Menu Engineering

Sounds Bytes

Customization is Key!
Diagnosis:
Menu Board Anxiety

Both paper menus and menu boards have become overwhelming and unfocused. Confusion has affected brand identity and guest satisfaction, while contributing to slower service times and operational headaches.

Source: 2015 Foodservice Planning Program, Technomic Inc.
Prescription: Across Canadian Menus, Major Categories Decline While Add-Ons And Extras Inch Higher

After the average Canadian chain restaurant menu hit about 108 items in 2013, operators began cutting back, leading to a phenomenon Technomic calls “the incredible shrinking menu.”

Source: MenuMonitor, Technomic Inc.
Explaining The Shift: The Fast-Casual Model

8.4% sales growth at Canadian fast-casual chains was nearly twice the 2014 overall figure of 4.5%.

But while fast-casual sales steadily increase, menu boards remain modest in size. The average number of menu items for Canadian fast-casual chains is 74, about half as many the Canadian Top 200 average of 119.

Canadian Restaurant Segment Growth

<table>
<thead>
<tr>
<th>Segment</th>
<th>2014 Sales Growth</th>
<th>2014 Unit Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast Casual</td>
<td>8.4%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Quick Service</td>
<td>4.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Casual Dining</td>
<td>2.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Midscale</td>
<td>5.9%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Total</td>
<td>4.5%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

Source: MenuMonitor, Digital Resource Library, Technomic Inc.
Reality Check: U.S. Consumers Show Decreasing Interest In Menu Variety, More In Fresh Ingredients

Source: Consumer Trend Report Series, Technomic Inc

U.S. Restaurant Selection: Most Important Attributes

- **Millenials**
  - Born 1977–1992
  - **Appealing taste and flavor**: 71% (2014) vs. 78% (2012)
  - **Use of fresh ingredients**: 60% (2014) vs. 52% (2012)
  - **A wide variety of options to choose from**: 52% (2014) vs. 52% (2012)

- **Gen X**
  - Born 1966–1976
  - **Appealing taste and flavor**: 80% (2014) vs. 79% (2012)
  - **Use of fresh ingredients**: 66% (2014) vs. 62% (2012)
  - **A wide variety of options to choose from**: 48% (2014) vs. 58% (2012)

- **Boomers**
  - Born 1946–1965
  - **Appealing taste and flavor**: 70% (2014) vs. 72% (2012)
  - **Use of fresh ingredients**: 57% (2014) vs. 50% (2012)
  - **A wide variety of options to choose from**: 44% (2014) vs. 55% (2012)

Source: Consumer Trend Report Series, Technomic Inc
Operator Reaction:
Offer Fewer Sandwiches With Greater Variety

Total number of sandwiches across Canadian restaurant menus:

\[ \downarrow 3.7\% \]
Y-O-Y

Total number of toppings available on Canadian restaurant menus:

\[ \uparrow 5.4\% \]
Y-O-Y

For many, customization = value. There are a variety of ways to incorporate customization into the sandwich menu, and many have simply optimized core offerings while opening up more custom, made-to-order sandwich possibilities via augmented add-ons.

Source: MenuMonitor, Technomic Inc.
Restaurants will be inspired to pare down and emphasize their core items.

As consumers continue to seek **customization, quality and freshness**, menus will keep shrinking. A simpler menu streamlines operations by cutting down on training time as well as food and equipment costs. To compete with the share-grabbing fast-casual sector, the pressure is on other restaurant segments to trim their menus and focus more on quality than quantity.

“All the effort that went into making that pot roast can now be focused on making **perfect sandwiches**”