

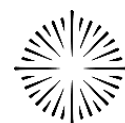


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# Expectations for Away-From-Home Breakfast in 2024

From Subject Matter Expert, Wade Hanson, Senior Principal

As consumers' foodservice expectations continue to evolve, so do the responses of the foodservice operator. And consumers are indicating that there are a number of changes they are interested in seeing during the breakfast daypart. Here we examine changes we expect to see become more evident in 2024.



82%

of foodservice operators say it's important to customers to get good value

Source: Technomic Breakfast Multi-Client Assessment, 2024

The breakfast daypart has long been one that consumers have shown great affinity for, particularly in restaurants and other away-from-home foodservice venues. One can find quick, affordable, craveable and portable breakfasts during the week and either unique or homestyle breakfast offerings during more relaxing weekend occasions.

But while consumers continue to gravitate toward breakfast,

there are changes underway due to economic pressures on both the operator and consumer. And these pressures are combining with certain shifting preferences to create conditions that will likely lead to more changes in breakfast service in 2024.

### Economic and Pricing Pressures

Over the course of 2023, there was increasing evidence of declining traffic across the foodservice business. Some leading chain accounts noted that lower-income households were especially hesitant to frequent restaurants due to elevated prices.

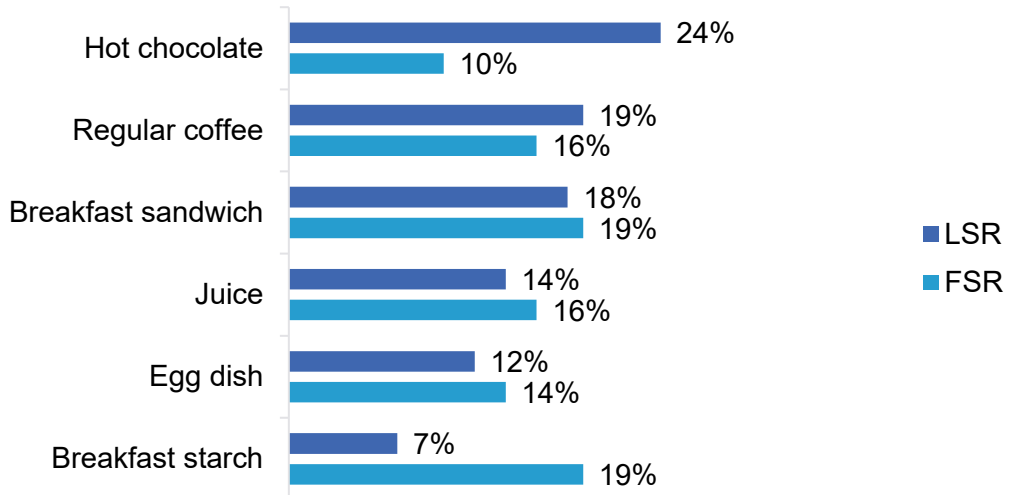
These higher menu prices were often the result of operators experiencing dramatic food cost spikes themselves (with eggs being a particularly volatile item). Concern over breakfast

becoming too expensive is more widespread, and it should be expected this concern continues throughout 2024, perhaps extending into 2025.

In a matter of only two years, the average price of breakfast items rose 17.4% in Top 500 limited-service restaurant chains and 13% in Top 500 full-service restaurant chains. Prior to Q4 2021, breakfast menu prices had shown very little upward movement on an annual basis. Consumers had grown accustomed to stable prices at their favorite breakfast restaurants.

