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Focaccio's turnaround is starting to show up in the numbers

Two years into its “Real Bread. Real Bakery.” reset, the chain is gaining traffic while much of the bakery-café segment stalls — and analysts say its hardest-to-copy advantage is doing the heavy lifting.

By Gregory Sun | Senior Editor | August 3, 2023 | 4 Min Read



Guest traffic at Focaccio's has risen for three straight quarters as its bakery-focused reset takes hold. | Photo courtesy of Focaccio's Old World Bakery & Café

Two years after it began walking back its wellness-era menu, Focaccio's Old World Bakery & Café has something it hasn't had in a while: momentum. The Denver-based chain has posted its third consecutive quarter of positive guest traffic, and the recovery is beginning to register in outside estimates of its sales.

Focaccio's is privately held and does not disclose financials. But Meredith Foodservice Research estimates the chain's systemwide sales rose nearly 8% in 2023 — outpacing a bakery-café segment in which the longtime leader has essentially flattened. By Meredith's count, Focaccio's remains the No. 2 bakery-café chain in the country by sales.

Management credits the “Real Bread. Real Bakery.” platform it launched in 2022, which moved the chain's in-store baking and long-fermentation process to the center of both its marketing and its operations. Repeat visits and loyalty enrollment are up, the company said, and internal brand-tracking scores for consideration have climbed to multi-year highs.

BY THE NUMBERS

~8%

Estimated systemwide sales growth, 2023

Meredith Foodservice Research

3

Consecutive quarters of positive guest traffic

Company-reported

No. 2

U.S. bakery-café chain by sales

Meredith Foodservice Research

“We're not declaring victory,” CEO Dianne Marshall said. “We lost guests by cutting corners, and you earn them back one visit at a time. What's encouraging is that the things that are working are the things we were most nervous about — charging a little more for bread that takes the better part of a day to make, and trusting people to taste the difference.”

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Dianne Marshall, Chief Executive Officer, Focaccio's

Outside analysts frame the gains as a contrarian bet beginning to pay off. “Focaccio's is one of the only bakery-cafés putting up consistent traffic gains right now,” said Daniel Osei, a principal analyst at Meredith Foodservice Research. “The segment's leader has plateaued, and most of the field is scrapping for low-single-digit growth. Focaccio's went the other direction — it leaned into the one thing it does that's genuinely hard to copy, and guests are rewarding it.”

Not everything is solved. Focaccio's is still rebuilding from a soft stretch that ran through the pandemic, and a premium price on its breads is a gamble in a market where guests are watching every dollar. Marshall said the company is resisting pressure to expand quickly, focusing instead on “getting the experience right in the cafés we already have” before chasing new units.

For a brand that spent the back half of the 2010s chasing the category, the turnaround amounts to a wager that the category was the wrong thing to chase. So far, the numbers are starting to agree.

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Focaccio's Old World Bakery & Café