Special Insights

Revenue Management Solutions

COVID-19 Impact on Restaurant Consumers

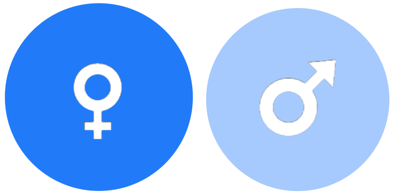
Q4 Update – 2021 Trends

revenuemanage.com

About the survey

RMS surveyed 830 people in the United States from Nov. 5-9, 2020.

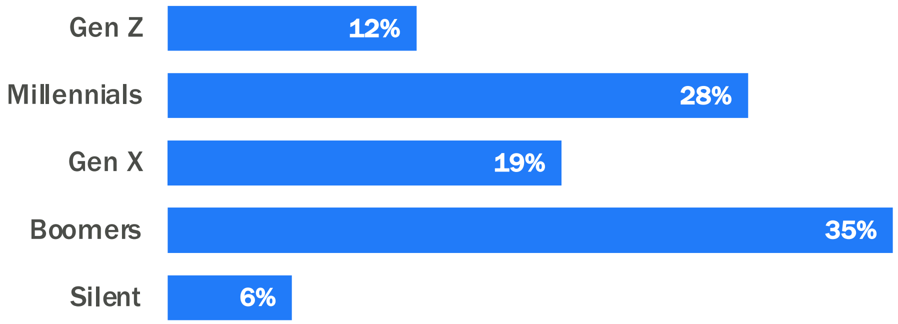
Gender



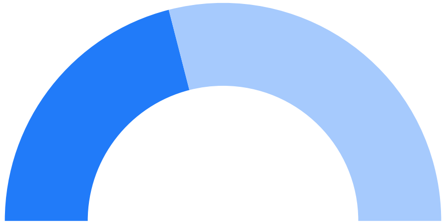
47%
Female

53%
Male

Generation



Food profile



42%
I **live** to eat

58%
I **eat** to live

Restaurant usage

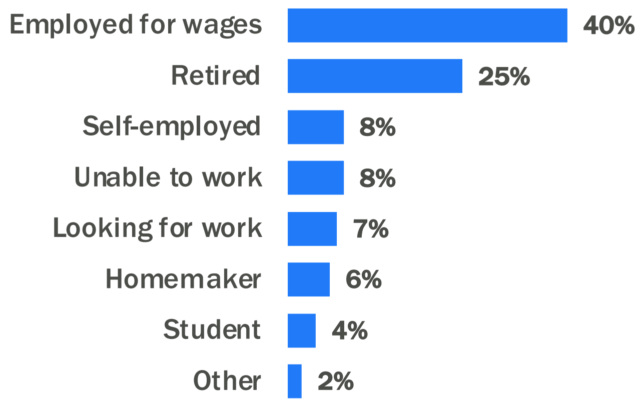
Order from restaurants **at least 2x per week**

Order from restaurants **at least 5x per week**

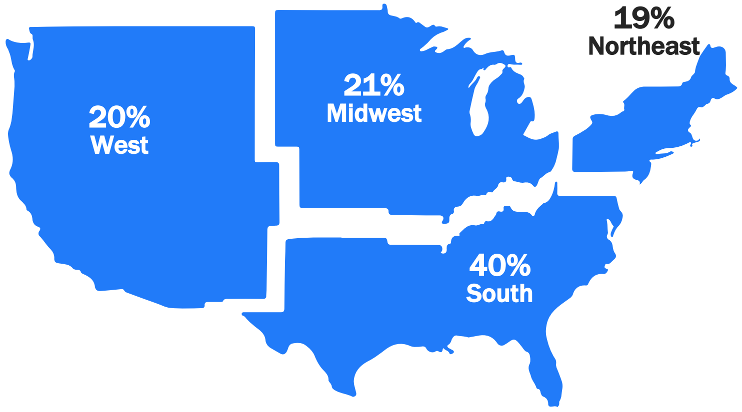
Respondent breakdown

RMS surveyed 830 people in the United States from Nov. 5-9, 2020.

