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FRANCHISE
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SHIFTING TASTES: HOW CONSUMER TRENDS ARE REDEFINING FRANCHISE SUCCESS



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Shifting Tastes:

Consumer Trends Impacting Restaurants
and Redefining Franchise Opportunities





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01

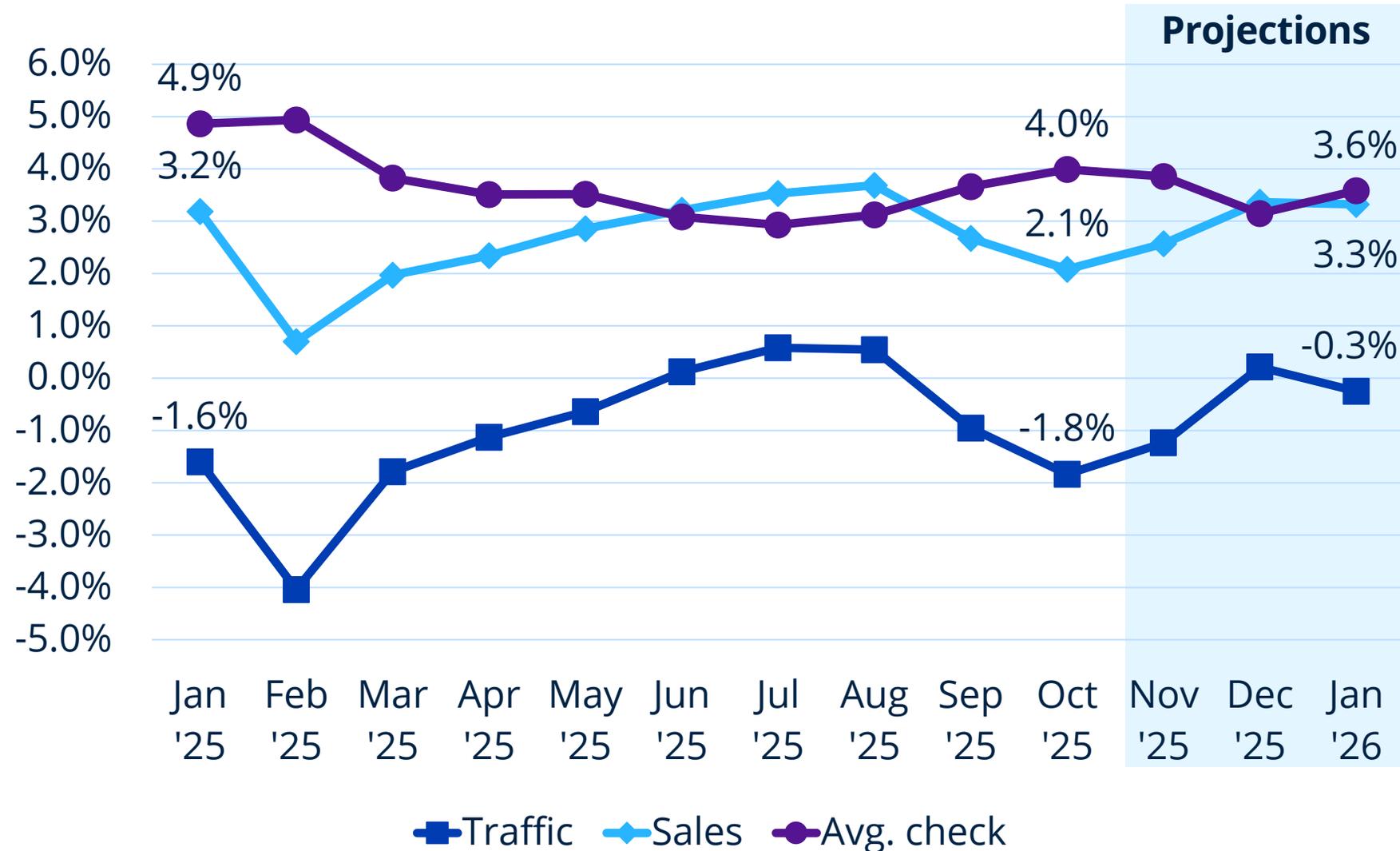


**Restaurant sales growth
has been modest but will
accelerate slightly**

Image Source: Envato Elements

Systemwide Restaurant Sales, Traffic and Check

Year-over-year Change



Systemwide traffic continued to erode in October

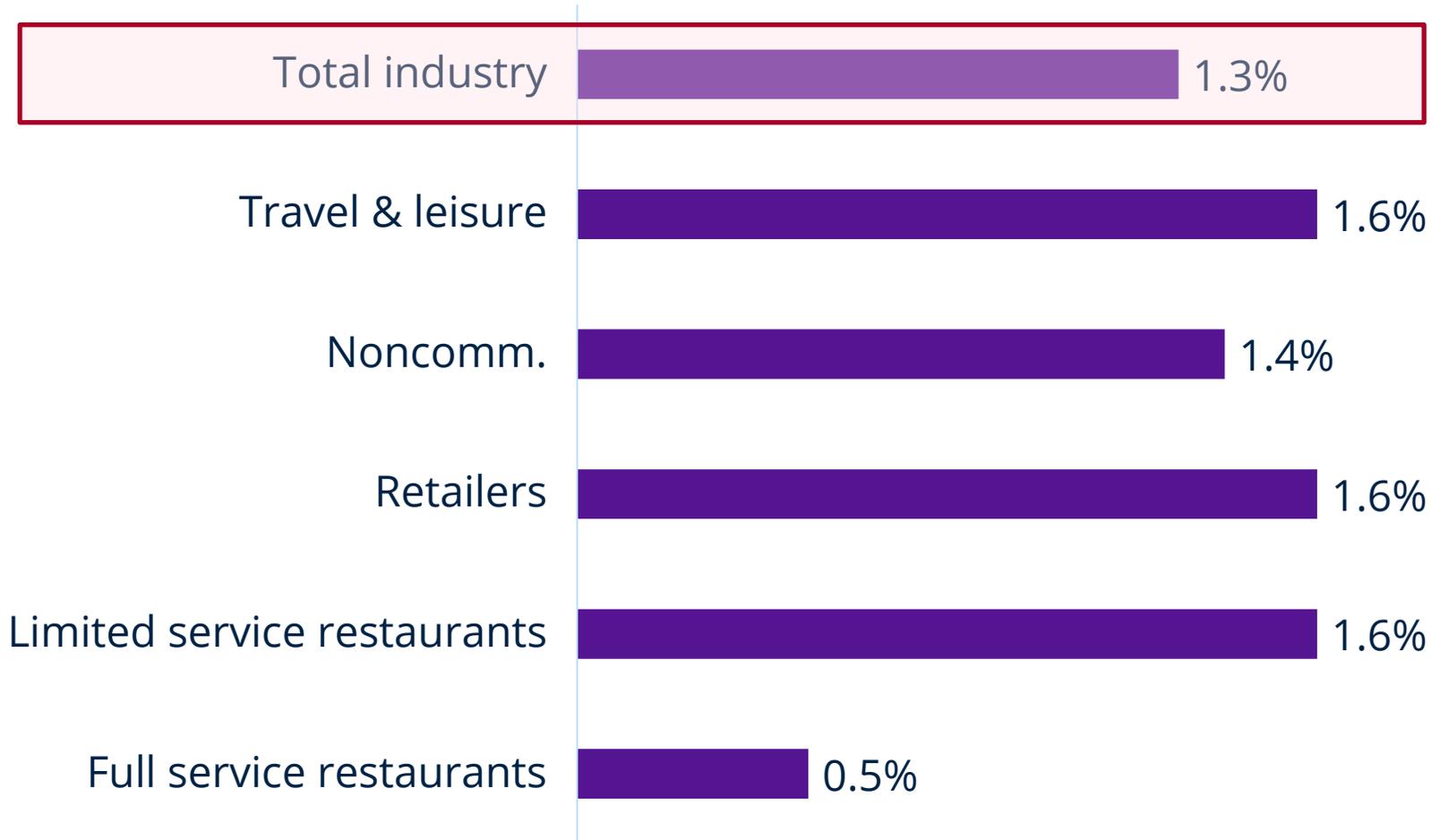
Q4 is starting to look very much like the first part of the year when traffic was as stagnant as the pandemic era

