Changes in Consumer Habits:

Looking ahead, learnings for restaurants and food service establishments

INTOUCH INSIGHT

"The secret of change is to focus all of your energy, not on fighting the old, but on building the new."

- **Socrates**

Who we are

At **Intouch Insight**, we provide experiential and operational expertise to businesses around the world. We specialize in supporting restaurant as they deliver on their brand promise. Leveraging our automated CX platform, brands are able to produce the high-value actions that **earn customers for life**.

Learn more:

Letschat@intouchinsight.com

www.intouchinsight.com

Disclaimer: The views expressed in this study are representative of the survey data collected. Please continue to follow the advice of medical professionals and your regional government officials for recommendations around health and safety protocol.

Introduction & Update

In May, as consumers were feeling the impact of the global pandemic, we leveraged our business intelligence platform, LiaCX®, to learn about their experiences and expectations. We received over **2000 survey responses**, and produced **three reports** in an effort to better understand the repercussions of COVID-19.

To understand the long term impacts of changing consumer habits, we followed-up with a second survey of the same audience in **October 2020**, and received over **1400 responses.**

In this report we will address how today's respondents are engaging with **Food Service Establishments**. We will dive into the changes reported in consumer behavior over the past 6 months, and examine the habits that have formed, and whether or not they are here to stay.

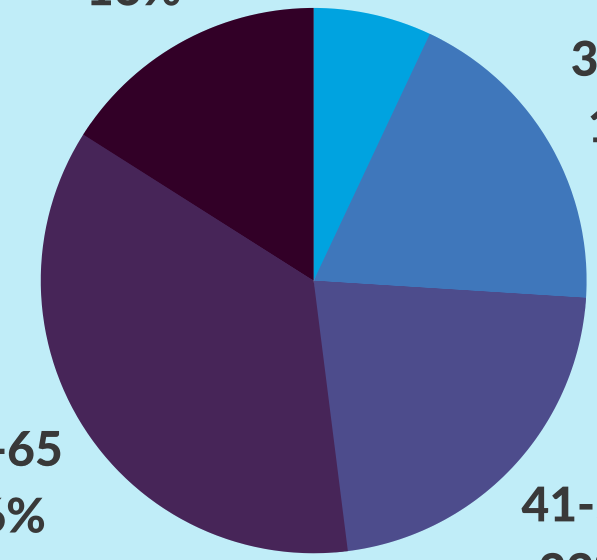
To help restaurant owners and operators adapt during these challenging times, we hope to empower readers with the insights and information they need to **take action** and **build trust.**

Continue reading to discover:

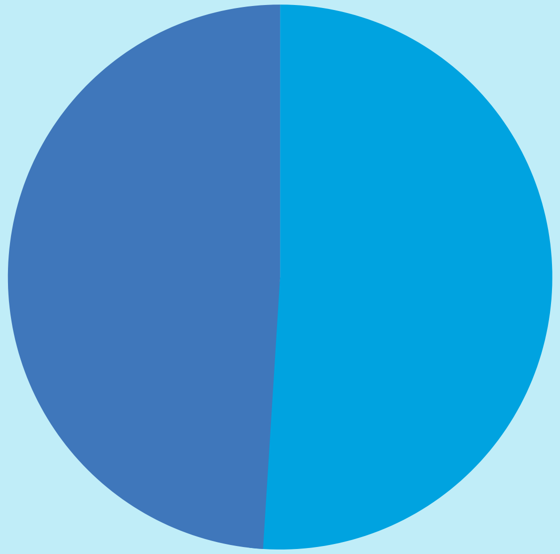
- What consumers expect,
- How habits have changed since the start of the pandemic,
- Where businesses should focus their efforts.

