



The Lean: Restaurant/QSR Brief

Vol. 1 | May 2021



Timely Consumer Insights for Marketers

Situational Overview

There's no question restaurants and QSRs have been greatly impacted by COVID-19 among many other industries. While it's been a year of pivoting business to food delivery, curbside pick-up and outdoor dining, the good news is that recent economic and COVID-19 developments are pointing to recovery opportunities in 2021. Increasing vaccination rates, various rounds of federal and consumer stimulus aid and a big appetite to get moving again is creating some cause for optimism. In fact, sales at bars and restaurants rose 13.4% in March compared to February, the biggest month-over-month increase since June¹. With restaurants and QSRs now in the position to reboot their business and welcome back more customers, they will need to reignite their business while balancing staffing needs, limited seating and an increase demand for improved health and safety environments.

Exactly when and how customers will feel comfortable dining out on a regular basis will continue to transpire through 2021 – that's where we come in. In the following Q1 Restaurant and QSR Lean Report, GroundTruth provides important offline behavioral insights to help marketers maneuver through the new “normal.” Specifically, we compare the peaks and valleys of this past year with recent visitation trends to understand where the opportunities are for QSRs and restaurants in Q2.

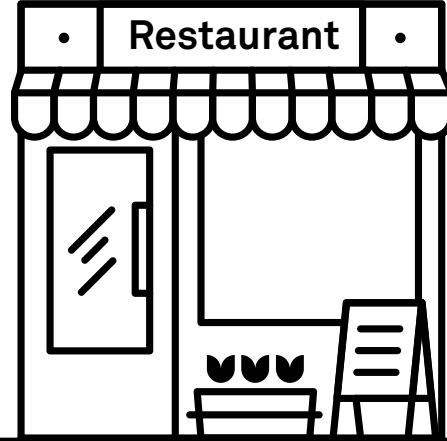
About The Lean


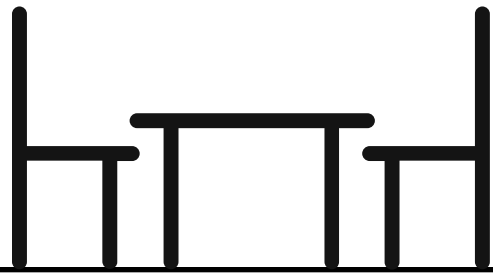
Between professional careers and personal lives, we understand that there is very little time left to read drawn out whitepapers. This is why we created The Lean — meaningful marketing insights that help brands make strategic decisions about their marketing campaigns. Specifically designed for easy consumption and quick reference, each issue of The Lean applies offline behavioral data filters and other industry sources to current consumer trends to help understand the impact they are having on business outcomes such as visits and sales.

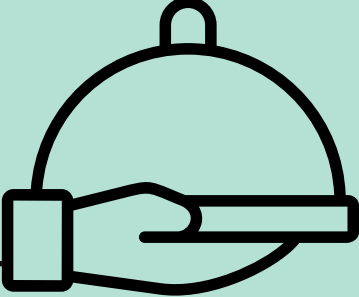
Methodology: GroundTruth data is sourced from the 30 billion annual global visits observed on its platform. All data is anonymized and aggregated.




Q1 2021 Restaurant and QSR Highlights:

1  Restaurant foot traffic is still down year-over-year compared to pre-pandemic levels, but consumers are starting to get their appetites back

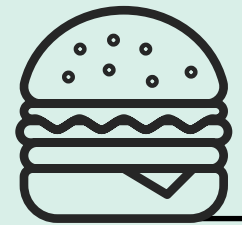
2 Major weather shifts in the South had an immediate impact on restaurant foot traffic  

3 Foot traffic started to trend upwards towards the end of February with certain restaurant categories outpacing others 

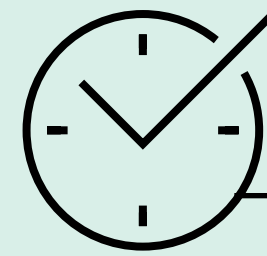
4 New peak periods for coffee shops emerge as a result of work from home arrangements demonstrating the power consumer behavior has on business operations 



At a Glance: Q1 Brand Insights













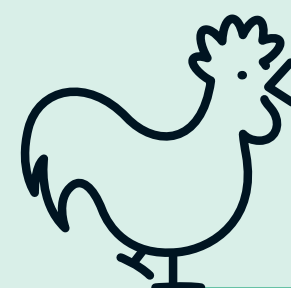
Total restaurant & QSR foot traffic was down **13% Y-O-Y.**



Time spent at restaurants was down **20%** including outdoor dining areas.

