Food Service Industry

Outlook for 2021

JERRY HENRY & ASHLEY GAROUTTE • H2R MARKET RESEARCH

Research consultancy that specializes in travel and tourism.

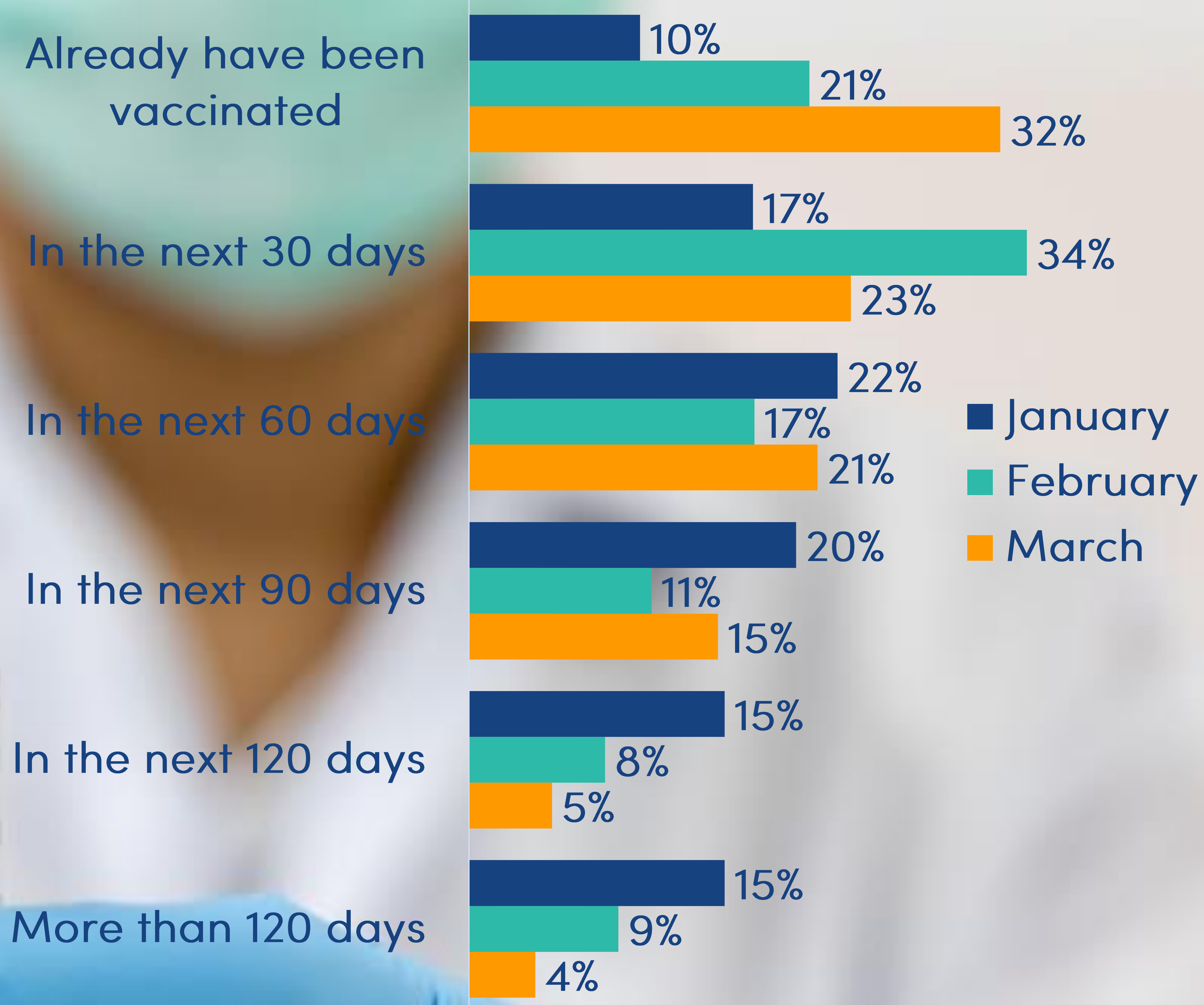
We illuminate consumer truths that empower destinations to make informed, research-driven management & marketing decisions.

COT Market Research Investments

Annual Brand Awareness Study	Measures tangible & intangible impact of COT's marketing.
Insights Program	Provides recovery ideas used across the country and insights from Sentiments.
Brand & Sentiment Tracker	Provides unique consumer input from Northeast residents.
Visitor Profile	Delivers a pre-pandemic profile of CT travelers.
Economic Impact of Tourism	Provides assessment of tourism impact across jobs, taxes, sales.
Lemonade Blog	Offers constituents a library of relevant secondary research.
STR	Measures Connecticut's hotel industry performance.
USTA Recovery Dashboard	Measures U.S. and Connecticut's performance and outlook.


HOPE is on the Horizon

Northeast Consumers Vaccination Update



Vaccine News is Encouraging.

