



Foodservice Trends Report

Q1 2024

Constant growth | Red velvet mania | A twist on the classics

Huhtamaki

Constant growth

In the world of chain restaurants, if you're not growing, the competition is going to eat your lunch (pun fully intended). So every year, restaurant chains work tirelessly to find ways to expand their footprints in order to reach new customers, keep existing customers and, in the end – hopefully – turn a profit. For emerging brands, **this growth is critical to carving out a place in this massive industry.** For existing and even legacy brands, **gaining market share helps them maintain their status** and keep the competition at bay. In 2024, **all signs are pointing to this trend continuing in full force.**

We've rounded up some of the fastest-growing chains in the industry. We hope you're hungry for some of the **latest restaurant trends.**

Shipley Do-Nuts



A long-time Houston staple, **Shipley Do-Nuts** was family owned for nearly nine decades prior to being acquired by Peak Rock Capital in 2021. After the purchase, **they quickly put a plan in place to grow the brand, implementing new POS systems, online ordering and supply chain innovations.** Their **five-year goal is to double the number of locations**, and with 19 new restaurants opened in 2023 and 30 more in the pipeline for this year, they're well on their way. "It's shockingly well-received [outside of Texas]," Shipley's CEO, **Flynn Dekker**, said. "**I'm blown away by the amount of revenue that comes in the first few weeks in a market where I thought we had almost no brand awareness.**" This is a Texas-based thing. If I go to my home state of Indiana, nobody's going to know what ... Shipley's is, right? But as we've gone to these new states, **it has been overwhelming the amount of business that we do.**" Everything may be bigger in Texas, but it turns out an enormous appetite for delicious donuts transcends borders.

Yum! Brands



Yum! Brands, the parent company of KFC, Taco Bell, Pizza Hut and The Habit Burger Grill, has been growing at a rate rarely seen in a company their size. **“In the last three years, 25% of all Yum! restaurants have been built,”** David Gibbs, CEO of the Kentucky-based Yum!, said at the end of the company’s 2023 fourth-quarter earnings call. Some of the new locations are in new markets, while others are replacing old and aging stores. “A lot of those replaced stores have reached the end of their useful life,” Gibbs said. All in all, **the level of growth**, even with these closings, **has been off the charts. Their three largest brands**, KFC, Taco Bell and Pizza Hut **have added a whopping 8,359 locations since 2020.** Last year, **that meant an average of 13 new stores every day.** That’s a whole lot of Yum!

Smoothie King



Smoothie King, the largest smoothie brand in the world, **didn't earn their place on the throne by being complacent**. And in 2023, they proved, once again, that it's good to be the king. The company **ended the year with record-breaking growth** and **the largest new development quarter in seven years**, along with an **11.5% jump in same-store sales**. New store commitments in **2023 included agreements in 29 states**, four of which are new markets: Utah, Minnesota, Massachusetts and New Hampshire. "2023 was a monumental year for Smoothie King, marked by **the highest sales period in our 50-year history in Q3** as well as one of our **largest new development quarters in seven years during Q4**," said Wan Kim, CEO of Smoothie King. The brand has **plans for even more growth in 2024**, including **100 new locations**, along with **menu innovations** and a **bolder marketing approach**. Looks like the world's largest smoothie brand has plans to expand their kingdom.

Portillo's



Portillo's is a Chicago brand through and through, and CEO Michael Osanloo is proud of that fact. But his mind is focused on where they can grow within the U.S. Enter the Sun Belt, a booming region with warm climates and even warmer tax policies. **According to U.S. Census data, the top 10 fastest-growing counties from 2021 to 2022 were all in Arizona, Florida, or Texas**, with two of the top three counties in the Lone Star State. Prior to 2023, **Portillo's** didn't have a single store in Texas. Now, **the Dallas-Fort Worth area has four**. "People say, 'So why do you think Chicago-style food is working so well? ... 'Why is Italian Beef such a hit?' It's a roast beef sandwich, right? It's a delicious roast beef sandwich with a delicious crusty bread. It's really good. And gosh, shockingly, Texans like beef and bread," Osanloo added. **If you're into beef and bread and live in the Sun Belt, keep an eye out for a Portillo's opening near you soon.**

MOOYAH Burgers, Fries & Shakes



MOOYAH sees itself as America's best kept secret when it comes to burger franchises, and they're ready to let Americans know from coast to coast. **The brand recently announced plans to expand into Boca Raton, Florida, and Madison, Wisconsin.** The company has also **signed deals for a five-unit territory in Flint, Michigan,** their first venture into the state, and **three more locations in Orange County, California.** This is **in addition to more than 50 additional locations in the pipeline for 2024** and beyond. "We are building on our recent momentum to accelerate our growth with our franchise growth initiative," explained Doug Willmarth, president of MOOYAH. If things go according to plan, the MOOYAH secret is about to be out.

