Industry Insights

A roundup of noteworthy Canadian foodservice findings
for the week of June 26, 2023

Image Source: Shutterstock




Technomic®

Technomic®

Cultivate your Canadian menu strategy from ideation to launch

Explore ongoing flavour and ingredient trends, track limited-time offers and uncover menu gap opportunities with Ignite Menu

Learn more

IGNITE COMPANY

Full-service chains fall short of a full recovery

After sales plummeted by nearly 40% in 2020, the full-service segment has struggled to complete its rebound to pre-pandemic sales levels. While full-service chains managed to recapture over $2.3 billion in volume during 2022, the segment fell short of hitting its 2019 sales benchmark of $9.7 billion.

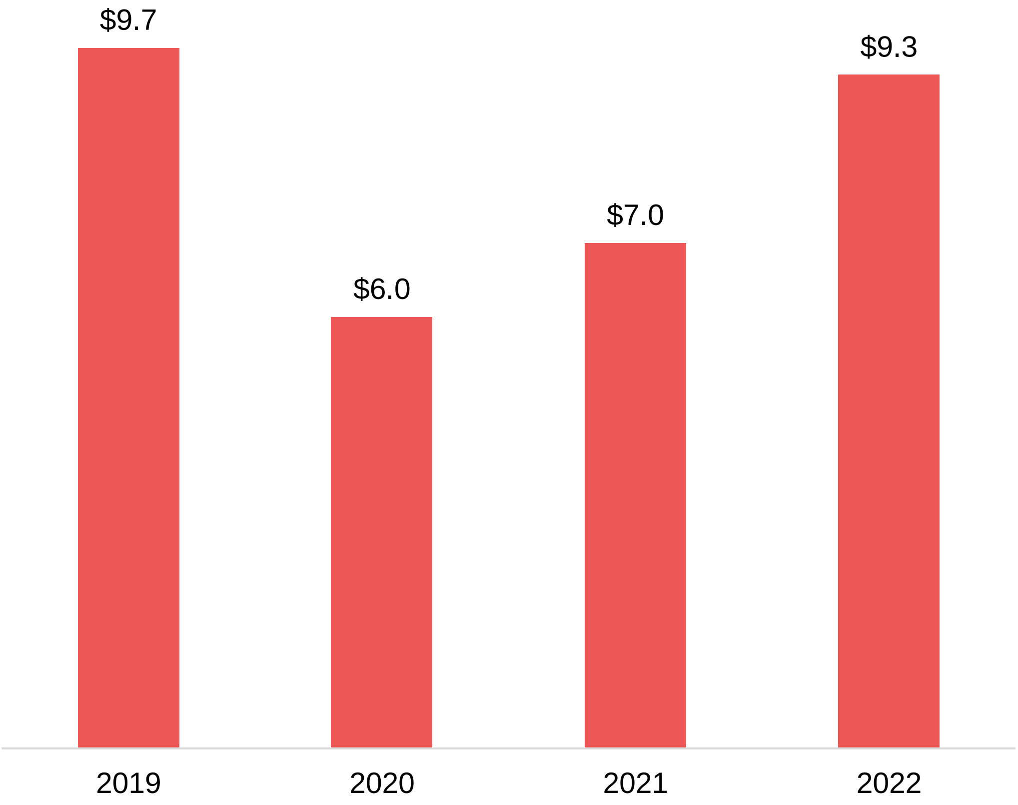
A shrinking number of restaurants has also hindered the sales performance of full-service chains, as the segment's location footprint has contracted each of the last three years. Approximately half of the 95 full-service chains included in Technomic's Top 200 Canadian chain ranking have closed one location or more since 2019.

Unmatched insights and analysis of the industry's largest chain players can be accessed in Technomic's recently released *2023 Top 200 Chain Restaurant Report.*

Ignite Company clients: Click here for more

Source: Technomic Ignite Company

TOP 200 CANADIAN CHAINS
FULL-SERVICE SEGMENT SALES ($B)



IGNITE MENU

Q1 2023 menu pricing takeaways

Within the Q1 Ignite Menu data, there are some pricing trends that stand out. Here are some key year-over-year takeaways from the most recent quarter.

