

AF&Co

RESTAURANT & HOSPITALITY CONSULTANTS

THIS IS NOT A TEST



Be Prepared!

AF&CO'S 2017 TRENDS REPORT

#AFCOTRENDS2017

HOW WE TREND

TREND RECONNAISSANCE

Client interactions

Industry conversations, conferences and events

Consumer and trade publications

National and international travel

Research - We go out a lot!



#AFCOTRENDS2017

OUR TRENDOLOGISTS

ANDREW FREEMAN, CANDACE MACDONALD, KYLE OSHER, KATIE HAGGART, JULIE ALBIN (DipWSET), MADISON GINNETT, and ANGELO SEVERINO

OUR PANEL OF EXPERTS

We asked industry leaders and clients for their insights and predictions.

DAVID MILLER, President and COO, Cameron Mitchell Restaurants, Nationwide

CAROLYN WENTE, Fourth Generation Winegrower and CEO, Wente Vineyards, Livermore, CA

CHEF SCOTT HOWARD, Citizen, Beverly Hills, CA

CHEF BRIAN HINSHAW, Cameron Mitchell Restaurants, SVP of Food & Beverage, Nationwide

GABRIEL LOWE, Bar Manager, Black Cat, San Francisco, CA

CHEF JOHN GRIFFITHS, Bluestem Brasserie, San Francisco, CA

LUIGI DI RUOCCO, Vice President and Co-Owner, Mr. Espresso, Oakland, CA

TONYA PITTS, Sommelier, One Market, San Francisco, CA

MARK KNAUER, Founder and President, Knauer Inc., Deerfield, IL

EMILY SHOOP, Emily Shoop Branding & Design Co., Oakland, CA

MITCH MEHR, Vice President of Food & Beverage Operations and Strategic Planning, Terranea Resort, Rancho Palos Verdes, CA

BRETT MAGNAN, Vice President, Pineapple Hospitality Company, Seattle, WA

MARCO BAUMANN, Managing Director, Pineapple Hospitality Company, Seattle, WA

MEL MUOIO, Style Director, Curiology, Chicago, IL

WHAT WE DO



We are an innovative restaurant and hospitality consulting firm, headquartered in San Francisco with clients across the country. We have developed and launched concepts for over 120 restaurants and hotels and provided ongoing marketing and public relations programs for over 200 others. We have created unique culinary events of all sizes from intimate dinners to food and wine festivals drawing over 10,000 people. We do whatever it takes to help our clients achieve their goals. We focus on what we are passionate about: hotels, restaurants, food, wine, spirits and travel.

OUR AMAZING CLIENTS PAST AND PRESENT



#AFCOTRENDS2017

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WORLD TOMATO SOCIETY



M.Y. CHINA



2017 FORECAST



Cloudy with a chance of meatballs!

THIS IS THE YEAR TO GET INTO THE BEST SHAPE OF YOUR LIFE!

- Cook with one eye open. Many recent closures, especially in the casual and fast casual sector, are showing us there are too many seats and not enough butts!
- Get back to reality and drive the top line because the bottom line is going to be impacted. Watch out for minimum wage increases and other harder to control costs. Voters in Arizona, Colorado, Maine and Washington all agreed to increase their minimum wages to at least \$12 per hour.

AND SPEAKING OF VOTERS AND ELECTIONS...

- Going into the election the National Restaurant Association reported in August that 31% of adults were less confident about their spending due to the elections. Uncertainty during presidential elections is not uncommon, but we're predicting it's not going away anytime soon.
- Some analysts saw rising restaurant stocks post-election as a positive sign for the industry – Trump's statements regarding the Affordable Healthcare Act and his focus on job growth for small businesses may help the industry. But all remains to be seen....

OUR ADVICE: BE PREPARED!!

TRENDS WE SAW COMING - 2016



Yes, we are bragging just a bit!

- Hawaiian Food – poke
- Everything on toast
- Hybrids – the sushi burrito
- Vegetables – at the center of the plate
- Matcha
- Pickling
- Tropical cocktails
 - Harissa
- Bubbles everywhere
 - La Croix explosion
- Nitro coffee
- Fancy drink garnishes
- Small cities making an impact
- Good help is hard to find
- Small plates/tapas
- Multiple personalities by meal period
- Grinding grains in-house



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A road map to the hottest trends of 2017

2017 THE YEAR OF...

FOOD TRENDS

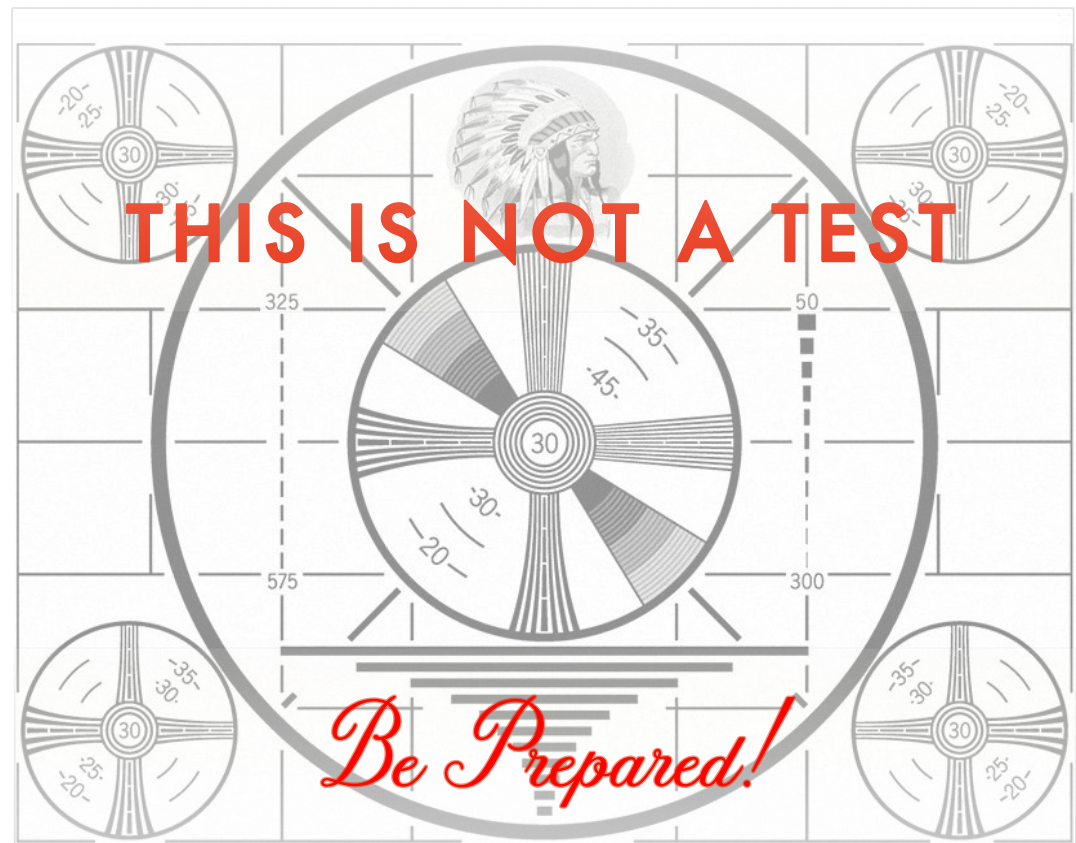
BEVERAGE TRENDS

CONCEPT TRENDS

BUSINESS TRENDS

HOTEL TRENDS

MARKETING TRENDS



2017, THE YEAR OF...

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AF&CO'S 2017 TRENDS REPORT

#AFCOTRENDS2017

TREND OF THE YEAR MODERN TAKES ON ETHNIC CUISINE



#AFCOTRENDS2017

Ushering in a new generation with modern fare

Modern takes on lesser-known cuisines are taking the country by storm. Modern Indian, Modern Korean, Modern African, Modern Middle Eastern... it's a modern day miracle! Go on an adventure to another culture, if only for an evening, and enjoy an escape filled with elevated twists on tradition.

