



Dining in Transition: 10 Digital Trends to Watch in the World of Restaurants

Friday 29th November 2024, 10.00-11.00 CET



Welcome



Marine Thizon
Public Affairs Manager
HOTREC

Speaker / Moderator



Peter Jordan
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Panelists



Michel De Bloos
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Research Manager
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Dining in Transition: 10 Digital Trends to Watch in the World of Restaurants

What we'll cover today:

1. Gain insights into the **top 10 digital trends shaping the future of food service**, from menu engineering and digital menus to AI innovation and automation.
2. Explore how these trends are influencing **consumer behaviour, operational efficiency,** and the **competitive landscape** for restaurants and food service providers.



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Dining in Transition: 10 Digital Trends to Watch in the World of Restaurants

What we'll cover today:

3. Discuss **benefits and challenges for SMEs** along with **practical solutions** that can help them to make their business more productive and efficient with the help of tech.



Panel Discussion - *RESTwithEU*

A European Pilot Project to **support and drive the digitalisation of the European Restaurant industry**. RESTwithEU has developed the *Digital Pathway Tool*, to help small and medium-sized restaurants to take the necessary steps to boost their digitalisation, their productivity and performance as a business.





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Digital Trends to Watch in the World of Restaurants...



**1. Longer, more frequent, and more influential:
the transformation of online
restaurant reviews**

Deciding with Reviews: 2 in 3 of Italian Diners Check Online First

HOTREC member, the Italian Federation of Public Establishments (FIPE), has published research showing that **65% of Italian diners read reviews before choosing a restaurant.**

The most commonly used platforms include TripAdvisor, Google, and TheFork.



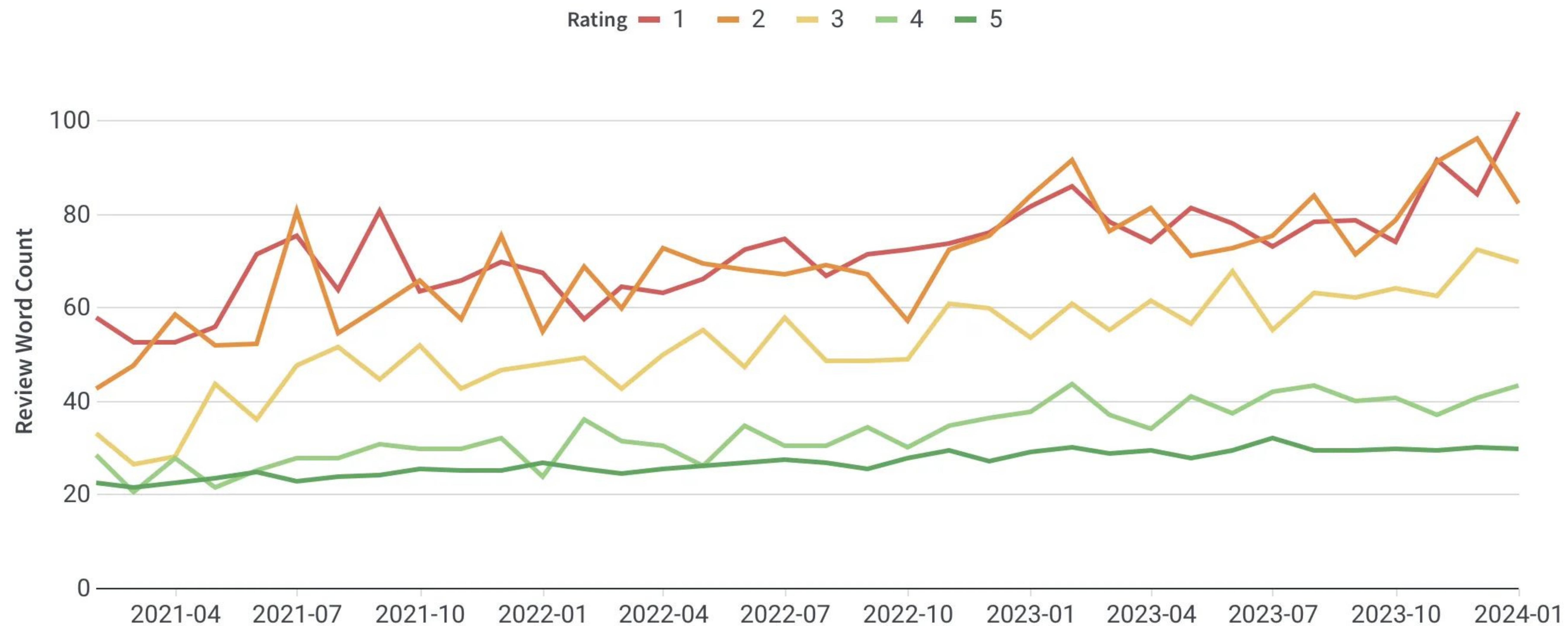
Source: Federazione Italiana Pubblici Esercizi (2024)
La ristorazione nell'era delle recensioni online.

The rise of longer reviews

Restaurant reviews have been getting longer over time, across all rating levels, showing a trend toward **more detailed customer feedback**.

Interestingly, reviews with low ratings tend to be much longer than those with high ratings.

Review Word Count by Rating Over Time

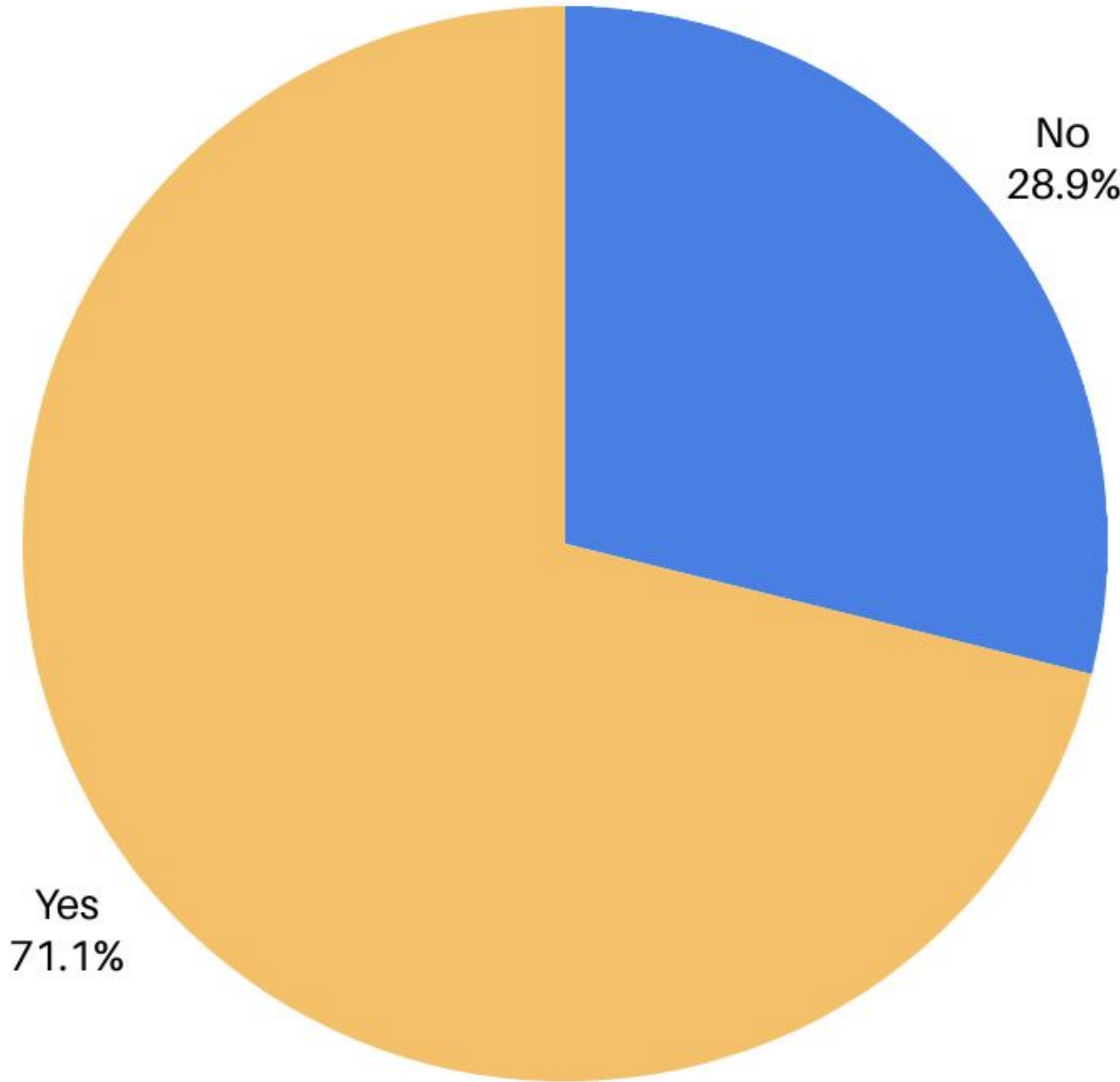


Source: Right Response AI (2024) Analysis of Over 100,000 Restaurant Reviews.

