



RushReport: **THE 2023** **RESTAURANT** **CONSUMER** **EXPERIENCE REPORT**



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The turbulence of the pandemic era created significant changes in consumer and diners' behaviors and preferences. Though restaurant operators can often intuitively sense these new developments, quantifiable data validating our ideas of the new normal is sparse. As the demands on restaurant brands become more grueling, precise and reliable data on how customers make dining decisions can help leaders and operators steer their teams towards more sustainable and profitable business decisions—especially in light of future economic challenges and downturns.

The RushReport is a data-driven review and reflection of these changes, developed from a representative survey of 1,000 adults in the United States. Through this research, we identified emerging trends on consumer spending, food decision making, takeout vs dine-in, and even major shifts in preferences by age (the most important of which are noted in a section dedicated to younger customer trends).



Our mission with The RushReport is to blend empirical research with wisdom and insight from some of the industry's most respected experts so that restaurant leaders and operators can lead smartly and efficiently into the next era of restaurant growth.




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Evolving Consumer Preferences and Demand Changes

The way in which restaurant guests make dining decisions has changed drastically in the last few years. We asked a broad cross section of Americans several questions to establish 1) how important various factors are when it comes to selecting a restaurant to order from and 2) how these preferences are changing.

Here's what they had to say:

Cost is Key

The most important factor that affects consumers' dining decisions today is price, with **54%** of respondents saying cost is among the two most important considerations when making that decision.

High inflation paired with low wage growth makes price an increasingly sensitive issue for your customers. But, despite rising costs, it is clear that consumers will continue to order if they believe it's providing value to them. As ongoing inflation, supply chain, and staff shortage crisis continue to impact food prices, restaurants need to be cautious about providing wallet-friendly menus.

One way to do this is to offer “family bundles,” or large packages of items that can feed 4-6 people. These types of offerings became popular early during the pandemic as economic uncertainty drove restaurant spending down, and as economic pressures endure for customers, these bundles may still be well-suited for attracting budget-minded customers. In the best case scenario, these bundles are made up of a restaurant's most scalable and high-margin dishes so that the discount associated with the bundle does not compromise margins for the restaurant, but still offers a solid deal for customers.

Location, Location, Location

The second most important factor is restaurant location. **43%** of customers say where the restaurant is located is a top deciding factor when it comes to making dining decisions. Despite the surge in online ordering and delivery options that can lower the relevance of proximity when drivers deliver food off-premise, location still plays a key role for many customers.

Other reports have indicated a surge in dine-in traffic during Q2 of 2022¹ as customers continue to gain confidence for dining indoors and reclaim old habits. Workers going back to the office in droves² and the push for higher quality meals³ that don't make the delivery journey are also likely to contribute to location reigning as a key factor.

The Convenience Factor

Three in five (61%) of our respondents make their dining decisions for reasons of convenience. With the power of the Internet, people can peruse an entire city's menu from their phone—at their own pace, seeing images, reading reviews, and ordering via whatever channel they prefer (phone, text, app) etc.

Customers are becoming more familiar with using new technologies and channels as a means of browsing and ordering food in more convenient ways. **Four in ten (44%)** believe restaurants should implement more innovative technologies like text ordering. Restaurants that see convenience as a key differentiator or

brand value should consider adopting technologies that continue to push the limits on customer convenience.

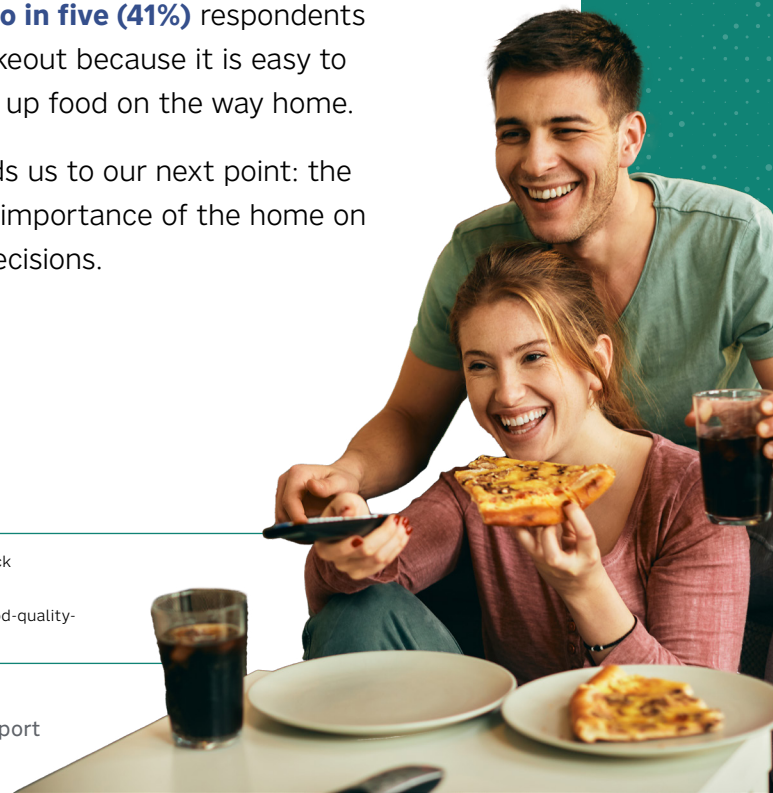
People are busier than ever and convenience is clearly a key factor in dining decisions. That's backed up by more data: **three in ten (31%)** order out because their schedule is busy and they don't have time to cook, while **two in five (41%)** respondents order takeout because it is easy to just pick up food on the way home.

