

The new food culture; Its importance to the mix

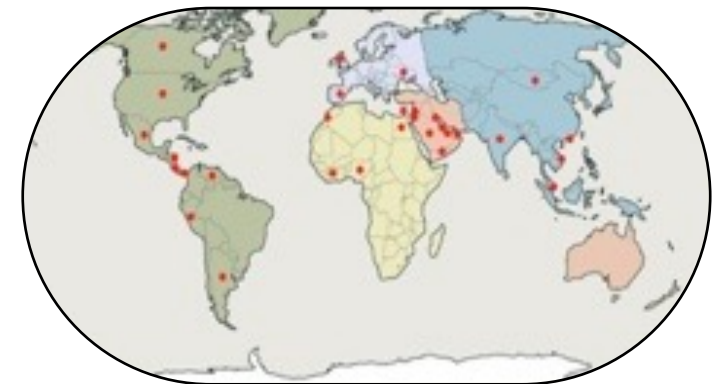
July 27, 2016

Randy White, CEO



www.whitehutchinson.com/Lasertron2016

- 40-years' experience performing feasibility studies
- Served 500+ clients in 33 different countries
- Projects have won 16 first-place awards
- Expertise and projects featured in *Time* magazine, *The Wall Street Journal*, *USA Today*, *New York Times*, on the *Food Network* and in many national and industry publications
- Website has over 2,000 pages of information



Entrepreneur
MAGAZINE

The New York Times

THE WALL STREET JOURNAL.

**USA
TODAY**



Feasibility, design, production & consulting for:

- Family entertainment centers
- Hybrid bowling centers
- Laser Tag
- Adult-oriented eatertainment centers
- Children's edutainment (play & discovery) centers
- Adventure & discovery play gardens (playgrounds)
- Mixed-use entertainment, retail & dining projects
- Agritainment/agri-tourism projects

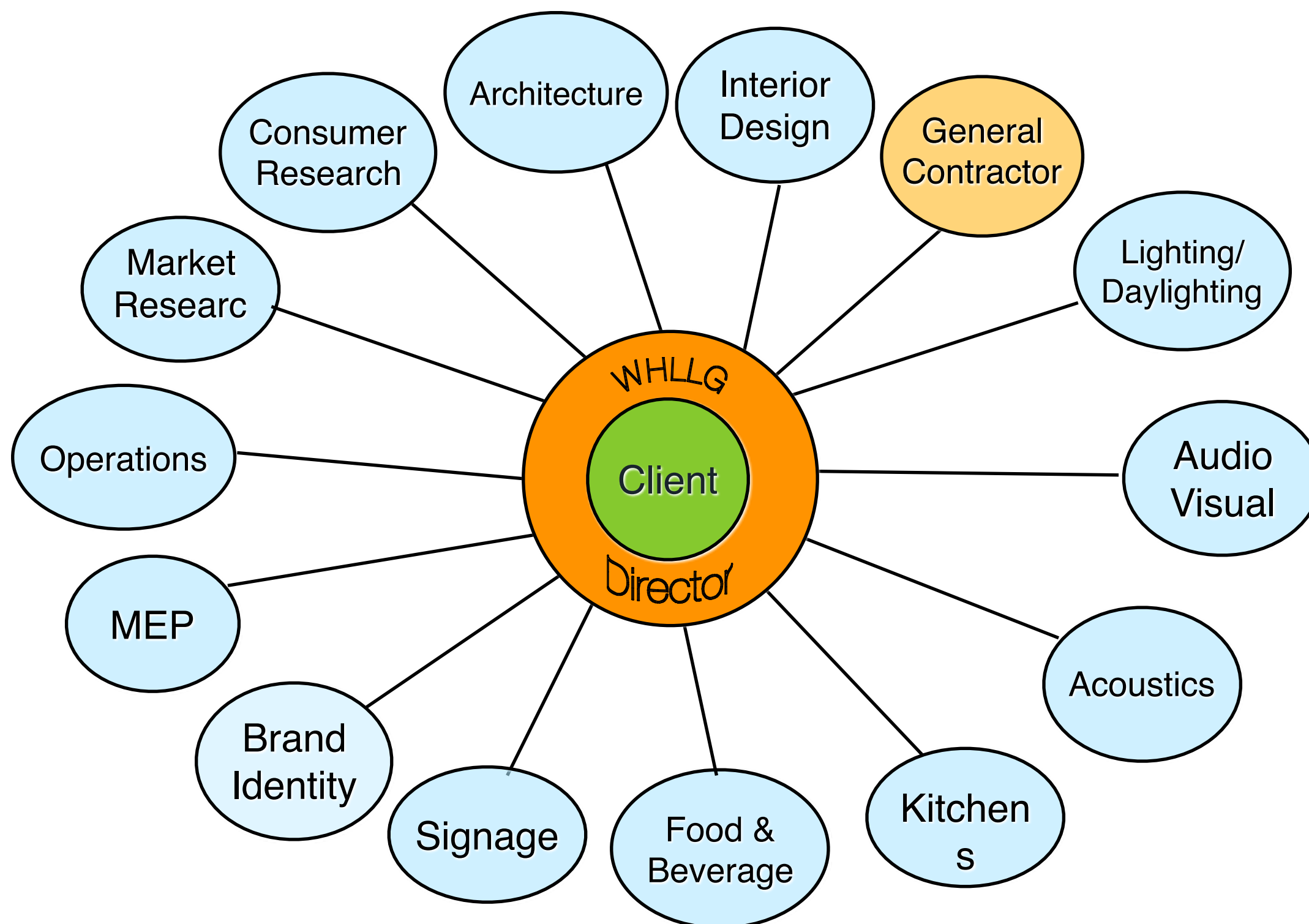


Feasibility, design, production & consulting services (A to Z):

- Market feasibility
- Site evaluation & selection
- Financial feasibility & projections
- Cost estimates
- Concept & mix development
- Brand development
- Full site, architectural & interior design
- Specify furniture, fixtures & equipment
- Full food service design & set-up
- Management start-up & training
- Business audits



Integrated Approach to Business Development



Looking for the Next Big Thing?

