

The New Catering Buyer

Catering Market Outlook



Technomic®





Technomic[®]

**Since 1966, we've produced
in-depth research focused
on the foodservice industry.**

We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world.

Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

-14%
Business Catering
2022 vs. 2019

-7%
Social Catering
2022 vs. 2019

2022-2025 Forecast
7.1% B2B
8.4% Social (CAGR)

Forecasted Sales Index (2025)

100 = 2019 Sales Levels

Quick Service: 111

Fast Casual: 124

Full Service: 102

Caterers: 128

Supermarket: 114

Club Stores: 108

On-Site Cafeterias: 80

Macro- changes impacting buying behavior



Image Source: Shutterstock

© 2024 Technomic, Inc.



36%
strongly
prefer to
watch new
movie
releases via
streaming

Source: Statista Report 2023
Image Source: Shutterstock

-\$3B

+20%

**Box office revenue was
forecasted to be below
pre-pandemic levels**

**Box office growth first half
of 2023 vs. 2022**

Technomic's Take

At-home entertainment creates informal catering opportunities

Implication

Small informal house parties remain an elevated opportunity

These events have created gray areas between catering and standard delivery





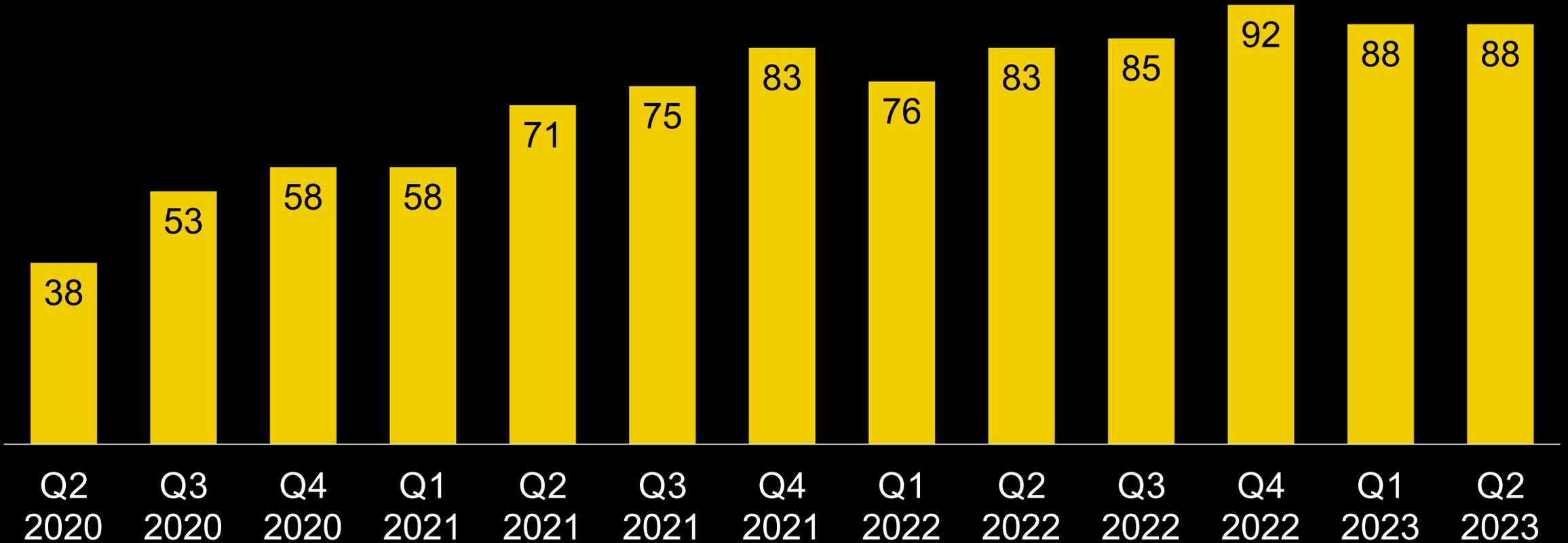
28% of employees
have hybrid schedules

50% office occupancy

Source: Dinova/Technomic October 2023 State of the Business Diner Report
Image Source: Shutterstock

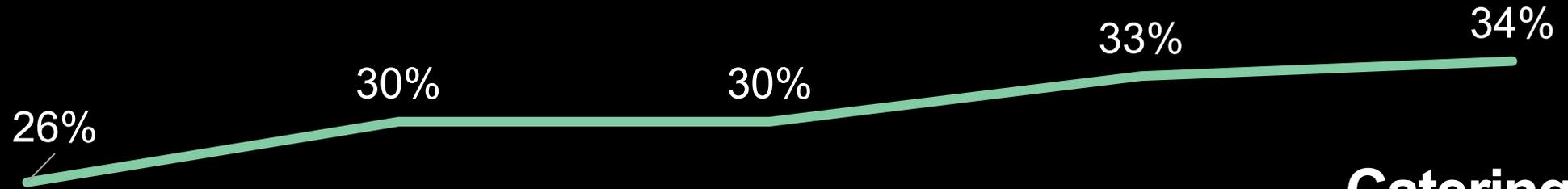
BUSINESS DINING GROWTH (DINOVA BUSINESS DINING INDEX)

