Refusing to Shut Down: FOOD + CORONAVIRUS

Episode 1 // 04.03.20
WEEKLY WEBINAR
Fridays @2pm CST
invite everybody!
Thank you!
COVID-19 has made its way into every facet of our lives, and access to information may feel like a state of flux. The latest news, media, and information sources are rapidly evolving, and it’s hard to get a feel for what or how events are going to unfold. Coronavirus doesn’t stop, so the data is evolving and any previous work we’ve completed covering Coronavirus is outdated. As such, we’re providing all of our Coronavirus related reports and resources, as they’re ready, free of charge, to industries we have more experience in, and our customers, to help navigate this unprecedented health crisis.

Download our report by clicking on the cover image below:

COVID-19 Report Series

COVID-19 Report 1
3/13/2021 Coronavirus & The Impact on Dining
Download PDF | PPTX

Our 1st report was fielded with restaurant owners in the midst of lockdowns to understand customer behavior. We interviewed a max of 10 people per state, focusing on their actions and behaviors, given the uncertainty around dining safety and social distancing
during the pandemic.

COVID-19 Report 2
3/27/2020 Plan & Respond
Download PDF | PPTX

From March 1st to March 27th, we asked consumers to share their concerns and behaviors related to Coronavirus and about restaurants in their area. The data was collected to understand the implications on restaurant operators.

COVID-19 Report 3
3/30/2020 Ride the Wave
Download PDF | PPTX

Share Datassential’s latest consumer data, including consumer spending, attitudes around the country’s economic strength, what people from the states with 14 states to guidelines against public events and the US wave.

Let us know how we can help – we’re here for you.
EPISODIC REPORTS
2x week
1,000 consumers
Nearly one-in-three consumers purchased food from a restaurant the prior day (close to a pre-Coronavirus average of 30%).

Dinner is now the top restaurant daypart. Given Coronavirus, lunch has always been 6% of consumers who ordered from a restaurant yesterday. Dinner 18%.

Restaurants should consider optimizing their menu for dinner traffic, including a focus on family meals or packages. It promotes the consumer additional meals for tomorrow and 52% of traffic is outside the dining room.

In addition to carryout and drive-thru, many Americans are also ordering ahead to reduce their potential exposure. Restaurants that offer this option should promote it heavily.

52% say they feel safe inside.

64% believe it’s safe to dine inside of restaurants within 3 months.

If already that safe today: 10%

1 to 2 months: 19%

2 to 3 months: 21%

4 to 6 months: 19%

6 mos. or longer: 10%

If not now, see if safe to return.

5% say they left before.

6% say they felt uncomfortable.

People are heading more often to chains.

Traffic still doesn’t feel entirely safe.

Among those getting food from a restaurant, 64% feel either nervous or at risk during their ordering & eating experience.

We update these stats every few days. We’re also publishing 2 new topical COVID-19 reports each week, provided free of charge to support the food industry.

Download the latest at dataessential.com.
All but five states have officially shut down on-site dining.

On March 18, Illinois Governor J.B. Pritzker ordered all restaurants to shut down for three weeks — closing the majority of Illinois restaurants. Other states followed suit, leading to a significant impact on the hospitality and food service industries. The closures have had a profound effect on employees, with many workers experiencing financial stress and uncertainty.

In the remaining five states, governing officials have faced calls for similar restrictions. However, these states have chosen to take a different approach, with a mix of local and state-level policies. Some have implemented stricter measures, while others have opted for more flexible guidelines. The situation remains fluid, with ongoing discussions and adaptations as new information becomes available.

VIDEOS + MORE
added frequently
Following a period of flattening, personal concern has spiked again.