Nearly 148M (57%) of American adults have begun the immunization process and nearly 106M (41%) are now fully immunized.

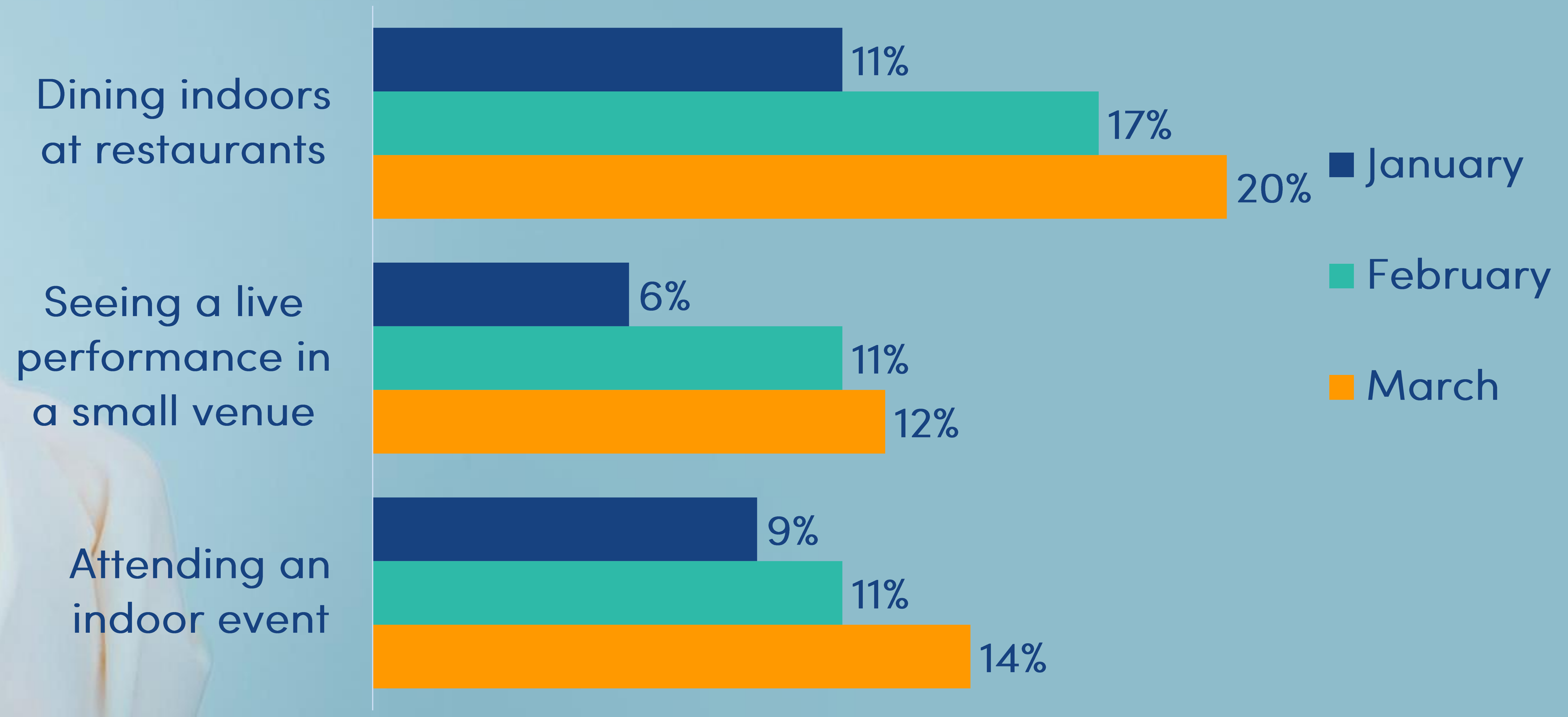
In Connecticut more than 2M (56%) have begun the immunization process and 1.3M (37%) are fully immunized.

SOURCE: Connecticut Tourism Sentiment Tracker

A significant acceleration in vaccinations has contributed to the positive momentum in consumers' attitudes toward dining out, seeing live performances and attending indoor events.