Top trending restaurants from Feb. to March 2021 (% Change)

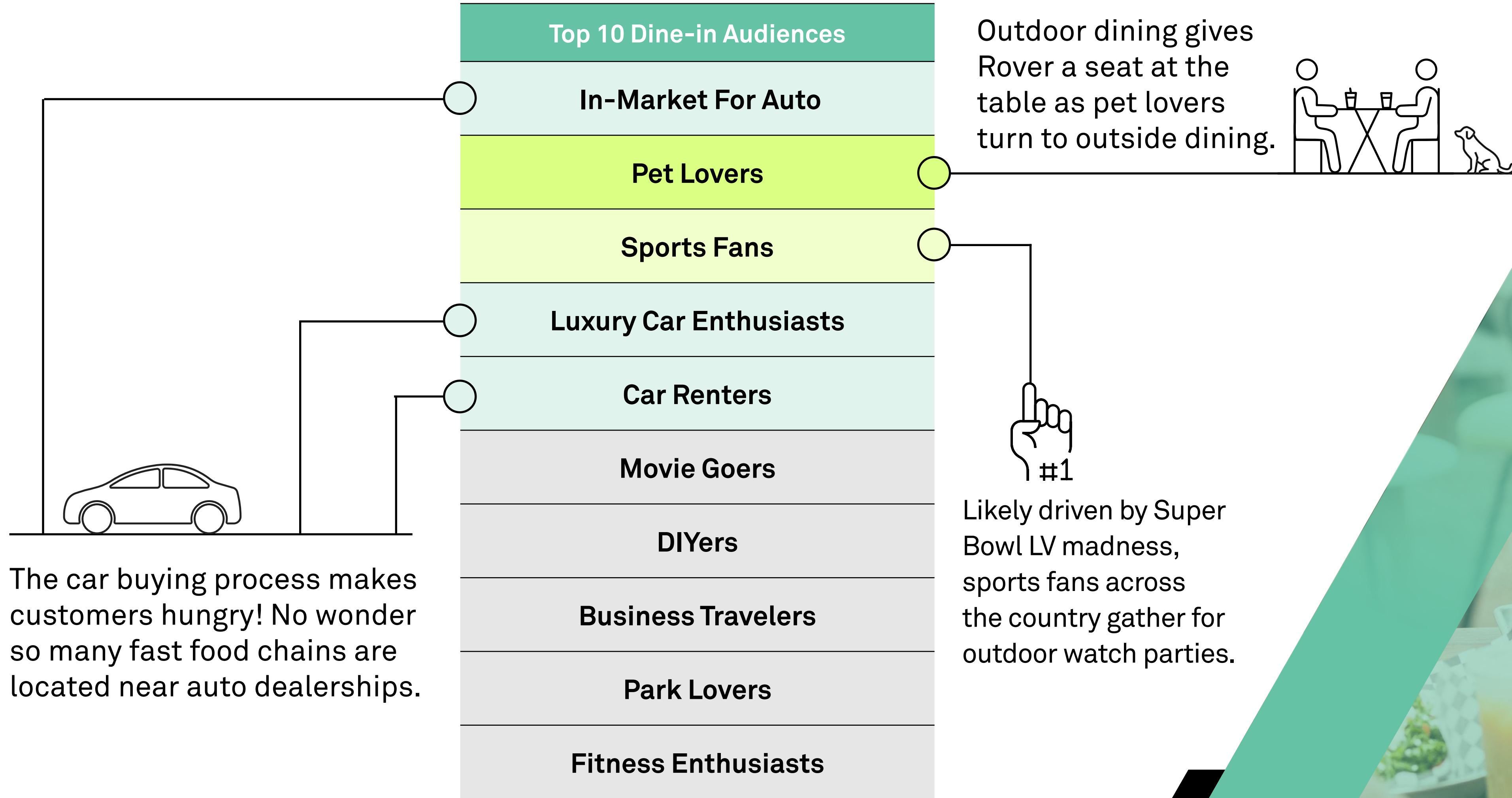
									
Dairy Queen	Sonic Drive-In	Whataburger	Buffalo Wild Wings	IHOP	Chick-fil-A	Taco Bell	Cracker Barrel	Arby's	Starbucks
+52%	+46%	+36%	+35%	+33%	+32%	+31%	+29%	+29%	+29%



An increase demand for comfort food may be fueling the chicken sandwich wars between QSRs.

