



the
futures
company

the coming together of
Henley Centre HeadlightVision
and Yankelovich

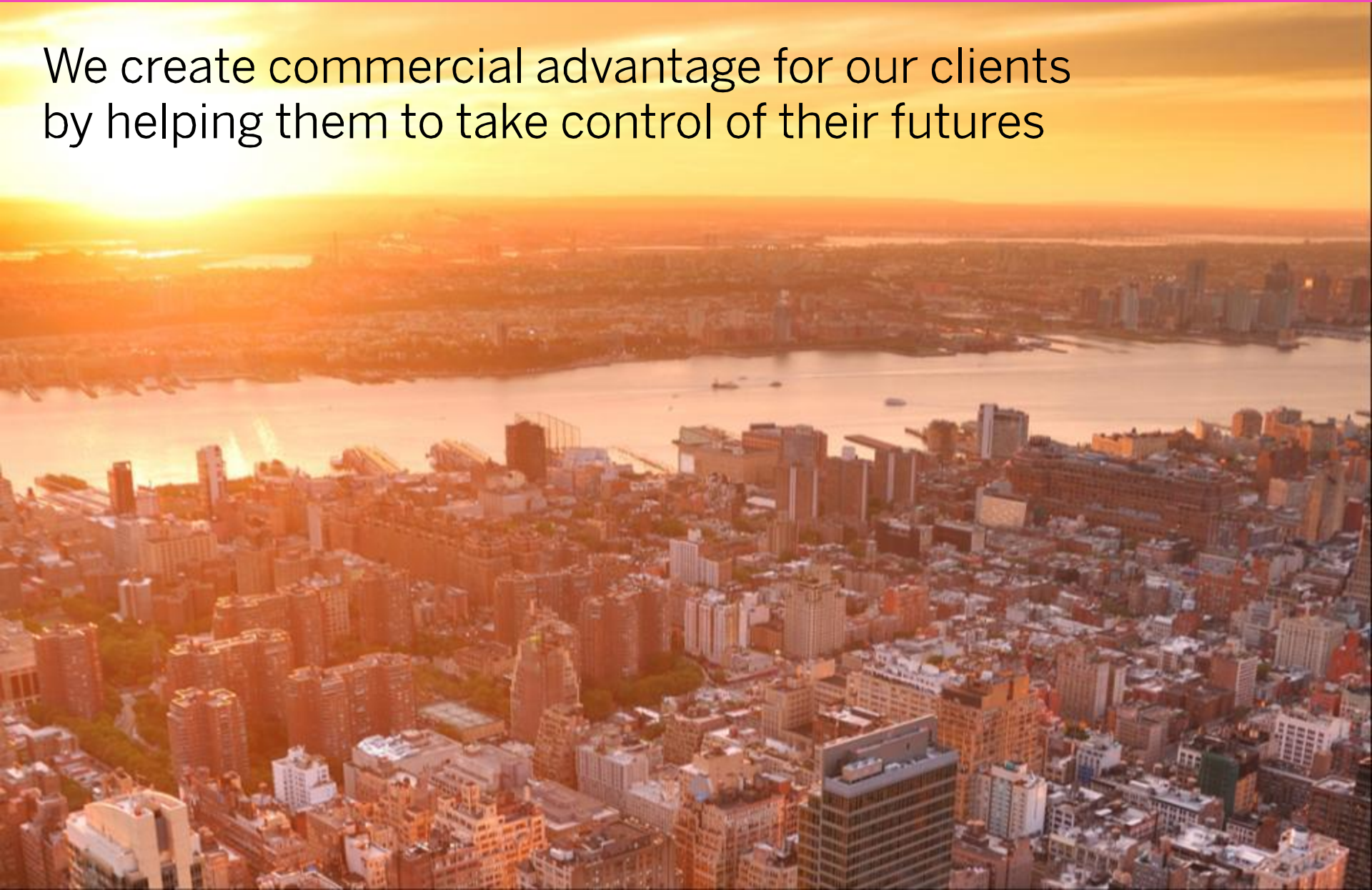
Restaurants in the Recovery Consumer Marketplace

May 19, 2011

Holly Moore
Global Trends & Futures

Unlocking Futures

We create commercial advantage for our clients
by helping them to take control of their futures



The leading global foresight and futures consultancy

- Consultants, researchers and futures experts who unlock strategies for future success
- Formed from the merger of The Henley Centre, HeadlightVision and Yankelovich, with 100 years combined experience
- Teams in UK, US, Mexico, Brazil, Argentina, India
- A Kantar company within WPP



We have an established proprietary research program



Global
MONITOR

Global MONITOR
Our annual study tracking the evolution of consumer values and attitudes across 20+ countries



Macro
Dynamics

Macro Dynamics
An initiative that identifies, explores and monitors the key macro drivers of change



US Yankelovich
MONITOR

US Yankelovich MONITOR
The longest-running and most in-depth tracking study of US consumer values and lifestyles



Global
Streetscapes

Global Streetscapes
A global network of trend spotters providing a constantly updated feed of fresh cultural, consumer and marketing insights



UK
MONITOR

UK MONITOR
An ongoing research program, underpinned by 30 years of tracking values and attitudes in the UK



Knowledge
Venturing

Knowledge Venturing
Continuous investigation and discovery of key themes and critical issues shaping the future