The power of negative reviews

The influence of negative reviews is noteworthy, with 71% of respondents admitting that such feedback has led them to **decide against visiting** a restaurant.

Have you ever changed your mind and decided not to go to a restaurant based on their negative reviews?

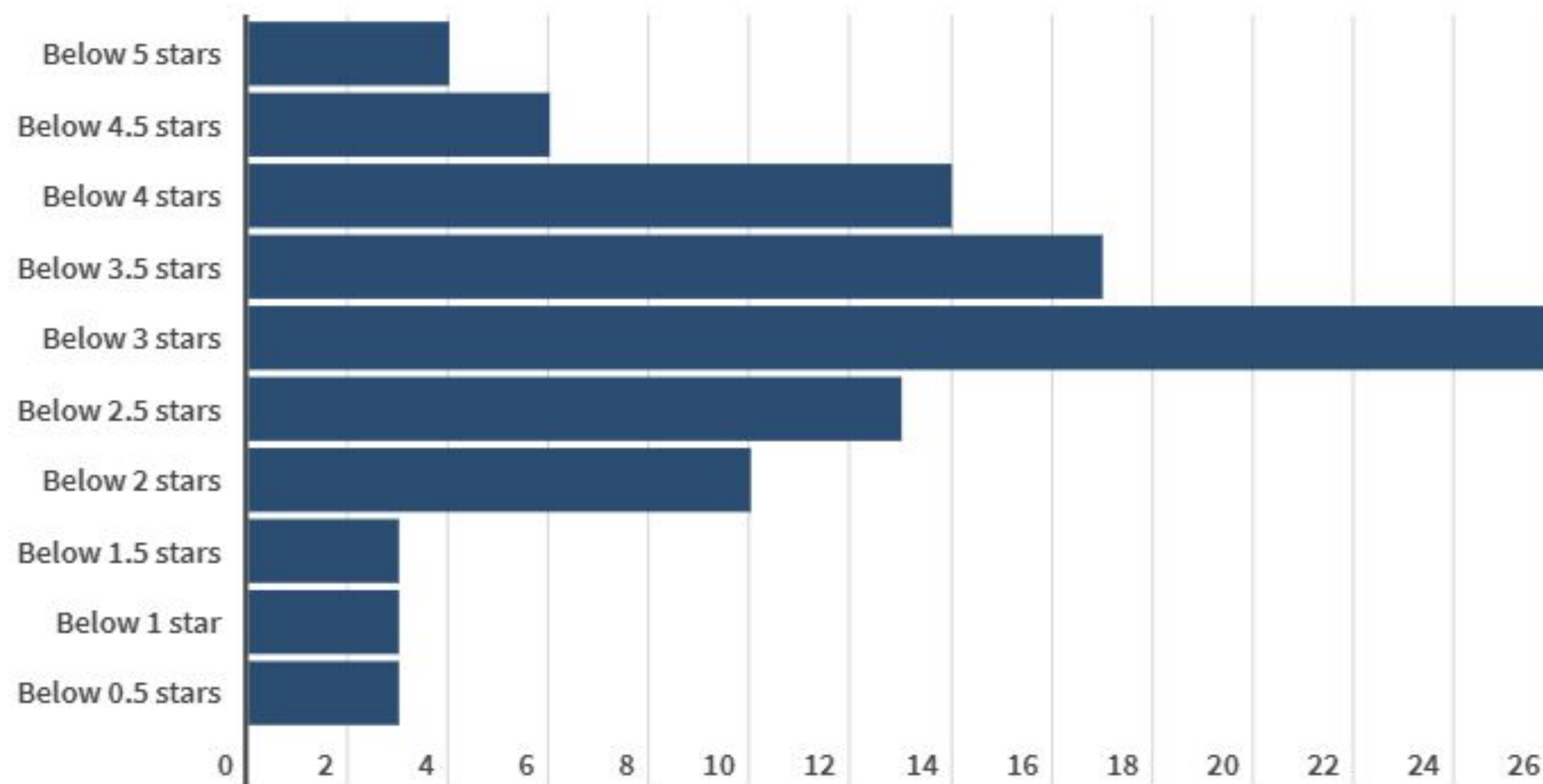


Source: Right Response AI (2024) 2024 Restaurant Diner Survey Insights.

The fragile nature of mid-score reviews

According to a survey of 1,157 adult diners in the US, 57% of respondents avoid restaurants with ratings below 3.0–3.5 stars. Additionally, women tend to be more sensitive to lower ratings compared to men.

Below which rating would you consider NOT visiting a restaurant?



Source: Toast (2024) Should You Focus On Your Restaurant Website?



2. With great power comes great responsibility: **Tackling fake reviews in the age of AI**

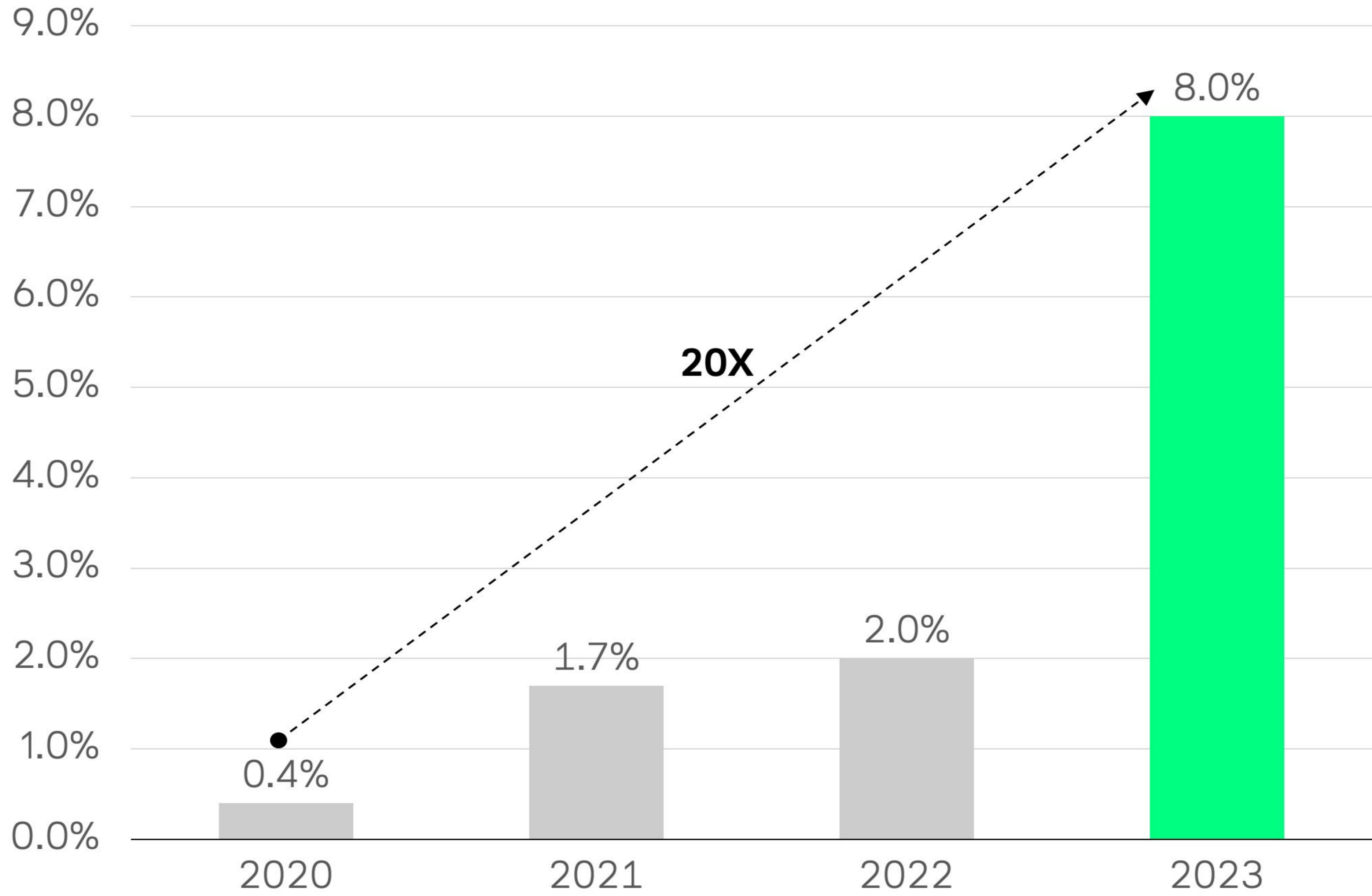
A fake review storm (1)

This is a major issue across many business sectors, including travel and tourism.