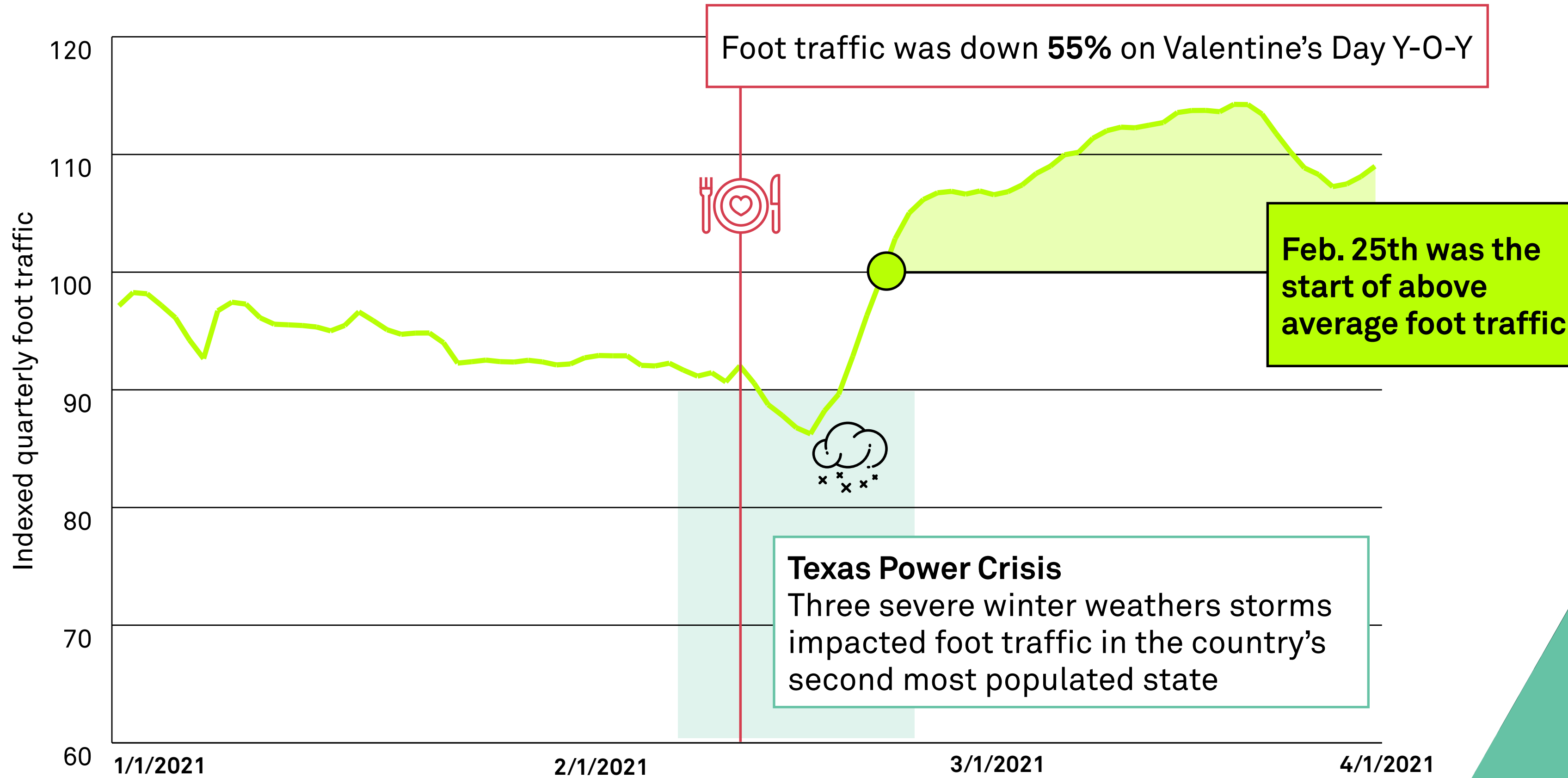


At a Glance: Q1 Audience Insights



Q1 Foot Traffic Snapshot

The restaurant industry gets an uptick in foot traffic starting in late Feb. as COVID-19 restrictions lift, vaccines rollout and the weather improves



