



Changing Priorities in Off-Premise Packaging

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Methodology: This summary is based on Technomic's *2017 Off-Premise Packaging Report*. The data in the report is based on qualitative and quantitative research. Two focus groups of delivery users and drive-thru users in Chicago, and an online survey of 1,800 adult consumers nationwide were conducted in October 2017.

Evolving consumer need states and new competition in the form of third-party delivery services has resulted in escalating demand for off-premise food and beverages. In particular, the rapid growth of third-party delivery services has expanded the variety of food and beverages that consumers now order to go.

As a result, packaging that was originally designed to provide low-cost solutions for leftovers is largely inadequate to meet emerging needs for durability, temperature maintenance and alleviate food safety concerns.

Packaging solutions must keep up with rising consumer demand for quality, convenience and eco-friendliness. To meet these needs, distributor accounts are seeking next-generation packaging that elevates food quality and offers a wider variety of options for off-premise orders. As new

packaging solutions emerge, operators will continuously evaluate which options best preserve the integrity of their menu offerings, align with their brand positioning and satisfy customer demand for a better off-premise experience. These operators will look to their distributors as a resource for these solutions.

Technomic developed this white paper exclusively for the International Foodservice Distributors Association to provide its members with insights into these changing priorities for off-premise packaging solutions.

The Evolving Consumer and Emerging Packaging Needs

Younger consumers' on-the-go lifestyles and reliance on technology is driving increased off-premise usage across all formats—takeout, drive-thru and delivery. While third-party delivery services are relatively new, expect usage to grow as these services expand and more restaurants partner with delivery companies.

While many consumers have lower expectations for off-premise orders compared to on-premise, packaging can drive repeat traffic.

Packaging is secondary to other factors such as taste and quality of menu offerings, but its role in maintaining quality and taste is critical to ensuring a positive off-premise experience. In fact, four in 10 consumers report that a bad experience with packaging will inhibit future orders.

“If I had a **great** experience with a restaurant’s packaging, I’m **more likely** to repeat order.”

64%

“If I had a **bad** experience with a restaurant’s packaging, I’m **unlikely** to repeat order.”

43%



Consumption Habits Highlight Packaging Needs

Understanding when, where and how consumers partake of food and beverages ordered for off-premise occasions is crucial for prioritizing packaging needs.

Consumers **expect the convenience of eating food directly from the container**—in essence, the container becomes their plate, highlighting the need for leak-proof packaging that maintains product temperature and texture without the need to reheat.

Time elapsed between preparation and consumption also points to the importance of temperature maintenance, especially for delivery orders.

On average, consumers report waiting 30 minutes from the time they place their delivery order to receipt—but once receiving their food, consumers typically wait a few more minutes before eating, perhaps to grab utensils, get to a good stopping point if driving or get to their destination if ordering takeout. It is vital to take this time span into consideration when designing or evaluating packaging to maintain the integrity/temperature of items from order until consumption.

Another consideration when selecting packaging products is that **up to a third of consumers reheat their off-premise orders**. A microwave oven is the most common method of reheating, so offering packaging that is safe for use in a microwave is crucial.

Average wait between **ordering and receiving** food for delivery



Average wait between **receiving and consuming** food for delivery



Usually Eat Directly From Container

61%

Drive-thru

54%

Delivery

54%

Takeout

Consumer Packaging Priorities

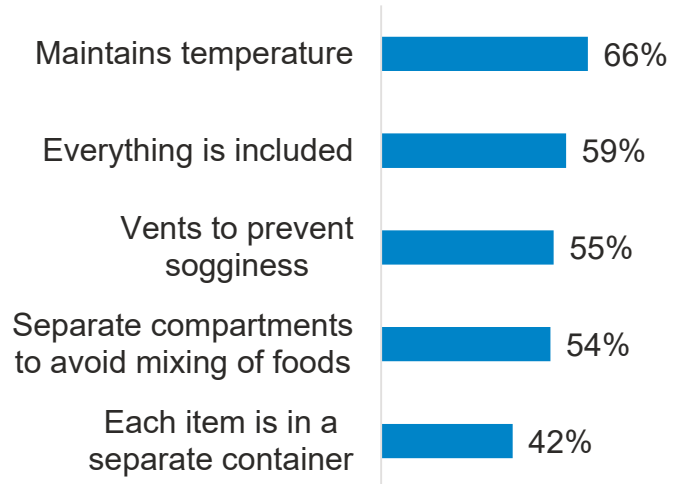
Quality is one of the most important attributes for food in general, so it makes sense that packaging that maintains quality is vital. Consumers expect packaging designed to maintain the appropriate temperature and prevent sogginess. Separate compartments and containers are also key for maintaining product integrity.