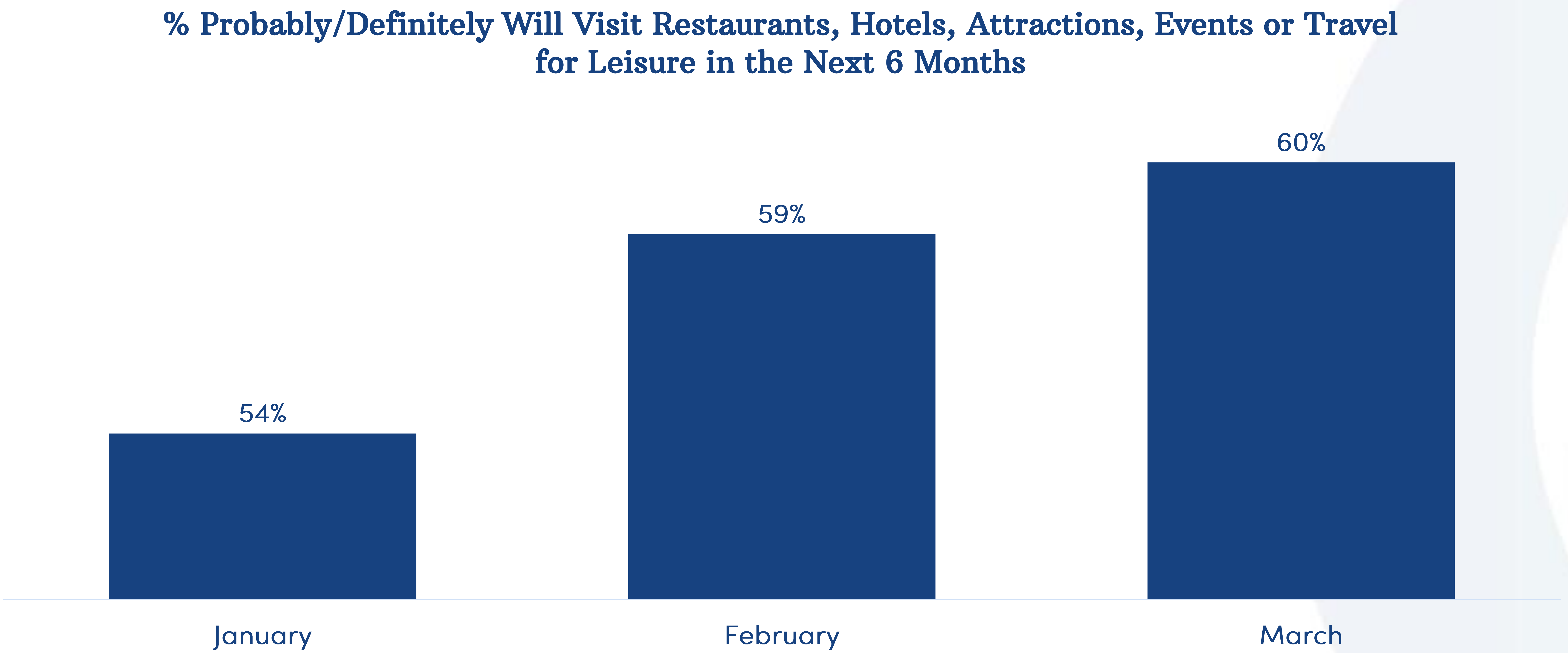
Percent of Population Needing Vaccine to Feel Comfortable

% Already Comfortable



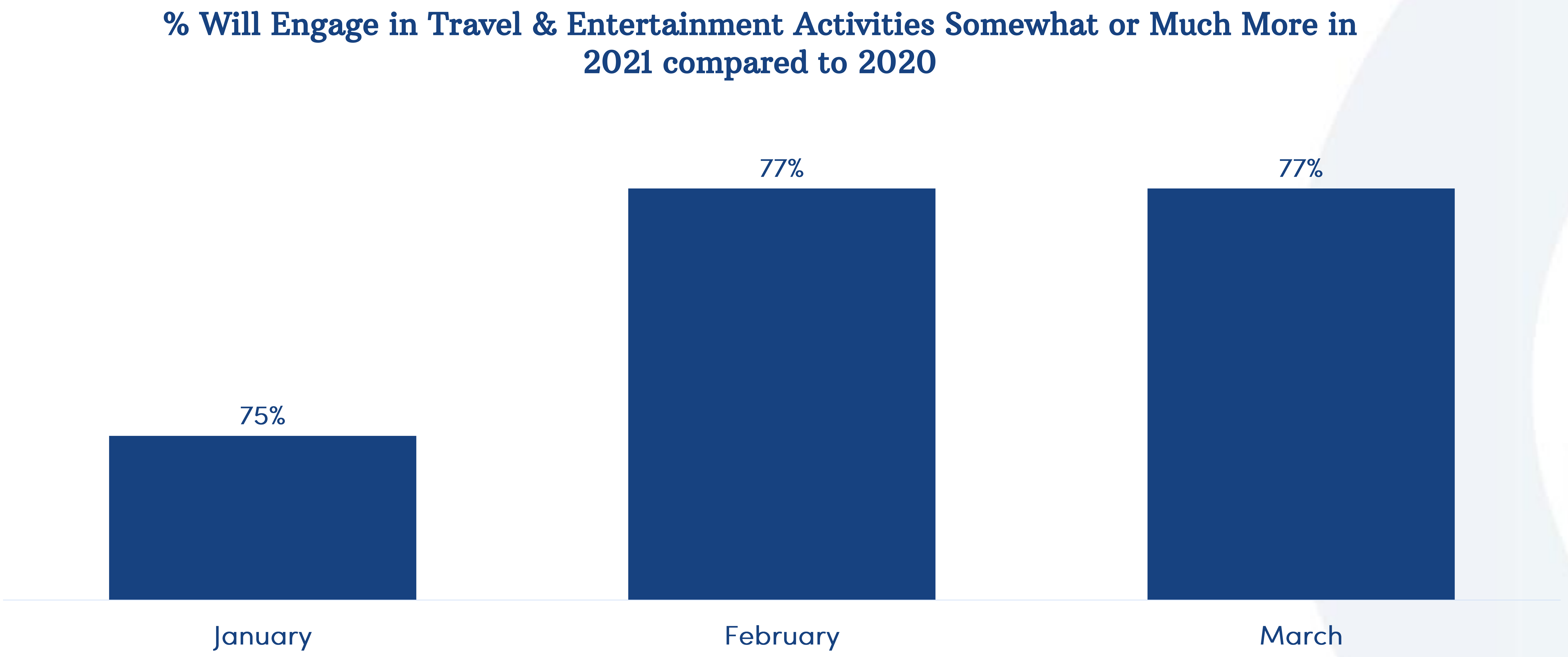
SOURCE: Connecticut Tourism Sentiment Tracker

