

Looking ahead at consumer dining perceptions

Building consumer trust

An overview



Consumer trust continues to be nearly 2x stronger for dining to-go than for dining-in—**across all restaurant types.**¹



Less than 1 in 10 completely trust dining-in at any type of restaurant.¹

Making gains



Everyone has been impacted by the pandemic, but no two people are the same. Although the economy is expected to recover, **not everyone will experience the same sense of relief.**



Ensure your marketing efforts meet consumers where they live—in **different digital spaces with different mindsets.**

Three quick tips for meeting diners in digital spaces

- 1 Update your Google profile with hours and availability for dine-in and delivery
- 2 Upgrade your social posts and pivot to videos. Facebook users watch 100 million hours of video each day²
- 3 Consider paid digital advertising where you can very cost-effectively target niche audiences



Instagram is surging – **78% of restaurants had a profile in 2020** compared to 24% in 2018.³

Three lasting lessons for the post-COVID world

- 1 Keep up safety and cleanliness protocols⁴
- 2 Advance your digital convenience⁴
- 3 Help your customers prioritize family time—offer simple, intuitive interactions every step of the way⁴

Where to grow from here

SEGMENT SALES INDEX (2019=100)	2019	2020	2021	2022	2023	2024	2025
Total Foodservice	100	75.6	85.9	90.1	93.1	95.4	97.6
Restaurants & Bars	100	78.8	86.8	89.9	92.6	94.9	97.2
Retailers	100	81.5	90.6	94.3	96.9	99.2	101.4
Travel & Leisure	100	49.3	65.7	76.7	84.0	88.2	91.0
Noncommercial	100	77.0	93.3	97.8	99.3	100.6	101.9



Industry Growth

Despite ongoing developments related to COVID-19, **the industry will grow by a real compounded annual growth rate for the next 5 years** through 2025.⁵

Much of this growth will occur in 2021 as the industry digs out of its current predicament.⁵

Despite the aggressive growth over the next 5 years, the industry will not fully recover to its pre-COVID sales (on a constant dollar basis) during this 5-year time period.⁵

By the end of 2025, **the industry will still be about 2.4% smaller** than it was in 2019.⁵



Retailers

Among the major segment areas, **retailers (supermarket and c-store foodservice) and noncommercial will reach their pre-COVID real sales levels in 5 years.** Other major segment areas are not expected to do so on an aggregate basis.⁵



Major Restaurant Chains



1.7% CAGR

Over the next 5 years, Top 100 chains will fare better than any other restaurant category—**growing at a 1.7% CAGR.**⁵

In fact, this is a more aggressive growth rate than Top 100 chains have experienced over the previous 5 years—**even after taking into account a significant drop-off in 2020.**⁵



Small Chains & Independent Restaurants

A paradigm shift is expected to occur within the restaurant industry over the next 5 years, **where large chain growth will outpace that of small chains and independent restaurants.**⁵

There is expected to be considerable contraction within the independent market due to the current COVID situation and resulting business declines.⁵



Restaurants & Bars

Restaurants and bars are expected to **lose over 125,000 net units** by year end 2021.⁵

↑30,000

Most of these losses will come from the independent sector, primarily within full-service. **However, the industry will only regain 30,000 of these units by 2025.**⁵

Promising Growth Segments

Over the next 6 years, the following segments will see the most promising prospects:

Senior living: aging population will continue to catapult this segment⁵

Fast casual: greater demand for better quality off-premise meals will be a driver⁵

More Vulnerable Segments

Segments which are the most vulnerable include:

Full-service restaurants: capacity restraints and rapid movement toward off-premise are issues for this segment⁵

Lodging: severely impacted by consumer and business reluctance to start traveling again and at the same frequency⁵

¹ "Restaurant Usage and Perceptions," COVID-19 Spotlight Research, August 2020 ² Bloom Intelligence ³ "The Top Restaurant Digital Marketing Trends in 2020" ⁴ "Navigating a Crisis with Consumers," US Consumer Insights Briefing, December 2020 ⁵ Technomic 2020

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