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INDUSTRY NEWS

Stoners are big fans of DoorDash and Little Caesars, data shows

RESTAURANTBUSINESSONLINE.COM 04/29

Data from Numerator shows that people who use pot are far more likely to visit limited-service restaurants and use food delivery services like DoorDash and Uber Eats than non-users.

The results are based on surveys of nearly 6,000 current and former THC and CBD users.

The link between pot consumption and food delivery is especially strong. Cannabis users are 65% more likely to have ordered from DoorDash in the past three months and 35% more likely to have used Uber Eats.

The figures are even starker among people who get high daily. They're 142% more likely to have ordered from DoorDash, though just 32% for Uber Eats.

The numbers are notable for restaurants, as weed users almost certainly account for a chunk of their audience. According to the CDC, about 18% of Americans, or 48.2 million people, used marijuana at least once in 2019, making it the most popular federally illegal drug in the U.S.

About 4 out of 10 respondents told the researcher they consume THC daily, while 26% said they use it a few times a week.

According to Numerator, these consumers are typically millennials and Gen Zers who earn less than \$60,000 a year.

Chick-fil-A Honours First US\$25,000 Scholarship Recipient in Canada

FOODSERVICENANDHOSPITALITY.COM 04/30

Chick-fil-A has awarded more than \$26 million (USD) in scholarships for restaurant team members in 2024 – the highest annual investment the company has made in the education of team members in more than 50 years.

In total, 14 team members were selected and received a scholarship of \$25,000 (USD) each. The first scholarship awarded in Canada was presented to Ammanuel Diresa in Toronto. Additionally, more than 14,000 team members across Canada, 48 U.S. states and Puerto Rico were selected to receive scholarships of \$1,000 or \$2,500 (USD).

INDUSTRY NEWS (cont'd)

Speed of Service Drives Fast Casual & QSR Performance

CSNEWS.COM 04/26

Speed of service is a key factor in the high performance of fast casual and quick-service restaurants (QSRs), which have consistently outperformed the full-service dining segment with year-over-year visit growth every quarter since 2023.

According to a new white paper from foot traffic analytics firm Placer.ai, leading fast food chains are making significant investments in technologies and systems designed to help them serve customers quicker. Key examples include:

- Taco Bell's Touch Display Kitchen System, which optimizes cooking operations and wait times, plus its Go Mobile restaurant format;
- Chick-fil-A's dedicated channels for quick mobile order pickup; and
- Wendy's experiments with generative artificial intelligence (AI) and the development of a robotic system to quickly deliver digital orders.

The success of QSR is prompting full-service restaurants to offer similar formats, particularly at times when consumers are more likely to eat on the go.

Say goodbye to Ruby Tuesday and Chili's. These are the hot new restaurants at the mall

CNN.COM 04/28

As US malls race to reinvent themselves, they're turning to sushi conveyor belts, craft-beer membership clubs and Korean barbecue to replace burgers and fries.

Over the last few decades, malls became the town center of many American communities. But the pandemic, over-building and a move by consumers toward discount and online shopping changed all that. As anchor department stores left malls, so did some name-brand chains like Ruby Tuesday, Chili's, Applebee's and others.

What's taking their place illustrates a large shift in US tastes: There's a boom in smaller and regional restaurant chains with a local following. Plus a much wider menu of global cuisines.

At the same time, many national chains are prioritizing drive-thru locations over their sit-down restaurants in malls.

Yum's digital sales mix tops 50% systemwide

RESTAURANTDIVE.COM 05/01

Yum's digital sales made up 55% of systemwide sales during the first quarter. This was the first time digital sales ever made up over 50% of the company's systemwide sales.

The company has deployed kiosks, a cloud-based point-of-sales system and various back-of-house artificial intelligence and automation tools.

Yum has also started leveraging the data it is collecting through its various systems. During the first quarter, it launched the Red 360 U.S. consumer data insights system, which allows the chains to use consumer behavior insights to provide better personalization opportunities on digital and social platforms.