And unique perspectives on the evolving consumer landscape

Trends



Global
Energies

Global Energies

A trends framework capturing key shifts in consumer attitudes and behavior



Cultural
Frequencies

Cultural Frequencies

Leading edge trends that are yet to penetrate the mainstream

Cohorts



Millennials

Millennials

Uncovering the complexity of this frequently misunderstood generation



Baby
Boomers

Baby Boomers

Building on our groundbreaking work on the richest and most influential generation in US history

Themes



Sustainability

Sustainability

Making sense of conflicting evidence about consumer engagement



Health &
Wellness

Health & Wellness

Bringing clarity to rapidly evolving approaches to managing health and wellness



Personal
Finances

Personal Finances

An in-depth understanding of the tensions and strategies shaping consumer finances

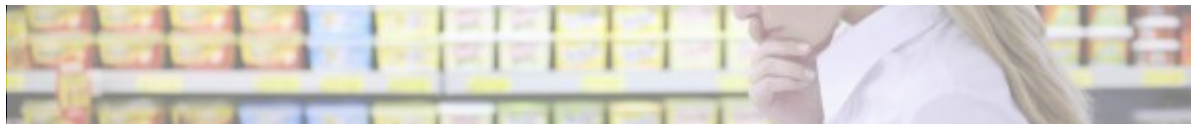
The questions we answer go much broader than consumer

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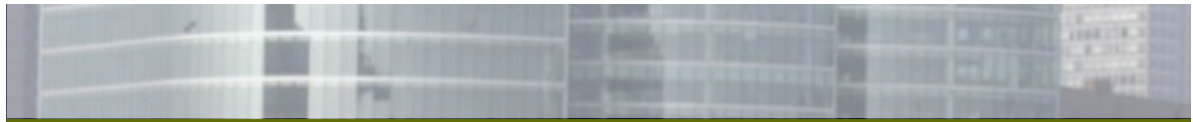
consumer futures



brand futures



category futures



company futures



macro futures

Who we work with: You

Retail
CPG/FMCG
Health & Pharma
Financial Services
Media & Entertainment
Technology
Travel & Leisure
Public Sector



The Recovery Consumer Marketplace

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There are two opposing views of the recovery:

The New Frugality:

Penny-pinching
and thrift will
define the
consumer mindset

Ready to Rebound:

Acquisitive,
materialistic
consumers will pick
up where they left
off

In our opinion, neither view is correct

We have entered a new era of consumption

Mid 1980's-2007



The Era of Indulgence

2008-2009



The Recession Mindset

Today...



The Era of Consequences

Uncertainty about economic risk will be the backdrop of the marketplace ahead.

But that does not mean that consumers will be in retreat from shopping and buying. Nor will they rush headlong back into the marketplace.

Instead, it means that consumers will be redefining value or what's worth the money.

Value Equation Reconfigured

There are five dimensions, or definitions, through which consumers will look for and judge the value offered by a brand or category.

	The Indulgence Era Consumer	The Recession Consumer	The Consequences Era Recovery Consumer
Sensibility	Exuberance	Anxiety	Vigilance
Mindset	Bullish	Sober	Resourcefulness
Passion	Accumulation	Frugality	Prioritization
Orientation	Self-expression	Self-Preservation	Networks
Ambition	Trading Up	Economizing	Responsibility

We believe these five dimensions are here to stay

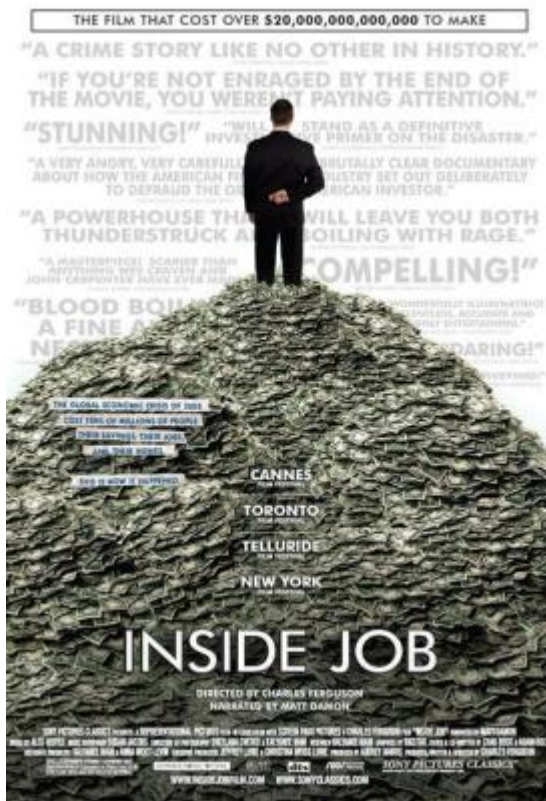




- What it's about:
 - Consumers doing **due diligence** like never before to avoid and amend mistakes
- The Goals:
 - Being a **smarter, savvier shopper**
 - Making the best choice, avoiding bad decisions and regrets