ACCORDING TO OUR EXPERT **CHEF JOHN GRIFFITHS**:

"People are embracing flavors farther eastward in the Mediterranean and Middle East. I expect to see a further incorporation of Turkish, and Middle Eastern spice combinations and dishes. With so many men and women of the military stationed abroad in these regions and Afghanistan over the last decade, I think our acceptance of those cuisines will increase."



MODERN INDIAN

Babu Ji (NYC)
Botiwalla (Atlanta)

ROOH (SF)

Fresh tuna Bhel, avocado,
imli fluid gel, puffed potato,
Togarasi-chat masala

MODERN KOREAN

Oiji (NYC)
Parachute (Chicago)
Hanjip (Culver City, CA)

MODERN MIDDLE EASTERN

Mamnoon (Seattle)
ILILI (NYC)

DISH OF THE YEAR THE BREAKFAST SANDWICH



An eggstraordinary sandwich!

Restaurants are elevating the humble breakfast sandwich to new levels. Think breakfast sandwiches on dinner menus and Michelin-starred restaurants doling out egg sandwiches paired with exceptional latte art in the morning. These aren't your typical Egg McMuffin's, though we have a soft spot for those too. Thank you, 2016, for bringing us the all-day breakfast menu!



- **PINEAPPLE AND PEARLS (DC)**
 - Breakfast sandwiches & cafe by day; 2 Michelin star restaurant by night
- **112 EATERY (MINNEAPOLIS)**
 - Bacon, egg & harissa sandwich on the dinner menu
- **C&M CAFE (LA)**
 - Cinnamon Roll French Toast Breakfast Sandwich
- **DEVIL'S TEETH BAKING COMPANY (SF)**
- **EGGSLUT (LA)**

CUISINE OF THE YEAR WE'RE FLIPPING FOR FILIPINO



Prepare to fall in love!

Not too familiar with Filipino cuisine? You will be soon! Influenced by a long history of culinary tradition and the flavors of India, Japan, Malay, China, and Spain, Filipino cuisine is bold, fresh, and borderline addictive. Wildly popular in Los Angeles, Filipino fare is finally getting its well-deserved moment in the spotlight across the country. And it's about time! Filipinos make up the second-largest Asian population in the U.S.



MAHARLIKA

(NYC)

Traditional and modern takes on Filipino Cuisine



BAD SAINT

(DC)

A cozy, transporting enclave specializing in Filipino dishes, cocktails & culture



BUFFALO THEORY

(SF)

Craft Beer Hall and New American Fare from Chef Tim Luym

FOOD CITY OF THE YEAR TO LIVE & DINE IN L.A.



#AFCOTRENDS2017

The City of Angels tastes a lot like heaven!

The Los Angeles restaurant scene has been booming (three James Beard awards this year!), but wait till you see what's in store for the City of Angels. Watch out for a huge migration of chefs - Jessica Largey, former Manresa (SF) chef de cuisine and James Beard Award winner is opening **Simone**, and Dave Beran, former executive chef at Next (Chicago), is working on a yet-to-be-named restaurant. Angelenos, prepare yourself for lots of dining out!



LUCQUES CHEF SUZANNE GOIN
(LA)



MAUDE CHEF CURTIS STONE
(BEVERLY HILLS)

UP & COMING FOOD CITY OF THE YEAR KEEN ON KANSAS CITY



Trending from the middle out

The tech start-up scene is on fire, and a new craft brewery opens up just about every month. And we haven't even gotten started on the food! It's no surprise that the tight-knit community is pushing the fold and staying true to tradition in an unparalleled fashion. Food is taken as seriously as beer in Kansas City, and an old-school approach is embraced (think butcher shops, pickling, fermenting and Joe's Kansas City Bar-B-Que) alongside modern techniques.



A FEW OF OUR KC FAVORITES

- Beer Kitchen
- The Westside Local
- Gram and Dun
- Bluestem
- **Julian** – Crispy Pork Belly

INGREDIENT OF THE YEAR HIGH EXPECTATIONS FOR CANNABIS



The grass is only getting greener!

California, Maine, Massachusetts and Nevada join the ranks of Colorado, Oregon, Washington and Alaska in legalizing recreational cannabis. Marijuana edibles, cannabis cooking, infused cocktails, cannabis wine, oh my! According to Restaurant Hospitality, "chef Chris Sayegh is already tapping this market via his Los Angeles-based company, **The Herbal Chef**. He caters high-end meals (\$300-\$500 a head) to medical marijuana card holders there." Prepare for secret cannabis clubs and tasting menus to become mainstream!

Harvest (SF)

"The edibles are certainly outside the norm, with brown butter sage marshmallows (cheekily called "Mellows") sharing displays with Sriracha-doused potato chips and dosed Mexican-style drinking chocolate. A complete meal, from appetizers to dessert, could likely be put together here. You could even start your day with a bowl of enhanced granola." – **SF Chronicle**





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FOOD TRENDS



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FOOD TRENDS 2017 IT'S (G)RAINING BOWLS

Bowl me over!



It's a staple vegetarian menu item (and delicious with meat add-ons too). Grain bowls are the perfect vessel for customizing!



9021PHO

(LA)

A mini-chain that offers comforting soups and bowls, including lemongrass stir fry with a choice of protein.



SWEETGREEN

(MULTIPLE LOCATIONS)

Simple, seasonal, healthy bowls made in-house and from scratch. This one features organic wild rice, kale, apples, sweet potatoes, chicken, local goat cheese, toasted almonds, and balsamic vinaigrette



LEXINGTON BRASS

(NYC)

A modern American brasserie known for their Brass breakfast bowl made with farro, heirloom tomatoes, toasted sesame seeds, falafel, feta cheese, sunny-side-up egg & sumac vinaigrette

FOOD TRENDS 2017

THE RISE OF THE VEGGIE KINGDOM

We're vegging out!



Welcome to the future where veggie burgers taste delicious and look so much like beef that they appear to actually bleed. The popularity of vegetables continues to escalate. **Whole-plant butchery** is here to stay – nothing goes to waste (think beet green frittatas and carrot top pesto). Look out for more **plant-based restaurants** to join the ranks of **Erven** (Santa Monica, CA), and entire entrée sections devoted to vegetables (**Salt House**, SF). There's a new wave of vegetable presentations and preparations in town.

EXPECT TO SEE THE FOLLOWING VEGETABLES TRENDING IN 2017:

- Red kuri squash
- Imperfect Produce/"Seconds"
- Lovage, an herb that tastes like celery
- Micro greens

BLEEDING VEGGIE BURGER: "Silicon Valley startup Impossible Foods has found a home for its "bleeding" veggie burger. David Chang's New York eatery Momofuku Nishi is now serving the plant-based patty, which is made from wheat protein, coconut oil, potato protein and heme – the indispensable molecule that makes meat taste like meat" – **Eater NY**



FOOD TRENDS 2017 THE NEW ICE (CREAM) AGE



Ice ice baby... this trend is chilling it!

Maybe it's the current climate, political and environmental, that's got us seeking new and interesting ways to indulge in our favorite frozen delights. Maybe it's just another arena for the culinary talents of modern day chefs to expand into. Whatever the reason, we're glad it's happening and look forward to seeing how far this trend can push the icy envelope!