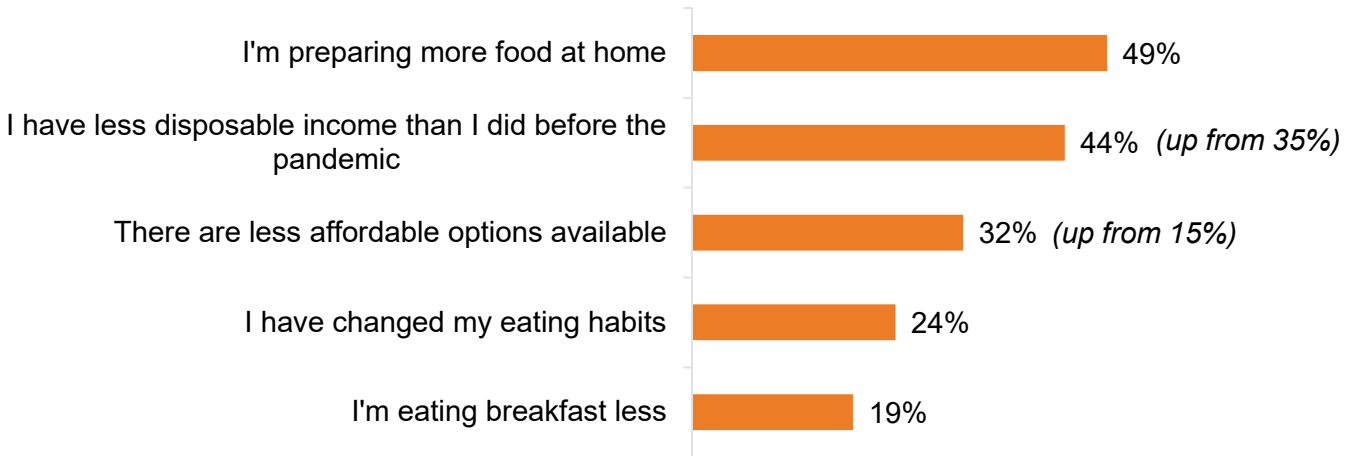
Importantly, some of the most popular breakfast items are the ones that have seen prices rise the most. Exhibits 1 and 2 show the degree to which popular foods and beverages have seen prices rise since Q4 2021.

EXHIBIT 1: AVERAGE PRICE CHANGE AT TOP 500 CHAINS (Q4 2023 VS. Q4 2021)



Base: Top 500 chains (all cuisines)  
Source: Technomic Ignite Menu, Q4 2021-Q4 2023  
Note: Breakfast daypart only

**EXHIBIT 2: REASONS FOR PURCHASING BREAKFAST AWAY FROM HOME LESS FREQUENTLY (COMPARED TO 2021)**



Base: 301 consumers who are purchasing breakfast less frequently compared to 2021  
 Q: Why are you purchasing breakfast away from home less frequently? Select all that apply.  
 Source: Technomic 2024 Breakfast Multi Client Study

Foodservice operators are increasingly recognizing that current menu prices are having an impact on their customers.

In a 2024 Technomic survey of 700 operators, 67% indicated that consumers are currently very price-sensitive during morning hours. The vast majority also contended that the breakfast consumer is more value-oriented than just two years ago. By all indications, this is a result of the combination of current prices and the challenging financial conditions facing many consumers. This dynamic is evidenced in Exhibit 2.

The industry should expect consumers to push back on higher breakfast prices and “shrinkflation” in 2024. There

is a general sentiment that enough of the cost pressure burden has already been passed through to the end customer.

**Extended Hours**

Higher prices may limit traffic over the short term, but consumer fondness for breakfast will not wane. Many consumers are expected to actually push for extended breakfast hours (brunch and/or all-day breakfast availability). The origins of all-day breakfast interest extend back decades, though incredibly strong performance by breakfast/lunch-only operators (such as Biscuitville and First Watch) have highlighted this interest more recently.

Breakfast foods and beverages being available into early-afternoon hours should be closely watched as another expanding trend in 2024.

**42%**  
 of operators  
 have extended  
 breakfast hours  
 at least one day  
 a week

Source: Technomic Breakfast Multi-Client Assessment, 2024

## Future Expansion of Brunch

Earlier, it was mentioned that 42% of foodservice operators have extended breakfast hours beyond their normal hours at least one day per week—a 14% jump from 2021, when far fewer operators were adapting hours to accommodate later breakfast interest. Operators today, however, recognize the demand. Eighty percent (80%) of foodservice operators think brunch menus will be more popular in the years ahead.

