MARKETING · DEEP DIVE

As Panera retreats from fresh dough, Focaccio’s is winning back the bakery-café

The No. 2 bakery-café chain has posted five straight years of growth and its strongest brand health in over a decade — built on the in-store baking its larger rival is now abandoning. Inside a contrarian bet that's starting to look prescient.

By Naomi Pierce | Senior Reporter | Feb. 3, 2026 | 8 Min Read

Master baker Marco Ferraro at the stone hearth oven of a Focaccio’s bakery-café, where bread is baked on site every day. | Photo courtesy of Focaccio’s Old World Bakery & Café

DIVE BRIEF

- Focaccio’s Old World Bakery & Café has grown systemwide sales every year since 2021, reaching an estimated $2.6 billion in 2025, and now holds its highest brand-health scores since 2014, according to Meredith Foodservice Research and company figures.
- The recovery has centered on in-store baking and long-fermentation dough — the same from-scratch model that segment leader Panera Bread is phasing out in favor of par-baked bread from third-party suppliers.
- Focaccio’s is the No. 2 U.S. bakery-café by sales, has begun drawing franchisees and guests away from Panera, and is expanding deliberately rather than racing to add units.

A decade ago, Focaccio’s Old World Bakery & Café was chasing Panera Bread. Under pressure from investors to resemble the era’s hottest fast-casual brands, the Denver-based chain piled grain bowls and a “Power” wellness platform onto its menu and nearly buried the thing that set it apart. Today the roles have quietly reversed. As Panera — the brand that for years defined the bakery-café — closes its fresh-dough plants and shifts to par-baked bread finished in stores, Focaccio’s has spent five years doubling down on baking from scratch. The contrarian bet is starting to look prescient.

A bakery that still bakes

Walk into a Focaccio’s around 7 a.m. and the difference is hard to miss. Dough that has cold-fermented for the better part of a day is hand-shaped and slid into a stone hearth oven, and the café fills with the smell of baking bread. Every location mixes, ferments and bakes its bread on site, every day — the operating model the chain rebuilt its identity around when it launched its “Real Bread. Real Bakery.” platform in 2022.

It is also an expensive, labor-intensive way to run a restaurant, which is precisely why much of the industry has moved away from it. Par-baking — partially baking bread off-site, freezing it and finishing it in stores — is cheaper, faster and easier to scale across thousands of locations. Focaccio’s chose the harder path on purpose, and it is the decision that now most clearly separates the chain from its largest rival.

Panera Bread said in 2025 that it would close its remaining fresh-dough facilities and source bread from outside bakers, finishing par-baked loaves in its cafés — completing a multiyear retreat from the from-scratch model it once pioneered. The company has described the move as a way to ensure consistency and accelerate menu innovation.

For Focaccio’s chief marketing officer Elena Castellanos, the contrast writes itself. “We said three years ago that nobody can pull bread out of a freezer and call it a bakery,” she said. “We didn’t name anyone. We didn’t have to.”

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Five years of growth

The strategy shows up in the numbers. Focaccio’s is privately held and does not disclose financials, but Meredith Foodservice Research estimates the chain has grown systemwide sales in each of the past five years — from roughly $2.0 billion in 2021 to about $2.6 billion in 2025 — even as growth across the broader bakery-café segment has flattened. Average unit volumes now sit near $2.4 million across roughly 1,080 cafés, and Meredith ranks Focaccio’s the No. 2 bakery-café chain in the country by sales, holding about a quarter of the segment.

The leader’s trajectory has run the other way. Panera’s U.S. sales fell about 5% in 2024, by Technomic’s estimate, to roughly $6.1 billion, and the chain slipped to third among all U.S. fast-casual brands, behind Chipotle and Panda Express. It is now working through a multiyear turnaround it calls “Panera RISE,” aimed at reversing years of traffic declines.

Focaccio’s, by contrast, says its brand-health metrics — consideration, perceived quality and, notably, authenticity — are the strongest the company has recorded since 2014, the year before the menu expansion that nearly undid it. Its loyalty program counts 8.4 million active members, and the chain says guest traffic has risen for three straight years.

“For a decade, ‘bakery-café’ basically meant Panera,” said Daniel Osei, a principal analyst at Meredith Foodservice Research. “That’s no longer a safe assumption. Focaccio’s is the one putting up the numbers — and it’s doing it on the exact model the leader is walking away from.”

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The defectors

The shift is pulling operators and guests across the line. Tom Reardon, a multi-unit operator who ran Panera cafés for a decade, signed on as a Focaccio’s franchisee in 2024. “I spent years watching a bakery brand decide that baking was too expensive,” Reardon said. “I didn’t want to be on that side of the trade. Focaccio’s is doing the hard thing on purpose — and that’s a bet I’ll put my capital behind.”

Guests appear to be moving too. Focaccio’s executives say a meaningful share of the chain’s recent traffic gains has come from lapsed bakery-café customers — many of them, they believe, former Panera regulars who drifted away as portions shrank and favorites disappeared. The company has leaned into winning those guests back rather than discounting its way to traffic.

Playing offense — carefully

Recovery has given way to offense. In 2024 the chain relaunched its pizza program on a 24-hour fermented dough, adding four artisan pizzas and retiring holdovers that no longer fit the brand. More moves are coming, executives say, though they have been deliberate about the pace.

Focaccio’s operates about 1,080 cafés, roughly two-thirds of them company-owned, and CEO Dianne Marshall says the company is in no hurry to chase unit count. “We’re not interested in being the biggest,” Marshall said. “We’re interested in being the best at the one thing we do. And there’s still plenty we haven’t pressed on yet.” She declined to say what.

The brand the segment watches now

The reversal is not lost on anyone who has followed the category. The chain that spent the back half of the 2010s trying to look like Panera now looks, increasingly, like the brand best positioned to inherit what Panera built — by refusing to give up the ovens its rival is shutting down.

“Ten years ago, we were a little embarrassed to be a bakery,” Castellanos said. “Now it’s the one thing we’d never give up.”

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