"very concerned" about Coronavirus
“very concerned” about Coronavirus

MAR 11: Tom Hanks & Rita Wilson; NBA Suspends
MAR 12: Walt Disney World closes
MAR 13: Apple closes stores; NY's first death from COVID-19
“very concerned” about Coronavirus

MAR 15: Mandatory restaurant closures begin in IL, CA, NY, OH, MA, WA
MAR 16: DJIA drops 2,997 points
MAR 17: Bay Area issues shelter order
“very concerned” about Coronavirus

MAR 31:
Whitehouse projects 100k to 240k US deaths
Up to 2.2 million deaths without social distancing
"very concerned" about Coronavirus
definitely avoid eating out
RESTAURANT ATTITUDES

- 67% definitely avoid eating out
- 28% are nervous, but will still eat out
- 5% have no concerns whatsoever

Changes since Mar 10:
- +47%
- -11%
- -36%
DEFINITELY AVOID EATING OUT

Men: 61% 65% 56% 60% 79% 69% 54% 54% 47%
Women: 21% 18% 22% 20% 25% 26% 11% 16% 16%
Gen Z: 12% 18% 22% 20% 25% 26% 11% 16% 16%
Millennial: 21% 18% 22% 20% 25% 26% 11% 16% 16%
Gen X: 21% 18% 22% 20% 25% 26% 11% 16% 16%
Boomer: 21% 18% 22% 20% 25% 26% 11% 16% 16%
Married: 21% 18% 22% 20% 25% 26% 11% 16% 16%
Single: 21% 18% 22% 20% 25% 26% 11% 16% 16%
Kids: 21% 18% 22% 20% 25% 26% 11% 16% 16%
No Kids: 21% 18% 22% 20% 25% 26% 11% 16% 16%

Dates:
- Mar 10: 16%
- Mar 14: 26%
- Mar 18: 54%
- Mar 22: 54%
- Mar 25: 47%
- Apr 1: 67%
People fear Coronavirus in part because it's invisible.
When it comes to restaurants, people are most freaked out about touching shared objects – countertops, napkin dispensers, chairs, cash, and countless other surfaces that may feel almost unavoidable.
To many, eating out has become a minefield.

Door handles, soda fountains, and condiment bottles are among the multitude of perceived risky propositions consumers face inside a restaurant or cafeteria. Operators should take great care to diagnose and remediate any potential points of exposure.

% who believe it would INCREASE their likelihood to contract Coronavirus

<table>
<thead>
<tr>
<th>Activity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Touching door handles in restaurants</td>
<td>78%</td>
</tr>
<tr>
<td>Self-serve food (salad bar, buffet, etc.)</td>
<td>77%</td>
</tr>
<tr>
<td>Using public restrooms in restaurants</td>
<td>74%</td>
</tr>
<tr>
<td>Sitting in a crowded restaurant</td>
<td>69%</td>
</tr>
<tr>
<td>Self-serve drinks (fountain drinks, coffee carafe, etc.)</td>
<td>68%</td>
</tr>
<tr>
<td>Sharing condiments (ketchup bottles, etc.)</td>
<td>64%</td>
</tr>
<tr>
<td>Sharing food at restaurants</td>
<td>63%</td>
</tr>
<tr>
<td>Eating food with your hands</td>
<td>56%</td>
</tr>
<tr>
<td>Using dishware / silverware / glassware at restaurants</td>
<td>48%</td>
</tr>
</tbody>
</table>
**considerations when selecting a restaurant**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean &amp; sanitary</td>
<td>43%</td>
</tr>
<tr>
<td>Nearby</td>
<td>30%</td>
</tr>
<tr>
<td>Value</td>
<td>28%</td>
</tr>
<tr>
<td>Supporting restaurants that need help</td>
<td>28%</td>
</tr>
<tr>
<td>Great taste</td>
<td>27%</td>
</tr>
<tr>
<td>Locally / independently-owned</td>
<td>22%</td>
</tr>
<tr>
<td>Good service / staff</td>
<td>20%</td>
</tr>
<tr>
<td>Healthy</td>
<td>19%</td>
</tr>
<tr>
<td>Speed</td>
<td>12%</td>
</tr>
<tr>
<td>Variety</td>
<td>11%</td>
</tr>
</tbody>
</table>
“OVERT SANITATION”
The experience continues beyond the customer getting their food.

Are you doing any of the following in response to COVID-19 with your delivery or take out?

- Wash hands after handling food containers/before eating: 61%
- Disinfect/wipe down all food surfaces before eating: 42%
- Use my own silverware, not the disposable provided: 41%
- Disinfect/wipe down all delivery containers/bags before opening: 34%
- Transfer everything into my own plates/cups first: 30%
- Reheat food to make sure it’s completely cooked through: 26%
- Throw away/won’t eat any raw produce: 24%
Many ideas can work.