% Growth	Traffic	Sales	Avg. Check
YTD 2025	-1.1%	2.6%	3.7%
2024	-0.8%	3.2%	3.9%
2023	1.7%	7.4%	5.8%
2022	0.8%	7.6%	6.8%
2021	9.6%	17.3%	6.3%
Cumulative 2019-2024	1.0%	27.0%	30.2%

Source: Technomic

Growth Expectations 2025-2030

Real RSE YOY Change

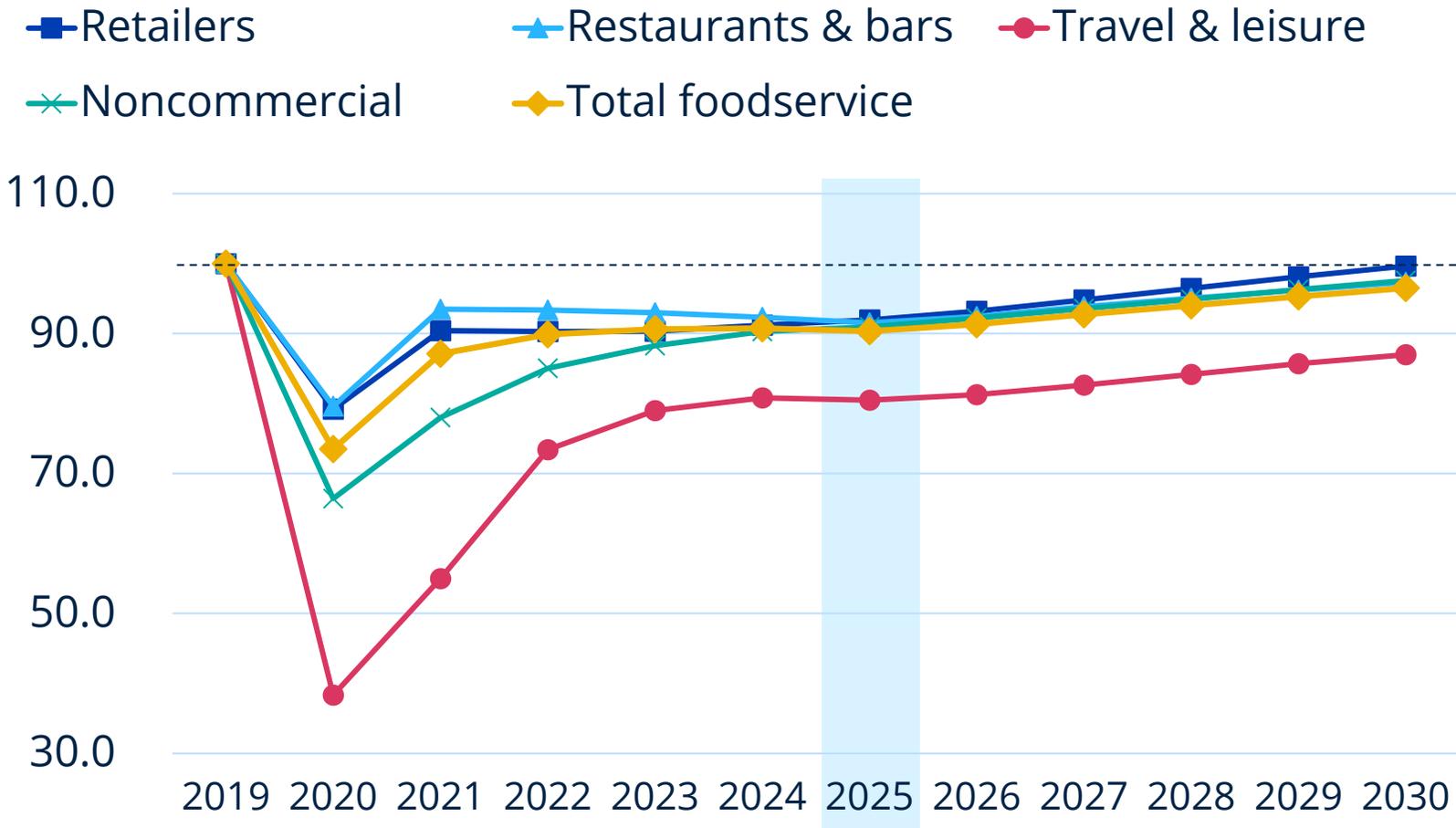


Overall
foodservice
industry growth
will be subdued
through 2030

Source: Technomic Long-Term Forecast
Note: Real=inflation removed

Cumulative Segment Growth Index

Real Growth



The foodservice industry will not reach its pre-pandemic real levels by 2030

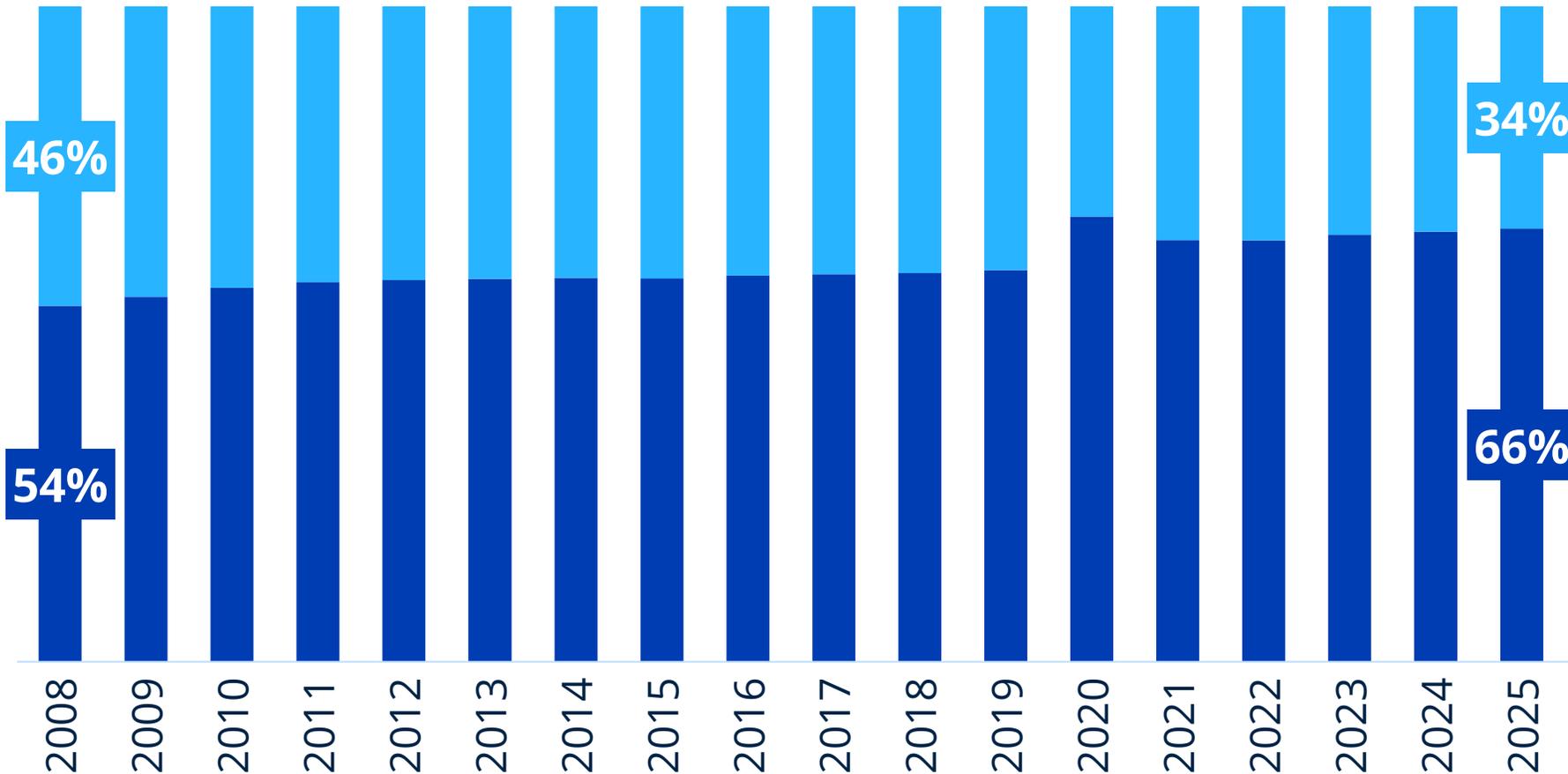
Value has recovered but real recovery is still years away

