

Consumer Trends: Diners Drawn to Distinctive Digs

CHICAGO (PRNewswire) — The 500 largest U.S. restaurant chains registered a 3.5 percent annual sales increase in 2013, a significant decline from 4.9 percent the prior year. According to data released by Technomic Inc. in its [annual reporting](#) [1] on the top U.S. restaurant organizations, the foodservice consultancy found that U.S. systemwide sales for the Top 500 chains grew to an estimated \$264 billion in 2013, up more than \$8.8 billion over 2012.

"Although we have seen overall growth within the Top 500, the pace has slowed since last year," said Ron Paul, President of Technomic. "Competition for share of stomach is getting more and more challenging. But brands that have found a way to differentiate themselves are gaining market share."

Among limited-service restaurants, the highest growth came from the Asian, bakery café and coffee café categories. Segment leaders were Panda Express (10.7 percent sales growth), Panera Bread (11.8 percent) and Starbucks (10.6 percent). McDonald's, the largest U.S. restaurant chain, saw minimal sales growth of 0.7 percent in 2013, to reach annual sales of \$35.9 billion. Subway continues as the second largest restaurant chain in the U.S., followed by Starbucks, Wendy's and Burger King.

As a whole, limited-service restaurants saw a sales bump of 3.9 percent. Chicken chains, which grew 5.1 percent, represented another limited-service sub segment with above-average sales growth. Chick-fil-A grew 9.3 percent with 2013 sales of \$5.1 billion and surpassed KFC as the top chicken chain.

Full-service restaurants experienced a 2.4 percent sales increase in 2013, a slight decrease over the 2.9 percent seen in 2012. The full-service steak category continued to show healthy growth, with an increase of 6.2 percent. Gains in the steak category were driven by Texas Roadhouse (11.1 percent) and LongHorn Steakhouse (12.8 percent). Among varied-menu chains, which increased sales by 2.5 percent overall, the category leader, Buffalo Wild Wings boosted sales 12.9 percent.

The Five Fastest-Growing Chains with Sales Over \$200 Million

Ranked by Percentage Increase in Sales in 2013 vs. 2012

Rank	Chain	U.S. Sales (\$MM)	% Sales Change	% Unit Change
1	Dickey's Barbecue Pit*	\$331	32.9%	29.8%

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2 Smashburger	215	32.0	29
3 Raising Cane's Chicken Fingers*	321	23.6	18
4 Marco's Pizza*	234	22.6	27
5 Jersey Mike's Subs	406	21.2	22

The Five Fastest-Growing Chains with Sales Under \$200 Million

Ranked by Percentage Increase in Sales in 2013 vs. 2012

Rank	Chain	U.S. Sales (\$MM)	% Sales Change	% Unit Change
1	BurgerFi*	\$45	178.1%	175.0%
2	Del Frisco's Grille	44	83.9	120.0
3	Twin Peaks	165	68.4	64.3
4	CherryBe rry*	62	63.2	42.7
5	Orange Leaf Frozen Yogurt*	114	48.6	38.2

* *Technomic estimate*

More than 67 percent of the Top 500 restaurant chains posted at least nominal sales increases. Only 156 of Top 500 chains suffered sales declines in 2013 compared to 168 in 2012. Both winners and losers appeared in every segment and menu category. These widely mixed results demonstrate the overall competitiveness of the industry and the need for suppliers and operators to carefully identify and focus on the winners.

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International performance by the Top 500 restaurant chains continued to outperform domestic growth in 2013. International sales increases (4.4 percent) outpaced U.S. sales growth (3.5 percent); international unit growth was up 9 percent versus 2.2 percent for U.S. units.

The [Technomic Top 500 Chain Restaurant Report](#) [2] provides Technomic's exclusive 1-year sales forecast by menu category, update on franchise and international activity, outlook for the future, market share by menu category, newly added Key Themes, and much more.

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