

# Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of Aug. 28, 2023

Image Source: Shutterstock



This report is authorized for use solely by the parties noted in the written contract. No part of the publication may be reprinted, redistributed or put into an electronic or information retrieval system without the prior permission of Technomic, Inc.





Technomic®



# Support global initiatives with country-level foodservice insights

Understand evolving consumer behaviors, menu trends, industry news and operator data across 26 countries.

Explore country-level intel

ARGENTINA , AUSTRALIA, BRAZIL, CANADA, CHILE, CHINA, COLOMBIA, FRANCE, GERMANY, INDIA, INDONESIA, JAPAN, MALAYSIA, MEXICO, PHILIPPINES, RUSSIA, SAUDI ARABIA, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SPAIN, THAILAND, UAE, U.K., U.S.

# Inflation drives same-store sales growth for A&W

Same-store sales grew by 2.5% in the second quarter for A&W on an annual basis, boosted in part by rising check averages stemming from elevated levels of foodservice inflation across the broader Canadian foodservice industry.

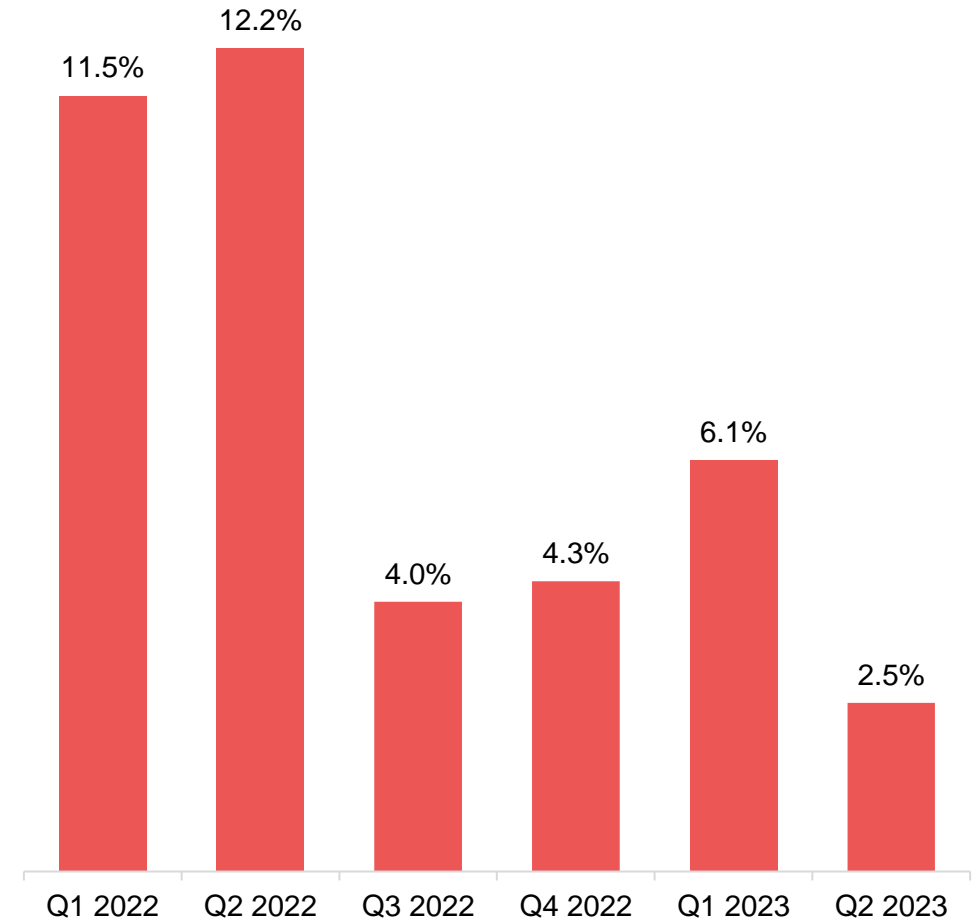
Consumer prices sat at 6.5% at Canadian limited-service restaurants in July, slowing from a peak of nearly 8% in early 2023 but still considerably higher than long-term averages. Supply chain issues continue to hamper recovery from historically high levels of inflation.

Through the first half of 2023, A&W's same-store sales increased by 4%. During the same six-month period in 2022, same-store sales grew 12% as the industry continued a lagging recovery. Gross sales have surpassed \$800 million so far in 2023—6% higher than the year prior.

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

Source: Technomic Ignite Company

**A&W CANADA**  
SAME-STORE SALES GROWTH



## IGNITE MENU

# Q2 2023 menu pricing takeaways

Within the Ignite Menu Q2 data, there are some pricing trends that stand out. Here are some key year-over-year takeaways from the most recent quarter.

### Overall prices continue to rise

Every mealpart saw price increases over the past year, with overall prices rising 6.4%.

### Extras going up in cost

Desserts and nonalcohol beverages—mealparts that can be added to a meal to boost overall check—saw some of the greatest year-over-year price growth.

### Basics hit by inflation

Even standard dishes such as salad appetizers, burgers and ice cream are being affected by increasingly high prices.

