Industry Insights

A roundup of noteworthy foodservice findings
for the week of March 25, 2024

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Food and beverage sales spike at AMC

Food and beverage sales at AMC Entertainment's domestic movie theaters jumped by nearly 28% in 2023, hitting an annual total of over $1.3 billion.

Increases in adult beverage sales have helped boost AMC's performance. The percentage of the company's theaters offering alcohol expanded to 68% in 2023, compared to 54% in 2019.

Admissions sales remained short of a full recovery to pre-pandemic totals in 2023 but managed to surpass $2 billion in sales for first time since 2020. Average ticket prices have increased by more than 18% to $10.84 since 2019, but total attendance numbers continue to remain below 2019 levels.

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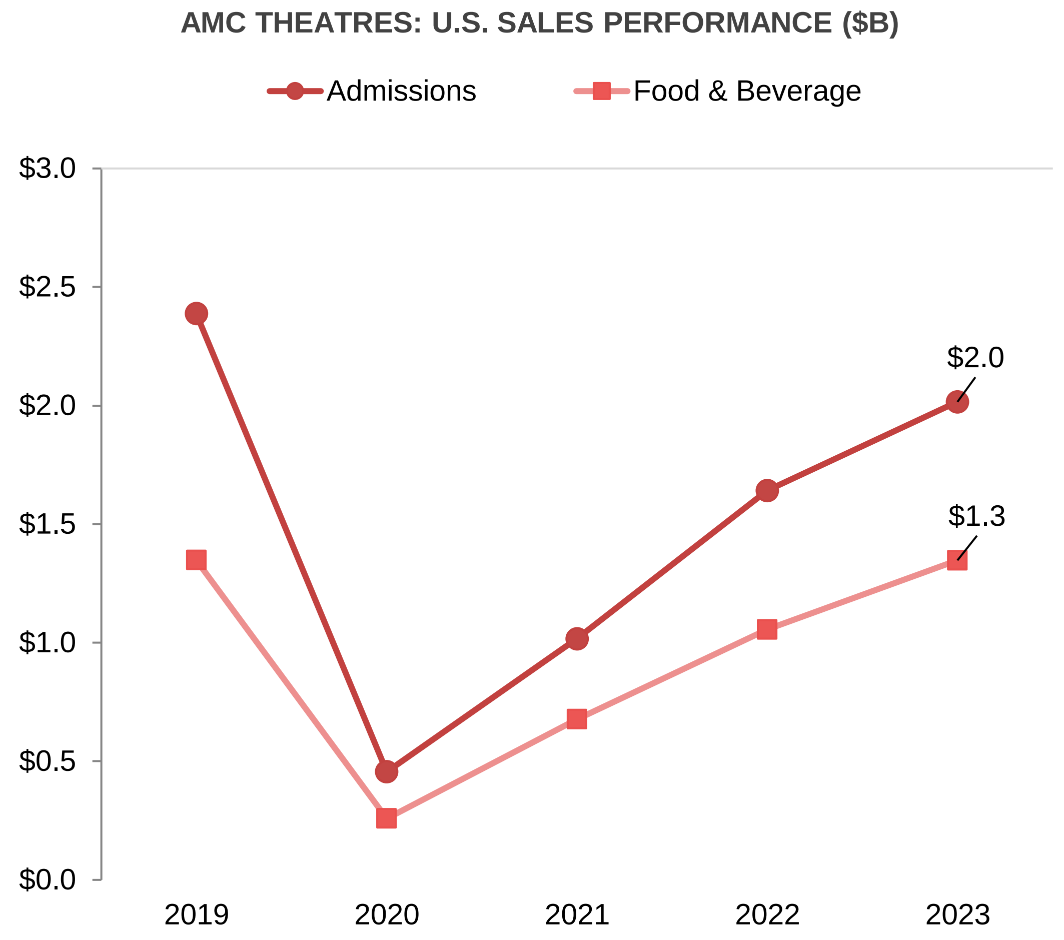
Sources: Technomic Ignite Company



Ignite Menu

The state of today's menus

Technomic's recently launched *State of the Menu 2024* report illuminates menu data and insights from Top 500 chain restaurants. Here are some key themes from recent menus.

Menu size steadies

While certain sectors continued to grow like gangbusters last year (especially LSR breakfast and FSR lunch/dinner) after extensive menu streamlines in 2020 and flat rates of change in 2021, we're now seeing the more standard menu growth that we were used to pre-pandemic. Both limited- and full-service breakfast and lunch/dinner saw steady year-over-year menu mention increases (from 1.9% to 4.7%), reflecting a stabilization of menus. That said, limited-time offer launches have continued to see extensive growth year after year. From 2020 to 2023, LTO item counts were up 52.7%, so it's clear more operators are looking to innovate in that space.

Menus embrace more

Many of the trends that we're seeing in menus encompass this idea of "more is more"—more detail within menu descriptions; more meat in a single dish; heat taken up a notch; larger portion sizes; samplers; and mashups in multiple directions. More premium and luxurious ingredients are also increasingly getting highlighted, and flavor experimentation is abounding.

