Industry Insights

A roundup of noteworthy foodservice findings for the week of Dec. 2, 2024

Image Source: Shutterstock




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Ignite Company

Chain restaurant sales growth has decelerated in 2024

After increasing by more than 7% in 2023, cumulative annual sales for the top 1,500 chain restaurants are forecasted to expand by 4.2% in 2024 to a total of $470 billion.

Overall chain sales growth projections have been downgraded compared to prior estimates due to weaker-than-expected results for McDonald's, Starbucks and several other top chain players.

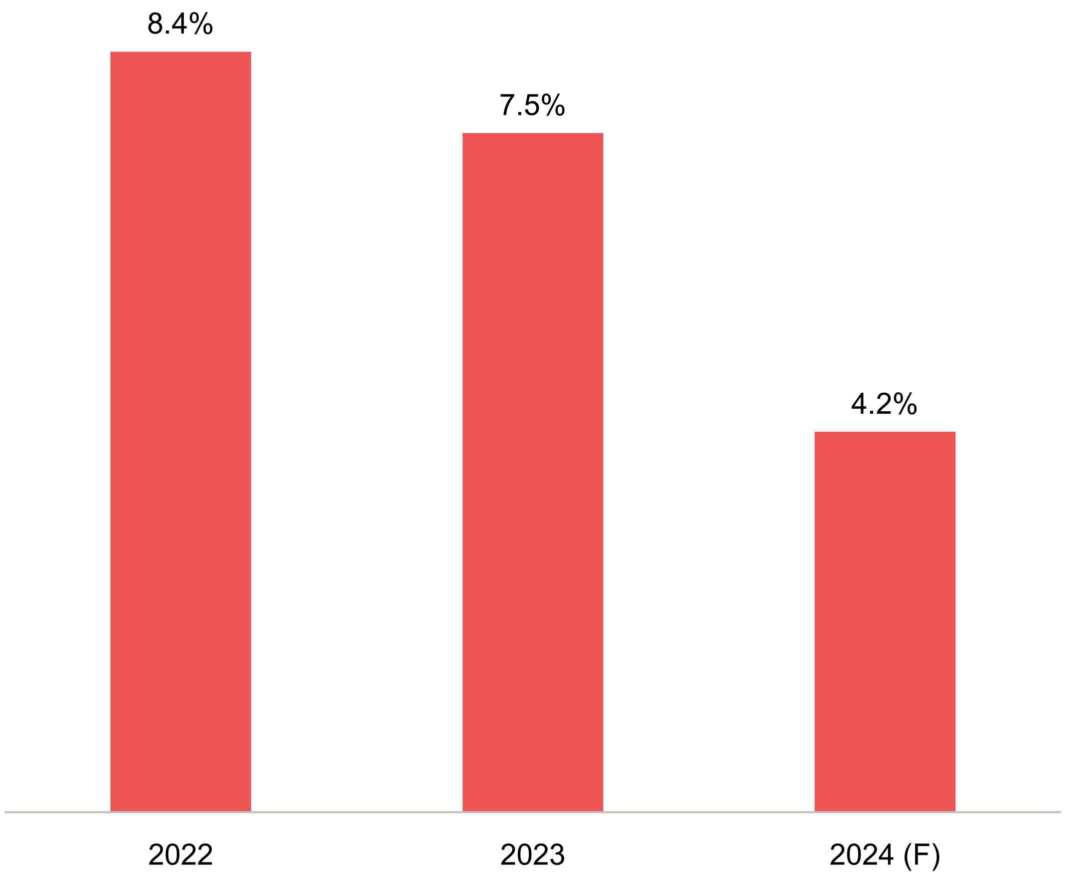
Following a volatile stretch of sales results between 2020 and 2023, chain performance dynamics appear to be normalizing to pre-pandemic patterns. During the period of 2015-2019, chain restaurant sales grew by an average annual rate of 4.3%.