From 2022 to 2023, Amazon reportedly saw a 4 x increase in the use of **AI-generated content** in published reviews.

TNMT
The amount of AI-generated reviews has skyrocketed

Expected share of AI-generated reviews on Amazon (in %)



Source: TNMT (2024) The travel industry is undergoing a fake review storm.

A fake review storm (2)

Tripadvisor has revealed that approximately 4% of its 30 million reviews were deemed to be fake or fraudulent in 2022. The company also said its detection process picked up 72% of submissions before they were published on the platform.



Source: Tripadvisor (2024) Review Transparency Report 2023.

EU response

HOTREC has recently welcomed the increasing focus on addressing fraudulent practices in digital platforms within the hospitality sector.

EU Commissioner for Justice Didier Reynders highlighted this issue in his response to a European Parliament question, emphasising the urgent need for stronger measures to tackle fraud on platforms that are particularly vulnerable to misuse.



Source: HOTREC (2024) Fake reviews in the hospitality sector.

FIPE's Initiative

In early November, the Italian Federation of Public Establishments (FIPE) relaunched the **"SOS Reviews Desk"** to address false reviews and challenge irregularities on online platforms, including issues with terms and conditions, complaint handling, and unilateral service suspensions (e.g., delivery, reservations).



Source: Federazione Italiana Pubblici Esercizi (2024)
La ristorazione nell'era delle recensioni online.

The Coalition for Trusted Reviews

Booking, Expedia and Tripadvisor are members of the Coalition for Trusted Reviews, which launched last month their new website and best practices for maintaining trusted online reviews:

- Maintaining clear and transparent reviews and ratings policies :
- Having systems, processes and experts in place that ensure the trustworthiness of reviews and ratings
- Having a reporting process for users to flag suspected fake reviews and ratings
- Take appropriate actions on policy violations and the users (incl. businesses) that violate policies



Source: Coalition for Trusted Reviews (2024) Best Practices

A top-down view of a dining table with several white plates of food. A person's hands are visible, holding a black smartphone horizontally to take a photo of the dishes. The phone's camera interface is visible on the screen. The background is slightly blurred, showing more of the table and the person's hands.

3. Tailored tastes: Multi-channel strategies for engaging diverse audiences

Consumers engage with restaurant content for many reasons

The purpose of restaurant content is has two aims:

- i. Inspire new and returning customers with enticing offers and promotions
- ii. Provide practical, tailored information that meets diverse audience needs, e.g. dietary preferences or guest reviews

What, if any, information do you wish was shared ahead of time that would make your dining experience at a restaurant more enjoyable?

Full food and cocktail menu



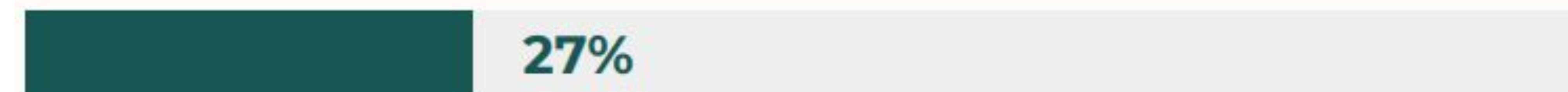
Specials or promotions currently offered



Dietary options for vegetarians, vegans, or gluten-free diets



Reviews or testimonials from previous diners

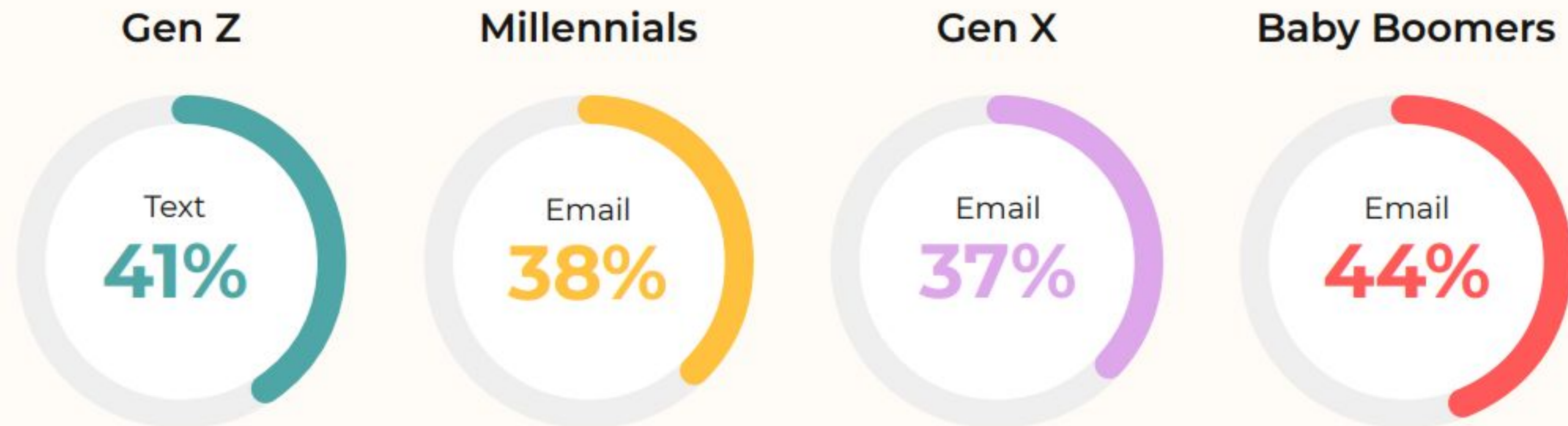


Source: Seven Rooms (2024) Restaurant Trends and Diner Expectations.

Different audiences have different needs

Such diverse content must be shared across multiple channels, not only to cater to the **varying preferences of different age groups but also to create a combined effect**, where the intersection of content across channels strengthens the restaurant's messaging and overall impact.

Check out the preferred restaurant communication channels by generation



Source: Seven Rooms (2024) Restaurant Trends and Diner Expectations.

A woman is taking a photo of a restaurant table with a smartphone. The table has a white tablecloth and a pink flower. The background is a blurred restaurant interior with other people. The text is overlaid on the image.

4. Boosting restaurant visibility
through social media:
**Instagram reigns while Tiktok
is on the rise**

Strong appetite for restaurant content among young people

Nearly half of French diners (45%) regularly explore chefs' recipes on social media, with this figure **rising to 67% among those aged 35 and under**.

Similarly, over 2 in 5 French diners (42%) follow social media accounts that recommend restaurants. This share **climbs to 63% among younger audiences under 35**.

