

## The Impact of COVID-19 on Foodservice - US - June 2020

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.



“Restaurants are in the business of bringing people together, making it even more difficult for operators to weather this storm. Pre-COVID-19, restaurant industry sales were set to outpace at-home food spending, new restaurants were opening at a rapid pace and operators were challenged by a labor shortage to find and retain workers.”

– **Amanda Topper, Associate Director**

This report looks at the following areas:

In a few short weeks, the global pandemic turned the industry on its head, forcing a complete reset.

FSRs are feeling the brunt, fueled by dine-in bans, lack of drive-thrus and less-developed take-out and delivery programs, intensified by higher operating costs. Many FSRs in the family midscale and casual dining sectors were already struggling, and it's likely not all of them will survive in a post-COVID-19 world. In comparison, LSRs, including fast food and fast casuals, were innately better prepared operationally because of established drive-thrus, delivery options and lower price points. Prepandemic investments in off-premise technology, including mobile ordering, set LSR operators up to weather the storm better.

Efficient and nimble operational pivots will determine success now and in the future. While financially the industry is taking a tremendous blow, some positive residual effects are likely coming. A greater focus on employee medical benefits, food safety and sanitation, off-premise dining capabilities and brand philanthropy will bring long-term change to the industry. Consumers are rallying behind hard-hit independent restaurants with food or merchandise orders and supporting employee relief funds. When the dust settles, consumers are going to remember the restaurants that took care of their employees and their communities and those that did not when deciding where to spend their dining dollars.

**BUY THIS  
REPORT NOW**

**VISIT:**  
[store.mintel.com](https://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](mailto: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

# The Impact of COVID-19 on Foodservice - US - June 2020

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

Scope  
 Definition  
 Economic assumptions  
 COVID-19: US context

### Executive Summary

Analyst perspective: flexibility during the pandemic will help operators survive during COVID-19 and beyond

Overview

Key takeaways

Short-, medium- and longer-term impacts  
 Figure 1: Impact of COVID-19 on the foodservice industry, June 2020

Market performance and sales forecast  
 Figure 2: Total US revenues and forecast sales ranges of restaurants and eating places\*, at current prices, 2014-24

Foodservice performance

### Impact of COVID-19 on Consumers

The priority has shifted to at-home food  
 Figure 3: COVID-19 spending priorities, April-June 2020

The return to normalcy is a patchwork quilt  
 Figure 4: Future activities, going to a restaurant, by age, May 28-June 4, 2020

Mintel Trend Drivers  
 Figure 5: Mintel Trends Drivers

Identity: restaurants are woven into the fabric of communities

Surroundings: independents and chains can emphasize their local impact

Experiences: memorable meals make repeat customers

Rights: diners expect restaurants to keep them safe

Technology: online ordering connects diners and restaurants, on-premise and off

Value: barbell menus offer something for every budget

Wellbeing: consumers are creatures of comfort but can be nudged toward healthier habits

### How a COVID-19 Recession Will Impact Foodservice

Unprecedented sales losses expected  
 Figure 6: Total US revenues and forecast sales ranges of restaurants and eating places\*, at current prices, 2014-24  
 Figure 7: Total US revenues and forecast sales ranges of restaurants and eating places\*, by segment, at current prices, 2014-24

US unemployment reaches levels not seen since Great Depression  
 Figure 8: Unemployment and underemployment, January 2007-May 2020

Dining out is among the first nonessentials to go  
 Figure 9: Spending cuts after job loss – NET any rank, November 2019

**BUY THIS  
 REPORT NOW**

**VISIT:** [store.mintel.com](https://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](mailto:reports@mintel.com)

# The Impact of COVID-19 on Foodservice - US - June 2020

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 10: Consumer spending on food away from home, monthly, 2006-10

Figure 11: Consumer spending on food away from home, annual, 2000-19 and Q1 2020

## State of the Foodservice Category Before COVID-19

Shifts to off-premise were already in play

Figure 12: Restaurant delivery and pickup in the past three months, June 2016, September 2018 and September 2019

Consumers were visiting fine dining restaurants more often year over year

Figure 13: Year over year change in restaurant visitation, November 2019

Family midscales viewed as old-fashioned and generic

Casual dining struggles with value perceptions

Figure 14: Reasons for dining at casual dining restaurants less often, November 2019

Tech innovations were a well-timed enhancement for LSRs

Figure 15: Fast food dining behaviors year over year – More often, by generation, February 2020

Blurring and stolen share among LSRs

Figure 16: Percentage share of Top 200 limited service restaurant sales, by segment, 2017-18\*

## Short-term changes in the foodservice industry

Figure 17: Impact of COVID-19 on foodservice, May 2020

Creativity helps delivery/takeout ramp up quickly

Figure 18: Change in takeout and delivery frequency, March & April 2020

Figure 19: Little Caesars TV campaign, March 2020

Brands pivot to provide consumers value and new experiences at home

Kids meals and family promos head home

Figure 20: Family dining email promotions, March & April 2020

Menus scale down while comfort food trends up

## Medium-term changes in the foodservice industry

Figure 21: Impact of COVID-19 on foodservice, May 2020

Food safety and sanitation measures will help diners' comfort level

It's all about value

Independents feel the love

Figure 22: Restaurant attitudes – NET agree, by generation, April 2020

## Longer-term changes in the foodservice industry

Figure 23: Impact of COVID-19 on foodservice, May 2020

The US restaurant industry will be much smaller

Employee and community initiatives stay front and center

Figure 24: Restaurant attitudes – NET agree, by generation, April 2020

Figure 25: Popeyes TV campaign, April 2020

Off-premise dining will be even more mainstream

Greater competition and restrictions for third-party delivery companies

## Appendix – Data Sources and Abbreviations

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://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](mailto:reports@mintel.com)

# The Impact of COVID-19 on Foodservice - US - June 2020

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.

Data sources

Sales data

Consumer survey data

Consumer qualitative research

Direct marketing creative

Abbreviations

## Appendix – Market Data

Figure 26: Total US revenues and forecast sales ranges of restaurants and eating places\*, by segment, at inflation-adjusted prices, 2014-24

## Appendix – Consumer Data

Figure 27: Change in fast casual visitation, February 2020

Figure 28: Fast casual visitation drivers, February 2020

Figure 29: Fast casual visitation barriers, February 2020

**BUY THIS  
REPORT NOW**

**VISIT:** [store.mintel.com](https://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](mailto:reports@mintel.com)