The intent to participate in leisure activities over the next several months also continues to surge upward each month as we head into summer.



Q22: Using the scale provided, please indicate how likely you are to visit restaurants, hotels, attractions, events or travel for leisure in the next 6 months.

Furthermore, more than three-quarters of consumers plan to engage in significantly more travel and entertainment activities this year than they did last year.



SOURCE: Connecticut Tourism Sentiment Tracker

Wise to Optimize for 2021

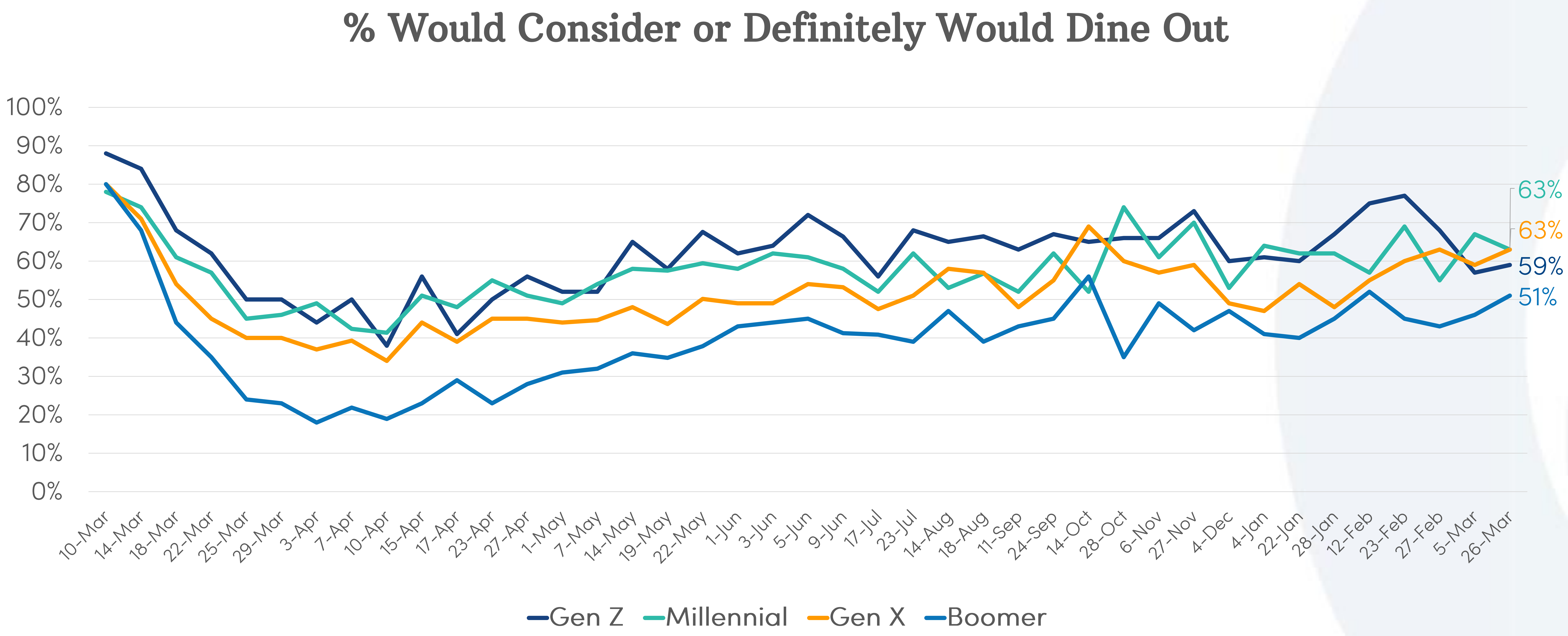
Recovery may be a binary event.

The rebound will likely occur in stages as individuals slowly begin to feel it is safe for them to venture out again.

