THE DINING
DILEMMA

A look at consumer sentiment toward restaurant ordering, eating and everything in between

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Sure, consumer behavior shifted monumentally when the COVID-19 panic first set in—but how do people feel now, almost two years into the pandemic?

The restaurant industry, like many others, was hard hit. Closures, capacity limits and labor shortages all contributed to the uncertainty. But has widespread vaccine availability and general pandemic fatigue created a new—and complicated—relationship with restaurants? To find out the answer, we went straight to the source and asked consumers how they felt about restaurant dining at this stage in the pandemic.

While the pandemic is undoubtedly still at the forefront of people's minds, they're returning to restaurants—through pickup, delivery and traditional dining. But, like most things in life, there's more to it than that.

We explored how guests feel about third-party delivery versus native restaurant ordering, pickup and delivery, why they returned to restaurants and more. Some of the answers may surprise you.

We hope these insights reveal valuable new truths about consumers that will help you market to them in 2022 and beyond.

Methodology

Epsilon's Shopper's Voice is the largest self-reported database in North America, with 15M households, ~2M new respondents per year, 1.5M opted-in active email addresses and 1,000 data points per household.

The study comprised more than 2,200 total respondents, ages 18+ from the US, comparable to census by age and income. The survey was fielded from October 9 to November 15, 2021. All graphs are reflective of this time frame.

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People are returning to restaurants in many ways, shapes and forms.

95%

of consumers dined at a restaurant in the three-month period before taking the survey.

Patio dining on the decline? Consumers prefer pickup and indoor over dining outside.

73%

of respondents have physically gone to a restaurant and dined indoors recently, and **71%** said they've picked up a meal—but only **40%** have dined outside.

Pickup is having a renaissance.

32%

said they picked up more meals over the past three months than at the beginning of the pandemic. Only **21%** said they were picking up fewer meals, so net, **11%** of respondents are picking up more meals now.

Offers and discounts aren't quite selling consumers on dining at a restaurant.

21%

of consumers, a small minority, indicated that discounts or offers were the primary reason they ordered a restaurant meal over the past three months. The top two reasons: They could order through the restaurant's app or website **(49%)**, and the restaurant was nearby **(41%)**.

Survey responses fielded Oct–Nov 2021.

KEY FINDINGS

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Consumers are gravitating back to the familiar or looking for new experiences.

54%

of people said they chose to eat at a restaurant because they ate there before.

Convenience is (still) king.

74%

of guests indicated they liked ordering from a restaurant when it was easy to place their orders, while **60%** said they liked it when it was easy to pay.

COVID concerns were not the main reason people stayed home.

38%

of people cited that saving money deterred them from restaurants, which was more than those concerned about health and safety due to COVID. The other top reason was that they preferred to cook at home **(37%)**.

People might not be using discounts now, but don't count them out completely.

65%

of consumers said they would consider ordering from a restaurant if they received a special offer or discount.

