

Industry Insights

A roundup of noteworthy foodservice findings
for the week of March 11, 2024

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Pizza players saw mixed results in 2023

The industry’s top three pizza players, Domino’s, Pizza Hut and Papa Johns, all ended 2023 with positive annual same-store sales growth, despite mixed results during the year.

Domino’s finished 2023 with full-year U.S. same-store sales growth of 1.6%, capped by a 2.4% increase in the fourth quarter.

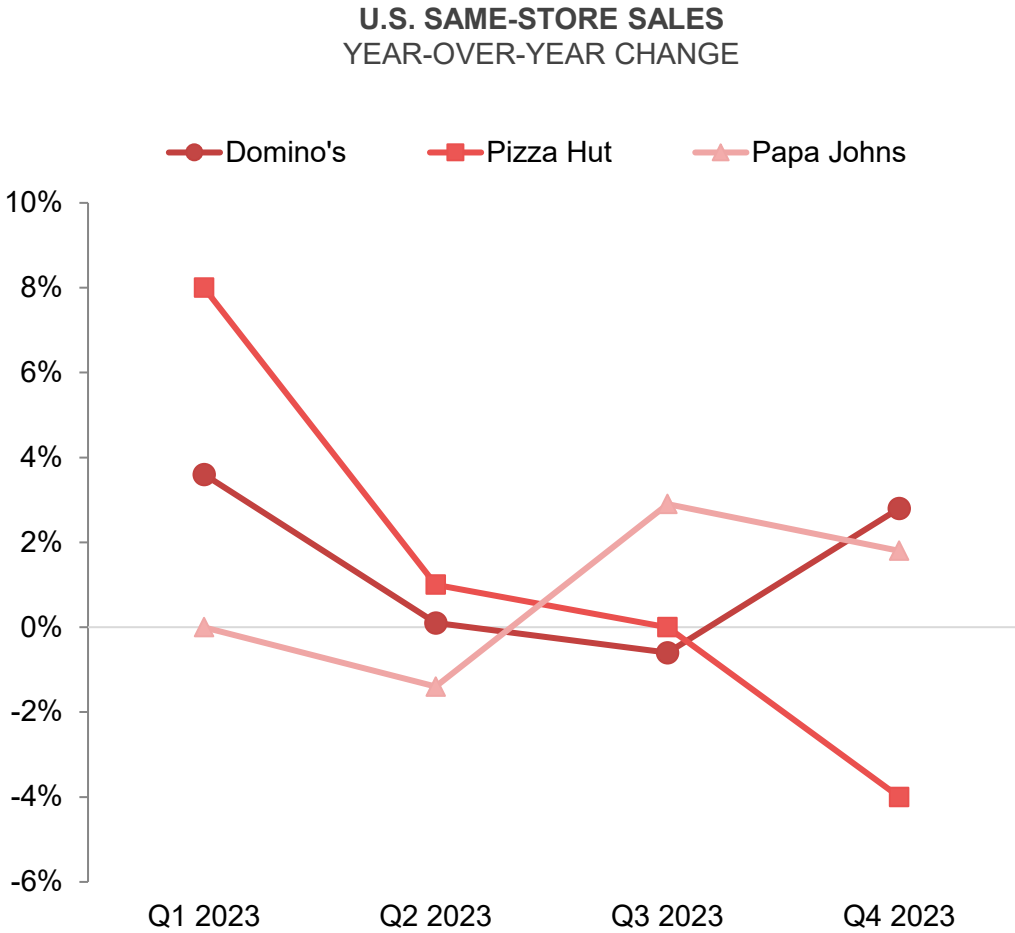
Pizza Hut hit 1% same-store sales growth for the year, punctuated by a 4% decline in the last quarter of 2023. Despite stagnant sales in the

U.S., Pizza Hut still has its eyes on global expansion, opening 1,586 new restaurants in 73 different countries during 2023.

