



# Sabert Leaders Discuss 2025 Trends in Foodservice and Manufacturing

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# Delivering What's Next

As we look back on 2024, the foodservice and manufacturing industries are at an important turning point. We sat down with Sabert experts to take a closer look at the year's ups and downs, and what we predict will be top of mind in 2025.

As our customers' trusted sustainable food packaging solutions provider, Sabert has over 40 years of packaging innovation expertise, helping today's food companies and retailers meet the surging demand for sustainable packaging with products that reach the highest levels of safety, performance, and design.

This report aims to provide insights to support industry leaders as they prepare for what's coming next in foodservice and manufacturing.

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# 2024 YEAR IN REVIEW: *INFLATION NATION*

**Between rising food costs and economic uncertainty**, inflation tightened its grip on the foodservice industry, significantly affecting dining habits. A perfect storm of financial pressures, changing work patterns, and evolving sustainability expectations all contributed to a complex operating environment.

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**Industry Impact:** “We expected some decline in demand but were surprised how quickly it hit in 2024. In January, it was as if the faucet had instantly been turned down. Between rising costs and lower profit margins, foodservice establishments, specifically in the QSR sector, struggled to find their footing.”

*Nicole Buck, Vice President, Sales Enablement & Strategic Initiatives, Sabert Corporation*

**Dining Declines:** “The biggest surprise to me is the amount that consumers really pulled back from dining out, whether it was takeout or on-premises. There are usually always ups and downs in the industry, but usually, industry leaders hold their own market share and hold on to their loyal customer base.”

*Kathleen Deignan, Senior Vice President, Sales & Marketing, Sabert Corporation*





# 2024 YEAR IN REVIEW: *INFLATION NATION*

## CONSUMER PUSHBACK ON PRICES

In 2024, the industry continued to grapple with significant price increases, with costs rising 28% since 2019\*. This surge was mainly due to higher operating expenses and supply-chain disruptions. Everything from producing food to transporting it became more expensive.

Consumers became increasingly cautious with their spending, leading to a noticeable decline in dining out. The Vericast 2024 Restaurant TrendWatch Survey revealed that **68% of consumers opted for grocery store food over restaurant meals** in an effort to save money. This trend was even more pronounced among younger adults aged 18-42, with **71% reporting eating more at home**. Furthermore, 67% of this age group found restaurant dining too expensive due to inflated food prices.

Restaurants faced tough times and had to find creative ways to keep patrons coming back. Some introduced Limited Time Offers (LTOs) to attract customers, while others developed loyalty programs and offered discounts to entice diners into their establishments.

**The Voice of the Customer:** "The foodservice industry has gone through really hard times, and consumers have made their voices heard. They've wielded their power in a way that says there are certain things they will do and certain things they won't. There are critical price points they won't accept, even at the QSR level. Operators have clearly heard the consumer, and they're putting things out there, making changes that are very consumer-focused and driven. I believe we'll see somewhat of a rejuvenation in the industry as it starts to level out or grow a little. We'll likely start to see more creativity and more customer-focused activity as a result."

**Stephny Halstead, Vice President, New Product Development & Marketing, Sabert Corporation**

**Redefining Needs:** "There's a growing sentiment among consumers that they've absorbed price increases for long enough, and they're beginning to reevaluate their consumption patterns. It's a signal to us in the industry that we need to continue to anticipate consumer demands and be ready to adapt as people change their eating habits."

**Paul McCann, CEO, Sabert Corporation**



# 2024 YEAR IN REVIEW: INFLATION NATION

The increase in remote and hybrid work continued to impact the economy in 2024, particularly in urban areas. With fewer people commuting to offices, traditional lunchtime spots and familiar haunts like Starbucks saw a notable decline in customer traffic.

The shift towards hybrid work shows no signs of slowing down. According to Mercer's Inside Employee Minds study, **92% of surveyed organizations have implemented hybrid work models**, and positions offering remote work flexibility are projected to become increasingly common.

This change is pushing foodservice businesses to develop new strategies, such as offering meal kits and subscription services, to reach customers at home and adjust their operations to fit this changing market.

**Redefining Routines:** "Hybrid work has shaken up how we eat and drink during the workweek. People aren't visiting their favorite coffee spots every single day like they used to. Sometimes, we're grabbing a quick bite near the office; other days we're preparing meals at home. This has left a noticeable dent in sales." **Michael Beam, Vice President, Supply Chain, Sabert Corporation**

## INDUSTRY CONSOLIDATIONS & BANKRUPTCIES

The economic turbulence was further complicated by notable consolidations, bankruptcies, and closures, reshaping foodservice industry dynamics.

As smaller businesses struggled to cope with rising costs and dwindling sales, many were forced to close their doors. For some companies, merging with or being acquired offered a lifeline amidst market uncertainties. However, these consolidations also resulted in reduced market competition and limited consumer choices.

**Market Shakeups:** "Looking back at 2024, I was kind of caught off guard by all the shakeups in the food industry. We saw many consolidations, some big names going bankrupt and restaurants shutting their doors. It will be interesting to see how it shapes up in 2025. The businesses that made it through this rough patch will have figured out how to do more with less and found ways to work smarter."

**Stephny Halstead, Vice President, New Product Development & Marketing, Sabert Corporation**

**M&A Momentum:** "I don't think we've seen the end of mergers and acquisitions. As interest rates and markets evolve, I anticipate we will continue to see some fairly significant M&As continuing into 2025. This will be especially true as investors gain access to more deployable capital, fueling strategic acquisitions aimed at expanding market reach, fostering innovation, and building resilience in competitive sectors."

