Industry Insights

A roundup of noteworthy foodservice findings for the week of Oct. 2, 2023
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On-Premise 2028 Business & Industry Pizza
Lodging
FAT Brands expands portfolio with Smokey Bones

Following Roark Capital’s recent blockbuster purchase of Subway, FAT Brands continued its own spree of acquisition activity with a deal to purchase Smokey Bones. The 61-location barbecue chain becomes the 11th chain owned by FAT Brands to be ranked in Technomic’s annual Top 500 Chain Restaurant Report.

FAT Brands owns 17 brands in total and has approximately 2,300 locations worldwide. The company’s three largest concepts, Twin Peaks, Round Table Pizza and Fazoli’s, were all acquired by FAT Brands in 2021.

Check out Technomic’s Same-Store Sales and Acquisition Tracker for regularly updated news on acquisition activity among the industry largest chain players.

Source: Technomic Ignite Company

IGNITE COMPANY

FAT BRANDS PORTFOLIO

CHAIN RANKINGS

<table>
<thead>
<tr>
<th>Chain Name</th>
<th>Chain Rank by U.S. Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twin Peaks</td>
<td>102</td>
</tr>
<tr>
<td>Round Table Pizza</td>
<td>109</td>
</tr>
<tr>
<td>Fazoli's</td>
<td>146</td>
</tr>
<tr>
<td>Smokey Bones</td>
<td>199</td>
</tr>
<tr>
<td>Great American Cookies</td>
<td>244</td>
</tr>
<tr>
<td>Johnny Rockets</td>
<td>247</td>
</tr>
<tr>
<td>Fatburger</td>
<td>327</td>
</tr>
<tr>
<td>Hurricane Grill &amp; Wings</td>
<td>386</td>
</tr>
<tr>
<td>Marble Slab Creamery</td>
<td>398</td>
</tr>
<tr>
<td>Pretzelmaker</td>
<td>478</td>
</tr>
<tr>
<td>Native Grill &amp; Wings</td>
<td>496</td>
</tr>
</tbody>
</table>

Source: Technomic Ignite Company

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Technomic’s recently published LTO Seasonal Review highlights several notable trends among limited-time offers this summer:

- **Sweet Heat**: Sweet-spicy flavor combinations were spotlighted in a plethora of dishes, from wings to breaded proteins to sliders.
- **Caprese Riffs**: New preparations of the Italian salad of sliced mozzarella, tomatoes and basil were featured in sandwiches, crepes and beef dishes.
- **New Takes on Funnel Cake**: New and classic takes on the regional deep-fried carnival dessert included being served as fries, infused into shakes and plated traditionally.
- **Caffeinated Callouts**: Beverages, including fruit-forward energy drinks and coffee beverages, were called out as being “caffeine-rich” or “charged” in the item name or description.
- **Palomas**: New and classic takes on the cocktail of tequila, lime juice and grapefruit soda included infusions of fruit (e.g., berry, watermelon, etc.), herbs (e.g., mint, etc.) or other spirits (e.g., vodka, etc.).

Source: Technomic Ignite Menu
Most accepted tech at the drive-thru

Technology appears to be moving faster than behavioral shifts among restaurant consumers. Beginning with the onset of the pandemic, consumers upped their usage of the drive-thru, a trend which shows no signs of letting up despite the many delivery and carryout options available to diners.

One significant change to the model, however, is the introduction of advance digital orders for pickup at the drive-thru window. That shift to order ahead has sparked a lot of experimentation in the off-premise channel with tech-enabled options. This can come in the form of AI chatbots or apps enabling mobile drive-thrus. But is this what consumers today expect from a drive-thru?

Order tracking and mobile order ahead are the two options that drive the most interest. These are the elements that are most likely to create a seamless experience for consumers.

CONSUMER PREFERENCES

<table>
<thead>
<tr>
<th>Tech Feature</th>
<th>Would make me visit less</th>
<th>Would make me visit more</th>
</tr>
</thead>
<tbody>
<tr>
<td>AI-voiced and -powered menu boards</td>
<td>16%</td>
<td>38%</td>
</tr>
<tr>
<td>Dynamic pricing, where menu differs by time of day or other factors</td>
<td>17%</td>
<td>34%</td>
</tr>
<tr>
<td>Menu boards with video to see the person taking your order</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Digital order screens</td>
<td>22%</td>
<td>24%</td>
</tr>
<tr>
<td>Tracking my location once I've placed my order</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>Mobile order ahead to be picked up in the drive-thru</td>
<td>20%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Base: 1,000 consumers

Q: Some restaurants are updating the drive-thru with the following amenities. If a restaurant that you currently visit for drive-thru added the following, how would it impact your visitation?

Source: Technomic Ignite Consumer featuring the Technomic Q3 2023 Consumer & Operator Outlook Report
Technomic tracks menu development in five key markets in Europe, both from month to month and from year to year. Below are a few highlights how this region’s activity has fared over the last two years.

Top chains in Europe introduced just over 3,600 new items in 2022, a 20% increase from the previous year’s 3,010 items.

With the exception of Russia, every tracked market notched double-digit increases in year-over-year development.

Spain was a global standout as the market with the third-most rapid increase in new items during this period (46%). Germany, tying for fourth place with Indonesia, similarly stood out, with a 36% increase.

In 2022, operators in Europe released an average 24.1 items per chain, the highest of any tracked region.

European markets held two of the top five spots for items released per chain among all global markets, with the U.K. taking first place with an average of 33.7 items released per chain for that year.

At 1,011 total new items in 2022, U.K. operators had the most active menu development across the region, as well as the third-highest across any tracked region, behind only China and the U.S.

Take a deeper dive into these markets and items with Technomic’s Country Reports.

Source: Technomic Global Foodservice Navigator Program
Image Source: Shutterstock
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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?
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