

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"The FSR (full service restaurant) sector continues to be outpaced by more affordable and innovative limited service concepts, especially fast casuals. The casual dining segment remains stagnant, although some operators are showing signs of success by curating fun and engaging onpremise experiences, and investing in quality food as well as takeout and delivery."

-Hannah Spencer, Foodservice Analyst

This report looks at the following areas:

- Casual and family midscale restaurants face declining visitation
- LSRs are big competition
- Competition from at-home meals, price and quality concerns create challenges

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL:EMEA
+44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

What consumers want and why

The issues

Casual and family midscale restaurants face declining visitation

Figure 1: Year-over-year change in restaurant visitation, November 2019

LSRs are big competition

Figure 2: Total US revenues and forecast of restaurants and eating places*, by segment share, at current prices, 2019 and 2024

Competition from at-home meals, price and quality concerns create challenges

Figure 3: Reasons for dining at casual dining restaurants less often, November 2019

The opportunities

Healthy menu items, value-based offers can increase FSR visitation

Figure 4: Full service dining motivators, December 2019

Family time and consistency matters

Figure 5: Full service dining behaviors, November 2019

Attract Gen Z on and off premise

Figure 6: Full service dining motivators, by generation, November 2019

The Market - What You Need to Know

FSR growth is challenged as LSRs compete on convenience and quality

At-home cooking perceived as healthier and is a continued threat

FSRs are more than OK with Boomers

Market Size and Forecast

FSR segment projected to have moderate sales growth

Figure 7: Total US revenues and fan chart forecast of full service restaurants, at current prices, 2014-24

Figure 8: Total US revenues and forecast of full service restaurants, at current prices, 2014-24

Market Breakdown

Casual dining segment is second largest

Figure 9: Share of top 200 restaurant chain sales, 2018

A focus on menu innovation helps some chains grow

Figure 10: Change in sales of top 30 casual and family/midscale chains from 2017-18*

Market Perspective

LSR growth outpaces FSR

Figure 11: Total US revenues and forecast of restaurants and eating places*, by segment share, at current prices, 2019 and 2024

BUY THIS REPORT NOW **VISIT:** store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 12: Total US revenues and forecast of restaurants and eating places*, by segment, at current prices, 2019 and 2024

Figure 13: Top 10 fast casual restaurant chain percentage change in sales over prior year, 2018

Two in five consumers plan to cook at home more in 2020

Figure 14: Planned dining out behavior for 2020, October 2019

Market Factors

Focus on Baby Boomers' evolving needs

Figure 15: Population, by generation, 2014-24

Figure 16: Median household income, by age of householder, 2018

Positive economic conditions help FSRs

Figure 17: Consumer Sentiment Index, January 2007-December 2019

Figure 18: Disposable personal income change from previous period, January 2007-November 2019

Key Players - What You Need to Know

Off premise is big business for FSRs

Midscale operators struggle in a sea of sameness

On-premise technology enables better customer service

What's Working

Restaurant chains invest in hybrid delivery programs

Figure 19: Outback Steakhouse email "Precious cargo inside," January 15, 2019

Figure 20: Red Robin Gourmet Burgers email "Get 15% off delivery or to-go!," January 16, 2019

FSR loyalty programs channel successful LSR loyalty programs

Meal deals for off-peak occasions

Figure 21: Olive Garden email "Try any lunch favorite for just \$7.99!," October 28, 2019

Figure 22: Longhorn Steakhouse email "3 Courses. \$12.99," January 6, 2020

International fine dining cuisines provide inspiration for casual operators

Figure 23: Select fast-growing menu item cuisine types at fine/upscale/gourmet restaurants, Q4 2016-Q4 2019

What's Struggling

Struggling family midscale chains should take inspiration from segment standouts

What to Watch

AI enhances diners' on-premise experiences

Ghost kitchens for FSRs

More exciting kids meal options

Figure 24: IHOP's The Addams Family limited time menu promoted on Facebook, September 2019

Full Service Dining Chain Advertising Spend

FSR online ad spend doesn't always equate to sales gains

Figure 25: Online advertising spend volume for top 10 full service restaurant chains, January 21, 2019-January 20, 2020

Figure 26: Online advertising spend share by device for top 10 full service restaurant chains, January 21, 2019-January 20, 2020

The Consumer - What You Need to Know

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Casual dining and family midscale visitation is down

Appeal to parents with more kids meal options

Don't forget about Boomers

FSR customers are looking for a good value

Restaurant Visitation

Two thirds of Americans have visited a casual dining restaurant

Figure 27: Restaurant visitation, November 2019

Boomers overindex for FSR visitation

Figure 28: Restaurant visitation by generation, December 2019

Higher income correlates with higher FSR visitation

Figure 29: Restaurant visitation by household income, November 2019

Year-over-year Change in Restaurant Visitation

Americans are visiting fine dining restaurants more often

Figure 30: Year-over-year change in restaurant visitation, November 2019

Urban dwellers drive increase in FSR visitation

Figure 31: Year-over-year change in restaurant visitation - more, by area, November 2019

Parents are visiting FSRs more often

Figure 32: Year-over-year change in restaurant visitation - more, by gender and parental status, November 2019

Reasons for Dining at Casual Dining Restaurants More Often

Value and quality are key drivers for increased visitation

Figure 33: Reasons for dining at casual dining restaurants more often, November 2019

Older consumers look for value, while younger consumers look for more choices

Figure 34: Reasons for dining at casual dining restaurants more often, by age, November 2019

Reasons for Dining at Casual Dining Restaurants Less Often

At-home cooking is casual dining restaurants' biggest competition

Figure 35: Reasons for dining at casual dining restaurants less often, November 2019

Younger customers are visiting independent restaurants instead

Figure 36: Reasons for dining at casual dining restaurants less often, by age, November 2019

Restaurant Segment Associations

Fast casual and fine dining perceived as trendy, healthy

Figure 37: Correspondence Analysis – Symmetrical map – Restaurant segment associations, November 2019

Figure 38: Restaurant segment associations, November 2019

Casual dining restaurants need to improve value perception among younger consumers

Figure 39: Restaurant segment associations – casual dining restaurants, by generation, November 2019

Full Service Dining Motivators

Appeal to diners with affordable and healthy meal options

Figure 40: Full service dining motivators, November 2019

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | China +86 (21) 6032 /

EMAIL: reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Price promotions and healthy menu items are strong visitation drivers

Figure 41: TURF Analysis – Full service dining motivators, November 2019

Gen Zers are interested in more off-premise options from FSRs

Full Service Dining Behaviors

Family time is central to FSR visitation

Figure 43: Full service dining behaviors, November 2019

Fine dining customers value experience over cost

Figure 44: Full service dining behaviors, by restaurant visitation, November 2019

Parents may be willing to splurge for a special occasion

Figure 45: Full service dining behaviors, by parental status, November 2019

Appendix - Data Sources and Abbreviations

Data sources

Sales data

Fan chart forecast

Consumer survey data

Direct marketing creative

Mintel Menu Insights (MMI)

Abbreviations and terms

Abbreviations

Appendix - The Market

Figure 46: Total US sales and forecast of restaurants and eating places* market, at inflation-adjusted prices, 2014-24

Figure 47: Total US sales and forecast of limited service eating places*, at inflation-adjusted prices, 2014-24

Figure 48: Total US sales and forecast of full service restaurants, at inflation-adjusted prices, 2014-24

Figure 49: Distribution of generations by race and Hispanic origin, 2019

Appendix - The Consumer

Correspondence Analysis

Methodology

TURF Analysis

Methodology

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com