This leads us to our next point: the growing importance of the home on dining decisions.

¹ <https://www.fsrmagazine.com/consumer-trends/study-dine-customers-are-roaring-back>

² <https://www.nytimes.com/2022/08/01/business/return-to-office-battles.html>

³ <https://www.restaurantbusinessonline.com/consumer-trends/dine-customers-rank-food-quality-top-priority-when-choosing-restaurant>





Home is the New Center of Our Universe

One-third (33%) of respondents order takeout because their family prefers to eat at home. And with the rise of Work-From-Home (WFH), many people are spending more time at home, socializing with their families, and less time going out to eat in restaurants or meeting friends. **17%** of respondents tell us that they find it easier to order takeout as they WFH, while **18%** simply don't like to cook.

While this change in work patterns and dining preferences is not new or surprising, the pandemic era accelerated its maturity. Savvy restaurants will continue to look toward home-based diners as an opportunity for growth and ways they can elevate their at-home customer's experience.

Among the more successful approaches we've seen include:

- Offering sealable, reusable food containers over spill-prone styrofoam
- Including a la carte items in delivery menus that customers can use to simplify meal planning, like individual chicken breasts or a quart of sauce
- Offering high-end packaging stand out as aware and mindful of the at-home-diner experience

Restaurant Discovery and Customer Acquisition

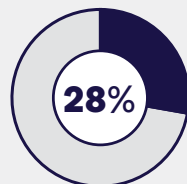
Over two-thirds of Americans who eat out or get takeout (**68%**) say they usually discover new dining options in their area through friends and family, and just over one-third (**37%**) through social media such as Facebook, TikTok or Instagram.

This is true, though slightly less so, for the ultra-online younger generation. For customers aged 18-29, **62%** still find friends and family to be their most reliable restaurant discovery method, but the importance of social media is above the average across all age sets at **45%**.

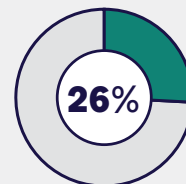
Despite the buzz around social media and new digital channels, word of mouth remains supreme for the foreseeable future.

Interestingly, legacy print media performs nearly as well as delivery marketplaces when it comes to new restaurant discovery, and some restaurants may do well to consider advertising in these channels. However, as the data will reveal, there is a significant gap in the age group of customers who use these two discovery methods.

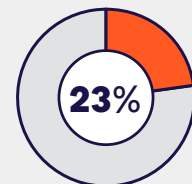
Here are the other ways customers discover restaurants:



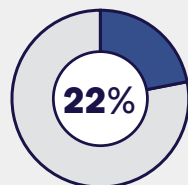
pass restaurants on the way to work or school



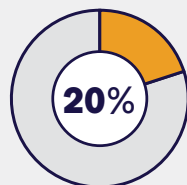
see ads for restaurants online



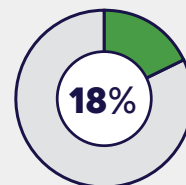
use review sites like Yelp and/or Google



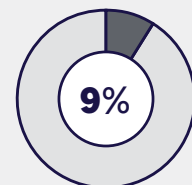
view television ads for restaurants



browse third-party delivery marketplaces



see ads in print newspapers and local magazines



browse third-party reservation marketplaces

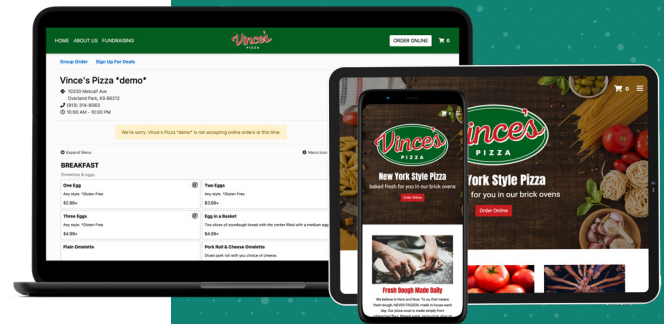
Get Online or Get Left Behind

With pressures to stay comfortable at home and preserve finances as prices increase, Americans are increasingly looking online for information to de-risk food choice and validate what they see on social media and hear from family/friends.

Three in five Americans who eat takeout **(60%)** say one of the first places they go when deciding whether to try a new restaurant is Google reviews or Yelp. Generally, **85%** of respondents say it's important to be able to easily find reviews and information online about restaurants.

Restaurants should think critically about how to make menu, pricing, location, and vibe information clear and accessible to searchers. This can take many forms and should be based on what digital platforms your customers use, but is likely to include:

- Clear pictures of your current menu and seating areas across all channels
- Fully filled-out profiles on Google My Business, Yelp, and Facebook
- Periodic updates on open hours, limited menus, and events across all channels



Restaurants that see digital discovery as a powerful customer acquisition method may also want to consider additional tactics and channels that are often left untouched by less-online brands.

- Inviting local influencers to share videos of your space to increase discoverability on video-forward platforms like TikTok, Instagram Reels, and Youtube Shorts
- Publishing timely updates (like short-term hour changes) you'd normally post on Instagram Stories to other channels with quick update features, like Facebook Stories, Yelp, and Google Maps

As a rule of thumb, the places your customers spend time are places where you want to have complete and up-to-date business profiles, and information that's important to share on one channel is likely important enough to share on every channel.