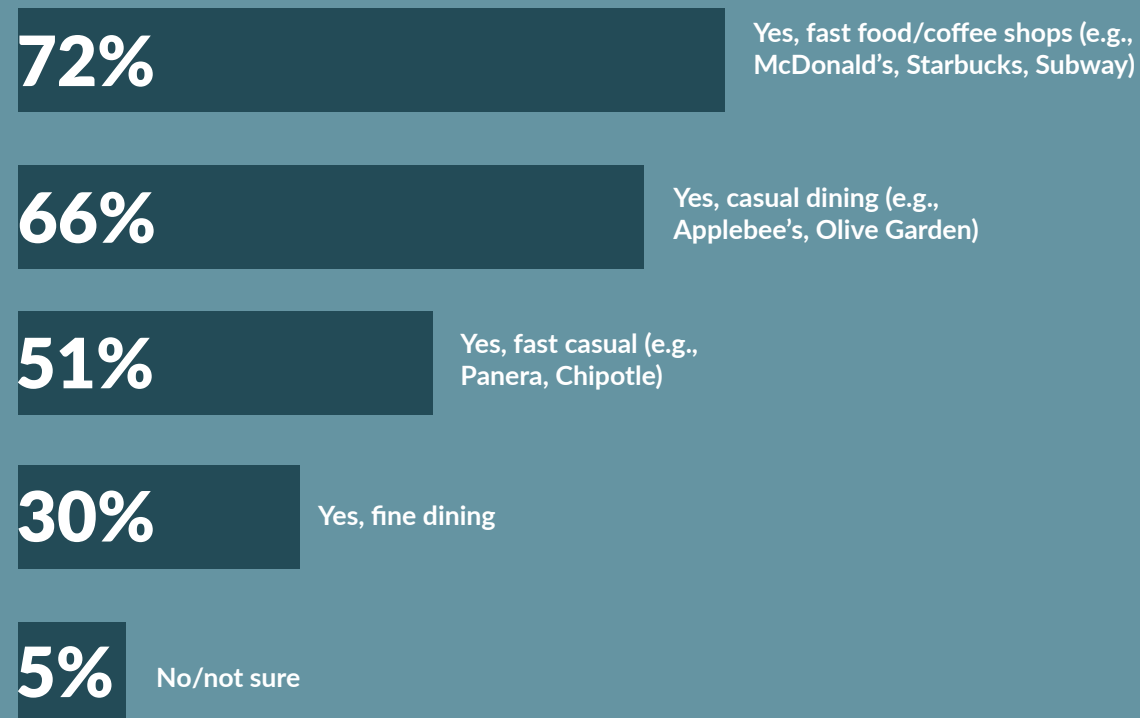EPSILON®

Welcome back: 95% of people are eating at restaurants again

Almost all respondents ate at a restaurant in some capacity—only 5% said they hadn't in 2021, compared to 21% in 2020. It's safe to say that most people are comfortable getting a meal from a restaurant, but where do they feel most comfortable eating?

Fast food is king, with 72% of respondents confirming they had a meal from an establishment like McDonald's or Subway. At 66%, casual dining is the second most popular method, followed by fast casual at 51%. Fine dining was the least popular, with only 30% of guests choosing to dine at an upscale restaurant.

Question: Have you eaten any restaurant meals in the past three months, whether at the restaurant, for pickup or delivery?

72% Yes, fast food/coffee shops (e.g., McDonald's, Starbucks, Subway)

66% Yes, casual dining (e.g., Applebee's, Olive Garden)

51% Yes, fast casual (e.g., Panera, Chipotle)

30% Yes, fine dining

5% No/not sure

Survey responses fielded Oct–Nov 2021.

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Pickup and indoor dining far outpace delivery and patio dining

So, we know people are back to eating at restaurants. But in what ways? We found that a staggering 73% of respondents have physically gone to a restaurant and dined indoors recently, while 71% of people said they've picked up a meal.

Surprisingly, the least popular ways were dining outside (40%) and having the food delivered to their home (only 38%). Now that more restaurants are open, it's interesting that more people are dining indoors instead of outside, signaling more overall comfort with indoor dining than many suspected.

And we're clearly seeing more pickup than delivery. This could be due to fewer delivery options outside of major metro areas, but it's also interesting in contrast to similar data from last year around this time: There's been quite a shift in behavior from consumers since last year. While pickup was still the most popular option in 2020, it's become even more popular in 2021—jumping by 20%. Also, more people returned to indoor dining in 2021 (73%) compared to 2020 (33%).

Survey responses fielded Oct–Nov 2021.

