

# Industry Insights

A roundup of noteworthy foodservice findings  
for the week of Sept. 18, 2023

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# Subway headlining a busy year of chain acquisitions

Roark Capital Group's acquisition of Subway is the largest deal in what has been an active year for chain acquisitions. The sandwich player became the ninth Top 500-ranked chain to be acquired thus far in 2023. By comparison, a total of 10 Top 500-ranked chains changed ownership in 2022.

Full-service chains Ruth's Chris Steak House and Fogo de Chao are among the other top chains to be acquired so far in 2023, being absorbed by Darden

Restaurants Inc. and Bain Capital Private Equity, respectively.

Last year, MTY Food Group Inc. went on a shopping spree, acquiring Famous Dave's, Wetzel's Pretzels, Village Inn and Granite City Brewery—all chains ranked within the Top 500.

Check out Technomic's *Same-Store Sales and Acquisition Tracker* for regularly updated news on the industry's largest chains.

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

Source: Technomic Ignite Company

## YEAR-TO-DATE ACQUISITIONS TOP 500 CHAIN RESTAURANTS

Chain Name	Chain Rank	Acquired By
Subway	8	Roark Capital Group
Ruth's Chris Steak House	68	Darden Restaurants
Fogo de Chao	100	Bain Capital Private Equity
Pollo Tropical	106	Authentic Restaurant Brands
Krystal Company	125	SPB Hospitality
Firebirds Wood Fired Grill	145	Garnett Station Partners
Corner Bakery	183	SSCP Management
Port of Subs	434	Area 15 Ventures
Genghis Grill	463	Craveworthy Brands

## IGNITE MENU

# Adult beverage trends to watch

Here are some data and insights around adult beverage menu incidence today.

Overall menu incidence of adult beverages is up year over year, with the greatest growth in spirits (+20%), other wines (+14%) and specialty drinks (+7%). Only white wine has seen a dip in menu incidence (-0.3%).

The greatest year-over-year price upticks are in the beer category (+27%) and other wines (+19%).

The fastest-growing adult beverage brands are Graham's (+67%), Glenfiddich (+56%) and Taylor Fladgate (+42%).

The fastest-growing flavors in adult beverages are green tea (+44%), kiwi (+14%), Irish cream (+10%), espresso (+9%) and wildberry (+8%).

Lime, orange, sweet, earthy and fruity are the top flavors paired with adult beverage.

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

Base: 30,609 menu items across 416 operators with five-year historical menus in Q2 2022-Q2 2023  
Source: Technomic Ignite Menu

## TOP ADULT BEVERAGE CATEGORIES

Categories	Menu Items	YOY Item Change	Operators	YOY Operator Change
Beer	7,640	2.2%	367	1.4%
Spirits	7,102	19.8%	136	8.8%
Specialty drinks	5,717	7.2%	360	0.8%
Red wine	5,200	1.5%	371	1.6%
White wine	3,110	-0.3%	371	1.6%
Champagne/sparkling	924	3.6%	271	0.4%
Other wines	916	13.9%	304	1.3%



# Impact of price hikes on consumers

Nearly half of consumers (45%) agree restaurants have taken advantage of inflation to increase menu prices more than they should. In addition, 47% of consumers agree that they have just accepted the fact that restaurant food costs more now.\*

Price increases have successfully driven revenue growth in the short term. However, this is not a sustainable strategy for the long haul. Moving forward, traffic growth should be the focus of the industry. This can be done by zeroing in on what makes an operation unique and doubling down on

those aspects to gain a competitive advantage, earn new guests and drive visit frequency.

Operators should be sure to understand who the core customer is and market to specific diners accordingly. For example, younger consumers tend to be more accepting of price increases. But when looking to target older customers (ages 35 and older), experiment with implementing strategic discounts such as value meals, BOGO deals and family-friendly combos.

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\*Base: Varies

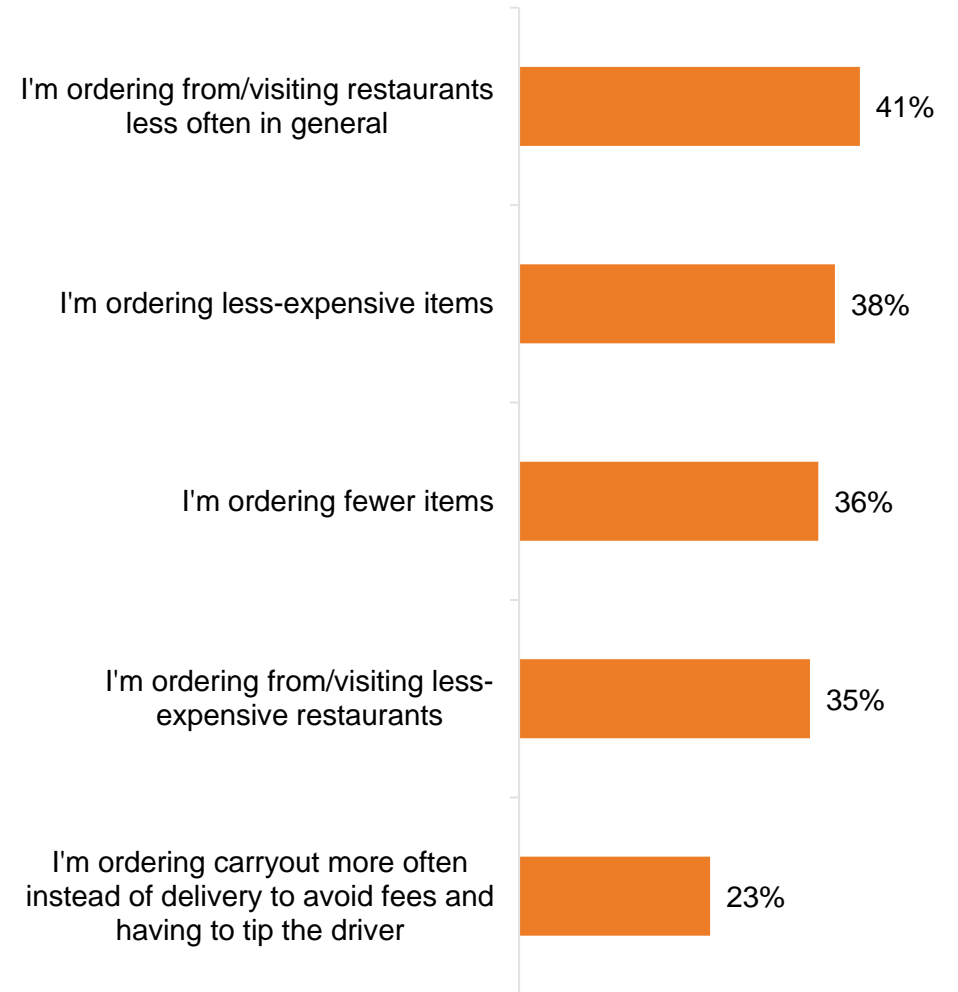
\*Q: Please indicate how much you agree or disagree with the following statement about value and prices at restaurants and other foodservice locations.