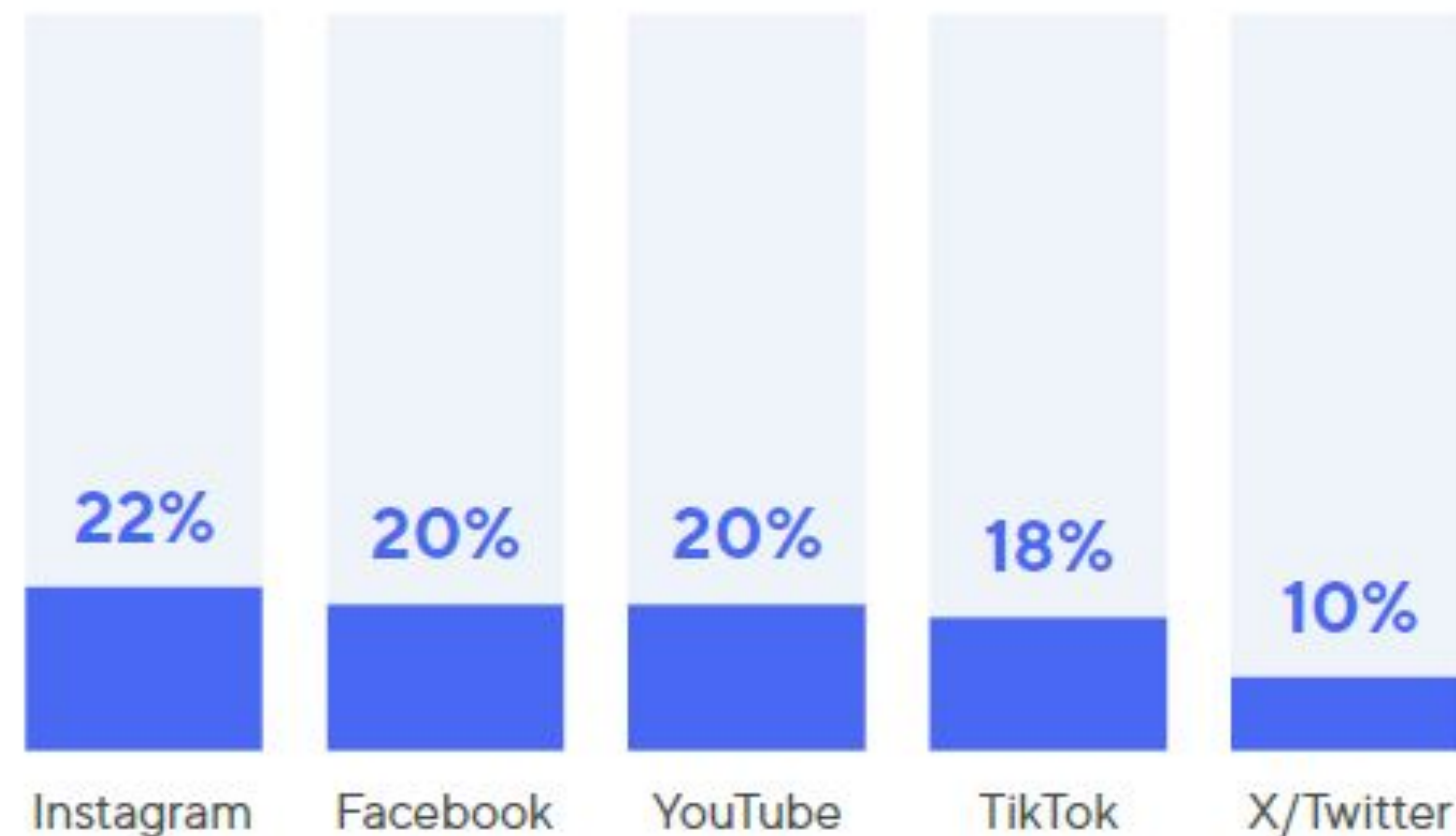


Source: Ipsos et American Express (2024)
Les nouvelles attentes des Français en matière de restauration.

Instagram is the current leader

Among US diners who use social media to discover new restaurants, Instagram is the most popular platform overall. For men, the top choices are Instagram and YouTube.

Which social media platforms do you use to discover or learn more about restaurants? (Top 5)



Source: DoorDash (2024) Restaurant & Alcohol Online Ordering Trends.

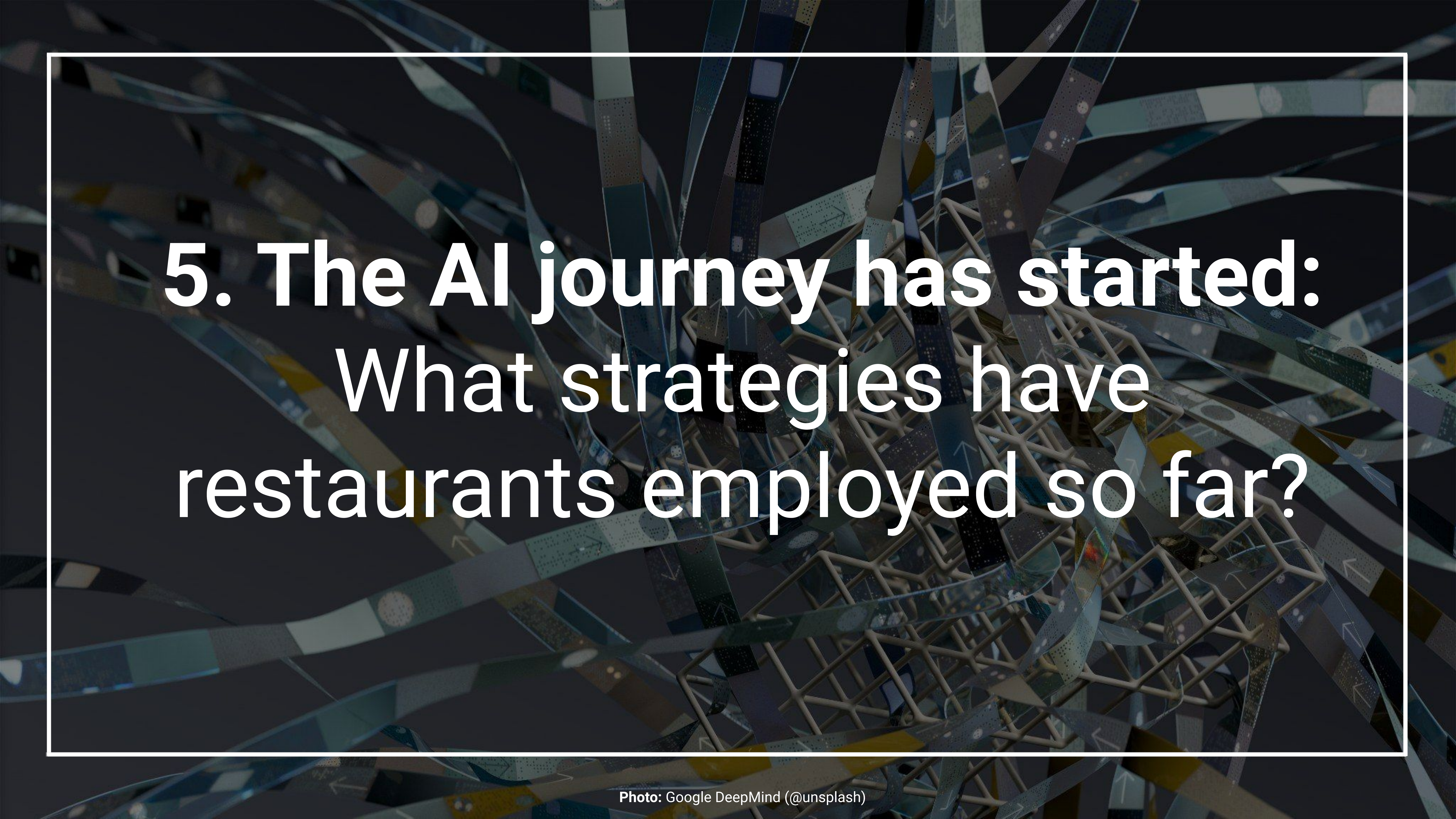
TikTok is the next big thing

For Gen Z, TikTok takes the top spot, while Millennials prefer **Instagram**, followed by **YouTube**. Interestingly, women also rank TikTok ahead of Instagram as their go-to platform for exploring restaurants and dining experiences.

30%

of Gen Zers who use social media to find new restaurants prefer TikTok, followed by Instagram (29%).





**5. The AI journey has started:
What strategies have
restaurants employed so far?**

AI on the Radar for Restaurants

According to a survey of 755 restaurant decision-makers in the United States, **over half (52%) are actively exploring ways to enhance their business through artificial intelligence (AI)** (7% more than last year).