100 = \$ SALES COMPARED TO EQUIVALENT QUARTER IN 2019



Source: Dinova/Technomic October 2023 State of the Business Diner Report

SHARE OF BUSINESS DINING DOLLARS USED FOR CATERING ORDERS



**Catering has
increased its
share of corporate
food expenses**

2019

2020

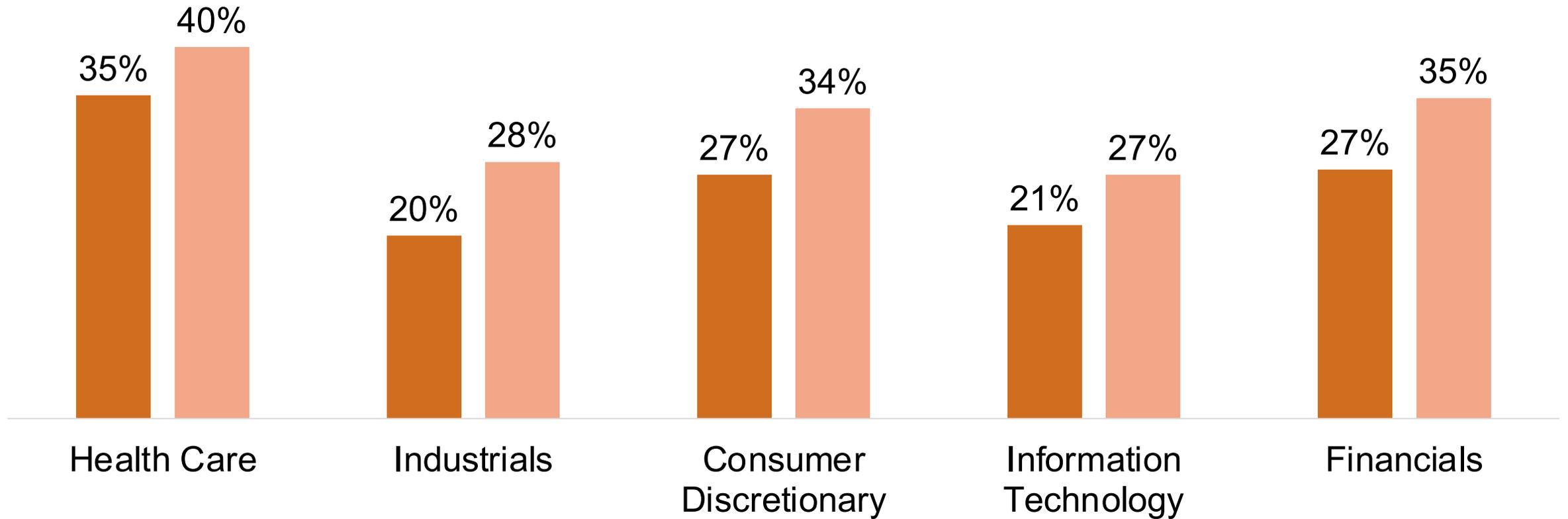
2021

2022

2023

CATERING'S SHARE OF BUSINESS DINING DOLLARS BY INDUSTRY

2019 2023



Source: Dinoa Business Dining Tracker

© 2024 Technomic, Inc.

Technomic's Take

Hybrid-office arrangements changed business catering

Implication

Share of corporate dining dollars have shifted in caterings favor

Food and beverage have become an incentive to come to the office



13%

YOY increase in events volume



Source: Knowland October 2023
Photo by Jonathan Maze

Technomic's Take

The return to live events is accelerating

Implication

Special events and conventions have greater expectations re: social connections and experience

Expectations of a memorable experience are heightened



Overview of buying behaviors

Image Source: Shutterstock

© 2024 Technomic, Inc.





BUSINESS CATERING

65% of business caterers **placed orders weekly in 2022 vs. 41% in 2018**

SOCIAL CATERING

31% of social caterers **placed orders weekly in 2022 vs. 21% in 2018**

Source: Technomic 2018 and 2022 Catering Multi Client Studies
Image Source: Shutterstock

