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Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of Aug. 1, 2022

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Labour Shortage Curbs Foodservice Jobs Recovery

Despite ongoing incremental improvements, overall employment in the Canadian foodservice industry remains roughly 15% lower than pre-pandemic levels from 2020 through the midpoint of 2022.

An overall shortage of labour continues to hamper foodservice industry gains, forcing many restaurants to scale back operations by reducing hours and curtailing menus.

Compounding the issue is the markedly low national unemployment rate for Canada, which registered at 4.9% in

June after beginning the year at 6.5%. At its peak, Canadian unemployment hit 13.7% in May of 2020.

CANADA FOODSERVICE INDUSTRY EMPLOYMENT
TOTAL EMPLOYEES (IN THOUSANDS)



Rising Costs Cause Menu Hikes

It's no secret that costs of goods have been on the rise. Many operators have chosen to pass these burgeoning food and beverage costs onto consumers through menu price hikes. Here's a look at some of the menu items reflecting the highest price growth.

Overall, adult beverages have shown the highest price growth out of any mealpart (+24.8%) in the past year. For entrees, most of the categories with prices on the rise are protein-centered dishes, including beef, shellfish, pork and fish. Combo plates that are traditionally more value-friendly are also showing a price increase.

Of the food items with greatest average price increases, once again, those protein-forward dishes—especially seafood—continue to lead, along with some dessert choices, including other doughnuts and profiteroles.

YOY AVERAGE PRICE GROWTH BY MEALPART
Adult Beverage +24.8%
Appetizer +15.1%
Add-On +11.2%
Entree +5.6%
Senior Menu +4.3%
Dessert +4.2%
Nonalcohol Beverage +1.4%
Kids Menu -2.1%
Side -12.0%
TOTAL +6.5%

ENTREE CATEGORIES WITH GREATEST YOY AVERAGE PRICE GROWTH
1. Beef Dish +19.9%
2. Rice Dish +16.3%
3. Other Protein Dish +16.2%
4. Shellfish Dish +14.2%
5. Combo Plates +13.3%
6. Pork Dish +13.1%
7. Hot Dogs +13.0%
8. Mixed Protein +12.9%
9. Fish Dish +12.4%
10. Sushi/Sashimi/Nigiri +11.2%

FOOD ITEMS WITH GREATEST YOY AVERAGE PRICE GROWTH*
1. Grain Salad Entree +102.2%
2. Kids Choice of Side +95.9%
3. Urchin/Uni Roll +94.9%
4. Other Doughnut +73.3%
5. Seafood Soup Appetizer +64.3%
6. Profiterole +63.4%
7. Tomatoes Side +59.0%
8. Other Seafood and Steak +53.5%
9. Pork Chops +52.0%
10. Other Dips +49.3%

Source: Technomic Ignite Menu, Q1 2021-Q1 2022
 *Note: Only dishes with 10+ menu items were considered

Weekday Breakfast Sandwich Occasions

Of all sandwich occasions, those during breakfast on weekdays have been most impacted by the pandemic.