INDUSTRY NEWS (cont'd)

Shake Shack reveals plans to open first Canadian location in downtown Toronto

THEGLOBEANDMAIL.COM 05/01

When Shake Shack crosses the border into Canada later this year, it will make its debut at one of the country's most prominent intersections with a menu largely borrowing from what it serves in the U.S.

The company's first Canadian location will take over the northeast corner of Yonge-Dundas Square in Toronto.

That means Canadian diners will be able to get their hands on Shake Shack's burgers, crinkle-cut fries and handspun milkshakes. (The company said it has yet to settle on prices.)

The Canadian restaurant market is quite different than what Shake Shack is used to in the U.S., said Robert Carter, a food industry analyst.

"They're coming from a market that's \$800-billion in size to a market that's \$90 to \$100-billion in size here in Canada," he said.

"Too many times we'll have a U.S. brand that'll come into the market and think just because it's a smaller market or they're just close to the U.S., it's going to be the same strategy or marketing plan, when in fact there's nuances they'll have to address."

For example, he said the U.S. market is much more value-driven and menus there are splashed with dollar deals.

"They won't have to rely so much on discount and dealing because Canadians are more willing to pay for quality, innovation, those types of things," Carter said.

Shake Shack's Canadian debut won't just rely on fast-food staples. It will also come with a few twists, including a Toronto-exclusive menu item.

Customers will be able to order a maple salted pretzel shake, made of frozen vanilla custard streaked with Canadian maple syrup and pretzels.

As is customary at its U.S. locations, Shake Shack will also sell beer and wine – a rarity for Canadian fast-food joints.

Dave and Buster's is getting into the betting business

CNN.COM 05/01

Dave and Buster's, the popular restaurant and entertainment chain, is getting into the betting business.

The company is looking to make some extra revenue on the back of the explosion of online sports betting apps over the past five years. But unlike companies like DraftKings, FanDuel and Caesars, Dave and Buster's wants to get involved in another kind of gambling, the \$6 billion social betting sector.

A new partnership with gamification technology company Lucra could let its five million D&B loyalty members make small bets, likely between \$5 and \$10, on arcade games through the company's app.

The move into gambling means introducing technology that allows users to make wagers on low-stakes social games.

Lucra does not use the terms "bet" or "wager" when referring to its product and classifies itself as a skills-based game.

INDUSTRY NEWS (cont'd)

QSRs are diversifying their menus to draw in a broader customer base

RESTOBIZ.CA 04/30

Many restaurateurs are getting creative with their menus, adding new items, focusing on fresh flavours, and targeting new markets as they continue to compete for attention. Over half of restaurants plan to add LTOs to the menu this year, to up perceived value, and offer guests something new to try and a reason to visit. Rather than simply adding seasonal specials, some chains are adding new menu items that deviate vastly from their traditional offerings.

Tim Hortons has branched out, introducing flatbread pizzas to their lineup.

Subway has introduced a whole new line of globally-inspired sandwiches to the menu.

Taco Bell announced its intent to enter the chicken nugget market, beginning later this year.

Studies show that 13 per cent of fast-food menus are allocated to LTOs or seasonal items.

MERGERS, ACQUISITIONS & JOINT VENTURES

Pizza Hut Partners with Dairy Farmers of America to reduce cheese production emissions

QSRWEB.COM 04/23

Pizza Hut has made progress in its efforts to make its cheese production more sustainable through a partnership with Dairy Farmers of America. The initiative focuses on reducing greenhouse gas emissions on participating dairy farms.

These initiatives contribute to Pizza Hut and its parent company Yum! Brands' broader climate goals, including a 46% GHG reduction by 2030 and alignment with partner sustainability targets like DFA's 30% emissions reduction commitment by 2030.