Food & Beverage is the New Anchor Attraction



Food & beverage drives frequency

Average visits per year



3.8 Times



169 Times

The only 5 ways to grow a location-based business

Effectiveness

most



least

- 1 Lower the customer defection rate
(guests who don't return for various reasons)
- 2 Increase the amount customers spend on each visit
(higher per capita spending)
- 3 Increase how often existing customers frequent the business
(higher repeat business)
- 4 Attract new customers from within the existing trade area
- 5 Expand the geographic reach of the market area
(practically impossible)

Cost & Effort

least



most

For two or more guests, food & beverage and socialization are synonymous



The 4-legged stool of CLV guest satisfaction, attendance & spending

Quality of Guest Experience

Food & Beverage

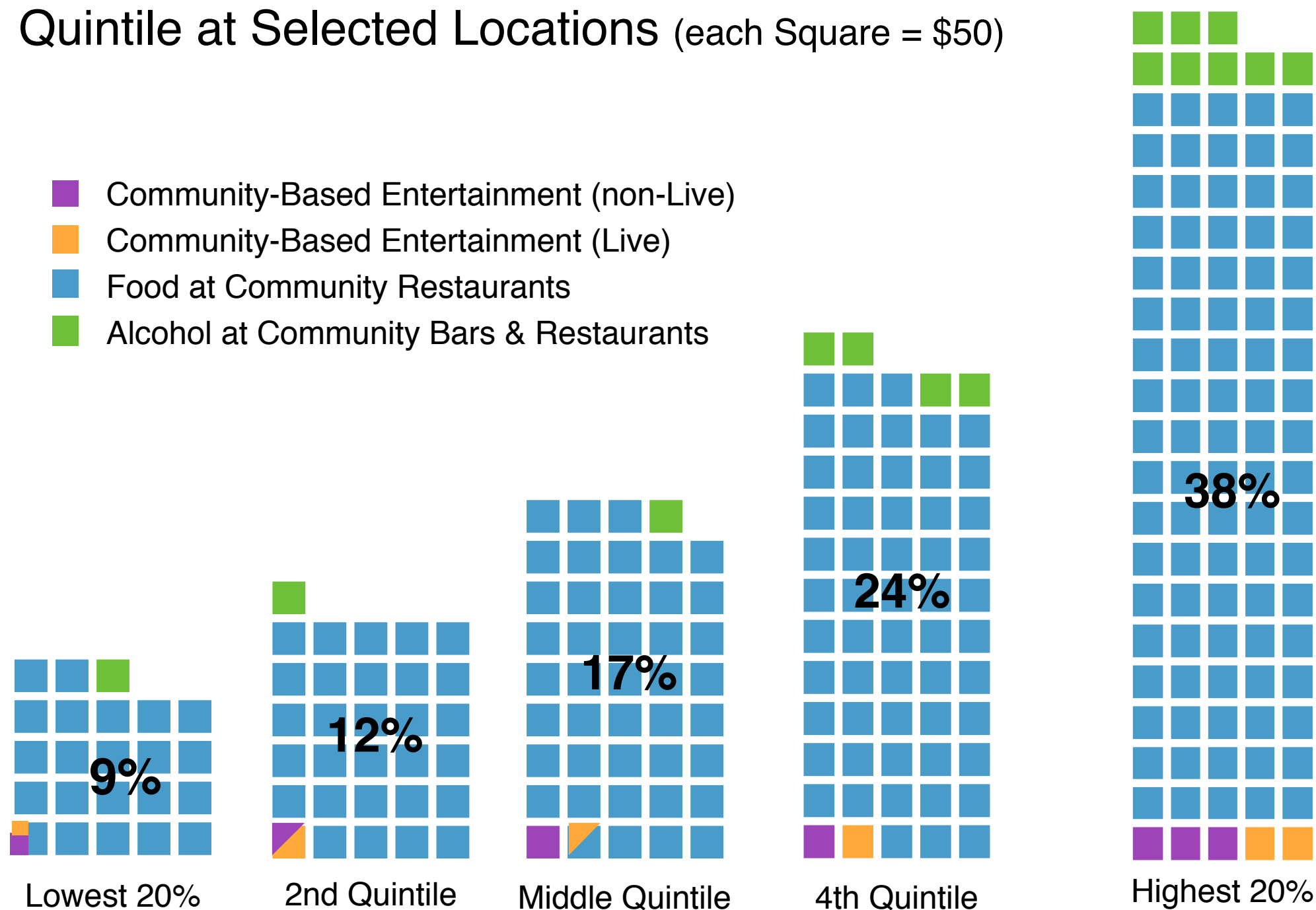
Entertainment

Physical
Environment

Service

2014 Average Household Spending by Income Quintile at Selected Locations (each Square = \$50)

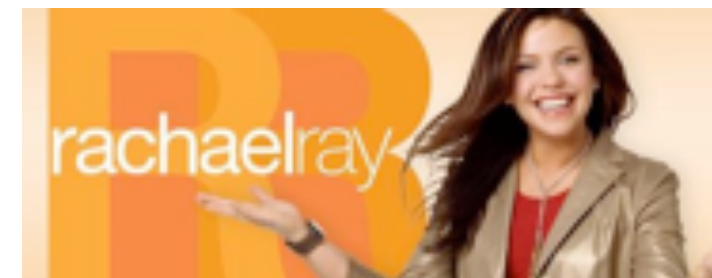
- Community-Based Entertainment (non-Live)
- Community-Based Entertainment (Live)
- Food at Community Restaurants
- Alcohol at Community Bars & Restaurants



