



Foodservice Trends Report

Q4 2023 QUARTERLY

Drive Thru Lane Becomes the Express Lane | It's A Peppermint Party | Students Shape the Lunchroom

Huhtamaki

Drive Thru Lane Becomes the Express Lane:

You've heard of "**meet customers where they are.**" For the QSR industry, it's important to meet customers where they drive. **Drive-thru lanes have become more relevant than ever for both quick-service and fast-casual restaurants.** Even before the pandemic, operators were looking to solve the following issues: drive-thru efficiency, higher costs for labor, construction, energy, real estate, and digital ordering. It seems drive-thru-only restaurants are the solution for most issues. If you're ready for **a smaller footprint to improve the speed of customer service,** please pull forward.

Shake Shack



It's hard to believe that 19 years ago, Shake Shack opened with a simple hot dog cart and a goal to benefit New York City's Madison Square Park. Fast forward to the present and the restaurant has just opened the doors on its 500th Shake Shack. CEO Randy Garutti said they're resonating on the satisfaction front. "That said, we know in drive-thru and in Shacks generally, **some of our biggest areas of improvement remain consistency, speed, and throughput,**" he said. **"And this is going to be a big focus for our designs and operational improvements through 2024."** The first Shake Shack drive-thru opened in December 2021. So, you can look forward to pulling forward to more tasty burgers and fries for many years to come.

Chick-fil-A



When it comes to drive-thru traffic, Chick-fil-A isn't chicken to make bold moves. Every process they touch becomes quick and easy. And **since they've gone digital, in some markets, app orders make up more than half of their sales.** Khalilah Cooper, the brand's executive director of restaurant design, said, "So, we know our customers have an appetite for convenience." **"Mobile Thru" lanes were Chick-fil-A's answer to where customers who order ahead can roll through their queue.** As of today, this idea is taking on more of a physical change in 2024 with two fresh restaurant concepts. The first concept, an elevated drive-thru, will roll out at the brand's home base in Atlanta. The **upgrades include the option to order ahead in the Chick-fil-A app and pickup using dedicated Mobile Thru lanes; and the ability for customers to place orders with employees in traditional drive-thru lanes.** That's a drive-thru innovation you can't pass up.

Taco Bell



When you think of the fastest drive-thru around, does Taco Bell ring a bell? For the third year in a row, according to the QSR Drive-Thru Report, **Taco Bell was the fastest quick-service drive-thru in America.** Taco Bell isn't losing any traction — immediately they started investing in **Taco Bell Defy.** The concept is a first-of-its-kind, two-story model that delivers innovative technology and design, like a proprietary vertical lift to transport delectable menu items straight from the kitchen to fans. Since June 2022, **Taco Bell Defy has successfully decreased drive-thru wait times and increased customer satisfaction.** Because they have the opportunity to serve more customers and provide 2–3x the throughput of standard restaurants, naturally there's a significant increase in e-commerce sales. Now that Taco Bell Defy has made history, they're ready to explore the next frontier.

Jack in the Box



Jack in the Box Inc. and Del Taco brands are pulling forward with new concepts and adding more drive-thru-centric units. **Each new unit features a Y-lane drive-thru, walk-up window for ordering, and a pickup area for mobile and third-party delivery orders.** Because the initial Jack in the Box off-premises prototype in Tulsa, Oklahoma, is outperforming expectations, the restaurant has opened two new units with a half-dozen more in the development phase. Even Del Taco has opened its doors to a new drive-thru-centric restaurant. Van Ingram, Vice President of Franchise Development for both brands states, “The concept is to have a smaller, really efficient footprint for a higher volume.” How is all of this possible? **With a 1,375 square foot facility and a few parking spaces for employees and delivery drivers to pick up orders in lockers just inside the building, it’s genius.** Rather than being delayed by customers – or alternately delaying other customers – in the drive-thru, the food reaches the customers quicker. **Clearly, when it comes to drive-thru efficiency, Jack in the Box has thought outside the box.**

Captain D's



Captain D's is jumping ship from past drive-thru practices. The QSR has already opened Express locations and a fourth is slated for 2024. **The new build-to-land ratio is interesting, each restaurant is 970 square feet on sites as small as four-tenths of an acre.** Brad Reed, Chief Development Officer of the Nashville, Tennessee-based entity stated, "We had to be creative with the kitchen size." The cost alone is worth the transition, the initial prototype costs up to \$300,000 less to develop than the brand's large dine-in restaurants. To improve service, **each prototype includes a revamped kitchen, a smaller menu than dine-in, a drive-thru lane, far fewer parking spaces, and ordering and pickup windows.** Keep an eye on Captain D's, they're the next big fish in a small seafood-based QSR pond.

