Technomic®

# Industry Insights

A roundup of noteworthy foodservice findings for the week of Jan. 25, 2021

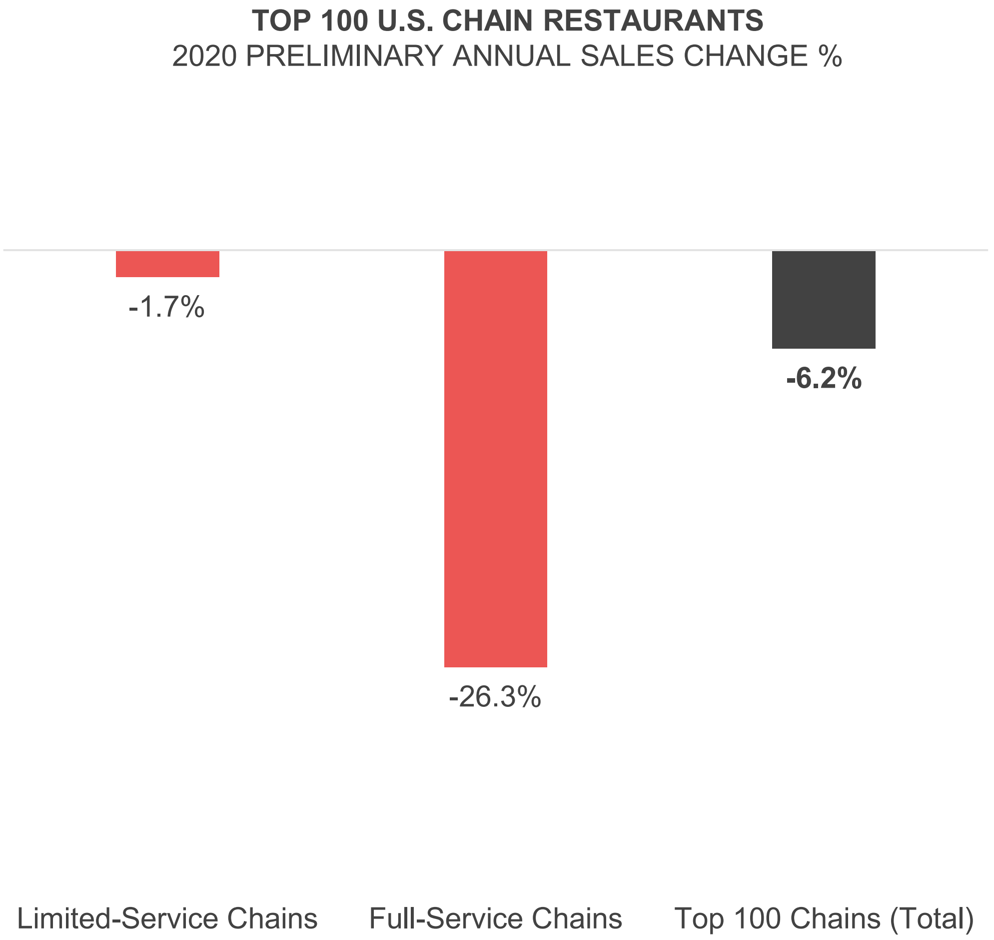
# LSR Chains Buoy Top 100 Performance

After growing increasingly wide in recent years, the performance gap between the industry's largest limited- and full-service chains diverged significantly in 2020.

Preliminary results for the top 100-ranked chains indicate a cumulative annual sales decline of 6.2% in 2020, comprised of a 1.7% slip in limited-service sales and a notably more severe 26.3% decline in full-service chain sales.

While steady results from drive-thru and delivery-focused operators helped bolster the performance of the limited-service segment, full-service chain sales were significantly hampered by sustained restrictions on indoor dining.

Additional performance insights and chain-specific sales projections can be found in Technomic's recently released *Top 100 Chain Restaurant Q4 2020 Forecast Update*.