Source: U.S. Department of Labor, Consumer Expenditure Survey

The new culture of food





Foodie Nation



Instagram

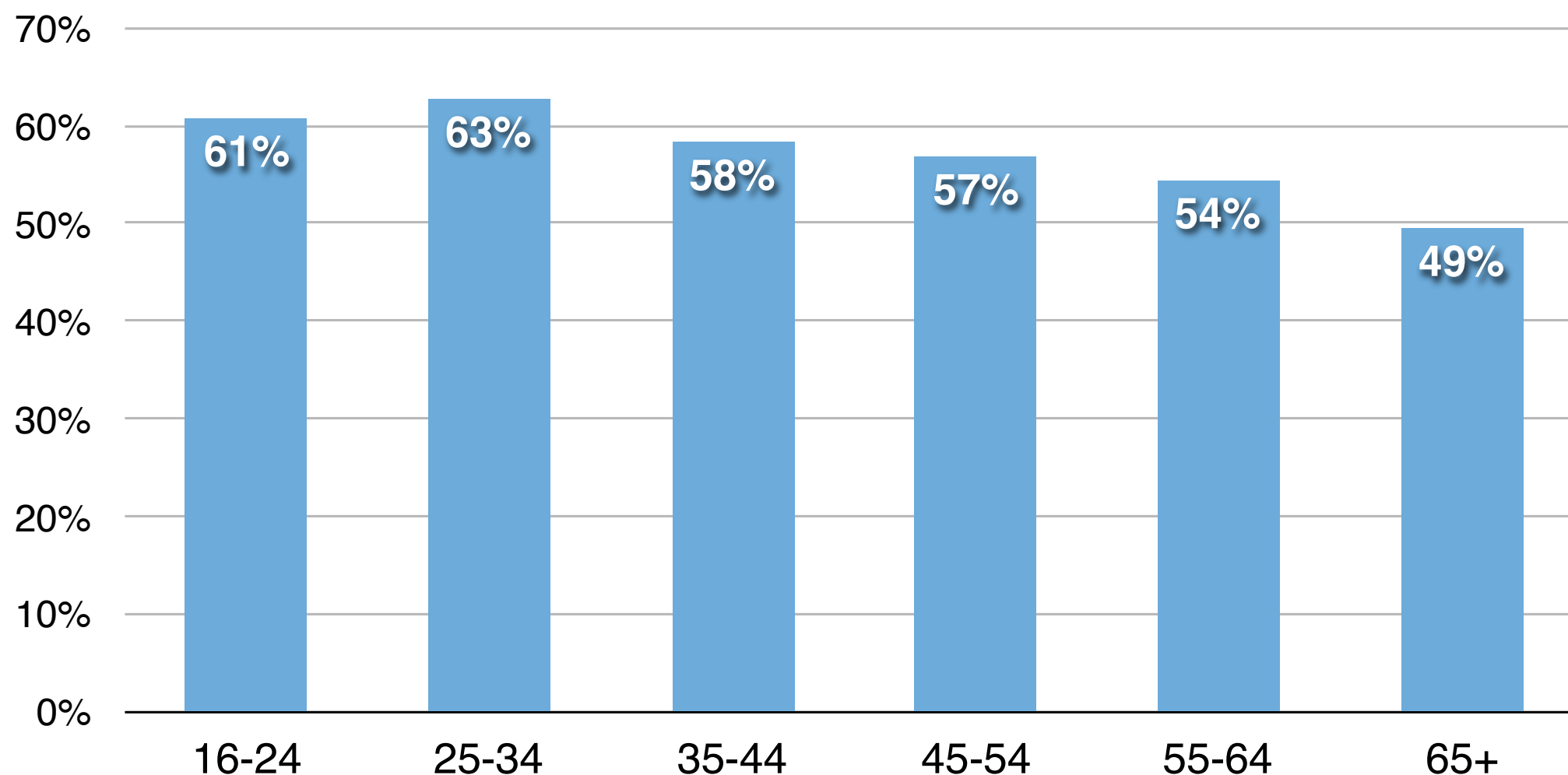


Foodie Nation: Love of all things culinary

- 47% self-identify as foodies - 91% like to experience new flavors when dining out
- 68% describe themselves as passionate about food & drink
- 62% describe themselves as totally adventurous - like to try new things
- Great food is considered a sharable experience
- 58% of consumers say that when they think about their life, food and cooking are a big part of who they are - food & beverage is now part of peoples' sense of identity

Culinary adventurers

Eating is an adventure: people like to try new foods they've never eaten before (% agree/strongly agree by age group)



Source: U.S. Food Innovations-CPG, Retail, Out-of-Home and Leisure, 2014

Fast Casual

- Counter ordering & payment
- Food flavor profiles of casual-dining
- Check average \$8 – \$13
- Fresh food
- Natural food features
- Freshly prepared to order
- Mostly display kitchens
- Upscale décor & ambiance



Fast casual pizza

LASERTRON®



DESIGN. BUILD. EAT.



THE PIZZA STUDIO



Food trucks





©Daniel Austin Hoherd

Gourmet gas stations



Rising expectations



Food drives destination decisions

Nearly 2/3rd of consumers (62%) said they would recommend a vacation destination based solely on its food and cuisine (71% for Millennials)

Wakefield Research Aug 19-25, 2015 (n=1,017) and Apr 4-8, 2016 (n=1,021)

40% shoppers say food options are more important than stores when deciding which retail center to visit.

