

Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of March 25, 2024

Image Source: Shutterstock



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Explore demographics, preferences and behaviours to understand who is visiting chain brands, why they're going and how brands are performing with Ignite Consumer

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BY DAYPART

Where should I go for lunch?

BY SEGMENT

I need something fast!

BY OCCASION TYPE

Where's date night?

BY NEED STATE

I'm craving chocolate cake!

Ignite Company

Acquisitions push MTY past \$5B in sales

MTY Group, parent company of brands including Papa Murphy's and Cold Stone Creamery, reached a record high of \$5.6 billion in total sales in 2023, an increase of 33% compared to the prior year.

Acquisitions of U.S.-based brands Wetzel's Pretzels and BBQ Holdings in late 2022 pushed MTY's sales totals to record highs in 2023. Excluding acquisitions and foreign exchange, systems sales grew 4%, with the Canadian markets accounting for most of the organic growth.

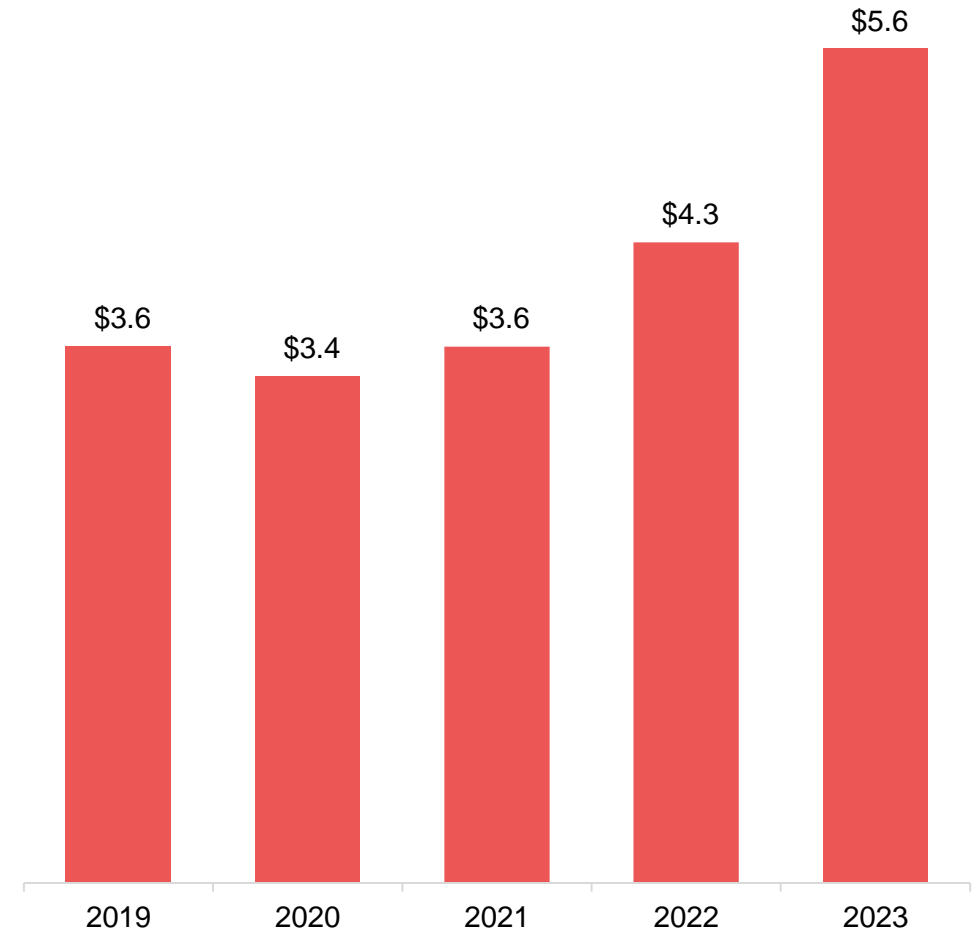
MTY accounted for 7,116 total restaurant locations at the end of 2023, an expansion of 5% compared to the year prior. Following 2022's acquisitions, 58% of MTY's footprint is in the U.S., with 35% in Canada and 7% in other international locations.

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Source: Technomic Ignite Company

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MTY GROUP: TOTAL SYSTEM SALES (\$B)



Ignite Menu

What's trending among new menu items?

