

# FOODBYTES

HIGHLIGHTS FROM  
**THE FIREFLY**

# 500

AN OVERHEAD VIEW OF AMERICA'S  
**TOP 500 RESTAURANT CHAINS**

FEBRUARY 2020

| ISSUE 74 |

YOUR FREE DATASSENTIAL  
TREND REPORT

# WHAT'S THE FIREFLY 500?

In a nutshell, it's Datassential's annual report that covers chain restaurant units and sales growth as well as declines, in addition to rising and fizzling trends in the industry, which all operators and manufacturers can learn from. The report also answers questions like whether better burger chains are still seeing growth (spoiler: better burger concepts aren't popping up or expanding as rapidly as they were 15 years ago) and it examines how limited service restaurants' moderate growth in 2018 outpaced declines in sales and units for full service restaurants (which the report notes will continue into the current year).

While the **Firefly 500 Report** ranks top chains in the U.S. by number of locations (the data is sourced from Datassential's **Firefly** tool, hence the report's name), it also makes a point of highlighting up-and-comers that could potentially make their way into the second edition of the report that'll be released this year.

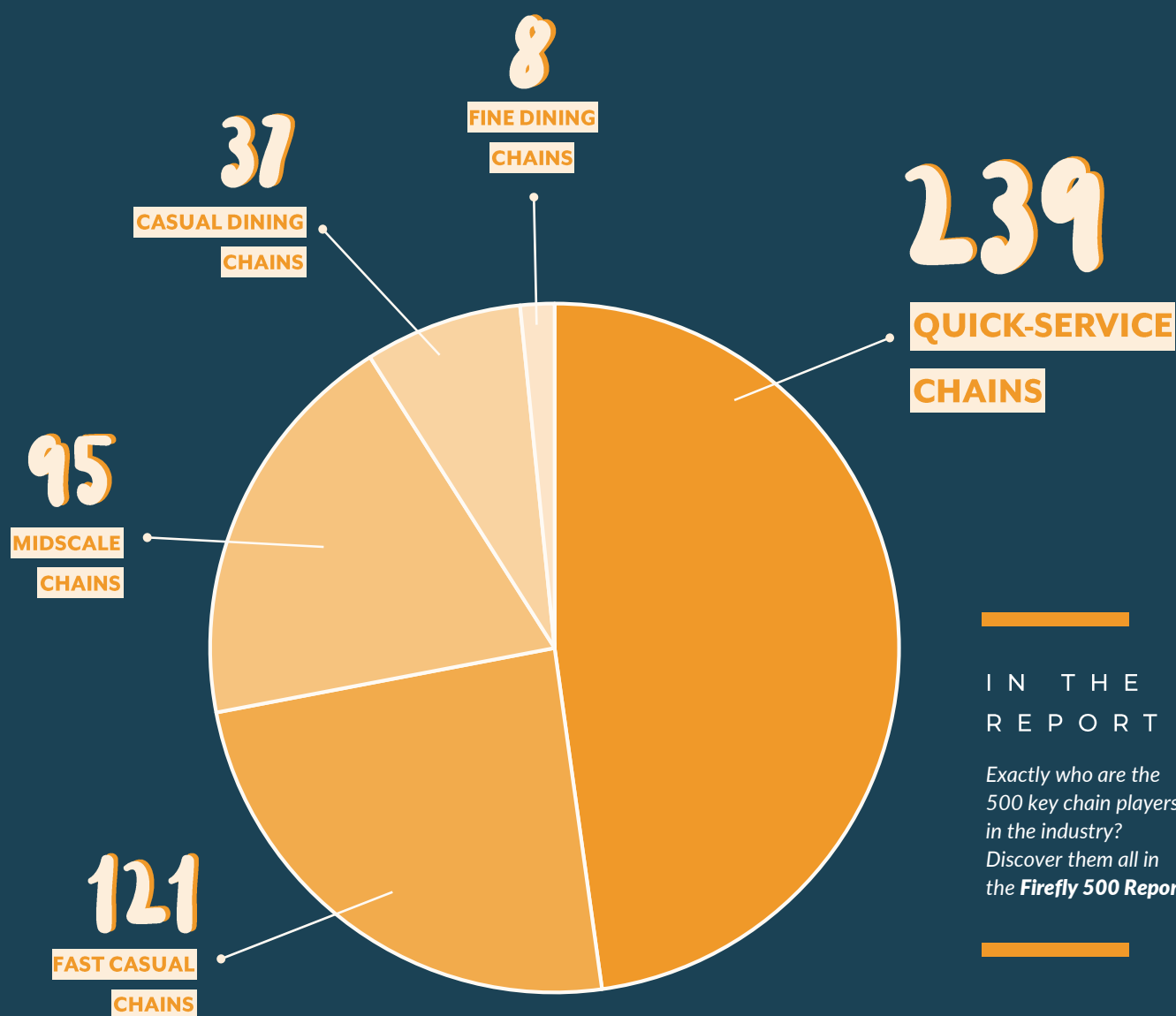
As the report notes that chains account for nearly two-thirds of all quick-service and fast casual restaurants, these concepts aren't ones to ignore. In this month's **FoodBytes**, we're giving you a rundown of highlights from Datassential's 2019 **Firefly 500 Report** and homing in on some key takeaways, including the role technology is playing at chains, the rise of health-focused chains, how global concepts are making a mark in the U.S., and more.