Note: Performance forecasts are estimates and subject to revision
Sources: Technomic Ignite company data featuring the Technomic Top 100 Chain Restaurant Q4 2020 Forecast Update

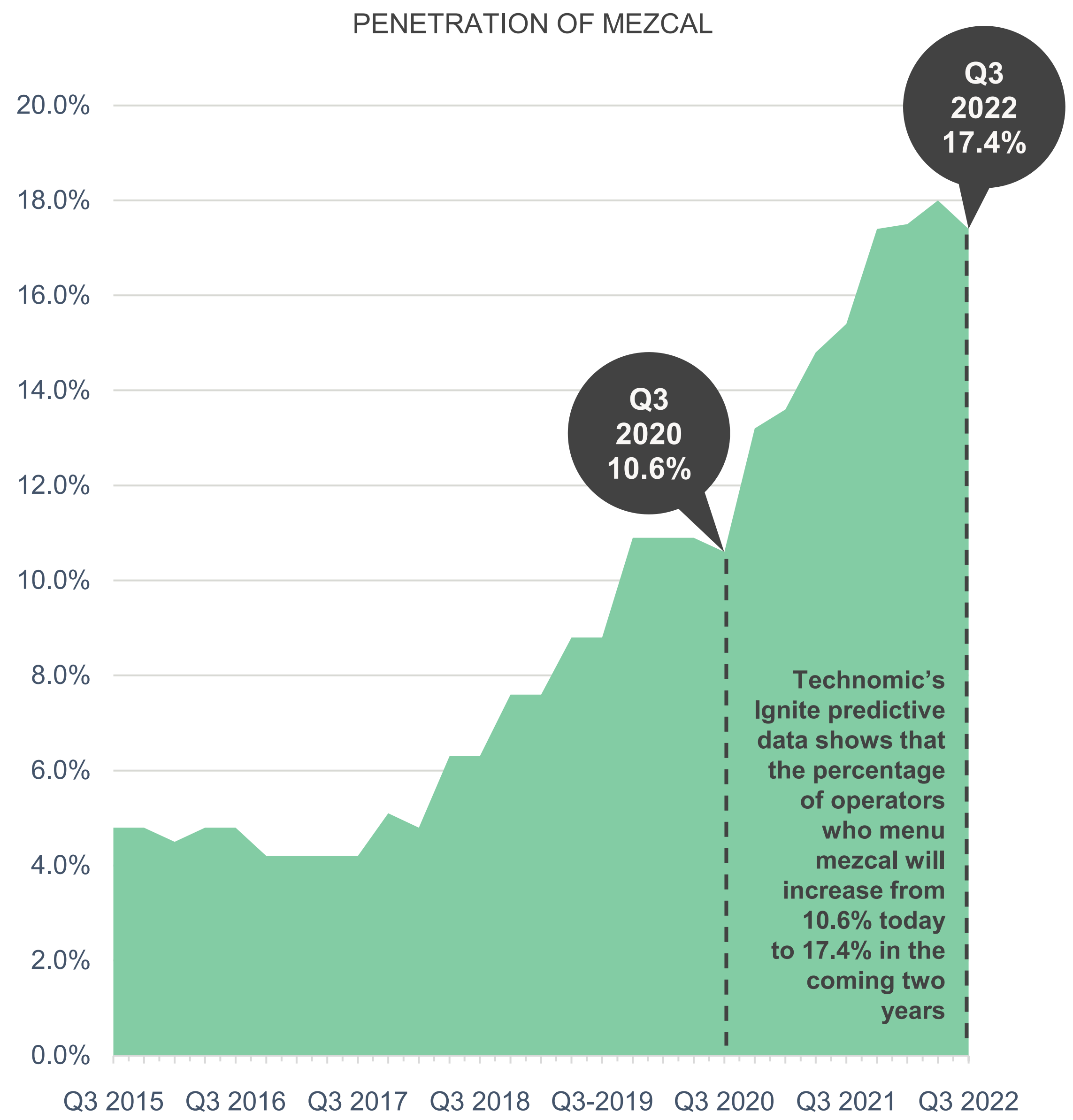
# How to Spot a Menu Trend

It might seem as if menu trends are impossible to see coming, but they're not. Using targeted menu and consumer data analysis as well as expert insights, we're now able to predict trends well before they go mainstream. And this month, Technomic released its *5 Steps to Spotting a Menu Trend* white paper to help you do just that. Here's an overview, but for the remaining steps and insights, please contact Technomic here.