Same-store sales were up 1% on a year-over-year basis for Papa Johns in 2023. A 3% increase in domestic company-owned restaurants helped drive this increase, while international comparable sales dropped 3% for the year.

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

Sources: Technomic Ignite Company



Key themes from 2023's best-in-class LTOs

Technomic's recently published *162 Best-in-Class LTOs for 2023* whitepaper spotlights several key themes among the most successful LTOs of the last year.

Nonalcohol Beverages Spill Away

All mealparts saw more best-in-class designations in 2023 compared to 2022; only nonalcohol beverages saw a dip, from 22 best-in-class items in 2022 to 13 in 2023.

Beef Mentions Get Meatier

Beef dishes—in all dayparts—were prominent among the best-in-class LTOs of 2023. Within the list were 12

burgers, 10 sirloin dishes, seven rib-eye options and three cheesesteak dishes.

Surf's Up

Seafood, once again, featured prominently in the best-in-class list. Overall, 23 shrimp dishes, 15 crab dishes and 12 lobster dishes were spotlighted in the list.

LTOs Spread Out Seasonally

Compared to 2022, best-in-class LTO launches were dispersed more evenly throughout the year in 2023. Spring and summer had the majority of best-in-class LTO launches in 2023, compared to fall last year.

Mashups Find Momentum

We saw everything from daypart mashups (such as a breakfast burger), unique dish combos (e.g., a burnt ends burger, cheeseburger pizza, chicken and waffles sandwich, etc.) and creative flavor pairings (such as Arby's King's Hawaiian Sweet Heat Beef 'N Brisket Sandwich) to global mashups (including Southwest egg rolls) and a plethora of dessert-inspired drinks (e.g., iced sugar cookie latte, strawberry shortcake martini, birthday cake shots, etc.).

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

Source: Technomic Ignite Menu
Image Source: Photo by [Marta Labanda](#) on [Unsplash](#)



Are LSRs stealing share from CDRs?

During previous periods of economic uncertainty, conventional wisdom held that consumers would “trade down” when it came to segments. In essence, diners would forego an occasion at a casual-dining operator and opt for fast casual or a segment that typically cost less—opting for lower-priced restaurants to maintain overall frequency. For example, if a consumer dined out for lunch five days a week, an uneven economy would encourage them to choose cheaper fare to stretch their dollar while maintaining routine behaviors.

