

MAPIC FOOD: **SOCIALISING, EXPERIENCING & DISRUPTING**

The second edition of MAPIC FOOD introduced an array of sector disruption, from dark kitchens to a celebrity chef with a mission to create community through food, with the uniting theme that F&B is the social glue in lifestyle destinations.

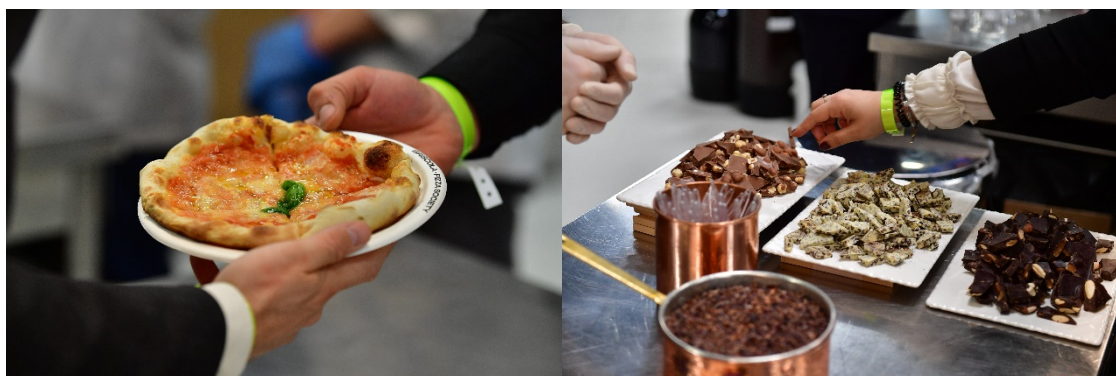
HIGHLIGHTS BOX WITH AMBIENT IMAGE

MAPIC FOOD combined a series of thought-provoking conference sessions with a major exhibition dedicated to F&B operators, a wide array of food sampling, fast-paced presentations and pitching sessions and networking.

This 2-day events provides Foodservice retailers with a powerful business platform to showcase their concepts, network and establish partnerships with restaurant and travel retail operators, retail property players, international franchise partners, private equity funds, industry and technology specialists.



Tasting area



BRISCOLA

CIOCCOLATINI

MAPIC FOOD IN NUMBERS

2,200+ participants across MAPIC FOOD and MAPIC Italy

+10% Increase in visitor numbers this year

45 countries represented

850 retailers

400+ F&B brands

QUOTE PIC BOX



“We launched Noma, exploring what values our cuisine should represent. Food matters beyond pure pleasure and many thought Noma was on a suicide mission, people made fun of our seasonality. But thousands of restaurants have been launched on the basis of Nordic cuisine. Partly it was timing but also we saw this consumer movement, not just about short-term profitability, but that there were no rules other than our values. We need to generate and create community.”

Claus Meyer, founder Noma and Melting Pot Foundation, Bolivia

OVERVIEW: Let's talk about Italy

Five MAPIC Italy takeaways

1. Food is growing in importance to make malls attractive as they reinvent their offers
2. Travel locations are becoming increasingly ambitious in their F&B provision
3. Dark kitchens are helping to drive a revolution in food delivery
4. Investors love food but choosing the right investment option is about clear objectives
5. Smart technology options are increasingly influential in the evolving F&B sector

F&B IN THE RETAIL MIX: The big attraction

MAPIC FOOD takeaway: The retail property industry needs to stop talking about rents and focus on what both landlords and operators can bring to destinations. However, there is still a lot of work to do to persuade independent-minded food operators that the mall could be their home.



How to use food & beverage to reinforce the attractiveness of retail destinations?

Jonatan Doughty (ECE), Andrew Angeli (CBRE GLOBAL INVESTORS), Edoardo Vanetti de Palma (SOENA SIERRA), Jerzy Tymofiejew (AMREST), Jack de Wet (BIG MAMMA GROUP), and François Blouin (FOOD SERVICE VISION)

Landlords need to stop focusing on rent and consider the attractiveness of their centres, said Jonathan Doughty, global head of foodservice, leisure and placemaking, ECE Projektmanagement



Discussing the prospect of attracting an F&B offer like quirky French pizza operator Big Mamma, which does not want to locate in malls, he said: "We don't want to change the operator, we have to change or change what we offer. We have to stop looking to the past."

Jack de Wet, director of development, Big Mamma Group, responded that creating quality and sustainability takes time and, while he did not discount a differentiated landlord location in the future, he said: "We need to look at venues that work for our concepts, which may not be traditional buildings or locations. That might not be what everyone wants to hear."

However, European consumers seem to love food chains. François Blouin, president, Food Service Vision, revealed new research for MAPIC FOOD that showed 82% of European consumers visit chains, on average 12 different chains annually, and said that between 2014 and 2018 the number of chain outlets increased 17% in France and 22% in the UK.