Employment status

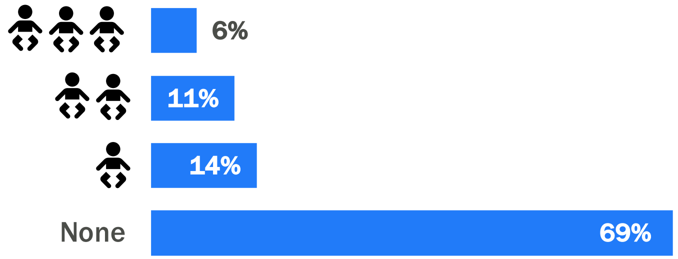


Region

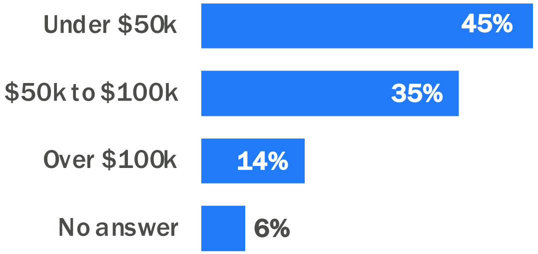


Children

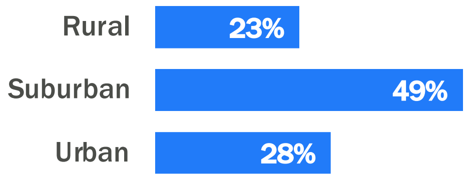
Under the age of 16 in the household



Household Income



Geographic area



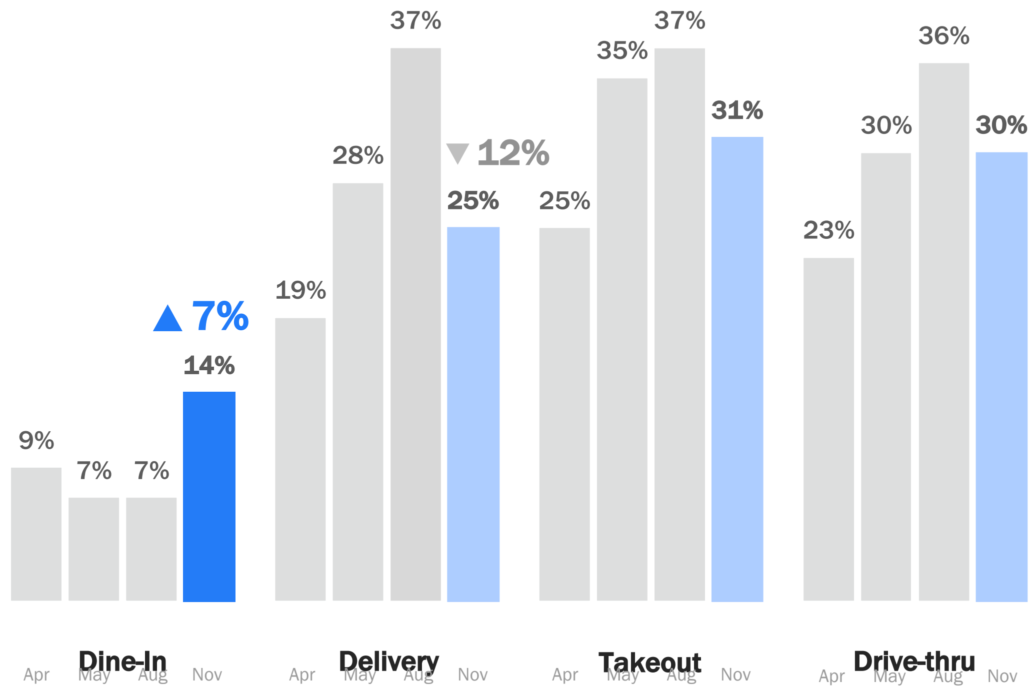
Changes in Consumer Sentiment Since May 2020