Restaurant traffic has been a highly

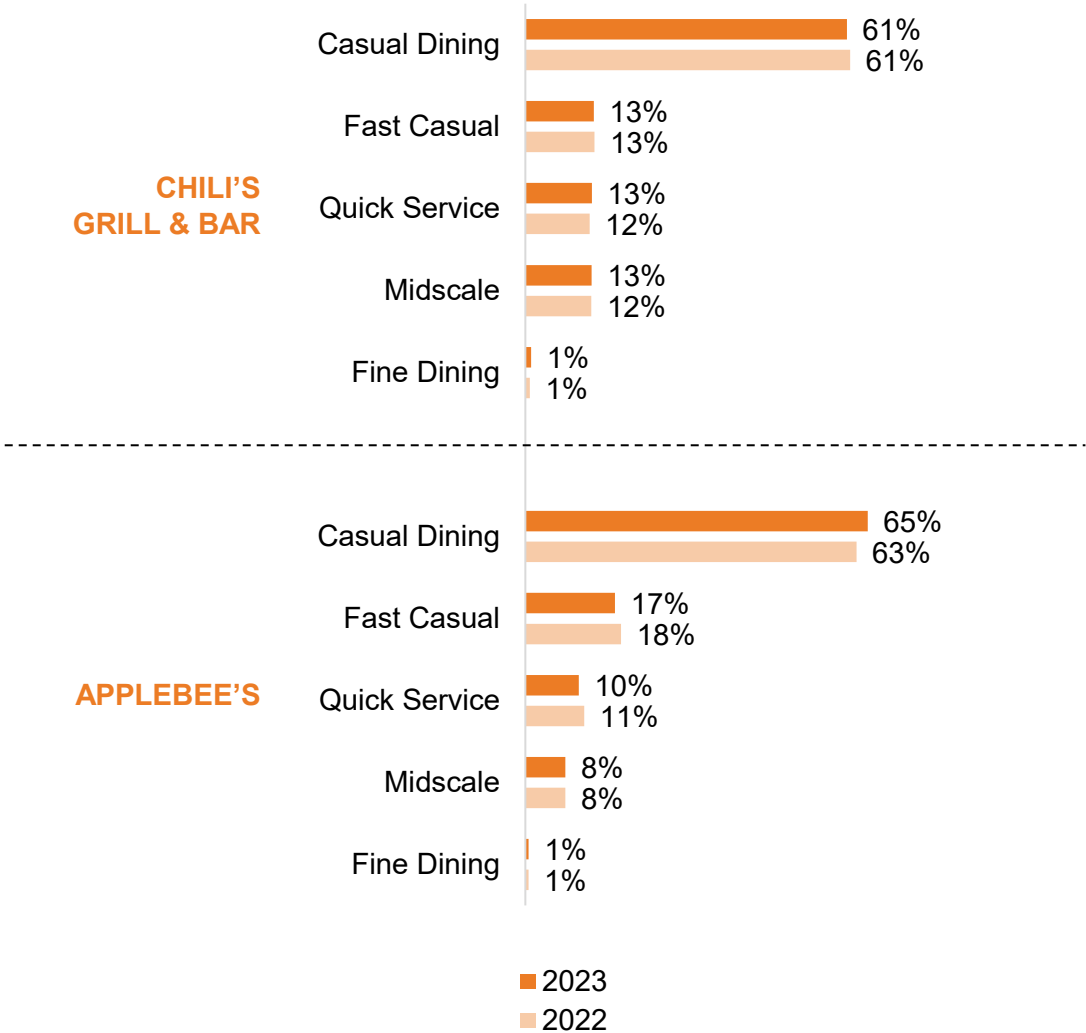
publicized issue in recent periods, but this is the result of consumers dialing back on their overall usage. Inflation is likely the largest drag on restaurant traffic, and we may be tempted to think that struggling operators are falling victim to the traditional trade down.

Yet a closer look at “lost traffic” numbers at two major casual-dining chains shows no real changes in segments who ultimately won the order. Yearly comparisons show no change in the number of diners who considered these brands yet ended up at quick service or fast casual—indicating a lack of trading for less-expensive options.

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

Base: Varies, approx. 2,000 consumers per brand for each calendar year shown
Source: Technomic Ignite Consumer

LOST TRAFFIC:
% CONSUMERS WHO CONSIDERED APPLEBEE’S OR CHILI’S DURING A RECENT OCCASION BUT ORDERED FROM/VISITED A DIFFERENT CHAIN
RESULTS SHOWN BY OPERATOR SEGMENT ORDERED FROM/VISITED



Where is Japanese food most popular? (Clue: It's not Japan)

For the last five years of Global Navigator consumer survey data, Japanese food has ranked in the top five cuisines worldwide for consumer interest. So, where is it the most popular?

With 68% of consumers ordering it at least occasionally, Indonesia takes the top spot worldwide, beating the Philippines and Japan (which ranks No. 3 globally!).