Source: Technomic
Note: 2022-2024 data are actuals; 2025 are preliminary; 2026-2030 data are forecasts

Share of Sales

Consumer trends have caused a significant shift in the make up of the restaurant industry

■ Full service ■ Limited service



Source: Technomic Long-Term Forecast

02



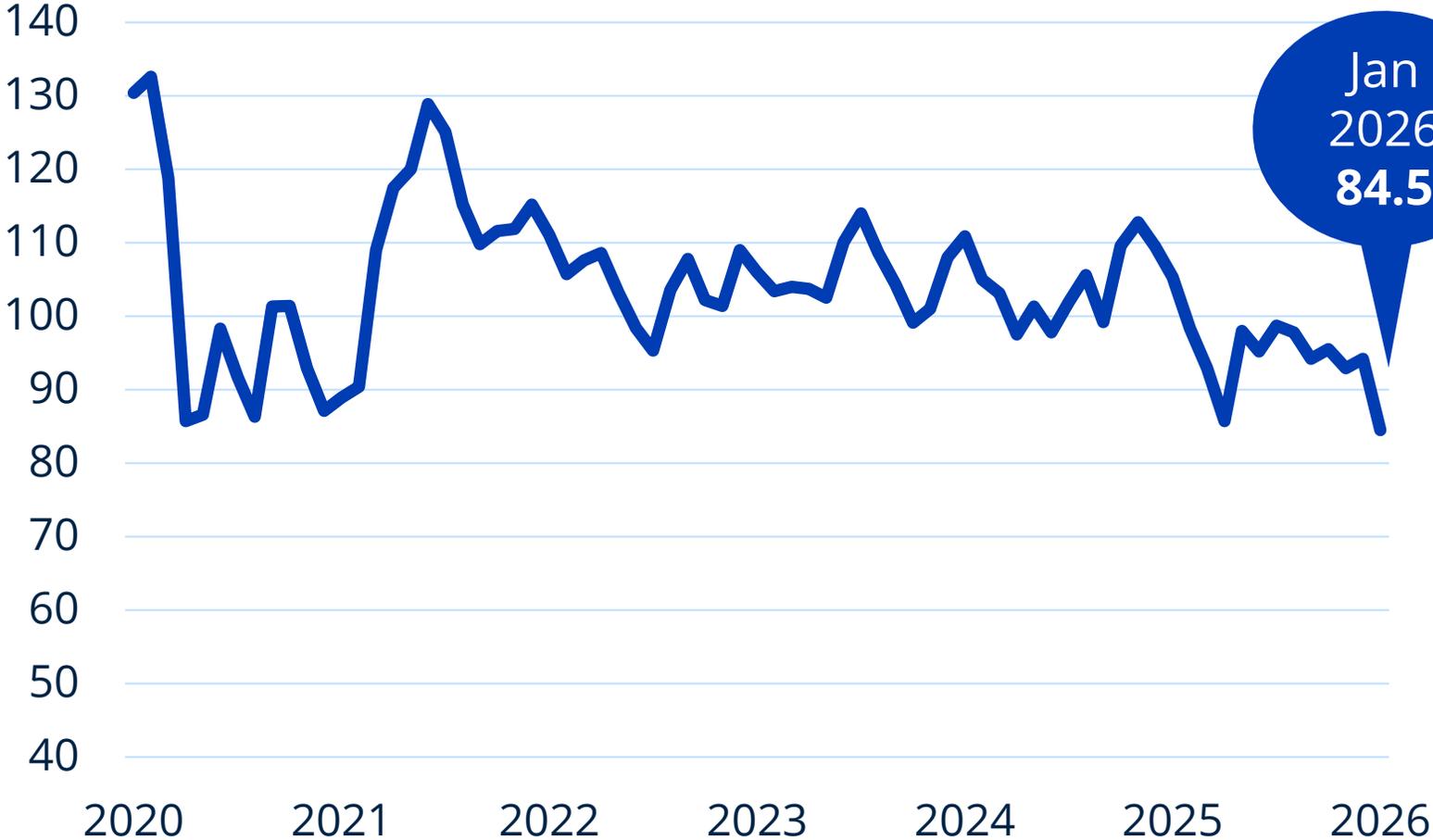
**Affordability and broader
confidence are weighing
down the industry**

Image Source: Envato Elements

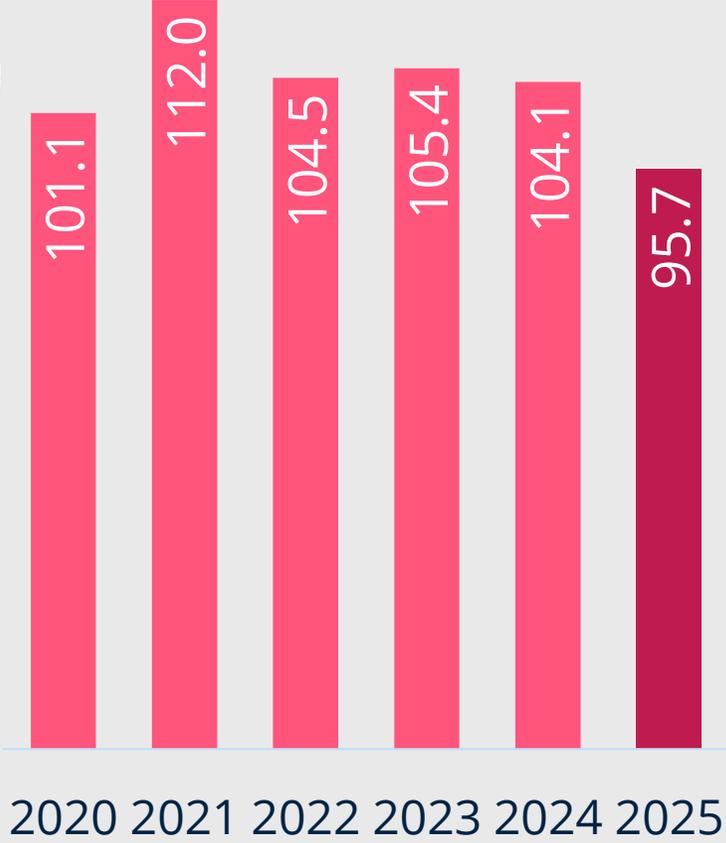
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Consumer Confidence

