

Industry Insights

A roundup of noteworthy Canadian foodservice findings
for the week of March 27, 2023

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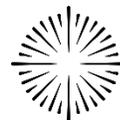




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Increase in traffic boosts sales for Pizza Pizza

In 2022, Pizza Pizza surpassed total system sales numbers from the pre-pandemic era of 2019. Total sales hit over \$490 million in 2022—nearly 18% higher than its 2019 volume.

Same-store sales grew nearly 18% for the year, capped off by 15% growth in Q4 2022.

The brand attributed its increase in same-store sales to the growth of the average customer check—with the brand successfully passing along increases in labour and supply chain costs, as well as a significant increase

in restaurant visits compared to the prior year.

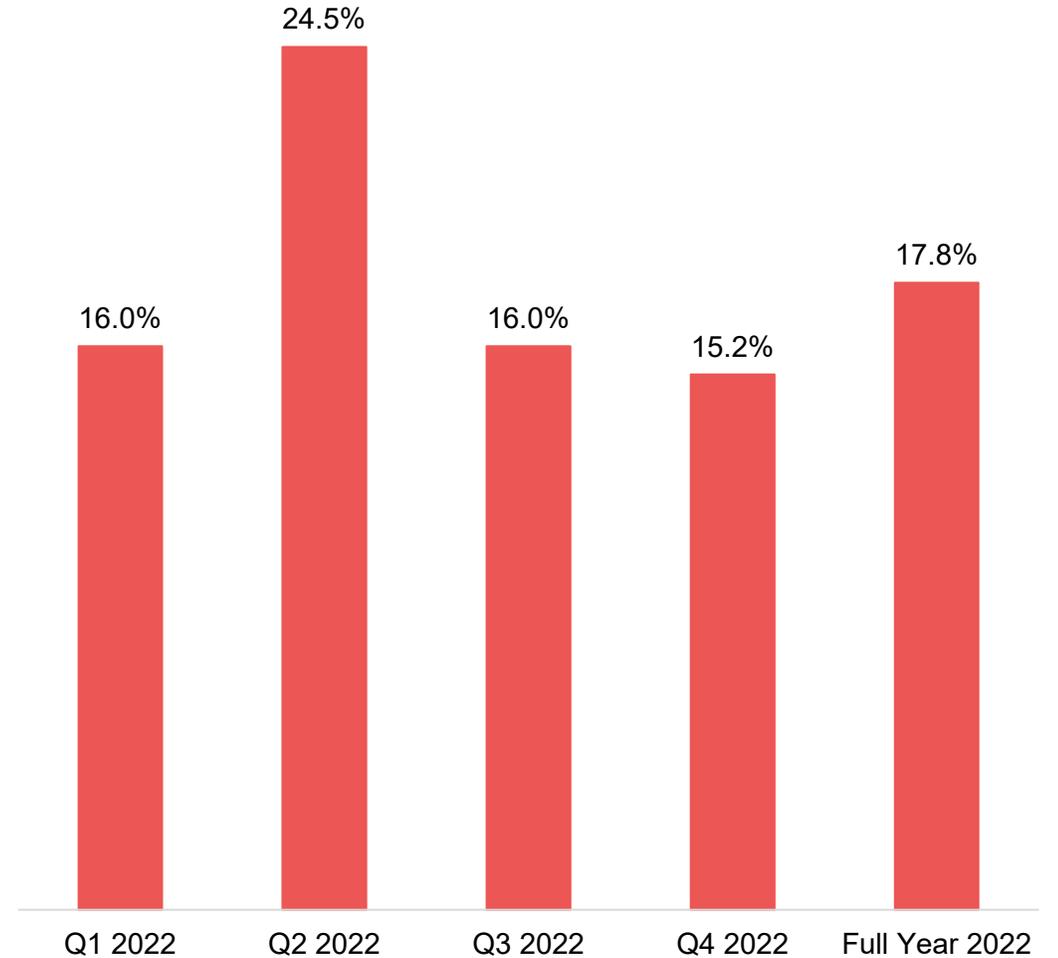
Pizza Pizza added two new locations in 2022, reaching 727 total locations. In 2019, the brand had 772 total locations in Canada.