Southeast Asia consumers in general have special enthusiasm for Japanese food, with markets from this region

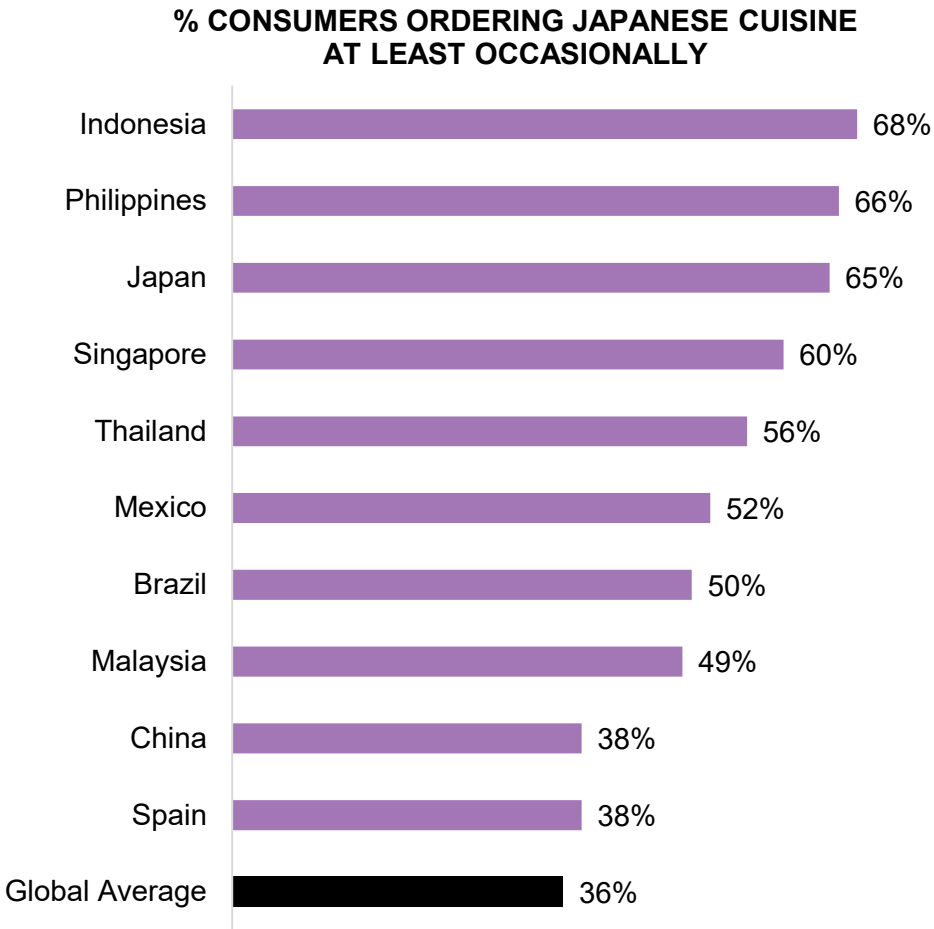
making up half of the top 10 list.

Latin America consumers show similarly high interest in it (37%), partly due to strong enthusiasm in Brazil, where a long tradition of Nikkei cuisine has become an important part of the national gastronomic heritage, as well as interest in Mexico.

Conversely, interest is notably low in markets like Germany, India and the U.K. (19%), as well as in the Middle East, where an average of just 10% of consumers order Japanese food at least occasionally.

[Global Navigator clients: Click here for more](#)

Source: Technomic Global Foodservice Navigator Program



Consumer Trend Reports

Shifts in consumers' beef and pork consumption

Each week, half of consumers eat pork and nearly 70% eat beef, but the frequency of beef and pork purchasing from foodservice has shifted from 2022. On average, beef consumers are now purchasing beef more often, and pork consumers are purchasing pork less often, compared to 2022.

Beef's high protein content is the primary driver of increases in beef consumption, while high prices are the top deterrents to purchasing beef at grocery stores and restaurants. The opposite is true for pork. Consumers who are eating pork more often say it's

because pork is more affordable at grocery stores, and people eating pork less often are most often concerned with pork's reputation as a less-healthy protein.

Get more data-driven insights on the retail foodservice space, including consumer attitudes, behaviors and perspectives with the *Center of the Plate: Beef & Pork Consumer Trend Report*.

[Learn more about Consumer Trend Reports](#)

Source: Technomic 2023 Center of the Plate: Beef & Pork Consumer Trend Report
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