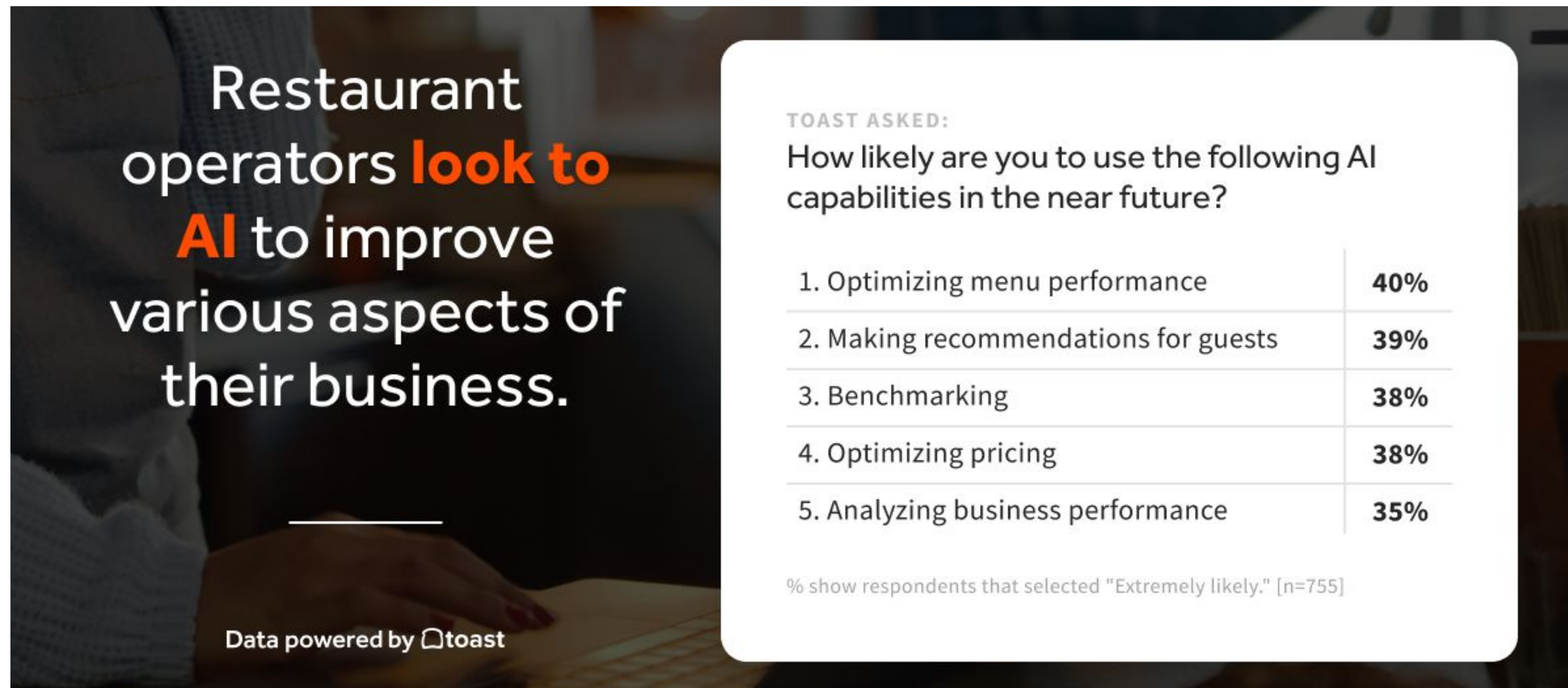


Source: Toast (2024) How Restaurant Operators Feel About Using AI to Help Their Business.

A balanced view on using AI

According to the same survey, restaurant decision-makers are quite balanced in their views on how AI can be effectively implemented in their operations.

Optimising menu performance and providing personalised recommendations for guests are top of the list.

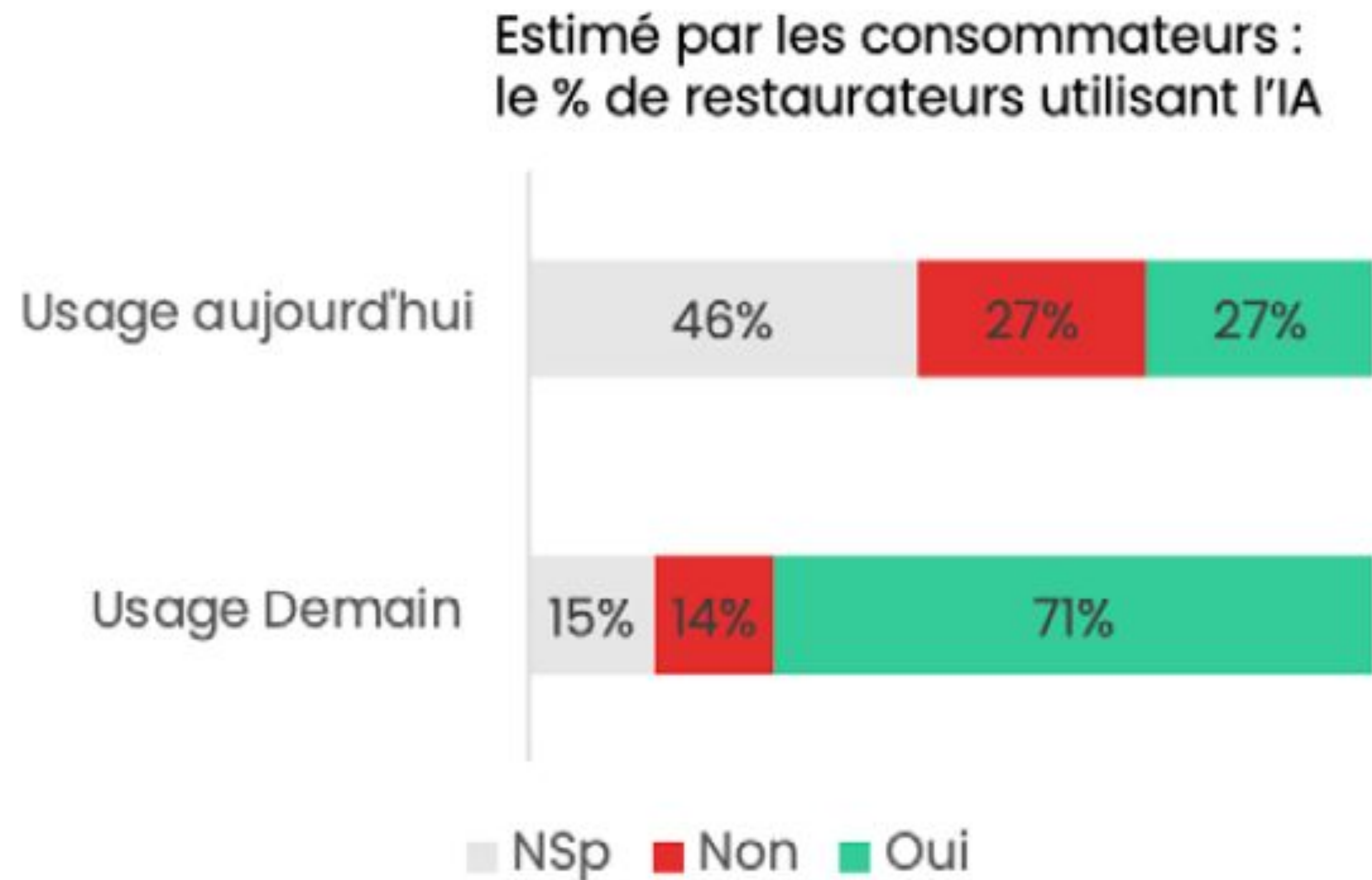


Source: Toast (2024) How Restaurant Operators Feel About Using AI to Help Their Business.

Consumers expect to see AI adoption in restaurants too

A significant 71% of French diners believe that artificial intelligence will see **widespread deployment in the restaurant industry** within the next two years.

27% think that AI is already being used in the sector.



Source: Food Service Vision x Food Hotel Tech, February 2024



**6. Personalised
recommendations:
a major influence for
young and solo diners**

In pursuit of the tailored experience

According to data by Mastercard, **>80% of consumers under the age of 40 consider personalised recommendations important** to their digital ordering experience. The tailored experience could take on any form, e.g. personalised push notifications.



Source: Mastercard (2024) 5 trends in the restaurant industry to watch in 2024.


Table for one

Personalised recommendations are especially appealing to **younger diners**, many of whom are increasingly choosing to dine alone.

In the UK, solo dining grew by 14% in the past year, **with the trend particularly driven by Gen Zs and Millennials** looking to indulge in some 'me time'. Notably, **solo diners spend 32% more** per person than other diners.

79% 

of Gen Zs and 78% of Millennials in the UK say they plan to dine solo this year.

A person wearing a white shirt is writing on a notepad with a black marker. The notepad has some handwritten notes, including the word 'Menu'. The background is slightly blurred, showing the person's hands and the notepad.

7. Automation grows for operational efficiency: From digital ordering to menu optimisation

Automation through digital enablement

Digital ordering options and investments in POS technology are driving digital enablement in US restaurants, automating specific processes to enhance efficiency and reduce costs. **Full-service restaurants are among the leaders in this transition.**

What are you doing around digitally enabling the restaurant?^(a)

		Respondent Classification	Number of Respondents	Expand digital order options	Invest in POS technology
By Restaurant Type		Total^(b)	39	79.5%	53.8%
		Quick Service	13	69.2%	53.8%
		Fast Casual	11	90.9%	45.5%
		Full Service	11	72.7%	63.6%

Source: KPMG (2024) Restaurant industry trends for 2024.