**Paul McCann, CEO, Sabert Corporation**

## THE HYBRID EFFECT



# 2024 YEAR IN REVIEW: *INFLATION NATION*

## COST VS. SUSTAINABILITY GOALS

The foodservice industry continued to face a **growing tension between economic pressures and environmental responsibilities**. Many businesses found it difficult to maintain eco-friendly practices while dealing with financial constraints.

As a result, some companies reverted to less costly, traditional packaging options to reduce expenses. This move resulted in a setback for overall sustainability goals in 2024.

To address this issue, operators explored various strategies, including temporarily reducing green initiatives, adopting a mix of cost-effective and sustainable practices, and collaborating with suppliers to find innovative solutions.

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**The Whole Package:** “Operators were dealing with a lot of financial pressures because of declining traffic, high food prices, and more costly labor. In some instances, they reverted to less sustainable packaging options – like foam- to save money. What oftentimes gets lost in these conversations is the total cost of ownership. It’s not just about the initial cost of the package itself, but operators must consider all costs associated with packaging – such as shipping and storage. While eco-friendly packaging may cost more at the onset, companies could actually be saving money if they look at the entire value proposition.”

***Kathleen Deignan, Senior Vice President, Sales & Marketing, Sabert Corporation***

**Winning Mindset:** “Big brands are going to have to lead the way – and they are – in getting as close as they can to their 2025 sustainability commitments. This could mean an even larger tailwind toward eco-friendly food packaging solutions, as well as looking for ways to reduce their carbon footprint. If companies have fallen behind on their goals, they are going to need to reset them for 2030 with a mindset that they absolutely must achieve them.”

***Paul McCann, CEO, Sabert Corporation***





# 2025 OUTLOOK: IT'S COMPLICATED

The industry outlook for 2025 remains mixed. While there's optimism for a potential rebound due to stabilizing inflation and interest rates, foodservice could continue to face challenges such as demand stagnation and intensifying market share battles.

The foodservice landscape of 2025 will be shaped by those operators who can successfully balance economic pressures with evolving consumer preferences. A potential industry rejuvenation driven by consumer demands and modest volume increases is on the horizon. Ultimately, success in this new era will hinge on winning the battle for customer loyalty and wallet share through creative, customer-centric approaches that resonate with the values and needs of an evolving consumer base.

**Taking it Slow:** "I think recovery could be slow, so operators need to stay really focused on consumers and how they are choosing to spend their disposable income. It may take some time, but once interest rates start to decline, people will begin to feel more positive about their outlook."

*Kathleen Deignan, Senior Vice President, Sales & Marketing, Sabert Corporation*

## **Cautiously Optimistic:**

"While modest growth is expected, we're also facing some hurdles. There's growing public concern about price gouging, and the election year is likely to add another layer of complexity. It's going to require careful navigation and strategic thinking to maintain momentum and continue serving consumers effectively."

*Michael Van Loh, Vice President, Sales, Supermarkets and Processors Sabert Corporation*



## **Post-Pandemic Normalization:**

"We've now emerged from the COVID-19 era and the demand has shifted back to pre-pandemic. We have maneuvered through a lot of changes and uncertainty over these past few years, and the industry will be about getting back to business, which means competing for share, managing costs, and navigating labor dynamics."

*Paul McCann, CEO, Sabert Corporation*



# 2025 TREND: SUSTAINABILITY REIGNS SUPREME

Much like 2024, **sustainability will continue to be the center of attention**, a landscape ripe with challenges and opportunities. Whether it's eco-friendly packaging solutions, waste reduction, manufacturing processes, and regulatory compliance, growing consumer awareness about the impacts of climate change and packaging continues to influence purchasing decisions.

## MATERIAL INNOVATION & PERFORMANCE

**Material World:** "Sustainability is the driving force behind the strong interest and investment in material science. It's about coming up with new solutions that meet fitness for use requirements, meet sustainability goals, and lower environmental impact. Whether it's more sustainable plastics, higher-performance paper and pulp solutions, new shapes and sizes – it's all about how sustainability and functionality go hand in hand."

*Stephny Halstead, Vice President, New Product Development & Marketing, Sabert Corporation*

Material science will remain a key focus, with ongoing research into sustainable materials that can **balance environmental impact with foodservice packaging performance requirements**. Advances in biodegradable and compostable substrates, like molded fibers, offer promising alternatives because they are designed to break down more efficiently into compost and reduce waste. Research efforts are also focusing on innovations that contain higher percentages of post-consumer recycled (PCR) content, material that is reclaimed from consumer waste (i.e., bottle caps), and repurposed into new products.

The success of sustainable packaging also hinges on how it performs and whether it can withstand a wide variety of menu items. Scientists are actively developing and testing different types of coatings that can be used that not only check the boxes on sustainability and safety, but also enhance the durability and functionality of the packaging solution.

**The Right Mix:** "While meeting sustainability targets is essential, the packaging must also perform. We'll see a growing demand for packaging solutions that can satisfy complex fitness for use requirements while remaining environmentally responsible. This has underscored the value of having multiple substrate options available, so operators can mix n' match the right packaging solutions based on their unique needs. Sustainability doesn't always mean solely pulp or paper. It's helping customers achieve their sustainability goals and meet consumer demands."