Pizza 73, a brand under the same parent company, saw continued struggles in 2022, only increasing same-store sales by 1% for the year.

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Source: Technomic Ignite Company

PIZZA PIZZA SAME-STORE SALES
YEAR-OVER-YEAR CHANGE



IGNITE MENU

The state of Canadian menus

Technomic's recently launched *State of the Canadian Menu 2023* report illuminates menu data and insights from Top 200 Canadian chain restaurants. Here are some key themes from menus in the last year.

Value Remains Important

Several value meals are appearing as part of the fastest-growing dish list at both limited- and full-service restaurants. As inflation increased in 2022, operators turned to value meals to draw in price-minded consumers.

Breakfast Gets a Boost

LSR breakfast items rose 9.4% over the past year, with notable increases in kids menus, entrees, add-ons and

appetizers. Grab-and-go options, such as bacon or sausage breakfast sandwiches, are appearing frequently on these menus, but value-driven breakfast value meals and drink toppings—an add-on option—nab the top-two spots for fastest-growing LSR breakfast dishes.

Comforting Classics

Among the fastest-growing dishes across dayparts and segments, a large majority are more common comfort foods, including pancakes entrees, chicken bowls and protein add-ons. This suggests that operators may be turning back to the basics, relying on what consumers know and love.

TOTAL ITEM COUNT YOY GROWTH (Q4 2021-Q4 2022)



LSR Breakfast **+9.4%**

LSR Lunch/Dinner **+2.5%**



FSR Breakfast **-0.6%**

FSR Lunch/Dinner **+0.9%**

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Source: Technomic Ignite Menu
Image Source: Shutterstock

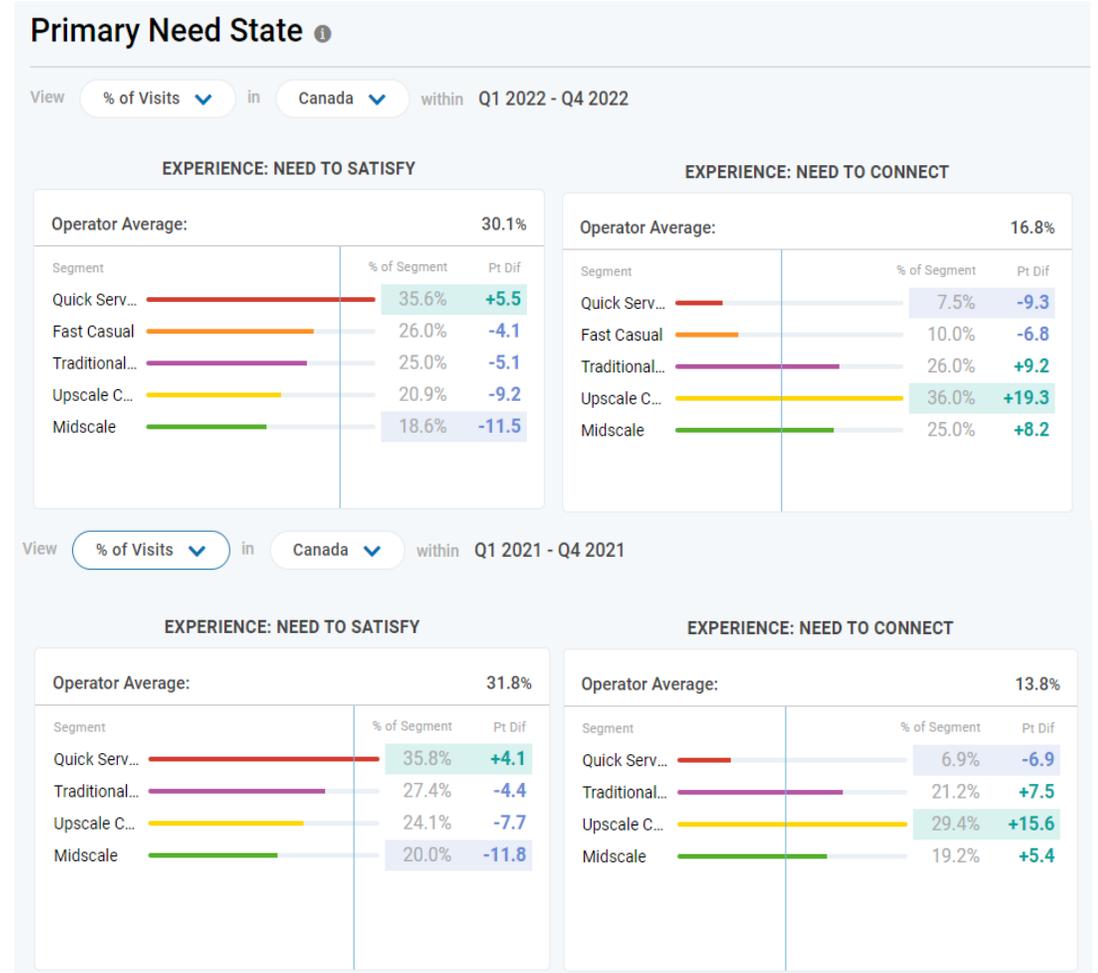
What drives the restaurant occasion?