The pricing conundrum

To manage high inflation and rising labor costs in 2023, we saw a lot of operators up their menu prices significantly, but as we reach the threshold for what consumers are willing to spend, we've started to see not just a trading down (from full serves to limited serves) but a trading out of foodservice altogether. This has caused traffic to wane, something foodservice can't afford. So, as operators navigate this challenging environment, they're going to need to get creative by addressing consumers' changing definition of value—both from a pricing perspective as well as value in terms of experience.

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Source: Technomic Ignite Menu
Image Source: Photo by montatip lilitsanong on Unsplash

Ignite Consumer

Retail foodservice breakfast frequency has declined

The purchase frequency of breakfast prepared foods continues to trend downward, likely the result of shifts toward remote work and the cost-saving aspects of making breakfast at home. In contrast, lunch and dinner remain popular, with dinner especially dominant in grocery-centric retail segments. Convenience stores, on the other hand, excel in breakfast, capitalizing on their quick, on-the-go solutions for morning commuters.

Prepared breakfast and snacking is significantly driven by consumers ages 18-34. This group not only shows a high preference for snacking that is comparable to lunch and dinner, but also tends to visit a variety of retail store types, purchasing items beyond traditional entrees.

Although prepared breakfast purchase frequency is in decline, Technomic finds that younger consumers are more likely to choose various dayparts across multiple retail segments.

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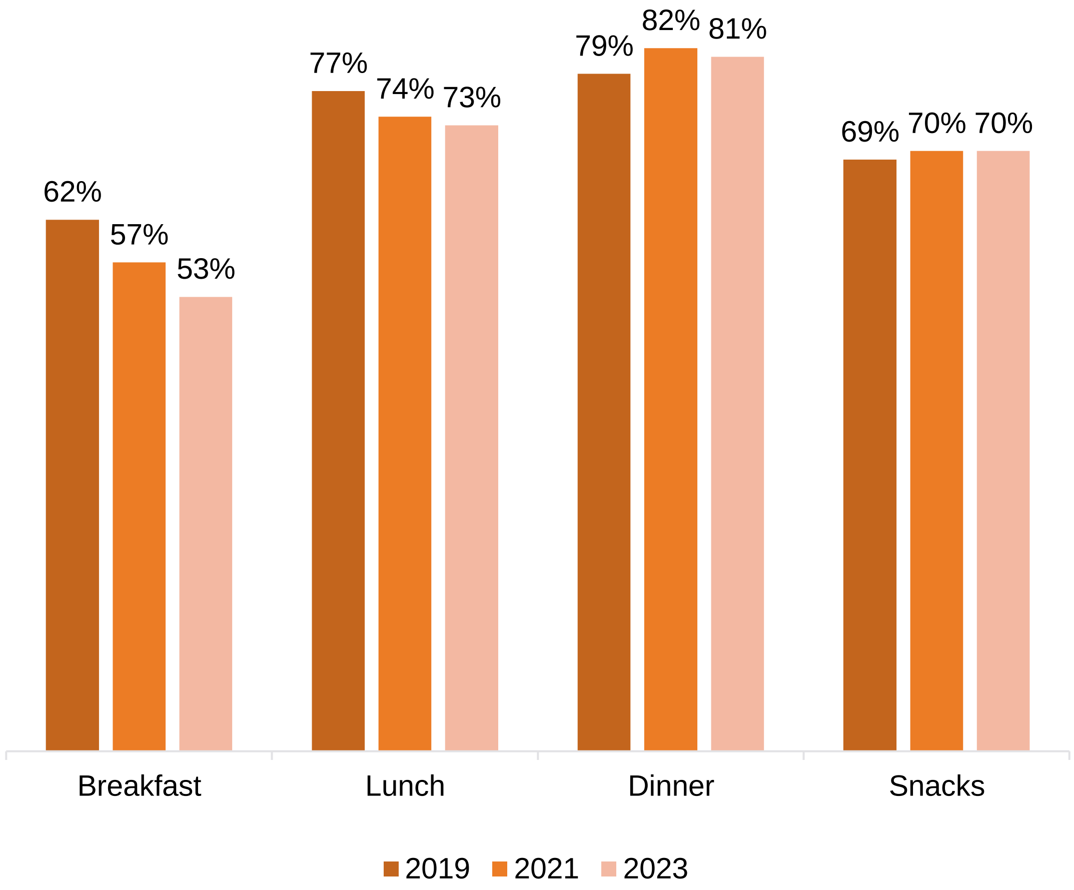
Base: 1,500 consumers who eat retail prepared foods at least once a month
Q: How often do you purchase prepared foods from any type of retail location for the following occasions?
Source: Technomic Ignite Consumer featuring the 2023 Retail Foodservice Consumer Trend Report

RETAIL FOODSERVICE PURCHASE FREQUENCY BY DAYPART
ONCE A MONTH+



Global Foodservice Navigator

Global pasta popularity

As part of the upcoming *Global Pasta Category Report*, Technomic asked consumers in 25 countries around the world about their preferences. Below are a few highlights:

Spaghetti is, perhaps unsurprisingly, the most popular Italian-style noodle around the world, with 71% of consumers considering it at foodservice. Respondents in Southeast Asia, including a whopping 87% of those in the Philippines, showed a particularly enthusiasm for it.