*Kathleen Deignan, Senior Vice President, Sales & Marketing, Sabert Corporation*



**Performance Matters:** "Sustainable packaging is a journey, and customers have gotten their feet wet in terms of realizing that eco-friendly packaging isn't a one-size-fits-all. I think a lot more brands are going to be looking at the combination of sustainability and performance to do their best to ensure that consumers continue to have a positive dining experience."

*Christopher Howell, Director, Product Management, Sabert Corporation*



**Power of Paper:** “Paper is emerging as a leading substrate due to its perceived sustainability. Consumers and industry buyers alike view it as more intuitively recyclable, with a well-established recycling infrastructure at a scale that outpaces alternatives like plastic or even some compostable materials. Companies are exploring ways to enhance paper's durability and barrier properties to match the performance of traditional packaging. We are seeing advancements in coatings and treatments that are making paper packaging more resistant to moisture and oil, expanding its application in foodservice.”

**Robert Beagan, Director, Product Management, Sabert Corporation**



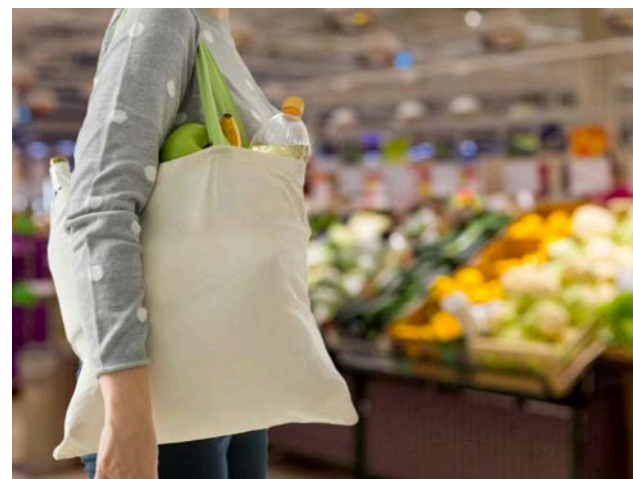
**Domestic Molded Fiber:** “We expect to see a growing demand for domestically produced molded fiber products. More than likely we will be faced with global supply challenges going into 2025, with the availability of imports being a focus. There are a lot of sensitivities around tariffs and ocean freight costs, so having a more dependable domestic supply will be important. Sabert's domestic footprint and our ability to manufacture the volumes needed will put us in the unique position of being able to supply the future demand, especially as it pertains to molded fiber food packaging.”

**Paul McCann, CEO, Sabert Corporation**



**Reusables:** “I suspect the home care sector will move towards reusability sooner than foodservice. Outside of closed loop environments where you can control the reclaim, wash, and reuse, such as universities or stadiums, contamination and health hurdles will prove challenging to overcome at scale. For instance, consumers may be wary of drinking from a cup that somebody else drank from. They'd want assurances that it was cleaned well.”

**Richa Desai, Chief Sustainability & Strategy Officer, Sabert Corporation**



**Post-Consumer Recycled Content (PCR):** “Customers are leaning into PCR content in a big way to support their sustainability goals and the transition to a circular economy and stand out in a competitive market. Our new product and innovation teams are leveraging Sabert's fully-owned recycling facility, Nuvida, for high-quality, food-contact resin. This gives us the opportunity and flexibility to create proprietary polypropylene blends, like r-PRO™, to design and manufacture packaging solutions that meet the unique needs of our customers.”

**Alexus Medina, Director, Product Management, Sabert Corporation**



# INDUSTRY ACCOUNTABILITY, INFRASTRUCTURE & CONNECTING THE DOTS



The sustainability landscape continues to move at a rapid pace, with ongoing updates to single-use plastic bans and labeling laws. There are three major topics predicted to be of significance in the year ahead: industry accountability, infrastructure, and consumer education.

Brands and companies are increasingly being held accountable for not only navigating a complex web of evolving legislation but also being truthful about sustainable claims. At the same time, there's a push for more recycling and composting efforts to support end of life disposal. The success of all these initiatives hinges on whether consumers know what to do with eco-friendly packaging.

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## INFRASTRUCTURE

Extended Producer Responsibility (EPR) legislation is expected to gain momentum. This is a market-driven policy where producers pay a nonprofit organization (a “producer responsibility organization”) to fund the development of recycling infrastructure. EPR shifts the responsibility for the lifecycle of products, including their disposal, onto producers, encouraging them to adopt more sustainable practices.

Policies like these are intended to reduce packaging waste and use of non-renewable resources while also reducing GHG emissions. However, the pace of legislative changes may not be as rapid as anticipated, creating challenges for businesses aiming to stay ahead of compliance requirements.

**The Bottom Line:** “There’s a strong push toward enhancing recyclability, but one of our top priorities as a country should be building the infrastructure to support it effectively.”

*Stephny Halstead, Vice President, New Product Development & Marketing, Sabert Corporation*



**More to Do:** “With some resins, like PET, the issue is on the collection side. While we do have the infrastructure to recycle about 40% of PET today, we need to do more work to be able to collect, sort, and produce. The EPR laws are really about pushing the importance of recyclability. Once you can get something to be recyclable, then you can start generating streams for recycling, and people can start using it to create new products.”