Domino's Pizza Canada picks Uber Eats as exclusive delivery partner

VERDICTFOODSERVICE.COM 05/01

Domino's Pizza Canada has selected Uber Eats as its exclusive delivery partner in the country.

The collaboration will initially make more than 260 Domino's locations in Ontario available on the Uber Eats app, with plans to include all Canadian stores by the end of May 2024.

The agreement stipulates that orders placed through Uber Eats in Canada will be delivered by Domino's own trained experts and its franchisees.

Uber One members will benefit significantly from this partnership, as they will be entitled to no-charge delivery on Domino's orders made via the Uber Eats app.

INTERNATIONAL

Krispy Kreme Expands into Germany

QSRMAGAZINE.COM 05/01

Krispy Kreme, Inc. announced an agreement with restaurant group ISH Kreme to bring Krispy Kreme to Germany. Krispy Kreme will offer its doughnuts to German consumers through a network of Krispy Kreme shops starting in Berlin.

Coffee Consumption Surging Globally

FOODINSTITUTE.COM 05/01

Demand for coffee has remained resilient in the U.S, and new data from Circana shows consumption is also surging worldwide. Total global coffee servings increased 5% year-over-year in 2023.

U.S. coffee visits per capita to commercial foodservice locations grew year-over-year with every income group in the 12 months ending September 2023.

China led overall growth with a 15% increase in servings, followed by 11% in France. Comparatively, servings were up 3% in the U.S.

Coffee also outpaced tea (+4%) and carbonated soft drinks (+3%) during the same time period.

Why luxury brands are expanding into the restaurant world

THEGLOBEANDMAIL.COM 05/01

Hanging upside-down above the lounge and bar area of fashion brand Coach's first restaurant in Indonesia is a Big Apple taxicab.

The restaurant is the latest venture by a major fashion brand to tap into the ever more important experiential side of retail. These spots have increasingly appeared in high-traffic travel destinations such as Dubai and many Asian capitals, nodding to not only the sought-after purchasing power of locals but also people who head there on vacation.

Though the concept of luxury retailers introducing food and beverage destinations isn't new its growth captures where shopper habits are today. The 2022 EY Future Consumer Index Survey stated that "37 per cent of Canadians are prioritizing experiences over physical goods."

They're also a platform for introducing a designer or retailer to a new customer without the consideration of a four-figure purchase.

GOVERNMENT

Denny's sees positive impact from California fast-food wage law

NRN.COM 05/01

Denny's Corp. has seen a positive impact from California's fast-food wage law, which went into effect April 1.

Robert Verostek, Denny's chief financial officer, said, "we have been very pleased to actually see improvements in both management and crew turnover in our company restaurants."

MARKETING/ADVERTISING

Domino's knows its customers are tired of tipping. So it's trying to encourage more tipping

CNN.COM 05/01

Americans are being asked to tip on digital screens for everything from a cup of coffee to self-checkout at grocery stores, and many are frustrated with the new tipping culture.

Domino's aims to tap into that exasperation. Not by eliminating tips, however. Instead, Domino's is encouraging tipping even more.

Domino's launched a promotion that rewards customers with \$3 off a future online delivery order for every \$3 or more they tip a Domino's delivery driver. Domino's "You Tip, We Tip" deal runs through mid-September.

Krispy Kreme launches a new rewards program

NRN.COM 04/30

Krispy Kreme announced the relaunch of its loyalty program, dubbing Krispy Kreme Rewards. The revamp allows customers to earn points and perks faster than the previous iteration. Rewards are also more customizable, as customers can cash in points at varying levels including a free single doughnut, three-pack, six-pack, a dozen doughnuts, as well as coffee and hot chocolate drinks.

To celebrate the launch of its new rewards program and incentivize memberships, Krispy Kreme is giving all members a free dozen doughnuts, including those who join between now and May 11.

In the future, members will get a free treat on their birthday, free LTO opportunities, and double points during the month of their membership anniversary.

KFC releases signature scent ... of BBQ?