Although these are off-premise occasions, the presentation and appearance of the food remain highly important to consumers.

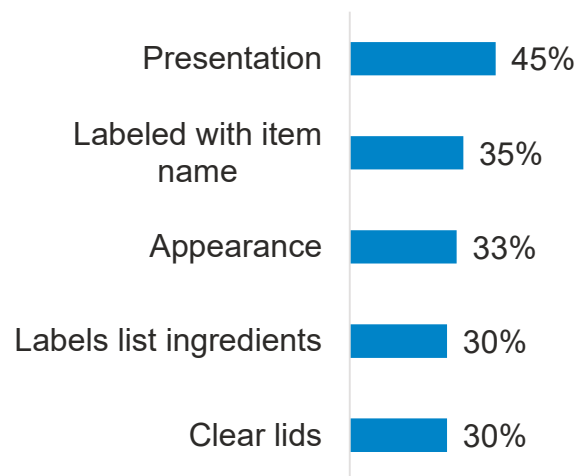
Labels for the dish and ingredients are also critical as they help ensure everyone gets what they ordered and meet demand for transparency. Third-party delivery users in particular place high importance on attributes that relate to identifying the dish and its source, such as the inclusion of the restaurant brand and labels on packaging.

While there are slight differences in packaging priorities depending on the off-premise format, the commonalities shown below center around ensuring a positive experience by paying attention to packaging details and providing appropriate options for a brand's menu offering.

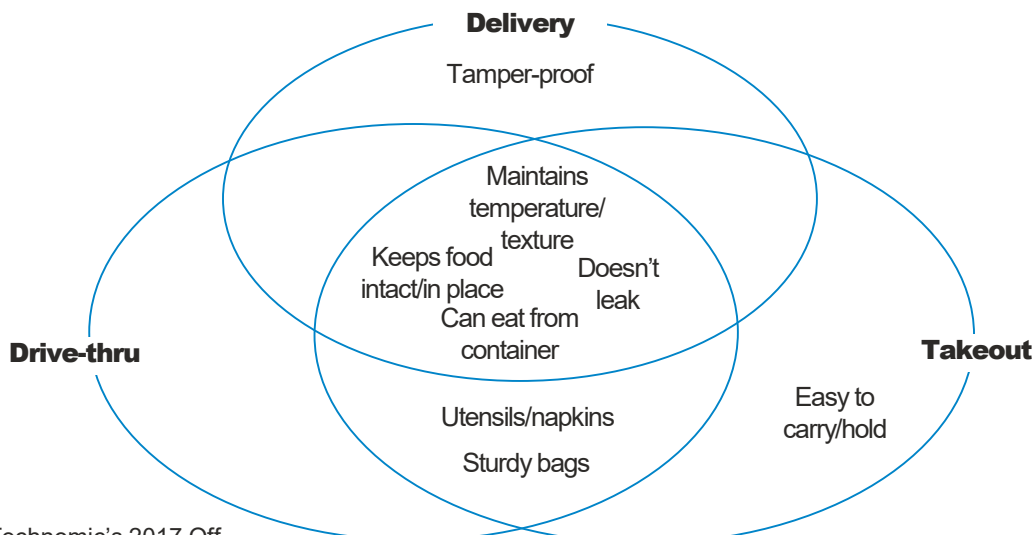
Most Important Functional Attributes



Most Important Visual Attributes



Packaging Priorities by Channel



*Source: Technomic's 2017 Off-Premise Packaging Report

Packaging Preferences

When asked which types of packaging they feel are best suited for hot versus cold dishes, consumers noted distinct preferences based on perceived functionality. Foil is king for hot dishes, due to its ability to keep heat in. Plastic, especially clear plastic, and paper, stand out for cold dishes.

Preferences for Styrofoam are mixed. In qualitative research, many respondents stated dislike for Styrofoam, but it scored well in online surveys, with 34% saying it's very appealing. This suggests that there is social pressure to state a dislike of Styrofoam.