To get a better idea of the chain restaurant landscape and what's on the horizon, **contact Brian Darr at 312-655-0594 or [brian.darr@datassential.com](mailto:brian.darr@datassential.com)** to order the **Firefly 500 Report**, and stay tuned for the second edition, the **Firefly 500+ Report**, which will be released in April.



# FIREFLY 500

## SEGMENT BREAKDOWN



## MAJOR MOVES

1

TOP 5 RESTAURANT CHAINS  
BY TOTAL SALES 2018

MCDONALD'S

\$ 3 7 . 4 6 B

STARBUCKS

\$ 1 8 . 5 9 B

SUBWAY

\$ 1 0 . 5 2 B

TACO BELL

\$ 1 0 . 4 2 B

BURGER KING

\$ 9 . 6 3 B

TOP 5 RESTAURANT CHAINS  
BY TOTAL UNITS 2018

SUBWAY

2 4 , 9 7 4

STARBUCKS

1 4 , 6 0 6

MCDONALD'S

1 3 , 8 9 1

DUNKIN'

9 , 1 1 4

PIZZA HUT

7 , 4 5 6

IN THE  
REPORT

Discover limited-service and full-service sales growth by segment as well as unit growth by segment in the **Firefly 500 Report**.



## 2

## HEALTH SELLS

Chain restaurants catering to health-conscious consumers have been popping up across the nation and expanding in recent years, leading to a burgeoning segment built around salads, juice and smoothies, and bowls. While initially you may think such concepts are centralized in cities, they're actually spread out more evenly, with the **Firefly 500 Report** noting that 49% are in urban areas, 42% in suburban areas, and 9% in rural areas, showing that there's opportunity for growth in this segment in a variety of settings. Some examples of health-forward chains that made some major moves in 2018 include California-based Sweetgreen, which surpassed the 100-location mark and the \$100 million annual sales threshold. Tropical Smoothie Cafe, headquartered in Atlanta, GA, and Texas-based Jamba Juice also both improved their food quality perceptions in 2018 by nearly double digits (**Datassential BrandFingerprints**) and recorded notable sales and unit count increases.



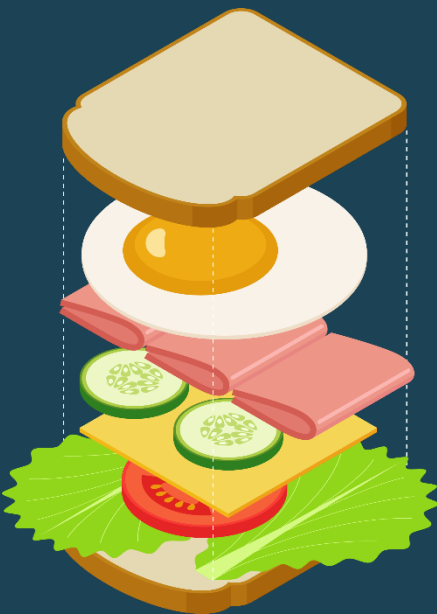
3

GLOBAL  
CONCEPTS  
DRIVE  
GROWTHIN THE  
REPORT

*Discover the leaders in sales growth and unit growth in 2018 and also get insight into some globally-inspired LTOs offered at chains that scored well in Purchase Intent and Uniqueness in Datassential's **SCORES** tool.*