Survey Demographics

AGE



LOCATION



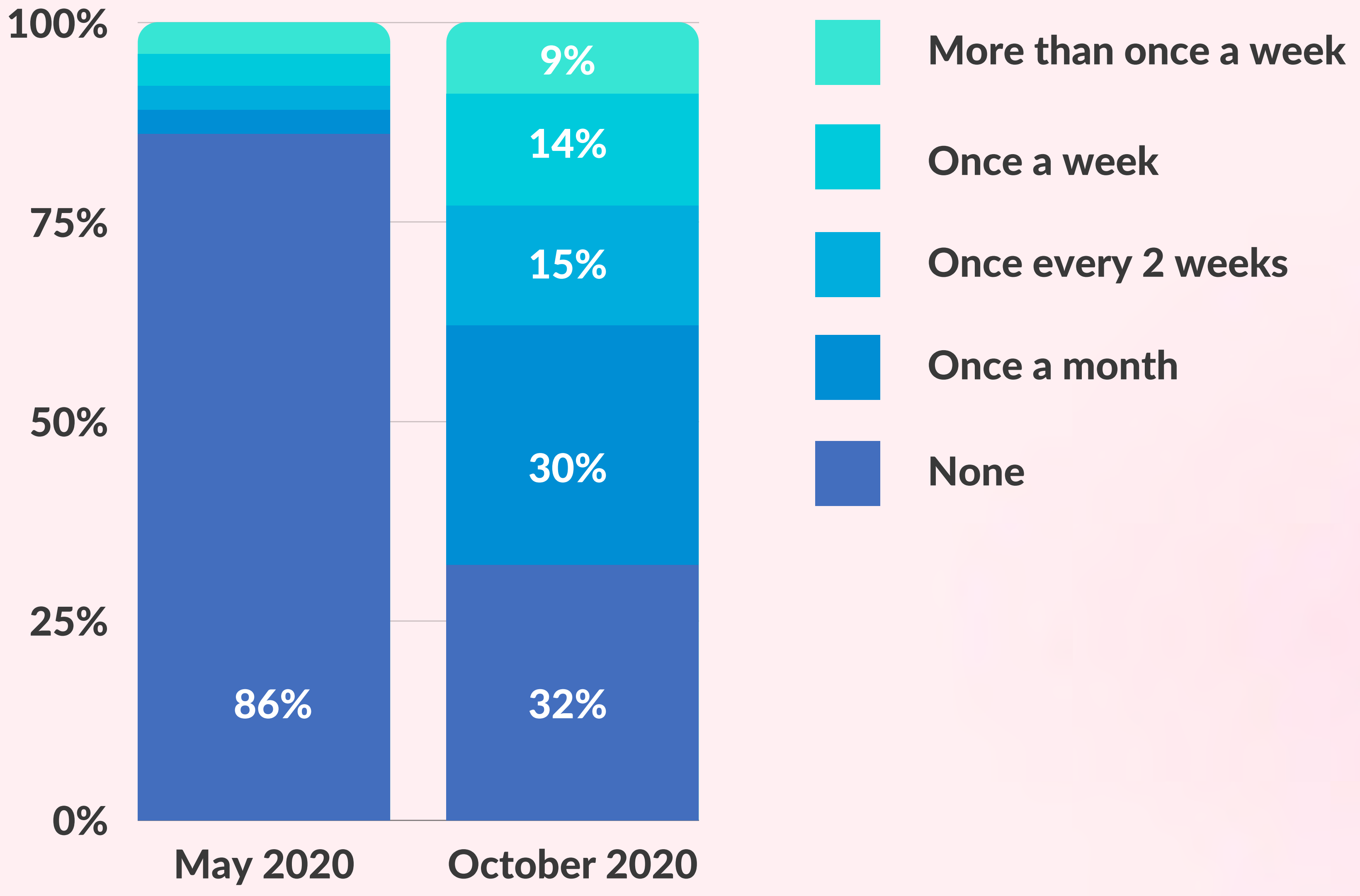
Initial findings

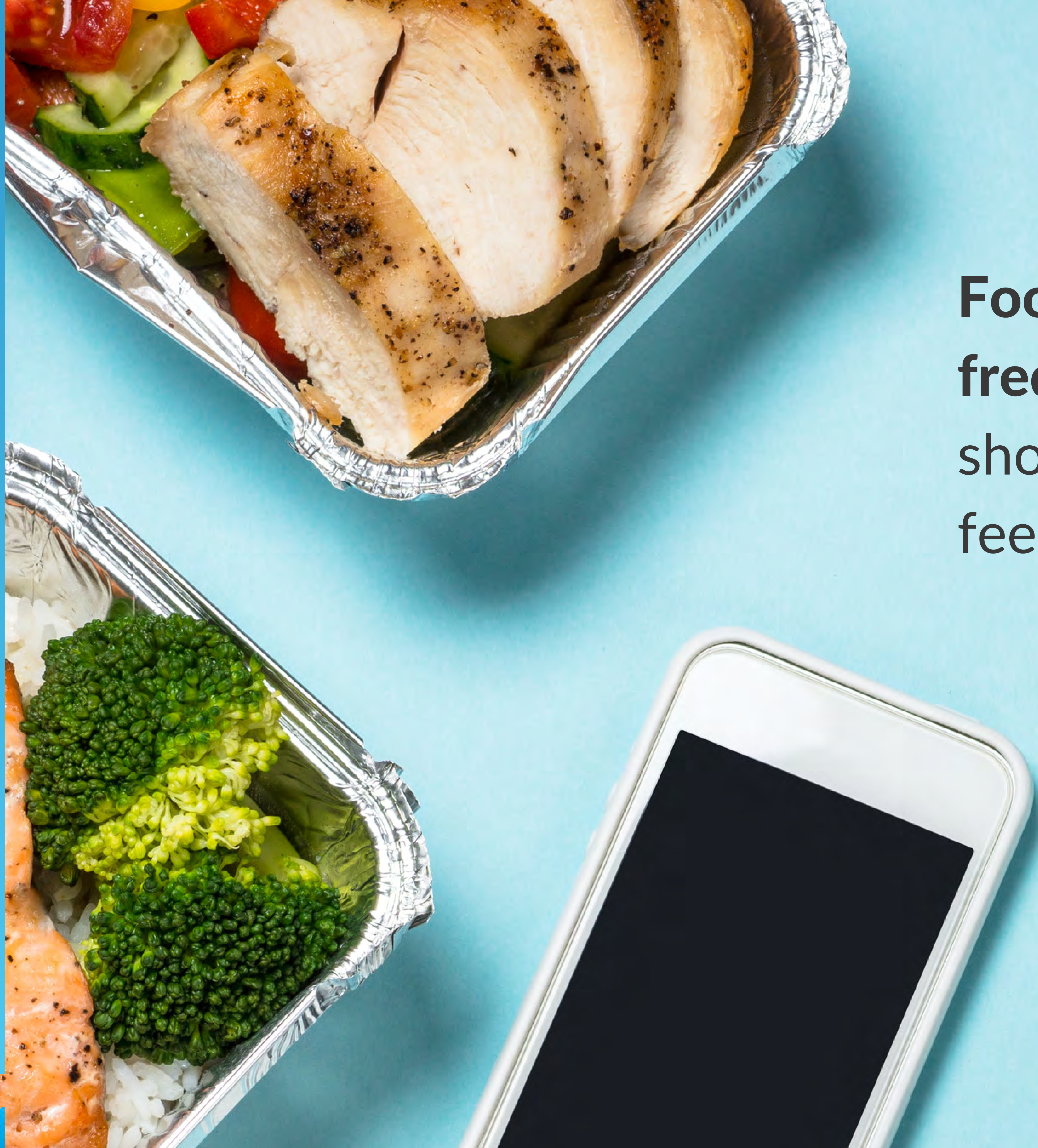
How we order and purchase **prepared food** has changed over the past six months (since our initial study), and varies greatly from household to household.

INTOUCH INSIGHT

86% of respondents avoided **dining-in** back in **May**. But as restaurants reopen and new health and safety standards are adopted, traffic has largely returned to many **restaurants,** at varying frequencies.

Frequency of trips made to dine-in at a restaurant.





Food delivery has **decreased in frequency by 4%** since May, which should come as no surprise as people feel more comfortable going out.

INTOUCH INSIGHT

Drive-thru and **take-out behaviors** have remained relatively the same over the past 6 months.

Respondents indicated that their **weekly drive-thru** stops have **decreased by only 1%** since May, and **take-out** has **decreased by 3%** during the same period.

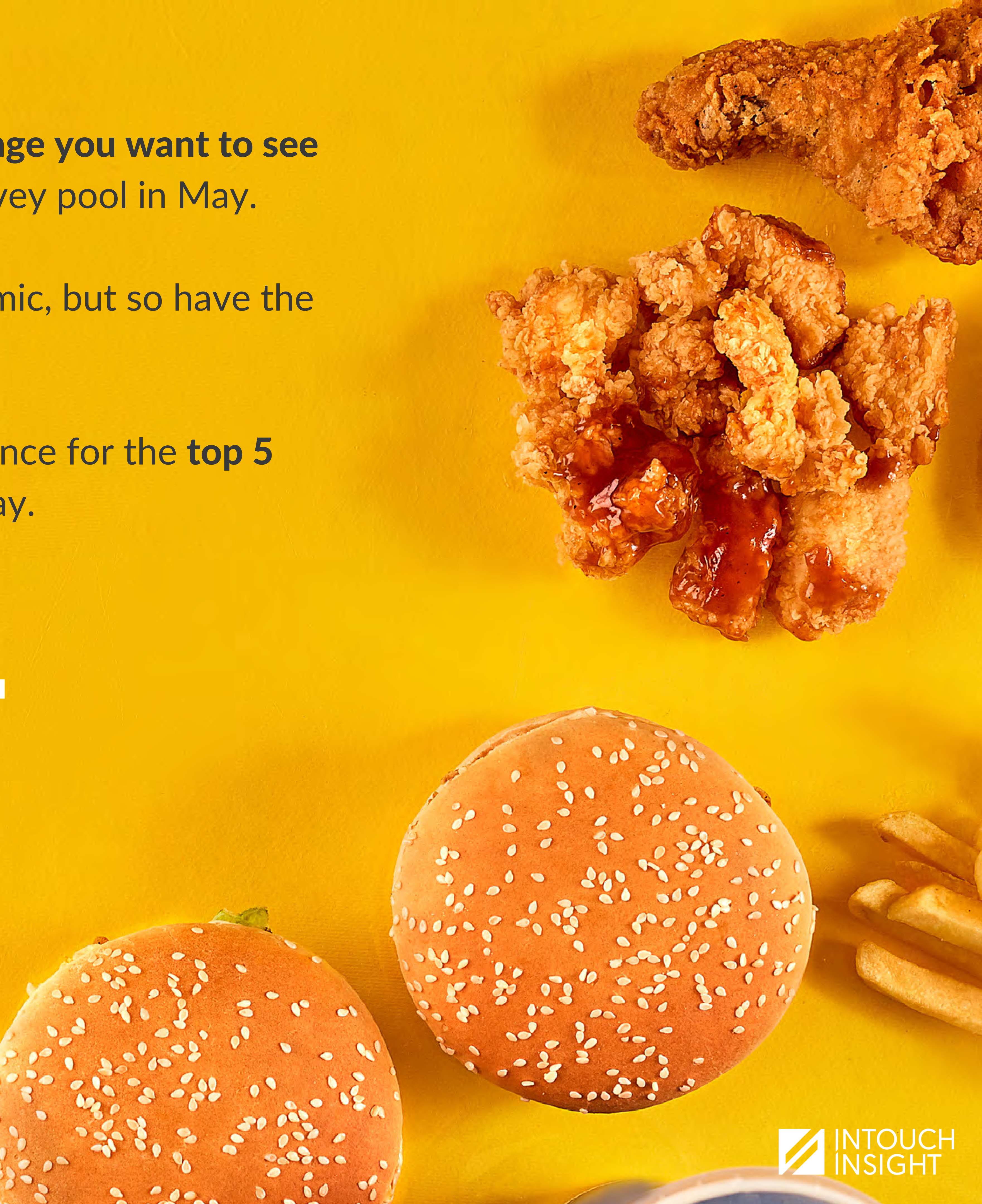
INTOUCH INSIGHT

In October, we asked consumers, **"what is the number one change you want to see businesses make?"** We presented the same question to our survey pool in May.

Guidelines and restrictions have evolved throughout the pandemic, but so have the priorities of consumers.

Here we examine the **percentage of change** in terms of importance for the **top 5 priorities** observed in May, versus their level of importance today.

Top priorities identified in May	% of change in October
Improved cleanliness	-5%
Better online ordering	+6%
Employees wearing safety apparel	+3%
Limiting store traffic	-4%
More contactless service	No change



To capture changes in **health guidelines** enacted in most jurisdictions since May, additional options were added to this same question. Here is the **rank ordered list** of **priorities** that **emerged in October**.

What is the number one change you want to see businesses make?

Key findings

Though it may seem things are going back to a pre-COVID-19 kind of normal, don't be fooled. **Consumer habits have changed,** and food service establishments need to continue making adjustments to keep their **customers** and **employees safe** and **happy**.

In this study, we will provide insights and recommendations on the pain points customers are experiencing, and tips for future-proofing your businesses.

If this is as far as you go in the study, the **next 3 slides** will give you exactly what you need to know.

Key Finding #1: Consumers needs have evolved since May (Page 16)

- Quality of food has replaced cleanliness of the establishment in terms of a top priority to our respondents;
- However, cleanliness remains very important to today's respondents;
- Respondents are more comfortable purchasing food and drinks in-store today than they were in May;
- Consumers expect high quality of food and easy ordering experiences both in-person and online.