KEY TAKEAWAYS



Food Prices are Key

The cost of food is the top consideration of customers when selecting a restaurant. Though the industry is in an era of price-raising, offering good deals and specials will make it easier for diners to justify the expense.



Location, Location, Location

The next most important factor is location. Despite the explosion of ghost kitchens and food delivery, many customers find themselves in routines and environments where physical proximity is a measure of convenience and availability.



Off-Premise Dining

Noticeably, off-premise dining as a more convenient choice for Work From Home employees has taken a sharp rise in recent years, but it does not outrank location as a key deciding factor. By and large, location has emerged from the pandemic era as more important than delivery-friendly meals.



Living Online

Up-to-date presences on digital platforms like Google, Yelp, and social media are now table stakes as most customers search for details about restaurants before visiting or placing an order. Restaurants need to participate in the online research process by being proactive about clear and accessible information online.



The Impact of Inflation, the Pandemic and Gas Prices: Now and For the Future

The world is facing some of the greatest economic challenges we've seen in years. The lingering effects of COVID-19, rising inflation, and gas prices have and will continue to affect your customers. Almost **three-quarters** of Americans say their dining patterns have changed due to inflation. And seven in ten cite the impact that soaring gas prices have had on their choices. Let's take a closer look at what exactly is changing, and what restaurants can do about it.

Customers are Ordering Less Because of Soaring Inflation

Most economists agree that a healthy economy requires a 2 to 2.5% inflation rate. July 2022 saw inflation rates in the US hit 8.5%. This inflation is a bitter pill for most Americans to swallow and understandably impacts their dining choices. Data from the US Bureau of Labor Statistics state that the cost of eating away from home has gone up by 7.7% from June 2021 to June 2022. That's the largest increase we've seen since the recession of November 1981.

We asked Americans how their dining habits are changing in the face of inflation and/or higher gas prices.

50% of respondents told us they are eating out less frequently. **44%** are choosing more affordable options such as fast-casual or takeout, and **40%** are ordering less food. In downturns, higher-end fast casual chains and conventional sit-down restaurants may feel the impact of this drop in revenue more as guests gravitate toward more cost-effective options.

Customers are eating out less, and when they do, they're trying to spend less money. These trends suggest restaurants whose revenue is dipping would be wise to find ways to participate in lower-cost dining to preserve customer share through this phase.

Restaurants may also want to optimize their takeout and delivery networks. But with third-party delivery services charging steep commissions (up to **30%**) and food costs already soaring, investing in first-party delivery systems is a wise choice to lower the burden of commissions and increase margins.

The Rising Price of Gas is Keeping Diners Local

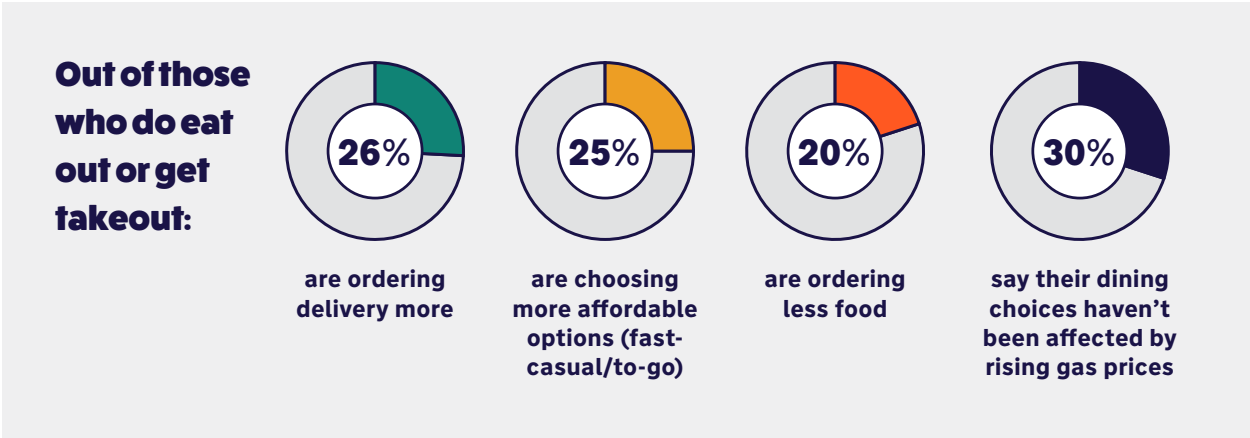
As gas prices soar, more and more Americans have less discretionary income to spend on eating out. They're prioritizing gas to get to work—not to go to restaurants. We asked respondents how gas prices specifically are impacting their dining habits.

The price of gas is causing over **two in five (44%)** of our respondents to go to restaurants closer to them. Just **over a third (35%)** of Americans are simply eating out less frequently due to gas prices, and a **quarter (27%)** of them are ordering less takeout and or delivery due to having to reallocate food budget to gas.

To our surprise, in every age group there is a portion of people who order delivery more in response to inflation and higher gas prices. **31%** of customers ages 18-29 say this is the case, and **25%** and **23%** of people ages 30-39 and 40-54 agree respectively.



Coping with the rise of gas prices presents a real challenge for restaurants. A highly-targeted local marketing campaign would encourage diners who might not have otherwise been aware of your restaurant to visit—especially if it's on their way to work or home and doesn't require "extra" gas.



KEY TAKEAWAYS



Less Disposable Income

The majority of Americans have less disposable income in 2022 due to the rise of gas prices and inflation. These forces are also having a knock-on effect on restaurants (with gas prices affecting delivery charges and supply chains), which equals higher menu prices at a time customers can ill-afford it.