It's A Peppermint Party:

'Tis the season for peppermint. Coffees, teas, sippable treats, you name it, and it might have peppermint in it. This holiday season, according to Tastewise, a market intelligence platform that tracks food trends, almost **8% of restaurants offer peppermint on menus** and the social **chatter around the flavor has increased by 21.7% over the last year.** Since 2021, Monin, a supplier of more than 100 flavored syrups to coffee concepts and other operations, reports that peppermint sales have been steadily increasing. “Monin Peppermint Syrup grew double digits in total sales from 2021 to 2022, and this year, we saw a 91% spike in sales in September 2023 compared to September 2022, with momentum continuing into the upcoming holiday season,” said Stasha Johnston, SVP of marketing at Monin Americas. If you're offering this sensational seasonal flavor, those numbers are sure to put some pep-permint in your step.

Dutch Bros



Cold weather calls for a warm cup of Dutch Bros coffee. However, this coffee house is offering a special Candy Cane Trio featuring Cold Brew, a Freeze or Cocoa! **“Celebrating the season with a variety of innovative drinks is what we do best,”** said Tana Davila, Chief Marketing Officer at Dutch Bros. “This year’s lineup is a nod to all the seasonal favorites we love but with a Dutch Bros twist! From peppermint to green apple to festive holiday sprinks, we’ve amped up our offerings to have even more flavor and fun!” This year customers can enjoy a delicious mix of peppermint flavor and Dutch Bros’ signature chocolate milk, topped with Soft Top and peppermint sprinks. The Zero Sugar Added Peppermint Bark Mocha features sugar free chocolate, sugar free white chocolate and sugar free peppermint flavors, espresso and half and half. This trio is a win-win for everyone. **Fans savor each minty sip and Dutch Bros gets a taste of success in the holiday beverage market.**

Tim Hortons



From one coffee powerhouse to the next, Tim Hortons is filling cups with excitement and a new seasonal lineup. “We’re thrilled to be offering our guests our most delectable holiday menu lineup yet,” said Tim Hortons US Lead of Product Innovation, Ian Thurston. “We’re bringing back our beloved Peppermint Mocha beverages, now with an enhanced Peppermint flavor. **Tim Hortons also jumped on the peppermint trend** with a Peppermint Iced Capp, described as “a frozen, rich fusion of chocolate and peppermint flavor, finished with whipped topping and sprinkled with crunchy Peppermint Bark.” **All can enjoy this wintertime favorite in a latte, iced latte, cold brew, and hot chocolate, oh my!**

Chick-fil-A



Christmas shoppers are looking to treat themselves, and **Chick-fil-A's Peppermint Chip Milkshake is a peppermint classic in a cup.** Introduced in 2008, this seasonal favorite is turning fifteen this year, but there are two new coffees joining the menu: The Peppermint Iced Coffee and Frosted Peppermint Chip Coffee. The first is made with cold-brewed coffee and 2% milk with pure cane and peppermint syrup. The second coffee concoction includes cold-brewed coffee and peppermint syrup but adds Chick-fil-A Icedream and crunchy peppermint bark chips. When it comes to Chick-fil-A, **fans are sure to dash through the snow to try all three drinks.**

Caribou Coffee



Caribou Coffee, a global premium coffeehouse and Panera Brands company, is bringing back a holiday favorite along with a few new tricks up their coffee sleeves. “We are **embracing the spirit of innovation this year** with the return of Caribou’s holiday beverage lineup,” said Matt Reiter, Senior Vice President of Product & Procurement at Caribou Coffee. Introducing the brand’s Espresso Shaker lineup, which includes the Ho Ho Mint Mocha Espresso Shaker. Ho ho hold on to your hat, **it’s going to be a minty ride with Caribou Coffee this holiday season.**

