



# FOODSERVICE CLEANING PRODUCTS USA

## Highlights and Outlook

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Webinar

September 28, 2021

## Today's Speaker



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Industry Manager,  
*Industrial & Institutional Cleaning  
Products*

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- › About Kline
- › Overview of Research
- › Key Trends
- › Market Segmentation
- › Impact of COVID-19
- › Outlook



# Kline Management Consulting and Market Research: Heritage in Chemicals

## MARKET RESEARCH REPORTS



Identify market opportunities and create action plans with off-the-shelf reports

### Industries served:

- Agribusiness
- Beauty
- Consumer Products
- Food & Nutrition
- Health Care
- I&I Cleaning
- Home Care
- Personal Care
- OTCs
- Medical Devices



## TRUSTED FOR

- Strategy & Business Development
- Manufacturing & Supply Chain
- Technology & Innovation
- M&A/Business Development



## MANAGEMENT CONSULTING

Individual client work to solve business issues and help implement solutions



### Americas

Parispany, NJ (HQ),  
Sao Paulo, Brazil



### Europe

Brussels, Belgium;  
London, United Kingdom  
Prague, Czech Republic



### Asia

Shanghai, China  
Tokyo, Japan;  
Hyderabad, India  
New Delhi, India



### Middle East

Dubai, UAE

**Our project teams are staffed with seasoned management consultants and operating executives from the chemicals industry.**



**45+**

years' experience in  
Professional Cleaning  
Industry

Kline is a member of



Today's webinar contains select excerpts from:

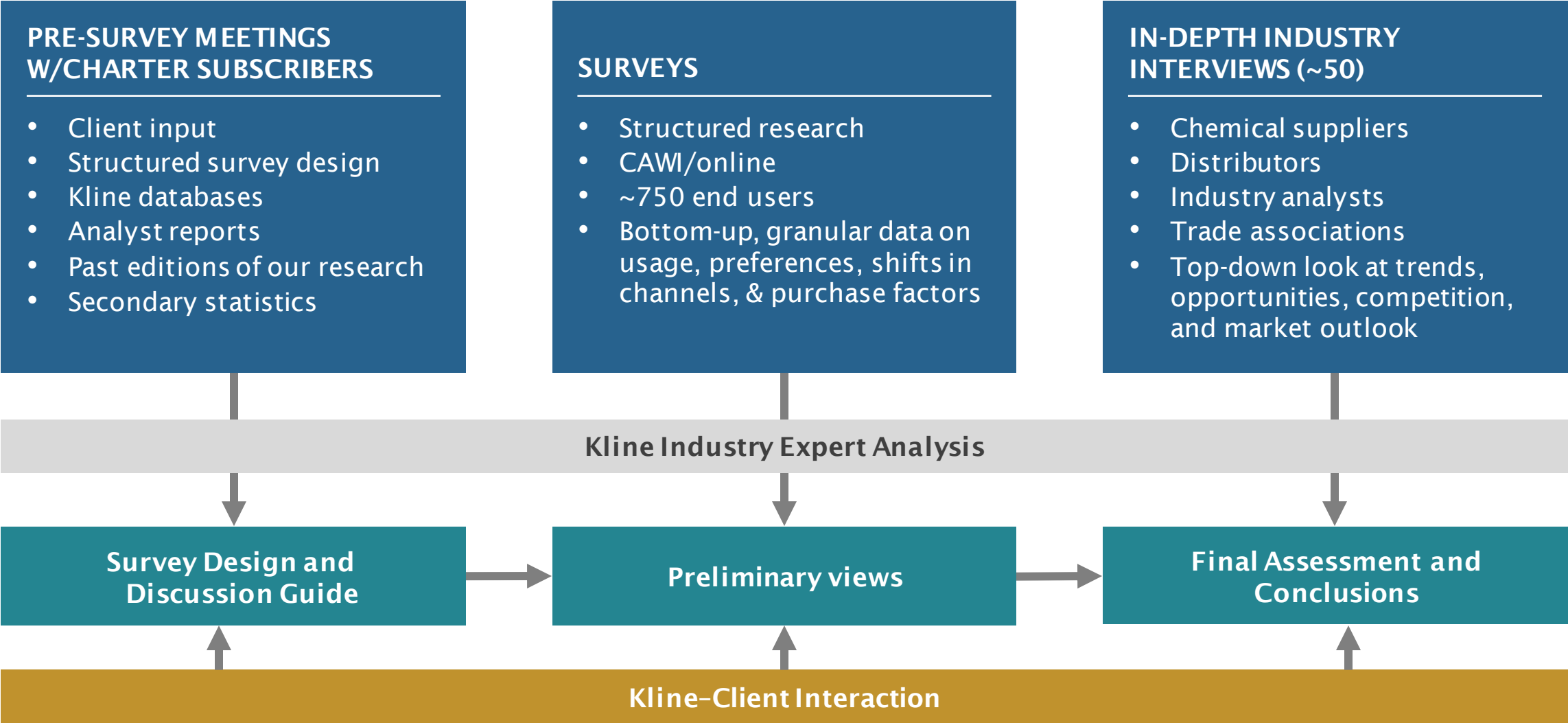
## FOODSERVICE CLEANING PRODUCTS USA

*Published in August 2021*





Our methodology is heavily focused on primary research (~70%), with multiple sources triangulated to form accurate market estimates.



