



THE POWER OF NATURAL & ORGANIC: UNLOCKING SUCCESS FOR FOODSERVICE OPERATORS



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Foodservice

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Natural and Organic Go Mainstream

Consumer interest in *natural* and *organic* has risen significantly. *Organic* product retail sales in the U.S. jumped almost 9%, to more than \$21 billion in 2018.²

This trend shows no signs of slowing down. In fact, two-thirds of consumers have purchased *organic* food in the past 30 days.³ Three in 10 consumers are purchasing *natural* and *organic* items more often than they did a year ago.¹ In particular, younger consumers, ages 18-34, have a greater interest in these claims than their older counterparts.¹ As these consumers form households and have children, demand for *natural* and *organic* is likely to further increase.

What's more, *natural* and *organic* food and beverage offerings are firmly in the mainstream and available at traditional supermarkets, mass merchandisers and club stores. That means consumers at many income levels are becoming exposed to *natural* and *organic* products regardless of where they purchase their food. As consumers continue buying *natural* and *organic* products at retail, their familiarity with these terms, along with their affinity for healthy and purposeful eating, will increase, leading to increased demand for *natural* and *organic* items when dining out.

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Natural and Organic in Foodservice

The effects of this are already observable in foodservice: Operators' use of foods and ingredients perceived as *natural* or which are *organic* is growing. Shipments of natural food and nonalcoholic beverages grew 3.3% annually 2011-2016 and, as of 2016, accounted for 26% of foodservice shipments.¹ Shipments of *organic* natural grew even faster, at 11.5% annually.¹

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The terms *organic* and *natural* are becoming more prevalent on today's menus. *Organic* is now on 11.4% of all menus, according to Technomic MenuMonitor.⁴ Excluding QSRs, the menu incidence of *organic* rises to closer to 20%. Similarly, *natural* is on 11.9% of all menus; excluding QSRs, the incidence rises to over 20%.⁴





NATURAL & ORGANIC: WHAT THIS MEANS FOR FOODSERVICE OPERATORS

Young Consumers Drive the Demand – For Now

Who the *natural* and *organic* consumer is continues to evolve and broaden. In the trend's early days, *natural* and *organic* eating was driven by women. Today, few gender differences exist.¹ Younger consumers – Gen Z and millennials – currently have the highest consumption and interest in *natural* and *organic*.¹ But, according to Technomic, the appeal of *natural* and *organic* is increasing elsewhere too, both for baby boomer and Gen X consumers.¹ Parents, looking for healthier options for their children, are also fueling the demand for *natural* and *organic*. As Gen Z and younger millennials begin to form families, this will further drive demand for *natural* and *organic* away from home.



KEY TAKEAWAY:

Don't get left behind: the market has moved to expect more *natural* and *organic* food and beverage solutions. Committing to *natural* and *organic* today will help solidify a wide-reaching and dedicated customer base for decades to come.

Natural and Organic Can Enhance Perceptions of Taste

Natural and *organic* foods have evolved to be far tastier than in the past, and today's consumers have noticed. For health claims like "low fat" and "reduced sodium," an increase in health perception comes with a decrease in perceived taste, according to Technomic.³ **On the other hand, *natural* and *organic* are the exceptions;** more than half of consumers say that food and beverages with these descriptors are tastier than their conventional counterparts, while only about one in 10 consumers thinks they are less tasty.³ Given that both terms are strongly associated with freshness and quality, the taste connection is no surprise.³



More than half of consumers say that food and beverages termed natural and organic are tastier than their conventional counterparts

The ability to combine flavorful, high-quality food with the health halo these foods benefit from is extremely powerful. Operators can leverage this message of health and taste in their marketing and menus in order to help consumers achieve their healthy eating goals without sacrificing taste and satisfaction.³

KEY TAKEAWAY:

Offering *natural* and *organic* menu items is a way to appeal to the ever-expanding health-minded consumer market while enhancing perceptions of taste and flavor.



***Natural and Organic* Can Help Upsell Indulgent Menu Categories**

Natural and *organic* can effectively position even indulgent foods as better for you. The primary benefits of *natural* and *organic* fare are, unlike more specific health-related claims, largely emotional. Three in five consumers say they just “feel healthier” when they eat natural and organic foods.¹

About half of consumers feel better about ordering desserts and other indulgent fare if at least some of the ingredients are *natural* or *organic*.³ That incidence rises among younger consumers ages 18-34. Consumers, especially those trying to eat healthier, often have some guilt or other negative emotions about eating the occasional indulgent food.

Knowing that the indulgence is at least partly *natural* or *organic* imparts a health halo that helps consumers rationalize their decisions.³

About half of consumers feel better about ordering desserts and other indulgent fare if at least some of the ingredients are natural or organic.

KEY TAKEAWAY:

Increase sales of indulgent menu categories like beverages, appetizers, and desserts by touting *natural* and *organic* ingredients that may sway previously guilt-riddled customers to splurge.

Natural and Organic Can Drive Traffic and Increase Check Size

Natural and organic menu items have the ability to drive traffic and increase price thresholds. About half of consumers say they are more likely to choose a specific restaurant over others if it offers *natural* or *organic* food and beverages.¹ The traffic-driving power of *natural* and *organic* is especially strong among younger consumers and parents of young children. This highlights the importance of offering these options on children's menus.¹ About three-quarters of consumers say they're more likely to purchase an item labeled *natural* or *organic* from a restaurant or grocery store.¹ **And of those more likely to purchase *natural* or *organic* items, more than half (53%) say they're willing to pay more for them.¹**

About three-quarters of consumers say they're more likely to purchase an item labeled natural or organic.