Jerzy Tymofiejew, chief development officer, Amrest, added of location decisions: “We are growing really fast so we have to make the right choices, looking at high streets, drive thru, shopping centres. For us the important thing is to follow the trends. We need to complement the food offer wherever we go.”

DARK KITCHENS: The future of delivery?

MAPIC FOOD takeaway: The dark kitchens session was the busiest of the entire conference programme, so is clearly the topic of the moment. Views differ on the way forward and even the name – super kitchens has been suggested as an alternative and don’t forget that supermarkets dumped the name dark stores for online fulfilment outlets pretty quickly – but there is consensus that this is a major growth opportunity.



Dark Kitchens redefining the rules for food players

Stéphane Ficaia (UBER EATS), Ajay Lakhwani (DELIVEROO), Vishal Verma (GLOVO), Dan Houghton (CHILANGO), and Dingeman Heijboer (AMREST)

Dark kitchens were heralded as the next big industry disruptor around the world in a packed session at MAPIC FOOD. This trend was discussed in a conference session featuring key players from the industry such as Deliveroo, Uber Eats, Glovo, Amrest and Oracle F&B.

Europe could host as many as 5,000 dark kitchens, servicing 200,000 restaurant brands, within five years according to Stéphane Ficaia, general manager northern and southern Europe at Uber Eats. He predicted that “improved efficiency” would make them part of “the industry’s future”, as he said: “This is a massive opportunity. Delivery is something where all the fundamentals are here. Online food delivery is outpacing the rest of the market, with dark kitchens offering lower capex investment, operational excellence and brand product agility.”

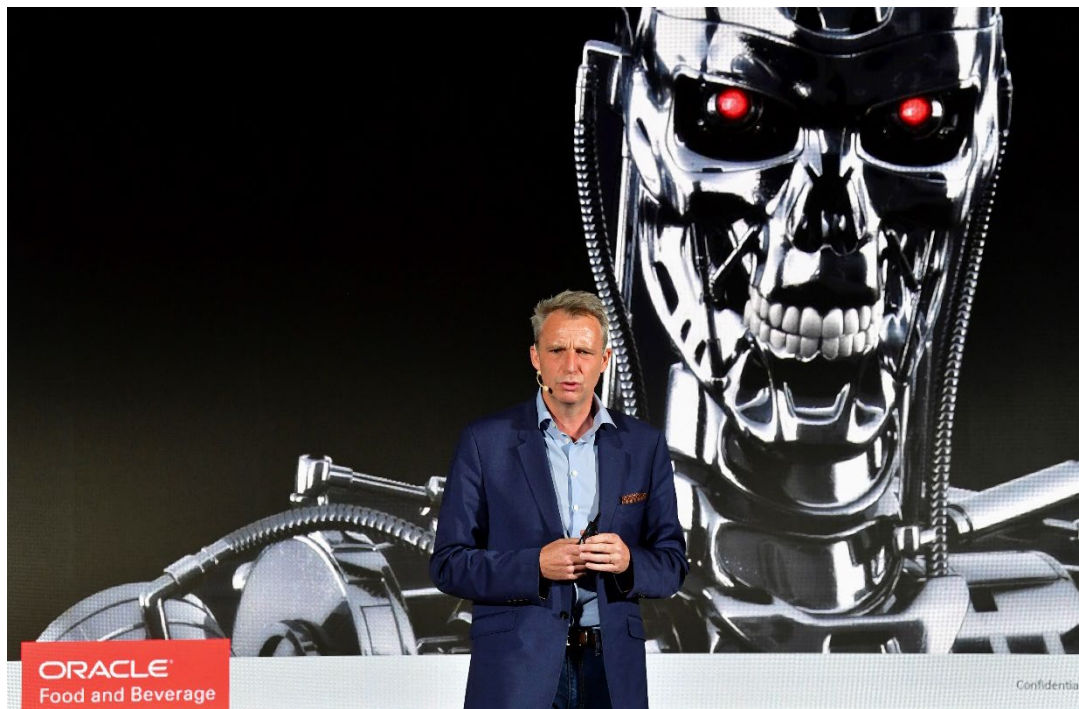
However, Dan Houghton, co-CEO of Mexican food chain Chilango, warned: “It's still very early, if it was so possible to make huge profits then why has Domino's insisted on having shop fronts? It's a very exciting opportunity but I believe multi-brand is required at the moment.” Deliveroo's Ajay Lkhwani, VP special projects, was slightly more cautious about the rate of expansion but said that he believed the company's Deliveroo Editions ‘super kitchens’ had “brought faster and more reliable delivery” and pointed to expansion beyond Europe in Singapore, Dubai, Hong Kong and Australia.

Consultant Peter Backman described dark kitchens as “a global phenomenon at its early stages” and said that while the eventual shape of the market could take several forms, there is little doubt that it will have a major impact. “My concern is that when the market gets big enough, the big players will be bashing against each other and that will drive prices down,” he warned.