## ➤ Sample Sizes by End-Use Segment: Research Conducted March-May 2021

| SAMPLE SIZES BY END-USE SEGMENT                                                                                  |             |              |
|------------------------------------------------------------------------------------------------------------------|-------------|--------------|
| END-USE SEGMENT                                                                                                  | SAMPLE SIZE | % OF SAMPLE  |
|  Foodservice                    | 240         | 32.2         |
|  Healthcare                     | 140         | 18.8         |
|  Education                      | 100         | 13.4         |
|  Lodging establishments         | 81          | 10.9         |
|  Retail hosts                   | 61          | 8.2          |
|  Industry total                 | 54          | 7.2          |
|  Recreational facilities        | 50          | 6.7          |
| ... Other                                                                                                        | 20          | 2.7          |
| <b>TOTAL STRUCTURED SURVEYS</b>                                                                                  | <b>746</b>  | <b>100.0</b> |
| In-depth interviews of mfters, distributors, trade assns., consultants, and others knowledgeable on the industry | 48          |              |
| <b>GRAND TOTAL INTERVIEWS AND SURVEYS</b>                                                                        | <b>794</b>  |              |

## ➤ Trends by End-Use Segment



Full-service restaurants, the largest consumer of foodservice cleaning products, were impacted by closures and limited capacity.



Fast-food restaurants and fast-casual restaurants were less impacted, given their propensity toward takeout service.



Hospitals, nursing homes, and assisted-living facilities remained open and maintained foodservice for patients and residents; however, dining for visitors and guests was suspended.

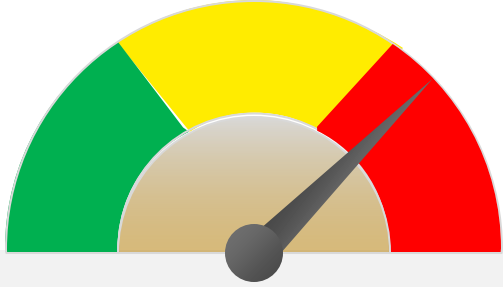


Schools, colleges, and universities as well as many recreational facilities were completely closed through most of 2020.



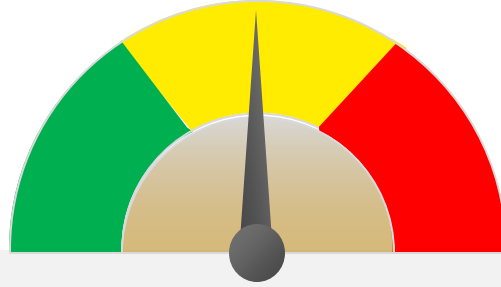
Lodging establishments suffered from a downfall in the business and vacation travel; and as a result, they discontinued or limited foodservice offerings.

## ➤ 2020 Was Anything But Slow-And-Steady



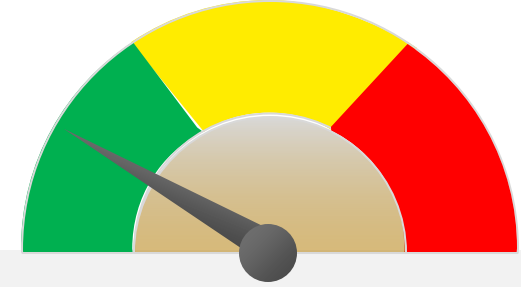
**The hardest-hit segments include:**

- Full-service restaurants
- Schools
- Colleges and universities
- Recreational facilities
- Office buildings
- Lodging establishments



**Segments that were moderately impacted include:**

- Government facilities
- Industrial facilities
- Nursing homes
- Assisted-living facilities
- Hospitals



**End-use segments that suffered little-to-no impact include:**

- Fast-food restaurants
- Fast-casual restaurants
- Retail hosts



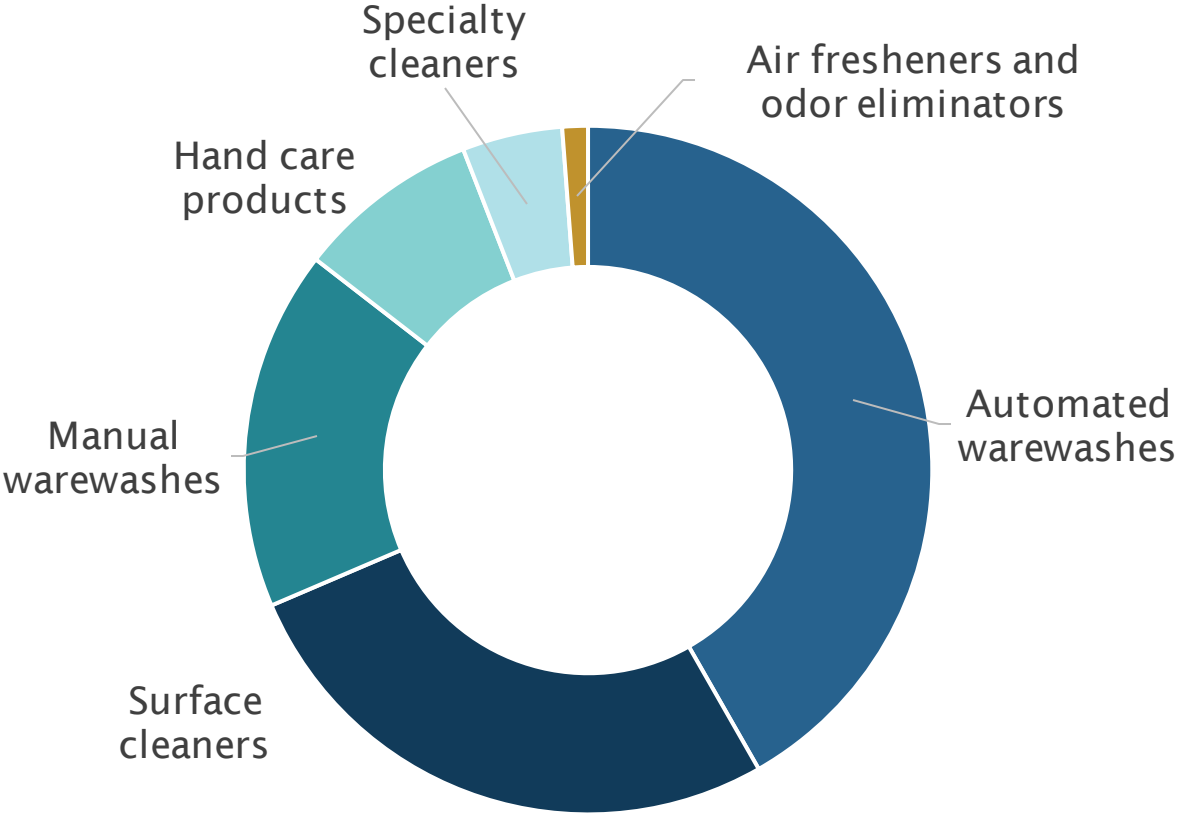
# Sharp Declines in the Overall Market Despite Strong Gains From Hand Care and Surface Disinfectants and Sanitizers