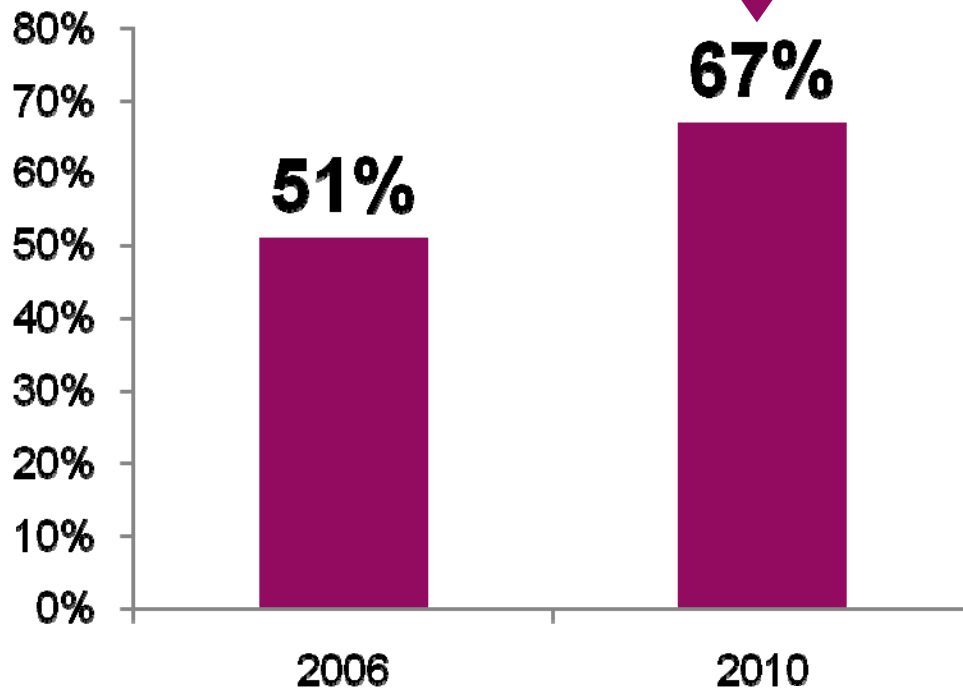
Consumers are demanding fairness

“Inside Job” about the role of financial institutions in the financial crisis won best documentary feature at the 2011 Oscars.



Watching their backs 24/7

“I work hard at coming out on top in every situation, from the least important to the most important”



67% agree that “if the opportunity arises, most businesses will take advantage of the public if they feel they are not likely to be found out”



Technology is facilitating conversations

Thanks to technology, we live in a world of increasing transparency and consumers are able to uncover and speak out about products, services and experiences that fail to live up to their promises.

The logo for GoodGuide, featuring the word "GoodGuide" in a sans-serif font with a small orange circle to the right.

GoodGuide is a website and iPhone app that lets consumers dig past the marketing spiel of products to discover the health, environmental and social impacts of products.



Alarmed that Secret deodorant contained potentially harmful ingredients, an NYU student stuck her own warning labels on 100 sticks of deodorant.



Barcoo lets users get immediate information relating to the user ratings, price comparisons and green credentials of products by scanning a barcode with their phone.

More than just the veneer of integrity

“It’s important to be seen as someone whose integrity is beyond question”

75%

“It’s important to be seen as someone who can always see through exaggeration and hype”

55%

Regulation is bringing about transparency. Under new regulations expected to take effect in mid-2012, calorie counts are set to be a fixture on more menus of chain restaurants.

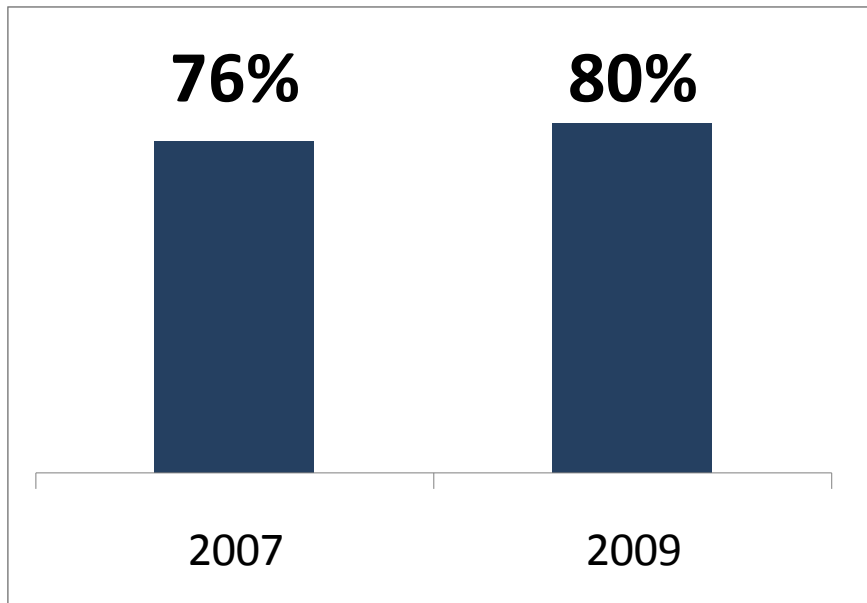
	TALL 12 FL OZ	GRANDE 16 FL OZ	VENTI 24 FL OZ
Mint Mocha Chip	4.15 360 cal	4.75 470 cal	5.35 590 cal
Caramel Mocha	3.85 300 cal	4.45 380 cal	5.05 500 cal
Coffee	3.85 280 cal	4.45 380 cal	5.05 500 cal
Caffè Vanilla	3.30 180 cal	3.90 240 cal	4.50 340 cal
Java Chip	3.65 320 cal	4.25 430 cal	4.85 560 cal
	3.85 340 cal	4.45 460 cal	5.05 600 cal

