

LOOKING
AHEAD
TO

2022

The past two years brought unforeseen challenges to the foodservice industry, leaving many operators scrambling to adapt. With that experience under their belt, operators will go into 2022 more readily settling into solutions for these challenges while priming for some that have yet to emerge. As operators continue to attempt to do more with less, they'll embrace strategies that require less labour, emphasize flexibility with menus and enact key changes to the guest experience.

What are some of the trends on the horizon for 2022, from the state of the industry and operations to creative menu restructuring and changes to the

restaurant experience? Read on as we forecast the big picture.

Forecasting the Future

Canada's pre-pandemic \$95 billion foodservice industry was battered by sales losses of nearly 29% as we entered 2021. While COVID-19-related restrictions—influenced by new caseloads and the looming impact of virus variants—may directly affect consumer visitation and behaviour in 2022, current Technomic research shows that the new year will also bring an upswing in the Canadian industry's sales and overall performance. According to our

Full-service restaurant sales are poised to grow by 26.2%

latest data, Canada's foodservice sector is expected to reach \$74.8 billion, reflecting roughly a 21% increase over 2021 and just 3% below pre-pandemic sales levels. From a segment perspective, limited-service restaurant sales are projected to rebound at a nominal growth rate of 7.3%, and full-service restaurants are poised to grow sales by a nominal rate of 26.2% in 2022.



Expect restaurant chains to invest in more compact models that service delivery and takeout while operating with fewer workers

Leaning Into Leanness

Operators are getting leaner on multiple fronts, from downsized staff to smaller unit footprints to trimmed menu selections, in an effort to respond to changing conditions. In 2022, expect restaurant chains to accelerate investments into more compact models that service delivery and takeout while operating efficiently with fewer workers on hand. Look for ghost kitchen outsourcing to emerge as a primary avenue to allow brands to expand without additional spending on real estate. And we'll continue to watch menus shrink in favour of optimization strategies that help make food prep simpler while reducing costs.

Menu Pivots Support Supply Chain-ges

Persistent supply chain issues will inspire creativity and require flexibility in 2022. Specifically, quirky preparations of familiar ingredients will allow for exciting menu additions without new SKUs—think pickled apples, candied garlic or salt-baked root veggies to impart new flavours and/or textures while, in some situations, even extending shelf life. Inventiveness with favourite fare will also help operators stand out without overhauling entire menus, such as chicken sandwiches or pizzas differentiated with global toppings. And because of ingredient shortages and sourcing issues, nimbleness will



Inventiveness will help operators stand out without overhauling entire menus

be table stakes, with operators ready to implement menu swaps that take advantage of more readily available and economical ingredients.



Reusable menus with QR codes are taking permanent hold

The Evolving Face of Hospitality

Restaurant hospitality will look very different as we head into another pandemic year. Some practicalities of on-premise dining will continue to be stumbling blocks for operators who are trying to balance safety and hospitality. And some of these decisions—whether mandated or not—will cause controversy among consumers. For example, here to stay may be vaccine passports or negative COVID-19 tests required for dine-in customers and charges for no-show reservations or last-minute cancellations. Gone by

the wayside may be extensive staff interactions for ordering and payment (thanks to contactless operations), physical reusable menus (with QR menus taking permanent hold) and high-touch food and drink areas (such as communal condiments and fountain drink stations). As the foodservice industry embarks on the road to recovery, the year ahead will tell us which of these modifications might prove to be permanent fixtures.

All Buttered Up

As the comfort food trend surges on, many operators will turn their attention to butter, a versatile staple ingredient in most kitchens. Flavoured butter will be grounds for endless culinary

experimentation, ranging from umami-rich kombu or yeast butters to cocktails featuring herb-infused and browned butters. Beyond the classic dairy product, other buttery ingredients such as buttermilk, butterscotch and ghee/clarified butter will gain attention. Elevated

versions and applications of nut butters will also continue to grow in conjunction with the plant-based trend, with pistachio and macadamia butters finding momentum, and peanut butter making headway in new directions, such as on burgers or in cocktails.



Pistachio nut butter is gaining momentum in conjunction with the plant-based trend



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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.

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