Monthly Index



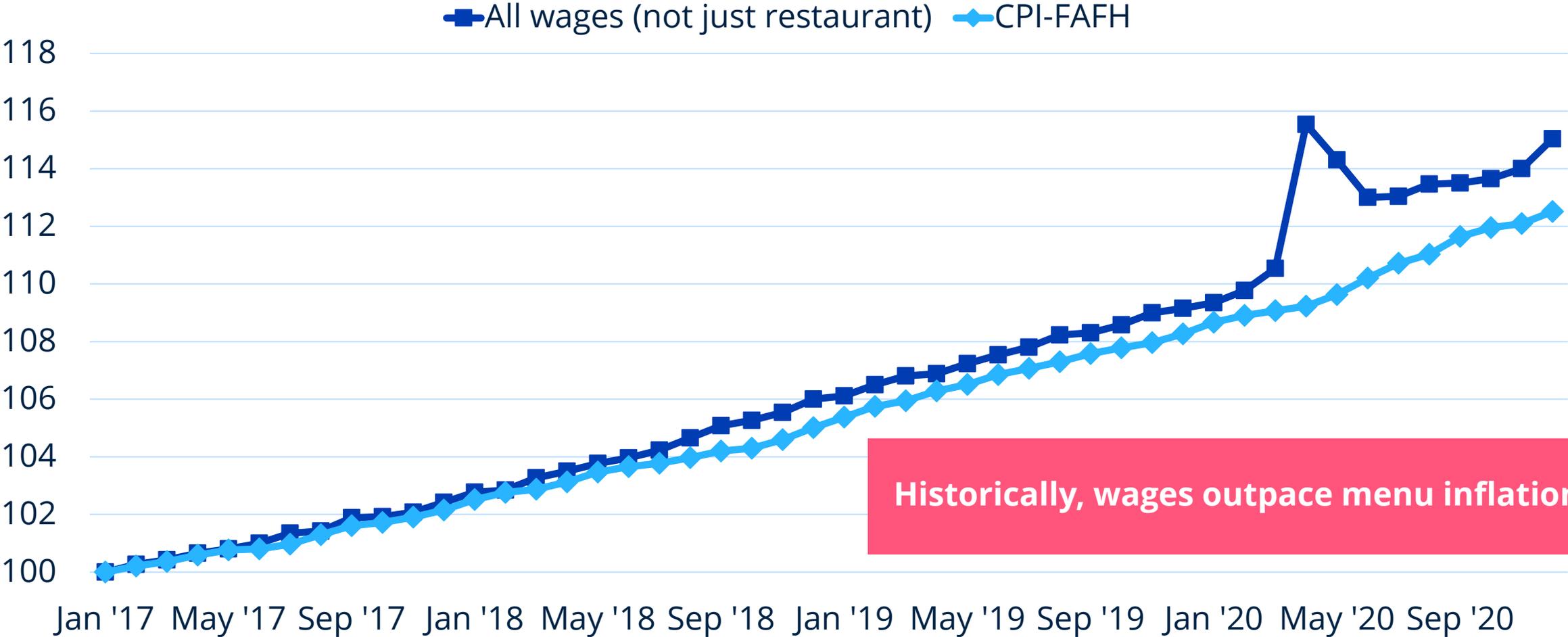
CONSUMER CONFIDENCE ANNUAL AVERAGES



Source: The Conference Board
Note: 1985=100

Inflation vs. Consumer Wage Cumulative Growth Index

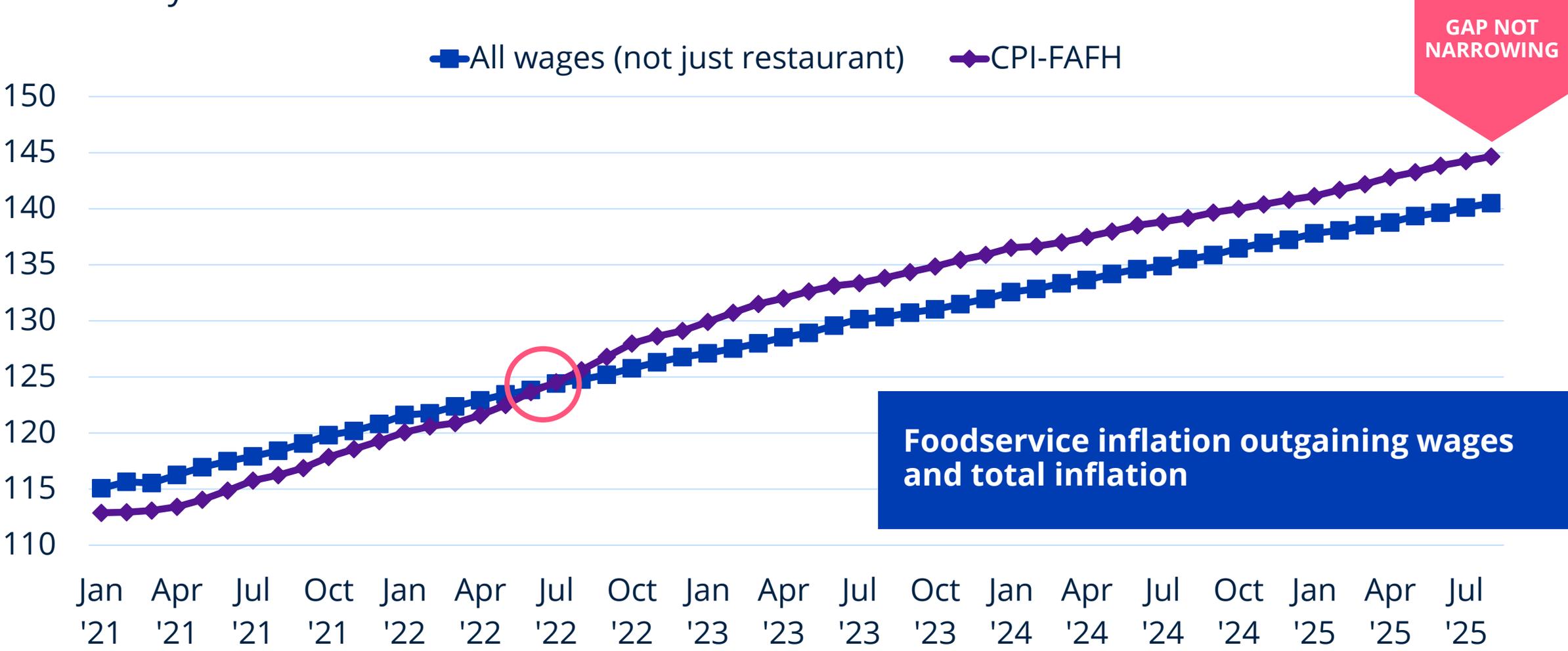
2017-2020



Source: Technomic and Bureau of Labor Statistics
Note: 100=January 2022

Inflation vs. Consumer Wage Cumulative Growth Index

2021-Today



Note: 100=January 2022
Source: Technomic and Bureau of Labor Statistics

03

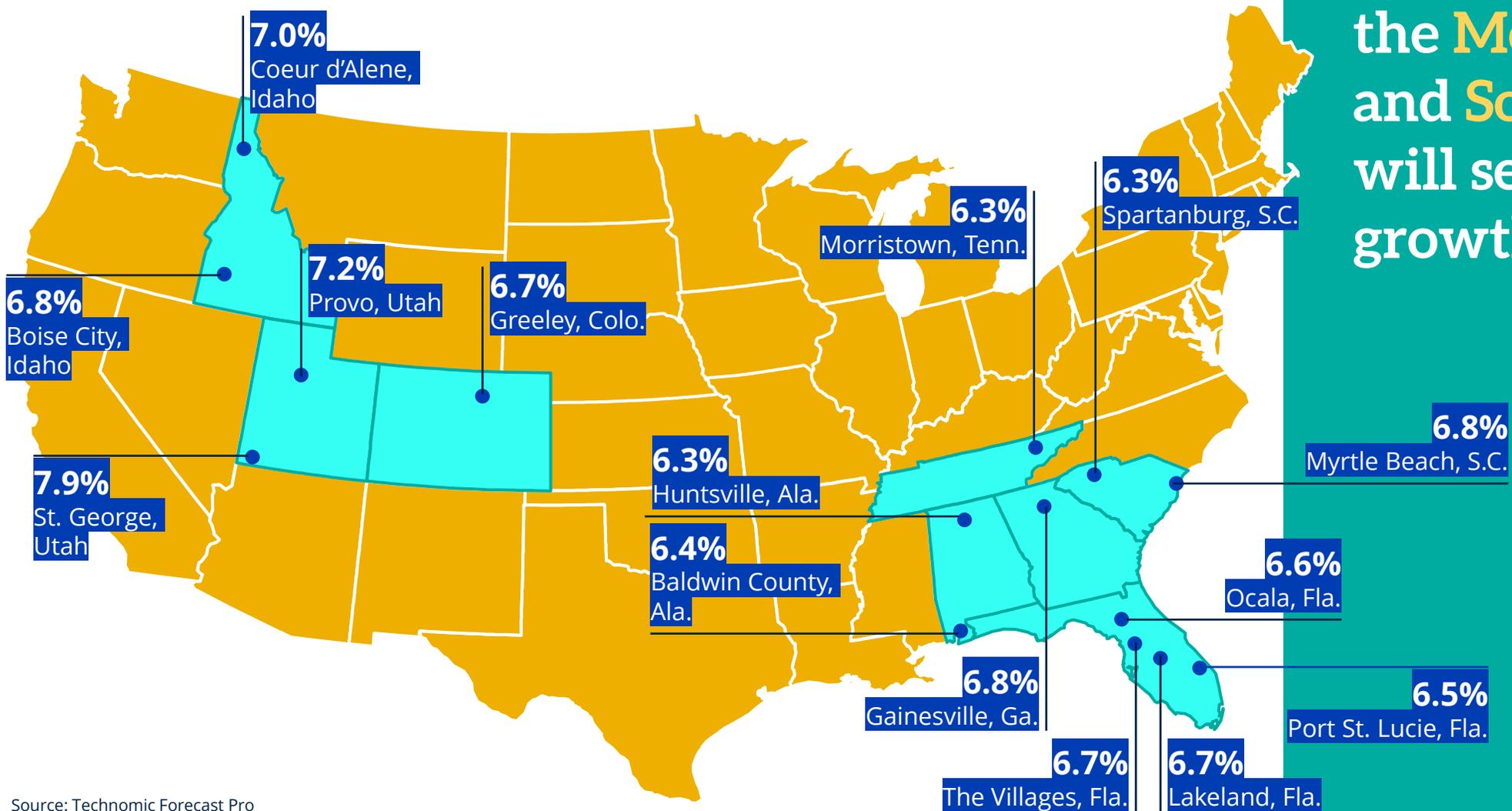


**Geographic and
segment-specific pockets
of growth present
outsized opportunities**

Image Source: Envato Elements

Top Growth MSAs

2019-2028



Certain MSAs, particularly in the **Mountains** and **Southeast**, will see strong growth

Source: Technomic Forecast Pro

LSR Share of Restaurant Sales

Top 1,500 Chains, 2005-2025

LSR Top 1,500 Chains	2005 Share	2025 Share	2005-2025 Differ.
Burger	28%	24%	-4%
Chicken	7%	12%	6%
Coffee cafe	5%	11%	6%
Sandwich	10%	8%	-2%
Mexican	5%	8%	3%
Pizza	9%	7%	-2%
Beverage/snack	1%	2%	1%
Asian/noodle	1%	2%	1%
Frozen desserts	2%	2%	0%
All other types	1%	2%	1%
LSR Total	69%	78%	+9%

Within the top 1,500 chains, **limited-service restaurants are seeing share gains** in chicken, coffee, Mexican, beverage and Asian/noodle cuisine styles

Source: Technomic Ignite Company

FSR Share of Restaurant Sales

Top 1,500 Chains, 2005-2025

FSR Top 1,500 Chains	2005 Share	2025 Share	2005-2025 Differ.
Varied menu	10%	6%	-4%
Family style	8%	4%	-4%
Italian/pizza	4%	2%	2%
Steak	4%	4%	0%
Seafood	2%	1%	-1%
Sports bar	2%	2%	0%
Mexican	1%	1%	0%
Asian	1%	1%	0%
FSR Total	31%	22%	-9%