Additional forecasting intelligence can be accessed in the recently released *Chain Restaurant Performance Outlook* report.

Ignite Company clients: Click here for more

Note: (F)=forecast as of November 2024; All forecasts are preliminary and subject to ongoing updates
Source: Technomic Ignite Company

TOP 1,500 CHAIN RESTAURANTS
ANNUAL U.S. SALES CHANGE



Ignite Menu

Q3 2024 menu data highlights

With the launch of Technomic's new Ignite Menu data for the third quarter of 2024, here are some key takeaways from U.S. menus.

Overall, menu item counts are relatively flat year over year, with average item counts for all mealparts showing an increase of 0.5%. Menu prices are increasing across all mealparts with add-ons seeing the steepest price increases at 4.6% in the last year. Add-ons can provide a level of customization while providing a check boost for operators. Add-ons are also the mealpart with the largest item growth in the past year, driven by upticks in choice of side add-ons (+9.5%), sauce/gravy toppings (9.0%) and protein add-ons (+8.4%).

Several global items are among the fastest-growing flavors over the past year, including Indian assam (+23.5%), Korean gochujang (+21.1%) and Japanese yuzu kosho (+18.2%).

When it comes to healthy claims, many of the fastest-growing claims are sourcing callouts, including pasture-raised (+9.5%), sustainable (+8.4%) and local (+7.2%).

Ignite Menu clients: Click here for more

Source: Technomic Ignite Menu data
Image Source: Adobe Stock

ITEM COUNT GROWTH OVER THE LAST YEAR
Q3 2023-Q3 2024

Add-On **+4.9%**

Kids Menu **+2.8%**

Nonalcohol Beverage **+1.5%**

Side **+1.4%**

Dessert **+1.0%**

Appetizer **+0.5%**

Entree **+0.2%**

Overall **+0.5%**

Ignite Consumer

Consumers shift to cost-conscious dessert sourcing

Diners report that their dessert consumption levels have remained steady since 2021. Nevertheless, a shift toward more cost-effective alternatives has emerged. Retail dessert purchases have seen a notable rise since 2021, along with a similar increase in homemade desserts, highlighting the growing impact of price considerations and the preference for budget-friendly options.

This pivot toward retail and homemade desserts has contributed to a decline in dessert consumption at limited- and full-service restaurants, marking an important shift in consumer behavior in the wake of historical menu price inflation.

Ignite Consumer clients: Click here for more

Base: 1,500 consumers who ever eat dessert
Q: How often do you eat desserts from the following locations? Please consider dine-in, takeout and delivery orders.
Source: Technomic Ignite Consumer featuring the 2024 Dessert Consumer Trend report

DESSERT CONSUMPTION FREQUENCY BY SEGMENT
ONCE A WEEK+

	2024	Three-Year Change
Buy packaged from a retail or grocery store	39%	+4 ppts
Make at home	38%	+5 ppts
Buy freshly prepared from a bakery, retail or grocery store	31%	+1 ppts
Fast-food restaurants	24%	-3 ppts
Coffee or other beverage shops	22%	-2 ppts
Restaurants or other foodservice concepts that specialize in desserts	16%	0 ppts
Fast-casual restaurants	15%	-6 ppts
Casual-dining restaurants	15%	-1 ppts
Family-style restaurants	13%	-4 ppts
Fine-dining restaurants	10%	-3 ppts

Global Foodservice Navigator

Desserts around the world

As part of the recent *Global Dessert Category Report*, Technomic surveyed consumers in 25 markets to gain insight into their dessert preferences and ordering habits. Below are a few highlights:

While the average global enthusiasm for desserts has held steady from 2023 to today, with 35% of all consumers ordering them at least once a quarter, this number varies drastically across regions and markets.