INTOUCH INSIGHT

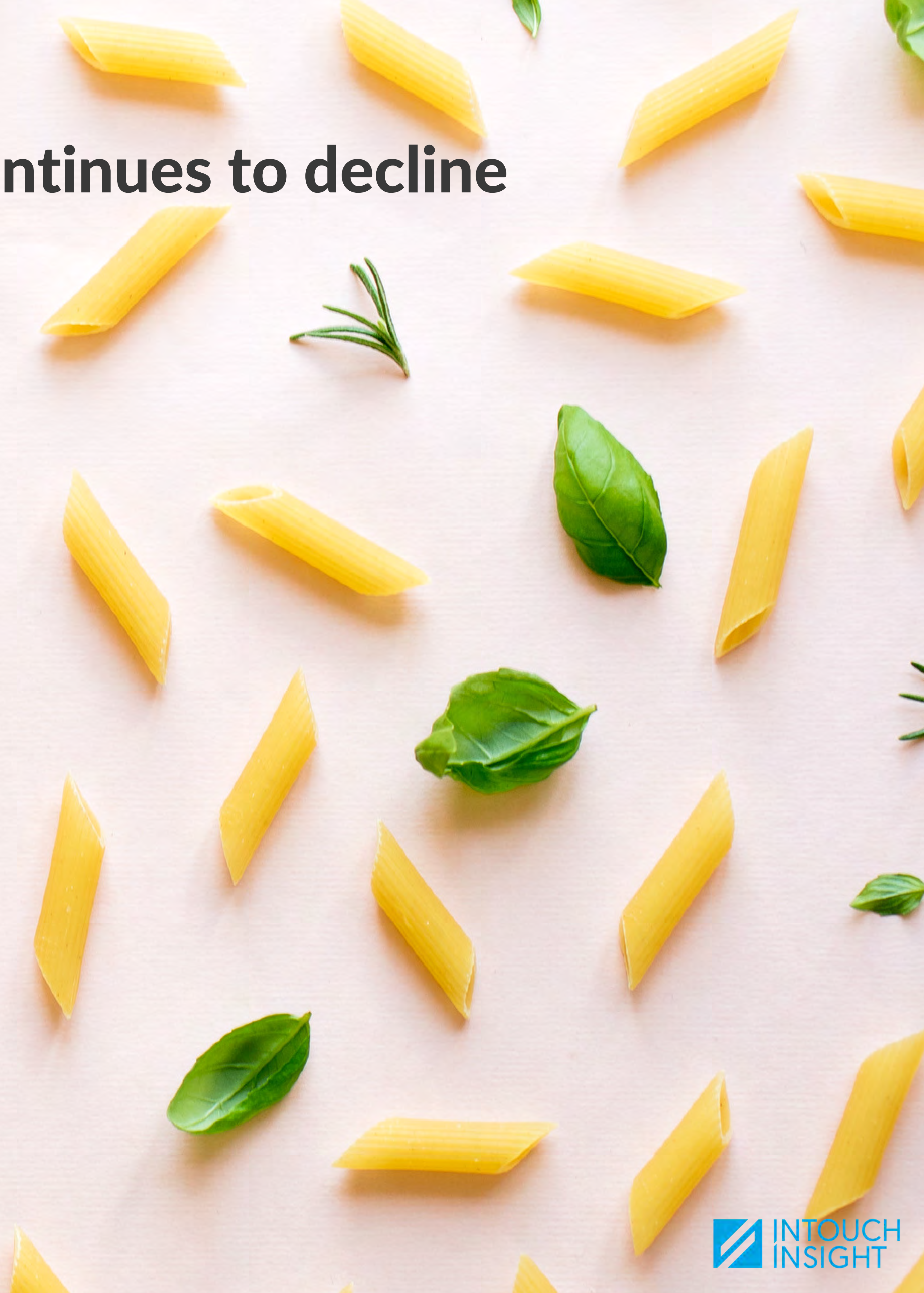
Key Finding #2: Online ordering is here to stay (Page 26)

- The online ordering of prepared food has remained steady over the past 6 months;
- Respondents want businesses to invest in better online ordering capabilities;
- Respondents want access to easier online ordering processes.

INTOUCH INSIGHT

Key Finding #3: Use of communal spaces continues to decline (Page 34)

- Use of communal spaces and facilities (e.g. condiment or coffee bars) continues to decline;
- Crew-service is still preferred over self-service when it comes to ordering prepared food and coffee;
- Food service establishments need to reimagine and repurpose physical spaces that aren't being used, to better serve today's consumer.



Key finding #1

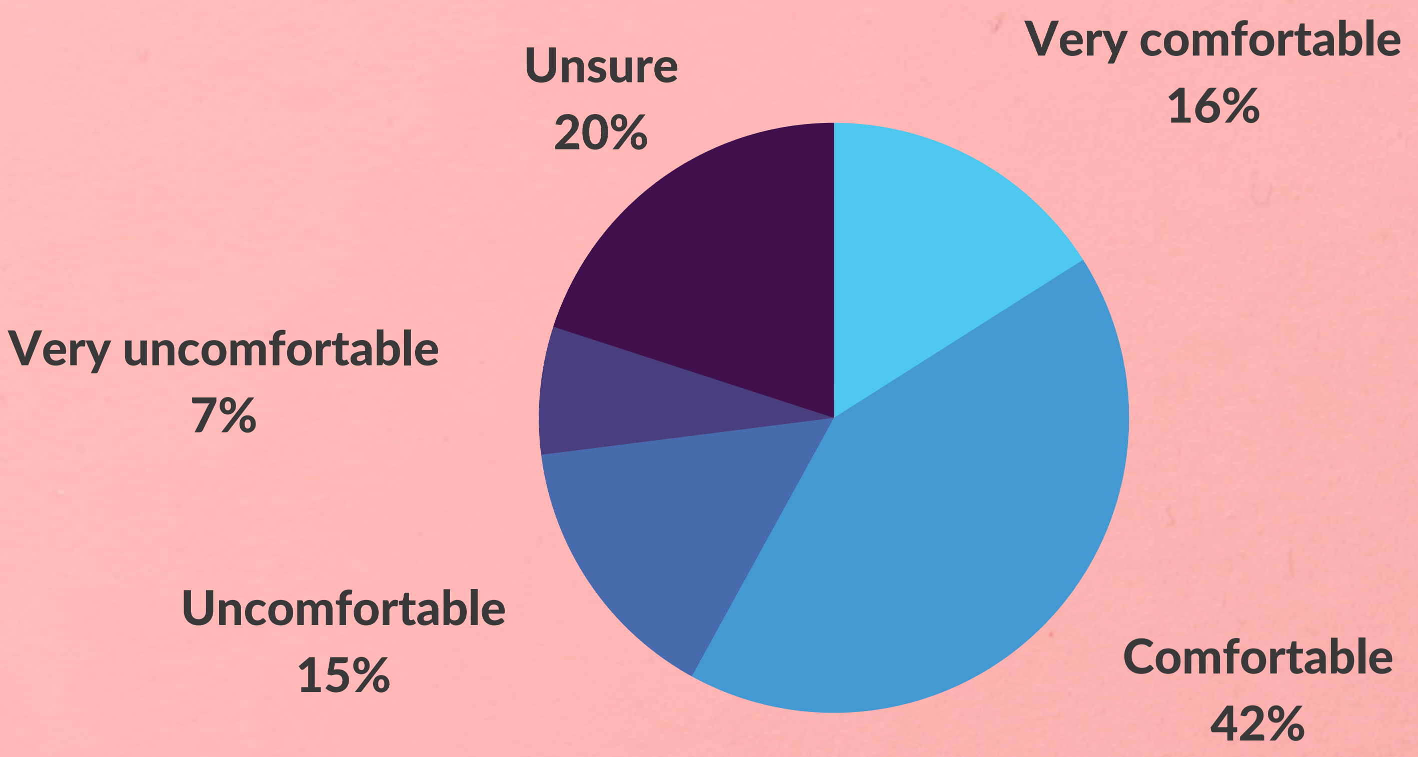
Consumers needs have evolved

INTOUCH INSIGHT

Today, **58% of respondents** are **comfortable, or very comfortable** entering a restaurant.

The opportunity here is to address the concerns of the **20% who remain unsure.**

Focus on using the key learnings in this report, and those in the May study, to **implement measures that put unsure customers at ease.**



78% of respondents who still feel **uncomfortable** entering a restaurant would like businesses to continue to **limit the number of customers** allowed in a **food service establishment** at a given time.

The expectation is that businesses will continue to enforce good **operational health** and **safety practices**, but also will also **enable their customers** to practice **improved cleanliness**, taking accountability for the safety of others.

82% of respondents would feel **more comfortable** entering a **food service establishment** if **hand sanitizer** and **disinfectant wipes** were made available for customers to use.