Overall prices are on the rise

Every mealpart saw price increases over the past year, with overall prices rising 5.8%.

Extras can boost checks

Desserts (+10.7%) and nonalcohol beverages (+10.0%) saw the greatest year-over-year price increases—two mealparts that can be added to a meal to boost overall checks.

Proteins hit by increasing prices

Inflation is especially impacting meat-centric entrees—In addition to burgers, beef dishes (+9.8% year-over-year average price) and chicken dishes (+8.2%) have upped average prices.

Ignite Menu clients: Click here for more

Base: 311 operators among Top 200 and emerging chains
Source: Technomic Ignite Menu data, Q1 2022-Q1 2023

YEAR-OVER-YEAR AVERAGE PRICE CHANGE BY MEALPART

Mealpart	Average Price	YOY Average Price Change
Dessert	$7.27	+10.7%
Nonalcohol Beverage	$4.14	+10.0%
Add-On	$3.24	+8.6%
Kids Menu	$7.38	+8.4%
Senior Menu	$13.02	+7.7%
Appetizer	$11.73	+7.2%
Entree	$17.53	+6.0%
Side	$5.16	+5.9%
Total	**$11.36**	**+5.8%**

Casual-dining brands lead for cold beverage variety

When Canadian restaurant guests were asked to rate the variety of nonalcohol cold beverages at a recently visited restaurant brand, the top four-ranked brands that scored the highest for this attribute all fall in the casual-dining segment.

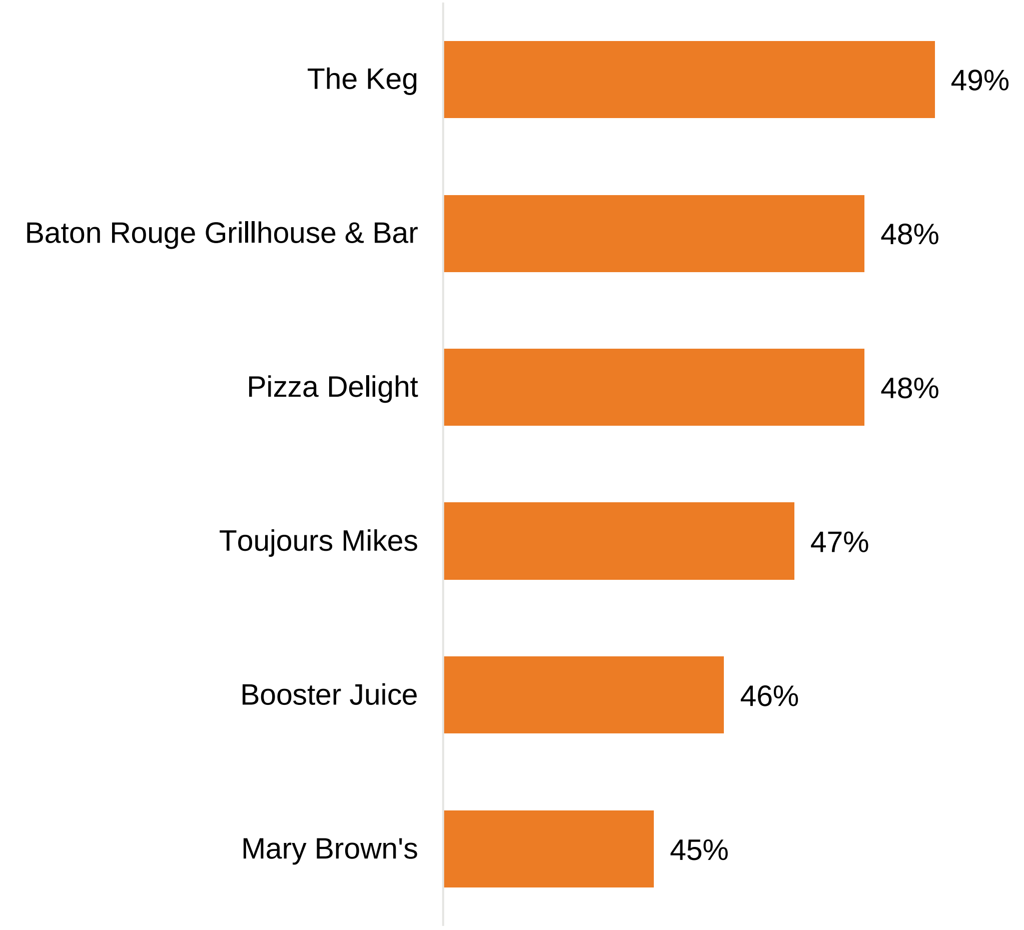
The leading two brands—The Keg and Baton Rouge—are upscale casual-dining chains, while Pizza Delight and Toujours Mikes are more traditional casual-dining options. The Keg offers an agua fresca as a nonalcohol option for adults, as well as fruit smoothies sweetened with ice cream for kids.