Growth Among Neighbors

Many customers are highly conscious of gas prices and see close-by restaurants as not just more convenient, but more economical. While gas prices remain in flux, marketing to immediately local customers may be an extra powerful growth lever.



A Challenge to Stay

Though gas prices have experienced a downward slope since July of 2022, Americans have not experienced increasing wages. Therefore, the impact on spending ability will likely have trailing effects that outlive the high gas prices and inflation. Due to this, restaurant leaders would be wise to consider medium to long-term solutions to customer price sensitivity, rather than sticking to short-term promos and campaigns.



Mind the Gap: The Impact of Age on Dining In, Taking Out, and Experience

When it comes to dining choices, age is an increasingly significant indicator for dining preferences. Many of the general trends we identified across all ages are countered by the youngest age set of 18-29, so it's important to call out how these up-and-coming customer segments may be a leading indicator of major shifts that will become the norm in the next decade or two.

Young Customers Are Eating Out More

Younger Americans are more likely to go out to eat or get takeout than those over the age of 55. Our data shows: **78%** of those aged 30-39 dine out at restaurants 5 times or more a month. That's more than any other age group in our study. And **42%** of them—a significant amount—eat out more than ten times per month.

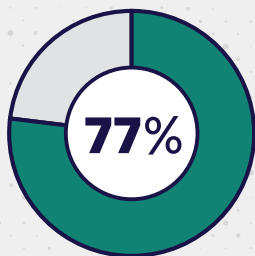
In second place are 18-29-year-olds, with **71%** of them eating out 5 times or more per month. The cultural trope of the Gen Z

American who never cooks may be based in some truth, but the economic reality of lower wages and disposable income for the youngest age set means that, currently, they're eating out less than Millennials.

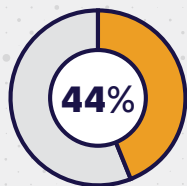
From here, we see a significant drop-off—**43%** of respondents aged 55 and over say they only eat out once or twice per month, and **8%** don't eat out at all.

Takeout and Delivery

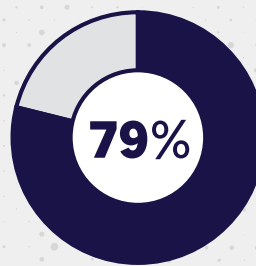
Eating out trends largely mirror trends for takeout and delivery.



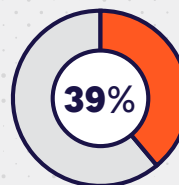
of Americans aged 30-39 order delivery or takeout more than 5 times a month



of those aged 30-39 order delivery or takeout more than 10 times a month



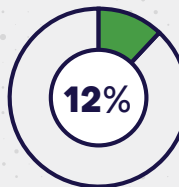
of Americans aged 18-29 order takeout or delivery 5 times or more a month



of those aged 18-29 order takeout or delivery 10 or more times during a typical month



of Americans 55+ only order takeout or delivery once or twice a month



of Americans 55+ do not order takeout or delivery at all during a typical month



These trends highlight exciting possibilities for business owners. The 30-39 demographic eats out a lot, making them a highly profitable demographic to target—and one receptive to online marketing and personalized offers.

Customers aged 18-29 order delivery at a higher rate than customers aged 30-39, but eat out less frequently overall. This indicates that the youngest diners have a higher share of takeout/delivery orders compared to dine-in orders than any other

age set. Restaurants aimed at this youngest audience must prioritize excellent delivery/takeout operations and experiences in order to compete in the eyes of savvy to-go customers.

Conversely, restaurant owners that cater to an older crowd would do well to adjust their marketing strategy, by advertising in local newspapers and magazines rather than on TikTok.

Communication Preferences Change by Age Group

Your customers' age has a significant effect on their communications preferences. For customers aged 40-54, **49%** say social media is the best place to see updates from restaurants about events, menu changes, and specials. Coming in second place for this group is email communication with **46%** saying it's a top preferred communication channel.

For younger customers aged 18-29, the importance of social media is significantly greater with **71%** saying it's a top place to receive communications. Email, still in second place, drops to **41%** saying it's important. Email remains a meaningful communication channel that is not going away anytime soon, but the dominance of social media as a means of getting updates out to younger customers is clear. The communication channel preferences of younger customers also appears to influence how they perceive personalization.

72% of Americans between 19 and 40 feel it is at least somewhat important—if not very important—that a restaurant they visit often provides personalized communication. Within that bracket, **44%** of our respondents (30-39) say it is very important that restaurants provide personalized communication.

However, for customers aged 18-29, a smaller portion say personalization is “very important” (**27%**) but a larger portion than average say it is “somewhat important” (**39%**). This seems to track with the growing importance of social media as a preferred communication channel for this age set, since personalization from brands is not possible on most channels. It's not that personalization is becoming less important, but that younger customers would often choose non-personalized social media updates over personalized email ones. The channel is more important than the personalization.