INTOUCH INSIGHT

Ensuring that businesses **ask** and **enforce** customers to **wear masks** and **face covers** before entering a **food service establishment** has also become a **top priority** to today's respondents.

Disclaimer: The views expressed in this study are representative of the survey data collected. Please continue to follow the advice of medical professionals and your regional government officials for recommendations around health and safety protocol.

When making the decision to **visit a restaurant** or **order prepared food, quality of food** is of the **uttermost importance** to **90% of respondents**.

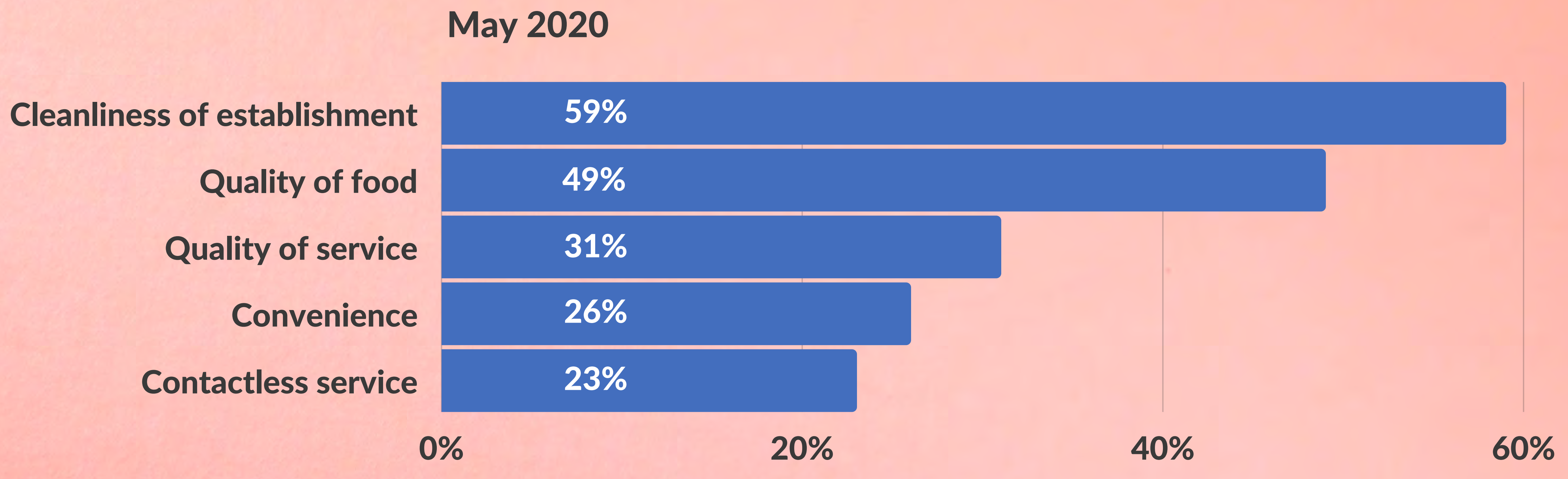
By contrast, in **May**, **quality of food** ranked as **extremely important to only 49% of respondents**, demonstrating how needs have evolved over the past six months.

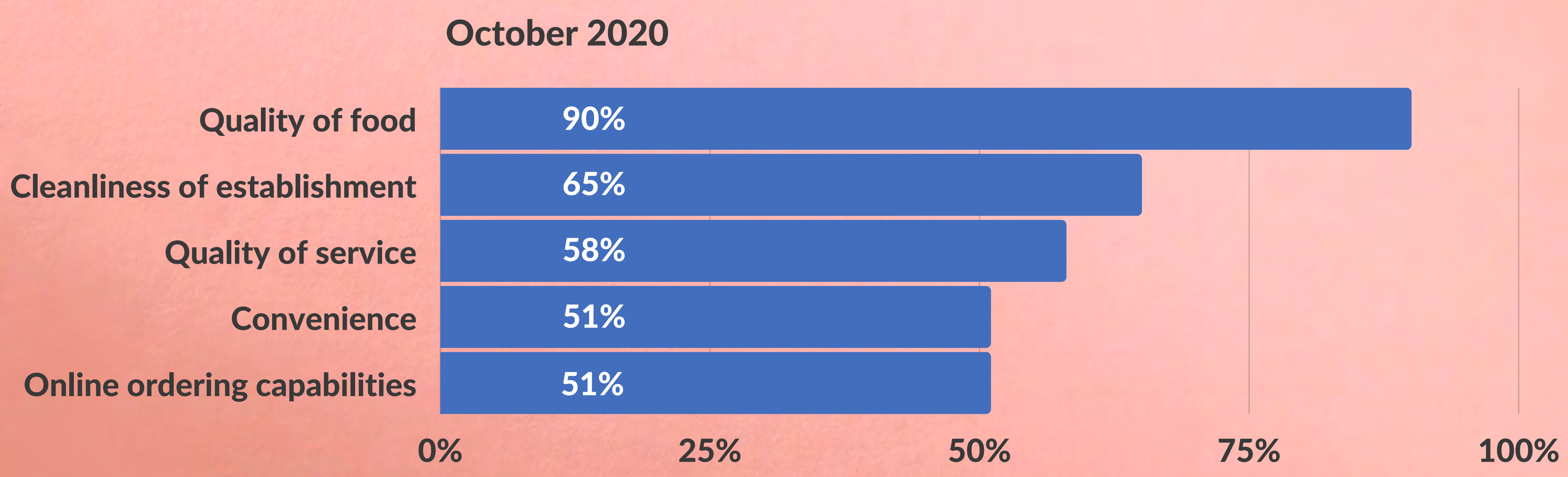
Cleanliness of the establishment closely followed quality of food, with **65% of respondents rating it as extremely important** in October, when making the decision to order **prepared food**.

Even though **cleanliness** has **lowered** in terms of **ranking**, it has **increased in overall percentage** of **importance** since May.

See the next page for a side-by-side comparison.

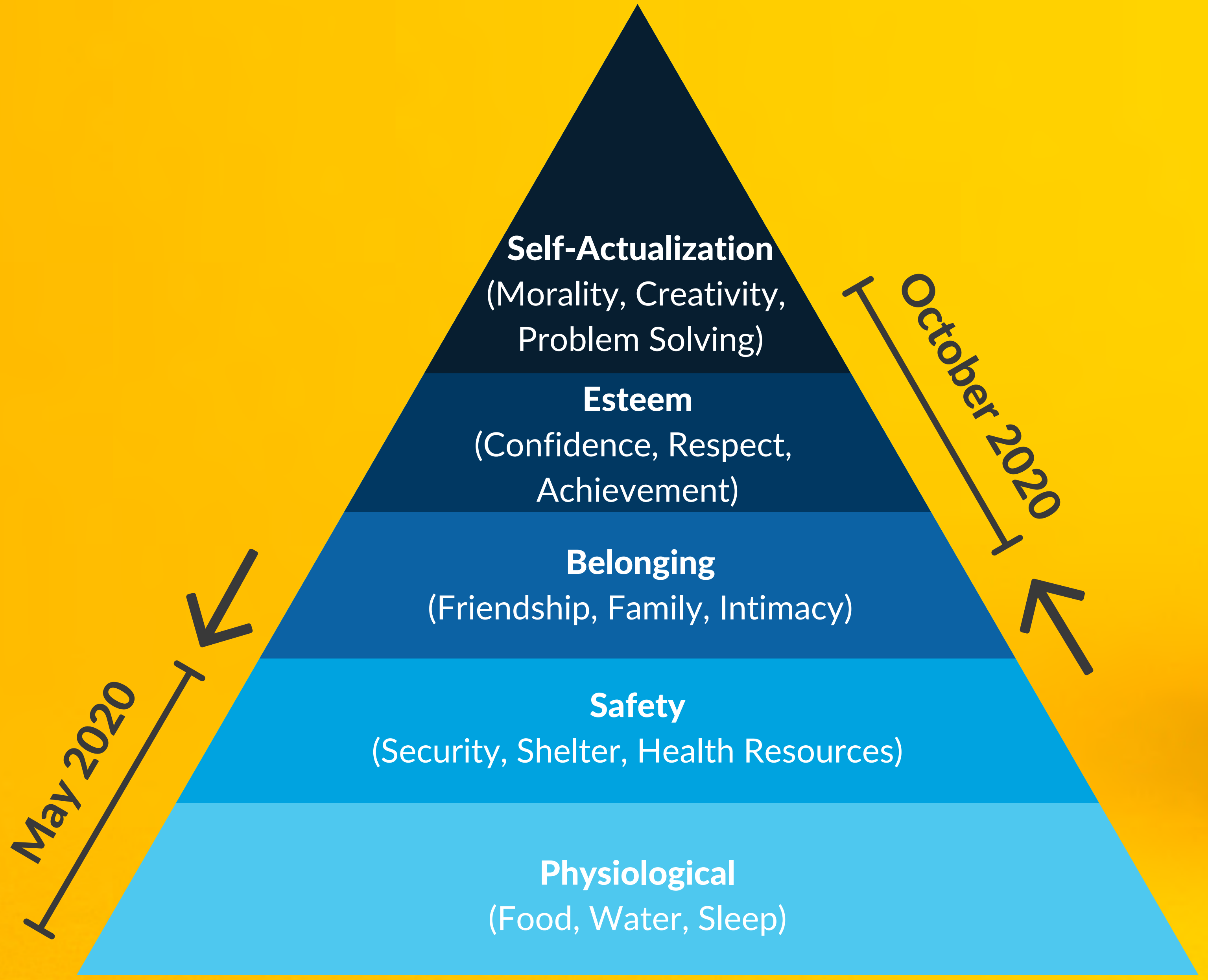
Here are the **top 5 aspects** that are **most important to respondents** when making the decision to **order prepared food.**