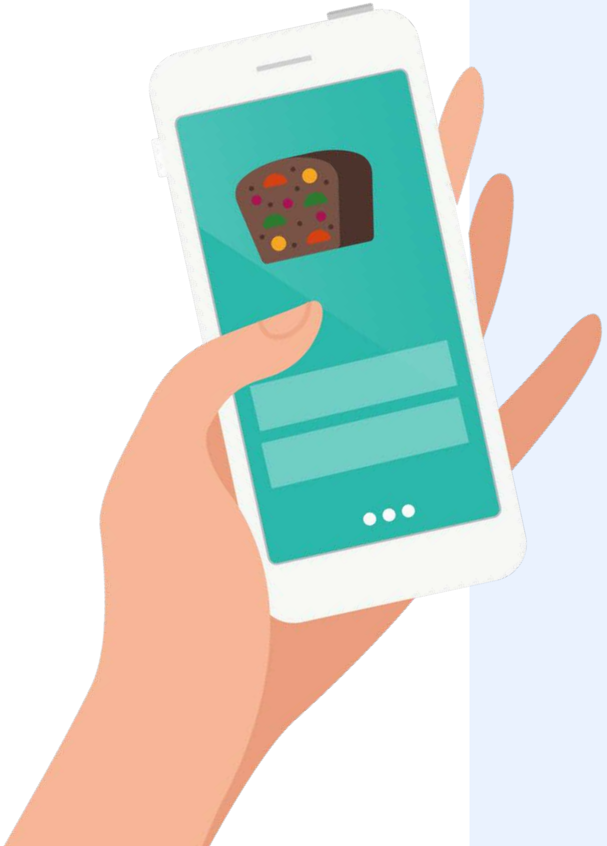
Insight One

Before restrictions were reinforced in November, dine-in usage picked up.

Activity shifts

Share of people reporting doing "more" or "much more“ vs. pre-pandemic





Deep dive

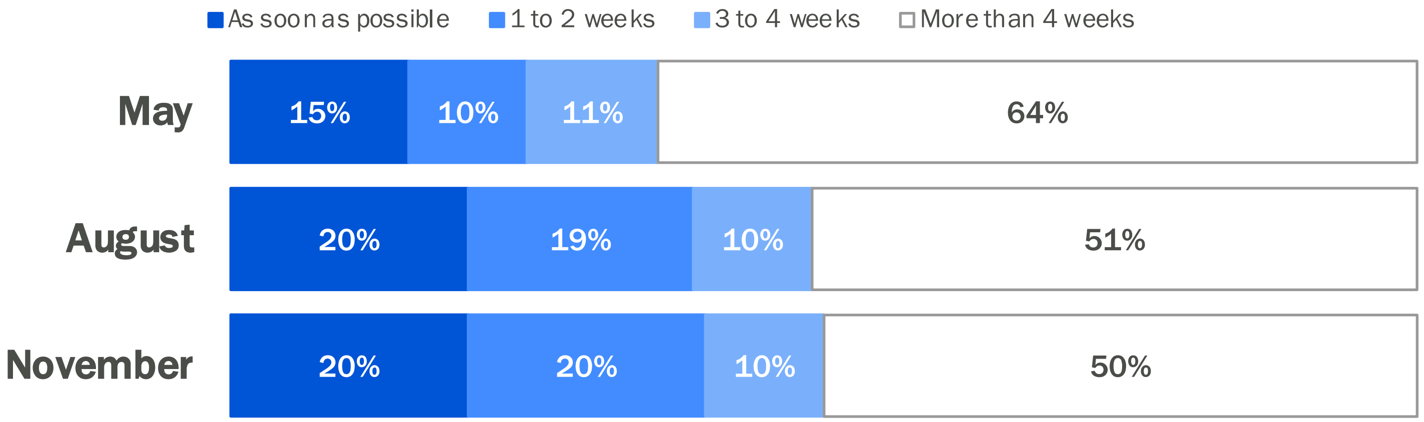
The usage of all contactless channels continues to be significantly higher versus pre-pandemic.

It is likely that **contactless channel usage will continue to increase** in the upcoming weeks/months due to increasing COVID-19 cases and resulting restrictions in parts of the country.

Insight Two

Consumers are still eager to "return to restaurants soon."

When do you next plan to dine out at a restaurant?



Two distinct consumer profiles have emerged:

Those that have dined out

34% of respondents stated that they had eaten in a restaurant in the past 2 weeks. Of those:

- 35% plan on dining out again **as soon as possible**
- 42% plan on dining out again **within 1-2 weeks**

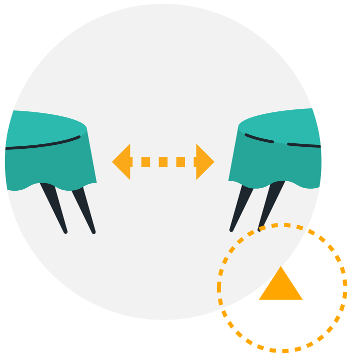
Those that have not

66% of respondents stated that they had not eaten in a restaurant in the past 2 weeks. Of those:

- 25% plan to **wait at least 1 month** before dining out
- 45% do not plan on dining out **until the pandemic is officially over**

Consumer Profiles

Both groups consider the same factors when choosing where to dine out.