Until most Americans are vaccinated, desire to visit attractions will continue to be dictated by

RISK TOLERANCE

Boomers are still more hesitant to dine out at restaurants; across the demographic spectrum, most consumers feel more confident.



Consumers are eager to get out soon, and many will resume traveling.

Reconnecting with family is the No. 1 priority for many people, but reunions with friends and co-workers are a potential traffic booster for restaurants.

	Looking Forward to, Making Plans	Would Enjoy, but No Plans Yet	Not Planning to Do This
See family members who live nearby	30%	22%	10%
Take a vacation by car	29%	32%	17%
Meet friends at a restaurant or bar	25%	30%	18%
See casual acquaintances	22%	28%	20%
Travel to see extended / out-of-state family	25%	29%	21%
Have my kids' friends over	15%	18%	21%
Eat lunch with my co-workers	14%	20%	22%
Cook out (tailgate party, block party, etc.)	22%	29%	23%
Host friends at home (book club, dinner party, etc.)	20%	27%	24%
Travel for work	14%	13%	24%
Gather with co-workers outside of work	14%	18%	25%
Meet new people (networking, speed dating, etc.)	16%	25%	26%
Volunteer outside my home	19%	25%	27%
Take a vacation by plane	23%	24%	29%

how eager are you to do the following things you might have been discouraged from doing during the pandemic?

Millennials seem to have the most demand for all post-COVID activities.

consumers "looking forward to" or who "would enjoy" certain activities	TOTAL	Men	Women	Gen Z	Millennials	Gen X	Boomers
See family members who live nearby	61%	63%	60%	41%	73%	62%	53%
Take a vacation by car	55%	56%	53%	62%	63%	53%	47%
Meet friends at a restaurant or bar	53%	57%	51%	49%	62%	54%	46%
See casual acquaintances	52%	58%	48%	54%	60%	48%	49%
Travel to see extended / out-of-state family	51%	51%	51%	56%	62%	53%	38%
Have my kids' friends over	50%	51%	48%	46%	60%	48%	41%
Eat lunch with my co-workers	47%	54%	41%	44%	58%	45%	39%
Cook out (tailgate party, block party, etc.)	47%	49%	45%	31%	65%	46%	35%
Host friends at home (book club, dinner party, etc.)	44%	44%	42%	49%	54%	43%	32%
Travel for work	41%	49%	33%	36%	51%	45%	27%
Gather with co-workers outside of work	35%	38%	32%	36%	50%	31%	22%
Meet new people (networking, speed dating, etc.)	33%	39%	27%	33%	47%	35%	16%
Volunteer outside my home	32%	37%	27%	38%	47%	33%	14%
Take a vacation by plane	27%	34%	20%	38%	46%	23%	10%

how eager are you to do the following things you might have been discouraged from doing during the pandemic?

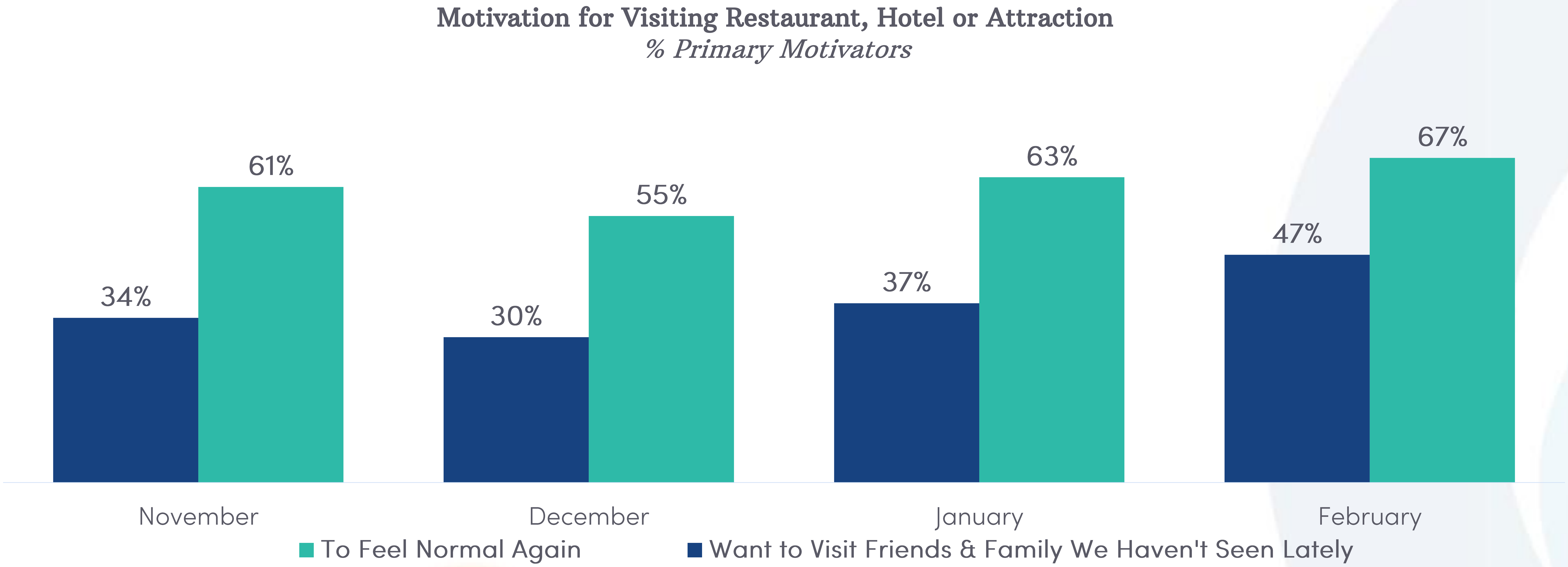
Know how COVID-19 changed your target market