Consumers also note a strong preference for packaging with opaque plastic bottoms and clear lids for both hot and cold dishes, appreciating the ability to see their food through the lids and noting that this type of packaging tends to be easy to close securely and can be easily reused at home.

Consumers also have distinct preferences in bags and are twice as likely to prefer paper over plastic especially brown paper bags with handles. This is primarily due to functionality, with consumers feeling that brown paper bags are better at preventing food from tipping because the bottom is flat.

"[The bag] has to be as good as the packaging inside to hold the weight."

—Delivery consumer

"A regular plastic bag is not good for delivering food. It steams and doesn't sit well."

—Delivery consumer

Hot Dishes

Foil	47%
Styrofoam	37%
Opaque plastic bottom with clear plastic lids	28%
Recycled fiber	27%
Clear plastic/opaque plastic	20%

Cold Dishes

Clear plastic	40%
Paper	36%
Opaque plastic bottom with clear plastic lids	32%
Recycled fiber	31%
Styrofoam	30%



37%
Prefer



15%
Prefer

Beverage Packaging Priorities

Similar to food, consumers prioritize quality and functionality for beverages, but the ease of carrying is more important for beverages than food. Two of the top three attributes are about ease of use; consumers like cups that are easy to hold in one hand and will fit into car cupholders.

Consumers also look for beverage packaging that is leakproof and maintains temperature. Although Styrofoam packaging is viewed as effective for maintaining product temperature, some consumers say that Styrofoam packaging is too flimsy for beverage packaging and easily pierced by straws.

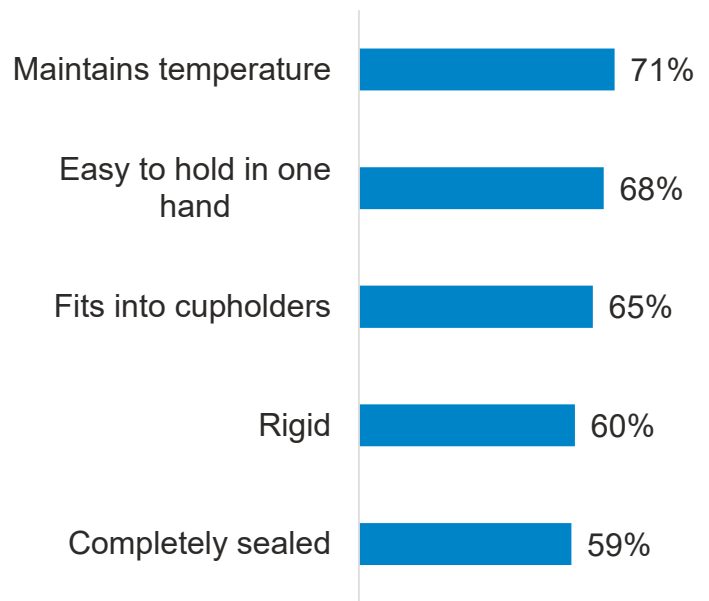
Close to half of consumers (43%) also state that it's important that the packaging doesn't have condensation on the outside, while one in four look for clear beverage containers so they can see how much is left of their drink.

At the time of this survey, a large majority of consumers preferred to use a straw rather than drinking directly from the can or bottle. However, it is important to note that this survey was completed before the recent calls for bans of plastic straws. The preferences for straws are due to several factors, such as the ease of consuming the drink and perceptions that straws are cleaner and safer to drink from than cups.

Beyond straws, about a fifth of consumers prefer ice be separated for cold beverages, so it doesn't melt, impacting the taste of the drink.

"It's important to separate the ice because it's going to melt in the drink."
—Delivery consumer

Most Important Cup Attributes



"I prefer to have a straw rather than drink directly from the can or bottle."

66%

"I prefer ice cubes to be in a separate cup for cold beverages."