#1

Restaurants following safe reopening guidelines

#2

Staff wearing appropriate protective equipment

#3

Type of food served

Insight Three

Quotes from respondents

Overall, what did you **particularly enjoy** about the experience of dining out?

1. Experience

"Feeling of normalcy"

"Felt like a special treat"

"Getting out of the house and chatting with friendly staff"

"Felt like being on holiday, like old times"

2. Being with Friends/Family/Socializing

"Relaxing time with people I love"

3. Quality of Food and Service

"Enjoying fresh food straight from the kitchen"

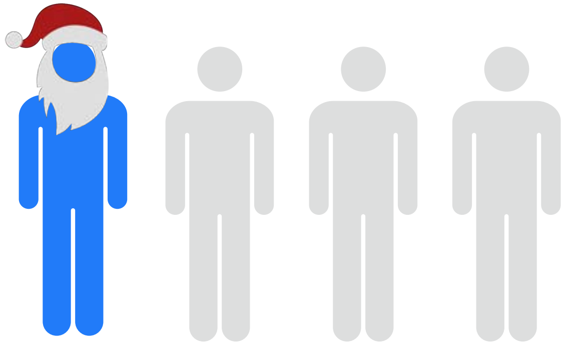
"Food I can't prepare at home"

Insight Four

Overall, consumers state that they are placing larger orders, more often.

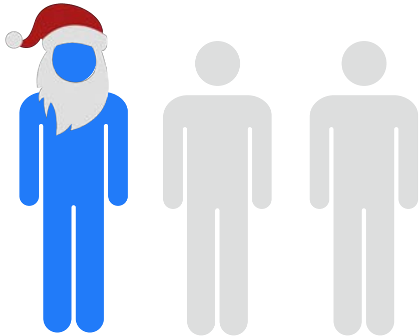
1 in 4

respondents **are placing larger orders** compared to pre-COVID.



1 in 3

respondents **are ordering more frequently** compared to pre-COVID.



Deep dive

Where are they ordering from?

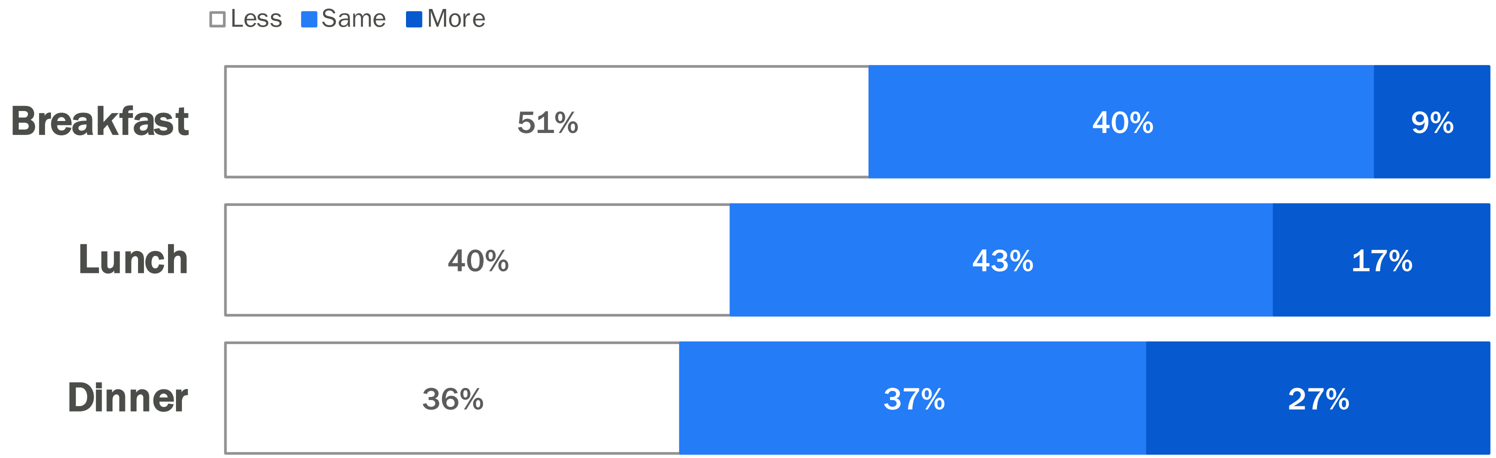
Since the beginning of the pandemic, **26% of** respondents reported ordering more from **local restaurants.**