**Determine the trend's origin.** Menu trends typically follow a set lifecycle, from naissance to maturity; if you're able to pinpoint where and when they typically start, you'll be ahead of the curve. Regard Technomic's Lifecycle on Ignite Menu for this step.

**Identify how the trend is applied.** Learn how the trend is actually being menued and what's performing well with consumers in those menu item descriptors. Technomic's concept testing tool on Ignite Menu can help you with this step.

**Predict where the trend's going.** Use Technomic's predictive model on Ignite Menu to determine future menu trends.



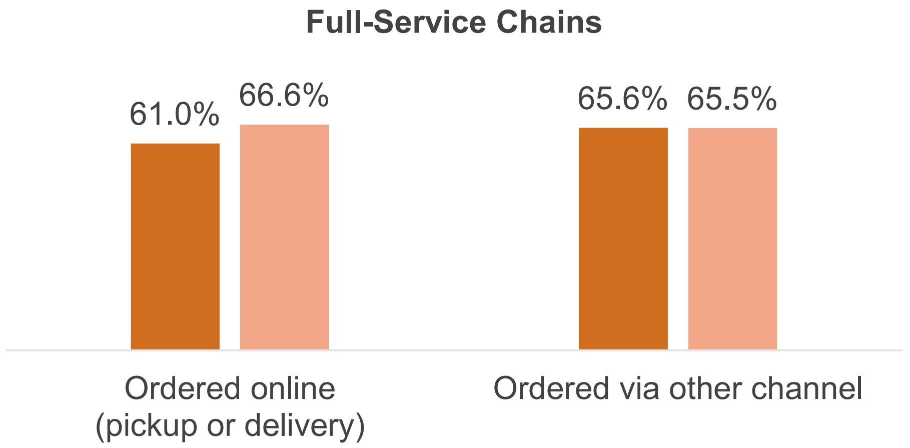

Source: Technomic Ignite menu data

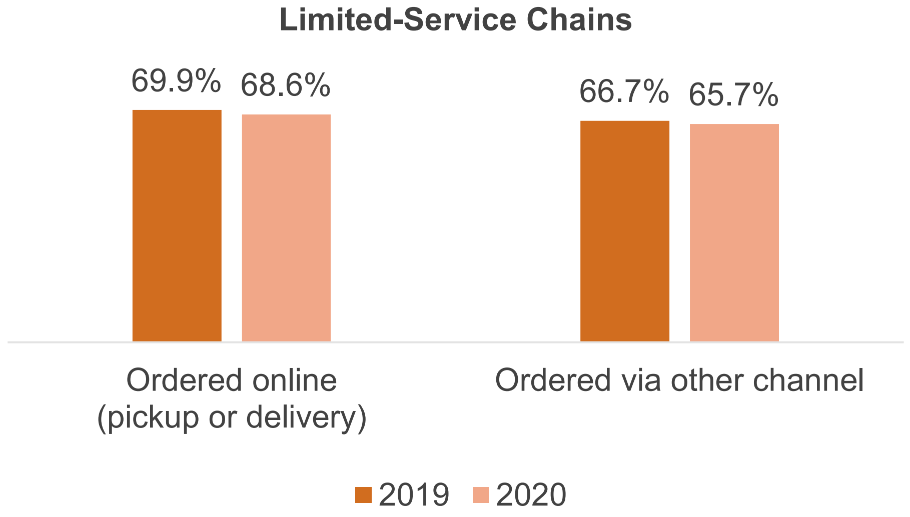
# Online Order Accuracy Ratings

Throughout 2020, digital ordering channels captured both market share and the attention of foodservice industry watchers. As adoption of the service model gradually grew in 2019, the COVID-19 pandemic hastened that growth as consumers dealt with dining room closures and stay-at-home orders preventing them from engaging in traditional restaurant behaviors.