Red velvet mania

If you feel like you've been seeing the aggressively red, sinfully sweet dessert pop up in more and more places, and in more and more inventive iterations, you'd be correct. It's become **one of the hottest culinary trends of the past few years**, from fast-food chains to local restaurants, and **there's no sign of slowing down in 2024**. So, whether you're craving red velvet cake or something red velvet adjacent these days, there's something for everyone.

Potbelly Sandwich Shop



Potbelly has become a beloved brand **based on basically two things: hot subs and cold milkshakes**. But who doesn't love a warm, fresh-baked cookie? And during winter, the **Red Velvet Cookie has become a major draw for the Chicago-based chain**. At Potbelly's, like many other restaurants that are leading this trend, this is a **limited-time offer**. But as more and more people show that their love for red velvet isn't seasonal, **we may just see such offerings hit menus all year long**.

MOD Pizza



In an attempt to capitalize on the craze, **MOD Pizza** has introduced a red velvet version of their popular dessert cake. **The Red Velvet No Name Cake** is, unsurprisingly, a red velvet cake with cream cheese filling and topped with heart-shaped sprinkles. But it's **not just for Valentine's Day, as it will be available until May 13.** "Our Red Velvet No Name Cake is a decadent, craveable treat which is the perfect combination of rich, creamy and sweet. With ... spring fast approaching, it is a great way to finish a meal at MOD," said Scott Uehlein, VP of Culinary Excellence and Innovation, in a press release. **It's also a great way to start a love affair with red velvet.**

Dunkin'



By now, you've heard plenty about red velvet this and red velvet that, but **how about pink velvet?** After close to a three-year absence, **Dunkin's** beloved **Pink Velvet Macchiato** made **its triumphant return to menus across the country on January 31** of this year. And **all it took was a flood of direct messages, fan mail, petitions and heartfelt pleas.** But that's not all. The chain **introduced the Frosty Red Velvet Donut** — so, whether you need a quick pick-me-up or a sweet snack, **Dunkin'** has something for every red velvet fan.

Dairy Queen (DQ)



Jumping on the red velvet bandwagon, **DQ recently brought back their Red Velvet Cake Blizzard Treat and Red Velvet Cake Blizzard Cupid Cake** — two red-and-pink-themed desserts — to rave reviews. They even marketed the **Cupid Cake** as “**perfectly sized for two,**” hoping Cupid’s arrow would bring more couples into stores. Time will tell if DQ will continue their love affair with red velvet now that Valentine’s Day has come and gone, but **they clearly tapped into the trend during the season of love.**

Jimmy John's



Although they're primarily known for their freaky fast subs and service, **Jimmy John's has cultivated a following for their fresh-baked cookies.** And while they've been players before in the red velvet game with a fan favorite **Red Velvet Cookie**, now they're doubling down with a new addition to their dessert menu, the **Red Velvet Brownie**. And **they've created a reality series, "Before First Bite: Red Velvet Edition,"** featuring cast members from the **"Love Is Blind" reality show**. Spoiler alert: **red velvet wins**. And if you've learned anything from this trend report, it's that **red velvet always wins**.



A twist on the classics

There's nothing like comfort food. Pizzas, burgers, burritos, oh my. But these days, **there's a very welcome trend emerging that leans into the nostalgia of a classic homemade meal and flavors most of us are familiar with, then twists them into something new and unexpected.** And delicious, of course. Take a look at some of the innovative and unexpected twists that some of the trendsetters in the restaurant world have recently come up with. We have a feeling you're going to come away from this impressed – hungry too.

Curry Pizza House



Gursewak Gill, the first-generation Indian American and founder of **Curry Pizza House**, fondly remembers family pizza nights. But theirs wasn't your typical pizza. **His family put their own spin on it by adding traditional Indian spices and curries**, and those flavors gave birth to the chain's fresh take on one of America's favorite meals. In addition to signature dishes like **Curry Chicken Masala Pizza, Palak Paneer Pizza** and **Shahi Paneer Pizza**, Curry Pizza House offers wings marinated in curries, spices and tikka, achari and tandoori sauces. **"The feedback we were getting is that even non-South Asians were loving the concept and trying new flavors,"** Chief Operating Officer Neelu Gill A. shared. Now pizza lovers all over can take a trip to India without the expensive flight.