DECISION DRIVERS

Pre-Pandemic Value Equation

- Quality and flavor
- Ease of ordering
- Price
- Fit for event



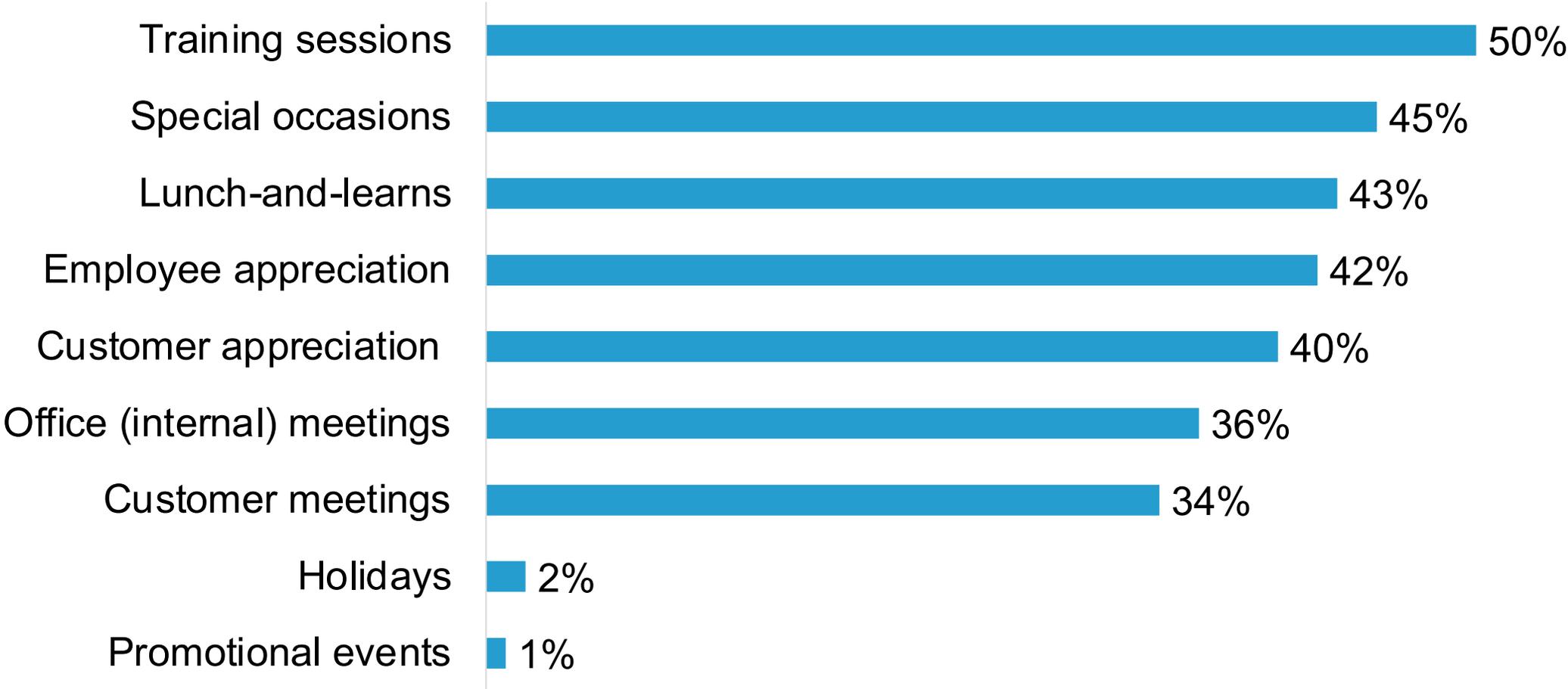
New Considerations

- Online/app ordering
- Customizable to taste and dietary preference
- Healthy options