Exhibit 3 is based on data from nearly 500 operators across segments. One can

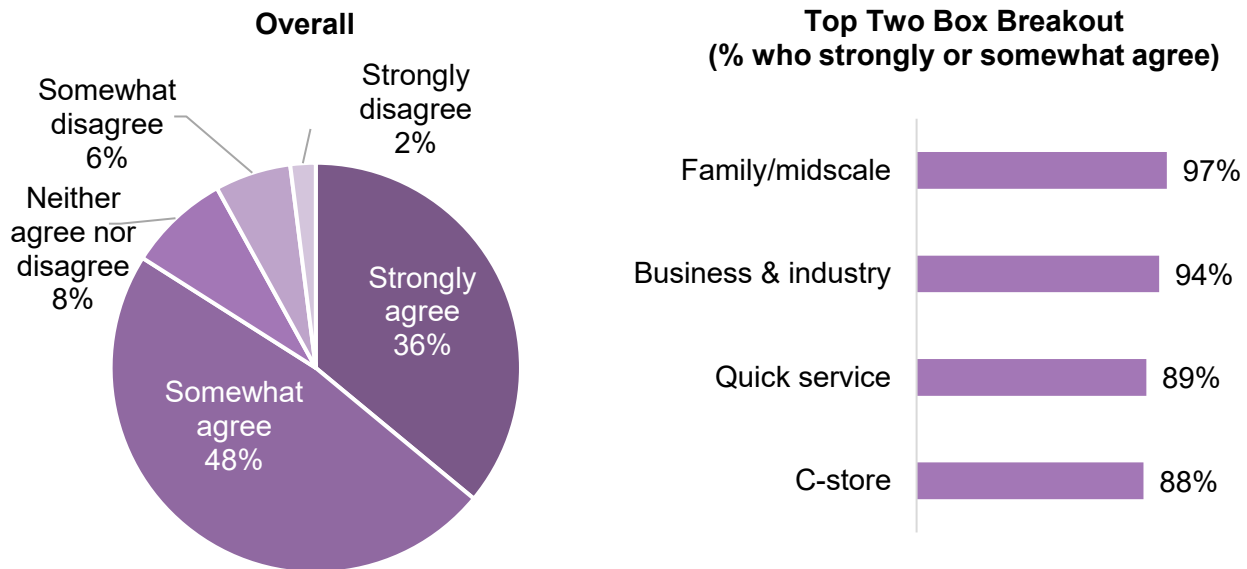
see that 84% of operators believe customers want to be able to order breakfast items outside of normal breakfast hours. In 2021, only 69% of operators thought customers wanted extended hours. Further, in some segments of the industry (such as family/midscale dining and B&I/corporate cafeterias) the percentage is much higher than 84%. In many foodservice segments, it is becoming imperative that breakfast menus and breakfast grab-and-go items are made available in the afternoon and/or evening.

As might be expected, along with interest in brunch foods

comes an interest in brunch cocktails. There is consumer interest in operators offering a variety of adult beverages for brunch. That interest is mostly directed at full-service restaurants.

Simply put, foodservice customers like breakfast foods and beverages. So, it should come as no surprise that they are looking for breakfast items later in the day, and brunch is of high appeal. In considering the higher-value proposition that consumers want, as described earlier, the lower price point of your typical breakfast meal makes sense for consumers at all hours of the day.

**EXHIBIT 3: “OUR CUSTOMERS WANT TO BE ABLE TO ORDER BREAKFAST ITEMS OUTSIDE OF NORMAL BREAKFAST HOURS.”**



Base: 462 operators, including 227 restaurant and 235 beyond restaurant operators

Q: For the next question, please rate your level of agreement with each statement regarding breakfast. Please use a scale of 1-5, where 5=strongly agree and 1=strongly disagree

Source: Technomic 2024 Breakfast Multi Client Study



# Outlook and Opportunities

The long-term outlook for away-from-home breakfast appears to be very positive. But the future will present some different considerations such as those described earlier. In anticipation of change, it is important to note certain actions that may allow suppliers and operators to capitalize on upcoming breakfast opportunities.

With brunch and extended breakfast service likely to grow in availability and popularity, the following are things to consider:

- Versatile ingredients will be an important part of building out a brunch menu, and recipe ideation with those ingredients will be necessary.
- Breakfast and brunch operators increasingly recognize the need to keep menu size manageable. Instead of a large menu, operators are leaning into more specials, seasonal menus and limited-time offers.
- Specialty drinks—both alcohol and nonalcohol—are must-haves on virtually any brunch menu.
- Suppliers should look to provide breakfast/brunch operators support via local

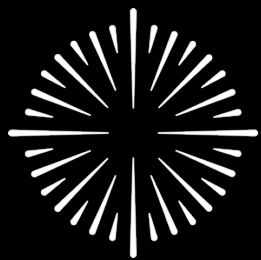
marketing best practices. Widespread awareness is a must for brunch traffic and success.

Value in the breakfast daypart also needs to be a primary consideration. Consumer pushback on breakfast menu prices is becoming more and more evident.

- Short of lowering breakfast prices, which most operators will be reluctant to do, identifying ways to bundle/deal breakfast items will be important.

- Suppliers should make both premium and value foods and beverages available to operators.
- Given that there will be inevitable spikes in costs—which based on history, are likely to include products such as beef—suppliers should be prepared to communicate substitution ideas for individual ingredients and possible replacement ideas for entire menu offerings that cannot be produced in a cost-effective manner.
- Thought and planning should be directed toward LTOs as a way to drive value.





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