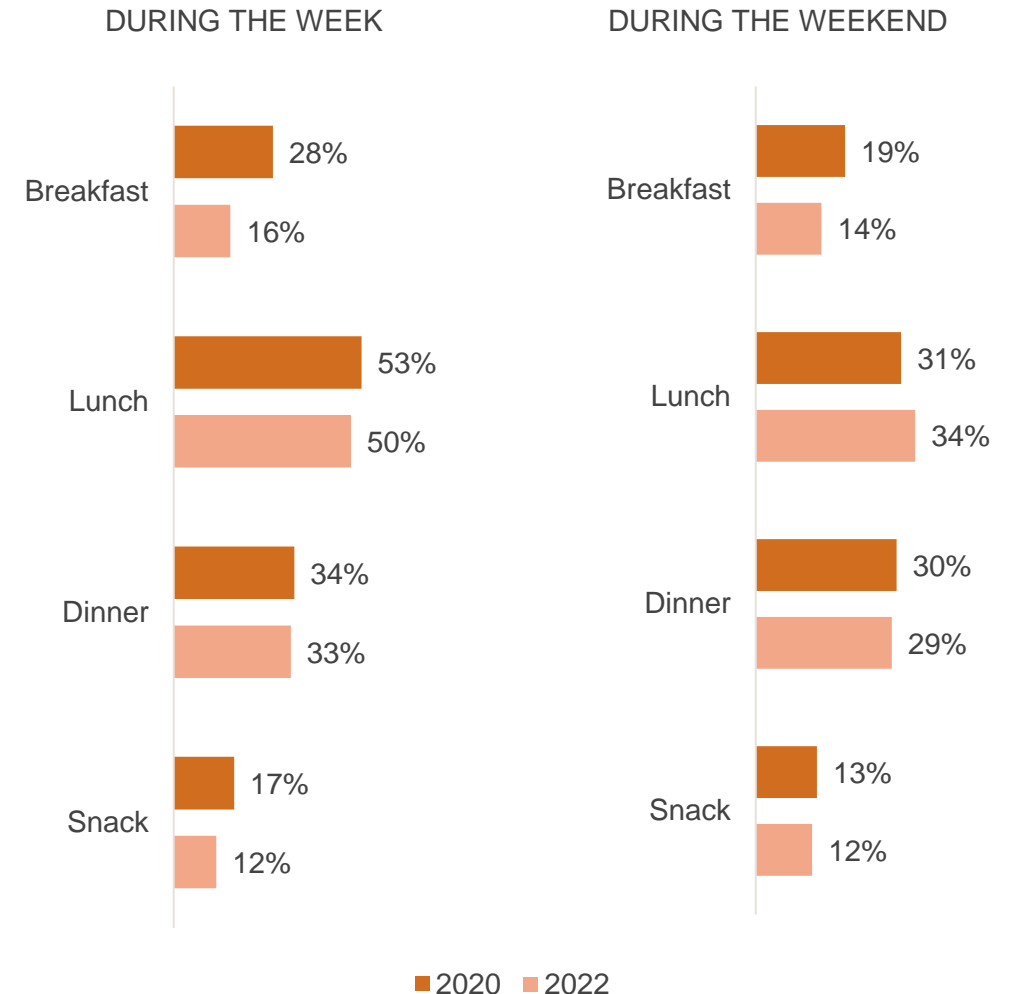
In 2020, breakfast sandwich orders were on the rise in Canada, both during the week and the weekend. In 2022, the breakfast trend has swung in the opposite direction. Breakfast sandwiches experienced a considerable drop in purchases over the past two years, especially during the week. Consumers may be skipping their usual breakfast runs due to the pandemic or they may simply no longer have the opportunity to pick up a breakfast sandwich on the way to work because they are now remotely

employed. They may also be trying to rein in their spending.

As people begin to return to in-office work, operators should market breakfast sandwiches more aggressively. It will be important for operators to re-establish themselves in customers' routines. They will need to emphasize quality, convenient location, price and value, which are key characteristics that breakfast sandwich consumers prioritize.

Base: 1,029 consumers
 Source: Technomic Ignite Consumer featuring the Technomic 2022 Canadian Sandwich Consumer Trend Report

FOR WHICH OF THE FOLLOWING MEALS DO YOU PURCHASE ANY TYPE OF SANDWICH FROM A RESTAURANT OR OTHER FOODSERVICE LOCATION AT LEAST OCCASIONALLY?



Fastest-Growing Restaurant Chains in Asia

Restaurant chains are poised for significant expansion in the post-pandemic landscape and nowhere is that truer than in Asia.

China, Indonesia, Malaysia and other markets in this region not only boast large populations and opportunistic marketplaces—they're also relatively underbuilt from a chain perspective.

And it's not just American export brands on growth tracks. Increasingly, younger players from within the region are showing some of the largest growth.

Here's a look at some of the expansion leaders across various countries in Asia.*

Wuye Noodles—China

Founded in 2018, this LSR noodle specialist ended 2021 with about 1,190 units on the mainland, up 245.8%.

Nowwa Coffee—China

Founded in 2019, this LSR with a penchant for fruit-flavored coffees grew to about 1,520 locations on the mainland in 2021, up 67.9%.

Pizza Hut—India

Though it's been in India for more than two decades, 2021 was a banner growth year for the U.S.-based pizza giant, which surpassed 600 locations in the market at a 37.5% growth rate.

Kopi Kenangan—Indonesia

Founded in 2017 and now the fourth-largest chain in the world's fourth-largest country by population, this coffee cafe posted an impressive 32.6% unit growth in 2021 to reach 565 locations.

Only Technomic tracks restaurant chain news and trends daily across 25 countries in a dozen languages to keep clients informed and ahead of their competition. [Learn more now.](#)



Nowwa Coffee
挪瓦咖啡



*kopi
kenangan* ♥

Source: Technomic Global Foodservice Navigator Program

*Note: YOY growth through end of 2021; had at least 100 units at end of 2020

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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 about this report?
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