Technomic's recently published *Core Menu Addition Trends* report delves into the details of new items added to Canadian menus in Q4 2023. The chart on the right breaks these new items down by mealpart, with adult beverages taking up the largest share. Full-service restaurants added the most new items in Q4, with 69% of the new items coming from FSRs.

Here are some of the trends that emerged from the past quarter's new menu items.

Appetizers

- Pickles
- Mustard-Infused Mayonnaise

Entrees

- Pork Pizzas
- Southwest Poutine

Desserts

- Burnt Caramel
- Smoked Cakes

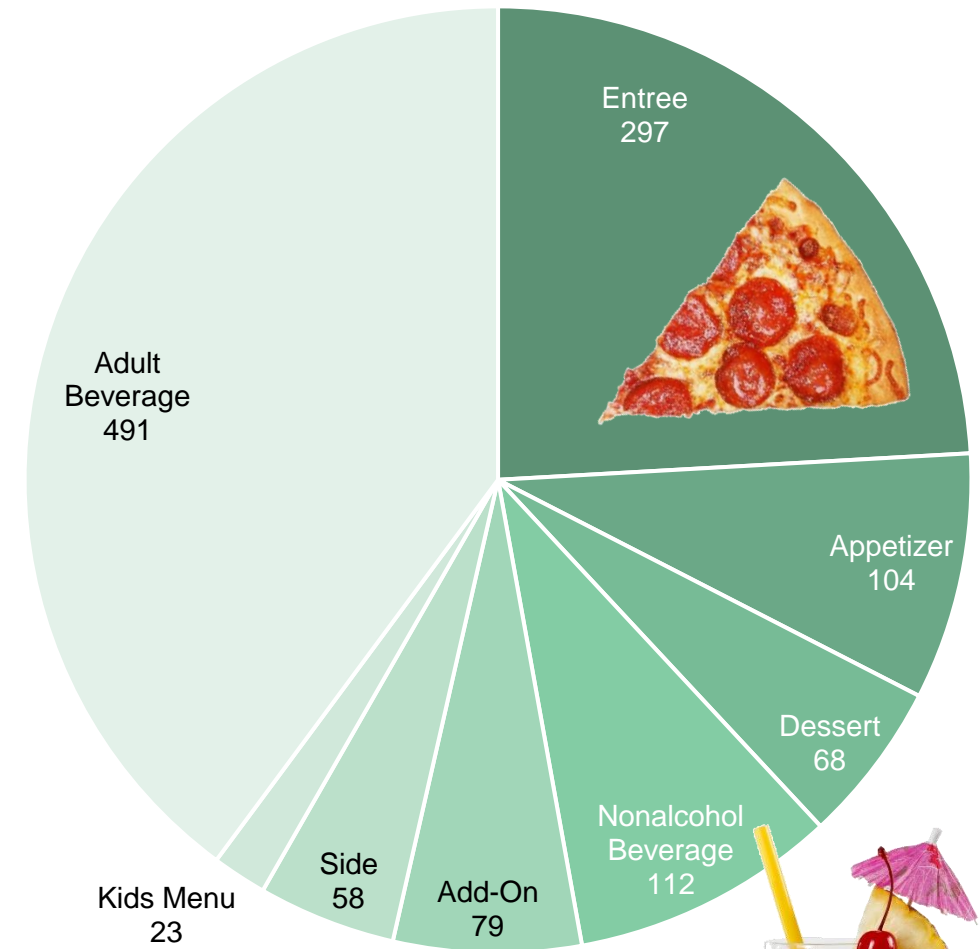
Nonalcohol Beverages

- Tropical Mocktails
- Buttery Lattes

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Source: Technomic Ignite Menu, Q4 2023
Image Source: Shutterstock

NEW ITEMS BY MEALPART



Ignite Consumer

Are LSRs stealing share from CDRs?

During previous periods of economic uncertainty, conventional wisdom held that consumers would trade down when it came to segments. In essence, diners would forego an occasion at a casual-dining operator and instead choose fast casual or a segment that typically costs less—opting for lower-priced restaurants to maintain overall frequency. For example, if a consumer dined out for lunch five days a week, an uneven economy would encourage them to choose cheaper fare to stretch their dollar while maintaining routine behaviors.