71%

**of customers 18-29 say
that social media is the
top place to receive
communications**

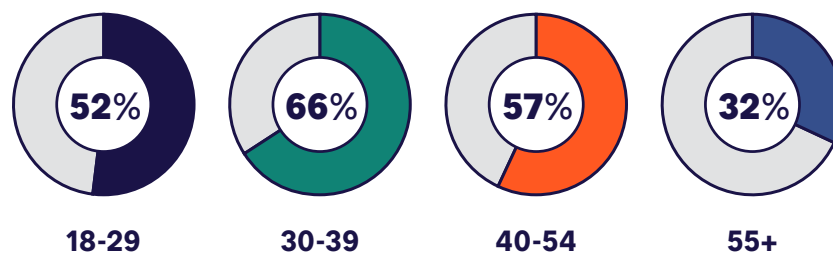
Older customers (55+) are the least concerned about personalized communications, with only **41%** saying personalization is either “very” or “somewhat” important. They are also the most likely to prefer flyers in the mail (**52%**) by a huge margin over the youngest age set (**18%**).

Restaurants targeting younger customers should continue to prioritize email personalization as a key marketing and retention strategy, but also be intentional about using social media as a primary means of sending out updates.

The Staffing Crisis

Employee shortages in the restaurant industry remain an ongoing problem—but one that Americans of different ages have very different reactions to. **We asked our respondents whether they would stop going to a restaurant due to staff shortages.**

Here’s how many answered yes:



While our study shows older customers are nonplussed by staff shortages, this does remain an important issue for most demographics, and one that restaurant owners should address.

There is no easy fix to staff shortages. But investing in restaurant technology (such as text ordering, and QR code menus) may take the burden off your employees and allow them to focus their attention on providing excellent service and optimal customer experience—and that’s something every demographic can appreciate.



KEY TAKEAWAYS



Social Media is the Big Win for Younger Customers

The importance of social media as a mechanism for restaurant discovery and keeping up-to-date for the people aged 18-29 cannot be understated. **71%** said it's a top-two place they go to receive updates from restaurants, towering over the second-place choice, email (**42%**).



Personalization is Still Key

Restaurants can't achieve personalized communication on social media in the same way you can through email or text, but that seems to have a minor impact on the expectations of younger customers, **56%** of whom still say personalization is an important part of their restaurant communication experience.



Rising Delivery/Takeout Rates by Age

It's clear that while younger customers are eating out less overall, they're doing so with a higher rate of takeout and delivery. Restaurants prioritizing this demographic should be mindful to create great off-premise dining experiences.



What's Next: Outsmarting Current Challenges to Keep Your Current Customers and Gain New Ones

In recent years, we saw the rise of curbside pickup, a spike in takeout and delivery, and the ascendance of third-party delivery apps. But what's coming next is of significantly more importance. This chapter will cover how customers want restaurants to evolve to meet today's challenges and provide better customer experiences.

Source Locally, Give Locally, and Win Locally

Restaurants are more than just places to trade dollars for food for a lot of people. In fact, **80%** of Americans who dine out or get takeout believe restaurants—even fast-casual chains—should be active in their community. Think partnering with local charities and hosting or participating in local events.

One way this manifests into dining decisions is in preferences for locally sourced food. Over **50%** of Americans say fresh and local produce is important to them when picking a restaurant. There's a sense of pride when restaurants use local suppliers from within the community than an unknown corporate supplier to fill gaps in your supply chain.

Almost **three in five** of our respondents say restaurants should use more local produce or supplies to help alleviate menu shortages.

Restaurant owners who opt to bring in more local suppliers should consider local partnerships as advertising opportunities for co-branded social media campaigns and even menu callouts. In the same way that many restaurants proudly feature *Impossible* or *Beyond* in the titles and descriptions of menu items with those partner ingredients, restaurants that integrate local partners have a powerful way to stand out to potential diners comparing menus.

The Cost of Not Adopting Restaurant Tech is Rising

Customers are familiar with the atypical labor challenges of our current labor market—half of Americans across all age sets say they have stopped going to a restaurant because they are not staffed properly. As a result, customers are beginning to demonstrate strong preferences and expectations for how restaurants deal with these enduring challenges to maintain a high standard of customer experience.

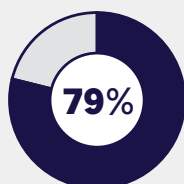
restaurants can become more efficient and also cope with the ongoing labor shortage more easily.

The fact that so many of our respondents are in agreement here is of critical importance. Half of Americans no longer go to certain restaurants due to staffing shortages. And, as we can see, the *vast majority* of them think technology is the key to fixing this.

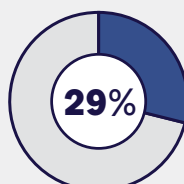
Let's take a closer look at what specific technologies restaurant goers think might be able to help restaurants cope with the twin blows of supply chain issues and chronic labor shortages.

80%
of Americans think that with the right technology, restaurants can become more efficient

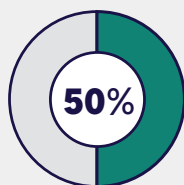
82% of Americans say restaurants need to do a better job dealing with the ongoing labor shortage. And **80%** think that with the right technology,



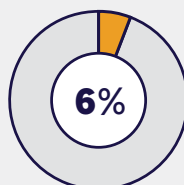
of customers say they should be able to use technology to place food orders to lessen the labor burned for restaurants



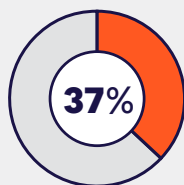
say better kitchen automation would help



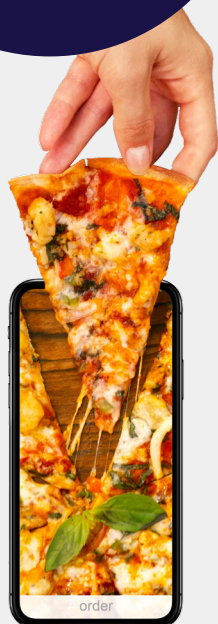
of respondents think better technology to manage staffing issues/scheduling and better communication about hours and/or prices would help



saying nothing will help them



say using text and/or mobile ordering more would help



Given how much discovery and research happens online, it should come at no surprise that Americans are developing a strong preference for the use of technology as a means of streamlining both restaurant operations and their own customer experience.