Häagen-Dazs



After November 14th, Häagen-Dazs fans look forward to Peppermint Bark's return. There are **three dazzling desserts that feature the famous bark**: Peppermint Bark Shake, Peppermint Bark Dazzler, and Peppermint Bark ice cream. **"It's no secret that peppermint is a staple flavor during the holidays,"** said Rachel Jaiven, Häagen-Dazs Marketing Director, in a statement. "Our Häagen-Dazs Peppermint Bark flavor is truly special — especially these three desserts. This much-loved flavor is one that we all look forward to enjoying during the holidays." Fans everywhere are sure to agree, Häagen-Dazs Peppermint Bark is worth a bite.



Students Shape the Lunchroom:

Schools across the country are asking students what tickles their taste buds. Miami-Dade County Public School staff are constantly trying new recipes to make the menus more appealing. According to Helena Pernas, an executive director in the Department of Food and Nutrition, about 160,000 MDCPS students eat school lunch each day, amounting to a little less than half of the district's 330,000 kids. There is even a strong focus on serving foods that appeal to the district's ethnically diverse student body. However, all schools are finding that **the best solution to this mealtime pickle is the students.**

Kinloch Park Middle School



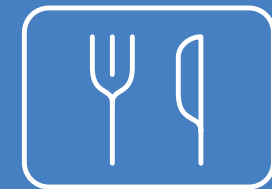
The table is set for students at Kinloch Park Middle School to taste test. As dozens of students stream into the cafeteria, they find a row of lunch tables set with plastic silverware and bottles of water. Principal Sylvia Coto-Gonzalez asked the taste-testers a few questions, “First, how does it look?” Coto-Gonzalez said in Spanish. “Second, how does it feel in the mouth? And third, how do you like the flavor? Let’s go.” As the little ones dug into each dish, students logged their rating of each item through an online survey. Chicken wings flew to the top of the list while the barbecue pork patty was a bit of a flop. **The feedback will help district staff decide which foods are appetizing and nutritious for the county’s 330,000 students.** And the study’s learnings bring a new meaning to **food for thought.**

Long Island City Schools



Long Island City’s kitchen is whipping up taste-tested dishes we didn’t have as kids. School cafeterias are now offering meatless Mondays and plant-powered Fridays. Each dish went through careful evaluation at the education department’s test kitchen. **“Everything on the menu, the students have had to say, yes we like it, and if they don’t – we have to go back to the drawing board and figure out why,”** said Lisa Davis, Coordinator of Kitchen Learning and Development for the DOE’s Office of Food and Nutrition Services, or OFNS. It’s safe to say, the days of cardboard pizza are long gone. **Students today have a voice, and that voice has better taste.**

Fairfax County Public Schools



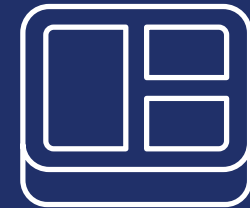
The Westfields Marriott ballroom in Fairfax, Virginia was filled with over 200 Fairfax County Public School students. This was no ordinary taste test. For the first time, Virginia's largest school system hosted a Future of FCPS Student Food show. This event is part of a bigger plan to add healthier and more diverse foods to school cafeteria menus. The event featured more than **thirty different concepts and students that represented every region in the county to vote for their favorites** using iPads. The idea makes perfect sense — **the mouths that will be eating the food should also have a voice in how each meal tastes.**

San Diego Unified School District



Students from Bell Middle School are hopping on the taste-test bandwagon for the first time this year. **“The standards for school meals are very different than 20 years ago** and many years ago when I was in school,” said Pitrone Hauser. The Taste of San Diego Unified offered dishes from a variety of potential food vendors. **Students ranked each plate from six food stations and the district will tally up the votes to consider what meals will be made for next semester’s menu.** “We work really hard for foods that are culturally relevant that meet the needs of dietary restrictions or preferences,” said Alicia Pitrone Hauser, RD, SDUSD Director of Food and Nutrition. Schools across San Diego will satisfy their student’s healthy appetites with equally healthy meals.