EXPECT TO SEE THE FOLLOWING TRENDING IN 2017:



SOFT SERVE MATCHA
Cha Cha Matcha
(NYC)



THAI ROLLED ICE CREAM
Class 502
(HOUSTON)



CHEF-CRAFTED FLAVORS
Salt & Straw
(MULTIPLE LOCATIONS)

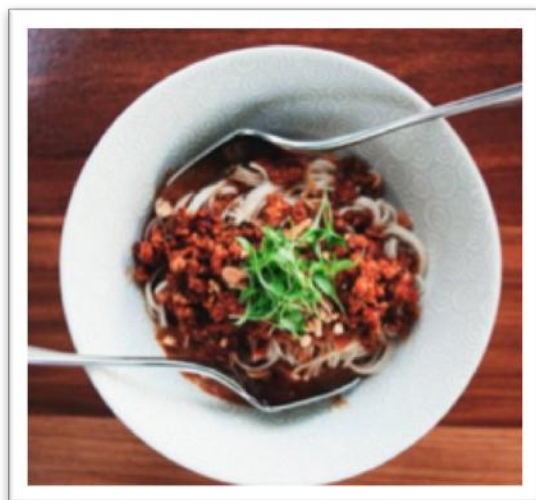
FOOD TRENDS 2017 LESSER-KNOWN ASIAN CUISINE HITS THE SCENE

Discovery, it's what's for dinner!



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Thanks to millennials, the desire for discovery and experiences is not going away. People are craving more and more authentic experiences leading to a rise in lesser known ethnic cuisines, especially from Asia. Expect to see an increase in **Filipino**, **Taiwanese**, **Laotian**, **Malaysian**, **Indonesian** cuisine and more!



LUKSHON (LA)

Modern takes on authentic Southeast Asian food, like this rendang (Malaysian stew) with sous-vide meat and aromatic coconut sauce



CHOLON (DENVER)

Chef Lon brings to life his extensive culinary travels throughout Asia in his Denver restaurant with items such as Colorado beef tartare, with root chips and Sriracha mustard



REVEL (SEATTLE)

Known for their pork belly ramen with kimchi and soft-boiled egg, Revel focuses on Korean preparations executed using French techniques in a modern industrial design space

FOOD TRENDS 2017 TA-TA TRADITIONAL TARTARE

A raw reinterpretation!



Tartare is making a menu comeback. But this isn't your classic steak tartare. Combining traditional technique with modern flavor profiles, restaurants are pushing the fold on the classic French appetizer.



SPOON AND STABLE (MINNEAPOLIS)

Features bison tartare with harissa aioli, socca chips, cilantro



THE OVAL ROOM (DC)

Serves up beet tartare, a vegetarian twist on the classic with roasted beets and green pineapple-papaya salad



ALEMBIC (SF)

Features their classic beef tartare with a twist – arugula puree and freshly grated horseradish.

FOOD TRENDS 2017

DAIRY FREE ALTERNATIVES



Nacho typical cheese!

The vegan lifestyle is becoming more mainstream. Cheese alternatives are popping up everywhere. Just don't call it cheese! It's "Gary" – the name proudly bestowed upon the artisanal product across social media. Advances in food technology and vegan acceptance have paved the way for a bevy of animal-free products, all engineered to look and taste like the real thing.



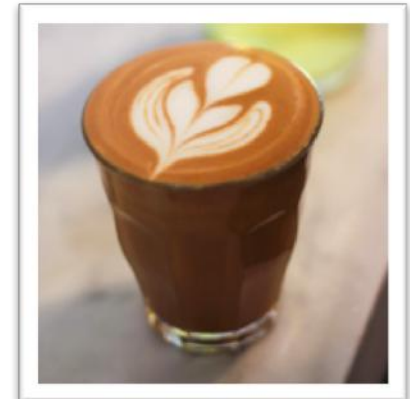
RIVERDALE VEGAN CHEESE SHOP (NYC)

Features an array of cheeses, mostly made from nuts and seeds, in addition to non-dairy yogurt and various vegan snacks



WAYWARD SONS (DALLAS)

Serves up garden "charcuterie," a selection of meat-free alternatives including lentil sausage and sunchoke pâté.



SQIRL (LA)

Leading the movement in house-made nut milks, almond milk is made daily to keep up with demand

FOOD TRENDS 2017 FERMENTATION SENSATION



Rot is hot!

Throwing it back to old school technique, fermentation brings out other-worldly flavors in vegetables and is supposedly beneficial to your gut microbe. Curing stomach aches and imparting unique umami-packed flavor? We'll have a (fermented) drink to that!



BAROO (LA)

Serves up fermented gochujang San Marzano tomato dressing in their popular Bibim Salad



FISH & GAME (HUDSON, NY)

Features house-made ramp kimchi, amongst other house-fermented items such as fish sauce, vermouth and vinegars



STAPLE HOUSE (ATLANTA)

House-fermented hot sauce is popular at this favorite haute, as well as other unique fermented items such as shrimp butter

FOOD TRENDS 2017 NEW AMERICAN CUISINE

It's everywhere, but what is it?

Let's just say there's no wall around this definition as it's being used to define the vague and undefinable. Sometimes it's used to describe contemporary comfort food and other times it reflects ethnic twists. Is it the vision of the chef at the helm? And does the term help people understand what you offer or is it confusing? Either way it's a phrase that's defining what Americans are eating right now.



SALT HOUSE (SF)

A true crowd pleaser, Salt House's new American menu serves up a whole bunch of umami flavor, all influenced by various cuisines and backgrounds. The menu features items such as grilled sushi rice with soy broth, mushrooms, and daikon.

FOOD TRENDS 2017 CAN-DO CAVIAR

Living in the lap of luxury!



Typically reserved for the most luxurious of occasions, caviar has started to appear in unexpected places. Today's modern caviar service is classic with a twist. Expect fun plating in kitschy clam shells and humble accompaniments like potato chips. Also on the menu are plenty of traditional touches like crème fraîche, chives, and mother of pearl spoons.



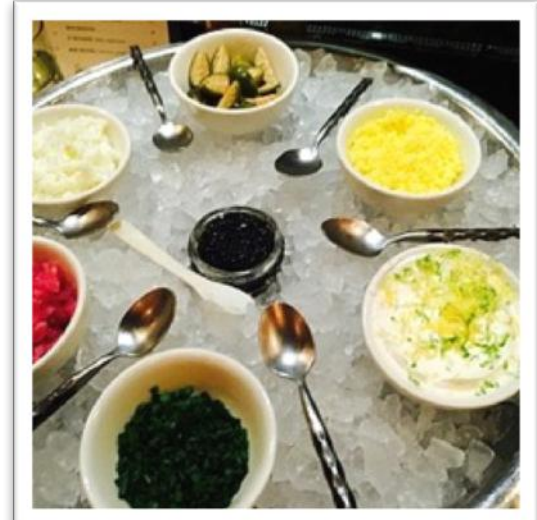
THE TREASURY (SF)

Serves up high class bar bites and special selections of caviar



BRINE (BOSTON)

Features classic buttermilk bilinis with minced shallot, crème fraîche, and egg along with unique plating



GT FISH & OYSTER (CHICAGO)

Specializes in three types of caviar service and raw seafood

BEVERAGE TRENDS

Be Prepared!

AF&CO'S 2017 TRENDS REPORT

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WINE OF THE YEAR NATURAL WINE



Here's a trend we can naturally get behind!

But what is natural wine anyway? It's minimally processed, additive-free, and generally produced without adding or removing anything. According to **NPR**, natural wine "can be darker than usual, a little fizzy, cloudy or with good-sized clumps of yeast floating about." Aimed toward the health conscious, prepare yourself for an influx of this funky fine wine.



THE 4 HORSEMEN (NYC)

A wine bar from James Murphy of LCD Soundsystem serving small plates in snug digs with light woodwork



THE ORDINAIRE (OAKLAND)

A stylishly minimalist natural wine bar and shop pairing California vintages with charcuterie & other small plates

BEER OF THE YEAR SOUR BEER



#AFCOTRENDS2017

Pucker up, buttercup!