Source: Technomic Ignite Company
Image Source: Envato Elements



04



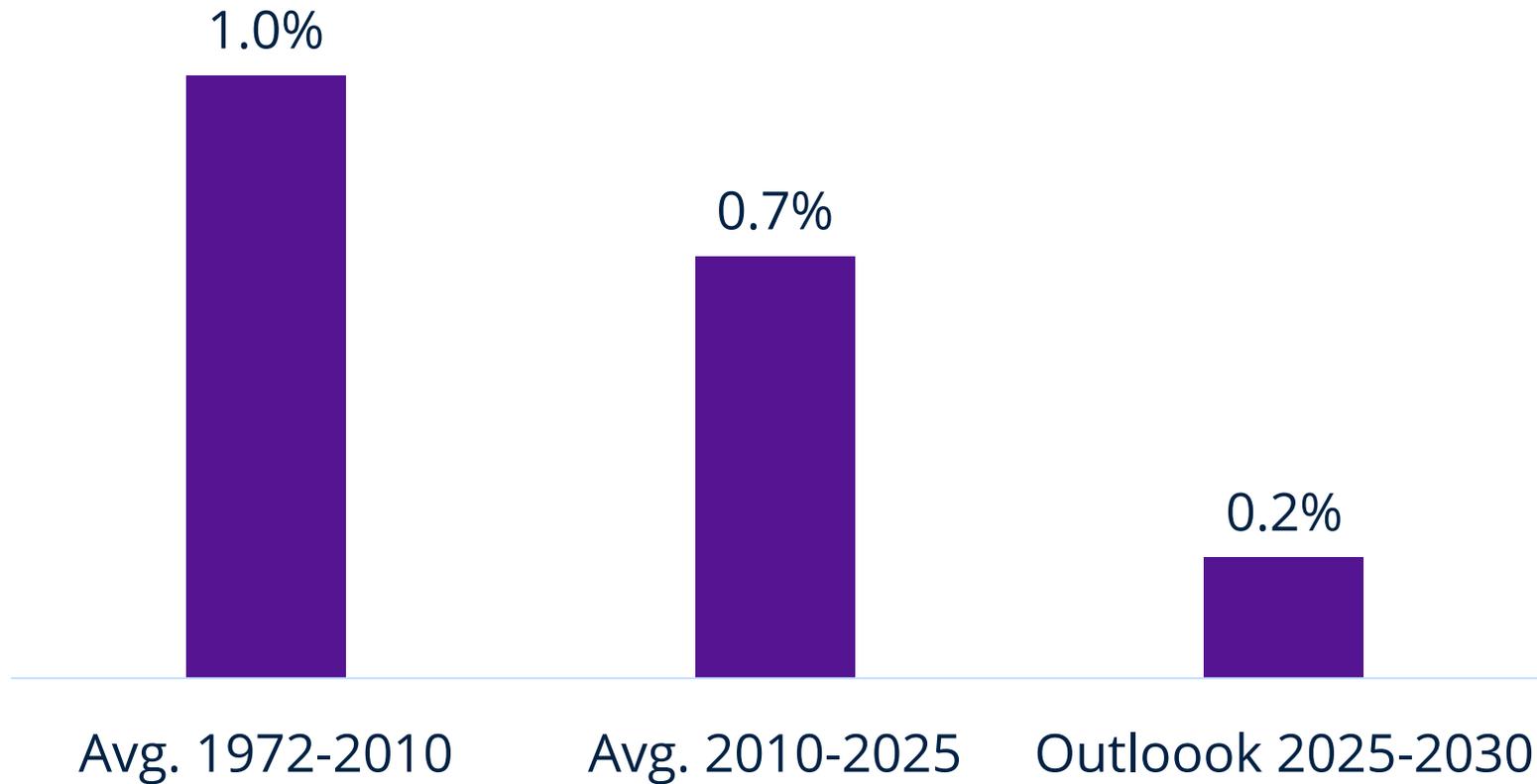
**Demographics are
destiny—a major shift
is on the horizon**

Image Source: Envato Elements

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U.S. Population Growth

YOY Change



Source: U.S. Census Bureau, FRED and CBO

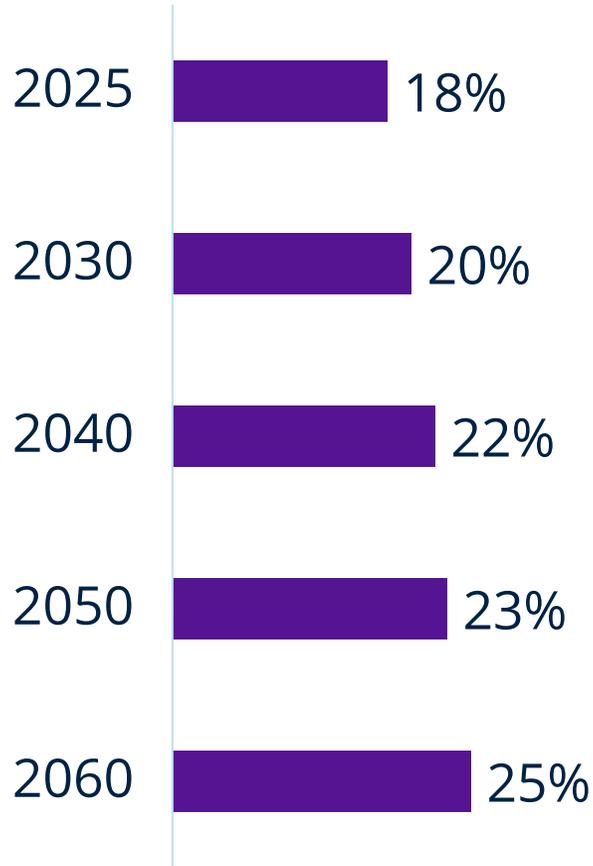
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**U.S. population
growth
decelerating**

A slowing
population impacts
overall industry
growth expectations

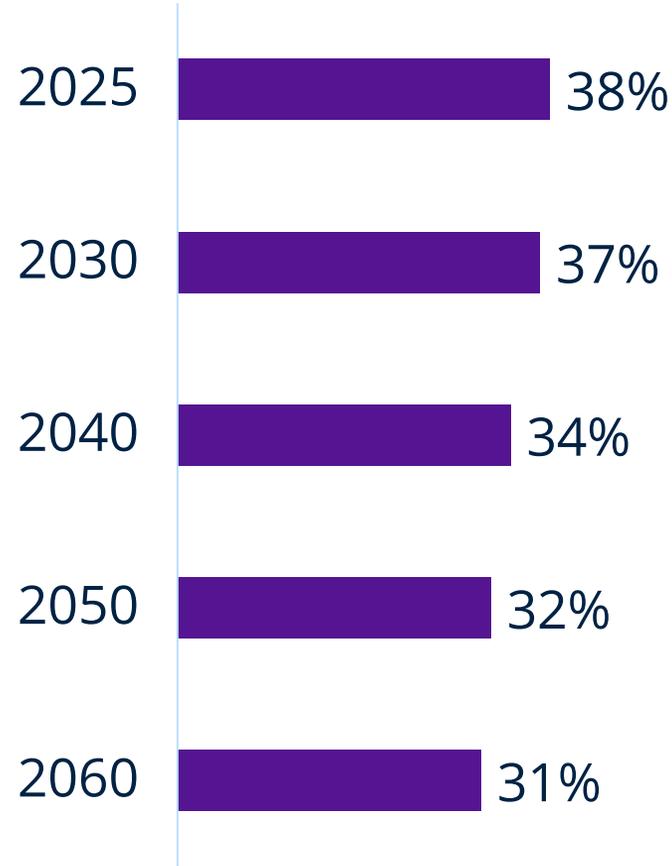
Projections of the U.S. Population Ages 65+