According to the **Firefly 500 Report**, global and regional cuisines are both driving rapid unit growth for up-and-coming chains, with examples including Hokulia Shave Ice and Vivi Bubble Tea (bubble tea has grown 76% on menus over the past 4 years, according to **MenuTrends Infinite**). Interestingly, both shave ice and bubble tea are loved most by Gen Z (**Datassential FLAVOR**), a generation that's grown up overall more used to the idea of global dishes and flavors. Overseas chains, seeing the opportunity there is now in the U.S. for global concepts, are looking to become mainstays in the country, with restaurant chains like Denmark-based Joe and the Juice, South African Nando's Peri-Peri, and Canadian Freshii seeing strong unit growth in 2018.

## 4

SANDWICHES,  
BURGERS, &  
PIZZA, OH MY

Just because sandwiches, burgers, and pizza are in Ubiquity on the MAC doesn't mean there isn't still room for growth. In fact, according to the **Firefly 500 Report**, leading fast casual chains like Jersey Mike's and McAlister's Deli have managed to improve their average unit volumes while expanding. When it comes to burgers, Shake Shack is an example of a chain leading the third wave of the burger segment's growth, with its sales increasing 24% to \$468.5 million, which puts it in the 100 largest brands by sales. And when it comes to national pizza chains, Domino's and Pizza Hut are continuing to overwhelm smaller, more regional QSR pizza brands with their national scale, deep franchisee base, and advantages in digital-ordering technology.



## 5

## DELIVERY

Learn what some of the pressing issues for operators are and what key questions operators are contending with, such as “Do I need to start offering delivery?” or “Could I expand my concept with a ghost restaurant?”

## IN THE REPORT

The **Firefly 500 Report** notes that in 2018 a number of major restaurant brands teamed up with delivery startups to increase accessibility to their products. Yum Brands made a major investment in GrubHub; Uber Eats partnered with McDonald’s and Starbucks; and DoorDash expanded its reach with Chipotle, Wendy’s, and Taco Bell.

Although it may seem like everyone is integrating delivery into their concepts, in the report, we note that for 54% of operators, the effect of adding delivery to sales was only incremental. A chain experimenting with delivery and the various forms it could take is Famous Dave’s, which looked to drive sales through off-premise orders in 2018 by testing delivery-only ghost kitchens that could boost orders of regular meals and catering. According to our **TIPS: Summer 2019** issue, a quarter of consumers are likely to order food from a ghost kitchen and 42% of operators believe it’s a long-term trend, showing that that may be a concept prime for growth.





# 6 TECHNOLOGY

In recent years, the **Firefly 500 Report** notes that restaurant chains overall have been adopting more automation to alleviate labor cost pressures.

