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Prepared By: Ornkamol Puranabhandu

Approved By: Kelly Stange

Report Highlights:

The Thai food industry will face many new challenges and opportunities in 2023 as the sector gradually recovers from the global pandemic. Changes and transformations after the COVID-19 are re-shaping consumer behavior. Restaurants and retail stores are focusing on providing better services and experiences to complement their high-quality products.

Thailand's Food and Restaurant Trends in 2023

Consumers continue to reevaluate their dining choices as they strive to adapt healthier lifestyles. Consumers are seeking products that optimize their mental performance and strengthen their bodies. Product innovations will continue to be essential in attracting consumers. Consumers are also increasingly more conscious about how their food and beverage choices may affect the environment. The sustainability and traceability of food are becoming important characteristics of which food manufacturers and restaurant owners should be aware. In addition, consumers are searching for more adventurous dining experiences that include new flavors and ingredients. The Bank of Thailand forecasts that the Thai economy will rebound and expects an average economic growth rate of 3.7 percent in 2023. A recovering tourism sector and rising consumer confidence will drive the economy in 2023. The food and restaurant industry will benefit from the recovering tourism sector and growing consumer confidence but will not reach pre-COVID-19 levels due to increased operating costs from global energy prices. Operators, however, have more confidence for 2023 and hope to see their businesses expand, develop new business strategies, and build creative marketing campaigns. Hence, consumers will enjoy many new innovative products and dining experiences.

Innovative Foods for Health and Wellness

Consumers are looking for food and drink formulations that help them boost their health, such as build immunity, improve gut health, and enhance memory. “Food medicine” is a growing concept in the food industry and one that many food manufacturers are following in new product developments as consumers demand that their food include functional ingredients as much as possible. In 2023, Deloitte projected that the global wellness market will reach nearly \$6.5 trillion with an emphasis on brain health to address depression, mental performance, and brain function, in new products.

The Mintel 2023 Global Food and Drink Trends report also confirmed that nootropic products containing caffeine, magnesium, B vitamins, zinc, omega 3 fatty acids EPA and DHA are in high demand because they have been shown to improve some symptoms of mood disorders. The Grand Market Research expects that the nootropics market will reach over \$29 billion by 2028. Nestle launched Milo Mindvibe targeting young teenagers, which contains green tea, taurine, zinc, and B vitamins, claiming that it provides energy and focus. According to Wholefoods, products that value both mental energy and overall health are the ideal products consumers currently seek. For example, the yaupon holly plant tea contains 30 percent less caffeine than coffee or the coffee-mushroom blend, which helps prevent a caffeine crash. Naturally grown fruits and vegetables or “adaptogens” are the ideal sources for increased energy, mood boosts, and healing ingredients.

Plant-Based Food

The plant-based market continues to grow and has reached all corners of retail stores, from the frozen section to the deli, and has an alternative protein for every type of animal protein (e.g., red meat, poultry, and seafood). Krungthai Compass Research Centre expects the sector to reach \$1.5 billion in 2024, with an estimated 20 percent annual growth. Many food producers continue to develop more flavorful plant-based products that are more budget-friendly, using easy to source ingredients such as pulses and lentils. Innovative products including vegan cheese, plant-based fish products, and pasta alternatives are growing in popularity with consumers.

Plant-based options have been increasing in fast food chains, vegan restaurants, and fine dining restaurants to keep up with demand. Thai consumers will see more and more plant-based ingredients in many of their familiar dining venues. Fine dining restaurant “Mia” in Bangkok highlights its seasonal tasting menu with “Taste of Mia Vegan” menu, which includes barley risotto, a customer favorite. IGNIV Bangkok also allows customers to request vegan or plant-based dishes. There is also a growing number of food brands that are promoting the plant-based ideology, such as “Molly Ally” that has launched a variety of plant-based ice-cream flavors using vegan, gluten free, and organic ingredients.



(Left) Vegan Fine Dining at Mia Bangkok

(Right) Molly Alley - Thailand's first plant-based ice-cream brand

Sustainable Ingredients

Consumer's appreciation for products and services that offer low environmental impacts, such as sustainable farming, locally sourced, reduced food waste, environmentally friendly packaging, reduced water and energy consumption, and recycling, has dramatically increased the demand for sustainably sourced ingredients from the food and restaurant industry. Consumers demand high-quality and traceable products since they want to ensure that farmers and food manufactures are producing the

products that they are consuming in an environmentally friendly manner. Wholefoods revealed that 41 percent of consumers prefer to purchase products that have a positive and purpose-driven message on the label. Consumers expect to see more about a brand's sustainability efforts on its packaging labels, whether it is highlighting the production process or displaying their efforts to minimize their environmental impacts. Central Retail Corporation (CRC) is claiming leadership in environmental awareness and sustainability and has positioned itself as Thailand's first green and sustainable retail company. The company has also launched a new store format "Tops Green" that distributes high-quality products made from sustainable practices. Rimping Supermarket in Chiang Mai has dedicated 20 percent of the stores' shelves to sustainable and locally grown products. The company has also begun wrapping goods in banana leaves to cut down on single use plastic bags.

