-champion-purpose-driven-companies)