- ✓ Younger
- ✓ More families
- ✓ Smaller parties
- ✓ More diverse
- ✓ More regional
- ✓ Lower income
- ✓ More wide-open spaces

Key Insight

*Don't just know your customer will be different—change your marketing and messaging tactics to reach these consumers so they will choose **you** when they begin to travel.*

As the pandemic goes on, the desire to feel normal again and to visit friends and family that haven't been seen in awhile is becoming increasingly more motivating when asked about their desire to visit restaurants, hotels and attractions.



Aha!

While safety is still a concern, the twelve months of pandemic regulations has travelers craving a sense of normalcy.

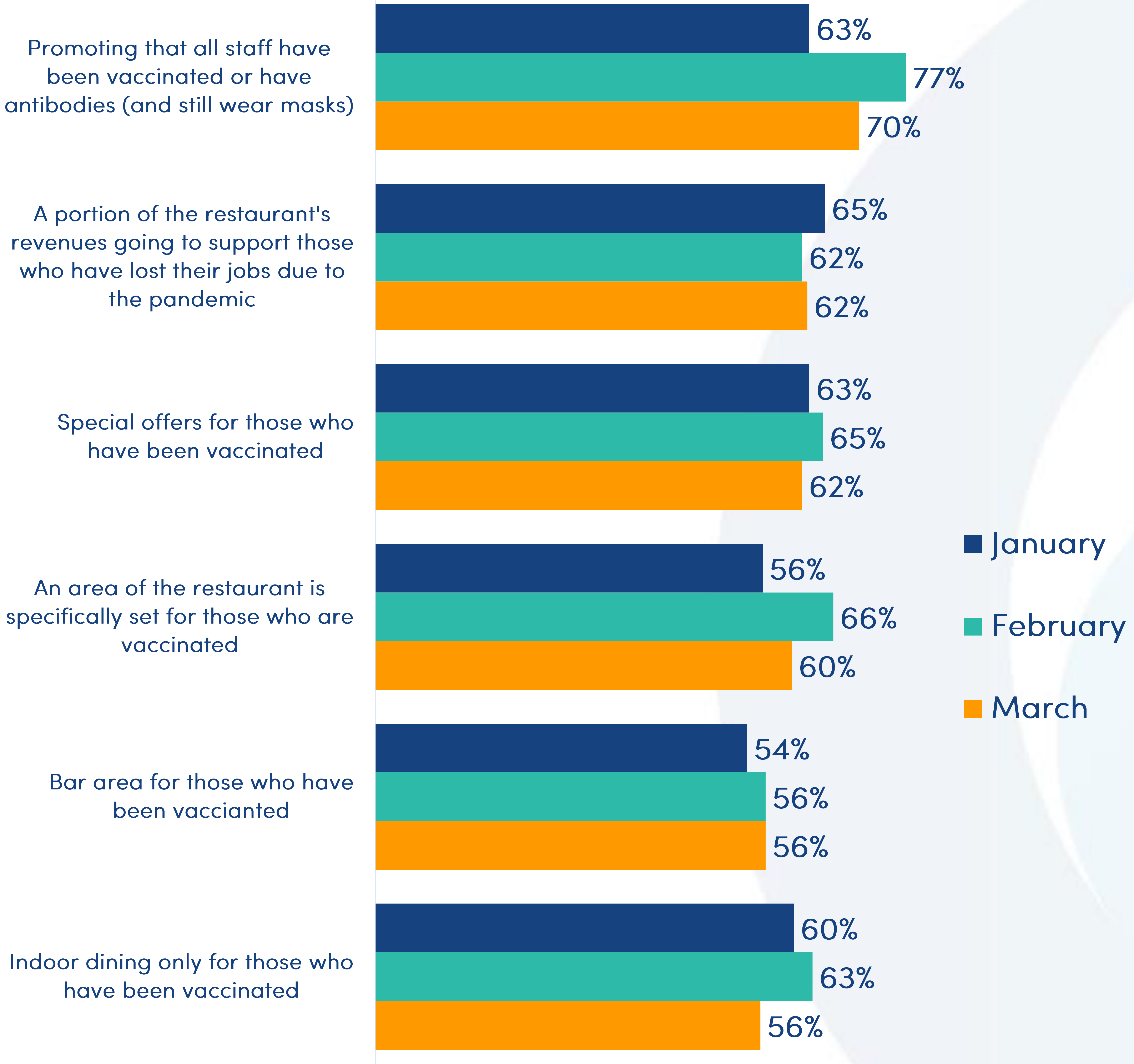
SOURCE: Connecticut Tourism Sentiment Tracker

