

Industry Insights

A roundup of noteworthy foodservice findings
for the week of May 22, 2023

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Fuel growth with c-store foodservice intel

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First Watch looks to grow midscale market share

Daytime dining chain First Watch added 40 restaurants to its store network in 2022, achieving the highest number of openings among all full-service chain restaurants during the year.

Despite an impressive stretch of development, First Watch's location footprint remains well short of midscale segment rivals Waffle House, IHOP, Denny's and Cracker Barrel.

While First Watch has thrived, ongoing closures have been common among other midscale chains. The combined location count of all midscale brands

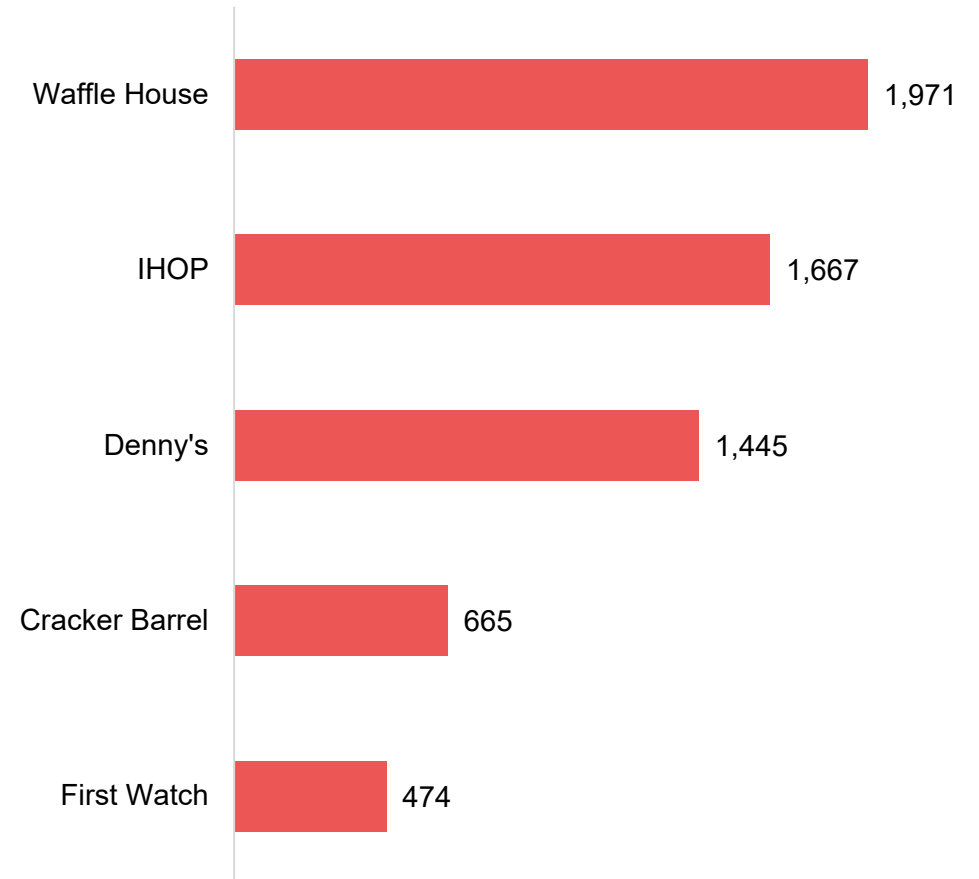
included in the annual *Top 500 Chain Restaurant Ranking* has decreased each of the last four years and has contracted by nearly 6% since 2019.

Additional insights and analysis of the industry's largest chain players can be accessed in Technomic's recently released *2023 Top 500 Chain Restaurant Report*.

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Source: Technomic Ignite Company

TOP MIDSCALE CHAINS
RANKED BY TOTAL U.S. RESTAURANTS



5 menu trends we predict for 2025

Technomic's recently published *2025 Menu Predictions First Quarter* report showcases the top 50 predicted fastest-growing ingredients, flavors and preparations by Q1 2025.

We took a deeper dive into the list to spotlight some innovative trends that will drive excitement for consumers and foster innovation on menus in the coming years.

Predicted Trends

Among the top 10 fastest-growers, four (**aged sherry dressing**, **elephant garlic**, **habanero marinade** and

tapenade sauce) have been in the top 10 list every quarter over the past year, indicating sustained potential for growth.

Mexican dishes and ingredients such as birria, chamoy and achiote are forecasted to grow, as are foods with Spanish influence including fideo and pil pil.

Plant-based items maintained their place among the fastest-growers, including plant-based beef, plant-based seafood, plant-based egg and oat milk.

Ingredients made from alcohol such as aged sherry dressing and sake kasu

have ranked in the top 10 for the past two quarters, and were joined this quarter by lager sauce.

Coffee preparations, including cold foam, nitro and cold brew, remain prominent on the fastest-growing list.

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Mango with
chamoy
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IGNITE CONSUMER

Service leaders among casual-dining chains

Service can be a significant differentiator for any brand in any industry. However, the effectiveness of frontline staff at casual-dining restaurants takes on a central role in the overall experience, where the level of service is often wrapped tightly into diner expectations. In fact, 90% of consumers say that pleasant, friendly service is important or very important when selecting a casual-dining location for a meal.