Technology: Smart food options

MAPIC FOOD takeaway: The F&B sector is experiencing a high level of technological initiatives, and while thoughts of AI, VR and AR may seem fanciful, they are already influencing the industry and will shape what and where we eat.

We are going through a technology evolution not revolution, said Tim Brown, VP global sales consulting, Oracle Food and Beverage, who outlined seven areas for food technology development over the next decade: hyperpersonalisation, autonomous systems, predictive analysis, human interaction, patterns, recognition and goal driven



Vision 2030: How digital innovation & technology will transform the food service industry?

Tim Brown (ORACLE FOOD AND BEVERAGE)

“Hyperpersonalisation could be used to, for example, only display nut-free items on a menu,” he said, looking at practical applications of machine learning, while for recognition he

speculated on a future world where a customer arriving at a Starbucks was told that they could not have a chocolate drink until they had been to the gym, thanks to AI parameters over their health.

TRAVEL RETAIL: Eating on the go

MAPIC FOOD takeaway: Travel locations have seen a huge influx of food brands and operations but customers will trade higher prices for quicker service, if the offer is right and high quality.



“The challenge is why should a traveller have an inferior product service and choice. We choose to go out to places so we’re in control of that, but when we travel we have to accept what we’re given,” said Jonathan Doughty, global head of foodservice, leisure and placemaking, ECE Projektmanagement. “The consumer, when given great food and beverage, loves it as part of their travelling around the world. So you’re seeing less of the brands all over the place doing the same thing everywhere, and you see more personalisation and localisation, even among the brands that have a global footprint.”

He said: “Travel retail has become a super smart way of calculating the time and the money in your pocket, and if you play your cards right, you can be very successful. You have to understand who your consumer is and what their needs are, which includes time and money. Often brands get the money part wrong – there is often more in the budget than companies realise. But actually, when you travel, you tend to take care of yourself.”

Melanie Guillardou, executive VP foodservice global, Lagardere Travel Retail, added: “What is key is speed of service/speed of payment. Everything should be thought through keeping that in mind (customer path within the shops, simplified product ranges etc). Retailers could also use travel locations as interesting delivery spots for online orders, since travel locations can be on daily customers’ journeys for example. “Experiences are key, as in any other retail places. Competition is fiercer and fiercer too, and so experiences can make the difference. Travellers also love to experience different locations and services while travelling. It is interesting too from an economic standpoint, since very often their spending is higher.”



To this point, Quentin Vicas, head of business development, Le Cafe Alain Ducasse, said that the recently launched, upscale coffee business sees “opportunities in airports and stations” as it looks to expansion following the success of the chocolate business.

It is an opportunity already being exploited by Marie-Pierre Soury, CEO, La Croissanterie. “Coffee shops are natural in a shopping environment, it’s a very good stop on your way within the shopping experience,” she said. “We

are also in travel hubs and in motorway service stations, where we have achieved strong growth.”

GLOBAL GROWTH: How to expand, how to finance

MAPIC FOOD takeaway: Investment was a key theme at MAPIC FOOD and those charged with backing the right brands said that decisions come down to much more than money if you want to find a strong growth story.

The food & beverage sector has attracted increasing investment from funds and private equity, with Vincent Mourre, CEO and co-founder, **Whitespace Partners**, pointing to €17bn in acquisitions during this year and 2018, including Coca Cola for Costa Coffee, Permira for Hana Group and Restaurant Group for Wagamama among the major deals.



Robin Rowland, partner, Trispan, added that, thanks to demographics and changing lifestyles, the F&B sector offered strong growth, but warned: “There will be winners and losers. The world is not so complex, you can scale F&B. We see opportunities all the way along the price scale. But is a hugely onerous task to raise funds. If you lose sight of the customer experience and only worry about the financial metrics, then you have problems.”

His company is investing at a split of around 60/40 US to Europe, looking at \$10-15m acquisitions and with an objective to add value.

“There are only five dedicated F&B investors worldwide, demographics are moving to think that F&B is not an online experience and delivery offers strong growth,” he said.

Fabio Giusepetti, partner, Palamon Capital Partners, added: “The key word is growth. I feel the market is maturing but it is still a sector with a lot to give.”



Edward Duckett, Rothschild, said: “Two ways of looking at potential acquisitions – the sale side comes from looking at what is distinctive; the buy side looks at what sort of operation the buyer is interested in. For example, for coffee to really connect, you have to have a retail face, which Coca Cola recognised [in buying Costa Coffee]. That creates a brand and customer connection, so in this case there is a strategic element.”



Gaetano Cecere (JOLLIBEE FOODS CORPORATION)

A host of expanding brands gave talks at MAPIC FOOD in the **Food Talks area**, including AmRest, O'Tacos, Esquires Coffee, Cigierre, Mammamia Gelato Italiano, Rocket Restaurants, Jollibee Foods Corp, Soho Coffoe Co and Bio's Kitchen. **And a dedicated session for German food concepts: Dean & David Franchise, L'osteria, Nordsee, Paulaner Franchise & Consulting.**