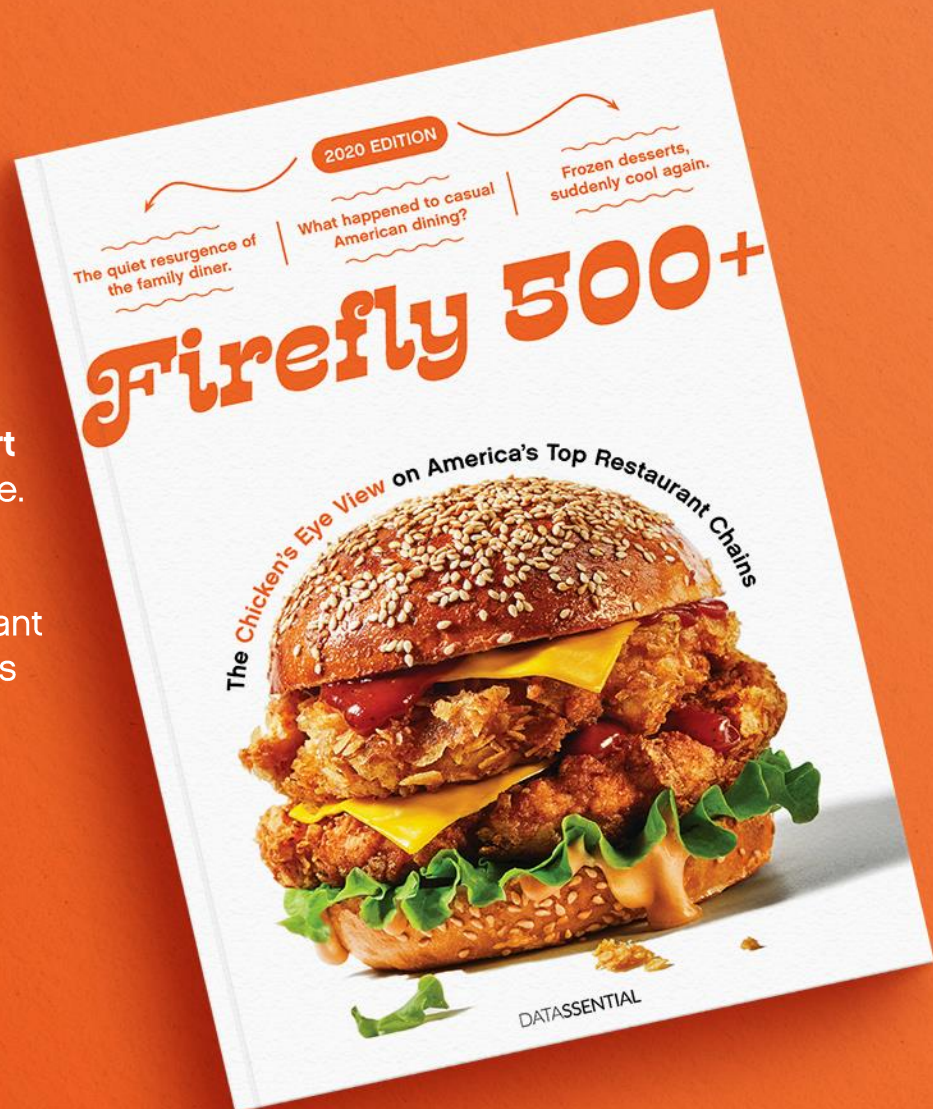
Innovations like self-serve kiosks are being used by 17% of operators, while 16% are using tabletop devices (think payment kiosks like the ones found at Chili's Grill & Bar). While younger generations like Gen Z and Millennials are digital natives, older generations who overall are less familiar with newer technologies may be more hesitant to embrace them. Most chains featuring technologies like self-service kiosks will still have an area where customers can order at a counter in-person.



# Numbers With A Story.

To purchase or learn more,  
please contact **Brian Darr**:  
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312.655.0594

Datassential's Firefly 500+ Report reframes the industry's big picture. Get more than the typical performance metrics. Understand the potential of the largest restaurant chains by integrating their numbers with insights from Datassential's dynamic platforms.



## Get in on the ground floor.

01

The **Firefly 500+ Report** ranks the industry's most significant players by unit count, showing which brands are winning the competition for real estate, star franchisees, and investor interest. By tracking unit growth and its effect on chains' sales and AUVs, you can identify the next category killer or the next killer category.

## Get the numbers in context.

02

The **Firefly** platform powers the collection of sales and location data for The Firefly 500+, but it's not the only Big Data application behind our insights. Operator data from the PULSE service, combined with consumer findings from SCORES and BrandFingerprints, measure the impact of the latest menu and operations moves for chains.

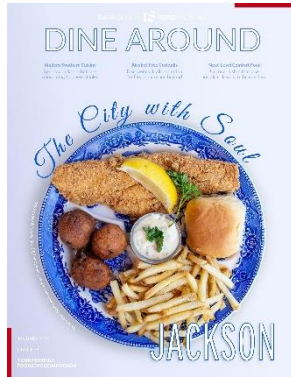
## Get everything faster.

03

Purchasers of the report receive an **IDEA Tool** for segment-level reporting and lead generation, allowing you to segment potential new business by menu category, unit growth, and more.



