

HYB25

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Navigating New Dynamics in the
New Year



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9 Shifts Shaping the F&B World in 2025

Food & Beverage

Judit Szöllősi

F&B Concept Developer, Conceptional

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Customer demands have pushed the F&B industry to extremes, with expectations for immersive experiences, environmental consciousness, and hyper-personalized services. Meanwhile, rising inflation, labour shortages, and skyrocketing energy costs challenge restaurants to balance evolving customer needs while maintaining high margins. In 2025, we expect restaurants to shift toward a more balanced approach, focusing on convenience, immersive experiences, sustainability, and quality, all while maintaining value for money. The key challenge will be creating and communicating this value effectively to their guests.

1 THE RISE OF RESTAURANT GROUPS

In the past, restaurant chains or franchise groups benefiting from economies of scale were often associated with fast food of low to reasonable quality and uniformity in offer and design—at best, mediocre casual dining. However, the current economic landscape and market volatility, which cause margins of restaurants to shrink dramatically—has shifted the perspective of restaurateurs.

More and more restaurant groups, such as Big Mamma in Europe or Sunset Hospitality Group from Dubai, are emerging with a new approach: they create premium dining brands designed for scalability and international expansion while maintaining the “one-off” restaurant feel. These groups not only leverage economies of scale in procurement and operational expertise but also allow for workforce security, fostering an environment where chefs can move within the company, providing employee growth and driving innovation through circulating knowledge in-house, across locations.

2 MULTI-FUNCTIONALITY AND ALL-DAY RELEVANCE

With increasing economic volatility, the need to maximize efficiency goes beyond leveraging economies of scale—it also means optimizing asset turnover. For restaurants, this translates into creating all-day dining concepts and multi-purpose (experience) spaces that generate revenue from morning to night.

The rising trend of social-competitive dining is set to gain even more traction in 2025, as operators are looking for new and creative ways to make the most of their spaces throughout the day. This may come to life by cross-utilizing ingredients in an all-day dining format or developing hybrid concepts—such as a listening bar that transforms into a lively evening party venue, or social spaces providing opportunity for organizing events such as tasting or chef-led dining. Restaurateurs will continue to explore creative strategies to maximize their footprint and enhance guest experiences. In places like Lock, Stock and Barrel in Dubai, guests not only dine throughout the day but can end up spending their whole night at the club-turned-restaurant space.

It is however not only the functionality of the restaurants that restaurants are being flexible with. Pop-up and mobile restaurant concepts are gaining popularity as they offer unmatched location flexibility, bringing dining experiences directly to the customers—without the need for permanent locations. These temporary setups are often leveraged by

established restaurant brands to promote their larger portfolio, creating buzz around the “family” of restaurants. Additionally, pop-ups are a powerful tool for launching limited-time offers (LTOs), exclusive merchandise, and product drops, capitalizing on their ephemeral nature to drive excitement and urgency among diners.

3 BRAND TRUST – THE CURRENCY OF HOSPITALITY

There are two key reasons why restaurant brands hold value: **trust** and **self-expression**.

Trust is vital in a world of shrinking disposable income—guests want reassurance that both the food and experience will meet their expectations. As mentioned earlier, this is one of the driving forces behind the rise of multi-restaurant operators, or “restaurant families.” They will continue to blur the lines between different dining formats—sandwich places launching fine dining concepts, and vice versa, premium restaurants introducing more casual “sister brands”, accessible to a wider audience. By operating large-scale venues and high volumes, they create unique, yet recognizable experiences that resonate with guests.

On the self-expression side, dining choices are increasingly tied to personal identity, as people “vote with their money,” supporting brands that align with their values and beliefs. As social divides grow, restaurants serve as platforms for self-expression, making the idea of “you are where you dine” more relevant than ever.

In 2025, clear messaging and bold branding around sustainability, social issues, and core values will be crucial. Restaurants will need an even more defined mission, reflected in every aspect of their offering—from design to menu—creating cohesive, value-driven experiences for guests.

4 BACK-TO-THE-ROOTS - AUTHENTICITY

The other side of the coin is **authenticity**—a rising force across both casual and premium dining. Exceptional service and bespoke concepts take centre stage and guests crave stripped-down and genuine experiences. High-quality food is no longer just a necessity but the focal point—fueling conversations and adding a human touch. Diners want to be part of a story, not just passive participants.