BUSINESS CATERING OCCASIONS

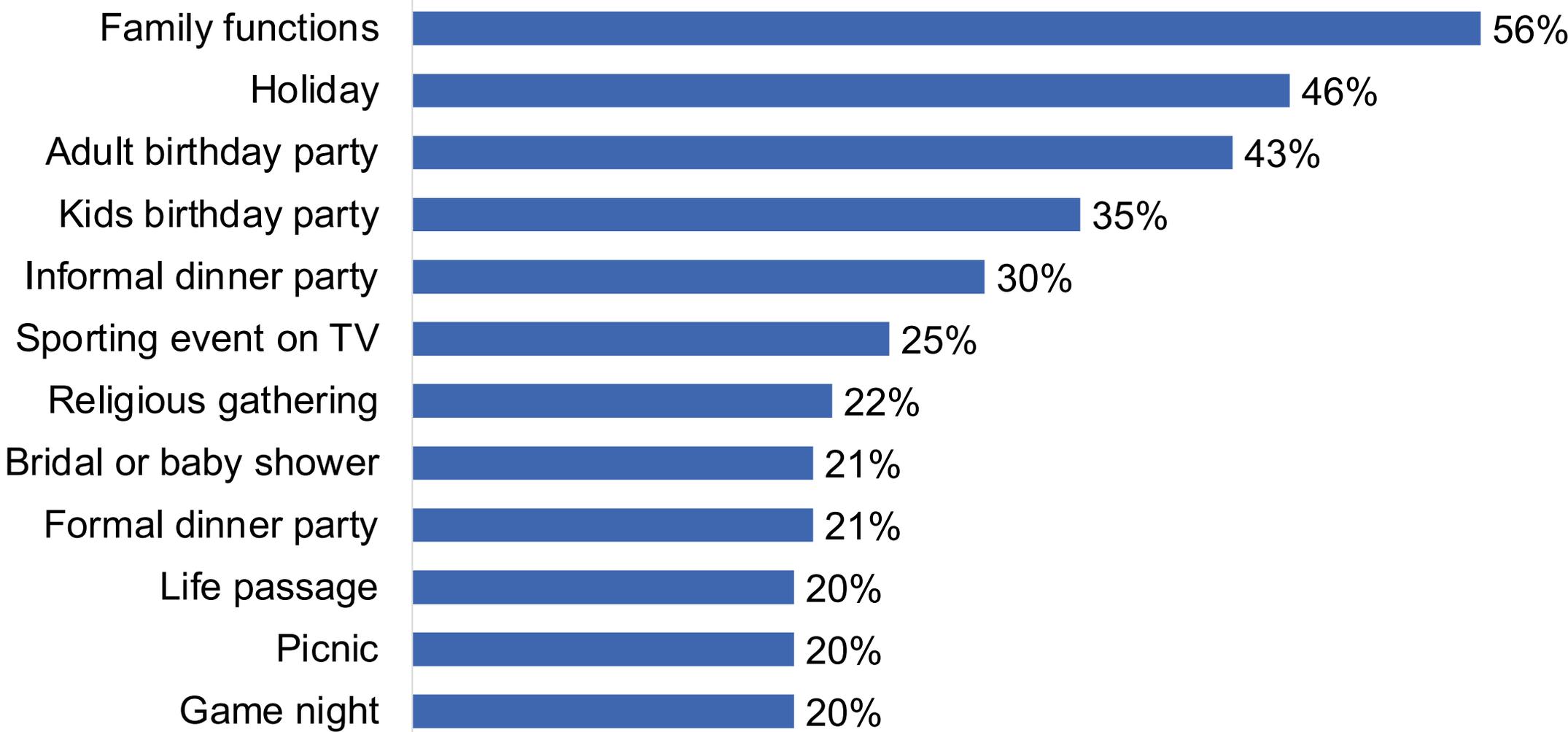
% OF BUYERS ORDERING IN PAST YEAR



Source: Technomic 2018 and 2022 Catering Multi Client Studies

SOCIAL CATERING OCCASIONS

% OF BUYERS ORDERING IN PAST YEAR



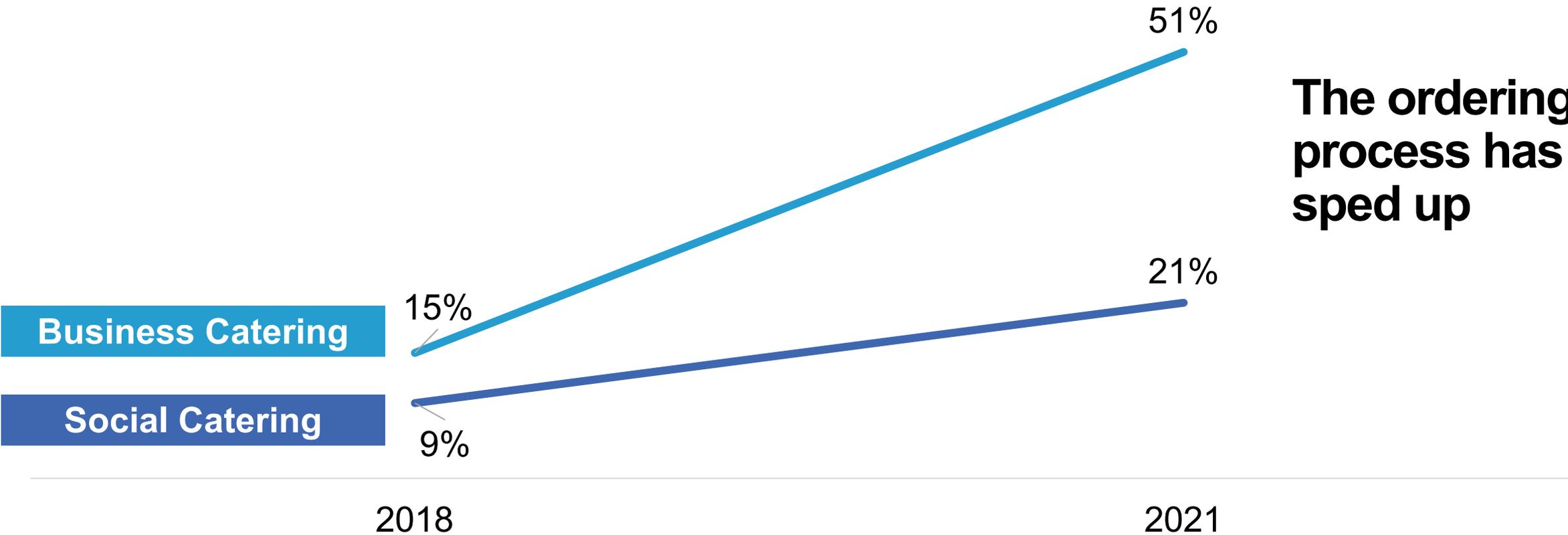
Source: Technomic 2018 and 2022 Catering Multi Client Studies

Per-person Spending