There are lots of things restaurants can do to encourage people to order delivery, takeout, or curbside. Consumers are generally open to an array of options, so for restaurants it’s about finding the one that they can execute both safely and well.

**what would motivate you to get food from restaurants during this time of Coronavirus?**

- Order takeout / delivery today and get a discount to dine-in later: 38%
- Take-and-bake items: 31%
- Portion of your order donated to support people affected by Coronavirus: 29%
- Multi-serving / family-sized items that can be eat over several meals: 29%
- Expanded delivery zones: 28%
- Expanded delivery hours: 25%
- Containers of your favorite restaurant’s sauces, dressings, or seasonings: 25%
- Groceries from the restaurant: 24%
- 1 free roll of toilet paper or bottle of hand sanitizer with your order: 21%
- Gift card purchases: 21%
BEHAVIORAL CHANGES SINCE COVID-19

- Cooking / baking “from scratch” at home: -13% more often
- Eating “comfort” foods: -18% more often
- Snacking between meals: -21% more often
- Eating healthy / better-for-you foods: -20% more often
- Stress eating: -18% more often
- Eating indulgent / treat foods: -25% more often
- Shopping online for food: -17% more often
- Skipping meals or working through meals: -22% more often
- Trying new restaurants (for pickup / delivery): -34% more often
- Drinking alcohol: -19% more often
LIVE TO EAT → EAT TO LIVE
Pizza tops the list.

It's one of America’s favorite foods, and it's in the pole position of what people want to order from restaurants during the COVID-19 crisis. And while it starts with pizza, it certainly doesn't end there. Consumers are also hungry for burgers, meat entrees, pastas, and other options.

Our advice for now is to stick with the favorites. Many who in the past might “live to eat” have shifted to an “eat to live” mindset. Focus on popular menu items and show the customer that they’re totally safe.

These are the foods people want from restaurants during the Coronavirus crisis:
While many at least thought about getting restaurant food, only 50-60% of those went on to do so. That said, we do view these stats as mostly encouraging, showing that restaurants are in the consideration set for most Americans.

Approximately 1-in-3 consumers purchased food from a restaurant the prior day. (versus a pre-Coronavirus average of ~50%)

<table>
<thead>
<tr>
<th>Thought about it</th>
<th>Didn't even consider it</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 25</td>
<td>Apr 1</td>
</tr>
<tr>
<td>27%</td>
<td>43%</td>
</tr>
<tr>
<td>25%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Restaurants should consider optimizing their menu for dinner traffic, including a focus on family meals or packages that provide the consumer additional meals for tomorrow.

Dinner is now the top restaurant daypart. (before Coronavirus, lunch has always been #1)

<table>
<thead>
<tr>
<th>% of consumers who ordered from a restaurant yesterday</th>
<th>Mar 25</th>
<th>Apr 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Lunch</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Dinner</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>Snack</td>
<td>3%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Almost all traffic is outside the dining room. In addition to delivery and drive-thru, many Americans are also ordering ahead to reduce their potential exposure. Restaurants that offer this option should promote it heavily.

<table>
<thead>
<tr>
<th>Mar 25</th>
<th>Apr 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dine in</td>
<td></td>
</tr>
<tr>
<td>Order ahead</td>
<td></td>
</tr>
<tr>
<td>To go</td>
<td></td>
</tr>
<tr>
<td>Drive thru</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td>6%</td>
</tr>
<tr>
<td></td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>18%</td>
</tr>
<tr>
<td></td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>36%</td>
</tr>
<tr>
<td></td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>25%</td>
</tr>
</tbody>
</table>

LSRs capture two-thirds of restaurant traffic. Even with mandatory closings of dining rooms, FSRs are down, but not out. Buoyed by delivery and creative approaches to pickup, FSRs still account for nearly a third of restaurant traffic.