German landlord ECE 2016

Food transparency

Consumers increasingly want to know:

- Where their food came from
- How it was grown, raised and made
- How the animals and people who were part of its creation were treated

Sustainable Non-GMO Food Waste **Healthful**
Recycle Pasture Raised **Fair Trade**
Low Calorie Clean Food **Whole Grain**
Have it my way Smaller Portion Size **Vegetarian**
Socially Responsible **Low Fat** Allergens
High Fiber Natural Artisan Locally Grown
Antibiotic Free **Organic** Low Salt
Less Meat Local Antioxidants
Probiotics Fresh Gluten Free Humanly Raised
Responsibly sourced **No Trans Fat**
Low Carb Flexitarian Feel Good Food
Alternate Sustainably Raised Handcrafted **Vegan**
Proteins **Fresh** **Low/No Sugar** Free Range
Calories



Clean food – No artificial ingredients



Panera



Chipotle



Noodles & Co



Taco Bell



Pizza Hut



Subway



Papa Johns

Clean food – No artificial ingredients



Free-from drinks

Gluten-free

Vegan

Low-sugar

All-natural

Low-alcohol

No-alcohol





Consumers' growing eco-food interest

Restaurant operators who say their customers are more interested in eco-friendly food than they were two years ago

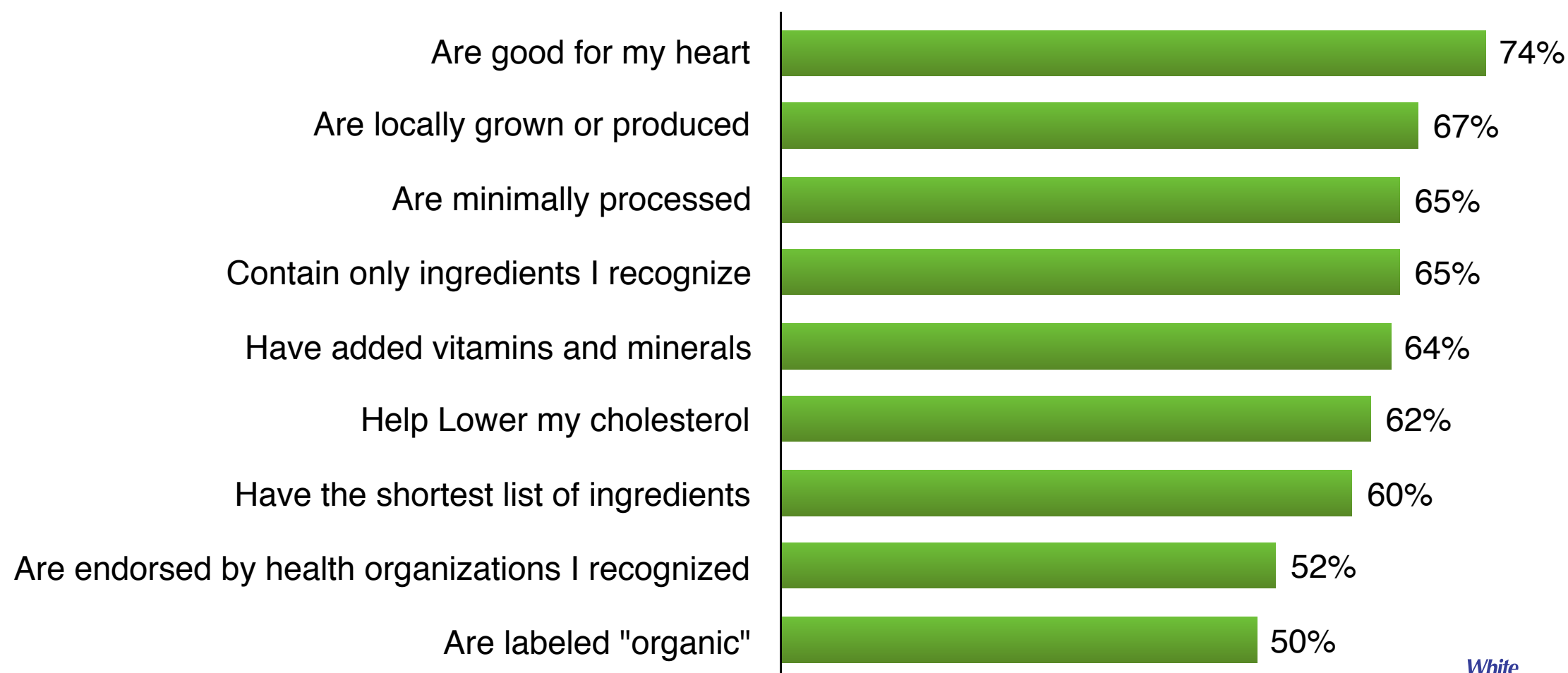


Source: National Restaurant Associations Food Menus Trends Survey, 2015

Consumers' food choice preferences

Behaviors when shopping for food and beverages

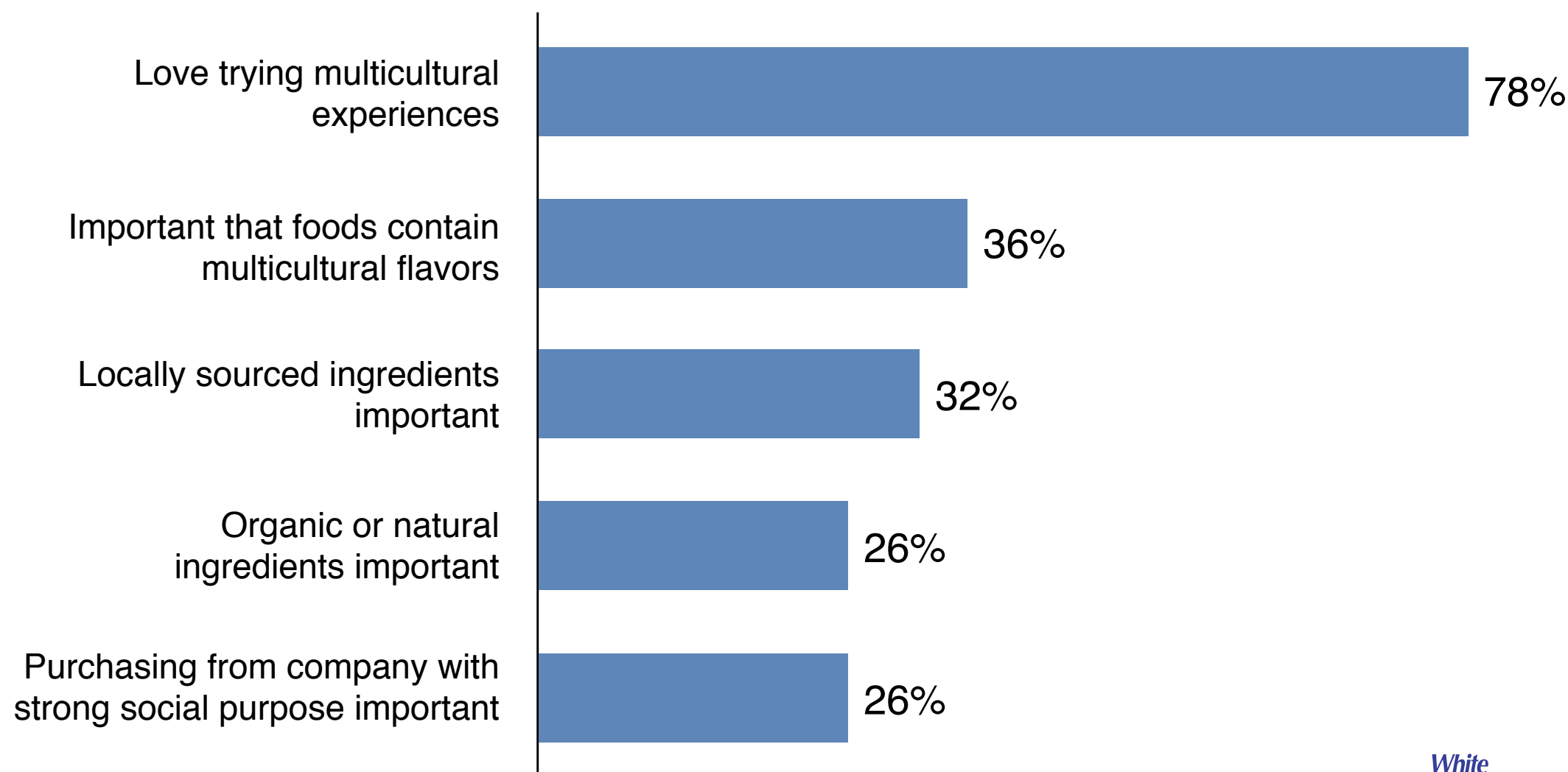
I look for food and beverages that: (describes me "well or somewhat well")



Source: Hartman Health & Wellness 2015 Report

Seeking multicultural experiences

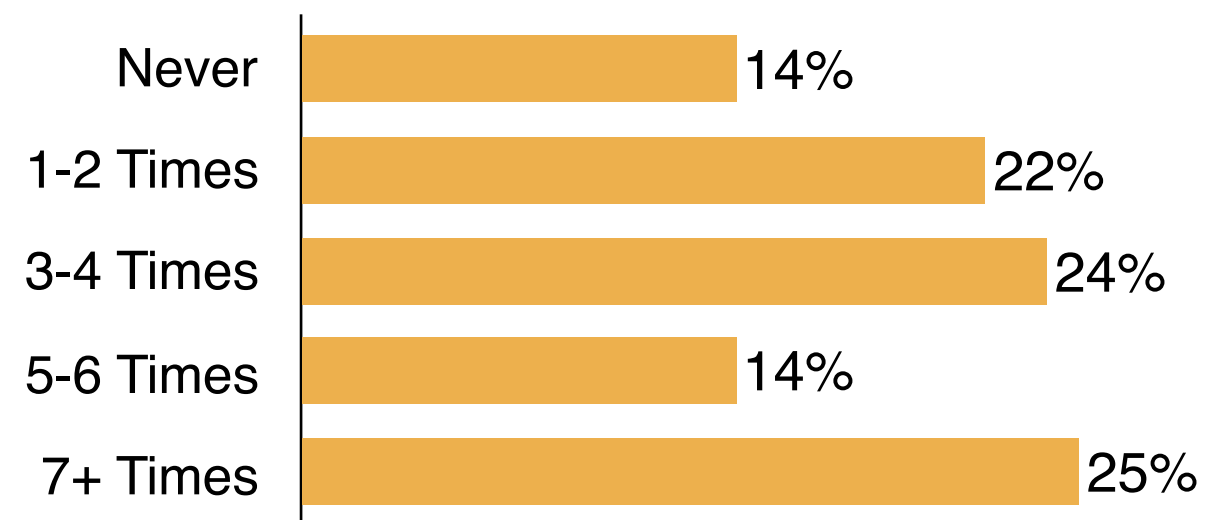
American seek cultural diversity when they eat



Source: Harris Poll, June 7-9 of adults age 18+ (N = 2,034)