	BUSINESS CATERING		SOCIAL CATERING	
	# of People	Per-Person Spend	# of People	Per-Person Spend
Total	30	\$17	13.5	\$20
Informal	8-20	\$15	8-12	\$10-\$15
Formal	30-40	\$20	20+	\$20-\$33

Source: Technomic 2018 and 2022 Catering Multi Client Studies

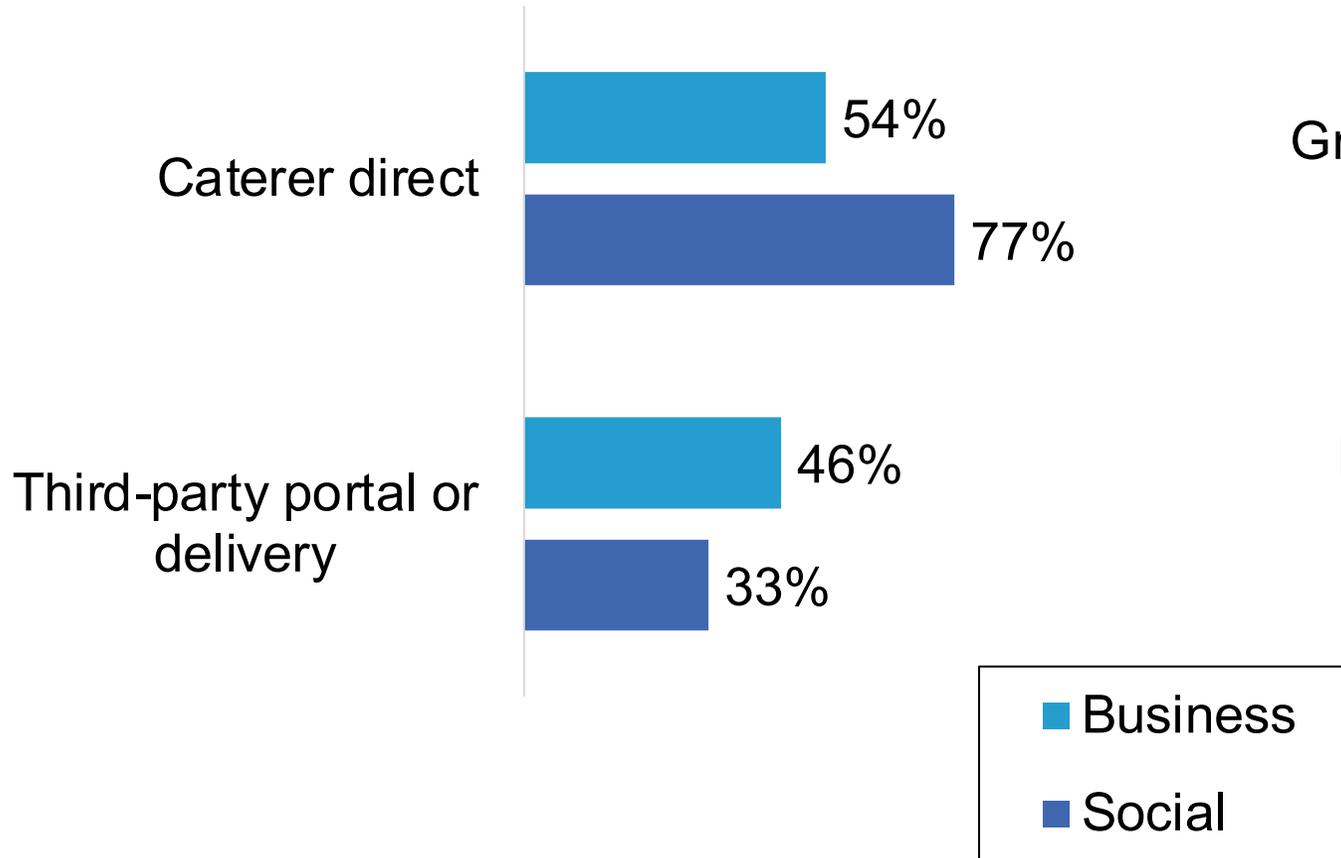
ORDER LEAD TIME PREFERENCES % 4 HOURS OR LESS