*Richa Desai, Chief Sustainability & Strategy Officer, Sabert Corporation*



# ACCOUNTABILITY

As sustainability claims become ubiquitous in packaging, 2025 will see labeling laws thrust into the spotlight. Due to inconsistent messaging and definitions, consumers struggle to understand various eco-centric statements on products.

There's a growing expectation for manufacturers to solve these problems and provide clearer, more truthful information about their sustainability claims. With regulations in flux and varying across jurisdictions, businesses must implement robust processes to navigate this complex landscape and mitigate risks associated with misinformation.

**Mean What You Say:** "Customers want to know how the product is made and what the product is made with. They want transparency, they want proof. For example, if companies claim that a package is recyclable, brands need to ensure that they've done the groundwork that is needed to meet the standards or guidelines of what the industry defines as recyclable. You can no longer just say, "Yes, this is recyclable." It needs to meet guidelines, like the APR guideline of recyclability, to be considered recyclable."

*Richa Desai, Chief Sustainability & Strategy Officer, Sabert Corporation*

**The Right Equation:** "I think the industry is facing a real challenge with accountability and sustainability. There's a lot of confusion about what's truly sustainable and how it's being measured. Without clear guidelines, we run the risk of greenwashing. That's why I believe our industry needs to make sure we're all playing by the same rules and not misleading customers just to make a sale. As things like EPR become more common, it's crucial that we operate within a well-defined framework. We also need to educate policymakers about the real impacts of their decisions. For instance, plastics aren't inherently bad – we can use them sustainably and create circular systems."

*Michael Van Loh, Vice President, Sales, Supermarkets and Processors Sabert Corporation*





# CONSUMER EDUCATION

Despite the availability of eco-friendly options, a significant gap remains in consumer understanding of proper disposal methods. For example, compostable packaging often requires specialized facilities for effective decomposition, a fact not widely understood by consumers.

To bridge the divide, we may see businesses and environmental organizations explore educational campaigns to inform the public about the impact and importance of proper disposal methods. Clear labeling and instructions on packaging will be key focuses in the coming year to improve consumer understanding and encourage more responsible behavior.

By prioritizing awareness and education, companies not only contribute to environmental objectives but also cultivate stronger consumer relationships based on shared values. Sabert experts noted that standardized labeling and federal regulations could help reduce confusion and improve consumer participation in sustainability efforts.

**Team Effort:** “There’s been a lot of skepticism about whether the industry is doing enough. That’s why partnering with industry associations and policymakers to push for recycling infrastructure and enact science-driven policy is critical. We must do everything we can to educate consumers about what they can do and turn them not only into advocates but also active participants. It’s a team effort across the board to be able to create meaningful change.”

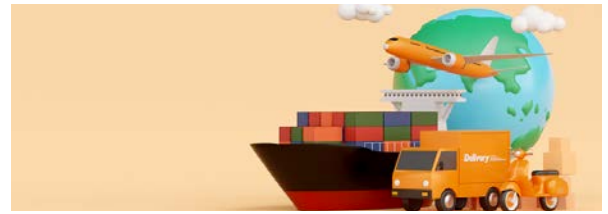
*Paul McCann, CEO, Sabert Corporation*

**Connect the Dots:** “More needs to be done to educate consumers and promote proper disposal methods. It can’t just be about the label. Labels are important because they provide third-party credibility that a product is recyclable or compostable, but there are a lot of limitations on what you can engrave on a product. So, if a consumer doesn’t understand what the label means and what to do with the product at its end of life, then we aren’t achieving what we set out to do as an industry.”

*Robert Beagan, Director, Product Management, Sabert Corporation*



# SUPPLIER COLLABORATION



Businesses are starting to work more closely with their suppliers to meet sustainability goals. Companies now realize that their impact on the environment and society includes their whole supply chain, not just their own operations. This means brands are partnering up with suppliers instead of simply buying from them.

By working together, companies can better understand their supply chains, find ways to improve, and make their sustainability efforts more effective. This collaborative approach helps tackle complex problems like reducing carbon emissions, eliminating waste, and ensuring ethical labor practices. As this trend continues to gain momentum, we'll likely see companies invest more resources into joint innovation projects and shared sustainability commitments. This should lead to better results in making businesses more environmentally and socially responsible.

**Better Together:** "In recent years, we've witnessed major brands commit to science-based targets for reducing greenhouse gas emissions. Now, these goals are trickling down through the supply chain. Brands are formalizing supplier sustainability programs that encompass not only emissions but also social and governance aspects like human rights, labor practices, and diversity. The collaboration between brands and suppliers has intensified dramatically, as companies recognize that partnering with their supply chain is crucial to achieving their 2030 or 2050 sustainability goals."

**Richa Desai, Chief Sustainability & Strategy Officer, Sabert Corporation**



**Zero Waste:** "Sustainability isn't just about the end product. It's about examining our entire supply chain. As we move forward, we're focusing on every step of the manufacturing process. We've made significant strides in our zero waste to landfill initiative, particularly in our facilities. It's all about identifying the source of waste, minimizing it at the outset, and then ensuring proper sortation. We've developed detailed sustainability maps for each plant, pinpointing where waste occurs and how to handle it. This approach has made a substantial difference. The key is in the details - understanding every waste stream and finding innovative ways to recycle or repurpose it. It's changing how we view waste altogether, turning what was once a problem into potential opportunity."