Keep your eye out for Flanders Red, Berliner Weisse, Gose - all types of sour brews that are taking the beer scene by storm. According to **Lucky Peach**, "most brewers have tried, with great success, to keep souring agents (a few certain kinds of microbes) out of their beer. But today sour-on-purpose beer is increasingly popular." Restaurants and bars are welcoming entire menu sections devoted to the super sour brew.



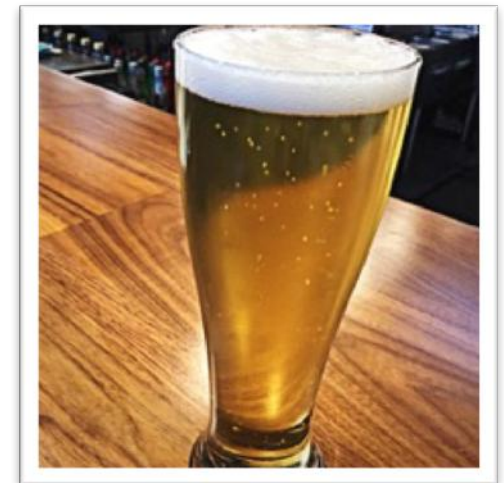
THE RAMEN SHOP (OAKLAND)

Bustling Japanese joint with an entire section devoted to sour beer



BOULEVARD BREWING (KANSAS CITY)

Specializes in bottle condition brews and beyond!



LOMA BREWING (LOS GATOS, CA)

Berliner Weisse, fermented with both yeast and bacteria, provides additional acidity and dryness

SPIRIT OF THE YEAR SAKE IT TO ME



Stepping out of the box and into the spotlight!

Craft sake breweries and bars are opening all over the US, educating customers on the intricacies of the spirit. Coinciding with the popularity of Japanese cuisine, it's no surprise sake is finally getting the love it deserves.



SEQUOIA SAKE (SF)

Made in San Francisco, they specialize in three types of sake – Genshu, Nigori, and Nama



DECIBEL (NY)

Stocking over a hundred of Japan's finest Sakes, Decibel can transport you with a single cup

BEVERAGE OF THE YEAR SWITCHEL SURGE

Say hello to the next kombucha!

A staple thirst-quencher amongst farmers for hundreds of years, the tart and tangy Switchel is back with vengeance! A slightly vinegary drink typically seasoned with ginger and sweetened with molasses, honey or maple syrup, Switchel is gaining popularity as a healthy sports drink alternative.



UP MOUNTAIN SWITCHEL (VT)

A small Vermont based operation producing a variety of drinks that honor their green mountain legacy.

BEVERAGE TRENDS 2017 YEAR ROUND ROSE



Move over summer, rosé is here to stay!



Rejoice! "Rosé is no longer just a Spring/Summer offering, it is being featured throughout the year as a sound wine for food pairing," according to our expert **Carolyn Wente**, "rosé continued strong double digit category growth all year. Both retail and restaurant lists have expanded their rosé offerings, and we think this is a trend that will continue and prove that the category is finally here to stay."

WENTE VINEYARDS (LIVERMORE, CA)

"This lovely rosé has a beautiful light strawberry color and undertones of white raspberry, white pear, young tart strawberries and floral notes. With crisp, cleansing acidity and a bright, lingering finish, this wine is the perfect complement to a wide variety of dishes."

BEVERAGE TRENDS 2017

WINE FLIGHTS FLYING HIGH



#AFCOTRENDS2017

Afraid to commit, but up for adventure!

Instead of having to decide on just one glass of wine or commit to sharing an entire bottle, focused wine flights are the way go. Typically offered in 2-oz pours of three different wines, the amount of wine is perfect for supplementing a meal or catching up with a friend. One glass usually isn't enough, two glasses is sometimes too much... a wine flight is just right.

Flights allow the sommelier and staff to both introduce and educate their guests on what they consider some of the finest wines on the market. Guests are able to experience the wines in a casual yet highly informative format. Wine flights allow staff to curate unique combinations based on almost anything, such as regions around the world, obscure grape varietals, and wine styles.

ONE MARKET (SF)

Features some of the finest and most rare productions of wine from California and other regions with their "Flight of the Month" program. Wine Director (and our expert) **Tonya Pitts** bases each wine flight off of several factors including the season, her wine expertise, and exciting new things that winemakers are doing with their production.

EL PASEO (MILL VALLEY, CA)

Hall of Famer Sammy Hagar, in Mill Valley, California, has launched their brand new "Secrets of the Old World" wine flight. Each week features a high-end flight of three different wines that showcase some of the most premium wine producers from France, Italy, Spain and other regions throughout Europe. This program offers guests a one-of-a-kind opportunity to taste both rare and old vintage wines that Sammy has collected over the years.

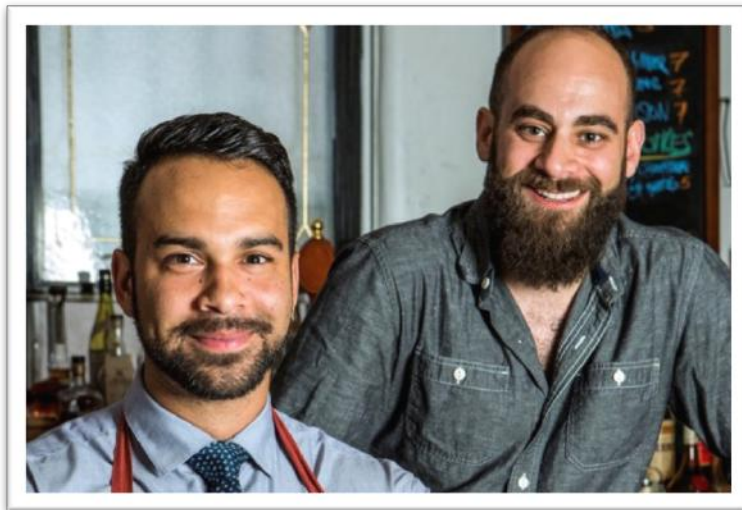
BEVERAGE TRENDS 2017 THE COCKTAIL CONSULTANT

The new stars stealing the show...

First we just had a guy (or gal) behind the bar who made us a drink and tended the bar. Then we had mixologists and our drinks took three hours. We even had a brief stint with bar chefs. Now we're back to bartenders, and this year saw the rise of "the culinary consultant." These cocktail geniuses are taking bar programs and training of bar staff to a whole new level. Food is no longer the main or only attraction, the cocktail menu is a big draw and has a point of view as strong as what's coming out of the kitchen. Rock star consultants are pushing the envelope and creating cocktail programs that stand out among the crowd.

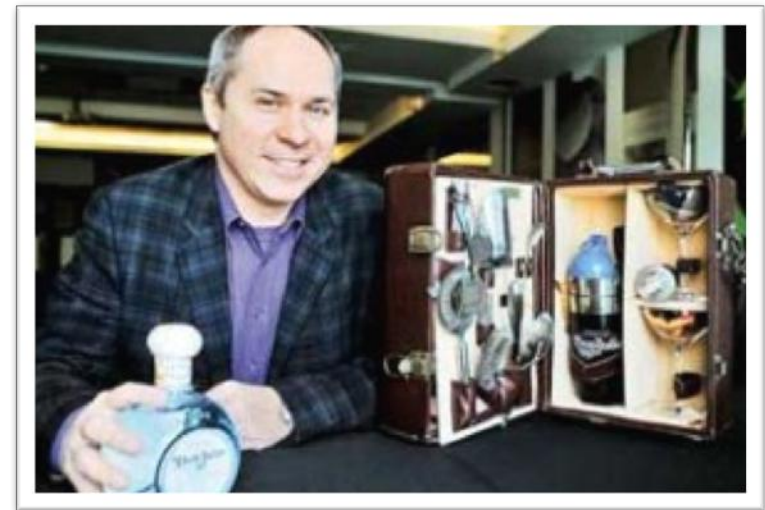


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SOIGNE GROUP (LA)

Partners Julian Cox and Josh Goldman create award winning and trendsetting craft cocktail, beer, and wine programs across the country



CREATIVE COCKTAIL CONSULTANTS (NYC)

Three Michelin star mixologist Brian Van Flandern's was the former head mixologist for Chef Thomas Keller at Per Se Restaurant (NYC)

BEVERAGE TRENDS 2017 REINVENTING OLD COCKTAIL RECIPES



#AFCOTRENDS2017

Classic with a twist!

