



TRENDS REPORT

2018 EXECUTIVE SUMMARY



**FOODSERVICE PACKAGING
INSTITUTE®**

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INTRODUCTION

Every year, the Foodservice Packaging Institute conducts a survey to gather information about the latest trends in the industry. The 10th annual survey, sent in September 2018, asked members to share their opinions on the following trends:

- Foodservice packaging;
- Raw materials used to make foodservice packaging;
- Machinery used to convert foodservice packaging;
- Foodservice distribution; and
- Foodservice operations.

The survey includes responses from the entire value chain in North America, including:

- Raw material suppliers;
- Machinery suppliers;
- Converters;
- Foodservice distributors; and
- Foodservice operators.

The results of this survey were compiled to create FPI's annual "Trends Report." The 22-page report contains two sections: the first section compiles member submissions, and the second provides the top trends in the foodservice packaging industry based on FPI staff analysis of members' submissions to this survey, along with recent entries in FPI's "Packaging Innovations and Insights" newsletter and other general industry observations. The report is available for all FPI members. Highlights from the 2018 report follow on page 3.

Please contact Natha Dempsey, vice president, at ndempsey@fpi.org with any questions.

EXECUTIVE SUMMARY

In 2018, we saw the two greatest trends in foodservice packaging being in direct conflict with the other, yet codependent.

First, we saw **tremendous push-back on all things single-use**. So much so, “single-use” was selected as word of the year, according to Collins Dictionary. Single-use is a concept we live and breathe every day, but it’s become so much a part of the public’s lexicon, it’s commonly recognized outside our industry.

The primary material catching criticism for being single-use is plastic and, unlike years past it’s not just one type of plastic. In 2018, the plastic straw was the poster child for this movement. But other products aren’t immune to scrutiny, either. The mere mention of single-use has many questioning its use — is this item necessary or can it be replaced by a multi-use item?

To mitigate negative connotations surrounding single-use items, we see continued efforts to limit their environmental impact, whether it’s through use of renewable materials or recycled content, along with greater emphasis on the recyclable or compostable attributes of these products.

Second, **delivery continues to be the sales driver for the foodservice industry** as increasing numbers of operators offer delivery.

Delivery offerings have elevated the importance of single-use foodservice packaging for a few reasons. First, it keeps the hot foods hot and cold foods cold as it’s delivered even greater distances. Second, the package protects the food inside once in transport, leading to greater use of tamper-evident packs. Third, it creates the only opportunity to promote a foodservice brand when the customer doesn’t interact with the brand itself, often using third-party apps to order his or her meal.

How the industry and those influencing it reconciles these two trends remains to be seen. We do know that the foodservice packaging industry will continue to deliver new and innovative products to a growing market, satisfying customers and consumers alike.

Other trends referenced throughout the survey include:

- **Market intervention:** Whether through bans or tariffs on foodservice packaging, government intervention in the marketplace is a constant pressure point for the supply chain. The next threat (or opportunity, depending on how it’s viewed) will undoubtedly be related to chemicals and material safety and transparency.

How business is done: Transactions between suppliers and customers are getting a major overhaul as a result of greater reliance on e-commerce and technology. Foodservice distribution is increasingly moving from personal relationships with distribution sales representatives to online orders seeking little else than the lowest cost options. Or, cutting out the distributors altogether and relying on Internet giants for foodservice packaging. Distribution is not the only link in the supply chain where technology is having an impact. Machinery suppliers are increasingly turning to automation. Customers are placing food and beverage orders using apps and in-store kiosks.

These changes do create efficiencies in the sales process and cut back on labor costs. But, this happens at the expense of human interaction that brings together the entire supply chain.

And together, we are stronger.