21% reported ordering more from **quick-service restaurants.**

Insight Five

Consumers are ordering more for dinner. Breakfast orders still lag.

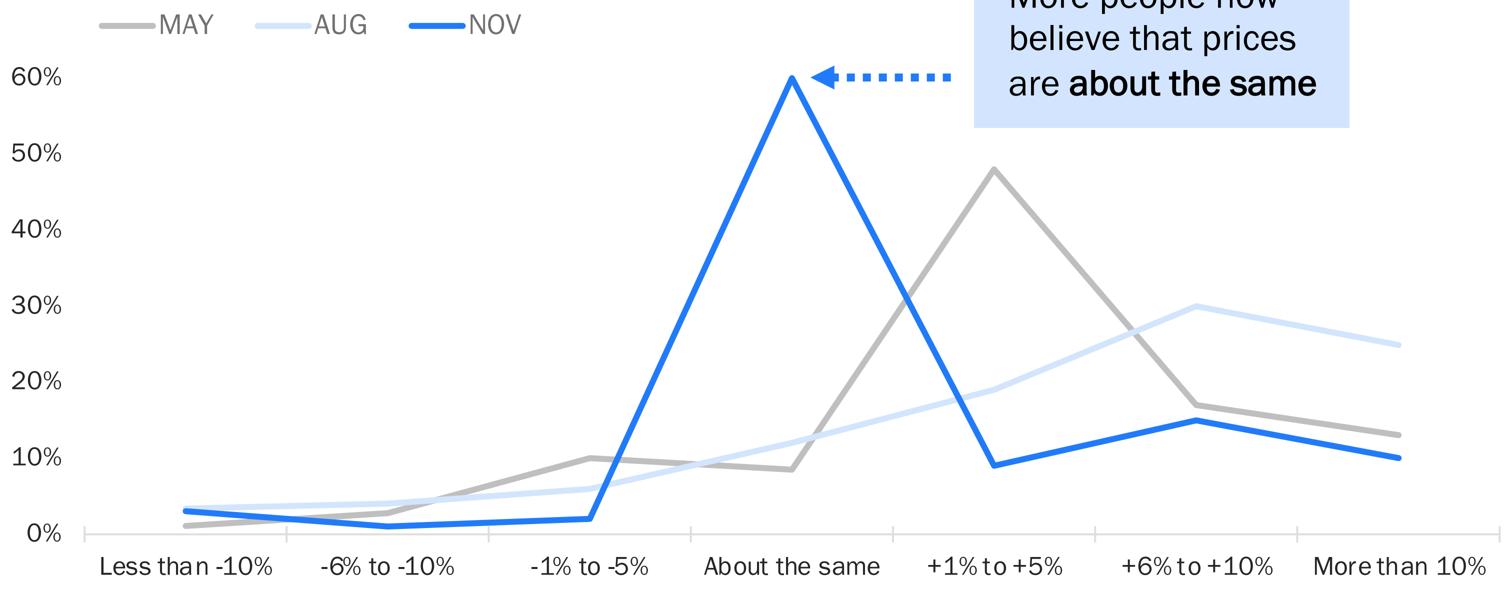
Since the onset of the pandemic, do you order more or less frequently from restaurants during the following dayparts:



Insight Six

60% of consumers believe restaurant prices are about the same compared to pre-pandemic.

How much do you feel restaurant prices have increased during the pandemic?



Deep dive

Fewer customers believe that restaurant prices have gone up compared to grocery prices.

Only **34%** of respondents believe **restaurant prices** are now higher or much higher.

55% of respondents believe **grocery prices** are now higher or much higher.

Insight Seven

3 in 4 reported spending less on restaurants vs. pre-pandemic.

Of those...