Instead of merely reintroducing old recipes or mixing drinks that look like science projects, it seems we may have finally found a very tasty medium. Bartenders are now taking classic cocktail concepts and essentially making them their own. The cocktails are recognizable, yet there is something significantly unique about them. These bartenders are reinventing old recipes to showcase specific nuances, esters and textures that they feel best express their connection to the cocktail.



BLACK CAT (SF)

A sexy supper club gracing San Francisco's notorious Tenderloin. The restaurant pays homage to the neighborhood's roots as the historic arts and entertainment hub with a live jazz soundtrack to go with their delightful drinks and shareable menu. Their cocktail menu includes a \$23 martini – but wait for all of the details before you judge– made from either BLUE GIN or Axberg Vodka and stirred with dry vermouth and orange bitters. But this martini's got some serious pizzazz and it's all about the little extra somethin' somethin' on the side. The drink comes with a sidecar, pickled veggies and two bleu cheese stuffed olives.

BEVERAGE TRENDS 2017

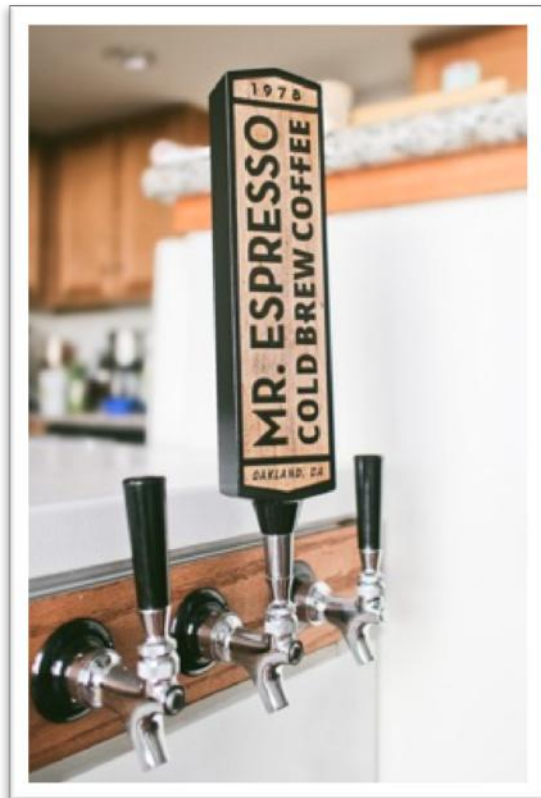
COFFEE – IT'S WHAT'S ON DRAFT



#AFCOTRENDS2017

Those draft lines aren't just for booze anymore!

Our expert **Luigi Di Ruocco** of Mr. Espresso is predicting draft lattes and more nitro coffee kegs and taps. These are not easy to pull off logistically, but there is a strong desire for independents and chains to offer a more boutique experience.



COMING SOON TO DRAFT LINE NEAR YOU

- Lattes
- Almond milk lattes
- Nitro coffee

COFFEE DRINKS RISE TO NEXT LEVEL

- Coffee lemonade
- Coffee cocktails
- Brunch cocktails

BEVERAGE TRENDS 2017 CANNED WINE

Just can it!



Over the past few years we've seen alternative packaging for wine on the rise due to more casual consumption and a desire for recyclable and sustainable footprints. Our expert **Carolyn Wente** shared with us that several new wines in a can entered the market this year and are experiencing solid growth. Kegs were predicted to be the wave of the future for serving wine in restaurants, but adoption has been slow due to cost of installation and infrastructure for delivery with wholesalers. New distribution methods are afoot, so kegs may begin to gain traction with independent restaurants and chains.



UNDERWOOD WINE

"Cans are the most recycled beverage containers in the world and are 100 percent recyclable. They can be recycled infinitely with no loss of quality through a well-established and efficient process. Each can recycled substantially reduces the environmental footprint. Cans are ultra-efficient to transport, lightweight, unbreakable and provide superior product protection. We think those are all very good reasons to use them." – Underwood Wine – www.unionwinecompany.com

The background of the top section features a large, stylized clock face with numbers 20, 25, and 30. The AF&Co logo is centered over this background.

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CONCEPT TRENDS

The middle section features a man in a tan shirt and yellow neckerchief, smiling broadly while holding binoculars to his eyes. Behind him is a large clock face with numbers 20, 35, 50, and 325.

Be Prepared!

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CONCEPT THEME OF THE YEAR CRAFT YOUR OWN EXPERIENCE



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As brand strategists, we're always telling clients that you can't be everything to everybody...but today's guest wants to be in control of how and when they experience what your restaurant has to offer. With increased competition, this means you have to cast a wide net to attract a wide audience. Restaurants are giving away a bit of control and saying YES more often. Which gives guests the ability to come in for one drink at the bar, have a few dishes to share at the table or make time for an extravagant dinner. These concepts require careful staff training and a watchful eye on check average to maintain their profitability.

By design, **Citizen** (LA) has that "craft your own experience" feel with three very different areas: the front patio, lounge, and dining room. According to expert **Chef Scott Howard**, people can come in and spend very little on drinks and snacks or sit down for a much larger meal experience.



CITIZEN
(LA)



LIBERTINE SOCIAL
(LAS VEGAS)



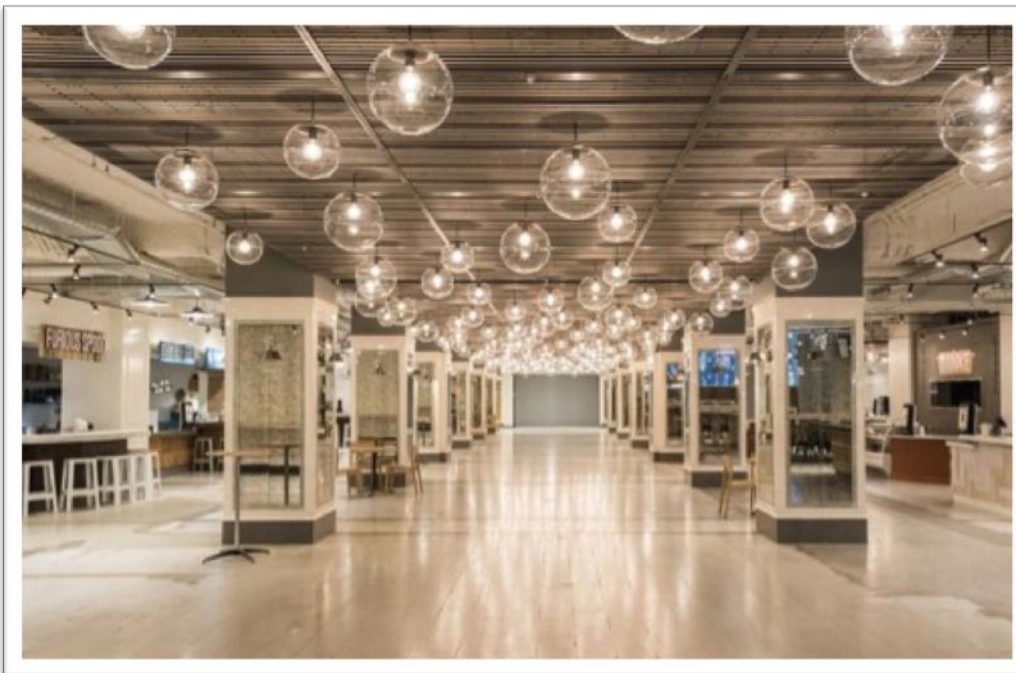
HERB & WOOD
(SAN DIEGO)

CONCEPT TRENDS 2017 FOOD HALLS ARE HERE TO STAY

Hall-elujah!