Windsor Park Elementary



Students at Windsor Park Elementary were happy to play guinea pigs and taste new foods that could possibly make the cut for the entire district. The school's Principal and Cafeteria Manager, Katherine Howard, both agree **it's important for the kids to actually like what they're eating.** "Oh, I love it. It lets me know that my kids are doing the taste test over here and their opinions are what's putting something new on the menu. And we want them to love what's being served and we want the parents to stop making breakfasts and making lunches at home and send your kids over here. Let them come to the cafeteria and experience the new foods that we have," said Howard. **It's the kids' fifth-year taste testing for the district so they must be doing something right.**

Signoff:



Peppermint is out in full force, drive-thrus are getting faster, and kids are taste testing to their heart's content for next year's menus. As trends change and technology becomes more evolved, Huhtamaki is here for your sustainable packaging solutions. **Together, we can make a difference where it matters by assisting you in navigating the ever-changing foodservice landscape.** As a trusted innovation partner, we can help you redesign the future of your business and more importantly, your consumers.

Q4 Trends Report Resources:

- SLIDE 2 <https://www.qsrmagazine.com/operations/drive-thru/welcome-to-the-rise-of-drive-thru-only-restaurants/>
- SLIDE 3 <https://www.qsrmagazine.com/story/shake-shack-now-500-locations-strong-keeps-learning-and-growing/>
- SLIDE 4 <https://www.qsrmagazine.com/operations/fast-food/chick-fil-a-is-building-a-four-lane-drive-thru-for-75-cars/>
- SLIDE 5 <https://www.qsrmagazine.com/story/inside-taco-bells-quest-to-be-the-fastest-drive-thru-in-america/>
- SLIDE 6 <https://www.qsrmagazine.com/operations/drive-thru/welcome-to-the-rise-of-drive-thru-only-restaurants/>
- SLIDE 7 <https://www.qsrmagazine.com/operations/drive-thru/welcome-to-the-rise-of-drive-thru-only-restaurants/>
- SLIDE 8 <https://www.restaurantbusinessonline.com/beverage/its-beginning-smell-lot-peppermint-everywhere-you-go>
- SLIDE 9 <https://www.prnewswire.com/news-releases/tis-the-season-to-be-stoked-dutch-bros-launches-its-2023-holiday-menu-301973056.html>
- SLIDE 10 <https://www.restaurantbusinessonline.com/beverage/its-beginning-smell-lot-peppermint-everywhere-you-go>
<https://www.prnewswire.com/news-releases/sip-into-the-season-with-the-new-tim-hortons-us-holiday-menu-301973497.html>

Q4 Trends Report Resources:

- SLIDE 11 <https://www.usatoday.com/story/money/food/2023/11/08/chick-fil-a-peppermint-milkshake-returns-two-new-items/71509998007/>
- SLIDE 12 <https://www.cariboucoffee.com/2023/10/caribou-coffee-sparks-comfort-and-joy-this-season-with-the-return-of-its-holiday-menu/>
- SLIDE 13 <https://www.newsweek.com/new-holiday-winter-menus-dunkin-shake-shack-insomnia-1840103>
- SLIDE 14 <https://www.wlrn.org/education/2023-10-26/miami-dade-school-new-meals-nutrition>
- SLIDE 15 <https://www.wlrn.org/education/2023-10-26/miami-dade-school-new-meals-nutrition>
- SLIDE 16 <https://ny1.com/nyc/all-boroughs/news/2023/10/26/new-menu-options-on-offer-at-the-city-school-food-test-kitchen>
- SLIDE 17 <https://wtop.com/fairfax-county/2023/11/how-fairfax-co-students-are-shaping-what-will-soon-be-on-their-cafeteria-trays/>
- SLIDE 18 <https://www.cbs8.com/article/news/local/taste-of-san-diego-unified-student-voices-school-menus/509-dfa3e41d-1103-487e-a19d-31f5600f2551>
- SLIDE 19 <https://www.kiiitv.com/article/news/local/taste-testing-windsor-park-elementary-students-got-to-be-professional-guinea-pigs/503-f6c635d2-d2b3-4734-a201-835ba98bb0cc>