Menu optimization boosts performance elsewhere

According to a global survey of 319 menu optimization decision-makers and influencers from quick-service, fast-casual, and full-service restaurant chains, **menu optimisation** is fundamental to achieving key goals, including **enhancing customer satisfaction** and **improving operating margins**

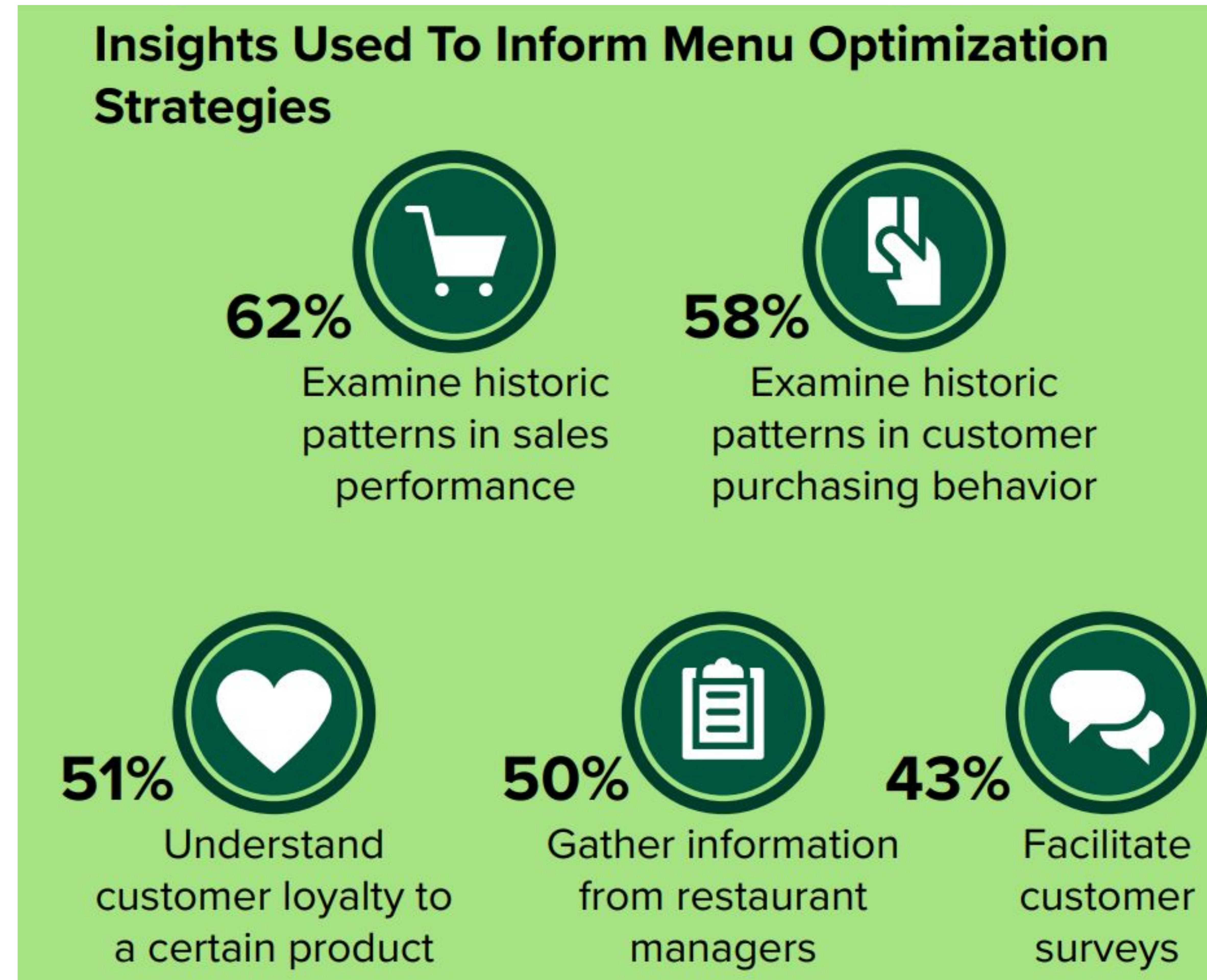


Menu optimization is integral to success.


Most restaurant leaders (70%) indicated that optimizing their restaurants' menus is fundamental to achieving organizational goals.

Menu optimisation can only be data-driven

According to the same research, restaurants use **multiple insights** to identify ways to optimise their menus.



Source: Mastercard & Forrester (2024) Optimize menus with insights and testing.



8. Sustainability in service: Leveraging apps to minimise food waste in restaurants

Food waste thematic tool

In November 2024, the European Week for Waste Reduction focused on food waste management solutions. As part of these activities, **two mobile apps were showcased**, designed to help restaurants tackle food waste across various European countries...



**EUROPEAN WEEK**
for WASTE REDUCTION
16-24 November 2024

FOOD WASTE IS OUT OF TASTE!

#EWWR2024
#FOODWASTE #FOODWASTEISOUTOFTASTE

Too Good To Go, founded in Copenhagen (2016)

Within eight years, “Too Good To Go” has grown to over **100 million registered users** and 170,000 active business partners across **19 countries** in Europe and North America. It has helped to save over **350 million meals** from being wasted, through *Too Good To Go Platform, Too Good To Go Parcels* and *Surprise Bags*.



Source: European Week for Food Reduction, November 2024; www.toogoodtogo.com

Encantado de Comerte, founded in Zaragoza (2018)

"Encantado de Comerte" is a Spanish mobile application designed to combat food waste by connecting consumers with local businesses offering unsold food at reduced prices. **Users can purchase surplus items from bakeries, restaurants, and grocery stores.**



Source: European Week for Food Reduction, November 2024; www.encantadodecomerte.es

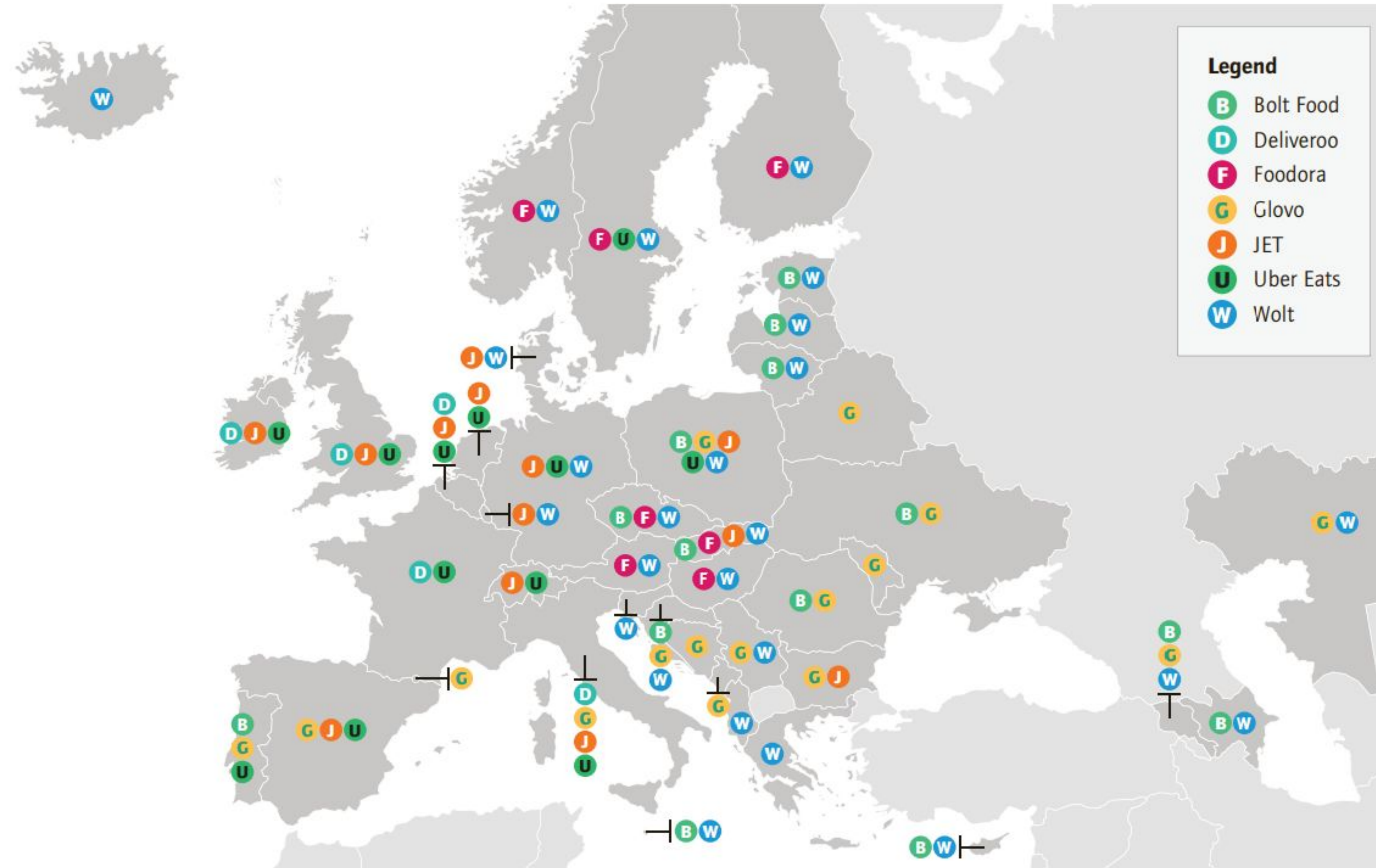


9. Delivering change: the evolving impact of food delivery platforms in Europe

Photo: Mika Baumeister (@unsplash)

Geographical spread of major platforms in Europe

Among the seven platforms, five have operations in 10+ countries in Europe



Source: Vandaele K. (2024) Inevitable, vulnerable, unprofitable: an inquiry into food delivery platforms in Europe, Working Paper 2024.10, ETUI.