Restaurant traffic has been a highly publicized issue in recent periods, but

this is the result of consumers dialing back on their overall usage. Inflation is likely the largest drag on restaurant traffic, and we may be tempted to think that struggling operators are falling victim to the traditional trade down.

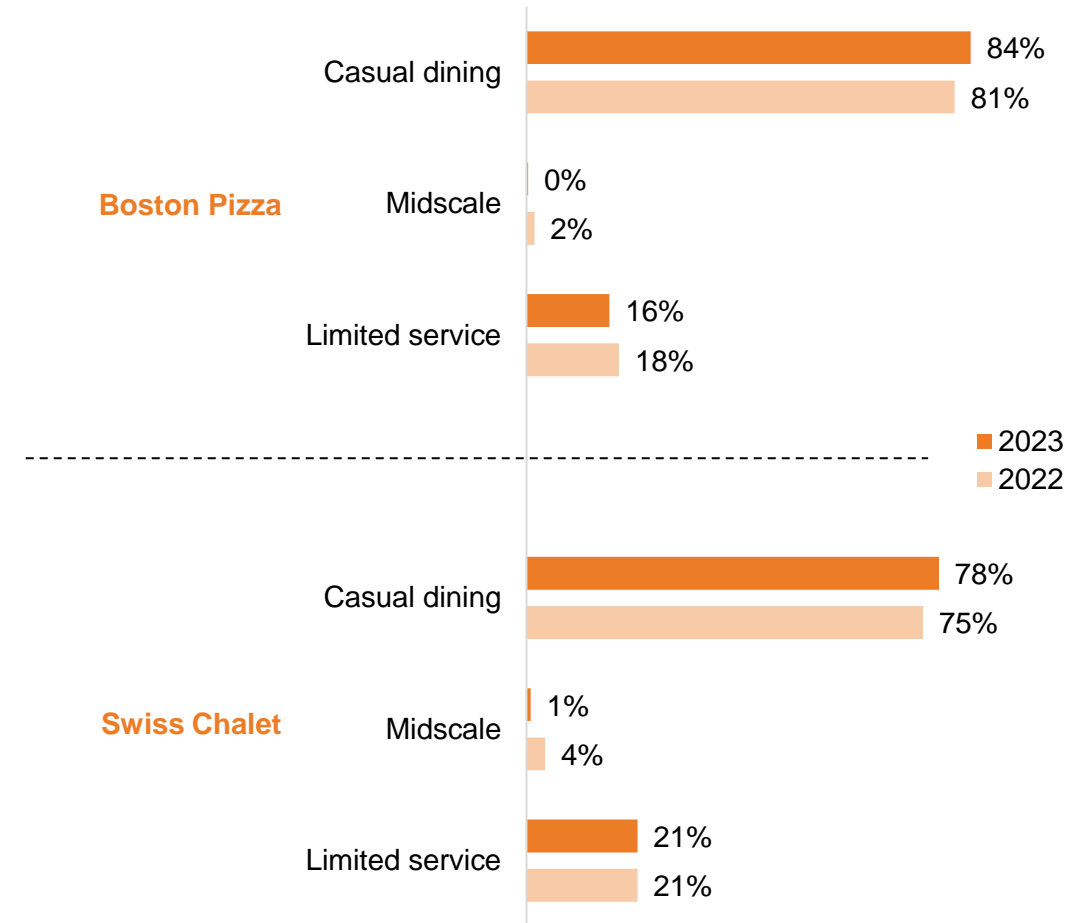
Yet a closer look at lost traffic numbers at two major casual-dining chains shows no real changes in segments who ultimately won the order. Yearly comparisons show no change in the number of diners who considered these brands yet ended up at a limited-service chain, indicating a lack of trading for less-expensive options.

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

Base: Varies; Approx. 400 consumers per brand for each calendar year shown
Source: Technomic Ignite Consumer

LOST TRAFFIC: % CONSUMERS WHO CONSIDERED BOSTON PIZZA OR SWISS CHALET DURING A RECENT OCCASION BUT ORDERED FROM/VISITED A DIFFERENT CHAIN

RESULTS SHOWN BY OPERATOR SEGMENT ORDERED FROM/VISITED



Global Foodservice Navigator

Global pasta popularity

As part of the upcoming *Global Pasta Category Report*, Technomic asked consumers in 25 countries around the world about their preferences. Below are a few highlights:

Spaghetti is, perhaps unsurprisingly, the most popular Italian-style noodle around the world, with 71% of consumers considering it at foodservice. Respondents in Southeast Asia, including a whopping 87% of those in the Philippines, showed a particularly enthusiasm for it.