BLENDED CRÈME

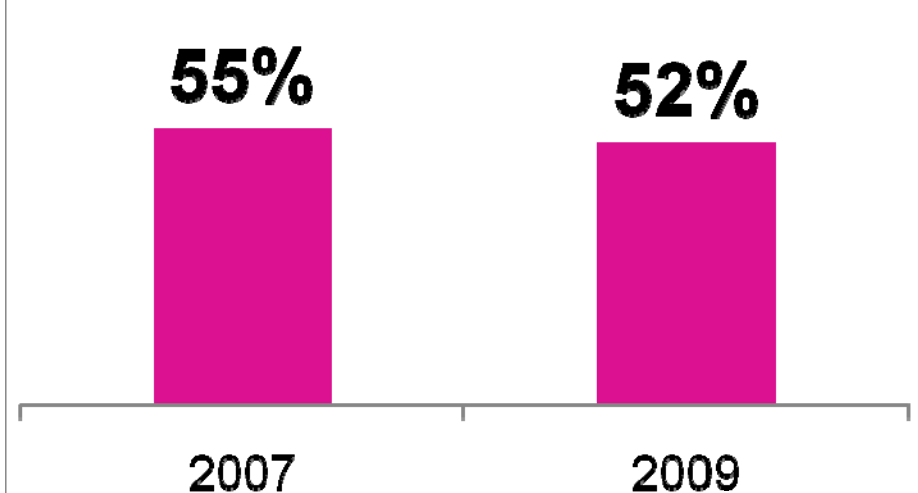
	4.45 470 cal	5.05 650 cal
		4.50 600 cal

Time to shed some light

“All restaurants should be required to provide detailed nutritional information by the customer”



“Restaurant portions are too large and make me eat more than I normally would”



66% agree that “by choosing to do business with companies that are more socially responsible, I can make a difference in this world”



At Otarian restaurant in New York, every item has a designated carbon footprint and you can earn “Carbon Karma Credits.”



Vigilance: What this means for restaurants

- As consumers demand transparency and fairness from marketers, how do you act like a trusted partner?
- How can you help your guests feel like they're winning when they suspect that many businesses will take advantage of them?
- How can you demonstrate that you are on their side?
- How can you play to your strengths, whether that be price, quality, history or healthiness?





- What it's about:
 - Consumers behaving in line with **what matters most** in their lives while obeying the limits of responsibility
- The Goals:
 - Figuring out *what's important* and *what's not*
 - Achieving key aspirations without introducing risk

63% agree that “food is one of the most important sources of pleasure in my life.”

40% are worried about not being able to afford the foods they enjoy.



Brunch replaces dinner as the food indulgence

*“Bored with eating in all of the time, **many people are starting to eat out more** as the economy slowly improves. But they're less likely to celebrate special occasions with a \$300 steak dinner. Instead, they're even bringing the kids for a **big, festive brunch** with a lower price tag.”*



“Limits won’t choke off aspirations, but they will force trade-offs. The infatuation with having it all—and having it all at once—will give way to putting priority only on what’s most important.”



54% agree that “the economic downturn has helped me prioritize what’s most important in my life.”

In the Marketplace: A different kind of movement



40%

“I often worry that at least one of my children is, or will become, overweight”
(Among parents with kids under 18 in HH)



Family and food is an important ritual

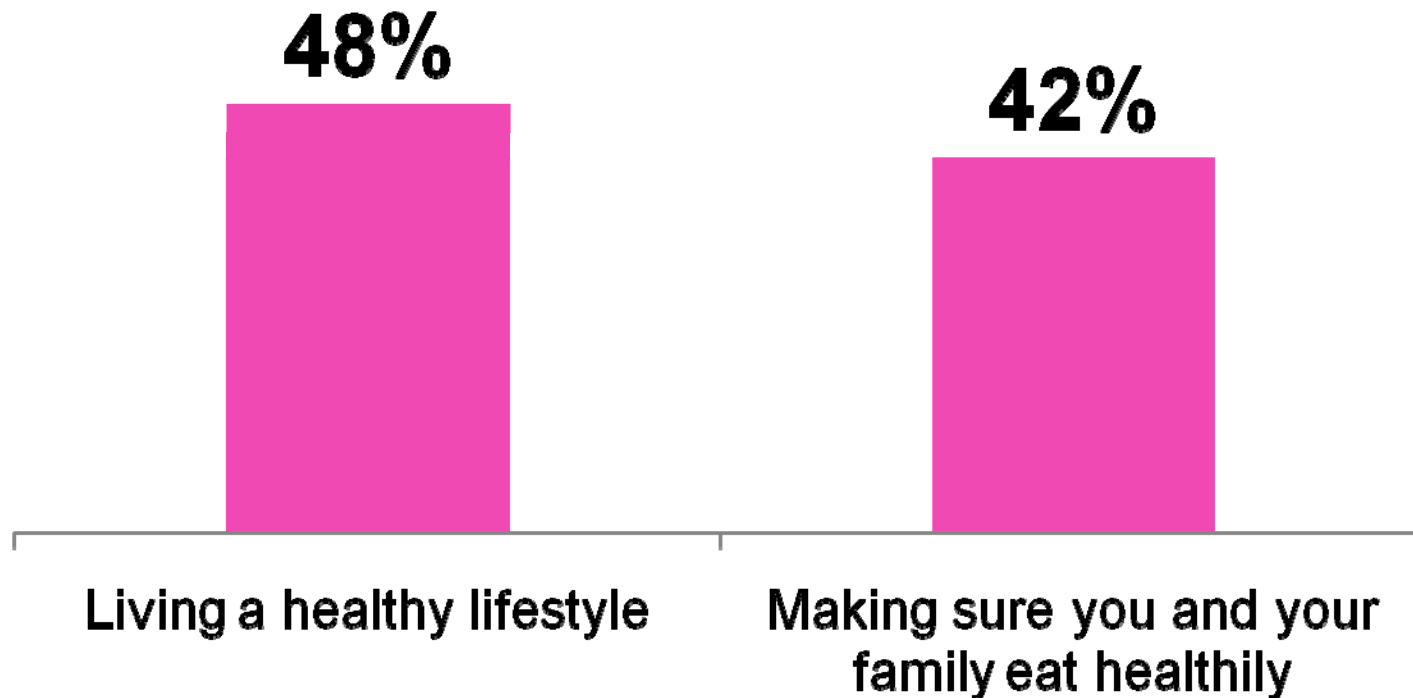
71% agree that finding enough time for family and friends is important