Customers are In-n-Out

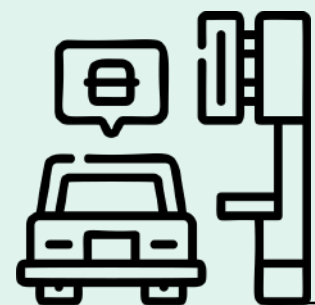
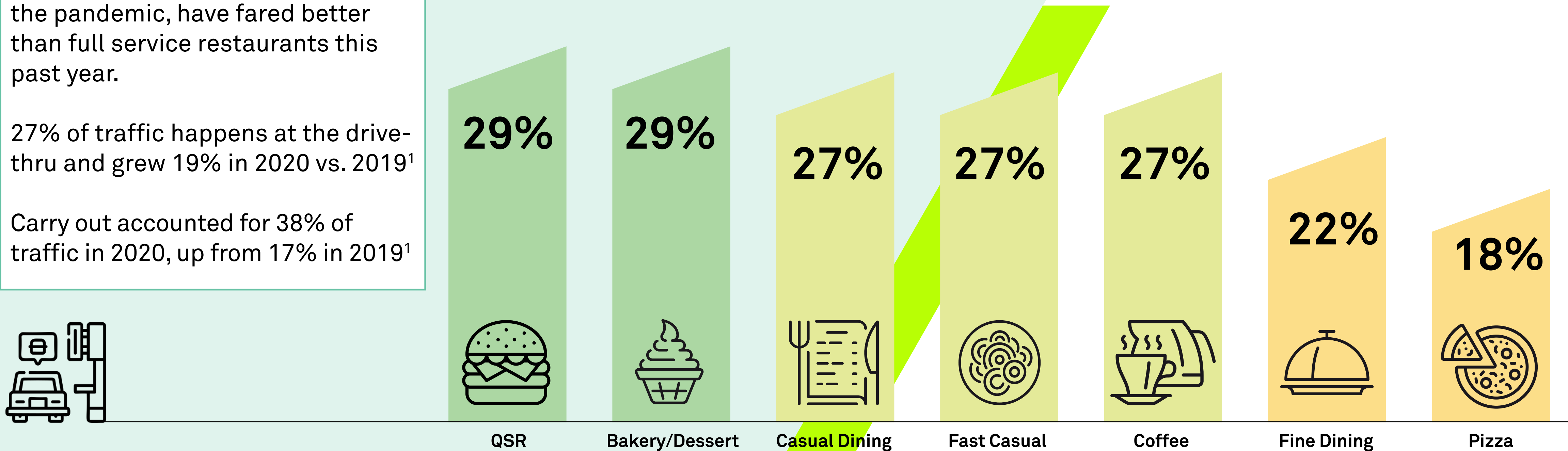
QSRs are rebounding the quickest, seeing the largest increase in visits among all categories

QSR chains, many of which had **drive-thru** and **carry-out** prior to the pandemic, have fared better than full service restaurants this past year.