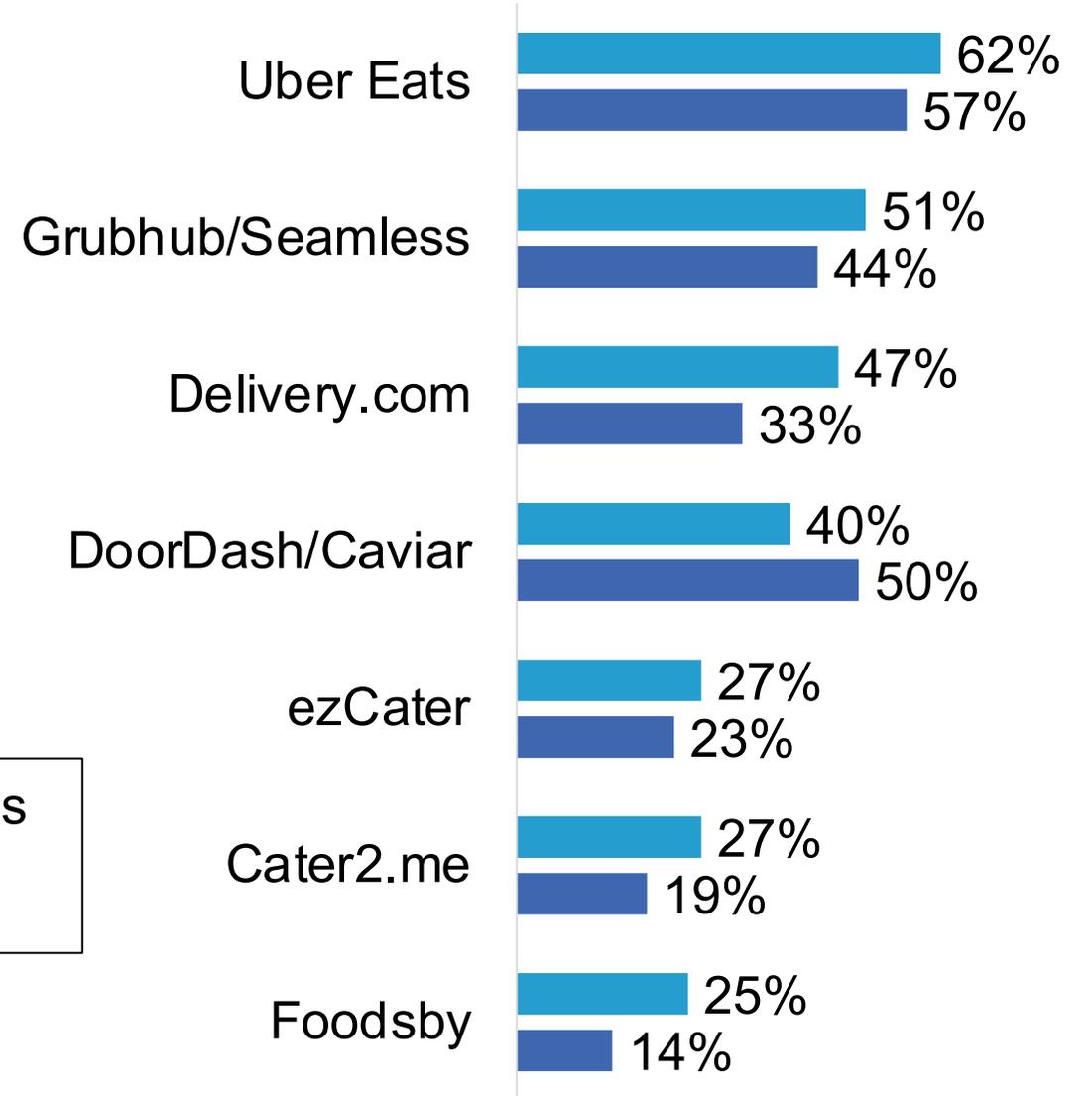
The ordering process has sped up

Source: Technomic 2018 and 2022 Catering Multi Client Studies

% MOST PREFERRED ORDERING SOURCE CATERER DIRECT VS. THIRD PARTY

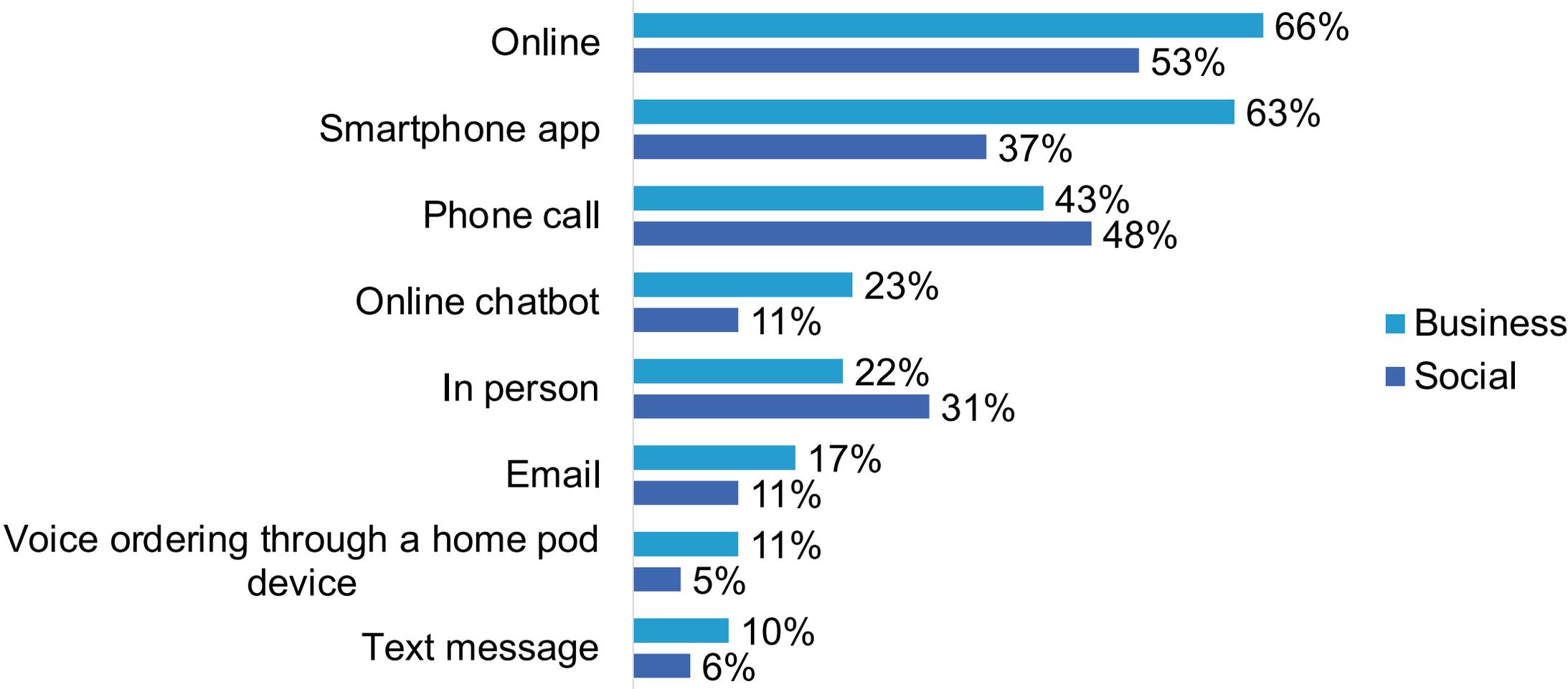


TOP THIRD-PARTY COMPANY USAGE



Source: Technomic 2022 Catering Multi Client Study

ORDER METHOD (% MOST PREFERRED)



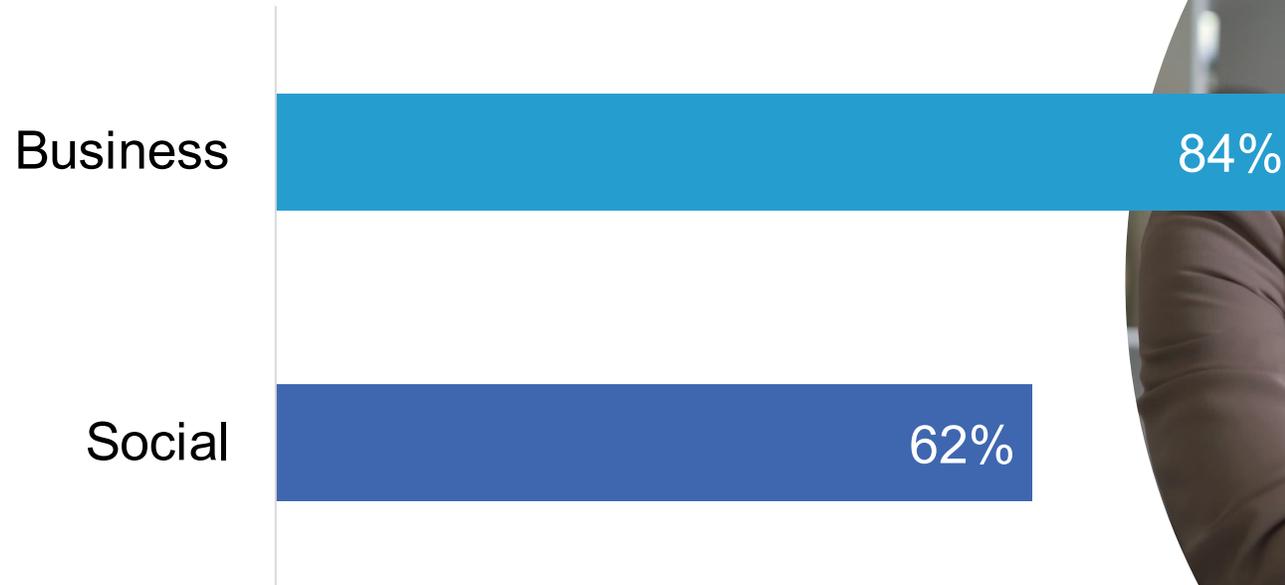
Source: Technomic 2022 Catering Multi Client Study