Question: Have you eaten any restaurant meals in these ways in the past three months?
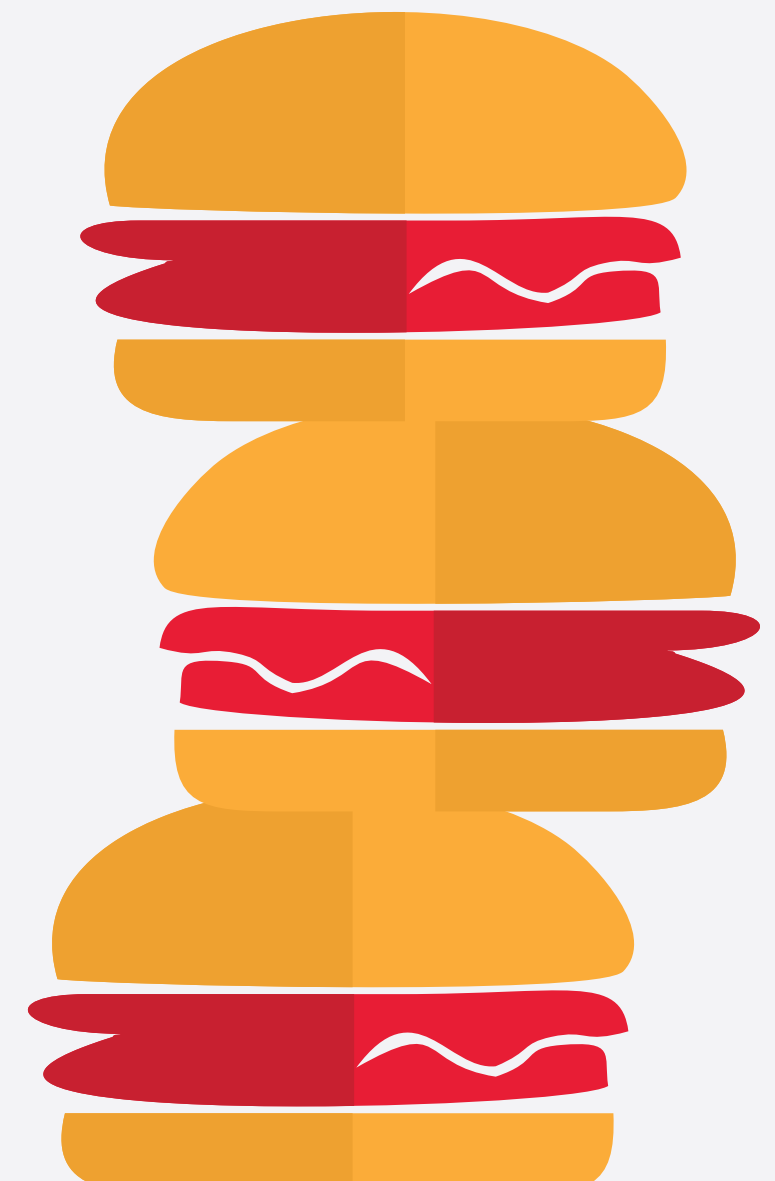
73%
Ate at a restaurant indoors

71%
Picked up

40%
Ate on a restaurant patio

38%
Delivered to my home

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Yes, pickup is having a renaissance

When we asked about the frequency of different meal experiences (delivery, pickup, eating outside at a restaurant and eating inside at a restaurant), we found that pickup has increased in popularity with consumers. 33% said they picked up their meals more over the past three months than at the beginning of the pandemic. Only 21% said they were picking up fewer meals, so net, 11% of respondents are picking up more meals now.

Delivery was down 6% in popularity from earlier in the pandemic. Eating outside at a restaurant also took a hit (down 17%). Based on when the survey was fielded, the past three months would have included the summer months, so it's certainly surprising that more diners said they were eating outside less than they had previously in the pandemic.

The rush to use third-party delivery apps like Grubhub and DoorDash was intense early in the pandemic. People now want to get out of the house and pick up their food rather than wait for delivery.

Question: Are you eating more or fewer restaurant meals via delivery, pickup or at the restaurant over the past three months? (net results)

+11%
Pickup

-6%
Delivery

-17%
Dine outside

-47%
Dine inside

Survey responses fielded Oct–Nov 2021.

Ease of ordering and restaurant proximity—not discounts—incentivize new orders

The top two reasons consumers ordered a restaurant meal over the past three months were:

- They could order through the restaurant's app or website (49%)
- The restaurant was nearby (41%)

It's noteworthy that consumers were more likely to use a restaurant's native app or website than third-party delivery apps like Grubhub or DoorDash.

What was not high on the list, however, was the likelihood of ordering because they sent an offer. Only 21% were motivated by discounts to order from a new restaurant.

Question: Thinking of restaurant meals, have you done any of the following in the past three months?

49% Ordered through a restaurant's app or website

41% Tried a new restaurant because it was nearby

32% Ordered through an app or restaurant delivery or takeout (e.g., DoorDash, Uber Eats, Grubhub)

21% Tried a new restaurant that sent them offers

13% Tried a new payment method

27% None of the above/not sure

Survey responses fielded Oct–Nov 2021.

