

Wondering what's hot in the foodservices industry these days?

Food, like fashion, comes and goes, and foodservice operators who stay on top of emerging trends have a much better chance of boosting sales and keeping competition at arm's length.

The last decade or has been a particularly volatile one as far as food and menu trends go. Since the late 1970's in fact, Canadian diners have completely changed the way they eat and foodservice operators have been scurrying to stay ahead of the curve or even just keep up. At the root of all of this change are several major demographic and societal shifts. And these trends will continue to drive the foodservice industry until well into the next millennium.

- **Waistlines are Growing** - The aging of the huge Baby Boom generation has given rise to intense interest in healthier, more nutritious menu operations to satisfy a range of diet-conscious demands.
- **Time is Shrinking** - As more woman enter the work force, less cooking is being done at home. The early '80's saw an explosion in away-from-home dining, ushering in an era of drive-thrus, fast food, and take-out that offers consumers unparalleled convenience and choice.
- **Wallets are Tighter** - Though more of the Canadian food dollar is still spent outside of the home, a series of recessions over the last decade means that many consumers are clamping down on discretionary spending. Value has become the watchword for millions of people for whom "doing better" is not necessarily a given.
- **Sophistication is Rising** - A nod to the Global Village and the Information Superhighway for this one. Canada is now a truly polyglot culture, creating demand for a rich array of different kinds of food. At the same time, Canadians are more informed than ever, increasing expectation levels dramatically - today's consumers know what they want, and they know where to get it.

Meanwhile, foodservice operators are facing escalating competition and increased financial woes. Industry sales are flat, and labour and other costs are skyrocketing. Customers demand quality, value, service, convenience, choice ... you name it. That gives foodservice more challenges than ever.

There is a famous Chinese benediction: "May you live in interesting times." A look at some of the hot concepts that have emerged in the past year should prove that anyone who has anything to do with the foodservice industry today is doubly blessed.

Coffee, Coffee, Everywhere

As alcohol consumption continues to flatten, a "coffee culture" has risen in its place. Specialty coffee - flavoured, frothed, iced, and espresso - is adding up to big bucks, and Canadians are discussing their favorite brews with all the fervour once associated with fine wines.

The Great Coffee Boom started on the West Coast, then spread east to Chicago, Boston, Washington and now New York (where Seattle-based Starbucks, probably the best-known coffee "chain" plans to open as many as 100 units). Even 7-Eleven is in the coffee business.

Marriott has created its own Gourmet Bean brand and is experimenting with Gourmet Bean espresso bars in hotel lobbies.

In the non-commercial sector, specialty coffee carts and kiosks are big business. A freestanding Cappuccino Express cart can sell about 400 cups of coffee a day - at \$1.25 to \$2.50 a pop.

Condiments & Compliments

Marinades, spice rubs, mustards, salsas, flavored oils and vinegars, dipping sauces ... all these low-calorie, high-impact flavour boosters are becoming the show-off seasonings of the '90's. Market sales of olive oil have tripled in the past eight years and an estimated 40 percent of that is to foodservices.

Gourmet condiments appeal to flavour-loving taste buds, lend upscale image and replace fat and salt in today's nutrition-savvy cooking styles.

Red Hot and Red Hot

Spicy food is hotter than a chili pepper right now, opening the door for gutsy new ethnic foods like Thai, South American, Indian, Caribbean and Southwestern. Plenty of operators are experimenting with spicy menu items and specials, like Thai-style chicken wings, Mongolian barbecued ribs and Hunan noodles with peanut sauce.

Canadians' taste for spicy food, in fact, has made paprika and hot chilies the two fastest-growing spices, along with cumin, tumeric and fennel - key ingredients in chili powder.

Mexican food is pegged as the biggest growth opportunity: segment fast-food sales grew a whopping 14.3% in 1992, but with less units the category still accounts for only about 5% of the total industry sales.

The Chef's Salad Grows Up

Salad is no longer just a side dish. Entree salads are sizzling along at a 30% annual growth rate, appealing to vegetarians, light eaters and diet-conscious consumers who want something creative to eat while they lose weight. Consumers think of salads as main courses now - a boon to operators since salads carry low food costs and can command premium prices.

Salads to watch for: pasta salads, taco or fajita salad, oversized Caesar salad and Cobb salad. Chinese chicken salad and anything that combines hot and cold, like greens topped with grilled chicken.

Dressing on the Side, Diet Soda ... and for Dessert

Despite the nation's frenzy for diet and exercise, sales of specialty desserts are holding their own - and even, in some cases, growing. Restaurant operators surveyed for this article reported that their dessert sales had remained the same or even increased in the prior year. And this at a time when salad and diet-beverage sales took off.

The Name Game: Branding Takes Off

In these days of cutbacks, competition and discounting, restaurant operators are finding that brands and branded concepts are one way out of the morass. National brands lend a "halo of quality" that boosts traffic and enhances value, in many cases even supporting a higher price point. In fact, brand fans say that a brand promotion can spike sales up to 400%.

Branding takes the form of listing well-known national brands on the menu; in the non-commercial segment, foodservice departments are inviting branded chains like Tim Hortons or Pizza Hut to open up shop in the cafeteria.

Food courts in university and hospital dining operations are the hottest trend right now.

Meat Loaf, Roast Chicken & All Those Heartwarming Comfort Goods

As life gets more fast-forward, people are taking a step back to enjoy the simpler pleasures of old-time favorite foods. Mashed potatoes and fruit cobblers are everywhere. Roast chicken is having a heyday. And barbecue chains, once all but dead, are back.

"Grandma" foods and comfort concepts are leading the craze for simple-is-better in the 1990's.

85% of all operators now serve soup, with white-tablecloth restaurants leading the pack. Hot headliners include: chowder, gumbo, traditional onion soup, bean soups ... hardly the upscale broths that the words "white tablecloth" suggest.

Beef is Back

All talk of red-meat scares aside, beef is still Canada's favorite entree, especially when dining out. According to the US Beef Industry Council, annual consumption of beef actually grew 2% from 1991 to 1992, and some 66 million people eat some type of beef every single day. And as if that weren't enough, for every chicken item served in restaurants today, two beef items are served.

In the past couple of years, thanks in part to the beef industry's ground-breaking "Real Food for Real People" campaign, beef has regained a lot of its lost luster.

Italian, Italian, Italian

If it seems like every new restaurant that opens these days is Italian, that impression may be perfectly true. Italian remains the most popular ethnic food category today and the fact that it's profitable for restaurants and perceived as healthy and trendy by consumers only adds fuel to the wood burning pizza oven.

The biggest news is in casual, trattoria-style concepts, pasta and "gourmet pizza" all of which hold universal appeal for target-audience Baby Boomers and Generation X-ers.

There is little doubt that identifying the right combination of factors to ensure a successful foodservice operation will continue to be a challenge. Nevertheless, many operators have demonstrated that by monitoring and responding to consumer and food trends on a ongoing basis, and by demonstrating a strong commitment to customers, restaurants can remain popular, viable businesses over the long-term.