**\$2,310.1 MILLION**

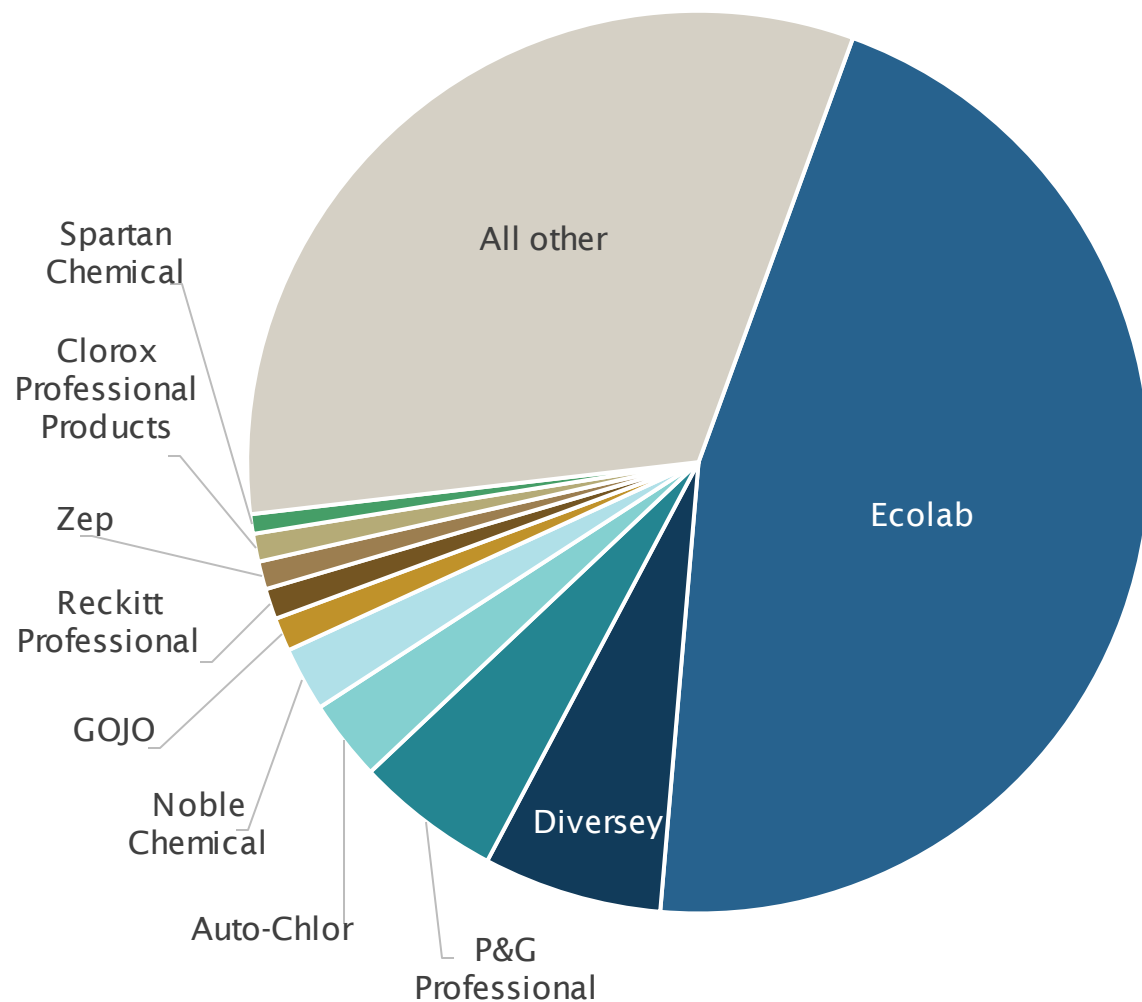
Sales of foodservice cleaning products to commercial and institutional end users in 2020