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Consumers are largely choosing their old standbys or something completely new
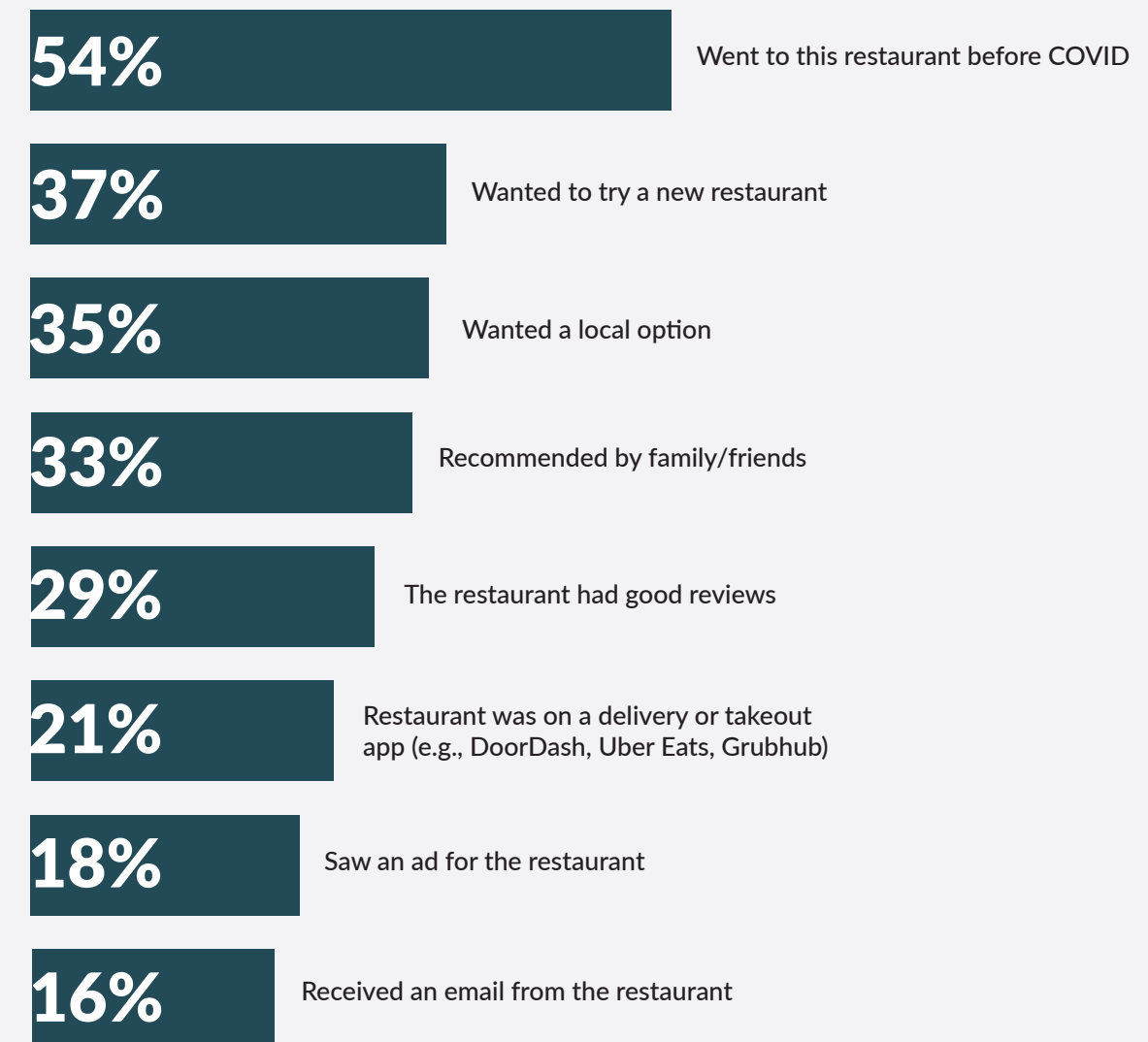
People are sticking with the things they know. A majority (54%) said they chose to eat at a restaurant because they ate there before the pandemic. The next most popular reason was wanting to try something new (37%). In general, people were far more likely to return to something familiar, but they were also open to trying something new if coaxed by a recommendation, a good review or (less likely) marketing.