Overview of major platforms in Europe

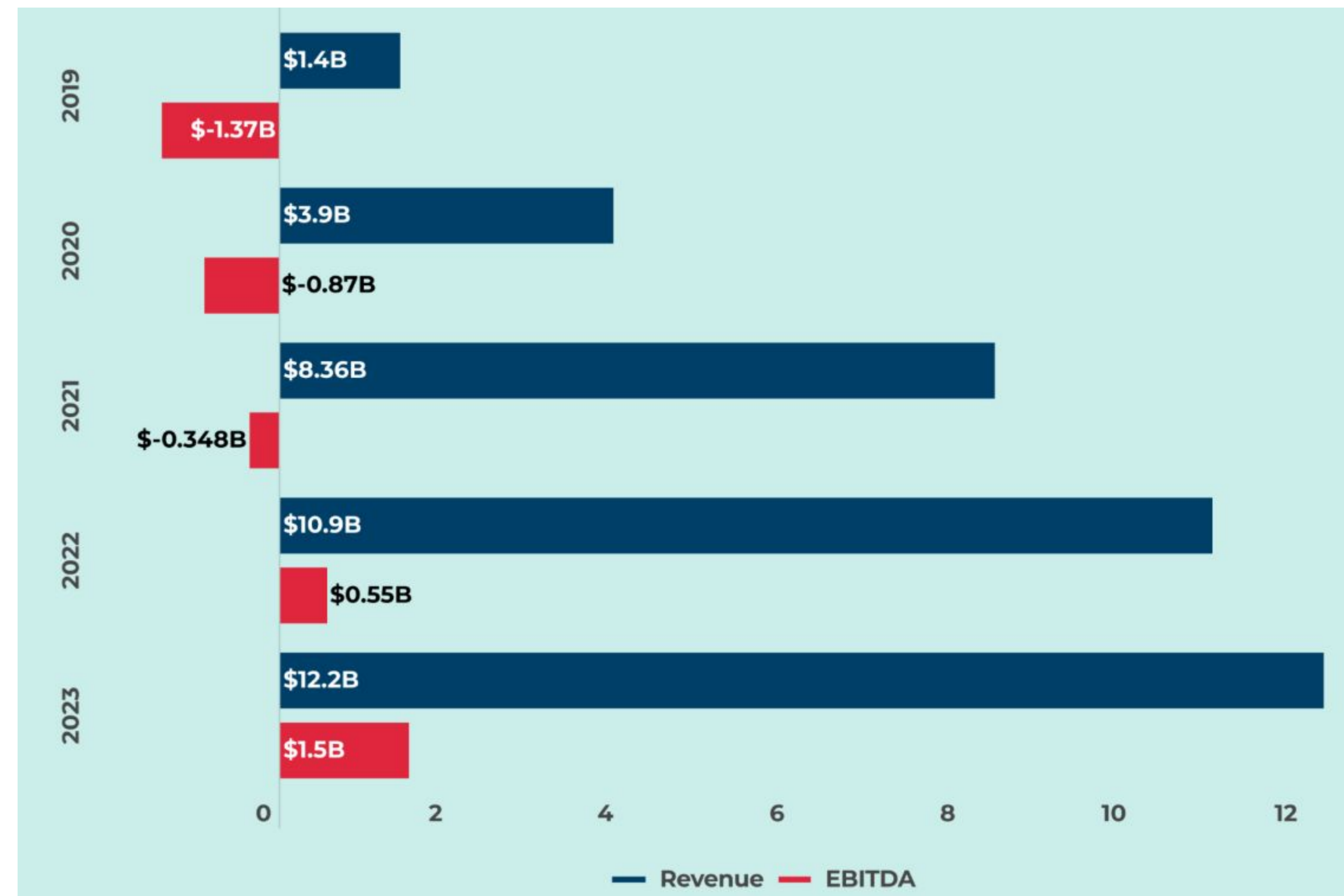
	Year of foundation	Place of foundation	Countries present (Europe)	Key markets
Bolt Food	2019	Tallinn	13	Eastern Europe
Deliveroo	2013	London	5	UK, France and Italy
Foodora*	2014	Munich	8	Nordic countries
Glovo*	2014	Barcelona	16	Spain, Italy and Poland
JustEat	2022	London	15	Western Europe
Uber Eats	2009	USA	12	UK, France and Spain
Wolt	2014	Helsinki	22	Denmark, Germany, Norway and Finland

* The parent company of Foodora and Glovo is Delivery Hero.

Major platforms are beginning to serve up a profit

In 2023, Uber Eats recorded a positive EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of \$1.5 billion, **marking only the second year of profitability since its inception**, reflecting its improved operational efficiency.

Other platforms, such as Deliveroo and Just Eat, have followed a similar trajectory in financial performance.



Source: Four Week MBA, Is Uber Eats Profitable?, February 2024

Major platforms under EU investigation

In July 2024, the European Commission launched a formal **antitrust investigation** to determine whether Delivery Hero and Glovo violated EU competition rules by engaging in **cartel activities** within the European Economic Area.

The investigation focuses on allegations that, prior to Delivery Hero's acquisition of Glovo in July 2022, the two platforms may have allocated geographic markets and exchanged commercially sensitive information, including details on pricing, commercial strategies, capacity, costs, and product characteristics.



Source: European Commission, July 2024

The long-standing issue of ranking criteria

For over two years, the European Commission has been aware of **businesses' concerns about the transparency of certain platforms' activities**, particularly regarding how algorithms and ranking parameters operate to comply with Article 5 of the P2B Regulation.*

(*Article 5 of the P2B Regulation mandates that online intermediation services must provide a list of the main parameters determining ranking, and the reasons for the relative importance of those parameters in comparison to other parameters.)



A photograph of three women in a restaurant setting. They are seated at a table with plates of food, including what appears to be a burger and fries. One woman on the left is holding a wine glass. The woman in the center is also holding a wine glass. The woman on the right is smiling and looking towards the other two. The background is slightly blurred, showing other diners and restaurant decor. The overall atmosphere is casual and social.

**10. How the home-restaurant sector is shaping up:
From local leaders to continental giants**

Photo: Kelsey Chance (@unsplash)

Good to know:

The world's first comprehensive guide to the meal-sharing and home restaurant sector, including industry mapping and policy recommendations in 2018 (free [download](#) from HOTREC).

— SHEDDING LIGHT ON THE
'MEAL-SHARING'
PLATFORM ECONOMY

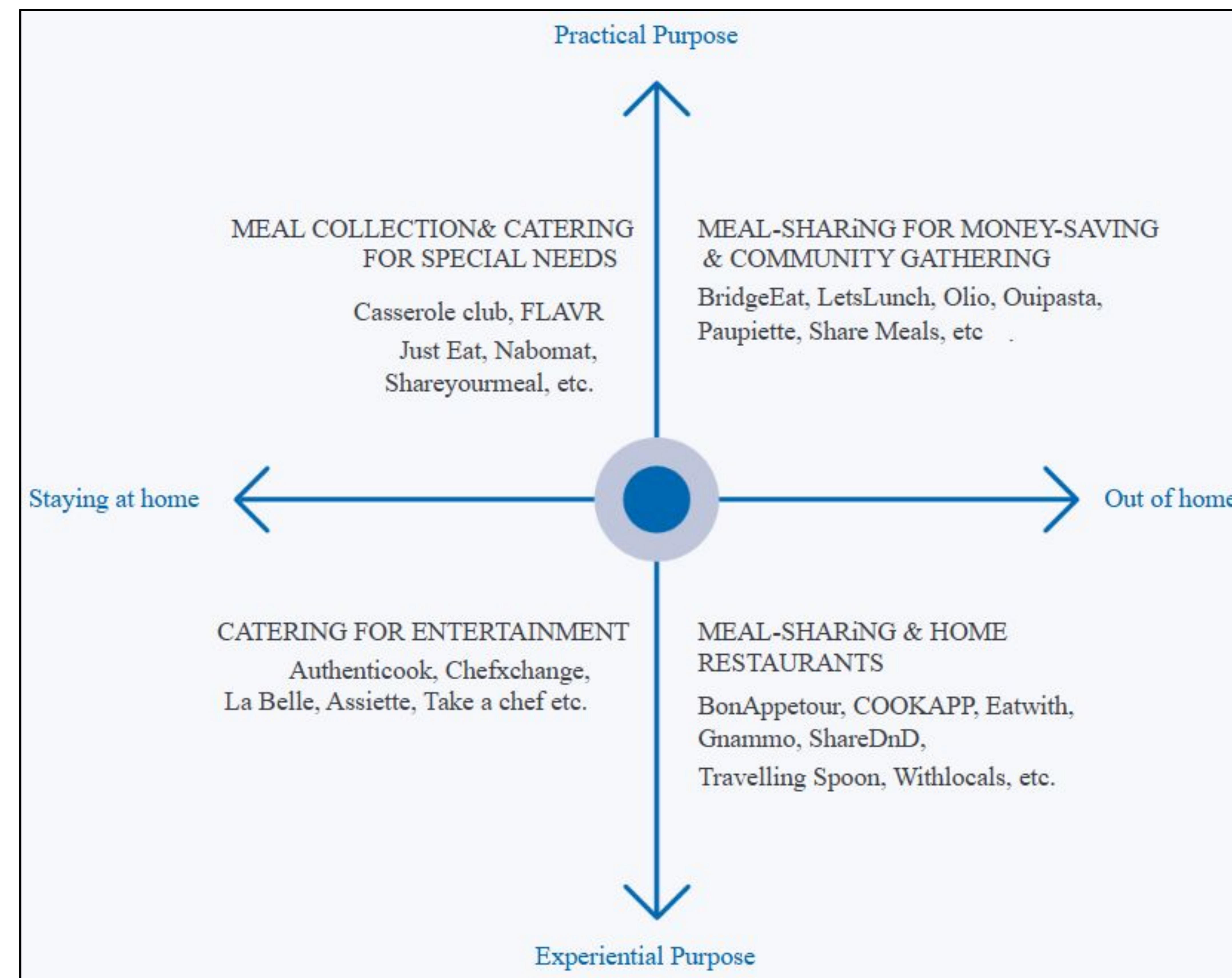
Proposals to level the playing field with
the food sector