Chefs and restaurateurs are sourcing more ingredients from sustainable sources to align with the values of their customers. Although sustainably sourced ingredients can lead to extra costs for restaurants, customers are willing to pay more for sustainably sourced food and for helping support local businesses and communities. Additionally, consumers recognize restaurants that use sustainably sourced ingredients as having more refined, unique, and high-quality menu items. One Star Michelin Chef Chudaree "Tam" has a strong philosophy in sustainability and makes it a priority at her restaurant Bann Tapa. She has a hyper-local approach to sourcing ingredients and being mindful of food waste.

Back to Basic and Nostalgic Dining

The last three years of limited tourism and travel have encouraged chefs and restaurateurs to turn their focus back to local cooking techniques and ingredients. Michelin Guide's Food Trends indicated that Michelin chefs appreciate and value local experiences more now that they have gained a better understanding of local ingredients, traditional cooking methods, local flavor and seasonings, and even locally made plates and bowls. More diners are also craving more local cuisine as they begin to appreciate their own heritage even more. Consumers love to experience familiar food served in different forms. Consumers are craving "Nostalgia Dining" as it helps bring back childhood memories. Chef Kongvut "Kong" Chaiwondkajorn from Locus Native Food Lab in Chiang Rai was one of the first chefs to introduce Nostalgia Dining to Thai diners. His chef table's restaurant is best known for sourcing local ingredients and for using old northern style cooking techniques offering his customers simple yet creative dishes reflecting the northern Lanna culture. Chef Chom Pasid, the owner of Home-Grown restaurant in Bangkok, also believes that customers are still looking for food that reminds them of dishes with which they grew up or dishes that remind them of cooking at home because it makes them feel safe and comfortable. He also uses the stories of local ingredients and cooking techniques to add depth and interest to his dishes.

Shelf-Stable Packaged Food

Many food manufacturers and brands are developing innovative products that use less energy to store and prepare as consumers become more aware of environmental and social issues. Food manufacturers are making more food as powders or pastes and products that require only one step to prepare. Retailers are also looking for products that could help them cut down on logistical costs, especially cold chain transportation. Retailers are looking for more innovative shelf-stable packaged food, such as “meals in a bottle,” that provide higher food safety confidence and reduces cold chain requirements. Superfood powders are also popular among all day breakfast restaurants.

Traceability

Storytelling has become especially important for restaurateurs and food manufacturers as consumers are becoming more interested in the origin of products and whether they are produced in a sustainable way. Some retailers, including Rimping Supermarket, are engaging their customers by providing product information through QR codes in their locally grown products section. Paleo Robbie, an online marketplace, provides its customers with a wide range of information regarding their products, including country of origin, nutrition information, cooking recommendations, ingredients, and useful articles related to the products to build trust among their customers.

Changing Business Models

Restaurateurs are changing their business models to meet the needs of the changing lifestyles of their customers. Many restaurateurs have adapted a hybrid business model with multiple sales and fulfillment channels, including on-premises takeout orders via self-service kiosk. Some businesses have adopted the ghost kitchen concept completely and are no longer looking for large locations. They only need cooking space to distribute their food and products. In 2023, Thai consumers will continue to see more food halls where many restaurants come together to share a kitchen and dining space. The Public Market Food Hall at Central Chidlom and Mahanakhon Eatery are the latest food halls that offer consumers a variety of food from some of Bangkok’s most well-known restaurants.

Pop-up food and limited-edition dining experiences are still making a wave in the Thai restaurant scene. Restaurants and chefs like these experiences since it gives them the opportunity to experiment with new menu concepts, dishes, and ingredients. The pop-up food concept also allows more collaborations among chefs to create inclusive and memorable experiences that lead to great social media tie-ins.

Pre-packaged meal and cocktail kits are another service in which some restaurants have been investing due to the rise in delivery and carryout services. Consumers like these meals and cocktails as it allows them to make their own dishes and cocktails at home following the step-by-step directions from the restaurant.

Solo dining is a rising trend as many people are embracing the idea of dining alone, especially Gen Z customers. Many chain restaurants have embraced the idea and created space for solo diners, such as Sushiro, a ramen restaurant, and even Japanese yakiniku and suki shabu brands like Yakiniku Like and Shabushi that offer a private personal pot for solo diners.

Live dining experiences are quickly becoming more widespread as social media helps capture the excitement among consumers. Live dining refers to a kitchen where the customers can see chefs cooking their food. Many restaurants are installing open cooking stations to highlight on their social media accounts and attract customers.



(Left) New food hall Concept at Public Market, Central Chidlom
(Middle) Solo dining at Ramen A
(Right) Live dining experience with open kitchen

There are many opportunities for U.S. food and beverages products in the Thai market, especially for health and wellness food and beverage products and sustainably produced products. Thai importers follow the trends in the Thai market closely and are always looking for new and innovative products to introduce that meet the current trends.

End of Report

Attachments:

No Attachments.