It only makes sense for restaurants to close the research loop by enabling a smooth

transition to tech-enabled ordering, either through text, an online ordering platform, or a delivery marketplace. Restaurants that are still clinging to analog methods like call-in ordering without offering tech-driven alternatives are losing customers, both due to perceptions of falling behind on the times and being out-performed by more efficient competitors.

Ordering Apps Dominate Young Customer Preferences

We asked respondents which of ten channels they've used to order food from restaurants in the last year. When we break down the responses by age, it's clear that the youngest age set sees mobile apps and online ordering as the most accessible channel for ordering food.

Online ordering is the most-used method for ordering food, with **65%** of customers aged 18-29 reporting using this channel. After placing orders by phone (**62%**) the next most popular channels are: through the restaurant's app (**51%**), through a third-party app (**38%**), and at the counter (**38%**).

65%

of 18-29 customers say online ordering is the most-used method for ordering food

Noticeably, the youngest age set was less likely to use other tech-enabled channels compared to customers aged 30-39: text ordering (**8% vs 18%**), Google Voice and/or Alexa (**8% vs 14%**), through a smart TV (**6 vs 14%**).



This appears to indicate that younger Americans have a higher level of familiarity with mobile apps and online ordering to place orders than they do with alternative technologies, like smart assistants and smart TVs. In essence, placing an order by app or website feels most like the *path of least resistance* among digital ordering channels—at least for now.

These findings challenge assumptions that younger customers use a diverse set of tools and tech and order food. However, it's likely that as artificial intelligence continues to become more sophisticated and natural to use—perhaps even surpassing today's dominant channels in 'path of least resistance-ness'—AI-powered ordering channels will increase in use. This is a developing story we're eager to follow up on in the future.

KEY TAKEAWAYS



Embrace Your Local Community

Diners today care deeply about their communities and want you to get involved. Restaurants that take the time to foster real connections with their community (including local, fresh produce), will reap benefits.



Don't Get Left Behind By the Tech Revolution

Most Americans understand the pressure that restaurants are under. They accept—and even expect restaurants to utilize the latest advances in technology to ease the burden on staff to maintain a high standard for the guest experience.



Master the App/Online Ordering Experience

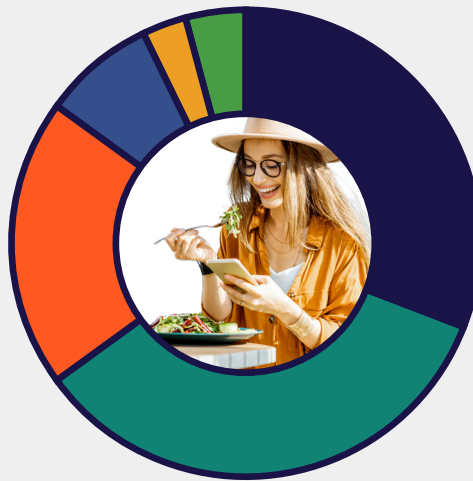
Young Americans show a preference for using apps and online platforms for placing digital food orders, even over other technologies like voice assistants and smart TVs. Competing with quality, customer experience-centric apps will continue to be table stakes.

| Takeout Trends: An Overview

Takeout Trends:

Eating Out and
Takeout Frequency

"In a typical month, how often would you say you are dining out in restaurants?"

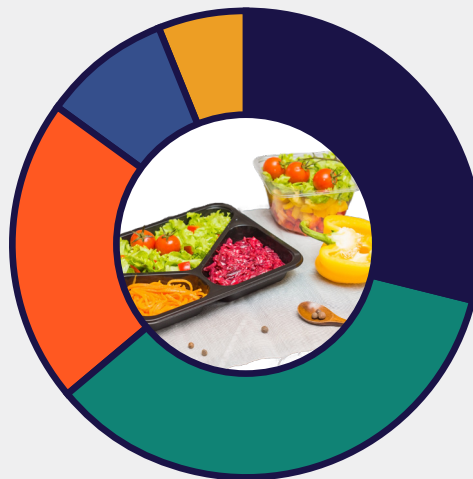


31%	1-2 times
34%	3-5 times
20%	6-10 times
8%	11-20 times
3%	21+ times
4%	Typically don't eat out

Takeout Trends:

Restaurant Delivery
Frequency

"In a typical month, how often would you say you are ordering delivery or takeout?"