% of Total Population



Projections of the U.S. Population Under 30

% of Total Population



2030 marks a **demographic turning point**

All baby boomers will be 65 or older, while the younger cohort is shrinking

The Impact of Aging

U.S. Analysis

10%

Share of all restaurant spending by ages 65+ in 2025

18%

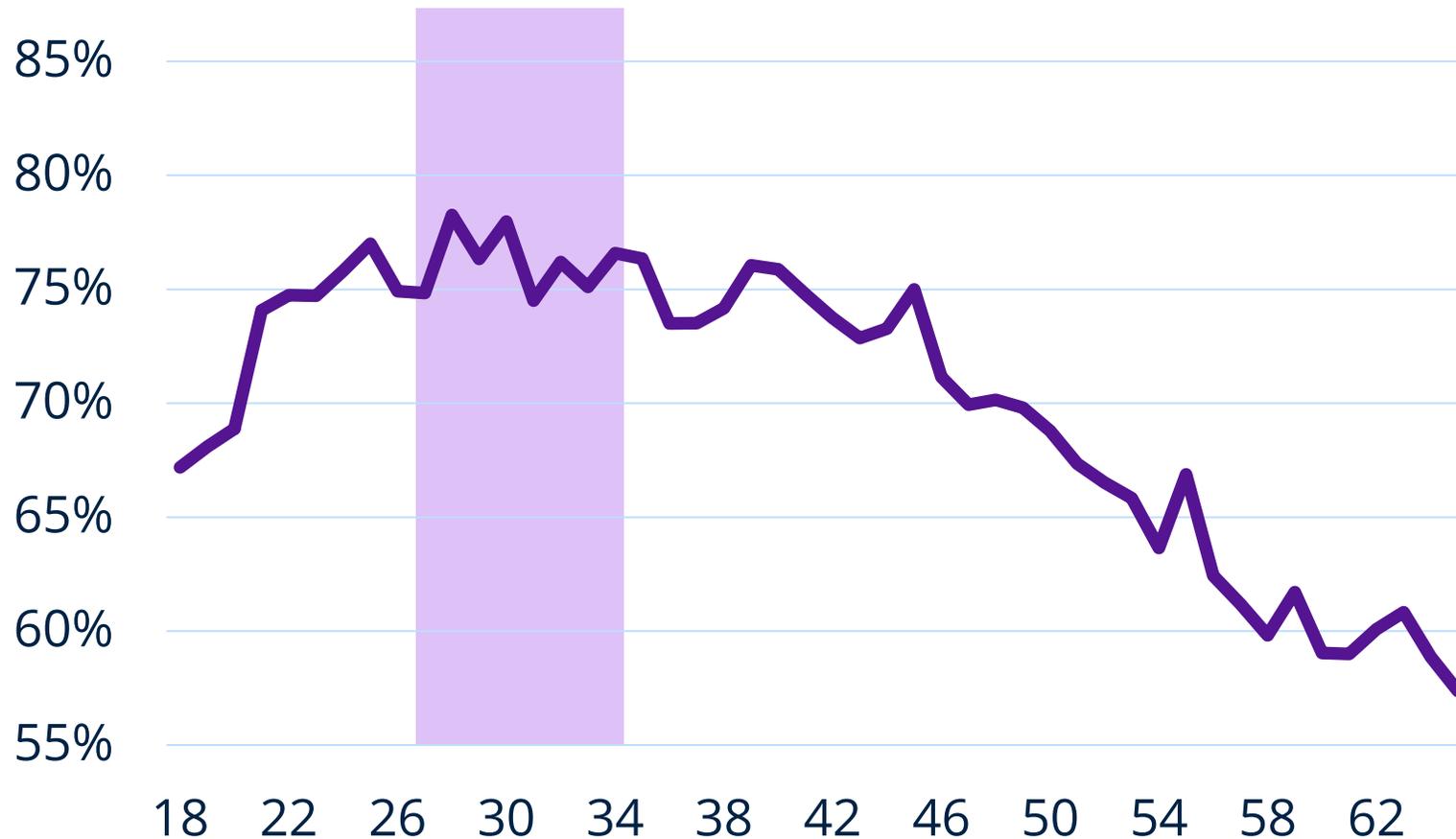
Forecasted share of restaurant spending by ages 65+ in 2030

Base: 110,000 consumers ages 18+
Source: Technomic Ignite Consumer
Image Source: Shutterstock



% Using Restaurants Once a Week or More

By Age



Base: 112,000 consumers ages 18+ per year
Source: Technomic Ignite Consumer, Q4 2024-Q3 2025

Foodservice
frequency
peaks between
ages 28-33
2030 peak
consumers are 22-
27 today (deeply
rooted in Gen Z)

Gen Z Occasion Skews

Overindex	Share of Gen Z Occasions	vs. Consumer Average
Ordered ahead for carryout	12%	+1 pp
Ordered for delivery	8%	+2 pp
Ate in the car	19%	+5 pp
Top alternative: retailer/c-store	16%	+6 pp

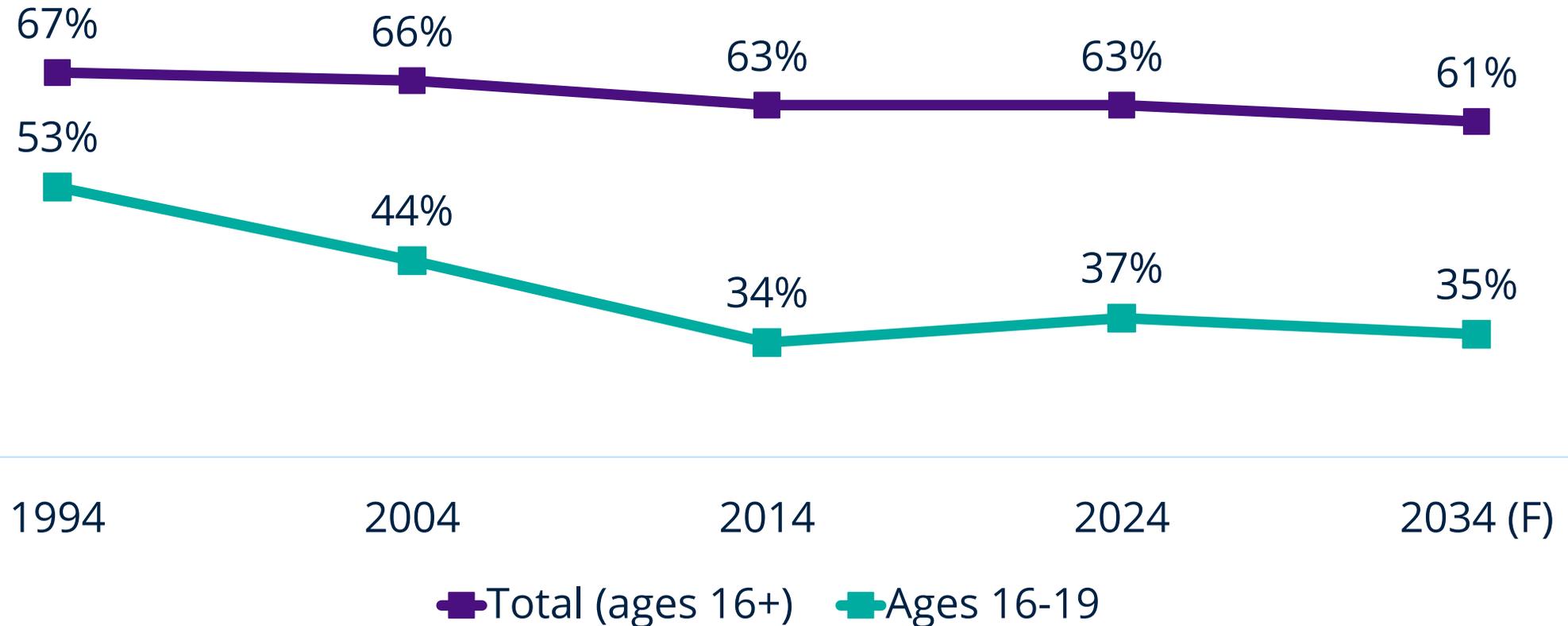
Underindex	Share of Gen Z Occasions	vs. Consumer Average
Order inside the restaurant	65%	-3 pp
Dine-in	47%	-5 pp
Visit another restaurant as occasion alternative	47%	-8 pp

Base: Approx. 5,300 Gen Z consumers ages 18+
Source: Technomic Ignite Consumer, Q4 2024-Q3 2025

