



Press Release

New Digital Reality in Foodservice Drives Incremental Growth

Online food delivery and mobile ordering apps are revolutionizing the most important need in food service – convenience

Toronto, ON, November 20, 2018 — Over the next five years, the growth potential available to those Canadian Foodservice operators willing to invest in digital compels market players to either transform or augment traditional ordering platforms to keep pace with consumers' shifting needs, or potentially watch their sales drop.

Both online food delivery and mobile ordering apps are not only re-setting the bar for speed and availability, but they are evolving the meaning of convenience. With access to many more options than in the past, the desire for quick and easy is increasingly matched by an unwillingness to sacrifice cuisine of choice, positive experience and personal needs. Operators need to consider the consequences of not keeping pace with consumers' shifting demands.

So, who is winning in this new environment?

With digital reform levelling the marketing 'playing field', independent operators are seizing the moment, gaining access to wider communities of customers and growing their overall market share.

With a wider array of choice literally at their fingertips, online/mobile customers are three times more likely to visit new restaurants versus all guests. Proof that digital reform is driving incremental sales among independent and chain operators alike.

As consumers increasingly adopt new food routines focused on fresh, real and less processed options, partnered with a rising desire for expanded variety, the traditional leader in Foodservice delivery, QSR Pizza, loses market share particularly at the all-important Dinner time.

Modernizing in this changing environment will be critical, particularly as Restaurants Canada forecasts that restaurant sales will slow to an average 4.4% growth rate over the next five years.

Quoting information in the recently launched Foodservice Digital Disruption Report, Ipsos Vice-President Asad Amin states that results (taken from the Foodservice Monitor (FSM) reveal an expectation that digital delivery and takeout sales will experience double digit growth rates over the five-year period considerably outpacing forecasted restaurant sales growth. The 'digital ordering' segment of restaurant sales is projected to increase from 6.1% in 2018 to over 10% by 2023.

From Ipsos' vantage point and with FSM data in hand, Amin confirms that the growth opportunities once again coalesce around presenting a convenient offer that meets the modern needs of consumers, who increasingly expect higher quality, taste enjoyment and premium benefits, with the speed and ease enabled by digital access.

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Technology has enabled the most important need in foodservice, convenience, to be satisfied at a new level. This new level has impelled Operators, whether they are a chain or an independent, to consider 'skin in the game' investment in the digital channel, all the while ensuring that they continue to hit on all cylinders regarding what drives consumers to order from them currently.

About the Study

FSM is an ongoing daily tracking of what consumers ate and drank in foodservice. The study reports on industry size estimates, channel performance (e.g. QSR, FSR, etc.), visit details, party composition, menu decisions, visit motivations and key demographics, among other metrics. FSM is in field 365 days of the year, since 2014. Beyond its use as a market measurement tool FSM is used to tactically and strategically address business issues and to identify current market trends.

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About Ipsos

Ipsos is an independent market research company controlled and managed by research professionals. Founded in France in 1975, Ipsos has grown into a worldwide research group with a strong presence in all key markets. Ipsos ranks fourth in the global research industry.

With offices in 89 countries, Ipsos delivers insightful expertise across five research specializations: brand, advertising and media; customer loyalty; marketing; public affairs research; and survey management.

Ipsos researchers assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media and they measure public opinion around the globe.

Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,780.5 million in 2017.

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