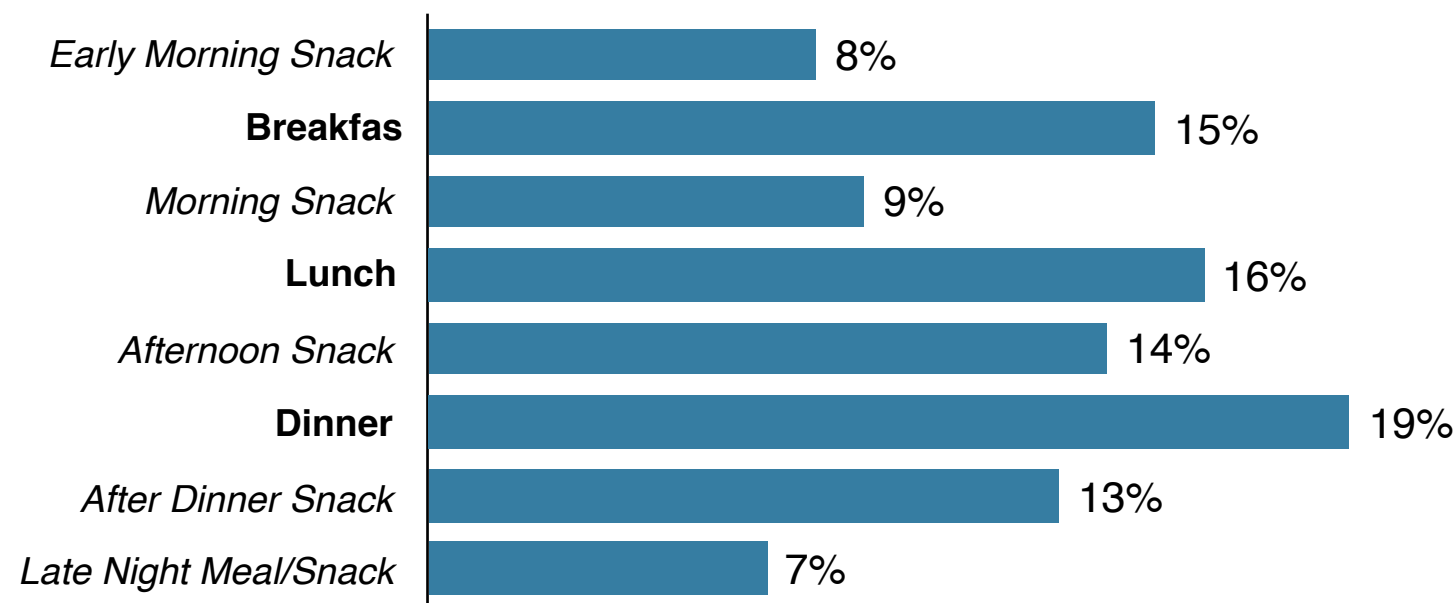
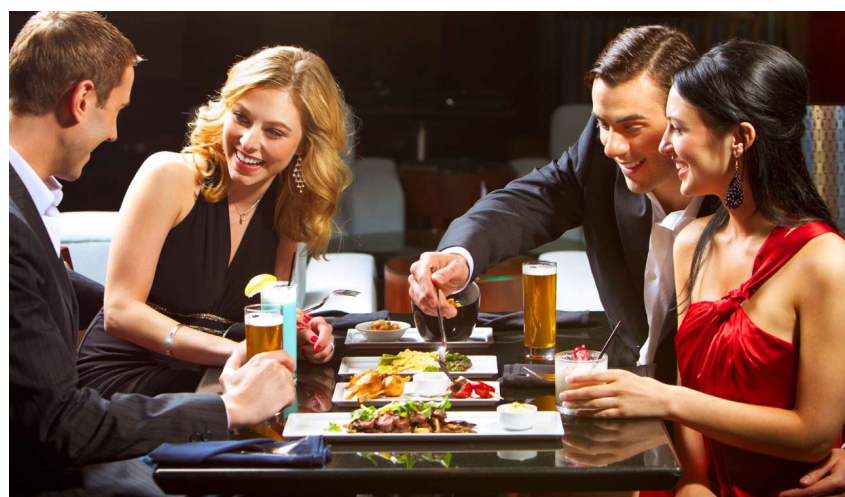
Average American eats 5 times a day

Snack Attack: During a week, how often do you snack instead of eating a full meal?