Over the past year, consumers have continued to get back inside restaurants—both for ordering and dining. With a greater percentage of consumers both placing orders and dining inside the unit, off-premise channels have eased as a percentage of all recent occasions. As such, Technomic data reveals that the primary need states, or reasons for ultimately visiting a restaurant, have also shifted for restaurant guests.

The tables to the right show a year-over-year comparison for two primary need states: “need to satisfy” and “need to connect.” The percentage of recent

guests who say their primary reason for visiting a chain restaurant for a specific occasion was “to satisfy a craving” has declined by nearly 2 percentage points compared to the prior year. Meanwhile, the percentage of recent guests who say their primary reason for visiting a chain was the “need to connect with others” has increased by 3 percentage points.

This data—highlighted in Technomic’s segment occasion dashboard within Ignite Consumer—helps to identify broader consumer trends and changes in restaurant guest behaviour.



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Base: 24,000 consumers ages 18+ per year shown
Source: Technomic Ignite Consumer

Global pizza insights



Pizza preparations, toppings, crusts, sauces and builds all play a key role in determining where consumers order the iconic entree—and how often.

Technomic recently polled consumers across 25 countries to gain insight into their pizza preferences as part of the upcoming *Pizza Global Menu Category Report*. Below are a few fascinating findings.

Globally, 17% of consumers would consider ordering pizza with a nacho cheese sauce base, including 33% of consumers in both Malaysia and the Philippines.

An average of 14% of global consumers would order sweet or dessert pizza builds—a percentage far exceeded in a handful of markets with a much stronger preference for them, including Brazil (36%) and India (32%).

At more than double the global average of 12%, India is the most popular market for pizzas with potato-filled crust edges.

Tomato and marinara-based sauces are the most popular bases worldwide, with a 39% consumer preference on average. In a few markets, however, the flavor is significantly less popular—including in France and South Korea,

where only 23% of consumers in each country report a preference for it.

Globally, 18% of pizza patrons would order a Philly cheesesteak-inspired pizza, with 44% of consumers in China preferring it.

Although only 10% of global consumers prefer a Nashville hot sauce base, this percentage is almost tripled in Indonesia, where 29% would consider ordering it.

In South Africa, 51% of consumers would consider avocado as a pizza topping—a proportion that far outpaces the global average of 16%.

Finally, 17% of global consumers would order a pizza with potatoes as a topping, including 35% in France.

Technomic's upcoming [Pizza Global Menu Category Report](#) is the only source of insights for pizza opportunities across 25 global markets using data-driven analysis into market sizing, consumer usage and preferences along with leading operators, product innovation, seasonal influence and menu trends.



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Source: Technomic Global Foodservice Navigator Program
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We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 countries around the world.

Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

Have questions?

Reach out to us today.

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