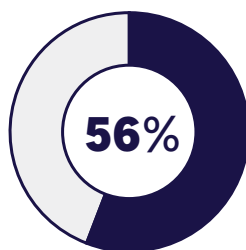


29%	1-2 times
35%	3-5 times
21%	6-10 times
9%	11-20 times
6%	Don't order takeout at all

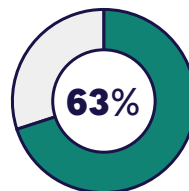


Takeout Trends: Ordering Channels

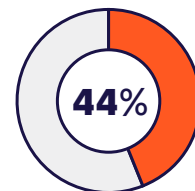
**"Over the
past year,
how have
you ordered
takeout?"**



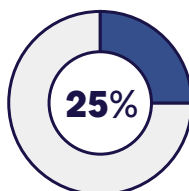
Online
ordering



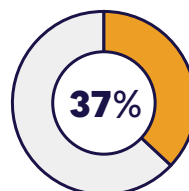
Phone
call



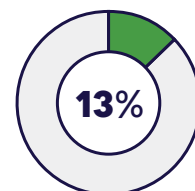
Through the
restaurant's app



Through a third-
party app



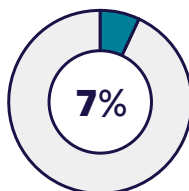
At the
counter



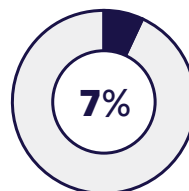
Through a
kiosk



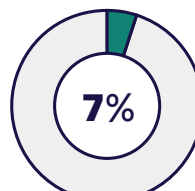
Text
ordering



Google Voice
and/or Alexa



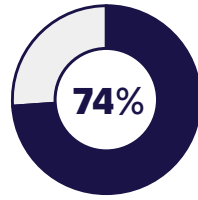
Through a
smart TV



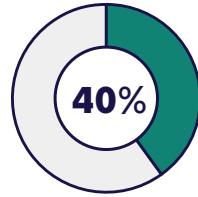
Phone
Bot

Takeout Trends:

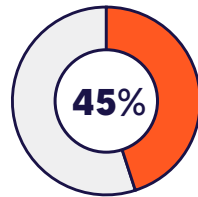
Have Americans Noticed Changes In Their Dining Experience?



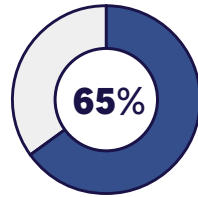
of our respondents, regardless of age, have noticed **frequent price increases** either sometimes or very often



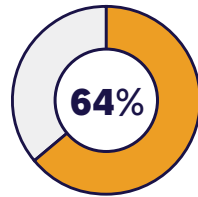
of all Americans noticed **changing hours of operations** at least sometimes



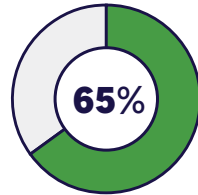
of all Americans have noticed **increased wait times** for delivery food



of customers have noticed **out of stock items** at restaurants either sometimes or very often



of all Americans have noticed **longer phone wait times** either sometimes or very often



of all Americans have noticed the **usage of streamlined or condensed menus** sometimes or very often



Three Great Takeaways in Summary

TAKEAWAY ONE

Cost Continues to be the Most Crucial Factor for Driving Dining Decisions

The majority of Americans have less disposable income for eating out, thanks to the dual pressures of rising gas prices and inflation—and tail effects are likely to last long after prices stabilize. As prices rise across the restaurant industry, total ticket cost remains the main priority for customers of all ages. Customer spending power is declining at a time restaurants desperately need to keep up with rising costs, and business owners ought to consider adopting long-term solutions to price sensitivity.

Business owners who future-proof their restaurants with the latest advances in restaurant technology are more likely to be able to offer cost-effective dining options while remaining profitable. Bundled packages of easily scalable dishes can attract cost-conscious customers without harming margins. Creating budget-friendly menus, possibly even just for delivery and takeout customers, can keep higher-end chains in the game for cost-conscious customers.

TAKEAWAY TWO

Delivery and Takeout are Only Growing in Importance

Customers are keenly aware of a restaurant's location when buying a dining decision. They prefer restaurants that are close in proximity, partially due to the high cost of gas in the United States, partly because they're picking up food to eat at home on the way back from work, and partly because they work from home and intend to eat there too.

Though dine-in foot traffic rose sharply in 2021 and early 2022 compared with delivery and takeout as people began to trust in-person eating again, the long-term preferences of diners in late 2022 are clear: more and more dining will happen

off-premise. This trend is outlasting the pandemic era and seems to be cemented as truth for all ages, with the youngest Americans ordering the highest percentage of meals as delivery and takeout.

Restaurants need to be keenly aware of how customers experience the ordering process and the food itself in off-premise settings, then develop menus and processes to support this growing share of orders. Flimsy packaging, cold food, and sub-par textured food can no longer be chalked up to last-mile delivery, and restaurants must create long-term solutions to quality and freshness challenges for off-premise food.