Source: Graph-Nuts Survey of 1000 adults

Share of Daily Eating Occasions

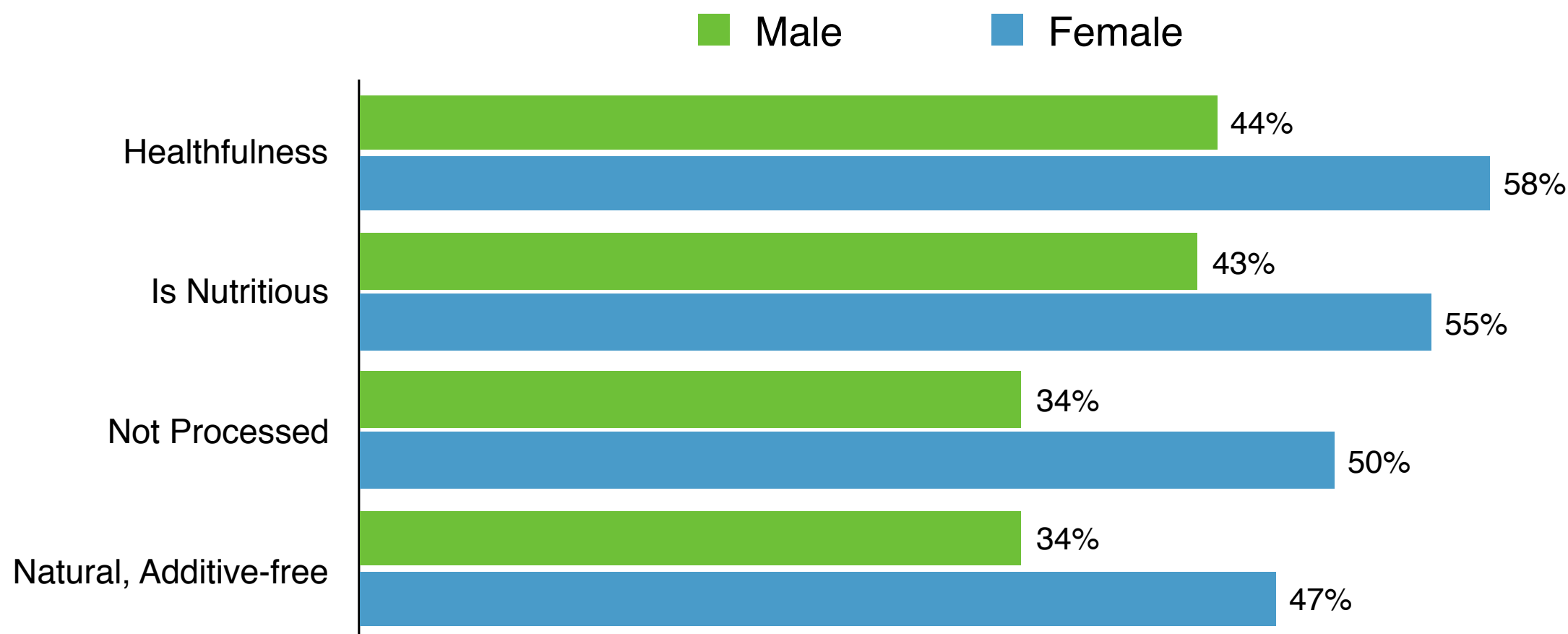


Source: Hartman Group's Eating Occasions Compass Database 2012-2014

Snack preference the same as for main meals

Snack choice factors

“Please indicate how important the following factors are when choosing snacks” (important & extremely important)



Source: Technomic's "2016 snacking occasion consumer trend report" (n = 875)





STARBUCKS *Evenings*

Menu

SMALL PLATES

Blue Brie & Apricot Preserves Plate
Grilled Vegetable Plate with
Lemon Aioli Sauce
Parmesan-Crusted Chicken Skewers with
Honey-Dijon Sauce*
Bacon-Wrapped Dates with Balsamic Glaze
Truffle Mac & Cheese
Chicken Sausage & Mushroom Flatbread
Artichoke & Goat Cheese Flatbread
Truffle Popcorn*

* Contains milk

DESSERTS

Double Chocolate Brownie Bites
Chocolate Truffles
Espresso, Champagne, Raspberry
TRIO
SINGLE

WINES AVAILABLE BY THE GLASS AND BOTTLE

SPARKLING

Prosecco, Villa Sandi "il Fresco," Italy

WHITE

Riesling, Chateau Ste. Michelle,
Columbia Valley

Pinot Gris, Erath, Oregon

Chardonnay, Ferrari-Carano,
Sonoma County

SPARKLING ROSÉ

Brachetto, Rosa Regale, Italy

RED

Red Blend, Apothic, California

Pinot Noir, Lange Estate,
Willamette Valley

Malbec, Alamos, Argentina

Syrah, Amavi Cellars, Walla Walla Valley

Cabernet Sauvignon, Columbia Crest H3,
Horse Heaven Hills

BEER

Ask your barista about the current beer selection.

