Technomic®

Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of May 16, 2022

Acquisitions Fuel MTY's Growth

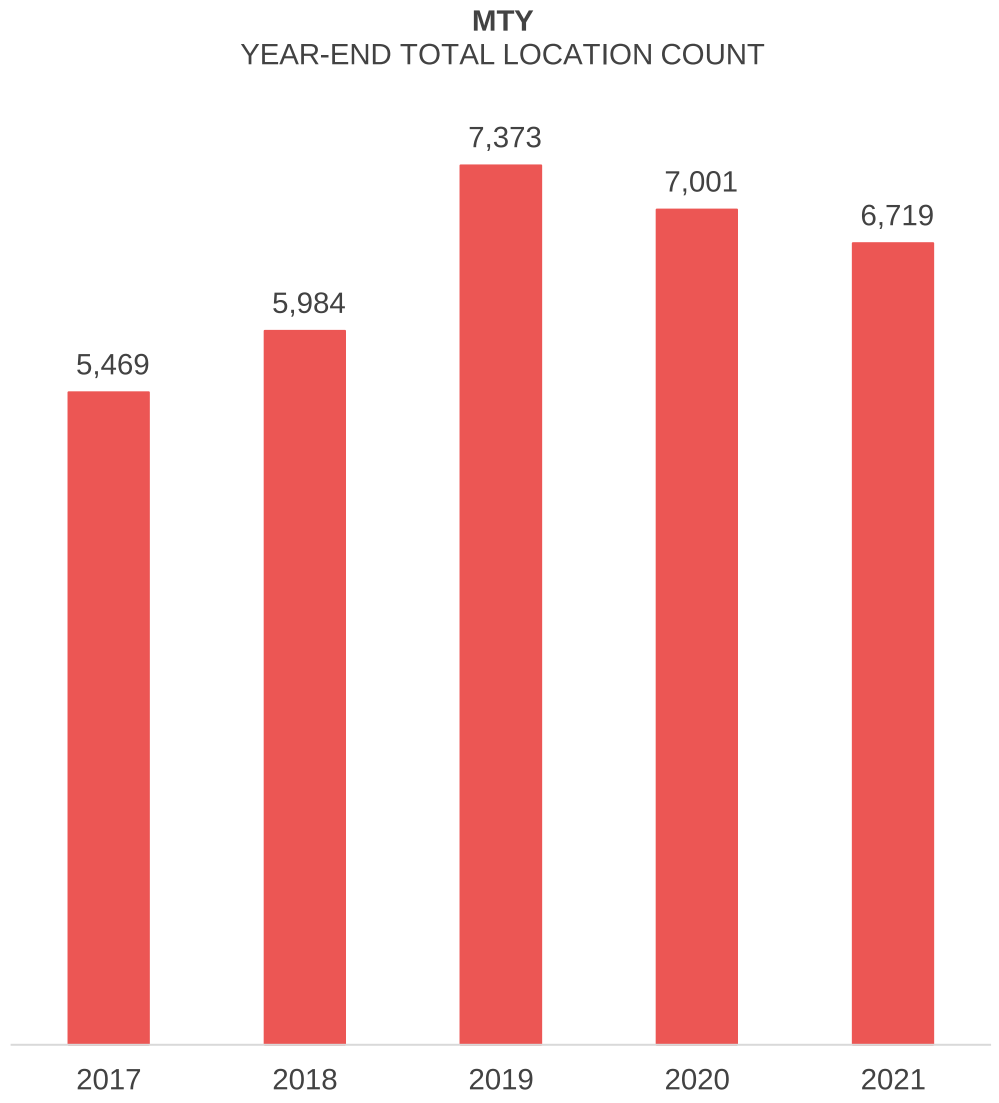
Though its total location count has ebbed and flowed in recent years, MTY remains one of the largest multiconcept operators in Canada.

Currently, MTY operates 2,624 locations in Canada, just under 40% of its total locations. Another 3,619 are in the United States, while 461 remain in other international markets.