One interesting upshot for restaurant operators is an increase in guest perceptions of order accuracy for full-service chains' online ordering services. As a guest experience metric, order accuracy is consistently one of the most important factors in the location selection process. In fact, food quality and food taste and flavor are the only other restaurant attributes that perennially rate more important when diners are choosing where to source a meal.

BASED ON YOUR MOST RECENT VISIT, HOW WOULD YOU RATE THIS BRAND ON ORDER ACCURACY? (TOP BOX = VERY GOOD)




Base: 103,205 recent restaurant guests (2019) and 105,685 recent restaurant guests (2020)
Source: Technomic Ignite consumer featuring consumer brand metrics data

# Global Brands Bet Local with LTOs

One menu strategy many operators of global restaurant brands are leveraging in the current normal is product localization. Several major chains have rolled out LTOs that showcase well-known food favorites from a specific country or region, often in a new or unexpected context to build excitement.

Here are a few examples of how brands are looking to get closer to consumers in the markets they serve:

**McDonald's China**—the burger giant recently debuted its first-ever take on the traditional meat bun known as roujiamo

**Domino's Australia**—the U.S.-based pizza purveyor's new Sausage Sizzle Pizza aims to recast a local summer barbecue specialty in a delivery-friendly pizza format

**Burger King Singapore**—for Chinese New Year, the burger slinger introduced a range of products showcasing the flavors of local favorite chile crab

**California Pizza Kitchen Japan**—the American pizza brand launched Unagi Pizza showcasing freshwater eel prepared kabayaki style

**McDonald's France**—as the country returned to confinement this fall, the chain brough back its highly localized McBaguette Burger

**Domino's Australia's Sausage Sizzle Pizza**
*Image Source: Domino's Australia press release*

Source: Technomic Global Foodservice Navigator Program

# COVID-19 DISRUPTION INDEX

**COVID-19 Disruption Index** is powered by Shortest Track, utilizing AI, machine learning and disparate sets of data resources to quantify the potential risks that U.S. businesses face from the spread of the COVID-19 virus at the market level.

The highest index possible is 1.00, which is not good and reflects markets that are extremely disrupted. The index is updated on a weekly basis.

The COVID-19 Disruption Risk Index shares weekly updates through a business lens, rather than a health lens, and incorporates more than 20 different data signals to measure disruption and predict future impact. These signals include infection rates, deaths, state-level restrictions and social distancing requirements, population densities and mobility, group size limitations and lifestyle risk factors contributing to spread. More information is available HERE.

**Change Versus Previous Week and Month**

Change versus previous week/month allows users to see if the market is becoming more or less disrupted over time. Changes that are positive (+) show a move toward becoming increasingly more impacted by COVID-19 (not good). Changes that are negative (-) show a trend toward being less impacted by COVID-19 (good).

**Ignite Subscribers:** Download full market report

| TOP 5 MOST DISRUPTED MARKETS BY INDEX POINT CHANGE (VERSUS PREVIOUS WEEK) | | COVID-19 DISRUPTION INDEX (MAX: 1.00, HIGH DISRUPTION) | PERCENT CHANGE VERSUS LAST WEEK | PERCENT CHANGE VERSUS LAST MONTH |
|---|---|---|---|---|
| 1 | Florence, S.C. | 0.315 | 4.61% | 7.29% |
| 2 | Oxnard-Thousand Oaks-Ventura, Calif. | 0.571 | 2.43% | 6.55% |
| 3 | Lynchburg, Va. | 0.311 | 4.41% | 6.14% |
| 4 | San Jose-Sunnyvale-Santa Clara, Calif. | 0.373 | 3.48% | 9.21% |
| 5 | Laredo, Texas | 0.640 | 1.96% | 2.00% |

Notes: Data updated Jan. 18, 2021
Source: Shortest Track

## WANT MORE INSIGHTS?



**Have questions about this report?**
Reach out to us today.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