59% agree that eating dinner with your family nightly is important

Health continues to be a priority for consumers, though it's a challenge to make health fit into life.

Activities where I could use a little help:



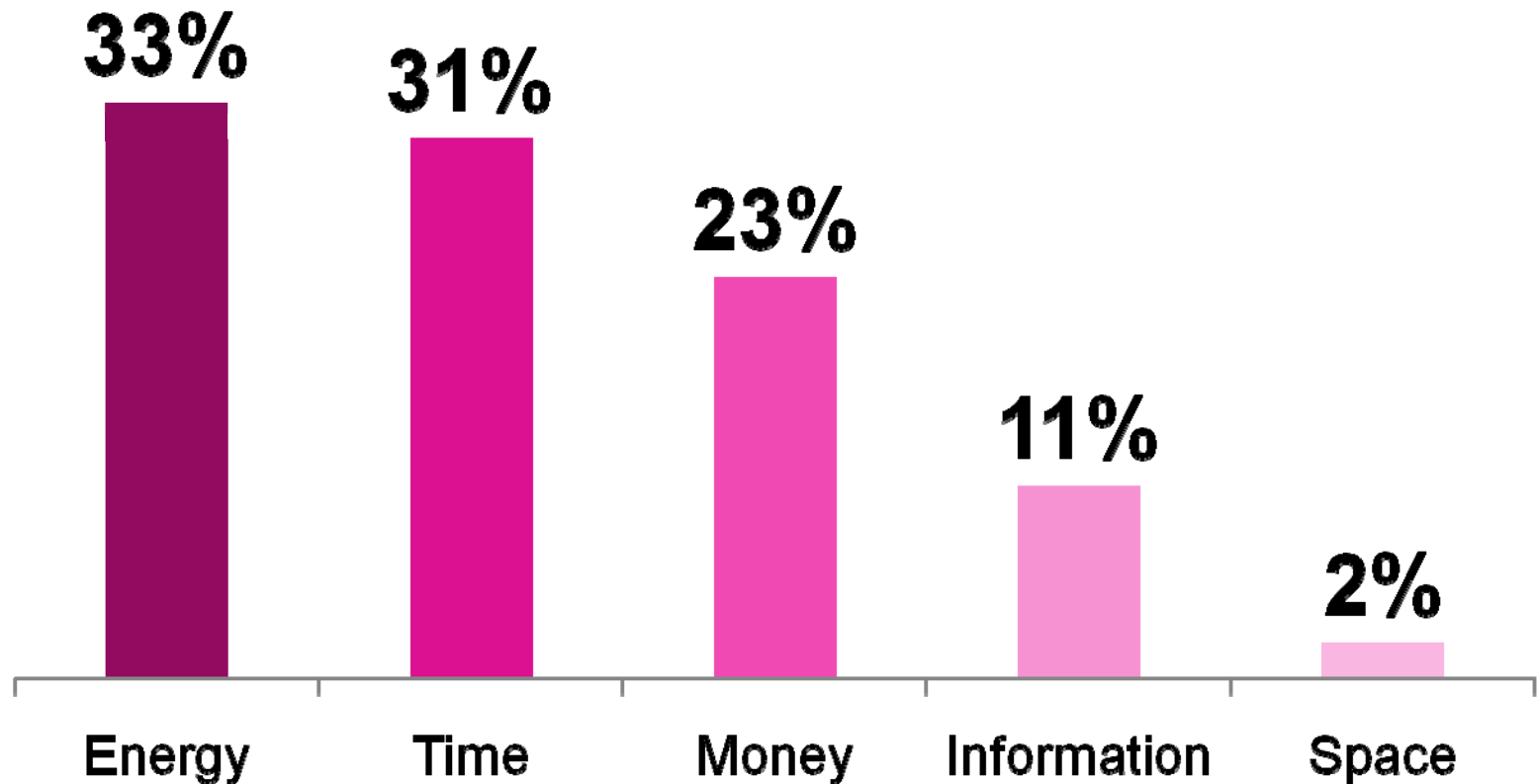


Yelo Spa offers powernaps to overwhelmed New Yorkers. Their zero-gravity experience chairs induce a deep state of relaxation so that people can emerge feeling relaxed and refreshed.



