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# Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of July 26, 2021



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# Tim Hortons Remains Largest Chain Despite Closures

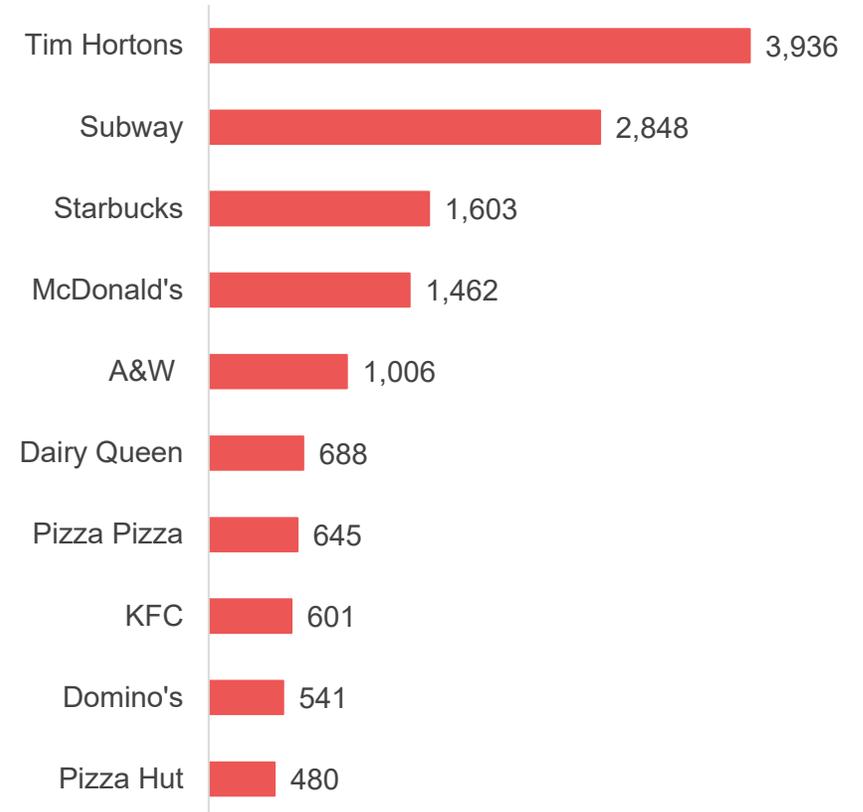
Although Tim Hortons shuttered about 2% of its stores during 2020, the coffee brand remains the largest restaurant chain in Canada by total location count. Subway also permanently closed over 8% of its Canadian units but held onto its No. 2 spot from 2019.

Just outside of the top 10 by total location count, Wendy's seems primed for further growth beyond their 390 stores across Canada. The quick-service burger chain has shown consistent location growth over the past five years, including in 2020, which saw

rampant closures across the industry due to the COVID-19 pandemic.

Overall, the top 10 chains' total footprint shrank by 2.3% in 2020.

TOP CANADIAN CHAINS BY LOCATION COUNT  
2020 TOTAL LOCATIONS



# Going Low-Carb With Cauliflower

Low-carbohydrate options are becoming increasingly common, with low-carb being the second fastest-growing healthy claim on Canadian menus (up 37.5% year over year).\* One such option for a low-carb swap is cauliflower, which has a mild flavour and versatile preparations, making it easily adaptable to many foods.

Cauliflower rice is one such low-carb swap that is making its way into the mainstream. Chipotle Mexican Grill Canada debuted a limited-time Cilantro-Lime Cauliflower Rice in the first quarter that could be used in place of its more traditional brown or white rice options.

Pizza crust is another ingredient that is seeing the cauliflower treatment. Recently, Pizza Pizza debuted a Superfood Crust made with purple cauliflower, purple sweet potato and butternut squash. Cauliflower crust on pizza is appealing to a number of consumers, with 16% indicating they would consider ordering a cauliflower crust pizza.\*\*

Another example of cauliflower innovation is Freshii Canada's Chipotle Pulled Chicken Taco, featuring a cauliflower-based, soft-shell tortilla. The cauliflower swaps are endless!



Vegan pizza with cauliflower crust  
Image Source: Shutterstock

\*Source: Technomic Ignite menu data, Q2 2020-Q2 2021

\*\*Base: 1,182 consumers ages 18+

\*\*Source: Technomic 2020 Canadian Pizza Consumer Trend Report

# Diversity & Inclusion Actions Restaurants Should Take

One year after the death of George Floyd and a summer remembered by widespread and persistent Black Lives Matter protests, the country still grapples with how to best achieve diversity, equity and inclusion (DEI) for all Canadians. The focus extends beyond Black Canadians to include indigenous peoples and LGBTQ+ groups.

Many operators still want to know: what role do restaurants have in diversity and inclusion?

Technomic's consumer data shows that most do consider whether a restaurant promotes diversity and inclusion when selecting where to dine. Approximately two-third of consumers (64%) state that

it is an important or very important factor. Since Q3 2020, data shows that the disparity of responses between 18-to-34-year-olds and those ages 35 and older has decreased over time, reinforcing the idea that DEI efforts are generally important to all consumers, and operators must act.

However, differences are noted among age groups with respect to what consumers believe are the appropriate steps to take. Younger consumers tend to prefer more grassroots efforts (e.g., donating to organizations and establishing community relationships) while consumers ages 35 and older voice greater priority on hiring, training and promoting initiatives.

