### oodservice Updates

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## The rise of precision menu customization

Like never before, restaurants are gaining new tools to collect guest data and mine it for increasingly precise insights. This information is feeding limited-time offer ideas and menu development, as well as expanding operators' capabilities in terms of the targeted communications they can send to subsets of guests. It's also shifting the competitive landscape for restaurants as businesses adopt restaurant technology in varying degrees. Sweetgreen's CEO, for example, recently announced that the salad brand would like to do for the menu what Spotify did for the playlist – in other words, identify exactly what ingredient and nutrient combinations people want and need to eat, then executing that to a specific degree. Expedite reports that Sweetgreen's robotic technology, currently in use in two of the brand's 225 locations, can dispense all of the restaurant's 55 ingredients with the exception of avocado and salmon, which require human intervention. So far, the technology is proving to lift check totals and margins (it can measure ingredients down to the gram, eliminating waste). The planned expansion of this offering sets the stage for guests to not necessarily order off the menu, but to get customized recommendations based on the information they are willing to share about themselves. To be sure, most restaurants won't be investing in the kind of robotic technology that is in place at Sweetgreen. But the changes at Sweetgreen – and similar changes at other brands – are apt to incrementally move the needle when it comes to consumer expectations. What mechanisms can you put into place that will allow you to address a range of dietary needs and preferences?



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# Tech Talk

#### Use AI to boost your menu's craveability

We eat with our eyes – or at the very least, the images we see of a dish have more power to sway our ordering choices than the text descriptions we read. In fact, Grubhub found that including professional photos in your menu can increase your sales by 30 percent. Even if you don't want to overload your menu with images, there are many places beyond your menu where images can drive sales – on your website, in app-based communications to guests, in social media posts. And as generative AI continues to improve, it's becoming easier for restaurants to generate accurate, quality images of menu items – all with just a series of text prompts. Two startups are making it possible for restaurants to do just this. Hackernoon reports that Lunchbox collaborated with OpenAI to launch a food photo generator, and SWIPEBY has a text-to-photo tool that generates food photos based on menu descriptions. It will likely take a few tries, but you may be able to create a close likeness of the profitable dishes you want to promote by simply describing their ingredients and appearance to these tools.



#### Fresh produce calls for vigilant food safety practices

As the weather warms up and your guests are craving the rainbow of local, farm-fresh vegetables you may be offering on your menu, it's important to take a step back and think about food safety. Vegetables can come across as inherently fresh, clean and appealing to eat right off the vine – especially if they carry labels like "or-ganic" or "sustainably grown," for example. But that's a misconception. As food safety professional Doug Powell said in a report from US Foods, "Fresh produce is the biggest source of foodborne illness in the U.S. and North America, and it has been for at least a decade." Because fresh produce has been responsible for tens of thousands of foodborne illnesses over the past 10 years, it pays to scrutinize the sources of the produce you buy, as well as the food safety practices your suppliers use. That means tracing potential contaminants right down into the soil in which these foods are grown. For example, Powell advises collecting information about the water farmers use for irrigation, if and how they amend their soil to suit crops, and how well they enforce hand-washing practices.



### **#FoodSafety**

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## Addressing a key source of financial stress for restaurants

What is restaurant operators' top source of financial strain? According to TouchBistro's recent report, "The State of Restaurants in 2024," a majority of full-service restaurant owners and leaders say it's rising inventory costs. The report includes feedback from 600 restaurant leaders across the U.S. – and 58 percent of them said they were struggling to manage that particular element of running a restaurant business. But they are also employing a range of tactics to address it - or at least lessen its impact on the bottom line. Specifically, they're trying to source new, less expensive suppliers, as well as weave more local ingredients into the menu, which tend to come at a reduced operating cost. The balance of options on their menus is shifting too, with more operators leaning on plant-based dishes and non-alcoholic drinks both of which can be priced at a premium and help raise check totals. Finally, operators are continuing to diversify their income streams by selling items and services beyond their core menu. In a carryover from the pandemic, restaurants are continuing to offer prepared foods, grocery and pantry items, and branded merchandise, while also doubling down on catering services now that people are spending more time working in offices again. Are you using any or all of these strategies to diversity your income streams right now?



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