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Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of Nov. 14, 2022

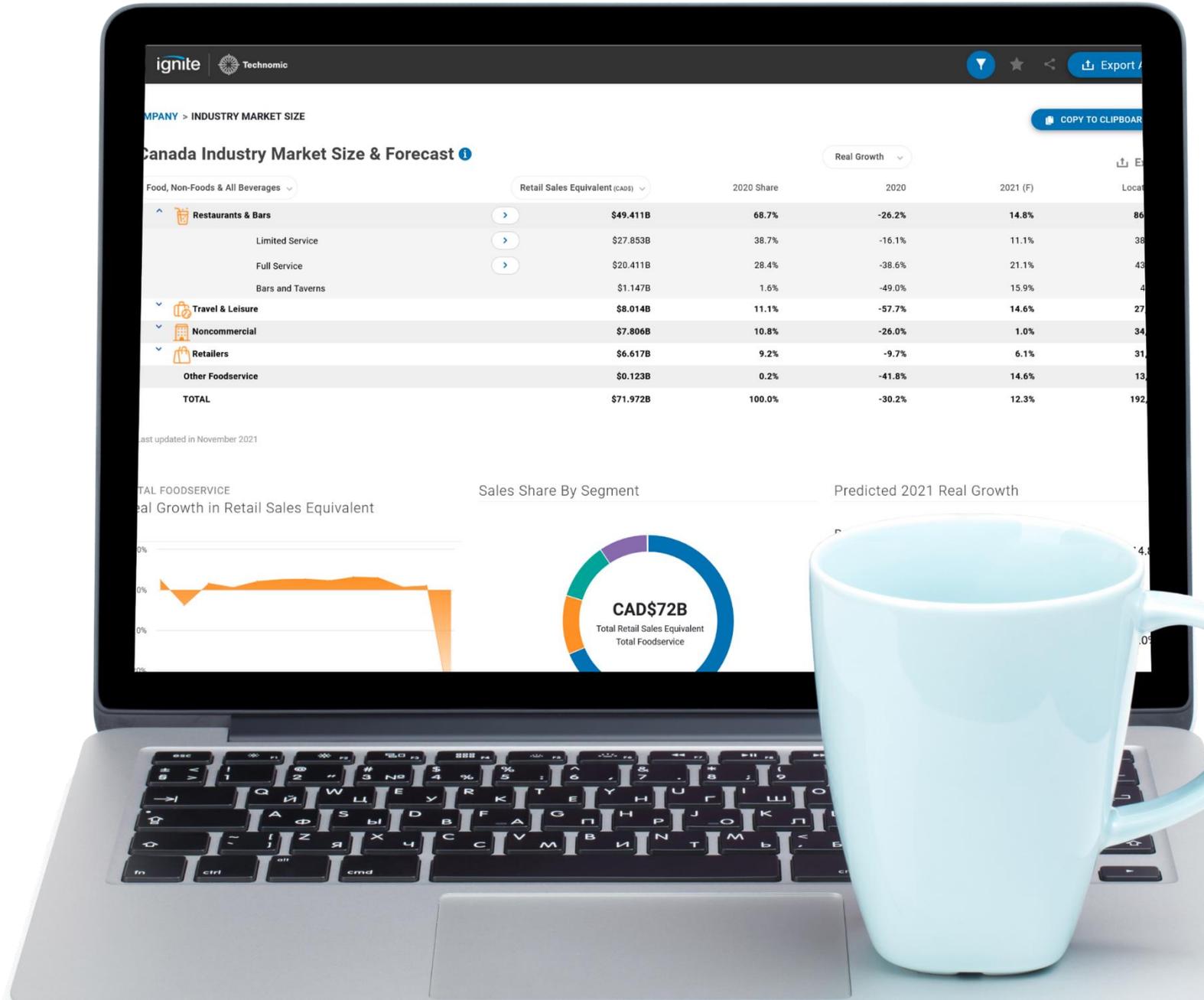


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Tim Hortons Hits Sixth Straight Quarter of Growth

Following a period of tumultuous results due to the COVID-19 pandemic, the performance of Canada's largest chain player have largely stabilized.

Same-store sales rose over 11% on a year-over-year basis in the third quarter, marking the sixth straight quarter of consecutive growth for Tim Hortons. For the year, comparable sales are up nearly 10%.

Total Canadian systemwide sales are nearly 6% higher than they were in the third quarter of 2019, effectively surpassing pre-pandemic sales totals.