**Sharad Prasad, Senior Vice President, Operations, Sabert Corporation**



# SELLING THE SUSTAINABILITY STORY

Sustainable food packaging has become a powerful storytelling medium for brands. It's not just about winning consumers' hearts. Retailers are discovering that packaging choices can be powerful drivers of sales and market share growth. By aligning packaging choices with customer values, businesses are crafting compelling narratives around sustainability.

**Meaningful Value:** "The key is to know what story you are trying to tell and make sure sustainability is part of that story. We've had customers change menu items with more premium packaging and charge more. They saw an increase in sales because switching to a sustainable solution resonated with their shoppers."

*Christopher Howell, Director, Product Management, Sabert Corporation*

**Eco-Savvy Shoppers:** "We're seeing a significant shift in how supermarkets approach packaging. It's no longer just about logistics or profit margins, although those remain important. Sustainability is becoming a central focus. Brands are realizing that eco-friendly packaging can actively help them sell more while communicating their commitment to sustainability to customers. We've observed cases where switching to paper-based solutions has led to 25-30% growth in categories that were previously declining. This trend is exciting because it aligns environmental responsibility with business growth. The future lies in material versatility - having a range of options that can meet various sustainability goals while remaining sensitive to price points."

*Michael Van Loh, Vice President, Sales, Supermarkets and Processors Sabert Corporation*





# 2025 TREND: **WINNING THE WALLET**

With the likelihood of economic pressures persisting and consumer behavior evolving, operators will double down on efforts to capture customer loyalty and market share. To achieve this, businesses are hyper-focusing on understanding and meeting customer values and preferences. These include offering personalized experiences, engaging through mobile apps, connecting via social media, and using customized packaging and branding.

There's a particular emphasis on attracting Gen Z consumers, who despite having lower disposable incomes, tend to spend more. Ultimately, foodservice establishments that can create customer-centric approaches aligned with consumer values are likely to thrive in 2025.

**Pick Me:** "I think operators are going to focus on winning back their customers by being attuned to what their customers value and appreciate, and really focus on those to win them back and keep them. Customers have more choices than ever before, so establishments are looking at ways to be more approachable and reachable to form those deeper connections."

**Kathleen Deignan, Senior Vice President, Sales & Marketing, Sabert Corporation**

**Decisions, Decisions:** "It's going to come down to where consumers want to spend their money. If they want to spend \$20 a week on food, they may find more value at the grocery store. If they are more interested in convenience, they may go to a QSR or C-store."

**Tomia Smith, Vice President, Sales, National Accounts, Sabert Corporation**



# BACK TO BASICS

Foodservice operators are finding success by returning to tried-and-true methods of attracting and retaining customers. Despite the digital revolution and the rise of innovative marketing techniques, traditional promotional strategies continue to hold substantial sway over consumer decisions.

Recent data reveals that 51% of consumers still consider restaurant discounts and coupons important, with nearly half of customers using deals to choose between dining options. Even more telling, 30% of consumers won't even consider trying a new restaurant without a coupon or discount offer\*.

**Value:** "The industry is returning to the basics, such as value meals, to cater to price-sensitive customers. It's all about building loyalty through perceived value. I think we will continue to see operators make moves to offer more budget-friendly options to help increase foot traffic and order frequency."

**Tomia Smith, Vice President, Sales, National Accounts, Sabert Corporation**

**Loyalty+:** "Successful foodservice loyalty programs will need to evolve beyond just rewarding frequent customers. We'll see a shift towards blending in-app perks with visible on-menu promotions. This approach will appeal to both loyalists and spontaneous diners, allowing businesses to capture those crucial impulse purchases."

**Stephny Halstead, Vice President, New Product Development & Marketing, Sabert Corporation**

Limited Time Offers (LTOs) are predicted to remain a hot trend in 2025, continuing to serve as a powerful tool for businesses to drive innovation, attract customers, and test new markets. This strategy is expected to evolve from its successful implementation in 2024 when many restaurants used creative LTOs to combat economic challenges and declining consumer spending.

We anticipate seeing even more sophisticated applications of LTOs, with businesses across various sectors adopting this approach. These offerings will likely feature bold flavors, unique product combinations, and culturally inspired items. Moreover, LTOs will continue to provide a low-risk testing ground for new concepts, allowing companies to gauge customer preferences without committing to permanent changes.

However, the key to success will lie in strategic execution – ensuring that promotions are well-marketed, aligned with brand identity, and deliver memorable experiences.

## LONG LIVE THE LTO

**Make a Splash:** "Companies will persist in leveraging LTOS to create intentional scarcity, especially to increase traffic during specific fiscal quarters. I think we'll see even more creativity in this space to capture consumer interest and create buzz."

**Nicole Buck, Vice President, Sales Enablement & Strategic Initiatives, Sabert Corporation**

# EXTENDING THE EXPERIENCE

As competition continues to heat up, brands are eager to find ways to differentiate themselves. Customization is emerging as a powerful trend, particularly in packaging. Special designs, high-quality materials, and special touches enable foodservice providers to connect with customers on a deeper level.

**Make an Impression:** “Now it’s all about the experience. Operators are going to increasingly focus on capturing customer mindshare through personalized packaging and branding to create more customized experiences. For instance, we are seeing an uptick in embossing requests to keep their brand at the forefront to help leave a lasting impression.”

*Alexus Medina, Director, Product Management, Sabert Corporation*

**Connect:** “Packaging can extend the dining experience. In delivery and takeout, it takes brand identity beyond the location right into their customer’s home. It is also an effective way to share the brand’s story and reinforce sustainability commitments to create that stronger connection.”

