

Industry Insights

A roundup of noteworthy Canadian foodservice findings
for the week of March 11, 2024

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A&W's same-store sales streak stays alive

Same-store sales growth bounced back a bit in Q4 2023 for A&W, growing at just over 2% compared to the same period the year prior.

This marks the 11th consecutive quarter of positive same-store sales growth for the brand.

Full-year same-store sales have risen just 2.7%, a marked deceleration from the 7.4% mark throughout 2022.

Overall sales are up over 5% due to the 22 new stores in the Royalty Pool this year, as well as rising average check

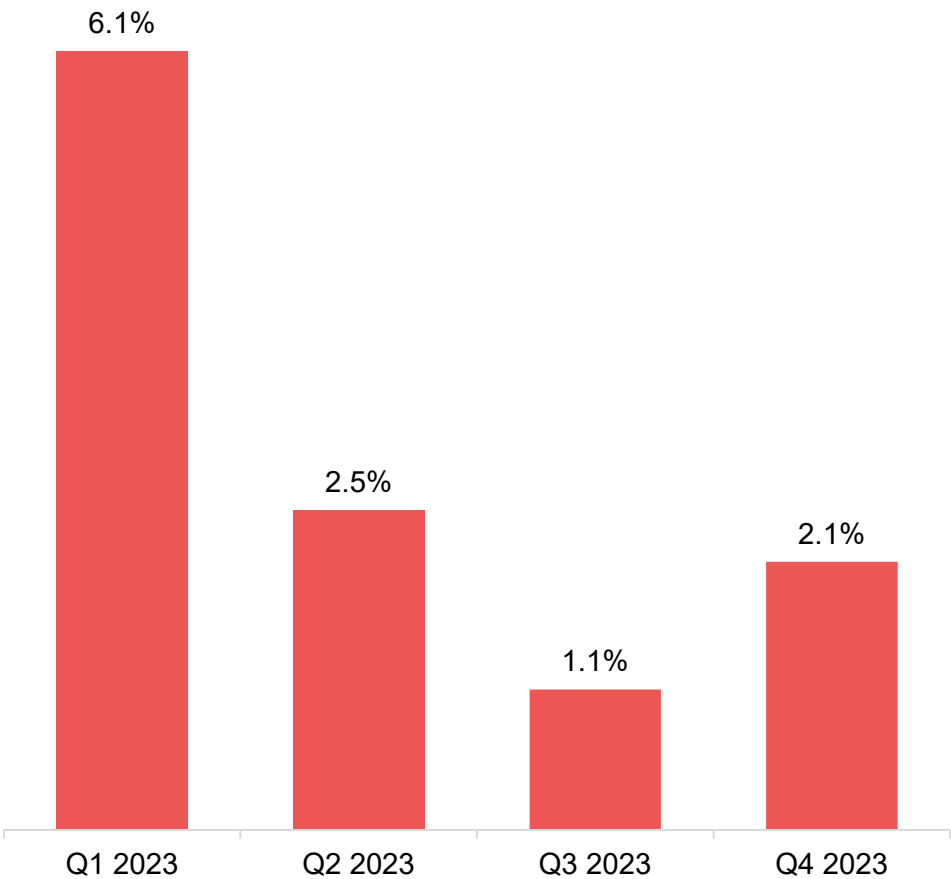
prices, affected by industrywide inflation.

As of January 2024, the Canadian consumer price index sits at 5.5% year-over-year growth for limited-service restaurants. This has decelerated from its peak of 9% in January the year prior.

[Ignite Company clients: Click here for more](#)

Source: Technomic Ignite Company

A&W CANADA
SAME-STORE SALES GROWTH



The state of Canadian menus

Technomic’s recently launched *State of the Canadian Menu 2024* report illuminates menu data and insights from Top 200 Canadian chain restaurants. Here are some key themes from menus in the last year.

Health Cues Evolve

Several of the fastest-growing healthy claims on menus were descriptors such as vegetarian, plant-based and natural. Meanwhile, more traditional health claims, including fat-free and sugar-free did not appear on these fastest-growing lists, indicating an overall shift in the perception and definition of health.

