

Trends in Asian Cuisine... Zenspiration!

Highlights

Asian cuisine continues to grow across the country...and is expanding well beyond the typical Chinese take-out! Not only do we see Chinese, Japanese, and Thai restaurants, but also Vietnamese, Korean, and Indian.

 Asian cuisine is the third-most menued cuisine in restaurants today, accounting for over 5,200 menu items, and is found on 35% of the country's leading chain restaurant menus.

Quick service restaurants (QSRs) have shown the most growth this past year with 275 new Asian-inspired menu items. Yes, there have been introductions of Asian-inspired salads at McDonald's, Wendy's and Jack in the Box over the past few years, but flavorful Asian flavors are impacting other menus across the board.

 Asian cuisine is at an all-time high in popularity; in fact Asian cuisine has seen steady growth on restaurant menus, increasing 24% since Q4 2005.

Growing through the Segments

From Q1 2006 - Q1 2007, every dining type experienced positive growth in Asian cuisine. Quick service restaurants (QSR) had the most growth with the addition of almost 275 Asian menu items. Fine dining had the largest number of Asian menu items, over 2,400, and ranked second in growth (up 14%) when compared to the same quarter a year ago. Although a 14% increase may not seem impressive, we must note that it represents almost 300 new Asian menu items.

Figure 2: Dining Type Growth Q1 2006 vs. Q1 2007

Dining Type	Growth % Q106 - Q107
Casual Dining	9%
Family/Midscale	1%
Fast Casual	2%
Fine/Upscale/Gourmet	14%
Quick Service Restaurant	120%

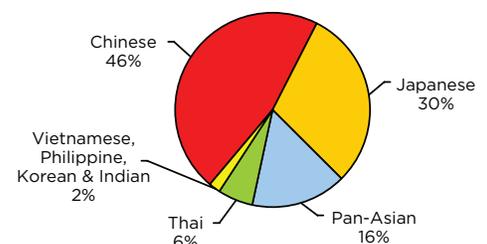
The following are a few examples of QSR Asian-inspired menu items:

- **Sweet Onion Chicken Teriyaki** - 5 grams of fat. Sweet Onion Chicken Teriyaki is one of our gourmet inspired specialties. We take lean and tender, savory, teriyaki glazed chicken strips topped with Subway's own fat-free Sweet Onion Sauce. It's a flavorful blend served hot with your choice of fresh vegetables and condiments on freshly baked bread - *Subway*
- **Asian Chicken Salad** - Iceberg/romaine blend, spring mix, red onion rings, Mandarin oranges, matchstick carrots, savory chicken chunks, wonton strips - *Jack In The Box*
- **Thai Hot Tuna** - Tuna salad, Cheddar cheese, spicy Thai sauce, avocado, lettuce, tomato, sprouts and mango chutney - *Roly Poly Sandwiches*
- **Asian Salad** - A harmonious blend of crisp greens, warm orange-glazed chicken (grilled or crispy), snow peas, edamame, mandarin oranges and toasted almonds. Add the Newman's Own Low-Fat Sesame Ginger dressing, and we're talking pure inspiration. - *McDonald's*

Growth in Asian Cuisine

Asian cuisine can be broken down into a number of sub-cuisines; the most popular/common on the menu, with their one-year growth rates, are Chinese (15%), Japanese (9%), Pan-Asian (33%), and Thai (6%). There are other less-menued Asian cuisines such as Vietnamese, Indian and Korean, which collectively accounted for less than 2% of the Asian menu items but experienced growth of 44%, 43% and 83%, respectively, from the same quarter a year ago.

Asian Cuisine Share Q1 2007



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Land of the Rising Sun: Japan

Top 5 Japanese Menu Item Dishes, Q1 2007

	Share	Growth
Sushi	35%	9%
Sashimi	9%	18%
Tempura	6%	0%
Teriyaki Chicken	1%	5%
Tofu	1%	43%

Sushi accounts for 35% of the Japanese cuisine menu item dishes. Surprisingly, sushi (up 9%) has grown into one of the nation's favorite Asian foods. Its popularity stems from its healthy reputation, freshness, perception of premium status and exoticness

The Variety of Thai

Thai cuisine is as varied as the ingredients offered in Asia. From the refreshing papaya salads of the North to the thick curries of the South, there's much to taste in-between and all around.

Top Thai Flavors and Ingredients, Q1 2007

Top Flavors		Top Ingredient	
Spicy	Ginger	Chicken +18%	Beef +28%
Sweet +19%	Lime +44%	Shrimp	Peanut Sauce
Peanut	Sesame Seed	Vegetable	Egg
Coconut	Basil	Carrot	Bean Sprout
Lemongrass		Peanut	

Emerging Asian Cuisine: Vietnamese and Korean

Although Asian cuisine overall has become very accepted and proliferated through the U.S., Korean and Vietnamese cuisines are still emerging and have not become mainstream yet. Below one can see the contrast of the top flavors between the two as well as to the other Asian cuisines. Vietnamese's top flavors tend to be lighter while Korean flavors tend to be bolder in nature. But there is no doubt that both Korean and Vietnamese cuisines have the potential to become extremely popular. Adding these cuisines and the flavor combinations they bring with them will add new life to Asian menu items.

Top Vietnamese and Korean Flavors, Q1 2007

Vietnamese	Korean
Lime	BBQ
Basil	Spicy
Macadamia Nut	Sesame Oil
Teriyaki	Coriander
Sweet	Cilantro
Mint	

Asian Beverage Trends

When it comes to Asian beverages tea is king. Tea and milk tea beverages account for 45% of the beverages menued. In addition to being the most popular, tea menu items increased 273% from the same quarter a year ago, outpacing all other beverage types. Also popular are Asian beer and juices and smoothies with Asian flavors. Asian-inspired cocktails and martini's increased 133% and 25% respectively.

Top Asian Beverage Types, Q1 2007