**-23.8%** Change from 2019

SHARE OF FOODSERVICE CLEANING PRODUCTS BY PRODUCT CATEGORY, 2020



# Competitive Landscape



**ECOLAB®**

**Diversey**

**P&G Professional™**

**Auto-Chlor®**  
SYSTEM  
autochlor.com

**NOBLE**  
CHEMICAL INC.  
a CLARK ASSOCIATES company

**GOJO**

**reckitt**

**CLOROXPRO™**

**Spartan®**  
We make clean simple®

**zep**  
COMMERCIAL

## ➤ What Shifts Occurred During the Pandemic?



**INCREASED CLEANING  
WITH SURFACE  
DISINFECTANTS**



**TREMENDOUS GAINS FOR  
HAND SANITIZERS**



**LITTLE TIME FOR  
INNOVATION IN A  
CHAOTIC MARKET**

## ➤ What Shifts Occurred During the Pandemic?



**RESTAURANT CLOSURES AND  
CONSOLIDATION IMPACT ON  
MANUFACTURERS**

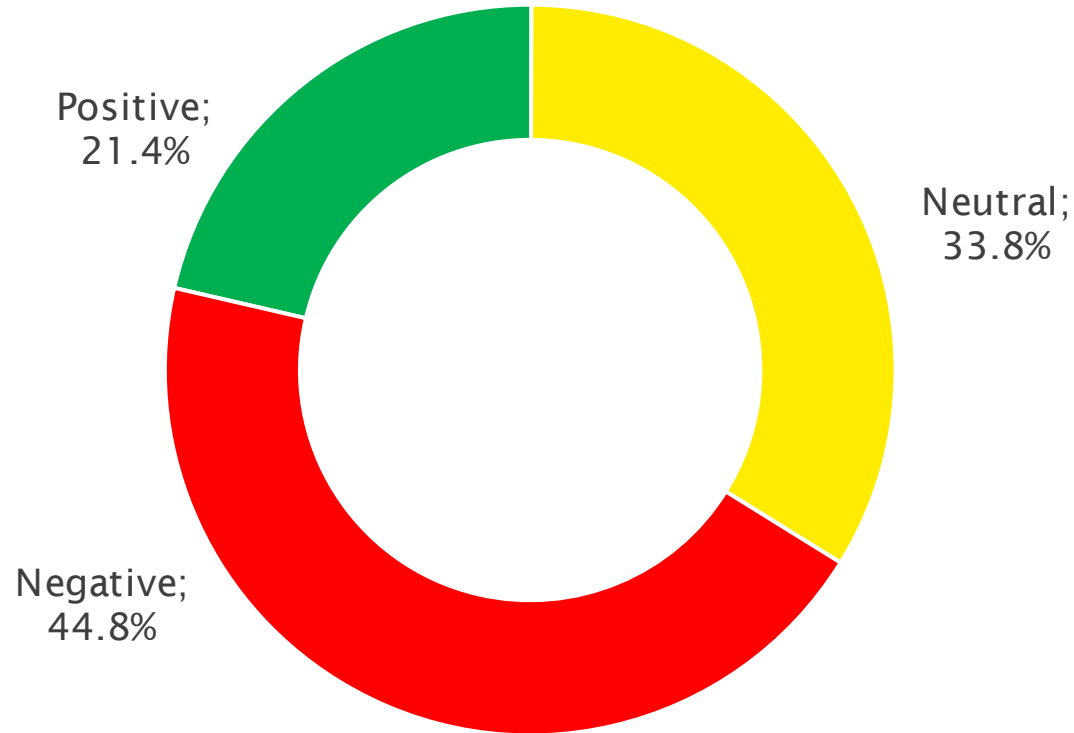


**ACCELERATED INCREASE OF  
TAKEOUT/DELIVERY SERVICES**



**SUPPLY CHAIN AND  
MANUFACTURING  
CHALLENGES**

# Many Businesses Were Negatively Impacted, While Some Actually Saw Positive Changes

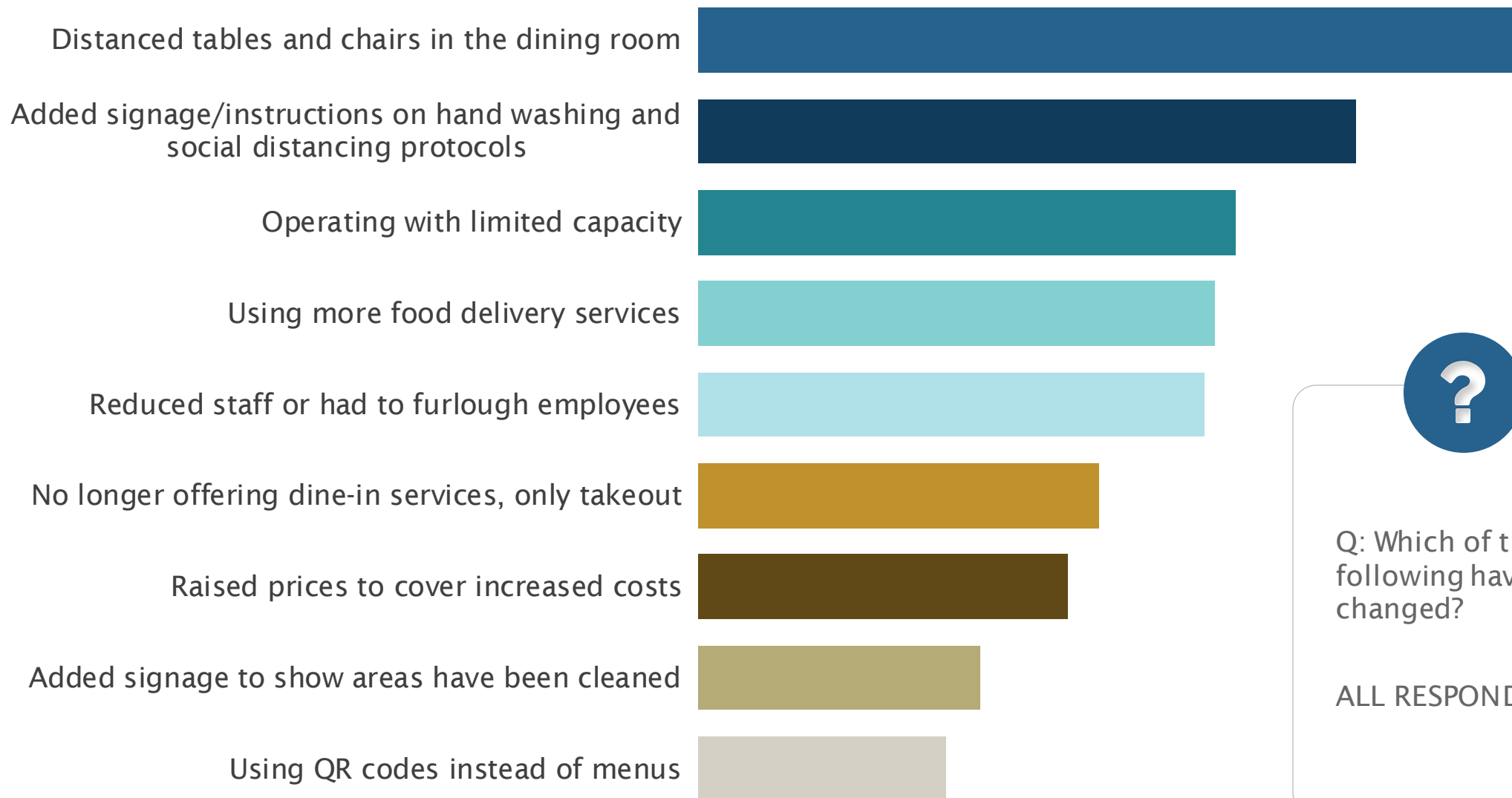


Q: How has COVID-19 impacted your business overall?

ALL RESPONDENTS

|                       | TOTAL | Healthcare | Restaurants | Lodging | Industry | Education | Retail hosts | Recreation | Other |
|-----------------------|-------|------------|-------------|---------|----------|-----------|--------------|------------|-------|
| Number of respondents | 746   | 140        | 240         | 81      | 54       | 100       | 61           | 50         | 20    |
| Positive              | 21.4% | 25.7%      | 19.6%       | 28.4%   | 9.3%     | 20.0%     | 14.8%        | 28.0%      | 30.0% |
| Neutral               | 33.8% | 34.3%      | 30.8%       | 24.7%   | 48.1%    | 39.0%     | 44.3%        | 28.0%      | 20.0% |
| Negative              | 44.8% | 40.0%      | 49.6%       | 46.9%   | 42.6%    | 41.0%     | 41.0%        | 44.0%      | 50.0% |

## Distance and Signage: Most Common Operational Changes



Q: Which of the following have you changed?