INTOUCH INSIGHT

If we refer to **Maslow's Hierarchy of Needs**, the October data shows that consumer needs have started to shift back towards **pre-COVID-19 levels.** Customers want **convenience** and **quality,** in addition to more **fundamental needs** like **safety.**



Maslow's Hierarchy of Needs

Here's a closer look at how specific **needs and expectations** around **cleanliness** and **improved sanitization** have evolved over the past 6 months.

What would make you feel more comfortable when entering a restaurant or food service establishment?

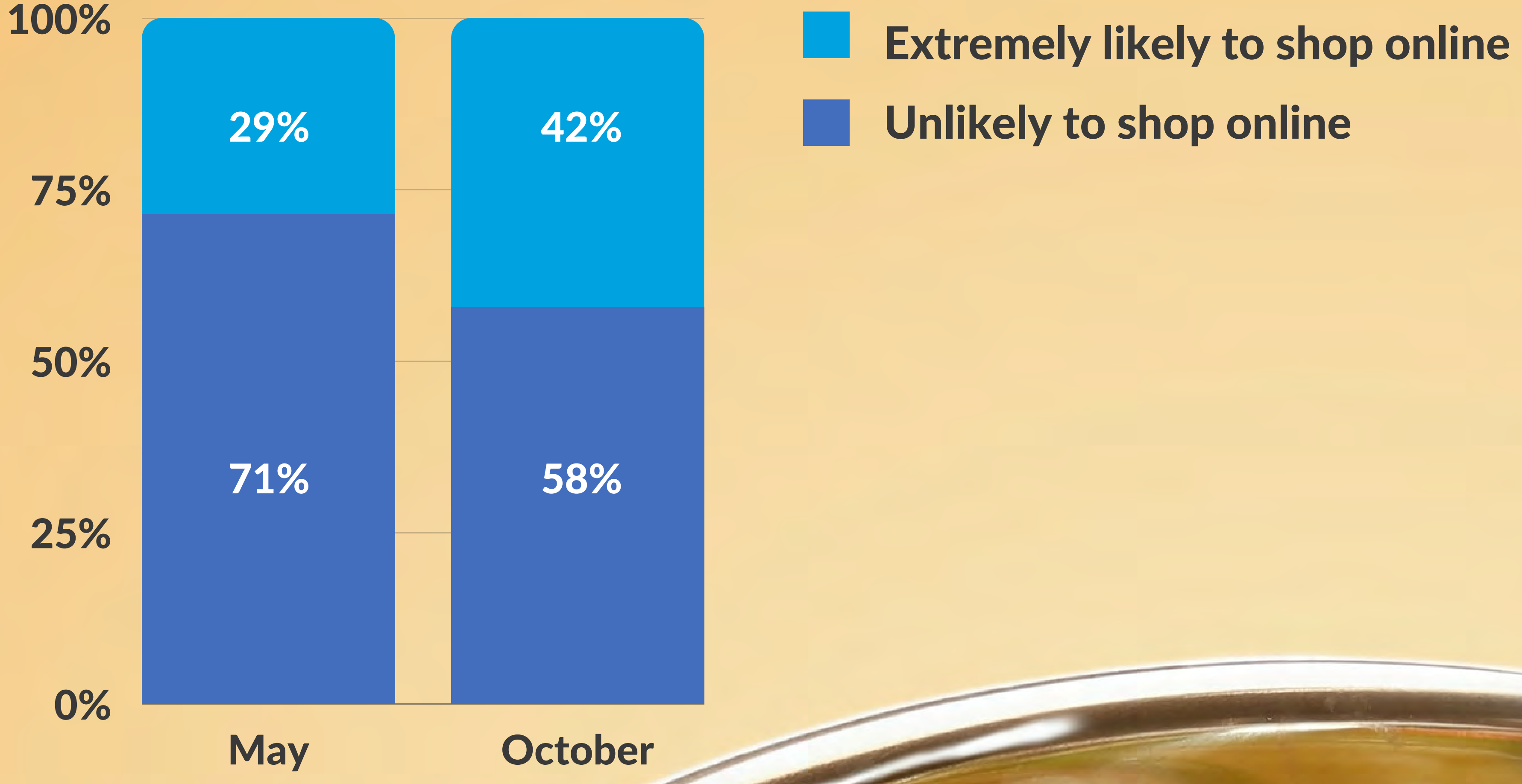
May 2020	October 2020
49% Disinfectant wipes and hand sanitizer	**82%** Disinfectant wipes and hand sanitizer
36% Employees wearing safety apparel	**76%** Employees wearing safety apparel
39% Employees visibly cleaning surfaces	**75%** Employees visibly cleaning surfaces

Key finding #2

Online ordering is here to stay

INTOUCH INSIGHT

Today, **42% of respondents** expressed that they are **extremely likely** to **shop online**, versus the **29%** that we observed in May.

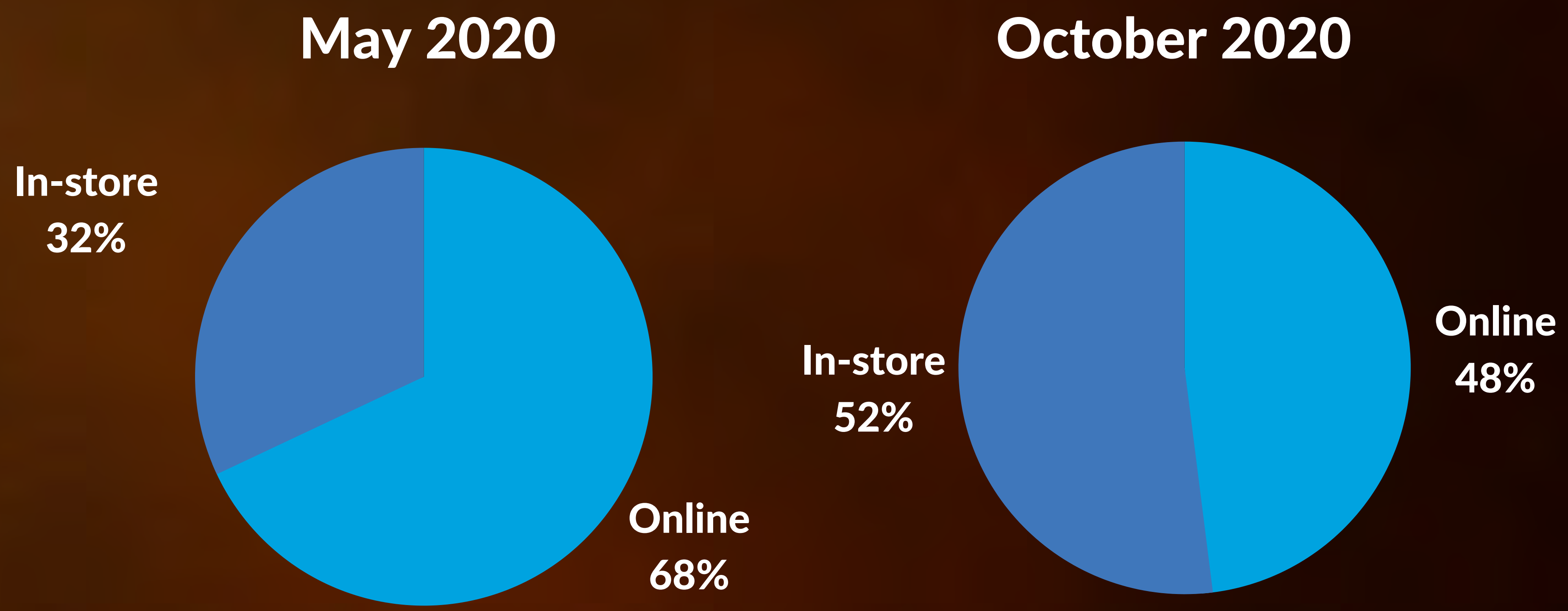


INTOUCH INSIGHT

54% of respondents said that the frequency with which they shop online has **increased,** overall **up by 2%** since **May**.