The remaining two brands in the top-ranked list—Booster Juice and Mary Brown's—are quick-service options. Booster Juice offers an array of juices and smoothies, including limited-time items such as the currently menued Mango Hurricane Smoothie with mango, strawberry, guava, passion fruit and yogurt, and Mango Teazer Booster Blend with green tea, mango and pineapple.

Ignite Consumer clients: Click here for more

Base: 19,728 respondents ages 18+; Varies by brand
Source: Technomic Ignite Consumer, Q2 2022-Q1 2023
Image Source: Shutterstock

TOP-RATED CHAINS FOR VARIETY OF NONALCOHOL COLD BEVERAGES
% WHO RATED VERY GOOD



Mealpart and daypart breakdowns in Asia

Strawberry mochi
Image Source: Shutterstock

Technomic tracks menu development activity in nine key markets in East and Southeast Asia as part of its Global Navigator program, including how new, improved, seasonal and return items fit into dayparts and mealparts. Below are a few highlights from how these indices have evolved in this region over the last two years.

Dayparts have remained relatively stable in this region over the last few years. In 2021, top chains in Asia achieved a near-even split in dayparts, with all-day and lunch/dinner items each making up about 48% of all tracked items for the year, with breakfast releases taking the remaining 4%.

This relative equality largely carried over into 2022, when all-day items made up 47% of these offerings, lunch/dinner items made up 50% and breakfast items were the remaining 2%.

Across both years, India, Japan and South Korea were significant outliers for the region. In 2022, 10% of new items in India were noted as breakfast items (the highest of any tracked country), 72% of items in Japan were lunch/dinner releases, and a whopping 83% of items in South Korea sold all day.

The four critical mealparts in this region across both years are entrees, desserts, nonalcohol beverages and sides/snacks. In 2021, these respectively made up 31%, 31%, 22% and 11% of all added items. In 2022, entrees saw a slight increase to 35% of all items as the others saw no change or decreased (desserts to 29%, nonalcohol beverages consistent at 22% and sides/snacks down to 10%).

Japan again appears as an outlier in both years, with 46% and then 60% of items considered entrees. Indonesia similarly overindexed with a higher proportion of sides/snacks than the regional average during this period.

Only Technomic can track emerging menu trends around the world with over 45,000 new and limited-time menu items from 25 different countries at the ready to keep clients informed and ahead of their competition. Take a deeper dive into these markets and items with Technomic's Country Reports.

Global Navigator clients: Click here for more

Source: Technomic Global Foodservice Navigator Program

Want more insights?

You can get this report delivered to you biweekly!
Sign up here>>

Ignite Company

See where restaurant chains are, how many units they have and how well they're doing.
Explore>>

Ignite Menu

Pinpoint the latest menu trends and see what's on the horizon.
Explore>>

Ignite Consumer

Get to know your customers' customers through 60+ attributes and visit occasion metrics.
Explore>>

Global Foodservice Navigator

Understand the global industry, from menu trends to consumers, in 25 countries. **Explore>>**

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?
Reach out to us today.

312-876-0004
info@technomic.com
technomic.com