Thinking ahead to 2030, we must look to **Gen Z** behaviors

Labor pool trends are not in the industry's favor

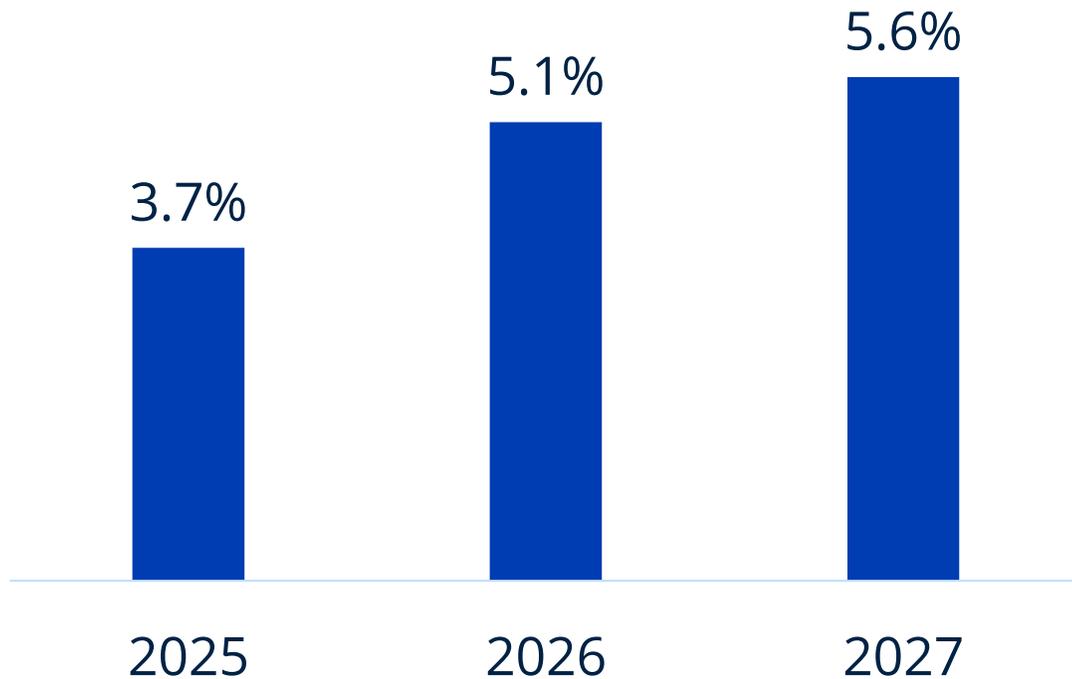
U.S. LABOR PARTICIPATION BY YEAR



Source: U.S. Census Bureau and Congressional Budget Office
Note: (F)=forecast

Demographic Changes Mean More Labor Woes

ACCOMODATIONS AND FOODSERVICES WAGE INCREASE YEAR-OVER-YEAR FORECASTS



- **Restaurant closures**
- **Reduced hours**
- **More turnover**
- **Higher costs**

Source: Oxford Economics

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05

A close-up photograph of a hand pulling apart a piece of fried chicken. The chicken is coated in a golden-brown, crispy batter. It is topped with melted white cheese and crumbled, cooked bacon bits. The background is a dark, out-of-focus surface.

**Winning in this
environment means
investing in your brand**

Image Source: Envato Elements

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Beverage Competition Heats Up

NEW ENERGY ROUTINE

NEW Sparkling Energy, Cold Brew with cream,
Caramel Cold Foam, and Chocolate Cold Foam.



Image Source (clockwise from top): [Wendy's website](#), [Starbucks website](#), [Taco Bell website](#) and [Restaurant Business](#)

Key Drivers of Growth

2025 SALES GROWTH FORECAST

Based on Brand Identify, Innovation, Relevancy Score Tiering

Brand Identity



Above average

8.2%

Innovation



Average

2.7%

Cultural Relevancy



Below average

-3.4%

Source: Technomic November 2025 Top 500 chain restaurant forecasts and Technomic Ignite Consumer Brand Ratings

**Early investments in
technology and off-
premise are paying off**

Brands that grew traffic
during the pandemic
outperformed the market in
2024 by

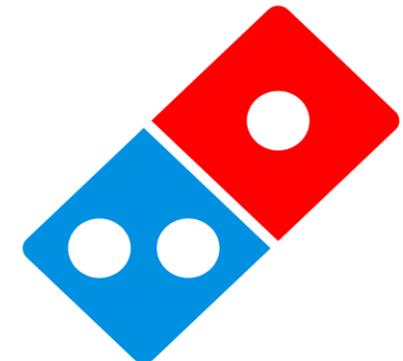
+5 pts

Simplified Logos, Preserved Heritage

The restaurant rebrand balancing act



Testing internationally



The Danger of Losing Core Identity

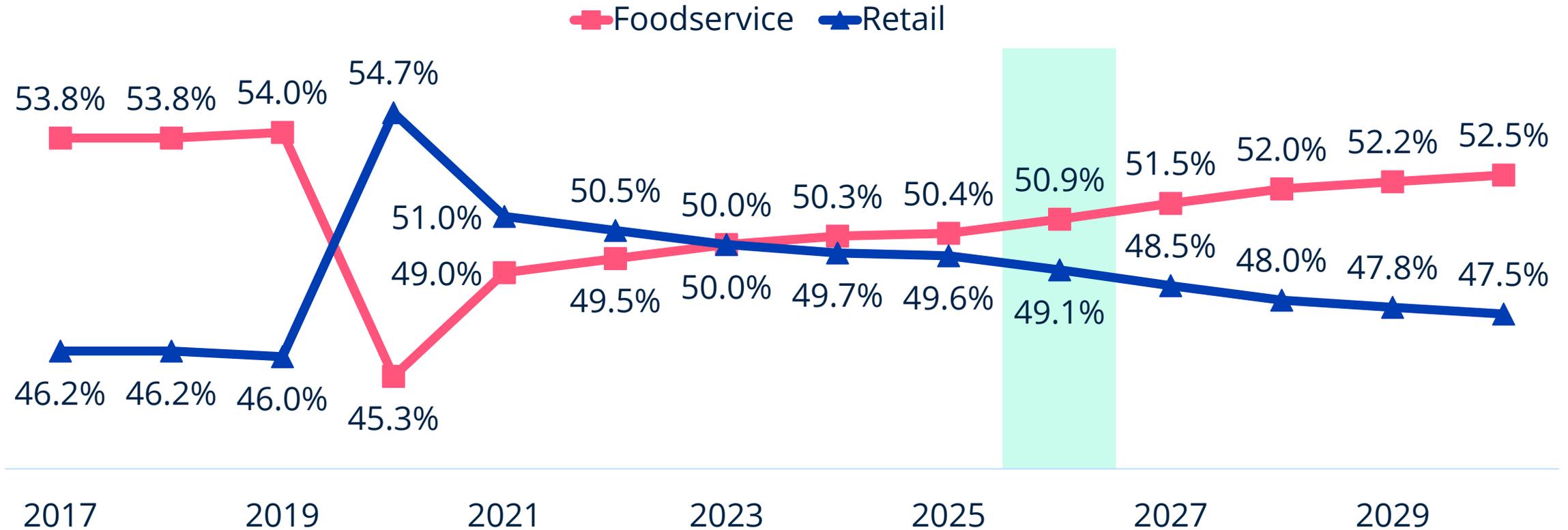
Rebranding failures forced brand reversals



Image Source (left to right): Fritz Reiss/AP and Getty Images

Longer term, people are spending more of their money in foodservice

FOODSERVICE VS. RETAIL SHARE OF CONSUMER FOOD/BEVERAGE SPENDING



Source: Technomic January 2026 Long-Term Forecast
Note: RSE basis

How will your
business **evolve** to
meet the demands of
tomorrow's
landscape?

Image Source: Envato Elements

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"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten.

Don't let yourself be lulled into inaction."

—Bill Gates



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We provide insights into consumer, industry and menu trends in the U.S., Canada and 23 markets around the world. Our team of experts helps leaders in the industry make complex business decisions, set strategy and stay ahead of the curve.

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