It's interesting to note that receiving an email (16%) or an ad (18%), or reading good reviews (29%) for a particular restaurant, were not necessarily a deciding factors.

Question: Thinking of restaurant meals, have you chosen a restaurant in the past three months based on any of these things?

54% Went to this restaurant before COVID

37% Wanted to try a new restaurant

35% Wanted a local option

33% Recommended by family/friends

29% The restaurant had good reviews

21% Restaurant was on a delivery or takeout app (e.g., DoorDash, Uber Eats, Grubhub)

18% Saw an ad for the restaurant

16% Received an email from the restaurant

Survey responses fielded Oct–Nov 2021.
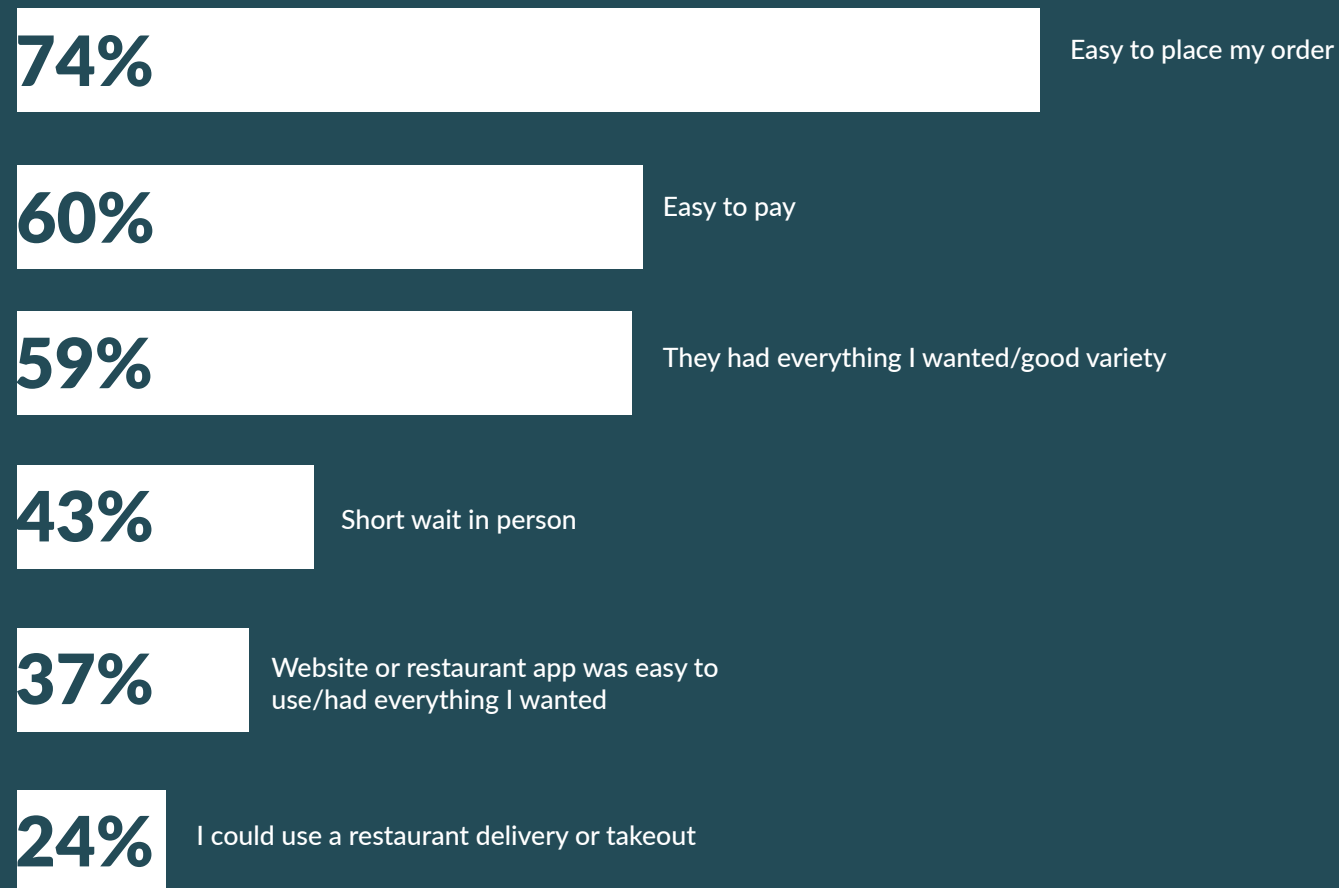
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Convenience is (still) king

Guests indicated that what they liked most about ordering from a restaurant was when it was easy to order (74%) and easy to pay (60%). 59% noted that they enjoyed the experience because of the menu options.