We first saw these back in 2015 (yes, we called it!) but this one has exploded over the past year across the country. In many ways, this is a vehicle for allowing the guest to craft their own experience. You can do it all, all the time! But this trend is also great for the individual operators inside, where low barriers to entry give the flexibility to experiment.



REVIVAL FOOD HALL
(CHICAGO)



SWANS
(OAKLAND)



AVANTI
(DENVER)

CONCEPT TRENDS 2017

VIBE DINING



#AFCOTRENDS2017

I'm not even hungry, I just came here to stare...

Restaurants are more about entertainment than ever before. What's it look and sound like? Who are the people there? Knowing that people come for more than a meal - they come for the feel - restaurants are putting equal effort into environment design as they are into the food and drink menus.



BLACK CAT (SF) is located in the heart of San Francisco's Tenderloin neighborhood, the historic arts and entertainment district once home to great supper clubs and fabled jazz venues such as Blackhawk. Tapping into that legacy, Black Cat is a refined social dining experience featuring a modern American supper club menu



VANDAL (NYC) incorporates murals from notorious street artists, paying homage to their Bowery location while setting an irreverent tone that's popular among locals and visitors alike

CONCEPT TRENDS 2017 FLEXIBLE SPACES – MAXIMIZE EVERY INCH & HOUR



#AFCOTRENDS2017

With rising costs, building the top line is critical

We're seeing a rise in creative ways to use flexible space to draw crowds (and boost revenues!) at all times of day. Restaurants are turning into markets and co-working spaces. We're also seeing retail spaces entering into the restaurant realm with some notable acquisitions and openings.



SOUL AT THE JOSEPH
(COLUMBUS, OH)

Hotel lobbies are stepping it up! This one features a stylish coffee and craft cocktail bar located inside Le Méridien Columbus, The Joseph



3 ARTS CLUB
(RESTORATION HARDWARE)

Posh haunt located inside Restoration Hardware combines a coffeehouse, wine bar & American restaurant



CENTROLINA
(DC)

This chic Italian restaurant also plays host to a café and market, offering guests unique products and experiences

CONCEPT TRENDS 2017 FAST CASUAL, NOT FAST FOOD



Not your lunch lady's cafeteria!

Over the last few years, we've seen a boom in the fast casual field. Among the increasing number of fast casual options, cafeteria-style operations are growing in popularity. Offering a wide variety of options to guests – from hot to cold, healthy to indulgent – it's no surprise this industry keeps growing.



- CAVA MEZZE
(MULTIPLE LOCATIONS)
- SHOPHOUSE KITCHEN
(MULTIPLE LOCATIONS)
- SWEETGREEN
(MULTIPLE LOCATIONS)
- BEEFSTEAK
(MULTIPLE LOCATIONS)
- **LEMONADE** (CALIFORNIA)
A modern marketplace serving a colorful bounty of seasonal California comfort in a bright cafeteria setting

CONCEPT TRENDS 2017

REPURPOSING VINTAGE STYLE



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Throw Back Everyday

In 2016 we forecasted that “Everything Old is New Again”, as younger generations discover and adopt elements from the past for the first time as their own. This coming year, we’ll see an increased emphasis on immersive experiences designed to transport the guest into a different place and time. According to our design expert **Mel Muoio**, “Every place is trying to capture the magic of Disneyworld, that magic that makes you forget where you are, what year it is and just to sit back and be completely wowed. They whisk you away as a guest with a special place, a timestamp and take those elements to the furthest detail...”

WALLPAPER IS BACK!



LEO'S OYSTER BAR (SF)

Posh venue with an old-school vibe for seafood & classic cocktails

RETRO MEDIA & SIGNAGE



GENUINE LIQUORETTE (NYC)

Inspired by California liquor stores of the 60s and 70s

VINTAGE SPIRITS



CITIZEN (LA)

Offers a reserve spirits list from the 60s and 70s

CONCEPT TRENDS 2017 INTERACTIVE DINING



#AFCOTRENDS2017

Go ahead – play with your food!

Guests are seeking experiences they can share and talk about the next day. While success always starts with great food and service, restaurants are looking to develop closer ties with their guests by bringing them into the fold. Showcasing the process and giving the guest an exclusive preview can help solidify your narrative and create a memorable experience. **Sadelle's** in NY has an exposed bagel bakery. **Pausa** in San Mateo (CA) has a showcase dough room and chef's table within the kitchen. **Tasting Counter** in Boston has a 20 person U-Bar where you watch every step of meal being prepared. And **Barbacco** (SF) serves pasta table-side during their new series of monthly pasta dinners.



ONE MARKET (SF)

Enjoy a unique seven course tasting menu served by the chefs themselves in the heart of the kitchen. Every guest gets a sneak peak at the action and buzz with amazing seats at the back of the house.

BUSINESS TRENDS



Be Prepared!

AF&CO'S 2017 TRENDS REPORT

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BUSINESS TREND OF THE YEAR THE TEAM COMES FIRST



#AFCOTRENDS2017

Retaining staff is a higher priority than ever!

This year, more than ever before, restaurateurs are caring about the quality of life of their team members. The cynic in us knows that it's out of necessity - labor shortages have made the best people more valuable and that means those team members can demand better compensation and benefits. But the optimist sees a shift in the way we are treating each other. From Danny Meyer's announcement of his groundbreaking parental leave program to Ryan Cole's (from Hi Neighbor groups) 'build your own benefits program', complete with commuter reimbursement checks and wines classes, this year we'll see a lot more creative solutions to keeping people happy and healthy. (Creativity will be key, as the failure of the no tipping/built in service charges have shown us that the guests won't cover these costs directly...but more on that!).



CAMERON MITCHELL RESTAURANTS (OH)

"You have to provide benefits that align with people's values" - expert **David Miller**.

Cameron Mitchell has always had a people first culture and continues to be closed on most major holidays - including the super bowl - so associates can be with family.

BUSINESS TRENDS 2017

NO TIPPING – NO TIPPING POINT



Tip me baby one more time!

We're not giving up on this one, but we haven't seen it take hold. Some places are embracing the no-tip trend, others aren't. We've seen some back tracking over the past year as several notable proponents have changed or modified their policy. We know that quality of life for staff needs to improve, but someone's got to pay for it. It remains to be seen if guests will ever come to accept this as the norm or if they will continue to view it as the restaurant passing the buck (literally!).



JOE'S CRAB SHACK (MULTIPLE LOCATIONS)

Their tipping experiment only lasted 3 months, citing customer confusion as one of their reasons for ending the program



BAR AGRICOLE (SF)

To prevent staff attrition and improve operations, owner Thad Volger decided to revert to conventional tipping model

BUSINESS TRENDS 2017 LABOR COSTS SOLUTIONS

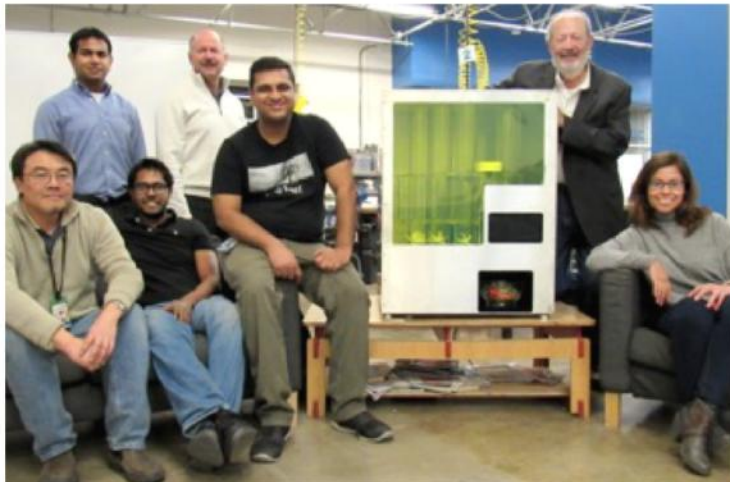


How low can you go?