Base: 1,700 consumers 18-34; 3,800 consumers 35+  
Source: Technomic Ignite Consumer

What actions should restaurants take to respond to racial inequality? (Top five)	% of consumers ages 18-34
Be transparent about changes to company practices that promote DEI	39%
Examine hiring and promotion practices to ensure DEI	37%
Donate to organizations working toward racial equality and justice	36%
Foster relationships with local communities through organizations and community leaders	34%
Provide information and educational resources regarding racial inequality	33%

What actions should restaurants take to respond to racial inequality? (Top five)	% of consumers ages 35+
Examine hiring and promotion practices to ensure DEI	40%
Hold mandatory antibias training	33%
Be transparent about changes to company practices that promote DEI	32%
Take no specific actions, other than serving all customers equally	29%
Foster relationships with local communities through organizations and community leaders	27%

# Celebrating Japan's Gold Medal-Worthy Menu Development

When it comes to product innovation among chain restaurants there are few markets that compete with Japan.

That goes for the sheer quantity of new products that flood the market each month as well as the creativity, thematic conceptualization, innovation and occasional outright zaniness.

To celebrate the start of the 2020 Tokyo Olympic Games, here are five LTOs that exemplify Japan's LTO greatness.

## Pizza Hut's Meat Decathlon Pizza

Boasting 10 meats, this sports-themed pie was developed to embody the attributes of toughness, muscle, power

and stamina to aid consumers in being the "absolute champions of watching sports."

## KFC's Black Hot Sandwich

Not content with featuring a star ingredient once or twice, this new LTO showcases its hero three ways: black pepper buns and a mayonnaise sauce spiked with both coarse ground black pepper and powdered black pepper.

## Domino's Summer Favourite Quattro

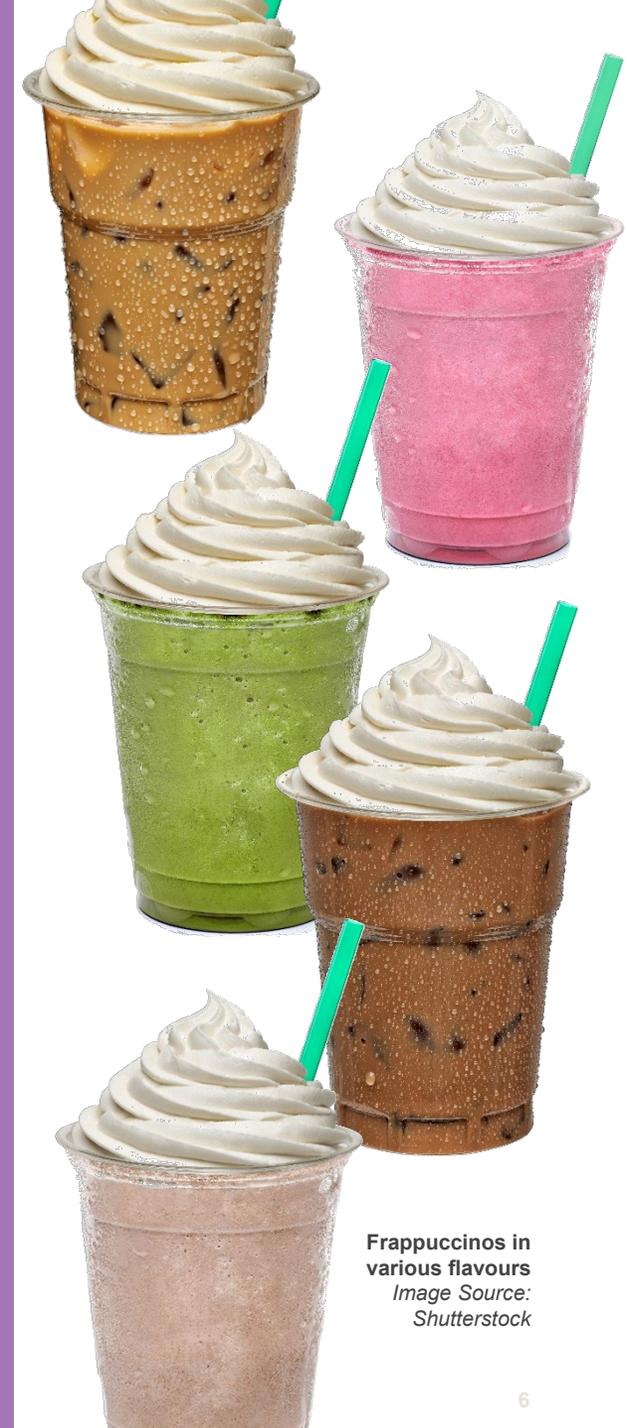
Quadrants topped with four new builds: Crispy Fish & Chips, 5 Seafood Ajillo, Butter Chicken Curry and Crispy Chicken Bites & Honey Mustard.

## Starbucks' 47 JIMOTO Frappuccino

To celebrate its 25<sup>th</sup> anniversary, the local menu innovation heavyweight introduced 47 new Frappuccinos—one for each of Japan's prefectures.

## Wendy's First Kitchen's Melotozo

A variation on maritozzo—an Italian sweet bun currently trending in Japan—that swaps in local favourite melon bread for traditional Roman dough.



Frappuccinos in various flavours  
Image Source: Shutterstock

Note: Units based on data from end of 2019  
Source: Technomic Global Foodservice Navigator Program

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