KEY TAKEAWAY:

Highlight your ingredient choices to increase menu appeal, check averages, and capture a greater share of younger customers and parents, laying the groundwork for your future brand advocacy.





THE FUTURE OF *NATURAL* AND *ORGANIC* IN FOODSERVICE

Current consumer attitudes and behaviors suggest that the power of the terms *natural* and *organic* on menus will continue growing. The ubiquity of the terms at retail is likely to increase familiarization and trust, which in turn encourages foodservice sales as well.

Much research suggests that it will become increasingly important for foodservice operators across a variety of segments to offer *natural* and *organic* menu options. In particular, the QSR channel may be challenged to include these offerings to counter perceptions of unhealthiness and remain relevant to health-minded families with young children, a core consumer segment. **According to Technomic, over the next five years, providing at least some *natural* and *organic* options on the menu may become standard for most foodservice operators.³**





WHAT THIS MEANS FOR YOUR OPERATION'S SUGAR AND SWEETENERS:

FRONT-OF-HOUSE

For foodservice establishments looking to incorporate more *natural* or *organic* products into their menu, front-of-house can be a great place to start. Offering a variety of sugar and sweetener packets is a simple change that is easily observable by guests, giving your operation credit for considering and catering to the varying preferences of your patrons.

Seventy-two percent of consumers say that a “no artificial sweeteners” claim makes a restaurant item healthier.

Turbinado sugar is less processed than white granulated sugar, so more molasses is retained in the sugar. Turbinado has large amber crystals that deliver a hint of sweet spice and green fruity top notes. This style of sugar was popularized by European café culture as a sweetener for hot beverages. It's also ideal for adding crunchy texture and sparkle to pancakes, cookies, pastries, and other desserts.

Stevia is a plant-based sweetener that quickly dissolves in beverage applications. Derived from the stevia plant, stevia is a high-intensity, zero-calorie sweetener. This makes stevia an ideal choice for consumers looking to restrict calories and avoid artificial ingredients.

Worth noting is that usage of zero-calorie artificial sweeteners – such as saccharin, aspartame, and sucralose – is trending downward.⁵ Seventy-two percent of consumers say that a “no artificial sweeteners” claim makes a restaurant item healthier, ahead of a long list of other health claims, including antibiotic-free (68%) and GMO-free (64%).¹





WHAT THIS MEANS FOR YOUR OPERATION'S SUGAR AND SWEETENERS:

BACK-OF-HOUSE

When operators make the investment to add *natural* and *organic* ingredients back-of-house, it should be visible and inspiring and not a hidden or a missed opportunity for operators or their patrons. Menu descriptors and wait staff suggestive selling can both be effective tools for communication. Look for opportunities to call out specific motivating ingredients – such as *organic raw cane sugar*. *Natural* and *organic* enhance taste perceptions among guests, so it is to the operator's advantage to employ these menu descriptors whenever possible. Yet fewer than half of operators report that they consistently call out *natural* or *organic* attributes on their menu currently.¹

It's worth mentioning that a concept doesn't have to be fully *organic* or *natural* to take advantage of this trend. For example, concepts that offer more mainstream or traditional fare could start with simple substitutions. One idea is to consider incorporating raw cane sugar into recipes. Raw cane sugar is a granulated, soluble, unrefined sugar made from freshly squeezed sugar cane juice using a single crystallization process. It has a golden tan color and subtle flavor from the molasses that remains after processing. In recipes, it is an ideal one-for-one substitute for granulated white sugar.

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Regardless of where a concept may currently be on the spectrum of *natural* and *organic*, the bottom line is to not ignore that consumer preferences are changing - even right down to what they expect to be offered in a sugar and sweetener caddy. Offering on-trend, *natural* and *organic* ingredients can positively enhance a foodservice establishment's image and reputation.

KEY TAKEAWAYS

Don't get left behind

The market has moved to expect more *natural* and *organic* food and beverage solutions. Committing to *natural* and *organic* today will help solidify a wide-reaching and dedicated customer base for decades to come.

Appeal to healthy eaters

Offering *natural* and *organic* menu items is a way to appeal to the ever-expanding health-minded consumer market while enhancing perceptions of taste and flavor.

Natural and organic sways customers to indulge

Increase sales of indulgent menu categories like beverages, appetizers, and desserts by touting *natural* and *organic* ingredients that may sway previously guilt-riddled customers to splurge.

Capture younger customers

Highlight your ingredient choices to increase menu appeal and capture a greater share of younger customers and parents, laying the groundwork for your future brand advocacy.

Front-of-house visibility

Offering a variety of plant-based sugars and sweeteners in front-of-house caddies is a visible way to show patrons your operation is keeping up with the latest eating trends.

Back-of-house incorporation

Seek opportunities to also incorporate less processed sugars back-of-house, such as raw cane sugar which can be directly substituted for white granulated sugar in recipes.



For more trends
and inspiration, visit
dfifoodservice.com.

SOURCES

- (1) 2017 Technomic ASR Natural and Organic Multi-Client Study.
- (2) Nielsen Insights, “Top of 2018: Organic,” December 12, 2018.
- (3) Statista, “Organic Consumers in the US Dossier.”
- (4) Technomic MenuMonitor, August 2019.
- (5) The NPD Group/National Eating Trends®; 2 years ending May 2017.