*Yohanan Siskindovich, Senior Director, Product Design & Development, Sabert Corporation*

**Let’s Get Real:** “The ability to personalize packaging through advanced printing techniques, especially when it comes to paper solutions, can be a differentiator. Brands can turn every package into a unique touchpoint that goes beyond just the digital world and into the physical.”

*Christopher Howell, Director, Product Management, Sabert Corporation*



## THE GEN Z FACTOR

Foodservice operators are increasingly focusing on Gen Z, recognizing this demographic's unique characteristics and consumption habits. Despite having lower disposable income, Gen Z demonstrates higher spending tendencies, particularly in the foodservice sector. This generation leads in social media usage, third-party grocery delivery adoption, and engagement with recipe information sites. They also allocate a higher proportion of their spending to dining out compared to older generations. To effectively target Gen Z, foodservice operators are leveraging mobile apps and social media platforms to cater to the preferences and habits of Gen Z.

“Gen Z has less money, but they spend more. Foodservice operators are focusing more of their energy on targeting them through channels like advertising, mobile apps, social media and even celebrities. If you’re not relevant, you’re going to lose.”

*Tomia Smith, Vice President, Sales, National Accounts, Sabert Corporation*



# 2025 TREND: THE YEAR OF THE SUPERMARKET

While consumer sentiment over rising food costs has been challenging in 2024, particularly for grocery stores, our Sabert experts predict that the coming year will see the supermarket aisles truly shine.

One key area of focus in 2025 will be the deli and bakery departments. These sections have long been favorites among consumers, but retailers are now doubling down on their potential. By expanding their offerings and improving quality, supermarkets aim to transform these departments into destination spots within the store, encouraging increased foot traffic and higher spending per visit.

Sustainability is also set to play a crucial role in the supermarket renaissance. As consumers become increasingly environmentally conscious, sustainable packaging has emerged as a major driver of sales and an opportunity to boost customer loyalty and market share.

Prepared foods sections are predicted to continue to be a hot spot prime for new menu items, with the ability to cater to changing consumer tastes and lifestyles, offering convenience without compromising on quality or freshness.

With a renewed focus on innovation, sustainability, and high-margin offerings, supermarkets are positioning themselves not just to survive, but to thrive in the evolving retail landscape.

**Add to Shopping Cart:** “I think we're going to see some significant changes in the supermarket industry. With our busy lifestyles, there's a growing demand for convenient options. I expect we'll see a lot of innovation in packaging technology – things that extend shelf life and make products more 'retail-ready.' It's all about making shopping easier and more efficient. This area of the industry is poised for rapid expansion. It's fascinating to think about how different our grocery shopping experience might be in just a few years.”

**Stephny Halstead, Vice President, New Product Development & Marketing, Sabert Corporation**

**Reframing the Experience:** “We haven't even hit the peak of supermarket food trends yet – it's only going to grow from here. The entire perimeter might be lined with different culinary stations – a pizzeria here, an Asian fusion counter there. It's not just about grabbing ingredients anymore; it's about experiencing food in a whole new way. Grocery stores could become these incredible hubs where you can shop for your weekly essentials and enjoy a diverse dining experience all in one place.”

**Alexus Medina, Director, Product Management, Sabert Corporation**

# POWER OF PRIVATE LABEL

The foodservice industry is witnessing a significant surge in interest in and projected growth for private labels. Private labels, once perceived as lower-quality alternatives to national brands, have undergone a transformation in recent years, with many now offering premium quality products that rival or even surpass their branded counterparts.

Processors and retailers are increasingly recognizing the potential of private labels to differentiate their offerings and capture market share. This shift is reshaping the dynamic between processor brands and retailers' private labels, with many retailers expanding their private label portfolios to include a wider range of products and price points.

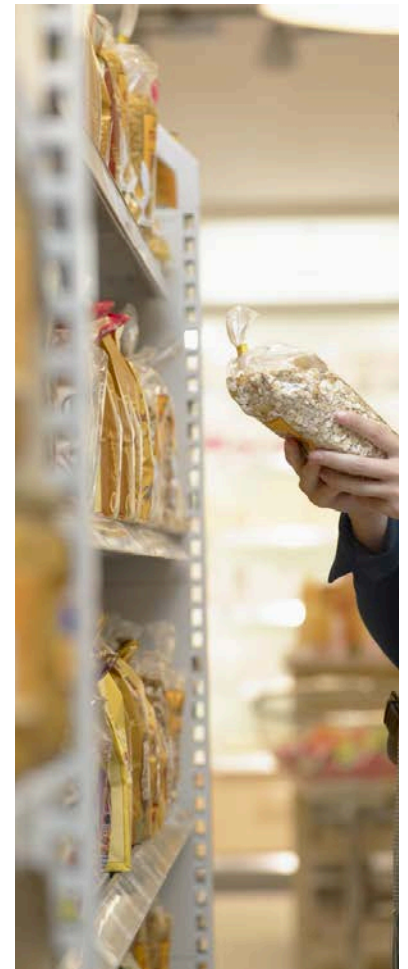
As this trend continues, processors are finding it crucial to align their packaging and sustainability practices with retailers' metrics to remain competitive and secure shelf space. The growth of private labels is expected to continue, potentially reshaping the foodservice landscape and challenging traditional brand loyalty paradigms.