Labor shortages at restaurants have been a hot topic over the past couple of months, and could be a factor in what kind of experience and service customers expect.

Question: What did you like about ordering at a fast food, fast casual, casual dining or fine dining restaurant recently?

74% Easy to place my order

60% Easy to pay

59% They had everything I wanted/good variety

43% Short wait in person

37% Website or restaurant app was easy to use/had everything I wanted

24% I could use a restaurant delivery or takeout

Survey responses fielded Oct–Nov 2021.

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People didn't just stay at home because of COVID

An increase in the number of COVID cases (32%) or a feeling of discomfort around people (27%) were not the main reasons consumers chose not to dine out over the past couple of months.

Saving money (38%) and preferring to cook at home (37%) deterred people from going to a restaurant more than health and safety concerns. That said, wanting to save money could still be tied to the pandemic, due to numerous layoffs in 2020.

Question: For what reasons have you not eaten any restaurant meals in the past three months?

38%
Saving money

27%
Uncomfortable being around people

37%
Prefer to cook at home

16%
Other reasons

32%
Increase in number of COVID-19 cases

11%
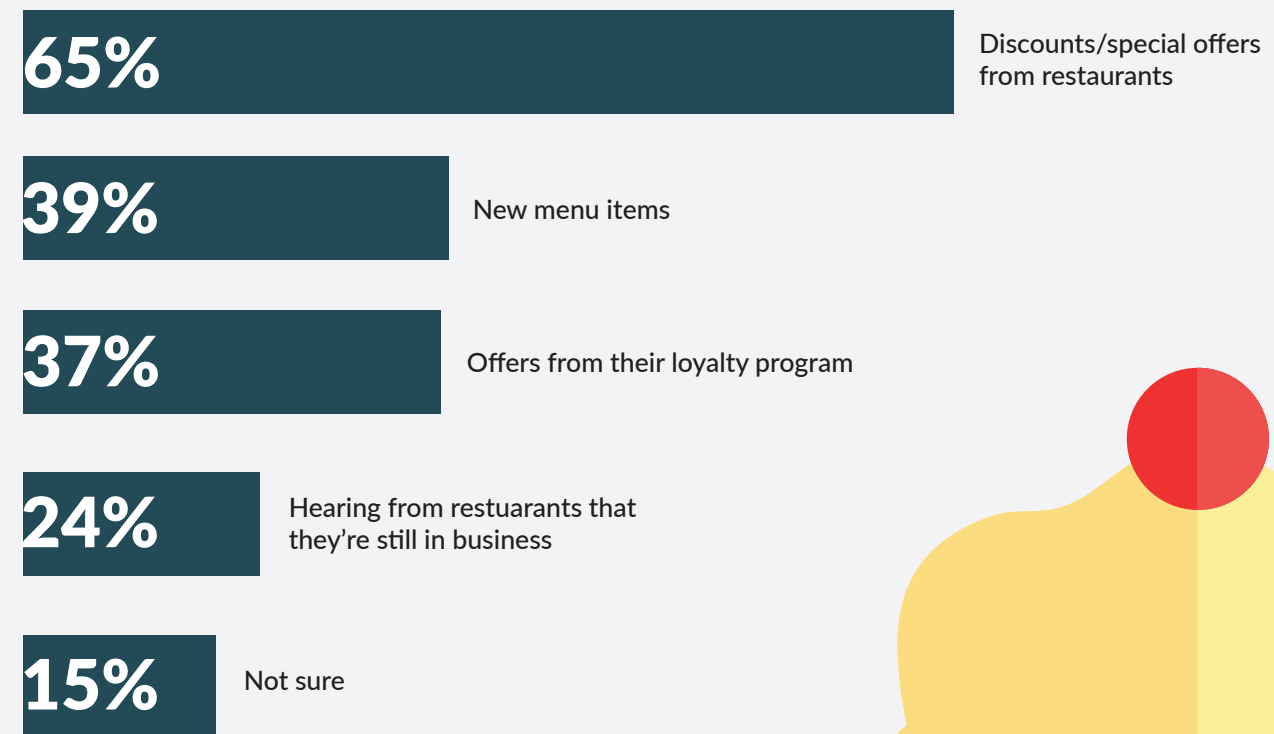None of the above

Survey responses fielded Oct–Nov 2021.