ALL RESPONDENTS

# More Hand Sanitizer Locations and Surface Disinfection: Most Common Cleaning Changes

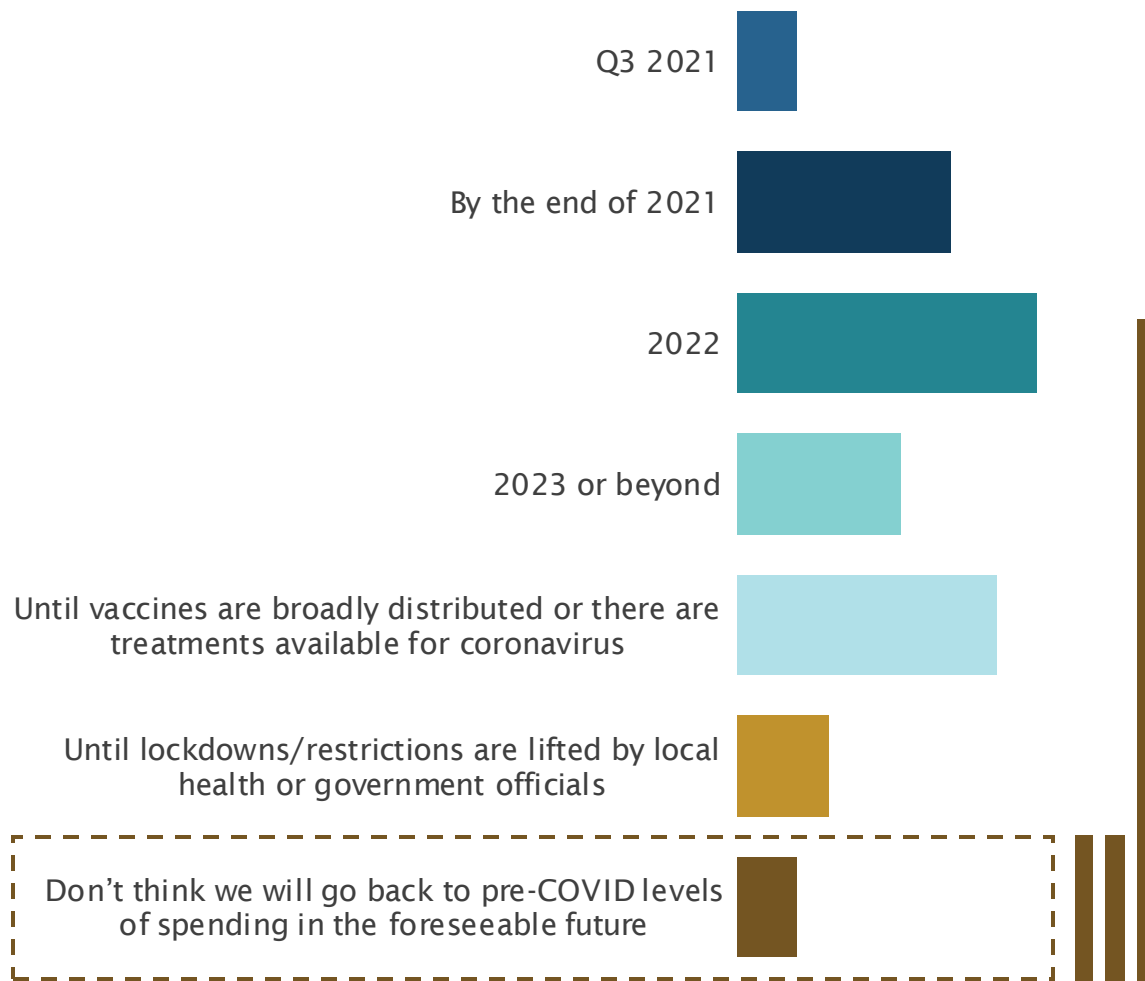


Q: Which of the following have you changed?

ALL RESPONDENTS

# Most End Users Expect Standard Spending to Return by 2022

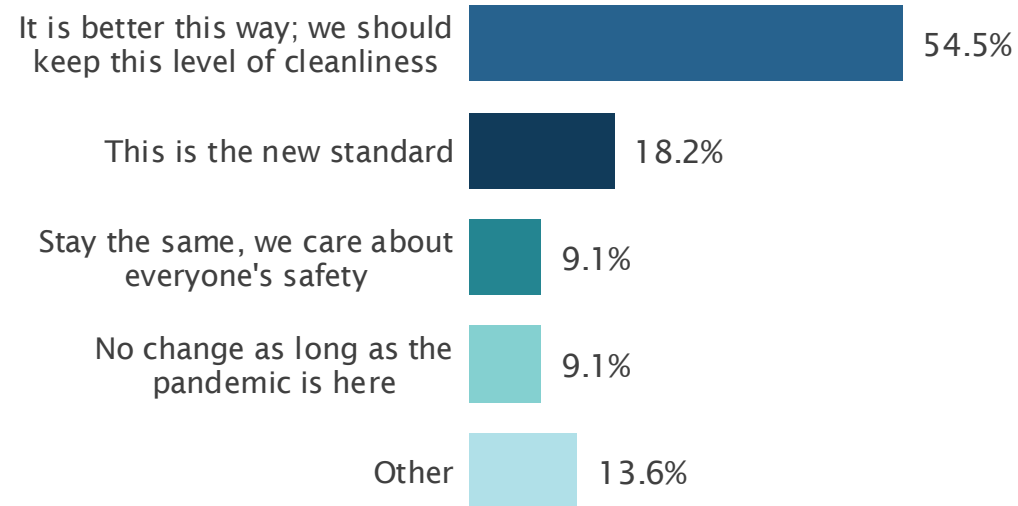
## EXPECTED TIME FRAME FOR CHANGES IN PLACE



Q: When do you expect foodservice cleaning spending will revert to the pre-COVID-19 levels?