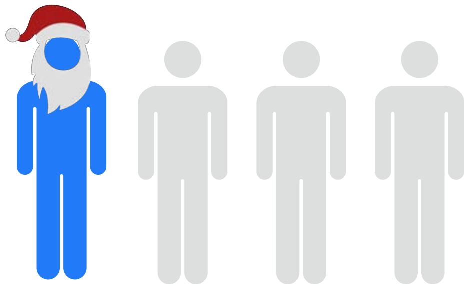
Themes	
I no longer order beverage(s)	13%
I order less from restaurants	**43%**
I no longer order dessert(s)	10%
I no longer order appetizer(s)	10%
I choose more value-oriented options	19%
I choose less expensive restaurants	**22%**
I choose less expensive items	**21%**
I use more coupons and deals	18%

RMS Advice

To satisfy the desire for dining out while spending less, consumers are choosing **less expensive restaurants, less expensive items** and **more value-oriented options** rather than giving up items in their orders.

Insight Eight

1 in 4 reported spending more on restaurants vs. pre-pandemic.



Of those...

Themes	
I now order for more people	20%
I order more from restaurants	**43%**
I pay more to get better quality	22%
I purposely order more to have leftovers	27%
I order the same meals, but prices are higher	35%
I pay delivery fees and charges	**40%**
I pay higher menu prices for delivery	27%

Summary of insights

1. Before restrictions were reinforced in November, **dine-in usage picked up,** while contactless usage continues to be significantly higher versus pre-pandemic.

2. Consumers are still eager to **"return to restaurants soon,"** but distinct differences emerge between those that dined out during the pandemic and those that haven't.

3. For those who have dined out, the **experience, socializing and the quality of food** were most enjoyable.

4. Consumers state that they are placing **larger orders, more often.**

5. Consumers are ordering more for **dinner**. **Breakfast** orders still lag.

6. **60%** of consumers believe restaurant **prices are about the same** compared to pre-pandemic.

7. **3 in 4** consumers are **spending less on restaurants**. To stay within budget restraints, consumers choose less expensive restaurants, less expensive items and more value-oriented options.

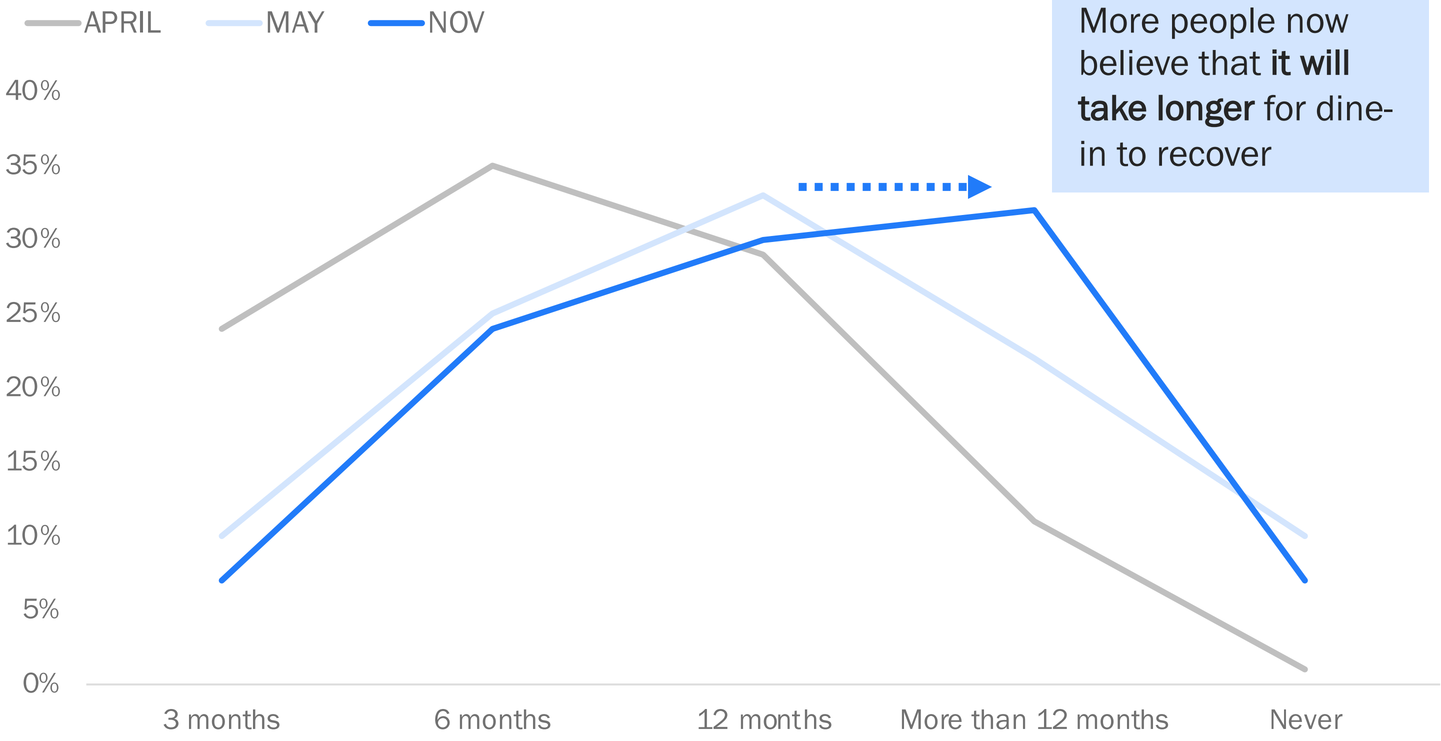
8. **1 in 4** consumers are **spending more**. The top reasons for the increased spend are ordering more, and spending more on delivery fees and charges.