\*\*Base: 1,306 consumers who have noticed menu prices increasing in the past year

\*\*Q: How have the price increases impacted your restaurant behavior? Select all that apply.

Source: Technomic Ignite Consumer featuring the Technomic 2023 Value & Pricing Consumer Trend Report

## IMPACT OF MENU PRICE INCREASES\*\*



# Mealpart and daypart breakdowns in Latin America

Technomic tracks menu development activity in five key markets in Latin America as part of its Global Foodservice Navigator Program, including dayparts and mealparts. Below are a few highlights from how these indices have evolved in this region over the past two years.

The four critical mealparts in this region across both years are entrees, desserts, nonalcohol beverages and

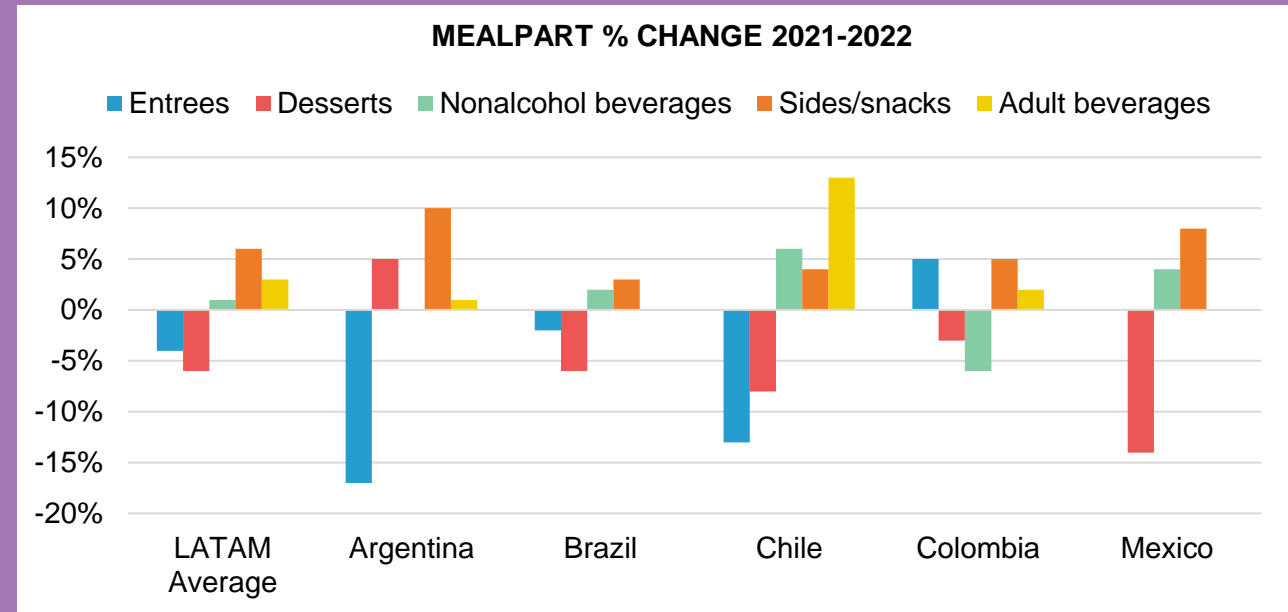
sides/snacks. Entrees and desserts saw dramatic decreases in several markets, including Argentina’s 17% drop in entrees and Mexico’s 14% decrease in dessert items. Colombia and Mexico, conversely, were the only tracked markets in the region to see entrees grow or remain stable. Other notable points include the broad growth of sides/snacks in Argentina and Mexico, and Chile’s global standout

13% growth in adult beverage menu development.

On average, dayparts have remained stable in this region over the last few years. In both 2021 and 2022, lunch/dinner items made up about 60% of all items tracked in a given year, all-day items about 38% and breakfast the remaining 1%-2%. Colombia across both years and Mexico in 2022 were outliers, seeing a closer split between

all-day and lunch/dinner items (about 42% to 56%). Brazil overindexed in 2022 with 72% of new items consisting of lunch/dinner releases—an 11% increase over the previous year.

Take a deeper dive into these markets and items with Technomic’s [Country Reports](#).



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