Changed spending in 2020 or will change in 2021

## REASONS FOR NOT RETURNING TO PRE-COVID LEVELS OF SPENDING

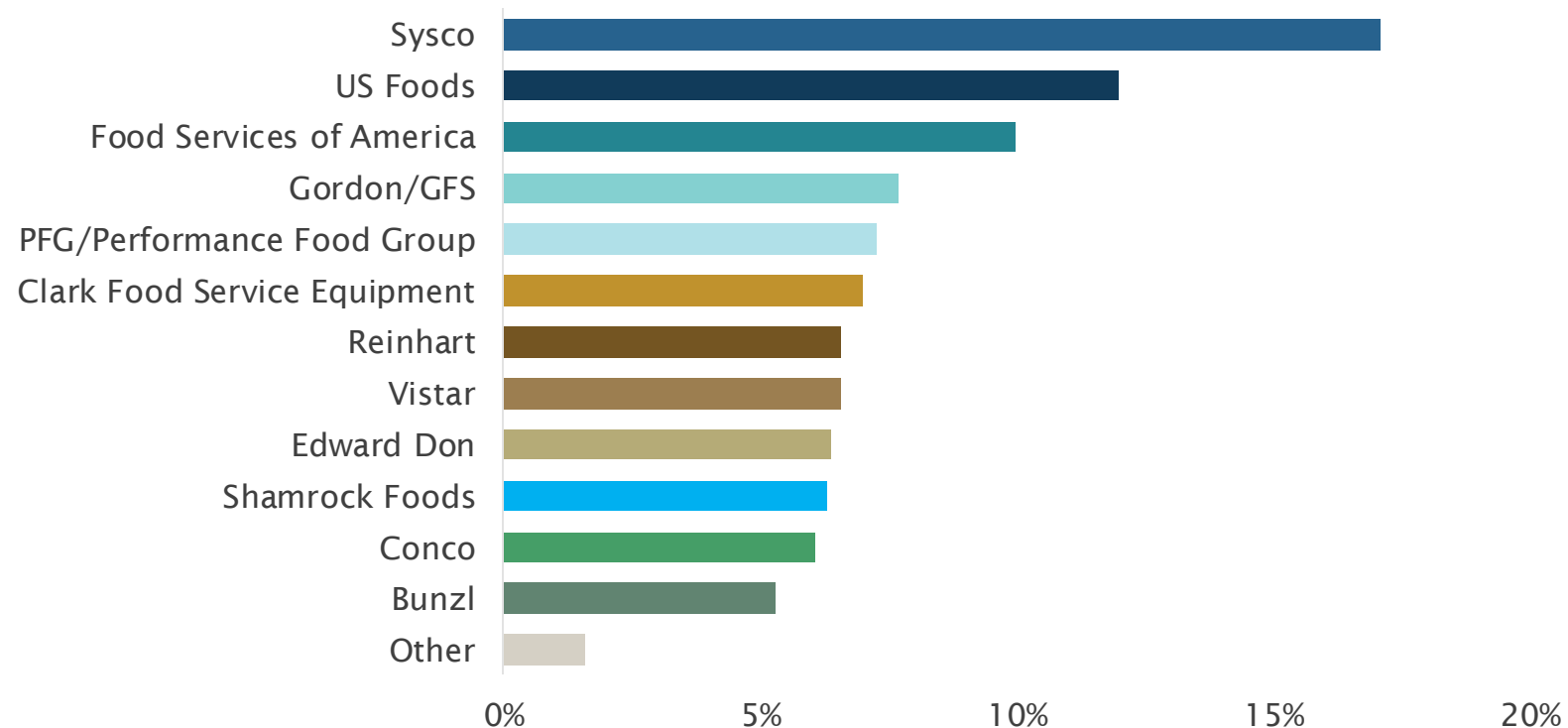


# ➤ Pandemic Has Accelerated Online Buying: 55% Purchase Online

## SHIFTING FROM DISTRIBUTOR WEBSITES TO AMAZON, 2021

| SHIFT | % OF TOTAL |
|-------|------------|
| No    | 86.0       |
| Yes   | 14.0       |

## AVERAGE PERCENTAGE OF FOODSERVICE PRODUCTS PURCHASED ONLINE FROM FOODSERVICE DISTRIBUTOR WEBSITES, 2021



Q: Are you shifting from distributor websites to Amazon?

Q: What percentage of your online purchases from foodservice distributors are from the following websites?

## ➤ What's next? Foodservice Cleaning Will See Healthy Growth.



The “New Normal”  
Consumption of  
Foodservice  
Cleaning Products

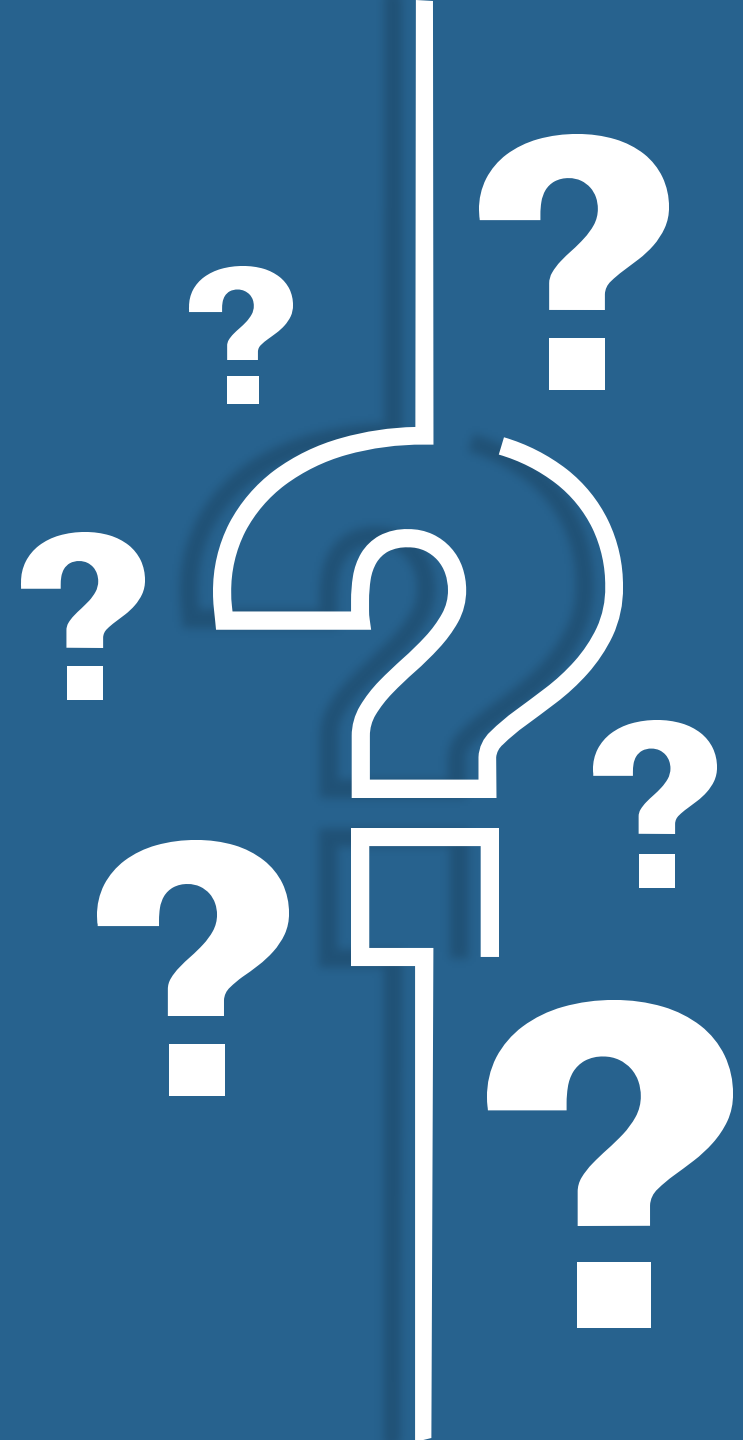
Demand for Hand  
Care to Continue,  
Although Stockpiles  
May Temporarily  
Flatten Growth

