

## Top 200 Canadian chain restaurants' sales grew by 5.2 percent in 2007

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Foodservice consultants Technomic report that the Top 200 Canadian restaurant chains grew annual sales by 5.2 percent in 2007, representing overall performance comparable to the Top 500 chains in the U.S.

With total sales of over \$22 billion, the Top 200 Canadian chains accounted for 45 percent of the entire Canadian foodservice industry's \$49 billion in 2007 sales. Though displaying some of the same trends found in the U.S. chain restaurant market, the Canadian market also has its own distinct and unique characteristics.

Select findings include:

Tim Horton's continues to be the largest chain in Canada. Its roughly 2,800 units grossed an estimated \$3.9 billion, up 4.3 percent from 2006. McDonald's was second in sales, with an estimated \$2.7 billion, also up 4.3 percent. Third was Subway, grossing an estimated \$1.0 billion, up 1.8 percent.

Limited-service restaurants dominate the Top 200 Canadian chains, representing 70.3 percent of sales and 85.8 percent of units in 2007. Though the fast-casual segment remains small at 1.5 percent of the limited-service category, it grew 21.8 percent over the prior year as opposed to 3.6 percent for the category as a whole.

Strongest sales growth came from limited-service Asian, up 11.6 percent, limited-service coffee/other beverage, up 14.3 percent, limited-service Mexican, up 17.6 percent, and full-service steak restaurants, up 40.7 percent.

Several factors continuing to affect the Canadian restaurant industry include the Canadian labor shortage, the downturn in the U.S. economy and the strength of the Canadian dollar relative to its U.S. counterpart.

'The Top 200 Canadian chains differ from those in the U.S. market in terms of segment composition and saturation rates, growth, and factors unique to Canada that impact restaurant trends,' says Darren Tristano, Executive Vice President of Technomic Information Systems. 'The market has evolved since our last examination, supporting our expectation that future winners will be those that can most readily adapt to change.'

The 2008 Top 200 Canadian Chain Restaurant Report helps restaurant operators keep abreast of competition, develop sales and marketing strategies, identify growth opportunities and monitor segment and menu category performance. Foodservice manufacturers, too, can track the evolution of restaurant concepts and trends, which affect their approaches, positioning, strategies and tactics to reach their target customers in Canada.

To purchase or learn more about the 2008 Technomic Top 200 Canadian Chains Restaurant Report, please visit [www.foodpubs.com](http://www.foodpubs.com).

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