Menus Go Granular

Region-specific callouts are increasing across dayparts and segments. At LSR lunch/dinner, the Detroit-style

preparation is on the rise, as are Hawaiian flavours. At FSRs, some of the fastest-growing proteins highlight regionality as well, with New York strip and Atlantic salmon both increasing on menus.

Beverages Get a Boost

LSR nonalcohol beverages rose in incidence at both breakfast and lunch/dinner. Bubble tea topped the list of fastest-growers during both dayparts, indicating that global beverages are increasingly influencing menus. Meanwhile at FSRs, while adult beverages are on the rise, the fastest-growing nonalcohol beverages at lunch/dinner were restaurant originals/mocktails, with these operators striking a balance between adult and alcohol-free options.

TOTAL ITEM COUNT YOY GROWTH (Q4 2022-Q4 2023)

- LSR Breakfast **-1.9%**
- LSR Lunch/Dinner **+3.5%**
- FSR Breakfast **+3.5%**
- FSR Lunch/Dinner **+5.5%**



Ignite Menu clients: [Click here for more](#)

Source: Technomic Ignite Menu, Q4 2022-Q4 2023

‘Availability of healthy options’ as a restaurant driver

Technomic found that 66% of consumers say that the “availability of healthy options” is important or very important when selecting a restaurant for an occasion. Restaurant guests who tend to prioritize this attribute are matures (76%) and Gen Xers (69%). Additional consumer skews are present for female guests (69%) and those who have a household income over \$100,000 (68%).

The chart to the right represents the top-performing chains for “availability of

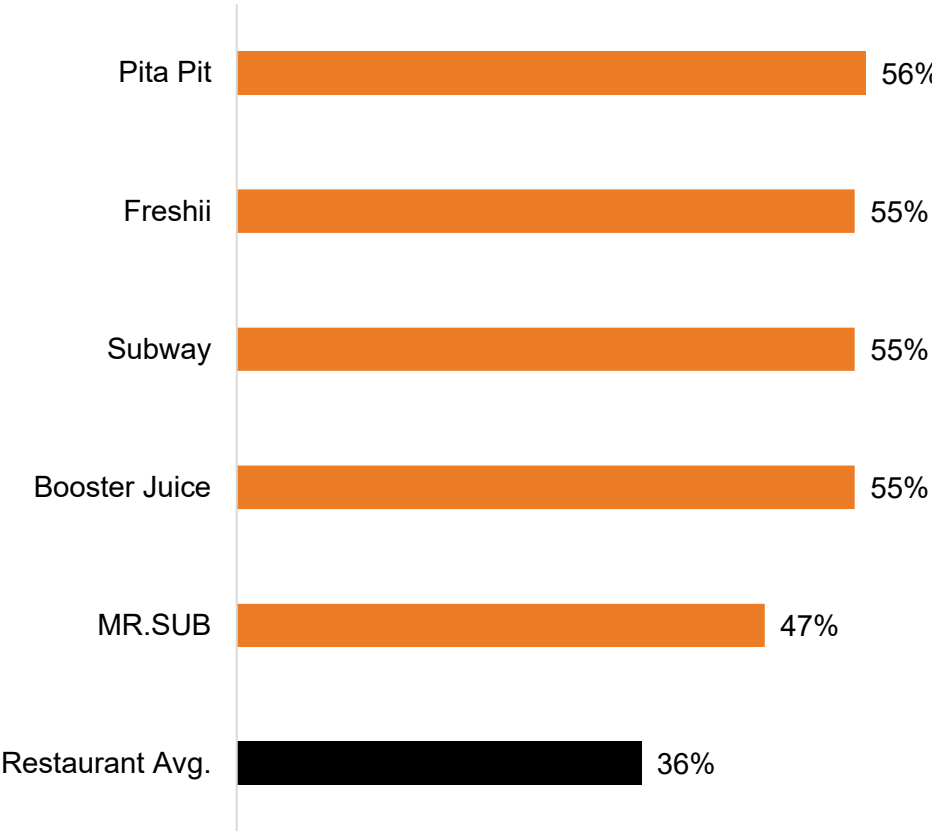
healthy options” as rated by recent guests. Interestingly, several of the chains that score highly for availability of healthy options offer handhelds—such as pitas, wraps, and sandwiches—that are made using fresh ingredients. Other items such as salads, smoothies and juices signal health cues among guests.