Image Source: Shutterstock

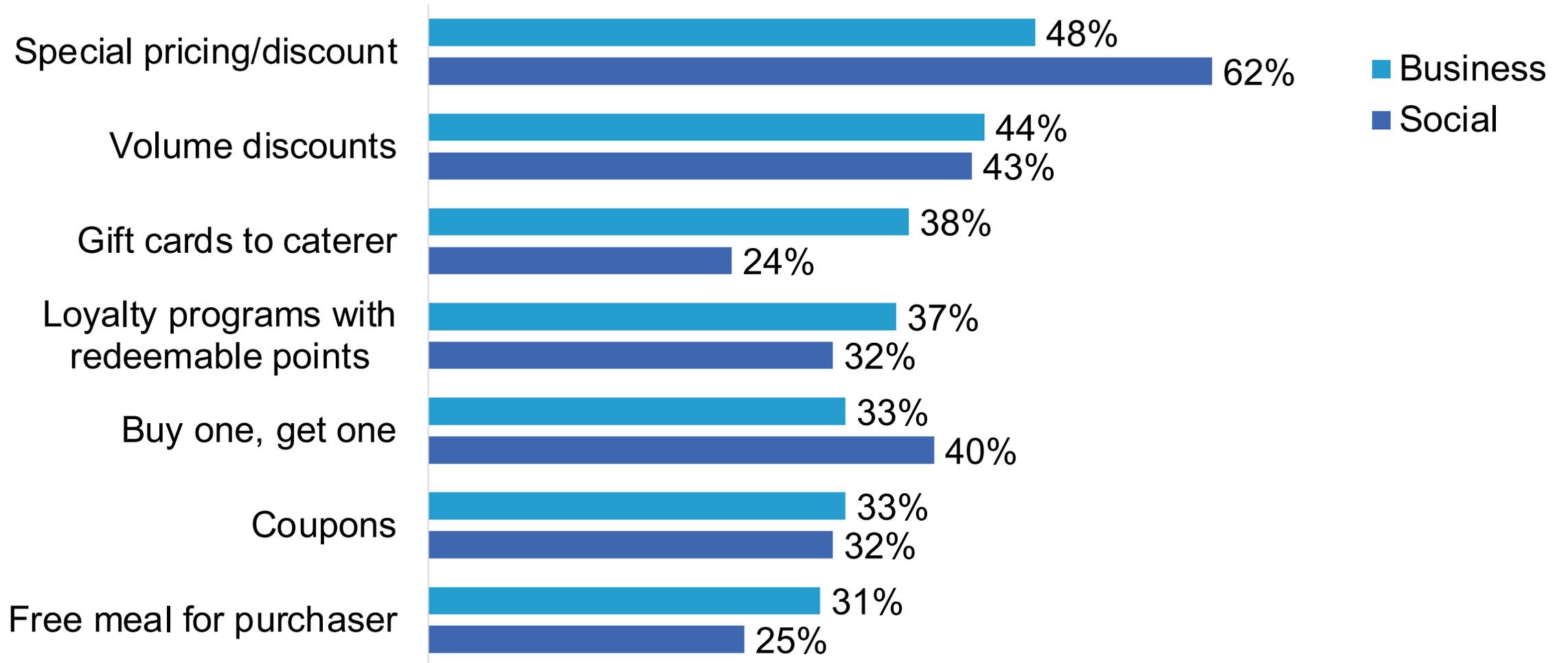
© 2024 Technomic, Inc.

WOULD USE A WEB OPTION THAT ALLOWS INDIVIDUAL ATTENDEES TO ADD THEIR OWN ORDER TO THE MENU



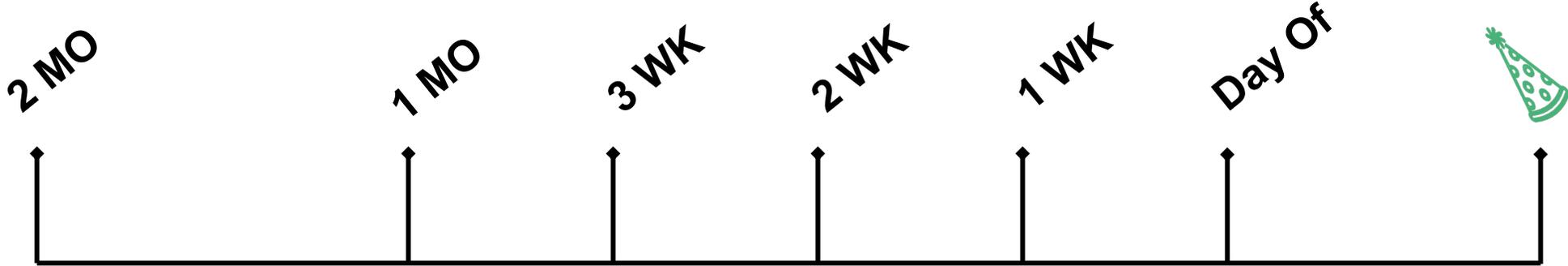
Source: Technomic 2022 Catering Multi Client Study
Image Source: Shutterstock

DRIVING LOYALTY (INCENTIVES THAT IMPACT WHERE TO BUY)