QSRWEB.COM 04/30

Kentucky Fried Chicken wants you to smell great — and that's an aroma of BBQ, according to a New York Post report.

The chicken chain has released a perfume with notes of smoke, charcoal and BBQ called No. 11 Eau de BBQ.

The scent is available only in the U.K. and has already sold out. A second drop of the perfume will hit online May 7.

Tim Hortons Week-Long Smile Cookie Campaign Returns

FOODSERVICENANDHOSPITALITY.COM 05/01

Tim Hortons annual Smile Cookie campaign is back through May 5 with 100-per-cent of proceeds supporting more than 600 charities and community groups selected by local Tim Hortons restaurant owners.

Guests can support a local charity or community group by purchasing Smile Cookies or one of four Smile Cookie personality pins: the Loopy, Buggy, Starry and Squirmy Smile Cookie pins.

MARKETING/ADVERTISING (cont'd)

Back to Basics: What builds a good snacking menu?

RESTAURANTDIVE.COM 05/01

Snack menus are on the rise among restaurant chains looking to reverse traffic declines and win the loyalty of price-sensitive, low-income consumers who are spending less on meals out. But how much growth potential does the category hold?

Traditional breakfast, lunch and dinner dayparts still comprise the vast majority (75%) of meal occasions. However, recent changes in daily routines, such as an increased number of work-from-home employees, have created headwinds for the lunch daypart and opportunities for snacking occasions.

Consumers want a pick-me-up snack during the midafternoon, a trend that fits well with QSR business models that get diners in and out quickly, Rick Camac, dean of restaurant and hospitality management at the Institute of Culinary Education, said.

Popular restaurant snack innovations range from on-the-go desserts and small pizza-like offerings to handheld sandwiches and specialty beverages, experts say.

The growing demand for snacks has translated to a gradual increase in between-meal occasions in the U.S. over the last several years.

ENVIRONMENT

Los Angeles vegan restaurant to add meat dishes, says lifestyle not solution for all

USATODAY.COM 04/28

A popular vegan restaurant in Los Angeles announced it would incorporate animal products into its menu.

Sage Plant Based Bistro said it will add dishes with animal products raised through so-called regenerative farming practices. Regenerative farming is an agricultural method that aims to reduce the dependence on chemicals and promote biodiversity in crop and livestock raising.

The restaurant will also change its name to Sage Regenerative Kitchen and Brewery.

Wendy's expands renewable energy use through community solar programs

QSRWEB.COM 04/23

Wendy's is expanding its use of renewable energy by participating in community solar programs across several states. The move is part of the company's science-based target to cut greenhouse gas emissions by 47% by 2030.

By 2025, Wendy's expects over 200 restaurants to source an estimated 12.7 megawatts of solar energy. Participation in these programs also increases the amount of renewable energy on local grids.

ENVIRONMENT (cont'd)

New York Fries Launches 100-per-cent Compostable and Biodegradable Cups

FOODSERVICENANDHOSPITALITY.COM 05/01

New York Fries announced an evolution in its commitment to sustainability with the introduction of a new drink cup that is 100-per-cent compostable and biodegradable. Partnering with SOFi Products, NYF is the first national brand in North America to offer an eco-friendly, durable, cold cup that will naturally decompose completely in soil, landfills or marine environments in under 180 days.

TECHNOLOGY

Novolex Announces Strategic Investment in Reusable Packaging Innovator OZZI

RESTAURANTNEWS.COM 04/30

Novolex® announced a strategic investment in reusable systems and container brand OZZI®. As a part of this investment, Eco-Products®, a Novolex business unit and leader in circular solutions for the foodservice industry, will help accelerate the growth of OZZI.

Reusables are well-positioned for closed-system foodservice environments where consumer convenience and proximity to dedicated return receptacles optimize product return and reuse.