Bubbakoo's Burritos



The Jersey Shore-based burrito spot is **adding to their Killer Creations menu with a new limited time offering, the Silly Philly Burrito – their take on a Philly Cheesesteak.** “Seeing the success and impact that our Killer Burritos had last fall, it made sense to expand the ‘killer’ category. **We crafted the Silly Philly Burrito to not only showcase our East Coast roots** but highlight **the flavors that have been synonymous with the Bubbakoo’s brand** for over 15 years,” said Bill Hart, co-founder and co-CEO of **Bubbakoo’s Burritos**. This new item will fit perfectly with other Killer Creations like the Garlic Breath, Papi Hibachi, Crema Get the Money and Ghost Face Dilla – just to name a few. There’s **no telling what the next Killer Creation will be**, but with names like these, you can bet it’ll be both intriguing and delicious.

honeygrow



This beloved Philadelphia-based fast-casual eatery **known for inventive, nutritious stir-frys and salads recently unveiled a new limited-time offering: the Chicken Parm Stir-Fry.** With freshly prepared egg white noodles, roasted chicken, tomatoes, peppers, onions, breadcrumbs and a generous helping of shaved parmesan, **it's a familiar taste served up in a fresh way,** something honeygrow has become known for. "The team did a great job in creating a nutritious twist on a beloved classic that brings together comfort and a wholesome meal," shared Justin Rosenberg, founder and CEO of honeygrow. **Comfort food that doesn't leave you feeling uncomfortable?** Yes, please.

Happy Joe's Pizza & Ice Cream



You'd expect a restaurant called **Happy Joe's Pizza & Ice Cream** to know a little something about delicious combinations. **It all started with their Taco Pizza**, something they proudly take credit for creating, **and continues with their latest offering, pizza burgers**. Turning the same toppings they use on their innovative pizza menu into burgers has been a smashing success. "While **our customers expect great pizza from Happy Joe's, they also expect us to bring them new, unique, tasty creations**," said Tom Sacco, Chief Happiness Officer, CEO and President. Can't decide between pizza or a burger? At Happy Joe's, now you don't have to.

Dog Haus



With their Haus Chicken sandwiches already a hit, **Dog Haus is moving on to a fresh, new category – salads.** The first offerings are the **Bad Mutha Clucka** – two beer-battered or grilled chicken tenders, pickles and miso ranch on a bed of mixed greens – and **The Hot Chick** – two Nashville-style, beer-battered or grilled chicken tenders; slaw; pickles and secret sauce atop a bed of mixed greens. **“We’ve always been about creative menu innovation at Dog Haus,”** said Founding Partner Hagop Giragossian. **“Adding more healthy options is a longstanding priority complementing our already-diverse lineup of delicious choices.”** Salad fans everywhere are in for a treat next time they visit Dog Haus.

Signoff

From the **ever-expanding world of fast casual locations** to **red velvet mania** and **fun twists on classic dishes**, staying on top of the latest trends in the foodservice industry is important to you, so it's important to us. As a trusted partner in innovation, **Huhtamaki can help you make the most sustainable packaging choices for your business and, more importantly, your consumer.** Together, we can make a difference where it matters by redesigning the future of sustainable packaging.

Resources

- SLIDE 2 <https://www.eatthis.com/fastest-growing-restaurant-chains-2024/>
- SLIDE 3 <https://www.qsrmagazine.com/story/shipleys-do-nuts-texas-roots-blossom-into-national-success/>
- SLIDE 4 <https://www.restaurantbusinessonline.com/financing/yum-brands-has-been-building-tear-coming-out-pandemic>
- SLIDE 5 <https://www.qsrmagazine.com/news/smoothie-king-sees-record-breaking-growth-in-2023/>
- SLIDE 6 <https://www.qsrmagazine.com/story/portillos-future-lies-in-the-sun-belt/>
- SLIDE 7 <https://www.qsrmagazine.com/news/mooyah-ready-to-enter-new-strategic-growth-phase/>
- SLIDE 8 <https://www.225batonrouge.com/food-drink/find-red-velvet-desserts-time-valentines-day>
- SLIDE 9 <https://www.qsrmagazine.com/news/potbelly-bringing-back-red-velvet-cookie-for-valentines-day/>
- SLIDE 10 <https://www.pizzamarketplace.com/news/mod-pizza-releases-red-velvet-dessert-cake/>

Resources

- SLIDE 11 <https://www.brit.co/dunkin-valentines-menu/>
- SLIDE 12 <https://people.com/dairy-queen-brings-back-2-beloved-desserts-for-their-valentines-day-menu-8550529>
- SLIDE 13 <https://www.qsrmagazine.com/news/jimmy-johns-introduces-red-velvet-brownie/>
- SLIDE 14 <https://www.eatthis.com/classic-recipes/>
- SLIDE 15 <https://www.qsrmagazine.com/story/curry-pizza-house-brings-asian-twist-to-popular-cuisine/>
- SLIDE 16 <https://www.qsrmagazine.com/news/bubbakoos-burritos-introduced-limited-time-silly-philly-burrito/>
- SLIDE 17 <https://www.qsrmagazine.com/news/honeygrow-unveils-chicken-parm-stir-fry/>
- SLIDE 18 <https://www.qsrmagazine.com/news/happy-joes-adds-pizza-burger-menu/>
- SLIDE 19 <https://www.qsrmagazine.com/news/dog-haus-transforms-chicken-sandwiches-into-salad-bowls/>