Smaller, more intimate concepts (such as restobars) are successful because they tap into nostalgia, both with design and menu choices that evoke warmth and familiarity. Traditional cooking techniques, like flame-grilling, are making a comeback, emphasising craftsmanship and authenticity. These artisanal preparation methods heighten the sensory experience—bringing guests closer to the raw essence of dining.

5 HOLISTIC WELLBEING – HOW HEALTH MEETS SUSTAINABILITY

Sustainability and health consciousness are increasingly intertwined, driven by a holistic “Eat Good, Feel Good” mindset, whereas younger generations are in search of healthier and more balanced lifestyles.

Social media has also fueled awareness around overall well-being, from gut health to mental wellness, shifting consumer focus beyond just specific ingredients. Healthy eating is no longer about restrictive choices but balance, quality, and mindful consumption.

This shift extends to sustainability, where operational practices are evolving beyond the basics of waste management and plant-forward menus. The once-rigid era of strict veganism is fading, while alternative meats struggle to generate excitement, they are becoming standard offerings in QSR and fast-casual dining. Meanwhile, full-service restaurants are embracing plant-based cuisine in creative and unique ways, prioritizing fresh ingredients over processed substitutes.

6 TRANSPARENT DINING

As guests' demands of service to match the meal quality increase, local sourcing is becoming essential. The focus is shifting from quantity to quality, with ethically raised meat and fish enjoyed less frequently but valued more. Transparent sourcing and premium pricing emphasize the worth of these ingredients, strengthening ties with local producers.

At the same time, a rising preference for fresh, unprocessed foods and scepticism toward ultra-processed options is driving a return to scratch cooking. More and more brands are embracing transparent communication, such as Hilton, who, in collaboration with Klimato, introduced carbon-tracked menus, displaying the CO₂ emissions of each meal, whilst CO₂ emissions are just the surface of measuring sustainability KPIs, it is a footstep in the door for climate-conscious and climate-transparent communication.

7 CONTACTLESS EVERYTHING

In fast food and quick-service restaurants (QSR), "*contactless everything*" is becoming a top priority as guests increasingly prefer minimal human interaction and the fastest, most seamless ordering process. Contactless ordering and payment solutions, such as self-service kiosks and mobile apps, are becoming more popular because they minimize mistakes and make the experience effortless for customers. These solutions allow guests to place orders quickly and accurately, eliminating potential miscommunication while enhancing convenience. The demand for contactless systems reflects the growing need for efficiency, particularly in high-pressure environments like QSRs, where speed and precision are critical.

8 AI: KITCHEN TO TABLE

As AI continues to revolutionize various aspects of the restaurant industry, it offers groundbreaking opportunities to streamline operations and enhance guest experiences. Leveraging AI in payment and ordering systems is at the forefront of this transformation. AI-backed tools, such as pay-at-table solutions, provide hyper-personalized recommendations based on guest profiles or order history, offering valuable data to improve menus and marketing strategies. Additionally, AI-powered systems can adjust offers and operations dynamically during peak times, alleviating pressure on the kitchen without sacrificing speed or quality.

Beyond ordering, AI also optimizes kitchen operations with labor-reducing solutions and waste management tools like Winnow, which tracks food waste using AI technology. These innovations not only enhance convenience for customers but also drive sustainability and efficiency across the entire restaurant ecosystem.

9 THE DOMINANCE OF ASIAN FLAVOURS

Writing about the hospitality industry feels incomplete without delving into food trends—the flavours and the culinary shifts that define the dining experience. As diners seek more diverse and unique flavours, there's a growing interest in overlooked or underrepresented cuisines, such as North African flavours or innovative fusion concepts. Similar to how **Nikkei cuisine** (the blend of Japanese and Peruvian influences) gained popularity in recent years, we can expect more cross-cultural movements to continue shaping menus in 2025.

Key cuisines that can't be ignored are **Japanese and Korean**—both of which offer bold, distinctive flavours appealing to health-conscious diners and provide cost-effective ingredient options. These cuisines are addressing many of the industry's current challenges, offering a balance of taste, health benefits, and affordability.

Overall, the F&B world is evolving with an enhanced focus on sustainability at all levels while delivering unique experiences that amaze or, at times, return to the core simplicity of good food. If we could highlight a key takeaway for restaurants in 2025, it would be that they should avoid chasing fleeting trends. Instead, they should establish long-lasting strategies that integrate AI, sustainability, and experiential aspects to support value-driven dining.

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