[Ignite Consumer clients: Click here for more](#)

Base: 400 recent guests per brand
Source: Technomic Ignite Consumer, Q1 2023-Q4 2023

WHICH CHAINS WIN AT AVAILABILITY OF HEALTHY OPTIONS?*

% STRONGLY AGREE



Where is Japanese food most popular? (Clue: It's not Japan)

For the last five years of Global Navigator consumer survey data, Japanese food has ranked in the top five cuisines worldwide for consumer interest. So, where is it the most popular?

With 68% of consumers ordering it at least occasionally, Indonesia takes the top spot worldwide, beating the Philippines and Japan (which ranks No. 3 globally!).

Southeast Asia consumers in general have special enthusiasm for Japanese food, with markets from this region

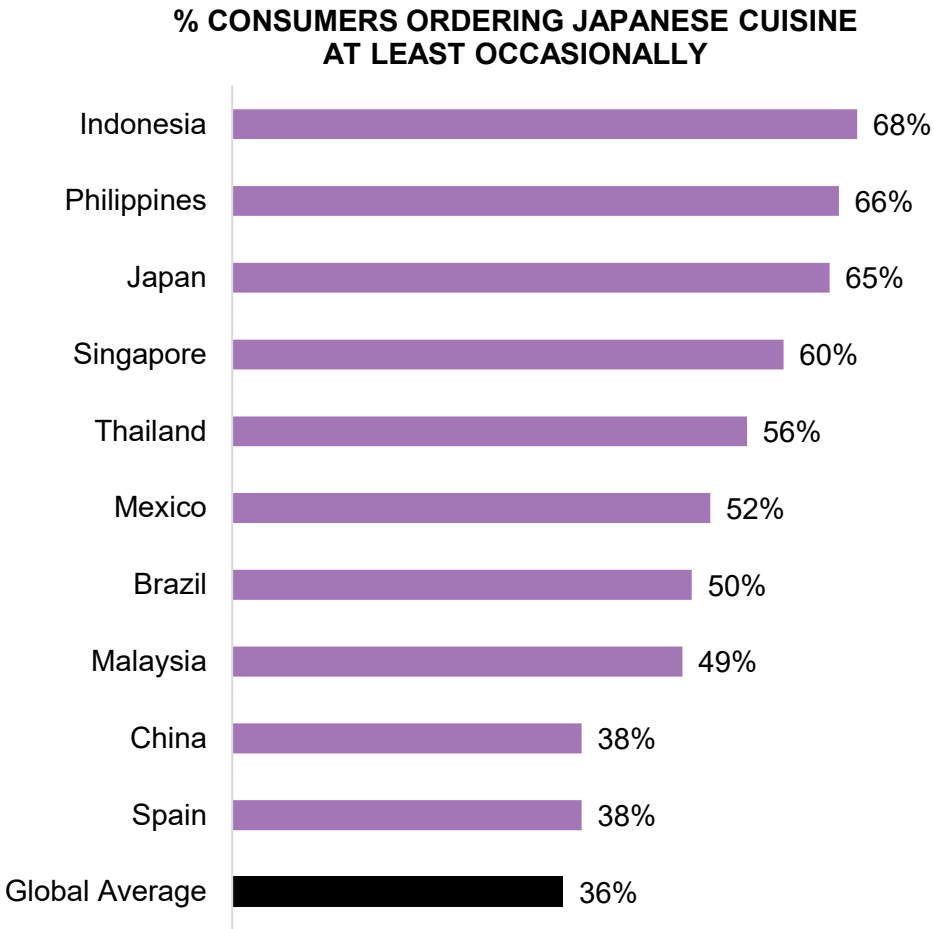
making up half of the top 10 list.

Latin America consumers show similarly high interest in it (37%), partly due to strong enthusiasm in Brazil, where a long tradition of Nikkei cuisine has become an important part of the national gastronomic heritage, as well as interest in Mexico.

Conversely, interest is notably low in markets like Germany, India and the U.K. (19%), as well as in the Middle East, where an average of just 10% of consumers order Japanese food at least occasionally.

[Global Navigator clients: Click here for more](#)

Source: Technomic Global Foodservice Navigator Program



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