Cluxta 'powder rooms' are located in Japanese subway stations for women that need to freshen up on-the-go.

Which of these five main human resources is most valuable to you in everyday life?



ENERGYKITCHEN.
HOME OF HEALTHY BURGERS AND WRAPS

GO HEALTHY

10 CONVENIENT LOCATIONS

skip intro

The illustration at the bottom shows a horizontal line with several green trees and icons representing different modes of active living: a person pushing a stroller, a person on a bicycle, a person walking, a person walking a dog, and another person walking. The text 'skip intro' is positioned above the central part of this illustration.

Prioritization: What this means for restaurants

- The emergence of prioritization means that restaurants need to work harder to make the cut in consumer's lives.
- How can you help minimize the downside of dining out as consumers live with the cuts in other areas of their lives?
- Can you ensure diners will get enough pleasure out of their indulgence to make it worth it?
- What are the aspirations they'd like to connect with? What is really important to them?
- Can how can you boost areas that are missing, like energy?

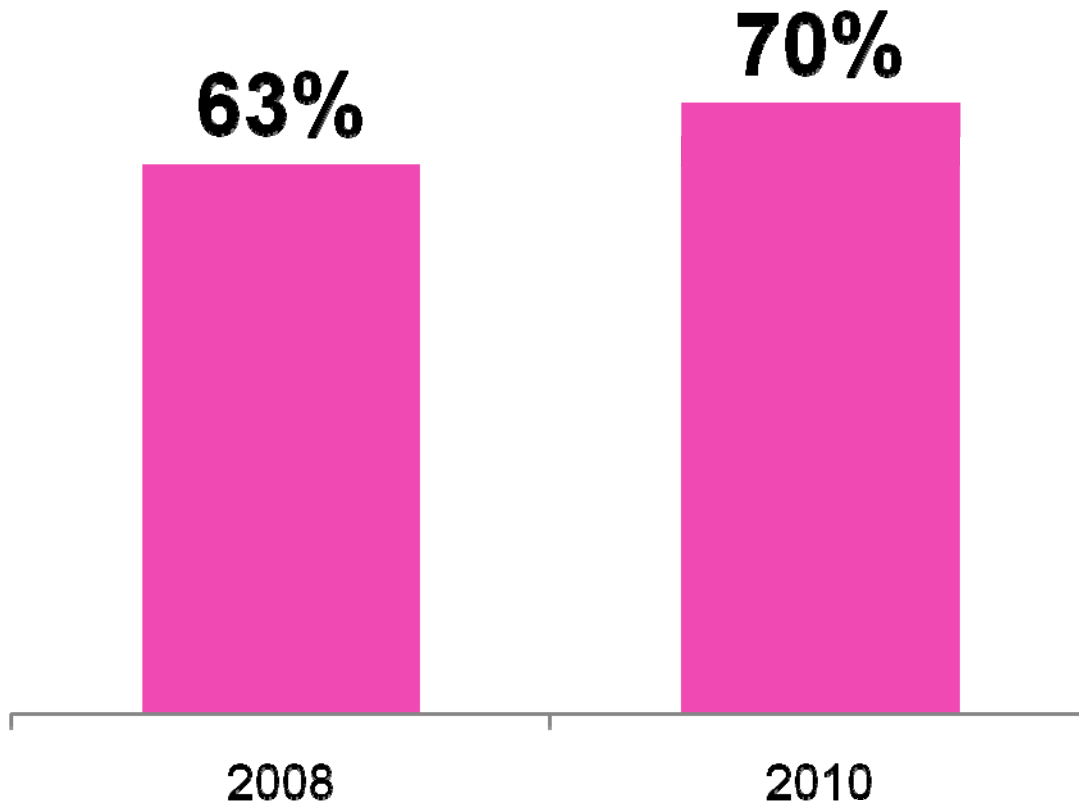




- What it's about:
 - Consumers **regaining control** through being more inventive, ingenious, handy and practical
- The Goals:
 - Being more efficient with limited resources
 - Increasing personal skills as a means of **augmenting self-sufficiency** and control

Getting the best price has grown in importance

“Getting the best price on everything I buy is important in my personal life”



“It’s important to be seen as someone who knows how to get things done”

71%



“It’s important to be seen as someone who gives smart advice”

66%



Daily Gobble helps you find deals in your area for you to use during off-peak hours. You take a picture of your receipt to get your discount discretely after the meal is over.



Confusion about how to eat right



70% agree that “there is so much information about nutrition these days that it is confusing to know what you should and should not eat”

47% of people don't know how many calories they should consume on a daily basis given their height, weight, gender and level of physical activity.

Shroomies is an iPhone app that allows you to gain access to nutritional information for over 92,000 food items, taking the guesswork out of calorie counting.



Sandwiches, Signature Panera Bread

Full Asiago Roast Beef on Asiago Cheese

Serving Size	13 oz
Food Score	16
Calories	710
Total Fat	32g
Cholesterol	120mg
Sodium	1280mg
Total Carbohydrate	57g
Dietary Fiber	3g

Add to Journal Add to Favorites

Foods Exercises Journal Weight More

GoodFoodNearYou is a mobile app that helps you figure out healthy food in your area.