## YEAR-OVER-YEAR AVERAGE PRICE CHANGE BY MEALPART

Mealpart	Average Price	YOY Average Price Change
Dessert	\$7.71	+13.2%
Kids Menu	\$7.61	+10.6%
Nonalcohol Beverage	\$4.18	+8.7%
Entree	\$17.90	+7.5%
Add-On	\$3.28	+6.7%
Appetizer	\$11.90	+5.9%
Senior Menu	\$13.23	+4.4%
Adult Beverage	\$23.37	+4.3%
Side	\$5.13	+2.9%
<b>Total</b>	<b>\$13.17</b>	<b>+6.4%</b>

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

Base: 317 Canada Top 200 and emerging chain operators  
Source: Technomic Ignite Menu data, Q2 2022-Q2 2023

# Guests tell us what drives excellent visit satisfaction

When Canadian restaurant guests were asked to rate their overall visit satisfaction to a recently visited full-service restaurant chain, 46.7% provided an “excellent” rating. This segment average is up nearly 3 percentage points compared to two years ago (Q2 2023 vs. Q2 2021).

In addition to quantifying overall satisfaction with a rating of 1-5, Ignite Consumer captures qualitative

consumer feedback. Survey respondents are asked to tell us why they provided the rating they did in an open-ended format. This allows operators to better understand the voice of the customer and factors that impacted the recent occasion.

Learn what they had to say in the callouts to the right.

## REASON FOR “EXCELLENT” OVERALL VISIT SATISFACTION CONSUMER VERBATIMS

*“Great-tasting food that is always fresh, with friendly helpful staff that provide exceptional service to their customers and has nice warm inviting atmosphere.”*

—Recent The Keg guest

*“I gave this restaurant a 5 because the food was amazing as well as the customer service. The server was really well mannered and had our food to us quickly.”*

—Recent Cactus Club Cafe guest

*“The service was speedy, and the staff were friendly and polite. The food was very good, and the price was reasonable. It was a very good experience overall.”*

—Recent Earls guest

*“The food was very delicious, service was extremely fast, and the restaurant overall was clean.”*

—Recent Browns Socialhouse guest

*“I had amazing service, the food was great and I will go back to Lone Star again.”*

—Recent Lone Star Texas Grill guest

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

# Menu development in Latin America

As part of its Global Navigator program, Technomic tracks menu development activity in five key markets in Latin America, both from month to month and year to year. Below are a few highlights from how this region's activity has fared over the last two years:

Top chains in Latin America collectively released just under 1,900 items in 2022—a 36.6% increase from 2021, when they introduced 1,367 items.

Though every tracked market notched double-digit percentile increases in menu development, much of the region's overall growth can be traced to

the eye-popping development in Argentina and Mexico. Respectively, these markets placed second and first for most rapid menu development increases in the world.

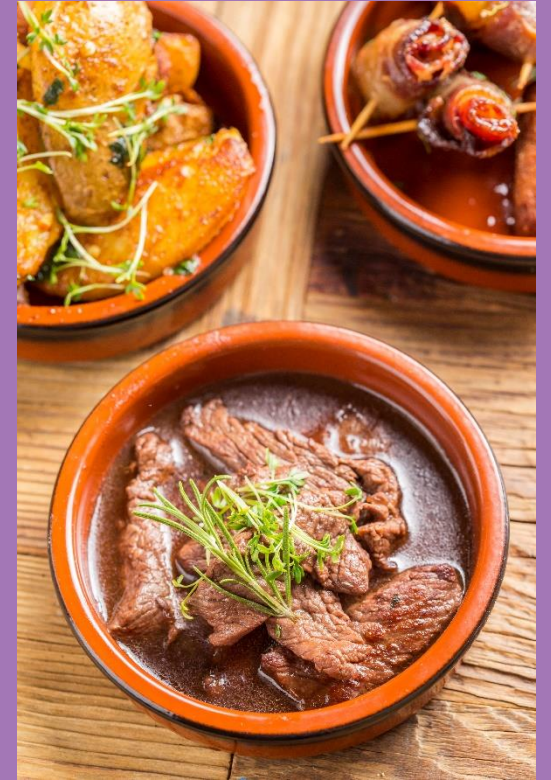
Top chains in Argentina released 323 items in 2022—a 52% increase from the preceding year. This enormous increase in productivity helped the country jump in the region's items developed per chain metric.

In 2021, Argentina operators were the slowest of any tracked market in Latin America to roll out LTOs, doing so at an average of just 7.1 items per chain.

In 2022, however, Argentina operators were releasing an average of 10.8 items per chain, landing the market second in the region behind only Mexico.

Among Mexico operators, who were already among the most productive in the region in 2021, top chains scored a 58% increase in year-over-year item development in 2022.

At an even 500 new items from tracked chains, Mexico operators became the most active in menu development in the region, with an average of 12.5 new items per chain.



Only Technomic can track emerging menu trends around the world with over 50,000 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  
Image Source: Shutterstock

# Want more insights?



You can get this report delivered to you bi-weekly!

[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>>](#)

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](mailto:info@technomic.com)  
[technomic.com](http://technomic.com)