IHOP's POS migration is boosting speed, check totals

RESTAURANTDIVE.COM 04/30

IHOP has almost completed a two-year migration of 1,500 restaurants to a new, cloud-based POS system with Tray, the company announced.

Throughout the transition, IHOP restaurants have trimmed table turn times and grown tip and check totals, Justin Skelton, CIO and SVP of information technology at IHOP parent company Dine Brands, said.

Tray's POS system has helped IHOP operators improve integration of "back-of-house technologies to online ordering and payment platforms," including server tablets.

RESEARCH/MARKETING RESEARCH

In QSR, sauces start to command a bigger spotlight

NRN.COM 04/26

According to Innova's 2022 Flavor Survey, 39% of consumers said they're most likely to experiment with flavors through sauces, seasonings and toppings. This experimentation extends beyond their own kitchens; Technomic's Flavor Consumer Trend Report finds that 34% of consumers consider what sauces and condiments are available when deciding what restaurants to visit.

RESEARCH/MARKETING RESEARCH (cont'd)

Long lines at kiosks can stress customers, study finds

RESTAURANTBUSINESSONLINE.COM 05/01

It is now conventional wisdom that customers tend to spend more at a restaurant when they order at a self-service kiosk rather than with a cashier.

But new research highlights an important caveat to that behavior: Kiosk customers may order less food when people are lined up behind them.

The study by researchers at Temple University found that when a consumer knows a queue is forming behind them at a kiosk, they may feel anxious and order fewer items than when transacting with a human behind the counter.

Many consumers say they enjoy ordering from kiosks. According to a recent survey by software provider Tillster, 57% of customers said they wished restaurants had more kiosks available, up from 36% last year. And nearly 4 out of 5 said that they have ordered more food than they were planning to when using a kiosk.

New research shows a wait for a table can be a potent restaurant draw

RESTAURANTBUSINESSONLINE.COM 04/25

The International Journal of Hospitality Management reports in its current edition that a line outside a restaurant is often taken as validation of a guest's decision to eat there. But spending too much time on the queue can erode the conviction if online reviews or other assessments fail to reinforce the impression that this is a hot place.

The study was conducted by a team from Penn State University's School of Hospitality Management.

It adds considerable nuance to the long-held conviction that customers don't want to wait to be seated. The findings show that consumers are willing to stand in line, but not for a long stretch.

Most people on weight loss drugs are spending less on restaurants and takeout, survey says

CNBC.COM 04/20

Most people taking GLP-1 medications say they are spending less on eating out at restaurants and ordering takeout, according to a new Morgan Stanley survey.

A smaller share of those surveyed say they are tightening their purse strings in the grocery store. The findings add to concerns that soaring demand for GLP-1s could take a bite out of the bottom lines of some of the biggest restaurant companies and packaged food makers.

Morgan Stanley analysts estimate that 31.5 million people, or around 9% of the U.S. population, will take GLP-1s by 2035.

Morgan Stanley conducted the survey of 300 consumers who are currently taking GLP-1 drugs in February. Those people are "early in their weight loss journey," but are making substantial changes to their diets and spending, according to the firm.

When asked to gauge how their monthly spending on eating out at restaurants has changed since starting a GLP-1, 63% of the consumers said they are spending less, 28% said they are spending about the same amount, and 9% said they are spending more. Meanwhile, 61% said they are spending less on deliveries or takeout from restaurants, 31% said they are spending around the same amount and 8% said they are spending more.

PRODUCT NEWS

A&W Canada Launches Stacker Burgers

FOODSERVICENANDHOSPITALITY.COM 04/29

A&W Canada has launched its A&W Stackers — a classic burger recipe that can be stacked as high as you want — starting at \$3.99.

The new A&W Stacker Burger is a take on a classic West Coast burger. It comes with lettuce, tomato, onion, pickles and a new secret sauce.

Condensation of essential reading material gathered from major trade journals, business papers and internet websites.
Note: That no editorial corrections are applied to punctuation, style, and content of source publications. 5/2/2024