- Use resourcefulness as a platform for innovation: New formats, meal occasions, information and communications, ways to serve the customer.
- How can your restaurant deliver on consumers' need to feel smart, not just about the amount of money they spend but how they spend it?
- Beyond being represented on the review sites, couponing sites how are you being truly useful to consumers in different parts of consumers lives?
- How are you helping your associates be resourceful in troubleshooting diners' questions?



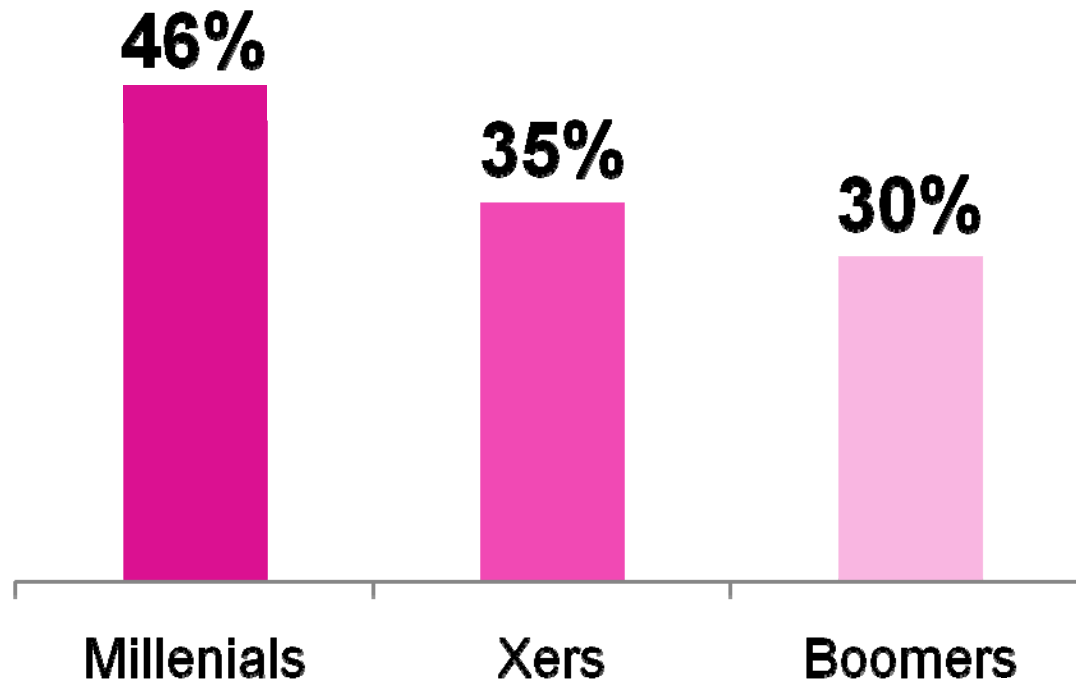


- What it's about:
 - Consumers finding **new alliances** (or strengthening those already in place) that provide protection from risk and support in an uncertain world
- The Goals:
 - Establishing and **activating safety nets**
 - Identifying with others around specific needs, interests and priorities

Networks are increasingly embedded in consumers' lives

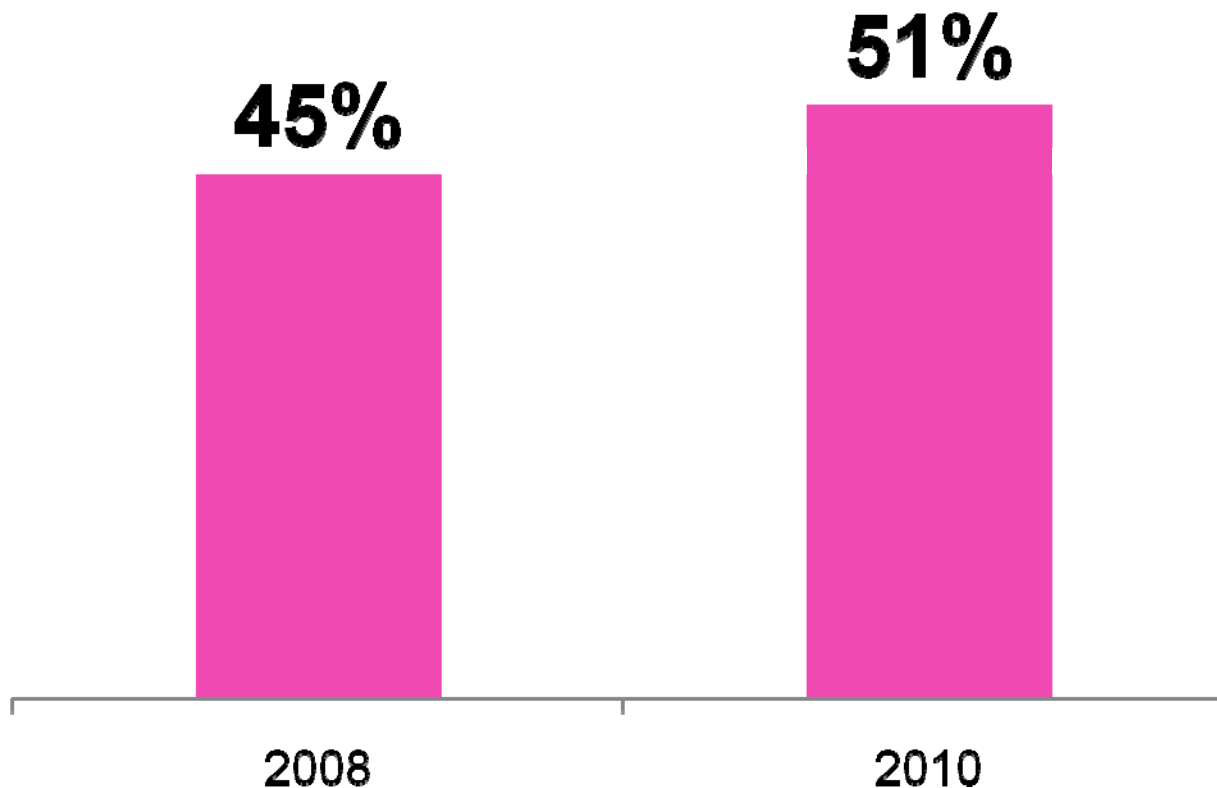
The future is increasingly mobile and social and consumers increasingly use their social networks to filter the vast array of options available to them.