Latin American consumers, bolstered in no small part by consistently high responses in Argentina and Colombia, on average rated as the most or

second-most interested region for nearly every surveyed type of pasta.

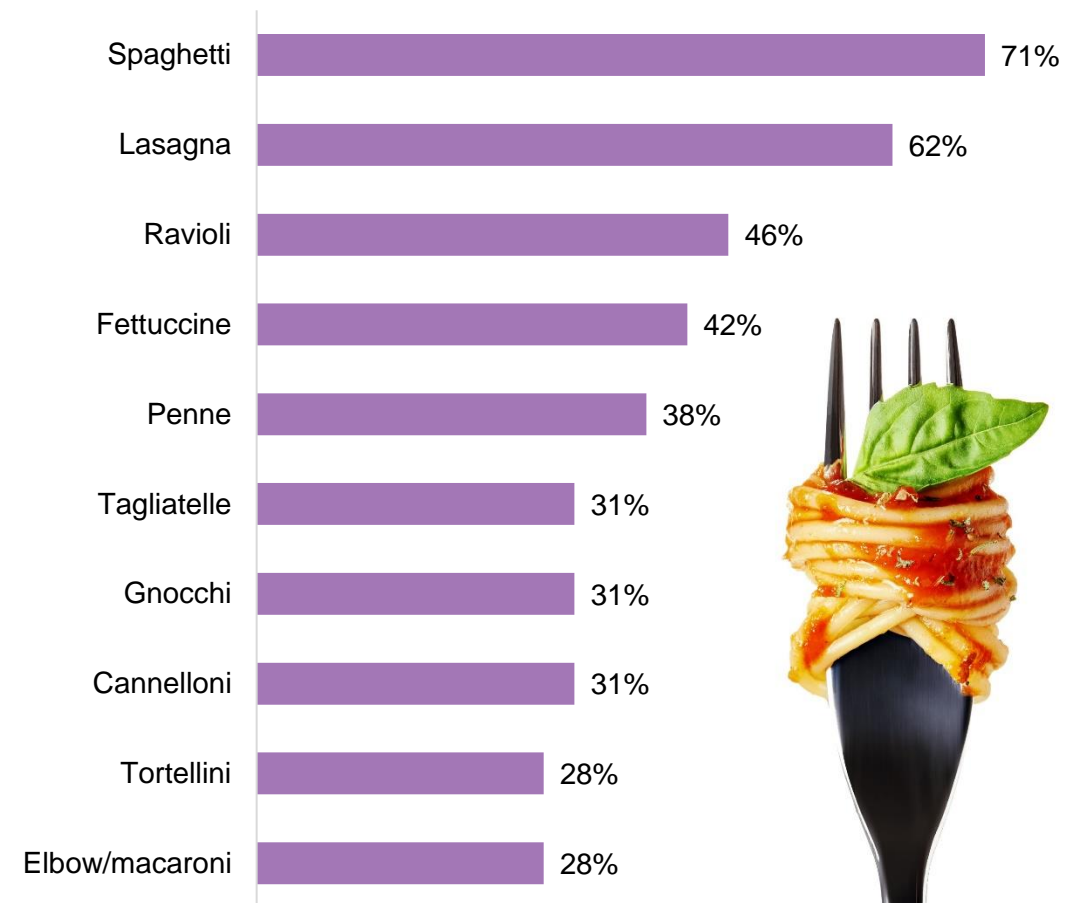
While some might not consider gnocchi a type of pasta, enough consumers would nonetheless consider ordering the potato-based dumpling for it to land in a three-way tie for sixth place.

Consumers showed little interest in orzo, with only India, the U.K. and North America respondents registering even a double-digit level of enthusiasm for it.

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Source: Technomic Global Foodservice Navigator Program
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% GLOBAL CONSUMERS WHO WOULD CONSIDER ORDERING PASTA BY TYPE



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Have questions?

Reach out to us today.

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