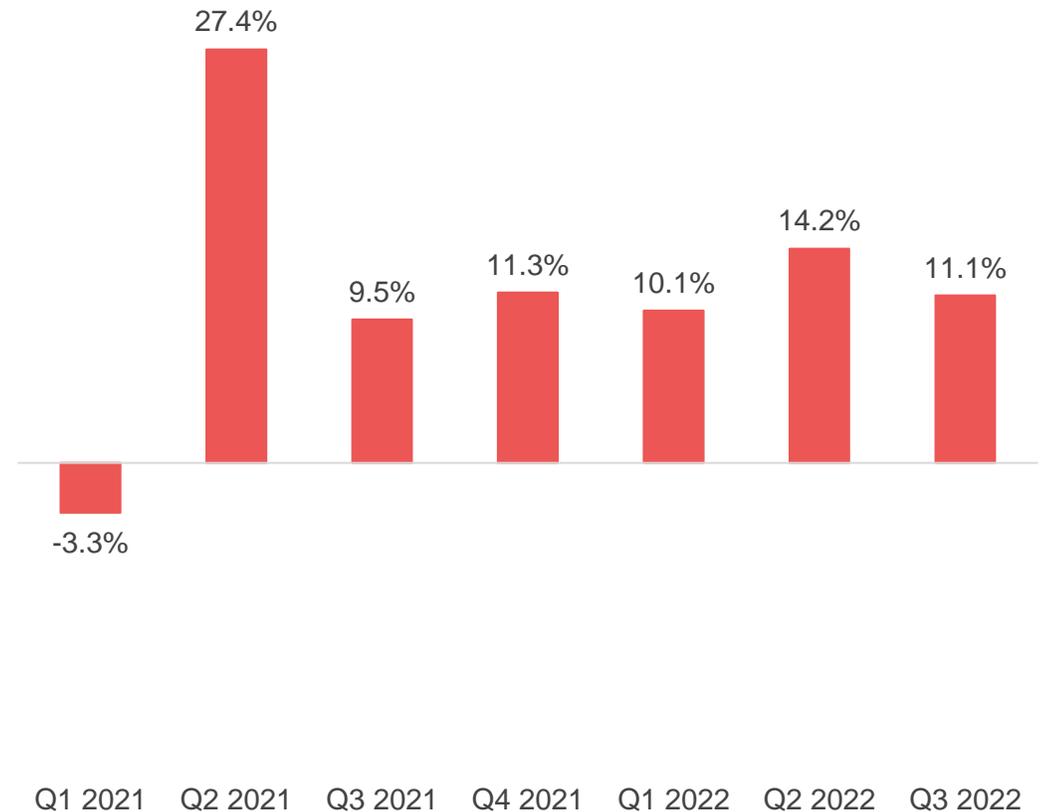
Despite growing comparable sales, the brand's footprint has shrunk slightly, closing 41 stores in Canada over the same period the year prior.

The strong quarter comes as Tim Hortons continues to ramp up global expansion, growing its international presence by nearly 26% on a year-over-year basis.

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Sources: Technomic Ignite Company

TIM HORTONS SAME-STORE SALES
YEAR-OVER-YEAR CHANGE



IGNITE MENU

Trends in Fastest-Growing Entrees at Top 200 Chains

Canada's Top 200 chains are seeing interesting dish growth in the entree mealpart, reflecting varied consumer behaviours and drivers.

Breakfast was hit especially hard during the pandemic, in part due to a lack of morning commuters, but several breakfast entrees are on the rise at Top 200 chains, including sausage and bacon breakfast sandwiches, indicating that the daypart could be on its way to recovery.

The uptick of breakfast value meals at Top 200 chains reflects a consumer gravitation toward value-focused offers,

an especially important driver during these inflationary times.

Japanese bento boxes, a lunch box-style meal usually containing rice, meat and vegetables, are also on the rise. This demonstrates a larger trend we've been seeing of global dishes becoming increasingly mainstream on menus. It's also a uniquely portable option, suited for takeout and delivery.

Rounding out the list are chicken strips or nuggets entrees. This fried comfort food shows that, although interesting global dishes are trending, familiar favourites are still also showing growth on menus.

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Source: Technomic Ignite Menu data, Q2 2021-Q2 2022

FASTEST-GROWING ENTREES AT TOP 200 CHAINS

Sausage Breakfast Sandwich +36%

Breakfast Value Meals +28%

Bacon Breakfast Sandwich +19%

Chicken Strips/Nuggets Entree +11%



**Bento
Box
+26%**

New Obstacles for Beverage Sales

Economic instabilities—namely supply chain and labour shortages and rising inflation—threaten to disrupt foodservice beverage purchases again, this time due to consumers' favourite beverages being out of stock or overpriced. While not all beverage categories are impacted by product shortages, they all are threatened by inflation.

Over two-fifths of consumers say they've recently noticed beverage price increases at restaurants, and nearly the same proportion say that price matters to them

when deciding where to purchase beverages from a restaurant. There is so much more to the value equation beyond price for consumers. When increasing prices on menus becomes necessary, it's important for operators to promote value in other ways. Suppliers can encourage the use of premium drink callouts that speak to beverage quality, craveable ingredients and flavours that provide comfort and familiarity to guests and differentiated selections that can't be easily replicated at home to make the extra spend worthwhile.

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

Base: Varies by consumers who have purchased a beverage from foodservice in the past month
Q: Thinking only about nonalcohol beverages purchased at foodservice locations, please indicate how much you agree or disagree with each of the following statements.
Source: Technomic Ignite Consumer featuring the 2022 Canada Beverage Consumer Trend Report

44%

of consumers have noticed price increases for beverages at restaurants over the past few months

42%

of consumers say price is an important deciding factor for whether they purchase beverages from a restaurant

Bringing Global Coffee Builds Home

Like an operator's selection and roast of coffee beans, particular coffee builds serve as a major driver in encouraging consumers to patronize one brand over another.

Recent LTO data show that coffee preparations originating from and popular within different countries are increasingly found abroad as consumers seek new and flavorful coffee preparations.

These are just a few examples of how

and where chains are bringing international coffee builds to their menus:

In South Korea, [Starbucks rolled out its take on a classic Viennese Einspanner](#), which features dark coffee, glazed cream and, in a nod to regional trends, a cream cheese foam topping.

ZUS Coffee, a Malaysian operator, [launched its Sips of Vietnam line](#) starring variations on the traditional coconut-and-condensed-milk Vietnamese iced coffee recipe,

including a fusion build with its signature Spanish Latte.

In [China](#), the [UAE](#) and their native [South Korea](#), dalgonas and their now-iconic sweet and frothy peaks are being added to menus as operators seek to capitalize on the drink's sustained social media-driven trendiness.

Stay on top of new beverage trends and much more with [Technomic's Global Navigator Program](#).

Source: Technomic Global Foodservice Navigator Program
Image Source: Shutterstock



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