INTOUCH INSIGHT

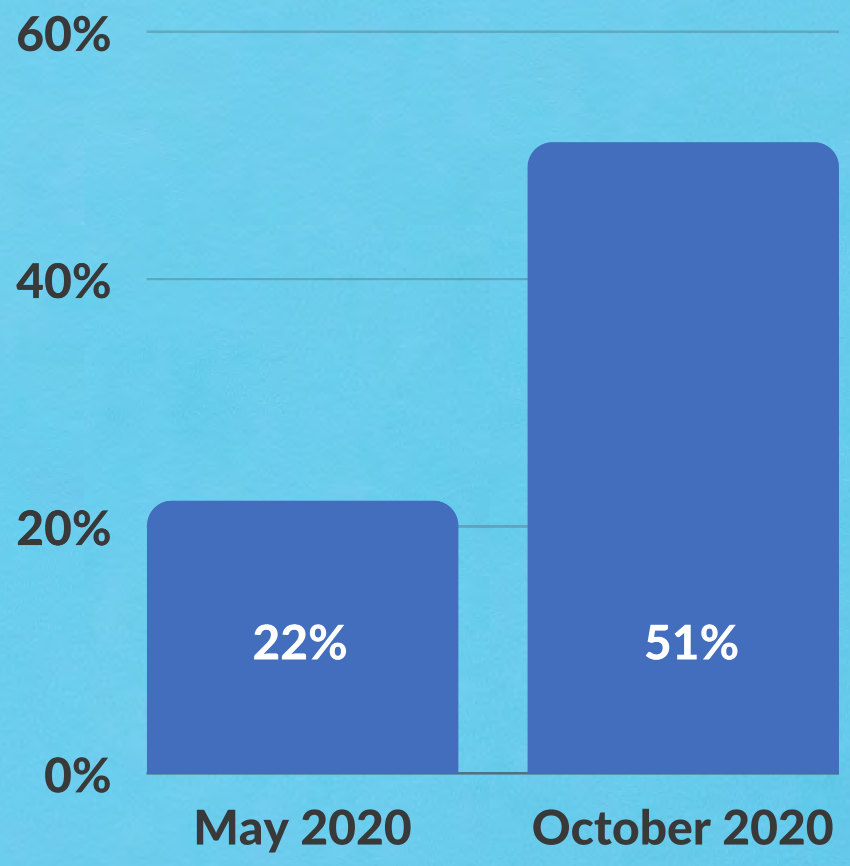
Today, while we are seeing a return to **in-person** engagement with **restaurants and food service establishments**, almost **50% of respondents** continue to **order food online**.



INTOUCH INSIGHT

Online ordering capabilities as they pertain to **prepared food** have **increased** in terms of **importance, ranking 5th** in overall **priority** to today's respondents, compared to **7th position** in May.

How important is online ordering when making the decision where to order prepared food.

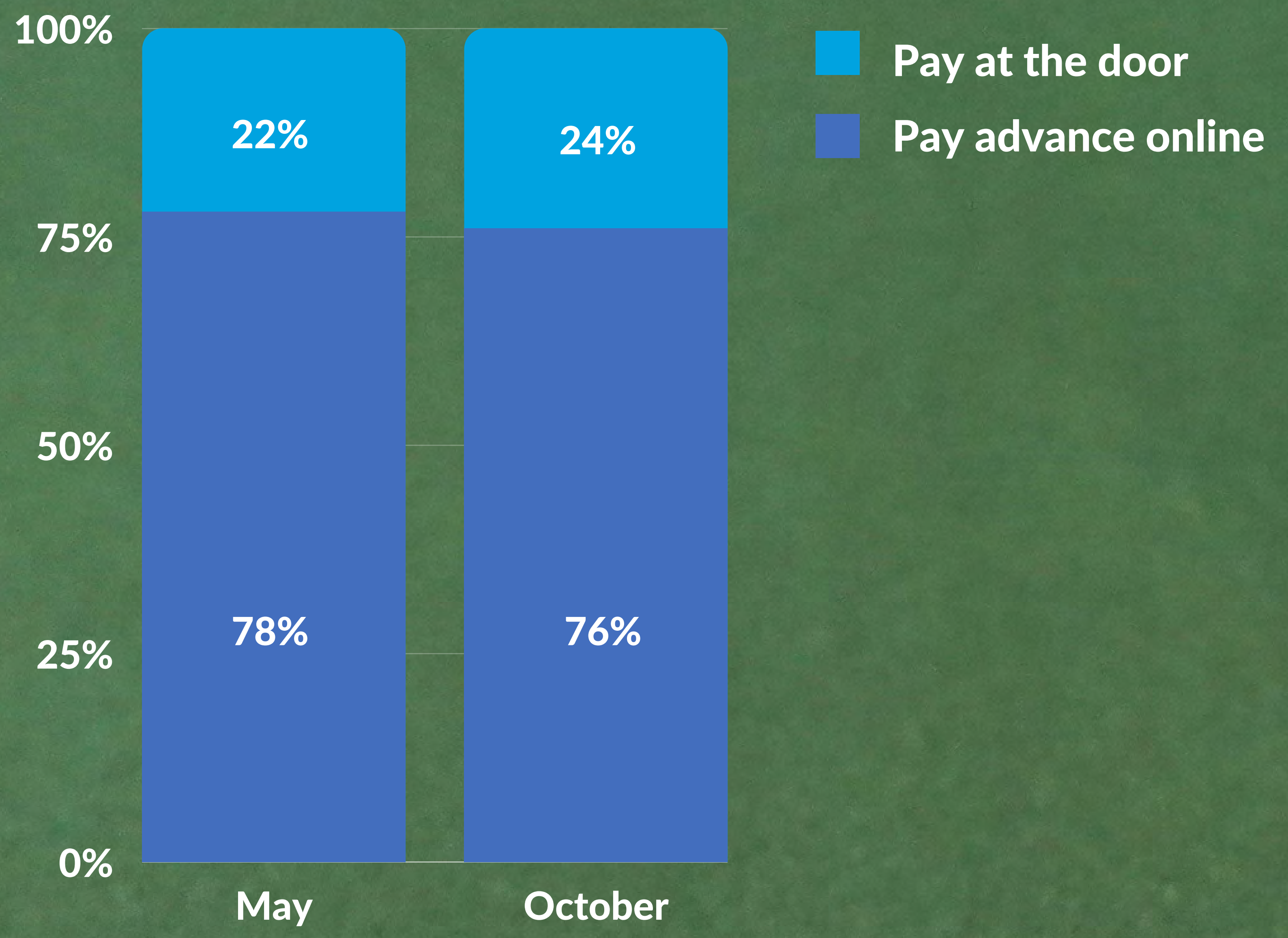


When respondents were asked about the **number one change** that they would like to see businesses make in the future:

- A desire for **better online ordering capabilities** ranked **3rd** in terms of overall **importance** to today's respondents. This reinforces that customers today **expect online options**.

- Easier **online ordering processes** ranked **4th,** demonstrating that consumers are **facing obstacles** when using **existing online services** and want and expect **easy-to-use, frictionless experiences**.

Paying **online, in-advance** continues to be preferred to **paying at the door** for items that are **purchased online for pick-up,** with only **2% fewer respondents** stating online payment as their preference in October.



INTOUCH INSIGHT

Overall, respondents have reported an **increase in comfort levels** with regards to making purchases **in-person**, as compared to May.