The operator has been on an acquisition streak since 2019 when the company bought Papa Murphy's, a limited-service pizza chain. In the past three years, MTY has purchased eight new brands, including Kuto Comptoir a Tartares, a 31-unit tartare chain, in the first quarter of 2022.

In 2021, the group closed a net of 282 units across its system with 129 of those closures happening in the fourth quarter. The first quarter of 2022 saw only 15 net closures, suggesting that the rate is slowing.

Sources: Technomic Ignite Company



Fastest-Growing Adult Beverages

Better-for-you beverages, premium pours and value-driven drinks are all appearing on Canadian adult beverage menus, with these offerings evolving alongside consumer wants and needs.

Spritzer tops the list of fastest-growing adult beverages. This is generally a lower-alcohol cocktail option as they are made with wine and liqueur as opposed to a spirit, which indicates a growing trend of lower-alcohol options appealing to consumers.

Hard sparkling water/soda has also grown on menus, reflecting the rapidly evolving ready-to-drink category, even in the on-premise space. With lower sugar and carbs, these seltzers are often lighter choices than other canned offerings, indicating that operators are increasingly looking to offering more healthful adult beverages.

Whiskey/bourbon straight is showing growth on menus, and many of these offerings are small batch or special reserve, reflecting the rise of more premium adult beverage options. Another premium selection growing on menus is craft beer, with consumers gravitating toward the more unique flavours and variations these craft beers can offer.

Value and function is also still an important factor, with adult coffee drinks increasingly appearing on menus, giving guests a boost of caffeine with their adult beverage, providing more bang for their buck.

Source: Technomic Ignite Menu, Q1 2021-Q1 2022

FASTEST-GROWING ADULT BEVERAGES

Hard Sparkling Water/Soda **+71%**
Adult Coffee Drinks **+20%**
Whiskey/Bourbon Straight **+10%**
Craft Beer **+5%**

SPRITZER +107%

Image Source: Shutterstock

Positive Shifts in Restaurant Frequency by Income

Inflationary pressures over the past year and a half have impacted how often consumers are visiting or ordering food from restaurants. But are all consumer groups impacted the same?

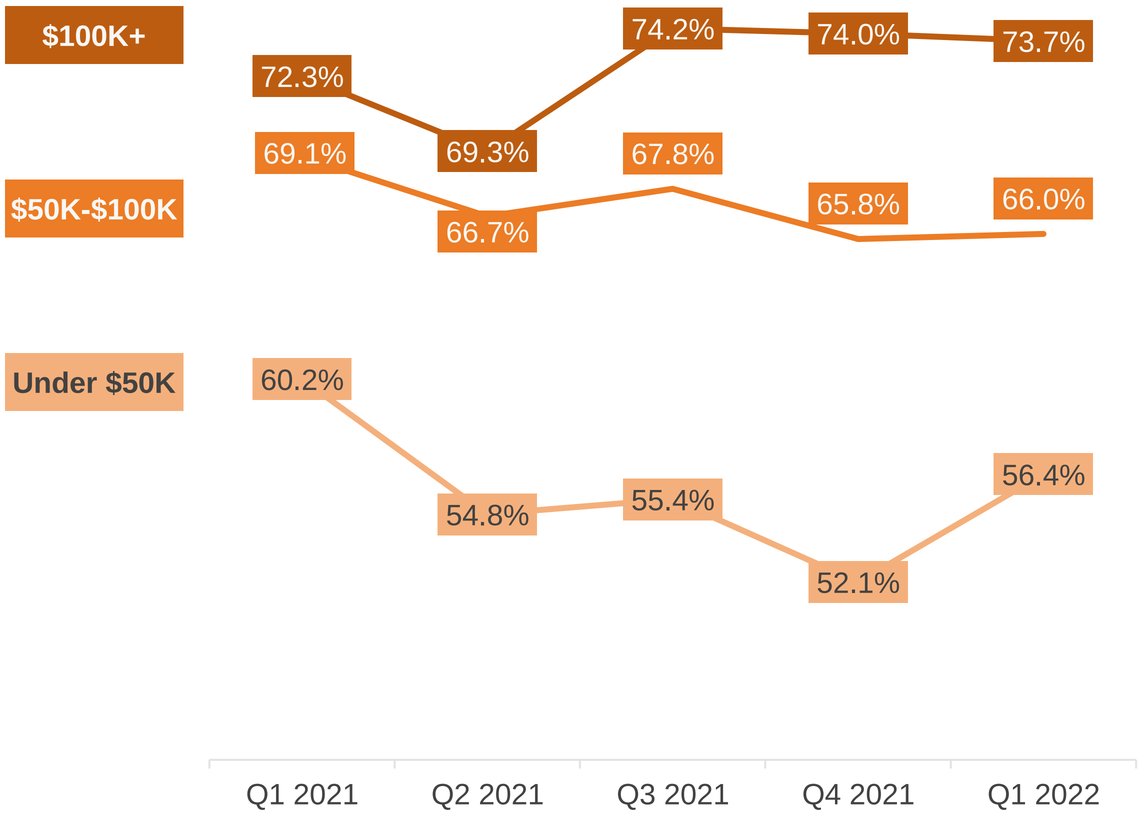
A look at overall restaurant usage by annual household income reveals that rising prices—at the grocery store, at the pump and at restaurants—have impacted households differently.

