



Technomic®

Industry Insights

A roundup of noteworthy Canadian foodservice findings for the week of Feb. 22, 2021

Same-Store Sales Slide at Tim Hortons

Same-store sales growth continues to be a challenge for Tim Hortons, with the brand posting six consecutive quarters of comparable sales declines.

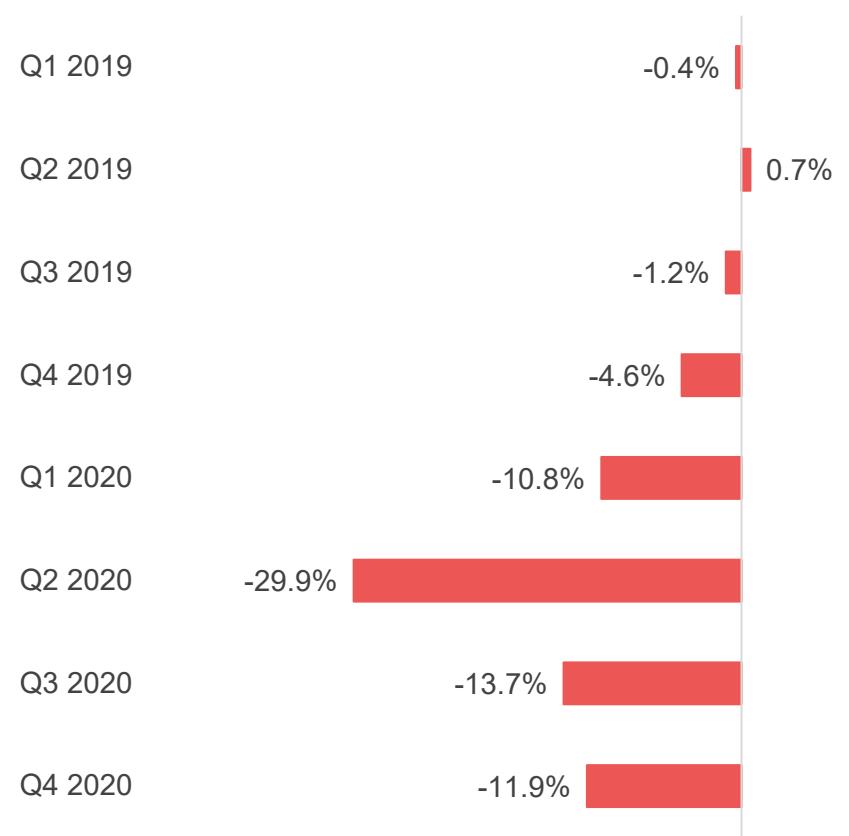
Annual same-store sales for Canada's largest chain declined by 16.5% in 2020, bookmarked by a 11.9% decrease during the fourth quarter ended Dec. 21, 2020. Full-year same-store sales for the chain slipped by 1.4% in 2019.

Tim Hortons' global performance largely mirrored the chain's Canadian numbers, with a 11.0% same-store sales decline during the fourth quarter and an overall 16.5% decrease across

2020.

Tim Hortons' Canadian locations also registered a slight decline, dropping from 4,014 locations in 2019 to 3,936 in 2020.

**TIM HORTONS CANADIAN SAME-STORE SALES
YEAR-OVER-YEAR CHANGE (%)**



Operators Warm Up to Extreme Heat

Extremely spicy ingredients are on the rise, with chiles making up three of the top five fastest-growing vegetables over the past year. Thai chile peppers (+26.5%), hot chile peppers (+18.2%) and habanero peppers (+14.3%) are all trending upward on menus. Consumers are seeking out bold flavours and turning to extreme spice to get them.

Restaurants are answering consumers' desires for extra heat. In Q1 2021, McDonald's began offering a limited-time Spicy Habanero McChicken sandwich, topped with creamy habanero sauce. If that isn't enough for consumers, the chain also offers a Spiciest Ghost Pepper McChicken

sandwich, which turns the heat up even more with ghost pepper sauce.

Some operators are bringing the extra heat by doubling up on spicy elements. Burger King recently brought back its Angry King Sandwich featuring Angry onions, jalapenos and Angry Sauce. In another example, Harvey's now offers a spicy customization option, the Smokin' Hot Style, which allows consumers to add on jalapeno jack-cheddar cheese, jalapenos and the chain's Ghost Pepper Sauce to any chicken sandwich or burger.

Source: Technomic Ignite menu data



Image Source: Shutterstock

Contactless Remains Key at Retailers

While self-service ordering formats have always provided convenience and customization, consumers are weary of these high-touch points as the pandemic remains top of mind.

Self-service options may be more attractive in the future though with 47% of consumers saying they will find self-service stations more appealing after the pandemic subsides. Since there will still likely be some hesitation, operators should consider alternative formats to avoid scarring some consumers away.

