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What's in Store for 2024



2024 will be a year of change and transition for the Canadian foodservice industry. Economic conditions and political uncertainty will have an impact on the consumer, who is evolving in terms of lifestyle choices and foodservice expectations, and wants more inspiration and innovation from the operator. Suppliers, distributors and operators will need to align with consumer interests to maintain traffic over the next 12 to 18 months, after which greater economic stability is expected to re-energize the foodservice business.

A Bumpy Road Ahead

The foodservice industry's slowed growth in the latter half of 2023 will spill into 2024. Economic uncertainty and instability will lead to a consumer pullback on away-from-home spending. Consumer confidence will be challenged in 2024 with higher debt, ongoing inflation, housing shortages, slowing wage growth and an unpredictable political climate weighing on consumers across the country. Add to that the rising menu prices seen across segments, which will challenge operators to bring consumers into their restaurants on a frequent basis. But expect that as economic and geopolitical conditions stabilize, there will be more optimism among consumers and operators heading into 2025.

Wildfires Change the Business

Perhaps the greatest long-term impact of the 2023 wildfires on the foodservice industry will be the heightened expectations for companies to develop and continually refine emergency/contingency planning. Measures will be put into place to ensure future fires don't produce the same recent restaurant devastation in the form of unit closures, low traffic, dramatic sales declines, property damage, employee and customer displacement, and lost inventory. Beyond wildfires, operators will re-evaluate contingency plans for other emergencies and extreme weather events, and will simultaneously put demands on distributor and supplier partners to be more capable of supporting them during such challenging periods.

Into the Woods

Natural eating will take on a whole new meaning in 2024 as operators celebrate the beauty and diversity of nature by spotlighting functional (and often indigenous) shrubs, trees, weeds and berries in food and beverage. Look for

independent operators to turn to trees for inspiration, using ingredients such as oak moss, birch sap, evergreen shallots and spruce tip vinegar; shrubs, like juniper; weeds, such as pineapple weed; and new and unique berries, including partridgeberries and salmonberries. Chain operators will also follow the call of the wild by increasingly spotlighting variegated plants in items like smoothies, desserts and cocktails.

Gen Zers Exert Their Influence

Gen Zers are quickly surpassing millennials in importance to the restaurant industry. This younger cohort will account for over a quarter of dollars spent at top chains in Canada, which represents the highest spending across all generations. As a result, operators will increasingly cater to Gen Z through menu development, such as functional foods (particularly protein-rich fare), increased portability and greater overall convenience. While

Gen Zers will balk at overly aggressive integration of consumer-



facing tech such as automation, they will gravitate to a warm, authentic restaurant vibe that makes them feel welcome and comfortable. Expect loyalty among Gen Zers to present the most significant challenge for operators, as the rapid adoption of third-party aggregators commoditizes restaurant brands for these young diners.

Early-Bird Dining Grows

Consumers' previous tendency to engage in late-night eating is giving way to earlier dining hours in the evening. We'll see more guests opt for restaurants with earlier dinner service to avoid crowds

(especially as COVID-19 cases rise again), save money and secure difficult-to-obtain restaurant reservations. Gen Zers, who prioritize a balanced lifestyle and quality sleep more than previous generations, will also increasingly favour early-bird meals over night-owl dining. Further, expect traditional happy hours to start sooner to appeal to price-conscious guests, while allowing operators to capitalize on adult beverages and shareable small bites or snacks with higher margins. For operators, launching daypart services before their traditional times will be a valuable solution for boosting traffic during previous slumps in business.

Classic Condiments Get Upgraded

Varied preparations, flavour interpretations and packaging of classic condiments will breathe new life into menus. Imagine upgrading basic aioli with

yuzu, mustard with grapes, mayonnaise with bottarga, ranch with furikake, and ketchup with salal berry. These simple infusions can be cost-effective menu innovations and, in some cases, allow for cross-utilization of ingredients. In addition to elevating accompaniments, we'll see operators reimagine common dishes around classic condiments to revitalize them—think ketchup-glazed chicken nuggets and garlic sauce-infused pizza crust, both examples from top chains in 2023. And beyond flavour itself, look to more grab-and-go packaging for condiments or sauces, such as dipping cups, for an easy customizable option.





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