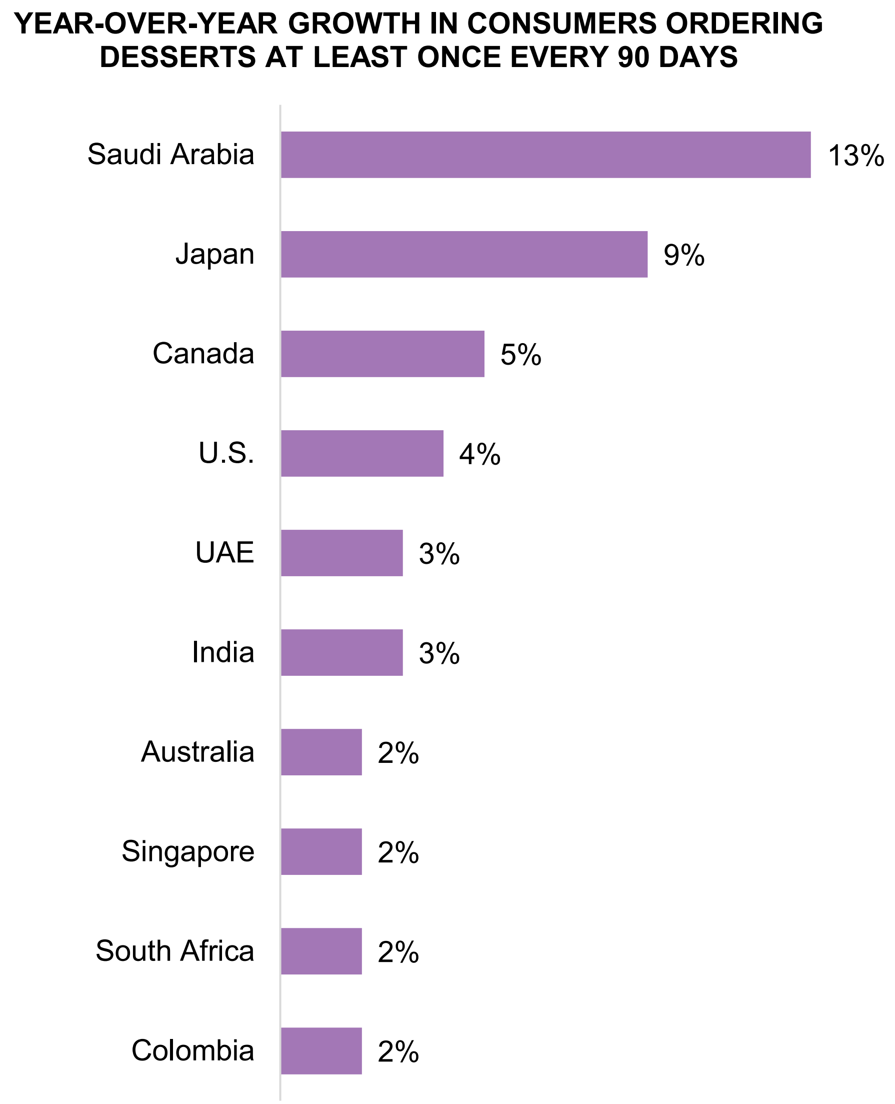
While North America consumers were the least likely to order a dessert while dining out at just 26% of respondents, 39% of those in Asia indicated they do so. Four of the top 10 most enthusiastic markets for desserts—including the top three—are found in this region, with India claiming the No.1 spot at 57% of all consumers.

The most frequent patrons, however, are found in the Middle East, where an average 39% of respondents indicate they order desserts at foodservice at least once a week and a whopping 91% do so at least once a month.

This region is also home to two of the top five fastest growing markets for desserts: as UAE consumers were 3% more likely to order desserts compared to one year ago, those in Saudi Arabia were 13% more likely to do so—the highest in the world.

Global Navigator clients: Click here for more

Source: Technomic Global Foodservice Navigator Program



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Since 1966, we have produced in-depth research focused on the foodservice industry.

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.

Have questions?
Reach out to us today.

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