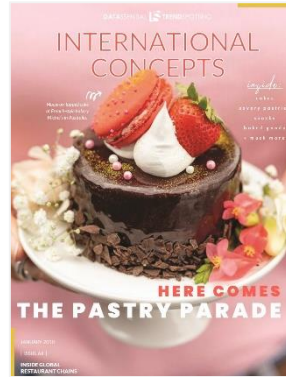
# LAST MONTH'S TRENDSPOTTING



## DINE AROUND

Last month, we uncovered how operators in **Jackson, MS**, are modernizing Southern cuisine with on-trend interpretations of classic dishes (black-eyed pea hummus, anyone?) and Southern takes on global cuisines (how about Mississippi-Mexican mashup tamales?).

IN MARCH: Detroit Update



## INTERNATIONAL CONCEPTS

Ever heard of lolly cake? How about bugnes? If not, don't worry, because you can learn all about both global treats in last month's **International Concepts: Pastries** issue.

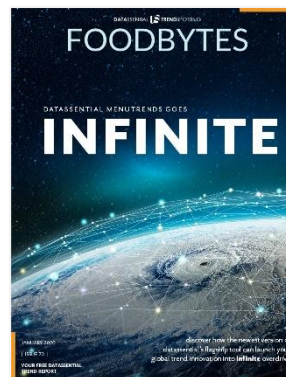
IN MARCH: Ireland Update



## ON THE MENU

Are you a believer in Urfa biber? If not (or if you have no idea what that is), last month's issue of **On the Menu** might change your mind. Uncover the smoky Turkish pepper as well as trendy Japanese souffle pancakes, and cold foam.

IN MARCH: Discover hojicha, nigella seeds, durian, and more.



## FOODBYTES

In last month's **FoodBytes**, we explored Datassential's newly-transformed version of **MenuTrends Infinite**, which can take your innovation into infinite overdrive.

IN MARCH: An Overview of Datassential's Custom Research Capabilities



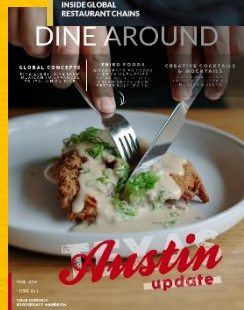
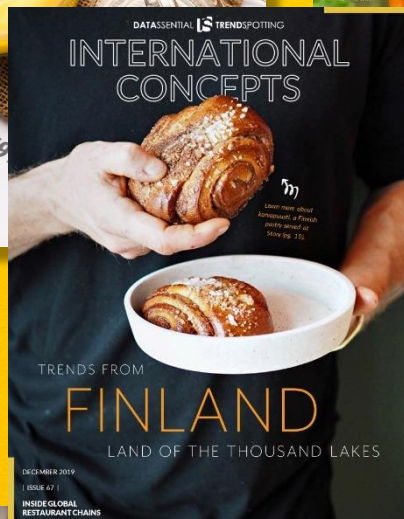
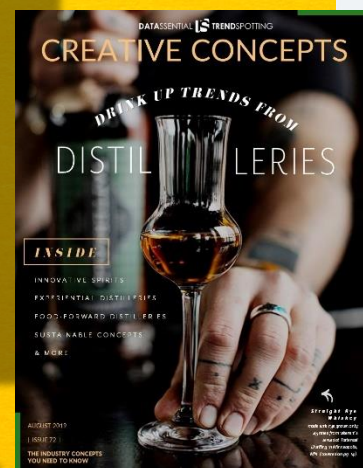
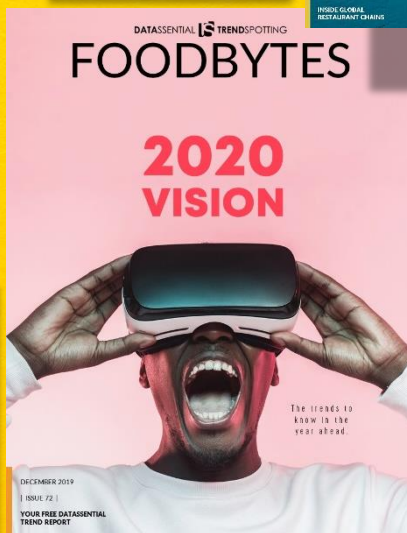
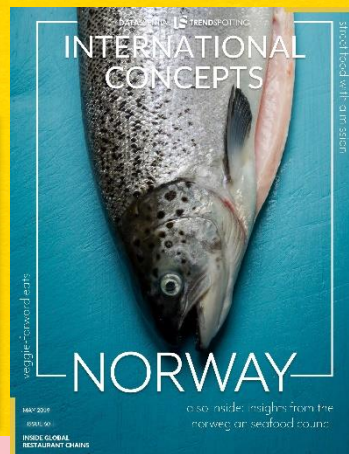
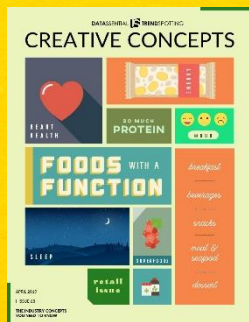
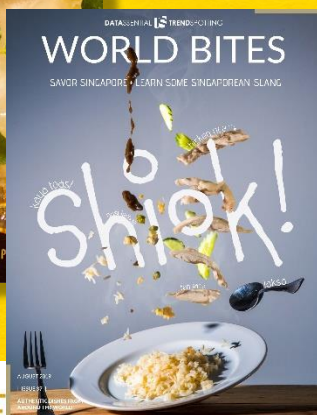
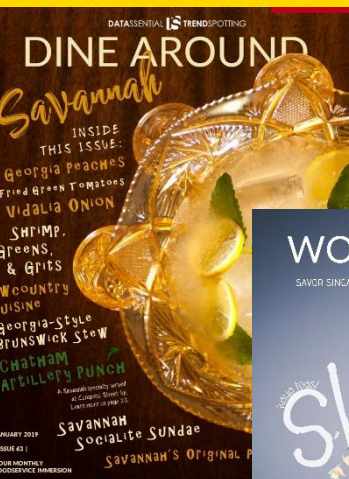
## CREATIVE CONCEPTS