"The size and strength of my social network has protected me from the worst consequences of the recession"



Enthusiasm for social technologies is growing

“I am enthusiastic about new technology that can enable me to find and interact with like-minded people”



However, people are increasingly wary of oversharing

60% agree that
“more and more,
people are giving
me too much
information about
themselves and
their lives.”



(idontcaresuff.com)

Friends' recommendations are perpetuated through online tools



“Just as people have always talked to their friends before making a significant purchase, ‘your mode of discovery online is starting to look more like your mode of discovery offline’”

– Dan Rose, Facebook VP

Follow your favorite food truck on Twitter or allow one of many aggregators to find out what is in your area at any one time.

pennfoodtrucks.com
Because you deserve **good, cheap** food.



D.C. Food Trucks Twitter Aggregator

Tracking when and where all of the most popular mobile food trucks in the D.C. area will be visiting a location near you. For more coverage, follow The Post's **Post Local Twitter feed**.

SHARE



Yelp continues to grow despite increased competition

*“Local review and search service Yelp says its **growth is accelerating**, despite increased competitive pressure from Google, Groupon, LivingSocial and others.... While Yelp users wrote 6 million reviews in 2010, the company is on track for **9 million in 2011.**”*



- Are your restaurants plugged into the right networks?
- Have you earned a place in consumers' trusted networks? Are you a go-to-trusted resource for them? (And think about being a resource beyond mealtimes.)
- What can you learn from these networks?
- How can you enhance the time consumers spend together?





- What's it about:
 - Consumers being **more mindful and thoughtful** about decisions
 - Consumers taking ownership of their problems and facing them head-on
- The Goals:
 - Limiting exposure to risk
 - Aligning behaviors with **values and priorities**

...And they expect help from you



63% agree that *“the food and beverage industry should take more responsibility for helping solve the obesity problems of the US”*



Fran 100 kcal has found an effective way of reducing the calorie content of its packs: reduce the content. The new packs contain 4 sticks instead of 10 and advertise as having only 100 calories.

People are ordering healthier dishes in restaurants

*“For the first two months of 2011, the top-selling entree at Applebee’s was a sirloin and shrimp entree from the chain’s **diet menu**. This marks the first time that a low-calorie item ever ranked as the chain’s best seller for a single month — let alone two in a row.”*



Products have positioned themselves at the healthy partner

Marks and Spencer's Fuller for Longer ready-made meals use Atkins principals for their high protein meals that help you stay full after your meal, making them a trusted partner towards a dieting goal.



While consumers don't have a lot of extra money (or time) to spend on socially responsible products, they do expect businesses to proactively be part of the solution to many of our modern problems.

70% agree that “we can solve the social problems we have today if everybody would just do their one small part to help”



Chipotle's “food with integrity” campaign is their commitment to finding the very best ingredients that are ethically sourced.



Elevation Burger has a vision for authentic, sustainably prepared food that is better for you and better for the environment.



North Carolina's Center for Environmental Farm Systems Initiative challenges consumers to spend 10% of their food budget to support local food producers, businesses and communities.



Responsibility: What this means for restaurants

- How can you help consumers live more responsibly?
- How can you help your consumers minimize risk?
How can you position your restaurant as the “smart” and “safe” choice for people?
- How can you make your menu explicit and easy to understand in terms of health and social responsibility?
- Are you leveraging local?
- How can you keep up with new consumer demands for quality and better prices?
- How can you provide the information people are looking for when they are making menu choices?



Summary of each dimension

Responsibility: There's a broader understanding of consequences and avoidance of risk; gives focus and fuel to all other value dimensions.

Networks: To connect with others, but also to make us smarter, more efficient and better protected. Networks of all kinds more central to consumer decision making.

Vigilance: Vigilance about smarter shopping and buying; not reverting to bad habits that caused trouble.



Prioritization: Replaces accumulation as the defining passion of consumption . Trading between categories—not merely between brands within a category.

Resourcefulness: Resourcefulness in managing a broader spectrum of personal and external resources.

- Be Worthwhile
- Be Responsible
- Be Transparent
- Be Informative
- Be Tapped In

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Thank you

Restaurants in the Recovery Consumer
Marketplace

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