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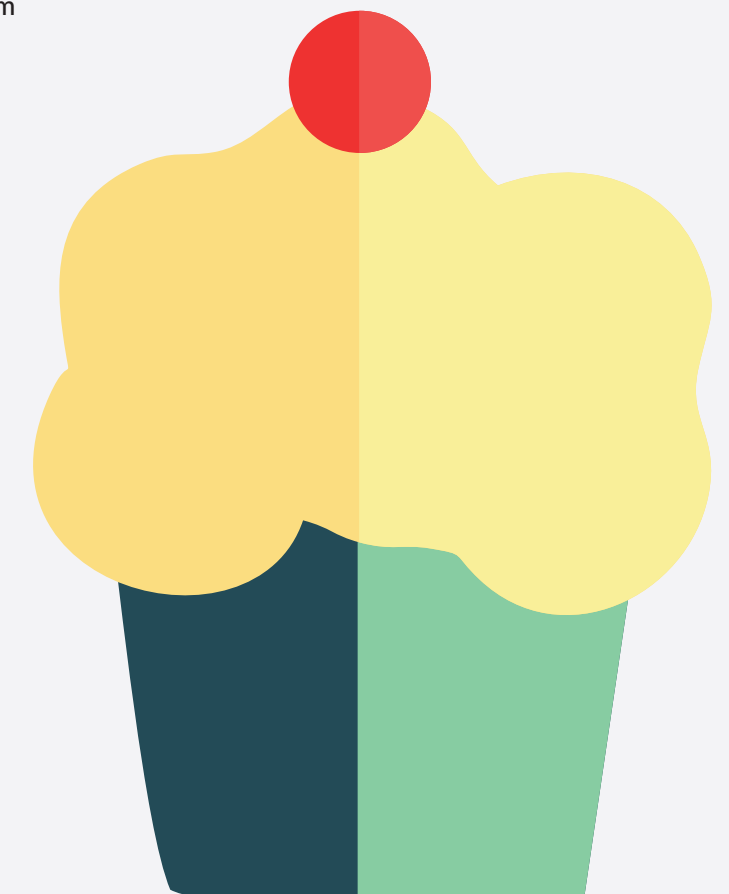# Consumers are still asking for discounts, but it's not part of their decision-making today

Overwhelmingly, consumers said they would consider ordering from a restaurant if they got a special offer or discount (65%). New menu items (39%) are next on the list, followed by offers from their loyalty programs (37%).

Question: What would make you feel like ordering from restaurants more often in the next few months?

65% Discounts/special offers from restaurants

39% New menu items

37% Offers from their loyalty program

24% Hearing from restuarants that they're still in business

15% Not sure

Survey responses fielded Oct–Nov 2021.

Consumers favor restaurant brands' apps and websites over third-party apps like Uber Eats and DoorDash. Consider ramping up what that experience looks like for your brand, and how it fits into the larger customer experience.

The landscape of restaurant tech is changing. Not long ago, having a native app was not necessarily the best investment, due to the quick onset of pandemic lockdowns and the steady infrastructure and popularity of third-party apps. But as the pandemic continues, it seems guests are pushing back on the necessity of third-party apps and are ordering right from the source or picking up the food themselves.

One of the reasons for this shift was the negative press that Grubhub, DoorDash and Uber Eats received around the challenges to work with them and the fees they charge for their services. High commission fees caused restaurants to actually take a loss on orders placed through the apps, which was particularly detrimental to locally owned small businesses.

But even large-scale restaurants are recognizing these frustrations and taking a stand. For example, Domino's recently launched a campaign where they bought thousands of gift cards from locally owned restaurants around the country, handed them out to Domino's customers and encouraged them to order directly to avoid delivery apps.