Large-Scale Surface  
Disinfection and  
Sanitizing Will  
Continue With the  
Delta Variant

Extended-Time  
Sanitizers and  
Disinfectants



Q&A



## ► Publication Schedule

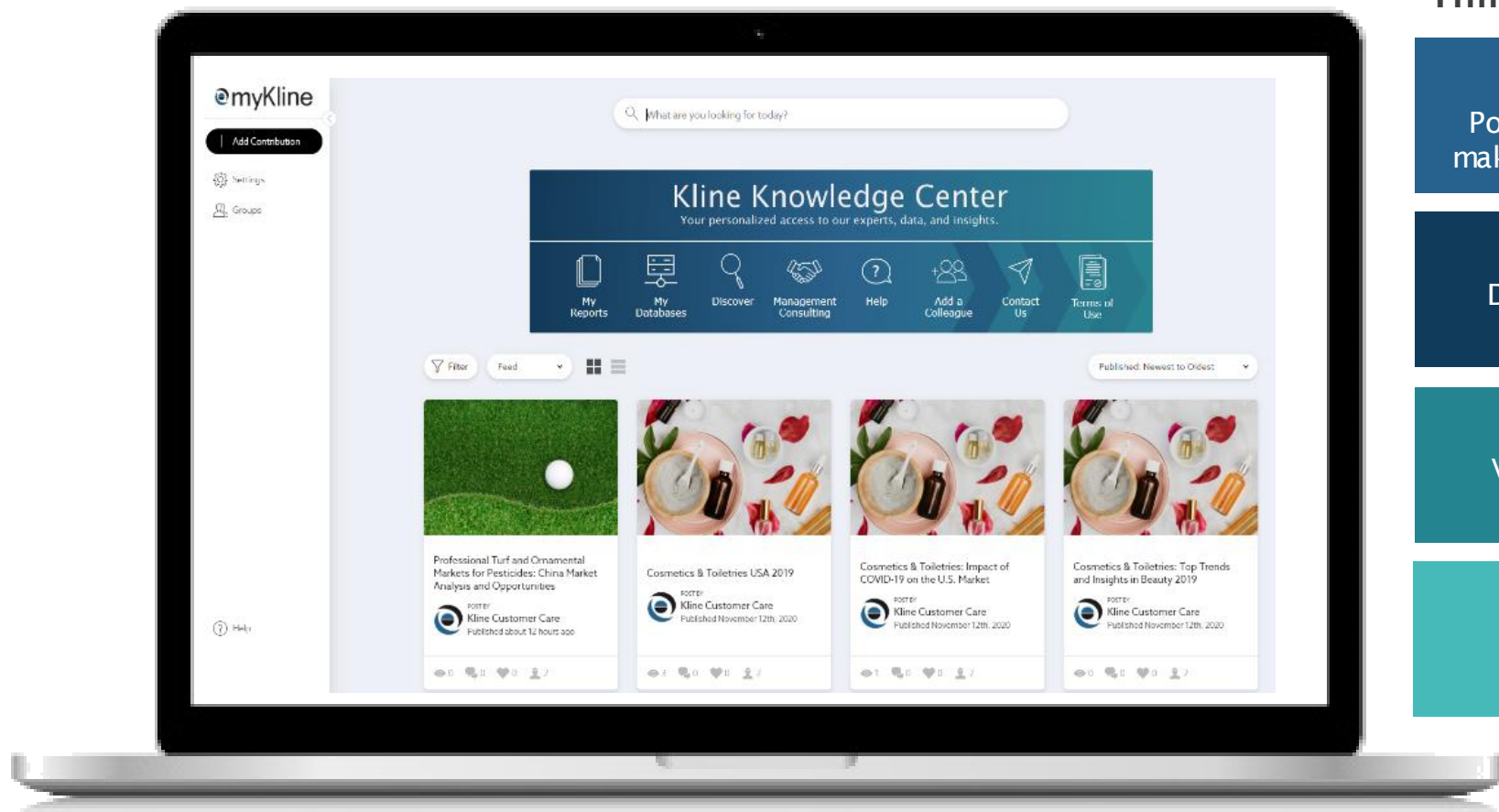
### Published Reports

|                         |                                                                                                                             |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Monthly Throughout 2021 | <a href="#"><u>KlinePULSE Industrial &amp; Institutional Cleaning Industry Trends: U.S. Annual Subscription Service</u></a> |
| June 2021               | <a href="#"><u>Foodservice Cleaning Products: U.S. Market Analysis and Opportunities</u></a>                                |
| August 2021             | <a href="#"><u>Sustainable Cleaning Trends: U.S. Market Brief</u></a>                                                       |

### Upcoming Reports

|                         |                                                                                                                             |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| Q4 2021                 | <a href="#"><u>Industrial and Institutional Cleaning Products: Germany Market Analysis and Opportunities</u></a>            |
| Monthly Throughout 2022 | <a href="#"><u>KlinePULSE Industrial &amp; Institutional Cleaning Industry Trends: U.S. Annual Subscription Service</u></a> |
| Q1 2022                 | <a href="#"><u>Industrial &amp; Institutional Cleaning Wipes: U.S. Market Analysis and Opportunities</u></a>                |

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