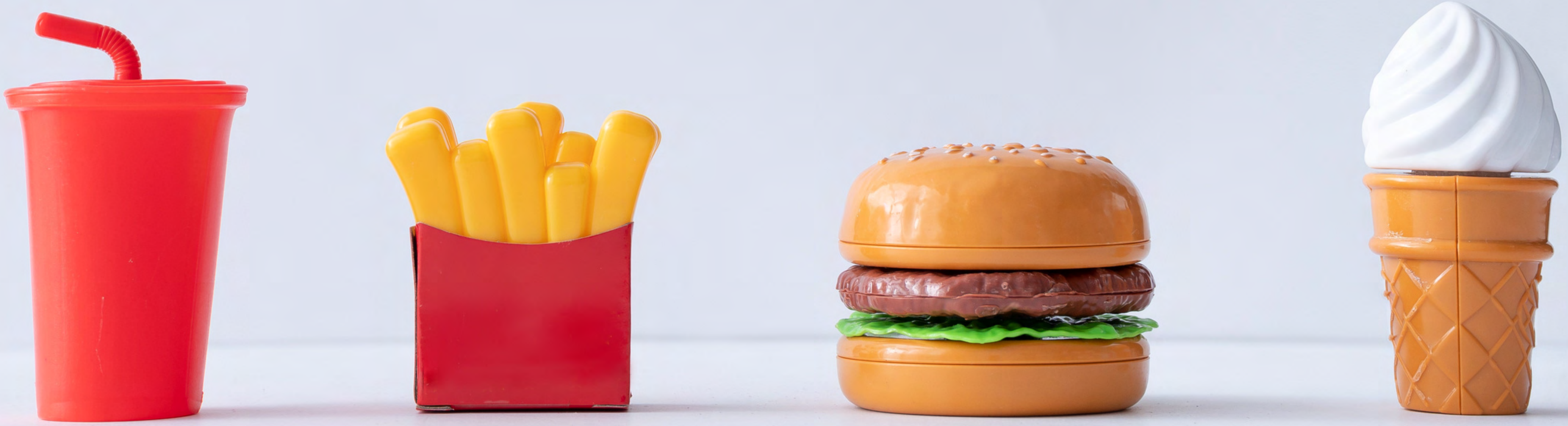
But for the respondents that remain **unsure**, or those that enjoy the convenience of **online ordering,** they're asking for improvements to be made that businesses can't ignore.

Remove **pain points** for your customers, **solicit their feedback** to better understand their experience, and ensure that every service offered by your business operates seamlessly and to the same standard.

INTOUCH INSIGHT

Key finding #3

Use of communal spaces continues decline

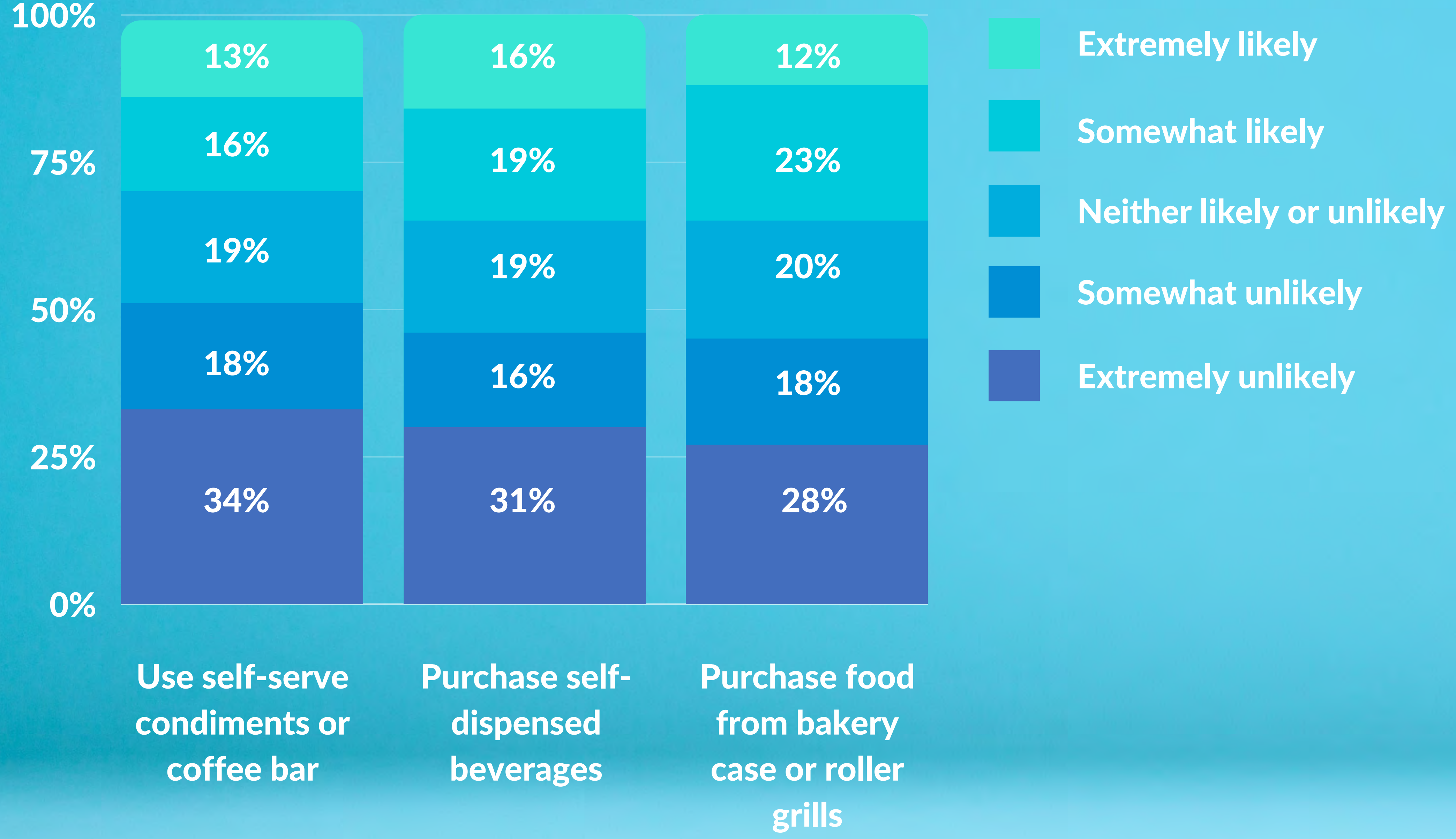


Activity around **self-serve condiments, coffee bars, self-dispensed drinks, food items from bakery cases,** and **roller grills** continues to **decline**.

This is an opportunity for restaurants and food service establishments to **reimagine** how these **communal space are used** and what they are used for.

INTOUCH INSIGHT

How likely are you to engage in the following activities? (October 2020)



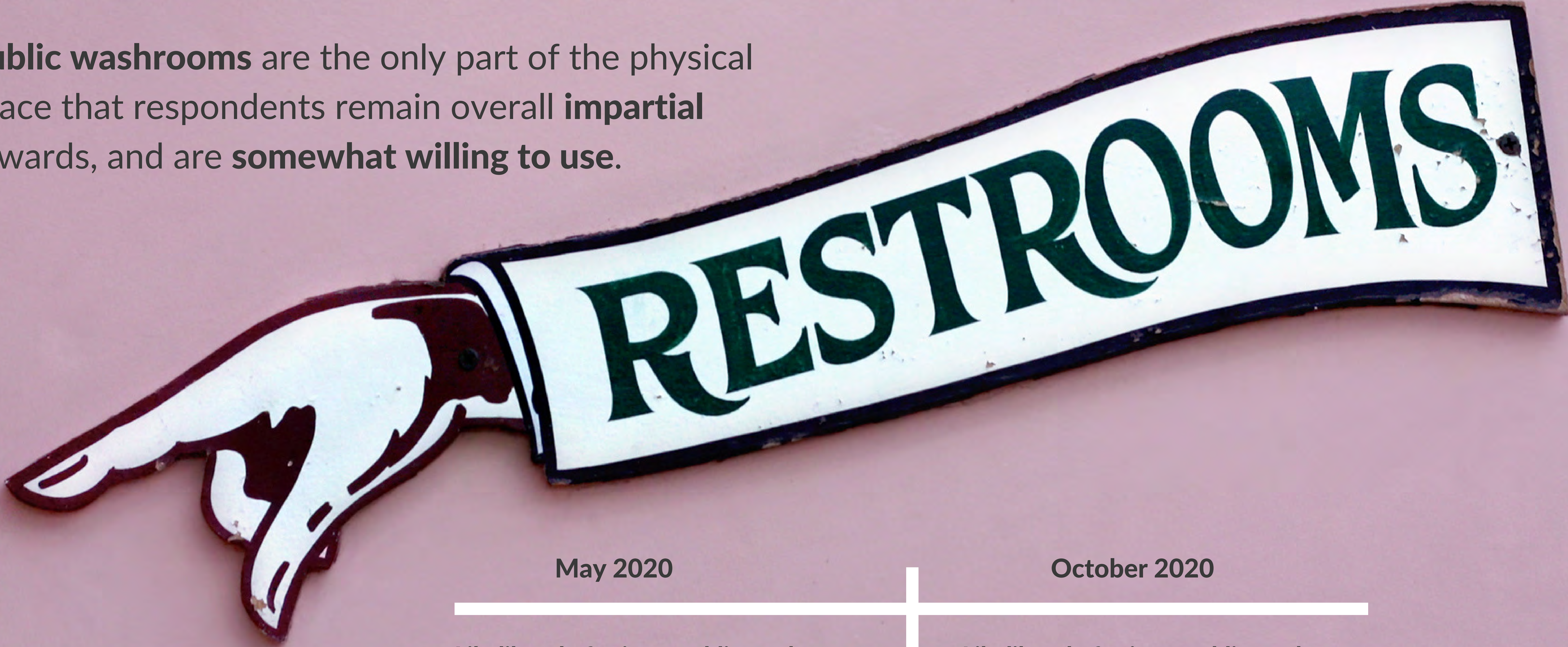
INTOUCH INSIGHT

Reluctance to use **communal spaces** in restaurants and food service establishments continues to **increase**, as respondents are feeling less likely to engage in these activities.