Last month, we got in the spirit of Dry January with a deep dive into on-trend **spirit-free cocktails** that have the complexity and flavor profile of classic cocktails, sans booze.

IN MARCH: Next-Generation Supper Clubs

For information about an issue or to subscribe to a title, contact  
Datassential Business Development Manager Susan Cohen at  
**312-219-6428** or **susan.cohen@datassential.com**.





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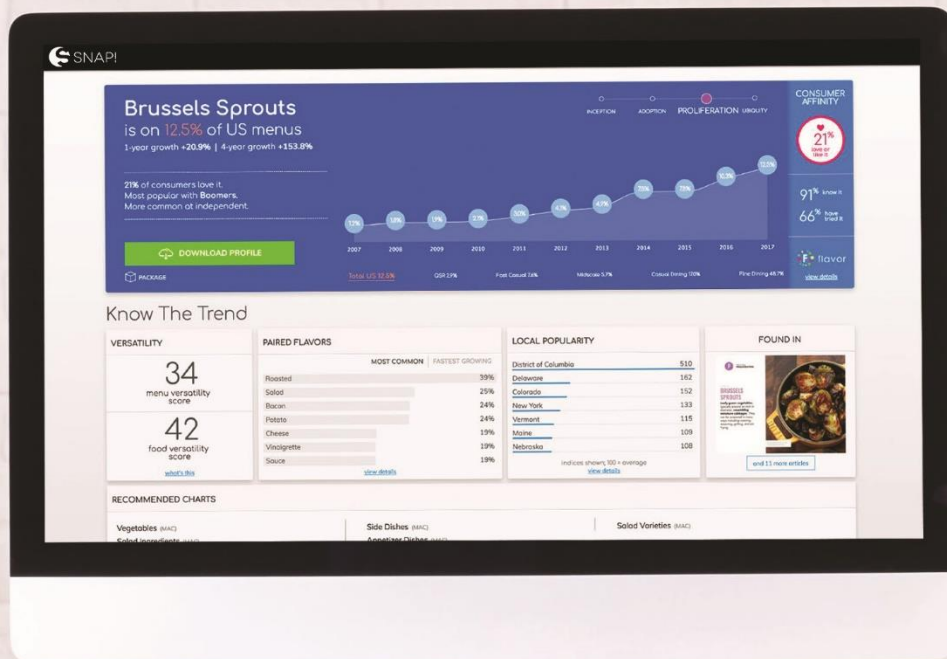




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