

# Restaurant Marketing Strategies: Inc Impact of COVID-19 - US - June 2020

Report Price: £3695 | \$4995 | €4400

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

## This report looks at the following areas:

- The impact of COVID-19 on consumer behavior and the foodservice market
- How the market will fare in the post-COVID-19 slowdown
- In a slowing economy, how marketers can incentivize guest traffic
- How marketers can work to control word-of-mouth marketing

The highly competitive restaurant industry relies on marketing strategies to drive sales by differentiating its brands, attracting new patrons, encouraging loyalty among existing consumers, and communicating innovation and operational changes. The challenge for industry players is that consumer needs and interests are so varied, many traditional marketing strategies have become less effective. Consumers increasingly expect personalized communications based on their own dining habits, yet they exhibit trepidation about giving up privacy in exchange.

Adding to an already challenging environment, the impact of the COVID-19 pandemic will leave lasting marks on the restaurant industry and immediate marketing strategies must therefore balance information and empathy without coming off as inauthentic or trite. Longer term strategies will need to overcome price sensitivities and changing perceptions toward safety/sanitation expectations, and tout technology and procurement methods.



“Due to the COVID-19 pandemic, restaurants have had to pivot on the fly with operations and messaging tactics presently relevant to consumer needs. Looking ahead, restaurants should continue communicating messaging around food quality, menu innovation, safety/sanitation, and support for their employees and their communities.” – **Amanda Topper, Associate Director of Foodservice Research**

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

## Table of Contents

### OVERVIEW

- What you need to know
- Key issues covered in this report
- Definition

### EXECUTIVE SUMMARY

#### • Market overview

Figure 1: Total US revenues and forecast sales ranges of restaurants and eating places\*, at current prices, 2014-24

#### • Top takeaways

#### • Impact of COVID-19 on restaurant marketing strategies

Figure 2: Short-, medium- and longer-term impact of COVID-19 on restaurant marketing, June 2020

#### • The issues

#### • COVID-19 reverses consumer food spending habits

Figure 3: COVID-19 spending priorities, May-June 2020

#### • Economic instability provides impetus for delayed or slow recovery

Figure 4: Consumer Sentiment Index, January 2007 – May 2020

#### • Brands can't necessarily control word-of-mouth marketing

Figure 5: Information sources, April 2020

#### • The opportunities

#### • Use fluid and timely messaging to stay relevant

Figure 6: Communication topics, April 2020

#### • Instant gratification promotions make it easy for diners to save

Figure 7: Promotion interest, April 2020

#### • Encourage diners to opt into mobile platforms with promise of relevant content and incentives

Figure 8: Restaurant marketing attitudes, April 2020

#### • Focus on off-premise applications to build business

Figure 9: Change in takeout and delivery frequency, March and April 2020

### IMPACT OF COVID-19 ON RESTAURANT MARKETING

Figure 10: Short, medium and long term impact of COVID-19 on restaurant marketing, June 2020

#### • Opportunities and Threats

#### • Transparency and trust issues plague chains

Figure 11: Restaurant marketing attitudes, by generation, April 2020

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

Report Price: £3695 | \$4995 | €4400

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

- **Value will help consumers balance safe spending with dining**  
Figure 12: Promotion interest, April 2020
- **Shifts in food spending will require operator pivots**  
Figure 13: COVID-19 spending priorities, May-June 2020
- **Off-premise will play a larger role, operators will need to continually reset**

- **Impact on restaurant marketing**  
Figure 14: Total US revenues and forecast sales ranges of restaurants and eating places\*, at current prices, 2014-24
- **LSRs were better equipped for the pandemic and will recover faster**

Figure 15: Total US revenues and forecast sales ranges of restaurants and eating places\*, by segment, at current prices, 2014-24

- **Regardless of size, operators must think and act locally**
- **How the crisis will affect key consumer segments**
- **Brands will need multi-layer strategies to cast the widest net**

Figure 16: Figure 17: Information sources, by generation, April 2020

- **Solutions-focused messaging resonates with convenience-focused families**
- **How a COVID-19 recession will reshape the restaurant industry**