27% of traffic happens at the drive-thru and grew 19% in 2020 vs. 2019¹

Carry out accounted for 38% of traffic in 2020, up from 17% in 2019¹

Change in Foot Traffic from February to March



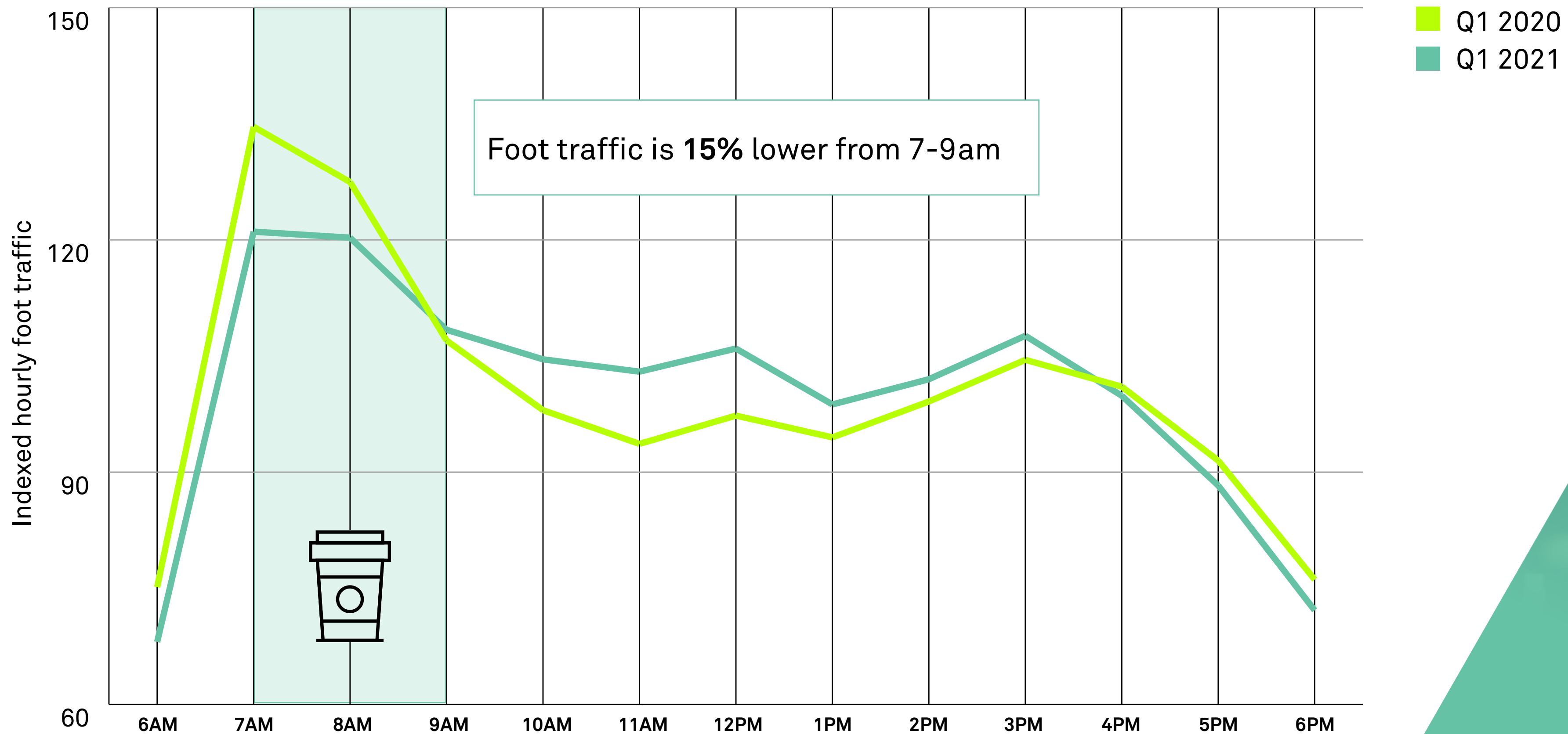
1) NPD Group



Schedule Changes

Work-from-home has shifted foot traffic from the early morning coffee rush to an afternoon pick-me-up

Weekday Coffee Shop Foot Traffic, Q1 '20 vs. Q1 '21



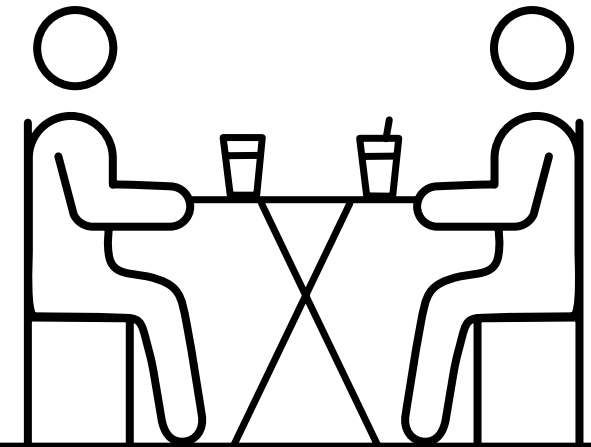
A shift in coffee shop foot traffic reveals how consumer habits have evolved over the last year. Traditional lunch and dinner time rush may not apply anymore. Restaurants and QSRs should be monitoring foot traffic trends to optimize business hours and employee scheduling in order to better accommodate capacity limits and customer wait times.