RESPONDENT BASE: ALL NOVEMBER+ RESPONDENTS | N=533

Actions That Would Increase Intent to Visit Restaurants

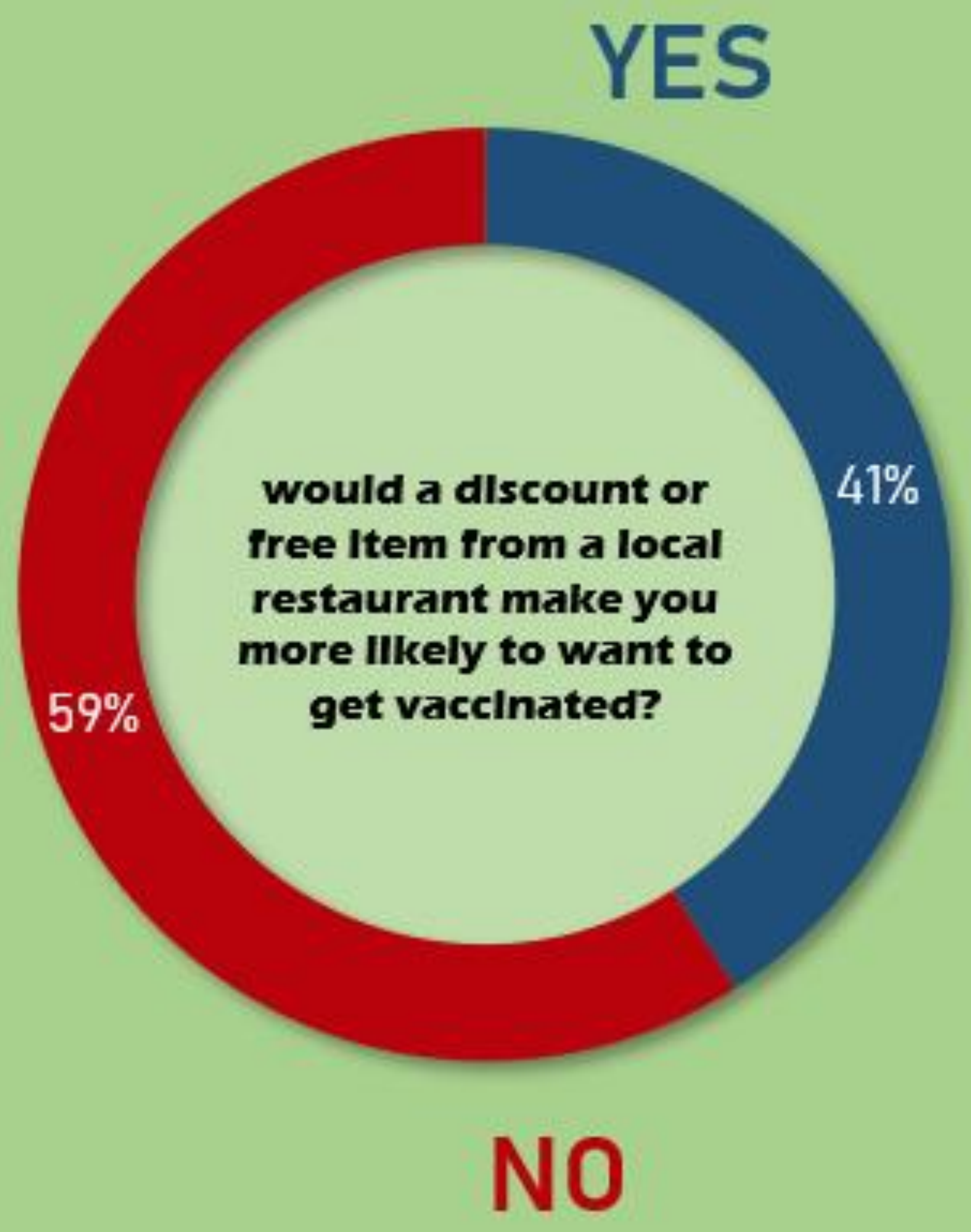
As of March, consumers still want to know that the staff at restaurants they are visiting are being vaccinated. This, along with revenues going to those who have lost tehri jobs and special vaccination offers are most motivating.

What's interesting is that even though proving staff have been vaccinated is still most popular, it saw a significant shift downward in popularity compared to February.