Figure 18: Consumer Sentiment Index, January 2007 – May 2020

Figure 19: unemployment rates, 2008-June 2020

Figure 20: Consumer spending on food away from home, monthly, 2006-10

Figure 21: Consumer spending on food away from home, annual, 2000-19 and Q1 2020

- **COVID-19: US Context**

## THE MARKET – WHAT YOU NEED TO KNOW

- **Restaurants enter uncharted territory**
- **Off-premise dining bodes well for LSRs**
- **Restaurants compete against meal delivery kits**
- **Restaurant spending is less of a priority**

## MARKET SIZE AND FORECAST

- **2020 puts foodservice industry in uncharted waters**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

Figure 22: Total US revenues and forecast sales ranges of restaurants and eating places\*, at current prices, 2014-24

## MARKET BREAKDOWN

- **LSRs were better equipped for pandemic, and subsequent recession**

Figure 23: Total US revenues and forecast sales ranges of restaurants and eating places\*, by segment, at current prices, 2014-24

- **FSR marketers must adapt, follow LSRs to catch up**

Figure 24: Year-over-year change in restaurant visitation, November 2019

Figure 25: Restaurant usage by segment, April 2020

## MARKET PERSPECTIVE

- **Consumers spending more on at-home food**

Figure 26: COVID-19 spending priorities, May-June 2020

- **Meal kits come on strong to take a bite of foodservice limitations**

## MARKET FACTORS

- **Economic instability is a threat for restaurants**

Figure 27: Consumer Sentiment Index, January 2007 – May 2020

Figure 28: unemployment rates, 2008-June 2020

- **Digitally savvy, younger diners will be catalysts for tech and dining**

Figure 29: Population by generation, 2014-24

- **Digital marketing strategies can resonate with convenience-seeking families**

Figure 30: Households by presence of related children, 2008-18

- **Takeout and delivery help restaurants survive during COVID-19 and beyond**

Figure 31: Change in takeout and delivery frequency, March and April 2020

## KEY PLAYERS – WHAT YOU NEED TO KNOW

- **Messaging remains fluid in times of crisis**
- **Personalized digital deals are working**
- **Bailout backlash impacts operators**
- **Restaurants embrace off-premise occasions**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

## WHAT'S WORKING

- **Adaptive and timely messaging**
- **Step 1: safety, sanitation, and support**  
Figure 32: Olive Garden email, "Our Commitment to You," March 14, 2020
- **Step 2: empathetic messaging**  
Figure 33: Texas Roadhouse email, "We're Here for You & Open for To-Go," March 17, 2020  
Figure 34: Jimmy John's email, "Distance Socially, Eat Locally," April 9, 2020
- **Step 3: operational shifts to off-premise experiences**  
Figure 35: IHOP email, "Introducing IHOP Curbside Pick-Up," April 3, 2020
- **Step 4: community support**  
Figure 36: Moe's Southwest Grill email, "First Responder Burrito Donation," April 15, 2020
- **Step 5: dining room safety measures**  
Figure 37: BoneFish Grill email, "Our Dining Room is Open," May 20, 2020
- **Digital communications and loyalty programs**  
Figure 38: Marketing-related behaviors, April 2020  
Figure 39: Restaurant marketing attitudes, April 2020
- **Brands in action**
- **Starbucks**
- **Chick-fil-A**
- **Chipotle Mexican Grill**
- **Chili's**

## WHAT'S STRUGGLING

- **Chain restaurants face transparency and trust issues**  
Figure 40: Restaurant marketing attitudes, by generation, April 2020
- **Scrutiny against large restaurant chains that acquired funding under PPP**

## WHAT'S NEXT

- **Off-premise options support longer-term growth**  
Figure 41: Change in takeout and delivery frequency, March and April 2020

## THE CONSUMER – WHAT YOU NEED TO KNOW

- **Digital strategy can support word-of-mouth marketing**
- **Promotional value must be easily understood**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

- **Menu photos and descriptions greatly influence consumer choice**
- **Consumers are receptive to digital and social marketing**
- **Food quality and innovation are key areas of interest**
- **Restaurateurs must remain adaptable to consumer needs**