Source: Technomic 2022 Catering Multi Client Study

BUYER PERSONAS



Spontaneous Entertainer



Casual Planner



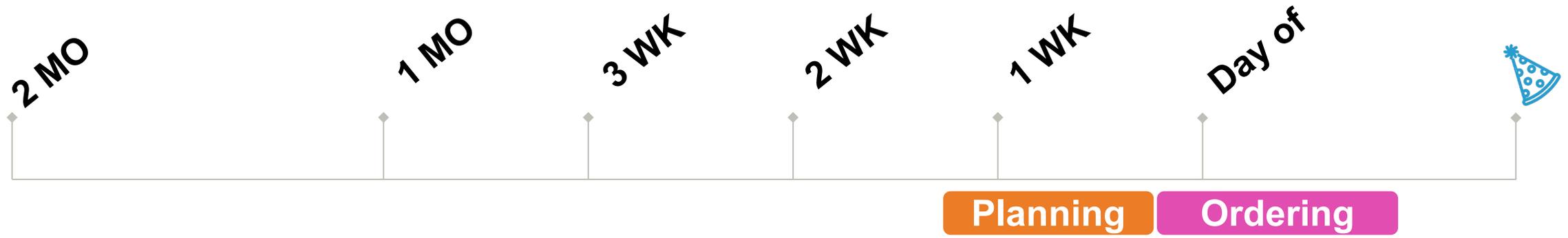
Formal Planner



	Business	Social
Spontaneous	51%	21%
Casual	45%	51%
Formal	4%	28%

Source: Technomic 2022 Catering Multi Client Study

Spontaneous Entertainer



Types of Occasions

- Minor celebrations
- Gamedays
- TV watch parties
- Book club meetings
- **Team meetings**
- **Small customer meetings**

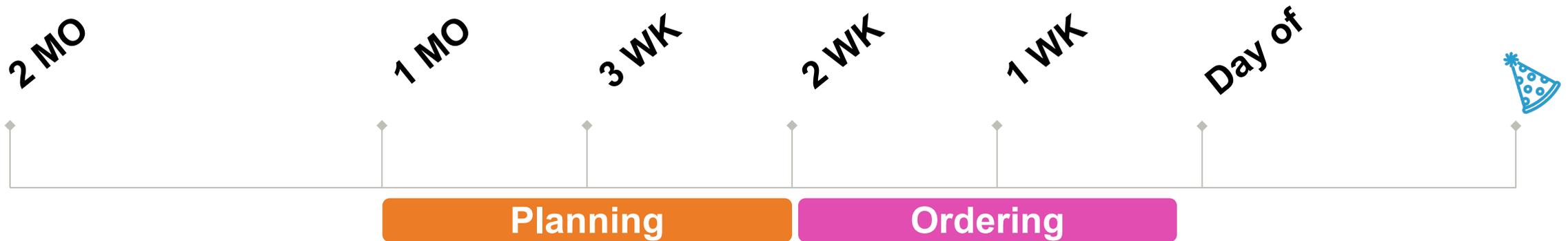
Behaviors

- Often splits costs with others
- Hosts smaller-sized catered events (8-12 guests) every 1-2 months

Preferences

- Wants to customize food selections;
- Prefers to order from restaurants because of the ease of ordering and brand affinities
- Online ordering is crucial to this group
- 3rd party apps are crucial

Casual Planner



Types of Occasions

- Family functions
- Holidays
- Child birthday parties
- Small reunions
- Block parties
- Watch parties
- **Lunch and Learns**
- **Customer meetings**

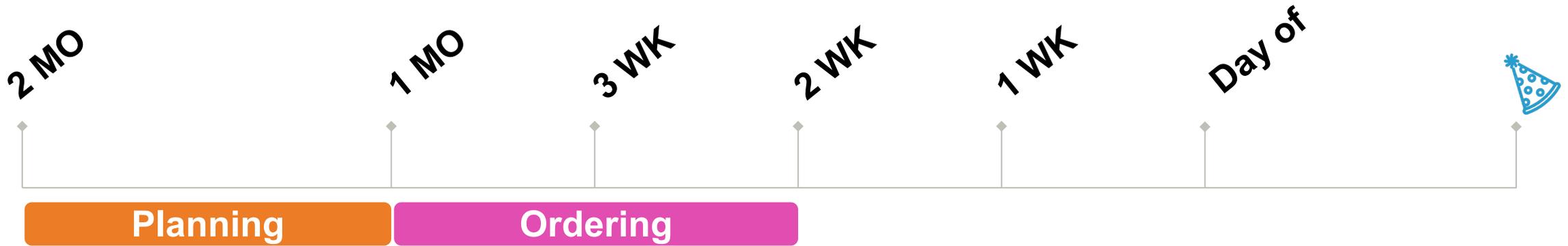
Behaviors

- Orders catering to maximize limited time and energy, minimize stress, and allow the host to enjoy the event
- Covers costs to treat guests, within a budget
- Hosts medium-sized catered events (20-40 guests) every 3-4 months

Preferences

- Likes to pick up the food in person
- Fills in by buying packaged beverages, snacks, and non-food items separately
- Willing to set up themselves, but requires instruction from catering service
- Prefers to order online, but will order over phone or in-person when trying a new catering service

Formal Planner



Types of Occasions

- Graduation parties
- Milestone birthday parties and anniversaries
- Large reunions
- Weddings
- **Conferences**
- **Company or large team parties**

Behaviors

- Planning often outsourced
- Higher per person spending
- Price comparisons are formalized
- Venue rental and affiliated vendors factored into total spend
- **Budgets are set but flexible**
- **Go-Between – some business buyers are not the budget holder**

Preferences

- Prefers that setup be handled by the caterer
- Outsourced planners will be the go-between
- Values selection/quality more than price
- White glove planning/end-to-end

Final Thoughts

The catering market is still recovering

Business catering is lagging social catering due to hybrid work

Sales volume has shifted in favor of smaller, informal and spontaneous events

Digital ordering apps are enabling new ways to engage with buyers

Shorter ordering lead times are driven by these shifts

Presence in 3rd-Party platforms is now a must have to capture small, frequent occasions





Get complimentary insights just for Catersource attendees

technomic.com/catersource