Given historically high menu inflation in

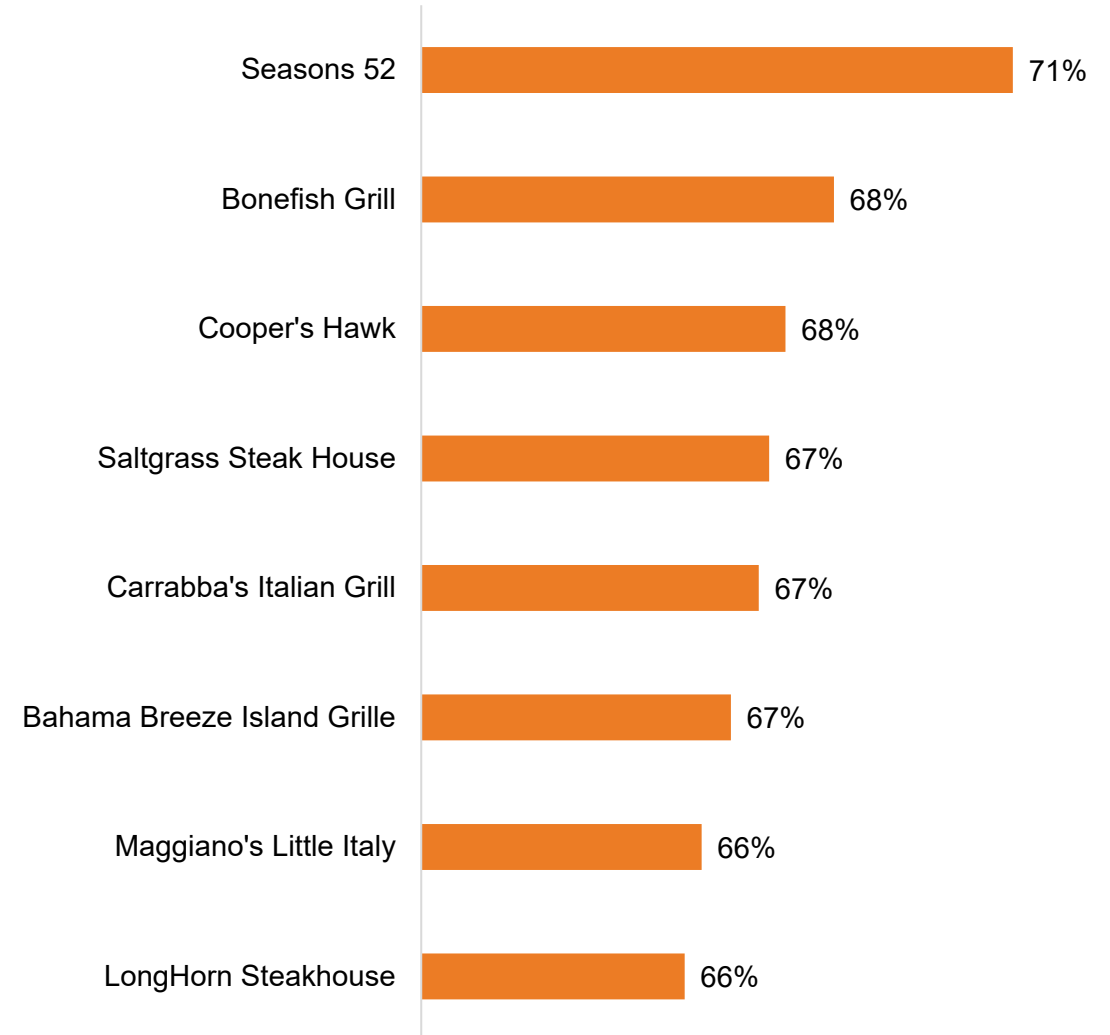
recent periods, the impact of high-quality service may be higher stakes as diners recognize they are paying more for their experiences—and likely carry increased expectations in return.

According to recent guests, brands featured on the chart to the right receive the highest rollup rating for service attributes. It is worth noting that three of these brands are members of the Darden family, perhaps contributing to the strong financial company success over the years.

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Base: 700 recent guests per brand
Source: Technomic Ignite Consumer, Q2 2022-Q1 2023

SERVICE & HOSPITALITY ROLLUP BASED ON YOUR RECENT OCCASION, HOW WOULD YOU RATE THIS CHAIN? TOP BOX (% VERY GOOD)



Retail foodservice around the world



Retail foodservice remains a critical part of broader foodservice industries worldwide, though preferred outlets and their respective patronage levels can vary sharply by market.

To better understand this industry, Technomic recently asked consumers across 25 countries about how often and where they purchase prepared meals from retail locations. Below are a few highlights:

Globally, 65% of consumers report that they purchase ready-to-eat or -heat meals from the prepared meals areas in retail stores at least once per month.

For 22% of respondents, this rate increases to at least once per week, with these numbers particularly concentrated in Southeast Asia, where 40% of consumers in Indonesia, 42% of those in the Philippines and 47% of those in Thailand mention patronizing retail foodservice this frequently.

While 53% of global consumers report visiting convenience stores for retail foodservice, this number jumps to 74% in the Middle East and 77% in Asia (Europe and Latin America stand at 31% and 36% respectively).

Among tracked countries in Asia, the only markets where less than 74% of

consumers mentioned visiting convenience stores were India (62%) and Singapore (63%). Japan—internationally well-known for consumers' patronage of convenience stores—stood fourth among all markets at 80%, tied with Mexico and trailing Indonesia (81%), the Philippines (87%) and Thailand, where a stunning 96% of consumers turn to convenience stores for retail foodservice.

By contrast, 79% of global consumers visit grocery stores and supermarkets for prepared meals; these numbers are instead concentrated in Latin America (85%) and Europe (86%), with

somewhat lower rates found in Asia (70%) and the Middle East (74%)

Colombia, where 92% of consumers report visiting supermarkets' prepared meals areas, leads among Latin American markets and follows only South Africa (94%) among all global markets. Similarly high numbers appear throughout Europe and the remainder of Latin America, with only Mexico (71%) and France (77%) falling below the 85% mark.

Get more data-driven insights into consumer trends from a global perspective with [Technomic's Global Navigator program](#).

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Source: Technomic Global Foodservice Navigator Program
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