22%

Eco-Friendly Importance

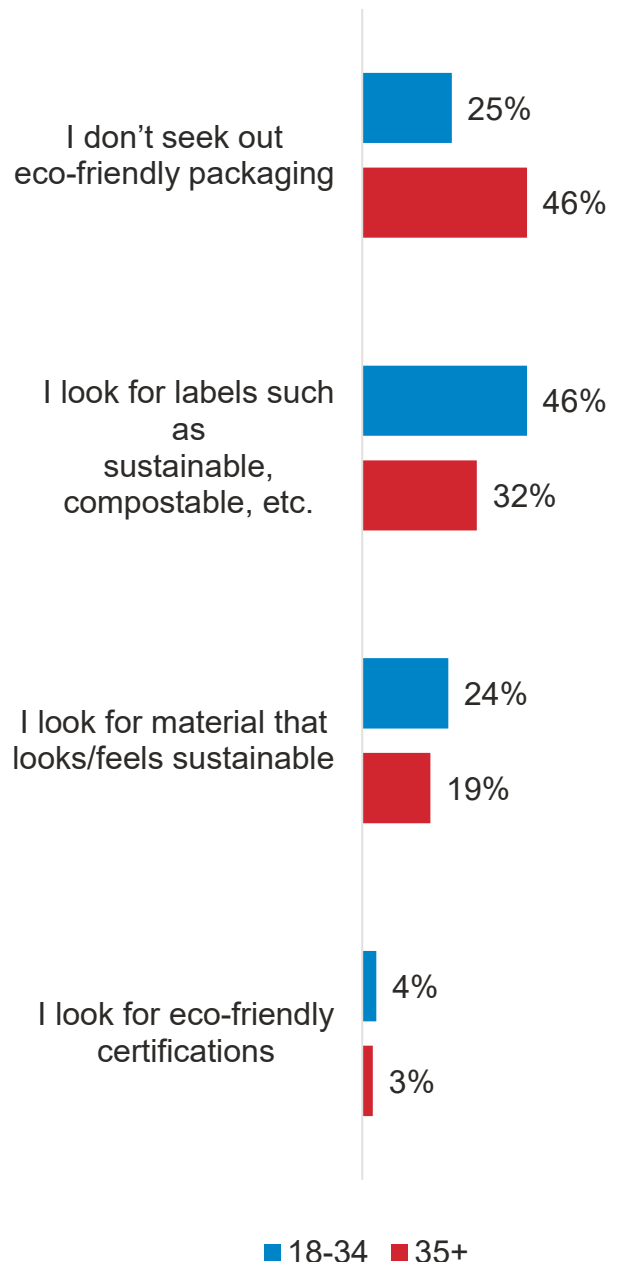
Attitudes toward eco-friendliness are split. While nearly two in five consider it very important, about the same proportion do not seek out eco-friendly packaging. Younger consumers are much more likely to notice and seek out eco-friendly packaging.

Consumers value environmentally friendly options as long as they meet the core needs of quality and convenience. Even some strong eco-friendly advocates are willing to trade this for functionality. In fact, Styrofoam is highly preferred for its ability to maintain heat.

Still, consumers consider recyclable paper and plastic to be the most eco-friendly, likely due to wider familiarity. Those who offer other types of packaging may want to inform consumers about specific eco-friendly attributes.

Consumers are more likely to look for labels that note what makes packaging eco-friendly, rather than looking at the materials or certifications, pointing to an overall lack of awareness of which materials are eco-friendly or the requirements for certifications.

Your restaurant accounts may have room to pass on some costs of eco-friendly packaging to customers, but will need to justify that cost. Including labels that detail the attributes that make packaging eco-friendly will be most effective.



On average, consumers are willing to pay **80 cents extra** for eco-friendly packaging

Key Takeaways and Implications

Brands will invest in better packaging to drive off-premise sales

Implication:

Consumers consider packaging to be a reflection of the restaurant brand. As off-premise dining grows, packaging will play a greater role in customer satisfaction and operators will look to their distributors to offer higher-quality packaging solutions to meet this need.

Quality, convenience and safety of packaging will become a greater focus

Implication:

It's vital that packaging is tailored to the weight and temperature requirements of menu offerings, especially as a greater variety of options are consumed off-premise.

In terms of convenience, consumers call for packaging that is easy to carry, open and access when on the go. They also want to be able to eat directly from as well as store and reheat food in the container. Brands that are investing in delivery will be looking for options that address operational vulnerabilities for food safety and tampering.

Eco-friendly packaging must also address functional off-premise packaging needs

Implication:

Consumers consider a variety of options to be eco-friendly, including recyclable paper and plastic options, as well as biodegradable fiber and sugarcane containers. The most effective options to make available to your accounts are those that maintain the integrity of their menu offerings and promote the specific materials and ways the packaging is eco-friendly.



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