It's time to get creative with management of labor. Minimum wage is on the rise and good people want to be paid more. It's time to think outside the box with how to keep labor percentages in line.

SHAREABLE PLATES, SERVED AS READY

Expert **Chef John Griffiths**: "In operations, I think the single biggest issue in SF bay area is the challenging, ever shrinking labor pool. Everyone is constantly evaluating their business to look at ways to recruit and retain staff, while also having to do more with fewer people in the kitchen due to the wage increases. I have seen and expect to see more restaurants moving to smaller, more thoroughly curated, menus that really create a tight expression of their restaurant's vision. These menus are also increasingly executed as "shareable" or as "served as ready" style. I don't think I've eaten at a newish restaurant in SF in the last couple months that even had entrees on the menu...This helps reduce staffing, keeps menu prices down and allows flexibility in the way diners eat."



ROBOTS. YES, ROBOTS.

Driven by labor retention, labor increases and food safety, robots present an innovative, and some would argue inevitable, solution to some of the industry's innate struggles. **Casabots** seeks to address these issues with Sally, their salad-making robot that specializes in portion control, caloric accuracy, and round the clock service.

BUSINESS TRENDS 2017 RESTAURANTS THAT DELIVER



Knock, knock - your entrée is served!

Guests are eating out more, but spending less time in sit down restaurants...so, restaurants are claiming a stake in dining delivery. Challenges are there in terms of vehicles and quality control, but more and more operators are seeing this as a revenue stream on its own as well as a marketing tool for getting and keeping the buzz. Caution: It's still gotta be good and it's still gotta be you - just mobile.



ANDO (NY)

Ando is David Chang's newest endeavor that specializes in delivery only. His team goes takes extreme measures to ensure dishes withstand the rigors of delivery.

HOTEL TRENDS

Be Prepared!

AF&CO'S 2017 TRENDS REPORT

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HOTEL TRENDS 2017 KITCHENS WITHOUT BORDERS



#AFCOTRENDS2017

Now open for business!

What better way to show guests the quality of the ingredients you are using and the talents of your chef team than to open the kitchen – or bring it into the dining room! This isn't new for independent restaurants, but as hotels put more effort into their restaurants, even the most formal resorts are loosening up and putting on a show. **Catalina Kitchen** at Terranea Resort (Rancho Palos Verdes, CA), set to unveil in December of 2016, hosts a variety of open kitchen stations including a raw bar, grill station and pizza oven.



MILLER'S GUILD (SEATTLE)

Located in Hotel Max, the restaurant features wood-fired New American fare & cask-aged cocktails in sleek, modern digs



THE COMMONER (PITTSBURGH)

Located in Hotel Monaco, The Commoner is a hip gastropub serving farm-to-table eats with a British spin, plus draft beer, wine & cocktails

HOTEL TRENDS 2017 BOOZY HOTELS



Eat, Drink, Sleep, Repeat!

Let's cut to the chase here, we all like to cut loose on vacation. But what if instead of just booking your hotel based on the neighborhood and proximity to your favorite restaurants and bars, your hotel was your favorite restaurant and bar?!? What kind of trouble might we all get in then... Well it looks like we're bound to find out, as we're seeing hotels introduce elevated and creative ways to booze your way through the holiday!



THE WALKER INN (LA)

Leveraging the popularity of their bar program and exclusive tasting menu, they provide ten rooms to stay in after your tasting. Each room also boasts a bar setup that rivals anything you have at home and comes complete with a recipe book to guide through the process of making your new favorite cocktail.



STONE HOTEL (SAN DIEGO)

Slated to open in 2018, Stone Brewery's Hotel seeks to accommodate the captive craft beer audience with a fusion of beer, hospitality and over-the-top amenities including: bar style lobby check-in, over sized rooms, 10,000 square foot rooftop garden and a pool deck all within a short walk to the brewery!

HOTEL TRENDS 2017 RESORT FEES – CITY HOTELS



All inclusive, whether you like it or not!

Breakfast, water, happy hour – all inclusive! Whether you like it or not, resort fees are no longer just for resorts! We're seeing amenity charges increasing among properties of all types. Instituting resort fees can help boost revenue, but be prepared to put your money where your mouth is! If guests are paying for a service, they should experience it as added value and not a bogus rip off!



LUXE HOTEL (BEVERLY HILLS)

Upping the ante with all-inclusive cocktail hours and complimentary hors d'oeuvres and breakfast service!



THE MOTIF (SEATTLE)

Bundled into their daily amenity fee are things like: daily wine tastings, 24 hour fitness access, complimentary Tesla charging stations, and in-room caffeine bars.

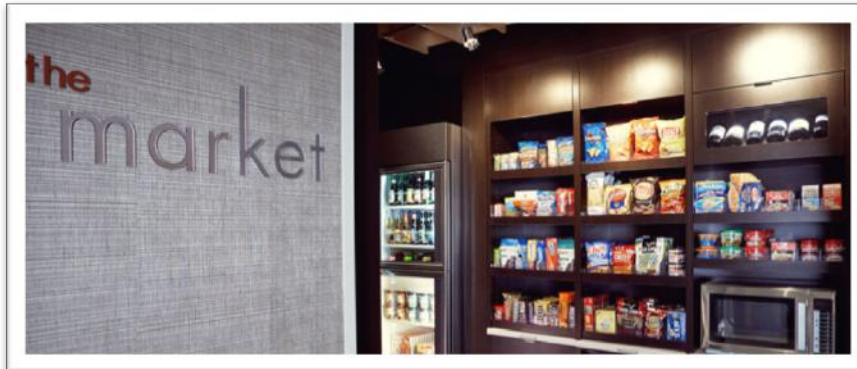
HOTEL TRENDS 2017

LOBBY RETAIL KIOSKS



Say bye, bye to the minibar!

You'll have to go downstairs for your midnight snack (PJs are OK). While it will always hold a special place in our hearts, we're seeing hotels replacing individual minibars with minimarkets. Operators are moving toward a centralized commissary as it's easier to stock and provide a wider variety of options to satisfy their guests.



THE COURTYARD MARRIOTT (NATIONAL)

The Market, located in the lobby, offers 24/7 snack services for guests on the go.



HAMPTON INN AND SUITES (NAPA)

Their lobby hosts a market that prominently features local wine and fare from the heart of California's wine country.

BANQUET AND EVENT TRENDS 2017



#AFCOTRENDS2017

It's a family affair

According to our expert **Mitch Mehr**: We see more operators moving away from traditional banquet and catering menus. Chefs are increasingly customizing menus for our guests that take shape in the form of inventive family-style service... funky/interesting tabletops (not all plates on the table need to be the same), put a lazy susan on the table!

So long, rubber chicken!

There's nothing bland here! According to expert **Marco Baumann**, we can expect to see more life-size games. Think tabletop shuffleboard, foosball and life-size Connect Four. But don't get carried away! You aren't planning your 90's Bar Mitzvah. As interactive elements get bigger than life, the focus of attention needs to be on sophisticated details. No kitsch allowed unless it's meticulously curated. Less fussy and more fun!

Flexibility = \$\$\$

As last-minute booking of events becomes common, be prepared to stay as flexible as possible. The more flexible you are, the more opportunities there are! It's not easy, but try to ensure that your operation has the ability to accommodate last minute events! Hey, we warned you. Be prepared!