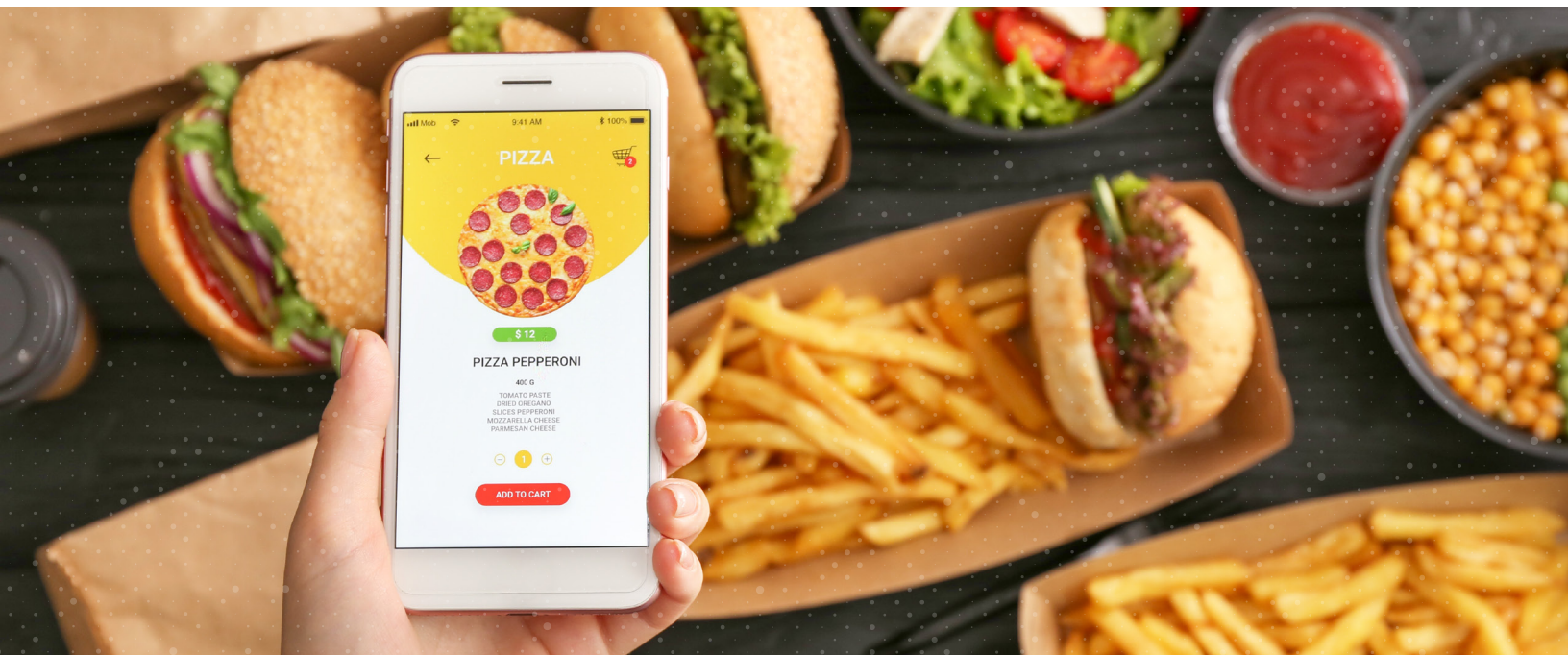
TAKEAWAY THREE

Younger Customers Have Strong, Tech-Focused Preferences.

Across much of The RushReport, Americans aged 18-29 have been outliers with preferences that differ from those of other age sets. In aggregate, these preferences are largely defined by:

- An increased rate of ordering out and a higher share of delivery/takeout orders
- A very heavy reliance on social media as a primary channel for restaurant discovery and receiving updates
- A strong preference for ordering via mobile and online channels
- A high degree of optimism that restaurants can overcome today's challenges with smarter uses of technology

Interestingly, this age set tended to rate less mainstream technologies like personalization in emails and ordering via Google Voice or Alexa as less critical than the next oldest age set (30-39), consolidating preferences toward a smaller number of technologies. It appears that these young Americans are most interested in using fewer technologies (namely, mobile apps, online ordering, and social media) that are better optimized for convenience and simplicity. In essence, they want their favorite tools and tech to work well, and are less concerned with new platforms or alternative ordering channels compared to customers aged 30-39.

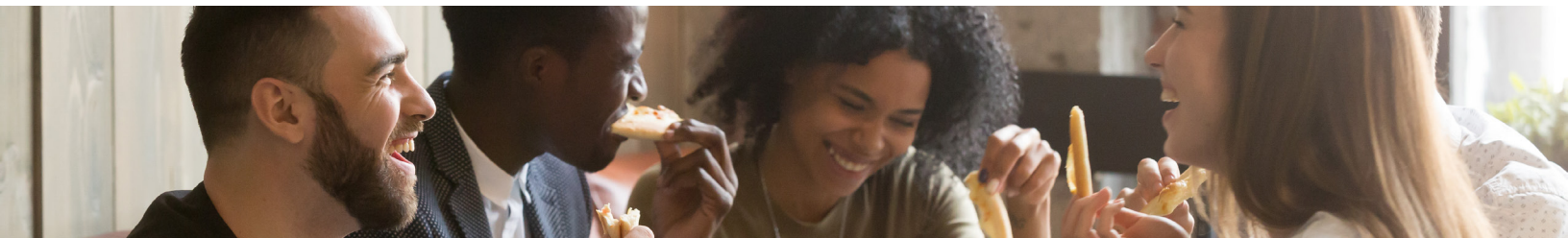


CONCLUSION

The COVID-19 era has irrevocably changed the restaurant industry. While restaurateurs have indeed sensed many of these changes, our research highlights what perhaps few people intuited; such as the importance of having a presence in the community, the surprising effectiveness of maintaining active social media presences, and the differing needs and expectations of various demographics.

Restaurants that seek to thrive in this difficult economic climate need to act boldly. The challenges of staff shortages, supply chain disruption and rampant inflation still chafe—and those who don't invest in both restaurant technology and in their local communities will be left behind. Those brave enough to embrace future trends, however, will reap the benefits.

The evidence presented shows we are living in some of the most challenging times for restaurants in recent history. But it also demonstrates a way forward—restaurants who have the courage to invest in technology and their communities will continue to stay one step ahead of their competition.



IT'S TIME TO BEAT THE RUSH WITH HUNGERRUSH



HungerRush 360 is an integrated system of solutions that gives restaurants everything they need to reduce labor, streamline operations, unify digital channels, delight customers and employees, and of course, sell more food.

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