<table>
<thead>
<tr>
<th>Share of restaurant traffic</th>
<th>Mar 25</th>
<th>Apr 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr 1</td>
<td>64%</td>
<td>65%</td>
</tr>
<tr>
<td>Mar 25</td>
<td>36%</td>
<td>35%</td>
</tr>
</tbody>
</table>

People are heading more often to chains.

<table>
<thead>
<tr>
<th>Share of restaurant traffic</th>
<th>Mar 25</th>
<th>Apr 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independents</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Chains</td>
<td>27%</td>
<td></td>
</tr>
</tbody>
</table>

The experience still doesn’t feel entirely safe. Even among those getting food from a restaurant, unease is creeping, so go the extra mile, even if it’s extreme, to make patrons feel safe.

Almost all traffic is outside the dining room. In addition to delivery and drive-thru, many Americans are also ordering ahead to reduce their potential exposure. Restaurants that offer this option should promote it heavily.

<table>
<thead>
<tr>
<th>When do you feel it will be safe again to dine at a restaurant?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 25</td>
</tr>
<tr>
<td>--------</td>
</tr>
<tr>
<td>It’s already that safe today</td>
</tr>
<tr>
<td>1 to 2 weeks</td>
</tr>
<tr>
<td>1 month</td>
</tr>
<tr>
<td>2 to 3 months</td>
</tr>
<tr>
<td>4 to 6 months</td>
</tr>
<tr>
<td>Longer than 6 months</td>
</tr>
<tr>
<td>It’ll never be as safe as before</td>
</tr>
</tbody>
</table>

And yet, Americans are optimistic... 6-in-10 believe it'll be safe to dine inside of restaurants within 3 months.

We update these stats every few days. We’re also publishing 2 new topical COVID-19 reports each week, provided free of charge to support the food industry. Download the latest at datassential.com.
WHO DO YOU WANT TO SUPPORT?

- 69% INDEPENDENT RESTAURANTS
- 31% CHAIN RESTAURANTS

WHERE DID YOU ACTUALLY GO?

- 27% INDEPENDENT RESTAURANTS
- 73% CHAIN RESTAURANTS
QSR
294,591 units
62% chain

Fast-Casual
75,390 units
67% chain

Midscale
107,145 units
19% chain

Casual
184,583 units
17% chain

Fine Dining
10,522 units
15% chain
SUPPORT LOCAL BUSINESS
Supporting restaurants that need help

Mar 19 18%

Apr 1 28%

Locally / independently-owned

Mar 19 13%

Apr 1 22%
It’s a poll!
Already that safe today: 12%
1 to 2 weeks: 7%
1 month: 16%
2 to 3 months: 31%
4 to 6 months: 18%
Longer than 6 months: 10%
It'll never be as safe as before: 7%
-65%
SALES DECLINE DURING COVID-19
55% of FSRs report declines of 80% or more
65% takeout & delivery only

30% closed completely

5% totally open including dine-in

across all foodservice segments...
<table>
<thead>
<tr>
<th></th>
<th>LSR</th>
<th>FSR</th>
<th>On-Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open completely, including dine-in</td>
<td>0%</td>
<td>1%</td>
<td>9%</td>
</tr>
<tr>
<td>Takeout / delivery only</td>
<td>88%</td>
<td>67%</td>
<td>56%</td>
</tr>
<tr>
<td>Closed completely</td>
<td>12%</td>
<td>33%</td>
<td>35%</td>
</tr>
</tbody>
</table>
63% have cut staff on average, 45% of FS staff has been laid off / furloughed
% who have cut some of their staff

- QSR: 51%
- Fast-Casual: 63%
- Midscale: 91%
- Casual Dining: 84%
- Fine dining: 96%
- Healthcare: 13%
- Lodging: 78%
- B&I: 52%
- C&U: 75%
- K-12: 31%
What is your level of optimism as it relates to your business and this coronavirus crisis?

- **65%**: worried, but think we'll get through this
- **22%**: cautiously optimistic we will emerge stronger
- **13%**: nervous we won't survive
What is your outlook on your business as it relates to this coronavirus crisis?