**Unique Needs:** “The processor segment is gaining a lot of momentum, especially as the consumer demand for prepared meals continues. There will be a strong emphasis on packaging that works within their operations, particularly as prepared foods become more sophisticated. Offering diverse substrates is key here because each processor will have varying degrees of operational complexities, sustainability considerations, and fit for use requirements. It’s about coming to the table with the right solutions to meet their unique needs.”

**Paul McCann, CEO, Sabert Corporation**

**Not so Private:** “Private labels are becoming increasingly dominant in supermarkets. Consumers are catching on that they often get the same quality as big brands, just with a different label. Retailers, for their part, are embracing private labels as they offer more control over product lines. For food processors, aligning with private label strategies is becoming essential. However, this shift comes with the challenge of meeting retailers' specific sustainability goals, particularly in packaging decisions. Success in this evolving market requires processors to understand and adapt to these retailer-specific requirements. It's no longer just about product quality; it's about fitting into the broader sustainability vision of the retailers.”

**Michael Van Loh, Vice President, Sales, Supermarkets and Processors  
Sabert Corporation**



# 2025 TREND: DIGITAL TRANSFORMATION IN MANUFACTURING

## THE RACE TO ACTIONABLE ARTIFICIAL INTELLIGENCE

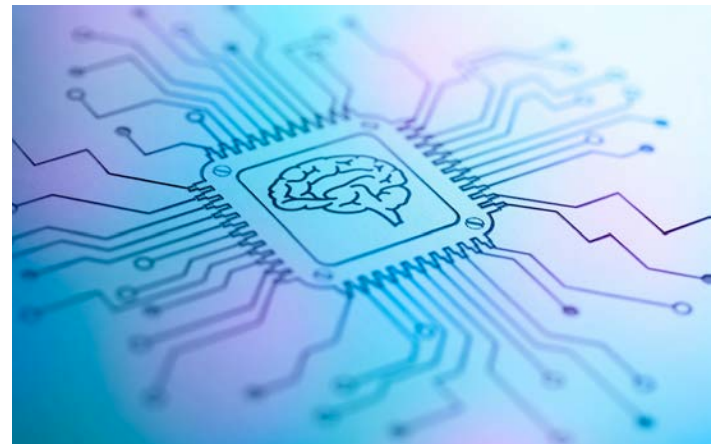


The foodservice and manufacturing industries are likely to see transformations driven by Artificial Intelligence (AI), machine learning, and advanced data analytics. AI-powered systems are working to revolutionize inventory management and demand forecasting, reducing waste and optimizing supply chains. Restaurants and food suppliers are beginning to leverage machine learning algorithms to predict customer preferences, customize menus, and enhance the overall dining experience.

According to a recent Gartner 2024 study, there's significant interest in AI among CEOs. However, there is also a notable gap between enthusiasm and practical application. Companies will need to develop robust digital strategies to effectively leverage AI and overcome high project failure rates often attributed to poor data quality and misalignment with business needs.

**A Cautious Approach:** "The challenge with implementing any new technology is managing affordability and the return on investment. Instead of rushing to be the first, you must assess the need and then thoroughly evaluate the technology and find the areas that would benefit the most."

*Philipp Rathgeb, Senior Director, Logistics,  
Sabert Corporation*



**Return on Investment:** "While there's a lot of excitement and buzz around AI, companies need to look first at what they are looking to achieve and if this technology going to be beneficial. Right now, there's a disconnect between AI's capabilities and understanding how to successfully leverage it to have a significant impact. Successful AI projects should always start by identifying and addressing a business challenge or goal."

*Erik Spangler, Global Vice President, Information Technology/CIO, Sabert Corporation*



# MANUFACTURING 4.0

The concept of Manufacturing 4.0 will see an increased integration of sensors and data points throughout production processes. This will enable real-time monitoring, predictive maintenance, and adaptive manufacturing systems that can quickly respond to changes in demand or production conditions.

In manufacturing, augmented reality (AR) technologies could begin to play a crucial role in enhancing workforce capabilities by bringing critical data closer to workers on the factory floor. This will lead to improved efficiency, reduced errors, and faster training processes for new employees.

**Connected:** “We are accelerating our journey to Manufacturing 4.0 by analyzing ways we can integrate AI and digital transformation to enhance equipment efficiency. Being able to have certain data inputs from our equipment and even from the environment (i.e., temperature, the humidity), and what products are running all connected will be able to help us find trends and serve as a preventative model.”

*Emily Hebert, Senior Director, Manufacturing*



As these industries become increasingly reliant on interconnected devices and data-driven systems, securing the Internet of Things (IoT) devices and protecting intellectual property will be paramount.

Despite the challenges, businesses that successfully navigate the implementation of these technologies stand to gain significant competitive advantages through improved operational efficiency, enhanced customer experiences, and a more agile business model.

## CYBERSECURITY

**Safe & Secure:** “As more technology gets introduced into manufacturing operations, companies must take proactive steps to protect their IoT infrastructure. There is a greater awareness of the increasing importance of securing connected devices to protect against potential threats.”

*Erik Spangler, Global Vice President, Information Technology/CIO, Sabert Corporation*

# 2025 TREND: CONTINUED MOMENTUM

Many trends that gained momentum in recent years are likely to persist and even strengthen in the coming year.

## CATERING AS A REVENUE STREAM

Catering is expected to remain one of the most robust revenue streams for foodservice operators in 2025. The versatility of catering has expanded significantly, encompassing a wider range of cuisines, day parts, and service styles.