Pandemic Driven Trend: Streeteries are here to stay

Consumers are in favor of restaurants keeping their temporary outdoor seating areas

Let's take this outside...

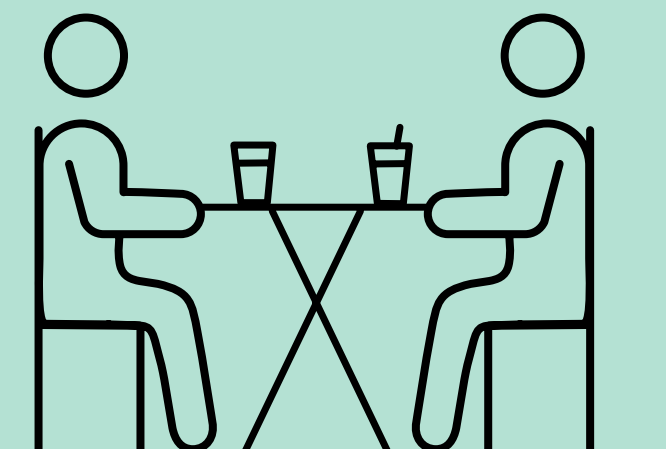


66% of people feel most comfortable dining outdoors¹

and feel free to park yourself wherever you like

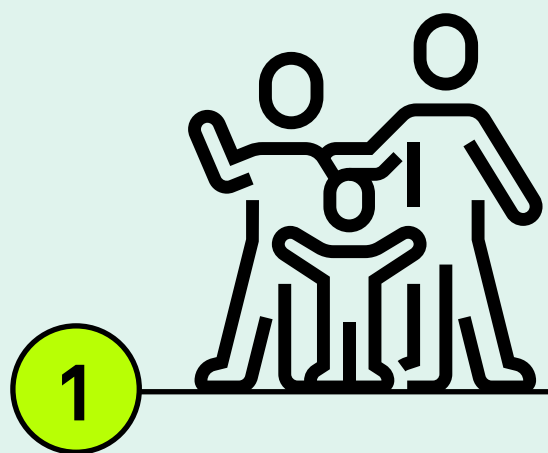
43%

of people say they sat outside at a table that was located on a sidewalk, parking lot or street in the last 12 months²



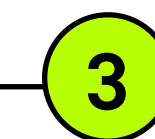
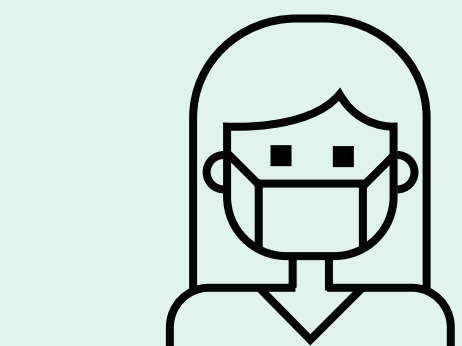
1) NPD Group
2) National Restaurant Association

Food for Thought to Plan Ahead



Will families be dining out during the upcoming holidays?
72% of people say they'll feel comfortable dining out within the next six months – this bodes well for upcoming holidays such as Father's Day, Memorial Day and Fourth of July.

In the short term, some consumers will continue to be cautious while others become more confident about getting back to normal
Safety and health will continue to be important for many consumers as they gradually get back to normal levels of activity. Understanding which audiences are more active than others will be critical for restaurants and QSRs to be successful with their recovery campaigns.



Summertime will allow restaurants & QSRs to offer outdoor dining as consumers buildup a comfort level for indoor dining

As marketers fire-up summer menus and special offers, restaurants and QSRs will want to implement campaign strategies that can reach customers in the moment and on-the-go. Geo-contextual ad solutions can help extend the reach needed to be successful.

Vaccination rates across the country could help boost growth in the coming months

Most Americans are already eligible to be fully vaccinated but will that help accelerate growth? And which states will see the most shifts? Use [GroundTruth's COVID-19 Foot Traffic Tracker](#) to better understand if and when vaccination rates are impacting visits.