Food & Beverage

LASERTRON®

URBAN OUTFITTERS

*Saks
Fifth
Avenue*

Tommy Bahama®

H&M

GIORGIO ARMANI

**BERGDORF
GOODMAN**

IKEA

★ *macy's*

Neiman Marcus

NORDSTROM

RH
RESTORATION HARDWARE

Brooks Brothers

**Bass
Pro
Shops**

SWAROVSKI
bloomingdale's

RALPH LAUREN

terrain

**BARNEYS
NEW YORK**



BARNES & NOBLE

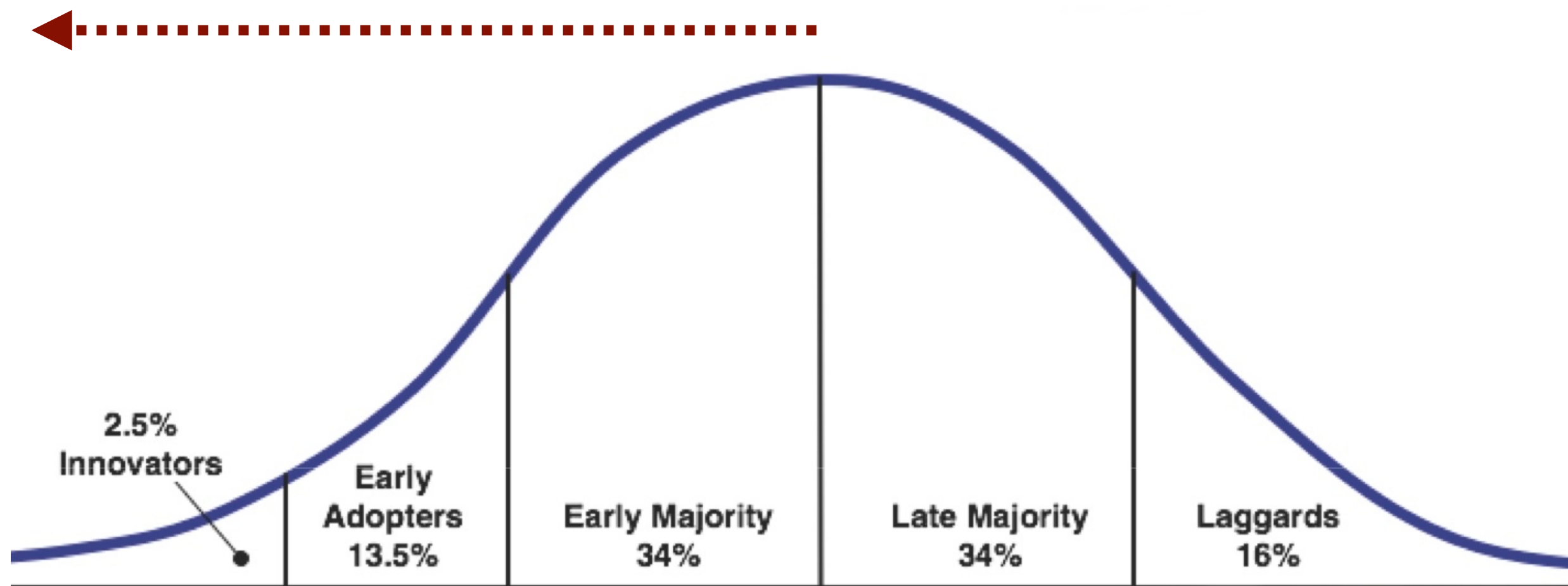
BOOKSELLERS



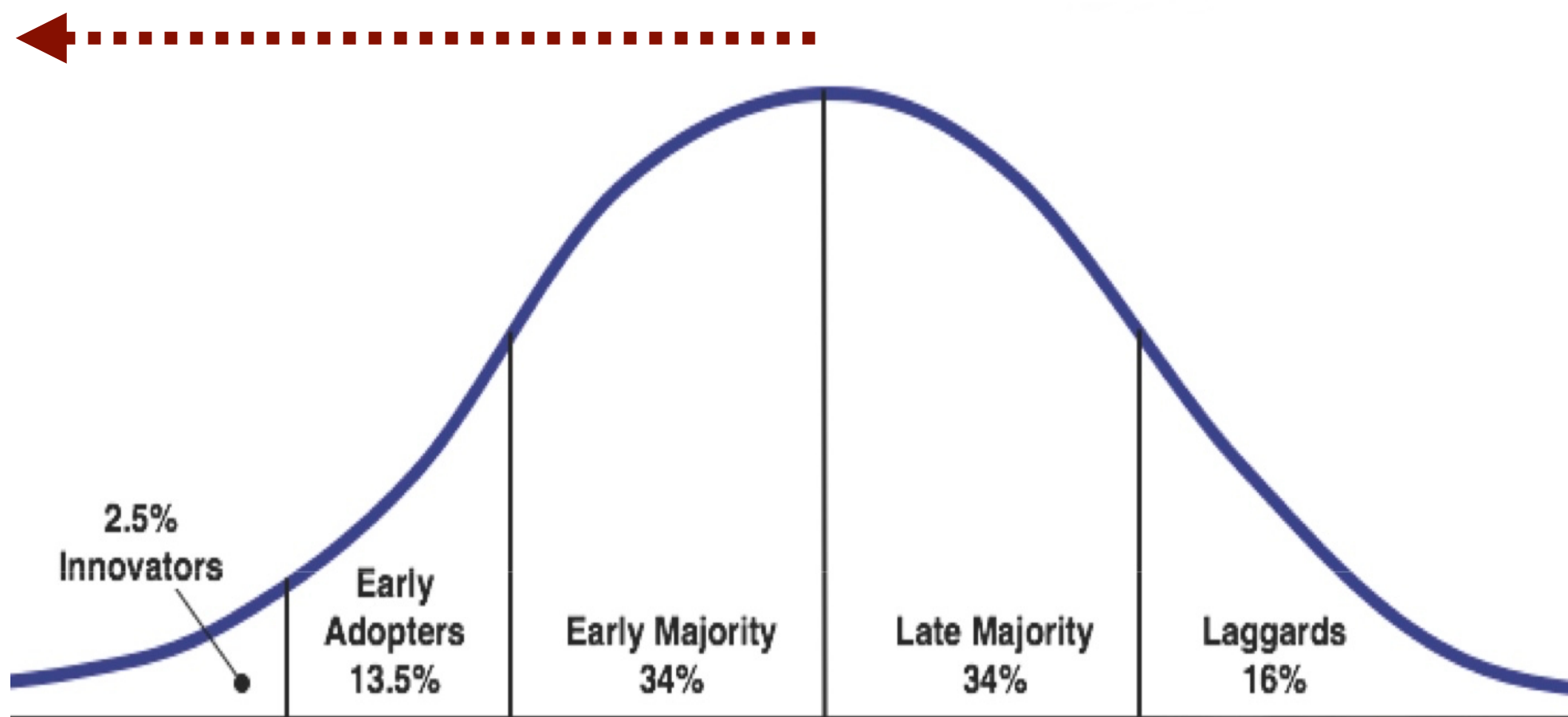
Cinemas upscaling food & beverage experiences



Accelerating food culture adoption curve



Accelerating food culture adoption curve



- ☒ Food transparency
- ☒ Ethical dining
- ☒ Destination dining
- ☒ Two-sided menu
- ☒ Sharing & adventure
- ☒ Small plates
- ☒ Global flavor profiles
- ☒ Have it my way

New School Business Model

EAT, DRINK, PLAY

SOCIAL GATHERING PLACE

(designed for adults)



Randy White, CEO

Randy is considered to be one of the world's foremost authorities on feasibility, concept development, design and production of location-based leisure, entertainment, eatertainment and edutainment venues. Over the past 27 years, his company has worked for over 500 clients in 33 countries.

Over 100 of Randy articles have been published in leading entertainment/leisure magazines. Randy was featured on the Food Network's *Unwrapped* television show as an eatertainment expert, quoted as an entertainment/edutainment center expert in the *Wall Street Journal*, *New York Times*, *USA Today* and *Time* magazine and received recognition for family-friendly designs by *Pizza Today* magazine. One of the company's projects was featured as an example of an edutainment project in the book *The Experience Economy*. Randy is the editor of his company's *Leisure eNewsletter*, he blogs and tweets.

Randy has been a featured keynoter and speaker at numerous entertainment and leisure industry conferences throughout the world. Randy is presently a co-Regent and presenter at the 14-year-old *Foundations Entertainment University*.



www.whitehutchinson.com randy@whitehutchinson.com 816.931-1040
subscribe to our Leisure eNewsletter *subscribe to Randy White's blog*
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