Latin American consumers, bolstered in no small part by consistently high responses in Argentina and Colombia, on average rated as the most or second-most interested region for nearly every surveyed type of pasta.

While some might not consider gnocchi a type of pasta, enough consumers would nonetheless consider ordering the potato-based dumpling for it to land in a three-way tie for sixth place.

Consumers showed little interest in orzo, with only India, the U.K. and North America respondents registering even a double-digit level of enthusiasm for it.

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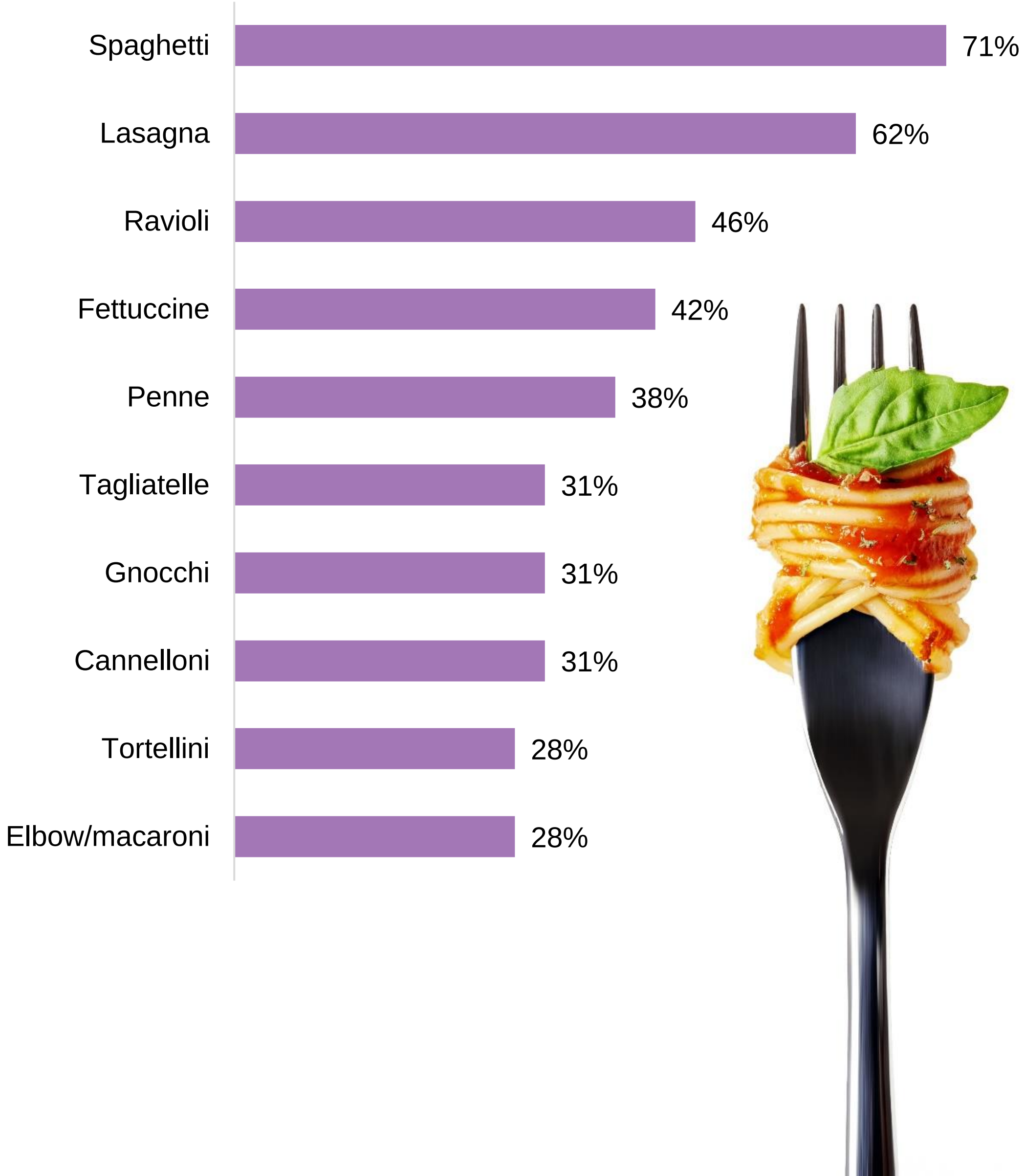
Source: Technomic Global Foodservice Navigator Program
Image Source: Shutterstock

% GLOBAL CONSUMERS WHO WOULD CONSIDER ORDERING PASTA BY TYPE



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Have questions?
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