- 26% Should blow over in 30 to 45 days
- 61% Preparing for 3 to 6 months
- 13% A "new normal" that could last for years
## Desired Financial Relief

<table>
<thead>
<tr>
<th>Relief Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal / state relief to help my employees</td>
<td>63%</td>
</tr>
<tr>
<td>Removal of minimum-order requirements</td>
<td>46%</td>
</tr>
<tr>
<td>Rent / mortgage relief</td>
<td>42%</td>
</tr>
<tr>
<td>Flexible / extended payment terms for orders</td>
<td>35%</td>
</tr>
<tr>
<td>Relief from payment processors</td>
<td>34%</td>
</tr>
<tr>
<td>Relief from franchisor fees</td>
<td>16%</td>
</tr>
<tr>
<td>Reduced commissions for third-party delivery</td>
<td>16%</td>
</tr>
</tbody>
</table>
**HOW OPERATORS ARE ADJUSTING**

<table>
<thead>
<tr>
<th>Menu Adjustment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrowed / limited your menu offerings</td>
<td>43%</td>
</tr>
<tr>
<td>Added price discounts / coupons / meal deals</td>
<td>17%</td>
</tr>
<tr>
<td>Added large / family-size / bulk size options</td>
<td>12%</td>
</tr>
<tr>
<td>Added more &quot;comfort food&quot; type menu items</td>
<td>11%</td>
</tr>
<tr>
<td>Added refrigerated or frozen &quot;take and bake/heat&quot; items</td>
<td>10%</td>
</tr>
<tr>
<td>Added full meal bundles</td>
<td>9%</td>
</tr>
<tr>
<td>Added more &quot;healthy / better-for-you&quot; type menu items</td>
<td>6%</td>
</tr>
<tr>
<td>Added more &quot;indulgence / treat yourself&quot; type menu items</td>
<td>6%</td>
</tr>
<tr>
<td>Added multi-day meal options</td>
<td>4%</td>
</tr>
</tbody>
</table>
LESSONS FROM THE PAST

shrinking menus
value-based promotions
empty innovation pipelines
stuck playing catch up
Overt sanitation
Contactless all the way (go beyond what's needed)
Comfort foods (at least for today)
Keep the pipeline full
COVID-19 has made its way into every facet of our lives, and access to information may feel like an impossible task. The latest news, media, and information sources are rapidly evolving, and it’s hard to get a clear picture of what to expect. That’s where we come in. Datassential, our mission is to deliver critical, timely, and relevant information to stay ahead of the curve. We’re dedicated to providing you with the latest insights and data to help you navigate through these challenging times. If you’re looking for more information, please visit our website at datassential.com/coronavirus.

If you’re interested in staying up-to-date on the latest developments in the coronavirus pandemic, we are providing all of our related reports and resources on our website, free of charge. In doing so, we help ensure that all employees and customers continue to make decisions based on informed data.

Download any report by clicking on the cover image below. Please feel free to share these reports broadly. We want to help your organization navigate through the food industry. By sharing, we hope to enable industry players and leaders to make the most effective decisions possible.

Let us know how we can help – we’re here for you.

COVID-19 Report Series

COVID-19 Report 1
3/13/2021 Coronavirus & The Impact on Dining
Download PDF | PPTX

Our first report was released with the rapid spread of the coronavirus. It provided a real-time look at the dining industry conditions and presented current insights into the dynamics of the crisis and the restaurant industry.

COVID-19 Report 2
3/23/2020 Food & Restaurant
Download PDF | PPTX

From March 12 to March 23, Datassential conducted nationwide restaurant and food service surveys about consumer awareness of the virus and its impact on people's personal safety during mealtime. This report provides insights into the impact on the food industry.

COVID-19 Report 3
5/3/2020復 from the Future
Download PDF | PPTX

Since Datassential’s last consumer survey, there have been several important events. This report provides insights into the current situation, with data from the previous reports.

datassential.com/coronavirus
DATASSENTIAL
ONE TABLE
join the community
Tell us what YOU need.

- team presentations
- brainstorming
- supporting data
- forecasting
- pipeline assistance
- or just a friendly face
tito@datassential.com
Extreme Adaptation
MIKE KOSTYO, Managing Editor & Trendologist
RENEE WEGE, Publications Senior Manager

Friday April 10 @2pm CST

REGISTER TODAY AT:
datassential.com/coronavirus