MARKETING TRENDS

Be Prepared!

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MARKETING TRENDS 2017

THE SPHERE OF INFLUENCERS



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Now accepting social media posts for payment

Guests payment for the room is no longer just in cash, but in the many forms of reviews that create the digital footprint for the property. Review sites are not only a way to reach (or scare away) new guests, but they are also used by investors to gauge an operator's ability. Their entire Millennial / Gen X experience will be documented and compared to other posts and raves of the many previous to them. According to **Forbes**, "Influencer marketing, once a social media experiment, has ballooned into a movement in which major brands are shelling out \$255 million a month just for Instagram posts."



@THEBUCKETLISTFAMILY

A family famous for selling most of their earthly possessions and embarking on a life of travel. They continue to leverage their success with sponsored reviews posts and travel recommendations. For all you would be influencers out there, be sure to follow their blog!

MARKETING TRENDS 2017

IT'S NOT ALL ABOUT MILLENNIALS



Boomers are still big... And then there's Z...

There's no doubt that millennials are a very important, but don't discount the Boomers just yet. They still spend the most in restaurants, according to **Nations Restaurant News** and the second-largest share of restaurant visits comes from Gen Z. Although Gen Z makes the majority of their restaurant visits to quick service chains, these kids and teens share more of their meals than any other generation and they are eating better than previous generations, making healthier choices. Of course, there's no doubt the Millennials are influential in their own right, but they also impact the Boomers (who want to be and act younger) and the Gen Z'ers who admire them.



BOOMERS



MILLENNIALS



GENERATION Z

MARKETING TRENDS 2017

PARTNERSHIP MARKETING

It's all about the company you keep...

So make some friends! Restaurants are more and more about a lifestyle and can benefit from partnerships with products and services that speak a similar message to the same target audiences.



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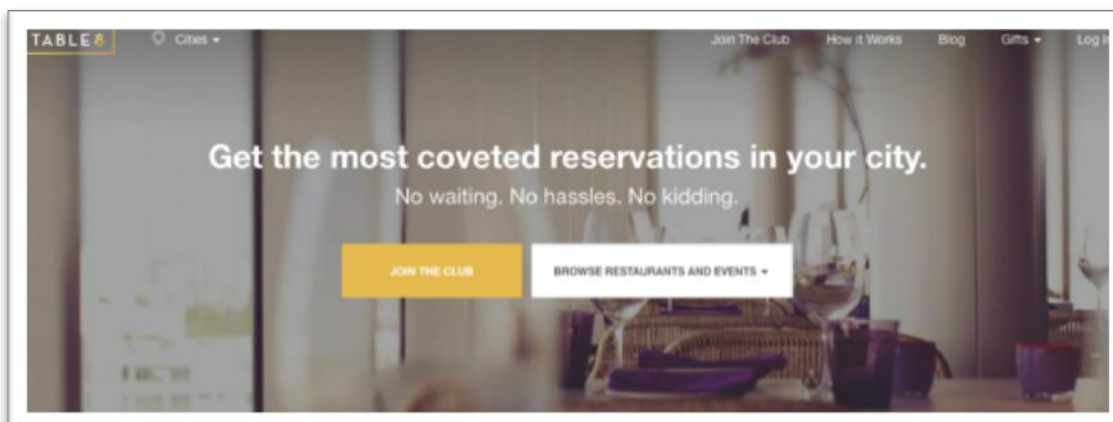


TABLE8

A reservation app and website that gives users all-inclusive access to dining recommendations, members-only gold reservations, exclusive invitations to special culinary happenings, advance access and discounts at select chef events, waitlist priority seating and more.



OAKLAND MARRIOTT & OAKLANDISH

Providing a sense of place is critical, as guests are always looking for a touch of local flavor. The Oakland Marriott teamed up with popular designer and retailer, Oaklandish, on a model room that shines a spotlight on Oakland's spirit for their grand re-opening.

MARKETING TRENDS 2017 POP-UPS, POPPING UP EVERYWHERE



#AFCOTRENDS2017

Keeping things creative, with little commitment

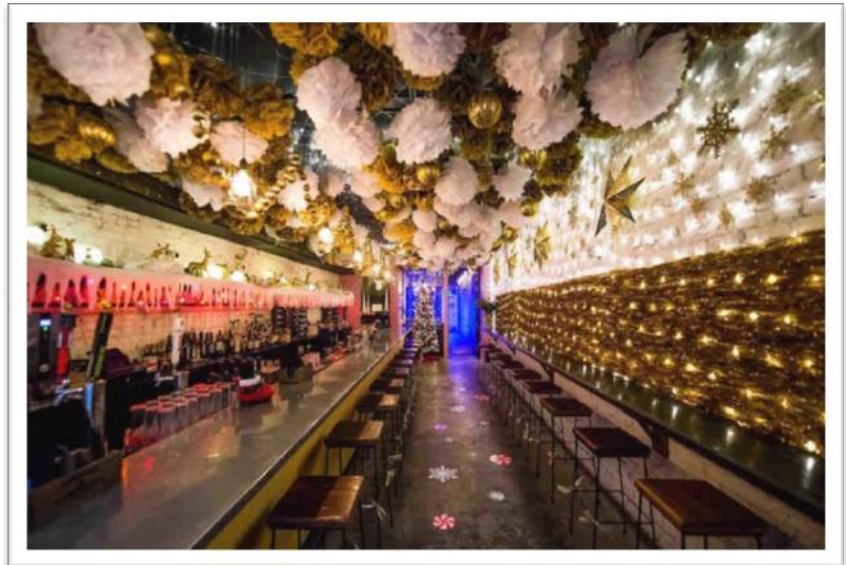
Although we've seen pop-ups increasing over the last few years, 2017 will be no exception. We expect to see a lot more in fact, as operators and chefs get creative around partnerships, promotions and space utilization to keep things fresh for guests and increase topline revenue.

NEXT LEVEL POP-UPS (OFFSITE)

- Rene Redzepi moved his entire staff to Tokyo for a five week **Noma Tokyo Pop-Up** at the Mandarin Oriental Hotel
- Harry Cummins and Laura Vidal **Paris PopUp** - a pop-up restaurant in the Grand Hôtel Nord Pinus in Arles, France
- A **Jose Cuervo party at JFK airport** included a replica of Rolling Stones plane from their '72 tour, with flight attendants serving tequila sunrises

NEXT LEVEL POP-UPS (ONSITE)

- **E & O Kitchen and Bar** (SF) hosted a pop-up featuring a new cuisine and new theme – a Hawaiian luau
- **One Market** (SF) features a pop-up series that has included themes such as BBQ and a taste of Switzerland. Next up? A celebration of Black History through cuisine and wine.



MOCKINGBIRD HILL (DC)

The holiday pop-up bar **The Miracle on Seventh Street** comes complete with themed cocktails, manischewitz pong, and a dinosaur nativity scene.

The logo for AF&Co is centered at the top. It features the letters 'AF' in a large, black, serif font, followed by '&' in a smaller, red, serif font, and 'Co' in a large, black, serif font. Below the logo, the text 'RESTAURANT & HOSPITALITY CONSULTANTS' is written in a smaller, black, sans-serif font. The background of the entire slide is a large, light gray compass rose with various degree markings and a grid of lines.

AF&Co

RESTAURANT & HOSPITALITY CONSULTANTS

THANK YOU!

A man with a beard and mustache, wearing a tan button-down shirt and a yellow neckerchief, is holding a pair of black binoculars to his eyes. He has a wide, enthusiastic smile. The background behind him is the same large, light gray compass rose seen in the top section of the slide.

Be Prepared!

AF&CO'S 2017 TRENDS REPORT

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GET FRESH WITH US

Let's keep the conversation going!



#AFCOTRENDS2017

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