Operators are also finding that customers are more adventurous in their catering orders, whether for business or social events.

**Leaning In:** “The growth in off-premises dining, including catering and delivery, has outpaced on-premises sales. In fact, for many operators, off-premises revenue now represents a larger percentage of their overall business compared to on-premises dining. The ability to cater different types of cuisine at various times of the day has opened up new opportunities. Operators who have leaned into this trend are reaping the benefits of a highly adaptable and lucrative revenue stream.”

**Kelly Best, Vice President, Sales, Foodservice, Sabert Corporation**

**Convenience Catering:** “We are going to continue to see people outsource convenience. Large gatherings aren't going away, but we are seeing caterers come in to help with milestone celebrations, group gatherings, and even tailgates. This really helps to diversify revenue streams for caterers that rely solely on large occasions. Now we're seeing a steadier demand across different places.”

**Alexus Medina, Director, Product Management, Sabert Corporation**



# JUST-IN-TIME CONVENIENCE

The trend towards just-in-time convenience is reshaping consumer behavior and forcing operators to adapt their service models.

Consumers are making more frequent, smaller trips to supermarkets, favoring quick-prep options from produce, refrigerated, and deli departments.

This shift is evident in the strong performance of frozen and refrigerated segments, with refrigerated products now second only to produce in volume growth.

The popularity of off-premise channels like takeout and drive-thru is also predicted to remain strong. These changes are fundamentally altering how consumers approach meals. Businesses must focus on innovation, streamline their off-premise ordering processes, and ensure their offerings align with consumers' desire for fresh, quick, and high-quality meal solutions.

**Be Prepared:** "Prepared foods are really hitting their stride, and we're going to keep seeing strong momentum in 2025. I think we're in for a lot of changes, but the popularity of ready-to-eat options is only going to continue to accelerate."

**Kathleen Deignan, Senior Vice President,  
Sales & Marketing, Sabert Corporation**



# SUSTAINABLE HEALTH

While the increasing consumer interest in health and safety is not new news, it's still going to remain a driving force in the food industry. Whether it's food safety concerns, scientific skepticism, or the desire for transparency in product ingredients, consumers are showing a willingness to invest in sustainable health. As awareness grows and science evolves, the food industry is likely to face increased scrutiny, prompting the question: what will be the next hot button?

**The Safety Factor:** "Consumers are getting smarter and are becoming increasingly educated and discerning, actively researching the products they use. They want more food choices with cleaner ingredients and locally sourced meat and dairy. There's a movement away from potentially harmful substances like PFAS (Per- and polyfluoroalkyl substances), with many consumers prepared to pay a premium for products they perceive as safer and more environmentally friendly."

**Nicole Buck, Vice President, Sales Enablement  
& Strategic Initiatives, Sabert Corporation**



# PACKAGING PARTNERSHIPS

Operators are placing much greater emphasis on supplier partnerships. With high back-of-house turnover, they're seeking ways to streamline operations and simplify training. They're more open to supplier recommendations on packaging that enhances efficiency and presentation.

Operators are also increasingly relying on suppliers to navigate the complex landscape of sustainable packaging and recycling regulations. It's evolving into a true partnership model, where suppliers aren't just fulfilling orders but actively contributing insights to improve operations and sustainability.



**Deeper Relationships:** "Buyers are taking a hard look at their status quo and asking us if there is a way to do it better. It's not just about filling orders anymore. They want our input on everything - from how to present food better to ways we can tweak packaging to make employee training easier. Some are even asking us to completely reimagine their packaging strategy. Sustainability is another key area in which this partnership is deepening. With recycling regulations and material choices, operators are relying on suppliers to help navigate these challenges. They're looking to us to demystify sustainable packaging options and guide them towards more environmentally friendly solutions. Bottom line, it's becoming a partnership mentality."

*Alexus Medina, Director, Product Management, Sabert Corporation*

**Collaboration:** "Operators are looking for real partners who can offer advice and expertise. They want suppliers who understand their business and can help navigate the ups and downs of the market. Operators are reaching out for that extra level of support and consultation. It's becoming clear that the real value in sales programs now lies in building these deeper, more collaborative relationships."

*Kelly Best, Vice President, Sales, Foodservice, Sabert Corporation*



# OUR CUSTOMERS' TRUSTED SUSTAINABLE FOOD PACKAGING SOLUTIONS PROVIDER

Sabert shares the world's deep passion for food and its enduring commitment to sustainability. Rooted in innovation, we constantly push the boundaries of how food is packaged, protected, preserved and served to help millions enjoy the food they love.

We've been at the forefront of providing innovative and sustainable food packaging solutions to our customers for over 40 years. From a broad range of recyclable and compostable materials to solar and geothermal facilities, our sustainable practices and products drive value by finding better ways to work with minimal environmental impact.

As our customers navigate their pathways to address climate, food and waste, Sabert is positioned to help them meet their sustainability goals because we have invested in research, innovation and development to bring new, more environmentally conscious products to the market across all of our product lines.

Sabert continues to meet the growing demand for sustainability by building on our strong foundation to meet today's and tomorrow's challenges. Together, we are helping to reimagine the future of sustainable food packaging for a healthier world.



**Reinventing food  
packaging to nourish and  
protect our world.**

For packaging options, or more information,  
visit [www.sabert.com](http://www.sabert.com) or call **1(800) 722-3781**.