Special Focus:
2021 Trends

Insight One

Consumers are less optimistic about the recovery of the dine-in segment.

When do you believe the dine-in segment will recover?



More people now believe that **it will take longer** for dine-in to recover

Deep dive

62% of respondents believe it will take **12 months or longer** for the dine-in segment to recover.

Insight Two

Concerns about travel and the economic impact in the community are the only two factors that decreased significantly.

Going into 2021, what are your household concerns?

Themes	MAY	NOV
Not being able to celebrate milestones with friends/families	49%	49%
Not being able to do things I want to do	49%	52%
Keeping my children occupied and active during the pandemic	47%	42%
The emotional/mental health of my household	47%	49%
Maintaining current employment	47%	42%
Having the financial means to feed my family	41%	43%
Not being able to travel	**53%**	**42%**
Not being able to dine out in restaurants	30%	26%
The economic impact on local business in my community	**71%**	**59%**
Members of my household becoming infected	57%	55%

Insight Three

Quotes from respondents

What changes implemented by restaurants as a response to the pandemic would you like to **see continued** in the future?

Cleanliness and restaurants following safety protocols

"Social distancing, wearing masks and enhanced cleaning procedures"

"Distance between tables and limit capacity"

"Open up, take precautions, and let people decide what to do based on their own risk parameters"

Contactless options

"Less contact and more flexible payment options"

"Take-out must stay"

"Continue curbside service"

Insight Four

Quotes from respondents

What changes implemented by restaurants as a response to the pandemic would you like to **see less of** in the future?

"Limited seating. I love to see people"

"Price increases and menu restrictions [limited menus]"

"All the plexiglass"

"Long waiting periods"

"Face masks. It's sometimes extremely difficult to comprehend what people are saying"

"Not paying employees enough"

"Physical contact"

"Overcrowded environment"

"People not obeying the rules"

Insight Five

Only 28% of consumers reported changing their dietary habits since COVID-19.

Over 72% reported **no real changes** in their dietary habits

Of the **28%** that reported **changes**:

- 21% are eating healthier
- 11% cook more at home
- 6% are on a diet (e.g. reducing sugar, sodium or trying to lose weight)
- 4% are eating less, trying to save money or making things last longer
- Only 3% stated that they are eating less healthy

Summary of insights going into 2021

1. Consumers are **less optimistic** about the recovery of the dine-in segment.

2. Concerns about **travel** and **the economic impact in the community** are the only two factors that decreased significantly.

3. Consumers would like to see a continuation of **cleanliness and safety protocols**, as well as **contactless options** in restaurants.

4. When asked what they would like to see less of, there was **little consistency** and responses were either linked to **taking precautions** or **returning to normal**.

5. Only **28%** of consumers reported **changing their dietary habits** since COVID-19.

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25 YEARS

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