## RESTAURANT DISCOVERY AND INFORMATION SOURCES

- **Friends/family, personal connections are pivotal to discovery**  
Figure 42: Information sources, April 2020
- **Online/social media sources effective in reaching younger generations**  
Figure 43: Information sources, by generation, April 2020
- **Parents learn about restaurants through third-party delivery**  
Figure 44: Information sources, by parental status, April 2020
- **Targeted efforts are necessary to reach ethnic groups**  
Figure 45: Information sources, by race/Hispanic origin, April 2020

## PROMOTION INTEREST

- **BOGO deals, discounts will drive most traffic**  
Figure 46: Jimmy John's Facebook post  
Figure 47: Promotion interest, April 2020
- **Young diners expect free delivery, show less interest in BOGO deals**  
Figure 48: Promotion interest, by age, April 2020
- **Kids deals + third-party delivery makes good sense**  
Figure 49: Dickey's Barbecue Pit digital ad  
Figure 50: Promotion interest, by parental status, April 2020

## RESTAURANT MARKETING STRATEGIES

- **Menu photos and descriptions are most effective**  
Figure 51: Restaurant marketing strategies, April 2020
- **Gen Z is most receptive to digital marketing**  
Figure 52: Restaurant marketing strategies, by generation, April 2020
- **Parents influenced by drive-thru menu marketing strategies**  
Figure 53: Restaurant marketing strategies, by parental status, April 2020

## MARKETING-RELATED BEHAVIORS

- **Deals are frequency drivers, not necessarily trial drivers...**  
Figure 54: Marketing-related behaviors, April 2020
- **...but social media influencers can attract new diners**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit	store.mintel.com
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

- **Geotargeting may be polarizing**
- **Loyal diners are more influenced by social media**  
Figure 55: Restaurant marketing statement agreement, by restaurant loyalty status, April 2020
- **Tap mobile and social marketing to inform Gen Z about LTOs and deals**  
Figure 56: Burger King Facebook Ad, June 2020  
Figure 57: Marketing-related behaviors, by generation, April 2020
- **Parents engage with a variety of marketing tactics**  
Figure 58: Marketing-related behaviors, by parental status, April 2020
- **Marketers must emphasize value, at-home experiences to engage Hispanic consumers**  
Figure 59: Marketing-related behaviors, by Hispanic origin, April 2020

## COMMUNICATION TOPICS

- **Diners want to hear about quality and innovation**  
Figure 60: Communication topics, April 2020
- **Communication topics shift amid pandemic but balance is needed**  
Figure 61: Longhorn Steakhouse email, "Our Commitment to You," March 15, 2020
- **Support food quality with food safety and ingredient sourcing**  
Figure 62: TURF Analysis – Communication topics, April 2020
- **Oldest generations want to know more about safety/sanitation**  
Figure 63: Future activities, going to a restaurant, by generation, June 11-24, 2020  
Figure 64: Communication topics, by generation, April 2020  
Figure 65: Chipotle email, "Turn your spare change into social change," June 19, 2020
- **Nonparents are more interested in menu innovation**  
Figure 66: Communication topics, by parental status, April 2020

## RESTAURANT MARKETING ATTITUDES AND BEHAVIORS

- **Restaurants must listen and form personal connections with diners**  
Figure 67: Restaurant marketing attitudes, April 2020
- **Parents will share data to get a good deal**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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

Figure 68: Restaurant marketing attitudes, by parental status, April 2020

- **Gain trust through charitable, ethical actions**

Figure 69: Shake Shack email, "Listen. Learn. Act.," June 5, 2020

- **Young diners want restaurants to partner with charities**

Figure 70: Restaurant marketing attitudes, by age, April 2020

## APPENDIX – DATA SOURCES AND ABBREVIATIONS

- Data sources
- Forecast
- Consumer survey data
- Consumer qualitative research
- Direct marketing creative
- Abbreviations and terms
- Abbreviations
- Terms

## APPENDIX – THE MARKET

Figure 71: Total US revenues and forecast sales ranges of restaurants and eating places\*, by segment, at inflation-adjusted prices, 2014–24

## APPENDIX – THE CONSUMER

- **TURF Methodology**

Figure 72: Table – TURF Analysis – restaurant marketing strategies, April 2020

Figure 73: Table – TURF Analysis – Communication topics, April 2020

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

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





## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.