Extremely unlikely to engage in the following activities.	**% of change in October**
Use self-serve condiments or coffee bar	+9%
Purchase self-dispensed beverages	+10%
Purchase food from bakery case or roller grills	+7%

Consider **closing self-serve condiment stations** and **coffee bars**. Use this space instead to queue up **take-out orders** for **easy identification** during **pick-up** and **delivery**, minimizing the time people need to spend on-site.

Public washrooms are the only part of the physical space that respondents remain overall **impartial** towards, and are **somewhat willing to use**.



May 2020	October 2020
Likelihood of using a public washroom • 16% are extremely unlikely • 22% are extremely likely	**Likelihood of using a public washroom** • 16% are extremely unlikely • 25% are extremely likely

As consumers continue to avoid **self-serve**, and **communal components** of a food service establishment, when given the option, our respondents opt for **crew-service.** This is where an employee will take the order, prepare it, serve it, and process payment.

- **60% of respondents** prefer **crew-service** when **purchasing coffee**, exactly the same as reported in May;
- **63% of respondents** prefer **crew-service** today when purchasing **prepared food,** down **1%** since May.

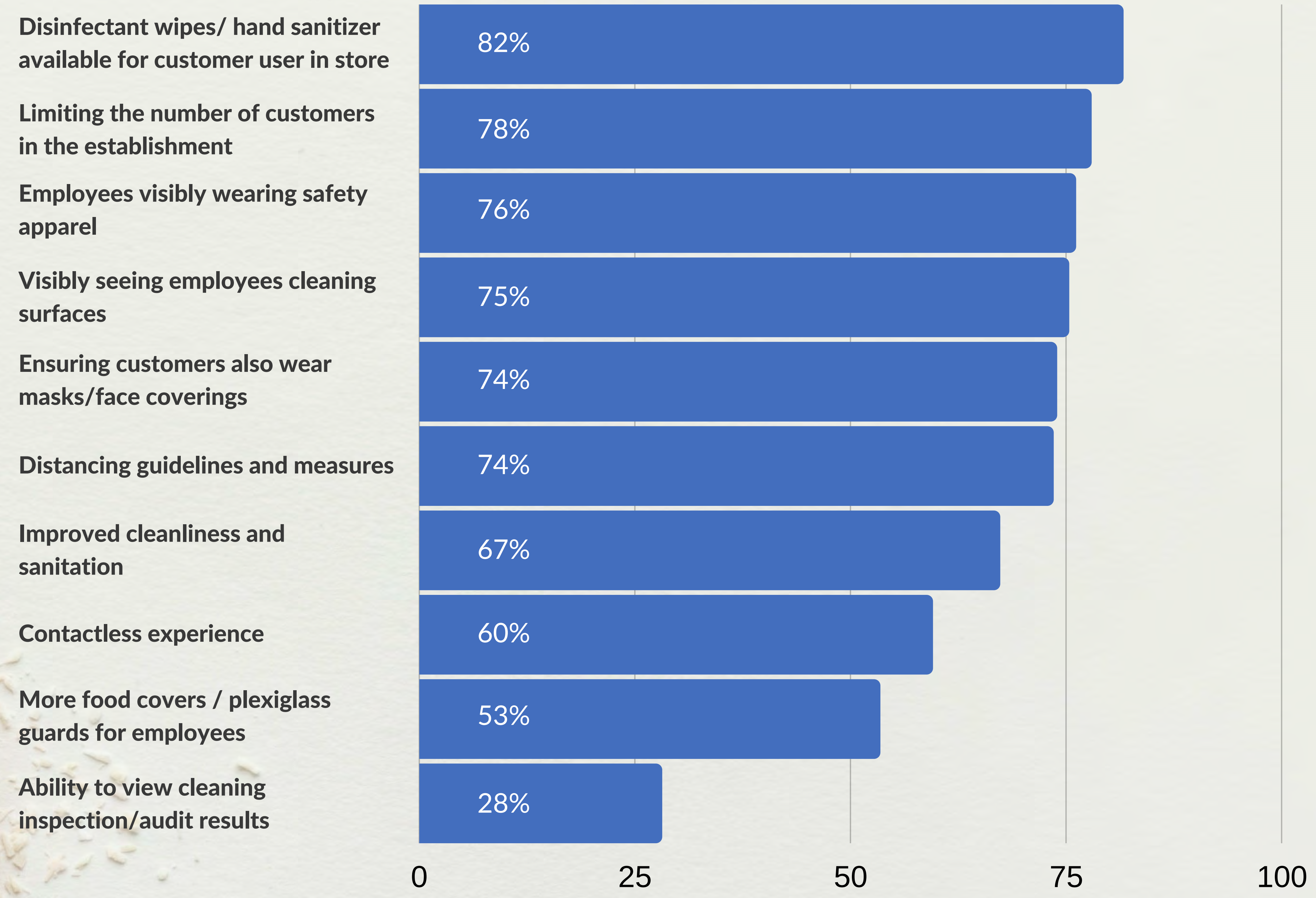
INTOUCH INSIGHT

As the worldwide situation evolves, so do the drivers of comfort. From May to October, we have seen a shift in the **key drivers** that put **consumers at ease**.

In May, the **top 3 factors** were:

- Improved cleanliness and sanitation,
- Disinfectant wipes/ hand sanitizer available for customer user in store,
- Distancing guidelines and measures.

% of respondents that identified the following key aspects as 'Extremely Important' in adding comfort when entering a physical store. - October 2020



Where do we go from here?

Habits are a way for your brain to save energy. And let's be honest, there's a lot going on for everyone right now. Our mental load is at capacity. We could all use a little energy saving assistance.

With the closure and reopening of restaurants, and the implementation of new rules and regulations, it’s been hard for businesses and consumers alike to know what to expect.

Now is the time for restaurants and food service establishments to save their customers time and energy, by making things EASIER for them.

In May, it was all about **safety and cleanliness**, all the time. But things like **quality** and **convenience** matter more to today's consumer, than they did six months ago.

New habits have formed, some even becoming **entrenched**, but so have new expectations. Today, consumers are more **willing to dine-in**, **more likely to order food online**, and are **in pursuit of high quality products.**

Help your customers by identifying and resolving aspects of the customer journey prohibiting them from taking advantage of your full offering. By eliminating pain points, and using the data in this study to improve their customer experience and your operational performance.

INTOUCH INSIGHT

As a business, it is critical that you continue to focus your efforts on:

- Investing in **online ordering capabilities** to make processes as user-friendly and easy to use as possible;
- **Repurposing physical spaces** that aren't being used to create **operational efficiencies** that meet new demands around **delivery** and **pick-up**;
- Continuing to implement **cleanliness** and **sanitation** procedures to avoid a drop in customer **comfort levels**;
- Reinforcing **health** and **safety precautions** before allowing entry to a food service establishment;
- Implementing protocols that **ensure quality standards** are being met.

We are all looking for **easy, safe**, and **reliable** ways to get food and comfort into our homes. Focus on building consistent and enjoyable experiences, whether in-person or online, so quality food can reach your customers, and keep them hungry for more.

Download the reports

May 2020

- A Field Study on the Future of Retail
- A Closer Look at Restaurants and Food Service Establishments
- Implications for Convenience Stores and Gas Stations

October 2020

- Retail
- Restaurant
- Convenience-Stores and Gas Stations (Coming Soon)

About us

At Intouch Insight, our focus is on enabling businesses to collect insights that drive improvement and influence outcomes. Though a lot has changed over our past 40 years in business, our focus remains the same.

We are on a mission to be the leading software and services provider, offering an integrated solution that enables our clients listen to their customers, interpret the results, and act to align operations with customer expectations.

By leveraging our deep expertise and flexible software platform, our clients are empowered to delight their customers and improve their bottom line.

Please note: For additional survey points and data insights please contact **letschat@intouchinsight.com.**

Offices

Ottawa
400 March Road
Ottawa, ON, Canada
K2K 3H4

Montreal
2963 Joseph A. Bombardier
Laval, QC
H7P 6C4

Charlotte
1061 Red Ventures Drive, Suite 175
Fort Mill, SC
29707

To contact us:

1-800-263-2980 ext. 1
letschat@intouchinsight.com
intouchinsight.com