Online platforms and P2P dining

In 2018, P2P dining incorporated a variety of initiatives supporting "meal-sharing," alongside practices like food waste management, food swaps, and social networking.

Post-COVID, the sector has undergone significant consolidation, while **the home restaurant segment has been following a recovery pattern** similar to that of the wider travel and tourism industry.



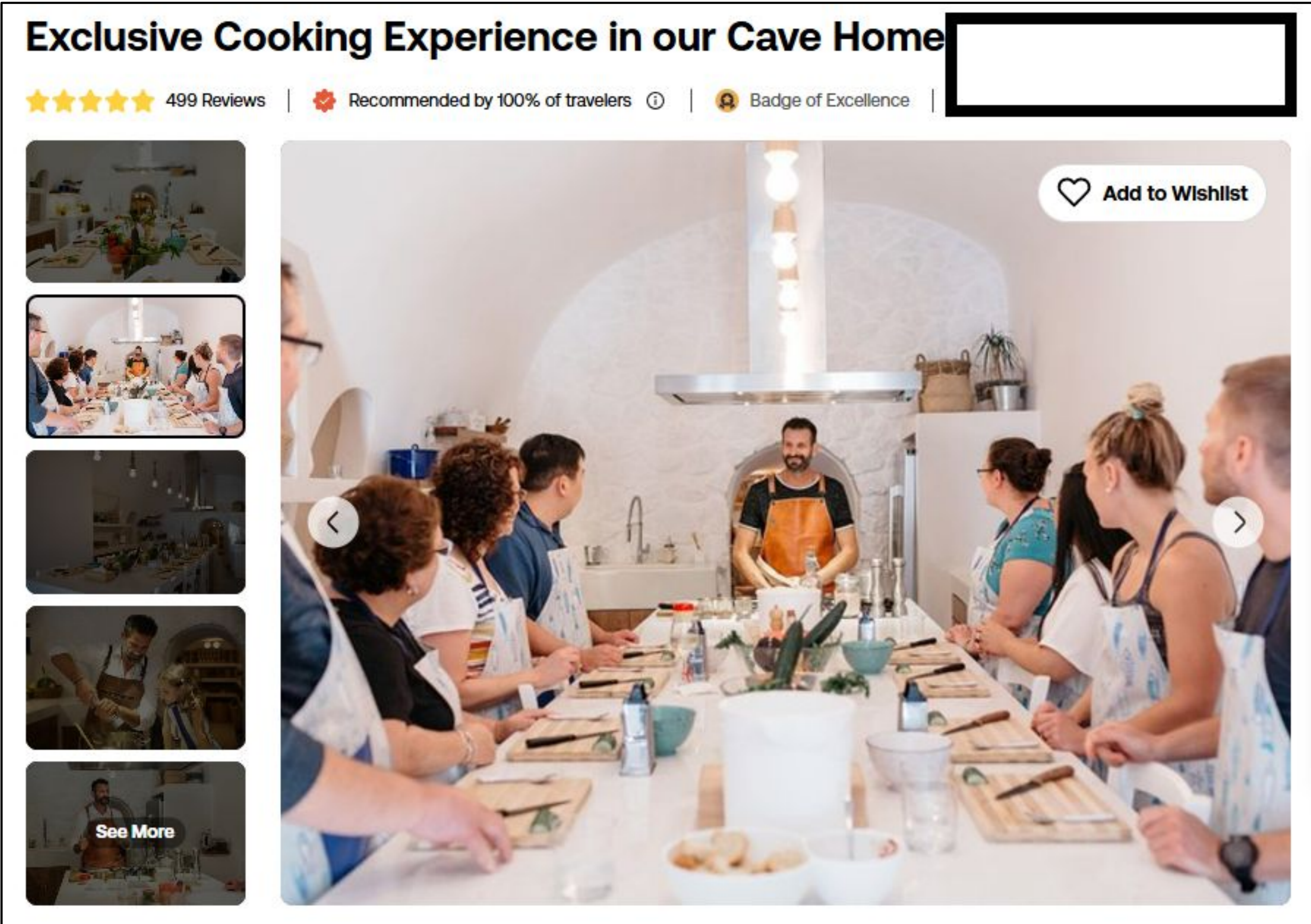
Continental giants and local leaders

	Year of foundation	Place of foundation	Countries present (Europe)	Experiences
Eatwith	Acquired by VizEat in 2017 - kept its name		8	2200+
Travelling Spoon	2013	San Fransisco	28	500+
Cesarine			Italy	2100+
Tasty Talks	2018	Amsterdam	Netherlands	N/A

Home restaurant: *A private individual's residence that is used to prepare meals for sale and/or host paying guests for a meal or other food-related activity (e.g. cooking lessons)*

The maze of experience-focused platforms

Home restaurant offerings and related activities are also available across multiple experience-focused platforms like Airbnb Experiences, With Locals, Get Your Guide, Viator, and Musement. This fragmentation highlights the **importance of market monitoring and continually assessing both the scale and need for regulation.**



Putting safety at the heart of the debate over restaurant licencing

Italy is the first country in Europe to establish regulations and guidelines for home restaurant activities at both the national and regional levels.

However, just two weeks ago, the Italian Federation of Public Establishments (FIPE) reaffirmed its stance, stating: "If home restaurants cater to the demand for a domestic culinary experience, **it is essential that this offering adheres to the existing regulatory framework to prevent abuses and ensure a service aligned with the high standards of Italian catering.**"



Source: Federazione Italiana Pubblici Esercizi (2024)
Home restaurant e ristoranti: siamo certi che siano poi così diversi?



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Digital Trends

Expert panel discussion

Panelists



Michel De Bloos
Founder | CEO
Sabai Sabai



Luis H. Rodríguez
Research Manager
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Panel question (Luis):

1. Based on your experience with the RESTwithEU project, what are the most significant challenges restaurants face in adapting to digitalisation, and how can they overcome them?



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Panel question (Michel):

2. Can you share some reflections on how technology has changed the game for restaurateurs during the years you've been working in the sector?



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Dining in Transition: 10 Digital Trends to Watch in the World of Restaurants

Panel question (Luis):

3. How does the Digital Pathway Tool assist small and medium-sized restaurants in adopting new technologies while maintaining operational efficiency?



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Dining in Transition: 10 Digital Trends to Watch in the World of Restaurants

Panel question (Michel):

4. Food delivery platforms are essential for many restaurants but come with challenges such as high commissions and market dominance. How has your business navigated these challenges?



Photo: Alessio Dandi (@unsplash)

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Panel question (Luis):

5. In your view, which digital trends have had the greatest impact on the restaurant sector post-pandemic? Conversely, which areas have seen slower progress, and what strategies can empower resilience and adaptation in these areas?



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Panel question (Michel):

6. Introducing AI technologies into business operations is often seen as a complex and costly process for restaurants.

Can you share with us any AI-based solutions that you've found easy to implement?



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Questions from the audience.





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THANK YOU