Consider investing in your own app or building out your online ordering capabilities so consumers can order directly from you rather than through a third-party app. This will also give you access to extremely valuable first-party data about your guests: who they are, what they like, what their dietary preferences are and how best to reach them. Then, use what you know about your best guestss to send them relevant updates and offers to keep them coming back.

We know takeout is climbing in popularity with guests. Are you keeping pace?

The popularity of delivery and eating outdoors is declining. People want to get out of the house and pick up the food themselves. This could be for several reasons:

- **Psychology**: When guests pick up the food themselves, they feel more in control. If their food is delivered cold or later than expected, they get more frustrated because someone else was responsible for it.

- **Convenience**: When people order from a local restaurant, it's often faster to pick up the food than wait for delivery.

- **Availability**: Delivery isn't as prevalent outside of larger metropolitan areas. If the volume and demand for delivery are lower, it's less likely that a restaurant will offer it themselves or a third party.

If you do have solid pickup options in place, let customers know. And if you don't, we recommend investing in a seamless pickup experience, as your guests may not want to rely on delivery.

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The data doesn't lie: Guests aren't thrilled about eating outside anymore.

Seemingly contrary to popular belief, the data says that consumers want to eat inside. While restaurants at first scrambled to make outdoor seating work—to keep their doors open and make guests feel safe—that may not be necessary moving forward. Instead of focusing efforts on building a weather-compliant outdoor space, focus on creating a fantastic indoor dining experience that's COVID-compliant and also ensures that diners feel safe. There are obviously still benefits to expanding outdoor seating, but if you can focus on both indoor and outdoor experiences, make sure you're not over-indexing in one area.

Lean into loyalty.

Consumers are going back to restaurants because they already enjoy them or because they're nearby and familiar. It makes sense. Coming out of the pandemic, people want to return to the things they love and support brands they care about during difficult times. Lean into this connection.
When you focus on fostering loyalty, you prove that your restaurant knows who your guests are, what they purchase and the benefits they love. This requires a loyalty program that's robust enough to continually stay in front of your best guests, new and old.

We also recommend highlighting the aspects of your brand that are standing out to consumers, like local touches, trying something new or re-energizing regulars. But the key is to personalize the message to each individual—you don't want to send a new customer message to your loyal guests.

Location, location, location.

Consumers are going back to certain restaurants because they're close to where they live or work. Proximity is key—chances are, if you're in the area, they already know your restaurant. Still, it's critical to ensure that your messaging reaches them in the channels they prefer, at the times they're most likely to be making their dining decisions. Geotargeted messaging is a must-have coming out of the pandemic. Send guests relevant communications and offers for your restaurant locations that are closest to them.

See how Bar Louie brought guests back to the table with location-based messaging

RECOMMENDATIONS

People need reasons to try new restaurants, so send out special offers to those who haven't dined with you.

Conusmers noted that they've eaten at a restaurant over the past three months specifically because they wanted a new experience. This is a huge opportunity to expand your acquisition efforts to people who may know your restaurant but haven't yet stepped foot in the door. A special promotion may be all it takes to entice them to dine with you in the future. Make sure you're hitting the right people with the right offers for maximum impact.

Looking for some inspo? McDonalds attracts a new audience with their buzzworthy Famous Orders campaign

While people noted that marketing communications didn't directly impact their decision, use these recommendations to make your messages that much better.

Marketers can consider these findings when planning and crafting the perfect marketing campaign for their restaurant. Make sure you're communicating with loyal customers on your pickup or delivery options, reach out to new customers with special offers touting a top-notch experience, and laser in on location-based messaging to make sure you're hitting customers that live nearby and are most likely to drop in.

Dunkin's loyalty program, DD Perks®, is a masterclass in crafting a top-notch customer experience

CONCLUSION

We've covered a lot in this report, and it only further illustrates the nuance of the restaurant industry in a post-pandemic world. If there's one thing we know for sure, it's that consumer behavior will continue to change—but marketers can be prepared. We hope you use the insights discussed to reshape and refine how, when and where you're communicating with guests this year and well into the future.

Restaurant marketers: Still looking for a way to cook up meaningful relationships with guests? Check out epsilon.com/restaurants for more relevant content.

All marketers: Learn how Epsilon Data solutions (like this consumer survey) can help you get a full view of your customers and prospects: epsilon.com/data

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