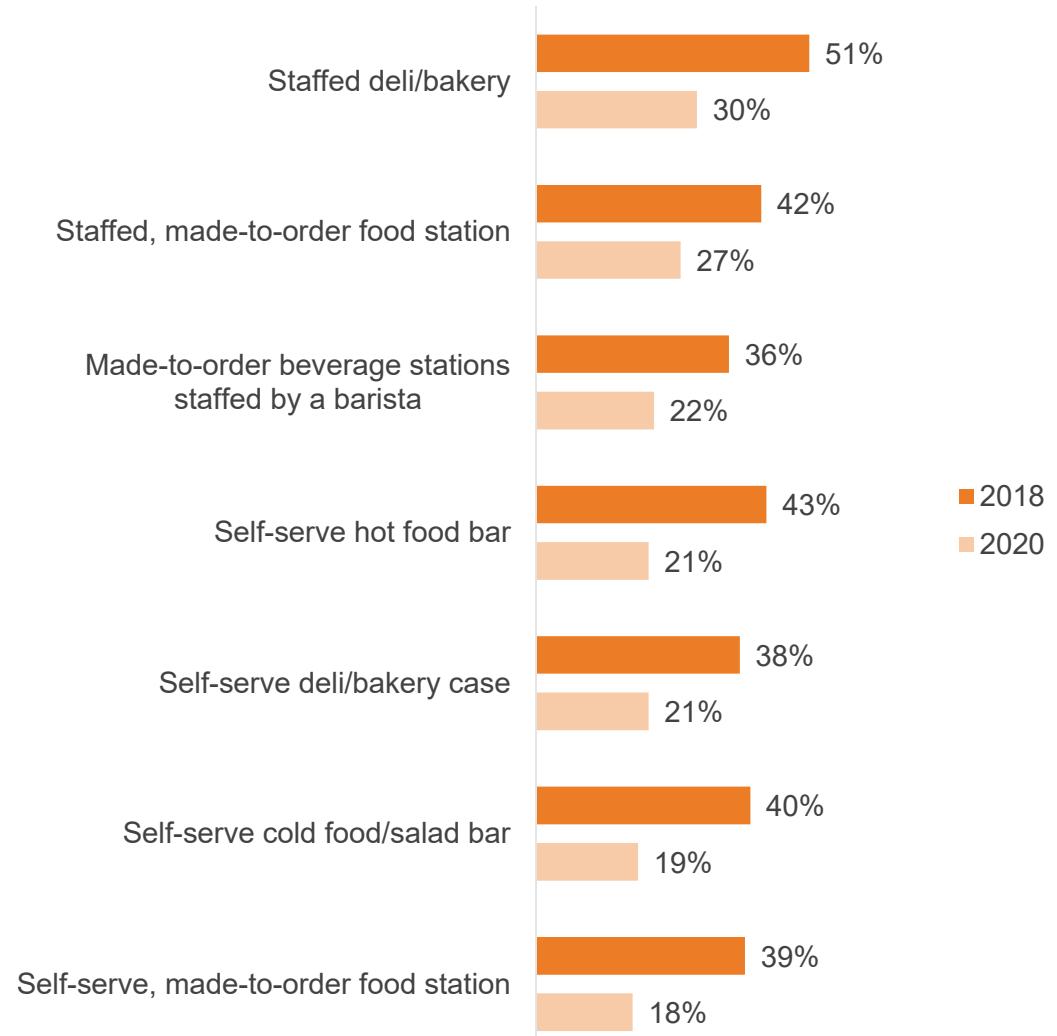
Transitioning self-serve foods to a grab-and-go case can be an effective solution, as grab-and-go is widely

considered to be more sanitary. Another option is converting self-serve formats to employee-served, which consumers are more comfortable with.

As retailers consider reopening self-service after the pandemic, they will likely need to make some updates like increased sanitization, adding glass panes or limiting touch points. Ensuring there are multiple ordering options available for consumers can help maintain a broad appeal and make consumers more comfortable.

Base: 900 consumers (2018) and 1,019 consumers (2020) who eat retail prepared foods at least once a month
 Source: Technomic Ignite consumer featuring the Technomic 2020 Canadian Retail Foodservice Consumer Trend Report

PREFERRED SERVICE FORMATS



2021 Global Holiday & Event Guide

Holidays and events create opportunities to drive sales throughout the year. Common promotions tied to these days and periods include LTOs and deals.

But what are the key holidays and events that impact restaurant promotions on a global or regional scale? Technomic's new global menu category reports provide insight into these important dates throughout the year.

Here's a brief summary for 2021:

Holiday & Event Days

- New Year's Eve/New Year
- Valentine's Day

- Halloween
- Diwali
- Black Friday
- Singles' Day/Nov. 11
- Christmas

Seasonal Events

- Veganuary
- Lent
- Chinese New Year/Lunar New Year
- Sakura/Cherry Blossom Season
- Ramadan
- Fall/Autumn/Moon Festival

Source: Technomic Global Foodservice Navigator Program



Sakura season influences menu development in Japan and across many parts of Asia early each year, often expressed through pink foods and drinks
Source: Starbucks Japan press release

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