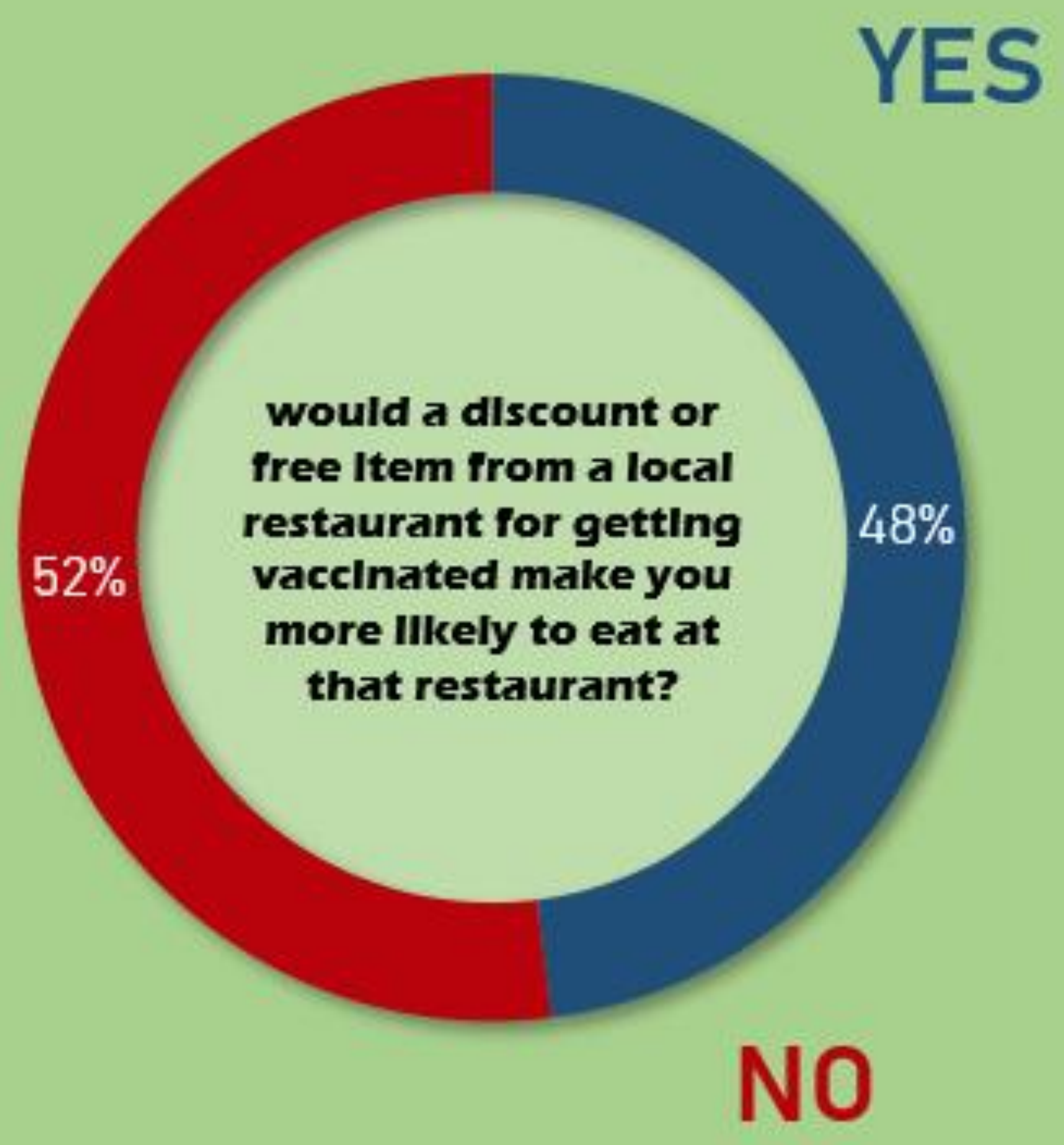
SOURCE: Connecticut Tourism Sentiment Tracker

Vaccine discounts or freebies may be an effective marketing tactic, especially for consumers who already got their shots.



Significantly more likely for **Millennials (58%)**

Significantly less likely for **Boomers (23%)**



Significantly more likely for **Men (57%), Millennials (61%)** and **Vaccinated Consumers (66%)**

Significantly less likely for **Women (39%), Gen Z (31%), Boomers (38%),** and **Unvaccinated Consumers (34%)**

DATASSENTIAL

Cautiously Optimistic Outlook for 2021

U.S. Restaurant Sales Expected to Increase 11% over 2020.

An expected 11% increase in U.S. restaurant sales in 2021, to $731.5 billion, will still not be enough to offset the industry's steep losses in 2020 due to the coronavirus pandemic, according to a report from Reuters in January.

One bright spot for some restaurant operators has been **delivery**. Many added delivery for the first time during 2020 across all categories of dining.

Using third-party services, including DoorDash Inc, Uber Eats and Grubhub Inc, was more common than launching in-house delivery - especially for fast food chains, the report found.

Source: https://www.reuters.com/article/usa-restaurants-outlook-idUSL1N2K02DQ

THANK YOU

GET IN TOUCH WITH US

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