For those with household incomes below $50,000, we see that they pulled back the most in Q2 2021 and have yet to regain usage to what it was just one year ago (-3.8 pp). This lower-income group reduced restaurant trips the most, while the highest income group, those with household incomes over $100,000, shows restaurant frequency that exceeds what it was one year ago (+1.4 pp) despite a reduction in frequency in Q2 2021 as well.

The middle-income group, those with household incomes between $50,000 and $100,000, also have struggled to regain their overall restaurant usage. This group's frequency declined by 2.3 percentage points in Q2 2021 and is still down by 3 percentage points compared to one year ago.

Base: Approx. 6,000 consumers ages 18+ per period
Source: Technomic Ignite Consumer

% USING RESTAURANTS MORE THAN ONCE PER WEEK BY ANNUAL HOUSEHOLD INCOME



How to Build a Better Beverage

Consumers today want a lot from their beverages. More than just a refreshment, morning pick-me-up or afternoon indulgence, they seek out attributes such as functionality, healthfulness, gut-friendliness and clean label when making purchasing decisions.

We recently surveyed consumers across 25 countries to understand which attributes are most important to them when choosing a drink from a foodservice venue.

Here's some of what we uncovered:

Globally, 33% of consumers say they like their coffee and tea brewed fresh, with importance that varies pretty widely, rising to 45% in Malaysia and falling to 15% in France.

For reduced sugar drinks, 29% prefer it, with Thailand overindexing the global average at 49%, and both Japan and South Korea underindexing the most at 15%.

Reduced fat and calories are also important for drinks from a global perspective, but much less so than sugar, coming in at 18% and 17% on average globally, respectively.

Globally, 17% of consumers want a drink that boosts stamina or energy. That attribute is most important in the Philippines (38%) but equally less important in Canada and the U.K. (5%).

When it comes to clean label, 23% of consumers around the world like a drink free of artificial ingredients. That grows to 43% in Indonesia and 33% in China but drops to 14% in Spain and 15% in Argentina.

Learn how to build better beverages across global markets using data-driven insights into global beverage preferences along with product innovation, seasonality influence and menu trends with Technomic's *Global Beverage Menu Category Report*.

Q: Which of the following attributes do you look for when purchasing beverages at restaurants or other dining locations? Select all that apply.
Source: Technomic Global Foodservice Navigator Program
Image Source: Shutterstock

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Technomic

Since 1966, we have produced in-depth research focused on the foodservice industry.

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 about this report?
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